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## **Wine-by-the-Glass a Driving Force in Restaurant Wine Business, according to MKF's Research Monthly**

### **Wine-by-the-glass – A Virtual National Tasting Room for Wine**

Wine by the glass accounts for 40% to 60% of restaurant wine sales today, according to a study published in the third issue of MKF's *Research Monthly*.

Analyzing previously unpublished data from the *Wine and Spirits Magazine* Annual Restaurant Poll, MKF found that the number and variety of wines offered by the glass in US restaurants have increased dramatically. In 1990, restaurants served an average of nine wines by the glass – and most were “house” wines: house red, house white and house rosé. Most of those were generics.

By 2003 the average number of different wines offered by the glass ranged, depending on size and type of restaurant, from 13 to 36 wines per restaurant. In 2003 we again saw house wines leading the offerings by high-end restaurants – but these were different house wines: customized private label brands, created as premium offerings and special bottlings by select restaurants

Chardonnay remains the preferred varietal served by the glass, but its ranking has slipped by almost one third, as has that of Merlot, which remains a strong second. Pinot Grigio has emerged as a major factor, increasing its rank by more than 40%.

“By-the-glass offers consumers the opportunity to experiment with new brands and varietals and to try wines they couldn't afford at on-premise bottle prices,” said Barbara Insel, Managing Director of Research for MKF. “By-the-glass has become a virtual national ‘tasting room’ for premium wines.”

A handful of wineries have focused on building their brand through by-the-glass presence. Their names appear repeatedly as the most popular wines in this category:

- Kendall-Jackson built its brands through the on-premise market.
- J. Lohr and Mondavi each have a strong presence.
- Veuve Cliquot has used the by-the-glass market to build a dominant position in sparkling wine in the on-premise market.
- Among smaller wineries, Hess has skillfully built a strong following.

In the words of Josh Greene, *Wine and Spirits* Editor and Publisher, wine-by-the-glass is a “powerful brand building tool”.

### **MKF's Research Monthly**

The new *MKF Research Monthly*, launched in October, is designed to provide in-depth analysis of critical business challenges facing the wine industry today. Available by subscription, this targeted, concise report

will reflect the questions and concerns MKF hears daily from its wine business clients and industry analysts.

MKF Research, the economic and wine market research division of the MKF, is the leading wine industry research organization and publisher of industry economic and wine market research. The firm conducts original research on wine market trends and publishes a wide range of studies unique to the wine industry, including custom business research for the wine industry, its suppliers, customers and investors.

## **About MKF**

MKF is the only group of business advisory firms devoted exclusively to the wine industry, serving hundreds of wine businesses globally as the industry leader. MKF firms provide strategic planning, merger, acquisition and valuation services, wine market and economic research, as well as CPA, tax and family wine business planning services. MKF has participated in over one-half of the wine industry merger/acquisitions completed in recent years.

Founded in 1982, the firm's professionals combine diverse academic and working backgrounds in the wine and grape growing industry with prestigious professional experience as senior consultants and business advisors. Based in Napa Valley, the principals of MKF also publish wine industry studies and articles, teach wine business seminars and university courses, research and analyze wine business issues and trends, and consult with government and trade groups and the media on industry issues. Through their Global Wine Partners affiliate, they also have offices in Paris and Sydney.