



Same day wine delivery service available in Australia

The WineDepot system is promising to offer a streamlined approach to wine delivery, benefitting wineries and customers alike. **Eleanor Danenberg** spoke to WineDepot’s Dean Taylor to find out how it will work.

Transport & Logistics

Customers will soon be able to receive their wine on the same day as placing an order due to a new partnership between publicly listed company Digital Wine Ventures and Australia Post.

Digital Wine Ventures says its wine distribution service WineDepot will reach customers in every state with a base in Australia Post’s distribution centres in Sydney, Melbourne, Brisbane, Perth, and Adelaide. Scheduled to launch in September this year, WineDepot is expected to have its full services operational by July 2020.

WineDepot was created by Dean Taylor, who has worked in the wine industry for over 20 years, founding companies such as Wine Ark, Wine Exchange, Cracka

Wines, My Wine Guy, Winegrowers Direct, and the Wine Collective. Taylor has decided to run WineDepot through an Australian public company he acquired early this year and rebranded as Digital Wine Ventures.

Taylor said he is aware of the issues associated with wine delivery and transport within Australia that frustrate both wineries and producers (see related article on page 76)

“The supply chain in Australia is incredibly fragmented; there’s literally thousands of small businesses and it’s a big country that’s very spread out, and quite expensive to ship goods around,” he says.

Taylor adds that with different wine producers using various freight providers, customers can order wine from multiple brands from the same

online marketplace, but it could all arrive at different times and at inconsistent levels of service.

“The supply chain we’re left with is inefficient, expensive and incredibly slow,” he says. Another issue with the current system, he said, is that customers can mostly only buy wine in cases of six or 12, “but “consumers are really moving away from that”.

“People are experimental; they want to try different varieties but they don’t want to take a risk of buying 12 bottles to find out they don’t like it,” Taylor points out.

He says WineDepot aims to address these issues. Simply, WineDepot will provide a system “for all suppliers, whether it’s a winery, distributor, importer or retailer providing the infrastructure to allow them to have their customer

orders delivered quickly and cheaply nationally”, Taylor says, adding that the global average expectation for online retail deliveries is less than two days. And it is the retailers that will feel the pain if they don’t get their stock out quickly, which may potentially jeopardise their relationships with customers.

Taylor describes WineDepot as “a purely agnostic situation”, with no alignment to any retailers or particular sale channels, including Taylor’s other wine businesses.

So how will it work?

WineDepot will establish a number of physical depots around the country including Sydney, Brisbane, Melbourne, Adelaide and Perth. Typically the depots will reside inside Australia Post distribution centres and be managed by Aus Post’s specialist e-commerce team Fulfilio, allowing orders to flow directly into their fulfilment network, removing the need for collection or drop off.

Each depot will hold a broad range of inventory in limited quantities, which will be replenished bi-weekly from a central storage and distribution centre. As suppliers’ orders are placed with WineDepot, they will be routed directly to the depot closest to the end consumer where they are picked, packed (by bottle or case), and delivered.

While aimed at servicing cellar door, mailing list and direct-to-consumer orders, WineDepot’s integrated trading and logistics platform will also allow suppliers to ship orders on behalf of third party sales channels including online retailers, marketplaces, and telemarketers.

Suppliers will be able to provide orders to WineDepot through a variety of methods ranging from keying it in through their portal, integration with their websites, or using a variety of connectors to plug into their existing technologies.

WineDepot will also provide suppliers and their sales channels accurate and live inventory data, avoiding the situation where a customer places an order and pays only to find out a product is not in stock. For those concerned with damage to wine during hot weather, WineDepot’s system also allows both suppliers and customers the ability to place heat holds on orders.

For wineries to start using WineDepot, Taylor says it will be as easy as opening an account online and setting a time to move their inventory into the central storage and distribution facility.

When it comes to costs, Taylor says WineDepot will be offering a very simple per case fee model that will make it easier for wineries to understand their actual end-to-end supply chain costs. There will be no membership fees, no minimum spend required of wineries, and no lock-in periods. He says delivery fees will be very competitive and vary according to the location and service level required, but will start from \$7.50 per case for most metro areas.

To make the on boarding process as easy as possible, Taylor says WineDepot will also be offering a free collection service for suppliers in most South Australian wine regions and some of the cheapest storage costs for palletised wine in the country.

Taylor says WineDepot will also offer on-demand and bulk kitting services.

“For many wineries when they do their annual mailing lists orders, they have to shut down the winery for almost a month while they pick and pack; we’ll take care of all that process for them. This allows wineries to free up a lot of time, which they can use to concentrate on selling more wine,” he says.

How far and wide will this reach?

Whilst it depends how the industry embraces this solution, through its partnerships with Australia Post and Wine Storage & Logistics, Taylor says, “we believe we can offer the quickest and cheapest next day delivery solution in the country.

“Our platform has been built to handle any account, from a small winery all the way to industry heavyweights like Treasury Wine Estates; so I’d like to think that in three to four years we’ll be shipping more wine than any other business in the country,” Taylor asserts. Based on the initial interest the company has received, Taylor and the team are expecting more than 100 wineries to have signed up to WineDepot by the time it launches in September.

Taylor says with the modelling Digital Wine Ventures has done so far, it should



WineDepot creator Dean Taylor.

be able to deliver to 85% of customers Australia wide within 24 hours. Delivering to 100% of customers within 24 hours is an ambition for the company, but Taylor estimates it will take a few years to achieve that.

First down under: then the world

DaWine, the public company that was rebranded as Digital Wine Ventures, already has corporate, legal and financial structures operating in China, so Taylor says there is absolutely a plan to open WineDepot in China; as early as next year actually.

“Where this will be of particular interest to Australian wine and wineries is that for Chinese tourists visiting their cellar doors, they should be able to offer them free delivery on wine that [can be delivered to their address in China] by the time they arrive home,” Taylor says. “That does get around one major problem at the moment, [where] Chinese tourists are only allowed to take back two bottles of wine with them,” he adds.

Beyond China, Digital Wine Ventures also has its sights set on other markets, “pretty much anywhere there’s a market for Australian wine”, such as the US, Canada, the UK, Singapore, and New Zealand.

Taylor says it’s very much a case of watch this space when it comes to Digital Wine Ventures, WineDepot and what will come next.

Grapegrower & Winemaker will keep readers aware of updates. 