

WINE DECISIONS

THE WINE BUYING EXPERIENCE IN HOSPITALITY



Foreword



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As the world returns to some degree of normality, the latest opinions of consumers have possibly never been more important. The COVID-19 pandemic has seen the UK population endure lockdowns, restrictions and isolations all contributing towards significant changes in the way we live our lives, and importantly, the way we choose the wines we purchase. As a customer-focused wine specialist, with 70% of the Hallgarten business serving the UK On Trade, we believe that understanding the mind-set of wine drinkers is an essential element of service, ensuring venues are knowledgeable about the ever-evolving landscape of the wine market and able to make informed buying decisions. Committed to adding as much value as possible to our customers and the hospitality industry, we continually explore new opportunities to apply data and insight to our 89 years' experience in the wine trade.

Data and insight plays an important role within the Hallgarten communications strategy, continually sharing knowledge with the trade through our wine-focused magazine 'Assemblage', trade email updates and social media channels. Motivated by our desire to consistently support the hospitality sector, we identified the KAM Wine Decisions whitepaper as the ideal consumer study to bring more value to pubs, bars, restaurants and hotels across the UK, free of charge. The report covers factors that influence wine choices, the role of sustainability and the impact of social media on wine, providing up-to-date insight into what motivates purchase. As well as key topics such as staff engagement, consumer 'turn-offs' and the value of getting wine service right, the reports offers invaluable learnings on how the consumer experience can be heightened and wines sales be increased.

Whatever your normality looks like, understanding what influences consumers will help you better prepare for the normal ahead. The reward is too big for pubs, bars, and restaurants to let these customers slip away. Life may be too short for bad wine, but, in the eye of the customer, it's also too short for bad service and bad experiences. Good wine and good experiences, however, could be the key to a very long and successful life for our venues.

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Colin Cameron, Marketing Director, Hallgarten & Novum Wines

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Methodology:

The research referenced within this whitepaper is taken from a bespoke research study, specifically conducted by KAM for the purpose of this project. A nationally representative sample of 500 wine drinkers were interviewed online between 27th Feb – 1st March 2022.

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The changing habits of wine drinkers

Wine drinkers are drinking more wine now compared to a year ago. This rise in consumption is being driven by the younger demographics getting more into wine, with 2 in 3 Gen Z and Millennial consumers drinking more wine now compared to this time last year. 2021 saw a rise in wine sales through retail channels as an impact of the rise in 'at-home' occasions. One of the legacies of the 'lockdown years' has been the increase in consumers spending time at home – dining, entertaining and generally enjoying the treats of an evening out in the comfort of their own surroundings. Nielsen reported that table wine sales in Grocery were up 4.5%, whilst sparkling wine grew 13.1%. Whilst the relaxing of restrictions may have not seen sales return to the on-trade, to the levels seen before lockdowns, we are seeing consumers, and wine drinkers, in particular, visiting pubs, bars, and restaurants regularly. More than half go out at least once a week. Again, the younger demographics are really the catalyst for growth here, with 72% of Gen Z going out at least once a week, and 67% for Millennials. On average, they visit pubs, bars, and restaurants 2.5 and 2.2 times a week, respectively.

It's not all boom though for the wine industry, there is a bit of bust too. 1 in 7 say they are drinking wine less now compared to 12 months ago. With the biggest determining factor being a general cutting down of alcohol consumption. This trend towards wellness and a reduction in alcohol consumption is not just impacting wine consumption but is something for the whole alcohol industry to be aware of.

36%

Are drinking more wine now compared to 12 months ago

14%

Are drinking less wine now compared to 12 months ago, with the main reasons being:

79% Cutting down on general alcohol consumption

19% Switching to other alcoholic drinks

53%

Drink wine in pubs, bars, or restaurants at least once a week

Factors that influence wine choices

Red or white? More often than not this is the first question that gets asked around the table when the wine menu comes out. It remains the key factor that wine drinkers would consider first when ordering wine, followed by grape variety and then country of origin. It appears we remained programmed to follow the traditional path – no doubt led by the fact that the majority of menus and wine lists would call out, and layout, their menus this way. However, is it a case of if you keep doing the same things then you should expect the same results? 42% of wine drinkers say that they would order a style of wine that they usually drink at home, whilst 30% say that they would, in fact, always order the same style of wine each time.

