

The Wine List Design by Upscale Restaurants

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Abstract—This paper investigates the structure and content of the wine lists in upscale restaurants in Portugal (N=61). The respondents considered that a wine list should be easy to use and to modify, well-designed, modern and varied. Respondents also stated that they perform on average 6 revisions to the wine list per year. The restaurant owner, the restaurant manager and the sommelier were the main persons in charge of the wine list design. One of the most important reasons for selecting wines across most restaurants was to 'complement the menu' and 'pairing food with wine'. Restaurants also reported to be relatively independent from suppliers and magazine evaluations. Moreover, this work revealed that the restaurant wine list is considered by restaurateurs as a strategic tool to sell wine as a complement to the menu, to improve customer satisfaction and loyalty, to increase restaurant value and to enhance a successful positioning.

Keywords—Portugal, restaurants, wine list design.

I. INTRODUCTION

THE restaurant industry faces a highly competitive environment, characterized by the existence of several opportunities for differentiation. In fact, when a consumer selects a restaurant over another for dining, he looks for much more than simply a meal. The location, the atmosphere, the décor, the service delivered by the waiter, the way the dish is presented, the wine list, the pairing of food and beverage, all of these factors influence customer satisfaction and the relationship between the customer and the restaurant [1]. In order to succeed, restaurants need to offer a unique gastronomical experience through wine and food harmonization with the aim of delighting their clients [2]. A full wine list combined with a good service positively impacts customer satisfaction and loyalty, increases the restaurant's perceived value and image and contributes to a greater extent to the financial success of the restaurant [3]-[5]. In order to target consumers more effectively, restaurants should design their wine list in accordance with their positioning strategy [6]. Therefore, restaurateurs should properly select the wines to be included on the wine list and promote them accordingly [7].

However, despite the increasing interest in eating places and wines, little attention has been paid to the criteria for the elaboration of a restaurant wine list [6]. Still, only a few studies investigated how restaurants choose their wine lists ([3]-[6]: [8]-[10]).

In this sense, the aim of this study is to analyze the structure and the content of the wine lists of upscale and urban

restaurants in Portugal. This group was taken because upscale restaurants traditionally differentiate from others through their human, technical and physical resources [6]. Moreover, previous studies also maintained that wine policy issues such as wine list design, wine pricing and wine purchasing varied according to the different attributes of the restaurant [8], [9]. The wine list design of upscale restaurants was studied in New York [9], Valencia [3], Beijing [10]. Nevertheless, there is no literature on how wines are offered and promoted through Portuguese restaurant operations.

The empirical results of this study should help to improve the understanding of wine list design by upscale, urbane restaurants and to offer useful management and marketing recommendations to the wine industry.

The remainder of this paper is as follows: The next section provides an overview of previous studies entailing the wine list design as a focus. This is followed by a discussion of the methodology used here as well as the findings and conclusions coming out of the research.

II. LITERATURE REVIEW

Restaurants are widely acknowledged as an important distribution channel for the wine trade in several countries. As the wine list is one of the principal instruments in wine selling, it is important to discuss how restaurants should draw both the content and the visual look of a wine list in order to add value in the provision of services and to enhance their competitive position vis a vis other players in the marketplace. The wine list should reflect the vision of a restaurant manager put into words. Hence, wine list design is both important and challenging for restaurant managers. Building the wine list is of utmost importance as it can influence wine sales, or even lead to the success or failure of a restaurant [5]. But what makes a full wine list? There are several factors that may influence restaurant owners when designing their wine list, but one is certainly wrong: having a list and a corresponding stock of wines that nobody buys [8].

Thorsen and Hall [8] examined the wine list design of 254 restaurants with operations in five New Zealand areas. Nearly all respondents selected overseas wines, mainly from Australia, France and Italy. Moreover, the study also suggested that restaurants play an important role in raising and increasing the awareness of local wines. The owner was indicated by half of the respondents as the person in charge of wine purchase and wine list design. The results revealed that wine purchasing and wine pricing varied according to the different attributes of the restaurant.

Saura et al. [3] performed several interviews in Valencia and an analysis of restaurant wine lists in order to identify their main strengths and weaknesses. The authors concluded

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that an excellent wine list should be 'easy to use', 'easy to change', 'varied', 'extensive', 'specialized', 'imaginative and 'selective'. Furthermore, it demands to be refreshed on a steady base. The authors also reported that the success of the wine sales in a restaurant is partly based on the knowledge that both restaurant owners/managers and sommelier possess about wine.

