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COMPETITIVE PAPERS

THE ROLE OF PRODUCT INFORMATION FOR WINE INNOVATION ADOPTION: THE CASE OF FUNGUS RESISTANT GRAPE VARIETIES

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Keywords: Fungus resistant grape varieties, Innovation adoption, Germany, Wine marketing

Abstract

Fungus resistant grape varieties (in the following: FRGVs) as eco-innovation in the wine industry could be the key to a significantly lower use of fungicides and therefore, to sustainable wine growing. The purpose of this paper is to examine the link between information about the environmental benefits of FRGVs and the purchase probability. This study is based on an online survey among 1,500 German wine consumers. The results show that the information increases the purchase probability. The information is particularly relevant for women, young and environmentally conscious consumers. Therefore, environmentally conscious consumers are a first target group for the diffusion of FRGVs. Moreover, the results show that more involved consumers tend to be more open to buy FRGV wines. The paper shows that information about the environmental benefits can accelerate the adoption of FRGVs as eco-innovation and that their target group of green-minded consumers might be best approached in organic grocery stores.

Introduction

Wine is deeply embedded in the European culture. Therefore, it is not surprising that about 60 percent of the global wine production comes from Europe (Deutsches Weininstitut, 2017). Nevertheless, only seven percent of the European farmland is used for wine growing. Alarmingly, 70 percent of all fungicides used in Europe are used for grapes (Eurostat, 2000). These figures clearly show that the wine industry needs to find new, innovative solutions to reduce the amount of fungicides used in vineyards.

Fungus resistant grape varieties (FRGVs, in German: PIWIs) could be a part of the solution. FRGVs have one significant benefit compared to common grape varieties: they need fewer fungicides. Due to natural (not genetically modified) cross-breeding of fungus resistant varieties with European grape varieties, the FRGVs have developed a natural resistance against powdery and downy mildew. This natural resistance allows wine growers to reduce the amount of fungicides by around 70 to 80 percent (Pedneault and Provost, 2016).

The FRGVs' environmental benefit is undoubted, however, only around 2.5 percent of the German wine-growing area is planted with FRGVs (Statistisches Bundesamt, 2016). So far, wine growers do no plant FRGVs on a large scale because they doubt the commercial success of FRGVs. These grape varieties have new names and a different, yet pleasing taste. The biggest issue for wine growers is that consumers are currently not aware of FRGVs (Pedneault and Provost, 2016). Thus, consumers do not actively look for these varieties while purchasing wine.

Since FRGVs can be seen as an eco-innovation in the wine industry, the question arises whether it is possible to accelerate the diffusion of these innovative grape varieties. This paper seeks to answer this question and tries to identify target groups for wines made from FRGVs. The aim of this study is to characterize possible early adopters and the early majority adopting FRGVs regarding their attitudes and their socio-demographics. Therefore, an online survey among 1,500 German wine consumers was conducted to investigate whether information about the environmental benefits of FRGVs can serve as a means to promote the adoption of FRGVs among consumers.

Beginning with a literature review about innovation adoption, environmentalism and involvement, the paper leads to the hypotheses and the methodology section. This is followed by the results and the managerial implications drawn from this study. At last, the conclusion with limitations and recommendations for further research is drawn to top this paper off.

Literature Review and Problem Studied

The relevant literature for this study stems from three different fields of research. First, the following section examines the literature on innovations and the influence of information on the adoption process. The second part sheds light on the link between environmentalism and wine. The last section of the literature review focuses on the wine product involvement which is widely used to analyse consumer behaviour. In addition, the section connects FRGVs with the extant literature in the three research areas. So far, there is no literature approaching the subject of the marketing of FRGVs and how these varieties can be promoted to consumers, which is one of the gaps in existing research that this paper attempts to fill.

Innovation and Information

Innovations of all kinds are a widely discussed topic among academics and practitioners (Fagerberg et al., 2012; Karakaya et al., 2014; Peres et al., 2010; Rogers, 2003). However, innovations face one main problem: the diffusion. Diffusion describes the process of spreading new products and services among individuals. Typically, individuals adopting innovations are characterised in different groups depending on how early they adopt the innovation: innovators, early adopters, early and late majority, and laggards. In the diffusion of innovations, the innovators adopt the new product or service first, followed by the other groups mentioned above. The laggards are the last group to adopt the innovation (Rogers, 2003).

Ram and Sheth (1989) explain why consumers are hesitant to adopt beneficial innovations. The authors identify five main barriers that innovations need to overcome: (1) value barriers, (2) usage barriers, (3) risk barriers, (4) tradition barriers, and (5) image barriers. The first three barriers are classified as ‘functional barriers’ and the last two as ‘psychological barriers’. The tradition barrier is particularly relevant for new foods and beverages. Therefore, the authors state that changing food consumption habits is a possibly long and difficult route. Educating consumers about the benefits of the new product, understanding and respecting the consumers’ habits is the strategy to overcome the tradition barrier (Ram and Sheth, 1989). Based on that insight, Atkin, Garcia and Lockshin (2006) use the theory of innovation barriers to examine the adoption of screw cap closures in three different countries and confirm Ram and Sheth's (1989) findings. Information about the advantages of the innovations fosters the diffusion; the information can be spread among the consumers via educational advertisements as well as through word-of-mouth marketing (Atkin et al., 2006).

According to Rogers (2003), a product or an idea needs to appear to be new to an individual in order to be described as an innovation. Following Rogers' (2003) definition, FRGVs meet this requirement, so these grape varieties can be considered to be an innovation. Furthermore, the environmental advantages of FRGVs classify this innovation as an eco-innovation according to Karakaya et al. (2014). Adopting FRGVs from a consumer’s perspective implies trying a new grape variety with a possibly new and unknown flavour profile. Opting for FRGV wines also means that the production of this wine is less harmful for the environment than wines made of traditional grape varieties. Most consumers, however, are not aware of this fact and have not yet come across wines produced with FRGVs. This information might be able to overcome the aforementioned tradition barrier. Thus, educating consumers could speed up the diffusion of FRGVs.

Environmentalism and Wine

The environmental advantages of FRGVs entail the link to green-minded consumers. So far, however, no study examines the link between environmentalism and the consumers' attitude towards FRGVs. Furthermore, apart from quality and taste perception studies, FRGVs have not been the topic of consumer or marketing studies so far (Pedneault and Provost, 2016). Generally speaking, organic and sustainable wines only gained attention in the course of the past decade. While Lockshin and Corsi (2012) ascribe organic and sustainable wine a small consumer segment, Schäufele and Hamm (2017) see more potential in this segment, partly due to policy changes. Hence, academia also shifted their focus on consumers of sustainable and organic wine. Many studies examine the price premium for environmentally friendly wines (Sellers, 2016; Sogari et al., 2016; Vecchio, 2013) and the influence of labels on consumer behaviour (Loureiro, 2003; Pomarici and Vecchio, 2014; Sogari et al., 2015).

Only few studies investigate the link between consumers' environmentalism and the consumption of sustainable and organic wine. D'Amico et al. (2016) suggest that consumers with more environmental concerns tend to pay higher price premiums for organic wine. Furthermore, Barber et al. (2009) show that environmental involvement increases the objective environmental wine knowledge, which in turn increases the attitude towards sustainable wine and the purchase probability.

Wine Product Involvement

The concept of the product involvement describes an individual's perceived relevance of a product category or even a product in general (Zaichkowsky, 1986). The product involvement has proven to be of great value for the analysis of wine purchase behaviour and the segmentation of wine consumers (Barber et al., 2007; Hirche and Bruwer, 2014; Lockshin et al., 2001; Taylor et al., 2018). Consumers focus on different wine product attributes depending on their level of involvement (Barber et al., 2007; Hirche and Bruwer, 2014; Zaichkowsky, 1988). The price cue is of lower interest for consumers with higher levels of involvement (Barber et al., 2007; Zaichkowsky, 1988). Moreover, consumers with a high involvement in wine tend to lay more weight to the origin of the wine (Quester and Smart, 1998), place more importance on the vintage, the grape variety and the brand (Hirche and Bruwer, 2014), and consume more wine than their lower involved counterparts (Hirche and Bruwer, 2014).

Barber et al. (2009) examine the relationship between wine product involvement, environmental involvement, subjective and objective environmental wine knowledge. The results suggest that the main precedent of objective environmental wine knowledge is the environmental involvement. Their study shows that a higher wine product involvement does not necessarily mean that the consumers are aware of environmental issues within the product category.

The review of the literature about innovation adoption, information, environmentalism and involvement regarding wine suggests that there is a research gap that this paper seeks to fill. As Pedneault and Provost (2016) state, the commercialisation of FRGVs needs to be part of further research. The question that this study will answer is whether information about the environmental benefits of FRGVs can foster the adoption of these varieties. And if so, what are the socio-demographics and the attitudes of those people who are willing to purchase these varieties. As shown in the literature review, especially the wine product involvement and the environmentalism could lead to more insights regarding the adoption process. The next section will develop hypotheses in order to analyse these questions.

Hypotheses

Based on the extant literature about information about and in the context of innovations, the first hypothesis is as follows:

> H_1: The information about the environmental advantages of FRGVs influences the purchase probability positively.

The information about the FRGVs serves as a means to overcome the tradition barrier as suggested by Ram and Sheth (1989). The educating text helps consumers to identify the link between these specific grape varieties and the environmental consequences of wine growing and consumption.

The following hypotheses concern the initial purchase probability. Hence, the participants have not been aware of the information about the FRGVs' benefits for the environment so far. Therefore, these hypotheses consider the participants' involvement and their current knowledge about these varieties.

> H_2: The initial purchase probability increases with an increasing level of wine product involvement.

> H_3: The initial purchase probability increases with an increasing number of individually known FRGVs.

The reasoning for H_2 is mainly that more involved participants might have a more thorough expertise about wine in general and could thus be more receptive to new and unknown varieties. Moreover, the name 'fungus resistant' might be easier to understand for more involved participants.

Furthermore, it is reasonable to assume that consumers' environmentalism would influence the initial purchase probability as well. Participants who are more environmentally aware would possibly be informed about FRGVs and therefore, the fourth hypothesis is as follows:

> H_4: The initial purchase probability increases with an increasing level of environmentalism.

Regarding the change of purchase probability, it is arguable that the number of known FRGVs does not come into play. Whether participants know many FRGVs or only a few is not relevant for the influence of the information provided.

> H_5: The influence of the information about FRGVs is independent from the number of individually known FRGVs.

Following Barber et al. (2009), the wine product involvement would have no influence on the actual knowledge about the environmental issues. Therefore, the information about the FRGVs' benefits would influence more involved participants in the same way as less involved participants.

> H_6: The influence of the information about FRGVs is independent from the level of involvement.

Based on the results from D'Amico et al. (2016), the relationship between the information about the FRGVs' environmental benefits and the participants' environmentalism is supposed to be positive. Therefore, the seventh hypothesis is as follows:

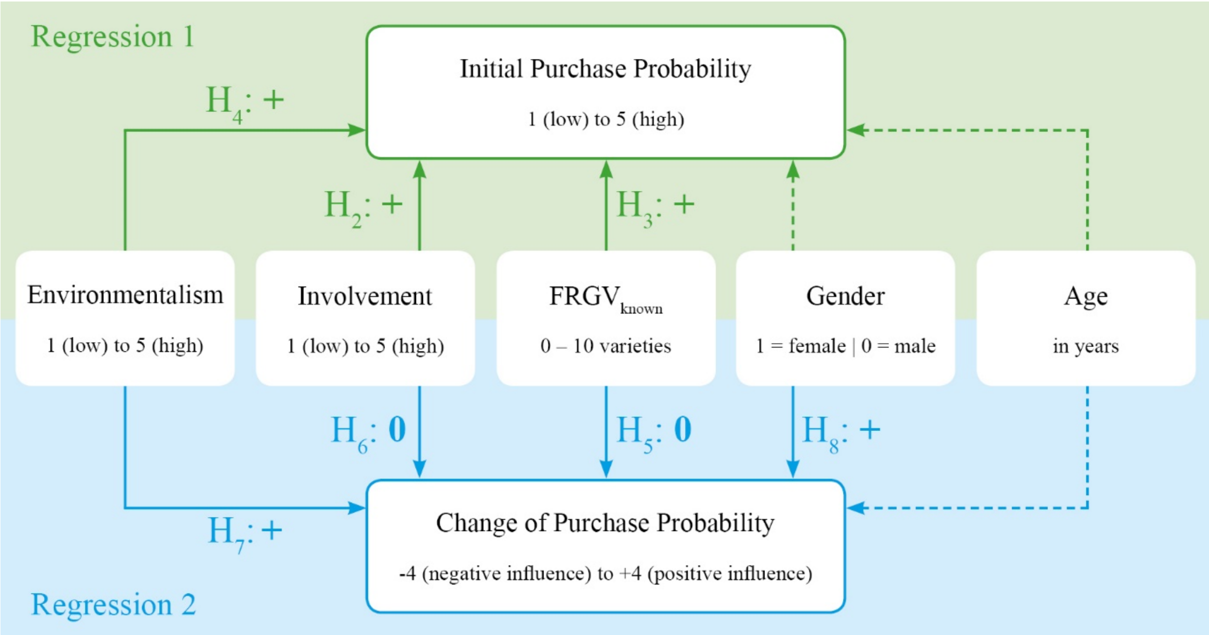
> H_7: The influence of the information about FRGVs is more important to participants with higher levels of environmentalism.

At last, the literature shows that gender plays a role in analysing the consumer behaviour regarding organic and environmentally friendly wines (Schäufele and Hamm, 2017). Women tend to consume more organic wine (Mann et al., 2012). Since the information about the environmental benefits of FRGVs are not present in the elicitation of the initial purchase probability, the following hypothesis only relates to the change of purchase probability.

H_8: The information about FRGVs is more important for women than for men.

Because the literature on organic wine and the age of consumers is not conclusive, the age of the participants will be analysed within the regression analysis, but is not part of any of the hypotheses. Figure 1 visualizes the eight hypotheses with all variables and the respective scale.

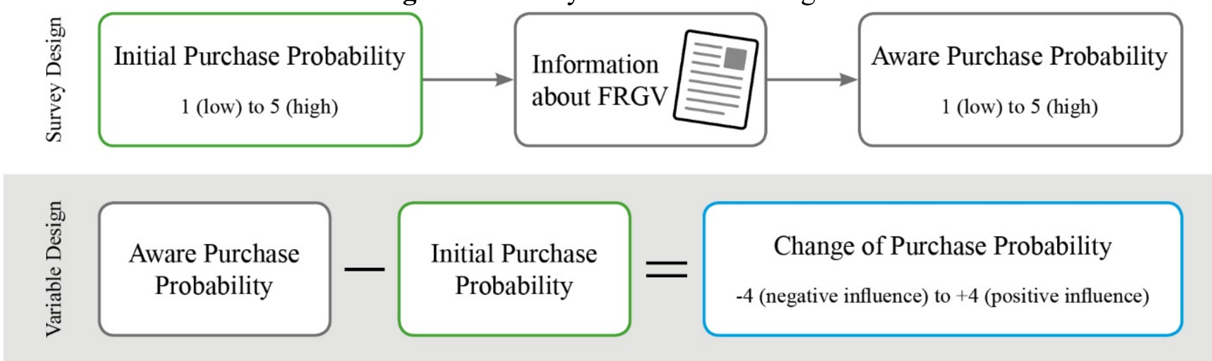
Figure 1: Model Design and Visualisation of Hypotheses



Research Methodology and Dataset

The basis for this study is an online survey among 1,500 German wine consumers. The participants of the survey were selected with a quota sampling method within an online access panel. The quota for age and gender were obtained from the "b4p - best for planning" data about the wine drinking population in Germany. Another screening parameter for the participants of the survey was their wine consumption. All participants consume wine at least once per month.

Figure 2: Survey and Variable Design



After the screening questions, the participants were asked about the grape varieties they know. First, each participant had to select whether they prefer red or white wines, and accordingly they were shown a list of 20 grape varieties. Ten of these grape varieties were the most common grape varieties in Germany, such as Riesling and Chardonnay or Pinot Noir and Merlot. The remaining ten grape varieties were FRGVs that are available in Germany, such as Cabernet Blanc and Regent. The number of FRGVs that the participant knows is reflected in the variable $FRGV_{known}$.

The main items for this study are the questions about the purchase probability for wines made of FRGVs in combination with an information text about FRGVs for consumers. First, the participants were asked "Would you buy wines made of strong, fungus resistant grape varieties given that the price is acceptable?" (5-point rating scale from 'yes, sure' to 'no, certainly not'). Hence, the first question is labelled as 'initial purchase probability' (IPP). This first question was followed by the information text about FRGVs for consumers. Third, the first question was asked again to measure the difference that is attributable to the information text. This second question is labelled as 'aware purchase probability' (APP). As a further variable, the 'change of purchase probability' (CPP) was calculated by subtracting the IPP from the APP. Figure 2 shows the survey design and the variable design of the CPP.

The information about FRGV focus on the environmental advantages while avoiding the defamation of traditional grape varieties. For the survey, the name 'PIWI' was avoided and replaced by 'strong grape varieties'. The information consisted of the following text, originally formulated in German:

> **Strong grape varieties for a strong environment**
>
> **Strong for the environment** – Strong grape varieties are fungus resistant by nature and therefore, need fewer fungicides: the pollution from chemical pesticides can be reduced for plants, animals and humans.
>
> **Strong through fewer carbon emissions** – Since fewer fungicides need to be sprayed with tractors, the carbon emissions – and obviously costs – can be reduced. Furthermore, the reduced demand for fungicides would lead to a lower production of fungicides. This also reduces the carbon emissions.
>
> **Strong through natural breeding** – Strong, fungus resistant grape varieties are the result of cross breeding of European grape varieties and American or Asian wild grape varieties. Strong grape varieties are e.g. Cabernet Blanc and Souvignier Gris (whites), Cabernet Cortis and Monarch (reds).
>
> **Strong for wine growing on every slope** – Steep slopes are part of the tradition and the culture of winegrowing. The cultivation on extremely steep slopes is effortful and expensive. Thanks to the reduced amount of fungicides for strong grape varieties, less manual labour and effort is necessary.

As construct for the involvement in the product category wine, Hirche and Bruwer's (2014) wine product involvement construct was chosen. The construct combines ten items about wine consumption and wine related behaviour.

Table **1** lists the ten items of the construct.

Table 1: Wine Product Involvement Construct by Hirche & Bruwer (2014)

– I have good general knowledge about wine.	– Every now and then I visit a wine seminar.
– Other people often ask me advice regarding wine.	– Sometimes, when drinking wine, I like the intellectual challenge of complex tastes.
– Wine offers me relaxation and fun when life's pressures build up.	– I am or would consider getting a member in a wine club.
– I take particular pleasure from wine.	– I regularly attend wine events / festivals.
– I very much enjoy spending time in a wine-shop.	– Every now and then I participate at a wine tasting.

All items on a 5-point Likert scale	Cronbach's α: 0.875

The nine items for the environmentalism construct (see **Error! Not a valid bookmark self-reference.**) originate from the feasibility study by Scholl et al. (2016). Their feasibility study for an environmentalism construct in Germany listed many items with regard to the behaviour and the attitude towards environmentalism. Due to the limited scope of this study's online survey, these nine items were selected to cover the environmentalism as good as possible. The nine items focus on actual consumption of organic food and sustainable products, and concerns about a sustainable lifestyle.

Table 2: Environmentalism Construct adapted from Scholl et al. (2016)

– It worries me when I think about the environment, in which our children and grandchildren will probably live.*	– We all have to cut back on our lifestyle to protect our natural basis of existence.*
– A functioning and natural environment is necessarily a part of a good life.*	– I often engage in social and ecological issues.*
– In Germany, the protection of the environment should be the first priority, even though it could mean less economic growth.*	– I pay attention to the sustainability of products (ecology, durability, fair working conditions).*
– We can solve our environmental problems by changing our economic system and our lifestyle.*	– Within the last four weeks, how often did you choose to buy organic food / beverages?**
	– Within the last two years, how often did you choose to buy environmentally friendly clothes?**
*Items on a 5-point Likert scale / **Items on a 5-point frequency scale (never to always)	
Cronbach's α: 0.886	

The analysis of the sample and the following calculations were carried out with IBM SPSS Statistics 24. The sample of 1,500 German wine consumers is composed of 57.4 percent female and 42.6 percent male participants. The distribution of the age within the sample is as follows: (1) up to 29 years: 7.9 percent; (2) 30-39 years: 10.2 percent; (3) 40-49 years: 15.1 percent; (4) 50-59 years: 17.1 percent; (5) 60-69 years: 36.1 percent; and (6) over 70 years: 13.7 percent.

Table 3: Environmentalism and Involvement within the Sample

Construct	1 to 1.99	2 to 2.99	3 to 3.99	4 to 5	Total
Environmentalism	43 (2.9%)	239 (15.9%)	739 (49.3%)	479 (31.9%)	1,500
Involvement	230 (15.3%)	683 (45.5%)	478 (31.9%)	109 (7.3%)	1,500

The constructs for environmentalism and involvement show sufficient variation within the sample. Table 3 shows the distribution in four classes for both constructs. The attitude towards environmentalism is rather positive (mean: 3.56; median: 3.67; std. deviation: 0.74). On average, the sample reflects a medium involvement (mean: 2.76; median: 2.70; std. deviation: 0.77). The majority of the sample lies between 2 and 2.99 on the 5-point Likert scale.

The eight hypotheses will be analysed with the above mentioned constructs and variables. The following results section looks at each hypothesis separately after presenting the sample composition. The results section leads to a discussion of the results, which is followed by the implications.

Results

To analyse hypothesis H_1, the influence of an information about FRGVs on the purchase probability, a paired t-test with the variables IPP and APP, was carried out. The results (Table

4) show a significant positive change $[t(1499) = 17.054, p < 0.000]$. Therefore, the data clearly supports H_1. Due to the within subject design and the close proximity of the questions and the information, it can be assumed that the participants, who changed their rating, did not know about the environmental advantages of FRGVs.

Table 4: Paired t-Test for the Influence of the Information

Mean	Std. Deviation	Std. Error Mean	t	df	Sig.
0.326	0.740	0.019	17.054	1499	0.000

The analysis of the hypotheses H_2, H_3 and H_4 is based on a regression analysis of the variable *IPP* as dependent variable and the variables *Environmentalism*, *Involvement*, $FRGV_{known}$, *Age*, and *Gender* as independent variables. Table 5 shows the results of the regression analysis in detail. The R^2 of the model is 0.047 and the Cohen's effect size is 0.221, which stands for a small to medium effect size (Field, 2005).

The data supports hypotheses H_2 and H_3. The variables *Involvement* and $FRGV_{known}$ are significant to an α-level of 0.05. The IPP increases with an increasing level of involvement, therefore, the highly involved participants are more open to purchasing wines made of FRGVs. As expected, the more FRGVs a participant knows, the higher the IPP. The variable *Environmentalism* is not significant ($p > 0.05$), hence H_4 cannot be supported. The level of environmental awareness does not influence the IPP. The variables *Age* and *Gender* are significant ($p < 0.05$). According to the data, the IPP increases with increasing age. Furthermore, men tend to have a higher IPP than women.

Table 5: Results of the First Regression Analysis - IPP

R	R^2	Adjusted R^2	Std. Error of the Estimate	Durbin-Watson	Cohen's Effect Size
0.216	0.047	0.043	0.787	2.017	0.221
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
Constant	2.912	0.140		20.865	0.000
Environmentalism	0.019	0.029	0.017	0.643	0.520
Involvement	**0.165**	0.029	0.157	5.639	**0.000**
$FRGV_{known}$	**0.032**	0.014	0.061	2.275	**0.023**
Age	**0.004**	0.001	0.067	2.504	**0.012**
Gender (f = 1)	**-0.099**	0.043	-0.061	-2.289	**0.022**
$\hat{y}_i = 2.912 + 0.165 \times Involvement_i + 0.032 \times PIWI_{known\,i} + 0.004 \times Age_i - 0.09 \times Gender_i$					

The regression to analyse the hypotheses H_5, H_6, H_7 and H_8 is set up with the CPP as dependent variable and the five variables *Environmentalism*, *Involvement*, $FRGV_{known}$, *Age* and *Gender* as independent variables. The CPP reflects the change in purchase probability that is attributable to the information about FRGVs.

Table **6** displays the results of the regression analysis. The R^2 of the model is 0.038 and the Cohen's effect size of 0.199 state a small effect (Field, 2005).

As hypothesized, the number of individually known FRGVs does not change the influence of the information provided. The variable $FRGV_{known}$ is not significant ($p > 0.05$). Thus, the data clearly supports H_5. Moreover, the data supports H_6, since *Involvement* is also not significant ($p > 0.05$). This means that no matter how involved the participants are, the influence of information about FRGVs does not depend on it. In other words, the text has the same influence for participants with low and high involvement.

However, participants that show a high environmental awareness, reflected by high values of *Environmentalism*, react more positively to the information about the environmental benefits of FRGVs. The effect of *Environmentalism* is significant ($p < 0.00$). This was hypothesized in H_7 and therefore, the data supports this hypothesis. Furthermore, the *Gender* variable is significant ($p < 0.00$) and positive. Hence, women tend to value the information on FRGVs more than men. Consequently, the data supports H_8. In this regression analysis, *Age* is also significant ($p < 0.00$). However, the coefficient is negative. Therefore, the data shows that the influence of the text is greater on younger participants.

Table 6: Results of the Second Regression Analysis - CPP

R	R^2	Adjusted R^2	Std. Error of the Estimate	Durbin-Watson	Cohen's Effect Size
0.195	0.038	0.035	0.727	1.931	0.199
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
Constant	0.097	0.129		0.750	0.454
Environmentalism	**0.133**	0.027	0.132	4.922	**0.000**
Involvement	-0.027	0.027	-0.028	-0.993	0.321
$FRGV_{known}$	-0.003	0.013	-0.007	-0.248	0.804
Age	**-0.004**	0.001	-0.088	-3.279	**0.001**
Gender (f = 1)	**0.133**	0.040	0.089	3.330	**0.001**

$$\hat{y}_i = 0.097 + 0.133 \times Environmentalism_i - 0.004 \times Age_i + 0.133 \times Gender_i$$

To test for multicollinearity, the variance inflation factors for the regression analyses for model 1 and 2 were calculated. For both regression models, the variance inflation factors are between 1.114 and 1.210. These results mean that multicollinearity can be ruled out in both regressions (Field, 2005).

In conclusion, the IPP is already quite high with an average value of 3.61 on a 5-point Likert scale. This means that the participants of this study are already fairly open to purchase wines made from FRGVs. Another look at the regression on IPP clearly reveals that highly involved, more mature, male participants have the highest purchase probability. In addition, prior knowledge of FRGVs fosters the purchase probability as well, suggesting that the consumption or at least the knowledge of FRGV wines is a positive factor.

Turning to the information about the environmental benefits of FRGVs, the results show that the information provided increases the purchase probability significantly. This suggests that information regarding the environmental benefits is relevant for the participants of this study. On average, the information can lift the purchase probability by 0.326 points on a 5-point scale. The analysis of the second regression analysis gives an insight into the attitudes and socio-demographics of the participants who are particularly responsive to the information on FRGVs. Participants who show more environmental awareness are more responsive to the information. Furthermore, younger participants and females are particularly open to the information. Whether participants are explicitly involved in the product category wine or not does not come into play when it comes down to the environmental information about the FRGVs.

In summary, the results indicate that the diffusion of FRGVs can be supported by information about their environmental benefits. How these results can translate into practical implications is part of the following section.

Practical Managerial Implications and Recommendations

Since the results show that information can foster the adoption of FRGVs, the first practical implication regarding FRGVs is somehow simple: inform consumers about the environmental benefits of FRGVs. In order to reach those consumers that are most responsive to the information, younger and environmentally aware consumers should be focused on first. It is reasonable to assume that environmentally aware consumers tend to shop at least sometimes in organic stores (see The nine items for the environmentalism construct (see **Error! Not a valid bookmark self-reference.**) originate from the feasibility study by Scholl et al. (2016). Their feasibility study for an environmentalism construct in Germany listed many items with regard to the behaviour and the attitude towards environmentalism. Due to the limited scope of this study's online survey, these nine items were selected to cover the environmentalism as good as possible. The nine items focus on actual consumption of organic food and sustainable products, and concerns about a sustainable lifestyle.

Table 2, item 8 and 9). Thus, these stores could be a first place to approach consumers with information about FRGVs and also wines made from FRGVs on the shelf. However, regular supermarkets might also be a place to introduce FRGV wines to consumers as long as the wines and the information is somewhere close to other organic or sustainable products to reach the environmentally aware consumers.

The influence of information about the environmental benefits of FRGVs is not dependent on the consumers' wine product involvement. However, consumers with a higher level of involvement tend to have a higher initial purchase probability for FRGV wines. Since high involvement consumers tend to buy wine more often in dedicated wine shops (Nesselhauf et al., 2017), these shops could also be part of a distribution strategy. There, the information about the environmental benefits would be of less importance.

Furthermore, marketing of new products is also dependent on the abilities of the individual firms. A well-structured marketing campaign for FRGV wines can foster the diffusion among a firm's consumers. The marketing messages can target different consumers groups, such as women, millennials or environmentally aware consumers.

At last, the reduction of fungicides in the wine industry could also be seen as an issue for regulation. Quota schemes for wine growers could be imaginable to gain market share for FRGVs and force the producer to market these varieties to consumers.

Conclusions, Limitations and Academic Implications

The eco-innovation FRGVs has the potential to reduce the wine industry's environmental harm. The industry could promote these grape varieties to show its sustainable thinking and act as role model for further agricultural industries. Consumers are open to this eco-innovation. Especially the consumers with higher levels of involvement state a relatively high initial purchase probability for wines made of FRGVs.

Providing information about the environmental benefits of FRGVs supports the diffusion of FRGVs. The information enables consumers to see the advantages of these grape varieties. Even though the environmental advantages will not suffice to change the consumers' behaviour completely, it may be an additional factor to try wines made from FRGVs.

Looking at the influence of information about the FRGVs and the consumer group that is most responsive to it, it becomes obvious that the information is most effective for consumers with higher levels of environmentalism. This clearly shows that consumers who care for the environment are more open to information about products that reduce the harm for the environment. Thus, environmentally aware consumers can be seen as the first target group for wines made from FRGVs. The data further suggests that women and younger consumers tend to be more convinced by the information.

As every study, also this research has limitations. First of all, the purchase probability was elicited with direct questions about a hypothetical situation. Schäufele and Hamm (2018) show that the attitude-behaviour gap for wine consumers is low, however, the social desirability in this context should not be underestimated. Furthermore, the price cue in the purchase probability questions was left out on purpose to eliminate price effects. However, it obstructs statements about the willingness to pay. Moreover, the sample is not representative for the German wine consuming population. Online access panels and quota sampling do not lead to a strictly representative sample. However, the sample size and the structure of the sample allow a conservative generalization.

In order to overcome some of those limitations, further research could combine attitudinal data and actual purchase behaviour of FRGV wines. Furthermore, in order to address the relatively low explained variance in this study, it is necessary to take into account that wine purchase is a very complex purchasing process. Further studies could widen the aspects that are part of the surveys, hence narrow the gap between the hypothetical and the actual situation. Another addition for this research would be to investigate the specific parts of the text and analyse the influence of each section to gain more insights in the consumers' minds. So far, the text was only examined as a whole and not in its specific parts.

The findings of this study may also be important for further eco-innovations. There are many product categories and products that are stuck in early phases of the diffusion, such as insects as food. Products that have mainly altruistic environmental benefits might face similar problems within the society. Therefore, the scope of this research could be widened and further studies could be multifaceted.

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MAPPING WINE BUSINESS STUDIES: PART 1, THE INTERNATIONAL JOURNAL OF WINE BUSINESS RESEARCH

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Abstract

In 2007, the International Journal of Wine Marketing (IJWM) transitioned to the International Journal of Wine Business Research (IJWBR). The authors of the inaugural editorial in the newly minted journal described a 'roadmap' for wine business researchers; an invitation to fulfill a future research vision. The authors called upon researchers to expand their topical gaze and to broaden the areas of wine business they studied in a movement designed to explore beyond the marketing origins of the IJWM. This begs three questions: (1) what has been done since the inaugural editorial; (2) did we achieve the goals set out in that editorial; and (3) how does this compare to what was done in the IJWM era. The first part of our research answers questions 1 and 2. Here we use bibliometric and social network analyses to evaluate how well we have explored the terrain as called for over a decade ago. Our results lead us to three conclusions. First, the research published in the journal has, indeed, moved beyond marketing. Second, the field has matured and has become more international and 'professional' in its approach to research activities. Finally, research on marketing and consumer behaviour still predominates.

Introduction

In 2007, the International Journal of Wine Marketing (IJWM) underwent a significant and important change. A change which saw a switch in publishing house and the journal's transition to the International Journal of Wine Business Research (IJWBR). The inaugural editorial of the newly minted IJWBR sought to position the publication somewhat differently than that of its predecessor. In that editorial, the authors envisioned and described a different kind of wine research landscape and a future they intended for the journal; one with an expanded scope and mandate. To that end, they comprehensively sketched out the contours and specific features of the wine business terrain to encourage researchers to "focus on all business aspects of the wine industry" which they believed needed to be explored going forward. They saw this approach as both a "significant expansion compared to the narrow scope of 'wine marketing'" which dominated the journal prior to its re-launch and a necessary step for the "growth of the academic field of wine business (Orth, Lockshin, & d'Hauteville, 2007, p. 5).

With the IJWBR firmly into its second decade, we believe that we are perhaps now overdue in taking stock of – and reflecting upon – the collective research published within the journal. Accordingly, the objective of this paper is to systematically review, evaluate, and present an assessment of the journal since the transition in 2007. Specifically, our goal is to assess what progress has been made when comparing the research published within the journal against the features and benchmarks as outlined and described in that first editorial.

In the following sections, we first present a brief summary of the types of literature and journal reviews to be found within the broader wine studies domain. We then situate and describe our own mixed approach which employs both narrative and quantitative methods to evaluate the contents of the IJWBR. We then present our results within the context of the roadmap as laid out in that first editorial while highlighting those areas that have been explored further and those which have not. We conclude with general observations on the implications of this evaluation of the overall progress and nature of the research in the journal.

Literature Review and Problem Studied

The Disparate Nature of Wine Studies Reviews

The review of prior research within a domain of interest is not only a form of scholarly reflection (Low & MacMillan, 1988) but also a critical part of the advancement of research in the social sciences (Tranfield, Denyer, & Smart, 2003). Journal reviews of research are intellectual maps (Soós, Vida, & Schubert, 2018) that serve to: inform both academic and non-academic audiences; identify and indicate new areas of potential enquiry; or help shape and improve academic and professional practices (Briner, Denyer, & Rousseau, 2009; Shepperd, Adams, Hill, Garner, & Dopson, 2013). While numerous strategies have been identified for conducting reviews (Grant & Booth, 2009) there are two broad forms of reviews published in journals: Narrative and Systematic reviews. While the objectives of each type are the same – a synthesis of work and thought within a field or sub-field – they each have distinct features and characteristics. Narrative reviews tend to be qualitative evaluations based upon a selection of literature from within a domain while Systematic reviews tend to be quantitative evaluations of a domain's entire corpus of literature.

Each of these approaches has its own methodological challenges. Narrative reviews are a synthesis of a sub-section of disciplinary literature and thus are open to assumptive or implicit selection biases (Fink, 1998; Hart, 1998). While more comprehensive, systematic reviews are challenged by an overreliance on electronic databases and the under-representation of disciplinary texts (Pittaway, Robertson, Munir, Denver, & Neely, 2004), and/or relevant grey literatures (Adams, Smart, & Sigismund Huff, 2017). Despite these shortcomings, the potential for transparency and reproducibility has meant that systematic reviews are rapidly becoming more dominant across various disciplinary domains. Drawing upon initial work on systematic reviews in the field of medicine, the concept of systematic reviews has been well adopted in the general management and business literatures (Denyer & Tranfield, 2009; Rousseau, Manning, & Denyer, 2008; Tranfield et al., 2003).

The study of wine and wine business – its production, trade, and consumption – is a subject which crosses many traditional disciplinary boundaries. Therefore, the academic corpus of wine studies is quite fragmented; published in a multitude of journals located across many disciplines (McIntyre, 2017). This has meant that reviews of wine research vary widely in both their scale and scope and have been largely topically focused.

The topical structuring of narrative wine reviews tend to: reflect the nature of the authors' research such as in their analysis of wine consumer behaviours (Lockshin & Corsi, 2012); be grounded in the disciplinary remit of the journal in which the review is published, such as the review tracing the evolution of performance evaluation of wineries as small businesses (Maurel, Ugaglia, & Del'homme, 2017); or serve both goals simultaneously (for example see Carlsen, 2004; Mitchell & Hall, 2006 and their wine tourism reviews). The inter-disciplinary nature and scattered corpus of the wine literature has meant that comprehensive, broad and structurally multi-topical, narrative reviews of wine research are almost non-existent. Bonn, Cho and Um's very recent three-decade review of wine studies topics and trends being the exception (2018).

Within both the science and social science literatures, bibliometric reviews of wine studies and wine business research are still a relatively new phenomenon; they tend to lag the narrative form in terms of their overall number. While quantitatively rather than qualitatively based, bibliometric reviews, like their narrative counterparts, may also topically map wine research in areas as varied as the wine-health research nexus (Aleixandre, Aleixandre-Tudó, Bolaños-Pizzaro, & Aleixandre-Benavent, 2013); or wine tourism (Durán-Sánchez, Álvarez-García, de la Cruz del Río-Rama, & González-Vázquez, 2016; Sánchez, de la Cruz Del Río Rama, & García, 2017).
However, unlike the narrative review, the focus of many of these bibliometric reviews remains focused on the mechanisms and processes through which wine research is conducted; rather than on wine or wine business as the subject of study. In this regard, these types of reviews investigate citation and co-citation, or author and co-author relationships or networks, in order to surface 'invisible colleges' (Cassi, Morrison, & Rabellotti, 2015; Cassi, Morrison, & Ter Wal, 2012); evaluate research productivity (Aleixandre, Aleixandre-Tudó, Bolaños-Pizzaro, & Aleixandre-Benavent, 2015); identify emerging trends (Santini, Cavicchi, & Casini, 2013); or investigate the relationship between the emergence of national wine markets and wine research (Glanzel & Veugelers, 2006).

Though the research published in IJWM and subsequently IIJWBR has been incorporated into both narrative and bibliometric reviews, these reviews have been topically rather than journal focused. Of the two wine studies journals with the longest academic pedigree; the IJWM/IJWBR and the Journal of Wine Research, only the latter has been the subject of a journal-level bibliometric analysis (Paschen, Wilson, Nehajowich, & Prpić, 2016). A gap this program of research is designed to address.

Research Objective

In this paper, our objective is to assess the topical structure and evolution of the published research featured in the IJWBR since its transition from the IJWM in 2007 and to evaluate the body of research against the call made in the inaugural editorial.

Research Methodology

In order to systematically review and evaluate a body of literature, a well thought-out analytical scheme is considered critical (Ginsberg & Venkatraman, 1985) as an explicit rule-based approach results in a transparent and reproducible procedure leading to enhanced fidelity of results and improved quality of synthesis (Tranfield et al., 2003). Fortunately, both the IJWBR itself and the inaugural editorial provide the foundation for just such an approach. In the case of the former, the journal serves to delineate the specific and relevant literature, that is, the entirety of research articles published in the IJWBR. In the case of the latter, in their inaugural editorial the authors provided a comprehensive pre-defined constellation of topics to measure progress against (see Table 1 for the topic areas outlined by Orth et. al.).

The data for this study were collected using the authors' university library subscription services. Access was gained via two separate databases: Emerald Management 120 and ProQuest ABI/INFORM Global. The citation data (i.e., Author(s), Title, Date, Volume/Issue, Pages, Keywords, and Abstract) were downloaded for each article published in the IJWBR from 2007 to 2017. The resulting data sets were then manually cross-checked to identify errors or omissions (e.g., ProQuest did not maintain editorial articles in its data records) and to ensure that the article set was as complete as possible. The data were imported into Microsoft Excel for further cleaning and processing.

Data cleaning consisted of checking to ensure all information elements had successfully been downloaded, that data fields were filled correctly, and missing data or spelling errors/inconsistencies were corrected. Once editorials, calls for papers, and publisher announcements were removed, the article data set included citation information on 224 articles representing all the research published in the IJWBR, Volumes 19 through 29. These data were then used to generate descriptive statistics of authorship (see Table 2), and article metrics including counts, keywords, and pages (see Table 3). The five topics that exhibited the greatest growth are shown as a trend analysis (see Figure 1).

Keywords selected by authors represent theories, concepts, subjects, and methods and are used to describe the work found in the contents of their submitted manuscripts (Abrahamson, 1996; Su & Lee, 2010; Yi & Choi, 2012). As this research is exploratory in nature, keywords rather than full articles were used to map the IJWBR research by using co-word analysis techniques (Salton & McGill, 1986; Wang, Zhao, & Wang, 2015). This approach represents a pragmatic balance between having a comprehensive sample – all keywords for all articles in the IJWBR since 2007 – while avoiding the pitfalls of potentially detailed coding of a non-representative sample.

Keyword data were used for two purposes in this research. First, they were used to evaluate how well the research published in the IJWBR has explored the topical landscape as desired by Orth, Lockshin and d'Hauteville (2007). To do this, the keywords were re-coded into the topic areas as described in their editorial. Coding of keywords was carried out until a consensus mapping of keywords to topics had been achieved.

Second, the keywords were then used as data for a network analysis to map the core-periphery relationships in the structure of research topics published in the IJWBR. This was done by exporting the data from Excel, constructing a keyword adjacency matrix, and then processing the matrix using network analysis software; Gephi version 0.9.2. Gephi is an open source software application commonly used for network analysis exploration and visualization in bibliometric studies (https://gephi.org/). This process allows us to surface the topical structure (Zupic & Čater, 2014) of research activity which has been published within the IJWBR (see Table 4 and Figure 2).

Results/Findings

The IJWBR Keyword Network

Table 4 presents the network statistics for the entire IJWBR keyword network. Between 2007 and 2017 authors submitted some 494 unique keywords to describe their submitted research (keyword frequency tables are not presented here for reasons of brevity). Figure 2 is a network visualization calculated from the keyword adjacency matrix. It is a representation of the network attributes for the 45 most frequently used keywords; the core of the keyword network structure found in the IJWBR article data set. Each node in the visualization represents a keyword.

The size of a node represents the degree centrality of the keyword within the network. The larger the node, the more interconnected it is within the network and therefore the greater importance it has for the structuring of the network. Edges (lines) in the network topology represent the relationships found between the keywords within the data set. The greater the number of articles which use the same keywords in their citation data means a stronger relationship between keywords in the network topology. The strength of this relationship is depicted by the variation in the thickness of the edges. The thicker the edges the stronger the relationship. Therefore, the larger the node, the more importance a keyword has to the structure of the entire network of keywords. The thicker the edges, the stronger the relationships between keywords within the structure. When taken together, nodes and edges allow us to classify sets of keywords into communities that share similar structural attributes. These communities are indicated by the variations in the colour of the nodes and edges. In other words, if the author-selected keywords for the articles published in the IJWBR are representative of the content of the published manuscripts, Figure 2 reflects the weighted topical structure of research published in the journal.

The quantitative conclusions which may be drawn from the network statistics indicate that the keyword nodes dominating the core structure of the network center on Consumer Behaviour, Survey Research, United States of America, and Marketing Strategy. These are the primary nodes around which the structure of separate topical communities is formed. The Consumer Behaviour node commands a central position in the network and thus serves as a critical connection to the other nodes and topical communities. Marketing and Marketing Strategy topical communities are also prominent central structural features. Tourism, research sites (countries), and research methods/analysis comprise the other communities surrounding the core. Overall, then, marketing and related topics dominate the network.

Trend Analysis

While qualitative inferences may be drawn from a static visualization of a network structure (Boyack & Klavans, 2014), a more refined qualitative interpretation (Schmiedel, Müller, & vom Brocke, 2018) is possible when topic analysis over time, or trends, are also taken into consideration.

Articles, authorship and collaboration

There has been an increase in the number of keywords per article and the average article page length. The increase in unique keywords indicates that the content of research articles now includes a more diverse range of topics than previously published. The trend in the author/article statistics also shows more variety in multi-authored collaborations.

Trend analysis of inaugural topics

Research in four inaugural topic areas has seen greater rates of inclusion within the journal: Methods, Internationalization, Marketing, and Consumer Behaviour. One additional coded topic area which was not identified as an inaugural topic – but which is a positive and complementary trend nonetheless – was in the 'Other or New' category. This was the category used to code those keywords that did not fit within any of the inaugural topic areas but were included as keywords by submitting authors (e.g., sustainability, climate change, etc.). While these trends would seem to indicate that progress has been made in meeting the call for increased diversity in the study of wine business as published in the journal, marketing and consumer behaviour-oriented research has still managed to maintain a core position at the heart of the journal.

Taken together, the IJWBR is seeing more complex methods of analysis being used in research; a general movement beyond the presentation of descriptive or univariate statistics towards more complex methods such as multivariate regression and modeling. The IJWBR is also seeing greater levels of internationalization – in terms of both research sites and author nationality - with more research being conducted in more countries than was previous. The increase in keyword diversity, page length, collaboration and new topic areas can be interpreted as indicators that the journal continues to publish a greater and more diverse range of research in wine business studies.

The pattern of these trends was similarly observed in the analysis of research published in the Journal of Wine Business Research (Paschen et al., 2016) and in the closely related domains of wine tourism (Gomez, Pratt, & Molina, 2018) and in the hospitality, leisure and tourism literature (Henriksen, 2016). These indicators also trend in parallel with broader movements observed in journals across the social sciences as a whole. Increased collaboration is attributed to factors such as increased specialization and division of labour within research collaboration (e.g., a preferred strategy for dealing with more complex methodological requirements). Improved inter-researcher communication infrastructure and technologies (e.g., email, skype, etc.) has further facilitated collaboration. Moreover, global growth in graduate programs (e.g., supervisor-student co-authorship) and inter-institutional collaboration (e.g., internationalization or globalization of research projects) are on the rise in both science and the social sciences in general (Cronin, Shaw, & LaBarre, 2004).

Conclusion

Journals are the primary mechanism through which members of disciplines, fields, and sub-fields of the academy communicate with one another about their research areas, their subjects, and their results (Baumgartner & Pieters, 2003). While bibliographic metrics of journals are grounded solidly in quantitative analysis, their use can also be applied within a qualitative and interpretative framework. Together this approach allows us to evaluate and interpret the various dimensions of the scholarly work taking place within wine business studies; such as topical structures, their forms and relations, and their emergence, decline, or obsolescence (Narin, Olivastro, & Stevens, 1994). In other words, these methods allow us to surface and make visible, in part, our collective "intellectual heritage and evolution" (Herubel, 1999, p. 381).

This study provides us a small retrospective window into the IJWBR's academic endeavours in wine business. It aids in our overall understanding of the nature and topical structure of the research published in the journal over the last decade. The results show that collectively we have addressed many of the concerns expressed in the inaugural call for a broader and more diverse range of topics "that address those areas outside marketing where wine-related research has traditionally remained less prominent" (Orth et al., 2007, p. 10). However, the results should spur us to acknowledge that more needs to be done in several topic areas (see Table 1). Either because we have not turned our research gaze to them or because they are new and emergent. Most importantly, however, we take the trends we have observed as positive signs of the maturation of wine business studies as a field as called for a decade ago. A hypothesis we will be testing in the next phase of our research.

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A PASSION FOR WINE: DEVELOPING SCALES TO TEST A MODEL OF ENDURING INVOLVEMENT

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ABSTRACT

Purpose: Highly involved wine consumers are very important to the global wine industry as they spend more on wine and often serve as opinion leaders. However, very little is known about how people first became enamored with wine. Bloch, Commuri and Arnold (2009) have proposed a model to explain the origin, development and reinforcement of Enduring Involvement (EI) but the model has yet to be empirically tested. The purpose of this study was to develop scales to measure the constructs in the model.
Methodology: 82 scale items were developed to measure the 9 constructs in the EI model proposed by Bloch et al. The items were first analyzed for construct validity. An online survey gathered data from 149 upper division business students, and the data were analyzed further or scale reliability and convergence, discriminant and nomological validity.
Findings: The scales for the 9 constructs developed and tested in this paper are suitable for use in testing the EI model using SEM. This will allow future researchers to gain a much deeper understanding of wine consumer behavior and how to promote continued development of responsible passion for wine.
Key Words: Scale Development, Wine Involvement, Enduring Involvement Theory

1. Introduction

The concept of enduring involvement (EI) is important for marketers because consumers who fit this category have a tendency to have higher levels of brand commitment and loyalty (Traylor, 1981; Coulter et al., 2003; Shukla, 2004). They are also more apt to spend more money and make repeat purchases (Lee & Bai, 2014; Thach & Olsen, 2015). Equally important is the fact that they may become advocates of a category and encouraged others to become highly involved as well (Bloch et al., 2009). Because of its importance, there is a robust inventory of research on EI, and multiple scales have been developed to measure levels of involvement. However, there is much less information on the origins and development of enduring involvement. What causes a consumer to become passionate about a specific product or recreational activities in the first place? Why do some people fall in love with wine and and others do not? In order to answers these questions, this research study looks to a proposed theoretical model, the *Model of EI Origins and Development,* created by Bloch, Commuri and Arnold in 2009.

2. Literature Review

2.1 Defining Enduring Involvement (EI). The concept of Enduring Involvement (EI) has been studied for more than three decades, and has given rise to a variety of definitions. One of the original definitions, proposed by Rothschild (1984) and based on a compilation of multiple involvement research studies, was that EI is an "unobservable state of motivation, arousal or interest toward a recreational activity or associated product, evoked by a particular stimulus or situation, and which results in searching, processing, and decision-making (p. 216)".

EI is differentiated from other forms of "product involvement," in that it is a stable ongoing interest in a product rather than only occurring in certain situations (Laurent & Kapferer, 1985; Celsi & Olson, 1988). Examples of product categories that can generate strong enduring involvement include cars, cameras, wine, specific types of music, art, and fashion. Recreational activities that may engender EI are golf, skiing, football, cooking, and horse-back riding.

For EI to occur, it must originate from a person's self-concept, values and ego (Dholakia, 2001). Consumers may find some products are more central to their lives, provide a sense of identity, and define their relationship to the world (Taylor, 1981). Although researchers have attempted to identify high and low involvement products, it appears that involvement is defined by the consumer, not the product (Shukla, 2004). Thus product involvement is not inherent in the product itself, but an aspect of the consumer (Taylor, 1981).

2.2 The Importance of EI. Obviously consumers with a high level of EI towards a product category or activity are very important to marketers. Research has shown that high involvement leads to brand commitment, brand loyalty and repeat purchase (Taylor, 1981; Coulter et al., 2003; Shukla 2004). High involvement also leads to consumers spending more time looking at store displays and use of media including Internet, magazines, and entertainment channels regarding the product or activity (Kinley et al., 2010). EI consumers can become very passionate about the shopping experience associated with the product. EI leads to more extensive information search (Zaichkowsky, 1985), and using a greater variety of sources. They are also more comfortable and confident in making decisions (Kinley et al., 2010; Lockshin et al., 1997). There is also an interaction affect with greater levels of involvement and product knowledge leading to more information search (Lin & Chen, 2006).

2.3 Previous Research in Wine Involvement. There has been a growing body of research conducted on highly involved consumers in the wine arena. An early study discovered that these types of consumers were more likely to be wine innovators, or those consumers who were more apt to try new products as they are introduced to the marketplace (Goldsmith et al., 1998). Other studies found that highly involved wine consumers will consider the region where a country comes based on the consumption situation (Quester & Smart, 1998), and that they focus on more cognitive dimensions of wine, such as complexity (Charters & Pettigrew, 2006). In Japan, researchers found that involvement increases with the frequency of wine consumption and the amount of wine consumed, which leads to greater amounts of money spent on wine (Bruwer & Buller, 2013). Furthermore, another study showed that highly involved drinkers were apt to spend more on wine than less involved consumers (Thach & Olsen, 2015).

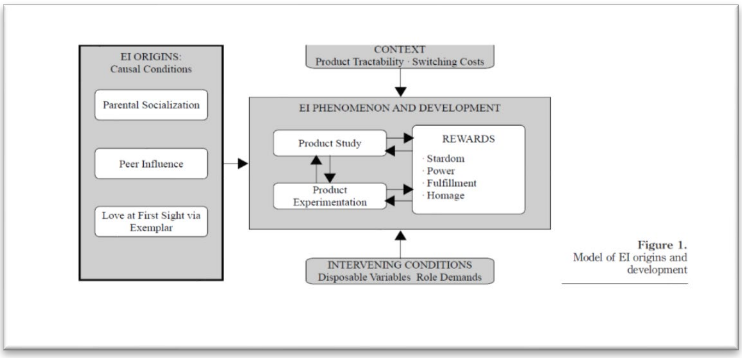
Research in France showed a relationship between wine involvement and emotional representations (Mora & Moscarola, 2010). The presence of rituals, value judgements, and family connections were positively related to involvement; whereas functional elements such as wine varieties and regions were negatively related and there was no relationship with brands. The finding suggests the path to higher involvement is more likely to come from symbolic and affective sources rather than brands and intrinsic elements of the wine.

In wine tourism research, first time visitors to a winery were more likely to be on vacation to visit friends and family, whereas more highly involved return visitors to a winery were more likely to base their vacation around visiting wineries (Stoddard & Clopton, 2015). The returning visitors wanted to buy wine, meet the winemaker and attend events, whereas first time visitors wanted tours, a time to relax and to be entertained. This suggests that initial levels of involvement may be based more on fun, and the rewards of education come later in the cultivation of involvement.

2.4 Antecedents to Enduring Involvement. One area of involvement in which there has been less research is exploring antecedents to enduring involvement. What causes a person to become passionate about a product or recreational activity? The few studies that have been conducted show both individual traits and socialization factors as having an impact on promoting involvement.Andrews et al., (1995) identified two categories of antecedents to involvement; those related to personal needs goals and characteristics, and those related to situational and decision factors. The first category appears to be most relevant to enduring product involvement whereas the second group of factors relate to situational involvement. The authors identified 6 antecedents to involvement: 1) personal goals, 2) values, 3) ego-related significance, 4) personal relevance, 5) importance of the object, and 6) personality factors. Other research has shown that socialization factors such as family and peers have a strong impact on developing EI. In a study of young people, parents and peers had a positive relationship to product involvement (Te'eni-Harari, 2014). Another study found that parental influence is greatest when the products are expensive as parents provide resources for purchase (Bloch et al., 2009). Research on involvement with professional sports teams showed that the opportunity to bond with friends and other spectators was an antecedent of involvement (Funk et al., 2004).

2.5 A Model of Enduring Product Involvement. One of the most comprehensive studies to explore antecedents to EI was conducted by Bloch, Commuri and Arnold (2009). They focused on consumers who were enamored with cars, photography, fashion, and jazz. Research participants were invited to write narratives about their experiences with these products or activities, which resulted in 57 narratives and 292 usable episodes for analysis. As a result of their study, they came to the conclusion that EI is a dynamic construct that grows and develops based on 3 groups of antecedents, which they identified as EI Origins. From there the passion for the product is enhanced and developed, which they referred to as EI Phenomenon and Development. These concepts are illustrated in their Model of EI Origins and Development (Figure 1).

Figure 1. Model of EI Origins and Development (Bloch et al., 2009)



<u>EI Origins</u> The model indicates that EI does not happen in a vacuum and can be triggered by three potential sources, as outlined below:

1. **Parental Socialization** - Parental socialization can act as a source of EI as it includes transfer of interest, influence, approval and bonding from parents and other family members and more distant relatives.

2. **Peer Influence** - Influence of friends and peers is another possible trigger to form EI. Bloch et al. (2009) noticed that friends can have a direct influence when they help identify important brands and models, as well as provide an introduction to a specialized sub-category of a product class. These results were consistent with past research showing that product preferences and recreational choices are affected by group connections and pressure to conform (Kyle & Chick, 2002).

3. **Love at First Sight** - There are also spontaneous triggers that create deep interest in a product often described as a "love at first sight." The researchers found that product admiration has the potential "to move a consumer from an under-exposed and uninterested state into one that, often, resulted in a lifelong involvement and appreciation" (Bloch et al., 2009, p.56).

EI Development and Reinforcement The model also examines factors and conditions that affect involvement development and change. Past consumer behavior research on EI has considered it as a largely static phenomenon that could be measured as high versus low (Zaichkowsky, 1985). Bloch et al. found out that EI is a dynamic construct with three main interconnected elements:

1. **Product Study** - EI consumers invest a significant amount of time and a variety of resources to carefully study and understand the product. EI consumers frequently mentioned books and training courses as well as special interest magazines and websites as important tools in their ongoing association of product study. These findings are in line with earlier work that has showed a strong link between EI and a consumer's ongoing search for product information (Bloch et al., 1986; Mathwick & Rigdon, 2004).

2. **Product Experimentation** – A consumer's product relationship is rooted in one's tendency to actively interact with the product. Experimentation can take the form of direct, hands-on experience with the product; be it to understand its inner workings or to uniquely customize it through different types of modifications.

3. **Rewards/positive reinforcement** – The model also indicates that product involvement is encouraged when consumers are rewarded for their interest. Rewards can come from four sources:

    a) ***Stardom***: recognition and admiration from others for growing expertise
    b) ***Power***: control and mastery over the product
    c) ***Fulfillment***: a deep sense of satisfaction and enjoyment
    d) ***Homage***: paying homage to relevant products, attachment and nostalgia over older products

The researchers also propose that contextual factors such as switching costs and intervening conditions, such as role demands could impact the development of EI.

2.5 The Need for Scale Development to Test the Model. As one of the most comprehensive studies on the origins and development of EI to date, the researchers were able to propose a theoretical model. The next step is to test the model in a wine context. There have been different scales developed to measure involvement, such as Laurent and Kapferer's (1985) Consumer Involvement Profile (CIP) and Zaichkowsky's (1985) Personality Involvement Inventory (PII).

However, to date there has been no scales created to measure the constructs in the proposed EI model. With this in mind, the present study was undertaken to create the necessary scales with a wine focus.

3. Method

3.1 Item Generation and Content and Face Validity. Content validity concerns capturing all facets of the concept and is based on the assessment of experts that the items represent the desired domain. Scale items were generated by 3 experts in the field of wine marketing research familiar with the wine involvement literature. Using the definitions in the model as guides for each of the 9 domains, a list of 8-12 scale items was generated by the experts. Therefore, the scales are assumed to possess content validity. Face validity is evaluated by checking to see if members of the target population believe the items measure the desired construct. Ten students in an MBA program were provided a subset of scale items and asked to match them to the correct definition of the construct. The students correctly classified the items 95.3% of the time. One item was removed and minor editing on others to improve the face validity of the scales. In the end, 82 scale items were created to measure the nine constructs in the model.

3.2 Data Collection. In order to obtain data for further scale development, an online survey administered via Survey Monkey was developed. Survey participants were upper division business students enrolled in three management classes. Students were first screened to insure that they were above age 21 and consumed wine, at least on an occasional basis. There were 153 students who qualified and took the survey, however the responses for 4 participants were removed due to having incomplete data. The remaining 149 completed surveys provided data for scale development. The final sample was 40% male and 60% female. The ethnic background of the students was 60% Caucasian, 28% Hispanic, 10% Asian, and 1% African American and 1% Pacific Islander. Although the sample does not accurately represent the wine drinking public, it is suitable for initial scale development.

3.3. Descriptive Statistics. Descriptive statistics for the 82 items are presented in Table 1 (Due to page restrictions, Table 1 is available upn request). The table provides findings for the mean, standard deviation, skewness, and kurtosis of each item, as well as the inter-item correlation and factor loadings, Eigenvalues (EV) and Cronbach's alpha for the item and its respective scale. All items were measured on a 5 point Likert type scale where 1 was strongly disagree and 5 was strongly agree. Sample means ranged from 2.50 to 4.18, and standard deviations from .886 to 1.292. The statistics for skewness and kurtosis were also used to check for normality in the data. The standard error for skewness was .199 and for kurtosis was. 395. Following the guidelines given in George & Mallery, 2010, items with skewness and kurtosis statistics greater than |1| cannot be assumed to be normally distributed. Therefore, the findings suggest that the assumption the data are normally distributed cannot be made in every case and is a cause for concern.

3.4. Scale Refinement. The scales preformed well in terms of having a high degree of internal reliability, however in several cases the factor analyses show the resulting scales are not unidimensional. At this point, a scale refinement process was used to create unidimensional scales for each construct. While it is tempting to retain the items which lead to the highest degree of internal reliability as evidenced by Cronbach's alpha, doing so often only serves to increase redundancy among the measures, while potentially reducing validity of capturing the full domain of the construct (Clark & Watson, 1997). Given the large number of constructs in the EI model, a more parsimonious scale for each construct was desired for eventual structural equation modeling. Scales with 4 indicators are preferred, while 3 items are sufficient if other constructs have more than 3 items (Hair et al., 2010. Pp. 675-676). Therefore, for each construct, 4 indicators were chosen with an attempt to capture the fullness of the construct domain. The exceptions were cases where the construct is more narrowly defined, and more than 3 indicators appeared to be redundant. The selected indicators, their inter-item correlations, and factor loadings with Eigenvalues (EV) appear in Table 2.

Table 2. Selection of Scale Items for Each Construct

Scale Item (5-point scale, 1= Strongly Disagree to 5 = Strongly Agree	Inter-Item Correlation	Factor Loading
ORIGINS: PARENTAL SOCIALIZATION		EV = 73.11
1. Wine was often at the dinner table when I was growing up	.746	.863
5. My parents introduced me to wine	.749	.865
7. Wine is a part of my family heritage	.681	.817
9. My parents taught me to enjoy wine	.764	.874
Cronbach's alpha, .877		
ORIGINS: PEER INFLUENCE		EV = 61.89
3. I enjoy drinking wine with my friends	.608	.789
4. Wine is a popular beverage when I'm with my friends	.705	.873
5. My friends suggest new wines to try	.660	.838
9. My peers influenced my interest in wine	,420	.612
Cronbach's alpha, .785		
ORIGINS: LOVE AT FIRST SIGHT VIA EXEMPLAR		EV = 76.47
2.I remember when a wonderful wine captivated me	.704	.869
3. I have been able to taste some extraordinary wines	.683	.866
4. A memorable wine experience has influenced my love of wine	.754	.898
Cronbach's alpha, .846		
DEVELOPMENT: PRODUCT STUDY		EV = 74.88
1. I love reading books about wine	.653	.789
2. I love learning about wine	.762	.872
7. I would be interested in taking wine classes	.776	.882
9. I like to study wine	.826	.912
Cronbach's alpha, .887		
DEVELOPMENT: PRODUCT EXPERIMENTATION		EV = 74.91
2. I like tasting unusual wines	.635	.776
7. I enjoy evaluating wines	.795	.893
8. I like going to a party where I can taste different wines	.790	.892
10. I like to experiment with wine	.796	.895
Cronbach's alpha, .887		
REINFORCEMENT: STARDOM		EV = 69.40
1. I like the acknowledgement I receive because I know about wine	.617	.766
3. Friends and family look to me for guidance in wine	.745	.862
7. I have been complemented on my wine knowledge	.824	.911
8. Amongst my friends I am often perceived as a wine expert	.761	.873
Cronbach's alpha, .877		

REINFORCEMENT: POWER		EV = 72.70
1. I have confidence in my own knowledge about wine	.693	.836
3. I am not afraid to experiment with wine	.580	.749
4. I am capable of choosing good wines	.788	.895
6. I know how to serve wine	.712	.847
Cronbach's alpha, .851		
REINFORCEMENT: FULFULLMENT		EV = 84.50
1. Wine brings me a sense of fulfillment	.838	.931
4. I feel satisfaction from being a wine lover	.843	.933
8. Wine brings delight to my life	.769	.893
Cronbach's alpha, .908		
REINFORCEMENT: HOMAGE		EV = 82.42
2. I enjoy the culture of wine	.789	.879
3. I dream of visiting the famous wine regions of the world	.844	.915
4. I dream of tasting some of the most historic wines of the world	.877	.934
5. It is a great honor to taste a special wine	.825	.903
Cronbach's alpha, .929		

3.5 Construct Validity: Tests for Discriminant and Convergent Validity. Construct validity concerns the extent to which a measure is related to other measures as specified by theory or previous research. Two types of construct validity are assessed here, convergent validity and discriminant validity. Convergent validity is the extent to which items of a specific construct share a high proportion of variance in common and can be assessed both by Cronbach's alpha, and by inspecting the factor loadings reported above in Table 2. Factor loadings should at least be above .5, and ideally above .7. All factor loadings are above .7 except for Origins-Peers, Item 9, which is above .5. Convergent validity is therefore assumed.

Discriminant validity was assessed with exploratory factor analysis, specifying the number of factors to be extracted and using a varimax rotation. Three separate analyses were done, one each for the domains of Origins, EI Development, and EI Reward and Reinforcement. The results are presented in Tables 3-5. In all but one case, the items loaded on the same factor as other items measuring the same construct. The one exception was the first measure of Power, which loads more highly on the factor for Stardom. Therefore, the first item will be removed from the scale in subsequent analyses and the assumption of discriminant validity for the scales is met.

