

# Private Label Wine Broadens its Base

In tough economic times, more restaurants are using house-branded wines as promotional and value-driven sales vehicles.

Liza B. Zimmerman

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**IN A MOVE TO CATER TO CONSUMERS** who are eating out and spending less, many operators are jumping on the private label wine bandwagon. Working with both domestic and foreign producers to create a series of unique offerings gives wine directors greater flexibility to serve an exclusive product that represents great value and pairs well with the food.

Many of these wines hail from California, allowing hands-on local sommeliers to easily get involved in the production process. They range in price from among the least expensive selections to the mid-range, all intended to offer a well-priced brand the guest can trust. According to annual **The Nielsen Company** data ending on January 9, 2010, the total category volume of private label and exclusive wines has grown by a base of 3.3 percent for table wine on private and exclusive labels. This is a much more significant increase than private spirits have experienced in the same time period, based on an even smaller percentage from last year.

“As restaurants become more specialized and concentrated on their products and ingredients and the place of origin, they are also concerned with the finite control of the quality of their wines. Private labels assure them that chance,” said sommelier **Tyler Packwood** of **Trummer’s on Main**, a modern American, one-location restaurant in Clifton, Virginia. The restaurant features two Virginia wines, a Chardonnay and a Cabernet Sauvignon, priced at \$8 to \$10 a glass and \$32 to \$40 a bottle. He added that the home-grown appeal of these wines was essential, as “What is more local than a winery that is literally right down the street?”

House brands offer restaurateurs greater control of the final product and allow them to offer a better price-value ratio. “In these economic times, it is not always feasible to order pricier bottles. We wanted to offer bottles between the \$30 and \$40 range, which according to our own internal data is the most accessible price point to all our guests,” explained **Edithann Ramey**, **Maggiano’s Little Italy’s** director of marketing. The 44-location Italian restaurant group is part of Dallas-based **Brinker International Restaurants**. “Creating private labels is a hot trend now,” she added. **Maggiano’s** features a Ruffino Cabernet Sauvignon and Sangiovese blend called **Salute Amico** (which means “hello friend” in Italian) that was introduced this year at \$8 a glass and \$32 a bottle.

**Maggiano’s** is only one of several major chains to jump on the private wine boat. The 199-location, Scottsdale-based **P.F. Chang’s China Bistro** Asian restaurant launched its Vineyard 518 line, which means, “I will prosper” in Chinese numerology, in May. The current wines come from **Wattle Creek Winery** in Mendocino and are priced on average at \$7.50 a glass. The wine varieties will change each year, according to **Mary Melton**, director of beverage.

**Sandy Block**, master of wine and vice president of beverage operations at the 31-location, Boston-based **Legal Sea Foods** added that private label brands were



Trummer on Main

“absolutely meant to offer value, great quality and uniqueness—the fact that you can’t get them anywhere else.” He added, “They are also a great story and the servers and bartenders love to tell it.”

**Legal** offers three private label brands, two from California and one from France. The Louis Latour “Legal Sea Foods Cuvee” Bourgogne Chardonnay, was created about seven years ago and sells for \$8.50 a glass and \$28 a bottle. There’s also a DeLoach Pinot Noir and a Napa Cabernet Sauvignon called Faux Pas Cabernet Sauvignon. They sell respectively for \$11.50 and \$39 and \$9.50 and \$35 by the glass and the bottle and have been available for the past two years.

When creating a private label brand, he noted, operators are looking for “a wine that fits their flavor profile and culinary offerings at a price that they can’t refuse: a wine that over delivers.” He concluded that “uniqueness, quality and outstanding value that can be passed on to guests are probably some common denominators.”

## A Novel Idea

Interest has continued to grow in the art of creating new and unique wine labels for the on-premise for a variety of reasons. **Block** said he feels inspired to create a new label “when the opportunity arises and we feel that it is advantageous for our guest.” He added that “when we see an unusual opportunity we will seize upon it, but there’s no mandate to either have more or less than we have now; the goal is quality all the way.”



Legal Sea Foods

At the **Bonanno Concepts** group—a five-location Italian and local-ingredient focused restaurant based in Denver whose concepts include **Mizuna**, **Luca D'Italia**, **Osteria Marco** and **Bones**—wine director **Mark Sandusky** has just started a private label program. The restaurant features a Pinot Grigio for \$8 to \$9 a glass and a Chianti Classico for \$10 to \$12. Both wines are sourced from Italy, and Sandusky plans to roll out a few more that won't just be imports. He added that these wines are “an opportunity to try something else new and fun...and to create another layer of service that we are able to offer our guests.”

