SHANKEN NEWS Daily

Ruth's Chris Taps Growth Opportunity With Creative By The Glass Wine Program

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Heathrow, Florida-based Ruth's Chris Steak House, Inc. is the world's largest upscale steak house operator, with over 130 restaurants around the globe. Parent company Ruth's Hospitality Group reported total revenues of $357.6 million in 2010, up 3.8% over 2009. First quarter 2011 company-owned-restaurant sales reached $95.3 million, up 4.5% over the same period last year. Founded in 1965 by Ruth Fertel, Ruth's Chris has a portfolio that also includes Mitchell's Fish Market, Mitchell's Steakhouse, Columbus Fish Market and Cameron's Steakhouse. Shanken News Daily recently interviewed director of beverage strategy Helen Mackey to discuss the innovative wine-by-the-glass program at Ruth's Chris Steak House.

SND: Where are you seeing the most growth in beverage alcohol?

Mackey: Much of our growth stems from expanded interest in premium wines by the glass. Our menu pairs well with Cabernet, so it comprises most of our bottle sales. But within our by-the-glass program, we're seeing a lot of experimentation with different varietals. We actually see about a 60-40 red to white there, versus almost 100% red for our top 15 by-the-bottle wines. There's a lot of interest in low-risk experimentation within premium by-the-glass. So while I see reduced interest in half bottles, the expanding interest in alternative varietals in our by-the-glass list is very exciting.

SND: How many wines by the glass do you offer, what sorts of varieties are there, and what are the price points?

Mackey: We offer about 25 to 34, depending on location. The varietal range includes just about everything, from Riesling and Pinot Grigio to Pinot Noir. We have a Shiraz, we have three sparkling wines including one from Italy, and we have Cabernets, Meritages, Zinfandels and Merlots. Last year, we extended Malbec for the first time ever. Prices range from $8-$9 all the way up to $25 a glass.

SND: What wine is at $25 a glass?

Mackey: The $25 glass currently is Silver Oak Cabernet.

SND: Are by-the-glass selections made on a chain-wide basis?

Mackey: Yes. We have a core list, though we allow for some local options both by-the-glass and bottle.

SND: So what are your most popular wines?

Mackey: By the glass, it's a diverse array of Pinots, but people are very willing to pay for a nice glass of Riesling. By the bottle, it's Caymus, Franciscan and BV Tapestry. This quarter, we're doing a feature program that promotes 90-plus rated wines. We're also going to offer Raymond Cabernet, Eroica Riesling and Kim Crawford Pinot—all for $15 by-the-glass.

SND: And how are you going to market that?

Mackey: We'll have it on our main wine list as well as the bar list. It will just be called "90-Plus Wines." Last quarter, the theme was "Explore Napa Valley." All these themes have been screened with our guests, so we know what they want.

SND: What other promotional themes are you planning?

Mackey: Next quarter it will be "Big Bold Reds." We also go out and find extreme values for our guests, such as St. Supéry Elu Meritage for $15 by the glass. We feature a new wine called Uppercut—a Napa Valley Cabernet—which is incredible quality at $12 a glass.

SND: How frequently does the list change?

Mackey: The features change by quarter. For the core list, right now we're on an annual rotation.

SND: Which countries are best represented on your core wine list?

Mackey: Our 200-bottle list is very domestic-oriented and California-heavy. Other countries are usually represented through a signature varietal or region.

SND: What trends are you seeing in spirits?

Mackey: Spirits are actually a passion of mine, and I'm very excited to see the classic cocktail culture reemerging. And we're in the midst of developing a new spirits program. I can't say too much about it, but it will debut in late summer or early fall.