The top 10 factors that wine drinkers look for when ordering wine in a pub, bar, or restaurant:

- 1 Colour
- 2 Grape variety
- 3 Country of origin
- 4 Preferred price range
- 5 Region
- 6 Actual price
- 7 A wine they've tried before
- 8 Description of the wine
- 9 Food pairing
- 10 Bottle size


42% Would order the style of wine that they drink at home

26% Like to try new wines they've not had before

70% Think pubs/bars DON'T provide enough information to help make informed decision when ordering wine (43% for restaurants)

Are we missing an opportunity here? Should venues be making it easier for drinkers to explore and discover new wines? By creating the same, well worn, path we inevitably end up leading customers down the same route. We end up in a situation whereby on-trade sales are influenced most by what consumers are drinking at home and not by what hospitality venues have to offer. We see that 1 in 4 drinkers want to try something new – firstly are we helping these customers on their journey of discovery, and secondly, we should be encouraging this figure to rise higher. If customers are just drinking the same wine in pubs, bars, and restaurants as they are at home, then it becomes much easier for them to stay at home and not venture out. Providing a greater depth of information should be a good starting point, as customers agree, but should we think about getting more creative with our menus as we run the risk of customers sticking to what they know, and perhaps sticking at home too.

Popular grape varieties & the role of sustainability



Merlot, Chardonnay and Cabernet Sauvignon are the top 3 grape varieties that wine drinkers will be looking for when they visit pubs, bars, and restaurants. Venues should be looking at calling out these varieties on the menu and having signature bottles (e.g., highly recommended, staff favourite, etc.) in order to capture the eye and wallet of wine drinkers when in venue, and through their marketing channels. By focussing on the popular varieties, venues can gain maximum traction and engagement.

What also appears to be popular right now, with wine drinkers, is the role that organic, vegan, natural, sustainable and/or biodynamic is having on wine purchasing decisions. More than half of wine drinkers say that 'natural' is an important signifier to them when choosing wine, whilst we also see 'sustainability' and 'organic' as key credentials that are increasingly important to the consumer.

'Natural' wine can mean different things for different people, but it's clear that consumers are keen for wine to be made as naturally as possible. It should be key for venues to not only ensure that their wine list features bottles that display these credentials, but crucially to make sure that these are called out clearly to the consumer.

The top 10 grape varieties that wine drinkers prefer


- 1 Merlot
- 2 Chardonnay
- 3 Cabernet Sauvignon
- 4 Sauvignon Blanc
- 5 Pinot Gris/Grigio
- 6 Malbec
- 7 Pinot Noir
- 8 Shiraz
- 9 Zinfandel
- 10 Chenin Blanc

Wine drinkers say the following are important to them when ordering wine



74%

Would like pubs and restaurants to make it clearer which wines on their menus are organic, vegan, natural, sustainable and/or biodynamic



The expert view



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We are sometimes asked if we could have one superpower what would it be. Well, anyone involved in selling wine in the hospitality sector should turn that question around. What superpower can we give our customers? The answer stands out loud and clear in KAM's crucial new study on what consumers want from hospitality.

Confidence. Simple as that. Not the finest wines known to mankind, or wines at the most affordable price. They come later. To even get your average customer to think about buying a glass, or bottle of wine, you must put yourself firmly in their shoes. What can you do that gives them the confidence to make an easy wine purchase?

Analyse every touch point a customer will experience about wine in your venue and make sure it is as easy and as comfortable to understand as possible. From your staff to your wine list, every word and letter counts. Remember every wine rule or fact a customer comes across will be like an open door of discovery for some, and another door slamming in the face for others.

How do you manage and shape your wine offer to open it up to all your customers? Crack that and you could, says the study, see each wine customer spending £500 more in your venue a year. Now that's worth reading about.

It's also great for the wine sector that KAM is shining its insights light on what it is doing well and where it needs to improve. It has proven itself in recent years to be far more than an independent analyst, but a business that works hard to really understand the sectors it covers from the inside out. The one thing wine needs more than ever is expert data that analyses and exposes what it needs to be doing more to engage with attract future wine drinkers. ”

Richard Siddle, editor-in-chief, The Buyer

Social media influencing wine drinkers

The UK was home to 53 million active social media users as of January 2021. That translated to a social media penetration rate of 78% of the total population of the UK (Source: Statista). Whilst 1 in 3 wine drinkers say they have been influenced by social media to try specific wines, it's safe to say that it's the younger demographics where social media is having the greatest influence.

