

Zachys **Uncorked**

How a small, family-owned Westchester liquor shop turned into a global fine-wine powerhouse.



(From l to r): Andrew McMurray, Don Zacharia, and Jeff Zacharia preside over Zachys' seventh decade of operation.

It used to be all about the wine. About regions, producers, varietals, vintages, and which of them best met a customer's needs when he (and it was invariably a he) came in to shop. Now there are new topics to master at Zachys Wine and Liquor, a new lingo with two words dominant: *Internet* and *branding*. There's a new customer, too—genderwise for sure, but mainly one conversant in all of the above—and whose shopping often doesn't involve coming in.

About 10 years ago, the small-town, 66-year-old family business saw the global-age writing on the wall, studied it carefully, and rewrote its own plotline. The authors were the next generation—young, ambitious, and technologically savvy. What began in 1944

with Zachy Zacharia's (that's right) mom-and-pop Scarsdale storefront has evolved into a worldwide operation catapulted by a two-pronged approach. Zachy's grandson, Jeff, now company president, directs the auction side, shuttling between the East and West Coasts, Hong Kong, and recently, Shanghai, where there's a burgeoning auction-customer base.

"The auctions are a great vehicle for selling fine wine," Jeff Zacharia says. "When you can sell four million dollars a day, it's very efficient." He plans to have online-only auctions up and running this fall, "another way to grow the business." The company gets its wines on consignment and makes a commission on the auction proceeds. And they are some proceeds: a February Hong Kong auction grossed well

PHOTO BY CHRIS WARE

over \$6 million. His end of the business, the 48-year-old Zacharia reports, is now as big as the retail end.

And that retail end, the second prong, is experiencing a major growth spurt. Headed up by Jeff's brother-in-law, Andrew McMurray, it has just taken what may be the company's most ambitious gamble yet. About five years ago, faced with a decrease in store traffic due to expanding Internet shopping, McMurray, 42, donned his entrepreneurial hat to "take Zachys outside of Zachys," as he puts it, and take it on the road.

"If people aren't coming to us, we've got to find ways to get out to them," says the shop's vice president. There would be a new show, and it would be headlined "Branding." He contracted with the Warren Buffet-owned time-share airline NetJets, "the largest private airline in the world," to supply all the wines served on every NetJet flight. The wine lists and bottles would be labeled *A Zachys Selection*.

And now the playing field has expanded to, well, the playing field. At the Mets new Citifield, Zachys designed and supervises the wine program for the stadium's high-end food-service operation, partnering with restaurateurs like Union Square Hospitality Group's Danny Meyer. "Our name is listed on all the suite menus and restaurant lists," McMurray says.

And he's taking the "Branding" show south; Zachys has just contracted with Centerplate, a leading large-venue food-service provider, to be the wine-program consultant at Tampa's Tropicana Field. "When you go to get your pretzels, there'll be wine carts stating, 'Brought to you by Centerplate and Zachys,'" McMurray says, "so our brand is being advertised in front of thousands of people." If the program works, that could soon be millions: Centerplate also operates at the Super Bowl and the Olympics.

All these global ventures, this corporate branding, are a world away from Zachys small-shop roots. In 1961, Zachy Zacharia ceded the store to his son, Don, who shifted its focus from spirits to fine wines. In the ensuing decades, the fine-wine industry crested and, along with it, the next generation's ambitions. By 2002, Jeff Zacharia's auction venture, originally partnered with Christie's, was independent, and the retail store had grown from 300 square feet to 6,500. Today, Don's original staff of two numbers 80.

New York law was a big help. In 1994, the state began allowing both in-store wine tastings and commercial wine auctions. "The wine tastings dramatically changed our in-store business," says McMurray, who



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has been with Zachys for 17 years. "When I suddenly had the ability to have eight wine-makers from Italy stand here and pour wines, there would be about one thousand people here on a Saturday. It was insanity."

The year 1999 proved just as pivotal. That's the year zachys.com debuted, and the marketing possibilities began flowing as free and clear as Saturday's tastings of Pinot Grigio. "The Internet has been very effective in getting our name out to more and more people," Jeff Zacharia says. It has, he feels, demystified much of wine's aura, making pricing, in particular, "more transparent."

"With the website, we saw a significant expansion of the Zachys brand," McMurray says. "Our footprint became much greater." Now customers could choose their wine from home. They could compare producers and prices. They could research grapes and regions. Their inbox would hold personal emails about events, wine-world updates and, on a website link, advance notice and previews of upcoming Zachys auctions. To extend the company's time-honored ethos of customer service from store to cyberspace, the site invites visitors to post questions or hold online chats with the sales staff, most of whom hail from a restaurant or culinary school background.

"Zachys has always hired knowledgeable people, not just clerks," says John Crabtree of Chappaqua's Crabtree's Kittle House, no slouch in the wine-knowledge department himself, with the cellar and awards to prove it. "That fueled their growth. Zachys was, and continues to be, a pioneer."

Over the years, as the stream of wine access and information has overflowed, people have become intoxicated. Decades back, barring the French dining shrines, does anyone recall ever seeing a sommelier? Now every eatery exceeding diner status employs one. Wine classes are busier than your daughter's iPhone on Saturday night. Riedel makes wine glasses to suit any grape that ever clung to a vine.

"Wine is no longer one of those lofty beverages that only a few can have," says Zachys head buyer and Culinary Institute of America graduate Jeremy Noye, 33. "It has become accessible. You can buy a bottle of wine from ten dollars to thousands of dollars; there's something for everyone." The '94 law allowing no-charge retail wine tastings was the catalyst, he says. "When people could get out to taste and interact with the wines, the consumer knowledge base took an enormous jump up." The ascendancy of wine publications like *Wine Spectator* and *Wine Advocate*, professional critics, and restaurant wine service all bolstered this knowledge.

