METHOD OF MARKETING PRODUCTS

FIELD OF THE INVENTION

[0001] The present invention relates to methods of marketing products, and more particular to products produced by a large plurality of different and geographically remote producers.

BACKGROUND OF THE INVENTION

[0002] Some products are produced by a large plurality of geographically remote producers. These producers may be remote from their customers, and in some instances may be not be very large, making effectively marketing and sale of their products problematic. An example of such products is beverages, including alcoholic beverages such as wine, liquors, spirits, etc. Known wineries are located in many places: Europe, the Americas, South Africa, and Oceania, for example.

[0003] Distribution of wine from these producers can occur in one of several ways. For example, the producers can sell their wines through a broker/distributor. The broker/distributor can represent specific wineries and/or a group of wineries. The wines can be stored in warehouses pending sales to the retail market. The broker/distributor bears the cost of the storage and marketing of the wines. There may be more than one layer of distribution as a broker/distributor may appoint one or more sub-agents to

market the wines. At every layer of distribution, the broker/distributor marks up the selling price to protect his profit margin. This makes the price of wine more expensive and acts as a price barrier to the end purchaser.

[0005] The larger and more established wine producers can alternatively appoint marketing agents to market their products and pay the storage, handling, transportation and shipping costs plus any marketing agent's fee.

[0006] Both the brokers/distributors and the marketing agents often prefer to carry premium brand names as these are easier to market and have the benefit of economies of scale. Both brokers/distributors and marketing agents may not want to carry the wines of the smaller wineries and/or lesser known brands as they may not be confident of the sales revenue that these wines would bring. Smaller wineries find it challenging to market their small volume of wines. Thus many smaller wineries do not see their product being marketed outside of their own region and/or country. Without the support of the brokers/distributors, these smaller wineries hesitate to export their product overseas as the logistics and marketing costs may be prohibitive for small shipments and/or shipments of a lesser known brand.

[0007] Some wineries, especially the more established ones, take part in organized wine fairs held occasionally to market their products. These are normally held at a country of production, often in Europe. Typically producers of wine rent booths or other space to showcase their products, and the wine fair organizers do not receive any other

significant proceeds from the producers, such as a cut or percentage of sales of product sold at the wine fair. Trade buyers from all over the world, including from the Asia-Pacific region, travel to these organized wine fairs for the duration of the fair which last for a few days. Heavy expenditure is incurred by the trade buyers for air flight, hotel accommodation, food, and other related costs, etc.

[0008] Trade buyers are only able to sample the particular wines being promoted by each broker/distributor or marketing agent. These trade buyers have to visit many different brokers/distributors or marketing agents in order to view and purchase a wide selection of wines. This causes the trade buyers to incur unnecessarily high cost for travelling and lodging, especially when visiting the limited numbers of wine fairs held per year. This would mean that only trade buyers who are willing to incur such costs would attend the wine fairs or source their wines from many broker/distributor and marketing agents.

[0009] It would be desirable to provide a method of marketing products, such as wines, which would make it easier for producers, especially smaller producers, to sell their products. It would also be desirable to provide a method of marketing products which would make it easier for trade buyers to purchase such products without incurring significant costs, such as the costs incurred by having to visit numerous broker/distributors, marketing agents and/or wine fairs.

SUMMARY OF THE INVENTION

[0010] A method of marketing products, comprising storing products produced by a plurality of producers at a storage and trading facility, the storage and trading facility comprises an exchange centre and a storage location. The exchange centre comprises an area for the producers to display their products and for trade buyers to view, sample and purchase the products, and the storage location comprises a place to store the products. The method further comprises charging each of the producers of the products according to whether each producer chooses to store their corresponding product at the storage location, displaying the products at the exchange centre, and marketing the products to the trade buyers.

[0011] From the foregoing disclosure and the following more detailed description of various embodiments it will be apparent to those skilled in the art that the present invention provides a significant advance in the technology of marketing products. Particularly significant in this regard is the potential the invention affords for providing a convenient way for producers of such products to market and sell their products, and for potential buyers to view, sample and purchase such products. Additional features and advantages of various embodiments will be better understood in view of the detailed description provided below.

DETAILED DESCRIPTION OF CERTAIN EMBODIMENTS

[0012] It will be apparent to those skilled in the art, that is, to those who have knowledge or experience in this area of technology, that many variations are possible for the method of marketing products disclosed here. The following detailed discussion of various alternate features and embodiments will illustrate the general principles of the invention with reference to a method of marketing products suitable for use in marketing beverages such as wine, liquors, spirits and other alcoholic beverages. Other embodiments suitable for other applications will be apparent to those skilled in the art given the benefit of this disclosure.