A sommelier is a professional wine expert that works the floor at fine-dining restaurants [8] assisting guests with their wine and beverage selections. Moreover, sommeliers are also in charge of the design of the wine list and responsible for the wine and food matching. They may be certified by the Court of Master Sommeliers [11]. Dewald [4] found that restaurants using a sommelier tend to have their clients spend relatively more on wine.

Dewald [4] produced a questionnaire to ascertain what were the most important criteria for selecting wines in a restaurant. The main criteria reported by 250 sommeliers in the US are: 'wines that can be fairly priced', 'customer requests', 'restaurant cuisine', 'reputation of the winery', 'value for money', 'vintage', 'purchasing trends of your restaurant's customers', 'profitability of the wine to the restaurant', 'personal preference of wine' and 'type of variety'.

Ducoing [5] suggested several factors that may differentiate a good wine list from a mediocre one, as follows: ensure compatibility of the wines and the wine regions with the gastronomic offer of the restaurant; keep the list updated, by combining wines that have a strong awareness with new offers; know consumer habits and preferences regarding wines; adjust the wine list to the menu, especially from one season to another; guarantee the adequacy between the price structure of the menu and the wine list prices.

Gil et al. [6] analyzed the wine list engineering of 50 upscale restaurants located in Valencia, Spain. Their study considered objective characteristics of the wine list, such as the number of references, comments, format size, the number of countries, the number of designations of origin, the number of pages, the minimum, average and maximum price. Furthermore, subjective features of the wine list, related to design variables (e.g., avant-garde, colorful, discrete) and content variables (modern, varied, extensive) were also included.

They concluded that restaurants are heterogeneous in terms of wine list management and identified three main clusters identified as: selection, specialization and complementarity.

Preszler and Schmit [11] studied the importance of various wine product attributes and sommelier preferences in influencing typical wine purchased decisions by upscale New York restaurants and attempt to estimate how various restaurant characteristics influence the level of New York Wines on a restaurant's wine list. This studied revealed that wine's region of origin and grape variety were some of the main drivers of the wine purchase decision-making process. The results revealed that the type of cuisine, the food-pairing preferences, the desire to offer a large selection and a broad range of wines do not affect the propensity to adopt local wines (New York).

Lockshin et al. [12] examined the most important strategies for 45 five-star Chinese restaurants when designing their wine list and how restaurant characteristics influence their strategies. The most important attributes for restaurants when making their wine lists were: 'competitive price fit for the price range of food', 'popular wines' and 'balance of varieties'. The less important attributes for restaurants when making wine lists were 'suppliers' recommendations' and 'preference for local wine product'. The wines list designer was the manager for 60% of restaurants. Around 45% of the restaurants update the wine list every six months and only 17.5% with a higher frequency. However, 95% of the restaurants maintained a sommelier position. The wine lists included 122 wine references, on average and only 9% of local brands.

Sirieux et al. [7] studied the wine list design in 286 restaurants across four countries (France, Australia, USA and China). They concluded that 'to match wine with the menu' is one of the most important criteria that influence the selection of wines for the restaurants. They also performed a cluster analysis and identified three main groups of restaurants: those that are more brand-driven, that value local wine and those that try to match wine with the food menu.

Restaurant owners could include into the wine list wines from the local industry [10]. This approach could benefit both the restaurant and wineries. Indeed a regional food and wine can attract more customers and increase the awareness of regional brands [11].

Restaurant owners should take into account customer expectations as a source of inspiration when designing the wine list. In order to facilitate the choice of a wine by the consumer and reduce the risk associated with this choice, popular, well-known or reputed wine brands should integrate the wine list [13].

III. METHODOLOGY

In order to identify the main issues in wine list assessment and the relevant criteria for evaluating restaurant wine lists, a survey was developed based on the performed literature review. The structured questionnaire comprises two main parts: the restaurant's profile and the restaurant's wine list design. Afterward, a pre-test of the measurement instrument was performed by the researcher, who visited a set of 5 restaurants and administered the questionnaire personally to the person in charge of the wine list and collected a copy of the restaurant's wine list. The wine list was used to identify the relevant variables from direct observation of wine types, origin and prices. Then, a convenience sample of upscale restaurants from Portugal was chosen using a database of a restaurant booking site. A list of 190 restaurants from Lisboa, Porto and Algarve with dinner prices higher or equal to €30 were contacted by phone and asked to participate in the survey. A final sample of 61 restaurants answered the survey by means of a personal interview that took 50 minutes. A printed copy of the wine lists was also gathered. From the overall sample, 34 restaurants were from Lisboa, 20 from Porto and 7 from the Algarve. This study follows a descriptive

approach, reporting how the wine lists were built and the importance of the factors determining the way restaurant owners select the wines for their wine list.

