

How The Costco Heir Is Disrupting The Fine Wine Industry

Fine wine is an industry ready for disruption and democratization, and the Costco heir is here to do just that

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As an industry, wine has seen little in the way of innovation. It's a category steeped in history and tradition, which often means disruption is shunned. However, with the advancements in technology and a growth in overall consumption, wine is ripe for a cataclysmic change. And David Sinegal, the Costco heir, is setting out to do just that with his winery [Sinegal Estate](#). David bought the Napa winery in 2015 and is intent on changing the world of wines as we know it. Similar to the ethos of Costco, he's aiming to provide fine wines, at accessible prices.

Embrace Technology

There's something very romantic about wine making, and tech is often seen as an unwanted interference. However, embracing technology can help to systemize processes and ensure that quality wine is created, consistently. This, in turn, can help lower pricing, as there is less waste and guess work. Sinegal has a process that encompasses 1,403 steps, including phenolic analysis and optical grape quality assurance sorting.

The Lesson: Consider how you might use technology to help you systemize a process and achieve greater efficiencies and consistency.

Category Democratization

Fine wines come with a certain level of snobbery and exclusivity. But Sinegal wants to change that, and make high-end wines available and affordable to more people. While the fine wine market focuses on a narrow band of consumers, opening the world of fine wines up to more people makes economic sense. Though creating just 4 varietals runs contrary to the category (that delights in creating a huge number of varietals and blends), Sinegal offers just 4 varietals. This allows them to narrow their focus and get the economies of scale right so they can deliver their wines at an affordable price. While similar wines start at \$500 a bottle, Sinegal can deliver theirs for under \$100. As Sinegal says, this is a form of respect for the customer, "We make the wines the best they can be at the best price we can sell them for is a way to honor and respect our clients".

The Lesson: Consider what you can make available to a broader band of consumers

Quality Inputs

Like most producers will tell you, inputs are key. Most winemakers rely on the reputation of the vineyards that they buy grapes off - and trust that quality will be consistently good year on year. Sinegal would prefer a little more certainty. They have a device that allows them to test the quality of grapes by the bunch, and insist on doing so before any grape purchase is made. And once they have secured the produce, quality is monitored rigorously. Their fermentation tanks are remotely monitored to control the environmental variables.

The Lesson: Control all your inputs to ensure a quality product

Experience-Based Membership Model

Rather than just sell through the trade, Sinegal has created a membership model that allows wine to be sold direct to consumer. Like other wineries with a membership model, the ticket price includes a certain number of bottles a year, but also includes access to the estate and the ability to host events. Members can bring their friends and enjoy a tasting on the winery grounds, and parties are kept separate to ensure the experience feels original and special. The invitation to explore the estate moves wine from product to experience.

The Lesson: Consider creating a premium experience that brings your product to life

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