Table 3. Origin Scales: Rotated Component Matrix

1. Wine was often at the dinner table when I was growing up	.865	.078	.007
5. My parents introduced me to wine	.867	.091	-.025
7. Wine is a part of my family heritage	.805	.120	.172
9. My parents taught me to enjoy wine	.824	.312	-.007
3. I enjoy drinking wine with my friends	.035	.481	.638
4. Wine is a popular beverage when I'm with my friends	.028	.285	.814
5. My friends suggest new wines to try	-.026	.053	.887
9. My peers influenced my interest in wine	.084	.130	.621
2.I remember when a wonderful wine captivated me	.118	.823	.267
3. I have been able to taste some extraordinary wines	.235	.821	.105

4. A memorable wine experience has influenced my love of wine	.176	.817	.269

Table 4. Development Scales: Rotated Component Matrix

1. I love reading books about wine	.819	.150
2. I love learning about wine	.784	.365
7. I would be interested in taking wine classes	.759	.426
9. I like to study wine	.851	.316
2. I like tasting unusual wines	.156	.783
7. I enjoy evaluating wines	.459	.746
8. I like going to a party where I can taste different wines	.328	.843
10. I like to experiment with wine	.332	.841

Table 5: Reinforcement Scales: Rotated Component Matrix

1. I like the acknowledgement I receive because I know about wine	.691	.305	.273	.008
3. Friends and family look to me for guidance in wine	.764	.285	.075	.275
7. I have been complemented on my wine knowledge	.824	.139	.315	.234
8. Amongst my friends I am often perceived as a wine expert	.816	.056	.269	.244
1. I have confidence in my own knowledge about wine	.648	.189	.199	.499
3. I am not afraid to experiment with wine	.087	.294	.357	.687
4. I am capable of choosing good wines	.309	.237	.267	.774
6. I know how to serve wine	.457	.222	-.021	.713
1. Wine brings me a sense of fulfillment	.406	.250	.792	.161
4. I feel satisfaction from being a wine lover	.339	.313	.758	.227
8. Wine brings delight to my life	.238	.493	.658	.283
2. I enjoy the culture of wine	.131	.726	.396	.259
3. I dream of visiting the famous wine regions of the world	.231	.879	.149	.143
4. I dream of tasting some of the most historic wines of the world	.196	.888	.137	.211
5. It is a great honor to taste a special wine	.194	.798	.298	.228

3.6 Nomological Validity. Finally, nomological validity was investigated. Nomological validity refers to whether the constructs are related to other constructs as predicted by theory and previous research. To assess nomological validity, a correlation matrix using the scales created above and three additional constructs was inspected (Hair et al., 2010, p. 688). Two of the additional constructs that were chosen were shown to be related to EI in previous research, the frequency of wine consumption, and subjective wine knowledge. Also, as the model is developed to represent the origins and development of enduring involvement, the correlation between the scales and Zaichkowsky's 10 item scale for product involvement were investigated. Zaichkowsky's scale was selected as the measure for EI as it is unidimensional, has high internal reliability (Cronbach's alpha of .948), and has been successfully used in previous research. The correlations between the 9 scales and the 3 theoretical constructs are presented in Table 4. All correlations except for Parental Socialization X Frequency are significant (Chi Square >.05). The analysis provides strong evidence for nomological validity of the scales.

Table 6: Correlation with Scales and Frequency, Subjective Knowledge and EI

	Frequency	Knowledge	Involvement
Parental Socialization	.123	.288	.267
Peer Influence	.343	.257	.435
Love at First Sight via Exemplar	.455	.561	.578
Product Study	.400	.507	.660
Product Experimentation	.444	.443	.698
Stardom	.438	.601	.513
Power	.437	.649	.660
Fulfillment	.471	.493	.741
Homage	.390	.450	.760

Significant Chi Square < .05 for all correlations except Parental Socialization X Frequency.

4. Discussion and Further Research.

This study has resulted in scales for the 9 constructs that can be used in future research. There are still a few issues that still should be addressed however as researchers move forward to test the EI model. The assumption of normally distributed data appeared to be an issue with many of the measures. The lack of normality could have been due to the student sample as the younger students may not have had a broad range of experience with wine and the skewness and kurtosis reflected their more similar background. Future research using a representative sample of wine drinkers may overcome this limitation. Likewise, some of the measurement items may benefit from changes to the wording to reflect the experiences of older, more experienced wine consumers. For example, 'I dream of visiting the famous wine regions of the world' was used in this study as students may not yet have had the opportunity or resources to visit other regions, however, the statement '*I love visiting the famous wine regions of the world'* would more closely reflect the idea of reward and reinforcement proposed in the model. The items for peer influence were chosen with the fact that students' adoption of wine is a recent phenomenon, however with an older aged sample the wording may be slightly altered to '*When I started drinking wine, I enjoyed drinking wine with my friends',* instead of the current, *'I enjoy drinking wine with my friends'* to capture the origins of EI.

Going forward, it is the researchers' intent to gather data from a representative sample of wine consumers to test the theoretical relationships proposed in the EI model. The suitability of the scales will eventually depend on how they perform in the the measurement model, however given the work that has been performed here, the likelihood of success is now much greater.

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HOW TO MEASURE EMOTIONS WITH TASTING: IDEAL MATCHING BETWEEN CHEESE AND WINE

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Keywords: Wine, Cheese, Sensory evaluation, Emotion

Abstract
Purpose
The aim of this article is to understand how the combined taste of cheese and wine evokes emotions such as joy, excitement, and surprise. We also consider taste in terms of the ideal match between cheese and wine.
Design/methodology/approach
We organized tasting experiment with 38 people in convenience sample. The cheeses chosen for the experiment were goat, Camembert, and Chaource. We used only white wines (Sauvignon, Chardonnay and Viognier). The participants tasted the nine cheese and wine pairings blindly in the same order.
Findings
Our study distinguishes the reactions between men and women to detect the impact of this cheese and wine matching on emotions. For the women in the sample, the harmony of matching cheese and wine had an effect on emotion, especially surprise. More specifically, when you match Viognier and Chaource, women are more surprised, and they are less surprised with the combination of Sauvignon Blanc and goat cheese and Sauvignon Blanc and Camembert.
Recommendations
We can create an exciting experience in the cellar by tasting cheese with wine, especially if both come from the same area.

1. Introduction

Wine and cheese traditionally have made a great match. Several Sonoma County wineries now offer wine and cheese tasting together, giving guests a taste of the combination of the two products. Some wineries also have cheeseries, such as Gibbston in New Zealand, which also offers its products during wine tastings. In Bordeaux, Baud et Millet (a cheese restaurant) offers the experience of tasting 12 different cheeses – sheep; creamy, soft goat; or blue– together with a tasting of three Bordeaux wines: dry and sweet white wine and red wine. With these few examples, the question becomes, What is the right combination between cheese and wine?

Cheese and wine create an aesthetic experience and raise emotions when tasted together (Desmet and Schifferstein, 2008; Hoyer and Stokburger-Sauer, 2012; Gutjar et al., 2015). We consider that taste plays a pointed role in decision-making for hedonic products (wine and cheese) in terms of preference and judgement. These product provide more emotional value based on intrinsic attributes such as sensory perceptions rather than utilitarian value. These sensory attributes are perceived in a holistic manner. In fact, we can’t differentiate the source of sensory attributes from the eyes, mouth, or nose. For example, visual evaluation could affect one’s perception of the taste of a product (e.g., the fattiness of the cheese). Such impressions provide competing cues (Hoegg and Alba 2007). This is crucial to consider when evaluating several products through a lens of pleasant emotions (Desmet and Schifferstein, 2008; Gutjar

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et al., 2015). . We prefer to assess the emotions of retained joy, excitement, and surprise (Richins 1997), the last of which is particularly accurate when evaluating the pairing of cheese and wine and the best combination of the two.

When someone tastes several products (here, cheese and wine), the order each is provided is essential and affects the evaluation of the products in terms of discriminating sensory evaluation (Nygren et al., 2002, 2003; Biswas et al., 2014). For example, the intensity of a wine's aroma and acidity decreases after tasting cheese, showing the crucial role of sequential sensory cues in evaluating a hedonic product. Tasting wine evokes an initial combination of complex flavours but it changes with the additional flavours of a second product as cheesewine. We can apply the concept of hedonic escalation (Crolic and Janiszewski, 2016) in repeated experiences. The temporal dominance of sensation is a repeated experience of tasting because the duration of wine sensations are modified after tasting cheese (Galmarini et al., 2017). Therefore, the wine sensorial evaluation decreases more in a mixed-product tasting than during sequential tasting; for cheese there is no sense change regardless of the tasted order (Nygren et al., 2002). Therefore, we want to know which sensory cues dominate or if there is a balance between the two sensory cues. Cheese affects wine perception because there are residuals of cheese in consumers' mouths. Plus the contact of cheese and wine has an impact on the perception of the combination. Tuorila et al. (1994) show that interactions between cheese and wine exist when you are in mixed tasting. In conclusion, if we want to taste a good match between cheese and wine, we should adopt a mixed-tasting strategy.

We developed some rules to create accurate combinations of cheese and wine to ascertain emotional reactions from the pairings. These rules detail prohibited combinations to avoid hiding the taste of either the wine or cheese (Morten et al., 2014). King and Cliff (2005) and Bastian et al. (2009) analyse these combinations through an ideal matching scale between cheese and wine and note deviations from these ideal matches. For Bastian et al. (2009), Brie significantly dominates wine (here, sparkling wine, Sauvignon Blanc, wooded Chardonnay, and Gewürztraminer) more than goat cheese, Gruyere, and Chaource. Chaource dominates other wines (here, Sauvignon Blanc, wooded Chardonnay, and Gewürztraminer). King and Cliff (2005) analyse the average deviation from the ideal match for all participants of the tasting. White wine (Sauvignon Blanc, Chardonnay [unoaked], Pinot Gris, Chardonnay, Gewurztraminer, and Riesling) have a lower average of deviation from the ideal match than red wines (Pinot Noir [light], Pinot Noir [oaked], Merlot, Meritage, and Foch). However, the most powerful cheese is difficult to pair with either red or white wine. Such cheeses should be combined with the latest harvest and ice wines. This match is also suggested by Koone et al. (2014) and Harrington and Hammond (2005). For Koone et al. (2014), when you have a good match between a cheese and a wine, the consumers implicitly like the pairing. Koone et al. (2014) show that the best association with goat cheese and Brie is Sauvignon Blanc. They explain these ideal matches by the level of acidity in the wines and the level of fattiness in the Brie. An acidic wine must be coupled with a cheese that has less than or equal acidity to the wine. If the cheese is more acidic than the wine, the wine will disappear into the flavour of the cheese. Harrington and Hammond (2005) found that the sweetness of wine contrasts with the saltiness of a cheese, and the body of wine (tannins) is negatively linked with the body of cheese (fattiness). Indeed, fattiness and tannins annihilate one another, thus erasing the negative aspects that they can have in the mouth. Harrington and Hammond (2005) assess balance when you combine cheese and wine by analysing contrast and similarity in terms of components (sweetness, acidity, saltiness, and bitterness), textures (overall body and fattiness), and flavours (persistence, intensity, and spiciness). But not all of these studies make a link between perception and emotion from sensory impressions. They explain why the pairing is well matched but not explicitly if the pairing is harmonious, such as shown in Morten et al. (2014). These authors [show that there is a high correlation between a liking score and a high level of harmony. They consider preference more than positive emotions.

The purpose of our study is to respond to this question: How does eating wine and cheese together explain emotions (joy, excitement, and surprise) as shown through assessments of harmony, cheese, and wine type?

2. Stimulus Selection and Procedure

We organized a tasting experiment with 38 people in a convenience sample of which 47.4% were women and 47.4% were less than 30 years old. Participants didn't have any specific expertise. The cheeses chosen for the experiment were goat, Camembert, and Chaource. Although there is a difference in terms of milk (cow versus goat) there are no differences in terms of fat and salt content. All the cheeses were quite young (less than 10 weeks). We selected only white wines (Sauvignon Blanc, Chardonnay, and Viognier). Sauvignon Blanc and Chardonnay are the most harvested in France and have been tested in several research experiments to determine the ideal combinations between wine and cheese (Bastian et al., 2009; Koone et al., 2014). We selected the wine from the same wineries in the Languedoc region: [the cheese comes from others regions. The subjects tasted the nine pairs in the same order (Sauvignon Blanc with goat cheese, Sauvignon Blanc with Camembert, Sauvignon Blanc with Chaource, Chardonnay with goat cheese, Chardonnay with Camembert, Chardonnay with Chaource, Viognier with goat cheese, Viognier with Camembert, Viognier with Chaource). They tasted each pair only one time. After tasting three cheese and wine pairings, they ate some bread or drank water in order to clear their palates between evaluations and had a short break. Although the wine was presented blind, the cheeses were highly recognisable by their intrinsic characteristics.

3. Measures

First, we measured the harmony evaluation between the cheese and wine through a semantic differential scale that included descriptive anchors (discordant versus harmony). Second, we conducted emotion evaluations (Richins, 1997), specifically looking for joy, excitement, and surprise as measured by a semantic differential scale (sad versus joy, unexcited versus excited, and unsurprised versus surprised). Table 1 shows the construct means by sex and age and a one-way analysis of variance's results.

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	Mean Women	Men	Total	F	Prob
Harmony Evaluation	6.093	5.278	5.664	11.897	0.001
Joy Evaluation	3.284	3.194	3.237	NA	
Excitement Evaluation	1.796	1.761	1.778	.170	0.680
Surprise Evaluation	1.728	1.572	1.646	4.108	0.043

NA: The significance of the Levene test is less than 0.05.

	Mean less than 30 years	30 years and more	Total	F	Prob
Harmony Evaluation	5.994	5.367	5.664	6.949	0.009
Joy Evaluation	3.191	3.278	3.237	NA	
Excitement Evaluation	1.833	1.728	1.778	NA	

Surprise Evaluation	1.630	1.661	1.646	0.165	0.685

NA: The significance of the Levene test is less than 0.05.

Table 1: Effect of age and sex on harmony and emotions

There is a significant difference between men and women concerning the harmony (F=11.897, p=0.001) and surprise evaluations (F=4.108, p=0.043). Women considered the evaluation more harmonious than men, and they were also more surprised. There is a significant difference between the two classes of age for the harmony evaluation (F=6.949 p=0.009). The youngest group (less than 30 years old) had a more harmonious evaluation of the pairings than the other participants.

4. Results

Table 2 displays the construct mean differences by cheese and wine and the one-way analysis of variance's results.

Evaluation	Goat	Camembert	Chaource	Total	F	Prob
Harmony	5.816	5.921	5.254	5.664	NA	
Joy	3.316	3.614	2.781	3.237	6.669	0.001
Excitement	1.754	1.825	1.754	1.778	.301	0.740
Surprise	1.605	1.702	1.632	1.646	0.554	0.575

NA: The significance of the Levene test is less than 0.05.

Evaluation	Sauvignon Blanc	Chardonnay	Viognier	Total	F	Prob
Harmony	5.465	5.465	6.061	5.664	2.782	0.063
Joy	3.158	3.105	3.447	3.237	1.230	0.294
Excitement	1.737	1.684	1.912	1.778	2.651	0.072
Surprise	1.553	1.544	1.842	1.646	6.641	0.001

Table 2: Effect of wine and cheese on harmony and emotions

The difference among cheeses is significant for the evaluation of joy: the Camembert has a higher joy evaluation and Chaource has a lesser joy evaluation. The difference among wines is significant for surprise (p<0.01) and for the harmony and excitement evaluations (p<0.1). The Viognier has the highest score for surprise, excitement, and harmony evaluations.

Now we want to explain emotion by harmony evaluation, age, sex, cheese, and wine by using MANOVA (multivariate analysis of variance). First, the joy evaluation had a Levene test less than 0.05 (Levene=2.643, p=0.000). So, this variable is omitted from this analysis. For the excitement and surprise evaluations, we tested the multivariate homogeneity of covariance matrix by Box statistics (Test de Box=118.547, F=1.024, p=.413). With p>0.05, we verified the homogeneity of the covariance matrix. Then, we tested the univariate homogeneity of variance through a Levene test. The homogeneousness of the excitement evaluation variance (F=1.014, p=.452) and surprise evaluation variance (F=1.102, p=.324) was verified.

The model with the dependent variable of excitement evaluation is significant (F=5.928, p=.000) and has an R^2 of 0.342. The effect of the harmony evaluation is significant (F=172.424, p=.000), as is sex (F=4.459, p=.036), sex×cheese (F=4.938, p=.008), and finally sex×age (F=5.883, p=.016).

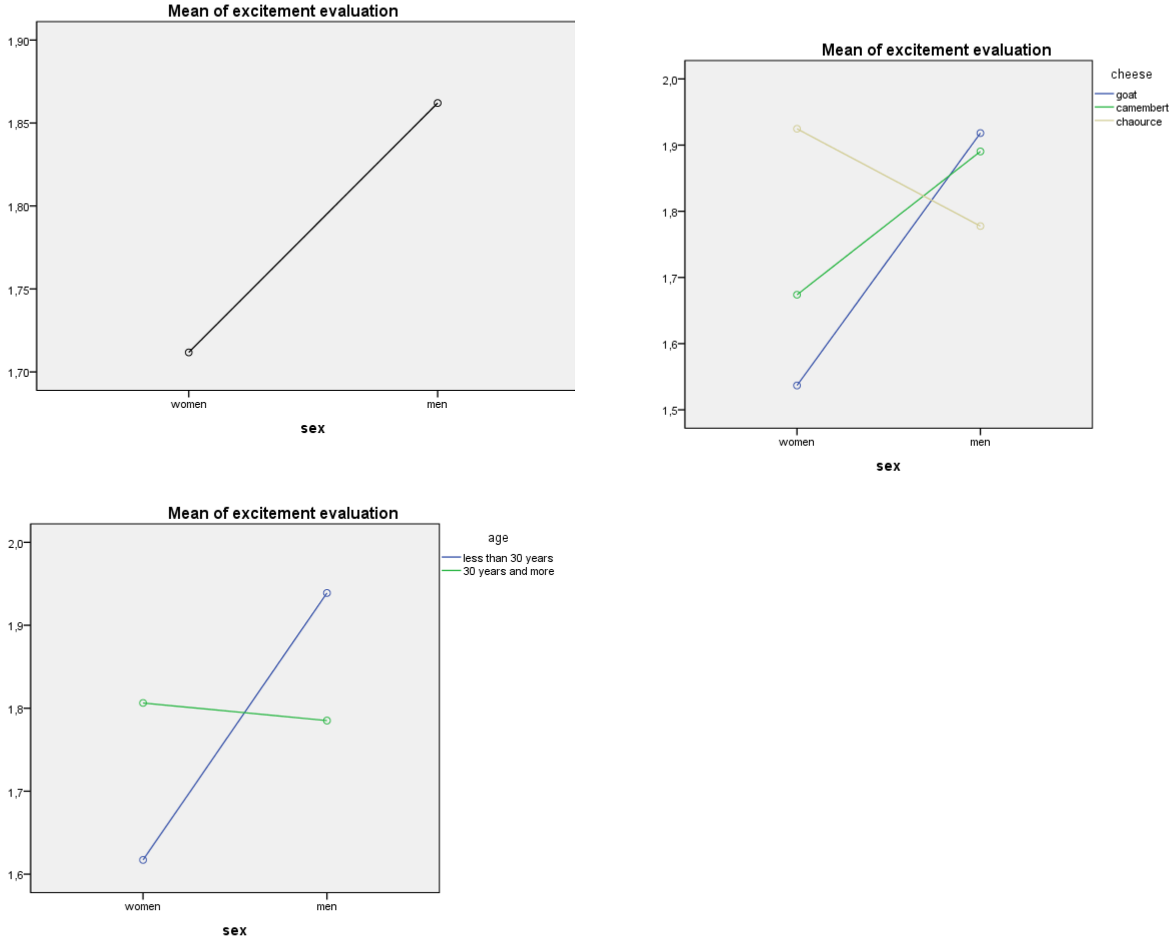
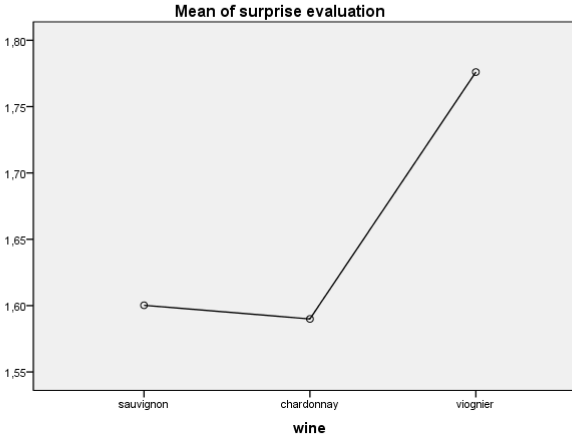
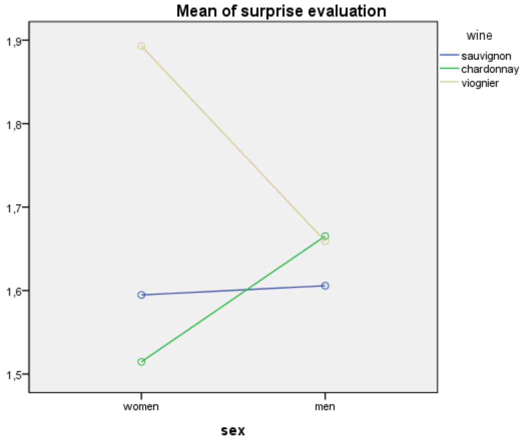


Figure 1: Mean differences of significant effects for the model with the dependent variable excitement evaluation

As shown in figure 1, the women are less excited than the men, and they prefer the Chaource, whereas the men prefer Camembert and goat cheese. However, women who are less than 30 years old are less excited than women older than 30; but this is reversed for the men. The model with the dependent variable surprise evaluation is significant ($F=5.621$, $p=.000$) and has an R^2 of 0.328. The effect of the harmony evaluation is significant ($F=140.039$, $p=.000$), as is wine ($F= 3.467$, $p= .032$), age ($F=5.898$, $p=.016$), sex×wine ($F=3.053$, $p=.049$), and finally sex×age ($F=6.173$, $p=.014$). Figure 2 represents the mean differences of significant effects for the model with the dependent variable surprise evaluation


Mean of surprise evaluation
1,80
1,75
1,70
1,65
1,60
1,55
sauvignon
chardonnay
viognier
wine


Mean of surprise evaluation
wine
sauvignon
chardonnay
viognier
1,9
1,8
1,7
1,6
1,5
women
men
sex


Mean of surprise evaluation
1,75
1,70
1,65
1,60
1,55
less than 30 years
30 years and more
age

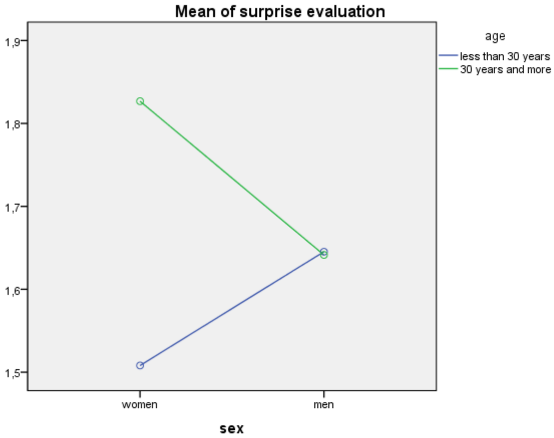

Mean of surprise evaluation
age
less than 30 years
30 years and more
1,9
1,8
1,7
1,6
1,5
women
men
sex

Figure 2: Mean differences of significant effects for the model with the dependent variable surprise evaluation

The Viognier is more surprising than the other two wines. The oldest participants were more surprised than the youngest when tasting white wine and cheese. The Viognier was most surprising to women than the other two wines, whereas for men, there was no difference in terms of surprise. For men, there was also no difference in reaction in terms of age, but the youngest women were more surprised than the oldest. To create excitement, cheese is more important than the wine, and it is the opposite if you want to trigger surprise. However, there was no effect of wine×cheese for the two emotions (excitement and surprise). Therefore, the combination of wine and cheese doesn't produce emotion per se. However, we did have an effect for sex×wine and sex×cheese.

Therefore, we need to differentiate women from men in this analysis. A MANOVA was used to explain emotions through harmony evaluation, age, sex, cheese, and wine for each subsample (men versus women). For the female sample, we tested the multivariate homogeneity of covariance matrix through Box statistics (Test de Box=68,410, F=1.209, p=.146). With p>0.05, we verified the homogeneity of the covariance matrix. The homogeneousness of the excitement evaluation variance (F=1,536, p=.090) and surprise evaluation variance (F=.822, p=.324) was verified. The model with the dependent variable of excitement evaluation was significant (F=5.225, p=.000) and has an R^2 of 0.415. The effect of the harmony evaluation was significant (F=84.296, p=.000), as well as the cheese evaluation (F= 3.695, p=.027). The Chaource was more exciting than the other cheeses were. Figure 3 show the mean differences of significant effects for the model with the dependent variable excitement evaluation for the female sample.

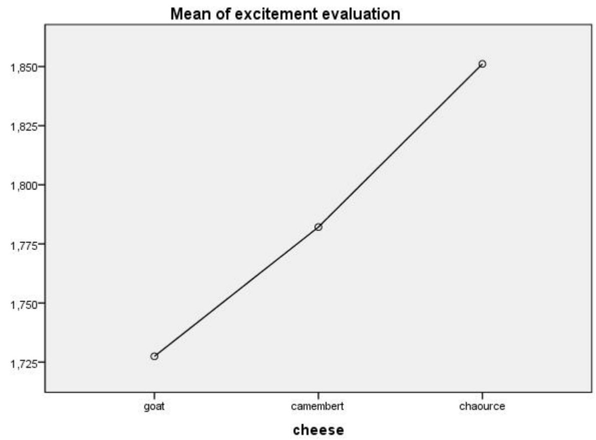


Figure 3: Mean differences of significant effects for the model with the dependent variable excitement evaluation for the female sample

The model with the dependent variable of surprise evaluation was significant (F=6.709, p=.000) and has an R^2 of 0.489. The effect of the harmony evaluation was significant (F=66.324, p=.000), as well as the wine×cheese (F=2.819, p=.027) and wine×cheese×harmony evaluations (F=3.115, p=.017). The most important deviation came from the Chaource and a less important deviation was noticed for the Camembert. Viognier is the wine grape that arouses more surprise when matched with Chaource compared with the other two wines. Perhaps it is because it has a low level of acidity and is more fruity so we can associate it with a creamy cheese (Bastian et al., 2009). Sauvignon Blanc creates less surprise when paired with

Camembert and goat cheese (Harrington and Hammond, 2005) and Chardonnay is less surprising when paired with Chaource because there needs to be more acidity to counterbalance the cheese’s fattiness, and it is the same origin (AOP) as Chardonnay in Burgundy. Figure 4 represents Mean differences of significant effects for the model with the dependent variable surprise evaluation for the female sample.

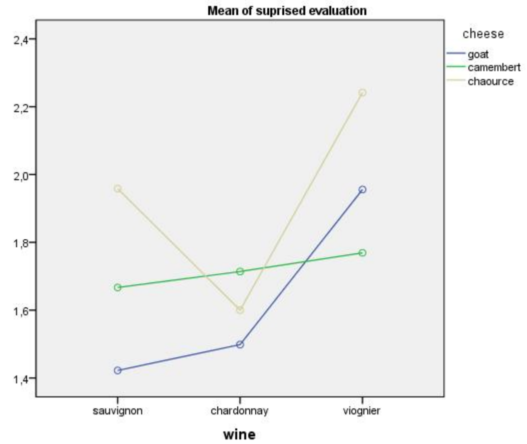


Figure 4: Mean differences of significant effects for the model with the dependent variable surprise evaluation for the female sample

5. Conclusion

The main result of this study shows the effect of the combination of cheese and wine on surprise for women. When you consider the whole sample and the male sample, the interaction between wine and cheese had no effect on emotions. For the female sample, the interaction between these combinations of wine and cheese on their level of harmony also had an effect on surprise. Specifically, when Chaource is combined with Viognier it created more surprise than other wine and cheese combinations. The Sauvignon Blanc combined with the goat cheese and the Camembert triggered less surprise. A glass of Sauvignon Blanc or Viognier should be paired with a sweet and creamy cheese with high fat content, such as Chaource. The sense of harmony can increase if the taster consumes cheese of the same region as the wine, which is why you can associate a winery with the production of cheese. We apparently don’t have other emotions (joy and excitement) when pairing wine and cheese. We offer three reasons. First, we didn’t provide strong differences among cheeses in terms of taste and age. None of the cheeses had a robust and pronounced flavour, so tasters couldn’t discriminate their preferences. Second, a scale measures emotions after tasting, which causes doubt about when the respondent elicited these emotions. To capture affective features of facial expressions, including discrete emotions, we need to view the tasters during the tasting (Vermeulen et al., 2014) and you can detect emotions by modification of their faces. Third, the sense of harmony is perceived and we don’t measure the deviation with an ideal match for the combination (Bastian et al., 2009).

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VISUAL CODES ON FRENCH WINE LABELS FOR CROSS-CULTURAL MARKETING IN CHINA AND AUSTRALIA

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Keywords: French wine labels, Visual codes, Cultural cues, Cross-cultural marketing in China and Australia

Abstract

This paper examines visual codes on French wine labels that rely on the cognitive connections between the source and the target that are usually accessible only to culturally specific market segments. These strategies therefore draw on cross-cultural marketing in particularly innovative ways, demonstrating a complicity or cross-cultural understanding inherent in the symbolic content of their visual codes.

Two examples of French wine labels have been selected to display these cross-cultural strategies in different price brackets (premium and low-cost) and contexts (Asian and Western): Château Lafite in China and Arrogant Frog in Australia. Focusing on these wine labels, this paper analyses the visual elements with symbolic content that trigger positive responses in these culturally differentiated segments of the market: China and Australia.

This research establishes a framework for analysing strategies used by French wine producers in targeting culturally specific market segments.

Introduction

Cross-cultural marketing has been applied to wine for centuries, ranging from Bordeaux's production of New French Clarets for English consumers, to the Veuve Clicquot's syrupy champagnes for Russian palates. In recent times, there is less manipulation of the product to correspond to culturally specific taste trends (the Parkerization of red wines is a worldwide phenomenon), and more emphasis placed on visual labelling to appeal to culturally specific market segments (Hall et al., 1994; 1996; 1997; Charters et al., 2011).

This paper examines visual codes on French wine labels that rely on the cognitive connections between the source and the target that are usually accessible only to culturally specific market segments. These strategies therefore draw on cross-cultural marketing in particularly innovative ways, demonstrating a complicity or cross-cultural understanding inherent in the symbolic content of their visual codes.

Two examples of French wine labels have been selected to display these cross-cultural strategies in different price brackets (premium and low-cost) and contexts (Asian and Western): Château Lafite in China and Arrogant Frog in Australia. Focusing on these wine labels, this paper analyses the visual elements with symbolic content that trigger positive responses in these culturally differentiated segments of the market.

In 2010, Château Lafite announced that their 2008 vintage would feature the Chinese figure 8 symbol in red (八) embossed into their glass bottles and magnums just above the front label. This innovation marks a pivotal moment in Bordeaux first growth wine marketing, signifying a shift in the hierarchy of producer and consumer. Whereas normally the consumer, in this case

Chinese, is expected to decipher the cultural codes of French wine labelling, Château Lafite's 2008 visual labelling attempts to cater to Chinese cues for value and status.

In 2005, Jean-Claude Mas of Les Domaines Paul Mas (DPM) in the Languedoc region launched Arrogant Frog label for export. Its success in Australia is second to none. Although it has also been embraced in the Netherlands, Canada and now Italy, its immediate uptake in Australia has been credited to its self-deprecating and simplistic humour, and low price point, in line with the previous success of Yellow Tail, an Australian budget wine with 'critter' label.

These two wine labels are analysed to determine the visual codes used and interpret the cultural cues for cross-cultural marketing.

Literature review and problem studied: Identifying Visual Codes and Interpreting Cultural Cues on Wine Labels

Wine label design is a field of growing interest in the wine market, given its role as a crucial component of the decision-making process. Drawing from previous studies investigating a label's layout, colours, and use of visual imagery, Sherman and Tuten (2011: 223) assert that 'these aspects of design lead to a gestalt view of the wine offering, the overall perception of the wine.' There are three genres of label design identified by Sherman and Tuten (2011: 223) as traditional (conservative label), contemporary (label as art), and novelty (label as fun). For them, the label's design is one of the quality indicators made of 'extrinsic cues' about the product, and of 'intrinsic cues' (such as region, grape varietal, name of the producer, etc.). A label's visual identity is therefore composed of a series of elements (i.e. colours, typography layout, illustrations), all of which contribute to reinforce a product's brand identity (Boudreaux & Palmer, 2007). These visual codes can be 'categorical', and as such are linked to the notion of perceived typicality of a product (Celhay, Folcher & Cohen, 2013: 3). As shown in recent studies (Bobrie, 2009; Bonescu et al., 2013, Celhay, Folcher & Cohen, 2013; König & Lick, 2014), semiotics provides wine label analysis with a relevant framework to investigate significance and meaning given by the potential consumer.

The binary model of signs of Ferdinand de Saussure (1916) (i.e. signifiers vs. signified, or semiotics) has been specifically applied in an initial study of the visual codes of Bordeaux wines (Celhay, Folcher & Cohen, 2013; Celhay & Remaud, 2016), then extended into a comparative study with Barossa Valley wines (Celhay et al., 2016). In these studies, the package design is investigated as 'a combination of several signifiers that communicate specific signified (i.e. meanings) to the consumer (Celhay & Remaud, 2016: 384). The framework for analysing Bordeaux Grand Crus in Celhay, Folcher & Cohen (2013) will be adapted to analyse the three cross-cultural marketing strategies in the research methodology and findings of this paper. In this way, it will be possible to understand the relationship between visual codes and association of ideas, and the reason why this relationship can be made or not, which is the key aim of this paper.

In addition to identifying visual codes on these French wine labels, it is also necessary to interpret these cultural cues. As stated above, the use of visual labelling is a key strategy for branding wine, with image having the most impact, especially when charged with symbolic content (Jarvis, Mueller & Chiong, 2010; Boudreaux & Palmer, 2007). This symbolic content can be defined and subsequently analysed as verbo-pictorial metaphors (Alousque et al., 2014; 2015; Forceville 2006; Caballero 2009). Typical examples of such verbo-pictorial metaphors are images of châteaux on French (and pseudo-French) wine labels, and pictures of 'critters' like the wallaby on Yellow Tail's label (Walker, 2006; Lehrer 2009). In line with Cognitive

Metaphor Theory (Lakoff & Johnson, 1980), these verbo-pictorial metaphors are conceptual metaphors based on the mapping of features in the source domain (e.g. an animal, or a person) onto the target domain (here, wine).

Research objectives and / or hypothesis:
This paper examines the strategies of visual codes (or verbo-pictorial metaphors) on French wine labels for targeting culturally specific market segments in two cross-cultural examples: Château Lafite in China and Arrogant Frog in Australia. Each of these strategies has clearly been successful in terms of sales and/or price points.

Research methodology
This paper firstly provides background and context for each of the wineries to establish their position in the global wine market. It then focuses on the particular wine labels selected, analysing the visual codes with symbolic content that trigger responses and cues in culturally differentiated segments of the market. The semiotic framework proposed by Celhay, Folcher & Cohen (2013) is the starting point for analysis of the labels. Primary resources are also used including: press releases; marketing strategies; as well as information garnered from the marketing and PR teams of Château Lafite Rothschild and Arrogant Frog. This documentation is analysed to ascertain the implicit messages encoded in visual labelling.

Results / findings
Background, analysis of visual codes and cultural cues, and discussion of market impact are presented for the two examples.

Château-Lafite Rothschild 2008

Background

Owned by Domaines Barons de Rothschild (DBR), Château Lafite-Rothschild is one of the Bordeaux First Growths (Grands Crus), among the world's most expensive and famous wines. In 1855, an official classification was requested by Napoleon III in order to rank wines according to their quality and their selling price. Mainly located in the Left Bank Médoc region, the five First Growths include Château Lafite-Rothschild (Pauillac), Château Latour (Pauillac), Château Margaux (Margaux), Château Mouton Rothschild (Pauillac) and closer to the city of Bordeaux, Château Haut-Brion (Pessac Leognan).

Bordeaux wines generally ground their brand identity in the recognisable high-shouldered bottle, and in typical labels depicting engraved pictures of the château. As part of brand's identity, seals embossed in the glass shoulders were also in common use from the 17th century to the 1870s, used by Bordeaux producers exporting their wines to England. Estate bottling, as well as authentication information included in the seal (such as the château's name and date) were seen as an efficient response to piracy and potential counterfeiting. This tradition tended to disappear in the 19th century, at least for legal purposes. However, one of the earliest major Bordeaux estates to bottle their own wine, Château Lafite-Rothschild maintained it by embossing artwork for special occasions. This was the case in 1811, 1985 and 1999 with bottles featuring Halley's Comet.

Visual codes

The visual codes on the Château Lafite Rothschild 2008 wine label and embossment are categorized below to show the meaning of each of the elements. As this wine is one of the Bordeaux Grands Crus, the table and results closely resemble the one used by Celhay, Folcher & Cohen in 'The Bordeaux Grands Crus visual codes' (2013). The signifiers and signified on the label itself are clearly not culturally specific to a Chinese buyer. These codes are determined by French wine culture and are marketed in the same way in France and around the world. However, the signifiers and signified relating to the embossment are highly specific to Chinese culture and may only be recognized by those who have an understanding of Chinese culture.

Insert Figure 1.

Table 1. Signifiers and signified components in Château Lafite Rothschild 2008 labelling.

LABEL		
	Signifiers	Signified
Layout and composition	Centred layout Composition structured among horizontal lines Brand in the full middle of the label	Seriousness, classicism, tradition Seriousness, classicism, tradition Prestige, notoriety, and expertise
Colours	Pristine white Yellowing white/ pale yellow Red	High quality product Tradition, seniority Red wine
Brand typography	Capital letters Serifed letters with stroke variation Thin letters	Prestige, notoriety Tradition Delicate and subtle taste
Illustration theme	Château	Tradition, seniority, history, social distinction
Illustration style	One colour etching	Tradition, seniority, craft work
EMBOSSMENT		
	Signifiers	Signified (Chinese)
Composition		Number eight in Chinese Last digit of 2008 Auspicious meaning
Layout	In the middle of shoulders	Classicism
Colour	Red	Red wine Chinese symbol of happiness

Adapted from Celhay, Folcher & Cohen, The Bordeaux Grands Crus visual codes (2013)

Choosing to emboss a red Chinese figure on bottles for Château Lafite-Rothschild 2008 vintage is more than an artistic gesture. It implies knowing the explicit and implicit signification of the figure itself (八). Those who know that this figure represents the number 8 in Chinese also understand that it has not only been used as a reference to the 2008 vintage, but first and foremost because of its auspicious dimension in Chinese culture. As outlined in some posts included in the Wine Cellar Insider, DBR did an 'amazing marketing job' since 'placing the

Chinese figure for the number 8 on each bottle serves as a public reinforcement of where the Château's priorities lie.'

Indeed, the owners of DBR have an international strategy to expand their holdings, not only in France with the purchase in Pomerol of Château l'Evangile from the Ducasse family, who owned the property for almost 100 years, but also abroad. DBR was one of the first Bordeaux properties to invest in Chile, and they announced in 2008 a partnership with the CITIC (China International Trust and Investment Corporation), a Chinese Government sponsored company. According to Sam Gleave, the sales director at Bordeaux Index (cited on Decanter's website) 'Château Lafite's expansion into China is a natural progression of their brand. China will become a significant producer of fine wine in the not too distant future and Lafite are showing they are willing to take risks and enter a new market.' DBR intends to produce a Chinese 'grand cru' from 25 hectares of vines planted to Cabernet Sauvignon and Syrah located in the Penglai Peninsula in the Shandong Province. As China is expected to become one of the world's biggest wine producers over the next 50 years, Château-Lafite Rothschild is among the European wine estates 'keen to get a foothold in the latest new-world wine trend.' (The Guardian).

Cultural cues

From the late 1980s, a large body of research published in English has been developed around the influence of Chinese beliefs and cultural values. Recent papers focusing on the influence of Chinese beliefs related to numbers and colours (e.g. Kramer & Block, 2008; Kommonen, 2011) generally draw on research conducted over the past three decades, such as O. Yau's work on dimensions of cultural values and their marketing implications (1988).

In regards to numbers, E. Lip highlights intricate relationship between numbers and ancient Chinese texts, theories and concepts such as the *Yi Jing* (Book of Changes) and the *Wu Xing* (Five Elements) theory based on the principles of *yin* and *yang* (i.e. feminine and masculine qualities). In the *Yi Jing* (Classic of Changes), an ancient divination text considered the oldest of the Chinese classics, even numbers are *yin* and odd numbers are *yang*. This book served as the basis of predictions and prophecies for centuries, and is grounded in the concepts of *yin* and *yang* at the core of the Taoist cosmology and numerology.

In the Classic of Changes, the number 8 is associated with the Wood Element and the East direction. The eight directions (*bafang*)--North, Northeast, East, Southeast, South, Southwest, West, and Northwest-- represent the whole universe, and are used as a fortune-telling method to interpret someone's fortune according to the trigram of one's date of birth. Symbolism of the number 8 is also related to the legendary *Ba xian* (Eight Immortals) characters in classical literature who successfully practice meditation to achieve immortality. Throughout centuries, auspiciousness of this number was reinforced by the fact that *ba (eight)* is pronounced in some dialects as *fa (*for *facai*, 'to get rich') or *fu* ('lucky') (Lip, 1992).

Cantonese culture, in particular, is believed to have first associated 8 with money, but evaluative connotation of 8 with wealth can also been explained by its phonetical similarity with *bai* (hundred). In regards to its shape, the resemblance of 8 with the mathematical symbol of infinity and its perfect symmetry can be perceived as illustrating perfect balance, an ideal in Chinese astrology. In addition, the double digit 88 is often seen as matching the popular decorative design made of a double *xi* ('happiness') typically used at weddings

Meaning of the number 8 for individuals who have a Chinese background has therefore been increasingly scrutinised in marketing. Drawing on a Lip's study, Hoon Ang (1997) provides an analysis of alpha-numeric brand names based on connotations of letters and numbers in a non-Western environment. Several illustrations of positive beliefs associated to the number 8 are given by Hoon Ang who, nine years before the Olympic Games, highlighted the choice of opening the bank of China in Hong Kong on the 8th of August in 1988 because this time was considered the luckiest day in the century. In a similar perspective, Simmons and Schindler (2002) have explored the evaluative connotation of the digit 8 in their research on cultural superstitions and the price endings used in Chinese advertising. They particularly investigated the psychological effect of common practice to use 8 for price points (instead of 9 in Western countries). Findings of these two studies are concordant and confirm that the number 8 is immediately associated by Chinese people with good luck and prosperity.

In addition to numbers, specific meanings and aesthetic appeal for colours have been explored as crucial components of managing corporate and brand identities in the Asia-Pacific region. As outlined by Schmitt and Pan (1994: 43), red has been 'appreciated for centuries as the most appealing –and most lucky—color in contrast with blue, a 'cold color [that] carries associations of being evil and sinister.' Auspicious meaning ascribed to colours derives from the Five Elements (*Wu Xing*), a fundamental doctrine of ancient China that provides a systematic approach to develop harmonious relations and interactions of heaven, earth and human (Lee, 2012). In this theory, correlations have been developed between the five substances (water, wood, fire, earth and metal) and directions, colours, climate, sounds, body parts, animals, etc. (Kommonen, 2011; Lee, 2012). The colour red is thus associated with fire, south, heat, joy, laughing (Lee, 2012: 157).

Expressing 'the vibrant energy of life and happiness', this colour is particularly appropriate for occasions such as Chinese New Year, weddings and childbirth (ibid: 163). It is also reported by Kommonen's informants to be useful for warding off evils, as illustrated by the red-coated walls in the Forbidden City, or by red items sold during Spring Festival. Moreover, red shoes, garments, or belts are said to be commonly worn by people who want to protect themselves during their 'bad luck year', i.e. the year of their animal sign in Chinese Zodiac (Kommonen, 2011: 371).

In conclusion, as a summary of previous studies, the survey done by Kramer and Block (2008) on the superstitious beliefs and their impact in judgment and decision making confirmed that individuals with a Chinese background associated the most positive beliefs with the number 8 and the colour red.

Arrogant Frog 2005

Background

Arrogant Frog is a low-cost label of the ever-growing wine stable Domaines Paul Mas (DPM). Led by Jean-Claude Mas (son of Paul), whose family has been making wines in the Languedoc region since 1892, DPM currently owns 12 wineries totalling 720 hectares, with another 1400 hectares under contract, making them the biggest grape buyers in the region. They employ 190 staff, produce 140 wines, sold in 61 countries, with sales figures around 55 million euros, up 7% in 2017. Ninety per cent of their product is exported. Château Paul Mas is the historic heart of the properties, developed for oenotourism with a round tasting room and bar, horse-riding, quad bikes, and a luxury restaurant, bistrot/wine bar and accommodation. This is what Mas calls ‘le luxe rural’ (rural luxury), which is part and parcel of the region’s new branding alongside *Decanter*’s ‘The New Languedoc’ (Lawther 2016) and *Le Monde*’s ‘Le Nouveau Languedoc’ (Guerrin 2018). All of these expressions have been created to relaunch the world’s largest wine-producing region (in volume) that has long been considered a poor cousin of the better-known and higher-priced Bordeaux, Burgundy, Châteauneuf du Pape, or even Côtes du Rhône.

Mas was well ahead of the curve when he began selling ‘unsellable’ Languedoc wines through his negociant business in 2000. His pedigree in racing cars, wine sales with Bordeaux’s business guru Bernard Magrez, oenology with Italian winemaker Giorgio Grai, combined with an MBA in marketing, and natural flair for advertising and design, brought star quality to the stagnant, peasant image of the Languedoc. Despite improving wine quality, Languedoc could not compete in the French market, which pushed Mas to explore international markets where consumers would buy a 5 euro wine from the Languedoc if it was better than its competitors – Yellow Tail from Australia or Frontera from Chile, for example (Guerrin 2018). This is how the Arrogant Frog label was born.

Visual codes

The visual codes on the original Arrogant Frog wine label launched in 2005 are categorized below to show the meaning of each of the elements. The signifiers and signified on the label itself are clearly not culturally specific to an Australian buyer, but they are aligned with the kind of ‘critter’ labels that Australian consumers have been used to seeing on Yellow Tail and other Australian wine labels. The visual codes here do not reflect traditional French or ‘Old World’ wine culture; they resemble ‘New World’ wine labels. Although Arrogant Frog is marketed in the same way in France and around the world, and despite the fact that the signifiers and signified components on the label are not specific to Australian culture, there are nonetheless cultural cues which appeal to Australian consumers.

Insert Figure 2.

Table 2. Signifiers and signified components in Arrogant Frog 2005 labelling.

LABEL		
	Signifiers	Signified
Layout and composition	Centred layout Composition structured to foreground illustration Brand centred in bottom third of the label Region at top of label	Tradition Fun, fresh, artistic, unorthodox ‘Arrogant’ biggest ‘Ribet Red’ brightest Generic – ‘South of France’
Colours	Cream background Yellow and green Bright red	Quality product Unorthodox Radical
Brand typography	Upper- and lower-case letters Irregular Font and colour variation Brackets	Uneven, irreverent ‘Arrogant’ biggest case and irregular letter size ‘Ribet Red’ brightest and alliterated joke Square brackets around ‘Limited Edition’

Illustration theme	Comical anthropomorphic French frog with beret and wine glass	Critter = budget wine, reasonable quality Original, fun, fresh, stylish, French, stereotypical, insouciant, mocking
Illustration style	Line-drawing with colour	Artistic, aesthetic, humorous

The name and image of the wine reinforces national stereotypes propounded especially by Anglo cultures: that the French are arrogant and snobbish, especially when it comes to wine. However, the overwhelming impression offered by the Arrogant Frog label is irreverent fun, not taking anything too seriously, self-deprecating, and simple. This image coincides with the national stereotype of the laconic and larrikin Australian, typified by 'no worries mate'. It also undercuts any kind of aggression or malice that could be interpreted by referring to the frog/French as arrogant.

James Halliday credits the wine's success in Australia to the label's particular appeal for Australian consumers: 'Australians are thoroughly accustomed to black, self-deprecating humour, and Jean-Claude has taken it to another level. The labels of Arrogant Frog are descendants of Ronald Searle, the artist/cartoonist who contributed much to the wine world in bygone decades. I love them, and think they are in a class apart from other little critter labels.' (Halliday 2009) He also praises Mas's extraordinary marketing skills and ability to capitalize on a market share where others have failed, including Hardys attempt with La Baume and Southcorp with La Perouse.

Australian newspaper and website reviews of Arrogant Frog have commended Mas's astute borrowing of the critter label, inspired by Casella's success with Yellow Tail's label in the export market (Speedy 2011). Respected wine writers Jeni Port and Huon Hooke note that Mas is 'every Australian winemakers' nightmare' (Port 2007) and find it hard to think of anyone who might beat him at this game (Hooke 2011). The high praise is deserved though, as Mas not only dreamed up the product and the marketing pitch, but drew the frog himself, renewed the amphibian's wardrobe with various sporting and festive avatars and spends over 100 days per year promoting his exports outside France.

Cultural cues

For many Australian consumers, the overt ridiculing of anything snobbish is appealing, especially if it is a hedonic product (like wine) offered at a budget price point. Australian products that undermine French 'snobbish' culture include Paris Creek washed rind cheese called 'Com'n'bear' with a label showing a polar bear. At first glance, Australians might imagine that Arrogant Frog wines are marketed by Australians, or even Australian wines. This particular stance coincides with the Australian larrikin stereotype, defined as possessing or admiring the following traits: 'larger than life, sceptical, iconoclastic, egalitarian, yet suffering fools badly, insouciant, and above all, defiant' (Gorman 1990: ix-x). The enjoyable irony of a French winemaker who markets his wines with the image of a frog which is essentially the French version of an Australian larrikin seems ultimately irresistible.

There is another cultural cue that attracts Australian consumers to Arrogant Frog wines – the critter label. Recalling experiences of the Australian Yellow Tail brand, launched in 2001, and made by another family business, the Casella Family Brands, the critter label symbolizes budget priced wine of reasonable or reliable quality. In 2009, the Casella Family Brands was the most powerful family-owned wine brand in Australia, and the fourth most powerful in the world (Dufour & Steane 2010). However, the financial crisis of 2008 and increasing competition from Chilean wines in the US market saw Yellow Tail's market share decline. In 2014, the Casella Family Brands announced their intention to focus on premium wine categories, purchasing Peter Lehmann in the Barossa Valley and Brand's Laira in the Coonawarra, as well as Morris Wines in Victoria and substantial vineyards in McLaren Vale. Interestingly, Domaines Paul Mas are also moving further towards premium wine categories, with a major rebranding strategy launched in 2015.

Practical managerial implications and recommendations

The implications of these cross-cultural marketing strategies for sales and/or price points are significant in both premium and low-cost markets and in both Asian and Western contexts. There are clear differences between the DBR strategy of a single gesture for long-term relationship with Chinese premium consumers and the DPM strategy of permanent positioning for long-term relationship with Australian low-cost consumers. Details of the market impact of these two strategies are outlined below.

Market impact for Château Lafite 2008

While the 2008 vintage was initially offered at $200 per bottle, the price rose by 20% overnight in October 2010 after it was announced that bottles would be marked with the Chinese symbol for the number 8. On the Decanter website, it was reported that following this news, UK merchants declared that they were selling out of the wine, and on Tuesday morning, the price of a case of Château Lafite Rothschild 2008 was trading at £8,500 on trading platform Liv-ex. The following day, it had risen to £10,160, and a peak was reached in January 2011 at £14,043 a case. Websites in French and in English all recognise that from 2008, Lafite Rothschild became the most collectible wine from Bordeaux due to an extraordinary demand from China. According to the Wine Cellar Insider website, product placement on the number one rated Chinese soap opera on television was one of the brand promotion strategies used by Lafite to transform wine in a product symbol of wealth and social status. An intense speculation occurred due to the increasing demand among Chinese millionaire wine collectors and corporates. This phenomenon was described in the website of la Revue des Vins de France as 'a cult for the brand' developed in China that explained how the less prestigious of the First Growths became in a single decade 'the most speculative Bordeaux wine.' Consequently, inflated prices were reported to be detrimental to European customers and true connoisseurs, some bloggers even mentioning that the wine was clearly not purchased for the purpose of consumption, but foremost for power and social status.

However, in 2011, the Bordeaux wine market in China started to decline. Prices for Bordeaux wines listed as 100 top-traded in Liv-ex dropped by an average 22.5% between June and December. According to the Decanter website, the greatest loser was Château Lafite 2008, with a fall of some 45%. This loss of interest by the largest buyers in China was explained by a growing attention given to Burgundy, where smaller amounts of wine being produced in this region were assumed to trigger higher trading profits. By 2013, prices started to stabilise around $650 for a bottle of 2008 Lafite. In May 2017, a quick search on the internet reveals that one bottle can be purchased at €950 in France (from the WineandCo website) and at $1499.99 in Australia (from the Dan Murphy website).

While speculation had an obvious impact on the level of price, our hypothesis is that using the double auspicious symbol of a red eight on 2008 bottles was not a mere strategy from Château Lafite Rothschild to attract Chinese wealthy consumers. It can be also seen as a 'wink' to their joint-venture with a Chinese corporation, announced the same year. Since the vineyards in China cannot be owned by the producers, DBR entered into a partnership with CITIC, Chinese International Trust and Investment Corporation in order to produce premium red wine. The first information on this investment to be released in the news section of the official DBR website (http://www.lafite.com/en/the-lafite-spirit/news/) included the following comment from Baron Eric de Rothschild: 'I am very pleased to develop a vineyard in a country where the interest in fine wines is increasing every year. It is particularly exciting to participate in the creation of an exceptional Chinese wine'. According to the latest harvest report published in 2016, significant improvements have been made in terms of physiological balance, increased yield and the quality level, and strategic choices are said to be 'bearing their fruit'. This echoes Gerard Colin's position. In an interview published in 2012, the first Director of the DBR-Citic estate reported that the priority of DBR (Lafite) in China, like in France, remained a quest for excellence, and that this long-term project required time and patience.

In order to allow Chinese wine consumers and lovers to follow the journey of DBR-Citic, a microblog titled *The Voyage of DBR (Lafite)* was officially launched in May 2012 on Weibo, the equivalent of Facebook in China. The press release mentioned that DBR chose this very popular media to present the spirit of the group, and its culture and history in a more direct, interactive style of communication. When the first commercial vintage is released, it will be of interest to see whether communications in China and France make a link between the quality of this wine and the double auspicious symbols used on 2008 bottles.

Market impact for Arrogant Frog

Arrogant Frog wines sell for between AU$8 and $12 in Australia's largest and most successful liquor retail chain, Dan Murphy's, owned by Woolworths, which also stock Arrogant Frog in their BWS retail chain. This group has almost 50% of the total dollar market share according to the 2016 Alcohol Retail Currency report by Roy Morgan Research. Signing up for exclusive distribution through the Woolworths group in 2005, Mas was able to launch his Arrogant Frog label in Australia without fear of excessive price wars, or devaluation. The first year was difficult, but sales rose by 450% in 2006 to more than 100,000 cases and Arrogant Frog sales are now around 1 million bottles per year, placing Australia in second place globally, after the Netherlands, taking one fifth of the 5 million bottles exported worldwide.

Attempts to introduce DPM premium brands into the Australian wine market have proved unsuccessful, though the other budget labels like Côté Mas are also selling well. The rebranding of Arrogant Frog wines in 2015 indicates an intention to privilege traditional notions of terroir and provenance, rather than industrial or commercial wines, even though the DPM export business is built on Mas's exceptional marketing of these wines. The addition of a paler background picture of a vineyard and old winery behind the frog gives him a sense of place, and the black embossed band under the image reads 'Jean-Claude MAS, Vignerons de Père en Filles, Depuis 1892'. Mas stated: 'We wanted to create a label that illustrates the wine's heritage, one that would tell the story of the vineyard behind the iconic frog. The new label emphasises the wine's deep connection to its terroir and region, showcasing both the brand's playful attitude and strong ties to tradition.' (Retail World Magazine 2016) He has certainly transformed the label, but the most prominent elements of the frog and the word 'Arrogant' maintain its playful and irreverent tone, and therefore its appeal to Australian consumers.

Conclusions

These two examples of cross-cultural marketing are successful for the same fundamental reason that they demonstrate a complicity or cross-cultural understanding inherent in the symbolic content of their visual codes. However, each case is different because the symbolic content that triggers positive responses in these culturally differentiated segments of the market – China and Australia – is completely different. In China, the visual codes of Château Lafite Rothschild 2008 combine classic luxury, tradition and prestige with auspicious meanings and happiness. In Australia, the visual codes of Arrogant Frog offer larrikin humour and accessibility based on 'critter' recognition and national stereotyping. Despite the differences in market position (premium and low-cost) and context (Asian and Western), the implications of these cross-cultural marketing strategies for sales and/or price points are significant.

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MIS en BOUTEILLE au CHÂTEAU
CHATEAU LAFITE ROTHSCHILD
2008
PAUILLAC

Figure 1


PRODUCT OF FRANCE
ARROGANT
FROG
Ribet Red
[CABERNET SAUVIGNON - MERLOT]

Figure 2

INTERGENERATIONAL TRANSMISSION: AN EXPLORATORY STUDY OF GENERATION Z WINE CONSUMER BEHAVIOUR

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Keywords: Health perception, Intergenerational transmission, Gen-Zers, Wine purchase behaviour.

Abstract
The aim of this paper is to explore French generation Z wine consumer behaviour process. Our primary goal is to highlight the relation between wine and health through the concept of intergenerational transmission. This research proposes to understand the influence of the previous generations on wine consumption and on health perception of Gen-Zers. Qualitative research was conducted with a sample of wine makers (18) and Gen-Zers consumers (40) of Toulouse, France, in 2018. The results were analysed using thematic coding with Nvivo. Concerning findings, generation Z wine consumer behaviour is mainly influenced by their family and the wine industry as wine education transmitters. Healthier wine and traditional taste are significant on wine purchasing for this generation and health perception for Gen-Zers is based on the cultural "French paradox" phenomenon. This research can be of interest to market researchers and wine firms trying to undertake appropriate marketing decisions concerning Gen-Zers.

Introduction
From generation to generation, all French people develop a specific relationship with wine. The reputation of French wines all over the world since centuries and the production of "terroir" wines expanded to almost all regions of France has positioned wine as a product with a specific sociocultural role to play in the life of the French consumers. Whether you are a connoisseur or a non-alcoholic drinker, wine is an important part of the French culture: it is a product synonym of conviviality, pleasure and sharing. For several generations, French consumers have learned to appreciate wine and to know its secrets better and thus, to develop a very archetypal French behaviour.

Concerning the wine industry in France, it is currently coping with the international competition of New World wines and the globalization of multiple changes in consumption, production and supply. The French wine industry must make its cultural revolution, to pass from wines of “wine growers” to wines corresponding "to the taste of the consumer", from the "product" to the "business"[2]. French wine industry has to be transparent about its products, about its benefits as well as the risks of excess consumption. All the actors have to affirm through wine a positive and confident attitude claiming the "French way of life". Thus, some producers have already made the reasoned choice of clarity and responsibility, the choice of an education policy (“drink with moderation”) and the promotion of the culture of taste to the detriment of drunkenness.

[2] Roumegoux M. (2018), Plan stratégique de valorisation de la filière vitivinicole Français à l’Horizon 2020, ladocumentationfrançaise.fr

But what does it mean by "*in moderation*"? Inspired by the culinary and cultural heritage of wine, promoting moderation and responsibility in wine drinking corresponds to a cultural and social norm. If consumed in excess, alcoholic beverages increase the exposure to a wide range of risk factors[3] whereby the risk rises with the amount of alcohol consumed. In addition to health issues resulting from excessive alcohol consumption, there are social consequences, both for the drinker and for others in the community. But, changing attitudes towards drinking is putting the wine industry under pressure, particularly in some of its most developed markets[4] and particularly concerning young consumers.

In recent years, much has been written about the generation of young consumers labelled Generation Y, Millennials, Echo Boomers, N-Geners, Nexters, or Internet Generation. Youth today is referred to as Generation Z or Gen-Zers. Research on the Gen-Zers gained increasing attention recently in the wine industry but mostly limited to the U.K., the U.S and Australia (Teagle et al., 2010). The Gen-Zers arrival means that many of marketing's fundamental orientations must change in regard to the characteristics and values of this generation (see Table 1, p.70). For example, the one-way approach, where consumers have to listen, accept and buy, is ending. Approximately 17.959.954 French people (26,73% of the population) are currently aged 0 - 21. The 18-21 consumers in this segment, about 3.179.039 (4,73% of the population), are potentially an important segment for the wine industry, however relatively little is known about their attitudes or behaviours towards wine and towards wine and health. Thus, the purpose of this exploratory research is to understand what is the perception of wine and health of Gen-Zers and what is the impact and the role of the previous generations (relatives and industry) in this process.

Based on a literature review, the first section discusses the relation between wine and health and presents a description of the main characteristics and values of each generation, with a focus on Generation Z. Moreover, this section introduces the conceptual framework of the research, based on the concept of "*intergenerational transmission*", in order to understand the impact and the influence of previous generations on wine and health perception and wine consumption of Gen-Zers. Then, we describe the data collection and the methodology followed to analyse it. After presenting the main results, the last section of this study defines the marketing implications for the wine industry and the future research directions.

Literature

- An evolutionary approach to the relation between wine and health

Wine-based studies underline that wine consumption motives are relative to enjoying the taste of wine, social aspects of wine, lifestyle patterns and factors like health concerns (Chang et al., 2016; Charters and Pettigrew, 2008; Olsen et al., 2007). Authors like Renaud and De Lorgeril (1992), Catalgol et al. (2012) or Higgins and Llanos (2015) present a specific situation related to a positive relation between wine and health known as "*the French paradox*". This paradoxical situation suggests that despite a high intake of saturated fat there is a low mortality

[3] Harmful and hazardous consumption of alcoholic beverages is one of the main causes of premature death and avoidable disease. Causes of death include road traffic accidents, injuries, violence and liver disease. It is the net cause of 7.4% of all ill-health and early deaths in the EU and impacts negatively on labour and productivity. Alcohol abuse has also been associated with a range of long-term chronic diseases that reduce the quality of life. These include hypertension, cardiovascular problems, cirrhosis of the liver, alcohol dependence, various forms of cancer, alcohol-related brain damage and a range of other problems.

[4] www.wineintelligence.com/going-down

from coronary heart diseases in France. The authors indicate this paradox may be attributable in part to high wine consumption. A daily consumption of red wine will help the cardiovascular system but also increase the lifetime thanks to the resveratrol. French average lifetime outperforms other countries partly because of the daily consumption of red wine with meal. Norrie (2000) have suggested that the consumption modification, from white wine to red wine, in Australia is correlated with a greater consumer awareness of the health benefits. However, the health benefits of red wine are not absolutely evident for consumers and may not be the first motivation to buy wine. Van Zanten (2005, p.57) shows that "*despite a high level of awareness of the health benefits of wine consumption […] drinking wine because 'it is good for my health' was not a significant attitudinal or behavioural factor*". Taste enjoyment and variety of tastes and flavours (Van Zanten, 2005) or aesthetic stimulation, relaxation and sociability (Charters and Pettigrew, 2008) was found to be more important on classic consumers generations. Nevertheless, consumer research on wine consumption does not yet investigate the Gen-Zers specific motivation to consume wine.

Table 7- Generations description, characteristics and values

Generation	**Birth date and age in 2018**	**Population in France**	**Representative percentage of the total population in France**	**Characteristics and values**
Heritage or Silent generation	1918-1941 (from 76 to 100 year or more)	5.686.317	8,46%	- Custodian of the history and cultural heritage - Collective vision
Baby-boom generation	1942-1967 (from 50 to 75 year)	20.355.458	30,30%	- Wants to manage - Loyal to employer - Work hard - Looking for security - Accept the chain of command - Teamwork - Brand loyalty
X generation	1968-1976 (from 41 to 49 year)	7.960.232	11,85%	- Looking for personal satisfaction - Loyal to profession and skills - Looking for autonomy and flexibility - Technically savvy - Individuality - Pragmatic - Brand switchers
Y generation	1977-1995 (from 22 to 40 year)	15.224.677	22,66%	- Lifestyle - Self-discovery - Participative - Creative - Little brand loyalty

Z generation	1996-nowaday (from 0 to 21 year)	17.959.954	26,73%	- New conservatives - Old-school values (respect, trust and restraint) - Self-controlled people - Traditional belief - Accustomed to high-tech and multiple information sources

Source: (Benckendorff et al., 2010; Champion et al., 2018; Williams et al., 2010; Yu and Miller, 2005)

- A Gen-Zers perspective

Gen-Zers are the first generation of all native technology speakers, a smartphone and wireless generation (Özkan and Solmaz, 2015). For them, the world is borderless and existing through technology. They can be connected 24 x 7 and access to any information across countries and cultures. Be instructed is less a priority than construct themselves by active learning in interactive environments. Gen-Zers is less concerned than the previous generations about privacy, security and online payment. Gen-Zers are health conscious and focused on wellness (Rickes, 2016), this is the first generation to "*use technology to self-monitor health*" (Centeio, 2017). As consumers Gen-Zers have never seen a world without health consciousness and environmental challenge. Health consciousness is relative to "*an individual's comprehensive orientation towards overall well-being and health*" (Chang et al., 2016, p. 106). Recent study on health consciousness suggests that the "*level of health consciousness appears to have a strong influence on personal choices related to food and beverage consumption*" (Chang et al., 2016, p. 111). Higgins and Llanos (2015) investigate the health aspect of red wine as a marketing tool for winery to gain a competitive advantage and found that the youngest consumers, identify as the lightest drinkers, willing to increase their consumption if more health benefits are associated with wine. In direct relation with the health consciousness, environmental challenge for Gen-Zers is an unavoidable discriminant variable of their life. Vecchio & al. (2017, p. 20) have determined consumer segmentation by testing the influence of media, legislation, health appreciation wine and environmental involvement in consumers' perceptions and found that "*the perception of the health benefits of wine is also influenced by environmental awareness and the presence of environmental labelling*". Developing an environmental friendly wine production for winemaker could be a business opportunity especially in regard to the research the relation between the environmental production and the probability of paying a higher price for wine (D'Amico et al., 2016; Delmas and Lessem, 2017). Finally, following Villa (2018), Gen-Zers purchasing behaviour have to be observed as gender specific. While women are much more attract by experiences (going to a concert, eating with friends, etc.), men prefer to spend money on products. Nevertheless, their consumer decision-making process are similar and is mostly affected by friends and family while online ratings and reviews serve as a confirmative source of information (Villa, 2018). Thereby, our research is related to Gen-Zers wine consumer behaviour through the glass of intergenerational transmission.

