



New Year, Age-Old Challenges

NAVIGATING WINE PROGRAMS THROUGH ECONOMIC CRISES

HOW STRONG IS the relationship between the economy and restaurant wine sales? Enough that one bad move—as a lot of ex-sommeliers and former restaurant owners can attest—could mean going out of business.

I took my first sommelier job in 1978. By 1988, I was a full-time restaurant manager still overseeing wine programs as I navigated seemingly endless economic crises. My present-day counterparts seem to share that challenge: In fall 2022, inflation rates in the U.S. reached 8.5%. I hadn't seen anything like that since the late 1970s.

Recession is a giant bogeyman, especially for sommeliers who are typically the first to go when Americans stop spending and restaurants tighten up their belts. When we were hit hard by recessions in 1982 and 1991, we were forced to make drastic adjustments to our wine programs just to survive. Many restaurant wine managers experienced similar challenges following the stock market crash of 2008.

In the new year, the industry faces a good news/bad news scenario. First, the big recession predicted in early 2023 never happened. Sales are sluggish, but they're not at a standstill. On the other hand, inflation rates, while flattening out during the course of the past year, are still a looming threat. The cost of everything, from wine to olive oil and napkins, is up. And we have no choice but to—as we used to say in the early '90s—deal with it.

How do you deal? Number one, adjust your program to weather the worst of times. I know most restaurants have already done that by reducing inventory—but instead of making cuts indiscriminately, you should be mak-

ing them strategically, in a way that gives you a competitive advantage.

Despite the twin threats of inflation and recession, consumers over the past three years have been behaving in remarkable ways—they are spending more on their products. More importantly, they are demanding higher-quality goods. The same compulsion that drives the demand for the latest high-tech products translates into what the wine industry has been calling premiumization.

Simply put, guests want better wines, which to them often means new and exciting wines. If you are still focusing strictly on popular brands, familiar appellations, and common varieties, you are not doing yourself a favor. Selling those kinds of wines is akin to selling outdated iPhones—they just don't work as well.

These are times when a sommelier can really demonstrate their mettle. You know what the best and latest wines are. Now is the time to put your training, creativity, and merchandising skills to use. Guests are no longer asking for but demanding this. Here are some basic guidelines:

Avoid wines sold everywhere else that do nothing to differentiate your restaurant.

- Focus on wines that pair well with specific dishes (guests, after all, go to restaurants to eat, not drink wine).
- Promote new or unfamiliar selections every which way possible, including through social media, print or email newsletters, tastings, and pairing menus.
- Taste (and test!) your staff on every new selection.

Welcome to 2024. It's time to go to work. ☞

