

DESCRIPTIVE CONTENTS

CHAPTER 1

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INTRODUCTION TO THE WINE MARKET

A customer sitting at a table in a restaurant is studying the wine list, chooses a wine, and is soon enjoying a glass of wine. The expression in the customer's eyes becomes distant for an instant, lost while closely reflecting on what the senses are picking up. We then observe a nod of approval that the wine is satisfying. This typical occurrence arouses no concerns other than those of everyday life. Yet, behind the scenes, the chain of events that allow this action to take place is more intricate than we imagine. There are five basic links that enable the chain to operate. From the vine to the winery, with the subsequent sale of the wine to a distributor, who in turn sells it on to a restaurant, which finally offers and serves it to a customer.

This chapter introduces the part of this chain that spans the vineyard



to the distributor. Among other matters, it will explain how viticulture is organized, the role of wine grapes in the agricultural market and agrarian policy. It will also explain the reason for the highly fragmented nature of the wine-producing business, a market in which many wineries share the revenues.

In addition, the two main distribution channels are introduced: on-trade, the food-service establishments where the wine is consumed; and off-trade, the wholesale and retail establishments where the wine is purchased for later consumption.

CHAPTER 2

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LOGISTICS AND TAXES

Within the market, wine is moved from one place to another. Travel can involve a short journey of a few miles in the local area or long voyages across oceans. Because wine is a delicate product, it can suffer if transportation conditions are



not appropriate. The procedures that enable these journeys to take place are known as "logistics operations." They are complex due to the large number of different players involved: exporters, importers, logistics operators, etc. Added to this bureaucracy are the laws set by the governments of the different countries and their border entry requirements.

For this commercial exchange to proceed smoothly, it is necessary to share the responsibility, prepare a significant amount of documentation, and go through the customs clearance process to verify that the goods comply

with the requisites for entering the destination country.

Countries and their governments unilaterally collect and administer taxes. Throughout the entire chain, wineries come up against three unavoidable taxes: excise duty on wine, customs duties, and ad valorem tax (tax on the value of the transaction). Some countries enter into trade agreements and reduce the tax burden. However, policies vary widely depending on each country: In terms of taxation, the European Union, Switzerland, Australia, New Zealand, South Africa, Chile, Argentina, the United States, and China are worlds apart.

THE PRICE OF WINE

Price, value, and cost are three concepts that are typically interchanged as synonyms. This chapter will show that they have very different meanings and are highly variable.

For example, 1 kilogram of high-quality grapes sold by a winegrower at €1.30 is turned into a bottle of wine that a customer buys in a store for €15.73 or

consumes at a restaurant for €26.12. An increase in price occurs with each link in the chain. Each player adds their margin or markup, and this continues until the final retail price is reached. But how does a winery choose the price at which its wine will be sold? Does it check the competition, how much it costs to produce, or its qualitative value?

Whatever the price set at this stage, wines that come onto the market face one of the consequential of laws; the law of supply and demand.



THE VALUE OF WINE

Brand identity, the exclusivity of a wine, the price of a bottle, and its history and ratings are factors that justify the increase in the value of a specific wine. But how can a winery influence these things to impact the mind of consumers?

The actual product reflects the corporate image of the company, its particular profile. Intervening in this aspect is graphic design: an essential discipline that has the role of embodying all of the marketing concepts in a label.

One channel is through packaging, which must not only be functional but also allow for the product to be identified and guarantee its sanitary quality. Packaging must communicate and enhance the psychological profile of a brand. Ultimately, like every individual, each brand has its own personality. For this purpose, labels play a major role as elements halfway between information and promotion.



INTRODUCTION TO THE FINE-DINING RESTAURANT AND THE BEVERAGE OFFERING

This is the first chapter to explain the concepts of fine-dining restaurants. Sommellerie joins the Sapiens of Wine and is here to stay. We will introduce nine leading sommeliers, who will provide practical examples

throughout the book. They are Ronan Sayburn MS, Agustí Peris, Andy Myers MS, María José Huertas, Enrico Bernardo, Josep “Pitu” Roca, Antoine Pétrus, Arvid Rosenger, and David Seijas. Not bad, to be honest.



This chapter explores the fine-dining restaurant and its beverage offering. But the offering is much more than dishes and wines; atmosphere, type of service, attention, and wine pairing also play an essential part.

Not only will we talk about wines but all the beverages that form part of the offering, from pre- to postprandial beverages.

DETERMINING FACTORS IN THE BEVERAGE OFFERING

Sommeliers have at their disposal a wide range of selections and a global market that enables them to create an offering that expresses their taste and image. However, most restaurants do not rely only on the taste of the purchasing manager; they choose wines based on specific determining factors.