- Consumer behaviour of Gen-Zers concerning wine can be understood through the concept of "*intergenerational transmission*"

Some studies have aimed to understand the role and the impact of a generation on the next one, concerning attitudes, beliefs, behaviours and consumer practices (e.g. Bourcier-Béquaert and de Barnier, 2010; Karanika and Hogg, 2016; Ladwein et al., 2009). Concerning literature in marketing and in wine business, the concept of "consumer socialization" has been discussed in some research (Olsen et al., 2007 ; Velikova et al., 2013) as "longitudinal processes by which consumers first learn the skills and attitudes that allow them to participate in the marketplace" (Ward, 1974). So, consumer socialization begins with families and then occurs throughout life with mass media, reference groups and peers in order to learn decision-making skills and acquire product knowledge. While several previous studies examined wine consumption patterns based on the process of wine socialization, very little research has been conducted on the wine intergenerational transmission.
Based on Erikson's (1959) theory of human personality development, Guillemot (2018) developed an integrative conceptual framework concerning the intergenerational transmission of consumer behaviour (cf. Figure 1).

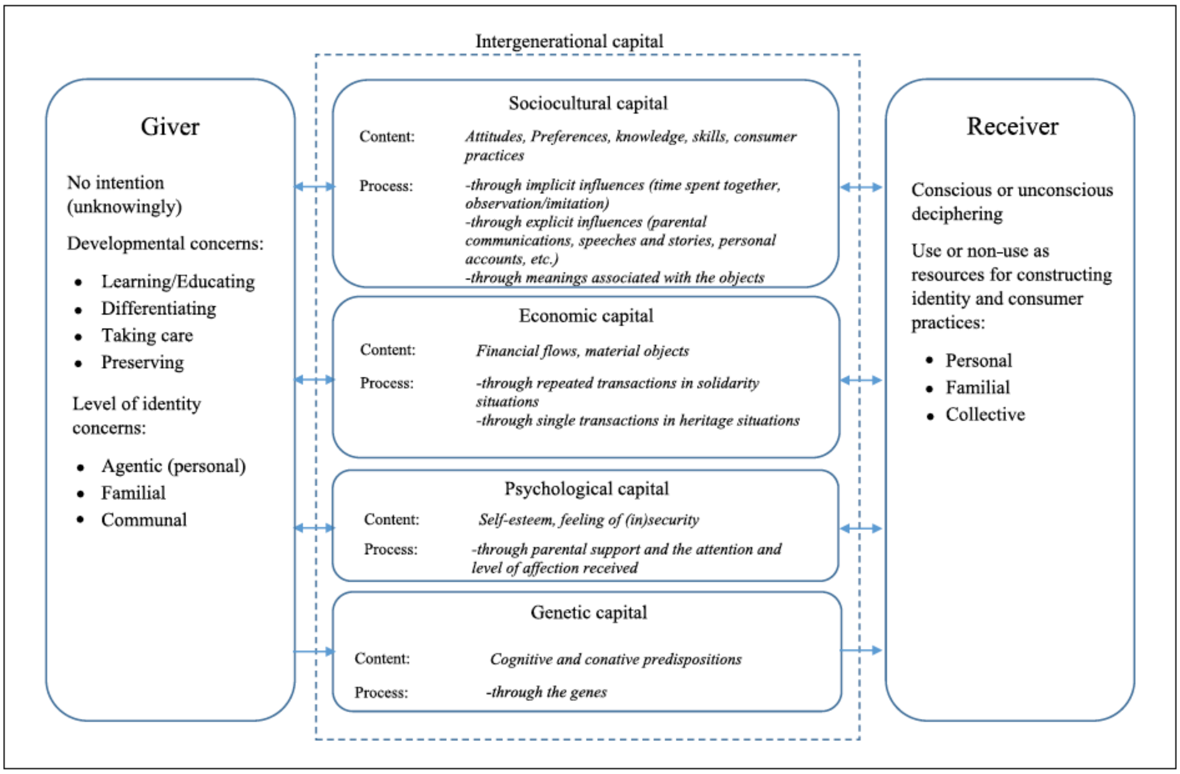

Figure 3. Integrative conceptual framework of intergenerational transmission in consumer behaviour

Guillemot (2018) points out that the developmental concerns of the younger and older generations – learning, differentiating, taking care and preserving – are linked around the notion of "intergenerational capital" (p. 93). Thanks to the intergenerational capital, we can understand how "each generation relies on the others for their own development" (Guillemot, 2018, p.96) and how all material and immaterial assets given from a generation to another evolve (Trizulla et al., 2016). Gire (2003) describes a movement, a passage or an exchange between generations, implying a giver – the one who transmits – and a receiver – the one who learns and receives. One development concern is about "learning from other generations" (e.g. Moore et al. 2002; Schindler et al., 2014) and, more precisely, about "learning skills and techniques and assimilating values and valorised behaviours" (Guillemot, 2018, p.97). In consumer behaviour, some studies identify intergenerational continuities (i.e. same behaviour between the parents and their children) relating to knowledge, consumer practices and attitudes such as preferences (e.g. Guillemot, 2018; Moore et al. 2002). Thus, concerning this research, this conceptual framework is essential to enrich our data and understand the perception of wine and health of the Gen-Zers and their consumption practices.

Methodology

To achieve research targets, a qualitative analysis was opted in using semi-structured interviews. This method is recommended to reveal people's unconscious and discovery motivations and brakes of consumers (Giannelloni and Vernette, 2015; Malhotra et al., 2011). The exploratory study was aimed to depth the intergenerational transmission in the specific sector: French wine industry. According to the theoretical framework and the context of this research, two actors were chosen: winemakers, as givers, and young wine consumers, Gen-Zers, as receivers. Through this choice, we wanted to question the two key actors in the wine value chain: producers and consumers to better understand the connection or the misconnection between them. To observe this phenomenon, the health perception of wine was selected because this thematic is actually an important societal challenge and the perfect example of social representation as per Moscovici (1984).

A multiple-case study was applied for the winemakers, with 18 vineyards in the French South West (Yin, 2013, 2010). When the observations are multisite, this study case is synchronic (Gombault 2000). This state permits to increase the understanding of the studied phenomenon (Hlady-Rispal, 2002)

Table 1 : Winemakers characteristics (2017)

Wine Annual production (hl)	Average : 1.424 Mini: 100 Max: 3.000
Bottle number	Average: 87.775 Mini: 13.300 Max: 200.000

To continue to explore the intergenerational transmission, a specific class of consumers, Gen-Zers, was focused. Therefore, 40 wine consumers, born between 1996 and 2000, were selected based on a declared interest in wine (not necessarily on actual consumption).

Table 2 : Semi-interviews characteristics

	Winemaker Interviews	**Gen-zers Interviews duration(min)**
Semi-interview period	April-May 2018	April-May 2018
Duration (min)	Average : 48,41 Mini: 32,45 Max: 75,23 Total: 871,29	Average: 40,08 Mini: 24,23 Max: 57,4 Total: 681,4

To reveal the social representations of wine by the actors, the semi-structured interview was chosen. This method was recommended for this quality to depth the unconscious people and understanding a phenomenon (Giannelloni and Vernette, 2015; Miles and Huberman, 2013; Roussel and Wacheux, 2005). Consequently, two semi-structured interview guides were elaborated: one for the winemaker and another one for the Gen-Zers wine consumers. To achieve unconscious of participants, funnel-shaped was respected, in starting perception wine

industry, for winemaker, and wine perception to finish at health perception of wine. In our research protocol, to observe the wine intergenerational transmission, the topical social representation, the health perception was selected.
NVivo was opted and qualitative data were analysed with thematic analysis, more precisely horizontal and vertical analysis. The theory saturation was attained, checking code was practiced and obtained more 80% intercoder reliability, respecting Miles and Hubermann (2003) recommendations.
For ethical reason, we applied process to anonymise all data. Thereby, the winemakers are noted Wm_x and Gen-Zers consumer, Gen-Zers$_{x.}$

Results
Given the representations that emerged from the thematic analysis and from the interpretation of collected data, we present these results based on the main points raised by the informants and through an adaptation of the "integrative conceptual framework of intergenerational transmission in consumer behaviour" (Guillemot, 2018). Figure 2, which illustrates our results, perfectly matches the purpose of this exploratory qualitative approach that was to understand what is the perception of wine and health of Gen-Zers and what is the impact of intergenerational transmission in this process.

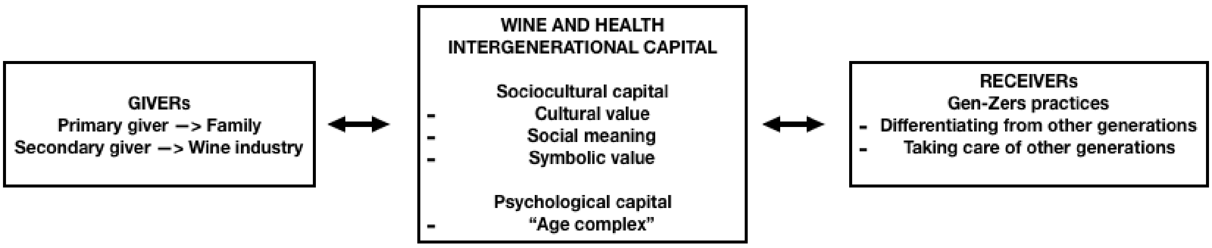

Figure 4. Wine and health intergenerational transmission and practices (adapted from Guillemot, 2018)

- Giver – the role of the family and the wine industry

A giver is an actor who transfer part of his own identity based on his "developmental concerns: learning, differentiating, taking care, preserving" (Guillemot, 2018). Based on both the corpus analysis consisted of 18 winemaker interviews and 40 Gen-Zers interviews, this research points out two different givers (i.e. transmitters) concerning wine and health: a primary giver – the family, and a secondary giver – the industry. First, family circle passed down wine perception and practices to Gen-Zers, through conversations, sharing meals, time spent together, etc. From the early infancy to the end of adolescence, the child and the adolescent – the receiver – can observe, learn and educate himself/herself to wines and their consumption through his/her own family practices. The majority of informants emphasized that their actual consumption of wine is mainly during family meals and important occasions.

"I only drink wine at family meals, in the presence of my close family." (Gen-Zers$_3$)
"(...) From time to time, my family and I go to wine shops. In Rabastens, there is a wine merchant, we often go for bottles for special occasions, to buy a good bottle of wine for family meals or a birthday, to offer a good bottle of wine ... things like that."(Gen-Zers$_{24}$)

The secondary giver concerning wine and, also, health, is the wine industry. What is interesting about this result is that transmission is unconscious for the receiver – the Gen-Zers – but totally accepted by the giver, i.e. wine makers. Based on their actions and speeches, media, public institutions and peer are the main representatives of the wine industry. Interviewed winemakers understand the concerns of public health about wine consumption and alcohol issues. According to them, their mission and the role of public health are to learn people to drink in moderation, to be responsible and educate consumers, and especially young consumers, about wine and how to drink it.

"It is necessary to drink in moderation, to learn how to consume wine (...) The discourse "to consume responsible" is normal, but that does not prevent from tasting wine. It is possible to drink two or three glasses of wine a day, just be responsible." (Wm$_{9}$)
"I invite you to turn around and read what is written behind me. "Here we do not drink to forget, we drink to remember." (...) that is to say we are not here to drink but we are here to discover wines. (...) It's the best thing about public health goals that we can have, we have the same fight. (...) And today we are more and more about the approach of our profession, it is necessary to make people dream, to bring them an education about wine. It is an education of grape varieties but it is also an education about how to drink wines. (...) I cannot oppose myself to a restriction of consumption when it is abusive." (Wm$_{14}$)

Thus, families as well as the wine industry are the givers concerning wine and health. They seek to learn and educate younger generations, mainly Gen-Zers, and to take care of their own intergenerational capital.

- Wine and health intergenerational capital

Thanks to the intergenerational capital, we can understand how "each generation relies on others for their own development" (Guillemot, 2018). This capital consists of four main layers that "interact with and overlap one another" (Guillemot, 2018): sociocultural capital, economic capital, psychological capital and genetic capital. Based on data, concerning wine and health, main resources that play a part in the construction of the intergenerational capital are (1) sociocultural capital and (2) psychological capital.

One major pillar of the sociocultural capital concerns the cultural value of wine. In France, wine is a part of French culture and drinking wine a national practice. Historically, wine has had an importance place in the society, more specifically in the French cooking. From generations and generations, wine is perceived by French people and other people all around the world as a rooted type of drink in France. Through the wine consumption, people are also consuming a lot of symbols, times and specific events as well as some locations. Barthes (1970), in his analysis of French culture, names wine as a "totem drink", i.e. a sign of Frenchness.

"Wine is part of French culture." (Gen-Zers$_{31}$)
"It is a typical product in France, it is part of the traditions." (Gen-Zers$_{8}$)
"(...) because wine is part of the French gastronomy. So, for me, it's more a pleasure to consume wine than strong alcohol like whiskey." (Gen-Zers$_{22}$)

Moreover, concerning wine and health, Gen-Zers continue to develop and keep the existence of the "French paradox". This phenomenon corresponds to a French particularity: wine could permit to decrease health problems of resulting from rich French cooking. So, wine would protect to health and cardiovascular problems (Biagi 2015). As verbatim describe it, this French paradox is present in the beliefs and knowledge of the Gen-Zers. These young consumers easily describe as wine can be helpful and advised concerning some health problems or specific circumstances. But they also highlight the danger of this idea of the French paradox when people drink more than they should. So, this cultural idea is present in their mind as previous generations but Gen-Zers are more critical and sceptical about it.

"Drinking a glass of red wine each evening is advised but harmful in case of addiction (liver). Wine can harm our health if it is consumed in high doses. (...) It is one of the least dangerous alcohols, a glass a day is recommended for the proper functioning of the body, even if usually we drink more than one glass." (Gen-Zers22)
"I think that red wine, one glass per meal can be good for physical or mental health (cardiovascular and distressing)" (Gen-Zers15)
"It is said that a glass of wine per day is good for health because of the bacteria that it brings to the body but it is not because we drink wine that we are in good health. It is a very light factor, like tea, but it should not be abused otherwise the opposite effect occurs." (Gen-Zers26)

In line with the older generations, the Gen-Zers do not reject cultural aspect of wine. On the contrary, through time spent with family and older generations or observation of drinking habits and stories and anecdotes about wine narrated by family or wine makers' influences, Gen-Zers develop specific knowledge and attitudes about wine consumption and French wine culture. Thus, the second main pillar of the sociocultural capital is the social meaning of wine. Wine symbolizes and echoes sharing value in different social contexts.

"It's synonymous of sharing, it's a talking point, and when we drink it we spend most of your time with family or friends and it automatically plays a social role." (Gen-Zers1)
"It is often shared with family or friends during a meal, so it promotes social cohesion. Wine is a symbol of conviviality, sharing and therefore has a very important social role" (Gen-Zers5)
"He is present in many family meals in France so he must have a social role, it is always said that it brings people together, it must be true." (Gen-Zers32)

Beyond cultural dimensions and health benefits, Gen-Zers are connected to a specific symbolic value of wine; this is the third pillar of the sociocultural capital. Actually, these consumers perceive wine as a noble alcohol and they equate wine and upper class and wealthy people. This idea is also an intergenerational component because wine is associated with the concept of a "hierarchy" in the society from many years and some generations. Guille-Escuret (1987) argues that "wine is a food for hierarchy and consequently it contributes to the hierarchisation of society". The intensity of this hierarchy is due to the existence of a great variety of wines as well as a wide range of prices. Thus, traditionally, some characteristics and people are interconnected to the consumption of wine.

"I still have an image that comes to mind, it's a "noble" alcohol. Wine is present in banquets, it is not tasted like other alcohols that are mixed with any drink" (Gen-Zers32)
"An image linked to wealth and the bourgeoisie. (...) an alcohol more "noble" than other alcohols" (Gen-Zers8)
"It is a product that has a prestigious connotation. (...) It is also a sign of social distinction (consumption of Grand Cru)" (Gen-Zers14)

Finally, concerning sociocultural capital, "two types of influences explain the intergenerational transmission: the implicit influences – learning through observation/imitation – and the explicit influences – embodied in educational practices and parenting styles" (Guillemot, 2018). Through the analysis of our data, we confirm the existence and the importance of both influences. Through implicit (e.g. time spent with family and older generations or observation of drinking habits) and explicit (e.g. stories and anecdotes about wine narrated by family or wine makers) influences, Gen-Zers develop specific beliefs, practices and attitudes about wine consumption and French wine culture.

Then, psychological capital is also part of the intergenerational capital of wine and health. Due to the cultural and symbolic values of wine, the Gen-zers judge that they are too young to fully appreciate the wine and so, they develop an “age complex”. They recognized some difficulties to understand the product specificities, more precisely the tasting knowledge. Today, they think that they are immature but, they look to the future and imagine that wine consumption will be consistent with their private life and their work life. So, wine appears as a success symbol.

"At the moment, I have no relationship with wine. But it's true that growing up I could perhaps appreciate the wine more than today. I may be a specialist in the field who knows!” (Gen-Zers32)
"I do not have much knowledge because I'm still young and I think that young people do not really consume wine in large quantities we will say. Adults consume a little more than our generation because they have more experience. So, knowledge so I do not really. " (Gen-Zers24)
"I have always seen wine as an adult drink and consuming it was a symbol of maturity.” (Gen-Zers36)

In the intergenerational capital applied to wine, Gen-Zers perceive wine as a cultural and symbolic product and they highlight the social meaning of the wine consumption. Moreover, the main consequence of symbolic value is that Gen-Zers perceive themselves as immature to consume and, so, to appreciate wine. So, based on givers, represented by older generations, Gen-Zers receive the principal elements of the wine and health intergenerational capital.

Receiver – Gen-Zers practices

Concerning receivers’ behaviour to the intergenerational capital, previous studies describe two main reactions: (1) differentiating from other generations (e.g. Guillemot, 2018; Ladwein et al., 2009; Moore and al., 2002) and (2) taking care of other generations and of their intergenerational capital (e.g. Guillemot, 2018). Concerning wine and health intergenerational capital, we rediscover both these reactions through Gen-Zers practices. Firstly, for the Gen-Zers, in line with previous generations, wine is still perceived as an alcohol and they are conscious of health consequences and health issues. This knowledge of the facts – their perceptions – impacts their wine consumption and thus, their practices.

“In my opinion, the link between health and wine is very close. Many people view wine as a different alcohol, but its consequences are as dangerous as other types of alcohol.” (Gen-Zers7)
“Wine is an alcoholic beverage, so do not overdo it as it can create a real addiction. To think that it belongs to a category of light alcohol so to consume more often is in my opinion an error” (Gen-Zers19)
“Nevertheless, I'm quite aware that alcohol is harmful, it remains something that can cause addictions. So I would always be responsible for that point of view, I'm sure.” (Gen-Zers13)

However, the governmental message of health on harmful effects of alcohol has raised and develop this awareness among Gen-Zers. The French government applied the European action plan to reduce the harmful use of alcohol 2012–2020. This massive campaigns to fight against different problems of addiction among young people and road safety bear can be perceived as a success. The previous verbatims can illustrate the safety government message. So, wine consumption involves responsibility in the quantity beverage drunk. Moreover, the reduction of alcohol consumption, including wine consumption, has encouraged winemakers to innovate. In accordance with governmental prevention, new products arise in this market, as low-alcohol wines and other modified products to respond to new consumer expectations and practices.

"Why not, if the taste is okay, it would consume without headaches and drunkenness, for parties where you do not have to appoint a SAM [5]or in any case to be able to consume a little more and be sure of safe return" (Gen-Zers$_{15}$)
"Yes, I could be tempted by this kind of wine because my consumption is more motivated by the taste than the alcohol in my glass" (Gen-Zers$_{19}$)

In line with previous generations, the taste of wine is very important and sought by the Gen-Zers. They can modify their wine consumption practices in order to discover different innovations, including those minimizing undesirable effects of alcohol, but not to the detriment of the taste that permits to identify the product: the wine. These consumers agree to reduce the quantity of alcohol drinks, mainly in response to the governmental message and they are predisposed to savor new wines but the taste would be traditional. To conclude, the effects of intergenerational capital were observed on practices of Gen-Zers through a reinterpretation and remodelling of this intergenerational capital as well as a reproduction of other generations' practices.

Managerial implications
As managers in the wine industry want to have a better understanding of their consumers, the intergenerational transmission framework that explains how Gen-Zers build and develop their wine beliefs and behaviours are a major concern. Marketing managers have long been concerned with how to reach young consumers most effectively. The importance of this target justifies itself that these consumers renew the potential market of wine industry. These results permit to explain the reasons of Gen-Zers consumption and highlight the played role of family and particularly the wine industry by vineyards. Thanks to this framework, wine managers could understand how the consumer was introduced to and learnt about wine, from whom, through which processes and practices and their actual and previous reactions and behaviours concerning wine and new products.

So, wine industry can understand that Gen-Zers consume in a responsible way when they drink alcohol beverages. It is the direct consequence of governmental message to reduce alcohol risks. To respond to Gen-Zers expectations and to attract these consumers, news products need to be developed as lower-alcohol wine, grapefruit rosé, etc. The results tend toward confirmed this phenomenon. Nevertheless, most of the Gen-Zers argue that the most important characteristic is the authentic taste of wine. The winemakers have to take advantage of the chance to attract Gen-Zers and increase potential market. For example, more efforts might be needed on the domestic wine industry to educate young consumers on the advantages of 'drinking local' (Fountain and Lamb, 2011). As a result, it would reduce the main Gen-Zers complex, the perception of themselves as immature to drink wine, and boost sales.

To reinforce the learning for Gen-Zers, the winemakers would use the communicate tools in harmony with the core target. Savvy producers may expand their communication efforts

[5] In France, it is a person designated to not drink and safely drive another person.

beyond classic communication (ads, e-mail…) to more technologically integrated forms of training and creative production (Nichols and Wright, 2018).

Conclusion

The present research provides some interesting insight into Gen-Zers wine consumer behaviour. First of all, our study indicates that French wine Gen-Zers consumers are concerned about their health and that the family first and the wine industry afterwards are the main contributing wine education transmitters. Moreover, in line with Guillemot (2018) and given our results, we can make a hypothesis about the central role of the 'pivot' generation (the 30-65 age group) concerning learning and education of wine.

Concerning wine and health, the results highlight that all choices and decisions are based on beliefs and resources that have been shaped by previous generations. Regarding the linkage between wine and health intergenerational capital, our results show that Gen-Zers are considering, in the continuity of older generations, wine consumption as a French cultural product. In accordance with the characteristics of the Gen-Zers (Table 1, p.4), our study confirms a tendency of this generation to maintain Old-School values and to construct themselves by active learning. Transmission of old-school values, for instance, is perceptible in relation with the preservation of the French paradox phenomenon.

Gen-zers wine consumers perceive wine as a healthier product than other alcoholic beverages and we can enquiry if French Gen-Zers appears to be more aware and informed on health issues than people of other countries due to the governmental message. A comparison with other cultures, in the continuity of the research developed by Vecchio et al. (2017), including producing and non-producing countries but also countries from New World and Old World could provide extremely valuable results in order to develop a global comprehension about the impact and the influence of previous generations on wine and health perception and consumption of wine.

Finally, Gen-Zers are conscious of the health issues relative to wine consumption thanks to governmental message warning against drinking alcohols with excess in France and future research need to investigate if this awareness is different from previous generationsThis situation will encourage winemakers to innovate and develop new types of wines in accordance with the acceptance of Gen-Zers innovation. As a consequence, more effort might be needed for the wine industry to renew wine products and services to reduce the mismatch between supply and demand.

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HOW OCCASIONAL ARE OCCASIONAL WINE BUYERS?

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Keywords: Brand behaviour, Buyers behaviour, Double jeopardy law, French wine market.

Abstract

Purpose: Many empirical studies show that small brands experience a lower penetration rate and lower frequency of purchase. This phenomenon is known as the double jeopardy law where most brand buyers are (very) occasional buyers. The objective of our investigation is to estimate the meaning of the term “occasional” for the wine category.

Methodology: Our analysis is conducted on actual wine purchases recorded in a database provided by one of the largest French retail chains. The dataset included over 250,000 customers, who purchased over six million bottles of wine, across eight hypermarket/supermarkets in France in 2010.

Findings: The results show that the smaller the brand the higher is the proportion of buyers purchasing a specific brand or appellation only for one time.

Implications: These findings have clear implications for the marketing strategies of small and medium sized producers who have to work with broader than expected distribution channels to reach a minimum number of buyers in order to meet their sales objective.

1. Introduction and Literature Review

Goodhardt, Ehrenberg and Chatfield have firstly documented the Dirichlet model of repeat purchase in 1984. The Dirichlet model is based on the existence of the Double Jeopardy Law and on many other law-like patterns in repeat buying and brand choice (Sharp et al., 2012). Based on observed data, the model predicts brand performance based on buyers’ behavior (Ehrenberg, Uncles, 1997). The Dirichlet framework has been generalised under a large range of conditions for many packaged goods product categories. The scope has been extended to several countries and to online shopping (Ehrenberg, Uncles, 1997).

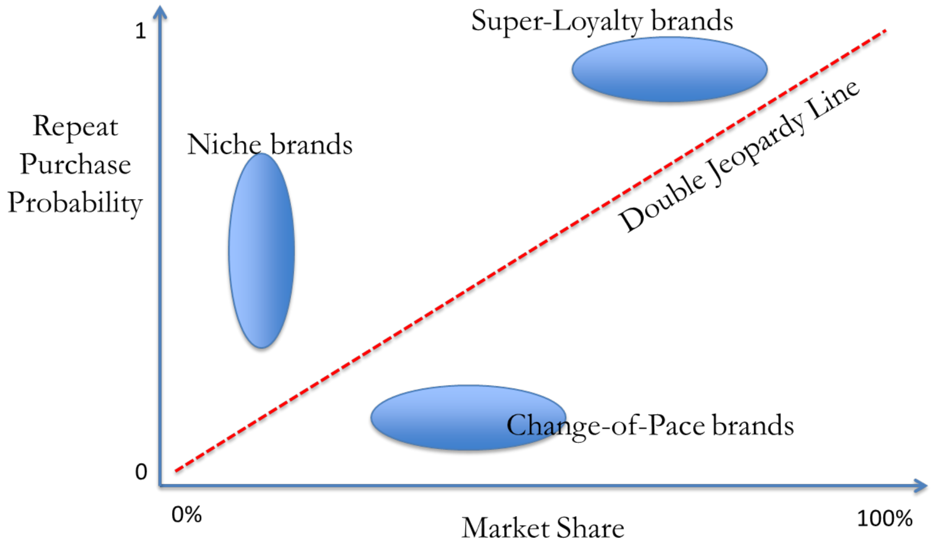
Very little is known about the ‘real’ behavior of wine buyers, i.e. investigating their behavior using revealed or real purchase data. In that perspective, we assume that wine buyers’ behavior would not differ considerably compared to the behavior of buyers of other product categories: a greater number of people will buy big brands and will repeat purchasing these brands slightly more often, while smaller brands will be purchased by fewer people slightly less often (Sharp, 2010). Such occasional buying behavior is even stronger in the wine category, with so many opportunities for buyers to easily switch from one brand (country, variety, etc.) to another. Wine buyers may stick to a region or to a specific attribute, but for many possible reasons (including physical availability) may select a different brand.

Revisiting Jarvis (2006) data, Cohen et al. (2012) analyzed the Australian wine market using real purchase data of a sample of 4,768 wine buyers. They investigated the market on a grape varieties basis, trying to demonstrate the presence vs. absence of partition in the market. They confirmed the double jeopardy law in a wine category context. To sum up, wine buyers in Australia are occasional buyers of grape varieties (seen as brands). More customers buy big grape varieties (Chardonnay for example) and buy them more often. People buying Chardonnay also buy other grape varieties, more or less in line with the penetration rate of these varieties.

The double jeopardy law can be schematised as follow (Figure 1):

- **Big brands** (super-loyal brands) experience substantial market share and a repeat purchase probability (or frequency of purchase) in line with the size of the brands. In many wine markets, Bordeaux is a good example of such super loyal brands.
- **Change-of-pace brands** also experience a substantial market share, but the repeat purchase probability is lower than what we could expect based on the double jeopardy law. A good example of a product is Champagne: many people buy a bottle of Champagne at least once a year (therefore contribute to the penetration rate) but for most of them only once (it(s not Christmas every week…).
- **Niche brands**: small brands (based on their market share) experiencing higher than expected repeat purchase probability. A good example here includes foreign brands in the French domestic market: Not that many people buy Portuguese wines in France, but those buying it are somewhat loyal to them.

Figure 1: Brand positioning options



This theoretical and conceptual framework indicates that the smaller the brand, the lower the repeat purchase probability or frequency of purchase.

2. Research Objectives

The double jeopardy law indicates that small brands are small mostly because of their very low penetration rate, and consequently, because of their very low repeat purchase probability. In that perspective, what does mean being an occasional buyer in the wine category? Formulated differently, what is behind an average frequency of purchase of 5, 10 or 15 units (bottles) per year for a specific brand? To make it even shorter, the penetration rate gives us an indication of the total number of buyers who bought a brand at least once, but we don't know the proportion of these buyers who bought only one bottle, two bottles, etc. during a twelve months period. Based on the analysis of real purchase behavior of buyers of wine brands, we provide preliminary results on the proportion of buyers purchasing one or more wine bottles.

3. Research Method

3.1 The database

We base our investigation on real purchase data gained from one major retailer of wine and spirits in France in 2010. The data are relative to loyalty cardholders, allowing us to assess repeat purchase behavior of wine buyers. The dataset comprises 403,382 customers, who purchased a total of 6, 360, 706 bottles of wine, across 8 hypermarkets/supermarkets in 2010.

3.2 Calculation and key brands characteristics of the database

Our focus is on commercial brands and wine regions. We calculated the proportion of buyers who bought the brand one time, two times, three times, etc. We have then compared these figures with the overall size of the brand (its market share).

Table 1: Wine regions key metrics

Regions	Market Share (%)	Penetration rate (%)	Mean (# bottles)	Sum (# bottles)
Bordeaux	23.1	59.7	9.6	1464092
Côtes du Rhône	12.8	44.5	7.2	812710
Other regions	11.3	51.7	5.4	714720
Languedoc	9.8	38.8	6.3	625158
Champagne	8.2	43.8	4.7	519749
Côtes de Provence	7.9	37.6	5.3	504434
Anjou	7.1	33.6	5.3	451298
Sud Ouest	6.3	37.0	4.2	400022
Alsace	4.8	25.9	4.6	301879
Bourgogne	3.4	22.2	3.8	217412
Foreign	2.5	15.2	4.2	161455
Beaujolais	1.3	11.3	2.8	79982
Corse	0.8	6.8	2.8	48693
Savoie	0.3	4.0	2.1	21599
Côtes du Roussillon	0.3	2.6	2.8	19005
Jura - Arbois	0.1	0.8	2.3	4695
Bugey	0.0	0.2	2.6	1600
Total	100		4.5	6348503

In relation to wine regions, Bordeaux shows the biggest market share, with 23.1% of the wines being sold coming from that region, followed by Côtes du Rhône (12.8%), other regions, etc. A brief overview of the data indicates that the bigger the region in terms of market share, the greater the penetration rate and the greater the average number of bottles bought. Although we can observe a couple of 'irregularities' (for example Champagne), the dataset illustrates the double jeopardy law.

On the wine brands perspective, Pierre Chanau shows the biggest market share, with 16.9% of the wines being sold coming from that brand, followed by Roche Mazet (1.5%) and all other brands. The bigger the brand, the greater the penetration rate and the greater the average number of bottles bought. We can also observe some 'irregularities': for example Pol Remy, a Champagne brand, which has a much higher purchase frequency given its size.

Table 2: Wine brands key metrics

Regions	Market Share (%)	Penetration rate (%)	Mean (# bottles)	Sum (# bottles)
Pierre Chanau	16.9	73.6	5.7	1071976
Roche Mazet	1.5	7.9	4.7	93769
Veuve Emille	1.2	11.6	2.6	76615
La Villageoise	1.2	10.1	2.9	73733
Pol Remy	1.0	3.4	7.1	61919
Listel	0.9	7.5	3.1	58664
Villaray	0.8	4.4	4.7	52511
Cellier des Dauphins	0.8	4.8	4.2	51289
Vieux Papes	0.8	3.4	5.6	48052
Wolfberger	0.6	4.1	3.7	38353
Beloison	0.6	2.5	5.8	36261
Les Nobles Gens	0.6	3.0	4.7	35775
Kriter	0.5	3.0	4.0	30453
Brikettes	0.4	5.7	1.7	24052
Promenade du Sud	0.3	1.9	4.5	21574
…				
Total ALL brands	100		4.1	6348503

4. Findings

Starting with the regions, and using Figure 2 to illustrate our point, the smaller the region the greater the proportion of buyers purchasing one single bottle of the region. More precisely:

- Bordeaux experiences about 23% of market share with 31.3% of its buyers having purchased only one bottle during the twelve month period, 17% of its buyers having purchased 2 bottles, 8.7% having purchased 3 bottles, etc. and only 1.2% having purchased 10 bottles (see Appendix for all data). We can also observe some obvious few 'peaks' at 6 bottles and 12 bottles.
- If we look at Côtes du Rhône, experiencing 12.8% of market share, we observe 33.5% of its buyers having purchased only one bottle during a twelve month period, 18.5% of its buyers having purchased 2 bottles, 9.1% having purchased 3 bottles, etc. …, and

only 1.2% having purchased 10 bottles. As with Bordeaux, we can also observe some obvious few ‘peaks’ at 6 bottles and 12 bottles.
- Looking at smaller regions, for example Beaujolais (1.3% of market share), we observe 52.2% of its buyers having purchased only one single bottle during a twelve month period, 22.9% of its buyers having purchased 2 bottles, 8.6% having purchased 3 bottles, etc., and only 0.5% having purchased 10 bottles. Even for these regions, usual peaks seen at 6 bottles and 12 bottles.
-

Overall, there is a clear trend in the data illustrating the double jeopardy law where smaller regions tend to have more occasional buyers.

The trends illustrated above are not so evident for brands mostly because all top 2 to 15 brands have very similar market shares (from 1.5 to 0.3%). When comparing the biggest brand, Pierre Chanau, with the top 2-15 brands, we observe some major differences:
- Pierre Chanau: 35% of its buyers purchased the brand only once, 19% bought 2 bottles, 11% bought 3 bottles, etc. with only 1% bought of buyers purchasing 10 bottles in the given twelve months (see Appendix for all data)
- The second biggest brand, Roche Mazet (more than 10 times smaller than Pierre Chanau) has 50% its buyers buying the brand only once, 17% buying 2 bottles, 6% buying 3 bottles, etc., again with only 1% bought of buyers purchasing 10 bottles in the given twelve months
- Smaller brands (e.g. Promenade du Sud) have 54% of their buyers purchasing the brand only once, 15% bought 2 bottles, 7% bought 3 bottles, etc., and, once again only 1% bought of buyers purchasing 10 bottles in the given twelve months

Smaller brand generates a greater proportion of occasional buyers. However, it should be noted that this analysis doesn’t provide a true representation of repeat purchase buying patterns. Some people might buy 2 bottles in one purchase, while others might buy the same bottle in two different purchases. Therefore, to shed further light into this behavior, we cross table the number of bottles bought with the number of time people made a purchase.
For the biggest brand Pierre Chanau, we observe that 60% of buyers made only one transaction, whatever the number of bottles bought, 17% made two transactions (again whatever the number of bottles bought at each of these transactions), 7.4% made three transactions, 4.1% made four transactions, and about 10% made five transactions or more. In the case of a smaller brand, such as Veuve Emille, the difference is much bigger: 83% made only made one transaction, 11% made two transactions, 3% made three transactions, and only about 3% of buyers made four transactions or more. This shows that the smaller the brand, the smaller the proportion of buyers repeating a purchase.

Figure 2: Buying behavior of the wine regions in France (in the selected distributor)

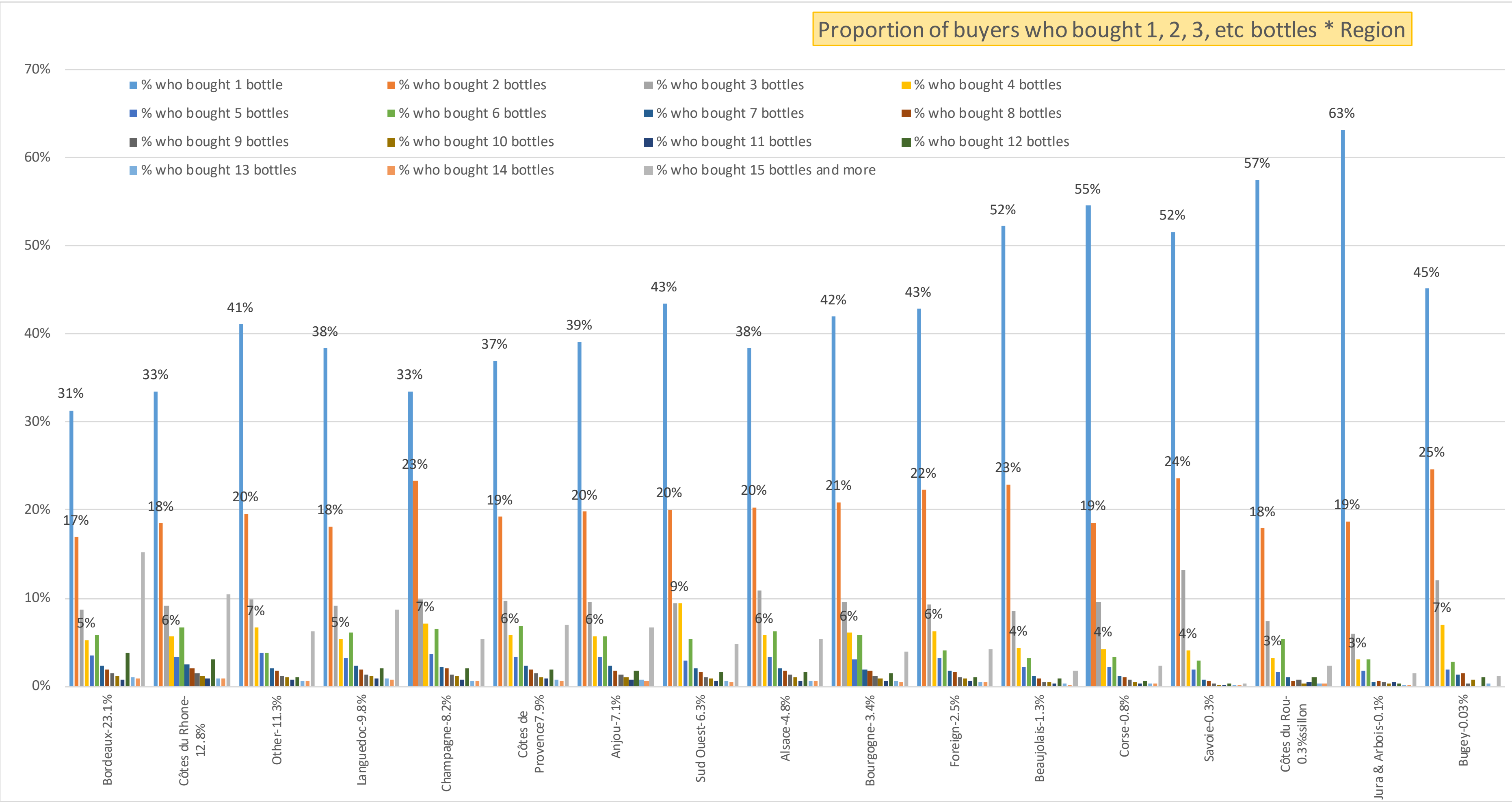
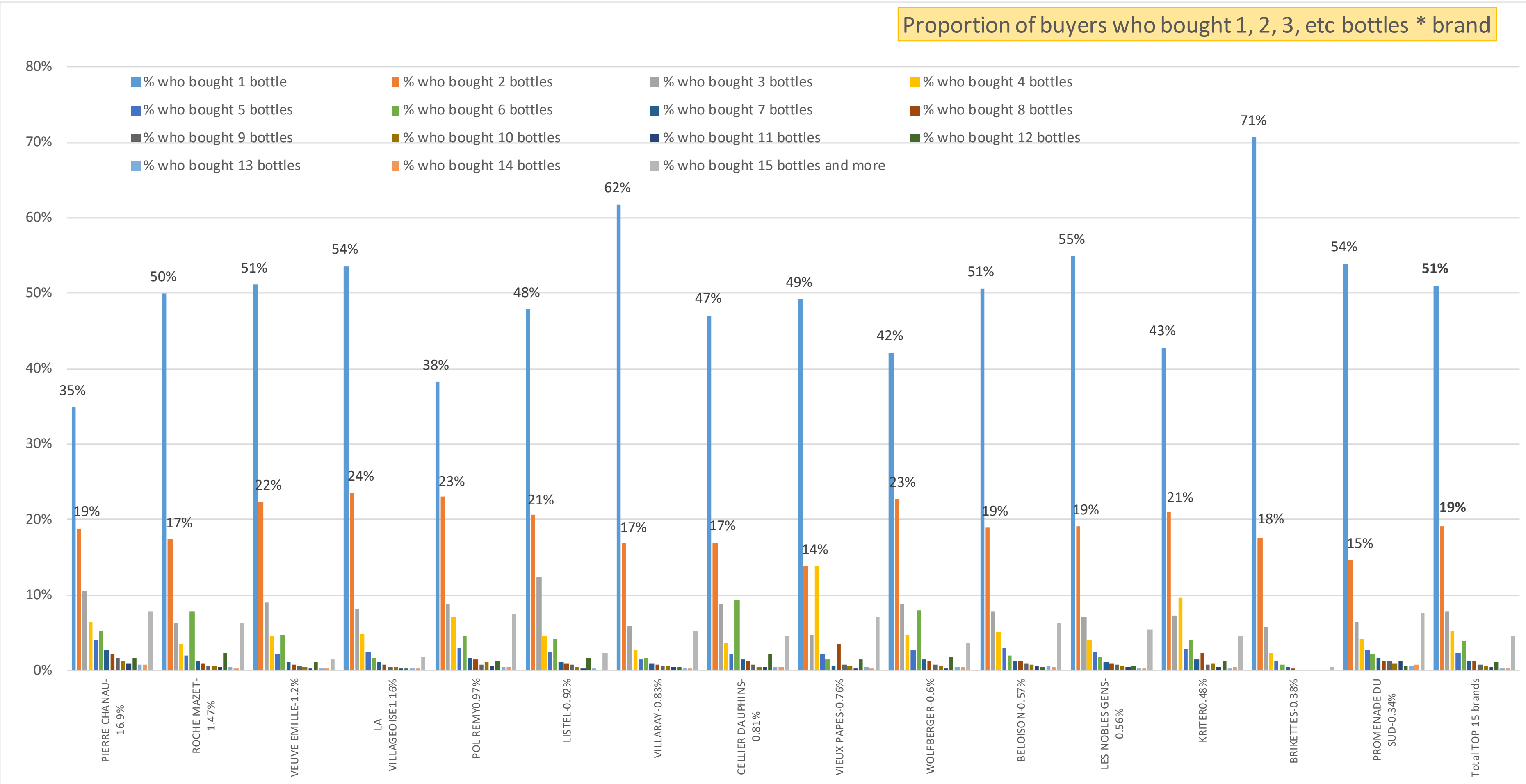


Figure 3: Buying behavior of the top 15 wine brands in France (in the selected distributor)



5. Implications

In the French market that we analysed, and for the wine brands we focused on, the proportion of buyers purchasing only once is around 60 to 70% and the proportion of buyers buying twice drops to 10% to 20%. And in almost cases, about 70 to 80% of these buyers buy one bottle only. Our data and analyses confirm the critical importance of penetration vs. loyalty towards a specific brand.

It means that to sell 1 million bottles of the product (taken as an index), each of these brands has to recruit at least 600,000 buyers, which obviously is difficult to find within one single retailer (even with a chain like Auchan owning about 150 stores in France in 2017). Based on these figures, assuming that many producers would focus on hypermarkets and supermarkets to sell their wine, we could calculate the minimum number of stores they should be in to reach their sales objectives.

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USING SOCIAL MEDIA TO DISTRIBUTE WINE: MYTH OR REALITY?

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Purpose: The purpose of this study is twofold: on the one hand, to investigate wine consumers' perceptions about social media and online wine activities; on the other hand, to delineate how wine consumers behave vis-à-vis social media, especially in terms of their propensity to be a social wine wholesaler.

Design/methodology/approach: Data has been gathered from an online survey based on constructs using multi-item indicators. 366 valid responses represented a 37.6% response rate were collected and analysed using SPSS® analysis like frequency, means, standard deviation, and multiple regressions.

Findings: The findings first underline that respondents were reasonably familiar with social media, with no respondent indicating excessive use of them. Moreover, social medial posed some degree of risk in terms of their collecting and protecting the personal data of respondents. Otherwise, people found social media to be easy and fun to use and had plans to use it in future. Second, nation of residence and wine knowledge level are characteristics that have a significant relationship with social wine wholesaler propensity. Moreover, primary consumer attitude factors such as perceptions of wine vendor quality, home-based wine pickup issues and dislike of sharing personal data were correlating with respondents' propensity to be a social wine wholesaler. Finally, wine knowledge significantly predicted wine wholesaling as did perceptions of hosting wine pickup in one's home.

Practical implications: Winegrowers should seriously consider the potential of using social media in conjunction with their websites, in order to promote and distribute their wine. At the same time, social media possess attributes that manufacturers (or producers) can assess when choosing and deciding on building a supply relationship with their clients who might act as "social wholesalers". A social wholesaler is an individual who is doing the same job as a wholesaler but in the manner of the 'gig' economy.

Originality/value: Social media may contribute to increasing sales and building customer loyalty for wine companies, by creating social links that may generate sustainable profits based on recommendations made by consumers.

Keywords: wine; social media; distribution; food industry; perceived risk; collaborative consumption; social wholesaler

Introduction

Although trading of wine has been going on for many decades (Grace, 1979, old.: 47), wine logistics is always a challenging activity. The product is fragile, since glass wine bottles can get harmed while shipping. Weight is also another important factor, (Butzke, Vogt, & Chacón-Rodríguez, 2012; Shackelford & Shackelford, 2018, p. 2) since bottles of wine are heavy – a typical bottle weighs between 600 grams (slightly more than a pound) and nearly 2 kilograms (a little more than 4 pounds) for an empty bottle of 750 milliliters). These factors slow down the dispatch and delivery of wine and hinder the guarantee of perfect service. Taken together, the price of a bottle of wine and the price of its delivery make consumers reluctant to buy wine online. However, the adoption of the Internet as a wine marketing tool is of significant interest both for consumers and retail distribution chains (Begalli *et al.*, 2009). Some authors even advocate that "in a global economy and competitive and dynamic environment, supply chain management is a key strategic factor for increasing organizational effectiveness." (Garcia *et al.*, 2012, p.284). Buying wine online is characterized by credence factors, i.e., it is hard to test the product prior to purchase, thus the Internet is a critical communication channel for consumers and collaborators searching for information concerning the qualities of the wine they wish to buy (Hsieh and Lin, 1998; Baourakis and Kourgiantakis, 2002). Online shopping offers practical advantages (temporal and spatial), financial advantages (through the ability to compare prices), and appeals to buyers motivated by hedonic consumption (Eroglu, Machleit and Davis, 2003).

In France, there were over ten times more e-commerce websites in 2018 than in 2003 and a turnover multiplied by six according to the e-commerce trade body FEVAD (Fédération du e-commerce et de la vente à distance, 2017). Nevertheless, the act of buying wine online is not common practice since only 34% of French wine drinkers have bought wine online. Although e-commerce is growing more quickly than offline sales in the US, e-commerce is expected to rise only slightly as a share of total sales, from 7.2% this year to 9.8% by 2019[6]. Mobile commerce (m-commerce) is an even smaller segment, accounting for a tiny 1.6% of all retail and by 2019 its share is projected to be only 2.7% of the total. On a global scale, wine sold by Internet on the international market represents only six billion euros in 2016 (ePerformance-Baromètre.com). Therefore, questions remain about the best practices for capturing the market in the wine sector and how can the Internet be of help.

This paper reports results from an exploratory study over five countries which examined the characteristics, motives, and needs that might influence someone's decision to become a wine wholesaler, a middleman whose home is used as a pick-up point for buyers who have bought wine online from a winery. We want to see if social media could serve as a new distribution channel for wine businesses to sell their wine. More precisely, we firstly examine how recommendations on social media may drive the intention to purchase wine online, and secondly, investigate an individual's intention to become a "wholesaler of wine", *i.e.* part of a winery's distribution network. In addition, we consider what motivates and what deters consumers from buying wine online, for example is personal wine consumption a greater consumer motivation than wine purchase for gift use? Lastly, we inspect consumer attitudes towards the purchase of this product online, such as perceived risks of buying wine via the Internet, and compare results across cultures.

The study is organized as follows. First, we conceptualize online wine distribution through social media. The model is then tested, using 366 valid responses to document consumer attitudes towards wine wholesaling. Finally, results and analyses are presented and the theoretical contribution and practical implications are discussed.

Literature review and problem studied

In this section, we first highlight the importance of e-commerce and social media in the wine business, paying close attention to trust and cultural issues. Then we describe the main actors along the supply chain followed by the possible delivery options, issues and perspectives related to them. Finally, we define the 'wine wholesaler' and describe a possible scenario as an innovative shipping option.

E-commerce and Social media in the wine business: trust and cultural contexts

[6] Figures for wine e-retail sales are higher elsewhere e.g. UK and China. See e.g. http://www.thedrinksbusiness.com/2015/05/uk-online-wine-market-the-facts/, and China: http://www.thedrinksbusiness.com/2015/06/online-wine-sales-to-grow-globally/

Digital Information Technology can reduce transaction costs by a huge amount. E-commerce substitutes services of computers, the Internet and the World Wide Web for traditional human labor and physical capital (Mueller, 2001, p. 1244). In e-commerce, websites serve as distribution points that also inform customers about the products offered by producers (Soós, 2012). E-commerce is becoming more and more popular, providing company benefits such as competitiveness, better image, efficient processes and improved information systems (Khatibi, Thyagarajan, & Seetharaman, 2003). There are also some barriers to effective use of e-commerce, such as keeping up with technology itself, lack of technical expertise, uncertainties with regard to legal regulations and high switching costs when changing e-commerce platforms (Khatibi, Thyagarajan, & Seetharaman, 2003, p. 81).

Businesses are realizing that social media platforms are very fruitful advertisement channels too. Herrero *et al.* (2017) stated that organizations should design content to be accessible and shareable, so that it will spread via social media sites more easily and reach further into desired markets. Effective social media design will enhance the experience for the platform user and consumers will remember the experience better later on, maybe referring to saved and stored information while shopping. With the evolution of technology, social media sites are becoming more and more adapted to the needs of the users; enabling, advertisers and marketers to provide content in ways that offer positive experiences and support for their customers (Herrero, San Martín, & del Mar Garcia-De Los Salmones, 2017). But what do wine growers and wine marketers know about their social media users?

According to Boyd and Ellison (2007) social network sites are web-based services that let people (1) create a public or semi-public profile within a bounded system, (2) share a connection with other users and (3) view their and others' lists of connections within the system. The nature and the terminology of these "friendships" may vary from site to site. Jue, Marr and Kassotakis (2009) defined social media as cheap and easily available electronic tools, that can be reached online and that enable people to access and share content and information. Social media can create cooperation and can also establish new friendships and relationships. Social media tools include forums and blogs, as well as sites that enable users to share photos and/or videos (Jue, Marr, & Kassotakis, 2009). Social network sites are unique, as they allow participants to make new friends with people they may not even have met offline. But often, the individuals using social media network do not look to widen their network, instead they would just like to keep in touch with their already "offline" friends (Boyd & Ellison, 2007). According to Statista, Facebook, Youtube and Whatsapp are the three most used social network sites as of January 2018 (Statista, 2018). Understanding consumers' perceptions of mobile commerce and social media and the factors that might positively and negatively affect these perceptions is thus important for wine marketers.

Trust plays an important role in the development of online relationships (Coppola, Hiltz, & Rotter, 2004). Trust can be defined as the feeling that another person will not behave opportunistically to the detriment of oneself and that a situation will not mishandled by either party (Ridings, Gefen, & Arinze, 2002). An additional definition of trust from Moorman *et al.* (1993, p. 82) is the "willingness to rely on an exchange partner in whom one has confidence." Deutsch (1960) suggested that two components are needed to gain trust. These are confidence in intention and in ability.

Successful relationships rely on the trust users have in other users and on the trust users have in the social media platform provider (Sherchan, Nepal, & Paris, 2013). A related concern is Internet Privacy, meaning that people are concerned about the privacy of information they share on social media (Pelet and Taieb, 2017). For example, social media sites cannot always be trusted to reveal nothing of their users' private information (Cadwalladr, 2017; Dwyer, Hiltz, & Passerini, 2007). And most importantly can we trust our friends on social media?

According to Park *et al.* (2012), Halikainen & Laukkanen (2018), trust levels vary across national cultures. Extant research indicates that trust correlates with national governance, which is defined as "the traditions and institutions by which authority in a country is exercised". This includes (a) the process by which governments are selected, monitored and replaced; (b) the capacity of the government to effectively formulate and implement sound policies; and (c) the respect of citizens and the state for the institutions that govern economic and social interactions among them" (Kaufmann, Kraay, & Mastruzzi, 2010). Social trust and national governance are interdependent constructs (Goodell, 2017).

Actors along the Supply Chain

According to Pomarici *et al.* (2012), there are two actors dominating the marketing channels: the *market-makers* and the *match-makers*. The market-makers include wholesalers, distributors, importers and exporters. A wholesaler buys one or more products from the producer and resells them along with other products, without any exclusivity agreement. The distributor on the other hand, acquires the exclusive right to represent and sell the wines of a special winery. Importers and exporters specialize in international trade, and they may operate as distributors (Pomarici, Boccia, & Catapano, 2012). The actors that belong to the match-maker category are brokers and agents. There are two types of agents; the buyer and the winery agent. They both are instructed to sell or acquire wine, respectively. Brokers do not necessarily conduct transactions in a single winery's name, though they are usually specialized, e.g., fine wine brokers, auction brokers, brokers representing large retailers, or state monopolies (Pomarici, Boccia, & Catapano, 2012, p. 24). A separate important market-maker in the wine supply chain is the hospitality industry: hotels, restaurants, café, catering firms, and wine bars. Here, wine consumption takes place outside of the home and consumers satisfy their needs for experimentation and variety in a social environment. Hospitality establishments are generally supplied by wholesalers (Pomarici, Boccia, & Catapano, 2012, p. 25). However, this paper focuses on wine consumption outside of hospitality venues, i.e., purchase for use in one's home or for gifts.

The most common distribution channel is retail, including supermarkets, discount stores, and wine shops, which offer convenience, large selections of wines, and varying levels of service and staff expertise. Many retail places lack wine experts to help consumers make their decisions. However, since most people have smartphones, a quick search on the Internet makes the decision-making easier, although not everyone is tech-savvy, or has the time to read site information while shopping. Therefore, more and more people have turned to the Internet for ordering wine and getting it delivered to their doorstep (EUROSTAT, 2016). Dedicated wine vendor websites and apps have the ability to sell wine online and also function as an extensive information system for those who are interested in the complex world of wine (Pelet and Lecat, 2014). Websites and apps have extensive functions. They can provide comprehensive information on a specific wine producer or vintage, and can serve experts and connoisseurs as well as providing basic education about wine and wine-consumption for those who are interested in wine, but know less about it. For occasional buyers, wine websites and apps are useful tools, given that such buyers may be embarrassed to deal with traditional channels (Pomarici, Boccia, & Catapano, 2012, p. 26).

Delivery options, issues and perspectives

Last-mile delivery is one of the biggest challenges in e-commerce business (Boyer, Prud'homme, & Chung, 2009). The goal is to get the product to the end-consumer as soon as possible – by offering a fast delivery system that entices consumers to return based on good service (Greasley & Assi, 2012). According to Gevaers *et al.* (2009) shipping costs range from 13% to 75% of all supply chain costs. There are multiple types of delivery services, defined by the time of the action. Service taking place within one night, which is called Next-Day Service, Second-Day service takes up 48 hours and Deferred Service occurs within 3-5 days (Kim, Barnhart, Ware, & Reinhardt, 1999). Direct shipment is the easiest way, as the distance is shorter and the product arrives earlier to the customer. It is also a liability, since economies of scale can be lost when a less-than-full truck is sent to a destination (Chen & Pan, 2015). To overcome the above-mentioned difficulties, suppliers create hubs (Elhedhli & Hu, 2005) from where orders are shipped to a large number of customers, reducing problems with the costs of last-mile delivery.

Delivery time is not the only concern; shipping processes can be very energy-intensive. Transportation, namely diesel fuels from trucking, accounts for 15% of the total energy consumed within the U.S. food system. (Cholette & Venkat, 2009, p. 2). Colman and Päster's (2007) lifecycle study of wine shows that outbound logistics may contribute to over half of the total carbon emissions for many regions' wine industries. In their research Perboli *et al.* (2017) simulated an optimization for City Logistics in Turin, Italy. They found that, if delivery services would use bikes and vans, it would lead to an improvement in economic efficiency. These delivery methods would affect the traffic less within a city, and they are the most appropriate means to deal with high demand deliveries.

Although direct delivery of products has been around since the 1980s, it has been problematic due to issues such as consumers not being at home at delivery time or agreed-upon times not being suitable for the recipients (Slabinac, 2015). Most retailers are looking for ways to deliver their products more efficiently (Slabinac, 2015). Some of them using commercial operators (eg. DHL[7], DPD[8]) to deliver the goods for them. Another solution is that customers order online and then they pick up their products at a local shop. In the US, sometimes consumers don't even have to get out of their car, as the shops' employees load their cars with the goods. Other ideas have emerged, such as drones delivering goods (Slabinac, 2015). Some big e-retailers such as JD.com already offer the option of parcel pickup-machines that work automatically. Since 2015 more than 200 machines are being set up in metropolitan areas, in Beijing and Shanghai (Chen, Yu, Yang, & Wei, 2018). In their research, Chen *et al.* (2018) found out that a consumer's intention to use these pickup machine services depends on various factors. Location convenience plays a positive role in the consumer's intent and perceived time pressure has no negative effect (Chen, Yu, Yang, & Wei, 2018).

A recently surfaced research idea for solving the issues with the last mile delivery could be explored within crowd logistics. Crowd logistics, which relies on crowdsourcing (defined as outsourcing a task to a crowd), designates the outsourcing of logistics services to a crowd, in order to achieve some kind of benefits for all parties associated (Mehmann, Frehe, & Teuteberg, 2015). One of the examples for crowdsourcing is Uber, which is a peer-to-peer ridesharing and transportation net- work company. It basically follows the Crowd Logistics business model, meaning that the main source of service is the crowd, the users who are registered. The individuals within the crowd are either demanding or providing a service. The company only acts as a mediator. Uber (and other companies, such as Taxify and Lyft), provide their service through a mobile phone application (Mehmann, Frehe, & Teuteberg, 2015). Through that application they track communication, fulfil payments and manage the database of users.

Mehmann *et al.* (2015) define crowd logistics as: *"the outsourcing of logistics services to a mass of actors, whereby the coordination is supported by a technical infrastructure. The aim of Crowd Logistics is to achieve economic benefits for all stake- and shareholders."* In their study they revealed that the main driver of crowd logistics is the digitalization of society. If there is a platform that acts as a mediator within the crowd, then crowd sourcing a product is actually feasible. Going beyond third-party platform applications such as Uber and Airbnb, Devari *et al.* (2017) suggest using social media as a mediator between the customer and service provider. According to Devari *et al.*'s (2017) research, a vast majority of people in the US would agree to deliver goods to their friends or close friends, most of them for free (Pelet *et al.*, 2016). Also, if it would not take more than fifteen minutes, they would not mind doing it.

Wine wholesalers

[7] DHL: Larry Hillblom, Adrian Dalsey and Robert Lynn as partners, with their combined initials of their surnames as the company name (DHL)

[8] DPD: Dynamic Parcel Distribution

"Wine wholesalers" is a new, alternative wine distribution program. A *wine wholesaler* is a person who is befriended by a winery who agrees to receive shipments of wine on behalf of other nearby winery customers in exchange for benefits from the winery (Pelet *et al.*, 2016). Receiving shipments for others reduces friction and expenses, as well as the carbon footprint in the distribution system, because the wine is sent to and received at one location instead of several locations. The *wine wholesaler* arranges a time for fellow buyers to pick up their wine in their property. The wine would already be paid from the consumer straight to the wine saler or winery, typically online, and therefore there is nothing to expect or ask on the *wholesaler* side. Instead of using a shipping service, a winery ships wines to a trusted individual who serves as an intermediary. This is similar to customer-to-customer exchanges, but the difference is, that there is no transaction of money between the wholesaler and the end-user. They just meet for pick-ups or converse to determine a pick-up time.

A social wine wholesaler scenario

In our wine wholesaling model, a customer buys wine on a winery's or wine shop's website and chooses "*wine wholesaler*" as the shipping option. An individual who lives close by to the customer is the *wine wholesaler*. The winery contacts the wholesaler through social media, e.g. Facebook, WhatsApp or else, and they discuss how many bottles or cases of wine will be shipped out and when. The shipment arrives on the decided date and time, and the shipment is moved into the *wine wholesaler's* property. For example, such space might be a basement, or a spare room, whichever suits the *wholesaler* the best. The *wine wholesaler* alerts the customer about the received shipment of wine and they discuss a date and time when the customer can pick up the wine. No other transactions go between the two. On Figure 1 a cycle of wine wholesaler activity is summarized and explained. Other customers may also come to pick up their wine and when storage space opens up in the *wine wholesaler's* facility, he/she may receive new shipments again. The winery may offer special deals and other benefits to the *wine wholesaler* and they would also be legally bound by a contract. This new form of wine distribution still needs to be established, in particular, it needs to conform to each country's regulatory system (see Figure 1).

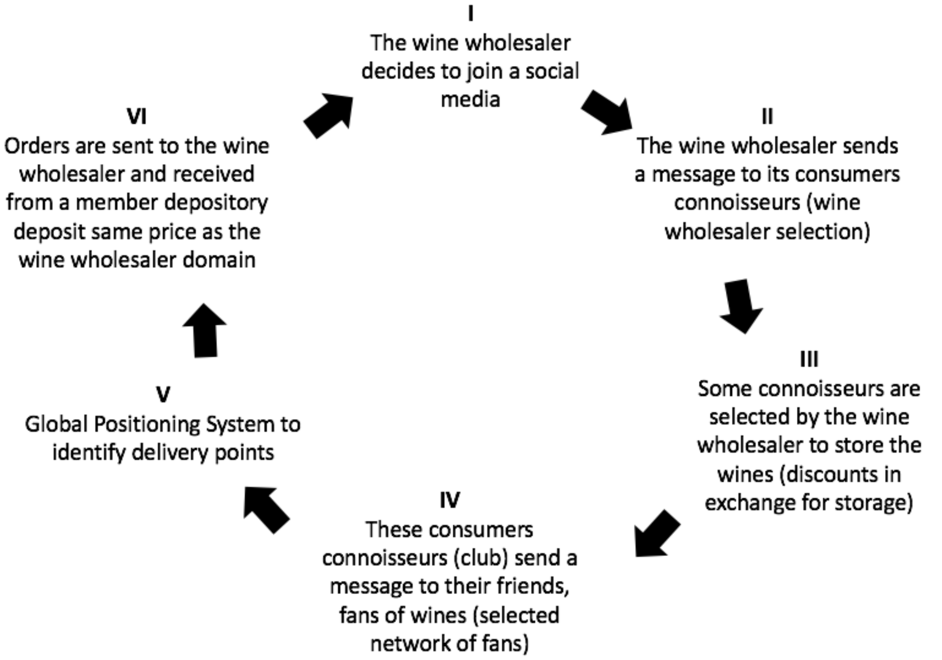

Figure 5: Summary of steps necessary to set up wine wholesaler scenario from Pelet et al. (2016)

Problem definition, research objectives

A new distribution line is introduced, called wine wholesaling or *wine grouping*. It is quite new, no data has been produced about it, except the exploratory study conducted by Pelet *et al* (2016). The research objective is to find out the feasibility of the *wine wholesaler* distribution channel. The study comprises market research, asking potential future customers about a new distribution program. Therefore, the research question is: Could social media be used as a new distribution channel for wine suppliers in different countries? If yes, what are wine consumers perception about social media and online wine activities? How do they behave vis-à-vis social media, especially in terms of their propensity to be a wine wholesaler?

Material and methods

A convenience sample of consumer data was generated through an online survey (Google™) by a team of international researchers. Google™ software was used to create the survey. This software had capabilities of logic flow and question types which allowed for complex analysis. The survey software checked respondent records for indicators of bad data quality, such as speeding through questions, straight lining scale items, and gibberish answers to open-ended questions.

Three language versions of the survey were created in French, English, and Italian, translated from French and back-translated. Once programmed, each survey was tested by volunteers not directly connected to the project, to get a controlled look at preliminary results and ensure that the surveys were functioning as designed. Links to the survey were provided to members of the research team, who distributed the links to a convenience sample, using snowballing methodology. Once respondents voluntarily entered the survey, they were assigned identification numbers to distinguish their unique record in the data set. The survey was made available over a 90-day period from December 2017 to February 2018. Average response time spent on survey was 15 minutes per Google™ system reports.