1 in 2 Millennials have been influenced, whilst a staggering 2 in 3 of Gen Z say that social media has played a role in driving them to choose specific wines. It's no surprise to learn that pretty much every single member of Gen Z has a smartphone, in fact, only 0.8% of them don't have either a smartphone, a tablet or a laptop/desktop computer, so in one way or another, they are 'connected'. They may connect digitally, but they collect physically - in cafes, pubs, bars, and restaurants. In fact, eating and drinking out represents the largest proportional share of their disposable spend (source: KAM Gen Z Report).



33%

Of wine drinkers are influenced by social media (67% for Gen Z)

Social media has influenced the wine drinkers choice of...



Whilst we've seen that colour, grape variety and country of origin are the top 3 factors that influence wine decisions in venue, interestingly, when it comes to social media influences, we see brands playing a more significant role. With 1 in 3 saying they've been influenced to choose a particular brand and 1 in 5 saying a particular bottle. Clearly, with Gen Z (and Millennials) driving, in part, the increase in wine drinkers to pubs, bars, and restaurants, we need to ensure we're engaging with them through social channels in order to capture their attention in venue.

The enjoyment experience

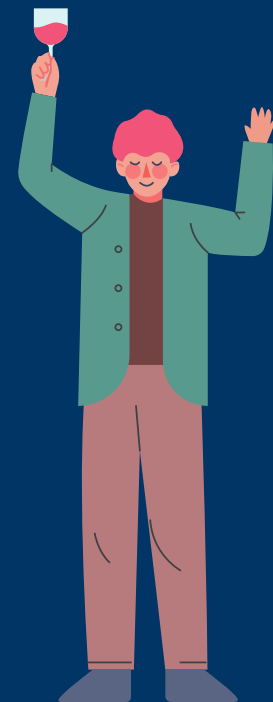
Perusing the menu, reading about the styles and flavours, ordering a bottle, the anticipation of waiting for it to arrive, the ritual of the uncorking and that delicious sound as the wine glugs into the glass, and finally that first taste. Enjoying a glass of wine is one of life's pleasures, and wine drinkers would agree. They rate it just behind food as one of the most enjoyable experiences of going out to pubs, bars, and restaurants.

There is no doubt a 'theatre' exists ordering wine and it's this experience that venues need to be maximising to their fullest potential. We've already discussed the rise in 'at-home' occasions during the various lockdowns, but one of the trends was consumers' premiumisation of categories whilst at home. By not going out, they were willing to spend more on a bottle of wine from a supermarket, for example, as their mindset was thinking in terms of what they would have spent if they bought that bottle from a restaurant. Therefore, as an indirect result, we may be seeing an increase in how discerning customers are when buying wine from pubs, bars, and restaurants. Venues must recognise the value proposition for customers – if the experience isn't there then it's a much easier decision for them to 'premiumise' their wine experience at home instead of going out. Experience is key for venues and with a category that customers find so enjoyable, it needs to be dialed up to ensure it's an experience that they don't forget.

70%

say that choosing wine is one of the most enjoyable experiences of going out to pubs, bars, and restaurants

Only behind choosing food (84%), but ahead of choosing cocktails (61%), spirits (52%) and beer (41%).



The role of staff

The role that the staff play in any hospitality venue is critical. They are the emotional connection for customers and one of the key drivers for the elusive 'perfect experience' that we are all searching for. For a category that is as emotive as wine, it should be seen as a warning that 1 in 3 wine drinkers say they don't feel confident when ordering wine in a pub, bar, or restaurant. This is a key role for staff to play when it comes to wine – breaking down this confidence barrier. Whilst the layout and copy on menus can help to give greater clarity to what wine is available, nothing can replicate the ease at which staff can put the customer in when guiding them through their selection. Encouragingly for the industry, more than 8 in 10 wine drinkers believe that staff are generally knowledgeable about the wines they serve.



