

SPAIN'S FINE WINE MERCHANT

Anyone who wants to understand Spain's on-trade needs to understand Vila Viniteca. Jürgen Mathäb pays the company a visit.

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Wine distributor Vila Viniteca is Spain's number one supplier of high-quality wines to the specialist retail and restaurant trade. The company has now also acquired a taste for exporting.

Siscu Martí Badia likes to explain that he is really a man of the countryside and a winemaker himself. He still lives on the second floor above the winery of the Ca N'Estruc estate, which has been in his family for 10 generations. The estate is located near Esparreguera, a short distance to the east of the DOP Penedés at the foot of the bizarre giant rock formations of the mountain of Montserrat.

The beginning

Martí's family first started bottling its wines in 1982, which marked an important step in the company's history. In 1993, the then barely 30-year-old Martí teamed up with Joaquim Vila, a wine merchant from Barcelona of a similar age. Together, they set up Vila Viniteca. Joaquim 'Quim' Vila's family had owned a wine business in the Catalan capital since 1932, which consisted of little more than a wine shop.

Martí tells how he initially only got involved in order to find a better market for the wines from his 21 ha vineyard. However, things turned out very differently. From the second shop they opened with a staff of five, the company now employs over 200 people and has become the largest distributor of premium wines on the Iberian Peninsula.

Quim Vila is the brains behind the sales and marketing, while Martí is responsible for administration, personnel, logistics and the company's own wine projects, and purchasing decisions are made jointly. This division of labour between the two managers and owners of Vila Viniteca has proved highly successful and continues to this day. It is only natural that the sales offices are in Barcelona and the warehouse and Martí's department are at the winery in Esparreguera.



The term 'warehouse' doesn't really do justice to the enormous wine bunker buried deep underground next to the old vineyard, which stores 770,000 bottles of 8,000 different wines. "Everything we sell arrives here, is paid for and then sent out from here," Martí is keen to stress. "The wines are accessed via a stock number. We never put two wines from

the same supplier next to each other to ensure there are no mix-ups in the deliveries."

There are always several trucks in the loading bay delivering wine to or from the warehouse. Operating 24 hours a day, the average daily turnaround is between 20,000 and 30,000 bottles; despite the large number, deliveries are rarely done in large consignments and sometimes consist of as little as a single bottle. In Barcelona and the surrounding area and in Madrid, where the main marketing activities are concentrated due to their size, Vila Viniteca guarantees delivery by midday on the next working day for orders placed before 5:00 pm the day before. In the rest of Spain it can sometimes take 48 hours.

"We do 90% of our business with restaurants and hotels. We enable people to reduce the size of their wine stock without necessarily having a small wine list. This has helped us greatly during the crisis that has affected high-end restaurants in the years since 2008. It meant that we even managed to grow during the difficult years," says Siscu Martí. "Optimal logistics is our primary mission. This is where a lot of money is won or lost." How did he learn that? "Through trial and error," he answers with a grin. Today, highly trained specialists deal with the details of the delivery operation. With more than 7m bottles sold annually, sending these out in small and medium-sized consignments is no mean feat.

On tap expertise

Offering wine advice also plays a very important role in the business - indeed, advice a fundamental part of their hotel, restaurant and catering business. Every salesperson must be either a trained sommelier or a trained oenologist; the company has 70 sommeliers in total. They will often compile an entire restaurant wine list, tailored to the needs of the individual establishment. Advice is also given to private customers.

VILA VINITECA AT A GLANCE

Inventory:	8,000 wines
Storage capacity:	6,000 pallets
Turnover:	€54m (excluding VAT); of this, €5.4m is from imported wines
Sales:	7.5m bottles (approximately)
Sector:	90% of sales are to HoReCa
Exports:	€2m
Employees:	200+, of whom more than 70 are sommeliers
Suppliers:	210; 130 are domestic

This layer of customer service is a critical part of the operation. “We are not the cheapest provider in terms of online sales or retail sales to private customers,” says Martí. “We therefore do not sell a huge amount online, but tend to sell more via our shops. Our wine shop and delicatessen in Barcelona has become a place of pilgrimage for gourmets.” Even some online merchants who buy from Vila Viniteca sell the wines more cheaply online. “We are not really going after this business. Restaurateurs don't order online. They call us up and speak to our advisers.”