Sampling design and screening process

Respondents were targeted based on being wine drinkers and wine buyers, as well as having used social media to support the wine purchase process. These were the screening questions of the survey. Respondents were also required to be over 21 due to references to alcohol/wine purchase, since the legal age for alcohol consumption in the United States is 21 years. After accounting for missing response data, a final usable dataset of 366 surveys represented a 37.6% response rate of 972 individuals entering the survey. In this study, additional analysis was limited to persons who responded to the question regarding propensity to be a wine wholesaler intermediary. This subsample comprised 90 respondents.

Data collection instrument

The survey instrument was created with 30 questions altogether and collected data about consumer attitudes and behavior toward social media and buying wine online. Multiple survey items were included, covering topics such as social media usage, subjective knowledge of social media and wine, and consumer attitudes related to risks of using social media in general as well as for purchasing wine. The outcome variable was collected via a set of seven items that were combined into a single measure of 'propensity to be a wine wholesaler'. Demographic characteristics were also collected including age, gender, nationality, household income, and education.

Each scale was constructed upon a set of items identified in the literature and placed in the survey. Post-survey reliability analysis was conducted to determine if the scale composition was adequate, and where necessary, items were deleted or divided to improve the conceptualizations of these consumer variables. The number of items in these scales ranged from 3 to 8 with coefficient alphas well above .7.

Data analysis

Data was acquired in the form of an electronically exported and transmitted CSV spreadsheet, and subsequently saved as both MS Excel® and Statistical Package for the Social Sciences® (SPSS®) files. SPSS® analysis was employed in subsequent steps. The first step was to characterize the respondent profile by running descriptive analyses of available demographics, and scale reliabilities related to consumer perceptions about social media and online wine activities. Finding adequate coefficient alphas, researchers calculated average scores for each consumer scale. Next, the authors investigated potential associations between demographics and propensity to be a wine wholesaler. Lastly, multiple regression was conducted to assess potential relationships between selected and propensity to become a wine wholesaler.

Results and findings

Samples and respondent profiles

The initial sample was slightly more female (54.9%) and having a mean age of 32 years old with 59.6% under 30. Over half the sample (66.8%) had bachelor's degrees or higher. The three most common occupations were student (37.6%), executive/professional (27.2%) and clerical/administrative (11.1%). Respondents reported earning household incomes on average of 1000 to under 1400 US dollars per month. Home ownership status included more rentals (51.8%) than owned homes (49.4%).

Social media applications used

Respondents were reasonably familiar with social media, with 37.1% indicating expert knowledge, 49.1% indicating intermediate, and 13.8% indicating novice familiarity with social media. Table 1 shows the frequency of usage of a variety of social media applications. While no respondent indicated excessive use of these social media (frequencies of use being close to midscore or lower on a scale of 1 to 7), Facebook and YouTube topped the list of applications employed by these respondents. Conversely, the sample's wine knowledge was generally lower, with only 10.5% marking expert, 35.5% marking intermediate, and 54.0% indicating novice wine knowledge.

Table 8: Social media applications used

Social Media Application	Mean usage frequency*	Standard Deviation
Facebook	4.72	2.055
YouTube	4.20	1.839
Instagram	3.90	2.467
LinkedIn	2.42	1.768
Snapchat	2.03	1.894
Pinterest	1.89	1.601
Twitter	1.82	1.591
Soundcloud	1.35	1.071
Tumblr	1.16	0.702
Viadeo	1.12	0.639
Foursquare	1.11	0.662
Myspace	1.10	0.642

*Valid N (366); 1 = never to 7 = many times per day

Consumer perceptions towards social media

Next, we look at the primary consumer scales used in analysis in this paper (see Table 2). In terms of descriptive findings about consumer perceptions towards social media, there was a general attitude that social media sites posed some degree of risk in terms of their collecting and protecting the personal data of respondents. Otherwise, people found social media to be easy and fun to use and had plans to use it in future. Respondents had more moderate attitudes towards online wine vendors and purchases, although they did show a slightly positive propensity to engage in wine wholesaling with an average score of 4.65 out of 7.

Table 9: Consumer scale means and reliability of sub-items

General description of scale focus	N	Mean	Standard Deviation	Number of items in scale*	Reliability Coefficient Alpha**
Social media sites should protect my data	366	6.19	1.19	8	0.950
Dislike sharing personal data with sites	366	5.73	1.38	4	0.859
I have needed resources to use social media	366	5.43	1.26	4	0.753
Using social media is easy for me	366	5.40	1.39	4	0.918
I will use social media in future	366	5.20	1.64	3	0.904
Using social media is fun for me	366	4.92	1.62	3	0.953
Social media sites should have clearer privacy policies	366	4.53	1.50	3	0.832
Social media sites' privacy policies are generally easy to read	366	4.40	1.54	2	0.829
I am a habitual user of social media	366	4.20	1.59	4	0.846
Online wine vendor quality and trustworthiness is good	366	4.16	1.24	7	0.942
Wine pickup creates difficulties for me to be a wholesaler	366	4.06	1.50	5	0.907
Online wine sales provide good value/price	366	3.87	1.27	3	0.919
Social media is a useful tool for me	366	3.79	1.51	4	0.886
Consumers like myself understand privacy policies	366	3.71	1.28	3	0.742
People tell me I should use social media to accomplish my goals	366	3.42	1.64	3	0.924
Propensity to be wine wholesaler ***	90	4.65	1.30	7	0.822

*Items on survey use Likert scale; 1 = strongly disagree to 7 = strongly agree

**Inter-item reliability is high when coefficient alpha <. 0.700

***This variable is the dependent variable for future analysis

Propensity to be a wine wholesaler

ANOVA and correlations were used to determine if any demographic factors contributed to these respondents' propensities to be wine wholesalers. Age was not significant (correlation $r = .165$; $p = .121$; $n = 90$). Likewise, gender was not significantly associated with propensity to be a wine wholesaler (Table 3). Some profile characteristics that did show a significant relationship with wine wholesaler propensity were nation of residence and wine knowledge level (Table 3). Table 4 provided a deeper insight into the primary consumer attitude factors correlating with respondents' propensity to be a wine wholesaler; these were perceptions of wine vendor quality, home-based wine pickup issues and dislike of sharing personal data.

Table 10: Correlational analysis among scales and wine wholesaler propensity

Propensity to be a wine wholesaler					
	Mean	Standard Deviation	F-statistic	Degrees of freedom	Significance (p-value)
Gender (n = 83)	4.65	1.32	.210	1, 81	.648
Female (n=29)	4.56	1.43			
Male (n = 54)	4.70	1.26			
Nation Residence (n = 81)	4.78	1.25	11.399	1, 79	.001*
USA (n = 17)	3.91	1.05			
France (n = 64)	5.01	1.20			
Wine Knowledge (n = 83)	4.65	1.32	4.816	2, 80	.011**
Novice (n = 22)	4.12	1.36			
Intermediate (n = 37)	4.60	1.14			
Expert (n = 24)	5.25	1.33			

*, ** Significant at 99% and 95 % respectively

Table 11: Correlation of consumer scales with propensity to be wine wholesaler

General description of scale focus	N	Correlation (r)*	Significance (p-value)
Social media sites should protect my data	90	-.011	.920
I don't like giving personal data to sites	90	-.244	.021***
I have needed resources to use social media	90	-.050	.638
Using social media is easy for me	90	.071	.504
I will use social media in future	90	.162	.127
Using social media is fun for me	90	.120	.258
Social media sites should have clearer privacy policies	90	-.097	.364
Social media sites' privacy policies are generally easy to read	90	-.198	.062
I am a habitual user of social media	90	.013	.901
Online wine vendor quality and trustworthiness is good	90	.225	.033***
Wine pickup creates difficulties for me to be a wholesaler	90	-.587	.000***
Online wine sales provide good value/price	90	-.090	.401

Social media is a useful tool for me	90	.052	.627
Consumers like myself understand privacy policies	90	.205	.053
People tell me I should use social media to accomplish my goals	90	-.029	.785
Propensity to be wine wholesaler**	90	1.000	n.a.

*Correlations with the dependent variable
**This variable is the dependent variable
***Significant at p < .05

In subsequent analysis, four factors (perceived online wine vendor quality, home-based wine pickup issues, dislike of sharing personal data, and wine knowledge level) were used in trying to understand people's propensity to be a wine wholesaler. A multiple regression was conducted to ascertain the effects of these factors on propensity for wine wholesaling in the home. Regression results (Table 5) showed the overall model of two factors (self-reported wine knowledge and home-based wine pickup issues) was statistically significant. The results of the regression indicated that two predictors explained 41.5% of the variance in propensity to be a wine wholesaler (adjusted R2 = .415, F(4, 78)=15.546, p<.001). It was found that wine knowledge significantly predicted wine wholesaling (β = .33, p<.05), as did perceptions of hosting wine pickup in one's home (β = -.50, p<.01). Perceived online wine vendor quality and concerns about personal data did not remain in the equation.

Table 12: Summary of regression analysis for predicting propensity to be a wine wholesaler

	Beta Coefficient	Standard Error of Coefficient	Standardized Coefficients Beta
Wine knowledge	.329*	.158	.187
Perceived online wine vendor quality	.185	.114	.140
Home-based wine pickup issues	-.502**	.077	-.568
Dislike of sharing personal data	-.024	.086	-.025
R-square	.444		
Adjusted R-square	.415		
Number of. observations	83		

Standard errors are reported in parentheses.
*, **, indicates significance at the 95%, and 99% level, respectively

Managerial implications and recommendations

We found that the feasibility of wine grouping in many countries is based around a few variables, and each country raised different concerns. In this research, amongst our respondents the most preferred social media site was Facebook, meaning, that the *wine wholesaler* would have to focus mainly on that platform. Those who answered *yes* to the question about using social media in relation to wine are primarily reading posts for entertainment and information, which suggests that the future *wine wholesaler* has to write posts about wine that are informal and entertaining. There are still concerns about the privacy and security of these wine wholesaler actions, in that not too many of our respondents trust their Social Media friends. Nonetheless, a majority of them agreed that they would become a wine wholesaler, if the one that is getting the wine from their property is a close friend. In Eastern Europe and Germany, the respondents who live there mainly raised concerns about their privacy, while the French, American and Spanish respondents seem to have more implicit trust in each other—for them the wine wholesaler activity can be more easily implemented. Many of our respondents also raise the question of time. In this hectic world, people have jobs, and don't have time to take part in other outside of work actions, such as wine grouping, especially if they are not getting paid in any form. But, fewer Spanish, French, Italian and Eastern European interviewees said that they would be concerned about time management, so maybe in these countries the feasibility of wine wholesaling is higher. All in all, it seems as if that people would require winery perks in return for their work as the wine wholesaler. The perks can be wine discounts, exclusive wines or extra wine. To have a close relationship with the winery is also a motivating factor for the respondents. They feel like members belonging to a wine club. What could be researched in the future is whether wineries are comfortable adapting to these new methods, and why would it be worth for them to have noncommercial wine wholesaler contacts/friends who practice social wholesaling for themselves. Researchers should dig more deeply into trust issues, especially in the Eastern European area and Germany. Time management is also an issue for most of the respondents, hence it has to be further researched. Another important factor, is whether people have the right place to store wine, where the temperature, light and humidity might be controlled.

Conclusions

A study was conducted about whether people from different countries would be interested in wine wholesaling. An online questionnaire was distributed which focused on whether people have the space to store wine, if they have the correct conditions to store wine, as well as what their motivations are, what are their fears related to becoming social wholesaler. Questions were also focused on their social media usage, and on how they would use social media and other platforms, such as scheduling applications, as a platform to become *wine wholesaler*. Only a limited number of countries participated, therefore we cannot make conclusions for the global wine community. Still, out of these samples reasonable conclusions can be drawn. Based on our findings, most countries would adapt to the wine wholesaler type of distribution, but many things have to be still clarified, i.e., legal restrictions, technical issues, as well as optimal storing options and units. As most of our respondents do not engage in wine-focused social media activities, future studies could target those who are using social media platforms to get to know more about wine specifically.

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COMPETITIVE PAPERS OF WHICH ONLY AN EXTENDED ABSTRACT AS REQUESTED BY THE AUTHOR(S) IS PUBLISHED*

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ONLINE STOCKING PRACTICES. CORPORATE CHAINS VERSUS INDEPENDENT RETAILERS: WHO SUPPORTS SMALLER BRANDS AND REGIONS BETTER?

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Keywords: Wine Marketing, Branding, Online Retailing, Physical Availability

Introduction and Literature Review

The Australian online retail industry is currently worth $20 billion, with predicted annual growth of 9% (IBISWorld 2017). Wine accounts for 52% of all digital liquor sales (IBISWorld 2018). Woolworths and Wesfarmers are key industry players in the sale of alcohol in Australia, with a collective online market share of 73% (IBISWorld 2018). Each company operates liquor stores in both online and bricks-and-mortar contexts. Corporately-owned wine retailers are extending their product portfolio by stocking more domestically-produced wines and large brands both in-store and online. Independent and boutique wine retailers are finding success by driving consumer interest towards specialty wines (Euromonitor 2017; IBISWorld 2018).

There is limited literature to explain what types of wine are stocked by online retailers. Wine producers are unsure which online stores will retail their products to broaden their chances of gaining shelf space. This research aims to uncover this gap by exploring the types of wine brands and regions offered by various sized online wine retailers. Two research questions are posed:

RQ1: How do the breadth (number of brands) and depth (number of SKUs) of wine brands differ between types of online retailers?

RQ2: How do the breadth (number of regions) and depth (number of SKUs) of wine regions differ between types of online retailers?

Price, variety, brand and region of origin are highly influential cues during wine purchase decisions, although there is no hierarchy in their importance to consumers (Hall et al. 2001; McCutcheon et al. 2009; Lockshin & Rasmussen 1999; Lockshin et al. 2006; Perrouty et al. 2006; Lockshin & Corsi 2012). Brand and region are two important cues used by consumers in Australia and most other countries, and are the only two cues analysed in this research to reduce the size of the study. Wine brands are similar to other consumer goods, except they also guide buyers to a clear and recognisable product choice in an otherwise complex environment (Lockshin et al. 2000). Region of origin refers to the geographical location where the wine's grapes were grown (Australian Wine and Brandy Corporation Act 1980) and impacts the wine's style.

Research Method

There is limited information available to accurately identify and measure well-known and lesser-known Australian wine brands and regions. The sample of brands *(n=122)* was established using Euromonitor, which lists the best-selling *(n=61)* wine brands in Australia; and the Australian and New Zealand Wine Directory (ANZWD), which outlines the hundreds of small and medium wineries in Australia. The ANZWD sample was reduced to *(n=72)* through stratified sampling from size categories within the list to insure a random selection of different sized wineries. The sample of regions *(n=66)* was sourced from the official list of Australian Geographical Indicators (GI's). Two sets of analysis were conducted on the sample of regions as there was no clear sign as to which regions were more well-known than others. Analysis 1 assumes the largest 50% of regions by number of producers *(n=33)* are more well-known, while Analysis 2 explores the changes that occur if only the top 20% of regions by number of producers *(n=13)* are considered to be well-known. The sample of online wine retailers *(n=21)* was sourced according to their size and commercial structure. Three key digital retailer types were selected: corporate *(n=7)*, independent *(n=7)* and boutique (n=7). The data was analysed through frequency tables outlining the purchase availability of the same well-known and lesser-known brands and regions in each retailer. A wine was considered available if it was listed on the retailer's website and was able to be purchased.

Results

The results indicate that smaller online wine retailers – especially boutique retailers – have a greater availability of lesser-known wine brands than well-known wine brands. The results for regions are different, with most well-known wine regions being represented in each type of retailer. Corporate online retailers with bricks-and-clicks stores present a larger breadth and depth of well-known wine brands and regions than independent and boutique retailers. However, the offerings of well-known brands are still significantly smaller than the offering of lesser-known brands across all types of online retailers. Surprisingly, no significant differences exist between the two sets of regions of origin analysis.

Implications and Future Research

Three managerial and academic implications arise from this research. Firstly, wine producers aiming to increase their brand size (sales) should work to gain distribution in corporate online wine stores, as these retailers stock the most well-known brands. Smaller wine brands seeking distribution channels should explore availability in independent and boutique retailers, who are likely to be more receptive than corporate stores. Secondly, wineries located in well-known regions should communicate their origins in promotions and packaging, as online retailers offer more wine from well-known areas. Thirdly, this research helps to build a currently underdeveloped area of academic research as it is the first empirical study to be undertaken regarding wine availability and online retailing. Future research could extend the study to include more online wine retailers, brands, and regions to verify the results; and could also be extended to other Australian states and countries to determine if the findings can be generalised to other types and sizes of digital retailers not otherwise available in Australia.

SELLING WINE IN DOWNTOWN: WHO IS THE URBAN WINERY CONSUMER?

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Keywords: Urban winery; Consumer profile; Discrete choice experiment

Abstract
Urban tasting rooms are a relatively new and growing phenomenon in the U.S. wine market. However, there has been little research concerning the specific marketing strategies that contribute to the success of urban wineries, including their desired target markets. The current study is an initial attempt to explore consumers' choices of urban wineries. Based on the data obtained through an online survey (*N* = 1,412) incorporating a discrete choice experiment (DCE) with visual simulations, the study offers a profile of the urban winery consumer. Managerial implications, limitations, and suggestions for future research are included.

1. Introduction

With a growing consumer interest in wine, a number of wineries across the United States either have already opened or consider opening tasting rooms in cities. The expectation is that a well-considered downtown with tourism as a draw should have complimentary businesses to pull in visitors to tasting rooms, thus creating new opportunities for product exposure and brand awareness.

There are different business models of urban wineries. Some wineries base their downtown tasting rooms on the premise that this is a secondary location. These wineries operate solely as tasting rooms and do not feature components of conventional wineries, such as barrels, fermentation tanks, or bottling lines. There is another type of urban wineries whereby a wine producer chooses to locate their winemaking facility in an urban setting rather than in the traditional rural setting near the vineyards. With advances in technology and transportation, it is relatively easy for an urban winery to grow their grapes in a remote location and then transport them to the urban facility for crushing, fermentation, aging, and bottling.

Some urban tasting rooms are located in higher traffic areas, such as touristy downtowns or higher-end retail locations. Others are situated in industrial settings, such as in a warehouse in a commercial district. Regardless of the business model or the location, the major difference from conventional wineries is that urban wineries rarely, if ever, have vines planted at their locations.

Initially, researchers have featured increasingly positive sentiments towards the success of urban tasting rooms. When a growing region is located far from major cities, urban tasting rooms provide access to consumers (Barber, Donovan, & Dodd, 2008). Hence, urban tasting rooms rely on being conveniently located to consumers. Being part of the city's core allows customers to visit whenever it is convenient for them (Weinberg, 2011). Furthermore, urban tasting rooms are located in close proximity to potential workers and cultural hubs (Barber *et*

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al., 2008). Additionally, the so-called “agglomeration effect”, which explains the development and success of retail malls, provides good economic reasons to have concentrated tasting rooms in high-density urban areas (McMillan, 2017).

Over a longer period however, urban tasting rooms started to show mixed results. In a recent videocast on direct-to-consumer sales, the Silicon Valley Bank revealed differences in sales based on winery locations. Data obtained through surveying U.S. tasting rooms indicated that the total tasting room wine purchases plus club sales (divided by the number of visitors per year), yield to an average of $428 for conventional wineries with vineyards, compared to only $197 for urban tasting rooms. Thus, people spend more than twice as much per person at the conventional winery than at the urban tasting room. In addition to the amount spent per visitor being considerably lower, the wine club conversion rates are also lower, and the number of visitors is about the third of what a conventional winery gets (Silicon Valley Bank, 2018).

Many industry experts (e.g., McMillan, 2017) have started to question whether opening an urban tasting room is even a good business decision in the first place. Judging by the metrics used in the Silicon Valley Bank survey, urban tasting rooms seem to be struggling. However, urban tasting rooms are a relatively new phenomenon and their true effectiveness is yet to be determined. One thing is clear, urban wineries do not work in the same fashion as conventional winery settings. A generalized marketing approach that is effective in rural settings may not be as useful for urban tasting rooms. Researchers are yet to explore specific marketing strategies that would contribute to the success of urban wineries, including the desired target markets, their preferences, needs, and wants.

2. Literature Review

2.1 Distance Travelled & Distance Decay

One of the primary advantages of urban wineries involves proximity to nearby residents and tourists (McKinsey, 2008). In delineating the factors that influence a tourist’s decision to choose a specific destination, Bruwer (2003) emphasized the impact of proximity, including the geographical distance between the generating region and the tourist destination, travel time needed to cover the geographical distance, amount of money required to cover the geographical distance, and cognitive distance between the generating region and the destination. Cognitive distance is referred to as “one’s perception of the distance”, which is the reverse of actual distance travelled (Bruwer, 2003). This phenomenon can also be referred to as ‘distance decay’. Distance decay is the ‘friction of distance’ and can explain why there exists an inverse relationship between the interaction of things and their proximity (Hooper, 2014). The further away a winery is, the less likely there is to be interaction, and vice-versa. Although wine consumers and tourists visit rurally located wineries, few possess the discretionary time and financial resources to do so very often. Thus, urban wineries represent an opportunity for consumers to visit a winery while incurring relatively lesser cognitive, monetary and temporal costs.

2.2 Influence of Urban Architecture

Form and function are two integral aspects of architecture (Maier, Fadel, & Battisto, 2009). Form involves the structure of architecture, or the building itself, while function refers to how people use and interact with the building. Additionally, in defining ‘urban aesthetics’, Nasar (1994) mentioned two particular building components: *structure* and *content*. Although urban wineries occasionally feature interesting architecture, they usually lack unique architectural elements as they are often located in either industrial buildings or in boutique retail locations. Furthermore, they are normally restricted by city governance in choosing desired architectural elements, whereas conventional wineries (which are often purposefully built to be a winery) have more freedom in choosing preferred architectural styles. Therefore, urban wineries typically feature more of the functional aspects and less, or none, of the form components of conventional wineries.

The concept of store appearance has long been thought of as a vital component of consumers' decision-making process, which Bell (1999) attributed to *functional* elements, which includes price ranges, merchandise assortment and variety, and store layout; as well as *psychological* elements inclined to inspire an emotional reaction in consumers, such as enthusiasm, affection, annoyance and happiness. Furthermore, in an early study on consumers' pleasure responses to ambient factors (specifically, music and lighting), Baker, Levy, and Grewal (1992) found that responses to the level of social interaction from staff, both ambient and social factors, resulted in greater sensations of arousal in consumers. As urban wineries fulfill more of a practical, utilitarian function, it stands to reason that they must rely more on an increased level of social interaction to inspire strong, positive emotional responses in consumers. Urban wineries seem to need to feature functional attributes, especially pleasing ambient and aesthetic conditions. Thus, since urban wineries lack many of the qualities that conventional wineries possess, they need to place an increased emphasis on social opportunities.

2.3 Urban Identity

According to Lalli (1992), the expansion of identity is a product of separation between ones' sense of self and ones' perception of others. Furthermore, the concept of place identity specifically involves the relationship between an individual and a place. Lalli specifically highlights the distinctiveness of the place or location to the individual. Thus, due to their specialness coupled with their urban location, urban wineries possess the potential to influence individuals' sense of self identity. Although urban winery consumers value convenience of proximity, frequency of social events, and wine quality, it could be expected that they also develop a sense of belongingness and identity to their nearby urban winery.

3. Purpose

As evident from the recent industry statistics and a brief literature review above, urban wineries have a potential of being a successful business model, yet there is a lack of information on specific conditions that comprise that success, as well as on the type of consumers that favor urban wineries over conventional ones. The current study aims to fulfil this gap in knowledge and explores these issues. Specifically, the *purpose* of the current paper is (1) to examine consumer choices of urban wineries when presented with a choice of other types of wineries; and (2) to develop a profile of the urban winery consumer.

4. Research Questions

To accomplish the two-fold purpose of the study, two research questions were advanced:

RQ_1: What are consumer choices of urban wineries compared to other types of wineries?

RQ_2: What is the profile of consumers who preferred urban wineries over other types of wineries?

5. Method

The empirical analysis was based on an online survey incorporating a discrete choice experiment with visual simulations. Discrete choice analyses are rooted in random utility models. It is assumed that a decision maker can obtain a certain level of utility from an alternative. The models allow for deriving the probability of a particular outcome. While such models are usually based on utility maximization assumption, they can also be applied for simply describing how explanatory variables are related to the choice outcomes (Train, 2009). We fitted a multinomial logit model to the discrete choice data on building choices and estimated it using STATA 15 software (StataCorp, 2017).

5.1 Sample and Data Collection

The data were collected in the U.S. market. An online survey was distributed to a consumer panel provided by a market research company, Survey Sampling International (SSI). To qualify for participation, respondents had to (1) be of the legal drinking age in the U.S.; (2) consume wine at least once in the last six months; and (3) visit at least one winery in the past. A total of 1,412 completed surveys were collected and used for data analysis.

5.2 Discrete Choice Experiment (DCE)

For visual simulations, photo images depicting various winery types with combinations of different attributes were designed and created. Specifically, the DCE consisted of five attributes, each at several levels: 1) winery building type (modern, traditional, chateau, rustic, urban); 2) outside seating (modern, rustic, picnic, no seating); 3) vineyard location (in front of the winery, at the back of the winery, to the side of the winery, no vineyard); 4) slope (vineyard on the slope, flat vineyard with no slope), and (5) price, measured as a tasting fee ($10, $15, $20).

The DCE was developed based on a combination of fractional factorial and orthogonal designs (Aizaki, 2012). Possible combinations of attributes' levels were reduced to 27 alternatives (i.e., 27 photo images). Using random selection without replacement, the images were arranged into nine choice sets, with each choice set consisting of three images. As a between-group factor design, the choice sets were further organized into three blocks, to which respondents were assigned based on random sampling.

Each responded saw one block, that is - each respondent was presented with three choice sets with a total of nine images. The respondents had to choose *one* image out of the three alternatives in each choice set. They were asked to indicate their preferred choice by answering the following question, "*Which of these wineries are you most likely to visit? Click on the photo of your choice"*.

Even though five attributes were measured in the DCE, results for only one attribute (winey building type) are reported herewith. The main objective of the current conference paper is to develop a profile of the urban winery consumer. Thus, the focus is on reporting various consumer characteristics, such as consumer involvement, wine knowledge, wine consumption frequencies, and demographics, among others. Full results on the DCE attributes choices will be presented in a separate publication.

5.3 Measures

To develop consumer profiles, a number of relevant consumer characteristics were included in the survey. To measure *wine knowledge* respondents were asked to self-assess the level of their knowledge about wine, ranging from 'new to wine; know nothing yet' to 'expert or professional'. *Wine involvement* was measured by a number of items asking about the degree of importance that respondents attribute to wine (e.g., "Wine is an important part of my life"). *Wine club membership* measure asked, "Are you a member of a wine club or wine-related organization?" *Wine consumption* was measured by two separate items – the number of bottles consumed per month and frequency of consumption, ranging from 'every day' to 'a few times a year'. The *demographic characteristics* measures included gender, age, income, and marital status.

6. Findings

6.1. Choice of Urban Winery

To examine RQ_1, a mixed random coefficient model was tested. The results indicated that urban winery building was the least frequent choice in the data. Table 1 summarizes the percentage frequency distribution of the winery building types choices based on a total of 4,236 observations (i.e., each of the 1,412 respondents made 3 choices). The traditional winery building was the top choice, followed by chateau, with 30.4% and 27.3%, respectively. Only 5.9% selected the urban winery building. The predicted probabilities for building choice (as expected for such a sample size these were almost identical with actual choice counts) as well as the respective standard deviations are also reported in Table 1.

Table 1. Distribution of choices for winery buildings

Winery building	Share of choices (%)	Predicted probabilities	
		Mean	**Std. Dev.**
Traditional	30.4	0.304	0.241
Chateau	27.3	0.273	0.303
Rustic	23.3	0.233	0.257
Modern	13.1	0.131	0.084
Urban	5.9	0.059	0.046

These results indicate that the presence of the urban building in the photo significantly decreases the choice of the picture, which may be an indication that the phenomenon is still new in the U.S. market. The majority of consumers gave preferences to traditional buildings, which in their minds represent conventional wineries. This supports the industry's suggestions that urban wineries are yet to establish themselves. In order to succeed in a very competitive wine business environment, urban wineries need to know who to target. Therefore, they need to know a profile of their customer base.

6.2. Profile of Urban Winery Consumer

To examine RQ_2, consumer characteristics were tested in terms of their effect on the likelihood of selecting a particular winery building. Below, we present and discuss results for these characteristics in relation to selecting urban winery building. Table 2 summarizes the statistical output of the analysis (urban building as a base outcome).

The results show that higher self-assessed *wine knowledge* decreases the likelihood of selecting an urban winery compared to chateau, traditional or rustic buildings. No significant effect was found with regard to knowledge and selecting modern building compared to the urban one.

Wine consumers with high *involvement in wine* tend to prefer urban winery building over any other type of the buildings examined in the current study. Namely, respondents who showed a stronger agreement with the statement "*Wine is an important part of my life"* are less likely to select chateau, traditional, rustic or modern winery compared to urban winery.

Respondents who are *members of a wine club* or wine-related organization are more likely to select urban winery compared to chateau, traditional and rustic buildings. Choice of modern building over urban building was not significantly related to the club membership.

With regards to *wine consumption*, the number of bottles consumed per month and the frequency of wine consumption showed mixed results in terms of their influence on the likelihood of urban winery choice. While respondents with the higher number of bottles consumed per month were more likely to select urban winery over modern, rustic or traditional buildings (chateau was not significant), the higher frequency of wine consumption was associated with an increased likelihood of selecting other wineries over urban.

Lastly, some *demographic characteristics* showed significant influence on the likelihood of choice of urban winery. Males are more likely to select urban wineries compared to rustic, traditional and chateau buildings. As for age, older respondents were found to more likely select urban wineries compared to modern or rustic buildings. Further, the results indicate that single respondents tend to prefer urban wineries. On the contrary, married respondents were more likely to select modern, traditional, rustic or chateau than urban building. Finally, the likelihood of selecting urban winery is higher for lower income consumers, whereas consumers with higher incomes are more likely to select other type of wineries.

To sum up, this experimental study revealed the basic profile of the urban winery consumer. Particularly, the profile offers the following insights - consumers who chose urban winery over other types of winery buildings tend to consider wine as an important part of their lives. At the same time, these consumers possess lower levels of wine knowledge as they self-assessed how much they know about wine mainly at the 'new to wine' and 'basic knowledge' levels. These consumers are likely to belong to at least one wine club or a wine-related organization. Interestingly, while they do consume the higher number of bottles per month compared to consumers who chose other types of wineries, their frequency of wine consumption is lower. Lastly, with regards to the demographic characteristics, males seem to prefer urban wineries more than females. Likewise, older consumers, consumers with lower incomes, and those who indicated their marital status as single, showed more preferences for urban wineries.

Table 2. Results of multinomial logit model for building choice (urban as a base outcome)

	Winery Building	Coefficient	Significance	Standard Error
Wine knowledge				
	Traditional	0.123	*	0.05
	Chateau	0.112	*	0.06
	Rustic	0.123	*	0.06
	Modern	0.044	n.s.	0.07
Wine involvement				
	Traditional	-0.228	***	0.06
	Chateau	-0.325	***	0.07
	Rustic	-0.339	***	0.07
	Modern	-0.258	***	0.07
Wine club membership				
	Traditional	-0.427	***	0.12
	Chateau	-0.692	***	0.14
	Rustic	-0.369	**	0.14
	Modern	-0.151	n.s.	0.13
Number of bottles consumed per month				
	Traditional	-0.021	***	0.01
	Chateau	-0.009	n.s.	0.01
	Rustic	-0.022	***	0.01
	Modern	-0.013	*	0.01
Wine consumption frequency				
	Traditional	0.157	***	0.04
	Chateau	0.015	n.s.	0.04
	Rustic	0.141	***	0.04
	Modern	0.114	**	0.04
Married/Living with partner (single as base)	Traditional	0.235	*	0.11
	Chateau	0.563	***	0.12
	Rustic	0.582	***	0.12
	Modern	0.537	***	0.12
Gender (female as base)				
	Traditional	-0.307	***	0.09
	Chateau	-0.286	**	0.10
	Rustic	-0.305	***	0.10
	Modern	-0.165	n.s.	0.10
Age				
	Traditional	-0.006	n.s.	0.01
	Chateau	-0.005	n.s.	0.01
	Rustic	-0.007	*	0.01
	Modern	-0.023	***	0.01
Income				
	Traditional	0.163	***	0.02
	Chateau	0.090	***	0.02
	Rustic	0.111	***	0.03
	Modern	0.076	**	0.03

*Note: n.s. = not significant; * = significant at the 5% significance level; ** = significant at the 1% significance level; *** = significant at the 0.1% significance level*

7. Discussion and Managerial Implications

The recent growth of urban wineries has numerous implications with respect to the expansion of the wine business in general, consumer attitudes and consumption of wine, and to specific wineries looking to expand into urban settings. Some of the findings from this study reveal potentially important and useful results for managers and investors in the business along with our overall understanding of the wine consumer.

With respect to demographics, the findings that males, singles, and lower income people favor urban wineries is understandable. Males tend to want functionality which is offered by the proximity and convenience of urban wineries compared to females who prefer aesthetics and so would tend to prefer something more interesting from a visual and experience standpoint. Females may also look at wineries with a chateau appearance as part of an overall social or romantic experience and hence prefer those as a destination. The finding that older consumers chose urban wineries over younger consumers was somewhat surprising, as we had assumed that younger consumers would be more likely to want to visit urban wineries to socialize, listen to music and enjoy a wine bar atmosphere. Perhaps the reason for older consumers being interested in urban wineries is simply that they prefer to stay closer to home and limit their travel budget spending, while younger consumers are more interested in the adventure of exploring wineries further afield.

The finding that urban wineries are preferred by consumers with higher involvement but lower knowledge may have some important implications. Consumers who believe that wine is important to them but they are lacking in knowledge may well open significant opportunities by the wineries to provide educational events and classes for those who want to learn more about various aspects of wine.

Several industry sources (McMillan, 2017; SVB, 2018) indicate that club conversion rates at urban wineries are considerably lower than at conventional wineries. However, the findings from this study indicated that respondents who are members of wine clubs are more likely to select urban wineries compared to other types of wineries. This may be due to the number of winery visitors that initially join a wine club after a trip to a wine region but then quickly lose interest in that winery and drop their wine club membership shortly afterwards. By contrast, an urban winery that can be visited regularly and attract members to special events may be able to hold members for a longer period of time.

Finally, consumption differences were noted between the urban winery consumer and other groups. The consumers who selected urban wineries as a choice in this study consumed more bottles per month which may have been linked to the higher level of importance they place on wine and are likely to consume more when they visit a winery. However, the urban winery consumer had a lower frequency of consumption than those that identified with other winery buildings. These findings may indicate that consumption for this group is focused on weekends or special occasions where wine is a major element. On these occasions they have relatively heavy consumption but they do not participate in daily casual wine use as part of their lifestyle.

In conclusion, our main managerial implications suggest that since urban wineries do not rely on many of the aesthetic and functional features that conventional wineries have, to distinguish themselves from their rural counterparts, urban wineries should focus on providing educational and social opportunities for customers, as well as an even greater emphasis on the product itself. Social events, particularly through the facilitation of successful and interactive wine clubs, are another vital component of urban wineries. While the industry currently focuses on Millennials, older consumers' cohort should not be overlooked.

8. Limitations and Future Research

To the researchers' knowledge, no previous studies focused specifically on urban wineries. The current research is an initial attempt to explore consumers' choices of urban wineries, as well as to examine characteristics of those consumers who chose urban wineries over other types of winery buildings. This group of consumers are likely to represent a target market for urban wineries, thus the profile of this consumer base offers valuable insights for the industry. Despite its innovative approach, the major limitation of the current study is that it was grounded in a simulated experiment. While it offers comparison results for five different types of winery buildings (which would be impossible to test in the real-life environment), consumers who chose urban wineries on a computer screen may differ from those who actually visit urban wineries. To offer better understanding of urban winery target market, future research needs to be conducted with real urban wineries' visitors. A survey replicating measures of consumer characteristics used in the current study would yield a more comprehensive profile of urban winery visitors.

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WINE TRAILS IN THE CZECH REPUBLIC

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Abstract
The development of wine tourism has helped to create a completely new structure of wine trails. Significant assumptions were made in the region of South Moravia in the southeastern part of the Czech Republic.
The main research objective of this paper was to define and evaluate the benefits of establishing and developing wine trails for wine-growers and wine producers. To achieve the objective, it was necessary to analyze the degree of incorporation of the program wine trails in the marketing mix of companies, also compare similar programs in neighboring countries. The main results include the finding that customers often visiting winemakers and the wine trails increased orders after visits. A separate and rather important fact is the increased motivation to start new businesses providing tourism services which lead to longer stays in the region. For the development of the entire wine sector is also linked to the need to create new jobs directly in the industry, but also multiplier effects of related industry suppliers, as well as in tourism.
The dynamic development of the wine category, major changes in Czech market and consumer demand are the main causes for the formation of associations of small and medium-sized wineries. The application of the results of research was a plan for the establishment of new alliance – wine cluster, where is potential co-operation between associations VOC appellation and other entities involving suppliers, customers, research institutions and universities.

Keywords: partnership, start new businesses, Wine Tourism, wine trails, Wine Cluster

INTRODUCTION

The Velvet Revolution marks the period of political change in Czechoslovakia in November and December 1989, which led to the fall of the communist regime and the transformation of the political establishment into pluralist democracy. Wine production before the Velvet revolution (before the 1990´s) in the Czechoslovakia was focused on quantity and not to allow the development of related industries such as wine tourism. The whole wine sector subsequently recorded a very slow development of a quantitative orientation towards production quality and focusing on originality associated with varietal uniqueness. Projects to promote wine tourism and the systematic development of large wine trails were yet to follow - at the beginning of the new millennium.
The permanent trend of development and market growth were the starting potential for the creation of a completely new system of wine trails in Moravia region. Wine production area is mainly located in this southeast part of the Czech Republic, with 96% of Czech wineries. South Moravia is a traditional wine-growing region. Wine production and the associated culture, next to the natural and historical attractions, is one of the main attractions for visiting this region. Tourism and the service sector in general have progressively grown in recent years. Winery, wine and wine tourism are the flagships of South Moravia.
The research project follows the development of the regional associations of small and medium-sized wineries cooperating in system for appellations *Vína Originální Certifikace* (VOC) – in English translation named Wine of Original Certification. There are successful forms of wine tourism cooperation in wine clusters -in the world, which can serve as a source of inspiration for the growing cluster initiatives in the Czech Republic.
The Moravian Wine Trails project started with the activities of a Partnership Foundation and for the first time clearly determined the concept of wine tourism and specifically identified the need for infrastructure. When we analyzed the starting process of the management of the project

we could find distinct "modules" that could be implemented gradually and separately, without losing functionality and threatened the possibility of other implemented modules.

There were mainly four modules in the beginning of the project: MODULE A - the network of cycle paths:

- A total plan of 11 routes connected in a network of 10 regional trails,
- one main backbone trail with a total length 1200 km;

MODULE B - the development of services for cycling;
MODULE C - creating a product complex wine tourism with various packages and components of wine tourism;
MODULE D - marketing promotion, public relation, CRM – customer relationship management.

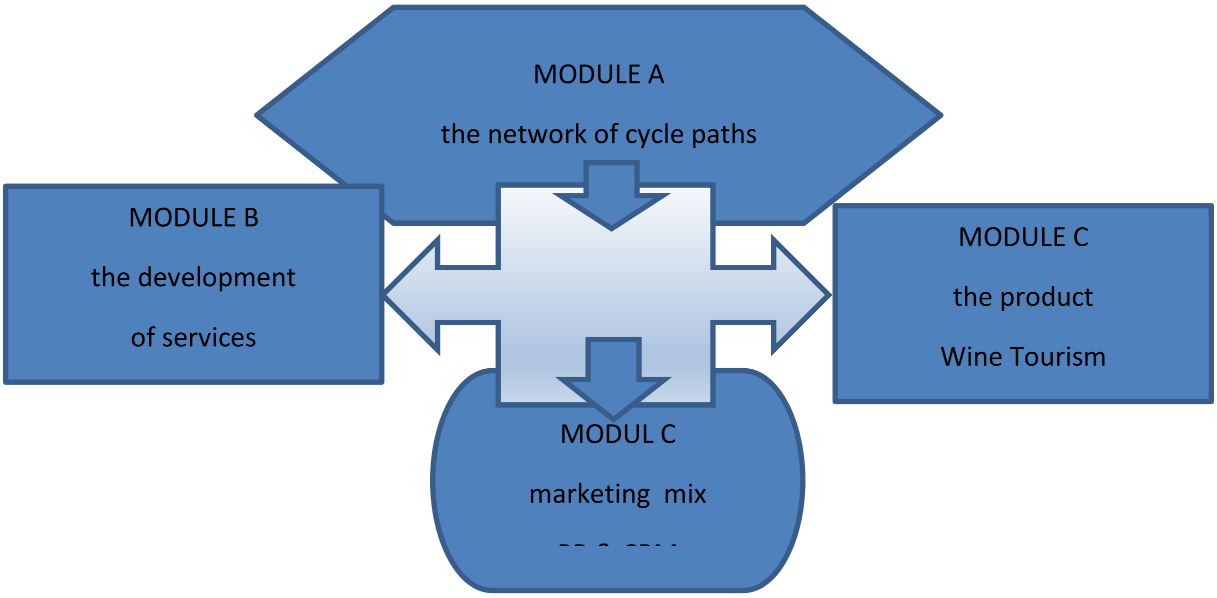

Figure 1: a flowchart of the Moravian Wine Route project

There was in terms of methodology procedures that were surprising, such as the first of the modules implemented was the marketing promotion of trails. So Moravian Wine Trails map was published in the year 2000, or a year before showing the first tracks in the field and three years before the completion of the entire network of trails in the country.
The author team of project's services and marketing tools for its development,
with great vision and ambition, proposed the creation of a network of cycle paths,
linking all major wine-growing villages. The area of project was covering location of vineyards and monuments in the South Moravian region, and extending it to the most eastern part of the Czech Republic on border with Slovakia republic neighboring wine regions. Even the creation of regional tourist products were ahead of their time in 1998, when there were previously regional associations of municipalities. The creation of regional association of all wine producing villages, totally 310, was responded to the demand for cooperation on the very first foundations of wine tourism in villages with farmers, at that time mostly hidden behind only the curtain of the gray economy.
The segment of regional economy - wine tourism - is now in dynamic development and it is certainly not true that tourists come for winemakers only on so-called "wine cellar evenings". Tourists as wine lovers are also interested in the possibility of tours vineyards, to work in the vineyards, and gain training in the production of wine in the cellar.
The research project follows the development of the regional associations of small and medium-sized wineries cooperating in system for appellations *Vína Originální Certifikace* (VOC) – in

English translation Wine of Original Certification. There are successful forms of wine tourism cooperation in wine clusters - in the world, which can serve as a source of inspiration for the growing cluster initiatives in the Czech Republic.

Cooperation in regional associations, which leads to the creation of new offer of services include wine tourism is strategic business decision, leading to a strengthening effect on the negotiating dynamics in the industry. As stated by Porter (2007) the reason why companies are successful or are falling, the question is in the center of strategy. Porter (1990) was the first in their work using the concept of cluster in the context of wine production, namely on the basis of research work related to wine producers in California, specifically in the Napa and Sonoma Valley. Until the sixties of the twentieth century, wine producers in California are focused on the production of brandy and dessert wines. Big changes were subsequently conducted with transformation how the relationship between vine growers and wine producers, as well as relations between the wine producers themselves in order to improve production quality. There was started a regional research activities to study winemaking. Before wine from California in the eighties of the last century broke on the export to all over the world, wine production has undergone great development in quality and quantity. This development has attracted some new producers to enter into this industry and also caused the development of other related industries such as wine tourism.

Furthermore research of clusters uniting producers of vine and wine published by Müller and Summer (2005). Formation of wine cluster in New Zealand is researched by Dana and Winstone (2008), in the South Africa by Davidson (2009) and in Chile by Visser (2004).

Australian wine is now at the forefront of a changing global wine market with a tradition dedicated to intensive research and innovation. The success of the organization and development of the Australian viticulture and winemaking, as the literary sources suggest, is currently associated with that cluster. Development of Australian wine industry describes Beeston (1994). Ditter (2005) even uses the entire walkthrough of the rapid development of Australian winery concept of meta-cluster or super-cluster. Australia is too large, so there can be not only one cluster of wine producers, but wine industry as a whole has successfully cooperated with a common strategy for the sole purpose of export-quality wines. Aylward (2008) describe the differences in the two types of Australian wine cluster. South Australian Cluster, which can be described as innovative and organizational type cluster in Victoria and New South Wales.

Ditter (2005) indicates that the impact of globalization in the wine category in the nineties meant a major crisis for the traditional model of production and labeling wines based on the guarantee of origin (AOC). These wines have a high added value in a typical product in limited quantities through a combination of a defined area of origin, the so-called terroir and yield, which is due to restrictive requirements and regulations. On the other hand, French wine growers face competition from New World wine, the model simply by marking the most preferred varieties, and only the zone or country of origin. Their model of production and trade is based on a combination of industrialized mass production and intensive marketing of relatively standardized products that are very identifiable. Bélis-Bergouignan *et al*. (2010) indicates that wine cluster initiatives in France revived in 2009, but already the main focus of cooperation towards the cluster's potential research and development, based on the experience and inspiration taken from the countries of the new wine world.

There are also publishing researchers in the Czech Republic, who engaged in the initiatives of local and regional farmers which joint together to market, e.g. Lošťák, Kučerová, Zagata (2006).

Place-based marketing and cooperation winemakers appears frequently in publications from Mitchell and Hall (2006, 2012). The institutional theory and resource based-theory of clusters in wine tourism industry researched also Grimstad (2011).

Material and Methods

To achieve the objectives of the study and an overview of the target market segments requires analysis of the behaviour of consumers and providers of wine tourism, which was done by the method of marketing research. For primary data collection, a system was used from the RELA (Research Laboratory), which was created in collaboration with the Institute of Trade and Marketing, Faculty of Business and Economics, Mendel University in Brno. Primary data was collected on the basis of marketing research through a questionnaire survey and were then processed by MS Excel and Statistica. Results are presented in the form of tables and graphs.
Service providers in wine tourism were mailed questionnaires electronically. The source directory of certified equipment was provided by the National Wine Centre. Of the 701 facilities for providers of wine tourism in the wine region of Moravia 674 providers responded. Of the 2,400 approached tourists - wine tourism consumers – 873 responded to the questionnaires. Questionnaires were distributed to consumer in the form of a interviewer-administered survey and electronically by e-mail. Visitors to the Wine Salon Collection of the Czech Republic were motivated to receive a voucher for the next entrance to the exhibition free of charge. Research on consumers focused on finding the perceptions of consumers on the concept of wine tourism.
In order to identify multiplying effects of wine tourism clusters we used the following macro-analytical tool that recommends Porter (1998):

$$\textit{Localization quotient}\ (\mathrm{LQ}) = \frac{x/X}{y/Y}$$

LQ - location quotient of employment in the region
x – the number of employees working in the sector in the region
X – total number of employees in the region
y – the number of employees working in the sector in the state
Y – total number of employees in the state.
Potential for regional clusters is where there are groups of related industries with LQ greater than 1.

To achieve the goals of this research a concentration quotient was designed, which indicates the proportion of vineyards in the region and the total area of vineyards. This concentration factor is calculated for the association of VOCs in the Czech Republic.

$$\textit{Concentration quotient}\ (\mathrm{CQ}) = \frac{a/A}{b/B}$$

CQ – concentration factor area of vineyards in the region / in a certain area for the establishment of an association of wine growers or cluster
a – the number of vineyards in the region certified by the association rules (ha
A – total number of vineyards across the region (ha)
b – the number of vineyards of the all associations (ha)
B – the total area of vineyards in the country (ha).

Sources of secondary data were obtained from The National Wine Centre, Valtice; Wine Fund of the Czech Republic; Confederation of Commerce and Tourism; Association of hotels and restaurants; CzechTourism; Tourist information centers in South Moravia region; and Destination Agencies of the tourist areas.

Results and Discussion

For further research, it was important to make a categorization of events and services. Based on Wine Tourism definition (HALL & MITCHELL, 2012) were created individual criteria and event design categorizations – the type of markets, festivals, wine tasting with typical local products and special oenogastronomy menus. Selection of current events is conducted with the aim to create an overall picture of "gastronomic and viticultural peculiarity" of the region of South Moravia.

Selected events meet the priority criteria:

- The focus thematic event for wine and regional products, gastronomic specialty products.
- Regional growers, breeders, farmers.
- Gastronomic specialties with traditional recipes.
- Regional character, to products originating in the region South Moravia respectively, with an overlap in neighboring regions while respecting the wine region Moravia.

An evaluation of the satisfaction of wine tourism providers with the support and promotion of wine tourism implies a prevailing opinion on the adequacy of support to providers of wine tourism. A majority of the respondents, namely 55%, considered the promotion of the wine tourism in the Czech Republic as sufficient, or rather sufficient. On the contrary, it was evaluated as totally inadequate by 10% of respondents. 35% of respondents believe that wine tourism has rather insufficient support. We can say that the prevailing rating of support for wine tourism is positive, but positive assessment does not exceed the rating too negatively. The proposals to improve support to providers primarily suggested more advertising on the Internet and on television and the staging of more wine events. Many providers would welcome further tax cuts and the cutting of red tape. In the field, wine tourism providers suggest more support from the various regions and cities. They would welcome the issuing of maps, information brochures, information centers and improve the functioning of wine labels with relevant information, which informed about the possibilities and especially the specific wine tourism providers in the area. Importance for the development of wine tourism, according to providers, also required improved transport infrastructure in the regions, particularly road repairs to lower class roads, and also a greater number of car parks and rest areas in the region. Other proposals concerned the involvement of travel agencies and tourist authorities, like Czech Tourism, which should further promote the wine tourism drive market.

CATEGORY OF EVENTS IN TERMS OF THE OBJECTIVES OF THE STUDY		
No.	**NAME**	**Includes database of**
1	**Festival, Celebration**	wine festival, traditional fest, folklore feast
2	**Tasting, Competition**	wine tasting competition, contest, exhibition
3	**Fair Markets**	markets, sales presentations and contracts
4	**Courses, Seminars**	courses, workshops, lectures
5	**Gastrofestival**	gastronomic festival, special menu
6	**Adventure tour**	tour packages
7	**Other events**	other events, sports and wine, art and wine, etc.

Table 2: Category of events (Prokeš, 2017)

Wine tourism in region South Moravia includes a variety of services. The main identified the following forms:

- Winery – offers sales of own production of wine directly from the cellar or store and also provides insight into the production of wine or a vineyard, or offering tastings of the wines, winery owners are provider,
- Wine Cellars – provide seating in a basement suite and offers sales and tasting own and foreign production, tasting, cold food security and supporting programs (music, etc.),
- **W**ine Shop – offering cask and bottled wine mostly from Czech manufacturers and also provide information about our wines, wineries and wine tourism on and allow tasting of wines offered,
- **Wine** Restaurant – concept offers a range of prepared dishes in addition also a wide selection of wines in the wine list offer both domestic production and both the glass bottle and by the glass as well, also offers a recommendation of suitable wines with delicate dishes,
- Wine Bar – in their offer you can find a wide range of wines in bottles produkcejak home, as well as by the glass, with light refreshments,
- **A**ccommodation with Wine Theme - accommodation in a city or in the countryside, which are related to any of the previous categories, the operator also offers information on wine tourism and attractions,
- Wine Trails – both serve to connect major wine regions and individual wine tourism facilities, are interested in active sports and wine, also plays the role of nature trails, because they provide information about the area or the wineries and vineyards,
- Wine Harvest Feast – are held in cities, which is located in the wine-growing regions and at the same time are somehow associated with wine (Znojmo, Mikulov, Velké Pavlovice, etc.),
- Wine Exhibitions – exhibitions wines are usually associated with the best tasting and evaluating samples,
- Exposure Wineries and Museums – inform about the history of winemaking and viticulture, as well as the processing of grapes and wine production
- Training, Seminars, Courses – they are intended for the general public and professionals, this is an example of different tasting and sommelier courses
- Wine Wellness – are relatively new and progressive; include not only accommodation and a relaxing wine tasting procedures associated with wine, or its intermediates (eg, regenerating guilty massage, champagne bath, peeling of the pellet grape and others).

The above services will be followed by others which are not directly service designed exclusively for wine tourism, but can also serve its consumers. For example it is possible to rent bicycles or their storage and transportation. Is not only tourists who want to go on a tour of the wine trails, but others who have different objectives. They're also the possibility to visit historical and cultural sites in the area and related information services. These are main destination for tourists, but for wine tourism may serve as an accompanying program. Likewise, national parks, protected landscape areas and natural attractions are indeed independent tourist destination, but the wine tourism can serve as additional services. Another group of supplementary services are the activities in the area - golf, tennis, windsurfing, fishing, water sports and more.

Evaluation of Satisfaction wine tourism providers with the support and promotion of wine tourism implies a prevailing opinion on the adequacy of support providers wine tourism. A majority of the respondents, namely 55% of the promotion of the wine tourism in the Czech Republic as sufficient, or rather sufficient. On the contrary, as totally inadequate by 10% of respondents assessed. 35% of respondents believe that wine tourism rather insufficient support. We can say that the prevailing positive rating support wine tourism, but positive assessment

does not exceed the rating too negative.
The proposals to improve support providers primarily suggested more advertising on the Internet and on television. Also suggested holding more wine events. Would welcome further tax cuts and cut red tape. In the field of wine tourism providers suggest more support from the various regions and cities. They would welcome the issue of maps, information brochures, information centers and improve the functioning of signs in the wine, which informed about the possibilities and especially the specific wine tourism providers in the area. Importance for the development of wine tourism, according to providers also improve transport infrastructure in the regions, particularly road repairs lower classes, and also a greater number of car parks and rest areas in the region. Other proposals concerned the involvement of travel agencies and tourist authorities CzechTourism, which should further promote wine tourism driveway.
Figure No.1 documents which form of promotion of wine tourism providers welcome. The most preferred form of advertising on television and internet advertising. You would like to see almost 72% of respondents. Next in line is advertising in the press, would prefer that 54% of respondents. Followed by outdoor advertising, which would be welcomed by almost 35% and radio advertising with 30%. Alternative media, such as city light displays, benches and public transport stops, elected by 28% of respondents. Another form of promotion suggested 13% of respondents.

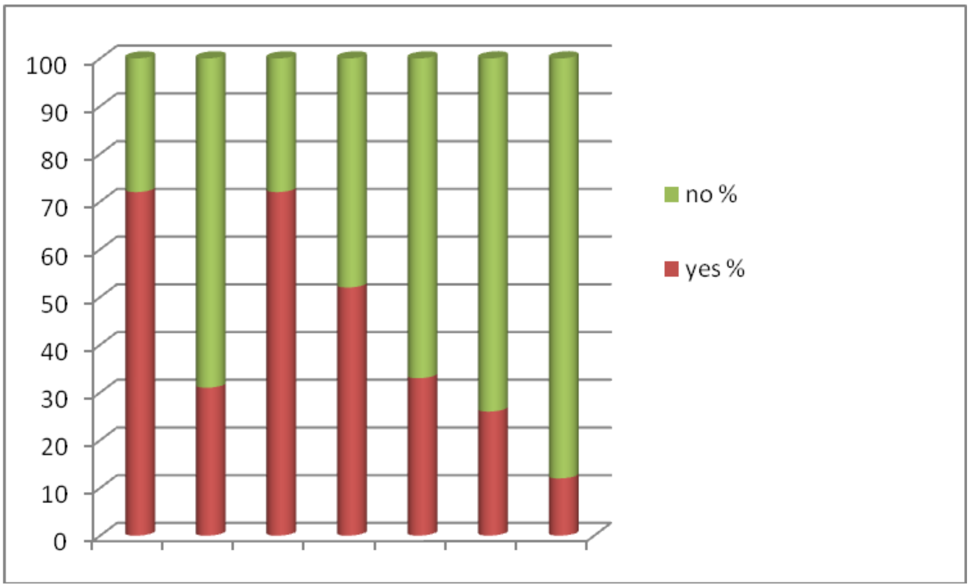

Figure 2: Preferred forms of Wine Tourism Promotion, (Prokeš, 2017)

Providers often suggested cooperation between the National Wine Centre Wine Fund and with travel agents. They would welcome the creation of packages consisting of offering more certified equipment and also to travel agencies more focused on mediating domestic and wine tourism driveway and not on the exit wine tourism. With this and other proposals related to Tourism focused more on the region of South Moravia and wine tourism.
Another common theme was greater collaboration among the various actors in the region. And while uniform treatment of wine tourism in the regions. Not only within the region but generally the entire southern Moravia providers should welcome greater mutual awareness of the organized events. It seems reason to avoid collision terms and consumers can visit more actions. In addition, providers should welcome more wine fairs and exhibitions in the Czech Republic and also more options common presentation of Moravian and Czech wines abroad. Providers also mentioned the possibility of using "smart phones" via mobile applications related to wine tourism.
Research at consumers focused on finding the perceptions of consumers on the concept of wine tourism. Responses are divided into 14 categories (Tab. II).

CATEGORICAL RESPONSES	SHARE ANSWERS
Trip or travelling for wine	13.11 %
Wine Tasting	3.28 %
Cycling	9.84 %
Tasting together with trip in the vineyards in South Moravia	16.39 %
Grape Harvest Feast	4.10 %
Walk or Cycle along South Moravia	13.11 %
Training and Tasting of Wine Production	3.28 %
Walking through the vineyards and the cellars	9.02 %
Wine Routes Trails and Wine Cellars	2.46 %
Hiking through Wine regions and exploring new places	6.56 %
Program for overnight in wine cellar	9.02 %
Wine Event	0.82 %
Wine Events, visit wineries, cycling	2.46 %
I do not know	6.56 %

Table 2: Category of wine tourism, an idea on what wine tourism (Prokeš, 2017)

wine tasting combined with a stroll through the vineyards in South Moravia. Fewest respondents that concept associated with a specific wine events. In addition, respondents often associate this term with the term "trip or traveling for wine," or have it linked to journey by bike or on foot along the southern Moravia. With cycling to wine tourism combines 9.84%. Hiking through the vineyards and the cellars imagines 9.02% and the same number is associated with this term vision of the program with sleeping for wine cellar. Hiking in the wine-growing regions and exploring new places (without wine consumption) conceives of 6.56% of the respondents. Similarly, 6.56% of respondents did not know what to imagine under this term. Less frequent responses were then vintage tasting and demonstration of production and wine trails and wine cellars. And overall the most comprehensive list, a wine events, visit wine equipment, cycling, imagine just 2.46% of the respondents.

Source of information on wine tourism is mapped according to research carried out in the picture No.7. Most, nearly 60 % of respondents, the wine tourism learned from the Internet. Another major source of respondents were familiar. Since then learned about wine tourism 48,36 % of respondents. The press and television learned about wine tourism 18,85 %, from family members and from 7,38 % 6,56 % radio. From other sources for wine tourism learned of 7.38% of the respondents

Categorized share answers	Rate
On the internet	69.67 %
At winemakers	3.28 %
Tourist information centre	4.10 %
In newspapers and magazines	1.64 %
In wine villages and wine-town	8.20 %
Wine Trail around	2.46 %
For relatives	6.56 %
official web sites	1.64 %
I do not know	2.46 %

Table 3: The source of information for orientation in wine tourism, (Prokeš, 2017)

Based on the results of the calculation of the coefficients for the determination of the potential for establishing a cluster and the objective situation in the European market in wine was established design of the cluster, which will be based on the principle of integrated VOC three regions (Pavlovice, Mikulov, Znojmo) with CE South Moravia. The proposed cluster has high coefficients of LQ and CQ (Tab. IV). Due to the relatively high concentration of production resources has potential for competitiveness and clear identification of consumers in the domestic market, and also by Slovak wine market in Central Europe. The scope of activities in the first phase, coordination of services recommended wine tourism in Southern Moravia.

Wine Region	**LQ**	**CQ**
VOC Znojmo	1.02	1.51
VOC Modré Hory	1.30	2.46
South Moravia	2.26	2.81

Figure 3: Localisation (LQ) and Concentartions Quotients (CQ) VOC, (Prokeš, 2017)

Conclusion

Based on the results it can be concluded that the interprofessional association VOC Czech Republic meets the conditions for a cluster. Localization quotient was calculated on the value well above the minimum value. A new alliance of wine producers of VOCs in the Czech Republic also has a concentration quotient larger than a minimum value, and thus fulfills the opportunity for the formation of the cluster. The plan to create a wine cluster was proposed to establish cooperation between the newly emerging associations of VOC at three sub-regions of South Moravia, in order to achieve competitive advantage in wine tourism.
This paper analyses the potential for wine tourism development and creating a plan for newly formed strategic alliances coordinating services offerings acros all wineries in the region. This study describes the potential to offer services and products of the wine growing areas in the South Moravia region in the southeast part of the Czech Republic, suitable for promotional offers of wine tourism destinations and services. To achieve the objective of the paper a marketing research data collection and mapping current events and activities was conducted, in the wine-growing region of Moravia, promoting or offering specific local products and services associated with gastronomy and wine. Based on the results it can be concluded that the interprofessional association VOC Czech Republic meets the conditions for a cluster. The plan to create a wine tourism cluster was proposed to establish cooperation between the newly emerging associations of VOC appellation at three sub-regions of South Moravia, in order to achieve competitive advantage.

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HAWKES BAY WINE AUCTION: HISTORY, MOTIVATIONS AND BENEFITS

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Abstract

Introduction
This research examined the history of the annual Hawkes Bay Wine Auction in New Zealand, and identified the motivations of those involved, as well as the benefits gained. The Hawkes Bay Wine Auction is the oldest and most prestigious charity wine auction held in New Zealand. Charity wine auctions are held in many other wine producing areas around the world (e.g. the Hospices de Beaune in Burgundy, Auction Napa Valley in California, iSalud! Pinot Noir Auction in Oregon, and Tres Bonne Annee in Pennsylvania). Despite these, and many other charity wine auctions, these events have received no attention in academic literature. The limited literature about charity auctions (not specific to wine) has focused on the behaviour of bidders (Elfenbein & McManus, 2010; Haruvy & Popkowski Leszczyc, 2009; Popkowski et al., 2015), or the effectiveness of auction formats (Carpenter, Holmes & Turner, 2008; Schram & Onderstal, 2009).

Method
A case study method was adopted in order to examine the motivations and benefits of various entities involved in the Hawkes Bay Wine Auction. A semi-structured interview technique was used to obtain qualitative data from respondents involved in the auction. The interviews took place at the respondents' place of business in May 2018; these were recorded and transcribed verbatim prior to thematic analysis. Interviewees included:

- Owners or senior employees of nine Hawkes Bay wineries
- Members of the auction organising committee

Results and Discussion
In terms of history, the auction started in 1991 and provides financial support for the Cranford Hospice. Cranford is the only hospice caring for terminally-ill patients in the Hawkes Bay region. The auction raised $202,000 in 2017, bringing the total amount raised for the Hospice to $3 million over the past 27 years. The auction has grown since its inception in terms of the number of donating wineries and the proceeds raised. The Cranford Hospice is the sole beneficiary; they were chosen partly because of the historic link between wine regions and hospices. Many of the wine lots are unique in some way and not available through retailers; these include one-off blends, large-format bottles, unusual packaging, or the inclusion of a winery experience. The auction format has changed from a formal black-tie dinner to a pre-auction tasting with canapés event. Tickets sell out every year, and many bidders also regularly return. Recently, the auction has seen a growth in the number of corporate or syndicate bidding. Another change is the emergence of sponsor partnerships and associated business networking events held by the auction organisers.

In terms of motivations, the aims of the original auction organisers were to: (1) promote the premium wines from the Hawkes Bay region, and (2) give back to the local community. The motivations of winery donors were found to be grouped into (1) altruistic, (2) strategic and (3)

collaborative categories. Many talked of "giving back" and "helping others", but "promotion" and "advertising" were also mentioned, as was being part of an industry-wide collaboration.

Finally, there were mixed results in terms of benefits. Many wineries did promote their support for the auction, but most did not have a planned communication strategy. Some thought that auction participation may impact indirectly on future sales. They believed they gained a "heightened profile" and "awareness of brand", and some noted that participation had a positive effect on employee morale. They also noted that working with other wineries was a benefit, with comments such as "nice to be part of the community". Respondents believed the auction brought positive benefits to the wine region as a whole.

Conclusions

This examination of the history, motivations and benefits relating to the Hawkes Bay Wine Auction may provide useful information for other wine regions that are considering holding a similar annual event for charity. In particular, collaboration amongst those who are normally competitors is identified as a motivation and a benefit for participants. Whilst the Hospice is clearly benefiting financially, further research would be needed to understand if the original aim of promoting the Hawkes Bay wine region is being achieved.

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GRAPE SUPPLY RELATIONSHIPS IN NEW ZEALAND: A MULTI-THEORETICAL VIEW

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Keywords: Grape Supply, Contracts, New Zealand, Transaction Cost

Abstract
Purpose: Managing the grape grower/winery supply relationship is one of the most critical exchanges in the wine industry. To understand these relationships, Transaction Cost Economics (TCE) is often used as a key theoretical approach that assumes contracts are characterised by bounded rationality and opportunism. To complemented TCE, this paper employs a multi-theoretical approach that is better suited to examine the nuance of these socio-economic exchanges. Thus, we examine the rationale for grape supply arrangements and argue that the effectiveness of the state's legal system could be the primary explanation for the ubiquitous use of contracts within the wine industry.

Design/methodology/approach: Through a mail survey of 116 New Zealand wineries and employing multiple regression, this study investigates why contracts are still widely used to coordinate grape supply relationships.

Findings: The study found that New Zealand's reasonably effective legal system promotes the use of contracts, trust and incentives. We also found moderate support for the legal system in promoting the use of the spot market, while our contention that an effective legal system discourages vertical integration was also supported.