[0013] A method of marketing products disclosed in this application allows both wineries and trade buyers savings in their marketing and purchase related activities. This is achieved by the combination of storing products produced by a plurality of producers at a storage and trading facility. For purposes of this application, producers may be the direct producers of the product or they may be brokers of the product, or distributors, private collectors, etc. Irrespective of the exact status, a producer is considered here to be the owner of the product. The storage and trading facility can be referred to as a showroom, hub, club or other showcase area and comprises an exchange centre and a storage location. The exchange centre comprises an area for the producers to display their products and for trade buyers to view, to sample and to purchase the products. The storage location comprises a place to store the products. The storage location can

be immediately adjacent to (e.g. in the same building) the exchange centre or remote from the exchange centre.

[0014] The temperature and humidity of both the storage location and the exchange centre are controlled. The storage location can be fitted with UV light protection, charcoal air filtration and a chiller to maintain constant temperature and humidity in the storage location. Optionally the temperature and humidity can be controlled by a processor or a computer.

[0015] A computer also may be used to track producers and trade buyers, to track inventory of the products at the storage and trade facility, and to track financial transactions of the products. Optionally, such tracking can be carried out and/or be accessible over the internet.

[0016] The method further comprises a step of charging each of the producers according to whether each producer chooses to store their corresponding product at the storage and trading facility. The products are displayed at the exchange centre, and the storage and trading facility markets the products to the trade buyers. Unlike the traditional marketing agents, an owner of the storage and trading facility is not necessarily a producer of the product.

[0017] The products can comprise, for example, beverages, including alcoholic beverages such as beers, wines, liquors, spirits, etc. Wines provide a suitable example

of the products envisioned to be marketed under this method. Wines are produced at vineyards or wineries, and therefore the vineyard/winery is the producer of the product in question in this example.

[0018] In accordance with a highly advantageous feature, wineries can store and display their wines at the storage and trading facility. The storage and trading facility markets their products in numerous ways, including by bringing trade buyers to view, sample, and purchase their wines at the storage and trading facility regularly throughout the year. Advantageously, products from wineries all over the world are brought to the storage and trading facility. Preferably, the storage and trading facility is strategically located in a growing market. Both the wineries and the trade buyers benefit by enjoying savings in marketing and purchase related costs.

[0019] Marketing of the products to trade buyers can take many additional forms. For example, one aspect of the marketing can comprise conducting one or more lifestyle programmes. These lifestyle programmes can be, for example, a wine school, a wine appreciation course, a wine tasting event, a wine auction, an educational seminar and a restaurant which serves the alcoholic beverages displayed in the exchange centre. Marketing can also comprise providing value-added services to the products. These value-added services can be, for example, labeling the alcoholic beverages and bottling the alcoholic beverages. Labeling is a process where a label on the bottle of wine is changed to mark special occasions or events. Bottling is the process where wine shipments come in flexi-van containers or barrels and are then repacked into bottles.

[0020] Wines can be displayed in the exchange centre (e.g., a showroom within the storage and trading facility). Trade buyers would be able to view, select, and taste the wide range of wines before deciding on their intended purchases. Personal marketing and other form of multimedia marketing can be used to publicize the storage and trading facility and the range of wines that are displayed at the exchange centre. To assist trade buyers in their selection of wines, staff and/or representatives of the storage and trading facility can provide information. In addition, technology can be used to enable trade buyers to understand the history and background of the wine, its uniqueness in taste, and rating, such as by providing such information on display screens, either on site or remotely using the internet. The initial language used would preferably be in English and subsequently in other languages as well to provide better communication of the product. Marketing of products of these wineries in this manner is advantageous since it is possible for trade buyers to visit this showroom throughout the year and because wineries do not need to have their representatives on site to explain their products unless they choose to do so, such as during a special event.

[0021] Wine tasting areas are conveniently located within the showroom for trade buyers to conduct their tasting. Wineries can indicate their participation in wine tasting events either through blanket approval or by invitation. Trade buyers would be able to taste the selection of wines before deciding on their purchases. Wine tasting events can be conducted on a regular basis or throughout the year.

[0022] The storage and trading facility also can be marketed to producers. This marketing can be conducted by either employees of the storage and trading facility or referral agents (introducers). Introducers who succeed in referring new producers which make use of the storage and trading facility would receive a referral fee. For example, the referral fee can be a fixed fee or at a percentage of a producer membership fee, or a combination of both.

[0023] As used herein, the term producers can refer to members, non-members or legacy customers of the storage and trading facility. Advantageously, regardless of their membership status, the producer which stores or displays his wines with the storage and trading facility can set a selling price of their wines, instead of leaving such decisions to the storage and trading facility.

[0024] The step of charging referred to above involves charging a membership fee to each producer who becomes a member of the storage and trading facility. Being a member entitles the member to at least the following benefits:

storage at the storage location for a first limited period at no additional charge beyond the membership fee;

display of the member's products in the exchange centre;

participate in optional wine tasting events;

receive marketing of the member's products to trade buyers.

