

Marketing terroir: A conceptual approach

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Abstract

Terroir as a concept is regularly referred to in relation to the consumption of wine, and may be used to market wine. However, its use is controversial and shrouded in ambiguity. This conceptual paper attempts to analyse how terroir is viewed, assessing its environmental, mystical and marketing role, all centred around the idea of place as identity. The ambiguities of terroir in marketing terms are also explored as well as the contemporary debates around terroir giving authenticity, and the contrast between terroir and industrial wines, and the relation of terroir to appellations.

Keywords: terroir, place, differentiation, authenticity

Topic area: Geographic indications and the importance of origin.

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There is a regular debate about the relevance of terroir to wine, both amongst consumers and producers. It is not the purpose of this paper to analyse the scientific perspective on terroir in detail – but rather to explore it as a social construct and – crucially – how it operates as a precondition to the marketing of wine. The paper therefore seeks to define the idea of terroir and outline its development, consider its role in marketing, and finally link it to the associated use of demarcation as a means of protecting the intellectual property of place. The significance of the study is that it locates the marketing of terroir in a broader cultural context, and it offers a model for how terroir operates at the viticultural, cultural and business levels, around the idea of ‘terroir as identity’. However, given the subject’s complexity, the wider issues of place marketing and country or region of origin are not considered.

Contextually, one can note that whilst demarcation systems operate within a legal framework, terroir has more of a philosophical and viticultural dimension; nevertheless, it underpins the process of demarcation. It is also important to observe that terroir is at the centre of a substantial current debate about what wine is, and how it should be understood. Indeed, books have been devoted to terroir, and ‘understanding’ its impact on what is drunk (e.g., Wilson, 1998). Yet until the early nineteenth century to describe a wine as having a *gout de terroir* was considered derogatory (Spurrier, 1998; Whalen, 2009). The current use of the idea and its importance for some consumers may be a fairly recent construction.

Defining terroir

Defining terroir is hard; much ambiguity surrounds the notion. The word is French, and has a relationship to *terre*, the soil, but terroir itself is not identical with the idea of soil although many wine experts may make that assumption. Traditionally there have been claims that Chablis has the scent of the flint found in the vineyard soil, or that Mosel riesling is slatey (Desseauve, n.d. p. 7) although there is no scientific evidence that wines can take up flavour from the rock type on which the vines are planted (Gladstones, 1992; Maltman, 2008). Literally, terroir can be seen as the area within which grapes are grown, but even that is imprecise, and deals only with the physical manifestation of the term. One commentator on the subject has offered four connected interpretations: the developing vine; promotion; territory; and identity (Vaudour, 2002 p. 118). That may seem rather abstruse, but terroir certainly does have overlapping meanings – and a number will be examined briefly.

Terroir can first be interpreted as a strictly physical concept; in this context it means the entire natural environment of a vineyard. Vines respond to three environmental factors (Halliday & Johnson, 1992): climate, topography and soil. There are few people involved in wine production around the world who would disagree with this notion of terroir as the threefold physical context of the vine. Moran (2001) adds a human element to this, claiming that human activity has adapted sites and had an impact on their relationship with the vine, so that it is incorrect to place more emphasis on physical geography rather than the cultural context – a view that is now commonly shared by European proponents of terroir. Even in this case, however, discussion revolves around the tangible existence of the vine and the vineyard.

The idea of the impact of terroir on a wine’s character can be taken further, however. It is possible regularly to taste wines made by the same producer, in the same way, but from adjoining vineyards, and notice differences between them. These variations, consistent from year to year, are put down to the distinctive terroir of the vines. Historically this was seen to be a result primarily of the soil in which the vines were rooted; more recently increasing emphasis has been placed on the topography of the vineyard, especially its aspect, as having a fundamental role in shaping differences between wines. Whilst this perspective is seen to be very European (and has its origins going back over five centuries or more), it is not exclusively so and is accepted by some producers throughout the world.