31% Of wine drinkers don't really feel confident when ordering wine in a pub, bar, or restaurant

84% Of wine drinkers think staff are generally knowledgeable about the wine they serve

62% Think that staff play an important role when ordering wine in a pub, bar, or restaurant

70% of wine drinkers think that staff in restaurants are more knowledgeable than staff in pubs and bars. **65%** are more likely to order wine in a restaurant than in a pub.

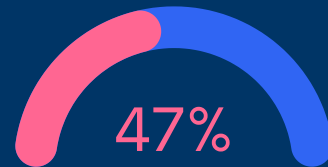
However, we do see quite a clear difference between the perceptions of staff within pubs compared to restaurants. 70% think that staff in restaurants are more knowledgeable. This could be based on experience or based on perceptions, either way it's ultimately about what the customer believes is true – and it will clearly be having an influence on their behaviour. In fact, 2 in 3 already say that they are more likely to order wine in a restaurant than in a pub. Now, in part, this could be driven by the occasion, with 74% more likely to order wine when dining, but there is also a general perception that restaurants are better at wine than pubs. For instance, wine drinkers also think that restaurants are 50% more likely to serve wine at the 'correct temperature', compared to pubs. Perceptions are the reality for these customers and pubs should be encouraged to tackle these perceptions head on to ensure that they are seen as a destination for wine for their customers of today and of the future.

Top turn-offs for wine drinkers

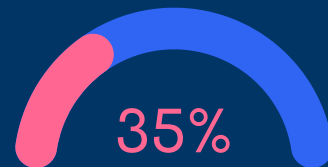


1 in 3 wine drinkers don't feel confident when ordering wine in pubs, bars, and restaurants, but what are some of the main reasons that are turning these wine drinkers off the category. Fuelling the lack of confidence could be the various rules and complexity there is around wine. For many, they may enjoy wine, but they wouldn't class themselves as knowledgeable, and for these drinkers, the terminology and etiquettes can often be both confusing and also lead to a loss of confidence. Both of which may result in turning them off the category altogether. When you consider that these are wine drinkers already, it would be even greater for those who may be contemplating entering the category for the first time.

It's not about dumbing down but rather simplification and evolution of the category. We don't want to lose the theatre and experience that is associated with ordering wine when in a venue, but at the same time, we must consider these issues that wine drinkers, and ergo the wider customer base, are saying turn them off from the category. With competition for consumer spend more competitive than it's ever been it would be foolhardy to lose potential customers due to unfounded principles and outdated ideologies. If it's not broken then don't fix it, though right? Well, it may not be broken but it may be outdated, and if we're not moving with the times, in today's world, then we're moving backward. Certainly, from a younger generation's perspective, brands are like the prey of a T-Rex, if you're not moving, then they can't see you. You won't get eaten, but will you survive?



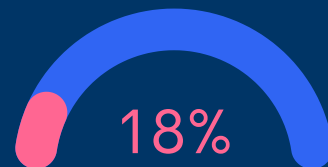
Of wine drinkers say that all the rules/ complexity around wine can put them off



Say that the words used to describe the wines are too confusing/ambiguous



Are worried they'd order a wine and then won't like it so it will be a waste of money



Feel too embarrassed to ask for advice/recommendation from a member of staff



The expert view



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I believe the research strongly suggests the need to make things easier for consumers by keeping their offer simple, easy to understand and use existing preferences as a hook for experimentation. Whether in a restaurant, a pub or a bar, operators need to discover their own USP that they can then convey to their guests. I think operators often make the mistake of trying to give consumers what they think they want when more often the consumer is looking for something new – after all very few people dine out and choose the same food they'd eat at home so why would they want to drink the same wines?

The craft beer story provides a great starting point for reassessing how we can reappraise our approach to selling wine and transform the experience from one that's 'complex' or 'confusing' into one that's genuinely enjoyable for all parties.

- Less is more – offer a shorter curated list that ticks off the key styles then add a couple of more unique wines.
- Rather than focus on known varieties, instead, use these as reference points to break down barriers to entry and eliminate concerns that the consumer 'won't like' the wine.
- Similarly, with a more curated range, it becomes viable to offer all of the wines by the glass, the opportunity to offer the guest the chance to try before they buy whilst at the same time reducing SKUs and ensuring there is sufficient fridge space for the wines to be served at the correct temperature resolving another concern raised in the research.
- A shorter list and easy-to-understand language also make it far easier for the staff to understand and have confidence in the wines.