Optionally, additional perks and other privileges may extended by the storage and trading facility to the producers from time to time.

[0025] A first administrative fee is charged by the storage and trading facility for each sale of product that is made. The first limited period can be, for example, one year. The membership fee can be a one-time fixed payment, or collected at regular intervals throughout the year, for example, monthly, quarterly, biannually or annually.

[0026] Non-member producers fall into two categories. A first set of non-members are charged with a second administrative fee higher than the first administrative fee for the members for each sales made. This first set of non-members are not entitled to any storage space at the storage location. However, this first set of non-members do receive marketing of their products displayed at the exchange centre to trade buyers.

[0027] A second set of non-members would be customers who have not yet paid the membership fee but are willing to pay storage fees for storing their product at the storage location. This second set of non-members would receive marketing services at the discretion of the storage and trading facility. Any sales of their products would be accompanied by a third administrative fee, optionally higher than either the first administrative fee, the second administrative fee, or both.

[0028] Legacy customers are existing customers of the storage and trading facility and can comprise, for example, either producers or retailer or distributors of products who have previously chosen to store their product at the storage and trading facility. These legacy customers are highly encouraged to become members. During the transition

period, legacy customers are entitled to complimentary storage space for a second limited period. This second limited period of time need not be the same as the first limited period, but can be the same (for example, one year). After the expiry of the second limited period, these legacy customers must decide whether to become members or non-members.

[0029] A successful sales transaction occurs where a trade buyer decides to purchase products by placing an order with the storage and trading facility. The storage and trading facility charges the first administrative fee or the second administrative fee which can be a fixed fee or a percentage of the gross sales, for example. The percentage of gross sales can be a standard fixed percentage or a multi-tiered percentage depending on the winery's storage volume in the storage and trading facility. For example, a standard fee of 8% of gross sales can be charged regardless of the producers' storage volume at the storage and trading facility. Alternatively, 8% of gross sales is charged when the producer has less than 5 (five) Stock Keeping Units (SKU)/Month storage and 5% of gross sales is charged when the producer has 5 (five) or more SKU/Month storage in the storage and trading facility. Larger fees may be charged for non-members, as noted above. Other fee arrangements will be readily apparent to those skilled in the art given the benefit of this disclosure.

[0030] At the expiry of the first limited period, the producers may wish to continue with being a member, in which case, such producers are to pay a subsequent membership

fee set by the storage and trading facility. In addition to this option, the producers also have the following options:

paying a storage fee at a rate agreed between the storage and trading facility and the producers to continue storing the products at the storage location;

shipping the products remaining back to the producers without cost to the storage and trading facility;

transferring ownership of the products remaining from the producers to the storage and trading facility (as might be the case where shipping costs exceed any potential revenues from the sale of products remaining); and

allowing the storage and trading facility to set a price for the products remaining and to sell the products remaining.

[0031] The option of allowing the storage and trading facility to set the price for the products remaining can comprise, for example, paying the storage and trading facility either a third administrative fee for sales of the products remaining which is higher than the first administrative fee, or a portion of proceeds of the sales of products remaining to the storage and trading facility, whichever is greater to the storage and trading facility. Alternatively, the option of allowing the storage and trading facility to set the price for the products remaining can comprise paying the storage and trading facility either the third administrative fee for sales of the products remaining which is higher or the same than the first administrative fee, or a portion of proceeds of the sales of products remaining to the storage and trading facility, whichever is less to the storage and trading facility.

Such transactions may be negotiated between the storage and trading facility and the producers.

[0032] Payment for purchases by trade buyers can be made payable to the storage and trading facility via bank remittance (electronic transfers) before wines are shipped with an agreed shipment date. The storage and trading facility would collect payment and deduct the agreed administrative fee (either first, second or third administrative fee as discussed above) and then remit the remaining sum to the producer within the agreed period, for example, within seven days upon receiving payment or upon a monthly basis. Optionally, trade buyers can purchase and make payments of the products online over a secure internet connection. Alternatively, the step of executing a purchase transaction can comprise the producer collecting payment from the trade buyer and remitting the administrative fee to the storage and trading facility.

[0033] The storage and trading facility does not own the wines nor would it normally trade in wine. Instead, it advantageously provides the facilities and services to the wineries and trade buyers to get together and efficiently conduct business together.

[0034] From the foregoing disclosure and detailed description of certain embodiments, it will be apparent that various modifications, additions and other alternative embodiments are possible without departing from the true scope and spirit of the invention. The embodiments discussed were chosen and described to provide the best illustration of the principles of the invention and its practical application to thereby enable one of

ordinary skill in the art to use the invention in various embodiments and with various modifications as are suited to the particular use contemplated. All such modifications and variations are within the scope of the invention as determined by the appended claims when interpreted in accordance with the breadth to which they are fairly, legally, and equitably entitled.