There are at least 100 determining factors. The wine offering of a new business is not the same as that of one that is consolidated and has inherited a magnificent wine cellar. If the intention is to make the business known for its wines, it will have a different selection process than an establishment without this concern. If the restaurant is located at a coastal resort or operates on a seasonal basis, its wines will be different than those of an establishment found in a city with nonstop activity. And depending



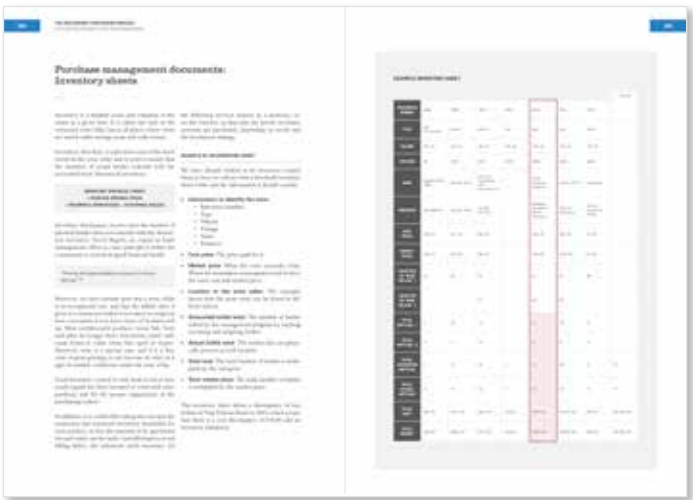
on how much money customers are willing to spend, the quality of the bottles purchased by the restaurant will be different. Wines must match the food offering, and, if a tasting menu comes complete with a fixed wine pairing, the precision of the offering will have to

match that of the food. All of these determining factors, options, and particularities affect sommeliers, who must adapt to them and focus their selection in accordance with the culture of the business, not on their own preferences.

THE RESTAURANT PURCHASING PROCESS

After creating the offering and selecting the wines, it is time to purchase them. In addition to wines, a sommelier or purchasing manager is in charge of the service and tasting tools (glassware, decanters, etc.) and other products required for the elaboration of beverages (coffee, water, liquors, liqueurs, etc.). For this purpose, there are different suppliers. Should I purchase from a winery directly, or from a wholesaler or distributor? Should I join a winery mailing list? Likewise, there are different options for how to purchase wines, including wine futures, single order picking, sales agreements, direct allocation, etc.

Whatever option is chosen, there is always one thing to keep in mind: choose the ideal supplier. This chapter also has leading sommeliers providing a unanimous answer to the question on the most

