



5 TIPS FOR OPTIMIZING YOUR IN-HOUSE ALCOHOL DELIVERY SERVICE

RETAILERS SHARE BEST PRACTICES FOR DELIVERING BEER, WINE, AND SPIRITS TO HOMES ACROSS YOUR STATE—WHERE IT'S LEGAL

BY CHRISTY FRANK

N A robust delivery program can increase your shop's revenue and expand its footprint beyond the customers that walk by your door. During times like these, when stay-at-home orders and general COVID-19 concerns may limit your customers' ability and desire to walk in your door, it can become essential. In this ever-evolving pandemic landscape, many states have re-

vised alcohol delivery restrictions in the past year to now allow liquor stores to deliver directly to homes, including Georgia (House Bill 879) and Ohio (House Bill 674), with Arkansas and Illinois poised to pass similar bills soon. It's a new lifeline and operational reality for shops of all sizes.

When starting up a delivery program, working with a third-party delivery service may have immediate appeal, but high fees can quickly erode bottom-line

profitability. While the upfront investment may seem daunting, shops should give serious consideration to building this service in-house.

Done right, an in-house delivery program can increase sales and profitability, while allowing your shop to maintain flexibility, offer a high level of customer service, and drive some additional branding activity.

Perrine Prieur, owner of Perrine's Wine Shop in Atlanta, started home delivery almost immediately after the bill was signed into law there last August. She describes her delivery program as "a continuation of our business" and has built her shop's program around the high level of service her customers expect, with thought given to the training of the drivers, the functionality of the ecommerce site and the branding of the shop's temperature-control van. We spoke with Prieur and other retailers from across the U.S. to understand how to navigate do-it-yourself delivery and ensure it works for your business.

ABOVE: RichWines bags ready for delivery // Kings County Wines in Brooklyn uses scooters for local deliveries

1 KNOW YOUR LOCAL LAWS

The first step of starting a delivery program, whether in-house or third-party, is making sure you're well-versed in the legal obligations. While proof of age and signature requirements are fairly standard, each state, county, and city municipality will have its own guidelines and quirks.

For example, Georgia mandates that drivers are over 21 years old, complete a delivery training course, and pass an exam and background check. Deliveries must take place the same day the purchase occurs and are limited to a specific delivery zone which is tied to the location of the shop. "I know a lot of retailers have struggled to determine the borders of their delivery area," says Stony McGill, director of governmental affairs for the Georgia Alcohol Dealers Association. "It can be tricky to understand where you can deliver to legally if you're located on the border of two municipalities. Our association has tried to keep an accurate list of who can do what, and where. We've worked hard to keep our members up to date."

An important detail is that in Georgia, as well as other states, much of the liability can remain with the retailer—even if they have contracted a third-party service to execute the delivery. "In that case," McGill notes, "you're putting your livelihood in somebody else's hands." Research local laws with your state's liquor control board for the latest updates in your area.

2 DEVELOP A STRONG ECOMMERCE PLATFORM

Before you can deliver the product, you need to sell it. That means investing in an online ecommerce site as an extension of your brick-and-mortar location. This doesn't mean you'll need to create one from scratch: Many platforms, including SevenFifty Storefronts, offer customizable templates and tools that will integrate with



ABOVE: Kings County Wines window sign promoting online ordering and delivery.

your existing in-store point of sale (POS) system to help ensure that your inventory is displaying accurately in your online store, saving the headache of following up with customers to discuss substitutes and processing refunds.

A robust platform should also support the logistics of your delivery program. A key feature to look for is the ability to customize add-on delivery fees based on minimum order amounts and delivery location. Some platforms allow you to drag and drop your delivery map borders, making it easier to set the exact addresses you want to—and can legally and efficiently—deliver to. This can be especially useful in markets where the legal delivery zones vary town to town and may or may not be tied to a zip code. In other markets, setting delivery by zip code



Perrine Prieur Gallardo, owner of Perrine's Wine in Atlanta

RichWine Founders and Co-Owners Lance Lemon and Kristen Gardner Beal



may be more efficient.

