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Terroir: The Black Hole of Wine Marketing?

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◦ **Purpose:** *The exploratory research set out to uncover the meaning of the word terroir from the perspectives of the two user groups: wine consumers and producers. By uncovering similarities and differences, the objective is to understand what the meaning of the word terroir is in the marketplace. The relationship between terroir and other words used to describe wines is also a research objective.*

◦ **Design/methodology/approach:** *Surveys were used to collect data in France from wine consumers and wine producers. An open-ended question asked both consumers and producers to define a “terroir wine”. The answers were collected, transcribed and analysed using SATO linguistic software.*

◦ **Findings:** *The results show that consumers and producers do not have the same definitions of terroir wines. Consumers associate terroir to the earth and the place from where the wine originates whereas producers associate their work and their implications to terroir. Producers described the concept of terroir with more words and more attributes using more different words than consumers.*

◦ **Practical implications:** *Numerous reasons are proposed as to why there are differences between consumers and producers and their definitions of terroir including production/consumer orientations and spurious response phenomena. Wine marketers should be aware of consumer perceptions of terroir and use the word with caution. The wine industry should work towards a homogeneous definition of the word terroir in order to use the word in an impactful way with consumers and to best represent producers’ perspectives.*

Key words: Terroir, Wine Consumers, Production Orientation

1. LITERATURE REVIEW

Terroir is an attribute often associated with agricultural products, including wine. It can be a legal means to define certain product origins, as is the case with *Appellation d'origine contrôlée* (AOCs). AOCs refer to products produced within a specific area, according to a specified production process, and by default reflect a certain production guarantee (Barham, 2003). The term “terroir” originated in France and has been used as a positive way to describe a wine from a specific origin since the 1830's (McGee and Patterson, 2007). Today, the use of the word is prevalent; however a debate brews, particularly in the wine industry, regarding the actual definition of the term terroir (Wilson, 1998). In particular, questions arise regarding the types of production, and philosophical and social dimensions associated to terroir (Charters, 2006). Fort and Fort (2006) propose three dimensions of terroir products: Primary materials, regional origin, and history of the producer enabling a certain “savoir faire”. A terroir product is defined as having any one of these characteristics if not two or three (Fort and Fort, 2006). However this definition is not the industry standard.

Vaudour (2002) and Charters (2006) have presented various models to define terroir, yet neither actually looks at how the word is currently used in common language, in which contexts it appears, and how it is employed by the various groups concerned by this word. Understanding of the meaning of the word terroir as it is used today is both incomplete and important in wine marketing. Knowing what the word can convey to consumers as well as what it represents to them is as important as knowing how producers translate their terroir into their product and include terroir references in their marketing.

Origin is the most often cited attribute used as a key determinant of wine quality and choice criteria (Thode and Maskulka, 1998). Origin is a dynamic concept for consumers as its meaning is the result of their own evolution (i.e demographics, knowledge, etc.) as well as changes to the product with the origin (brand image, etc.) (Heslop, Cray, Armenakyan, 2010). In the few studies that have reviewed the use of terroir origins in marketing it is shown that products that claim to have terroir lead to augmented consumer perceptions towards the products. Yet the effect of the terroir claim on a product will depend on where it is available and who produces it (Lapoule, 2007).

Terroir as an origin indicator may be a means for producers to communicate certain features and/or qualities of a product. “It is believed by many that *terroire* (sic) is an absolute or at least a significant determinant of wine taste and quality characteristics” (Heslop, Cray, Armenakyan, 2010, p.291). Terroir products may also communicate an artisanal quality of a product. Consumers associate a higher level of quality and have higher expectations of artisanal products (Kupiec and Revell, 1998).

This exploratory research looks at how consumers and producers of wine define terroir as well as the contexts in which they tend to use the word. Linguistic analyses show the relationships between the terms used by these two groups to define terroir wines. The results are meant to suggest directions for future research and to begin unravelling the mystery of the meaning of terroir by the two main user groups. A series of explanations as to why differences exist is discussed.

2. METHODOLOGY

In order to see if there are differences between producers and consumers in their definition of terroir, an exploratory empirical research was undertaken. A wine store located in a medium-sized city in France where over 1,200 references are offered was used to collect data. Traffic in the store averages 20-30 consumers per day and the web site about 75 unique visitors per

day. The consumer sample data was collected online as well as in the store on paper and during the wine tastings (for novices and experts) held by the wine store owner. The wine store owner also contacted over 300 wine makers and directed them to answer the survey online. All surveys were completed anonymously and without offering incentives.

