HRIM-381

Class 16 Special Topic: Developing Wine Lists For Food And Beverage Operations

Goals for Today

- Discuss overall beverage consumption trends
- Examining the role of wine lists
- Development of restaurant wine lists

Trends in Beverage Consumption

- The overall popularity of wine has increased dramatically in the U.S. during since the 1980’s
- Excellent wine lists are no longer the province of fine-dining operations
- As people participate in “Small Indulgences” a la Popcorn, there is greater demand for extensive wine and beverage menus
- The trend is towards less overall consumption of alcohol( in most demographic segments) with a focus on “boutique branding”
Trends in Beverage Consumption (cont.)

- Restaurants have moved to more extensive offerings of wines by the glass and premium branding of all beverage offerings.
- Total per capita wine consumption in the U.S. during 1997 was 565 gallons, or just under two gallons per person, ranking 30/48.
- Compare this to France: 15.85 gallons person!

Sources: www.wineinstitute.org

Forces Behind Beverage Consumption Patterns

- Increased marketing and education efforts by producers and industry associations.
- Restaurant industry need for higher profit margins.
- Activist groups: MADD, SADD, etc.
- Media attention to "The French Paradox".
- Medical research.
- Economic Cycles.
- Recent legislation.

How to Develop A Wine List

- Conduct a competitive analysis.
- Develop relationships with local distribution channels.
- Determine storage capacity and limitations.
- Examine consumer preferences.
- Determine length and scope of list.
- Decide proportion of red to whites.
- Develop a pricing strategy.
- Develop a budget for the wine program.
Conducting An Area Analysis

- Collect wine lists and food menus from area competitors
- Collect data on your target market
- Examine how the merchandising, selling, and service of wine is handled by the local and regional operators
- Determine what is being done with wine/beverages and what remains to be done (generic product v. potential product)

Working The Distribution Channel

- Contact all of the suppliers (including retail liquor stores) in your state, explain your objectives and use them as one of your resources
- Work with local wineries within your state and region
- Work with regional and state agricultural and economic development agencies to obtain help with marketing, promotion and merchandising

Determine Storage Capacity and Limitations

- Wine requires specific storage conditions: normally a temperature of 55F, away from direct sunlight, and excessive vibrations
- Examine the total square footage that can be allocated for wine storage
- Remember to allow for adequate shelving and HVAC service
- Security v. accessibility
- Consider the merchandising potential of visible cellars and displays
Consumer Preferences

- General consumer preferences show that the 75% of the wine consumed in the U.S. is domestic, 25% imported
- U.S. regional favorites are California, Oregon, NY, and Washington state
- French wines still rule imports, although Italy, Spain, Chile, and former Eastern bloc countries are gaining inroads to the U.S. market

Determining List Length and Scope

- Dependent on market and menu
- Range of 60-100 bottles for fine-dining list with depth
- Casual, theme operations can be anywhere below 60 bottles
- Focus on familiarity and value, based on target market profile

Red Wines v. White

- Consumer preference still leans towards whites
- Examine flavor profiles and textures of appetizers and entrees
- Food and wine pairing rules have changed due changes in wine production and consumer preferences
- Variety of price points and tastes is the primary concern here