

Orangewood Wines

Small Wineries, Great Wines

Orangewood Wines' Newsletter

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Introduction

It's a New Year, time for the current totals on the Box Scores in addition to the new ones. And time to get our thoughts together for the year – like remembering what year to write on checks.

Box Score

New Restaurants:	1	(94)
New Retail/Wine Bar Outlets	20	(85)
New Sales People	2	(12)
New Wineries/Importers	0	(29)

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New Restaurants

[Zulu Caffé](#)

15000 North Airport Drive
Suite 100 – in Terminal Building
Scottsdale, AZ 85260
(480) 636.1634

New Wine Stores/Wine Bars

Interstate Mobil

2484 East Butler Avenue,
Flagstaff, AZ 86004
(928) 214-6305

Majestic Marketplace Mobil

2020 South Milton Road,
Flagstaff, AZ 86001
(928) 773-0313

Safeway Supermarkets (with Beverage Stewards)

18 stores in Metro Phoenix, Tucson and Sedona

New Sales People

Kevin Metz

Kevin has been in the hospitality business for the majority of his career. During that time, he has become more and more interested in wine, and set up wine programs with his previous and current employers. His interest in wine led him to study to become a Certified Specialist in Wine (CSW) from the Society of Wine Educators. The notion of education for our customers and their customers is what we strive for. Kevin lives in Tempe and will be visiting customers and prospects in the surrounding neighborhoods.

Silvia Miller

Silvia is a wine enthusiast whose career has been in customer service. Not everybody “gets” customer service, so when we find someone who has that gene, it’s a great starting point. Silvia will be learning about our wines and wineries and working with selected accounts along the North 101 Loop.

Wine Business Review – State of the Industry

Over the last 10 years that I have been watching the way the wine business works in Arizona, I have learned a lot, but I still know little. My comments below are the result of talking to many folks in all parts of the business. I talk to my trucker about how busy they are, I listen to the wineries we represent to see how things are looking from their perspective and, of course, I spend time with our customers and consumers. After puffing myself up, the following analysis is probably dead wrong, but our response to it is what we are doing. I believe we continue on a low risk path – survival continues to be the key.

We have seen the wine business evolve. Against a background of steadily increasing consumption, different businesses have come and gone. On the supply side, the increased demand resulted in overcapacity – too many people grew too many grapes and made too much wine – and a glut. Some really good wine was sold on the bulk market as desperate wineries tried to salvage a little cash from the product of their labors. Bulk wine prices dropped and the quality of cheap wines improved. That glut is over in California. Expect to see bulk brands drop in quality. Expect to see wineries struggle to have their wines be available through to the next vintage. Expect to see less discounting by well known wineries. On the retail side large box stores proliferated, selling well known, as well as own label, brands. Supermarkets started getting serious about fine wine and employing wine knowledgeable staff to supply their increasingly wine savvy customers. Specialist wine stores have been squeezed by both. On the restaurant side, the great recession has pushed many to eating at home, bolstering the retail wine sales but battering the restaurants. Though we have approximately the same number of retail as restaurant outlets, our overall sales now tilt heavily towards retail. The now savvy wine consumer is going out to restaurants more, but is not prepared to pay high mark ups for wines. (What beer do you have on tap?) From our perspective, the restaurants with fair markups are doing more business and more wine business.

Meanwhile the economy is bumbling along. I keep hoping for robust growth, but it is anemic, at best.

What are we doing in response to this analysis? First and foremost, we will try to avoid irrational exuberance. Survival is the key and hoarding our cash continues to be the foundation. We have increased our sales team modestly and we are asking them to address the retail/restaurant balance, discussing pricing in the new world order. We will continue to provide excellent wines and give great service. We will do our best to listen to all of you and be responsive to any feedback you give us.

Happy New Year!

Rambling

If you start driving from Phoenix to Telluride at about 9:00am, you will arrive there at around 5:30pm. Along the way you will drive through Flagstaff, the Painted Desert, the Navajo Indian Reservation, including the Kayenta Burger King that includes an exhibition dedicated to the Navajo Code Talkers, past Four Corners where 4 states meet, past Ship Rock that features in Tony Hillerman's novels, past the now defunct M&M truck stop in Cortez, and past the wooded copse that my front wheel rolled into above Telluride. Once there you can be lifted into the mountains, and if you have slick planks attached to your feet, you can point them down hill and arrive at the bottom quicker than you went up. Last weekend I did all this (in case you were wondering where I was wandering). The last time I did this was in 2003. It was the final trip with Laurie and our snow boarding friends and investors from Denver, Deb and John. We had met annually for 12 years. I was relieved to find that I could still hack my way around the mountain, but I missed Laurie waiting for me at the end of each run and watching Deb and John disappearing down Double Black Diamond runs like East Drain.

Also back from Colorado is Brian Ford. Previously owner of Madelyn's Restaurant in Anthem, he took a 3 year sabbatical in Denver. Brian is now executive chef at Zulu Caffé which is located in the main terminal building at Scottsdale Airport. They are open for breakfast, lunch and happy hour. I am pleased to say they have some great wines at fair prices.

The Rambler rambles on...

Richard (newsletter writer), Laurie (editor) and Jim Wallace (another writer and editor)
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