All respondents were asked an open ended question: “What is your definition of a terroir wine?” Respondents were also asked if they personally had a wine cellar and if they consumed a minimum of one bottle of wine per week. The answers were transcribed into texts and then analysed using the linguistic software called SATO. Tags according to SATO syntax were added to discriminate producers and consumers’ answers.

3. RESULTS

3.1 General Results

The linguistic data are composed of 2960 words used, i.e. 663 different lexical units. The respondents were 139 consumers (86% of the sample) and 23 wine makers (14% of the sample). All were of legal age (over 18) and French nationals or living in France. Over 80% had a cellar and drank a bottle of wine per week. The producer group contributes 28% of the corpus and thus proportionally contributes more than consumers.

The most prevalent complete nouns used in the corpus were: wine, soil, region, terroir, climat, *cépage*, typical, winemaker, place, *typicité*, vine, characteristics, and vinification (Table 1).

Table 1: Word Frequency

	Total	Consumers	Producers
Wine	107	89	19
Soil	49	35	14
Region	37	36	1
Terroir	35	22	13
Climat	28	20	8
<i>Cépage</i>	18	15	3
Typical	15	14	1
Winemaker	15	9	6
Place	14	10	4
<i>Typicité</i>	14	10	4
Vine	13	10	3
Characteristics	12	11	1
Vinification	12	10	2

In terms of frequencies, certain words are barely used by producers and highly favored by consumers, such as: region, typical, characteristics, vinification, vine and *cépage*.

Producers and consumers use the word “terroir” quite frequently in their definition of a terroir wine, rendering their definitions of a terroir wine somewhat tautological. Producers are proportionately more likely to use the word terroir in their definition. Words similar to terroir, such as *terrain*, *terrains*, *terre* (earth), *territoire*, and *terroirs* were all used by consumers and not by producers, with the only exception of *terres* (earths) evoked once by producers. .

The word “wine” is also used in a tautological fashion within the description however proportionately much less by producers than by clients. Producers use other words to describe the product, as discussed below.

3.2 Word distances and significant differences

Certain words were produced more often by one group or another. This is measured based on the differences between words within a corpus and the distance between the uses of the words between the two groups. Using this distance measured calculated by SATO based on khi square, it was possible to uncover significant differences. According to the results by SATO, (see Appendix for details) the noun “region” is used significantly more often by consumers (36 times against 1) followed by the words: wine (respectively 89, 18), parcel (11, 0) , typical (14, 1), character (7, 0) , method (7, 0) , earth (7, 0), issued (12, 1).

In contrast, the producer group uses the following words in a significantly more discriminate fashion than do consumers: together, person, roots, work, elements, climatic, factors, brand, natural, parcels, speak, preserve, know, touch, want. In fact, twelve out of those fifteen words were not used at all by consumers.

The word parcel appears in the consumer vocabulary, however the word parcels is used by producers. Clients used the word parcel 11 times but did not use parcels whereas the producers did not use parcel but used parcels twice. A contextual review of some responses shows where and when consumers use the word parcel, thus highlighting the relationship with the other frequently used words by consumers (Table 2).

Table 2: Contextual use of the word parcel

...du vu naître (climat de l'année, sol,	Parcelle	...) Il doit être le reflet du lieu et...
... adapté vigneron qualifié et motivé sur une	Parcelle	particulière bénéficiant d'un climat...
... spécifique un vin de terroir est un vin issue d'une	Parcelle	spécifique qui va donner un goût...
... parfait propres possibilités, sure une seule	Parcelle	, sur un seul sol e avec un climat...
... c'est une vin d'une région, d'une	Parcelle	avec un cépage et un climat...
... partir région! Il est issue d'un sol d'une	Parcelle	qui faut d'une certaine situation...

4. DISCUSSION

From the results, it appears that there are differences between consumer and producers perspectives of terroir. Consumers perceive terroir as being related to a place and the geographic and physical features common to that place. Due to the fact that this place is objective and static, they perceive a consistency or *typicité* associated with wines produced with terroir. Producers on the other hand perceive terroir to be perceivable in light of their work, and their management of places and conditions. Producers also perceived a folkloric and human aspect to terroir, that communicating about the terroir is part of their work, and that terroir also represents their gestures and level of implication. They are the voice of terroir.