1. Introduction

There are a number of factors that impact a consumer's value perception of wine, and the quality of the input grapes is certainly one of these (Smith & Whigham, 1999). As noted by Wilson and Goddard (2004), one of the most important inter-firm buyer-seller relationship in the wine industry exists between the grape grower and wine producer. However, an enduring challenge is that of achieving close coordination of the various members of the supply chain who are all sovereign entities in their own right. This is a particularly relevant problem for our grape grower/winery relationships. As such, in the quest to efficiently do business and safeguard these exchange relationships against opportunism, firms establish governance structures that link firms together in an array of complex inter-firm sourcing arrangements.

A number of theoretical perspectives have been advanced in the literature to explain how governance structures in buyer/seller relationships are determined (Gwynne, 2008; Williamson, 1979). One of the primary perspectives is the Transaction Cost Economics (TCE) theory of Williamson (Williamson, 1981, 1991). This theory assumes that exchange partners act with bounded rationality and tend to behave opportunistically. These tendencies are tied to three characteristics of exchange; asset specificity, market uncertainty and frequency of the exchange (see Williamson, 1979; also Williamson, 1985; 2008 for the tenets of TCE). TCE argues that due to bounded rationality and the fact that it is impossible to anticipate and contract for every possible contingency, all contracts are said to be 'incomplete' (Williamson, 1971).

Further, inter-firm exchanges take place in a market place that is itself governed by the legal system of the host country. Hence, the efficacy of the host country's legal system and its impact on exchange governance mechanisms is of particular relevance, but actually little studied in literature. We argue that the effectiveness of a states' legal system could be a primary explanation for the on-going ubiquitous use of contracts as a prime exchange mechanism. Indeed, the World Bank (2010) publishes data on the effectiveness of the legal systems of 183 countries and their contracting relationships (Gwynne, 2008). The legal system facilitates exchange among anonymous individuals and firms by providing impartial and predictable enforcement of contracts (Kahkonen & Meagher, 1997).

The link between grape growers and wineries seems to be a good candidate to apply and test the principles of TCE and other theoretical approaches. This is so because asset specificity is common within the wine industry, and the relationship between grape growers and wineries is usually prone to uncertainty (Hayward & Lewis, 2008). As such, this current research focuses primarily on contract use within the wine industry, particularly between grape growers and wineries (Somogyi, Gyau, Li, & Bruwer, 2010). Hence, the current study seeks to investigate the relationship between the perception of the effectiveness of the state's legal system and governance structures used whilst controlling for other factors that were identified in previous research as predictors of governance structures. As the World Bank (2010) has ranked New Zealand's legal system as number 10 overall, the basic premise of the current study is that a strong effective legal system is associated with governance modes that emphasis security of contract. Thus, the widespread use of 'incomplete' contracts within the wine industry can be explained.

2. Literature Review

TCE makes two main assumptions about actor behaviour: bounded rationality and opportunism (Williamson, 1985). Bounded rationality means that exchange partners can not anticipate future contingencies as they design their exchange agreement. This could expose one exchange partner to the opportunistic tendencies of the other partner who may wish to re-negotiate the agreement as the future unfolds. Opportunism is defined as self-seeking with guile (Williamson, 1981) and implies that given the opportunity, actors will take advantage of their trading partner's vulnerability whenever they can, particularly when asset specificity or uncertainty is high.

In Williamson's view (1985) a strong legal system creates an attractive environment by making provisions for future contingencies and legally enforceable sanctions to discourage opportunistic behaviour. Interestingly, studies that investigated the influence of the legal environment on governance modes are rather few. Du, Lu and Tao (2010) investigated the relationship between the quality of contracting institutions and vertical integration across various cities in China. They found that weaker contracting institutions cause firms to be more vertically integrated. In addition, Ma, Qu and Zhang (2010) used data from 28 developing countries to investigate how judicial quality affects firm exports through relationship specific investments. They found that sound contract enforcement and a good quality legal system significantly encourage export performance of firms that have to invest in relationship specific investments. We argue that assessing the effect of the legal system on TCE governance mechanisms is currently underdeveloped in literature.

Applying the principles of TCE to the wine industry, vertical integration between grape growers and wineries would be expected to be a prevalent practice within the wine industry. However, findings from previous research indicate that contracts are still widely used to coordinate exchange relationships within the wine industry (D'Silva, Uli, & Samah, 2009; Dawes, Murota, Jera, Masara, & Sola, 2009; Goodhue, Heien, Lee, & Summer, 2003). Further, Fraser (2005) found that 85 per cent of growers in Australia had written contracts and 15 per cent had oral or handshake normative agreements with wineries; while Goodhue *et al.,* (2003) reported that 90 per cent of grape supply is contracted by the California wineries. Furthermore, reviews of TCE empirical studies (Carter & Hodgson, 2006; David & Shin-Kap, 2004) also found that despite contract incompleteness, asset specificity does not always lead to vertical control. This raises the question of why the use of contracts within wine supply chains is still prevalent while these chains are likely to be characterised by high asset specificity and high uncertainty?

Indeed, wine production requires large capital investments including an insulated hot room for control of secondary ferments, bottling hall with bottling line, a warehouse, crushers, fermenting and storage tanks, cooling plant and other valuable equipment (New Zealand Wine Company, 2007). Those expenditures represent physical asset specificity. Wine making also requires knowledgeable experience and specialist skills in grape processing, control of the fermentation process, and bottling (Bigsby, Trought, Lambe, & Bicknell, 1998), which represent human asset specificity. Further, when studying the determinants of make / buy decisions by wineries, distance between the vineyard and the winery, soil quality, sun exposure, and the climate are often considered (Fernandez-Olmos, Rosell-Martinez, & Espitia-Escuer, 2009), and these represent site asset specificity. Moreover, Hayward and Lewis (2008) acknowledge the importance of grape production practices in influencing the quality of the grapes. They point out that vineyard management decisions (site selection, vine spacing, monitoring fruit development, selecting varieties, removing bunches, thinning and other practices) are important for the production of good quality grapes. These are all measures that the wine producer may seek to invest in.

Additionally, Smith and Whigham (1999) argue that it is widely recognised within the wine industry that the less grapes harvested per hectare, the better the quality of the grapes. An opportunistic grower may decide to produce larger volumes of grapes per hectare at the expense of quality, and sell the grapes at the price of good quality grapes. The potential for such opportunistic behaviour needs to be mitigated when designing the exchange agreement (governance mechanism) between grape growers and wineries. However, due to bounded rationality, it is impossible to anticipate all possible grower behaviour that may compromise the quality of wine and lock the wine maker into this exchange relationship *ex ante*. Furthermore, uncertainty within the grower-winery relationship may arise due to many factors including climatic conditions or biological threats. It should also be remembered that the wineries can also behave opportunistically as well – there are always two sides to an exchange (Steiner, 2011). Nevertheless, despite the likelihood of opportunistic behaviours within the wine industry, contracts are still commonly used to coordinate exchange relationships.

2.1 Complementary Perspectives - Agency and Relational Exchange Theories

Given the limitations of TCE as a complete explanation, two other theories can be employed to help illuminate the strategies for exchange protection, and perhaps help explain the widespread use of contracts in the wine industry, these being Agency and Relational Exchange theories. Agency theory controls opportunism by designing a contract in such a way that agents are provided with incentives (outcome based contracts) not to behave opportunistically or/and monitored (behaviour based contracts) to ensure that they behave in line with the expectations of the principal (Steiner, 2011; Turner, 1994). According to the Relational Exchange theory, opportunism can be dealt with by adopting a more social orientation to doing business in which relational norms and self-enforcement of agreements would bind trading parties and hence discourage opportunistic behaviours (Macher & Richman, 2008; Podolny, 1994; Uzzi, 1997). Nevertheless, while Agency and Relational Exchange theories can be utilised to attenuate opportunistic tendencies, their ability to protect against opportunism and hence their ability to explain the ubiquitous use of contracts, nevertheless, remains limited. As for Agency theory, bounded rationality and *ex post* renegotiation of incentives and the degree of agent monitoring is always a possibility that could negatively affect the performance of the exchange. Additionally, the theory of Relational Exchange has been criticised for its assumption that collaborative actors are devoid of opportunism (Lambe, Wittman, & Spekman, 2001). Even after achieving the highest levels of relational norms, differences and conflict between partners is still possible and may expose transactions to opportunism (Yang, Zhou, & Jiang, 2010).

Furthermore, the literature has provided a number of other factors that have been found to be correlated with contract use, namely; firm size, firm age, and item criticality. For instance, Williamson (1974) argues that due to diseconomies of scale, small firms are more likely to contract or use the spot market rather than to vertically integrate. Additionally, previous studies have argued for a negative relationship between maturity of the firm and the decision to outsource (Everaert, Sarens, & Rommel, 2010; Gilley, McGee, & Rasheed, 2004). Item criticality refers to the importance the contracting firms attach to the inputs or procured items. As reported by previous research (Antia & Frazier, 2001), the less important the procured item, the more likely contractual or spot market arrangements will be employed as opposed to vertical integration. Nonetheless, the factors of firm size, firm age, and item criticality do not seem to fully explain the prevalent use of contracts within the wine industry. Consequently, there seems to be a need to search for another variable that can predict the variable of contracting and other governance structures better than the above cited theories and factors. In the current study, the effectiveness of the state's legal system is suggested as this predictor.

The legal system of a state is one of the institutions devised by society to create order, and in the economy, to reduce uncertainty in exchange (North, 1991). Legal systems establish and clarify property rights, reduce dispute resolution costs and provide exchange partners with protection against abuse (World Bank, 2010). They comprise the law of the contract and other bodies of the law that shape contractual ordering; and they also consist of the courts and procedures involved in enforcing contracts (Kahkonen & Meagher, 1997). A contract is a set of rights and obligations established between the transacting parties, but it is meaningless without a mechanism to enforce it (Alisena & Giavazzi, 2008). Any lack or weakness in contract enforcement exposes transactions to hazards, and it motivates opportunistic exchange partners as they benefit from dishonesty without any serious consequences. Hence, the state's legal system ensures contract enforcement by clarifying threat points in the contract and enforcing such threats in the event of default (World Bank, 2004). Hence, the current research argues that the exchange partners' perception of the effectiveness of the legal system is likely to shape the governance structure that governs their exchange transaction. Support for this view can be found in previous research. For example, Zhou and Poppo (2010) found a positive relationship between the perception of the legal system as credible and capable of providing added safeguards to exchange relationships and seeking legal intervention. Based on these arguments, the following hypothesis is postulated:

H_1 *The effectiveness of legal system has a positive effect on the use of contracts when controlling for incentives, monitoring, trust, firm size, firm age, and item criticality.*

In addition to investigating the effect of the legal system on the use of contracts, we also complement hypothesis 1 with two additional related hypotheses investigating the effect of the legal system on the use of spot markets and vertical integration.

As stated previously, opportunism is more likely to arise when specific investments are involved. In the absence of specific assets, the spot market is the ideal governance choice where the transaction is governed by the dynamics of supply and demand and competitive market prices (Williamson, 2002). Such an exchange would be better conceptualised as an "arms-length' relationship (Lambert *et al.,* 1996), for which the applicable legal recourse is general law (Macneil, 1978). We can see that the legal system also has a role to play in enforcing specificity-free spot market transactions. More specifically, the legal system gives assurances that opportunistic players within the spot market would be penalised (Beave & Saussier, 2010). Based on these arguments, the following hypothesis is proposed:

H_2 *The effectiveness of legal system has a positive effect on the use of spot markets when controlling for incentives, monitoring, trust, firm size, firm age, and item criticality*

With regard to vertical integration, a number of factors have been found to have a positive effect on vertical integration. Among these factors are item criticality, firm size, and firm age. For example, Fernandez-Olmos, Rosell-Martinez and Espitia-Escuer (2008) found that wineries producing wine for the premium market are more likely to internalise the grape production process to ensure that the grapes used are of high quality. Additionally, Larger firms are more likely to integrate as a way of reducing per unit costs (Scherer & Ross, 1990), and mature firms are more likely to integrate because they are likely to have, or more easily acquire, the resources (Everaert *et al.,* 2010). Because a strong legal system offers better protection to specific investments (Nunn, 2007), the effectiveness of the legal system was argued to be positively related to contract use. Conversely, it is also logical to argue for a negative relationship between the effectiveness of the state's legal system and vertical integration. Hence, the following hypothesis is suggested:

H_3 *The effectiveness of legal system has a negative effect on vertical integration when controlling for incentives, monitoring, firm size, firm age, and item criticality.*

In the case of vertically integrated companies, the issue of trust does not arise, nor is it applicable as relational exchange theory is concerned with transactions between two independent actors. Under relational governance, firms create close ties with their trading partner(s) and transactions are projected into the future on a repetitive basis (Macneil, 1978). This does not apply to vertically integrated companies as they have internalised transactions.

3. Method

According to Hair, Black, Babin, & Anderson, (2010) multiple regression can be used to ascertain how a number of variables simultaneously predict an outcome variable. To that end, confirmatory multiple regression analysis will be employed in the current study to test the research hypotheses. The ten variables in the study will be measured using a questionnaire. Three of these variables are outcome (dependent) variables; contracting, vertical integration, and spot markets. The remaining variables are predictor (independent) variables; legal system, incentives, monitoring, trust, firm size, firm age, and item criticality. All measures of these variables were adopted from previous studies and modified, where necessary, to suit the context of the current research. The following measures were developed from literature:

Table 1: Item Scale Sources and Measures

Dependent Variables	*Source*	*Scale*	*Cronbach Alpha*
Spot Market	D'Silva *et al.*, (2009)	Percentage of grapes sourced from each sourcing strategy	Proportion last full year
Contracting	Scales, *et al.*, (1995)		
Vertical Integration	Williamson (1979; 2002)		
Independent Variables			
Trust	Lambe *et al.*, (2001), Ring & van de Ven (1992), Kumar *et al.*, (1995)	5 point Likert	α = 0.917 (six items)
Monitoring	Fraser (2005)	5 point Likert	α = 0.913 (five items)
Incentives	Fraser (2005)	5 point Likert	α = 0.966 (three items)
Legal System	World Bank (2010)	5 point Likert	α = 0.754 (four items)
Winery Size	NZWINE (2009)	Ltrs produced pa	Ltrs produced pa
Item Critically	Antia and Frazier (2001), Fraser (2005)	5 point Likert	α = 0.838 (five items)
Firm Age	Everaert *et al.*, (2010)	Years	Number of years in operation

The questionnaire was developed by utilising the scales from literature noted in Table 1 with only slight contextualising of the items. This was then validated by thirteen researchers and academics from two universities in New Zealand and South Africa with expertise in the current research topic. Their comments were incorporated as a way of refining the questionnaire, which helped with the initial face validity of the questionnaire. Furthermore, in line with Cooper and Schindler's (2006) guidelines, the questionnaire was also emailed to fifteen wineries as a pre-testing exercise. The wineries were asked to identify any ambiguities in the questionnaire and highlight them to the researcher. Nine of the wineries responded. Moreover, five winery managers within the Canterbury region of New Zealand were personally interviewed by the researcher to further improve the face validity of the research instrument. Useful feedback was obtained and incorporated into the questionnaire.

3.1 Sample Frame – Survey

The population for this research was all the wineries in New Zealand. New Zealand was selected mainly due to the effectiveness of its legal system (World Bank, 2010), as sampling from an effective legal environment better reflects the major wine producing regions of the world. There were 683 wineries according to New Zealand Winegrowers (NZWINE, 2009), the national organisation for New Zealand's grape and wine sector. However, they could provide contacts for only 580 wineries (85%).

A mail survey was seen as the most appropriate data collection method as it allowed for wide coverage at reasonable cost. It also allowed for respondent flexibility, since respondents could fill the questionnaire when they had time (Zikmund, 2003). Further, it allowed respondents enough time to think and reflect on their responses. Accordingly, questionnaires were sent to all 580 wineries in New Zealand, effectively a population study hence making it unnecessary to standardise the beta coefficients.

To improve the response rate and data quality, the questionnaire was sent to the targeted sample alongside a pre-paid reply envelope. In addition, respondents were given the choice of whether or not to be sent the summary of the results once the research is complete. Three weeks after the initial mailing, a reminder letter was sent with a new questionnaire and a pre-paid reply envelope. The first mailing resulted in 81 usable responses, whereas 35 were completed after the reminder letter. Non-response bias was tested through the independent samples t-tests to compare means from first and second mailing responses (Pallant, 2007), and results show no significant evidence of non-response bias. A total of 116 responses were usable, representing a 20.0% response rate, and is within the expected range of mail surveys (Zikmund, 2003). Also, 18 and 20 per cent response rates are also in line with reported response rates of other wine industry surveys (Fraser, 2005; Goodhue et al., 2003), and with rates from other marketing fields (Cao, 2001; John, 1984).

4. Data analysis and Results

Reliability of the measurements was tested by calculating the Cronbach's alpha for all the summated scales, these are summarised in Table 1. All the reliability scores were above the acceptable levels of 0.70 (George & Mallery, 2009) demonstrating that the items building all the variables generally follow the same direction or 'hang' together.
The descriptive data are shown for the dependent variables in Table 2, as these variables deal with the substantive question of what coordination strategies are used by wineries in New Zealand to source grapes. The average amount of grapes sources by each strategy is also shown as a percentage of the total annual tonnage.

Table 2: Descriptive Data for the Dependent Variables and Sources of Grapes

	Dependent Variables		
Coordination strategy	**Mean**	**Std. dev.**	**Contribution to total grapes %**
Spot Market	1.181	0.387	14.435
Vertical Integration	4.362	1.058	53.319
Contract	2.638	1.050	32.245
		Total	100.00

4.1 Contracting Regression Analysis

Given the three main hypotheses, three separate multiple regressions were conducted, one for each sourcing strategy. Preliminary analyses were successful in concluding that no violation of the assumptions of normality, linearity, multicollinearity, and homoscedasticity were encountered. In the first regression model, legal system, incentives, monitoring, firm size, firm age, and item criticality were used to predict the use of contracts. The beta weights of the predictor variables are shown in Table 3.

Table 3: Multiple Regression Analysis to Predict Variance in the use of Contracting

Model 1 DV = Contracting

Variables	β	t	Sig	VIF
Constant	-3.212	-2.360		
Trust	0.280	1.883	0.062***	1.195
Monitoring	0.354	4.691	0.000*	1.081
Incentives	0.411	2.616	0.010**	1.074
Legal	0.631	1.815	0.072***	1.156
Item Critical	-0.042	-0.299	0.765	1.049
FirmSize	0.223	1.735	0.086***	1.094
FirmAge	-0.075	-0.729	0.468	1.043
$R^2 = 0.361$. F = 8.714*				

Significant at the *p < 0.001; ** p < 0.05; *** p < 0.010 levels.

As indicated by Table 2, all the predictor variables were significantly related to contract use except item criticality and firm age. The model was statistically significant (R^2= 0.361, F= 8.714, p< 0.001). The legal system was strongly and positively predictive of contracting (β= .631), which also lends support to hypothesis 1. Moreover, the legal system was the most predictive variable of contract use in the model. It is followed by incentives (β= .411), monitoring (β= .354), and trust (β= .28), which are positively associated with contract use. Firm size is the least predictive variable in the model with a moderate positive effect of (β= .223).

4.2 Spot Market Regression Analysis

In the second model, the variable of spot market was predicted by the same variables used to predict contract use (*i.e.* trust, monitoring, incentives, legal system, item criticality, firm size, and firm age). The regression coefficients between the predictor variables and the outcome variable are shown in Table 4 as follows.

Table 4: Multiple Regression Analysis to Predict Variance in the use of the Spot Market

Model 2 – DV = Spot Markets				
Variables	β	t	Sig	VIF
Constant	-0.504	-1.002	0.319	
Trust	0.307	5.600	0.000*	1.195
Monitoring	-0.014	-0.488	0.626	1.081
Incentives	-0.151	-2.604	0.011**	1.074
Legal	0.231	1.801	0.074***	1.156
Item Critical	0.011	0.217	0.829	1.049
Size	0.131	2.752	0.007**	1.094
Age-Co	0.025	0.658	0.512	1.043
$R^2 = 0.358$. F = 8.590*				
Significant at the *p < 0.001; ** p < 0.05; *** p < 0.010 levels.				

In the above regression an R^2 value of (.358) was obtained, which constitutes a strong prediction. Four predictors had significant beta weights; trust, incentives, legal system, and firm size. The positive beta weight of the legal system was (β= .231) which suggested a moderate effect on contract use. Hence, we can say the only moderate support for hypothesis 2 is found. Interestingly, the use of the Spot market in the New Zealand wine industry was primarily predicted by trust (β= .307).

4.3 Vertical Integration Regression Analysis

In the final regression model, the dependent variable of vertical integration was predicted by all the variables used in the two previous sets of models with the exclusion of trust. As vertically integrated relationships are controlled by ownership, hence inter-firm trust is irrelevant. The beta weights of the predictor variables are shown in Table 5.

Table 5: Multiple Regression Analysis to Predict Variance in Vertical Integration

Model 3 – DV = Vertical Integration				
Variables	β	t	Sig	VIF
Constant	7.314	5.173	0.000	
Monitoring	-0.044	-0.559	0.577	1.064
Incentives	-0.217	-1.330	0.186	1.033
Legal	-1.025	-2.869	0.005**	1.085
Item Critical	0.468	3.193	0.002**	1.026
Firm Size	-0.437	-3.215	0.002**	1.093
Firm Age	-0.043	-0.395	0.693	1.042
$R^2 = 0.287$. F = 7.318*				
Significant at the *p < 0.001; ** p < 0.05; *** p < 0.010 levels.				

This regression model had a significant predictive power (R^2= 0.287, F= 7.318, p< 0.001). The outcome variable was largely explained by the variable of legal system which had a negative beta weight of (-1.025) lending support to hypothesis 3. In addition to the legal system, two other variables were the most predictive in the model, these being item criticality (β= .468) and firm size (β= -.437). The following table (Table 6) summarises the mode fit statistics and hypotheses testing results.

Table 6: Summary of Model fit Statistics and Hypotheses Testing

	Sample *n* =116		
	Contracts	**Spot Market**	**Vertical Integration**
Model	1	2	3
β	-3.212	-0.504	7.314
t value	-2.360	-1.002	5.173
R^2	0.361	0.358	0.287
F value	8.714*	8.590*	7.318*
H_1 Legal system (+) Contracts	Supported		
H_2 Legal system (+) Spot mkts		Partial Support	
H_3 Legal system (–) Vertical Integration			Supported

*p < 0.01; **p < 0.05

5. Discussion

For the first regression model, predicting the variable of 'contracting' revealed results in line with what was hypothesised. Here, the legal system had the highest influence on contracting decisions. Thus, companies are likely to rely more on the efficacy of the legal system to protect transactions in a strong legal environment. Topically, this is supported by the outcome of a recent case in which Goldridge Estate Vineyards, one of New Zealand's bigger wine producers took Kakara Estate (grape grower) to the High Court in Auckland following the latter's attempt to terminate its supply contract to Goldridge owned company, Hillersen Vineyard Contracting (Krause, 2010). Goldridge sought and was granted an interim decision preventing Kakara from terminating the grape supply and vineyard management agreements (Krause, 2010). Interestingly, this appears to be a case of winery opportunism. Nevertheless, this example shows that the New Zealand legal system swiftly enforced the contract, which suggests that contracts in an effective legal environment reduces risk and uncertainty in wine supply relationships. Indeed, few studies have empirically linked the ubiquitous use of contracts with an effective legal system as the driver.

In regards to the variable of 'spot markets' (model 2), we hypothesised that the decision to buy from the spot market is positively related to the effectiveness of the legal system. However, this hypothesis was only moderately supported. This might be due to measurement errors, or the hypothesis might be incorrect, yet the regression model for spot market was significantly predictive. Future research is needed.

Alternatively, the results from the spot market model revealed that the governance mode of spot market is better predicted by the variable of trust (β= 0.307). A look at the organisational and locational structure of the wine industry may shed light on the significant effect of trust. Wineries and growers are usually members of the national winery association (NZWINE, 2009) and often associate for events and tastings. Further, given the site specificity and clustered in growing regions, the grape growers and wineries are likely to be well known to each other, and hence inter-firm exchanges become iterative in nature enduring over the longer term. This provides further evidence of the normative effects of socialisation, thus influencing TCE's contracting schema. It also highlights the important, even possibly overriding, role that trust plays in the spot market as an alternative to contracting in the wine industry.

As for vertical integration, the model shows a significant negative effect of the legal system on wineries' decisions to vertically integrate with their grape suppliers. This negative effect was strong (β= -1.025) in an effective legal environment (World Bank, 2010). This means that the need for wineries to vertically integrate is reduced when wineries themselves perceive the legal system as effective. Furthermore, the higher the importance of the grapes, the more likely wineries would integrate with grape suppliers in order to reduce risk and uncertainty. However, while the effect of item criticality on vertical integration was the second most influential (and positive) variable (β= 0.468), it was not as pronounced as the effect of the legal system. In other words, while the need for high quality grapes tends to be generally associated with vertical integration, wineries that produce high quality wine and who are operating in an effective legal environment would not find the alternative contractual arrangements as risky. Hence, this result also provides a strong rationale for the continued use of incomplete contracts in the wine industry. This is further supported by the first (contracting) model where the relationship between item criticality and contracting was found not to be significant.

One of the interesting findings of the current research is the effect of firm size on vertical integration. The third regression model revealed a negative effect of the winery size on the decision to vertically integrate. While this finding is not directly related to the core focus of the current study, it nevertheless marks a departure from previous findings that indicated a positive relationship. One explanation for this finding could be that the literature may have focused more on the economies of scale as a determinant of vertical control and paid little attention to issues of quality and the orientation of small wineries (Scales et al., 1995). Recent literature suggests that small wineries seem to concentrate on boutique wines and are therefore more likely to produce own grapes than larger wineries (Diez-Vial, 2009; Fernandez-Olmos *et al.,* 2009).

The combination of the three governance modes allowed wineries to harness the advantages offered by each of the three governance modes, perhaps even ensuring that the right balance of the governance strategies was in place. In particular, they employed vertical control so as to harness its utility when it comes to ensuring quality of grapes, security of grape supply, and an added marketing leverage. They used contractual arrangements to help them minimise costs, transfer risk and ensure geographical diversification of sources of grapes, and they used the spot market to meet unforeseen grape shortages as well as a source of wine blending grapes. The governance structures are therefore not substitutes but instead allow wineries to use a mix of the three governance strategies in combinations that allow them to achieve optimal sourcing of grapes (Wilson & Goddard, 2004).

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ANALYSIS OF GERMAN WINE CONSUMERS' PREFERENCES FOR ORGANIC VS NON-ORGANIC WINES

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Organic food has been playing a crucial role in everyday life of consumers for some years. All kinds of food stores recognised this trend and reacted to the increasing demand for organic products. The wine industry seems to be affected by this development, too. However, this raises the question of whether the wine industry is able to attract consumers with organic wines to the same extent as the meat-, dairy-, and vegetable- or fruit industry.

The literature review shows a very heterogeneous picture regarding consumer behaviour and preferences for organic wine. The main motives for buying organic food are altruistic: environmental protection and animal welfare. They are faced with a large number of purchase barriers that prevent consumers from buying organic food. Purchase barriers can be the higher price level, an inferior taste, little knowledge about and the lack of familiarity with organic food. Consumers with a strong environmental orientation show a greater willingness to buy organic wine (Brugarolas Mollá-bauzá et al. 2005; Barber et al. 2009) and are more likely to pay a price premium (Olsen et al. 2011; Zander and Janssen 2012). Consumers of organic food often do not consider buying organic wine; they rather buy the conventional alternative (Remaud et al. 2008). Furthermore, some consumers perceive wine as a natural product in general and thus do not have the same positive differentiation when buying wine as an organic alternative, as they have with other foods (Sirieix and Remaud 2010). As Lockshin and Corsi (2012) concluded, the importance of organic wine is present but strongly heterogeneous and restricted. In this study, we surveyed German wine drinkers to investigate the acceptance of organic wines, to display the differences between organic and non-organic wine drinkers and to understand the reasons, why non-organic wine drinkers chose only conventional wines.

In order to analyse the preference of wine consumers for organic wines, a representative survey of 2,000 respondents in Germany was conducted. Organic and non-organic wine consumers were analysed, compared and described in detail as well as segmented by factors as gender, age and social class.

Regarding organic products, we can conclude that more than one-third of German wine consumers frequently buy fresh fruits and vegetables with organic labels, while organic milk and dairy products have a share of 27%. Organic wine, on the other hand, is regularly being purchased by only 3% of the German wine drinkers. The analysis of consumption frequencies reveals that organic wines are still niche products. The analysis of consumption frequencies reveals that organic wines are still niche products. Merely 4% of the wine drinkers purchase organic wine at least once a month, 25% at least once a year and approximately 75% do not buy organic wine at all.

Based on these results, we assume that a certain share of the estimated total consumption of approximately 1 million hectolitres organic wines in Germany is being purchased unintentionally. This underlines the results of Corsi and Strøm, (2013) and Schmit et al. (2013) who stated that the attribute organic wine is not the key driver for buying wine.

By describing organic and non-organic wine drinkers, it became clear, that intentionally organic wine drinkers – those who purchase organic wine at least occasionally – belong to a special segment. They differ mainly in their social level, wine drinking frequency and attitude towards other organic products. The results indicate that wine consumers with higher education and higher income combined with an above average wine consumption are more likely to buy organic wines. In addition, this special segment generally has a higher intention to buy organic food which confirms the result of other studies by Brugarolas Mollá-bauzá et al. (2005), Barber et al. (2009) and Zander and Janssen (2012).

The fact, however, that the share of non-organic wine drinkers is that high (73%), is at the same time a huge chance for organic wine producers. Assuming that organic food consumption will increase in the next years, we predict that also organic wine will benefit from this positive development. Therefore, all these consumers can be defined as potential organic wine drinkers in the future, provided that the organic wine industry gets detailed information about these consumers in order to develop a communication strategy for the future since lack of knowledge seems to be the main reason for not purchasing organic wines. To deliver this information, we suggest using qualitative survey methods such as individual interviews or focus group discussions. In this way, a much broader and deeper understanding of attitudes towards organic wines and the reasons for not buying organic wines can be achieved.

WINE TOURISM IN CHILE: DRIVERS AFFECTING THE DEVELOPMENT OF WINE TOURISM AND ITS IMPACT ON PRICE

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Keywords: Wine Tourism, Chile, Price, System Dynamics

Extended Abstract (799 words)
This study focuses on identifying the key drivers, and their causal relationships, of wine tourism adoption in Chile. Charters & Ali-Knight (2002) highlight three dimensions related to customer behavior during wine tourism activities: the purpose of the visit, the general motivation of the tourist, and the connection with other tourist activities that can predict the intention to visit a vineyard.). Although such emergent mechanisms for visiting wine firm affects wine tourism adoption, some authors suggest that deliberate firm initiatives can better explain successful wine tourism adoption (Torres & Kunc, 2016). We suggest the dynamics of wine tourism adoption are driven by five drivers: word of mouth (Kunc, 2009; Aizen, 2001), product attractiveness (Kunc, 2007; Zamora & Barril, 2007), wine tourism services (Zamora & Barril, 2007), digital channels (Carlisle, Kunc, Jones, & Tiffin, 2013) and tour operators (Kunc, 2007, 2010).

The research strategy is a mixed methods approach to study the dynamics of wine tourism adoption in Chile. First, we contextualized our research in terms of the characteristics of wine tourism in Chile. Then, we compared the theoretical drivers with those identified by wine managers in five Chilean firms. We also analyze the effect of some wine tourism practices on average price and sales of 69 wine firms in 2013. We employed data from the national survey on the resources and practices of wine tourism in Chile, called "Diagnóstico del Enoturismo en Chile 2013", to complement our primary research.

Five drivers affect wine tourism adoption: word-of-mouth recommendations, product attractiveness, wine tourism services, adoption from the internet, and tour operator influence. Tour operators and wine tourism services are two critical drivers that increase the number of wine tourists, but adoption via product attractiveness has a strong influence in the long term. We also evaluate the impact of wine tourism in wine prices. Table 1 presents the results of the partial correlation analysis between the variables that affect wine tourism adoption collected in the "Diagnóstico del Enoturismo en Chile 2013" study. Overall, 69 firms had a registry of the annual visitor demand (78.2 percent of the surveyed vineyards had records of how many bottles every tourist bought during tours). We considered the global wine sales in 2013 as a measure of wine demand. We also collected data from all digital media used by the vineyards to promote wine tourism offers. Additionally, we collected the number of tours held by the vineyards in their installations, the number of official tour operators used by each vineyard, the number of languages available for the tours, and all services provided by the vineyards such as restaurant areas, picnic spaces, wine cellar visits, and the infrastructure available to tourists. The correlation analysis shows that demand is significantly correlated with all drivers affecting wine tourism adoption, as described in the literature.

Table 1. Summary statistics of the variables and correlation analysis of data collected in 2013

	Mean	Std dev	1	2	3	4	5	6	7

1	Wine Demand (USDx10^6)	172.6	27.96	1						
2	Nº Media used by wine firm	2.04	0.87	0.212***	1					
3	Nº Tour activities	3.37	1.98	0.298*	0.222	1				
4	Nº Tour operators	13.57	19.71	0.530*	0.211	0.461*	1			
5	Nº Languages in tours	3.39	0.81	0.246**	-0.101	0.319*	0.361*	1		
6	Nº of Services	5.50	1.31	0.286*	0.148	0.260**	0.261**	0.062	1	
7	Area (M2) of facilities	9.31	2.56	0.257**	0.368*	0.400*	0.437*	0.148	0.507*	1

P-Pearson coefficients. Two-tailed P-Values: *p<0.05; **p<0.01; ***p<0.001. Source: Original calculations based on data collected in 2013. Sample size: 69 firms.

Additionally, we perform a t-test to identified specific wine tourism practices that allow wine firms to increase the average price of wine bottles and it sales. The t-test considers the effects of traditional marketing and wine tourism practices on the average price per bottle and sales in our sample. Results suggest that wine firms that have award and wine tourism facilities exhibit a higher average price per bottle. In fact, the group of awarded wine firms also have higher sales. Wine firms that are within a cluster (region or valley) have higher sales.

We have contributed to the literature in a number of ways. First, tour operators and wine tourism services have the greatest influence on increasing wine tourism adoption in Chile. Second, product attractiveness, e.g. awards and cellar facilities, is a key driver that accelerates the adoption of wine tourism in Chile. Third, small wine firms may benefit from the product attractiveness generated by large firms if the product attractiveness is also associated with geographical location (cluster or valley in Chile) by locating within the same geographical area. Tour operators can increase wine tourism adoption in particular wine regions because when they operate in those wine routes, they help people know about the wine tourism activities beyond those of the large and famous wine firms.

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EXPLORING THE 'GIVE AND TAKE' IN TERRITORIAL BRANDING

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In winemaking, the importance of place is paramount and very important in the marketing of the products (Charters, Spielmann and Babin, 2017). Terroir, or a sense of place (Spielmann and Charters, 2013), gives wines their unique characteristics in terms of taste (e.g., based on the grape varieties used) but also in terms of the traditions and workmanship associated to the place where the product is made (e.g., specific production methods, such as making vin jaune in the Jura). These facets give flavor, texture and reputation to the wines, and they also make them more recognizable to consumers. Few bottles are as unique as the clavelin from the Jura, which is used to make vin jaune, and contains only 620ml (versus the 750ml standard used for most wine bottles). However, while individual brands operate within wine regions, they are often buoyed by a territorial brand (Charters and Spielmann, 2014; Spielmann and Williams, 2016). This territorial brand serves all brands within the region without actually being proprietary to any brand. The territorial brand serves as a marketing ombudsman, carefully ensuring the homogeneity of the marketing messages that are communicated about the region and its products. This means that individual brands can have their own marketing messages, but they must also include a communal message about the similarities it shares with other brands. For example, the Bourgogne Wine Board (BIVB) regulates the nomenclature used when referring to Burgundy wines, insisting that all producers speak of Bourgogne instead of Burgundy in order to "re-affirm its identity as one of the most iconic 'brands' of France" (BIVB website, 2018). The BIVB also refers to its landscapes as "climats" in order to differentiate itself from other regions. Thus, it is difficult to imagine the image of a winery without considering the image of the territory in which it operates.

The objective of this study is to uncover how individual brands, in two different wine regions (Champagne in France and Franconia in Germany), with two different types of reputation, reconcile the territorial brand within their own marketing mix. We focus on the interaction between the individual brands and the territorial brand in each of these regions in order to provide new insights into the give (i.e., the effect on the collective) and the take (i.e., the dependence on the collective) within territorial branding. We interviewed product managers and brand managers for growers, cooperatives and houses. What results is a fine-tuned analysis of coopetition between brands and the natural tendency for individual brands to feed the territorial brand.

Our first step was to contrast the collective with the firm and outline the positive and negative aspects of being in any of the quadrants. The second step was to examine in depth the brand equity implications that emerge from the interaction of the collective territorial brand and individual brand give and take. Three first order themes emerged: the influence of territorial actors in the creation/maintenance of firm image, the influence of the territorial brand on the individual firms' marketing mix, and how sense of belonging to the collective by the individual brand determines intentions to "give" to the territorial brand.

The analytical framework provided in this research leads to some interesting research implications for products that market their origins, such as wines, and provides new insights into location-bound coopetition. Our analysis emphasizes the importance of origin as a resource versus location resources (Tracey et al., 2014) in fostering alliances. We show how an important outcome of territory-based coopetition is the territorial brand. To expand on previous literature regarding compound coopetitive relationships (Ross & Robertson, 2007) our findings suggest that territorial brands can emerge as a result of partial interdependence between firms due to shared territory-specific resources. We consider the impact that the creation of territorial umbrella brands from the bottom-up rather than the top-down has on a firm's implication in the territory. We show that when the territorial brand is efficient, individual firms are more likely to give to communally raise the territorial brand and reap the benefits of resulting positive associations (Keller, 1993). Second, territorial brands are invariably non-proprietary (unless there is resource monopoly, in which case the territorial brand is a corporate brand). Rather, a territorial brand can emerge as a result of numerous firms sourcing resources from the same origin and then marketing that origin. The territorial brand is foremost upheld by the presence and activity of the firms, that are instrumental in maintaining, the image of the territorial brand. Importantly, the more firms are likely to give, the more they can take away from the territorial brand, often in the form of higher product valuation.

PRIMARY AND SECONDARY WINE TOURISM – A SEGMENTATION APPROACH

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In the last 25 years, wine tourism has played an increasingly important role in scientific research. Due to the noticeable success of wine tourism around the world, many countries have increased their focus on this lucrative market. In Europe, scientists and governments have noticed the economic significance of this sector. Some authors have contributed profoundly to the understanding of wine tourism in Germany. However, there is still a lack of research into who the tourists in German wine regions really are. This work can be seen as a classical segmentation study with a slightly different approach to previous research.

There has been a consensus about the existence of different tourist segments in wine-growing regions since the beginning of academic research in this field. The segment referred to as "wine tourist", on the other hand, seems to be problematic. Visiting a cellar door is presumably the most important wine tourism experience. Since most of the previous research has been done on winery visitors, the "real" wine tourists were the only focus, but there have been almost no comparisons made between the wine tourists and the rest. Furthermore, surveys were usually only conducted in one region. Thus, the gap to be filled was defined as follows: First, interviews should be conducted in more than one region. Second, different geographical interview locations should be chosen, at best at wine-neutral locations. Third, in addition to the aspect of visiting wineries, a segment of people who participate in wine tourism as a secondary element should be introduced.

The survey was conducted face-to-face within the period from May 1, 2017 to June 10, 2017. Targets for the survey were tourists in six of the 13 German wine regions. Since the overall approach was to not just interview "real" wine tourists at cellar doors, wine festivals or such, 8 to 10 wine-neutral interview locations (i.e. city centers, cultural sights etc.) were selected in cooperation with the regional wine associations. The method at hand was a Face-to-Face survey. Travelers were asked about their motivation, activities and expenses during their stay, as well as their socio-demographic characteristics.

To find out the share of *Primary Wine Tourists*, in other words "real" wine tourists, a two-step segmentation approach was developed. First, the respondents were clustered into two groups by whether or not they had visited or were still expecting to visit one or more wineries during their current trip. After this step, there were the two segments of *Winery Visitors* and N*on-Winery Visitors*. Since visiting a winery is perhaps the most important wine tourism experience, it attracts mainly highly involved wine lovers. These can be classified as wine tourists. However, literature also tells us that there is a possibility of so-called *Hangers on*, i.e. people that don't have a big interest in wine but came to the winery as part of the group. Because of that, winery visitors were also asked about the relevance of wine/winemaking in their travel motivation on a Likert scale from 1 to 5, 1 meaning 'irrelevant' and 5 meaning 'very important'. If winery visitors checked 4 or 5 in this question, thereby stating that wine/winemaking played at least an important role during the trip for them personally, they belonged to the segment of *Primary Wine Tourists*. The rest of the winery visitors who did not consider wine/winemaking an important factor in their trip consequently were classified as *Secondary Wine Tourists*. In the end, there were three tourist segments that played a role in this work: 1. *Primary Wine Tourists*, 2. *Secondary Wine Tourists*, 3. *Non-Winery Visitors*.

In total, 1,735 questionnaires were collected. 32% of the respondents could be classified as *Primary Wine Tourists*, another 19% as *Secondary Wine Tourists* and the other 49% as *Non-Winery Visitors*. Although a simple approach was followed, the results proved to be congruent with literature. ‘Real’ wine tourists (*Primary Wine Tourists*) were found to be older, better educated and had higher incomes than the other segments. Also, the studies confirm each other in terms of winery visitors having a higher educational degree and income, as well as wine consumption and involvement. *Primary Wine Tourists* had significantly higher expenses during their travels than other tourists. All respondents chose to visit a wine region for hedonic reasons (landscape, wine, relaxation, food), with nature being the most important motivator. Consistent with different authors, the segment with the highest wine involvement showed a tendency of enjoying wine and food pairings. For choosing which winery to visit, word of mouth is the most important factor. Due to the similarity of the results to previous studies, the conclusion can be drawn that the introduced segmentation approach, as simple as it is, is reasonable. Although the results cannot be generalized, the approach itself can be applied in any wine region of the world.

DYNAMIC CAPABILITIES FOR SUSTAINABILITY - STIMULUS FROM A MULTI-CASE RESEARCH

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Abstract

Sustainability innovations in the wine industry require a strategic approach. This research makes an attempt to answer to the call for development of common sustainability indicators in wine business that allow to track the achievements, determine critical areas of intervention, and present a decision making tool for winemakers and consultants, leaning on the strategic concept of dynamic capabilities. The approach synthesizes a comprehensive set of routines and dynamic capabilities for wine business sustainability for all three areas of sustainability. The strength of the dynamic capabilities approach to sustainability is that it is not prescribing any definitive solutions but rather supports a transformation towards sustainability as a process and developmental path. A multi-case analysis explores four German wine producers regarding economic, social, and environmental dynamic capabilities for sustainability.

Being sustainable is an important strategic choice a single winery can make, but also on the level of a wine industry of a certain region. Similarly, modern strategic thought views both strategy and sustainability as concepts rooted in the dynamic capabilities because of their long-term focus and inherent property to continuously change resources. Actually, the field of strategic management has traditionally been focused on developing tools and theories about the nature and causes of sustained firm performance. The empirical study hereby followed two analytical approaches. Firstly, an assessment of dynamic capabilities regarding social, environmental and economic sustainability. The second stream evaluates each of the four wineries separately. A need to appropriately formulate or reformulate sustainability in different wine-production contexts, ranging from state-owned research facilities all the way to small independent wineries, is discovered. International certification bodies use different approach than industry-wide wine sustainability initiatives or single firm's sustainability efforts.

Of the cases surveyed, one winery acts as first mover using its size to its advantage. The second winery, a much larger cooperative, follows closely while taking more time for decentralized organization of activities. The third case realizes sustainability strategy primarily from a market-based perspective, while the fourth sets a narrow focus, primarily on regulation in vineyard management. In order for the process of transformation towards sustainability to be effective, organizational transition needs support in developing dynamic capabilities for sustainability. It must include multiple stakeholders to hold wine producers accountable on a wide range of impacts, and enhance the use of flexible, soft and creative mechanisms in dealing with sustainability issues. The four cases illustrate the importance of transparency in developing dynamic capabilities for sustainability to encourage seeking advice to improve. Small wine producers need support in progressing towards sustainability and in developing dynamic capabilities for using the resources sustainably that is in harmony with the nature, society and economy. It is however even more important to encourage large-scale producers to consult governments, research institutes, and NGOs regarding certain aspects/criteria of sustainability. In this sense, one analyzed cooperative should particularly consider using a sustainability evaluation framework to guide the member wineries in evaluation and management of sustainability. For an effective process of transformation towards sustainability, organizational behavior is key. The paper identifies a need for an "orchestrated" process from a strategic, resource-based perspective based on dynamic capabilities. It secures sustainability across the industry, but also for single wine-producers in creating and building competitive advantage in

the modern wine market. The sustainability assessment should especially empower small wineries to deal strategically with sustainability issues by identifying important firm resources, dynamic capabilities and routines from a sustainability perspective.

Primary goal of the study was to demonstrate the strategic value but diverging range of measures and therefore dynamic capabilities of wine producers and their quest towards sustainability. Limitations are among others the limited number of cases and hence few interviews.

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REASONS FOR AND CHALLENGES OF ORGANIC WINE PRODUCTION – A QUALITATIVE ANALYSIS OF WINE PRODUCERS IN GERMANY

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In the past years the annual growth rate of organic food stayed continuous around 10% in Germany. The total area of organic production in Germany has doubled during that time. Today every tenth farmer in Germany is producing organically (BÖLW 2018). Also the development of organic wine production in Germany increased. Today there are more than 8.000 hectares, which makes around 8 % of the total German wine production (BÖLW 2018).

The literature review shows a very heterogeneous picture regarding the motivation for switching to organic farming. Castellini et al. (2014) examined that the motives which can lead a winery to switch from producing conventional wines to organic wines are mostly ethical, followed by a higher quality and the differentiation towards other producers. Since the concept of organic farming is evolved almost a century ago, the benefits for humans and the nature are still debated. Looking on the organic viticulture, a study from Germany showed that the productivity of organic vineyards was on average 35,9 % lower than in conventional farming, caused by a slower growth of wines and smaller yields (Döring et al. 2015).

Regarding the economic sustainability Reganold and Wachter (2016) concluded that there can be an evidence in organic farming with a higher profit when premium prices are included in the calculation. Without premium prices the cost ratio decreased and was much lower than for conventional production. Crowder and Reganold concluded that organic agriculture will only increase if it is considered to be financially profitable (2015). Regarding the economic motivation Zilber et al. (2010) found that organic farming should be used for differentiation rather than cost orientation, as the costs rise through labour intensity. However, research the motivation and the challenges of organic wine producers in Germany is still missing. We fill this research gap by analysing producers' perceptions in Germany regarding organic wine to identify the scope.

A qualitative study was used to analyse the motivation for organic farming and the challenges of organic wine producers. Data for this survey were collected using a qualitative research method whereby managing directors of selected German organic wineries were interviewed face-to-face or by telephone using semi-structured guideline interviews. The set of questions for wineries dealt with the following topics: i) the motives for switching to organic wine production; ii) changed effort and costs; iii) changed sales structure.

The results show that often a variety of motives lead wine producers to switch to organic farming. Mostly the personal conviction is being the main reason. Altruistic motives such as the responsibility towards nature play also a decisive role. Other motives were based on product quality, own health, birth of children or an alternation of generations within the winery. Therefore, market-orientated aspects are mostly ignored during the decision-making process, even though the producers assessed the market situation for organic wine as difficult when switching. Economic goals were nearly excluded. Especially for small producers the consumers' demand was not a motive for switching to organic wine production, it was more taken into consideration by larger producers. According to the interviewed producers there is not economic value in switching to organic farming. All producers stated that in the vineyard management they felt a significant amount of work. Especially crop protection and pruning need more runs than conventional production.

All producers declare a switch within the costs and higher costs. There are less for crop protection but higher labour costs. At the same time producers facing a loss of earnings up to 20 percent due to the switch from conventional to organic production. Wineries which worked with yield regulation even before switching to the organic production were less infected in their loss of earnings. This would ask for higher prices. According to the majority of the producers' higher prices for organic wines are hardly or not accepted on the organic wine market. 27 of 30 respondents did not raise their prices. All in all, there is no economic value for producers to switch from conventional to organic farming.

Like it was examined by Castellini et al. (2014) the personal conviction is the main reason for the switch from conventional to organic wine production. Regarding the costs German wine producers complained about the reduced yield and the higher staff costs. Other studies looking at the economic aspects come to the same conclusion (Reganold and Wachter, 2016; Hough and Nell, 2003). Surprisingly only 10 % of the wine producers raised the prices affected by the higher costs. Organic wine production is considered as more sustainable agriculture, but it is not in an economic way. According to Crowder and Reganold (2015) organic agriculture will only increase if is more financially profitable. Even the acceptance of higher prices caused by organic farming already was researched. But there is further research necessary to analyse how to improve the knowledge of wine consumers to approve the demand of organic wines. We suggest using a qualitative survey such as individual interviews or focus group discussion to analyse the acceptance of organic wines as well as looking at the trade to define the gaps to gain a higher price acceptability.

HOW WILL MANDATORY NUTRITION AND INGREDIENT LABELLING AFFECT THE WINE INDUSTRY? A QUANTITATIVE PRODUCER STUDY

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Keywords: Producer survey, Nutrition labelling, Ingredient lists, Production costs, Competitive advantage, Structure of wine industry

Purpose
The purpose of this study is to examine producers' perspective on mandatory labelling of nutrition and ingredient information for wine, as suggested by the European Commission. Producers' expectations about consumer reactions towards new label information, the consequences of mandatory labelling on production processes and relative competitive advantages of different producer sizes are assessed.

Methodology
Data for this survey was collected using a quantitative research method with a producer online survey. A total of 483 German wine producers covering a substantial share of German wine acreage took part in the survey including 434 estate wineries, 29 cooperatives and 20 large bottling wineries.

Findings
The study illustrates that mandatory nutrition labelling will have several effects on the wine industry. Consumer reactions expected by producers largely agree with new qualitative wine consumer research findings. While nutritional information is unlikely to have an effect on consumer demand the listing of ingredients is likely to create consumer confusion and uncertainty, deteriorating the natural image held by wine. This creates the opportunity for some wineries to focus on clean labelling strategies, completely avoiding additives that require labelling. From a production point of view mandatory nutrition labelling is likely to increase production costs due to changes in oenological practices, the increased demand for laboratory analyses and more difficult labelling processes. Large wineries are better informed and likely better equipped to react to labelling changes.

Practical implications
The degree to which negative effects will come into action will not only depend on legal decisions about the classification of additives versus processing aids but also on producers' willingness and ability to adopt to the changes mandatory nutrition labelling will have on the industry. Producers should react proactively towards anticipated consumer concern of fair and transparent ingredient labelling.

THE EFFECTS OF MANDATORY INGREDIENT AND NUTRITION LABELLING FOR WINE ON CONSUMERS – A QUALITATIVE CONSUMER STUDY

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Keywords: Wine, Focus groups, Consumer observation, Nutrition labelling, Ingredient list

Purpose
The purpose of this study is to examine how consumers react to mandatory ingredient and nutrition labelling. How important is this information to consumers and how will it affect attitudes towards wine as a natural product and consumer demand.

Methodology
A qualitative approach with focus group discussions and an observation of back label usage was used to realistically assess consumer reaction towards this new information. Thereby bias from artificial attention to back label information was reduced compared to direct quantitative research. Three focus groups in three different cities in Germany with 21 wine involved participants were run in September 2017.

Findings
Only a third of consumers looking at the back label detected new-to-them nutrition or ingredient information. The nutritional value of wine is overestimated by most consumers. Nutritional information is not perceived as useful by consumers. Wine involved consumers first react with insecurity and confusion to ingredient information. Wine loses its image as a natural product. Even though some consumers prefer wines with shorter ingredient lists, most consumers would not exclude any wines when shopping due to labelling with nutritional values and ingredients.

Practical implications
Nutritional labelling will likely not have an impact on consumers' wine choice except for competing with space for more meaningful back label information such as food pairing and sensory descriptions. There is a niche for wine producers to offer wine with short or no ingredient lists to concerned high involved wine consumers. Average or low wine involved wine consumers are expected to be less concerned. The industry should use the time to inform consumers about typical production procedures before ingredient lists are introduced.

IS THERE A FUTURE FOR STEEP SLOPE WINE GROWING? ANALYSING THE IMPORTANCE OF FACTORS INFLUENCING PRODUCERS' WILLINGNESS TO GIVE UP STEEP SLOPE WINE PRODUCTION

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Keywords: Steep slope viticulture, Production costs, Producer identification, Company succession, Marketing strategies.

Purpose
Viticulture in steep slopes is an important part of European viticultural heritage. Steep slope vineyards are under threat of diminishing due to the disadvantageous ratio between costs and revenue, despite subsidisation by the European Union. As a first exploratory research it is analysed what factors affect producers' willingness to give up steep slope wine production.

Methodology
Producers with steep slope viticulture were surveyed about production cost and marketing strategies of steep slope wines in an online questionnaire.

Findings
Identification with steep slope viticulture is found to be by far the strongest factor influencing producers' willingness to give up steep slope viticulture. The perceived inability to successfully reach consumers, market steep slope wines at higher prices and follow a sound marketing strategy significantly increase willigness to give up. Economic factors such as relative costs, estate size, relative share of steep slope acreage and regional opportunity to work in other industries were not found to have a significant impact.

Practical implications
To date research on the sustainability of steep slope cultivation focuses on economic factors, such as production costs and subsidies, as well as technical innovations enabling the mechanisation of steep slopes. This study shows that personal factors and perceived lack of marketing success are more strongly affecting producers willingness to give up steep slopes. Strategies to keep up steep slope viticulture should therefore stronger focus on approaches to support marketing of steep slope wines.

WINE AND BEER DEMAND IN OUT-OF-HOME CONTEXTS IN ITALY: HOW IMPORTANT IS IT TO BE 'CRAFT'?

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Keywords: Craft wine, Craft beer, Consumer preferences, Hypothetical field choice experiment

The purpose of this study is to shed light on the new dynamics of competition between wine and beer in a traditional wine-producing and consuming country, such as Italy. This is motivated by the fact that since the eighties, the consumption of wine in Italy has rapidly decreased, while, beer consumption has steadily grown.

To our knowledge, the existing literature still lacks of clarification on how demand for beer products, especially for craft beer, may impact wine consumption and on how the wine industry may cope with the competition from the beer industry in wine producing countries.

To fill this knowledge gap, we explore Italian consumers' valuations for beer and wine products (commercial and craft), taking into account the role of context on consumers' choices.

To meet our research objectives, we conducted a face-to-face survey on a sample of wine and beer consumers in a city in northern Italy, randomly recruiting respondents from four different hospitality contexts (a traditional restaurant, an ethnic restaurant, a pizzeria and a bar). In order to elicit consumers' valuations for beer and wine products, the questionnaire contained a Choice Experiment. The choice experiment consisted of eight choice tasks consisting of four product alternatives: craft beer, commercial beer, craft wine and commercial wine. Each product alternative was characterized by four different price levels. Moreover, each choice tasks was characterized by the presence of an "opt-out" alternative ("I would drink something else"). For each purchasing scenarios respondents were asked to select their preferred alternative. The survey questionnaire was also designed to investigate objective knowledge about craft beer and craft wine, brand awareness and consumer perceptions of craft wine, craft beer, commercial wine and commercial beer. It was administered in the four selected contexts in the period January–April 2018. The sample consisted of 275 respondents.

The results show that most of the respondents were able to identify the correct characteristics of craft beer and (to a greater extent) of craft wine. However, we observe a high level of uncertainty among respondents. For example, one-quarter of the sample reported neither agreeing nor disagreeing with the correct definitions of craft beer, and more than half of the sample ascribed an incorrect definition to craft beer. We observe similar knowledge gaps for craft wine.

The analysis of brand awareness revealed that, when respondents were asked to recall a brand of craft beer or wine, 53.9% of them could not recall any craft beer brands, while only 2.9% could not recall any commercial beer brands. Surprisingly, the brand awareness of wine was lower than that of beer: 65.5% of respondents could not recall any craft wine brands, and 11.2% could not recall any commercial wine brands.

Craft beer was perceived as an innovative, different, and trendy product. Craft wine was perceived as relating to sociocultural situations (e.g., for a gift, as a traditional product, or to support local production). Wine was also perceived as healthier than the other analyzed beverages. Craft wine and beer were perceived as sharing features related to the production

process (e.g., high quality of raw material). Respondents mainly associated functional characteristics (e.g., low in calories) with commercial beer and wine.
The hypothetical field choice experiment reveals that the consumption contexts under consideration significantly influence valuations for craft beer and craft wine. Craft wine was the preferred beverage in the traditional restaurant and at the bar. In the sushi restaurant, craft and commercial beer was preferred over craft wine. Consumers have a higher willingness-to-pay (WTP) for craft wine and beer than they do for commercial wine and beer, in less-traditional contexts of purchase, namely the sushi restaurant for craft wine and the pizzeria for craft beer. Craft wine was found to have the highest WTP in all surveyed contexts. However, the WTP for craft beer was higher (at a statistically significant level) than that of commercial beer and even of commercial wine in the contexts in which wine and beer are matched with food (i.e., in the sushi restaurant and pizzeria). In the context of the bar, WTP was equal for craft beer, and craft and commercial wine. Only in the traditional restaurant did commercial wine receive higher WTP than craft beer at a statistically significant level.
This study demonstrates that new consumption contexts generate opportunities for craft beer and craft wine market. This is of great importance for small wine producers and Ho.Re.Ca. managers. The promotion of the culture of craft beer, as well that of craft wine, particularly in younger generations, is of relevance for encouraging consumer choices for authentic craft products. The findings relating to the high WTP for craft products deserve greater attention in future market analysis. As exploratory research, this study has some limitations. The size of the sample and the number and typologies of hospitality contexts are the principle limitations of the study.

WINE MARKET SEARCH AND THIRD PARTIES

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Keywords: Consumer, Vendor, Information costs, Wine-Searcher

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Abstract
Among the thorniest problems in wine markets is the involved consumer's difficulty in knowing a particular wine, especially among fine wines (vs. commodity wines). If one has not tasted a wine—and perhaps even if one has—one very likely looks for the opinions of others. Among those, wine vendors as specialists can be among the most qualified. Drawing upon research studying the effects of lower cost price and quality information and vendor comparison on online wine shopping, this analysis considers the role of third-party information aggregators such as Wine-Searcher in improving wine transaction outcomes by facilitating price comparisons and consumer access to vendor information, aggregating professional reviews, evaluating overall customer experience with vendors, and encouraging vendor specialization. It considers extending the third party's coverage of vendor information to including a new category of wine vendor, namely, restaurants featuring wine through curated wine lists.

Introduction

What do "involved" wine consumers want to know before buying an unfamiliar wine? Lacking a tested surrogate who can advise, one expects that they want, at the least, as much product and price information and opinion as they can find about both the wine itself and all of its substitutes. Acknowledging the cost of processing all the information, they also hope to know their own palates well enough to translate the information into expected enjoyment.

Information aggregators are much more likely to help with the first goal than the second which is largely up to the consumer who must learn and train her/his palate. Traditionally, collections of reviews from sources such as Robert Parker, Michael Broadbent, and national experts (e.g., Peñin, Halliday, Platter) were welcome sources of guidance. The reduced cost of information collection and aggregation through the internet has increased the amount of information at hand and created a role for information aggregators as third parties—acting for both buyers and sellers—who can collect information useful to both sides, allowing them to focus more efficiently upon their own self interest.

Literature Review and Problem Studied: Lower Cost Information and Consumer Choice

In a widely cited paper, Lynch and Ariely (2000; hereafter, LA), following Alba et al. (1997) and Bakos (1997), studied the effects of lowered search costs on shopping—specifically online shopping where achieving significant information cost savings seems relatively easy. Aside from its overall contribution to understanding consumer search, two features of their study are critical to the current discussion:

- LA raise questions about the impact of changes in search costs applicable to any good; but, among all the online markets, they chose fine wine. They study the retail market for fine wine to highlight the idea that the "effects of easier quality search may outweigh those of easier price search", and fine wine markets "magnify the relative weight of search costs for quality information" (LA: 86). That is, discerning the quality of fine wine is particularly difficult so significant differences in the costs of information about quality might yield more observable differences in consumer behavior.
- The search cost differentials embedded in their experiments are product (fine wine) prices, product quality, and vendor comparability for both store-specific and in-common

products. These comparisons are at least as important among fine wine consumers as they are for other finer goods: seeking the lowest price for a given wine, seeking quality information about a product with tens of thousands of variations for which quality information (and knowledge) seems essential, and comparing offers from competing vendors whose offers may only partially overlap.

LA's research was an early investigation of the growing online wine market (Wine-Searcher, 2018); but, while widely cited, it has not received attention by wine researchers in the years since its publication (e.g., Lockshin and Hall, 2003; Lockshin and Corsi, 2012).

LA draw important conclusions from the results of their experiment, but they also raise thought-provoking questions for wine markets in the extensions they suggest. Their experiment asked subjects (72 university graduate students and staff) to do eight online wine "shopping trips" at two online wine shops, using their own money to buy wines. On each shopping trip, the subject faced one of eight possible information formats: high/low wine quality information (ease of sorting of available wines and amount of quality information provided), high/low price information (ease of access to and ability to compare prices), and easy/difficult store offer comparability (e.g., ability to see both store offers on the same screen). The store comparability feature reflected a primitive form of third-party involvement: it allowed "easy" vendor comparability which neither the consumer nor the vendor could have easily arranged unilaterally. Each store carried 60 wines—20 which were common to both and 40 which were store specific ("unique"). Consider, first, three of their empirical results:

1. Lower cost access to quality information reduced price sensitivity (own-price elasticity of demand, change in quantity demanded). One expects that, with easier access to information about potential substitutes, subjects were less likely simply to shop for lower prices and more likely to find and choose a different wine which might be both lower priced and more appealing (e.g., a different vintage of the same wine).
2. Demand was more own-price elastic for wines in common when store comparability was easy. This supports the widespread concern among same-product vendors that consumers buy at the lowest price; lower cost price comparisons facilitate this. However, easier comparability did not increase price sensitivity toward purchases of store-unique wines.
3. More transparent information—high product information, high price information, and easy comparability—seemed to increase consumer "utility" as evidenced by: higher rating of the shopping experience, greater enjoyment of wines selected, and stronger tendency to maintain access to the stores two months after the experiment. (LA: 83)

From this, LA conclude that, rather than resist adoption of the lower information costs available through online markets (e.g., fearing easier price comparisons), the "retailers' task is learning how to provide consumers with useful product-related information that will increase consumer retention by increasing consumers' satisfaction with the merchandise they purchase" (LA: 101). The lesson is that vendors should favor unique product lines, not widely available products.

One feature of the online environment that is prominent in the discussion is vendor cooperation with third parties seeking to streamline search and, in particular, to facilitate vendor comparability. In wine markets, a leading participant in that effort is Wine-Searcher (WSr). Our discussion examines the role that WSr plays in facilitating wine consumer shopping and develops guidance for both vendor and WSr improvements.

Research Objectives: Lynch/Ariely and the Role of Third Parties

By its nature as experimental research, the LA results have limitations. For example, their sample size is not large, and their subjects seem not to be representative of a particularly broad base of wine consumers: relatively well-educated, computer literate, and (actually or potentially) affluent members of the academic community at Duke University in the southern US state of North Carolina. Their experience with online shopping and histories as wine consumers would likely affect their reactions to online wine shopping. Apparently concerned about the latter, LA develop an *ad hoc* measure of "wine expertise", asking subjects about (1) their wine buying habits and (2) their ability to identify various wines as red or white. The resulting unidimensional index of expertise had "marginally acceptable reliability" and "had no effects" (LA: 88) and received no further attention in their analysis. This is not a convincing basis for disregarding this potential influence upon the experimental results.

We also know nothing about the wines offered—for example, how familiar the common or unique wines were to the subjects or the price range they represent.

LA also leave some theoretical issues unaddressed. Lacking perfect information and knowledge, consumers may be inclined to associate price with quality—the so-called price-quality heuristic (e.g., Koschate-Fischer and Wüllner, 2017). While this tendency is not inconsistent with consumers seeking the lowest price for a given good—the common wines in the experiment—it complicates the idea that awareness of lower priced substitutes will, in fact, be perceived as "close enough" substitutes. That likely depends upon the consumer's wine knowledge. We have already expressed concern about the quality of LA's measurement of that, and we know even less about the subjects' tendency to associate price with quality.

LA's discussion of the "external validity" of their findings (LA: 101) is helpful:

1. Likely reflecting the relative infancy of online wine shopping at the time, one limitation is using only two vendors. LA acknowledge that awareness of and access to numerous competitors might increase price sensitivity (LA: 101), perhaps through an increased expectation of finding lower prices. However, the competing effect should remain: increasing the number of full-price substitutes available with more utility per dollar.
2. A more realistic and complex experimental design would have allowed asking prices to be endogenous. This would allow for the vendors' readings of consumers' perceptions of substitutability which could lead to greater vendor price adjustment—certainly a valid question whose answer might yield more evidence of price sensitivity.
3. Further to their cursory discussion of consumer information and knowledge, LA acknowledge the role of learning. In a market with "little new entry over time" (LA: 102)—and, we add, few if any new products—consumers might learn enough that the importance of vendor differences in quality information would shrink. As products become closer to "commodities", competition becomes more focused on price alone.

For the last point, we note that—again drawing upon their choice to study the wine market—"there is constant turnover in the set of competing alternatives [so that online] shopping…may continue to be valuable media for differentiation." (LA: 102) While their discussion of prospects for future research is stimulating, none of them seem to have been cited as the impetus for subsequent research on wine markets: very little of the citing research involves wine.