The USP of the company is therefore not the price, not in the premium wines business. “And we do not have any cheap wines at all.” Vila Viniteca is more about the depth and sophistication of the range, excellent service and high quality advice.

“Vila Viniteca is definitely the best distributor of fine wines in Spain,” says Javier Zaccagnini, co-owner of Bodegas Aalto and former director of D.O. Ribera del Duero, and a gifted sales strategist in his own right. “They are professional and very reliable. They sell Aalto exclusively in Barcelona. We have never had any problems with them.”

Juan Carlos de Lacalle of Bodegas Artadi has a similar opinion: “They are certainly the strongest in the on-trade business. At a regional level, there is some competition in individual provinces or cities, but there's no one who is as strong throughout Spain.”

Carlos Caraballo from the Eguren Group works with Vila Viniteca throughout Catalonia and says, “We do not want the whole of Spain. We do not want to be dependent on a single

distributor. But they do excellent work.”

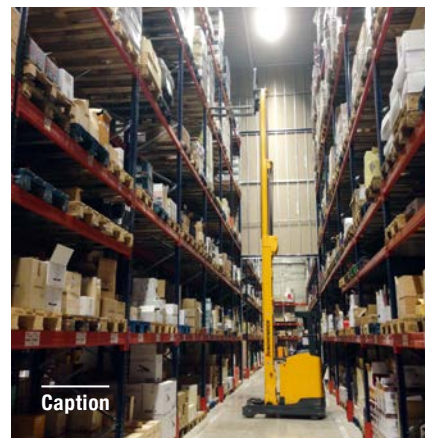
While the Vila Viniteca catalogue is a who's who of Spanish wine-making, featuring almost all the big names in Spain, the average selling price, calculated across restaurant and private customers, is €8.00 (\$8.94) per bottle, excluding VAT.

Imports and exports

The same is true to a limited extent for international wines. Nobody in Spain offers more high-quality international wines than Vila Viniteca. International wines made up around 10% of total sales of €54m (excl. VAT) in 2015. The range includes Premier Cru wines from Bordeaux in several vintages and bottle sizes; Bordeaux generates a turnover of around €1m. From Burgundy, which is growing strongly, there are wines from Drouhin, Comte Lafon, Romanée-Conti, Trapet and others; from Germany, Christmann, Egon Müller, Dönnhoff, Fritz Haag, Bürklin-Wolf and others. Italy, Portugal, New World are all represented, with imports from 11 countries in all. Spanish haute cuisine, unlike its Italian and French counterparts, has a keen interest in international wines, as do Spanish wine lovers.

Cautiously at first, and now a little more strongly, the company has also started selling abroad. However, exports currently only amount to about €2m. “We will grow our exports,” says Martí. “Partly because we produce our own wines in various regions.”

This branch of their business devoted to making their own wines is also growing. They have long since outgrown the original 21 ha, with



Caption

demand for wines from Ca N'Estruc currently standing at 300,000 bottles. They now buy in half of the grapes for their wines, including a very good Xarel-lo, which is amazingly cheap at €5.75, and the exotically fragrant white wine, Idoia. In Rueda, Vila Viniteca also bottles the brand Perro Verde. Priced at €9.30, it is certainly not the cheapest Verdejo, but at 600,000 bottles, it is one of the best-selling.

Vila Viniteca's own umbrella brand Uvas Felices produces wines in all major high-quality DOPs (Castilla, Catalunya, Cava, Madrid, Rías Baixas, Ribera del Duero, Rioja, Rueda, Yecla); in Rioja and Rueda it even has two different brands. In their home region of Catalonia, for example, they bottle four different varietal Xarel-lo wines. “One of these is always among the top three in Spain.”

Two events that are well-known throughout Spain bring thousands of professionals and wine lovers together. Every two years, up to 4,000 dealers, restaurateurs and sommeliers make a pilgrimage to Vila Viniteca's La Musica del VÍ show, a one-day event held in parallel with the Alimentaria trade fair. On this day, 130 top Spanish producers and several international Vila Viniteca suppliers present their products, leaving the Alimentaria Intervin section practically deserted. The annual couples' wine tasting competition, where couples show how well they know each other and how good they are at tasting, offers prize money of €30,000 and attracts attention throughout Spain. Vila Viniteca's New Wine Festival also brings together around 4,000 wine lovers each year in Barcelona.

On their website, under About Us, Vila Viniteca says: “We are among the most prestigious wine merchants in Europe.” That may well be true. ■



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