Title
Factors influencing restaurants wine menus construction.: The case of Netherlands and South Africa.

I want to submit an abstract for:
Conference Presentation

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Keywords
Wine Food Pairing, Price, Ratio, Choice Sets, Wine Menu, Restaurants.

Research Question
What are the most important factors influencing the decision of constructing a wine menu in selected restaurants in the Netherlands and South Africa.

Methods
Qualitative in-depth interviews.
Use of choice modelling to identify the most significant factors in the decision of wine menus.

Results
Most important factors that impact on the decision making of wine menus are: the pairing between wine and food, the taste of the wine and the quality price ratio.

Abstract

1. INTRODUCTION

Wine sales have a significant contribution on the profits made by restaurants around the world. As a result there is much interest in identifying what factors should be taken in consideration in creating a wine list appreciated by customers. Research done by Saura et al. (2008), Dewald 2008 and Russell (2009) shows that a well thought wine list and the service associated with it not only has a significant impact on the profitability of the restaurants but have a lasting effect on customer satisfaction and loyalty.

2. LITERATURE REVIEW
Many aspects contribute to the development of a wine list. Food and wine pairing has become increasingly important to restaurants in the creation of a superior gastronomic experience (Harrington, 2005; Zanten 2005). Recommendations based on pairing between food and wine have the potential to increase the wine sales in restaurants by 44% in many cases, as shown by Wansink (2006). An additional benefit of this aspect is that through recommendations based on wine and food pairing uncertainty in the selection of wine and food by restaurant guests is reduced. This helps restaurants in successfully applying the menu engineering concept that would maximize revenue (Harrington, 2005).

Customer preferences or requests are very important in the decisions by restaurant owners, managers or sommeliers to develop a new wine menu or to add a new wine on an existing list. Research performed by Corsi, Mueller and Lockshin (2012) shows that customers preferences focus mainly on the grape variety and to a certain extent country of origin.

Dewald (2008) conducted a research to ascertain what were the most important criteria for selecting wines in a restaurant. The main criteria reported by 250 sommeliers in the US were pricing of wines, customer requests, restaurant cuisine, reputation of the winery, value for money, vintage, purchasing trends of restaurant’s customers, profitability of the wine to the restaurant, personal preference of wine and type of variety. Price and wine quality are mentioned in a number of researches as additional important factors in decision making. Juergens (2011) and Lehrer (2011) describe the inherent difficulty to correlate price with wine quality due to the particular high subjectivity in the evaluation of wine quality. One method put forward by Puckette (2014) in calculating the price of wine base on three traits: oak, time and terroir.

Finally, Lockshin et al. (2011) revealed the most important strategies followed by 45 five-star Chinese restaurants when designing their wine list and in what way 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, popularity of the wines and balance of varieties. Less important attributes for restaurants when making wine lists were ‘suppliers’ recommendations’ and ‘preference for local wine product’.

3. OBJECTIVES OF THE STUDY

The proposed objectives of the study are:
• to provide a description of factors that influence the development of wine menus at selected restaurants in the Netherlands and South Africa;
• to classify these factors based on their importance in the decision making;
• to carry out a choice experiment to estimate the most important attributes in the creation of wine list at the selected restaurants;
• to provide conclusions and recommendations based on the results of the above mentioned analysis.

3. METHODOLOGY

The project analyses decision makers preferences in creating a wine menus by means of the choice modelling. The choice modelling is a stated-preference approach which investigates individual behaviour and estimates the value of projects by asking people to choose among scenarios whose differences are due to systematic combinations of diverse attribute levels. This methodology develops through three main steps (Hanley et al., 2001, Mazzanti, 2003): i) identification of the basic characteristics (attributes) of the good or project to be evaluated, which can take different values (levels); ii) each respondent has to decide among alternative hypothetical scenarios characterised by different combinations of the attribute levels; iii) the econometric analysis of their answers allows to estimate the relative importance of different attributes.
A pilot study in a three restaurants in the Netherlands and South Africa has been conducted in order to identify...
whether the proposed questionnaire can be easily understood by the respondents and also if there were any additional factors that needed to be included on top of the ones identified in the literature.

The use of choice modelling has spread in many research fields marketing, cultural, health, transport, environmental economics and recently also in wine economics.

The factors identified as being important in both countries were introduced in the actual research. They were: Matching Wine with Food, Tastes good, Good Quality Price Ratio, Potential for Profit Maximization, Variety of Grape and Preference for a certain wine region, High reputation brand, Balance of varieties, Popularity of wines.

Respondents were presented with four choice sets showing various options for their choices of wine. The respondents had to choose from a total of 16 choice sets. A number of 15 restaurants owners, managers and sommeliers were interviewed. Table 1 shows the results of the first 4 characteristics.

<table>
<thead>
<tr>
<th>Variables</th>
<th>CL</th>
<th>HEV</th>
<th>RPL</th>
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<tbody>
<tr>
<td>Food Wine Matching</td>
<td>1.59</td>
<td>.14</td>
<td>1.79</td>
</tr>
<tr>
<td>Wine Taste</td>
<td>.34</td>
<td>.13</td>
<td>.40</td>
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<tr>
<td>Quality Price Ratio</td>
<td>.34</td>
<td>.12</td>
<td>.39</td>
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<tr>
<td>Profit Maximization</td>
<td>0.01</td>
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<td>0.01</td>
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Table 1 Top 4 variables that Impact the Wine Menu Choices.

5. CONCLUSIONS AND IMPLICATIONS

The study shows that the Food and Wine matching is the most decisive factor when deciding in the wine menu. Followed by the wine taste and Quality Price Ratio. The quality price ratio was defined based on the model developed by Puckette.

Profit maximization is the least important from the four variables especially amongst the higher classified restaurant.

Local wines were highly appreciated by South African restaurants, this could have been due to the restricted number of foreign wines available on the market. This was not applicable to Dutch restaurants.

Most of the respondents indicated that they tend to regularly change their wine on the menu based on the changes on the food menu. They have also indicated that there are very little influenced by wine popularity amongst customers.
References