Some wine producers take this notion of terroir providing differentiation further. It is not merely that the wine tastes different, but that it is – almost philosophically – a different object, because it represents a specific plot of land. In this way the physical substance of the wine is subordinate to its role as a marker for where it came from. Wine is therefore considered to be an interpretation of that place so that one can argue that Vouvray is above all a wine from its eponymous village. The fact that it is made using the grape variety chenin blanc is incidental. In this way the land almost develops its own personality (Vaudour, 2002). Indeed, for some this view of terroir sees it as less a geographical concept than a historical one – wine producers reinterpreting the past and recreating of the history of a place (Demossier, 2004). It has been suggested that terroir is becoming increasingly important in an age of globalization as a counter movement, ‘patrimonialization’ develops. This response claims that regional heritage, including food and wine, is important and unites a number of individuals (professionals and consumers) (Gade, 2004). This is a perspective typified (though not exclusively promoted) by the Slow Food movement (Boyle, 2003).

The third aspect of terroir is when it is used as a marketing device. For many producers the ability to mark their wine out as different from all others because of its origin can be invaluable. This is perhaps most apparent in Burgundy, where, for the best wines (the *grands crus* and *premiers crus*), the *appellation contrôlée* (A.C.) is coterminous with the vineyard boundary; the vineyard, in turn may be owned by just a few owners, or even a single person – and in the 1930s terroir was explicitly developed in Burgundy as a marketing tool to offer this differentiation (Whalen, 2009). The need to distinguish site from site has spawned many books (e.g. Hanson, 1995; Norman, 1996) and regularly inspires tastings to compare wines of different vineyards. It has also led to the multiplication of appellations which represent different, often minute, terroirs. Crucially, environment alone may be insufficient to explain the reputation of a wine, so trade, scarcity and demand converge to enhance its fame (Vaudour, 2002). This use of terroir as an aid to marketing may not be relevant for most wines but, it has been suggested, wine marketers are aware that the extra value they offer some consumers is in conveying this sense of place (Fridjhon, 2004). Moran (1993), more controversially, has also suggested that terroir as territory gives legal and administrative power to a site or region, which is in turn justified by (unproven) environmental determinants, particularly soil. In this argument terroir becomes merely a political and marketing tool, with no substantial viticultural validity.

The result of this is that terroir is used across the world as a justification for and endorsement of the quality of wine. Another interpretation, however, may be that when a wine, or an entire region, becomes successful the profits of that success are put back into maintaining and improving quality. In practice this may mean improving the processes used for production (better clones, more new barrels, the most up-to-date equipment). That in turn enhances quality – but the enhanced quality is credited to the quality of the vineyard and/or the region rather than better technology (Beverland, 2005).

This overall interpretation can be envisaged graphically, as shown in Figure 1. This is a development of the model offered by Vaudour (2002) who discussed the interlinking aspects of vine, identity, marketing (‘slogan’) and territory. In this example terroir is conceived as a tension between the physical (or environmental), the mystical sense of place, and its role in marketing – with the use of terroir to make distinctions the unifying factor. Vaudour’s (2002) idea of territory as space thus becomes the core, and ‘slogan’ becomes more widely interpreted as a general marketing dimension. Distinctions reflect diverse viticultural environments, they are used as a means of promoting the wine as one which stands out from all others and they secure identity.