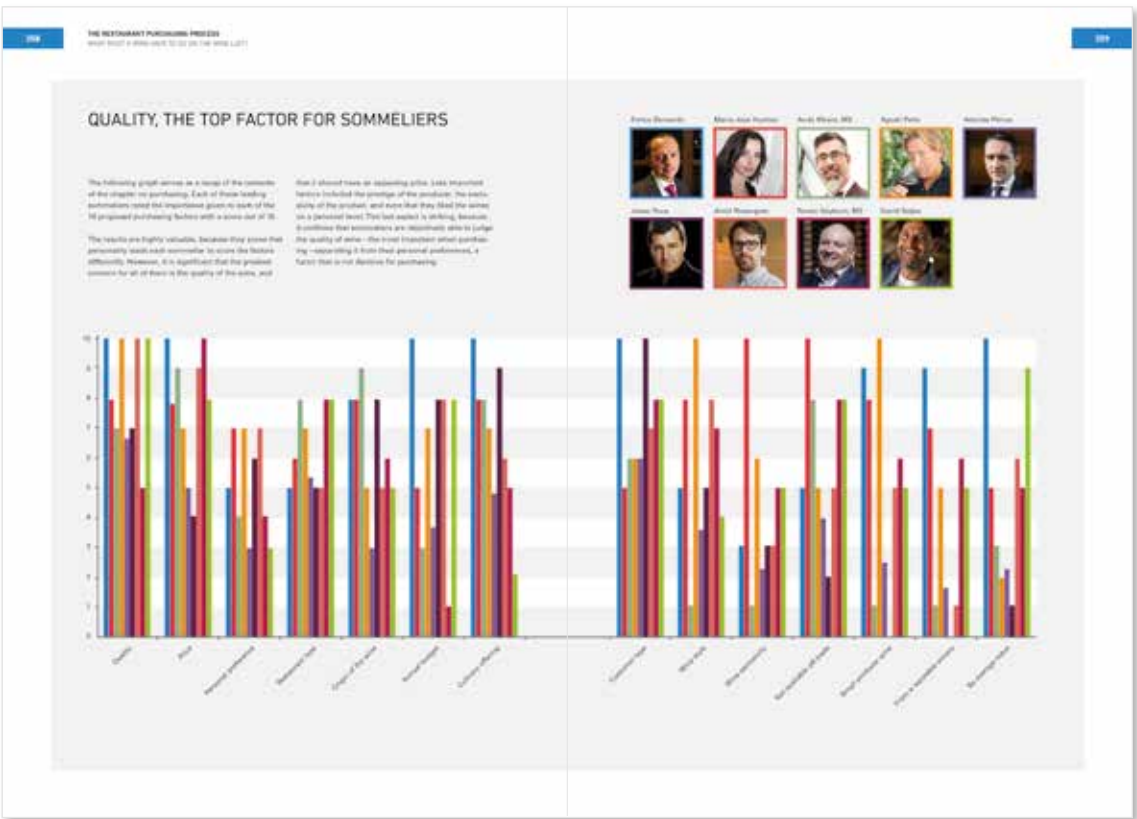


important factor when it comes to purchasing a wine: quality.

of orders, delivery notes, invoices, returns, and settlement.

After selecting the best wines, it is essential to manage the purchases efficiently. Lucas Payá, sommelier and creator of the elBulli wine cellar management program, explains how this is done: through control

The basic document for organizing purchases is the inventory, because it provides information on the state of the wine cellar, inventory turnover, and making calculations to optimize purchases.



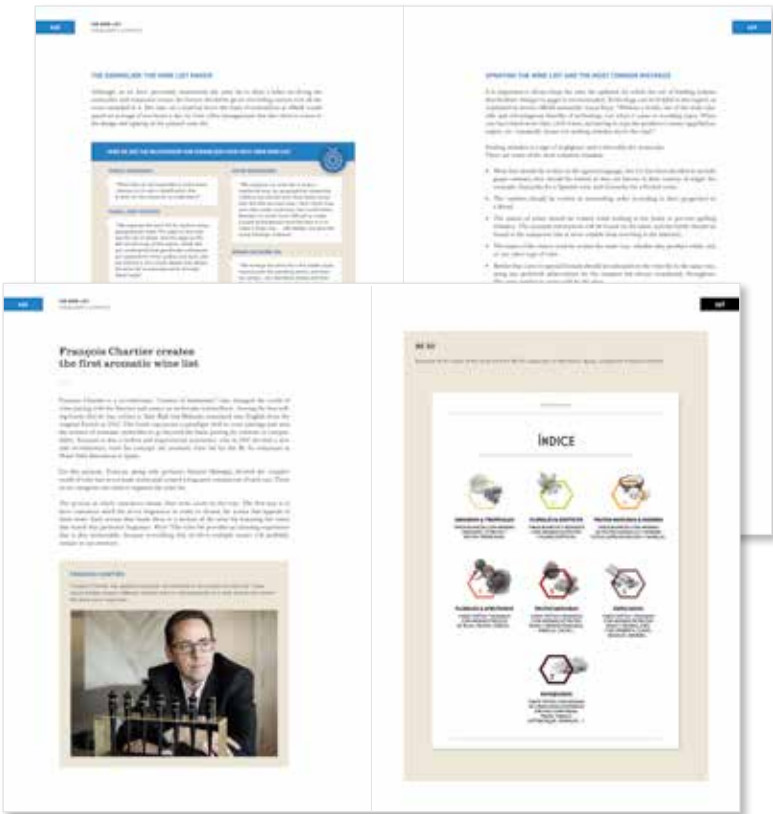
THE WINE LIST

The wine list is the basic document with which all fine-dining restaurants present the selection of wines that they offer.

However, an appealing wine list is much more than a simple list. Ease of use, diversity, and reasonable prices are concepts to take into account when designing an effective wine list.

Design is once again a determining factor: typeface, readability, ease of navigation, accessibility, etc. are essential. Besides being attractive, a wine list must at least offer basic information on products.

This chapter provides paradigmatic examples of wine lists from such important restaurants as Atrio, El Casino de Madrid, Clipstone, Rekondo, Santceloni, and Be So.



STORING WINE IN A RESTAURANT

The most delicious, difficult to acquire, and most coveted wines will spoil if they are not properly stored.

However, storing wines is not the same as storing screws, pasta, or pieces of information. It also produces a greater expectation as the wine matures and ages. If the situation is favorable, the added value of the wine will increase. These two key concepts will be defined in this chapter. In fact, to gain the greatest advantage from the passage of time, wines must have special characteristics, because not all wines are suited to maturing.

Restaurants have different options to guarantee the correct storage conditions of their wines: from underground cellars with ideal temperature and humidity to high-precision refrigeration equipment.