IV. RESULTS

A. Restaurant's Profile

The majority of the responding restaurateurs serves mainly traditional or modern Portuguese food (35%). Around 28% of the restaurants classified themselves as casual chic and 30% as luxury ones. The most frequent atmosphere reported was 'sophisticated' (67%) and 57% of the restaurants offer a degustation menu.

TABLE I
WINE TOURISM EXPERIENCE: DIMENSIONS AND ITEMS

		No. of restaurants	Percentage
Restaurant concept	Familiar	6	10%
	Chain	2	3%
	Casual Chic	17	28%
	Hotel	10	16%
	Luxury	18	30%
	Design/ Creative	3	5%
Main menu concept	International	11	18%
	Portuguese (traditional)	12	20%
	Portuguese (modern)	9	15%
	Asian	12	20%
	Mediterranean	8	13%
	Creative	9	15%
Atmosphere	Informal	10	16%
	Sophisticated	41	67%
	Romantic	8	13%
	Intimistic	2	3%
Degustation menu	Yes	35	57%
	No	26	43%

The mean number of seats was 73 and the occupation rate was in average close to 60%. The average operating time of the restaurants was 9 years. The average price was 41€ a dinner and the average prices range from €30 to €80.

TABLE II
RESTAURANT' CHARACTERISTICS

	Mean	Median	SD	Minimum	Maximum
Capacity (number of seats)	73	60	38.62	30	180
Occupation level (%)	59	60	27.01	25	135
Years of operation Average	8.7	5.0	10.06	0,5	40
Menu Price (€)	41	35	11.96	30	80

B. Wine List Design

The owner was indicated as the person in charge of the wine list design by 31% of the restaurants, followed by the restaurant manager (28%) and the sommelier (20%). Around 57% of the restaurants reported that they have a sommelier or wine expert position. 25% of the remaining restaurants

revealed that they intend to hire a sommelier in the near future.

TABLE III
PERSON IN CHARGE OF THE WINE LIST

Wine list designer	No. of restaurants	Percentage
Owner	19	31%
Restaurant Manager	17	28%
Food and beverage Manager	6	10%
Sommelier	12	20%
External Consultant	7	11%

Approximately 93% of the restaurants reported that they make regular changes in their wine lists. From these, up to 83% of the respondents declare that they perform in average 6 modifications to the wine list per year and 50% more than 5. Fourteen restaurants change their wine list on a monthly basis.

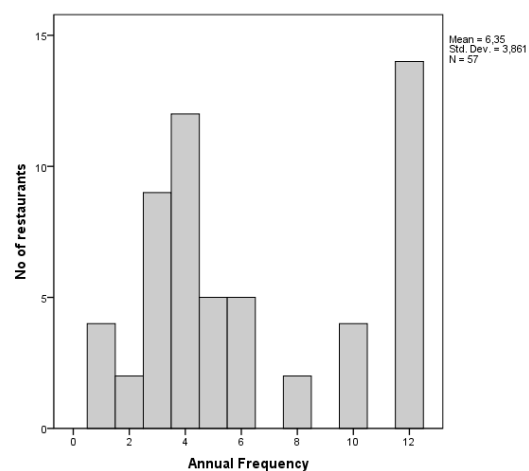


Fig. 1 Frequency of modifications in the wine list

Next, based on the observation of the wine lists, some objective characteristics are described. All the wine lists included national and foreign brands. However, national brands were more popular across all categories of wine. Douro, Alentejo and the Denominate Region of Vinhos Verdes were the most represented Portuguese regions in the wine lists. Around 40% of the red wines, 49% of the white wines, 11% of the sparkling wines and 70% of the fortified wines were from the Douro Region; and close to 27% of the red wines, 31% of the white wines were from the Alentejo and 56% of the sparkling wines from the Vinhos Verdes Region.