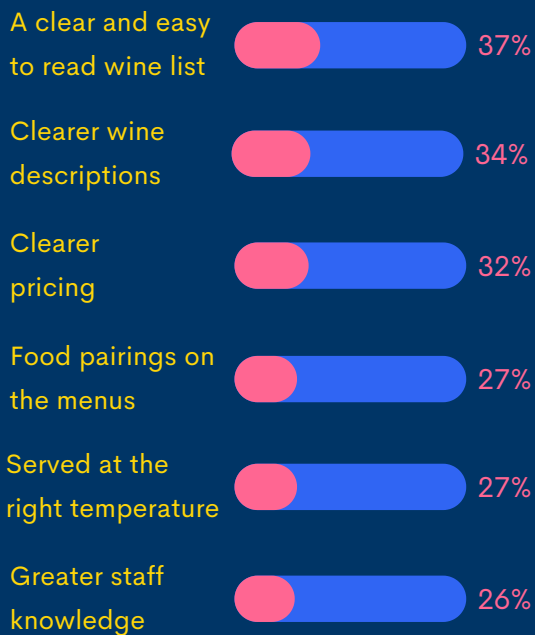
Having created your USP and offering guests a compelling reason to drink wine with you (rather than a competitor or at home) this can then be taken further by trialing more unique interesting wines whether as a seasonal special or a permanent addition to the list.

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Mike Stocks, Hospitality Consultant & Wine Guy

The value of getting wine right

The top factors that would encourage drinkers to order wine in pubs, bars, and restaurants



57%

Of wine drinkers would spend more on wine if they felt more confident about ordering wine

49%

Of wine drinkers would visit more often if they felt more confident about ordering wine

Enabling people to feel more confident about ordering will drive an additional **2.4 visits** to pubs, bars, and restaurants per person, per month.

Whilst it's clear that there are barriers that exist when it comes to encouraging wine drinkers to order wine in pubs, bars, and restaurants, and in driving new drinkers to the category for that matter. At least we know what they are and have the opportunity to do something about it – and why should we? Well, the opportunity, if we get it right, is huge. By enabling wine drinkers to feel more confident about ordering wine, venues have the potential to drive an additional 2.4 visits per person, per month. That's 29 extra visits per year. Let's say the average bottle of wine costs £20 in a venue, this could mean, on average, over £500 per customer, per year, per venue. Not only would it encourage drinkers to visit more often, but it would also encourage them to spend more on wine when they do. So, this figure could be even greater. The role of staff, the range, price-points, styles, varieties, and menus (to name but a few) need to be working together to create an experience that not only takes the customer on a journey but signposting that journey along the way – holding their hand when needed and pushing them out of their comfort zone when the time is right.

The reward is too big for pubs, bars, and restaurants to let these customers slip away. Life may be too short for bad wine, but, in the eye of the customer, it's also too short for bad service and bad experiences. Good wine and good experiences, however, could be the key to a very long, and successful life, for our venues.

Top takeaways

Young drinkers are driving an increase in demand for wine

63% of Gen Z and 61% of Millennials are drinking more wine now compared to 12 months ago.

We have to engage with wine drinkers beyond just tin-venue

33% of wine drinkers are influenced by social media in what choices they make with regards to the wine they buy when they are out. Engage with them through social channels in order to capture their attention in venue.

Wine can help create an experience for the customer

70% say that choosing wine is one of the most enjoyable experiences of going out to pubs, bars, and restaurants, only behind choosing food. Experience is key for venues and with a category that customers find so enjoyable, it needs to be dialed up to ensure it's an experience that they don't forget.

Venues need to make it easier to explore new wines

42% of wine drinkers say that they would order a style of wine that they usually drink at home, whilst 30% say that they would, in fact, always order the same style of wine each time.

Wine drinkers are becoming more socially aware

More than half wine drinkers say that 'natural' is an important signifier to them when choosing wine, whilst we also see 'sustainability' and 'organic' as key credentials that are increasingly important to the consumer. Consumers are keen for wine to be made as naturally as possible.

Staff can help break down the barriers for wine drinkers

Customers are put off by confusing wine rules and in turn don't feel confident when ordering. Leading to missed sales and missed opportunities.