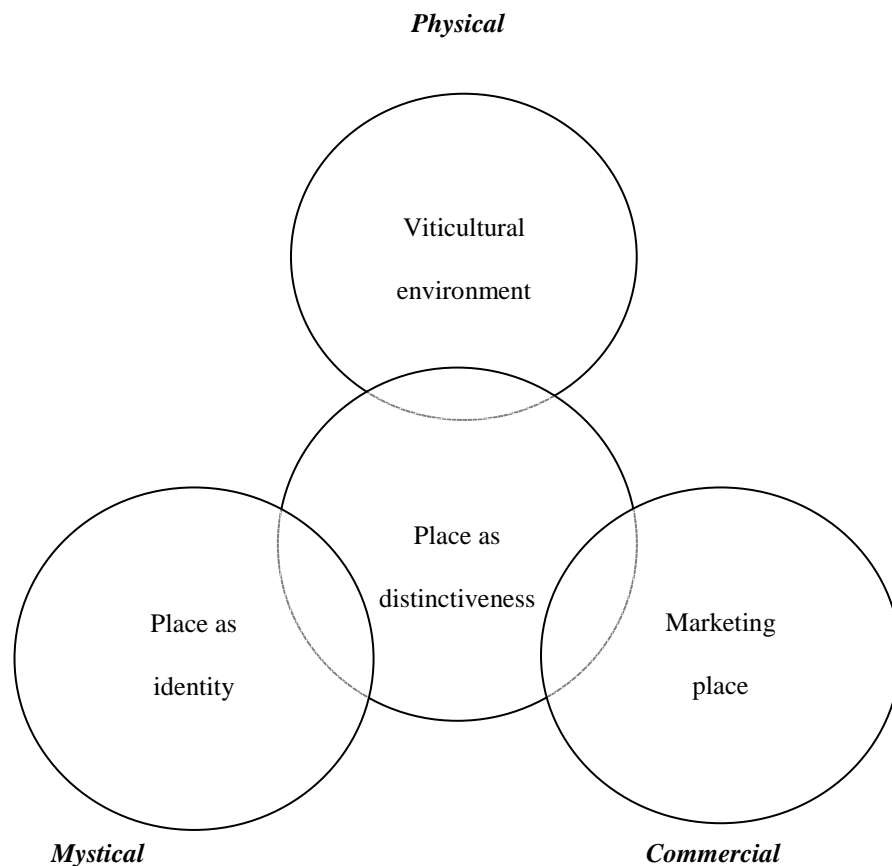


Figure 1: The interlocking concepts of terroir

Developing terroir in marketing

It may be that terroir offers a specific link to the authentic (Beverland, 2006). The notion of authenticity in wine is complex (Osborne, 2004), and it seems that different consumers may search for it in different aspects of a product (Goulding, 2000). Nevertheless, it seems that contemporary consumers do seek authenticity as a key attribute of their consumption, and terroir in wine, the fact that the drink is inextricably linked to a place and cannot be precisely replicated elsewhere, may be crucial for some. Thus the British wine critic, Hugh Johnson, has said 'with wine, unlike most products, where it comes from is the whole point' (Blanning, 2009 p. 28).

In a saturated market, finding a point of differentiation is essential, and it has been noted that terroir may offer that possibility, with wines of similar organoleptic characteristics showing price differentials in California of up to 50% (Guenter, 2006). It is certainly the case that region of origin (overlapping with – but not identical to - terroir) offers competitive advantage, though in a complex fashion (Perrouty, d'Hauteville, & Lockshin, 2006). Many would argue then that terroir is essential for this differentiation (e.g. Atkinson, 1999) but equally it can be suggested that only high involvement consumers tend to have the interest and time to gain the kind of knowledge required to understand and separate terroirs (Charters & Pettigrew, 2006).

Consequently, some in the wine industry consider that wines can be categorised into two types. 'In today's wine production a distinction should be made between "terroir wines" and "branded wines". Terroir wines are produced in a specified location ... Branded wines are produced by blending wine or grapes from larger areas and from a variety of sources, which may vary from year to year' (Leeuwen & Seguin, 2006 p. 3). This reflects a wider wine industry view that somehow high quality wines are in some way not branded (Charters, 2009). As is evident from a number of critics,

'branded' wines are somehow inferior to those displaying a particular terroir. The British wine writer, Andrew Jefford, has said brands 'are for cereal and toilet paper, not wine. They under-deliver and rip the consumer off. They are more about distribution, marketing and advertising than wine itself' (Atkin, 2005 p. 13).

Ultimately these three aspects – differentiation, authenticity and the contrast with 'industrial' wine – may combine, as Maguire (2007 p. 17) notes: 'in general then, the terroir of a wine is a strategic device for adding and assessing value, as it brings into focus the tension between the large-scale, the industrialized and the artisanal, the inauthentic and the authentic.'

The ambiguity of terroir

It might be thought that within Europe terroir is a particularly French obsession – but it is regularly used throughout the continent, and even outside Europe winemakers are increasingly seeing the location of origin as a key aspect in shaping the style of their wine. Nevertheless, the new producing countries have always been more cautious about terroir. With the ability to irrigate, the overall climate and the water-bearing capacity of the soil have been less important, so that the focus has been primarily on temperature (Hancock, 1999). There has also been a sense that terroir is used by Europeans to demonstrate that their wines are superior to wines originating elsewhere. Such a view regards terroir as elitist (Jackson, 2002), and designed to exclude others, rather than merely to promote good wine.