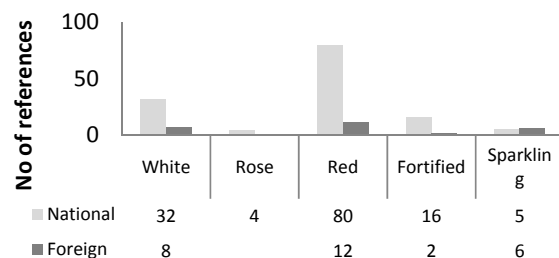


Fig. 2 Average Number of references for national and foreign brands

For 55.7% of the restaurants, wine sales represent between 26 to 50% of the turnover. The sale of wine can add significant profits to the activity of the restaurant so the manager must carefully select effective means of promoting wine. This study revealed that the restaurant wine list is considered by restaurateurs has a strategic instrument to give prestige to the restaurant ($M=4.61$; $SD=0.80$) and thus to enhance a successful positioning, to increase restaurant' value

($M=4.39$; $SD=0.93$) to improve customer satisfaction ($M=4.39$; $SD=0.61$) and loyalty ($M=4.12$; $SD=0.93$) and to sell wine as a complement to the menu ($M=4.36$; $SD=0.89$). The restaurateurs also recognized that the wine list is a source of profitability for the restaurant ($M=4.17$; $SD=0.81$). The item with the lowest score considers the wine list as a marketing tool ($M=4.71$; $SD=1.15$).

TABLE IV
EXPECTED BENEFITS OF THE WINE LIST

	1	2	3	4	5	M	Me	SD
Prestige	3.3 %			26.2%	70.5%	4.61	5	0.80
Marketing tool	3.4 %	15.3%	16.9%	35.6%	28.8%	3.71	4	1.15
Profitability		5.1 %	10.2%	47.5%	37.3%	4.17	4	0.81
Customer satisfaction			6.6 %	47.5%	45.9%	4.39	4	0.61
Customer loyalty	3.5 %		15.8%	42.1%	38.6%	4.12	4	0.93
Restaurant value	3.4 %		10.2%	27.1%	59.3%	4.39	5	0.93
Wine and food pairing	3.4 %		6.8 %	37.3%	52.5%	4.36	5	0.89

Note: 1-Not too important; 2-Somewhat important; 3-Important; 4-Very important; 5-Extremely important. M-media; Me-median; SD-standard deviation.

Regarding the attributes of an excellent wine list, around 84% of the respondents considered that an excellent wine list should be 'easy to use', 71% 'easy to change', around 62% 'varied' and 51% 'modern'. The attributes 'classical' and 'colorful' were selected by only 3.3% of the respondents. The attribute 'conventional', also included in the survey, wasn't selected by any restaurant.

The results revealed that the most important criteria for the selection of wines for the wine list were 'complement to the menu' ($M=4.52$; $SD=0.62$) and 'wine and food pairing' ($M=4.46$; $SD=0.67$). The criteria receiving the lowest scores were 'new wine releases' ($M=2.57$; $SD=1.01$), 'bottle design' ($M=3.05$; $SD=1.22$), 'supplier recommendation' ($M=3.11$; $SD=1.14$) and 'trendy wines' ($M=3.26$; $SD=1.14$).

