

Entrepreneur

How Yellow+Blue Is Making a Difference in the Wine Business

The Chester, Penn.-based wine company's early success shatters long-held industry standards. Plus, a look at other game-changers in the beverages industry.

By Jenna Schnuer | Entrepreneur Magazine - June 2011



[BEVERAGES]

The process, usually: Make wine. Bottle the wine at the winery in, say, Italy or New Zealand. Ship the wine in a 40-pound package comprised of just 9 liters of liquid--about 18 pounds--and a whole lot of glass.

"It's such an antiquated and old-world model, and I was just looking for maybe--I don't know--a 21st-century solution," says Matthew Cain, founder and president of Chester Springs, Penn.-based [Yellow+Blue Wines](#). While glass remains the gold standard for wine bound for a cellar, Cain says, most consumption in the U.S. takes place just hours after purchase, rather than weeks or years.

For quick-drinking wines, Cain broke the glass mold when he launched in 2008. He chose finished [wines from](#) organic wineries and, instead of bottling at the source, he shipped the adult juice to North America in insulated steel tanks. The cost to Y+B is about 40 percent more than using flexitanks (big plastic bags inside shipping containers), a common bulk shipping method. But maintaining the wine's temperature in transit ensures a quality product on delivery. And, Cain says, the environmental impact is substantially minimized: "We measured our carbon footprint, officially, and it's half of what it would be if we shipped the exact same wine from the exact same place in glass."

Once Y&B's organic wine arrives on North American soil, it's packaged in--wait for it--boxes.

"When we launched the first wine in May of '08, everybody thought I was nuts because I had come from all this small production, really high-end, really expensive [French wine](#), and here I am trying to sell it in boxes," Cain says. "We're not using the packaging as a gimmick. We use it as a real solution to a real environmental problem."

In fact, Y+B wines share little to no DNA with the bulk blends found in modern boxed wines sold at mass merchandisers. They retail for about \$10.99 per box in shops that cater to **wine enthusiasts**, and they're found on wine lists at top restaurants around the U.S. The company's sales increased from 7,000 cases in 2008 to 25,000 last year, and Cain estimates that he will move 35,000 cases in 2011. Though he has had inquiries from merchants in 20 countries, his focus remains on growing sales in the states. The goal: 100,000 cases by the end of 2013.

Looks like Yellow+Blue's organic, earth-friendly formula could add up to some serious green.

More Beverage Brilliance

Bartab Social drinking at its finest: Use this free app to send drinks for \$1 to **Facebook** pals at more than 600 bars.

Bevvy A daily deal site dedicated solely to nightlife specials at the best bars, restaurants and clubs in eight top metro areas.

Bobble These funky, bulbous water bottles come complete with a carbon-based filter and are made from 100 percent recycled materials.

Design a Tea The site for tea connoisseurs. Choose the base, loose or bagged leaves, flavorings, label text and voilà.

f'real Self-serve machines set up in retailers nationwide blend custom milkshakes, smoothies and frozen cappuccinos on the spot.

Napa Technology Its WineStation product guarantees the perfect pour. Bottles of vino are loaded into the machine, consumers swipe a debit-style card and out comes the wine. Salud!

Pressed Juicery Cleansing made easy: L.A. residents can get 16-ounce bottles of organic, nutrient-packed, fresh-pressed juice delivered to their doorstep.

PurposeEnergy Its anaerobic digester breaks down leftover grain and yeast into methane, turning brewery waste into clean-burning bio-fuel. Is there any problem beer can't solve?

TabbedOut Lets bar-goers open, review and pay their tab from a **smartphone**. Integration with POS systems means no training or changes to settlement processes for bar owners.