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Restaurant beverage directors rework drink menus to offset rising costs

Tariffs, inflation and RNDC’s collapse are pushing buyers toward cheaper wine regions, lower markups and steadier suppliers.

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Restaurant beverage directors across the United States are changing what they buy, how they price it and how often they update menus as higher costs and supply disruptions squeeze one of the most important profit centers in the hospitality business.

Interviews published by VinePair with beverage leaders in several markets show a common response to a difficult operating environment: move guests away from expensive benchmark regions when necessary, avoid pushing markups too far, buy larger volumes when storage allows, and rely more heavily on suppliers who can deliver steady inventory. The shift reflects pressure from tariffs, inflation, labor costs and ongoing instability in wholesale alcohol distribution.

For restaurants, the issue goes beyond wine lists. Changes in beverage buying can alter demand across the drinks business, from imported wines to spirits and other alcohol categories, because restaurants and bars often adjust entire programs when pricing and supply become less predictable.

Will Jones, wine director at The Hope Farm and Little Bird in Fairhope, Alabama, told VinePair that bottles from top Burgundy appellations can no longer be sold at the prices his restaurants offered five years ago. Instead, he said, he is steering some guests toward less expensive Burgundy subregions and more affordable labels. The idea is to keep quality and story in the glass while limiting sticker shock.

Felipe de Assis Villela, beverage director at Bluepoint Hospitality Group in Easton, Maryland, described a similar approach. When guests want a wine with prestige but balk at the price of famous French bottles, he said he can often direct them to German, Austrian or northern Italian wines that still offer quality and strong producer stories at much lower prices. In one comparison, he told VinePair that a top German wine could sell for under $200, while a Grand Cru Burgundy might reach $1,800.

That kind of substitution has become more important as restaurants weigh what consumers will accept. Beverage directors said high prices at the producer, importer and distributor levels can already leave bottles carrying substantial increases before they ever reach the dining room. In that environment, restaurant markups of 200% to 300% can become difficult to defend to guests, especially when consumer budgets are tight.

De Assis Villela said he is less focused on hitting a fixed markup target than on setting prices that still allow wines to move. He told VinePair that his program may not produce the highest possible margin on paper, but it is designed to support both the guest

experience and the business.

The balancing act has become more complicated because supply itself has become less stable. VinePair reported that the wholesale side of the beverage industry remains in flux after the rapid decline of Republic National Distributing Company, known as RNDC, which fell from being the country’s second-largest beverage wholesaler into Chapter 11 bankruptcy in less than two years. Beverage buyers say that disruption, combined with tariffs and broader supply chain problems, has made it harder to count on consistent product availability.

The result is more caution in purchasing and menu planning. Amanda Reed, director of beverage at Seattle-based E3 Co. Restaurant Group, said volume buying can help lower costs when distributors offer discounts for larger commitments. But she said the strategy depends on having enough storage space and enough confidence that a product will remain useful across multiple properties or over a long enough period.

Reed told VinePair that her team often works within limits of five or 10 cases at a time at most locations, though the group may commit to larger totals if a strong deal is available and supply appears secure. In practice, that means trying to capture some economies of scale without overloading individual restaurant storage rooms.

Buying in larger quantities can also help restaurants avoid midseason changes that create additional costs. Reed said her group outsources menu printing, making frequent updates expensive. That has led her to confirm supply availability before putting ingredients into cocktails and to avoid last-minute substitutions once a menu is set.

Those operational details matter because beverage programs carry many costs that guests do not see directly. A new wine, spirit or cocktail ingredient may require staff tastings, training materials, conversations between suppliers and managers, and revised printed menus. In a labor market where wages are rising, every one of those steps is more expensive than it used to be.

Johannus Grevelink, beverage director for José Andrés Group, told VinePair that time has become one of the scarcest resources in the job. He said beverage professionals often receive dozens of emails a day from sales representatives, even as their responsibilities expand beyond buying into administration and management. That leaves less time for evaluating products, building knowledge and training staff.

Grevelink also said new placements carry a communication problem. Information about a spirit or wine can pass through several layers, from supplier to buyer to general manager and then to shift managers or floor staff, reducing the chance that the original enthusiasm around the product will reach the guest. If teams are not trained well, new items can struggle to sell, making frequent change less attractive.

Because of that, some operators are simplifying programs and keeping placements in place longer. A slower pace of change can reduce training hours, administrative work and printing costs. It may also make supply planning easier at a time when shortages and sudden price changes remain common.

Industry relationships have become more valuable under those conditions. Jones said his ability to secure sought-after allocations improved only after his restaurants built a track record with producers and suppliers. James Baugh, beverage director for TMC Hospitality, told VinePair that long-term supplier relationships help his team avoid constantly running out of products and scrambling for replacements. Reliable partners, he said, can make it easier to secure quick deliveries when sales suddenly exceed expectations.

That emphasis on dependable supply may have wider effects across the beverage sector. If restaurants concentrate purchases among trusted vendors and favor products with stable availability, smaller brands and more volatile imports could face a tougher path into on-premise accounts. At the same time, lesser-known wine regions and value-oriented labels may gain visibility as beverage directors search for alternatives to more expensive classics.

The interviews also suggest that restaurant beverage programs are becoming more conservative financially. Rather than chasing novelty at all costs, many buyers appear to be prioritizing products that can hold margins without alienating guests and that will

remain available long enough to justify staff education and menu space. That shift matters for wine, beer and spirits suppliers because the hospitality channel often shapes what consumers discover and later buy elsewhere.

For now, beverage directors say the work remains highly pressured. They are trying to preserve hospitality standards while running leaner, more price-conscious programs and coping with both product turnover and staff turnover. The immediate response has not been to abandon premium offerings, but to build more flexibility around them, using substitutions, moderated pricing, bulk purchasing where possible and closer supplier ties to keep beverage sales moving in a tougher market.