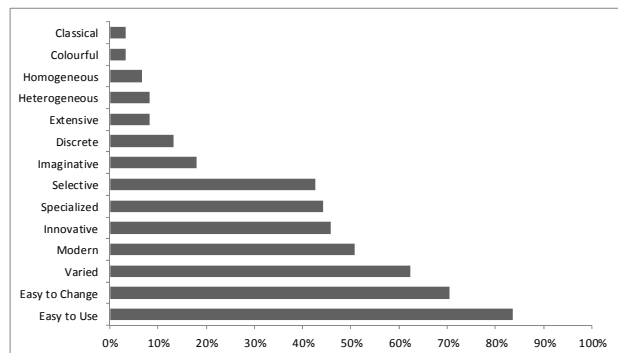


Fig. 3 Attributes of an excellent wine list

TABLE V
FACTORS INFLUENCING THE CHOICE OF THE WINES FOR THE WINE LIST

Criteria	1	2	3	4	5	M	Me	SD
Complement to the menu			6.6 %	34.4 %	59.0 %	4.52	5	0.62
Wine and food pairing			9.8 %	34.4 %	55.7 %	4.46	5	0.67
Quality of the wine			8.2 %	47.5 %	44.3 %	4.36	4	0.63
Sommelier' choice		6.6 %	8.2 %	23.0 %	62.3 %	4.34	5	1.09
Different varieties			3.4 %	66.1 %	30.5 %	4.27	4	0.52
Tasting notes			9.8 %	50.8 %	36.1 %	4.20	4	0.75
An acceptable price			16.4 %	47.5 %	36.1 %	4.20	4	0.70
Prestige of the wine	3.3 %	3.3 %	11.5 %	42.6 %	39.3 %	4.11	4	0.97
Restaurant differentiation	3.4 %		16.9 %	42.4 %	37.3 %	4.10	4	0.92
Not available at the grocery stores	3.3 %	3.3 %	21.3 %	24.6 %	47.5 %	4.10	4	1.06
Profitability of the wine		6.8 %	16.9 %	47.5 %	28.8 %	3.98	4	0.86
Consumer preferences		4.9 %	21.3 %	60.7 %	13.1 %	3.82	4	0.72
Improve stock rotation	6.6 %		37.7 %	21.3 %	34.4 %	3.77	4	1.13
Wine prizes and Awards	6.6 %	3.3 %	21.3 %	55.7 %	13.1 %	3.66	4	0.98
Personal taste	6.6 %	3.3 %	42.6 %	27.9 %	19.7 %	3.51	3	1.06
Wine magazine selection	8.5 %	5.1 %	30.5 %	45.8 %	10.2 %	3.44	4	1.04
Well known and popular brands	3.4 %	16.9 %	32.2 %	32.2 %	15.3 %	3.39	3	1.05
Trendy Wines	9.8 %	14.8 %	24.6 %	41.0 %	9.8 %	3.26	4	1.14
Supplier recommendation	13.1 %	9.8 %	39.3 %	27.9 %	9.8 %	3.11	3	1.14
Bottle design	15.3 %	13.6 %	33.9 %	25.4 %	11.9 %	3.05	3	1.22
New wine releases	16.4 %	26.2 %	45.9 %	6.6 %	4.9 %	2.57	3	1.01

Note: 1-Not too important; 2-Somewhat important; 3-Important; 4-Very important; 5-Extremely important. M-media; Me-median; SD-standard deviation.

IV. CONCLUSION

This study revealed that the restaurant wine list is considered by restaurateurs as a strategic instrument to sell wine as a complement to the menu, to improve customer satisfaction and loyalty, to increase restaurant value and to enhance a successful positioning. This effect is supported by previous surveys conducted in upscale restaurants [8].

The restaurant owner, the restaurant manager and the sommelier were the main persons in charge of the wine list design. One of the most important reasons for selecting wines across most restaurants was to 'complement to the menu' and 'pairing food and wine'. This result supports previous studies (e.g., [7]). This is also an expected conclusion, as restaurants offer combined gastronomic experience to their clients.

Restaurants revealed to be an important channel for the distribution of national brands. Red wines dominated the wine lists. This is in accordance with previous studies [12].

As in [7] study, our results also revealed that supplier recommendations, trendy wines and well known and popular brands are the less. This result is not confirmed by [12], who concluded that the inclusion of popular wines on the wine list is important for Chinese five-star restaurants. However, that could suggest that restaurateurs are confident with their choices and are not influenced by trade or promotion activities by the wine industry. The study by Berenger et al. [8] and by Lockshin et al. [12] also revealed that upscale restaurants, elaborate the wine lists with low influence of independent professionals.

The respondents considered 'easy to use', 'easy to change', 'varied', 'modern', 'innovative', 'specialized' and 'selective' the most important criteria for a wine list design. This revealed that upscale restaurants possess very personal and updated wine lists and is accordance with the results by [8] and [3], who analyzed wine list attributes of the wine lists designed by upscale restaurants in Spain.

The majority of the restaurants were interested in selecting wines that match their menu and possess a good quality and tasting. They also reported to be relatively independent from suppliers and magazines evaluations. This is an important insight for wineries and suppliers who wish to distribute their wines to upscale restaurants. Indeed, they need to start searching the restaurant menu before approaching the restaurant owner. Moreover, as restaurants reported that they make on average six changes to the wine list per year, actual suppliers should stay in contact with restaurants to guarantee that they offer wines that match the seasonal adjustments of the menus. As upscale restaurants will not select a wine merely because the supplier recommends it, suppliers must be aware of restaurateurs need and extend extra services. For example, they can provide extensive tasting notes for a selection of wines.

A few limitations of this research should be outlined. First of all, the results rely on a convenience sample of restaurants from only three Portuguese regions. Therefore, we recognize that the obtained results offer a first descriptive analysis and could be extended by increasing the sample of restaurants. Moreover, as the restaurants reported seasonal changes to the

wine list, the observation of the wine list profiles could be done during a year to ensure robustness of the results. Finally, physical attributes of the wine list, as being on paper/ tablet format, number of pages, the extent of the tasting notes, could also be analyzed in future deeds.

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