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A CONVERSATION WITH: Matt McFetridge

By STEVE BUCHIERE Jun 20, 2016

FLT: You're in the early stages of marketing Keuka Spring Vineyards wines in China, with hopes to include more than just the Milo-based Keuka Springs vintages. It looks like some New York wines were sold in China at one time. What happened to that effort?

McFETRIDGE: There were some New York Finger Lakes wines here around 2012. However, the project wasn't successful, marketing was done improperly and expectations from the importer were different than what the market had suggested.

At that time, French Bordeaux was the undisputed king of imported wine. But, after President Xi Jinping came into power, anti-corruption measures swept China, and one startling discovery was that French Bordeaux, the really, really expensive stuff, was a common graft commodity. When the anti-graft campaign took full effect, as we see today, the French Bordeaux market dropped, and better-priced New World wines have become popular.

It was a "wrong place at the wrong time" for New York wines. But we've done our homework and see now as an excellent time for us to have a presence.

FLT: Can any New York wines be found in China now?

McFETRIDGE: No. If you found it, it would be someone who has it in their personal cellar or who

has purchased large quantities for personal consumption and paid retail in New York and shipped it back to China. That's my best guess since my partner and I have been scouring the Internet and retail organizations both brick and mortar, and online. That's not to say we're the only ones who are working to bring wine here, but this is what we've uncovered thus far.

FLT: You said FLX is currently marketing just Keuka Spring, but that you are looking to market more wineries. Is there an advantage to FLX doing that work for them? What's the cut your company takes?

McFETRIDGE: I think the best advantage to leveraging FLX International is that we are a bilingual, bicultural, bi-nationally educated company that has roots in both the U.S. and Chinese markets. We have lived in the Finger Lakes, so we appreciate all of the smaller qualities and intricacies that make the region special. Far too often wine brands from abroad come to China and their marketers try to throw it into any niche or category that they think will sell, which ultimately destroys the value in the initial brand. Localization is a very tricky thing here in China, and a lot of large luxury good manufacturers screw up big time. We want to expose the consumers here to something wholly different while branding our producers appropriately.

Using FLX International, the product maintains its original philosophy, its integrity and keeps the people, the story, and the passion of what goes into the wine making process. People think "New York" and immediately consider New York City. That's where we want to challenge (the) concept of New York, to tell them there is this great, big, beautiful state with amazing products. Giving them something different than what they've encountered before, while still getting to "drink like a New Yorker," so to speak.

FLT: How much would a bottle of wine here sell for in China?

McFETRIDGE: That's really hard to say. In 2012 the (U.S. Department of Agriculture) put out a report — again, this was interesting timing with the anti-corruption campaign in China — saying that U.S. wines needed to be marketed as luxury. Finger Lakes wines are really well made. We see them as necessarily entering at a mid-range. However, since we are looking to put these wines in locations where more affluent consumers dine, it's not unrealistic to see them selling at \$8 to \$9 a glass, or upwards of \$35 to \$40 per bottle. That's not a scientific number of course, since I am working more on distribution and marketing, but from the work I'm doing now in a fine-wine import company here in Shanghai, it's not unrealistic.

FLT: Is there a goal of what you'd like to achieve in a certain time frame?

McFETRIDGE: In terms of a time frame, we have to work with what we can get. The Finger Lakes is interesting because though we have truly amazing wines ... we don't have the production numbers that California has. As such, we can't expect to sell 10,000 cases of wine the first year. We'd love to, but we have to be realistic. Therefore, we are working on a timeline that would work with producers, if satisfied with our work in the Chinese market, to allow gradual increases in production that don't carry any adverse risk to them over the coming years.

FLT: Stateside, what happens on this end? Do you have workers lined up to handle sending wine to China?

McFETRIDGE: This is really a China-end project. Yes, there does need to be some manpower in the U.S., but it's not to a point where I can't fly home for a few weeks to work with producers, get the wine shipped to FLX International's warehouse, get a truck taken to a port to load the wine on a vessel, and then fly back to China. In the future I'd love to have a team of employees who are passionate about getting Finger Lakes products to China. For now, though, we're very much a start up.

FLT: What about the choice of Keuka Spring?

McFETRIDGE: Len Wiltberger owns and runs the winery. His winemaker, August Diemel, has been particularly awesome too. This is just all around an amazing winery, with amazing wines, amazing people, and they absolutely love being in the industry. I couldn't be happier to work with them, and I know they are excited about the future.

FLT: How are you marketing to the region's wineries? Is that something you do when coming home, or are there folks working the wineries on this end?

