

WINE & SPIRITS DAILY

NEWS. NUMBERS. MOTIVE.

March 22, 2017

LIBDIB DEVELOPS VIRTUAL DISTRIBUTION MODEL

Industry members have often predicted the US market will see an increase in the number of small distributors that will fill in the gaps created by the consolidation of the nation's largest wholesalers. Liberation Distribution (LibDib), a new web-based alcohol distribution platform, plans to be the first virtual distributor to work with those gap suppliers who may not want, or be able to, go through the traditional wholesaler network.

"I do consider this a bit of a disruption because anybody who wants distribution can finally have it," says Cheryl Durzy, LibDib founder and ceo.

Although the majority of each transaction is done online, LibDib does have a traditional distributor license in each market where it operates thus far. Here's how it works: suppliers, or "makers" as LibDib calls them, create a profile on the [website](#) including basic info and licenses. Then they define product selection, calculate the listed wholesale price and define where to distribute. Once a verified retailer makes an order (no minimum required), via the LibDib website, LibDib handles the invoicing, payment processing, collections and taxes. Then delivery is facilitated through either common carrier (Fedex, UPS) or a third party logistics company.

"A [large] wholesaler doesn't want to bring in something that has only 20-50 cases available. They want hundreds of cases where they're going to make some money," Cheryl tells WSD. "And they have true costs - they have warehouses, they have salespeople and truck drivers, so it makes sense with their business models why they do it that way. I don't have any of those things."

LibDib, which takes 15% of every sale, will not require exclusivity agreements with suppliers to use the platform, nor will it lock them into using it for a certain length of time. Cheryl says it could even be used as an incubator. "Take a small brand, put it out there and grow it a little bit. Then if you need to, take it to another wholesaler. My business model supports that."

LibDib will go live in California next month and soon thereafter in New York.