

HOW THE INCREASING COMPETITION IS RESHAPING TUSCAN WINERIES: THE CASES OF CHIANTI CLASSICO AND BRUNELLO DI MONTALCINO

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Abstract

The purpose of the study in progress is to test the findings of an exploratory research we conducted in 2003/04. This research focused on Tuscany, one of the most important Italian wine regions, with specific reference to the wineries of two production areas well-known worldwide: Chianti Classico and Brunello di Montalcino. The perspective of the analysis was that of the wine entrepreneur; non-bottlers were not considered in the study.

The original objectives of the research were:

- to analyze the strategic behavior of wineries located in the considered local systems in order to face the current competitive environment;
- to understand the role of the territory in the wineries' marketing strategies, focusing on three variables: label, brand, and origin.

The research methodology consisted of a qualitative, inductive method based on: direct interviews to different wine business organizations (distributors, consultants, consortia, etc.); and case studies on a convenience sample of wineries. Through the analysis of information collected by the interviews and within- and cross-case study, we developed a theoretical framework to categorize wineries on the basis of their behaviors. We identified two main types of firms:

- *Global Players*, characterized by: higher propensity to innovation (at product, process, marketing or organizational level); greater control on distribution channels; complex product ranges (in terms of both breadth and depth); autonomous communication strategies, proactivity in developing complex networks of relationships with organizations located within and outside the considered territory (other local systems, regions, countries) and the wine business (tourism, arts, entertainment, etc.).

- *Local Players*, characterized by: limited propensity to innovation; low control on distribution channels; simple product ranges, non-autonomous communication strategies, possible participation to collective promotional actions accomplished by local institutions (consortia, public authorities, etc.); limited number of relationships mainly at local level.

The territorial system seems to act as a “sponge” that absorbs and releases value from and to local wineries depending on the type. *Global Players* seem to be able to increase the value of the territory through their branding strategies, extending the benefits of their promotional actions to the comprehensive local area (visibility, notoriety, attraction of tourist flows, etc.). *Local Players* seem to take advantage of the values embodied by the territorial system exploiting its immaterial assets. While in the first case origin is complementary to the company brand, that seems to represent the main factor used to attract consumers, in the second case, it represents the primary driver of marketing strategies.

The purpose of the study in progress is to validate this interpretative model. Within the same geographical areas, we will submit a questionnaire to an enlarged sample of wineries. We will then perform a uni- and multi-variate statistical analysis on the collected data.

The findings of the research may provide implications for future systematic investigation of regional wine systems both in Italy and abroad. Furthermore, the identification of competitive behaviors and key-variables of successful wineries may provide recommendations for other organizations to improve their performances. Finally, the explanation of the role played by the territory may also provide suggestions to local institutions and associations in order to find tools and implement collective strategies to support wineries otherwise unable to compete effectively.