McFETRIDGE: This is a bit of the trouble being in Asia. It's a 12-hour time zone and the call connection isn't great, but since I have family back home, and my sister just had her second baby in March, I plan to come home at least twice a year. I also have Invisalign braces on my teeth, so I come home to see my orthodontist, Dr. (Rodney) Littlejohn, in Waterloo. When I come home I leverage time to go see producers and set up meetings where I can. I simply talk to them about what I see myself doing, a bit about the Chinese market and my background.

Usually, people are more interested that I've lived in China and enjoy it, than the nicely researched conversation I have about wine import statistics. Jokes aside, there is real interest, but I think cautious optimism.

FLT: Anything about Chinese tastes when it comes to wine? Do they view it as a food like France, or more like in America where drinking it is an activity in and of itself?

McFETRIDGE: Alcohol culture is very much tied to the strong food culture here. It's consumed with dinner or business events. The youth culture here loves nightclubs, but that's usually hard alcohol or watery beer. Wine is up and coming, with about 1.2 billion bottles sold last year, of which roughly 60 percent was imported. Red wine is especially attractive in that red is an auspicious color in China. It also helps that the medical industry put out a statement a few years back attesting to the health benefits. But today, there are swaths of Chinese taking wine education courses or traveling abroad to try wine.

The overwhelming majority know little about it, which adds to the challenges of marketing.

FLT: Who is your partner in the project? Does having him help deal with the ways of a very protective and bureaucratic country?

McFETRIDGE: His name is Chen Rui "Kelvin" Fu (family name is Fu). He's been incredibly useful in getting into the nitty-gritty of the bureaucracy and business hurdles. Everything in China needs a specialized red stamp, often many on the same document, and very little is digitized here in terms of paperwork. It's not uncommon to spend days traveling to various offices to get the approval one needs for something nominally important.

(Fu) also has great connections, which is everything in China. There are two words in Chinese mianzi, which means face (your relationship to others; very Confucian) and deals with how people view you. The other is guano, which means relationships. Stems from the old days of Confucian bureaucracy. It is very much a "who you know, not what you know" society, and having a competent Chinese partner is key.

FLT: How's living in China? How is it either similar or different than the states?

McFETRIDGE: I love it. It's not without its challenges and cultural barriers of course, but I have a great time here. There is something comforting about being out of my comfort zone 99.9 percent of the time. I never went to summer camp as a kid, wouldn't spend the night at friends' houses or leave my mom! Then one day I flew around the world and loved it.

I'm amazed at how this 5,000-year-old civilization has developed. There is so much wisdom in this culture that it's hard not to be amazed and intrigued. I live in Shanghai, which might as well be New York City, but three times as populated. I can get Reese's Peanut Butter Cups, Starbucks, use my iPhone, and ride in a Tesla. It's very comfortable. But then there are differences like respect towards intellectual property. I've always grown up where you pay for what you use.

Here, though, it's changing, if I wanted to, I could go buy pirated DVDs, illegally downloaded music, buy fake clothes and potentially even drink fake wine.

FLT: On the food front, what's good there and what's becoming more popular? What New York wines pair well with Chinese food?

McFETRIDGE: Everything. I love Chinese food. Beijing was more suited to my palate, because in the north they eat more heavy noodles, dumplings, and such. But I'm learning to enjoy Shanghai cuisine, which isn't very spicy and lots of veggies. China is divided into flavor regions, and no two cities have identical cuisine. So, like we would have Thai or Chinese back home, in China you have very distinct regionally themed restaurants.

My favorite thing ever is called a jianbingm, which is an egg pancake, soy-based sauce, shaved veggies, scallions, and a rice-based cracker, wrapped up into a snack. Last year living in London I went to Chinatown to find one, and it was 4 British Pounds, like \$7. In China they cost 85 American cents. They are divine, and I bet would pair wonderfully with a glass of cold Riesling from the Finger Lakes.

FLT: Are you planning to stay based in China or do you see yourself coming home?

McFETRIDGE: Ah, the question I'm asked by mom and family nearly every day. Ten years. I say if after 10 years I love it, then I don't see why I need to leave. That being said, I can come home anytime. But, since I'm 25 (soon to be 26) I am looking for an adventure and China gives that to me. Something new happens everyday. I am continuously perfecting my Chinese. I am learning more and more about Chinese culture, and business is a totally different world. One day I hope

to use everything I've learned and put it into a Ph.D. program. It's an ambition I haven't lost sight of.

— Compiled by Steve Buchiere