The private label program at Trummer's, according to Packwood, is “meant to offer a reasonably priced wine that we can attach our name to.” Private labels can also often be produced on a lower margin, cut out middlemen and hence offer a greater value to on-premise buyers (and their bottom-line consumers). Most restaurateurs noted that they use the same markups on these wines although there is “often a more advantageous cost of acquisition,” confirmed Block.

At P.F. Chang's the value in the new wine line comes from “the money we saved not using the ‘non-traditional’ package,” said Melton of the 10-liter containers the wines come in. “We have received lots of press regarding our new wine. The packaging really got people talking.”



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In the competitive on-premise field, these unique wines are intended to offer great values across price points. "Value is always on my mind, when I select a wine for the list, as well as wines by the glass," said Sandusky. "We want to be able to offer a better wine in a 'typical' price category."

Many restaurant customers also often feel more comfortable ordering these wines if the restaurant is already a known quantity for them. "They trust us, so they trust the quality of our label," confirmed Packwood.

"We wanted to offer a great price and value ratio," concurred **Greg Altman**, wine director of one-location **Poggio Trattoria** in Sausalito, California. The restaurant offers four private labels, including an unfiltered Napa Valley Chardonnay, a Barbera, a Napa Valley Cabernet Sauvignon blend and a Nebbiolo. The Italian varietals come from the Sierra Foothills region of California, and the focus of the private label offerings is on California and Italian wines and varietals in keeping with the rest of the restaurant's list. They are priced from \$8 to \$11 a glass and \$32 to \$44 a bottle.

He launched the program three years ago because "we wanted to create our own selection of wines perfectly paired to match the restaurant's Northern Italian menu." They are featured in a special section of the restaurant's menu. He added that no wineries have ever approached him about creating a program, and he presented the proposal for their current wines.

An added plus is that most of these wines are also tailor-made to work with a specific restaurant's food. "We have selected wines that, number one, complement our

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food and, number two, taste stylistically correct for the particular varietal,” added Sandusky.

The rationale was the same for P.F. Chang’s. Melton said the chain created “a wine that goes well with our food by using varietals that are trending well and offering them at a great value.”

For Block at Legal, the taste profiles of his private label wines represent both “what I like and what I think goes well with our food.” At Trummer’s, Packwood noted that the two private label Virginia wines focus “on clean flavors that work with an array of chef’s dishes.”

## Different Levels of Involvement

Most restaurants have initially approached the wineries about creating the wines although this may start to change, and many are very hands-on in creating them. Block said he and his assistant were involved in creating one of the brands, and that these opportunities represent “a sweet spot [for wineries] to develop partnerships with premium on-premise players.”

At Maggiano’s Little Italy, “We had a longstanding relationship with Ruffino wines and felt comfortable approaching their winemakers for the idea,” explained Ramey. She added that the “internal marketing team had the privilege to be involved with sampling different varietals and selecting the final product.... Later this year we will have the opportunity to visit the vineyard in Tuscany.”

For their wine program, Altzman’s team at Poggio worked “jointly with winemaker **Brian Graham** from the Ramian Estate to create the blends....[and] conducted extensive barrel tastings at the winery to fine-tune the wines.” The restaurant’s graphic designer then created the labels.

Packwood and owners **Stefan** and **Victoria Trummer** approached the Barboursville, Virginia winery to create their private labels for the restaurant and went there themselves to blend the wines.

When Sandusky became interested in launching a private label for Bonanno, he met with some winemakers who were interested in working with the group to get the ball rolling. Some of the private labels’ packaging focuses on the winery where they were produced while others bear the restaurant’s label. Whatever the final choice, according to Sandusky, the “brand should be enough to sell the wine with no need to co-brand or mask the origin of the wine in the bottle.”

The jury is out on whether restaurants will want to continue to expand their offerings or just focus on the private wine lines they have already created. Many sommeliers I spoke to expressed interest in adding more wines while some were quite happy with what they are currently offering. Only the economic climate and guest preferences will dictate where this unique category of wines is headed. **wbm**

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