

Wilson Daniels

SPREADS

Its WINGS

The California-based fine wine legend has transformed into a bicoastal player

BY CAROL WARD

In October 2015, Wilson Daniels launched a new wholesale operation in New York, and it followed up with a similar launch in New Jersey in 2016. By early next year, president Rocco Lombardo predicts the company will have doubled its sales force in the region. “Initially we launched with 12 sales people and a couple of managers, but in 2017 we’re sitting at 20 sales people and four managers,” Lombardo says. “Next year, we’ll have two major brand launches.” While Lombardo was unable to reveal details at press time, he notes that Wilson Daniels “will expand our sales force to 24 sales people and five managers by January 2018 to support the additional business.” The ongoing buildup of the wholesale division, along with the addition of new brands to the sales and marketing division, gives St. Helena, California-based Wilson Daniels a much-expanded, bicoastal presence within the U.S. wine sector.

Wilson Daniels is a subsidiary of Young’s Holdings, Inc., owned by the Underwood family. Young’s Holdings’ subsidiaries include Wilson Daniels and Wilson Daniels Wholesale, as well as Young’s Market Co., a major distributor in 10 western states; Infinium Spirits, a spirits marketing company; and other businesses. Infinium’s brands aren’t distributed through the Wilson Daniels division. The Wilson Daniels portfolio itself has a handful of spirits brands, but the vast majority is wine.

Lombardo, who previously served as president of New York-based Frederick Wildman and Sons, is a relative newcomer to the organization; he joined Wilson Daniels in June 2015 ahead of the wholesale division launch. The move into New York and

The Wilson Daniels executive team includes (from left to right) vice president of private client group services Mike Hoagland, senior vice president of sales and marketing Bob Guinn, president Rocco Lombardo, and vice president of marketing and brand management Scott Diaz.

PHOTO BY JASON TINACCO





New Jersey gave balance to a West Coast–centric operation. “Wilson Daniels was over-indexed in the west and under-indexed in the east,” Lombardo notes. “The initial intent was to strengthen our presence, and Wilson Daniels now has two areas of operation. We’re a national sales and marketing company, and we’re also a wholesale company.” Lombardo calls the expansion a resounding success. “We had a three-year plan, and it was achieved in the first 18 months,” he says. “We’re profitable as a wholesale organization. The existing business we took over in New York and New Jersey has quadrupled in the last 19 months.”

Vice president of operations Kevin Murphy says the wholesale business has “been a bit of a whirlwind” over the past two years, adding that the venture has been successful thus far. “We’ve benefited from the stability of a portfolio that was already distributed here in New York, which allowed us to build a solid business off that base,” he says. “Now we can continue to add to the portfolio in a complementary way and really flesh it out.”

“We still have a very focused portfolio,” Lombardo adds. “Any major wholesale business today represents between 7,000 and 10,000 SKUs or more. We’re still operating with less than 800, and there’s a very strong focus on the properties we have. We work with fewer than 100 brands in the wholesale division.”

Portfolio Strategies

Wilson Daniels represents a relatively small roster of high-profile brands. Lombardo says the company will stick with the same formula, focusing on mainly luxury Old World and U.S. wines. “We’re fully focused on fine wines,” he says.



Wilson Daniels’ high-end portfolio ranges across countries and styles and includes famous names like (CLOCKWISE FROM TOP) Bisol, which has made wine in the Prosecco region for five centuries; the renowned Burgundy estate Domaine Leflaive; Arista Winery in Sonoma; and Montalcino icon Biondi-Santi.

PHOTOS BY (CLOCKWISE FROM BOTTOM) KIM CARROLL; STEFANO SCATA; MICHEL JOLY

“Our average wholesale price is sitting at roughly \$24 a bottle. You’re looking at an average retail price of \$37.” The company’s flagships include two of the most acclaimed Burgundy domains in the world, Domaine de la Romanée-Conti and Domaine Leflaive. As of October, Wilson Daniels also imports the acclaimed Tuscan producer Biondi-Santi. “Over the past two years, we’ve also been very active in portfolio recruitment nationally and on a wholesale level,” Lombardo says. Other recent additions include Arista from the Russian River Valley, Champagne Fosset, Château Gassier from Provence, Arnaldo Caprai from Umbria, Bisol Prosecco, Olivier Bernstein in Burgundy and others. “I think our portfolio recruitment will continue to happen in a methodical way,” Lombardo explains. “We’re focused on continuing to strengthen our French, Italian and domestic portfolios nationally.”

Family and luxury are two key attributes for the wines Wilson Daniels represents. “We want to work with families,” Lombardo says. “I’ve been in this industry for 22 years. I’ve had experiences dealing with many different types of businesses, from corporations to cooperatives. Our focus is on representing the top family wineries in their individual areas.”

Company executives say they will continue to seek out wines from France, Italy and the western United States to further round out the portfolio. “We’re always looking within those regions,” says Scott Diaz, vice president of marketing and brand management. “We feel pretty well supplied on all those categories right now.”

