



## WINNING WITH WINE

### Old York Cellars owner David Wolin changed his business four times to meet the pandemic challenge

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David Wolin, the owner of Old York Cellars winery in Ringoes and former Biglaw attorney, is a self-proclaimed worry wart. While peers spent March thinking all could go back to normal in a matter of weeks, Wolin and Old York took the position that pandemic-related changes might go on for a year.

As necessity is the mother of invention, so is its relationship to reinvention.

"It's like, 'what's the worst-case scenario?' I'm a lawyer by trade. This is going to go on for a while," Wolin said. "I was hoping it would go back to normal—we were up about 40% in the first quarter of 2020 from the previous year—but we reinvented our business."

Small wineries don't do all that well online. Just a small portion of all wine sales are online, the reach of national brands is too extensive and the regulations governing the online wine business are prohibitive for the little guy.

"It's heavy to ship and you have to sign for it – it's less than 10% of wine sales in this country are online. For small wineries like myself, that number is probably about 1%," Wolin said. Wineries need to be registered in every state they're mailed to, and the paperwork process is burdensome. So, too, is the prospect of business failure, so they got creative.

The team at Old York Cellars decided to focus on marketing to businesses, rather than individuals. During 25 years at a large law firm, Wolin attended countless corporate events and fundraisers, and four years on the farm hadn't helped him forget the experience. He knew that the corporate and non-profit worlds would still be looking for ways to connect with their people, so Old York created a virtual wine tasting package, complete with three half-bottles of wine, chocolate, educational information, and a Zoom link.

Businesses and non-profits in 12 states have sought the packages, contributing in large part to Old York's 623% year-over-year increase in online sales from June to December.

For fundraisers, non-profits like the D&R Greenway Land Trust in Princeton market a virtual wine-tasting event to their donors, who then purchase a package from Old York's website and receive it at their door by event night.

Corporate events go similarly, though Wolin said businesses will sometimes splurge on three full-size bottles rather than the half-sizes, seen as a gift for corporate development and an event to bring colleagues together during the pandemic.

"I used to attend a lot of fundraisers where the firm would buy a ticket to a table, so we tried to create events that would appeal to this group. We put together a program that other wineries don't have. We have a package. If you're an event planner, you just call Old York Cellars and we say 'when do you want to set it up?'" Wolin said.

The simplicity made it a hit, Wolin suggests. But it didn't come without upfront costs and stressors for him and his team. "One of the things we found is to be able to be successful in this area is we may need to sell outside of this area. We were able to sell in New York and Pennsylvania, but it was necessary to expand the reach. If these companies have employees in various states, they didn't want to do an event for just the in-state employees. You have to register in each and every state," he said.

COVID-19 delays due to understaffed municipal offices made the process of state-by-state registration to sell wine take anything from three weeks to three months. Fees and filings varied, and it cost anywhere from \$100 to \$1,000 to register to sell wine somewhere. Connecticut, for example, charges a \$200 fee for every label a winery sells in state. Despite its catalogue of wines—30 of them—Wolin stuck with only registering

the three bottles typical within the virtual tasting pack.

Though Old York started the virtual tasting program in April, it took a few months to gain traction. Initially, many thought the hiccup COVID caused in day-to-day life would be over soon enough. With some expecting in person events to start back up again by the third quarter, why sink money into something like an online wine tasting?

With in-person events still on hold, Wolin said Prudential Financial, Barclays Bank, and Avalon Construction have all hosted events for their employees. And Old York has a sweet spot in the market—many smaller wineries would find the registrations and shipments cost prohibitive, and the biggest players, from what Wolin sees, have no interest in this business.

"We're filling a place in the market," he said.

#### FRESH AIR

Something that wineries like Old York do have is plenty of space, and the institutional use of outdoor seating. Social distancing is easy on 28 acres. The winery tends to get busy at the beginning of May, and despite being closed for six weeks of busy season and six weeks of shoulder season, Old York matched its 2019 revenue for on-premises sales.

And then doubled it.

"We created this safe environment that literally got busier and busier every week until the weather started getting cold in November. We put in a reservation system and an ordering app. While we're not totally contactless, we're minimal contact, and we had to [get that in order] in a short period of time," Wolin said. "It carried us through November, to when the online business started picking back up." As the seasons change, so does the seating. Old York has four fire pits and six recently installed open air cabanas that cost around \$20,000 for Wolin to set up. They're a suitable replacement for the big tent they had last season that they had to take down on Nov. 30 due to permitting.

"This is our fourth different change in business since COVID hit to keep up with the season.

Every couple of months, we feel like we have to reinvent this business, and in April we'll go back to what was successful last year," Wolin said.

"There's been a lot of investments to deal with COVID. Time and money ... I'm scared to look at what our propane bill is going to look like. That's one of those little costs that's not so little in addition to the bigger investments here," he said.

#### A SOCIAL CLUB

A small army of Old York devotees continue to warm to seats around the fires and in the cabanas, and it's the same army of devotees that kept the business afloat earlier in the pandemic, before the virtual tasting packages took off and outdoor seating was once again allowed.

Old York boasts a 1,700-member wine club. The Vintner's Club, as it's called, started five years ago and runs at \$21 per month for one bottle of wine and \$38 for two. Vintner's Club members get free tastings every time they show up at the vineyard, discounts on all wine purchases and access to special blends made just for them.

It's a little different than a typical wine club, Wolin said, because it's not just about the wine. It's about the community.

"Most wine clubs out in Napa and Sonoma, you sign up for the club and get a shipment of wine two, three, four times a year. That's your whole connection. Our club is more of a social club, where 90% of our members pick up their wines at our winery or one of our locations, they sit here and enjoy the wine, they come to our music and comedy events," Wolin said. "Our average member spends more than double their club packages on wines here."

"We've created a social club here. We've seen members who become friends," he said.

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