



## **Territorial Brands and Scale of Production: The Example of Champagne**

**Jennifer Smith Maguire**  
*University of Leicester, UK.*  
([jbs7@le.ac.uk](mailto:jbs7@le.ac.uk))

**Steve Charters**  
*Reims Management School, France.*  
([stephen.charters@reims-ms.fr](mailto:stephen.charters@reims-ms.fr))

### **Abstract**

◦**Purpose:** *The research compares different scales of champagne producers in order to examine how the meanings of product and place vary within the same territorial brand.*

◦**Design:** *The research is interpretive and exploratory. Findings are reported from a thematic analysis of transcripts of nine interviews with representatives of large, medium and small-scale champagne brands.*

◦**Findings:** *Findings suggest two broad product meanings within the single territorial brand of champagne: large-scale producers framed champagne as a drink for special occasions, whereas medium- and small-scale producers differentiated their product as terroir-led wine. We consider how these product myths—champagne as celebration, and champagne as authenticity—are associated with different articulations of the link between product and place. Whilst all respondents suggested an intrinsic link between their brand and the terroir of Champagne, large-scale producers placed greater emphasis on regional-level geographic terroir, and brand-level cultural terroir, whereas smaller producers were more likely to emphasize highly-localized and personalized land- and cultural-based notions of terroir. A brand's representations of champagne and Champagne will reflect objective conditions of production; however, we argue against assuming a neat dichotomy between large and small, manufactured and authentic.*

◦**Practical implications:** *The case of champagne underlines the need for territorial and regional brand managers to balance the stories told by actors situated at different scales of production. The variation in product myths and place stories creates the potential for conflict and consumer confusion; however, it also allows for a multiplicity of place-related attractions and extensions to the territorial brand.*

**Key words:** Champagne, Regional Brand, Terroir, Authenticity

---



## 1. INTRODUCTION

Recent discussions of sustainability in production chains have helped focus attention on issues of where things come from and how they are made (Garcia-Parpet, 2008; Heath and Meneley, 2007). In the case of wine, these concerns resonate with long-established concepts of terroir and more recent developments around notions of regionality. Terroir can provide clear points of differentiation in wine, and strong symbolic meaning around the notion of what is 'genuine' (Charters, 2010). Nevertheless, the concept is highly ambiguous, involving a range of geographical (site, soil, meso-climate), cultural (local history and knowledge) and commercial (place marketing campaigns) dimensions (Charters, 2006; Gladstones, 1992; Vaudour, 2002).

The paper explores how this complex relationship between product and place is shaped by the scale of production. Our focus is on champagne as an example of a 'territorial brand': a type of regional brand for which the product is intimately bound up with the environment in which it is produced, and cannot be separated from that location. Thus, the product is tightly linked to the place: the terroir of Champagne is central to the regulation, marketing and meaning of champagne. However, as the case of champagne will demonstrate, the meaning of and relationship between product and place can be highly variable even *within* a territorial brand. Here, our concern is specifically with the range of meanings given to product and place across large, medium and small-scale champagne producers.

## 2. LITERATURE REVIEW

Place-meaning in marketing is bound up in the idea of the territorial brand. The complexity of the regional brand is that it exists alongside a series of proprietary brands which may be competing for a stake in the market but which also share a common interest in making the wider, regional brand succeed, creating a situation of simultaneous competition and co-operation. Additionally, issues of governance, of value distribution and of shared history and mythology become significant in sustaining a successful territorial brand.

Champagne is a good example of a strong territorial brand. Over 300 years it has developed a worldwide reputation, particularly as a celebratory drink (Guy, 1999). Based on this 'myth' of champagne as celebration, many people now choose to drink the wine even without knowledge of individual proprietary brands. The region produces around 300 million bottles per year, with most production (66%) coming from the large houses who are responsible for the best known brands, made from grapes across the region. However, the houses only own 10% of vineyard land and are therefore reliant on the growers; 15,000 small land holders, each with an average of two hectares of vineyard, who provide the houses with the grapes they require, either directly or via the intermediary of a growers' co-operative. In addition, about one third of the growers have their own brand of champagne for sale direct to the public, and they now have a 23% market share—but nearly 40% of the market in France. Grower champagnes, and those from co-operatives, have grown in significance since the 1950s and are increasingly important in some mature international markets, such as the UK where they account for over 14% of sales (in comparison with 0.24% in India). In order to differentiate themselves from the houses, growers typically position their champagnes as coming from a specific locale, as hand-crafted, artisanal products, or as the result of a long history of family *savoir faire*. Whereas the houses may produce many millions of bottles of champagne each year, the growers may produce as little 2,000, with around 16,000 being the average.