Wilson Daniels also has a few luxury spirits, separate from Young’s Infinium division. “There was a lot of discussion about looking at joint distribution, but given our model it does not fit,” Lombardo explains. In fact, he says that spirits will play an even smaller role in the Wilson Daniels portfolio in the future. “I see a lot of opportunity in the craft spirits business, but we have to know what our core competency is,” he says. “There’s a flood of activity in that area. We want to stay fully focused on selling fine and luxury wines. We’re going to be de-emphasizing the spirits side of our business. What we’ve done instead is emphasize further specialization in the wine business, hiring people who are fully focused on our Italian portfolio, our French portfolio and our domestic portfolio.”

Tapping The Market

The luxury labels seem to be resonating with the trade and consumers. Bob Guinn, senior vice president of sales and marketing, says company depletions are up about 30 percent over last year, in part due to new brand representation. “Château Gassier from Provence has doubled its business in the last year—the category is obviously very hot and that brand is exceptional for us,” Guinn says. Two recent Italian additions—Bisol and luxury



Wilson Daniels imports and distributes a limited roster of high-profile brands (selection above), among them the prestigious Burgundy labels Domaine de la Romanée-Conti and Domaine Leflaive, Hungary’s Royal Tokaji, and the acclaimed Tuscan producer Biondi-Santi, which joined the company’s portfolio in October.

WILSON DANIELS BRANDS	
FRANCE	Champagne Gosset, Château Gassier, Château du Moulin-à-Vent, Château Simard, Chêne Bleu, Clau de Nell, Domaine Laroche, Domaine Leflaive, Domaine de la Romanée-Conti, Mas La Chevalière, Olivier Bernstein, Pierre Sparr
ITALY	Arnaldo Caprai, Biondi-Santi, Bisol, Buglioni, Castello di Volpaia, Dal Forno Romano, Elvio Cogno, Jeio (by Bisol), Maeli, Nikà, Prelius, Tenute Sette Cieli, Venissa, Villa Russiz
NEW ZEALAND	Frenzy, Kumeu River, Mount Nelson
HUNGARY	Royal Tokaji
UNITED STATES	Arista Winery, Davies Vineyards, Double Eagle, Dowdell, Grieve Family Winery, Hyde de Villaine, Mirabelle, Schramsberg Vineyards, RouteStock
SPIRITS	Cognac Lhéraud, Baron Gaston Legrand Armagnac



The St. Helena, California-based company (headquarters pictured) focuses on representing historical families and their top-tier products.

Valpolicella producer Dal Forno Romano—have both performed superbly as well. “Our regular business year over year is still growing at 16 percent, which is outstanding, but the new brand acquisitions have helped accelerate our growth,” Guinn notes.

Diaz adds that the environment in the United States remains ripe for expansion of luxury wines. “There’s a vibrant market for the brands we represent,” he says. “Premiumization is still happening out there, and you can see it in mergers and acquisitions. A lot of the bigger wineries are acquiring high-end vineyard lands, as well as high-end brands, because that’s where we’re seeing growth. But Wilson Daniels has been doing this for 40 years. We’ve always been in the luxury category.”

Diaz also notes that much of the national data on ultra-premium and luxury wines actually encompasses wines with far lower price tags than those handled by Wilson Daniels. “We have about 35 brands with an average suggested retail price of roughly \$40, so we’re well above where a lot of those indicators are,” Diaz says. The strategies undertaken by the sales and marketing division are mimicked in the wholesale division, Lombardo says. “We have a Wilson Daniels sales and marketing business and a Wilson Daniels wholesale business, but the two of them follow a similar path,” he says. “Authenticity is critical, and working with families is critical—especially families who have a strong history in this business. Fourteen of the properties we represent nationally date back more than 100 years.”

For the wholesale division specifically, Lombardo anticipates more aggressive expansion of the brand portfolio. “In wholesale I think the pace will be a bit more dynamic,” he says. “We now have the infrastructure in place to establish a leading portfolio of imports and domestic wines. We launched Grgich Hills in July, and we look at Grgich as part of the next phase for us, representing those legendary Napa and Sonoma families that

occupy that mid-cap arena of 70,000-to-100,000 case-production we can handle in New York and New Jersey.” Kirschner echoes that point, noting that the goal is to “be a vehicle for some of the greatest family-owned wineries, both small and small-to-medium size,” he says. “We have a group of individuals who are passionate about wine and want to present these family visions in the appropriate manner.”

What’s Next?

While Lombardo says the company needs to stay focused on its core competencies, he sees potential in looking at other wine-producing countries such as Spain, Germany and Austria. “We’ll be keeping it very tight and consistent with our mission statement, which is representing historical families, leaders in their areas,” he says. “There’s still a ton of opportunity for us, and we need to stay focused. We want to be a specialized player, to be looked at as a leader from France, Italy and the West Coast.”

The wholesale division will concentrate on refining its approach in targeting top-tier accounts. “We fill approximately 60 percent of our volume in the on-premise and 40 percent in the off-premise,” Lombardo says. “If you take a look at New York and New Jersey, we’re calling on 1,500 of the top accounts in both states, and that’s our focus. We will continue to be the very best we can be, and then who knows what the future holds with regard to further expansion of our fine wine wholesale business.” He adds that the direction undertaken two years ago has worked. “The company is positioned for a very successful next three to five years,” Lombardo says. “Being a bicoastal player with direct distribution on both coasts puts us in a very strong competitive position for the future.”