LA raise one more issue of external validity emphasized by Bakos (1997) and of particular importance to this analysis but not addressed in their experiment—"lack-of-fit costs" (or "fit costs" in the Bakos paper and subsequent literature). The consumer is less likely to seek price competition as concern about the fit of possible alternatives increases, especially online where the consumer cannot "try on the product". They state:

> [This] should occur in product classes characterized by a high degree of real differentiation [in contrast to commonly offered goods, or commodities, which are identical among vendors], such as wines. In such a market there is great potential for well-done electronic shopping to increase consumers' ability to choose goods that they like better than those they would have chosen in another shopping medium." (LA: 101)

If we agree that the consumer's problem of knowing what s/he is buying is particularly significant and daunting in wine markets, then LA assert that vendors—perhaps online vendors especially—may be particularly well equipped to guide consumers to their best choices.

How might that occur? Fortunately, since the appearance of the LA paper, Wine-Searcher has emerged as a third-party aggregator of wine vendor information that provides not only global listings of wine offers but also information about vendors and the wines. While competitors may emerge that improve upon WSr, there currently seems to be no better aggregator of wine vendor information. In what follows, we discuss and critique some of the most important WSr content and consider how WSr might enhance its role in order to support the kind of vendor role that LA propose.

Research Methodology: Accessing Third-Party Coverage of Wine Vendors

Currently the most comprehensive data on wine vendors and their offerings come from Wine-Searcher (hereafter WSr (**www.winesearcher.com**))—self-described as "the largest price and location data set in the wines & spirits industry" (website: **https://www.wine-searcher.com/reports.lml**). Absent a comprehensive global comparison of all wine information aggregators, WSr seems without peer in its collection of wine offer prices and location data and, thus, vendors offering a given wine. Prominent US online vendors such as Wine Library, Last Bottle, and Garagiste use it for price and location comparisons. Jancis Robinson has endorsed it (Robinson, 2010) as best overall; and, apparently, that still stands.

WSr surveys five types of vendors around the world (producers, retail and wholesale merchants, auction houses, brokers) for their offerings and asking prices. For active wine consumers, it is arguably the most useful search software available. For someone seeking a particular wine, it aims to provide, from the data it collects for its website or as an application ("app") a variety of data. Among the most important are (1) retailers offering the wine (by country and sometimes within a country (e.g., US states)), (2) each retailer's asking price, (3) WSr's vendor quality rating, (4) some tasting notes (non-proprietary) and professional ratings, if available, and (5) market information about the wine (average price from WSr vendors, number of WSr listings, WSr search rank). Its Professional ("Pro") version adds potentially numerous non-sponsoring vendors depending upon the wine; its website does not indicate the share of vendors who are sponsors, but it identifies sponsors in bold print in any listing of vendors of a given wine. The "Pro" version also indicates the date of the latest price quote from a vendor and provides the "Pro" subscriber with extra features (e.g., set availability alerts).

WSr also provides a variety of background information about the wine's producer (e.g., other wines available), the wine's country of origin and appellation, varietal blend (including legal restrictions), style, and food pairings.

The role of Wine-Searcher is relevant to the current discussion for two reasons. One is a critical analysis of WSr content as an aid to the wine consumer relative to content from a particular vendor. The other is, given its prominence in consumer research, its potential role in encouraging vendors to become better companions for consumers in the spirit of the LA analysis.

Before undertaking that, we emphasize that WSr is a remarkably rich source of information about current wine prices, locations, and associated product and vendor facts and quality that WSr seems to curate carefully and that arguably is unmatched by any other information source. The sections that follow provide further comment on this content.

Findings: Consumer Access to Vendor Information through Wine-Searcher

WSr data are particularly useful for allowing comparison of the helpfulness of vendors' websites. If we agree that vendors differ in how much they help consumers maximize enjoyment from purchases, then the mere convenience of access to so many vendor websites through a single portal is a benefit. The supplemental WSr information enhances the value, but one must read carefully. For example, one must view the ascending price listing carefully if it includes more than one format since smaller formats (half- and sometimes quarter-bottles) tend to appear at the top followed by regular (750 ml.) and larger formats. Including vendor bottle prices by the case is redundant unless they are discounted (common in the US).

Nothing ensures that wine identification is uniform; it likely depends upon vendors' entries in their own price lists instead of some common identification such as a Global Trade Item Number (GTIN—like an ISBN for a book). For a given specific wine among the home country's vendors and for widely traded premium wines, identification is likely to be uniform; but, beyond that, one cannot be sure without contacting the vendor.

WSr does not provide the details of its access to vendor information. The vendors listed include both (a) sponsors whose information is all that is included in free searches (WSr allows up to 50) and (b) other vendors disclosed only to subscribers to Wine-Searcher Pro, a "professional" service from the website for paid subscribers (currently 60 USD annually). How WSr selects these non-sponsoring vendors is not disclosed. However, it does note:

"[Our spidering software] collects wine lists from our merchants' websites. We include price lists from wine merchants, retailers and wineries, and all price lists are updated three or more times a week on average." (website: "About Wine-Searcher>Wine-Searcher Technology")
An example of the number of listings provided along with the number from the five countries with the most vendors overall (US, UK, France (FR), Italy (IT), Germany (DE)) is (1 Feb '18):

- 328 wine auctioneers (US=33; UK=122; FR=56; IT=10; DE=14)
- 520 wine brokers (US=125; UK=137; FR=62; IT=17; DE=22)
- 26,746 wine retailers (US=6,389; UK=2,358; FR=2,063; IT=1,202; DE=2,966)
- 4,417 wine wholesalers (US=634; UK=628; FR=234; IT=140; DE=295)
- 61,589 producers (US=12,715; UK=1,519; FR=12,771; IT=8,750; DE=3,842)

for a total of 90,626 vendors. For consumers, wine retailers (about 29.5 percent of the total) and perhaps auctioneers (0.4 percent) are clearly the vendors most likely to provide useful guidance.

A number of questions come to mind. For example:

- How representative are these retailers within the markets they serve?
- If we can identify a market, how comprehensive is WSr's coverage of it?
- How do sponsoring vendors differ systematically from non-sponsoring vendors?

WSr can only identify and monitor vendors who have websites and apparently includes only vendors who actively manage their websites—a requirement that excludes many relatively small retailers. One expects that sponsoring vendors have larger current and targeted sales volume (e.g., retail chains) and are willing to pay for the exposure offered to consumers through free WSr searches. Non-sponsoring vendor listings are available only to Pro subscribers so non-sponsors, while being less interested in exposure to "free" users, are still interested enough in the smaller, Pro subscriber market to satisfy WSr's requirements for customer service and maintenance of their websites and pricelists.

Consider data for the US state of Wisconsin which has been in the first or second decile for alcohol consumption per adult (14 and older) in the US during 1977-2015 and ranked just below the US average for wine consumption per adult in 2015 (0.39 gallons of wine ethanol compared to 0.42 gallons for the US) (Haughwout and Slater 2017). A search for vendors in Wisconsin offering one of the most popular wine brands in the world—Franzia—yielded one retailer:

Total Wine and More, the largest US chain of wine stores which is currently growing in Wisconsin (grown from 1 to 4 shops in the last 1-2 years) and "more than 100 stores around the country" (http://www.totalwine.com/for-the-trade). Wisconsin is the 19th largest US state (estimated 2017 population = 5.8 million). Milwaukee County, with over 16 percent of the state's population, issued about 380 Class A (off premise) Alcohol Licenses annually during 2003-11 (https://www.dhs.wisconsin.gov/publications/p0/p00778-milwaukee.pdf) so one doubts that WSr provides a representative sample of vendors in all or even many jurisdictions.

One can also search vendors by state and city. WSr lists 217 Wisconsin vendors—97 retailers, 115 producers, and 5 wholesalers. Among the retailers, 2 provide pricelists that WSr can post and monitor. Fifty-four producers are wineries; the rest are distillers and brewers. This suggests the variety in the various vendor categories: not all provide searchable price lists, and not all are wine-related.

Ohio's population, 7th largest in the US, is about twice Wisconsin's and also has only one retailer offering Franzia wine (Corkscrew Johnny's in Richfield, a distant suburb of Cleveland). A search in Ohio for another popular US label--any of 20 US-produced Mondavi wines available from at least one WSr-listed vendor somewhere—identified a second Ohio vendor outside Cleveland. WSr lists 130 retailers in the state, 150 producers, and 11 wholesalers (one is also a broker), but one might find only two if one searches for a wine available from an Ohio retailer.

US interstate shipping laws are persistently subject to change; but, as of early 2016, almost all states seemed to allow some form of shipment of wine into the state (exceptions are Alabama, Oklahoma, and Utah (http://www.ncsl.org/research/financial-services-and-commerce/direct-shipment-of-alcohol-state-statutes.aspx)). In many states (including Ohio and Wisconsin), consumers have at least limited access to vendors beyond state lines if they are willing to accept the extra costs (shipping risk (e.g., breakage, variable weather), extra out-of-pocket expense) of ordering from out of state.

Relatively large and perhaps widely known vendors, especially in large cities in wine regions, likely dominate the sample of vendors available in both the US and other countries relative to small, independent, perhaps isolated shops. For example, in the US, one finds dozens of retailers in New York (esp. in and around New York City), Chicago, and the West Coast where wine consumption is relatively high. However, US wine consumers are more widely distributed than that so one wonders how comprehensive WSr's vendor listings are.

Findings: Wine-Searcher Vendor Ratings

Based upon the Lynch/Ariely research, one could speculate that consumers would flock to vendor ratings if they focus upon or at least emphasize consumer satisfaction with the product—the extent to which consumers conclude that vendors, through the information and service they provide, guide them to the most enjoyment from their purchases. While such ratings could suffer from all the distortions that one finds with other service-intensive consumer goods ratings (e.g., restaurants reviews on yelp.com (e.g., Zhang et al., 2016)), they might benefit from originating with an objective third party who evaluates them relative to their competition—perhaps along the lines of wine ratings.

WSr does not disclose exactly how it evaluates vendors on its 1-5 (star) scale—from Trusted (5) to Removed (1) with intermediate ratings of Dependably Good (4), Good (3), and Basic (2). Its published explanation notes the following considerations:

1. Accuracy and timeliness of price list for products on hand or quickly acquired
2. Security of ordering

3. Availability and accessibility (including mobile) by customer via published contact information (online, physical location address) and timely response to customer queries
4. Timeliness of shipping
5. Transparent practices, absence of fraud (e.g., no bait/switch)
6. Reports from mystery shoppers, "automatic software checks", and actual customers

The focus of WSr's evaluation is the convenience, reliability, and integrity of the vendor as suggested by its designations such as "trusted" or "dependable". Related to this, WSr's extensive "Advice to Merchants" on its website focuses upon open communication, prompt and thoughtful attention to customers, and responsiveness to WSr. WSr removes merchants assigned one star or less for reasons such as website unavailability, unreliable pricing, deceptive practices, and/or customer complaints.

WSr rewards valuable service attributes, but these are not specific to wine, and WSr gives no weight to the extent (vs. accuracy) of product information (including, for example, (a) disclosure of stock on hand or available and (b) availability of close substitutes) or consumer education (e.g., hosting tastings and wine appreciation groups). LA would broaden the rating's scope to reflect the extent to which the vendor assists the buyer in getting to know the wine beyond price and availability and assists the buyer in deciding whether and what to purchase. For its vendor ratings, WSr seems not to consider such service and, in that sense, does not reward that vendor behavior or, through its ratings, provide an incentive for vendors to provide it. This may not be surprising since evaluating that content from a vendor website might entail website inspection beyond WSr's current automated capability, but nonetheless knowing that about a vendor would be valuable and should be rewarded.

The central question of this discussion is the extent to which a wine vendor might be, in effect, a surrogate expert to advise the wine consumer of an unknown wine's quality. Given its remarkable data collection and processing, WSr might be particularly influential in encouraging vendors to fill this role.

Findings: Wine-Searcher Wine Ratings; Potential for a Contribution

If it has any of the relevant data, WSr rates wine quality through an aggregation of published ratings (e.g., experts or buying guides, cellartracker.com, WSr users' ratings). Aside from all the concerns about the meaning and value of expert ratings (e.g., Marks, 2015), it is difficult to know exactly how WSr arrives at its ratings. Here is part of its explanation:

"Wine-Searcher collates scores from a wide range of critics, from influential single palates like Robert Parker and Jancis Robinson to publications like Wine Spectator, all adjusted for the 100-point scale. To generate a wine's average score, Wine-Searcher uses a Bayesian methodology to calculate a weighted average. This average score is calculated for specific vintages of a wine, as well as across all vintages." (https://www.wine-searcher.com/wine-scores.lml)

While it is not without precedent (e.g., Cicchetti and Cicchetti, 2014), adjusting scores from a variety of rating scales (e.g., 0-3, 1-5, 1-20, 50-100) to a 100-point scale introduces problems of its own. For example, if wine ratings are ordinal and not cardinal as with a psychological hedonic scale, then we do not know that the difference between one quality level and another in a less compressed scale (e.g., 50-100) is a simple multiple of the difference in quality in a more compressed scale (e.g., 1-5). Using the (perhaps understandably) unspecified "Bayesian methodology to calculate a weighted average" could be an interesting method of aggregating published wine evaluations, but it difficult to treat it as such without knowing more about it.

Here is an example of one such WSr average score that seems puzzling. The '15 Tatomer Spätburgunder rose' (Santa Barbara CA) has only one score of 90 from Vinous Antonio Galloni and no WSr user ratings. That yields a WSr rating of 89. Another example from a more established wine (at least in the US) is the '01 Robert Mondavi Winery Reserve Cabernet Sauvignon. Here are the six individual components of the WSr score of 92:

1. 17/20: Jancis Robinson
2. 91/100: *Wine and Spirits*
3. 93/100: Jeff Leve
4. 94/100: *Wine Enthusiast*
5. 95/100: Robert Parker
6. Eight WSr Pro user ratings (Just drinkable=1-5=excellent): 5 (1), 4 (6), 3 (1).

Opinions could vary widely about the relative reliability of any of the listed evaluations listed—one of the fundamental challenges of such aggregation—but, at least as important, it is not apparent how WSr arrived at its aggregate score of 92. It is relevant that WSr adds the following note about undisclosed aggregation with its rating—"For completeness we may include critic scores in our aggregation that we do not display"—but that only encourages more questioning.

It is noteworthy that the number of WSr user ratings can vary widely but seems to be small. This example of eight for a popular US fine wine is one of the largest found during occasional searches. One suspects that some subscribers are more likely—perhaps more culturally attuned—to rating wines online (e.g., American vs. French; one reason for choosing the Mondavi example above) so one wonders how that might further bias the WSr aggregation.

Data from numerous sources indicate that, despite their questionable meaning, many wine consumers in many markets value wine ratings:

- They fill subject lines of online wine offers;
- They line the shelves of wine shops (at least in the US, Canada, Australia, and the UK) as "shelf talkers" or sit atop bottles in the larger wine sections of French supermarkets;
- Tens of thousands of wine buyers buy access to experts' websites and other publications; and
- Researchers continue to ask how they correlate with wine prices wondering if consumers will pay more for "better" wine; due to data limitations, most published research looks only at investment-grade wines among which the most expensive appear to have the weakest correlation to their ratings (Luxen, 2018).

In their current form, WSr ratings are of limited value because one cannot see how they are calculated. Even if WSr's methodology were more transparent, it would not address the more fundamental question of the value of an aggregation of questionable information (e.g., Kwong and Sun 2018; but see Cardebat and Paroissien 2015). Simply providing a comprehensive collection of available evaluations would be the way that WSr could improve considerably this feature of its service and increase vendors' incentive to support it.

WSr's current processing of opinions about the wines it surveys seems uneven:

1. Its provision of ratings from any given source is incomplete. Among the wines it lists, it reports the ratings of some of the wines from a given source but not others.
2. Its listing of "professional ratings" of any given wine is not comprehensive. Some available ratings are missing as one can sometimes see from visiting vendors' websites that have information that is more comprehensive than WSr's.
3. Its cellartracker tasting notes sometimes do not match what is at cellartracker.com.
4. It excludes some professional ratings from its aggregation (e.g., Le Guide Hachette des Vins for French wines—sometimes included under its "Awards" category but not included in its score aggregation).

Extensive use of WSr suggests that it has access to many if not all available professional opinion on wines (plus cellartracker.com), but the information for any given wine is often incomplete. One expects that they could be more careful and thorough.

If WSr would collect and present wine evaluations comprehensively—not including the tasting notes which are often proprietary and difficult to aggregate anyway—then vendors could leave that to WSr and focus instead on highlighting the unique features of their collections. Consumers currently find a wide range of information and opinion about a given wine among vendors—from nothing more than the offer and its price to expert opinions, staff comments, and customer feedback. The provision of professional evaluations by individual vendors in particular represents significant duplication of effort.

Findings: Wine-Searcher "Market Data"

For a given wine and vintage, WSr provides, by month, its average price over the last five years (perhaps more by special request) relative to the average "benchmark" price (i.e., wines in its category), number of offers by WSr merchants, and search rank (compared to its category—by WSr definition—search rank if there are enough "similar products"). It also provides the "score" of other vintages of the same wine and their current average offer prices.

The idea behind these market data is useful—for example, offers available and its trend, notwithstanding the limitations on WSr's coverage of the market. Search rank data would be more useful (a) if we knew more about WSr users—designated as Pro subscribers or not—as compared to wine consumers generally in a given market and (b) if we had information on the relationship between search and eventual purchase, either from listed vendors or otherwise.

WSr's price data are asking prices, not transaction prices, so we do not know their relationship to market-clearing prices: they may yield either significant shortages or significant surpluses (and subsequent discounting) relative to demand. Of course, market-clearing price data are rare. The average price data would be more useful if (a) WSr intervened less in their calculation (e.g., not truncating the top and bottom 20 percent as potentially more error-prone) or, alternatively, if it provided different average prices from untruncated samples, depending upon the adjustments it makes and (b) if it also provided data on price dispersion (e.g., price variances). It would be preferable to see average prices that include both auction prices (after commissions)—currently excluded—since auctions can be a retail alternative in many markets and all available vendors (no exclusions such as high-price vendors unless there is clear evidence of error—for example, price = 0). Also, auction prices are particularly useful for investment-grade wines which is likely an important market for WSr to serve. Finally, the value of a price comparison with a benchmark price is highly sensitive to the construction of the benchmark.

Findings: Wine-Searcher's Contribution

The preceding discussion of some of WSr's core content provides ideas for possible improvement in the website. With that said, it is important not to underestimate the value of WSr's content, albeit imperfect and incomplete. Here are examples of topics that available or potentially available WSr data might illuminate or that are thought provoking *per se* even with limited or imperfect data:

1. Availability and asking prices of rare vintages for various wines
2. Identifying vintages missing from a wine's recent vintages, questioning why they are missing (e.g., Ch. Serilhan (St Estephe) available for vintages 2009-2017 <u>except</u> 2014)
3. Identifying past vintages of wines and their availability as evidence of age worthiness
4. Learning producers' initial release strategies by identifying most recent available vintages
5. Examining the distribution of vintages among vendors, looking for quality differentials that could reflect differences in curation of stock, differential treatment of vendors by

distributors or producers, etc. (e.g., which vendors have best vintages of age-worthy wines, which vendors have the most recent vintages of wines requiring freshness)

6. Evidence of price dispersion and the challenge of identifying the geographic extent of markets for given wines, with and without restrictions on shipping (e.g., Jaeger and Storchmann, 2011)
7. The extent of availability of wines in their COO and beyond, if at all
8. Wines produced in an appellation but available only outside the country of origin (COO)
9. Wines available only from the producer
10. National and international differences in wine prices (currency adjusted) and reflecting differences in taxation, barriers to trade, government regulation of distribution, etc.
11. Unit price differences by format
12. Finding vendors who offer relatively obscure or otherwise unusual wines
13. WSr utilization by country and, within that, demographic and socioeconomic information about users (what are cultural differences among WSr users?

We note that one benefit of WSr's website is that it stimulates thinking about questions such as these that one can ask about wines and their markets.

Managerial Implications: Expanding the Reach of a Third Party

Acknowledging that Wine-Searcher contributes significantly to the information flow and conversation in the marketplace, we have also suggested possible improvements:

- Become a repository for all available professional evaluations of the wines it lists—in effect, the public information that vendors offering a wine are now collecting separately and unevenly—to end the duplication of effort. Related to this would be a more transparent presentation that avoids questionable manipulation of those data.
- Expand its evaluation of vendor quality beyond friendly and honest service to emphasize the vendor's performance in improving customers' enjoyment of their wine purchases. Expand its focus to consider (a) vendor website features such as available inventory, availability of close substitutes, customer comments, provision of other educational content and (b) sponsorship of other educational activities (e.g., tastings, interest groups).
- Present market data, especially price information, more thoroughly and transparently.

In their Conclusion, Lynch and Ariely review their analysis and acknowledge that the appeal to consumers of vendors' differentiated products is greatest when consumers "begin with little knowledge" and that they will tend more toward price shopping as they become more knowledgeable. (LA: 102). They then suggest a vision for vendor performance that might guide WSr's vendor ratings:

> All is not lost even when consumers can learn [and become less dependent upon vendors for information]…sellers can learn about consumers' tastes. They then can use this information to provide better and better tailored advice about which alternatives would maximize customer utility. Retailers can offer customers ancillary services…that reduce price sensitivity. They can use customer data to anticipate utility better, using smart agents to build trust...[We need] to learn how retailers can use electronic commerce not to compete on price, but to capture the value of differentiation for their customers and themselves. (LA: 102)

One might interpret LA's vision for the industry to be essentially monopolistically competitive, raising concerns about both its long-run efficiency and vendor profitability. A central question is how closely substitutable vendors—not their wine collections—are for each other. However, as with many other monopolistically competitive industries, identifying a more efficient, profitable alternative market structure, and the path to achieving it is not straightforward.

Beyond these suggestions are additional features that could enhance the third-party role in wine transactions.

- Provide a Vendor Uniqueness Rating: Following their work, Lynch/Ariely support greater uniqueness in vendors' product lines: "All these results suggest incentives for retailers carrying differentiated goods [like wine] to make information environments maximally transparent, but to avoid price competition by carrying more unique merchandise." (LA: 83) They would encourage vendors to specialize and curate a collection of wines less oriented toward common labels which attract price competition. For example, the Uniqueness Rating could measure the share of a vendor's offers that are unique to it within the relevant market (or perhaps more broadly) and perhaps give extra weight to collections that are particularly comprehensive and distinctive relative to the competition.
- Provide a Market Competition Index: With the most comprehensive retail location data available, WSr could measure the amount of competition for a given wine within various radii from each physical site, and consumers could evaluate that relative to their locations. It could supplement that with an evaluation of local consumers' access to shipping from outside the jurisdiction—extensive in many EU countries and perhaps some US states, more limited in markets like Canada and other US states.

Managerial Implications: Another Application

Lynch and Ariely study questions of competitive strategy and the potential role of third parties in a marketplace with rapidly falling price and quality information costs and easier cross-vendor comparison; their market of choice is off-premise retail wine, but their analysis could apply almost as much to restaurant wine lists as it does to off-premise retail sales. Especially if they feature wine, restaurants are also wine vendors: they simply offer it (usually) as a transaction to accompany a food purchase. Information technology is lowering the cost of price and quality information for their customers, and participation by a third party could enhance cross-store comparisons in this context as well—along with providing much of the same information for restaurant wines that WSr currently provides for other vendors. Why should Wine-Searcher not move into assisting consumers with wine lists?

Since a current and well-managed online price list is a large part of Wine-Searcher's requirement for inclusion in its listings, many restaurants—especially those who feature wine—could provide ready access since posting a strong wine list online is a priority for such restaurants. Unless the restaurant is one that also sells wine retail (a business model available in the US, France, and Italy, for example), consumers would not be looking for off-premise consumption. However, they could search for wine availability in restaurants or—perhaps more important—search wine lists to find unusual wines or to learn more about restaurant wine prices relative to local off-premise prices.

An analysis of a third-party role here would be a significant departure from the existing management literature on wine lists which seems to consist primarily of marketing studies (e.g., techniques to increase impulse purchases (Dodd, 1997), cluster analysis of product (restaurant) differentiation through wine lists (Berenguer et al., 2009), international differences in list priorities (Sirieix et al., 2011), resolution of customer/manager conflict inherent in list design (Davis and Charters, 2006)). Economists have also looked at wine list selection as a problem of constrained optimization by restaurants but little else (e.g., validity of expert evaluation of restaurant wine lists (Ashenfelter et al., 2009), restaurant selection of local wines as food complements (Perla et al., 2014), the correlation between restaurant quality and wine list quality (Gergaud et al., 2015), optimal pricing of a given wine list (Coqueret, 2015) (avoids question of list construction)).

This would be a novel application of both the impact of decreased search costs and the possible role of a third party in facilitating search.

Summary and Conclusion

The introduction and expansion of electronic commerce has meant that wine consumers have benefited from easier access to wine price and quality information and, through third parties like Wine-Searcher, cross-vendor comparisons. Vendors worry that easier access to price comparisons would intensify price competition and erode profits. Researchers like Lynch and Ariely have demonstrated that these evolving market conditions can also reward vendors who exploit lower search cost's ability to facilitate greater awareness of differentiated products: vendors are more likely to flourish by stocking unique labels rather than common ones.

Third parties to wine transactions have established their value as information aggregators to both buyers and sellers in wine markets—apparently none more so than Wine-Searcher. We have reviewed some of Wine-Searcher's most valuable content and discussed how it facilitates consumer access not only to competitors' prices but also their websites which can showcase their distinctive features (e.g., "unique merchandise"), including consumer services they can offer. We have discussed not only unevenness in its coverage of vendors but also how it might enhance some of its current features such as vendor ratings and market data and argued for it to become the repository of professional evaluations of the wines it lists to relieve the redundant efforts of vendors doing that themselves. We have also suggested that it could add additional features such as vendor uniqueness ratings and an index of local market competitiveness. Even more novel is encouragement for Wine-Searcher or perhaps another third-party participant to provide the same coverage to restaurant wine lists since that is another form of wine vending.

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INTERNET AND WINE CONSUMERS'/TOURISTS' BEHAVIOR: THE SOURCES OF ONLINE CONSUMER POWER AND THEIR IMPACT ON CONSUMER BEHAVIOR

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Keywords: Internet use, Consumer behavior, Wine, Wine tourism, Marketing strategy

Introduction and research aims

Wine (tourism) research has started investigating the adoption of social media by wine consumers/tourists, but it has neglected to better explain and understand why and how the social media transform consumer behavior. In short, from simply consuming offerings, internet advances have transformed and empowered wine (tourism) consumers to become co-marketers, co-designers and co-producers of their tourism experiences (Sigala & Gretzel, 2018; Sigala & Robinson, 2018). However, little is known about how the internet has changed the way wine consumers and tourists search, find, evaluate, select, consume and experience wine (tourism) offerings and destinations. To address this gap, this study adopted and contextualized the Labrecque et al.'s (2013) model of online consumer sources of power for identifying and explaining how the use of the internet can empower the wine consumers/tourists and influence their behavior.

Theoretical background

The model identifies four major sources (categorized into two types) in which the internet supports and empowers the consumers: 1) individual-based power sources (including demand- and information-based power) representing ways in which the Internet enables and empowers individual consumers to take more informed decisions (e.g. UGC, comments, rankings, demand aggregation); 2) network-based power sources relate to the use of (social) networks to distribute, share and enrich (e.g. by commenting) user-generated content. In this way, social media advances support and foster two major ways for generating network-based namely, networks and crowdsourcing. Sigala & Haller (2018) also further enriched and updated this framework by showing how innovative business models of online wine intermediaries are transforming the online wine tourists/consumers from simply being better 'educated' consumers to becoming co-designers, co-creators, co-distributors but also co-founders of their own wine (tourism) offerings.

Overall, the individual-based sources of consumer empower include:

- the basic/lowest level of user information empowerment created by the easy access, search, comparison and transparency of company – generated information;
- the user empowerment to not only consume but also to create content, which in turn can be searched, read by and influence other users
- the user empowerment by information provided by online infomediaries adopting innovative business models that exploit big data analytics to aggregate and analyse a huge amount of online user-generated and company – created wine related information
- the user empowerment to co-create his/her personalised wine (tourism) offering

Overall, the network-based sources of consumer empower include:

- the lowest level of user empowerment which refers to the users' ability to form and participate in social networks for accessing and distributing information;
- the user empowerment to collaboratively enrich and/or create wine related content (e.g. a wine wiki)

- the user empowerment enabled by the ability to form and access social networks for aggregating resources (e.g. skills, negotiating power, demand, information) and conducting wine related transactions (e.g. wine auctions, exchanges, group purchases)
- the user empowerment to collaboratively co-create wine (tourism) related offering either in the real world (e.g. crowdfunding) or in a simulated edutainment world (e.g. online social wine related games)

Research methodology
An online convenience sample was used for collecting primary data from wine consumers/tourists in order to examine their internet usage patterns and the influence of the former on consumers' online wine (tourism) purchasing decision-making processes and consumption behaviors. The study also investigated whether the consumers' level of wine involvement influenced their internet use and subsequently, the latter's impact on their behavior

Findings and implications
The findings revealed that the internet usage is not homogenous amongst all wine consumers/tourists. Different patterns of internet usage were identified and these patterns were also found to have a significant different impact on consumer behavior. Specifically, the data revealed that the respondents use the internet in a way that they take benefit of both the individual- and the network-based sources of empowerment. However, the findings showed that the respondents' level of internet use varies depending on the type of internet use: i.e. the respondents' internet use is relatively of low sophistication, as it mainly reflects a frequent use of conventional internet tools (e.g. meta-search engines and flash sales), a less frequent use of sophisticated internet tools (e.g. big data) and a limited use of co-creation tools. A cluster analysis identified the following distinct segments of wine consumers (the conscious buyers; the social consumers; the social cocreator) and wine tourists (conscious buyers, the social active consumers). These segments reflect similar patterns of internet use for both wine consumers and wine tourists, which in turn were also associated with different types of impact son consumer behavior on the various stages of decision making, i.e. information collection and evaluation, purchase, and after purchase behavior. Wine involvement was also found to be significantly related with different types of internet use and impacts on behavior.

The findings suggest that the need to develop appropriate marketing strategies (in relation to information creation/sharing; personalization; data analysis; pricing strategies) to target and better satisfy the different wine consumers/tourists based on their internet usage patterns.

WORK IN PROGESS PAPERS

THE EFFECTS OF STORE BRAND WINES ON WINE PURCHASING IN SUPERMARKETS

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Keywords: Store brands, Attitude, Online experiment, Wine purchasing

Store brands (SBs) enjoy growing popularity among consumers as well as related research. Gomez-Suarez, Quinones and Yagüe-Guillen (2017) consider that SBs are one of the most interesting phenomena in developed markets. Nielsen (2014) consumer survey shows that 70% of European consumers perceive SBs as a good alternative to national brands. The development by supermarkets of SBs packaging, product quality and promotions led to a direct rivalry between SBs and national brands (Putsis and Dhar, 2001; Sinha and Batra, 1999).

Concerning wine, national and international data show that the most important values and volumes of sold wines are realized in supermarkets and, most of these wines are store brand wines. Supermarkets use labels and external cues on SBs bottles to help consumers through their choices. However, consumers are not always conscious of these cues and they do not identify that this bottle is a store brand wine. Thus, the purpose of this research is to identify key factors affecting purchasing behavior of SB wines and to understand how the external cues can impact the purchasing behavior in supermarkets.

Some studies (Gomez-Suarez, Quinones and Yagüe-Guillen, 2017) summarize the consumer purchase decision models of private labels and define all the variables which impact positively the intention to purchase SBs, mainly value-consciousness (Burton et al., 1998) and smart shopping (Gomez and Rubio, 2010). More precisely, the literature review highlights that attitude toward SBs, defined as "a predisposition to respond in favorable way to retailers' private label brand" (Burton et al., 1998), mediate those relations. Moreover, purchasing behavior is largely influenced by the trust of the consumer in SBs (Gurviez and Korchia, 2002), referring to consumer believing about "what I am buying is what it promises to be" (Bainbridge 1997) and by the perceived authenticity of the SBs (Lunardo and Guerinet, 2007), referring to content, consistency, origin and context for a product (Beverland, 2006; Camus, 2004). This refers to the conceptual framework of this study (cf. Figure 1).

To fulfill the main objective of this research, we will conduct an online experiment. Our sample will consist of consumers, different in terms of gender, age, socio-professional category and wine expertise. More information concerning the sample size and the participants are presented in Table 1. Scenarios used aim to identify the existing perceptions related to SB and the intention to buy wine SBs. The different scenarios are upon realistic external cues used by groceries, removable or irremovable, indicating the SBs. The measurement of the different variables is presented in Annex 1.

Product characteristics are crucial in the explanation of consumer behavior. Retailers' commitment on packaging enhancement and informations/communication improvement is thus essential in order to build and sustain the consumer relationship. By investigating the relationship between SBs/brand cues and consumer perception, this study will provide relevant external cues influencing consumer behavior concerning SBs and identify main variables impacting purchases. Thanks to this research, supermarkets and the wine industry will have a better understanding of SB wine perceptions in order to enhance added value for customer concerning wine purchases in supermarkets.

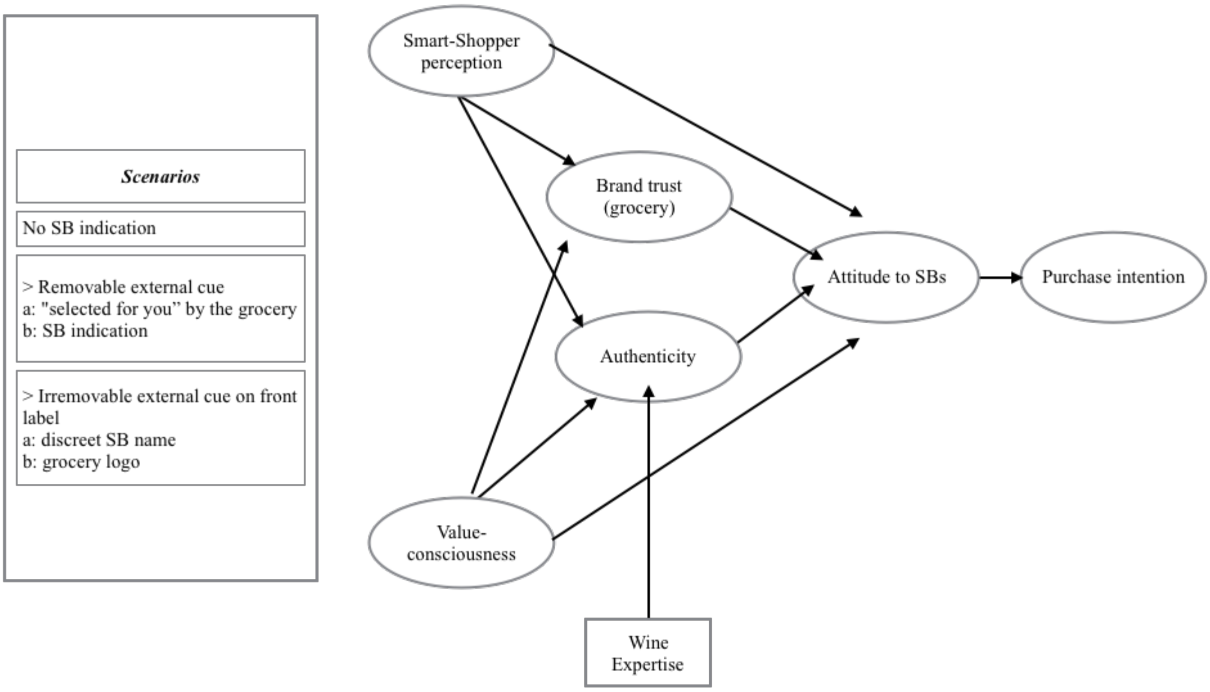

Figure 1. Conceptual framework

	Women	Men	18-25	26-35	36-45	46-55	56-65	Upper class	Lower class	Total
Scenario 1	60	60	24	24	24	24	24	60	60	120
Scenario 2	60	60	24	24	24	24	24	60	60	120
Scenario 3	60	60	24	24	24	24	24	60	60	120
Total	180	180	72	72	72	72	72	180	180	**360**

Table 1. Sample information

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Annex 1. Measurement of the different variables of the conceptual framework

Construct	**Variables**
Smart-shopper self-perception (adapted from Burton et al. 1998)	Making smart purchases makes me feel good about myself
Value-consciousness (adapted from Lichtenstein, Netemeyer and Burton, 1990)	I am very concerned about low prices, but I am equally concerned about product quality.
	When grocery shopping, I compare the prices of different brands to be sure I get the best value for the money.
	When purchasing a product, I always try to maximize the quality I get for the money I spend.
	When I buy products, I like to be sure that I am getting my money's worth.
	I generally shop around for lower prices on products, but they still must meet certain quality requirements before I buy them.

	When I shop, I usually compare the "price per ounce" information for brands I normally buy.
	I always check prices at the grocery store to be sure I get the best value for the money I spend.
Brand trust (adapted from Gurviez and Korchia, 2002)	Brand products bring me security.
	I have confidence in the quality of the products of this brand.
	Buying products of this brand is a guarantee.
	This brand is sincere concerning its consumers.
	This brand is honest with its customers.
	This brand shows interest for its customers.
	I think this brand is renewing its products to reflect the progress of research.
	I think this brand is continually looking to improve its answers to the needs of consumers.
Authenticity (adapted from Camus, 2004 ; Lunardo and Guerinet, 2007)	When you're looking at the bottle number X, you can say about the wine it is natural.
	When you're looking at the bottle number X, you can say about the wine it is made from natural stuffs only.
	When you're looking at the bottle number X, you can say about the wine, it is not made from natural stuffs (inversed).
	When you're looking at the bottle number X, you can say about the wine, you know how it has been produced
	When you're looking at the bottle number X, you can say about the wine, you know where he comes from.
	When you're looking at the bottle number X, you can say about the wine, it can reflect your personality.
	When you're looking at the bottle number X, you can say about the wine, it can define yourself.
	When you're looking at the bottle number X, you can say about the wine, it can help you being yourself.
	When you're looking at the bottle number X, you can say about the wine, it is at your style.
	When you're looking at the bottle number X, you can say about the wine, it is unique.
	When you're looking at the bottle number X, you can say about the wine, it is one-of-a kind.
	When you're looking at the bottle number X, you can say about the wine, there's not other like it.
Attitude toward SBs (adapted from Belaïd and Lacoeuilhe, 2015).	I buy SBs because I do not want to pay for the packaging.

	I like SBs because I pay for a product and not for a brand.
	By buying SBs, I cleverly buy.
	By buying SBs, I make good deals.
	I do not buy SBs because the prices are consequences of bad quality.
Purchase intentions (adapted from Lunardo and Guerinet, 2007)	When you’re looking at the bottle number X, you can say about the wine, you would seriously consider buying the bottle.

RIDING THE WAVE OF ROSÉ: WHEN PINK BECOMES STYLISH

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Introduction/Background

This study is the first to propose a transdisciplinary approach combining cultural studies with marketing in order to explore how the visual codes embedded in rosé wine labelling and packaging have recently evolved.

Long perceived as a boring, unsophisticated, seasonal, and even a purely feminine wine, the reputation and the image of rosé has dramatically changed to become a fashionable product in various circles.

Preliminary literature review

While oenological aspects of the 'third colour' of wine are increasingly explored, cross-cultural perceptions of rosé are still under-researched (Velikova, Charters, Bouzdine-Chameeva, Fountain, Ritchie, & Dodd, 2015).

The present study intends to contribute to this field by investigating the use of cultural cues in brand storytelling for rosé wine, with reference to works based on semiotic analysis applied to wine labelling and packaging (Ang, & Lim, 2006**;** Bobrie, 2010; Celhay, Masson, Garcia, Folcher, & Cohen, 2016; Morgan, & Tresidder, 2015; Oswald, 2012).

Envisaged research methodology

This research will investigate if and how the wine industry in France and in Australia is adapting storytelling and brand narratives to follow the recent popularity of rosé wines.

A qualitative approach is applied to analyse a dataset including semi-structured interviews with professionals involved in the wine industry, promotional documentation, and visual information collected in various sales environment (e.g. supermarkets, cellars, wineries, etc.)

Following principles of semiotic marketing, the research will particularly focus on strategies used to promote a new image of rosé wines.

Preliminary findings

Data collected in France during a field trip of 6 weeks in May 2018 reveal that the increasing demand for rosé is following new trends in consumption and lifestyle characterised by a desire for immediate enjoyment and conviviality.

Grounded in the mimicry of the Provence lifestyle, the change in the image of rosé relates to its fundamental characteristic: the colour. Paired with technological improvements, packaging and labelling of French brands are increasingly designed to magnify wines with beautiful pastel colours. Under the leadership of the Côtes de Provence wines, rosé wine growers and winemakers from other French regions are now often adopting the same visual codes aiming at offering a classy and stylish product.

Conclusion and managerial implications or recommendations

In France, the rise of profile for rosé wines seem to be based on a 'less is more' approach. Strategies to transform the 'plonk' image of pink wine into a chic drink are currently resulting in innovations in both packaging and labelling. Among the most noticeable evolutions is the emergence of customised glass bottles with bigger sizes offered by famous brands (e.g. Minuty, Ott), sometimes resembling perfume or champagne bottles, as well as an overall tendency towards aesthetic and light design for front labels, or even the absence of them.

Data will be collected in Australia in order to assess if there are similar trends in marketing that aim to challenge the usual perception of rosés as cheap wines with funny labelling.

THE OPPORTUNITY OF USING SHARED MEDIA FOR WINE MARKETING

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Keywords: Social Media, Wine Marketing, Millennials, Photo

The digital age has changed the way marketers communicate with purchasers. A majority of U.S. adults use social media, with 73% using YouTube and 68% using Facebook (Smith and Anderson, 2018). Advertising has evolved with changes in consumer media use and marketing managers are now content managers, managing four types of media: paid, owned, earned, and shared (Armstrong and Kotler, 2017). Brands have been using influencers on social media to generate excitement and interest in their brands (Maheshwari, 2018). Research conducted among 286 wineries revealed that 93% of wineries include social media as part of their marketing strategy, while only 7% use television, 18% use radio, and 32% use newspaper advertising (Wolf, Higgins, and Wolf, 2016).

Since most wineries use social media, the aim of this research is to identify the wine consumers that are active on social media by posting photos of wine (aka the *wine-socials*). This information will provide wineries with a consumer segment to target for sharing their brands. The survey instrument created was designed to collect information needed to generate a profile of the wine-socials: demographics, alcohol drinking behavior, preferences for varietals and country of origin of wines, the wine information search process, and wine characteristics that are desirable in the purchase decision. A convenience sample of 747 wine purchasers was collected in 2017 and 2018 using a mall intercept approach in California. Independent sample t-tests and paired-samples t-tests were used to identify statistical differences in the means for ratio data and interval data. Chi-square tests are used to identify statistical differences in nominal and ordinal variables.

This research found that wine-socials make up 25% of wine consumers. Since there are 78.749MM wine consumers in the U.S., wine-socials are a substantial market of 19.69MM adults (GfK MRI MediaMark, 2017). Wine-socials are more likely to be Millennials (47%), with Generation X and Baby Boomers making up 27% and 21% of wine-socials, respectively. Most wine-socials are female (73%) and 40% of wine-socials are single. Wine-socials are more engaged with alcoholic beverages; they are more likely to drink beer, craft beer, hard cider, sparkling wine, craft spirits and spirits. Although wine-socials spend the same on wine as non-socials, they are more likely to go wine tasting and attend wine events. Compared to other wine drinkers, wine-socials purchase more types of wine with 77% purchasing sparkling wines and 71% rosé. They are more likely to purchase Sauvignon Blanc, Chardonnay, Pinot noir, and blends. When making a purchase decision, wine-socials rate the following more desirable than non-socials: brand recommended by friends, fun to drink, good for socializing, produced in California, produced sustainably, attractive label, and great for photos on social media. Both the wine-socials (93%) and the non-wine-socials (85%) learn about wine from friends and family. Wine-socials are more likely to learn about wine from a variety of sources: the internet (48%), winery websites, (36%), magazines (35%), Facebook (39%), Instagram (33%), wine blogs (21%), Pinterest (13%), smartphone apps (10%), snapchat (10%), and Twitter (5%).

Wine-socials are engaged in social sharing. Since most wine consumers learn about wine from their friends and family, wineries that produce the types of wine shared by wine-socials may find an opportunity in taking advantage of their social media posts and engage them as brand ambassadors and influencers.

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THE STARTER WINE: EXPLORING HOW WINE CONSUMER TASTE PREFERENCES CHANGE OVER TIME

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Introduction

There is a perception in the wine industry that consumer wine tastes change over time. For example, it is thought that many wine drinkers begin with semi-sweet white or light fruity red wines, and then "progress" to more complex white wines and more tannic earthy red wines. But is this really true?

The answer is significant from a strategic wine marketing perspective, because it is important that a consumer's first experience with wine be positive. Indeed research has shown that if the first wine tasting experience is negative – the wine tasted bad, they got a headache - that they are more likely to avoid wine or become an occasional rather than core, or high-frequency, wine drinker (McIntyre, et al, 2016; Thach & Olsen, 2004). Therefore, it is important to understand if a winery needs to produce a variety of wine styles so that consumers can have a positive first experience. In other words, do they need a starter wine?

Preliminary Literature Review

There have been numerous medical research studies showing that taste preferences are based on a variety of factors including, genetic, physiological, social and economic variables (Mennella & Bobowski, 2015; Drewnowski, 1997). From a wine taste perspective, there have been fewer studies, but several that confirm that wine taste preferences change over time (Klatsky et al, 1990; Bruwer et al, 2011; Hanni & Utermohlen, 2012). Despite this, many wineries do not seem that concerned about consumer tastes, and only produce the types of wine that they prefer (Bruwer et al, 2011), or that their "terroir" delivers.

So why do consumer wine preferences change over time? Some researchers cite cohort influence (Hawkins et al, 1994; Wilson & Riebe, 2002); whereas others suggest a wine critic's viewpoint (Rasmussen and Lockshin, 1999), or vintage variation (Ockzlowski, 1994). However medical researchers have verified that genetics and receptor genes such as TAS2R38 strongly impact a person's ability to taste bitterness, such as that found in wine tannins – and that age modifies this effect (Mennella & Bobowski, 2015; Shiffman et al, 1979). Therefore as people age, their tastes change. Tim Hanni (2012) in his book, *Why You Like the Wines You Like*, describes this phenomenon, explaining that genetics and environment impact wine preferences, but that tastes may change over time.

Other research has examined the impact of gender on wine preferences, but with no conclusive findings. For example, a study of California wine drinkers found no significant difference between male and female wine preferences, with men and women equally enjoying red and white wines (Thach, 2012). The notion that women prefer sweeter wines is also not substantiated. Studies in both the UK and US show that sweet and dry wines are consumed equally by both genders (Low, 2001; Fuhrman, 2001).

Research Questions

1) Do wine tastes change over time? If yes, how?
2) Does gender or age have an impact on wine preference changes over time?

FROM PROSUMER TO ENTREPRENEUR: THE CASE OF BREWING NEW BUSINESSES

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Keywords: Prosumption, Entrepreneurship, Value co-creation, Collective innovation

Introduction

This study builds on ideas of new consumer possibilities in marketplaces where activities of producers and consumers increasingly seem to blur (Cova and Cova 2012; Firat and Venkatesh 1995; Kotler 1986; Kucuk 2012; Toffler 1980). Viewing the consumer as active participant in co-creating and co-producing value (rather than destroying value) has opened the door to explore special types of consumers engaged in value creating activities. One such type are prosumers, people who produce the goods they also consume (Toffler 1980). Recent ideas about the prosumer have suggested the level of engagement itself serves as differentiator between prosumption and other forms of co-creation of value (Tapscott and Williams 2006; Wolf and McQuitty 2011).

Whereas most studies have explored the level of consumer competence around prosumption (Cochoy 2015; Collins 2010; Cova and Cova 2012; Wolf and McQuitty 2011; Xie, Bagozzi, and Troye 2008), only few studies have looked at the benefits of prosumer interaction, resource sharing, and innovative problem solving (Chandler and Vargo 2011; Seran and Izvercian 2014). The purpose of this research was to examine prosumer networks, and define factors that encourage prosumer activities. While interviewing prosumers (home brewers) it was discovered that prosumer activities, in some cases, can act as a catalyst for starting a commercial enterprise (microbrewery). This pathway to business is largely unexplored in the field of entrepreneurship; hence, this research examines prosumer networks and the accumulation of resources allowing individuals to advance their activities to the level of entrepreneurship.

Threaded through the prosumption and entrepreneurship literature is the idea that social networking facilitates the exchange of resources, creativity, and innovation (Chandler and Vargo 2011; DeCarolis and Saparito 2006). A new pathway between prosumption and entrepreneurship seems beneficial to educators, investors, federal, state, and local governments wanting to spur economic growth through entrepreneurial ventures. Harnessing the cumulated effects of prosumers may be of particular interest to legislators in geographical areas with less than desirable levels of industrialization. Regions with below average economic growth depend on entrepreneurial spirit of individuals for innovation and job creation.

Method

We use a grounded theory approach to investigate the underlying circumstances within prosumption practices that trigger thoughts of entrepreneurship. Grounded theory seeks to build theories from qualitative field data that can be tested or extended by others (Strauss & Corbin 1998). The purpose of this model and the discussion is to improve our understanding of a new pathway towards entrepreneurial ventures. Because few studies have addressed prosumers and their inclination to entrepreneurship, more information is needed to inform the development of a model. We conducted both formal and informal depth interviews with home brewers and attended meetings and fairs to gain insights into the circumstances allowing for thoughts of business ventures to manifest. We further investigated the outreach of home brewers in their respective social media outlets. Both authors became members of several Facebook communities to capture the type of information shared on the site.

Findings

Our preliminary research identified five themes in the data that guided the development of our model. Each of the themes, *Formal and Informal Exchange of Knowledge*, *Challenging the Market, Prosumer Community, a Microcosm for Creativity and Innovation, Prosumer Community Solving Problems, Prosumption Fostering Thoughts of Entrepreneurship* indicates dynamic processes by which prosumers build the necessary skills, knowledge, and confidence that fuel thoughts of starting their own entrepreneurial venture (Going Pro in home brewer terms). The following quote by Nathan offers a glimpse into the mind of an individual who just recently began to successfully brewing his own beer! Other participants voiced similar desires once they became part of a prosumer community.

> *I won't lie; I have looked into how to start brewery. In my head, I thought 'how I would I do this'? I looked at licenses and distribution. How would it be legal? However, right now I'm making it [beer] out of a 5gl jug! It's kind of my wild dream, but maybe someday it could be a career! (Nathan, 29)*

Conclusion

Literature on prosumption is largely of theoretical nature and confines benefits of prosumption to companies seeking valuable outcomes through co-creation. Our study extends knowledge on prosumer-to-prosumer interaction by studying prosumption in the context of home brewing of beer. The preliminary findings indicate that prosumer networks promote thoughts of entrepreneurship through the accumulation of skills, knowledge, collective problem solving, and innovation. We carefully speculate that the prosumer network dynamic resembles that of a business simulation where participants can practice until ready to 'Go-Pro.'

References available up on request

WINE CONSUMERS' INVOLVEMENT AND BRAND RISK PERCEPTION: EFFECTS ON CONSUMERS' CRITERIA FOR WINE EVALUATION, LABEL PREFERENCE AND WILLINGESS TO PAY

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Keywords: Perceived brand risk, Product involvement, Wine evaluation, Label preference, Willingness to pay

Introduction

The global wine industry is a fragmented market with numerous small players and only a few big "brands" (e.g. Gallo). Many consumers feel uncertain, and discouraged to approach the product category wine. This results as well from additional factors e.g. new wine producing nations, many different wine grape varieties, and the importance of expert opinions for the evaluation of wine quality etc. Thus, in comparison to other consumer goods wine is different (Heslop, Cray & Armenakyan, 2010). Moreover, for the German wine market wine consumers are even more uncertain as the German classification system is not well known and perceived as complex. According to a qualitative pre-study for the German market with wine experts this has negative effects as well on the involvement of consumers to shop for wine and their perceived risk to buy a wrong brand (Wegmann, 2018).

Literature review

Recent literature focused on generic wine industry risks' and, on consumers' "risk perception" during the purchase decision as a determinant for willingness-to-pay. Moreover, risk perception research has focused on the development of risk-reduction strategies. In this study, we set a focus on "brand risk" defined as the perceived risk of a person to decide for a certain product instead of a different one (Mittal & Lee (1989). In addition, the construct "involvement" has been examined and its effect to visit a wine tourist destination or a winery. It has been studied as well as a predictor for purchase intention.

In recent literature, consumers' experience different levels of involvement and brand risk when they buy wine. Some studies show a positive relationship of the wine knowledge on the involvement level and a negative on the experienced brand risk. The studies of Lockshin et. al (2006) and Hollebeek et. al (2007) demonstrated a positive effect of customer involvement on the accepted price level.

Additionally, the reason(s) for wine consumption (e.g. restaurant) and wine purchase occasion (e.g. gift) can also have impact on involvement and brand risk.

There are no studies on the German wine market so far that have examined "product involvement" and "brand risk" on wine consumers' accepted price level (willingness-to-pay). In addition, the influence of both constructs on the criteria to judge wine quality and the preferred wine label have not been analyzed.

Research purpose

This study aims to examine the relationship between wine consumers' involvement and brand risk and their preference for a wine label including their criteria for wine quality and accepted price level. It is f. ex. of interest to us whether consumers with a high brand risk prefer more conservative wine labels as the pre-study results indicate. Furthermore, the relationship between wine knowledge as a possible predictor on product involvement and brand risk is studied. The research also examines different wine purchase and consumption occasions as well as age and gender effects on brand risk and product involvement.

Research methodology

Data was collected by a German online panel provider using a self-administered questionnaire. The dataset includes 745 respondents within Germany who all drink wine at least once a month. The sample composition is 52% male and 48% female and inclusive of the different age cohorts (18-29, 30-39, 40-49, 50-59, above 60 years). Each age cohort represents about 20% of respondents. 50% were living in and 50% outside a wine region. The reason for selecting consumers in and outside of German wine regions is based on the results of a qualitative pre-study with focus groups of German wine experts (Wegmann, 2018). In their opinion consumers' brand risk and involvement for wine purchase might differ as wine consumers in wine regions might be more knowledgeable about wine, visit wineries more often, are more familiar with wine brands and have therefore a higher involvement and lower brand risk perception when purchasing wine.

Preliminary findings

Preliminary findings show that wine knowledge has an influence on involvement and brand risk. A significant relationship between product involvement and brand decision for consumers' willingness-to-pay also exists. Further investigations will determine how different levels of involvement and brand risk influence wine drinkers' label preference, criteria for wine evaluation and acceptable price level. The role of involvement and brand risk on price, preferred label and criteria for wine evaluation will be examined between sub-groups (gender, age, wine knowledge).

Conclusions and recommendations

The findings have important theoretical and practical implications. It is the first German study to analyze the role of involvement and brand risk and their effects on criteria for wine quality evaluation, wine label and price. This makes cross-cultural international comparison possible. Study results about consumers' dimensions for wine quality criteria, label preferences and price acceptance should be of interest to wine marketers, based on different degrees of involvement and brand risk.

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THE RELATIONSHIP BETWEEN PAST, ON-SITE AND POST-CONSUMPTION BEHAVIOURS OF TOURISTS AT CELLAR DOORS IN BAROSSA VALLEY

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Introduction/ Problem Statement

The wine buying decision of the tourist at the cellar door is complex and involves an assessment of both cognitive and affective factors. The importance of cognitive factors such as motivation (Alant & Bruwer, 2004; Byrd, Canziani, Hsieh, Debbage, & Sonmez, 2016) and expectations (Charters, Fountain, & Fish, 2009) as well as affective factors such as satisfaction (Chen, Bruwer, Cohen, & Goodman, 2016a) are well established in previous studies. However, there is no conclusive evidence that past behaviors related to wine consumption and the onsite experience at the cellar door affect tourist satisfaction and intention to return. More importantly, existing tourist behavior models in the wine tourism literature (Chen et al., 2016a; Gill et al., 2007) omit past behavior as an important predictor of post-consumption behaviors. Hence, the main objective of this study is to evaluate a model predicting intention to return to the winery on the basis of past wine consumption behaviors as well as on-site experiences at the cellar door.

Literature Review

Despite wine tourism studies showing that previous experience and the possession of knowledge about a tourist destination and its tourist products are associated with the repeat visitation (Bruwer, Lesschaeve, & Campbell, 2012; Chen et al., 2016a), Lee et al. (2017) could not establish the influence of past behavior on behavioral intentions in this context. Bruwer et al. (2012) examine whether previous wine consumption patterns have an influence on the incidence of buying wine, number of bottles bought, and total amount spent on wine at the cellar door. They found that consumers drinking more than six bottles of wine per month were more likely to buy wine and spend more at the cellar doors compared to those consumers who drank less than two bottles per month.

Method

The survey instrument was built from previous studies on wine tourists' behavior and cellar door experiences of visitors to Australia. For example, using the following three questions (number of standard-sized bottles of wine they consume in a typical month, how often they drink wine on a weekly to monthly basis, and how much their household spends on wine in a typical month), we measure respondents' past wine consumption behavior.

It is estimated that 47% of visitors to the Barossa visit a winery cellar door during their visit to the region (South Australian Tourism Commission, 2017). Of the 70 cellar doors located in the Barossa Valley Wine Region in South Australia, a convenience sample of 17 were chosen for data collection purposes (Bruwer, Prayag, & Disegna, 2018). These wineries represent wine operations of different sizes and attract a diverse customer base. Using a systematic random sampling technique, the target population was identified by staff at the cellar door during different times of the day and days of the week and waiting until the identified persons were ready to depart to hand them the survey. At each cellar door, only one respondent from a household participated in the survey, leading to 676 useable questionnaires.

Findings/Conclusions and Managerial Implications

A binary logistic model showed that only monthly household expenditure on wine consumption and the motive of tasting wine predicted satisfaction with the cellar door visit. A negative binomial model showed that the probability to buy more bottles at the winery increases if the visitor is from Australia, satisfied and tasted wine at the cellar door, and younger. However, intention to revisit was predicted only by satisfaction, awareness of the winery before the visit, motives of buying and tasting wine, and some socio-demographic characteristics. Hence, understanding both pre-visit and on-site behaviors of wine tourists are important activities that shape managerial strategies of cellar doors in their quest for growth and survival.

STRATEGIC PREPAREDNESS AND RESILIENCE IN THE U.S. WINE INDUSTRY: AN EXPLORATORY STUDY

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Key words: Black swan events, Organizational resilience, Strategic preparedness, U.S. wine industry

Importance of this investigation
Recent natural disasters have impacted companies and personnel among various regions and producers in the global wine industry: e.g. earthquakes in Napa Valley (2015) and New Zealand (2016), as well as devastating fires in Napa Valley, Northern Spain, Portugal, and Sonoma County (2017). Managers of wine businesses in dire situations (this is a little unclear - do you mean dire in the sense of potential crisis in fire and earthquake prone areas or those trying to operate while nearby businesses are affected by crisis?) must find the right balance between planning and remaining operational. No matter how well a plan has been thought out, unexpected events — "black swans" — happen (Taleb, 2007). Expectations for preparedness from employees, trade associations, retail groups and customers are rising, and wine businesses need to proactively plan for potential natural disasters. Our research asked the questions: 1) to what extent are managers of wine businesses prepared for disaster (we might want to stick with the same term - disaster) and, 2) which policies and procedures are deemed necessary by managers in preparing for disasters?

Prior research
Strategic preparedness is a proactive phase of risk management. Prior researchers suggest that managers' perceptions of strategic preparedness are contingent upon organizational characteristics as well as an employee's status within an organization. Haimes (2012) defines strategic preparedness as "a proactive phase of risk management…for emergent forced changes, whether originating from natural or human sources" (Haimes: 1842). Yet despite numerous theoretical investigations into crisis management and disaster preparedness, there is scant research on proactive activities such as institutionalized processes, executives' and employees' perceptions of risk, and adoptions of organizational crisis management preparations, considered to be part and parcel of pre-event preparedness (Pearson and Clair, 1998). Fowler et al. (2007) suggest that there may differences in perception of disaster and crisis preparedness contingent upon level of employment standing within an organization, i.e., top-level managers and owners evince a higher level of perceived preparedness than employees. Further investigations are needed to uncover institutionalized processes, managers' perceptions of risk and adoptions of organizational crisis management preparations, which together comprise pre-event preparedness.

Hypotheses
Hypotheses were constructed to ascertain the impact of four IV — (1) organization size (based on volume produced), (2) number of employees, (3) age of the business, and (4) employee organizational level (entry, middle manager, senior manager) — on perceptions of organizational preparedness for black swan events (DV).

Methodology
From May – June 2018, a survey instrument adapted from Fowler et al. (2007) was emailed to 400 university wine business program alumni (undergraduate, MBA, and EMBA). Follow-up interviews to verify, refute, or amplify quantitative responses were conducted with two individuals at four different wineries during August—September 2018. The same survey was sent to a larger sample of 3,775 winery executives in the *Wines & Vines* database during October-November 2018, with the intent of capturing larger sample to permit factor analysis of diverse approaches to preparedness, identify indicators of organizational trust, and provide balanced viewpoints not easily obtainable from the prior exploratory cross-sectional survey (Patton, 2002: 453). At this writing in mid-November 2018, only 3,425 addresses turned out to be correct and 104 completed responses have been received, for a response rate of approximately 3 percent.

Findings, limitations, and implications for practitioners
Findings from 50 completed responses indicated medium to low scores of preparedness (2.65) on a scale of 1 (low) to 5 (high). Higher-level managers indicated higher levels of prepared ness than lower-level staff. Medium-sized wineries indicate higher levels of preparedness than small or large wineries, thus results are inverted U-shaped. Qualitative field interviews indicated that organizational trust may well be more significant than factors of organizational size and age and employee position when organizations are faced with "black swan" events. Preliminary guidance on best practices to prepare wine businesses for black swan events will be presented and discussed. Future research across wine regions could overcome some limitations of this investigation (e.g. representing only one wine producing region, small population size, potential biases due to very recent natural disasters in the region under study, etc.) and to deepen our understanding of similarities and differences in strategic preparedness.

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EFFECTS OF CONJUNCTIVE LABELING ON AWARENESS LEVEL OF TARGETED CONSUMER SEGMENTS

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Keywords: Region of Origin; Wine Marketing; Conjunctive Labeling, Consumer Awareness

Introduction

Conjunctive labeling is becoming a more common practice in wine producing countries such as the United States and Canada. This entails attaching the reputation of a smaller appellation (AVA), such as Dry Creek Valley, to the reputation of the larger region (i.e. Sonoma County) by printing "Sonoma County" on all wine label imprints. An analysis of data collected in 2008 (before the advent of conjunctive labeling in Sonoma County) with data collected in 2016 (two years after full implementation) will highlight changes in awareness among consumer segments.

The motivation for this study is to evaluate whether or not the implementation of conjunctive labeling has been beneficial to Sonoma County producers. Several other regions on the West Coast are considering a similar implementation and this research will help to inform those decisions. The before and after timing of the surveys provides unique insight for this evaluation.

Literature Review

Today, most major wine regions have some type of legal system to define wine appellations based upon the original French system of AOC certification. In addition to geographical identification, these entities often include various quality criteria as well as viticulture and production techniques. The United States system of AVAs, however, does not guarantee quality or require specific growing and production processes. AVAs just communicate an authentic and distinctive winegrowing area, large or small.

The research on conjunctive labeling in the United States is fairly recent. Napa Valley was the first region to require conjunctive labeling beginning in 1990. It has been very successful, but the technique was not imitated until Sonoma County implemented conjunctive labeling in 2014. Part of the reason is to reduce confusion in the mind of the consumer. There were 239 AVAs in the United States in 2016 which is a lot of information for consumers to consider. Conjunctive labeling is also tied in to a variety of regional marketing activities for Sonoma County. According to Lockshin and Rhodus (1993), the average wine consumer is likely to rely upon extrinsic cues such as price or region of origin when making quality assessments. Over time, trust is built between consumers and regions whose wines have pleased them before (Bruwer and Wood, 2005). In 2007, Johnson and Bruwer demonstrated that the promotion of a regional identity in wine would provide value by creating consumer awareness and influencing consumer perceptions.

Price paid (over $15/under $15) and consumer knowledge were two traits explored by Johnson and Bruwer (2007) to examine which wine consumer attributes contribute to interest in place-based marketing. Atkin and Johnson (2010) found that consumers typically spending over $15.00 for a bottle of wine rely on regional information to a greater extent than their lower spending counterparts.

Research by Rasmussen and Lockshin (1999) concluded that that consumers who use regional branding as a quality cue generally possess a higher degree of perceived knowledge. More recently, Perrouty et al. (2006) provided evidence that consumer expertise influences the importance of region of origin. Famularo et al., (2010) also found that willingness to learn about wine was positively related to the importance of region in making wine purchasing decisions.

Problem to Be Investigated

Digging deeper, the research question to be addressed is: which consumer segments showed the greatest increase in awareness of Sonoma County wines over that eight year period from 2008 to 2016? The consumer traits examined in the current analysis are expertise and price usually paid. This will help to fill the gap expressed by McCutcheon et al. (2009) that not enough is yet known about how the impact of region of origin varies across different market segments.

Research Methodology

An online survey methodology was used to gather data from over 400 wine consumers provided by Survey Sampling International in both 2008 and 2016. The samples shared many similarities although they were different respondents. Statistical testing using Mann-Whitney method provided significance data.

Findings

When we grouped the sample according to the price they typically pay for a bottle of wine, the over $15 group showed greater gain in awareness of Sonoma AVAs than those who pay less than $15 per bottle from 2008 to 2016. (See Table 1). When the groups were split by expert vs non expert, the results showed a larger increase in AVA awareness in the expert group from 2008 to 2016. Non-experts also showed an increase from 2008 to 2016 but not as large. (See Table 2)

Implications

Place of origin is a positioning opportunity for wineries and helps wineries establish an awareness of their product (Chaney, 2002). Sonoma County wines tend to appeal to customers who know more about wine and are willing to spend over $15 per bottle.