"You have to give the wine writers and

educators a lot of credit,” says Noye. “If it weren’t for them, the wine business would not be as big as it is today. Writers like Frank Prial and Eric Asimov [of the *New York Times*] did a lot as educational writers with their backstories and reviews.” Within a few years, with all this information freely available online, the fine-wine industry had gone from elitist to mainstream.

It was a collaborative movement. The people making the wine were changing as much as the people drinking it. Andrew McMurray calls it a generational shift. “I see it in my travels around the world,” he says. “Just as my father-in-law did business one way, I’m the younger generation and do it a different way. You see that in Italy, Spain, France, and South America. The quality took a significant

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jump in the last twenty years.”

“Before,” Noye adds, “the fathers made wine for the sake of tradition and turning out volume. The sons are focused on quality.” And, of course, technology. The younger generation has embraced innovation where their predecessors mostly eschewed it. “There’s improved technology in the cellars, better viticultural practices in the vineyards,” says Noye. “When the New World came onboard producing higher-quality wine, particularly in California and Australia, it made European producers wake up a bit. They went out to get the technology, and that’s when Europeans started making less wine but higher-quality wine, or disregarded their government contracts to produce bulk wines.” He pauses, then smiles. “If you drank



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Italian wines thirty years ago, and you drink the Italian wines of today, well..." He shrugs, point made.

And Zachys' visitors do get to drink the Italian wines of today. And those of the rest of Europe, South America, Australia, and every other wine-producing region. Weekend tastings feature compellingly curated selections, often accompanied by the wine makers or importers themselves. A state-of-the-art Italian-designed Enomatic system, the only one in all of Westchester's wine shops, dispenses perfectly calibrated samplings from 16 bottles at once and maintains any remaining wine's quality for a week. A recent tasting of 2007 Chateaufeuf du Pape was a major draw. "We choose what's hot and exciting, what people are asking for," Andrew McMurray explains.

But most of Zachys marketing has flown far from the Scarsdale nest. Besides the new airline and stadium ventures, the company has organized the Fall Food and Wine Extravaganza in Manhattan for five years now, featuring more than 100 international wineries. It holds wine dinners, like March's Louis Jadot tasting of 2006 and 2007 Corton-Charlemagne and Clos de la Roche, in the private Manhattan kitchens of David Bouley, food courtesy of the master himself. It partners with Burgundy eminence Daniel Johnnes in an elite San Francisco auction preceding the annual La Paulée, a bacchanal of Lucullun-esque proportion, that recently grossed over \$2.6 million. "Jeff and his team have great selections," says Johnnes, who imports his own wines and is the wine director for Daniel Boulud's Dinex Group. "I buy wines from their auctions for all Daniel's restaurants."

With all this expansion, all this strategy and promotion, so much has been gained. But some would say much has been lost. It's the age-old dilemma: pursue the glory, lose the soul. In the race for growth, some contend, Zachys personal customer-care ethos has been sacrificed. "Today," says John Bueti, an owner of Mount Kisco Wines & Spirits, "smaller shops like mine can provide the same great wines they can, with more personal service." Another competitor, requesting anonymity, is more direct: "They've developed their business plan instead of developing their wine business." In their push, he adds, "they've forgotten about their customers."

Ned Towle of the Westchester Wine School takes issue with what he sees as the shop's reliance on professional ratings to sell wine. "They're hooked into the ratings system of the wine press," he says. "If a customer takes that as gospel, they become hostage to what the experts think instead of trusting their own tasting experience."

Still, Zachys' aggressive expansion is also admired—often by those same people. Bueti

says he's always considered Zachys "the gold standard." Towle is an avowed zachys.com addict. "Their website is among the most accessible and complete," he says. Even the anonymous detractor hails Zachys as "innovators."

So yes, Zachys expansion potential is staggering, but so are the challenges. Growing the global auction business is key, and navigating the Internet's social-networking frontier is crucial. "We built our business on personal interaction in the store and on the phone," McMurray says, "and now we have to find a way to interact with customers electronically."

While they wrestle with that behemoth, other giants still hover. The economic downturn impelled a major shift in priorities. "The high end of the business came to a screeching halt," McMurray acknowledges. "We had to be aggressive, and replenished the store with more choices in the moderate fifteen- to thirty-dollar range." These days, he notes, that range accounts for 40 to 50 percent of their selection.

And the boom in small-production, artisanal spirits has crested as well. "The general consumer has gone back to basics," Noye reports. "They want their standard Scotch, their standard bourbon." Like with wines, he feels, fads have worn off and categories have stabilized.

Not, he points out, that Zachys ever put a lot of stock in fads. "Zachys has always based its purchasing on our palates, not on the critics' palates," McMurray asserts. "We don't buy on a speculative basis and say, 'Gee, hopefully Robert Parker is going to give this vintage a good score.'"

So what will soon be filling that parade of Riedel glasses or be dispensed from the Enomatic's 16 spigots? Bet on South America, Noye advises, Chile in particular, and South Africa. And come autumn, the 2008 vintage from Tuscany. "From what we've tasted and what we're hearing, it's a strong vintage. Producers there have met the challenge of higher quality at lower price."

It's a challenge that most businesses face these days, Zachys among them. But the family's, the company's, credo transcends economic flux. Price points may vary, regions may wax and wane, styles may come and go, but Noye sees Zachys' mission unchanged from when Don and his two employees manned the store: "getting out there ahead of everybody else before the next big thing happens."

Looks like they're on it.

Food writer Diane Weintraub Pohl is a contributing writer for Westchester Magazine. She has traveled widely through the wine regions of

France and Italy, and describes heaven as Alsatian riesling paired with foie gras.