Wine category checklist



" We can see from the findings of this paper that too much posh wine knowledge doesn't work. Clearly, ensuring both sustained and new interest for the wine category is the only option for growth and success. Here's a quick wine category checklist:

Spread wings

Opportunity for both enhanced experience and repeat custom lies in our ability to push our customers to try new things. Introduce esoterica in the right places on the menu. Make it easy for your customers to step out of their comfort zone, they clearly want to.

Premiumise

There are entry and world-class examples of almost every grape variety in the world, in particular the 'big 10' outlined in this report. Be strategic, and push the quality perception of these varieties. It really is OK to have Merlot towards the bottom of the list if it's good enough.

Confidence trumps knowledge

Most of this is for naught if the wine category is not supported by a Wine Confident team. It's unrealistic to expect our teams to be consistently wine knowledgeable, and the findings of this paper clearly suggest that this isn't actually that important.

- Train your team to taste wine and talk about it in a language that they can relate to. If they can relate to it, then so can your customers.
- Focus on a service-based wine training approach. Training that inspires the team to relate certain wines to guests and offer them a range and a great experience.
- Less formal knowledge – Most customers don't care what soil or type of oak a wine comes from, they can't relate to that. But what they can do is relate to other elements. Organic goes some way to connecting with the consumer, but the clear winner here is sustainability.
- People buy from people, so make sure that your team is equipped with the tools to offer range, choice and the upsell. Ensure they are trained up to take a customer from a £25 to a £30 bottle in a few words. "

Harry Crowther, Founder Grain to Grape

www.graintogrape.co.uk

The last word



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We're all acutely aware of the challenges facing the hospitality industry at present. The last 18 months to 2 years have created an 'imperfect storm' in which venues are experiencing price increases and a staffing crisis, whilst consumers have become accustomed to entertaining at home. Venues are having to fight for consumer spend more than ever. One of the key weapons in our armoury, however, is that consumers are also looking for experiences. There is a desire for an experience above products. We want to create memories. This research shows that wine can play a pivotal role in delivering that experience to the customer. However, we still have work to do to make it the best experience it can be.

We've seen that customers rate ordering and drinking wine as the most enjoyable experience when dining out (behind only food), however, we also see that they are put off by confusing jargon and the perceived complexity around wine. They feel embarrassed and therefore default to what they know, switch to a different category, or worse, go without. Whilst it's encouraging to see the younger demographics driving an increase in demand for wine, we still have to be mindful of the barriers that exist and ensure that we are providing an experience that accommodates all.

Hospitality should be about a journey of discovery, or trying new things, meeting new people, and ultimately reveling in an experience that is unique to the industry – most importantly, an experience that they can't get at home. When it comes to wine, we need to take extra care to ensure that we are guiding customers on this journey of discovery. The world of wine is an extraordinary place and, if venues can get it right, it offers up the potential for extraordinary gains. Only by breaking down the barriers can we build for a better future.

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Blake Gladman, Partner/Strategy & Insight Director, KAM

ABOUT



Hallgarten & Novum Wines is one of the UK's leading specialist wine merchants, with over 89 years' experience importing wines from producers around the world and supplying the premium On and Off Trade.

Family-owned and renowned for supplying premium wines to the UK's finest restaurants, hotels, pubs and bars throughout the country, Hallgarten were named both On Trade Supporter of the Year by the International Wine Challenge and On Trade Supplier of the Year by The Drinks Business in 2021, thanks to its focus on service and support for customers. It's experienced buying team including one of the UK's most respected palates in Steve Daniel, and Master of Wine Beverly Tabbron, who have together constructed a diverse and award-winning portfolio of over 1,000 wines. Blending some of the world's greatest producers from the classic wine growing regions together with innovative, up-and-coming wineries and winemakers from the emerging winemaking world.

KAM

KAM are research and insight experts, providing the tools to understand your customer's journeys. Using consumer and operator research and insights to help identify the ways in which your business can improve. Whether your customer is the end consumer, an independent retailer or a hospitality operator, understanding and influencing the customer journey is vital to any business. Marketing (product, price, place and promotions) and people (field sales, BDMs, front-line staff, etc.) are the core elements at play. Our research and insight tools and services are designed to help you better understand why, where and how to create impactful and engaging customer journeys.

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