Your ecommerce system should also help you set customer expectations. Lance Lemon, a partner at RichWine, a new online-only shop in Richmond, Virginia, suggests making sure your site clearly communicates the details of your service offering, including any fees, minimums, delivery areas, and cut-off times. Confirmation emails should also be well-crafted, to notify when your customer's delivery will arrive and what they can expect when it's dropped off.

3 PAY ATTENTION TO PROFITABILITY WHEN SETTING DELIVERY TERMS

Offering delivery service will almost certainly increase your shop's sales revenue. But top line sales aren't everything—you want to be sure you aren't losing money with each order that heads out the door. Offering free delivery on every order likely isn't a sustainable option, so don't shy away from setting delivery fees that can cover or defray incremental delivery costs or minimum order amounts that can absorb them. RichWines offers free delivery with a two bottle minimum in their immediate area, sliding up to \$6 in neighboring counties while Perrine's charges a \$15 fee within the store's legal delivery zone. Factor in case discounts and differentiated margins on beer, wine, and liquor when making your estimates. (Drizly, in most markets, charges customers a \$5 fee that goes to the store and a \$2 service fee that goes to Drizly.)

Also consider profitability when considering delivery lead times and schedule. While one hour delivery makes for an attrac-

Top line sales aren't everything—you want to be sure you aren't losing money with each order that heads out the door.

tive selling point, very few shops will be able to make good on this promise. Even same day delivery can be difficult to do profitably. Porter Square Wine & Spirits in Cambridge, Massachusetts, offers delivery two days each week. Wine director and general manager Carol King explains, “This is working well for us as we are able to focus on customers needing delivery for larger orders.”



Sally Stewart,
Denver Wine Merchants

Periodically review your delivery ticket size, product mix, and delivery zones to check your assumptions and adjust your policies if needed. Sally Stewart, owner of Denver Wine Merchant says, “When we first allowed delivery we set our zone to a radius instead of zip codes and found that our profit our minimum order often was less than the time and mileage required to fulfill it. We've since shrunk our delivery zone.”

4 CONSIDER YOUR VEHICLE AND ALL THAT GOES WITH IT

In-house delivery programs will require a vehicle, which is likely to be your largest investment. Consider your location as well



ABOVE: Perrine's Wine refrigerated delivery van, named Jean-Louis, serves as a brand-building tool as well

as additional costs such as parking, insurance, and financing. Adam Robertson, owner of King's County Wines initially chose a moped for his Brooklyn shop's delivery program. “There's a certain size of moped which is regulated like a bicycle,” he says, which means there's no need for individual drivers' licenses or street parking, both a relative rarity in New York City. Robertson recommends considering how repairs will be made. The scooter couldn't be repaired locally, he says. “Flat tires had to be changed in New Jersey, trips that involved renting a U-Haul.”

Prieur's vehicular surprise involved the financing of her must-have for Perrine's Wine Shop: a refrigerated van for traveling in Atlanta's traffic during hot summer months. While car dealerships will generally offer financing terms, dealers that specialize in refrigerated vehicles may not, a factor to consider.

When exploring insurance options, be sure to check with the company providing your general business insurance. They may be able to bundle in commercial vehicle insurance that could save you money. And even if you are using your personal vehicle, you should look into adding a rider to your insurance policy.

And don't forget branding. Your delivery vehicle is an easy way to extend your shop's brand identity onto the street. Full vehicle wraps are an option, but Prieur found decals to be less expensive and

easier to change if needed. Her van even has a name, Jean-Louis, and shows off its personality in the shop's Instagram feed.

5 FINE TUNE YOUR PEOPLE AND PROCESSES

Staffing scenarios range from hiring drivers on a per-delivery basis, to rotating deliveries among existing team members who also work the shop floor.

Make sure you have a clear process in place for prepping orders and double checking them before they head out the door. Porter Square's King says, “It's important to have a routine for how orders are handled, especially because the person who takes the order may not be around when the order goes out. We have an area dedicated to storing orders ready for pick up, plus each order has a form attached to it with all the information and the receipt.” This goes a long way in minimizing potential mistakes.

