

For Hotel, Resort, and Casino Food & Beverage Professionals

Hotel F&B Executive

JANUARY/FEBRUARY 2005

Menu Madness

Fernando Salazar
leads his chefs
through weeks of
creative capers

Fernando Salazar,
Corporate F&B Director,
Omni Hotels

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PART 1

THE WORLD OF WINE: WHAT'S HAPPENING & HOW TO PROFIT FROM IT

Increasingly, Americans are drinking premium wine. That's an accomplishment considering the California wine industry is over 125 years old and wine hasn't been part of our culture, as in South Africa, South America, New Zealand, Australia, and Europe. The greatest progress in the "Wining of America" has come over the past 25 years.

Most Americans, at last, are aware that lots of their friends enjoy premium wines. As a result, your average Joe is demonstrating he's ready to try a glass of something with dinner when dining out for business or pleasure—and probably on weekends with friends at a café, nightclub, or at home.

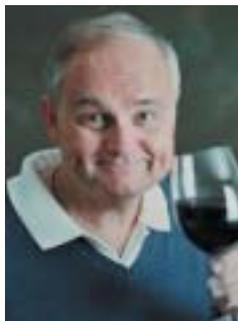
Since around 1979, U.S. wine sales have shown steady growth, although some years have been flat and the road has been anything but smooth. If you were a wine consumer in the early 1980s, you knew Paul Masson would "sell no wine before its time," and California Cellars entertained their fans with popular symphonic music reinforcing its positioning as a step above the competition (Gallo, Almaden, Cribari, Carlo Rossi, Mateus, and Lancers).

Twenty-five years ago the U.S. adult beverage scene was dominated by popular-priced, domestic beers and the bourbons and whiskeys of America's past. The most dramatic changes then had more to do with the growth of imported premium beers, single malt Scotches, and the recognition of specialty and reserve or single-barrel bourbons.

More and more Americans traveled to wine-producing countries in Latin America, Europe, and around the world. When they returned home, they wanted to enjoy some of their newly acquired beverage tastes on- and off-premise. The American wine industry, which was mostly California and continues so to be, was only too pleased to accommodate the trend toward consumption of better wines, which also meant better profit margins.

GALLO VISION

The largest winery in America in the 1970s and 1980s, Ernest & Julio Gallo, was known for inexpensive wines, such as Hearty Burgundy. But the Gallo brothers knew as consumers' palates matured the trend would be to trade up, and they were not prepared to be left behind in the dust. Gallo quietly began solidifying long-term contracts with Sonoma County growers and other business partners that would help revolutionize the



Fred Tibbitts

California wine business. They told anyone who criticized their lucrative volume of inexpensive wine sales to blue collar markets that when Americans were ready to drink better wine, they would make it. And that is precisely what they have done. Of course, Robert Mondavi, Jess Jackson, and several others played major roles in revolutionizing the California wine business.

REVERSAL OF FORTUNES

Wine imports over the past 20 years have grown dramatically, and the most significant shifts have been the reversal of the fortunes of French, Italian, German, and Portuguese wines and globalization

of "New World" wines from Australia, New Zealand, Chile, Argentina, South Africa, and the United States. Almost overnight the wine-consuming public learned that "Concha y Toro" was a product of Chile and spelled "better value" no matter how you pronounce it.

Riunite, an inexpensive Lambrusco that delighted the palates of millions of Americans and was a giant among imports for years with annual growth in double digits, declined as though buyers disappeared into thin air. But this was no disappearing act. It was the quiet and methodical ascendance of New World wines, which have culminated with a seven million case brand from Casella Wines in Australia named Yellow Tail, whose Chardonnay and Shiraz are the number-one imported wine.

One of the foremost influences on the European wine business for centuries, France, has seen its wine exports nose-dive as a result of the success of New World wines. The French are fine-tuning various emergency moves, such as reforming the appellation system, permitting their wine producers new freedoms to better compete in a wine world that changed without asking their permission. And the strength of the Euro has compounded matters by diminishing the bottom line for every French exporter.

None of this seems to faze the Ernest & Julio Gallo Winery, which has imported a value-priced French wine named "Red Bicyclette." And rumor has it they fully expect to grow this brand to become the first million-case French wine sold in the United States.

Next month I'll discuss the rapidly growing U.S. wine industry, including specific consolidations; how Boisset America is repositioning itself for today's global market; and what's hot in technology that influences wine sales.

Onward and upward. ●

Fred Tibbitts, senior vice president, Fred Tibbitts & Associates Inc., is the foremost global wine-by-the-glass consultant, working with on-premise chains around the world. fredbev@fredtibbitts



THE PINNACLE OF PRIVATE LABELS

Round Hill is the pinnacle among hotel private label wine programs.

One reason the 22-year-old program continues to gain in popularity is the growing number of sophisticated, price-savvy wine drinkers, explains Director Maria Jones. Because a hotel private label wine is exclusive to that property and not sold at retail, it eliminates the price association made with widely available wines. Jones says other hotel benefits include increased profitability through consistent pricing, name recognition on the custom label, incremental sales through gift shops and guestroom amenities, and quality wines with brand recognition.

Private label wines also can be donated to charity fundraisers, giving hotels another way to give back to their communities, Jones notes.

Pat Manning, assistant GM, the Jefferson Hotel, Richmond, says Round Hill wines continue to outperform in tastings with hotel guests and as the banquet wine at high-level corporate and social events. They also sell well in the gift shop as guests want to take home a memento available only where they stayed. Another reason their 10+ year relationship has withstood the taste test of time is because of Round Hill's consistency, availability, and service-orientation.

"Round Hill is quality all the way," Manning says.—SBH

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BOTTLENECKS Bypass Traditional Cards

When Leon Sample, Jr., couldn't find a greeting card that "fit" either the occasion or the bottle of fine wine he often gave as a hostess gift during his bachelor days, he created Bottleneck Wine Cards or "BOTTLENECKS," as they're trademarked.

Designed to fit perfectly on the neck of a wine bottle, Leon and his wife Jeannine of

Alexandria, Virginia, now sell their BOTTLENECKS on a wholesale basis to 250 wineries, wine shops, and resorts. They offer 24 different cards, including birthdays, anniversaries, holidays, and friendship/hostess.

For additional information, contact the Samples at 703-799-2910.—Susan Bard Hall



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