Overall, it is apparent that producers and consumers do not attribute the same meaning to terroir. This research did not delve into why but rather proposes to use these results as a launch pad to propose some avenues for future research and possible explanations for the differing perspectives between the two users of the word.

4.1 Production orientation versus consumer orientation

Marketing proposes two general types of orientations: the consumer orientation and the production orientation. Consumer-oriented marketing strategies put the consumer first and attempt to use the customers' point of view as a guide when establishing marketing strategies. In contrast, production orientations focus on what is offered to the consumer and emphasise either that a product is available and highly affordable, or that it is of the highest quality and offers the best performance. It is assumed in the production orientation that when quality and

performance are present, consumers will know to appreciate the product. Hence production oriented marketing strategies are established in consequence to the product improvements and distribution efficiencies, and not necessarily as per what consumers need (Kotler and Armstrong, 2008). Terroir is based on an origin, and a wine from that origin will have unique features that generally cannot be changed. A producer cannot change much other than his vinification method, as other changes (i.e. grape varietal) could have legal constraints. As such, consumers either adhere to a terroir or they don't. Terroir is a production oriented product.

One of the drawbacks of the production concept in marketing is that it can lead to a form of short-sightedness with regards to satisfying consumers. Having such a strong focus on the product can mean that evolutions in consumer needs, and a fit between consumer needs and corporate offering can be lost. It can even lead producers to become tautological about the benefits of the products. By using synonymous words to describe the product and without considering the comprehension level of the consumers, it is possible that producers no longer speak the same language as consumers. Producers' myopic focus on the product rather than the consumers' need may encourage consumers to have distorted understanding of the product and its qualities. By not attending to consumers and ensuring their understanding of the product values and qualities, producers have no understanding themselves of the consumer's perception of the product. Using words such as terroir on a wine label may be meaningful for producers and completely lost on consumers, even potentially turning them off. Therefore both the product and the description of it may be irrelevant to consumers.

Fort and Fort (2006) highlight well the potential misunderstanding between consumers and producers in their definition of terroir. By stating that terroir products can have one, two or three dimensions, their definition allows for a wide potential range of terroir products (i.e. those with one dimension versus those with all three dimensions). Such a conceptualization of terroir does not allow consumers to have a clear definition of what a terroir product really is. Producers also may not have a clear definition of how to market their product on the terroir spectrum – as a regional product, as a traditional product, as a material product or as any combination of these. As such, confusion can arise from both the consumer's lack of understanding of terroir and the producer's difficulty in positioning the product as terroir.

4.2 Spurious Response and Measurement Error

It may be possible that terroir is interpreted by consumers differently than by producers for numerous methodological reasons. "Spurious response occurs when respondents make some claim about a subject of which they have no knowledge" (Goldsmith, 1989, p. 202). Examples of spurious responses are prevalent in advertising research when consumers claim to remember fictitious brand names (Goydon, 1984) or to have used a product that does not exist (Schiller, 1981). In consequence to spurious response, survey findings can be rendered inaccurate (Goldsmith, 1989). It could be assumed that the spurious response effect may be present when brand attributes are either unknown to consumers, or when wording that they are not familiar with is used in advertising. With regards to unknown words or fairly new brand attributes, such as "terroir", spurious response may result in consumers claiming naively to know what the word is meant to communicate.

Alternatively, measurement error, such as the halo effect (Wirtz and Bateson, 1995) may explain why the definition of terroir between consumers differs. When consumers evaluate a product, it is possible for them to put more emphasis on one feature or attribute of the product and by default, put less importance on other features. Consumers may use limited information in order to establish perceptions, which in turn shape their expectations (Hoch and Deighton, 1989).

The halo effect thus is especially likely when products are ambiguous, or if they contain credence attributes (Wirtz and Bateson, 1995). Credence attributes are those that consumers have little experience with and must in consequence rely on the producer's guidance in order to evaluate them. Credence situations occur for new products since consumers cannot have expectations regarding novel items and must base their evaluations on information provided by the references (Frieden and Goldsmith, 1989; Patti and Chen, 2009). Consumers may focus too much of the geographic dimension of terroir and ignore the rest. Consumers may also be relying on wine reviews or labels as a means to understand novel products. These very reviews and labels may be too general.

