

Why A Wine Industry Marketer Reached For His Better Angel



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I write about the multi-leveled wine industry as well as wine history. [FULL BIO](#)

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Courtesy Cellar Angels

Martin and Denise Cody, Cellar Angels Founders

According to co-founder Martin Cody, [Cellar Angels](#) is "a group of wine lovers intent on changing the world."

Is that comment hyperbole or idealism?

Founded in 2010, the company was intended to fill a Direct-to-Consumer (DtC) void: to make available high-end small California wine production that does not make it into the second tier of the three tier national distribution system.

Cody believes every business is formed from what he calls, "the Shun philosophy." Businesses are developed either out of desperation (shun, get it), inspiration or frustration. His motivation was frustration. Having been on the retail side of wine, he says he grew frustrated with a situation where "five companies controlled eighty percent or more of the wine marketplace in the U.S. ...nearly two hundred wine brands rolled up under [Constellation \[Brands\]](#) or [\[E & J\] Gallo \[Winery\]](#), and I believed the consumer had no clue."

In Cody's eyes the big companies "pay lobbyists to influence alcohol laws," and they bastardize brands in a trek toward maximizing profits. He believes the "little guys"—small producers making some of the best wines—are shut out. To him that was an opportunity, as the cliché goes, to make a difference, and to do it in an indirect but meaningful way.

A day hardly goes by when a domestic winery or wine retailer isn't solicited for wine donations . The Cody's (Martin's wife Denise is co-founder of the business) reasoned, "Why not combine an action occurring every day across the U.S. (wine buying) with access to wines you cannot acquire unless you're on the winery's mailing list, with an automatic and much needed charity donation?"

That was the birth of Cellar Angels, and when the Cody's approached a few wineries with their idea they liked it.

Cellar Angels is billed as a private online sommelier introducing the consumer to largely unknown, limited production Napa and Sonoma wine producers. Assuming that no one tells the story better than the one who owns it, Cellar Angels supports VIP tastings and private interactive Skype tastings to teach consumers about the wines. Ninety percent of the wineries in the portfolio produce under 10,000 cases; some varietal wines or brands have an annual

production of as little as fifty cases.

More important, when consumers buy wine through Cellar Angels, ten percent of the proceeds from each sale goes to the buyer's desired charity.

This is a membership-only wine buying club with all the trappings the category implies: access to non-distributed wines, member-only pricing, online connection with winemakers, VIP bonus offers, concierge support for members who visit wine country, charity donation and of course DtC to a member's door.

According to wine industry analysis, the average life span of a wine club membership is eighteen months, after consumers get the feeling they are being offered inventory clearance wines and as the wine club proves weak at follow up. Cody says this is not so with Cellar Angels, first because different wineries are featured regularly and interaction with members is constant.

Cellar Angels is primarily a marketing company that facilitates reaching and selling wine to consumers. Cody says when consumers buy wine through his company's website, "the winery is still the seller and shipper of record." Wineries pay Cellar Angels a negotiated fee for service and the "angels" pay the charitable donations.

Cody says the business was formed with the intent to cater to a "more sophisticated wine clientele." His bent is toward the monolithic "Millennials" which as a group appears to appreciate so-called authenticity as well as philanthropy, but they are not yet at the income level that would sustain his business. Still, when true wine-oriented Millennials visit wine country Cody believes their budding passion leads them to seek top quality wine.

With an average bottle price in the Cellar Angels portfolio at \$43, the [Nielsen Company](#) defines the company's target market as "Mass Affluent" and "Affluent," the former with annual household income between \$250,000 and \$1 million—the latter beyond \$1m.

If Nielsen is correct, Cellar Angels fits right into what can be called the luxury fine wine market—and with just three percent of wine sales online in 2017, just think of the space the Cody's have for growth.

It's only wine, but it's so good ... [View my Amazon author page:](#)