The notion of terroir in Champagne is interesting. Whilst the term is widely used in France in relation to wine production it may have varying meanings. In Burgundy it is associated with the micro-level; the individual vineyard. In Champagne, on the other hand, as in Alsace, it is essentially a regional definition (Charters, 2010), and publicity for the wine explicitly discusses the terroir in regional terms (Anon., 2010). This, naturally, may conflict with the way that small producers explicitly promote and position their wine as one made from a single village, displaying characteristics based specifically on that localized site, soil and meso-climate.

Due to the variety of scale of production and varying ideas about terroir in Champagne, the region is ideally suited to an examination of the impact of the scale of a producer on notions of place and the meaning of the product, and how these notions are accomplished as values. There is no neat dichotomy of large versus small, but rather ideas about the local and terroir are defined and redefined relative to respondents' positions and vested interests.

### 3. RESEARCH DESIGN

The paper is based on a set of nine exploratory interviews conducted in 2009 with representatives of different champagne brands. The semi-structured interview guide (Berg, 1995) followed two broad questions, developed previously to explore cultural intermediary work in the wine industry (Smith Maguire, 2010): what do you do in your work to add value to champagne?; how do your own preferences and personal experiences help you to do your work? A thematic analysis of the interview transcripts (King, 2004) reflected these two foci: on the one hand, coding with regard to the product (scale of production, brand identity, the meaning of champagne more broadly, role of terroir/place); on the other, coding with regard to the respondent (personal tastes and preferences). In both instances, the data is treated interpretively—responses are taken as reflections of respondents' situated perspectives and roles as spokespeople for their brands.

Respondents are all involved—to greater and lesser degrees—in the representation and communication of their champagne brand, such as in public relations or export, with their length of time in the industry ranging from 6 to 30 years (average, 17 years). One respondent works with the regional inter-professional body; the remainder are distributed across three scales of production, outlined below, and—for purposes of anonymity—are identified by their employer:

- Large (>5 million bottles/year): House A1, A2; House B; House C
- Medium (0.5-2 million bottles/year): Co-Op; House D
- Small (<300,000 bottles/year): House E; Grower

### 4. FINDINGS

The paper's focus is on how respondents framed their brands vis-à-vis the meaning of champagne as product, and Champagne as place.

With regard to the meaning of the product: the respondents identified two broad meanings of champagne, as a drink for special occasions, and as a terroir-led wine. These are captured by the inter-professional organization respondent (reflecting his role in representing both houses and growers) in describing his own preferences:

Of course, I'm very keen on [the] terroir type of champagne. ... But also I'm interested [in]...a broad range of experiences of champagne, and it really depends on the season, also

the people you are with, whether it's the dinner *tête-à-tête* or whether you have a party. So you really you have different champagnes for all these different type of occasions as well. All four large-scale respondents described champagne in terms that set it apart from the ordinary, connoting ideas of celebration or luxury. This is in keeping with their higher price points, and reflects the dominant perception of champagne as a 'special occasion' drink. In comparison and reflecting the idea above of 'terroir type' champagne, all four medium- and small-scale respondents referred to champagne as 'a wine' (emphasizing the tangible aspects of the product) and defined their product as distinctly different from that of the 'big brands.'

With regard to the meaning of place: all respondents articulated an intrinsic link between their brand and the Champagne region. Nevertheless, the emphasis (on land versus culture, and on the degree of local or regional specificity given to either) within discussions of terroir differed between respondents, reflecting the objective differences in their brands' scales and modes of production. In crafting an exclusive brand identity for champagne, the large-scale respondents link their brands to the region through reference, for example, to long-standing relationships with growers in specific *grand crus* and *premier crus* villages, to the brands' long histories and to the preservation of production traditions such as ancient cellars and hand-turning bottles (whilst down-playing the highly industrial nature of production for the vast majority of their champagne). Similarly, medium-scale respondents also emphasized brand history and the signifiers of regional heritage (such as hand-turning and cellars), but differed in their emphasis on specificity of vineyards. In marked contrast, the small-scale respondents both disavowed the 'myth' of the big brands: brand legitimacy comes not from chalk cellars or hand turning, but from an emphasis on the concrete specifics of production, such as the terroir of individual vineyards (reinforcing their preferred meaning of the product in terms of the tangible qualities of the wine).

For the sake of brevity, these findings—relating to both product and place—are summarized in the table below.