It is also important that, whilst the term terroir is widely used, how it is understood in practice – even at the physical, viticultural level – may vary. Producers of Alsace wines, for instance, regularly promote the terroir of their region. However, A.C. Alsace can be a blended wine. The region stretches over 80 kilometres from north to south with a number of slopes and outlooks. Selling the terroir of Alsace bears little relationship to the differentiation made by Burgundians between the 27 hectares of le Montrachet, Bâtard Montrachet and Chevalier Montrachet, each vineyard producing nuances which mark its wine out from the other two. Terroir, consequently, informs the legal framework of the A.C. system (see below) yet there is no legal definition of the concept (Hancock, 1999), and conflicting understandings of what it means in practice.

Terroir, appellation and the sense of place

It is therefore clear that there is a relationship between terroir and demarcation. For those who consider terroir important, a wine is good to the extent that it portrays that terroir. Quality is thus related to origin and *typicité* (typicality). Consequently, it has been suggested that

typicality characterizes a collective taste memory, which has matured over a long time, through several generations of people, and refers to geographically referenced products. It is the shared perception of how generations of people from a given place expect the wine should taste (Vaudour, 2002 p. 120).

Appellations have been developing since the 18th century, but were crystallised in France from about 1905 onwards, resulting in the formal introduction of the A.C. system in 1935. The designation meant that an A.C. wine was considered a 'quality wine'. There is no doubt that the quality of wines produced within A.C. demarcations improved as yields were controlled, hybrid vines rooted out and consistent production practices implemented. It is often forgotten that establishing an appellation was expensive (Charters, 2006). The formation of the EEC in 1957 prompted the spread of A.C. systems throughout what became the European Union, and they have now effectively taken on the nature of intellectual property (World Trade Organisation, n.d.).

As will be quite clear by now, appellation systems are essentially geographic – and as such they are seen to reflect the terroir of a wine region. However, that geographic nature varies from region to region. In Burgundy it is based very much on specific site, with a number of individual vineyards

having their own A.C. In Bordeaux, as in the northern Rhone, it is much more focused on the commune, or a small group of communes. In Alsace, as in Champagne, it is regional, covering a very substantial area.

As well as delineated area, however, A.C. regulations were also designed to preserve viticultural tradition and – as best could be done seventy years ago – to enhance quality. Thus only permitted varieties could be grown in a region; specific viticultural techniques were prescribed, and vinification methods may also be established. Three key controls aim to guarantee quality: the implementation of maximum yields, the use of a minimum alcohol level for the wine in each region and the *agrément* – a process of compulsory tasting which takes place in many of the A.C. areas. Theoretically wines have to pass this tasting test to qualify for A.C. status, but the tests are applied by local producers, who are hardly impartial (Norman, 1996), and the result is at best an limited way of ensuring quality (Charters, 2006).

How effective are systems which market wine based on their region of origin? In Spain, Gil and Sanchez (1997) have suggested, the *Denominación de Origen* (the Spanish equivalent of the A.C.) is more important than brand or vintage when consumers select wines, although for some segments (such as low income consumers, and older females living in urban areas) price is equally or sometimes more significant. In Greece it has been posited that some consumers will pay a premium for wine with a designated origin (Botonaki & Tsakiridou, 2004). However, there has been substantial criticism of A.C. systems in recent years, most noticeably about the restrictions it places on producers, and – as noted above – the fact that they do not guarantee organoleptic quality. They certainly include regulations which tend to enhance quality, but in the end what they guarantee is origin. This, in itself, is sufficient for a number of European wine experts; the quality resides in the wine's *typicité*. However, for many wine consumers outside the traditional European wine producing countries the typicality of a wine in itself does not prove the quality of what one is drinking (Basset, 2000). In this case quality is based ultimately on what is tasted in the glass (Charters & Pettigrew, 2003). Consequently, the different perspectives on wine quality are not those of degree, but relate to its very essence. Neither approach is necessarily right or wrong, but there is a total failure to connect between the organoleptic approach and that based on *typicité*.

Conclusion

Terroir may offer distinct points of differentiation when marketing wine – particularly offering symbolic meaning around authenticity, and a sense of 'genuine' rather than industrial wine. However, as also noted, the concept is shrouded in ambiguity; it is clear that different regions in Europe may have varying interpretations of the term as a viticultural context, and when overlain with ideas of culture, identity and appellation the whole notion becomes yet more complex. This paper has attempted to offer a model of these interacting aspects of terroir which, whilst hardly resolving all the ambiguities, does try to offer some clarity – with the competing environmental, metaphysical and marketing interpretations coalescing around the sense of terroir as identity.

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