4.3 Level of Involvement

The level of involvement may impact how deep or how detailed consumer definitions of terroir are. The categorization of stimuli is said to be the link between motivation to process and evaluation of stimuli (Goodstein, 1993; Sujon, 1985). Consumers engage in less intensive evaluations by accessing previous experience from memory and attempting to interpret the present stimulus in comparison to their prior knowledge.

If consumers are incapable of matching the current stimulus to their previously established schema, they must resort to more intense processing, leading to higher levels of involvement. Ozanne et al. (1992) demonstrate that while a discrepancy between category expectations and a presented stimulus will lead to information search (cognitive effort), the relationship is not positive but rather u-shaped. If the discrepancy between expectations and the presented attributes is too large, then individuals resort to alternative strategies such as sub-typing or attempting to categorize the stimulus in another category all together, rather than engage in deeper processing modes. Celsi and Olson (1988) state that individuals will spend more time and effort on the evaluation of any accessible cues (attributes) when faced with making a judgment if they have a high level of interest.

Consumers can make sense of attributes they understand and those that are more accessible (i.e. geography) than attributes they either have no experience with such as organoleptic features (i.e. grape variety taste profiles) or production processes (i.e. biodynamics agriculture). As such, they will define terroir wines as those with the features they recognize best, which can limit the number of words used.

5. MANAGERIAL IMPLICATIONS AND FUTURE RESEARCH

This research suggests that the use of terroir as a brand attribute should be done cautiously as there is a difference in the meaning of this word between those who use terroir-based products and those who produce them. Producers should understand that consumers see a terroir wine as an instant and a specific place and the consumer perspective should be addressed at the same time as discussing the methods of production and the level of implication of the producer. Optimally, a coherent and communally definition of terroir should be established and regulated. However, before this can occur, an understanding of why consumers and producers have distinct definitions should be addressed and processes put in place to homogenize the meaning of the word terroir in the marketplace.

Future research may focus on getting new world perspectives on terroir, i.e. surveying new world producers and consumers within the new world. Additionally, this research was conducted in France and in French. France being the origin of the word may influence the consumer perception of it. An English survey and with international scope may shed more light of the width of terroir vocabulary and thus offer additional information.

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APPENDIX: Decreasing contribution of lexical units to distance

Distance: 12.25

Nombre of dimensions: 663

distance/dimension: 0.018

(The words with the «*» are associated to Consumers)

Freqtot	Consumers*	Producers	Explained	Cumul	Lexicon
0.270	0.047	0.845	1.570	3.590	ensemble
1.250	1.690	0.121	1.310	4.900	région *
0.135	0.000	0.483	1.150	7.200	personne
0.135	0.000	0.483	1.150	8.350	se
0.101	0.000	0.362	0.863	11.000	racines
0.101	0.000	0.362	0.863	11.800	si
0.169	0.047	0.483	0.751	12.600	mieux
0.169	0.047	0.483	0.751	13.400	travail
0.169	0.047	0.483	0.751	14.100	éléments
3.610	4.170	2.170	0.738	14.800	vin *
0.236	0.094	0.604	0.733	15.600	...
0.236	0.094	0.604	0.733	16.300	ces
0.068	0.000	0.242	0.576	16.900	cette
0.068	0.000	0.242	0.576	17.500	climatiques
0.068	0.000	0.242	0.576	18.000	facteurs
0.068	0.000	0.242	0.576	18.600	marque
0.068	0.000	0.242	0.576	19.200	naturels
0.068	0.000	0.242	0.576	19.800	parcelles
0.068	0.000	0.242	0.576	20.300	parler
0.068	0.000	0.242	0.576	20.900	préserver
0.068	0.000	0.242	0.576	21.500	su
0.068	0.000	0.242	0.576	22.100	touche
0.068	0.000	0.242	0.576	22.600	vouloir
0.338	0.188	0.725	0.569	23.200	homme
0.372	0.516	0.000	0.477	24.200	parcelle *
0.507	0.657	0.121	0.378	25.500	typique *
0.236	0.141	0.483	0.330	26.200	expression
0.236	0.328	0.000	0.304	27.100	caractère *
0.236	0.328	0.000	0.304	27.400	méthode *
0.236	0.328	0.000	0.304	27.700	terre *
0.439	0.563	0.121	0.297	28.000	issu *