**Table 1: Summary of Findings**

<b>The Meaning of the Product</b>
<b><i>Large scale: Celebration or out of the ordinary</i></b>
<ul style="list-style-type: none"> <li>• It's not just the name, it's the label, it's the packaging, it's everything. ... If you give somebody a ... champagne from a petit vigneron, it might be as good, if you like, but they're not going to know it, they're not going to have that myth behind it, the fabulousness of it. (House A1)</li> <li>• There's an expression, a 'champagne moment', generally for a celebration but every time I have a glass one does feel this has been deserved somehow and I look for the moment when I deserve it, and I will enjoy that glass. (House B)</li> <li>• People will see that champagne is to celebrate, but you can find a celebration every day. You have a new hair style, a new pair of shoes... If you want to have a big celebration of something, we have special cuvée for that. (House C)</li> </ul>
<b><i>Medium scale: A wine</i></b>
<ul style="list-style-type: none"> <li>• We do see ourselves as wine producers from Champagne. We don't see ourselves as champagne producers in the sense of something yellow, bubbly, and sparkling. We see ourselves as wine lovers, who make wine in Champagne, and it so happens that wine in Champagne has bubbles. (House D)</li> <li>• It's champagne but it's also treated as a wine, it's not driven by big marketing budgets... We have definitely more in common with the vigneron than the négociant. (Co-operative)</li> </ul>
<b><i>Small scale: A wine</i></b>

<ul style="list-style-type: none"> <li>• I think, when you sell a bottle of champagne at 60 or 70 euros, people need to really have a dream in order to justify 60 euros, or 120 or 200 euros. ... When you sell champagne at a normal price, like we do...the myth is important but you've got to sell a product with a style, with a difference, which comes not from the fact that you have five kilometres of chalk cellars because people see across that. (House E)</li> <li>• Champagne is a wine. Its got a lot to it. When you drink it, you can taste it as well. You've got, like any other wine, aromas, balance, length...<i>it's a wine</i>. (Grower)</li> </ul>
<p><b>The Meaning of Place</b></p>
<p><b>Large scale: History of the brand; history of the region</b></p>
<ul style="list-style-type: none"> <li>• [For tours for the public] you talk more about the history to give more of an aura. ...You never show them the production area...you don't talk about how many bottles we make... So we try to keep that myth, that aura, in a different way. (House A1)</li> <li>• Behind the wine there is a whole history, there is so much behind it, you have to talk about it. ...We've been growing grapes for the past two thousand years, so the know-how, I think we have it now. (House C)</li> </ul>
<p><b>Medium scale: Variation between respondents</b></p>
<ul style="list-style-type: none"> <li>• Anybody in the wine circles says, '[<i>dismissively</i>] Ah, champagne...' They don't want to see the terroir aspect of it. [For us], it's clearly pinot noir, southward facing pinot noir. (House D)</li> <li>• It's a funny thing, the terroir, because as we are using so many, we're using 40 different <i>crus</i>...we have <i>premier crus</i> wines, that we use in our blends. I personally don't play up the terroir thing. (Co-operative)</li> <li>• You can't really pretend to be amongst [the great champagne houses] unless you do have beautiful cellars. (Co-operative)</li> </ul>
<p><b>Small scale: Specific vineyards</b></p>
<ul style="list-style-type: none"> <li>• We produce our grapes from the vineyards that are three kilometres away from here, two or three kilometres in the valley. And we just buy grapes from our neighbours who have their vines next door to ours. It's...a conscious decision, because we recognize the fact that the grapes that we produce, produce a wine with a particular character and style which is unique, which hasn't been exploited very much before, or very little. And...because every champagne house has to have a story. (House E)</li> <li>• We pretty much let [the terroir] express itself really. ...and we'll see differences between the blocks. One vintage to the next vintage can be completely different. That's why terroir is very important. ... (Grower)</li> </ul>

## 5. DISCUSSION AND IMPLICATIONS

The case of champagne highlights that the relationship between the meaning of product and place can be highly variable, even within the same territorial brand. As a territorial brand, champagne brands trade on the idea that the region comprises a unique and superior terroir for the production of sparkling wine. However, the meaning of terroir varies between producers, with land-based notions of terroir ranging in scale from the Champagne region, to specific villages, to individual vineyards, and culture-based notions of terroir ranging in scale from the traditions of the Champenois, to the history of specific brands, to individual and family biographies. At the intersection of these different terroir elements, brands articulate different product meanings, from the prestigious but remote notion of celebration, to the highly personalized notion of terroir-led wines.