CLAIMS

What is claimed is:

1. A method of marketing products, comprising, in combination, the steps of:

storing products produced by a plurality of producers at a storage and trading facility, the storage and trading facility comprises an exchange centre and a storage location;

wherein the exchange centre comprises an area for the producers to display their products and for trade buyers to view, to sample and to purchase any of the products, and the storage location comprises a place to store the products;

charging each of the producers of the products according to whether each producer chooses to store their corresponding product at the storage location;

displaying the products at the exchange centre; and

marketing the products to the trade buyers.

2. The method of claim 1, further comprising the step of marketing use of the storage and trading facility to producers.

3. The method of claim 2, wherein the step of marketing to producers is conducted by one of employees of the storage and trading facility and referral agents.

4. The method of claim 3, wherein the referral agents receive a referral fee for each new producer which makes use of the storage and trading facility.

5. The method of claim 1, wherein the step of marketing the products to the trade buyers comprises bringing trade buyers to the storage and trading facility.

6. The method of claim 1, wherein the products are beverages.

7. The method of claim 6, wherein the products are alcoholic beverages.

8. The method of claim 1, wherein an owner of the storage and trading facility is different than the producers.

9. The method of claim 1, wherein the producers comprise members and non-members of the storage and trading facility.

10. The method of claim 1, wherein the producers decide on a selling price of their products.

11. The method of claim 7, wherein the step of marketing the products comprises conducting at least one lifestyle programme, wherein the at least one lifestyle programme is selected from a wine school, a wine appreciation course, a wine tasting event, a wine auction, an educational seminar and a restaurant which serves the alcoholic beverage.

12. The method of claim 1, wherein the storage location is remote from the exchange centre.

13. The method of claim 1, wherein temperature and humidity of the storage location are controlled.

14. The method of claim 1, further comprising the step of tracking producers and trade buyers using a computer.

15. The method of claim 1, further comprising the step of tracking inventory and financial transactions of the products at the storage and trade facility using a computer.

16. The method of claim 15, wherein the step of tracking is accessible over the internet.

17. The method of claim 7, further comprising the step of providing value-added services to the products, wherein the value-added services comprise at least one of labeling the alcoholic beverages and bottling the alcoholic beverages.

18. The method of claim 1, further comprising a step of executing a purchase transaction, comprising collecting payment from the trade buyer for the product purchased by the trade buyer, deducting an administrative fee, and remitting the remaining sum to the producer of the product.

19. The method of claim 9, wherein the step of charging comprises charging each producer who becomes a member a membership fee, which entitles the member to at least the following:

storage at the storage location for a first limited period at no additional charge beyond the membership fee;

display of the member's products in the exchange centre;

participate in optional wine tasting events;

receive marketing of the member's products to trade buyers;

wherein a first administrative fee is charged by the storage and trading facility for each sale that is made.

20. The method of claim 19, wherein the membership fee is collected by the storage and trading facility at one of regular intervals and a one time payment.

21. The method of claim 9, wherein the producers who are non-members receive marketing of the non-member's products to trade buyers, and in exchange are charged by the storage and trading facility with a second administrative fee for each sales made, wherein the second administrative fee is greater than a first administrative fee charged to members.

22. The method of claim 9, wherein the producers further comprise legacy customers who are existing customers of the storage and trading facility.

23. The method of claim 22, wherein the legacy customers are entitled to complimentary storage space for a second limited period.

24. The method of claim 19, wherein when products are remaining at the storage and trading facility after the expiry of the first limited period, the producers can select one of the following options:

(a) paying a subsequent membership fee where the storage and trading facility agrees to store the products remaining for an additional period;

(b) paying a storage fee at a rate agreed between the storage and trading facility and the producers, to continue storing the products at the storage location;

(c) shipping the products remaining back to the producers without cost to the storage and trading facility;

(d) allowing the storage and trading facility to set a price for the products remaining, to sell the products remaining, and

paying the storage and trading facility one of a third administrative fee for sales of the products remaining which is higher than the first administrative fee, and a portion of proceeds of the sales of products remaining to the storage and trading facility, whichever is greater to the storage and trading facility; and

(e) allowing the storage and trading facility to set a price for the products remaining, to sell the products remaining, and

paying the storage and trading facility one of a third administrative fee for sales of the products remaining which is higher than the first administrative fee, and a portion of

proceeds of the sales of products remaining to the storage and trading facility, whichever is less to the storage and trading facility.

25. The method of claim 20, wherein the regular intervals comprise one of monthly, quarterly, biannually or annually.

26. The method of claim 1 further comprising a step of executing a purchase transaction, comprising the producer collecting payment from the trade buyer and remitting the administrative fee to the storage and trading facility.