

Vinfolio Launches Wine Prices – Free iPhone Application

Company Information

URL of Release

<http://www.vinfolio.com/press-release-03-12-09-iPhone.jsp>

Category

Mobile Application

Tags

Wine collector/enthusiast pricing tool

Model

Extension of core business

Company URL

www.vinfolio.com

Contact info

1890 Bryant Street, Suite 208
San Francisco, CA 94110

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Tel 415-946-1300

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Total customers

48,000+ registered users

Key Mgmt Team

Stephen Bachmann, CEO
Rachel Blatt, VP Sales & Marketing
Andres Camacho, VP Engineering
Mike Murphy, VP Operations
Tom DeSpain, VP Finance
Anthony Mak, Mng Dir, Vinfolio HK

Funding

\$9.3M in equity

2008 Revenue

\$20.9M

Founded

2003

Key Partners

- Wine Access
- Global Wine Stocks

Analysis Summary

Positive

Vinfolio is quietly building one of the strongest online businesses in the wine industry. They've done a remarkable job focusing on a valuable niche of wine drinkers – true oenophiles, wine collectors, investors and enthusiasts. This free iPhone application extends the breadth of services and ecommerce to a mobile platform giving access to critical information anywhere and anytime a collector may need it.

Market Impact: Medium

Vinfolio is a financially sound company with a dominant position for a unique and affluent niche. Their core customers are served even further through this mobile application. While it may not appeal much to the average drinker or even wine hobbyist, the Wine Prices tool provides the avid collector with a wide breadth of very clean data on rare wines and it gives these investors a mobile platform to confirm auction pricing anytime and anywhere.

| User Interface | Consumer Value | Winery Value | Innovation | Team | Company Viability* |
|---|---|--|---|---|---|
|  |  |  |  |  |  |

*VinTank rates all start-up companies 1 out of 5 possible points for company viability.

VinTank Position

VinTank Position: Positive

We are taking a positive stance on this announcement by Vinfolio. Vinfolio is quietly working towards a dominant position in the online wine world by providing highly focused services to the high-end wine collectors, investors, and enthusiasts that frequently have very large wine cellars and shop for rare wines at auction.

With the launch of this iPhone application, the evidence of their focus on their core customer comes through again. The application is quite simply “a free online tool for finding both current and historical wine auction prices, as well as current wine retail prices” as the website explains. Vinfolio has created a very simple application that doesn’t attempt to be all things to all wine lovers and, in fact, would appear to be lacking critical features if the user was not in the niche of wine consumers that Vinfolio services. For the targeted, high-end of wine consumers that Vinfolio does dominate however, this mobile tool is as vital as a real-time stock ticker to a commodities trader trying to profit from the daily fluctuations of a commodities market as the application (and corresponding website) are the *only* places where retail and auction reference pricing can be found in the same place and it does so with integrated professional review data.

While simple in its interface and limited in scope, it provides an excellent complement to the transactions that occur on Vinfolio everyday by providing auction pricing, high-end wine reviews, integration of several sources of professional ratings, user reviews from VinCellar, and retail pricing from Global Wine Stocks. The application is purely an informational tool as it doesn’t currently provide any buying functions but operates as an excellent reference for the wine investor or buyer. Vinfolio does have a roadmap to add this functionality in the future effectively creating another revenue channel for Vinfolio’s core ecommerce platform.

This tool does achieve the goal Vinfolio set out for it and that is a useful, cost effective tool for its core audience (free) that will ultimately justify itself by driving more core ecommerce business.

Auction data is from Vinfolio’s Wine Price File database, which is compiled from the auction results of a very broad selection of auction houses including:

- Acker, Merrill & Condit: New York, Hong Kong
- Christies: New York, London, Los Angeles, Paris, Amsterdam, Bordeaux, Chicago, Hong Kong, Germany, Geneva, South Kensington, Glasgow
- Sothebys: New York, London
- Zachys: New York, Los Angeles, Las Vegas, Hong Kong
- Bonhams: London, Hong Kong
- Bonhams & Butterfields: San Francisco
- Morrells: New York

- Hart, Davis, Hart: Chicago
- Edward Roberts International: Chicago, San Francisco

Positives/Concerns

Positives:

- Vinfolio is a well funded, well managed company that remains focused on its core market and services and this application only enhances a solid business model by helping attract more users who are, in effect, prospective customers.
- iPhone recently became the best selling mobile phone so this is a good choice for broad adoption by the core audience.
- Focused features for the core Vinfolio audience – high-end oenophiles and wine enthusiasts.
- Excellent data integration – clean data with no noticeable repetitive or inaccurate information.
- Excellent UI at the product level

Concerns:

- Very rudimentary search interface with almost difficult to read fonts
- Launch of the application could've been stronger as the positioning of iPhone application doesn't highlight value to core market and therefore is likely to garner negative reviews from general wine consumers in the iPhone AppStore.

Winery Recommendations

Vinfolio is a company that wineries should work with through their VinCellar application. The upcoming VinTank Social Media report recommends directing your consumers to place reviews in the Vincellar tool which feeds its reviews into the Wine Prices app.

Vinfolio Wine Prices Recommendations

Continued integration of technology for the core audience will keep Vinfolio at the forefront of the online wine commerce world. This application is a good example of staying true to the core audience and not chasing technology for technology's sake.