The realities of sourcing grapes to allow production of 250,000 bottles a year compared with five million bottles or more means that there is a limit to which large-scale producers can construct a highly-localized, land-driven notion of terroir (and thus a motivation for small scale producers to differentiate themselves by highlighting those dimensions). Nevertheless, the ambiguousness of terroir allows for a selective articulation of the link between product and place: large-scale respondents place greater emphasis on regional- or village-level geographic terroir and brand-level cultural terroir, whereas small-scale respondents emphasize vineyard-level geographic terroir alongside brand heritage. However, there is no neat dichotomy between large and small, regional and specific. A multinational champagne brand may make a single-vineyard prestige cuvée, and a small grower may rely on the generic regional brand to position their product.

The myth of champagne is a variable and historically specific construction (Guy, 1999). It should be noted that the 'terroir-led wine' meaning of champagne also offers a 'myth' of the out-of-the-ordinary, albeit in the language of authenticity rather than celebration. That is, small-scale producers do not simply offer an account of the local scale of production, but a sense of authenticity and 'the real' in contradistinction to the big brand champagnes, whose massive marketing budgets, volume of production and region-wide sourcing of grapes contravene key cultural markers of authenticity, such as the rural, artisan, anti-commercial and anti-industrial (e.g. Beverland, 2006; Johnston and Baumann, 2007).

Whilst our attention here has been on scale of production, there will be a range of external constraints (including industry regulations, a brand's land holdings, annual climate and the quality of different vintages, a brand's competitive position relative to other producers, economic conditions and the strength of consumer demand, and so forth) and internal factors (including the changes to a producer brought about through growth, new personnel, professionalization, succession and so forth) that will further shape how a champagne brand is positioned relative to the meaning or myth of the product, and to a place-specific or regional-specific notion of terroir.

The major implications of this research are at the level of territorial brands. The fact that there are different visions of place based on the size of the organisation and that these actors tell multiple stories about the place—plot, vineyard, village, region—needs to be carefully managed to balance the varying needs of different groups and to ensure that the messages received by consumers are not overtly contradictory. This means that inter-professional bodies need to take action as regional brand managers, to ensure that balance; and individual companies need to exercise a level of restraint to ensure that their messages do not undermine others coming from the region. However, this multiplicity of product myths and place stories also means that a wide range of place-related attractions can be offered in the region, allowing multiple extensions of the territorial brand. Finally, at the level of individual businesses, the research underlines the continual need for brand managers to be clear about the story that they are conveying to their consumers.

## REFERENCES

- Anon. (2010), *Le Terroir*, Comité Interprofessionnel du Vin de Champagne, Epernay.
- Berg, B. (1995), *Qualitative Research Methods for the Social Sciences*, 2<sup>nd</sup> ed, Allyn and Bacon, Boston.
- Beverland, M. (2006), "The 'real thing': Branding authenticity in the luxury wine trade", *Journal of Business Research*, Vol. 59, pp. 251-58.
- Charters, S. (2006), *Wine & Society : The Social and Cultural Context of a Drink*, Butterworth-Heinemann, Oxford.
- Charters, S. (2010), "Marketing terroir: A conceptual approach", paper presented at the 5th International Conference of the Academy of Wine Business Research, , 16-19 June, Auckland, New Zealand.
- Garcia-Parpet, M.-F. (2008), "Markets, prices and symbolic value: grands crus and the challenges of global markets ", *International Review of Sociology*, Vol. 18, No. 2, pp. 237-52.
- Gladstones, J. (1992), *Viticulture and Environment*, Winetitles, Adelaide.
- Guy, K. M. (1999), "'Oiling the wheels of social life': Myths and marketing in Champagne during the Belle Epoque", *French Historical Studies*, Vol. 22, No. 2, pp. 211-39.
- Heath, D. and Meneley, A. (2007), "Techne, technoscience and the circulation of comestible commodities: An introduction", *American Anthropologist*, Vol. 109, No. 4, pp. 593-602.
- Johnston, J. and Baumann, S. (2007), "Democracy versus distinction: A study of omnivorousness in gourmet food writing", *American Journal of Sociology*, Vol. 113, No. 1, pp. 165-204.
- King, N. (2004), "Using templates in the thematic analysis of text", in Cassell, C. and Symon, G. (Eds.), *Essential Guide to Qualitative Methods in Organizational Research*, Sage, London, pp. 256-70.
- Smith Maguire, J. (2010), "Provenance and the liminality of production and consumption: The case of wine promoters", *Marketing Theory*, Vol. 10, No. 3, pp. 269-82.
- Vaudour, E. (2002), "The quality of grapes and wine in relation to geography: Notions of terroir at various scales", *Journal of Wine Research*, Vol. 13, No. 2, pp. 117-41.