Whoever is doing the actual delivery should be well-trained on the shop's policies, how to handle upset customers, and what to do if the customer isn't home or can't produce a valid form of identification. In many cases, your delivery person may be the only face-to-face contact your customers have with your business, so it's crucial that they reflect your shop's vision of service. RichWine's Lemon says, “That handoff, when we present the bottle to the customer, we want to make it personable even if we're keeping it contactless. That experience, that's our bread and butter.” ■

HEADING TO THE HILLSIDES

DOMAINES BARONS DE ROTHSCHILD (LAFITE) EMBARKS ON A NEW CHAPTER WITH LOS VASCOS REDESIGN AND LAUNCH OF THE RESERVE CROMAS LINE

When Bordeaux-based Domaines Barons de Rothschild (Lafite) acquired the sprawling Los Vascos estate in Colchagua Valley in 1988, the purchase made history by marking the first French investment in Chile's modern wine industry.

Clearly, that decision paid off: Los Vascos has established itself as one of South America's leading brands, a familiar fixture on retail and supermarket shelves across the U.S. for over three decades.

From today's vantage point, it's difficult to appreciate how groundbreaking that expansion was at a time when Chile's potential remained largely unexplored. For the firm behind some of Bordeaux's most celebrated châteaux to set down roots in the foothills of the Andes required incredible vision and innovation.

So when Viña Los Vascos general manager Philippe Rolet speaks of a "revolution" underway at the estate today—including not only a makeover for the classic Los Vascos range, but plans to release a bold new line of reserve wines from specific hillside vineyards under the "Cromas" label this March—it's time to pay attention.

PLACING TERROIR FRONT AND CENTER

The brand makeover began in summer 2020 with the rollout of a new package for the classic range of Los Vascos wines. While preserving the traditional French gravure feel of the previous label, with its familiar engraving of the Los Vascos hacienda, the new illustration transports the viewer straight into the rolling vineyard



Los Vascos sprawling estate in the Colchagua Valley includes valley floor vineyards as well as steep hillside sites where the new Cromas line of wines are sourced.

land of Los Vascos itself. Picturing the wide expanse of Los Vascos' vines, backdropped by the looming Andes Mountains, the new label emphasizes the importance of the Colchagua Valley's unique terroir.

The design still proudly bears the Rothschild group's trusted five-arrow insignia, a reassuring stamp of quality and continuity with the past. In this way, the reboot represents a meaningful makeover without eschewing the brand's legacy.

HOW CROMAS HIGHLIGHTS HILLSIDE VINEYARDS

The introduction of the highly anticipated Cromas line represents a significant new chapter in the Los Vascos's evolution.

Featuring labels inspired by the dramatic colors of the Colchagua Valley's natural landscape ("Color is the Language of Nature," the line's tagline reads) and the estate's diverse template of soil types, Cromas was created to showcase specific hillside vineyards the winery began planting in 2013.



Los Vascos' winemaking team found that vineyards planted on the estate's steep slopes produced wines with greater concentration and elegance, and the Cromas line was born, explains general manager Philippe Rolet.

"For the past thirty years, we primarily managed our vineyards on the flatlands of the valley," explains Philippe Rolet. After years of experimentation, however, the winemaking team found that vineyards planted on the estate's steep slopes—with their ideal drainage, optimal ripening conditions, and warm granitic soils—produced lower-yielding vines that result in concentrated and elegant wines.

Now, for the first time, the results of that labor will be put into bottle. "That process of discovery directly gave birth to the Cromas range," adds Rolet.

Positioned at approximately \$20 (SRP) and adorned with bright, colorful labels that nod to the terroir, the line will debut with two initial examples: the Cromas Cabernet Sauvignon and the Cromas Carmenère. Rolet reports there are additional expressions planned for the future.

As the Chilean wine industry has grown up, become more terroir-driven and single site winemaking-focused, so too has Los Vascos. The revamped classic line and new Cromas debut showcase the winery's ongoing commitment to exploring the potential of Chile's unique soils. ■