Conclusion

The greater increase in awareness in both of those groups demonstrates that the conjunctive labeling information is reaching a beneficial target audience.

Table 1 Aware x Price	Under $15 2008	Under $15 2016	**Difference**	Over $15 2008	Over $15 2016	**Difference**
Sonoma County	2.73	2.86	<u>0.13</u>	3.27	3.62	**0.37**
Russian River Valley	1.27	1.57	0.30 (ns)	2.05	2.58	**0.53**
Dry Creek Valley	1.10	1.52	0.42 (ns)	1.90	2.69	**0.79**
Carneros	1.01	1.23	0.22 (ns)	1.65	2.21	0.56*
Green Valley	0.88	1.46	0.58 (ns)	1.68	2.56	**0.88**

Bold….99% confidence; asterisk *…95%; <u>Underline…90%</u> ; (ns)..not significant
Mann-Whitney test of difference

Table 2 Aware x Expertise

	Expert 2008	Expert 2016	**Difference**	Not Expert 2008	Not Expert 2016	**Difference**
Sonoma County	3.28	3.73	0.45*	2.35	2.75	0.40*
Russian River Valley	1.90	2.65	**0.75**	0.95	1.45	**0.50**
Dry Creek Valley	1.69	2.62	**0.93**	0.84	1.54	**0.70**
Carneros	1.51	2.18	0.67*	0.73	1.25	0.52*
Green Valley	1.39	2.53	**1.14**	0.74	1.43	**0.69**

Bold….99% confidence; asterisk *…95%; <u>Underline…90%</u> ; (ns)..not significant
Mann-Whitney test of difference

JUDGING A BOOK BY ITS COVER: THE POWER OF WINE LABEL DESIGN IN SHAPING CONSUMERS' PRODUCT PERCEPTIONS

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Keywords: Wine marketing; Consumer behaviour; Label design; Product perception

Introduction and Background

Extant research shows that extrinsic product cues, such as packaging and branding influence consumers' product evaluations (Mueller and Szolnoki, 2010). Wine represents a product category where consumers' product evaluations are particularly impacted by extrinsic product cues (Lange et al., 2002). Wine consumption is a multi-sensory experience with interactions between different stimuli, such as packaging appearance, wine odor signature, or taste. Wine labels have been shown to play a significant role in consumers' product evaluations and purchasing decisions (Rocchi and Stefani, 2006). Research has explored individual effects of label design on, for example, quality and price expectations (Orth and Malkewitz, 2008). However, the transferability of consumers' wine label perceptions to actual perceptions of product quality, taste, and price remain underexplored. Consequences of these potential transfer effects on product evaluation in terms of attitude, purchase intention, and willingness to pay are largely neglected. The purpose of this study is to explore the effects of wine label design on consumers' product perceptions. The findings are based on data from the 'Old' and 'New' wine worlds, Germany and Australia, collected from one online survey, a lab experiment with experts, and several wine-tasting field experiments on-premises and at the point-of-sale.

Research Methodology

Our research design comprises three individual studies. *Prestudy 1* aims at developing a measurement instrument for consumers' wine taste expectations and perceptions that can be triggered by wine label design. First, we reviewed existing literature to adopt measurement items were possible (e.g., Moon and Kamakura, 2017). Second, we conducted in-depth interviews and a paper-pencil follow-up survey with 20 experts in the fields of label design and wine making to identify item pairs that could translate from label design perception to wine taste expectation and perception. Overall, our experts identified 36 item pairs (e.g., young – aged; simple – complex; sweet – dry) that were grouped in 7 preliminary dimensions. Third, we ran an online survey with consumers in Germany and Australia (n = 686) to assess 86 different wine labels with regard to the 36 item pairs from our previous research step. We conducted an exploratory factor analysis to extract 10 final items across three dimensions (i.e., intensity, fruitiness, and age). Furthermore, we selected wine labels from the original pool that evoke clear taste associations among study participants to use in our main study.

In *Prestudy 2*, we plan to conduct a lab experiment with wine experts to evaluate various wines on the three dimensions generated in our prestudy 1. It is the aim of this study to select wines for our main study. In the *Main Study*, we plan three independent field experiments with consumers in Germany and Australia (targeted total n = 500) to assess the actual effect of wine label design on consumers' product perceptions in terms of quality, taste, and to the willingness to pay.

Conclusion and Implications

While research has shown that wine labels play a significant role in consumers purchasing decisions (Rocchi and Stefani, 2006), current findings lack generalizability, the ability to represent actual consumer behavior in real life settings, and conclusiveness in terms of mapping the complex interplay between wine label design and consumers' product expectations, perceptions, and evaluations. To our best knowledge, our study is the first to address this lack in research.

Our preliminary data indicate that wine producers and wine label designers should collaborate to create the most effective wine-label parings. Bringing consumers' expectations triggered by wine label design and actual perceptions of quality and taste in line via a taste-congruent label design creates a more consistent and, thus, more favorable multi-sensory drinking experience.

References available on request

OPINION LEADERSHIP AND OPINION SEEKING AMONG DINERS IN SOUTH AFRICAN RESTAURANTS

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Keywords: Opinion leadership, Opinion seeking, restaurants South Africa.

Introduction
Many consumers experience levels of intimidation when it comes to making wine purchases (Olsen, Thompson & Clarke, 2003; Roe & Bruwer, 2017), particularly so when dining out in a restaurant where the additional social pressure of being part of a multi-person group often also exists (Bruwer, Palacios-Arias & Cohen, 2017). Despite the generally agreed upon importance of opinion leadership and opinion seeking in marketing and consumer behaviour (Chaudhry, 2013; Goldsmith & Clark, 2008), there is a paucity of this research relating to wine, with very few studies having been executed (Chaney, 2001; Goldsmith & d'Hauteville, 1998; Vigar-Ellis, Pitt & Caruana, 2015). Not a single study has researched these constructs in the context of wine in restaurants.

Literature review
Given that wine is a 'complicated' product when it comes to decision-making, even more so in the restaurant environment, focused research to determine the level of influencing and of seeking advice is long overdue. Measurement of both opinion leadership (OLS) and opinion seeking (OSS) has been a challenge and hence we used the validated opinion leadership and opinion seeking scales of Flynn, Goldsmith and Eastman (1996) and adjusted them to wine as the focus product.

Research purpose
Inter-relationships between opinion leadership and opinion seeking and wine consumer behavioural variables of South African restaurant dining patrons, i.e. dining frequency, dining group size, and willingness to pay price(s) for different wine type offerings are examined in this exploratory study. The overall aim is to determine some baseline metrics, whether there are differences between these variables, and how certain socio-demographic variables relate to these.

Research methodology
An online survey was executed in South Africa by a professional consumer-panel company involving wine consumers (18 years and older) and had dined out at least once in the past month at any of the range of restaurant categories where they consumed wine on that occasion. An online survey eliminated the logistical issues and invasion of diners' privacy faced when having to collect information *in situ* in restaurants, and had the added advantage of sampling across South Africa and its different restaurant categories. A total of 501 surveys could be utilised for further analysis.

Preliminary findings
A high Cronbach alpha reliability level was confirmed for both scales (OLS = 0.829; OSS = 0.777). Preliminary findings indicate that dining patrons' levels of opinion leadership and opinion seeking with wine show significant differences (at 0.05 level) between dining out frequency, quantity consumed, amount spent on wine, gender and age generations. Similar

patterns could not be found for the size of the dining group and price elasticity for available wines.

Conclusions and recommendations

Both the opinion leadership and opinion seeking scales provide reliable measures of these constructs. These constructs can discriminate between dining patrons on various key wine behavioural variables pertaining to the occasion of dining out at restaurants. A behavioral model predicting these relationships between the constructs and these variables can be postulated and should withstand empirical scrutiny. Future research should examine these further and incorporate them into a behavioral model.

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A PROFILE OF ROSÉ CONSUMERS FUELING ITS GROWTH: PINK IS NOT JUST FOR FEMALES!

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A successful winery marketing strategy requires creating value for the consumer by providing them products that they desire (Armstrong and Kotler, 2017). While wine is a traditional product that has been traded and consumed for thousands of years, wine consumers and their needs have changed. According to Euromonitor, still Rosé dollar and volume sales grew faster than still red and white wines between 2016 and 2017 (Global Market Information Database, 2018). The value of Rosé wines grew faster than the volume, indicating that both the price and the volume of Rosé has increased. Nielsen data from 2016 showed a 54% increase in dollar volume for blended table wine blush compared to the previous year, while total table wine grew just 4.8% during the same period (Perdue, 2017). Wine consumption is often segmented by generation and research suggests that there is an opportunity for wineries to attract consumers to purchase their brands by offering Rosé (Wolf et. al., 2018);. This research will provide wineries with valuable information for product creation, positioning, and targeting to capitalize on the increased interest in Rosé wines.

The objective of this research is to generate a profile of Rosé consumers to identify the target market for Rosé. A survey was designed to collect information related to demographics, drinking behavior, wine purchasing behavior (including country of origin and varietal), the wine information search process, and wine characteristics that are desirable in the purchase decision. The survey instrument was completed using a mall intercept personal survey approach in California and is a convenience sample of 1070 wine purchasers collected in February and October 2017. Statistical differences in the means for ratio data and interval data are evaluated using independent sample t-tests. Statistical differences in nominal and ordinal variables are identified using a chi-square test.

Rosé consumers are more likely to be Millennials. Over half of Millennials (59%) indicated that they purchase Rosé, while 44% of Generation X and 35% of Baby Boomers purchase Rosé. Rosé consumers are more likely to be females with 56% of female respondents indicating that they purchase Rosé (only 33% of male respondents indicated that they purchase Rosé wines). However, 70% of female Millennials and 44% of male Millennials purchase Rosé suggesting that the Rosé target consumer is no longer only females. Rosé consumers are more likely to be single and have a college degree.

Rosé purchasers spend more on wine in a typical month, $97, compared to $86 for non-rosé purchasers. They purchase wine in more locations and 35% are likely to plan to trade up to higher priced wine in the future compared to non-rosé purchasers, 24%. More Rosé purchasers have bought wine from Italy or France than non-purchasers. Rosé purchasers buy more varietals and blends. Rosé purchasers are more likely to go wine tasting (75%), attend an event at a winery (46%), and take a photo of wine and upload it to social media (22%). Rosé purchasers are more likely to consider themselves a foodie and a wine enthusiast, and enjoy trying new wines and new restaurants.

When making a decision to purchase wine, very desirable attributes to Rosé purchasers are *good value for the money, varietal I like, high quality product, a brand I know, a brand recommended* *by friends,* and *a good drink for socializing*. Since they buy wines from many countries, it follows that Rosé purchasers rate the desirability of wine produced in California lower, but rate *produced in Europe and southern regions* higher than non-purchasers. They also rate the characteristics *fun to drink* and *great for photos on social media* higher than non-purchasers. Rosé purchasers use more sources of information in their wine purchases. The internet is used by 46% of Rosé consumers with Facebook, winery websites, and Instagram used by 30%, 25%, and 20% of Rosé consumers, respectively.

The Rosé wine consumer is young, active, engaged in the wine world, and willing to try new wines. This research suggests the potential for wine producers that offer a Rosé wine under their brand to attract consumers that spend more, plan to trade up to higher priced wines in the future, enjoy trying new wines, and enjoy uploading photos of wine on their social media pages. Attracting these consumers could have a beneficial impact on brand sales, and possibly awareness, if they also share the wine on their social media.

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PRODUCT INVOLVEMENT AND SINGLE-SERVE WINE CONSUMPTION METRICS IN USA RESTAURANTS

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Keywords: Wine by-the-glass, Single-serve consumption, Restaurants, USA

Introduction

The business opportunity the single-serve wine-by-the-glass (WBG) strategy offers the restaurant industry has to date been largely underutilised (Frost, 2015; Yoon & Stacy, 2015). From an academic perspective, there is a paucity of research in this specific field, despite an attempt to develop a WBG risk perception scale (Bruwer, Palacios-Arias & Cohen, 2017). A need, therefore, exists for a 'baseline' study to examine if and how constructs, specifically product involvement and in-restaurant consumer behavioural variables, are interrelated.

Literature review

Consumers' involvement with a product category is widely accepted as being instrumental in their consumption of and associated behaviour of the product. From early on, wine has been regarded as a product category well suited to involvement research (Zaichkowksy, 1985). Research on wine has therefore identified product involvement as an important variable that has an impact on consumer behaviour (Bruwer, Chrysochou & Lesschaeve, 2017; Bruwer & Cohen, 2018; Bruwer & Huang, 2012). The restaurant environment, specifically wine in single-serve format, has previously not received any research investigative attention (Bruwer et al., 2017; Terrier & Jaquinet, 2016). Our study provides baseline insights towards bridging this gap in the literature base.

Research purpose

This research explores inter-relationships between wine product involvement and consumer behavioural variables of USA restaurant dining patrons, i.e. dining frequency, dining group size, and WBG-specific variables such as method of ordering, decision factor importance, and willingness to pay price(s) for different WBG wine type offerings. The overall aim is to determine some baseline metrics, whether differences exist between these variables, and their relationship with socio-demographic variables.

Research methodology

An online survey was executed in the USA by a professional consumer-panel company involving people of legal drinking age (21 years and older) who were wine consumers and had dined out at least once in the past month at any of the restaurant categories where they consumed wine on that occasion. An online survey eliminated the logistical issues and invasion of diners' privacy faced when having to collect information *in situ* in restaurants, and had the added advantage of sampling across the USA and its different restaurant categories (as in Canziani et al., 2016). A total of 532 surveys could be utilised for further analysis.

Preliminary findings

Preliminary findings indicate that dining patrons' involvement level with wine shows highly significant differences (at 0.01 level) between dining out frequency, group size, prices patrons are willing to pay for different WBG wine type offerings (i.e., red wine), quantity consumed, amount spent on WBG purchases, and gender and age generations. Similar patterns could not be found for method of ordering and importance ranking of the decision factors.

Conclusions and recommendations

The wine product involvement construct has predictive ability and can discriminate between dining patrons on various key metrics concerning their engagement with WBG purchasing when dining out in restaurants. A behavioral model predicting these relationships between the product involvement construct and these variables can be postulated and withstand empirical scrutiny. Future research should examine these further and incorporate them into such model.

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WHY DO YOU DRINK WINE? CONSUMER MOTIVATIONS IN KENYA AND ANGOLA

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Keywords: Wine perception, Consumer behaviour, African consumers, Market segmentation

Introduction
Wine consumption in sub-Saharan Africa (SSA) is growing rapidly. However, there is little research into the motivations of consumers to purchase and consume wine, outside South Africa. This study investigates consumers in Kenya and Angola, countries with different wine heritages.

Literature review
Significant research exists regarding European (Brunner & Siegrist, 2011), American (Kelley, Hyde, & Bruwer, 2015) and Australasian wine consumers (Bruwer & Li, 2017). There are also studies into emerging markets such as China (Camillo, 2012). However, academic research into SSA consumers is almost non-existent. Media reports and wine industry studies, however, attribute wine consumption to a growing middle class with greater disposable income and a desire to secure social status through association with wine. Consequently, although prior research has identified constructs for interpreting wine consumer behaviour generally, there is a significant gap in understanding the motivations of SSA wine consumers in their specific context.

Research focus
This study investigates why Kenyan and Angolan consumers choose to drink wine instead of 'traditional' alternatives, such as beer and spirits. It focuses on understanding what wine signifies for consumers, how the image of wine differs from other alcoholic beverages, when and why consumers choose wine instead of alternatives, and the needs that wine consumption satisfies.

Research methodology
The research question requires an interpretive understanding of the social realities of individual consumers. The study therefore uses a Mixed Methods Research (MMR) approach, in which an initial qualitative study informs a subsequent quantitative phase. Significant weight is given to the qualitative study.

The qualitative phase (currently underway) comprises semi-structured interviews with wine consumers with different socio-demographic characteristics in Kenya and Angola. The study uses grounded theory to analyse the interviews. The findings will then be tested for soundness and generalisability through surveys.

Preliminary findings
Interviews have been conducted in Kenya, and are starting in Angola. Angolan conclusions are not yet available.

Interviews in Kenya identified two main consumer segments, *wine connoisseurs* and *uninformed consumers*. Wine connoisseurs include consumers of both genders who are knowledgeable about wine and seek a consumption experience through good quality wine. This consumer segment has lived and travelled overseas and learnt about wine while outside Kenya.

The second main consumer segment consists of uninformed consumers. This is the majority of Kenyan wine consumers. This segment is poorly informed about wine and shows little interest in enhancing knowledge. Such consumers do not seek quality in wine and display strong brand loyalty.

Within this second consumer segment, however, there are significant differences in the consumption motivations of men and women.

Men do not see wine as 'manly' and still generally consume beer and spirits in male company: men rarely consume wine with male friends for fear of ridicule. This study, however, identified three segments of male wine consumers. The first segment consists of men who consciously use wine, in mixed company, to make a statement that they are a 'modern man'. This motivation is strong in young men under 30 who wish to create a good impression which they hope will appeal to women. The second segment is men who drink wine in mixed company in order to disassociate themselves from the 'hard drinking' tradition of beer or whisky consumption, but are not committed to wine. The third segment, primarily men over 40, drinks wine because they think it is good for their health.

The study identified three consumer segments amongst women. The first segment consists of women who use wine to make a statement that they are independent, modern and will do as they wish. This segment includes women of all ages, but is strongest amongst women under 30. The second segment comprises women of all ages who see wine as a socially acceptable option to other alcoholic beverages, thereby enabling them to drink alcohol in public, even on more conservative social occasions. Wine therefore represents a 'middle way' between soft drinks and spirits. The third segment comprises women who like wine and will generally choose wine over alternative alcoholic beverages. All three segments see wine as more important than clothes or other 'status' apparel when sending a message about themselves.

Conclusions

Contrary to prior studies of wine consumption in SSA, Kenyan consumers do not use wine to secure social prestige. Consumers of both genders use wine to make specific statements about themselves, essentially linked to being 'modern'. This reflects changes in Kenyan society, particularly the empowerment of women and a rejection by men of the macho image associated with 'hard alcoholic beverages' and a move towards more socially-responsible alcohol consumption.

Wine also allows both male and female consumers to drink alcohol without the negative connotations associated with other alcoholic beverages such as beer and spirits. Consuming wine in public therefore has greater socially acceptance. Marketers in Kenya should emphasise the social acceptability of wine in marketing campaigns rather than wine quality.

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COOPETITION IN SMALL, FAMILY-OWNED, RURAL NEW ZEALAND VINEYARDS AND THE IMPACT ON STAKEHOLDERS

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Keywords: Coopetition, New Zealand, Stakeholders, Wine

Introduction

Earlier research involving coopetition, namely, the interplay between competition and cooperation (Bengtsson and Kock, 2000) suggests sharing of resources and knowledge can assist firms' performance. This study draws on literature involving 'dark-side' practices (Abosag et al, 2016) and takes an adapted 'strategy as practice' approach (Whittington, 2006), to investigate whether differences exist between what owner-managers say and what happens at the cellar door in respect of coopetition practices.

Literature Review

Existing studies suggest that the New Zealand wine industry is both competitive and cooperative, with firms operating within various rural clusters (Dana et al, 2013; Crick, 2018a; Felzensztein et al, 2018). Similarities exist in wine clusters overseas (Felzensztein et al, 2014; Granata et al, 2018). New Zealand vineyards, like those from certain other 'new world' (as opposed to established and 'old world') producing countries, face problems on a competitive world stage where country of origin and brand effects are important (Bruwer and Beller, 2012; Voronov et al, 2013; Brodie and Benson-Rea, 2016). Knowledge sharing and joint promotions as examples of coopetition activities may be important for small vineyards (including family-owned) to enable them to compete internationally (Crick, 2018a; b). Furthermore, those vineyards with augmented portfolios such as cellar doors, restaurants, accommodation etc. may actively look to collaborate to bring tourism to their rural wine cluster such as via wine clubs and tours (Mitchell and Hall, 2001; Charters and Michaux, 2014). However, potential tensions in relationships need managing (Tidstrom, 2014). Moreover, Virtanen and Kock (2016) suggest that the product-markets firms operate in may affect relationships due to the nature of business models employed; for example, some firms are in closer competition than other organizations. Underpinning this study is via the theoretical lens of stakeholder theory (Freeman, 2017).

Research Focus

Firms are often both collaborative and competitive in the wine industry; however, this behavior may manifest itself differently among vineyards employing different business models. The study investigates whether differences exist in the coopetition behavior between vineyards that concentrate on domestic tourism in comparison to those actively internationalizing where domestic sales are less important.

Methodology

This study employs a mixed method approach, using manual coding, and primarily involving 40 interviews across 20 firms. The boundary of this study (Stake, 1995) refers to smaller-sized, family-owned vineyards within New Zealand's wine industry. Semi-structured interviews took place within 20 vineyards to understand owner-managers' and Cellar Door Managers' perspectives towards coopetition in their business models. Furthermore, observations took place at the cellar door of the same 20 vineyards and collection of secondary data sources where possible.

Findings

The study finds that owner-managers recognize the benefits of coopetition to various stakeholders such as their own business, rival vineyards, firms in the supply chain like bottling plants through to customers; also, stakeholders like shops, accommodation providers etc. that are impacted upon. Nevertheless, observational data at the cellar door suggests differences exist as a 'strategy as practice' between those vineyards engaged in domestic tourism and those internationally focused, where the latter are far less collaborative and opportunistic behavior is more prevalent.

Recommendations
Implementation of effective recruitment and training procedures is important, and owner-managers should consider offering cellar door employees appropriate incentives to facilitate collaborative behavior and minimize opportunism to benefit stakeholder groups.

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SOUTH AFRICAN WINERIES IN THE U.S. MARKET: IMPORTER-PRODUCER TIES AND SHELF PRESENCE

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Keywords: Producers, Importers, Markets, Networks

Introduction

A regular browser of the South African wine section in bottle stores in the USA will notice that the same brands show up repeatedly: Jam Jar, Goats Do Roam, Chocolate Block, Mulderbosch, and Secateurs are among the most common. Although most SA wineries have struggled to make it on to American shelves, the wineries that produce the above-named brands have acquired a significant shelf presence. The question that prompted this research was why and how these wines (and wineries) have come to represent what we might call Brand South Africa in the US marketplace. A related, and equally important, question is what went wrong for the many other wineries whose wines did not reach bottle-store shelves.

It is not only SA wines that struggle for visibility. The noted *New York Times* wine critic, Eric Asimov, titled one his columns "Why Can't You Find That Wine?" in response to his readers' complaints that they were unable to find in their local bottle stores many of the wines he had reviewed He acknowledged their frustration, which he attributed in part to his own preference for reviewing wines from small producers, whose products were "intriguing and distinctive but less available" (*New York Times,* 11 February, 2014). The US wine market is dominated by the brands of the big wine conglomerates (E&J Gallo, The Wine Group, Constellation Brands, Treasury Wine Estates, and Pernot Ricard), which are distributed by equally large distributors (Southern Glazer's Wine and Spirits, Republic National Distributing Co., and Breakthru Beverage Group). These three companies sell half of all the wine in the USA. The question we seek to answer is how any SA wineries manage to break into the US market, given that they are all relatively small. Our answer, based on qualitative and quantitative evidence, is that importer-producer ties are critical.

Research Methods and Data

Two sources of data were used for this project. First, 68 people involved in the wine industry—winemakers, importers, distributors, and retailers—were interviewed; all but one were recorded. Second, we used Wine-Searcher Pro to identify 864 liquor stores in the US that in February 2017 had at least one bottle of a SA wine on their shelves; the bottles came from 156 different wineries, representing more than one-quarter of SA's total of 568 wineries. We constructed a database containing information about characteristics of South African wineries as well as their store presence throughout the United States. We first counted the of stores in which each winery was present (the dependent variable), to which we added data on the importer, the winery's age (its founding date and when it produced its first case), its size (annual production in tons and cases), and its quality (how many wines from the winery received 5-star ratings between 2012 and 2016 from Platter's South African Wine Guide). We converted importer into a dummy variable coded 1 (the importers that made SA wines their exclusive or primary focus) and 0 (the importers whose primary focus was non-SA wines),

We ran a negative binomial regression for our analysis because our dependent variable, the number of US stores in which each wine was present, is a discrete, count variable. We used its log value. Our independent variables were the type of importer, winery age, log value of the number of cases produced, and the winery's number of 5-star wines.

Findings

A handful of SA wineries have a significant shelf presence in the USA, although the majority do not. Four wineries—Cape Classics, Excelsior, Fairview/Spice Route, and Boekenhoutskloof—had their wines in over 300 stores, whereas 91 wineries were in fewer than 20 stores. Table 1 indicates that the type of importer and the amount of cases produced were statistically significant, while the winery's age and reputation were not significant.

Table 1: Factors predicting SA shelf presence in USA

Negative binomial regression		Number of obs =	130
		LR chi2(4) =	52.80
Dispersion = mean		Prob > chi2 =	0.0000
Log likelihood = -571.58725		Pseudo R2 =	0.0441

stores	IRR	Std. Err.	z	P>|z|	[95% Conf.	Interval]
SADummy	.6271085	.148199	-1.97	0.048	.3946262	.9965511
Platter5~201216	1.087368	.0609575	1.49	0.135	.974223	1.213653
logcases	1.478145	.0844679	6.84	0.000	1.321525	1.653326
AgeFirst	1.000089	.0029581	0.03	0.976	.9943078	1.005904
_cons	.716885	.4268293	-0.56	0.576	.2231767	2.302768
/lnalpha	.2187798	.1138076			-.0042789	.4418385
alpha	1.244557	.14164			.9957302	1.555564

Likelihood-ratio test of alpha=0: chibar2(01) = 6204.29 Prob>=chibar2 = 0.000

Wineries that were represented by importers that did not focus on South Africa were more likely to have their wines on US shelves. This result may seem counter-intuitive because the SA-focused importers were knowledgeable and motivated to sell their wines. Moreover, many of these importers signed distribution deals with the major distributors, a step that appeared to enhance their prospects of gaining shelf presence. These deals often turned out to be worthless, however, because the distributors made little effort to persuade the retailers to carry the wines. In contrast, the importers who did not specialize in SA wines and seldom knew much about them, were nonetheless able to use their non-SA wines as leverage to compel their distributors to promote the SA brands.

We recommend that producers seeking to get into the US market should seek out importers that have achieved success with other countries' wines even if these importers have no experience in importing South African wines.

EXPLORING THE PRIMING EFFECT IN THE CONTEXT OF ORGANIC WINE: AN EXPERIMENTAL INVESTIGATION

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Organic wine; priming; experiment; implicit system

Introduction
Sustainability has been a key issue in public perception for many years. In this context, consumers commonly express their willingness to consume organic products (Honkanen et al., 2006). Surprisingly, to this day, a large number of consumer behavior studies in the context of environmental or sustainable shopping behavior points to significant gaps between consumers' expressed and actual behavior towards the use of organic products (Carrington et al., 2014; Vermeir and Verbeke, 2006). How to nudge consumers to buy more such goods, is therefore an important area of interest. The purpose of this paper is to examine how marketers can unconsciously prompt consumers to buy more organic products, in this case organic wine, by means of the shopping atmosphere.

Literature review
The term atmospherics has been used to describe the conscious designing of a retail space with the intention to create effects in consumers that would increase their purchase probability (Kotler 1973). So far, a number of researchers have demonstrated that priming, defined as a non-conscious activation of knowledge structures (Bargh, 2006), impacts instore buying behavior. This has already been investigated in the context of wine: North et al. (1999), conducting a field experiment in a British supermarket, analyzed the priming effect of music on the sales of wine. They showed that more French wine was sold on days when French music was played, whereas German music led to an increase of bottles sold with German wine. A more recent study by North (2012) found that participants described the taste of wines differently, depending on what type of music was being played.
The aforementioned examples show that environmental stimuli, including an image, sound, word, smell or a certain combination of the aforementioned, may prime consumers and affect their actions. Nevertheless, to our best knowledge, research on the priming effect of the shopping atmosphere on consumers' preference of organic wine does not exist. Our study aims to close this important research gap.

Research methodology
Our research builds on an experimental design. A lab was set up in the rooms of a local coffee shop in the center of a German city. The atmosphere of the lab was manipulated to test its influence on consumers' evaluation of attributes that are important when buying wine at food retailers where they usually do not have the option to taste the wine. For experimental Group A, nature music was played, pictures of landscapes and flowers decorated the walls, and the colors green, brown, yellow dominated the test room (see Figure 1). For experimental Group B, jazz music was played, pictures of musicians were shown, and the dominant colors were black and white. For the control group, no music was played, no pictures decorated the walls and no colors dominated the atmosphere.

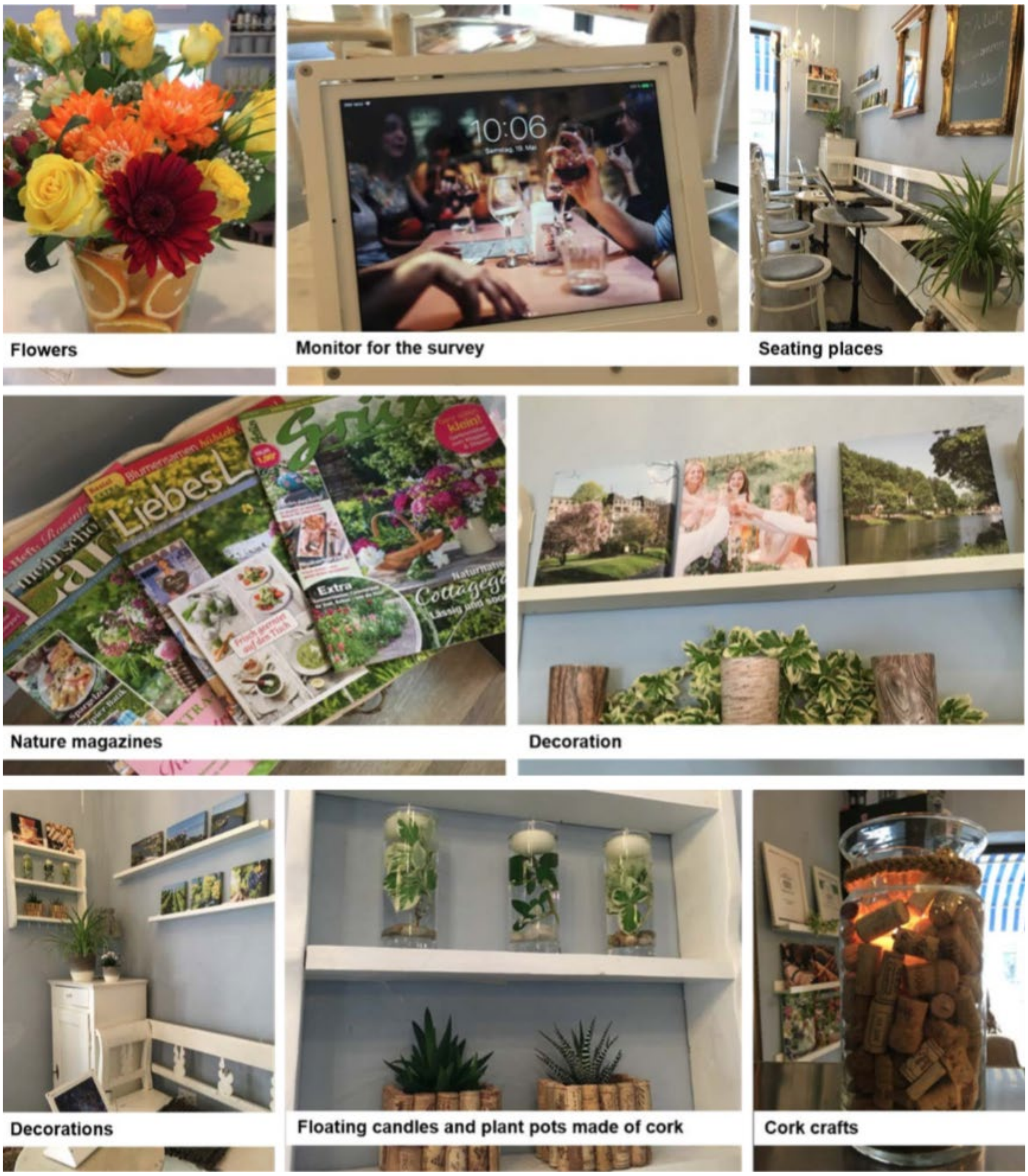


Figure 1: Test room for experimental group A

The respondents were recruited through convenience sampling outside the location, asked to enter the lab, take a seat and answer an online survey that used best-worst-scaling (Flynn and Marley, 2014) as an empirical method. The characteristics of survey respondents are shown in Table 1.

		Nature		Jazz		Control	
Classification variables	**Modalities**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Gender	Female	24	60.0%	22	55.0%	18	45.0%
	Male	15	37.5%	18	45.0%	22	55.0%
	Not specified	1	2.5%	0	0.0%	0	0.0%
Age	18 - 29 years old	21	52.5%	14	35.0%	17	42.5%
	30 - 39 years old	5	12.5%	10	25.0%	14	35.0%
	40+ years old	14	35.0%	16	40.0%	9	22.5%
Involvement	Low	30	75.0%	33	82.5%	33	82.5%
	High	10	25.0%	7	17.5%	7	17.5%
Organic	Yes	21	52.5%	19	47.5%	27	67.5%
	No	11	27.5%	14	35.0%	5	12.5%
	Undecided	8	20.0%	7	17.5%	8	20.0%

Table 1: Characteristics of survey respondents

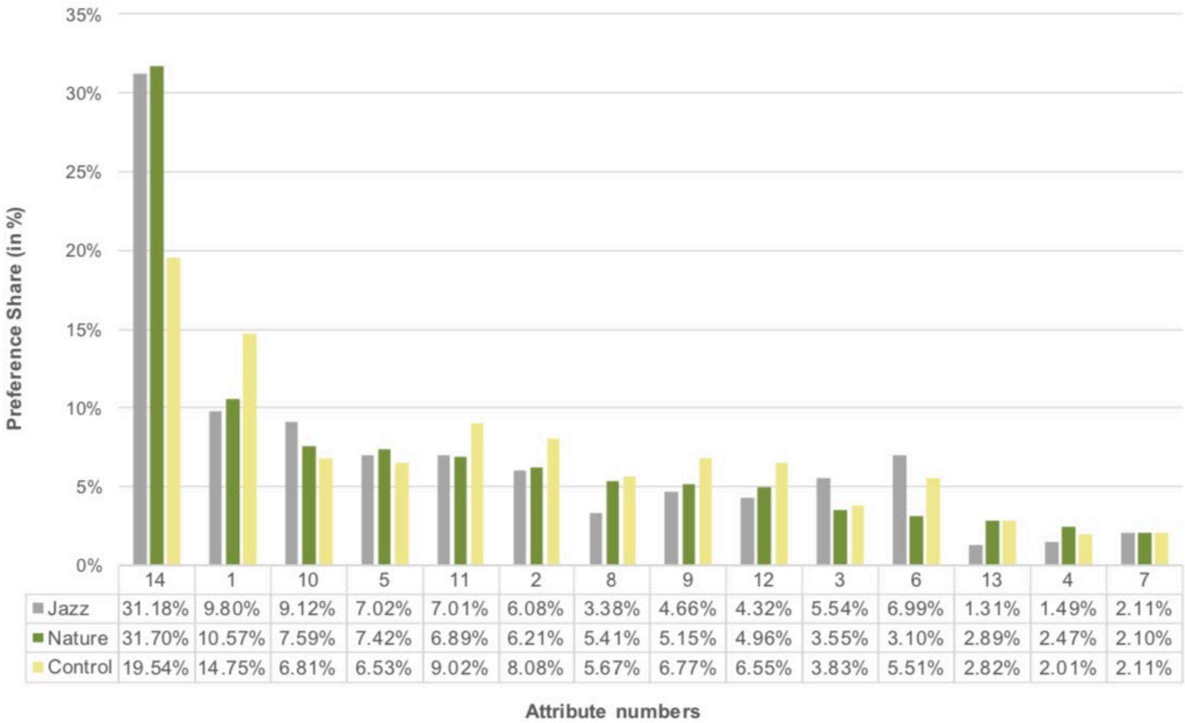
The introductory section of the questionnaire described the following situation: *"Imagine you are standing in front of a shelf with wine bottles and you want to buy a bottle of wine for a relaxing evening with friends. Which of the following attributes is most important for your decision, and which is least important?"* Four attributes were shown at a time, and attributes were altered several times until statistical relevance was achieved (see Table 2 for an exemplary design plan). The attributes used included the origin of the wine, the knowledge about it, a possible prior recommendation, the style (dry, semi-dry, sweet), the grape variety, the brand name, the attractiveness of the label, and that information that the wine was organically produced, among others.

No.	**Attributes**	**Choice set** 1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Grape variety								x				x	x	x
2	Origin of the wine					x						x	x	x	
3	Information on the shelf			x				x		x		x			
4	Alcohol level						x		x			x		x	
5	Matching food				x				x		x			x	
6	Information on back label	x			x	x	x								
7	Award | Medal	x	x	x	x										
8	Attractive front label		x	x				x				x			
9	Brand name | Winery	x	x			x					x				
10	Someone recommended it	x	x										x		x
11	Tasted the wine previously			x			x			x					x
12	Organically produced							x	x	x	x				
13	Vintage					x	x	x		x					
14	Style (dry, semi-dry, sweet)				x						x		x		x

Table 2: Exemplary design plan

Findings, conclusions and recommendations

We expected that Group A rated the importance of the attribute "organically produced" significantly higher than groups B (the jazz group) and C (the control group). However, the overall results of the experiment did not support this hypothesis. Control group C rated the attribute in focus the highest (see Table 3).



	14	1	10	5	11	2	8	9	12	3	6	13	4	7
Jazz	31.18%	9.80%	9.12%	7.02%	7.01%	6.08%	3.38%	4.66%	4.32%	5.54%	6.99%	1.31%	1.49%	2.11%
Nature	31.70%	10.57%	7.59%	7.42%	6.89%	6.21%	5.41%	5.15%	4.96%	3.55%	3.10%	2.89%	2.47%	2.10%
Control	19.54%	14.75%	6.81%	6.53%	9.02%	8.08%	5.67%	6.77%	6.55%	3.83%	5.51%	2.82%	2.01%	2.11%

Table 3: Group comparison of influencers on choice *(14: Style; 1: Grape variety; 11: Tasted the wine previously; 2: Origin of wine; 10: Someone recommended it; 9: Brand name / Winery; 12: Organically produced; 5: Matching food; 8: Attractive front label; 6: Information on back label; 3: Information on the shelf; 13: Vintage; 7: Award / Medal; 4: Alcohol level)*

A possible explanation for this could be the following: filling out a questionnaire is an effortful task that requires respondents' full attention, and this could limit the effect size of priming. Answering questions engages cognitive system 2, which is an effortful, slow, and deliberately controlled response system (Thaler and Sunstein, 2009). It requires energy and cannot work without attention but, once engaged, it has the ability to filter the impulses of system 1. The priming manipulation, however, aims to influence cognitive system 1, which in turn evokes behavioral change. System 1 requires little energy or attention and makes judgments based on experiences and generalizations, making it prone to biases and systematic errors. Using it does not feel like thinking (Thaler and Sunstein, 2009). Therefore, instead of using a questionnaire, a more "real" shopping experience (similar to a test market) should be simulated in further research.

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FROM AGRICULTURE TO ADVERTISING: THE RESEARCH GAZE AND WINERIES AS COMPLEX ORGANIZATIONS

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Keywords: Winery; Organization; Complexity; Scientometric

Introduction

Perhaps more than any other type of business, modern wineries are multi-dimensional organizations. The range of activities in which they must excel is truly diverse: from agriculture to advertising. Wineries farm grapes and craft and produce wines; they provide services like tastings and experiences, as well as educating customers and visitors. They often function as tourist sites and destinations for locals. They market and sell alcohol directly, retail and wholesale, and indirectly through regulated third parties. Market success requires excellence in the practice of all the business functions in addition to this fulsome range of activities. Given all this, it is somewhat paradoxical that wineries tend to be portrayed in the literature as rather unidimensional organizations (Sears, Weatherbee, & MacNeil, 2019).

Literature Review

Organizations are dynamic sites of power (Phillips & Margolis, 1999) and "continuously evolving human action" (Tsoukas & Chia, 2002, p. 567). They are the places where social exchanges are not only influenced by notions of the market and business practice, but wider social and cultural norms (Clegg & Hardy, 1996). Organizations have both explicit and formal as well as hidden and implicit rules; often evolving unique cultures of their own (Hatch, 1993). Over time, they necessarily become a complex mélange of friendship and social interactions (Sasovova, Mehra, Borgatti, & Schippers, 2010) and a primary producer of emotion and meaning-making in the lives of their membership (Poole & Grant, 2005). They are not just the places where work happens. They are sites of flirting and romance, sex and assault (Jeanes, Knights, & Yancey Martin, 2011) and the places where people at work live much of their lives.

Wineries suffer from the richness of these complexities just as much; arguably even more, than most other businesses. This has not gone unnoticed in the field of wine business studies. Orth, Lockshin and d'Hauteville (2007) asserted that researchers needed to move beyond a paradigm wherein the product was more important than the producer. Over a decade ago, they called for researchers to study the 'business' as much as they studied the 'wine' in wine business research.

Research Objective

The goal of this research is to assess whether - and to what extent - research in the field of wine business studies has recognized wineries as complex multi-dimensional organizations.

Research Methodology

A mixed methods approach, quantitative bibliometric and qualitative network visualization methodologies, will be used to conduct a scientometric analysis of the research found in the International Journal of Wine Marketing, the International Journal of Wine Business Research, and the Academy of Wine Business Research proceedings.

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Expected Findings

Constraining our view of wineries has two important consequences: limiting the domain of study by restricting our gaze to research questions related to consumer behaviour and marketing (Sears, Weatherbee, & MacNeil, forthcoming); and preventing us from asking other potentially significant questions. The research outcomes are expected to include: an evaluation of the range and extent of research which focuses on the organizational dimensions of wineries, and the determination of whether this type forms knowledge islands or knowledge communities (Pratt, Hauser, & Sugimoto, 2012).

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THE CHALLENGES OF EFFECTIVELY MEASURING ECONOMIC IMPACT IN AN EMERGENT WINE REGION: THE CASE OF NOVA SCOTIA

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Keywords: Wine; Economic Impact; Sector; Nova Scotia

Introduction

While the first wine grapes were planted by French settlers 400 years ago (Kelly, 2011), the Province of Nova Scotia, Canada is only now emerging as a producer of quality wine. Concurrent with quality improvement, there has been substantial growth in vineyards and wineries. In just over two decades, the Province has gone from one commercial winery to two dozen (Wines of Nova Scotia, 2018). However, despite attempts at sector-wide strategic policy development and planning (c.f. Reynolds, 2002), this rapid growth, combined with the independent and entrepreneurial nature of those willing to embrace the risks of developing a winery in rural Nova Scotia, has meant haphazard sector development. In this paper we describe the challenges of researching and producing accurate estimates of economic impact in a rapidly emerging wine region.

The Challenge

Several efforts have been made to quantify the impact of the wine sector in Nova Scotia. These reports fall into two categories: academic studies by faculty and/or students (Sears, 2017; Thompson, 2015); and commissioned studies (by government bodies or industry groups) carried out by consulting firms (Frank, Rimerman + Co. LLP, 2013, 2015; Gardiner Pinfold, 2012; Jozsa Management & Economics 2006). However, since the sector's rapid growth has been simultaneous with significant change, these studies are based upon inconsistent and sometimes irreconcilable data. For instance, the definition of "Nova Scotia wine" changed from wines with a minimum of 85% NS grapes to 100% NS grapes (Wines of Nova Scotia, 2018). Consequently, increased vineyard acreage was accompanied by decreased volume of wine produced – a seemingly contradictory situation.
Similar definitional challenges occur when estimating wine tourism impacts. Tourism Nova Scotia (TNS) defines wine tourists as overnight visitors who stopped at a winery during their time in the province. Alternatively, wineries report anecdotal visitor numbers –approximated by tasting room staff – with no consideration given to visitor origin or length of stay. Thus, the comparability of tourism impact data across studies is difficult to assess.

The number of government agencies involved in the sector – all of which use different measures and assessments - add further complexity. Legislatively, wineries must gain national, provincial, and local government approval to operate in Nova Scotia. The Nova Scotia Liquor Corporation (NSLC), under the auspices of Alcohol and Gaming, licenses wineries. These licenses are contingent on approval at the Federal level, Provincial level, and local level ('dry' regions of the province require a plebiscite to approve construction and subsequent production). Thus, data and expertise are fragmented across a multitude of government levels and governmental departments.

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Conclusion

In their quest to quantify the economic impact of the wine sector in Nova Scotia, researchers are challenged by the complex context in which wineries operate. This includes inconsistent regional data collection; haphazard collection at wineries; constant change in industry association membership and administration; and differences in academic versus practitioner data – with no reliable, systematic approach on the horizon.

Resolving these inherent contradictions will require a collaborative and coordinated approach amongst stakeholders such as TNS, the NSLC, and the Winery Association of Nova Scotia. Moreover, any calculations of economic impact must consider the changes to legislative and industry standards that are, perhaps, inevitable in a rapidly emerging sector. In the absence of a comprehensive, effective industry or provincial sector development strategy, securing a grasp on these issues is crucial.

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TASTED OR WASTED? DRUNKENNESS AND OTHER WINE-RELATED THINGS WE MAY HAVE MISSED!

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Keywords: wine; consumption; alcohol; intoxication

Throughout history, the social practises of wine consumption have been as varied as the societies that produced it (Lukacs, 2012). The variability in practices is manifest within the discussions of the 'Old' and 'New' Worlds of wine (Simpson, 2011). However, despite real or perceived differences between the traditional and the modern, wine is still normatively conflated with notions of social class (Lukacs, 2012). These class notions are perpetuated when wine is produced, marketed, and sold as a luxury (Beverland, 2004, 2005) or aspirational good that cannot be properly consumed or appreciated in the absence of detailed knowledge about it (Brenner, 1995). In either case, 'fine' wines and 'table' wines are still assumed as the purview of either an upper class who can afford such extravagances; or an aspirational middle class who must be educated into understanding it (Brenner, 1995; Ness, 2018).

Much academic work in the wine business and tourism literatures unconsciously mirrors the underlying positioning of wine in the culture of the West. These cultural assumptions are made visible when wine is only ever 'tasted' in our research and customers never seem to suffer from the presence of alcohol in wine, regardless of how much 'tasting' is recorded in our surveys! Or how much of the market is bargain wine (McMillan, 2018).

Wine-drunk is a phenomenon prevalent in the practitioner media where consumers regularly engage in winery crawls, transported by dedicated wine tours, or even Uber used as "a no-frills, low-cost alternative to the traditional wine tour" (https://munchies.vice.com/en_us/article/jpab98/how-uber-is-changing-the-way-drunk-people-take-wine-tours accessed 2 January 2018). While it is unlikely that all users of these services 'taste' wine to the point of intoxication, there are many who do. Witness the regular reporting of cases of disruptive and violent drunken behaviours at wineries (https://patch.com/new-york/northfork/drunk-winery-customers-shove-police-scream-obscenities-cops accessed 6 January 2018).

So why is the wine-drunk missing from the wine business and wine tourism literature? Drunks appear in the general tourism (Josiam, Hobson, Dietrich, & Smeaton, 1998), hospitality (Monterrubio, Josiam, & Duncan, 2015), and marketing (Cismaru, Lavack, & Markewich, 2009) literatures. In wine business the earliest mention is the *mobile* or *traveling* drunk (Spawton, 1989, 1990). Yet, even from these first mentions, they were already being hidden away; first, discounted as a class of consumer that was not 'wanted,' (Spawton, 1989, 1990). A pattern which continues unabated.

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We see the absence of intoxication and the hidden nature of the wine-drunk in our research as a signal that we need to adopt a broader approach to understanding wine business. Whether these are locals or sojourning tourists, these 'happy,' 'tipsy,' and 'drunk' customers must be managed by winery owners and staff. So, it behooves us to pay some attention as well.

The research will be undertaken through depth-interviews with small winery owners, tasting room staff, and wine tour operators. This will allow us to understand the prevalence of over-consumption amongst winery visitors and likely point to both policy implications and avenues for future research.

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THE EFFECT OF CONSUMERS REVIEWS ON THE PERCEIVED LEVEL OF WINE QUALITY: A THREE-PHASE EXPERIMENT

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Keywords: Perceived wine quality, Consumer reviews, Level of wine expertise, Taste experiment

Extant studies claim that wine is an experiential good, which is difficult to evaluate before tasting it (Higgins, Wolf, & Wolf, 2014; Hopfer et al., 2015). In addition, the available information regarding wine quality is often difficult to interpret by an uneducated wine consumer (Drummond & Rule, 2005). To reduce risk when purchasing for the first time a new wine variety/brand, consumers use various strategies, accessing information or interpreting cues that may indicate the level of product quality (Atkin & Thach, 2012). Amongst these strategies, accessing online consumer or expert reviews represents an easy and effective option (Chocarro & Cortiñas, 2013; Gawel & Godden, 2008). The valence (positive vs negative) of the accessed review(s) may affect the perceived level of wine quality; while on the other hand, the buyer's level of wine expertise may determine his/her level of impressionability. Understanding these interdependencies are the aim of this study.

Based on the extant literature, two research hypotheses were formulated:
H1: The valence of buyers' perceptions is positively correlated with the consumers' reviews.
H2: Consumers' reviews have a stronger effect on amateurs than on experienced wine drinkers.

To validate these hypotheses, a three-phase experiment was designed. The chosen wine variety is Cabernet Sauvignon. Excepting the wine variety, no other information was provided to the people involved in the experiment. Before the start of the experiment, the participants answered a short survey regarding their frequency of wine purchasing and consumption, and their perceived level of wine expertise.

In the first two phases, the participants have been invited to read five customer review statements regarding the quality of the wine they will taste; although the same wine is used in all phases, the reviews presented in the first phase are positive, while in the second phase are negative. After tasting the wine, the participants have been asked to answer the following question evaluated through a six-point Likert scale with the extreme points labelled 'Extremely bad' and 'Extremely good': 'What is, in your opinion, the quality of the wine that you just tasted?' Since both phases of the experiment were carried out with the same participants and the same wine, the second phase of the experiment was performed three weeks after the first one. Finally, in the third phase of the experiment, organized four weeks after the second phase, the same people were asked to taste the same wine, without being asked to read any customer reviews, and then to answer the same question regarding the perceived level of wine quality, as in the previous two phases.

A test experiment was already run with 15 volunteers. Depending on their answers, the participants were classified into three categories: 'centred' – those who were constant in their evaluation of the wine in all three phases (measured as good versus bad wine quality); 'easily influenced' – those who evaluated the wine quality in consensus with the review statements; and 'rebels' – those who evaluated the wine quality in contradiction to the review statements.

In the last phase of the experiment, the last two categories of participants have obviously contradicted at least one of their previous evaluations, most of them indicating in the last test phase a moderately positive wine quality. The analysis indicates that the majority of 'centred' customers are more frequent buyers and consumers of wine, and they also have a higher perceived level of wine expertise. The 'rebel' consumers are those who perceive themselves as having a good wine expertise, although this level is not validated by their pattern of wine buying and consumption. Finally, the 'easily influenced' consumers are those who have a low level of wine expertise, both in terms of buying/consumption patterns, and of their own characterisation.

We envisage now to realize this experiment with 40 to 50 volunteers, in order to further investigate the formulated hypotheses, and validate the results of the test experiment.

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WINE CYCLING TOURISM – THE EXTRAORDINARY CYCLISTS

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Keywords: Wine, Cycling, Tourism, Germany

Background and research motivation

Just like cycling experiences a new hype around the globe, could wine cycling tourism establish as a new and sustainable type of experience and culinary tourism? There is an increasing demand for linking complementary tourism offers (Hall et al., 2000; Hall & Macionis, 1998; Lamont 2014 and 2009; Ramshaw & Bottelberghe, 2014). As real-life examples show, there are regional tourism associations offering cycling tours in combination with wine tastings at vineyards (Morpeth, 2000). This combination of indulgence, active recreation and nature is a result of an increasing demand for adventure and events of the emerging experience society (Ritchie et al., 2010). However, as research tends to focus on dedicated sport cyclists, there is a need to focus more on prevalent “casual recreationalist cyclist” (Downward & Lumsdon, 2001; Weed et al., 2014). Our research project addresses this issue by analysing how wine and cycling tourism can be bundled effectively in order to create greater benefit.

Literature review

Wine tourism and bicycle tourism are both subgroups of tourism with either wine or biking as their main purpose (Dreyer, 2012; Dreyer, Rainer & Ernst, 2012; Lamont, 2014). Depending on the infrastructure and the size of vineyards and trails in different regions and countries, their requirements and actions are different. Therefore, cooperation with local partners can be advantageous. This is supported by a recent study by Scherhag and Binninger (2017) which shows that a destination card can foster tourism activities in wine regions.

In a meta-analysis, Weed and colleagues prove evidence of the positive economic impact of cycling tourism on the development of places. They show that casual recreationalist cyclist are interested in shorter trips with more stops to refresh and socialize (Weed et al., 2014). In their study investigating the Tour of Flanders in Belgium Ramshaw and Bottelberghe (2014) argue that there is significant potential to leverage tourism benefits by linking cycling tourism with other regional offerings such as food. Analysing the South Australian Cycle Tourism Strategy Lamont (2009) figures that niche tourism like wine tourism could be bundled with cycling to create value-added products.

The latest analysis of bicycle tourism in Germany published by the German National Cyclists’ Association (ADFC) shows that 49% want to combine bicycle tours with culinary experiences. According to the ADFC, the lack of public transport to and from bike trails and especially the inability to meet the bike tourists’ gastronomic needs is a weakness that needs further analysis (Bangel, 2017). In part, this study wants to meet this issue with respect to the wine industry. One reason could be that the combination of wine and cycling is challenging from the legal perspective, although most (European) countries allow a certain percentage of alcohol on a bicycle. In Germany the alcohol-level amounts to 1.6.

Main problem(s) to be investigated

Wine cycling tourism can be another way to increase direct sales of vineyards and tourist service organizations. However, knowledge about these potential customers is rare. Therefore, our study wants to shed light on this group. The objective of this study is to study attitudes and behaviour of wine cycling tourists in comparison to ‘regular’ cycling tourists. So far, wine tourism research is predominantly done in the US and Canada, Australia and New Zealand (Lockshin & Corsi, 2012). However, the infrastructure and the size of vineyards vary significantly among different regions and countries. Especially in Germany, vineyards tend to be smaller than e.g. in Australia, hence the requirements and actions for these smaller vineyards are different. Therefore, it is necessary to gain more insights in the specification of wine tourism and the importance in Germany.

Research method

In order to analyse the associated behaviour, the attitudes and the differences of wine cycling and cycling tourists, an empirical study has been conducted. The study was carried out through an online survey. The survey link was distributed through the newsletter of the German Cycling Association and posted in respective social media channels addressing cycling and wine tourists.

Preliminary findings

The sample consists of 395 participants. Preliminary results indicate that the profile of a typical cycling tourist differs from a wine cycling tourists. The latter tend to be older, travel at different times of the year (mainly during the harvest), visit vineyards (more) spontaneously and spend more money on food on their tours. Although only a third of the study participants have done wine cycling tourism so far, most of the remaining participants would like to try it. The majority pays little/no attention to the amount of alcohol consumed when riding a bicycle.

Conclusions and managerial implications

Therefore, wine cycling tourists represent a potential target group for communities, tourism associations as well as vineyards in order to benefit from direct and cross-selling effects. The fact to spend much more, provides greater economic impact and thus potential on local areas. Study results can be used to effectively promote not only vineyards but also culinary highlights as well as hospitality management of a region.

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EXPLORING THE PERCEPTION OF LUXURY WINE IN CHINA

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Keywords: Luxury wine, Consumer perception, Chinese market

Introduction

According to VINEXPO research, the Chinese wine market is anticipated to reach a value of $21 billion and will become the world's second largest wine market by 2020, with 6.1 billion liters of wine expected to be sold (Handley, 2017). At the same time, China takes a very important place in the global luxury goods market. McKinsey forecasts that by 2025, Chinese consumers will account for 44 percent of the total global luxury-goods market (Figure 1).

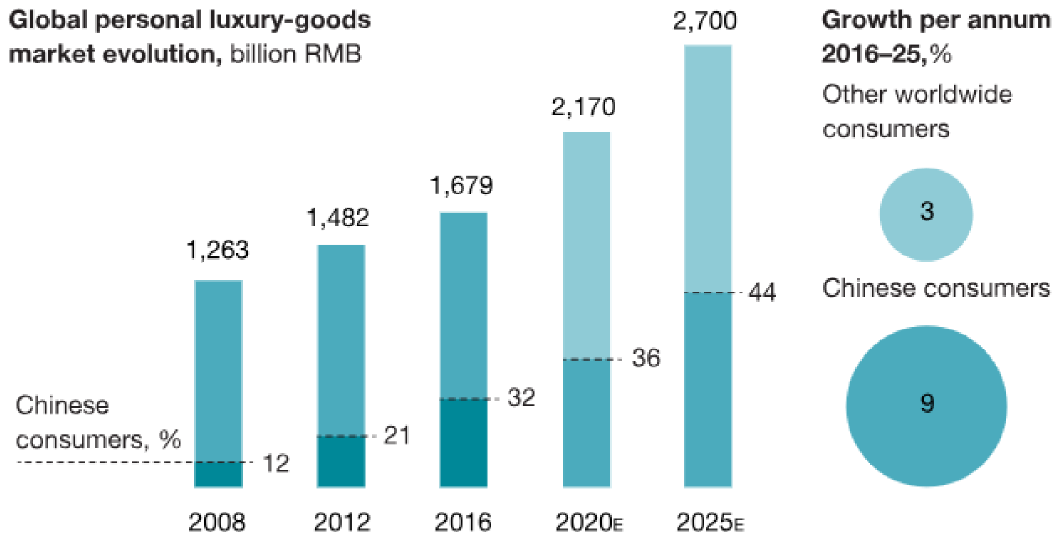

Figure 1: evolution of Global and Chinese luxury-goods market evolution

Source: McKinsey, 2017[14]

Meanwhile, we find that one of the main drivers of global luxury market is being spending on personal luxury and hospitality (ILTM International luxury travel market conference report, 2017). In catering and hospitality industry of China, luxury wine is typical luxury goods of personal consumption and of social occasion and Chinese consumers show strong interest on luxury wine products. However, lacking of consumption experience and culture of wine, consumers in China are not familiar with wine and luxury wine. They care probably different elements of product from consumers in other markets which hold longer history of wine consumption. And these specific elements will influence distribution strategies of wine in China. Hence, it is important to understand how Chinese consumers perceive luxury wine in this emerging market. This paper aims therefore to define the luxury wine in the eyes of Chinese consumers in China.

Literature review

Researchers have conceptually or empirically explored the perceived values for luxury consumption (Tsai 2005; Sun et al., 2016) and summarized some dimensions of luxury goods: premium quality, aesthetics, expensiveness, history, perceived utility and uniqueness (Ghosh &

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Varshney, 2013; Thach & Olsen 2017). According to Heine et al., (2014), luxury wine shares some similar but different criteria: high price, quality, aesthetics, rarity, extraordinariness, and a high degree of non-functional associations. For luxury product in general, consumer's perception about the quality is more important rather than the "real" quality standard itself (Ghosh and Varshney, 2013). For the wine product, quality refers more precisely to the wine picking and processing, the official classification of its terroir, and the ratings by wine professionals (Heine et al., 2014). Furthermore, the business environment of luxury wine is more complex. Dollet et al., (2011) studied the case of Moët & Hennessy and they draw the conclusion that the current luxury business environment is not fully orchestrated in an integrated way, as companies prefer to focus on the internal processes and activities of design, creativity, innovation, marketing, and finance.

Luxury products are often considered as multi-dimensions of the material, the individual and the social value (Shukla, 2012, Sun et al., 2016). Like many other western-originated products, the wine is preferred by Chinese consumers for its social and symbolic benefits, to show the modernity and status (Yang & Paladino, 2015). Capitello et al (2015) figured out that the trends in the Chinese customers' perspective towards luxury wine: new consumers are searching for differentiation, brand and origin reputation, luxury goods and status symbols, and they participate in conspicuous consumption, and these trends derive from the Chinese social evolution. For general wine consumers in China, most of them are price-insensitive, meaning that they value the consumption as a sense of accomplishment, honor, and fashion in their buying decisions (Tang, 2006). Xu et al., (2014) pointed out that Chinese consumers consider price in opposite ways when purchasing wines for own consumption and gift purposes: for own consumption, consumers derive extra utility from less expensive wines; for gift occasions, consumers prefer more expensive wines. Chinese wine consumers are primarily interested in purchases that convey a level of prestige, status and respect, all of which are important components of Chinese culture (Muhammad et al. 2014). Meanwhile, the embedded Western origin and associations are highly admired by Chinese consumers, allowing them to project prestigious social status, to express aspirations toward Western (especially French) values and lifestyles, to show good face, and to please significant parties (e.g., the recipient) (Yang & Paladino 2015). In order to show good face (mianzi), products with a more favorable perceived product image are often preferred by Chinese consumers (Yang & Paladino 2015). And Chinese consumers demonstrate a strong "follower" tendency, in that they were willing to behave in a certain way in order to conform to the expectations of the people around them whom they perceived as being important (Deng, 2013).Consequently, quality wines, especially quality imported wines have become the choice of many high-end consumers.

Main Research Hypotheses

The luxury wine in China is defined by: (1) Wine's quality, price and rarity; (2) Inherent features: type and origin country; (3) Aesthetics: design and packaging; (4) Brand influence and authenticity.

Research Methodology

Sample data were collected through online surveys by 264 Chinese wine consumers living in south and east of China, which are top two wine importation regions in China. The statistical analyses are carried on by EXCEL. The wine knowledge of respondents are verified from normal wine consumers to wine professionals, with age range varied from 18 to 69 years old, in which 18-29 years old takes 60,61 percent and 30-39 years old takes 27,27 percent.

Preliminary findings

(1) What is your definition of luxury wine?

The results show ten key words to define luxury wine: quality, vintage, price, brand, yield, value for collection, region, a represent of life quality, history and package.

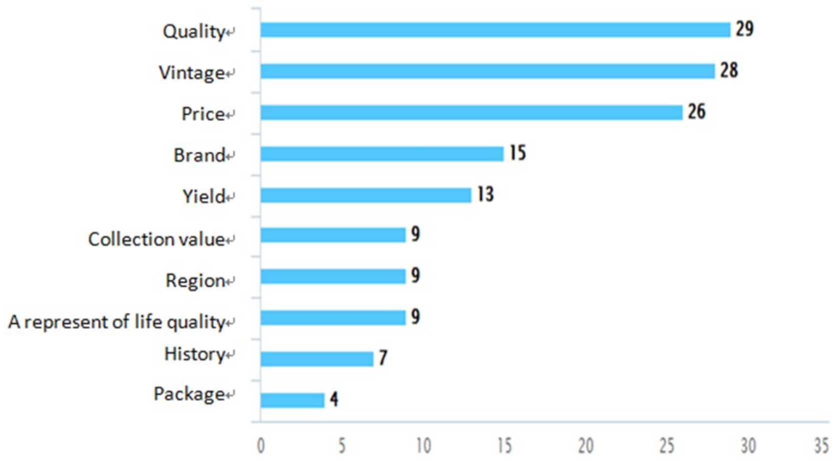

Figure 2. Key words to define luxury wine in China

(2) Luxury wine brands

Ten luxury wine brands are identified from sample data.

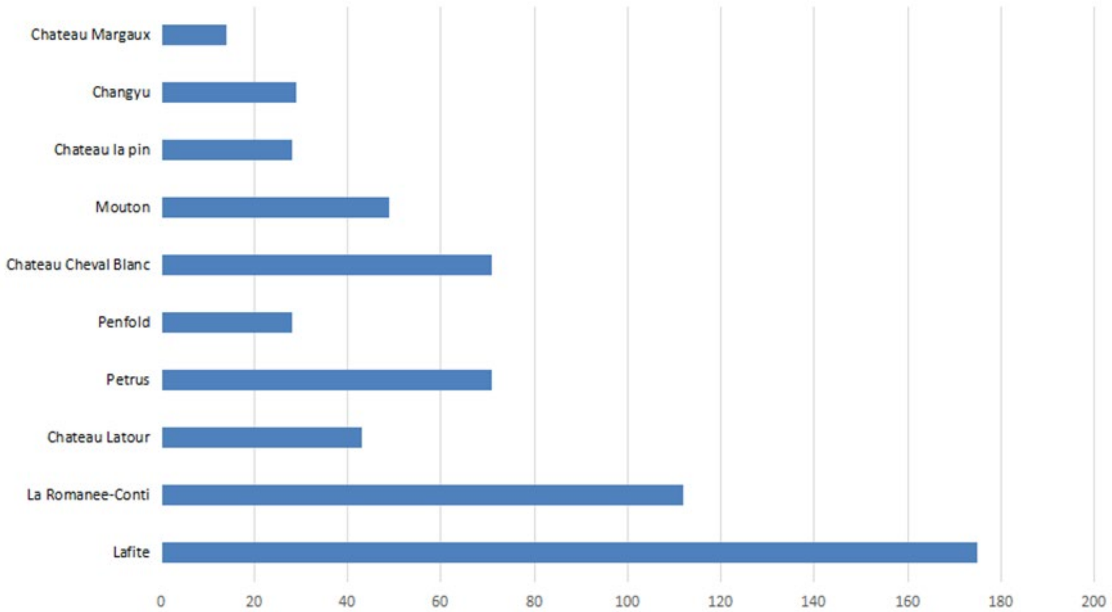

Figure 3. Luxury wine brands to Chinese customers

(3) Eight elements related to luxury wine are identified: price, quality, rarity, aesthetics, history, brand impact, authenticity, and distribution channel.

