

# **"CHAMPAGNE COOPERATIVE WINERIES: TYPOLOGY AND DETERMINANTS OF PERFORMANCE"**

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### **INTRODUCTION**

Past research works have been mainly focused on the 10 largest Champagne groups, but not on the other Champagne wineries. Those smaller wineries only make 18% of bottles. But they collect grapes and may provide clear wines to the 10 largest groups. But small wineries and co-ops play a strategic role in grape procurement for the biggest “Houses of Champagne”, in a business where grapes must come from 319 villages within the protected designation of origin (PDO)/Protected Geographical Indication (PGI) area. This is a major constraint for the Champagne wineries, must also be produced wine within the area according to specific rules.

So, small wineries, either corporation or co-ops, collect grapes and process them into still wine after first fermentation, while a second formation of blended still wines is made afterwards in order to produce sparkling wine of constant taste and quality. They have the option to sell still wines or bottles ready for drink. They may exert some market power on the still wine market with the 10 largest Champagne groups.

So this is the first paper with extensive strategy and performance analysis of small Champagne makers.

The general objective is to assess the strategy and performance of small Champagne wineries in order to provide a typology and factors of performance. So the paper will:

1. identify the types of strategy implemented by small Champagne makers, incorporated companies and co-operatives,
2. measure their economic and financial performance from 1997 to 2006,
3. relate performance measures to strategic decisions.