MARKET ORIENTATION IN THE WINE INDUSTRY IN SOUTH ITALY

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Abstract

The wine industry in South Italy represents about one third of the Italian supply and therefore is, as a whole, an important actor in the wine market (Italian supply: about 45 million of hectolitres of wine). This industry is experiencing large changes. Many wineries have moved from a low value bulk wine orientation to a bottled premium wine orientation. The changes in production orientation forced the wineries to modify wine and grape production methods, firm organisation and marketing strategies and practices. The wine market evolution during the '90 has been favourable to these wineries but the current conjuncture and the increased competition is determining serious difficulties for the wine industry in South Italy and many wineries are showing a decreased competitiveness. As two key drivers of change in wine market are the evolution of demand and the increased retail power, one of the crucial factor in the competitiveness of the considered wineries should be their capability to acquire, possess and use market intelligence or, in brief, their market orientation (Kohli and Jaworski). Therefore the proposed paper aims to investigate the market orientation in the wine industry in South Italy and the possible relations between market orientation and performance.

The paper discuss issues related to the adoption of a full market oriented behaviour in the wine context and reports the results of a survey based on a questionnaire inspired to the MARKOR model (Kohli and alii, 1993). 15 questions with multiple answers was defined to evaluate the firm market orientation investigating how firms collect information, built relationship with direct and final clients, react to market changes, disseminate knowledge among all employees and how the different departments cooperate to transform peaces of information in market intelligence. Before questions about market orientation, one question with multiple answers captures which is the meaning of "marketing" in the firm and who is considered the responsible for the marketing activities. After the questions about

market orientation, some questions gather information about the firm performance during the current period. Finally, questionnaires gather also information on many other aspects of the firm structure and organisation.

Data analysis is based on 130 questionnaires. Data are analysed with multivariate methods specific for qualitative data. The winery sample used represent about 30% of the population of premium wine oriented wineries in South Italy.

Preliminary results of the analysis show that wineries in South Italy have very different degree of market orientation; market orientation results related with the performance but also other elements looks able to explain performance deficiencies. The paper is closed with a discussion of the constraints which make difficult the adoption of a full market orientation in the specific studied context.