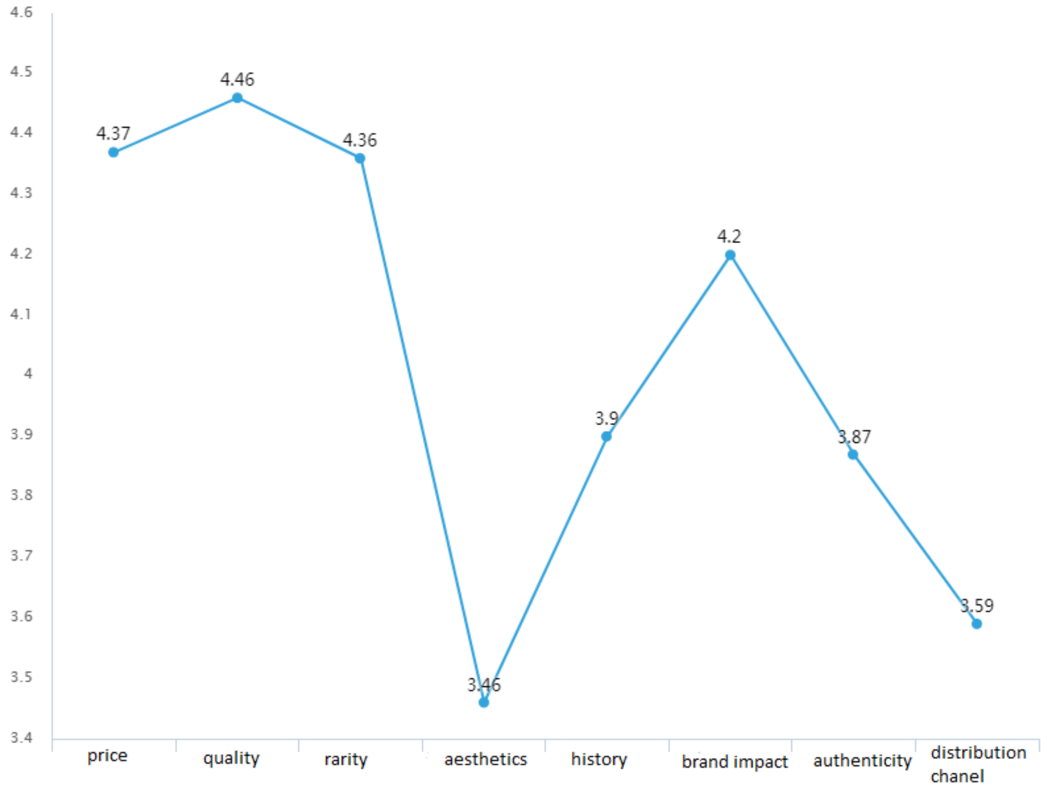

Figure 4.Elements related to luxury wine in China

(4) Eight factors influence the purchasing of luxury wine are identified: quality, price, rarity, brand influence, history, brand authenticity, distribution channel.

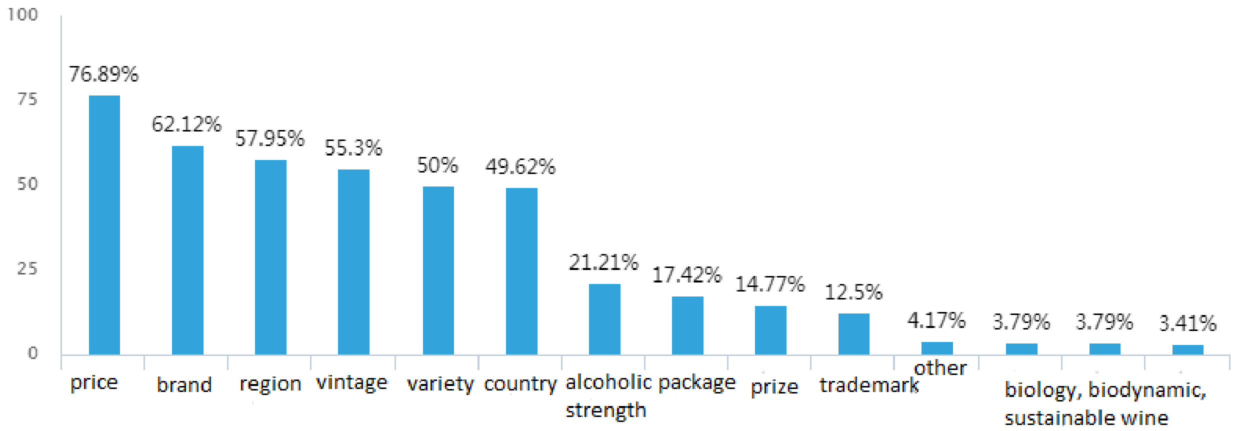

Figure 5. Factors influence luxury wine purchasing in China

(5) French and Italian wines are highly considered as origin country of luxury wine. Results show that wine from Canada, Hungary, Argentina and South Africa holds very low rate recognition.

Country	Number	Percentage
France	257	97.35%
Italy	119	45.08%
Germany	47	17.80%
Spain	37	14.02%
America	33	12.50%
Australia	27	10.23%
Portugal	26	9.85%
New Zealand	19	7.20%
Chile	16	6.06%
China	15	5.68%
Canada	10	3.79%
Hungary	6	2.27%
Argentina	5	1.89%
South Africa	4	1.52%

Figure 6. Preference of origin country of luxury wine in China

Conclusions and managerial implications

This paper could help researchers and managers to clarify how Chinese consumers understand the luxury wine, which hasn't been studied in previous researches. The specificities will be useful to understand better the purchasing criteria of luxury wine in China and help wine distribution companies to adapt distribution strategies.

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THE IMPACT OF ECONOMIC POLICY UNCERTAINTY ON THE PRICING OF FINE WINES

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Keywords: Wine pricing, Economic policy uncertainty (EPU), Risk, Investments

Over the past several decades, fine wine has attracted attention from practitioners and academics as an alternative asset class. Krasker (1979) in his seminal work finds that wines as an asset class does not outperform the riskless asset. In contrast, Jaeger (1981) provides evidence showing that wines do have attractive features as an investment vehicle. Building on the work of Jaeger (1981), Masset et al. (2010) find that fine wine investments provide diversification benefits thereby reducing portfolio risks, while Masset and Weiskopf (2010) provide evidence that this risk-reduction effect is more pronounced during financial crises. We add to this growing literature by examining whether and to what extent economic policy uncertainty (EPU) influences fine wine investments. By examining the impact of the EPU index on the performance of fine wine as an asset class we are able to gain insights as to the benefits or lack thereof, to investors and wineries alike, in a world characterized by increasing policy-related economic uncertainty.

EPU is significantly different from political uncertainty which measures uncertainty regarding political events such as presidential or gubernatorial elections. Economic uncertainty is a broader measure which includes uncertainty relating to fiscal, regulatory, or monetary policy, in addition to elections and as such can be attributed to policy makers. This index which is created by Bloom et al. (2015) is ideally suited to address the asset pricing implications of (fine) wines, given that it allows us to account for the time-variation in the pricing of fine wines.

In this research, we use the following EPU Indices: Global, European, USA, China, France, Germany, Italy, Spain, UK and Australia to investigate how regional EPU impacts fine wine prices. Regressing our monthly contemporaneous, one- and two-month lag changes in EPU on the change in fine wine prices as per the Livex 50 (*Bordeaux First Growths*), Livex 100 (*Bordeaux First Growths, Burgundy, Rhone and Italian wines*) and Livex Investables *(Bordeaux Reds from 24 leading Chateaus)* indices we observe a negative relationship between change in Global EPU and the change in the price of fine wines.

When we break down the EPU measure according to country/regional indices, we observe that the significance of our findings varies across time periods and indices:

- France EPU indices exhibit a strongly significant and negative relationship across all three time periods for all the Livex indices. This could potentially imply that French investors are more cautious than their counterparts and hence are likely begin delaying fine wine investments at the earliest signs of uncertainty and are likely to wait longer than their counterparts to invest till this uncertainty is resolved.
- We obtain a similar pattern for German and Italian investors; however, we find that this significance diminishes after the one-month lag for all three Livex indices. These results indicate that the policy uncertainty no longer affects investors in these countries, after a particular time period.
- For the China EPU we observe no significance in the contemporaneous change; however, this significance becomes apparent for the one and two month lagged changes. We anticipate that this initial lack of significance could imply that Chinese investors are

likely to refrain from investing in fine wines only after signs of uncertainty become apparent.

- We believe that a similar argument could hold good for American investors, as the significance for the US EPU becomes apparent only at the one-month lag. However, we find that this diminishes after this time period thus implying that American investors are undecided about when to invest and when to refrain from investing in fine wines.
- For the Australian EPU, the negative and significant relationship becomes apparent only in the two-month lag period thus implying that Australian investors take even longer than their other counterparts to delay their investments in fine wine.
- Surprisingly, we do not observe significance for UK and Spain's PU, thus implying that EPU in these countries does not impact fine wine prices.

Evidence from country specific EPU on fine wine prices, demonstrates that investors across different countries exhibit temporal variations with respect to when they start delaying their investments. Furthermore, we anticipate that variation in significance across the different Livex Indices, for country specific EPUs, could imply that investors from different countries exhibit varying preferences for top of the line Bordeaux wines as opposed to non-Bordeaux wines. These findings could potentially assist wineries in identifying investment patterns during times of EPU in specific markets and drive their fine wine pricing decisions. Future research will incorporate time-series models to account for detailed changes in EPU.

SIX OF ONE, HALF DOZEN OF THE OTHER

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Keywords: Construal, Wine information, Psychological distance, Wine ratings

Introduction

The ubiquitous *6-pack* has been a mainstay of consumer purchases in the beverage industry since before WWII. While the 6-pack concept has not proliferated the wine market as it has with the beer industry, wine promotions, particularly through direct or online sales, often involve six or twelve bottle deals. A winery 6-pack offer often bundles two or three different wines from the same label exposing consumers to multiple product offerings and providing a key tactical implement in a product-development strategy. By bundling, the value proposition may frame the purchase in a manner more conducive to high-level (i.e., abstract) construals. Relatively high-level construals can be encouraged further by the manner in which quality and time availability are communicated. The research explores the potential role of construal level in focusing on how consumers react to the presentation of single-brand, bundled, wine offers presented in manners that could encourage high-level (abstract) over low-level (concrete) thinking.

Preliminary Literature Review

Previous research highlights the potential effects of psychological distance and construal on consumers either through a habitual personality trait or contextual factors (Trope, Yaacov, Liberman, 2010). Consumer's evaluation of price and quality, have been shown to be malleable due to different construal levels and psychological distances (Bornemann & Homburg, 2011; Yan & Sengupta, 2011). Abstract thinking promotes reliance on desirability while concrete thinking focuses on feasibility. The use of bundling in the context of psychological distance and construal is certainly of interest given bundling's ability to influence consumer's evaluation and choice (Engeset & Opstad, 2017).

Problem under investigation

The main research question concerns how consumers react to the presentation of a bundled 6-pack wine promotion presented in contrasting contexts associated with different psychological distances. Construal level theory (CLT) predicts that the manner of construal (low – high-level construal) will mediate the effects of the presentation on cognitive, affective, and behavioral outcomes.

Research Methodology

A 2x2 (product availability timing by rating specificity) between-subjects experimental design will be presented to experimental subjects through an electronic survey instrument including several attitudinal and behavioral outcomes. Product availability is manipulated with either a close or distant time frame, "Ready for immediate shipment" or "Ready for shipment next spring," quality rating is presented in the form of expert ratings presented as either a specific value, "92," or a range of values, "90-94." After the experimental conditions subjects respond to scales representing key measures such as purchase intention, perceived quality, price fairness, affect, and familiarty. Behavioral outcomes captured include actual shopping behaviors such as click through rates and time spent viewing the brand's page. A novel CLT classification task is used to assess the impact of specificity on construal, which serves as the mediator of experimental effects, manipulation checks are included, and both subjective and objective product knowledge are assessed.

Preliminary findings, conclusions and managerial implications or recommendations

A preliminary experiment was conducted in the fall of 2018 with findings being presented during the conference. Results show good predictive validity for a model of purchase intentions. The exploratory findings suggest significant effects of the grouping (construal) consistent with greater purchase likelihood with more abstract construals. In addition, the effect of rating specificity also contribute to greater purchase probability. However, as in other research, the role of CLT appears relatively limited compared to direct effects of perceived quality. A second study is underway involving a fine wine context to contrast with the results of this first study, conducted in a mass-market type wine context.

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A CROSS CULTURAL COMPARISON OF WINERIES' ONLINE AND SOCIAL NETWORK PRACTICES

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Keywords: Wine tourism, Commitment, Culture, Wineries in Japan, Wineries in USA, Wineries in South Africa and wineries in Spain.

Abstract
Objective: The objective of this study is to analyze the cultural interrelations of the business models linked to the world of wine tourism in an intercontinental environment. The analysis does not seek a competitive comparison, but the cultural aspects of the companies in a strongly globalized environment.
Design / methodology / approach: a sample of nine companies from different countries was analyzed, classified by size: large, medium and small companies. The selected countries (South Africa, Spain, USA & Japan) we consider as representative of diverse continents (except Australia and / or New Zealand). The data has been obtained, mainly online; a certain number of labels (codes) have been compiled, classified into families of variables (comparable among all countries). Special emphasis has been placed on the information of the websites of the wineries /companies combined this data with the official secondary sources of each country to obtain the complete database of the descriptive analysis.
Practical implications: From the analysis of the contents there are large differences between large, medium and small, especially in variety of products, international expansion, capitalization, etc. In addition, Spanish consumers, like the Japanese, are learning about wine and its tourist environment, and observe how progressively, they add value to their culture and personality. It is noted that the USA and South Africa are going at a faster pace, more efficient and with more developed media criteria. The company and society dialogue through digitalization (social networks), and both the community and the wineries find reasons to add new incentives (visits, other healthy products other than wine, gifts, training, gastronomy, accommodation, etc.) .
This new approach facilitates other sources of income and encourages wineries to adapt their strategies to improve performance. The options offered to customers are increasingly sophisticated and demanding. Finally, the result obtained shows plural implications based on cultural variables, both for the producer, sales channels, promotions, events and restoration, etc. In short, it is shown that some cultural variables are manifested through strategies that bring improvements and dynamism to the sector through social networks.

Introduction

The initial idea that has led us to propose this study is the change in the attitude of the global consumer towards wine, which is growing and becoming more competitive. The image of the 80s and 90s, in which the average profile of the global wine consumer preferred French varieties (Bordeaux, Cabernet Sauvinyon and Chardonnay) the global consumer, not only wants to consume products but wants experiences beyond the purchase and / or tasting. According to a report by the Foreign Agricultural Service of the United States Department of Agriculture (USDA), it seems that young people prefer to drink more wine than beer. A survey conducted in 2013 showed that consumption of red, white and rosé had increased by 54%, 37% and 9%, respectively. Most of the wine consumption occurs in urban areas like this, more than 70% of the 'premium' wines are consumed in the metropolitan areas. We have chosen four very different countries, but with very costly globalized elements:

(NW) (OW) = New , Old Wold	Great producer	Exporter	Consumption liters per person	Total consumption thousands of liters
USA *(NW)*	Yes	Yes	10,4	3.318.900
Japan *(Emegent)*	No	No	2,77	351,000
Spain (*OW)*	Yes	Yes	21,48	1.000.000
South Africa *(between NW-OW)*	No	Yes	7,41	420.000

Source: Own elaboration from https: //turismodevino.com/blog/paises-con-mayor-consumo-de-vino-en-el-mundo/

Also, other large areas of the New World are beginning to gain prominence in the consumption of wine; thus, for example, the Chilean wine, or the Australian are already well known in the global market. The wine culture is also emerging in China and Brazil among others, countries that were not significant before. All these emerging markets are potentially important and their development is increasing. On the other hand, wine production is linked to a greater or lesser extent with the size of the wineries and with the adaptation of the cultural environment and especially wine tourism. In this sense we find the case of South Africa that has a pedigree as much or older than the USA or Australia, with traditional companies of European origin (France) and with both European and North American links, they show a powerful wine industry associated with very competitive that seem to challenge the wine tourism culture thet the French and Californians have always led.

Recent data from the OEMV (2018) confirms the growing increase in wine consumption. In the "Izakaya," typical Japanese bars or restaurants, wine has a great acceptance, as in wine bars. The main consumers are older and middle-aged men, but in general most of the Japanese restaurants regularly offer red and white wine in their menus. As regards the distribution, these products progressively increase their space in the supermarket shelves, although they mostly sell the cheapest wines (with an approximate price of 1,000 yen, --about 7.5 euros). Premium wines are preferably purchased online.
Of the 55 countries that sell wine to Japan, Chile and the United States lead exports, Spain maintains a quota of 12.6% constituting, according to USDA, a major competitor of the United States in the Asian market, because Spanish wines are sold very well in both convenience stores and supermarkets. Following the same source, there is a strong tendency to visit the wineries at the time of harvest and there is also great interest in new wines from different sources (especially from new producing countries), also attract their labels, styles and colors They provide a fresh and modern image, very different from the traditional ones. Internet and bloggers favor the flow and interest towards the wine culture adapted to all ages.

In business, when we talk about culture, it is understood that it refers to the organizational culture, but in this analysis we want to emphasize the cultural influence of Japanese society on wine and its environment, especially the one that wine tourism is discovering. . Although Japan is a country with a very strict traditional identity, it is approaching the prevailing customs of old world environments (Spain or France) or new world (USA, Chile or Australia).

It can be seen that Spain, despite its bi-millenary tradition and, being one of the world's reference points in the Old World in terms of wine and derivatives, has not had an authentic wine culture, beyond the production and sale, until relatively little bit. Some wineries in La Rioja, Jerez and El Penedés began to offer visits and tastings in the vineyard itself, but in recent years this practice has become widespread throughout Spain; We can affirm that we are facing a true cultural phenomenon that complements the traditional viticultural activity. According to data from ICEX 2018, it is observed that, in Spain, which is the first wine country in the world and the third largest producer of wine, the domestic consumption of wine has been reduced in recent years (contrary to what happens in Spain). Japan while increasing beer consumption (contrary to what happens in Spain).

From the historical point of view, the USA shares with South Africa the colonization of the grape by the Huguenot colonists near Jacksonville (Florida) between 1562 and 1564. Therefore, the USA has been producing vines for more than 300 years. Currently, wine production takes place in fifty states, with California being the leader in wine production, along with Washington, Oregon and New York. USA is the fourth producer of wine worldwide, with 22.5 million hectoliters, after Italy (48.8 mill. Hl), France (41.9 mill. Hl), and Spain (37.8 mill. Hl), and ahead of Australia (12.5 mill. Hl). However, California is considered as the most representative area of the wine environment facing the outside. The first vineyard and winery was created by the Franciscan missionary Fray Junípero Serra near San Diego in 1769. Later the missionaries would take the vines north, planting the first vineyard in Sonoma around the year 1805. Jean-Louis Vignes was one of the first settlers who used high quality vinifera in their vineyard near Los Angeles.
Currently the consumption of wine has been increasing as well as the production capacity and the profusion of the quality of its products and the ability to transmit it to the general public. A study[15] conducted in the United States among 2,000 consumers revealed that the taste for wine begins to appreciate towards the end of the twenties, however, the approach to wine and personal tastes varies greatly between subjects. One of the conclusions of the results, is that Americans, with respect to wine and its environment, is a trend. There is interest, at younger ages, to learn about wine culture. Take as an example, that the millenials recalled better five types of varietal wines compared to generation X and higher. Another conclusion is that young people of the millennial generation begin to appreciate wine at an average age of 23 years, much younger compared to those over 55 who discovered wine at 34 years. In addition, he adds that 43% of respondents said that wine is the best drink to accompany meals, and a third (34%) ensures that they prefer it for the benefits that their moderate consumption brings to health.

Jan Van Riebeek founded the victualling factory of the company of the Indies at the Cape of Good Hope in 1652, and shortly thereafter brought from Europe to South Africa vine cuttings, with the idea that the wine would reduce the cases of scurvy among the sailors; and he is the one who planted the first strain of Table Mountain in 1656. Simon Van Der Steel, came to South Africa in 1679 and was his successor as governor and also winemaker, promoted the development of the fields and planted his own vines in current Constantia Wildebosh and named his vineyard "Stellenbosch" which means' the forest of Van Der Steel'. At the end of the seventeenth century some French Huguenots who had escaped religious persecution arrived in South Africa and settled in Franschloek, Paarl, Drakenstein and Stellenbosch. In 1792, Philip Bernard Wolvaardt, a German immigrant, built a manor house in Nederburg that now dominates another of the famous vineyards. The greatest renown corresponded to the moscals of Constantia. In its quality, appreciated by Frederick the Great and Napoleon. In 1992, the KWV[16] carried out a system of quotas, of quality regions, which increased sales. Later, the districts were implanted with the "Ecological" badge. There are 78 Estates, 97 Independent Cellar, plus 180 farmers, 5 wholesalers and seventy cooperatives formed by some 5,000 farmers. Since 2003, the KWV is an independent private company, although it has been stripped of its powers and it is now the winemakers who make their own decisions. The cooperative system is the most revolutionary and modern in the world. Traditionally, the majority of the

[15] **OnePoll for Jordan Winery:** https://www.swnsdigital.com/2018/07/study-finds-americans-reach-their-wine-awakening-at-age-29/

[16] KWV (Kooperative Wijnbouwers Vereniging Van Zuid-Afrika Beperk): It was founded after the First World War and accounted for more than 70% of exports. The KWV appeared in 1918, after the setback that caused the fall of the British market, the Boer War and phylloxera, plague of the late nineteenth century

5,000 grape growers in the country took their grapes to one of the 70 cooperatives managed by the KWV, in which half of the harvest would be converted into distilled alcohol or grape concentrate (it is still so today). With the democratic election of President Nelson Mándela in 1994, and the abolition of apartheid a few years earlier, South Africa emerged with a new energy and a positive image. The future of their wine industry, in particular, improved a lot, especially for quality wines. Today, South Africa is the eighth largest wine producer in the world. Exports close to 20%, especially to the United Kingdom. In addition, it has a highly organized wine tourism industry with the potential to be an unprecedented national attraction (if the drought does not persist).

Literature review

We have observed the contributions of classic authors from the field of business organization always revolved around the traditional organizational structure followed by large companies. Such models of complex internal organization entailed leaving small and medium-sized companies in inferior conditions, both in Japan and in Spain. For this reason we have relied on authors who have studied preferably cross-cultural areas of social academic origin (sociology, anthropology, psychology ...) Robbins (1999) conceives "organizations as systems of culture", in which he finds common meanings among its members. It is a phenomenon that began in the eighties, before organizations saw themselves as a rational means to coordinate and control the members of organizations. A prominent scientific classification to understand the different approaches to the concept of organizational culture are the two metaphors of Smircich (1983). In the first metaphor, "organizational culture is a characteristic of the organization"; that is, culture forms a variable (internal or external) of the organization. In the second metaphor, culture is not a characteristic of the organization, but is what "constitutes the organization", that is, organizations are conceived properly as cultures. For our study, we are only interested in the first metaphor.

For Hofstede (1980) "the differences in the management of organizations derive from the cultural dimensions of national values". Between 1967 and 1973 he investigated the values linked to work, that is, the way in which employees appreciate the way the organization works. He made a classification of five intercultural dimensions: Distance to power, Individualism-Collectivism, Masculinity-Femininity, Evasion of uncertainty and long-term orientation.

Another classification of cultural differences is the "cultural dimensions, or dilemmas", of Trompenaars and Hampden-Turner (1993): Universalism-Particularity, Individualism-Collectivism, Neutrality-Affectivity, Specificity-No specificity and Achievement-ascription.

Martin (2002) defines three theoretical cultural approaches, namely the perspective of integration, differentiation and fragmentation.

Lewis (2003) "connects the culture of communication styles in organizations", namely Linear-Active, Multi-Active and Reactive. The Linear-Active cultures are characterized by the orientation towards the tasks, they are reserved, an efficient approximation of time, the achievement is important and they are based on objective data. Multi-Active cultures are characterized by personal relationships, ascription, tasks are clarified, charisma and expression are important and there is a lot of non-verbal communication. The last style is Reactive. The reagents are introverted individuals, they are listeners and do not use their body posture as much. For example, according to this scheme by Lewis (2003) the Latin American countries and Spain respond to the Multi-Active style. In contrast, Japan is placed in the Reactive style. For Lewis (2003) the communication between the Multi-Assets and the Reagents develops in a difficult way and the similarities between these two styles are small. It is interesting to examine if there is a relationship between communication styles and organizational culture. Lewis,

(2003) observed significant discrepancies in its first typification, specifically between the Multi-Active and Reactive. For our study, we summarize the most relevant differential aspects between Spanish, Japanese, North American and South African society in **Annex-1**.

However, none of the authors cited considers the importance of the interconnected society between producers and consumers; Young millennials or the phenomenon of social media in the global world. As Niculina says, N. (2017), there is a series of generalized tendencies in East and West that affect Japanese and Spanish millennials. In USA and South Africa similar situations are contemplated with the millenials, only that the USA marks a trend and South Africa the gap between rich and poor is bigger. Many show positive and negative stereotypes attributed to this complex generation as: creativity, versatility, information literacy, egocentrism, comfort and lack of adventurous spirit. This generation, also known as the "satori (enlightened) generation", also presents itself as an insecure cohort with an inner vision, which has little interest in things that were held in esteem until they were born: prestige, career, marriage and family.

The present work will analyze the particularities of this generation and the difficult task of negotiating between old values, which today's young people can no longer accept, and the insecurities of a future for which they are not prepared to fight. They are the consumers According to Hendry, J. (1993) of products and services, complex and, enoturism, can be an example. According to Lewis, R.D. (1996), there are four basic problems to which the culture responds: the forms of relating of the individual, the relationship with the activity performed, the consideration of time and the relationship of man with nature.

The objective of Lewis has always been to help to know the culture to apply it to the achievement of a better global business. His model is based on the concepts of Edward T. Hall (1966) of monochronic cultures (attending to one thing at a time) and polychronic (attending to multiple things at the same time), but extended them to Linear-Active and Multi-Active . After a period immersed in Japanese culture, he added to his model the new concept of Reactive.

Methodology

To carry out the study of selected wine entities of the four countries. Three large companies related to the world of wine that produce and market alcoholic beverages, three medium and three small from each country. For the comparative analysis, aspects such as: capital, production capacity, variety of products, number of workers, etc. have been chosen. These companies had to be representative of a wine region of the country and cover, as far as possible all its large wine areas, avoiding concentration.

A quantitative or qualitative comparison has not been proposed, only the maturity of the rural tourism business has been analyzed as a cultural expression and a driving force for business.

The companies were contacted directly when possible and data was collected from secondary sources: (SABI for Spain and Statistics Public Company for Japan), apart from web pages and available articles. However, as business size decreased, the difficulty of obtaining data increased and private blogs often did not provide enough valuable information. Sometimes it has been very difficult to calculate the engagement. From the very beginning, a dB-Excel was built with all the warehouses of the four countries and groups of codes (81) grouped by 8 labels were assigned as follow **(Annex-2)**

Content analysis-results

As the size of the companies analyzed is reduced, the available information is also reduced. However, similar responses are obtained by countries, with similar arguments depending on the sizes of the warehouses. However, when we analyze the origins of vitivinicultural production, significant differences are observed between both countries; while in Spain the production of wine has a more than millenary tradition, in Southafrica halfway between the New and Old World, in Japan many of the wineries are born in environments of the beer business, taking advantage of the gastronomic trends imported from the West. There is the circumstance that Spain, almost 90% of the wineries are small and medium, with an average of 4.2 employees, and the medians do not reach 20 employees. In Southafrica, as pointed out by Gallucci (2015), the percentages are similar, while in the USA today it is very difficult to delimit the wine environment since it is in full expansion being cultivated in more than 45 states, 20 years ago this was unthinkable. However, in the study we focused on California. **Annex 3** shows a summary table showing selected countries and wineries segmented by size.

From the data obtained from the **large Japanese wineries**, we have observed a good Web structure, and a good reputation of its products and country image (Van Ittersum, K.2003). All of them are known in Japan, probably because of their antiquity, Mercian 1934, Suntory 1889, and Sapporo 1876, (the latter is in fact a Brewing Holding and the wineries, very young, are a part of the business). Its capitals range between 3,000 and 10,000 Million Y. Its main characteristic (especially the first two) is its French influence, both in products, such as Chateau Mercian, or in agreements - management rights - with companies in the vicinity of Bourdeax (Grand Cru Chateaux, Chateau Legrange or Beaumont) by Suntory. In the corporate sections they all mention their Mission, Vision and Values, and the photos of the managers appear, with a small BIO and a speech of greeting. The Suntory site is distinguished by its professionalism and sumptuousness. In the Webs, a great hierarchy and another revealing observation is seen, it is the transparency and the punctuality of the data.

The **large Spanish wine** have proven experience in the production of wines, but in the communication of business data they are not very transparent (probably due to cultural issues). These are: J. Garcia Carrion SA, Bodegas Torres S.A. and Gonzalez Byass. J. García-Carrión was founded in 1890. It has numerous brands of wine and juices. The "history" section of its website defines the company as the absolute leader in the wine markets in Spain, it is the first winery, by production, in Europe and the fifth in the world and the second juice brand in Europe. It does not detail its Mission, Vision or corporate Values; neither does it offer financial data and in other official websites these are not updated. Exports 50% of sales to 155 countries. Wine professionals consider him the "king of the Low Cost". It does not offer visits to its cellars, although it leaves the door open to realize them on request. Bodegas Torres was founded in 1890 and today a family multinational with farms in Chile and the USA (Sonoma area), as well as its properties in Spain. On the Web, they specify their Mission, Vision and Values. All its wineries have visiting programs and it is one of the pioneer companies in leading the new viticulture that respects the environment. Its commitment to sustainability in all its environments is evident (Spain, California and Chile). It has wineries and clubs specialized in pairing and new creations. It exports 74% of its production to 150 countries. Bodegas Torres has an important Foundation dedicated to charitable and social purposes. Gonzalez Byass is a family winery, founded in 1863 and located in Jerez de la Frontera (Cádiz). It has some of the brands most linked to the 'Spain brand' concept and offers visits to wineries, routes and specialized tastings. It does not mention its economic and financial data and, in the official sources, these are not updated. It has sustainability programs and on the Web it states that it has distributors all over the world.

In this line, we also find, the **large American companies** of the largest segment: Rodney Strong Vineyards, is very young. Only 55 years old, and was founded by a famous dancer discovering his second passion. Throughout the years, this winery has gained a reputation for wine and was acclaimed by critics, recommending the best wines in Sonoma County. Currently they have a very competitive and expert management team.
There are, professionals in them with academic formation and experience in other segments of businesses. One common element is the poor visibility of Social Media on the Web. Only Jackson Family Wines is interested in showing in the networks. The corporate sites are oriented

to offer and sell their products and highlight the differentiating attributes that highlight them clearly. In this sense, Francis Ford Coppola Winery is the one that offers the most attraction, the return of its Hollywood works, are reflected in its facilities, giving it a very competitive added value (especially in merchandising). Highlights the professionalism of the powerful wineries, such as the Jackson Family Wines that has properties outside the USA, in Tuscany. A significant fact is that we have seen good women in the general direction and some are not relatives, they are professionals with very bright curricular trajectory.

Regarding **South Africa's** most selected segment, the Grot Constatia winery (since 1685) or Fairview Wine & Cheese (since 1699) are the flagship of the South African brand, and it has several product ranges that are icons in the region. They practice a very competitive wine tourism policy with elaborate recipes managed by prestigious chefs, they have received numerous awards and prizes for many years, they obviously claim this as a competitive advantage, with 76% and 79% of engagement respectively. USA of the same segment, which hardly give importance, do not even appear in Social Media standards or on their Webs. The Boshendal Manor & Winery winery is smaller but has specialized in different products and works as a biodynamic farm with products from the field and animals. The Fairview Wine & Cheese winery, competes with the first anthropologically (since 1699), like the previous one, has a very open and familiar scheme around wine and cheese and variants.

The **medium-sized Japanese** companies are Kobe Winery 1983, Manns Wine Komoro Winery 1962 and Oku Izumo Winery 1990, are younger wineries. In these wineries, mostly family, it is observed that not only they are dedicated to the exploitation of wine, but, following Habbershon (1999) they complement it with "tourist agriculture" promoting the differentiating regional aspects. Oku Izumo offers, like the Spanish ones, scheduled visits and tastings. It also includes activities such as: harvest party, food pairing courses, barbecues, spaces for children, events or accommodation (through TripAdvisor). The Kobe wineries also have lodging, and on their website there is a "wall" with simple and close messages addressed to potential clients and open to them to include their experiences and observations, an authentic dialogue.
Manns Wine Komoro Winery has a reduced production, but offers its guests the possibility to taste their wines in a more intimate and close environment. It also has a "wall" in which to transmit and receive messages with a very familiar tone.

The selected **Spanish medium-sized wineries** are: Pago de los Capellanes, Raventos Blanc and Rioja Alta. As in the group of Japanese companies, the size, the vineyard and the expectations are lower. Pago de los Capellanes was founded in 1996 and is a family farm in the Ribera del Duero and Galicia area. Its main customer is the Horeca sector and its website shows very practical information, offers visits to the winery with tasting, but has no restoration or accommodation. It exports 25% of its production to 30 countries, and has specialized boutiques in its warehouses. Raventos Blanc was founded in 1986 although it is part of a family with a viticultural tradition that dates back to 1497 (Codorníu). Located in the area known as "País del Cava", in the Penedés region, very close to Barcelona. Since its inception, the new company decided to reduce the production of champagne and bet on biodynamic cultivation. Your website is very professional but does not offer services to individuals, it only offers visits to its distributors, prescribers and shareholders. Exports 45% of production.
Rioja Alta is a family business that dates from 1890 with headquarters in Haro (Rioja). On weekends offers visits to the winery with tasting and gifts. About 90% of its production is dedicated to the HORECA channel. It exports 60% of its production to 30 countries. Their online store is very active and allows you to increase direct sales to individuals.

Regarding **medium-sized North American** companies, we have considered the Lynmar Estate (1980) wineries. We also find a married couple and their family as owners. They have demonstrated a global capacity of the business, they have vineyards in USA, Australia, Chile, France, Italy and South Africa. They give importance to their digital community very closely. The J. Vineyards & Wine (1986) with its specialty of Pinot Gris and sparkling wine, social media networks are not detected in their Web. The Quivira Vineyards winery (2006), is very young and functions as a biodynamic farm offering wines and recipes from its own harvest. It is one of the few that uses various networks to promote itself.

South Africa's medium-sized wineries are House of J.C. Le Roux, specialized in sparkling wine and restoration. Its competition is the Graham Beck winery, Mr. Beck was a South African business mogul, oenologist, horse lover and philanthropist. He is best known as one of the richest men in South Africa and founder of the Kangra Group. Cape Point Vineyards winery similar to the previous ones but on the coast line, this is one of its strong points.

On the selected **smaller Japanese** companies: Cave D'occi, Obuse Winery and Wine Tourism Yamanashi, the following characteristics have been observed:
Cave D'Occi is located in the Niigata prefecture, near the sea. Known for its thermal waters (onsen) it shares the facilities of a SPA Resort (Occi Vinespa Winery Resort) with the winery, which is modern, designed in the American way. Its research center stands out where it has tested the adaptation to the land of grape varieties from other countries with geographical and climate similarities. It has accommodation and tastings. Its special characteristics attract a very international audience. Obuse Winery is located in Nagano, it was started in 1942, like so many others, to supply the soldiers in the war. In 1995 it began the exploitation of the vineyard as we know it today. Their website is simple, outdated and far from the concept of digital communication. Its content has a more scientific character, shows interest in bio-organic viticulture, which seems to be one of the precursors of that trend in Japan, they call it "Sansimi" (inspired by the French "sans chimie"). The winery produces their authored wine and in small quantities. In coherence with its limited production capacity, the messages on its website discourage all those activities that may be considered "massive". Wine tourism by Yamanashi winery is a Nonprofit Organization that holds an annual wine tourism event. This event includes at least 10 wineries located in the Yamanashi prefecture and its function is to promote different routes depending on weather. The company announces on its Web all the available activities of the wineries and manages them adapting them to the needs of the clients. Visits, tastings, excursions ...

The selected **small spanish** wineries: Capafons-Osso, La Viñeta and La Olivera, show quite similarities with the Japanese wineries of the same category that have been analyzed. Capafons-Osso, founded in 2004, also part of an old family of grape growers. It is located in the Priorat region (Tarragona). Its website is discreet and although visits or tastings to wineries are not openly offered, private visits can be requested that will be personally accompanied by the owner. Its production is small and 60% of it is exported to 10 countries. La Viñeta is a family winery founded in 2012. Located in the region of l'Empordà (inland of the Costa Brava) next to the border with France. Its website is simple but its professionalism in the production of wines, and derivatives, has made this winery a benchmark in the area. It offers a wide selection of wine tourism options: visits, artistic heritage, tastings, concerts or family parties. It has received several awards. It exports 20% of the production. La Olivera is a cooperative that was founded in 1974 in Vallbona de les Monges (Lleida). It also produces olive oil and other local products. It has a simple and practical website that offers many wine tourism options. The members of the cooperative offer guided tours: walks through the vineyard, visit to the wineries, marriage in the vineyards, harvest party, wine and olive oil festivals. Their online store is very active. La Olivera develops wine activities around the city of Barcelona for purely social purposes, in that case it works as an association for the social integration of its components. In 2015, the first bottles made by the association went on sale.

The wineries of the **smallest sector in the USA** have points in common with the rest of the countries in the sample, they are practically clubs of specialists, romantics, or experts in certain wines or processes, the young Truett-Hurst Winery (2006) is an example of them, it has a shop and a club of participants that celebrate events related to the harvest. It has a 75% engagement compared to the most powerful wineries, and another type of public. In this same sector, the winery Andretti Winery (1996) began as a "hobby" in 1996, the winery grew steadily. The interest of Mario Andretti (rally racer) in the wine business arose from a commemorative bottling he marketed to celebrate his retirement from racing in 1994. It is a not uncommon case in California, he also resells a small amount of imported wine from Italy. Finally, the winery Kamen Wines (1980) are from the generations that came to San Francisco for work reasons and fell in love with the bay area environment and bought a property to develop their project, few wines but handmade and of high quality by specialists.

A sample of **small wineries in South Africa** is Sady Family Wines, an example of a wine explorer, a forerunner of conservationism, an experimenter of a saga of harvesters with a deep knowledge for the cause. It is an obsession with nature, not interested in social networks, only the work of art in the form of a bottle of wine. Another representative of the great competition in this sector is the well-known Boplaas Wines in the area (1880) with a family tradition and very balanced in the brand name of South African brand products. Finally the winery Alvis Drift Wines that we could point out as the younger sister of the previous one but with twice the engagement.

We have tried to find a variable that could explain, in a transversal way, the impact of these organizations on the consumer. The engagement has been chosen and that its calculation is based mainly on visits to social networks (easy measurement), but it can also include some digital TV channels, which facilitate interaction, but its impact is difficult to measure. This magnitude can only be taken as an approximate data because of the great volatility of interactions in social networks, it only has temporal validity. In our study, we took data from Twitter, Facebook, Instagram and Pinterest, plus YouTube channels with their ads in April (2018). The simplest formula has been applied: Total likes / total post X100.

Although we have classified the sample among large, medium and small companies, looking for coincidences and divergences between the groups, the result is not conclusive.

Conclusions

After having examined the contents of all the available sources and the websites of the small sample of wineries selected in the four countries, we observe some first conclusions that affect in a similar way to all countries:

1.- Globalization has significantly influenced the activity of wine tourism, regardless of the size of the companies.

2.- The widespread use of Social Media, especially by networks such as Facebook, Twitter, Instagram, Pinterest, YouTube and other networks through TV channels. which in turn are interconnected with secondary networks such as: Tripadvisor, Kayak, Booking, etc. They do not discriminate against companies because of their size.

3.- Different models are shown in the business development of wine companies. There are wineries in both countries that do not want to extend their business to wine tourism, but also others that take advantage of all the possible options to complete the original business and opt for wine tourism.

4- Official (economic or technical) aid has been observed to the smallest wineries of the four countries. The objective is to revitalize the zones to re-invent or innovate the indigenous commercial and social fabric, especially in the most rural areas.

5.-There is also some interest in philanthropic issues and different social projects in the wineries, regardless of their size. Some are CSR (Corporate Social Responsibility) actions and others in specific social or philanthropic projects.
6.-Cultural or anthropological aspects linked to religion may reveal indirect influences in relation to nature. In Japan, Shintoism is practiced, which is based on the veneration of the kami or nature spirits. In Spain, Catholicism is traditionally the most numerous confession and there is no explicit relationship with nature. Christianity remains the dominant faith in the USA, with seven out of ten Americans. In South Africa different forms of reformed Catholicism dominate[17] This difference between monotheistic and polytheistic conceptions is vital to understand the respect and attitude toward nature. It might seem that, in polytheistic cultures, the link with the environment is part of their DNA.

In wine tourism, two businesses are combined into one business: the first sector (harvest) and the third sector (wine tourism). In Japan, this practice manifests itself spontaneously and continuously in all the webs of companies-wineries in the sample. In the Webs of the wineries of Spain, the sustainability and the new styles of culture and elaboration of the wine are the variables that occupy more space.

Throughout the investigation, several limitations have been found, both methodological and results. The first limitation has been the generalization, the great differences of the companies chosen for the sample. The objectives and interests of large, medium and small seem unmatched.

Another limitation of this analysis is that, although there are numerous authors who study the culture of the company, of the organizations, and on transculturality, no contributions have been found of the impact of the Social Media as transmitters of information, nor of the concept of engagement as a 'channel' of interconnection between the culture of the company and society. Fewer still have found authors linked to this sector, which includes the millennial phenomenon, which will surely be the future public and that moves with ease in the channels that report engagement.

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Annexes

Annex-1

Standard cultural	**Spanish people**	**Japanese**	**Americans**	**South Africans**
Space	Minimum interpersonal, social and physical distances. Warm greetings. It is passed to the colloquial language quickly	Much interpersonal, social and physical distance. Concise greetings It is based on the protocol	Weak interpersonal, social and physical distances. Taste for privacy	Similar lifestyles with people who live in Europe and America.
Time	Flexible with the delays and changes of "last moment" plans. They are more concerned with reaching the goal, than with how to reach the goal. This often involves stumbling.	Strict with schedules and plans, they do not tolerate delays. They are more concerned not about how long something takes to happen, but about how time is divided in the interest of correction, courtesy and tradition	Strict with schedules and plans, they do not tolerate delays. Separate the professional from the social Punctual They follow general principles.	It depends on cultural diversity. They have European and North American center guidelines. Regulators and planners Punctual
Comuni-cation	Nonverbal language prevails, rich in gestures. Oral to written communication is preferred.	Oral language prevails; non-verbal language is limited	It depends on cultural diversity. Good listeners	There is no middle class. It depends on cultural diversity. Great negotiators

Source: Adapted from Lewis, R. D. (2003) The cultural imperative.

Annex-2

etiquetas	**códigos**	**subcódigos**
1. Identificación (16)	País, Nombre, año de fundación, Sede, Tipo de propiedad, Nº de empleados, etc. (12)	Visión, Mision, Valores, (4)
2. Datos económicos (10)	Capital (millons), Operating Revenue),Profit after taxes, Total asset, Net income (6)	Nº empresas holding (4) % exportaciones Nº de países

3. Productos/servicios (28)	Tipos de vino, cerveza, espumosos, sidra, espiritosos sake, vinagre, vermouth, te, aceite. bebidas sin alcohol, agua… (14)	métodos de elaboración (3) premios (3) embalaje, paks (4) intervalo precios (4)
4. Activ. Turisticas (10)	Vendimia, catas, cursos (9)	Alojamiento (1)
5. Tipos de comunicación (6)	Engagement, Web(2)	Promocion, descuentos (4)
6. Distribución (4)	HORECA, on line, S.makt (3)	Varios (1)
7. Sostenibilidad (binario) (2)	En porcentajes (1)	Varios (1)
8. Non profit, Social Fun. (4)	Fundaciones (1),Filantrop. (1)	Varios (1)

Summary of data collection in various codes and sub-codes validated in each country

Annex-3

Countries	***Big***	***Medium***	***Small***
Spain	• García Carrrion • Bodegas Torres • Gonzalez Byass	• Pago de los capellanes • Raventos i Blanc • Rioja Alta	• Capafons Osso • La Vinyeta • La Olivera
USA	• Rodney Strong Vineyards • Francis Ford Coppola Winery • Jackson Family Wines	• Lynmar Estate • J. Vineyards & Wine • Quivira Vineyards	• Truett- Hurst Winery • Andretti Winery • Kamen Wines
South -Africa	• Grot Constatia • Boshendal Manor & Winery • Fairview Wine & Cheese	• House of J.C. Le Roux • Cape Point Vineyards • Graham Beck	• Sady Family Wines • Boplaas Wines • Alvis Drift Wines
Japan	• Mercian • Suntory • Saporo Holding	• Koben Winery • Manns Winery • Okuizumo Winery	• Cave d'occi • Obuse Winery • Wine Tourism Yamanashi

Summary-table showing the selected countries and the wineries segmented by size

INTERNSHIPS, VALUABLE FOR THE CAREERS OF WINE STUDENTS

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Keywords: Internship, Wine students, USA, Careers

Introduction & purpose of the study
Doing internships in any university curriculum is very important to get a practical experience. The motto of the California Polytechnic State University, in San Luis Obispo (USA) is "Learn-by-Doing" and therefore, studying how internships are valuable for the careers of wine students is fundamental to check if the program managers are proposing the right curriculum for their students to comply with the philosophy of the University.

Research methodology
The survey was conducted at the California Polytechnic State University, in San Luis Obispo, USA. The wine program has approximately 300 students. They are bachelor students and must specialize in one of the three concentrations: viticulture, enology and wine business. The mission of the department is to provide the students a better understanding of the whole wine supply-chain: from grape to glass. Irrespective of their concentrations, the students must follow minimum three classes in the three concentrations. Internship is compulsory in the students' curriculum.
During the 2015 Summer and Fall Quarters, 91 students received internship credit and answered the survey. Among the 91 students, 53% were in enology, 14% in viticulture and 33% in wine business concentrations.

Results / findings
Here are some findings that will discussed during the conference:
(1) Students, 94%, believe that the internship is extremely or very valuable to their careers.
(2) Enology students are more likely to take an internship Fall Quarter only while Wine Business students are more likely to take an internship Summer Quarter only. The fall survey asked if the internship experience made the student think of changing their concentration. Only 2 enology student responded yes with the following reasons:
   - "I realized how much I would love to apply my knowledge of viticulture and that working in a winery alone cuts out a huge portion of the winemaking process."
   - "My internship was focused on DTC, which I have dedicated my career to. My concentration is in enology. While my school work has been indispensable in assisting me in understanding and explain to others the ins and outs of wine making as well as communicating with those in the wine making field. I think that wine business concentration would have been slightly better suited for my end career."
(3) Most students take their internship when they are Juniors or Seniors.
(4) Students work approximately 12 weeks during an internship. Wine Business students work less hours each week than Enology and Viticulture students. Most students worked at a winery. A third of the Viticulture students worked at vineyards that were not associated with wineries. Wine Business students that have summer internships also indicated that they worked for the following: Distribution Company, a wine shop, PR Firm, a wine bar/restaurant, winemakers' association, wine shop, PR and marketing firm that represents wineries and other luxury beverage related companies and producers.

(5) As expected, the Enology students were more likely to participate in jobs that involve winemaking. The Viticulture students were more likely to participate in jobs in the vineyard. The Wine Business students were more likely to have business related jobs. However, they also had winemaking and vineyard related tasks. Our program is the only program in California where all the students have a minimum of three classes in each area irrespective of their concentration. All the students will have chemistry, fundamentals of enology, sensory analysis, basic viticulture, viticulture practices, irrigation management, economics, branded wine-marketing and accounting.
(6) Most of the students indicated that their job tasks changed over time.
(7) The average salary for wine business and Viticulture students are the same. Wine Business students have a lower wage than Enology students, but the same as Viticulture students based on the Post Hoc test at the .10 level.
(8) 51% of the students think they were extremely or very well prepared for their internship job from the coursework they have received at Cal Poly
(9) Over half of the students felt that other jobs made them extremely or very prepared for their internship.
(10) Most students believe the internship experience will be extremely valuable to their careers.

Practical implications and recommendations for education

These findings are helpful as program manager in order to adjust the course offering during the junior and senior years. If the students do make their internship in Summer Quarter (wine business students), no adjustment is needed. On the other hand, if they make their internship during Fall Quarter (harvest), classes that are only offered once a year should be postponed to Winter and Spring Quarters in order to accelerate the graduation rate.

GETTING TO KNOW WINE: CHINESE CONSUMERS' MOTIVATIONS FOR, AND EXPERIENCES OF, WINE EDUCATION COURSES

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Keywords: Chinese wine consumers, Wine education courses

Wine knowledge and wine culture is challenging and, at times, intimidating for consumers. A lack of knowledge may result in poor wine choices by consumers, or the perception of too great a risk, resulting in reduced wine consumption (Taylor et al., 2008). Increasing wine knowledge can be achieved in a number of ways: through structured educational courses, enthusiastic experimentation with wines, informal discussions with friends, or visiting wineries and wine regions to experience the wine and wine culture. To date there has been limited research exploring the role of formal wine education programmes on consumer's wine knowledge, preferences and consumption patterns. Furthermore, the motivation for participating in wine education programmes is relatively unknown. The need for wine education as a component of market success can be better illustrated through regions of the world that have not previously experienced a strong desire for wine such as China.

Despite the growing range and availability of foreign wine in the Chinese market, in general, Chinese consumers' wine knowledge remains relatively limited. In recent years there has been in China and Hong Kong an increase in the number of consumers signing up to attain formal wine education through courses such as CSW (Certified Specialist of Wine) and WSET (Wine and Spirit Education Trust). The growth of the wine trade in China partly accounts of the increase in wine education courses, as those able to demonstrate a level of wine competency can position themselves at a distinct advantage in the job market, however the number of consumers from outside the wine industry wishing to improve their wine knowledge and general wine tasting ability has increased also.

The larger research project on which this paper is based explored wine education practices and wine consumption behaviour amongst Chinese wine consumers in Hong Kong and China. An online survey of 518 respondents of Chinese ethnicity residing in Hong Kong or mainland China who consumed wine regularly (at least once a month), resulted in a sample of 289 who had participated in a formal wine education course. This paper outlines the characteristics of these respondents in relation to the sample as a whole. In particular, it focuses on their motivation to pursue formal wine education, and their perceptions of the outcome of the experience in terms of their wine knowledge and consumption behaviour.

Analysis of the sample who had enrolled in formal wine education reveals that they are likely to be relatively young, highly educated and somewhat more likely to be male than the overall sample of wine consumers. A quarter of respondents stated that their wine knowledge was advanced, and close to half reported intermediate wine knowledge. While red wine was most frequently consumed by this sample, two-thirds of the sample consumed white wine at least weekly. The primary motivations for wine consumption amongst this sample was for enjoyment, or because it suited the occasion, however, pairing wine with food was an important motivation also. These respondents reported using a range of sources to learn about wine, including reading online articles, or books and magazines about wine and meeting with friends to discuss wine and joining online wine groups.

Two thirds of respondents who had taken formal wine education had enrolled in more than one course. They were motivated to take their most recent course to aid wine purchase decisions (at restaurants and in general situations), and to learn more about wine and wine etiquette. Considerations around career progression or workplace requirements, or creating a good impression on friends or business associates and superiors were not important motives. Respondents reported that the outcomes of their formal wine education was an increased knowledge of wine and wine regions and increased confidence in discussing wine with other people and choosing wines to buy. It seems that undertaking formal wine education had also changed wine consumption behaviour, with three-quarters of the sample indicating that they consume more wine and a wider range of wine since taking their course. A large majority of these respondents reported that the course had made them interested in learning more about wine. The picture is not all positive, however, with a sizeable minority reporting that they had forgotten most of what they had learnt on the course.

These findings provide an interesting important insights into an under-researched topic with implications for the marketing of wine education courses in a Chinese context. It reveals a sizeable market for formal wine education courses, amongst a knowledgeable cohort, with broad motivations for seeking knowledge, and increasingly involved wine consumption behaviour.

TOWARDS UNDERSTANDING PERCEPTIONS AND RESPONSES TO CLIMATE CHANGE IN THE NEW ZEALAND WINE INDUSTRY

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Keywords: Wine industry, Climate change, Adaptive capacity, New Zealand

Wine regions globally are exposed to ongoing shifts in climate variability and extremes, including changes in temperature and precipitation, and more frequent high-impact events such as floods, storms and drought. Furthermore, regional vulnerability to these stresses is strongly influenced by characteristics of *terroir*: soils, topography, microclimate and varietal. Unlike arable crops which can be changed relatively quickly in response to changing growing conditions, vines take years to be established and have productive lifespans lasting decades, with planting decisions having long-term industry implications. Understanding the degree to which the industry is exposed and sensitive to climate change, therefore, is essential to designing and implementing successful adaptation strategies.
Recent advances in modelling future climatic conditions, and their integration with socio-economic futures, is enabling new ways to explore national and regional climate change implications for the wine industry. A resilient wine industry – one that is able to adapt and thrive regardless of the direction or severity of future climate change – depends in part on winegrowers' and supporting industries' capability and capacity for adaptation. Despite the widespread availability of modelled projections of future climate, for example, there is little work to date, however, on understanding how the wine industry receives, interprets, and acts on climate-related information, frames adaptation decisions or coordinates action. Wine stakeholders vary in their desire to learn how to manage these impacts, and in their responses; crucial to the adaptive capacity of a regional wine industry. Attitudes and perceptions of risk are also affected by non-climatic factors such as size and scale of operation, ownership and management structures and growers' motivations, which may not be profit-maximization. There are also multiple drivers of vulnerability in a region which originate beyond the wine industry itself – at the scale of the national regulatory environment, international markets or global trade agreements.

A resilient wine industry is important to New Zealand – it is one of the country's fastest growing industries, worth over $1.7 billion (2018) – the sector remains under-researched. This paper explores the adaptive capacity of New Zealand's diverse wine regions by analysing wine stakeholders' perceptions and experiences with climate risks, in the context of the suite of forces (socioeconomic, environmental) that may also affect production. The participatory approach includes semi-structured interviews with industry stakeholders, which is complemented by documentary analysis of secondary data, including the published scientific and grey-literature, comprising reports from government agencies and academic research. Results show a limited body of research has been done for the New Zealand wine industry. This work has focused on probabilistic and biophysical modelling of climate change and varietals' suitability under different scenarios of future change. There is very little understood about the potential for changes in management practices to adequately cope with future changes, including the development and adoption of new varietals, changing location for vineyards, or upgrading infrastructure to cope with compressed harvests. The recent experiences of growers and winemakers with climate variability may be influencing views of the likely impacts of climate change, however there is little relevant data on perceptions of these risks amongst wine industry stakeholders. Thus, there is an urgent need to understand decision-making processes and adaptation intention around climate and weather-related risk, and how these are weighed up against risks from other natural hazards or economic and market forces. Future changes in climate will be experienced in the context of these multiple, interacting forces, and adaptation initiatives will need to be designed in light of these.

DOES THE WINE TRADE UNDERSTAND WINE CONSUMERS? MEASURING THE ALIGNMENT FOR WINE CHOICE DRIVERS BETWEEN TRADE OPERATORS AND CONSUMERS

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Keywords: Trade, Consumers, USA, Discrete Choice Experiments

Purpose: The wine trade is the gatekeeper for what consumers are able to buy, but little research has looked at whether the trade actually understand consumer choice. The majority of knowledge published in this domain only looked at the choice criteria of either one of these two parties without comparing them. Trade operators seem to focus on profitability, product margin, stock management, country-of-origin, and new product acceptance (Bogomolova et al., 2017, Hansen and Skytte, 1998, Johansson and Burt, 2004, Sternquist and Chen, 2006, Goodman, 2014, Azzurro et al., 2017), while consumers focus more on country-of-origin, region-of-origin, price, label style, grape varieties, medals/awards, and critics' ratings (Lockshin and Corsi, 2012, Goodman, 2009, Mueller et al., 2010, Lockshin et al., 2006, Bruwer, 2014). However, by having trade operators and consumers answer different survey instruments, one can only infer the extent to which the preferences of these two parties are aligned. Only a handful of papers have analysed the preferences of both trade operators and consumers using the same dependent variables (Urbany et al., 2000, Bäckström and Johansson, 2006, Gil Saura et al., 2008), and, in particular, only one article did that in the area of wine business (Reizenstein and Barnaby, 1980). The purpose of this work is overcome this limitation, thus improving the understanding of the alignment (or lack thereof) between trade operators' and consumers preferences' when selecting a wine to stock/list or purchase.

Methodology

The study took place in the US using a sample of 480 US wine trade operators and 1920 US consumers to answer the same discrete choice experiment (DCE). The choice sets manipulated 7 attributes: country of origin (5 levels), region of origin (2 levels – country specific), grape varieties (8 levels), label style (4 levels), presence of a medal (2 levels), price (4 levels), and critics' ratings (4 levels). The attributes and levels were selected through a review of the literature and consultation with an industry reference group. The design used 128 choice sets, which were divided into 8 blocks of 16 choice sets each. Each respondent was randomly assigned to one block. See Figure 1 for an example.

Figure 6: Example of a choice set

For each choice set, trade operators were asked to choose the wine they thought would generate the most sales if added to their portfolio, while consumers were asked to choose which wine they would purchase. Prior to the DCE, trade operators and consumers were exposed to different advertising messages to test whether these messages influence their preferences. The content of the advertising messages was pretested to confirm the messages communicate what they are supposed to communicate.

Findings

We have just completed data collection, and we will be able to present the results of the research in January 2019.

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THE TIES THAT BIND: KEYS TO BUILDING STRONG RELATIONSHIPS WITH IMPORTERS AND RETAILERS TO DRIVE PREMIUM WINE EXPORT SALES

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Keywords: Trade, Structural Equation Modelling, Discrete Choice Experiments, B2B relationships, premium wine, US Wine Market, UK Wine Market

Purpose

Previous research emphasises the need to better understand what triggers initial sales of premium wines (particularly Australian wines), what drives repeat sales, leading to the establishment of strong B2B relationships instead of transactional sales (Keh and Xie, 2009, Liu et al., 2017). The critical benefits of successful business relationships across all product and service categories, particularly in today's environment of hyper-international competition is well documented (Hoppner and Griffith, 2015, Leonidou et al., 2014). Sustained relationships, with an enhanced understanding of product needs, creates satisfaction and loyalty from international partners, but also allow exporters to take full advantage of partners' knowledge of foreign business practices, distribution networks and customer preferences (Rosenbloom and Larsen, 2003). By fostering win-win relationships, exporters can further strengthen export performance, reputation, market competitiveness and ultimately long-term success. In other words, building sustainable relationships with foreign importers and distributors offers a primary source of competitive advantage for exporters, leading to higher margins, establishment of trust and commitment, communication quality, reciprocity, long-term orientation product support and, critically, positive word of mouth endorsements and blocking of competitors (Watson et al., 2015). The literature also indicates that exporter-importer relationship quality is determined by firm characteristics, relationship length, government regulations, and environmental turbulence (Palmatier et al., 2006). Moreover producers and exporters need to be aware of any 'gaps' or 'mis-matches' in their understanding of what motivates importers and distributors (Pulles et al., 2016) in order to avoid conflict and dissatisfaction on both sides of the relationship (Tsarenko and Simpson, 2017). The present study explores this research area, by surveying Australian wine exporters and producers currently trading in the US and UK as well as wine importers, distributors and retailers in the same two countries.

Methodology

Both qualitative (35 in-depth interviews with UK/US wine trade operators) and quantitative data (n=454) was collected. This multi-staged approach allows for reliable identification of sales barriers and relationship success factors. The literature and data from the interviews informed a quantitative questionnaire employing a discrete choice experiment to determine the product and business attributes likely to lead to an initial sale followed by attitudinal questions quantifying critical product and business relationship drivers to long term relationships. A mirror questionnaire was then applied to independent Australian wine producers (n=190).

Findings

Preliminary results reinforce the need for premium, lower volume producers to choose export partners carefully as two distinct clusters have emerged: a larger one placing more emphasis on relationship effectiveness via relationship capital; and a smaller highly sceptical one exhibiting low levels of trust and relatively high levels of distrust in wine producers, prioritising payment terms and costs. The overriding need for all interviewed/surveyed was to trust producers could reliably supply high quality wine, supported by a unique, communicable and credible brand story. Data collection from Australian producers have been completed and results of the gap analysis and full results will be provided in our presentation.

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UNDERSTANDING THE CATEGORY ENTRY POINTS FOR WINE IN CHINA

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Keywords: China, Consumption Occasions, Category Entry Points, Mental Availability

Purpose

Cohen and Lockshin (2017) identified the pitfalls by both foreign and Chinese researchers who apply their highly-involved views of the category to wine marketing research in China. Whilst there is a growing stream of academic research on wine consumers in China (Lockshin et al. 2017), this research is still skewed towards heavy or frequent buyers. Sharp (2010) illustrates the importance of light or infrequent buyers necessary to grow a brand or even a category. There is a real challenge in the wine sector to convince brand owners and managers they need to move away from solely focusing on heavy buyers and instead develop a strategy to reach the all potential category consumers.

Romaniuk and Sharp (2016) discuss how building mental availability is a crucial component of brand growth as it makes it easier for a potential buyer to think about your brand when a buying situation arises. They explain how category entry points are the potential usage situations that drive someone into a product category. Romaniuk (2003) discussed the role of memory in brand retrieval and discussed these cues as being analogous to the distribution pathways of the mind. Therefore, a precursor to conducting mental availability research in the China wine market is the identification of the relevant category entry points for all types of buyers in the wine market.

This research will identify the relevant category entry points for the wine category in China from a consumer perspective and investigate if country of origin cues manifest as category entry points for wine in China.

Design/Methodology/Approach

An online elicitation study is to be conducted with a sample of 200 urban internet users who are alcohol category consumers and have tried imported wine at least once in the last year. We will collect data as follows n=50 from 3 different tier 1 cities (Beijing, Guangzhou and Shanghai) plus an additional 50 respondents across a range of tier 2 cities. This will allow for some scoping research to understand if the occasions/reasons an alcohol drinker consumes wine differs by geographic location focusing on the big 3 markets as well as whether there are differences that can be attributed to less developed cities.

The instrument is roughly 30 minutes in length. It will collect alcohol sub-category consumption behaviour data first to help prime the minds of the participants to be thinking about alcohol consumption. Other studies using other categories typically only have 30-40 participants. Due to the large sample utilised for this study, this consumption data will be used to segment the responses to see if there are different category entry points for different types of alcohol consumers. The actual elicitation study uses a range of open-ended questions designed to evoke both semantic and episodic memory. The instrument intends to gather information on previous alcohol consumption and purchase experiences. Due to a split design we will investigate whether there are different category entry points for consumption versus purchase. We expect significant overlap, but it will also be good to understand if/how this differs. We also will explore when people might consume wine by country of origin to identify if there are any differences/similarities for Australian wine versus wines from other countries. The responses will be analysed by native Chinese speakers who have been trained in this analytical technique.

Findings
We are currently collecting data on this and will be able to present the results at the conference.

Practical Implications
Identification of the category entry points are the first step in building an effective brand growth strategy underpinned by the theory of mental availability. The identified category entry points will then be tested as part of the next phase of this ongoing research project to measure mental availability.

Originality/Value
To the best of our knowledge, this is the first large scale execution of a study to determine the category entry points for wine in China.

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WINE TOURISM AND REGIONAL DEVELOPMENT

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Wine has developed into one of a lifestyle product, and correspondingly there is an increasing trend where wine tourism is viewed as a personalized experience where travellers can experience culture, lifestyle, gastronomy, and territory. This is evident with the increase in wine tourists and the number of wine producers featuring a cellar door. However, the development of a wine region requires strategic planning through the support of gastronomy tourism, value added services and cohesion amongst stakeholders.

Growth in wine tourist visitor numbers is leading to increased integration between wine production and tourism (Alonso et al. 2014). It is estimated that there were a total of 60 million visitor nights to Australian wineries in 2014-15, with overall expenditure totalling $9.2 billion (Gillespie and Clarke 2015). In California, some 21 million visitors and $2 billion in expenditure annually were directly related to the wine industry (Ag Marketing Resource Center 2014). A recent review of wine tourism research found that the largest proportion of research focused on economic and regional development (Gómez et al. 2018). Research into regional development included case studies of regions (e.g. Hojman and Hunter-Jones 2012), analysis of wine routes (e.g. Bruwer 2003), networking and alliances (e.g. Contò et al. 2014), as well as branding (e.g. Lockshin and Spawton 2001). Successful regional development is closely tied to the work and collaboration of regional associations and local government to support; the promotion of the region and local businesses, establishment of facilities such as a visitor centre, in addition to the long-term sustainability of the region (Alonso and Liu 2012). However, there does not appear to be analysis on regional development using a developed framework.

This working paper proposes to apply the gastronomic tourism framework developed by Hjalager (2002) to three wine tourism regions. These regions will include a well developed mature wine tourism destination, the Barossa Valley in South Australia, a mature tourism destination but new to wine tourism destination, Alsace, France, and finally a new to wine tourism destination, Granite Belt, Queensland Australia.

Wine tourism is consistently described as more than just tasting wine or even just visiting a winery. Visitors are seeking experiences that they can remember that extends far beyond the cellar door. Mature wine regions have realised the importance of developing food, culture and tradition into their destination image. The development of gastronomic and wine tourism within a destination is complex due to many stakeholders and their sometimes-conflicting strategic goals. The typology of value added in gastronomic tourism framework is used to analyse the stages of wine tourism development of three wine tourism regions. Through this analysis, it is envisaged that a wine tourism destination could use the framework to develop their strategic plan and long term positioning.

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