



**A vision, a wine and a shining Star in the shadow of Montalcino: the story
of a biodynamic pioneer in the heart of Tuscany.**

Cristina Santini

Università San Raffaele, Rome, Italy

santini.cristina@gmail.com

Armand Gilinsky

Sonoma State University, CA, USA

armand.gilinsky@sonoma.edu

Alessio Cavicchi

University of Macerata, Italy

a.cavicchi@unimc.it

Marianna Claps

University of Florence, Italy

marianna.claps@unifi.it

Abstract

This paper presents the case of a biodynamic winery in Montalcino (Tuscany), run and founded by a young woman, Stella di Campalto. What happens when you decide to stress on production methods and immaterial issues - such as personal values, environmental attitudes, respect for the nature and surrounding- rather than simply following what most of the people are doing? What does it mean being a biodynamic winery in a territory that goes through a market scandal and an economic crisis? This article not only depicts the case of a pioneer winery but, due to the market conditions that Montalcino had to get through (a wine scandal in 2008 and subsequent market challenges), it provides critical insights to the following research issues: product value and corporate image; entrepreneurial orientation towards sustainability; niche strategy.

◦**Purpose:** *the paper investigates the role of entrepreneurial mindset and values in defining a successful strategy for a biodynamic and organic certified winery in the Montalcino area.*

◦**Design/methodology/approach:** *Case Study)*

Key words: Entrepreneurship, Strategy, Biodynamic, Organic, Tuscany, Brunello

1. INTRODUCTION

“No work can be called art nor a landscape can become a garden without man’s dedication, intelligence and imagination. We believe that a great wine appellation is not simply the result of geographical or administrative boundaries nor of abstract and impersonal regulations. A territory and a grape variety, our territory and our grape variety require each and everyone’s sensitivity and creativity to produce something truly unique and unforgettable. This is our idea of enhancement. We believe that if our work were conducted only upon commercial and financial criteria, we would deprive ourselves and others of the pleasure of experiencing surprise and thrill and we would probably cause irreparable damage. “

(www.sangioveseperamico.com)

“When you come up with a problem being aggressive doesn’t ever work: you should listen to what’s happening and by dialoguing with the earth and with people be sure that, if you’re right, your idea would be followed.”

Stella di Campalto, owner and founder of the Azienda Agricola San Giuseppe

It can happen that in some situations perspectives would change: it can happen that a small company operating in a market niche that was wondering of remaining small, because of unpredictable events in the local competitive environment could get under the spotlight. Would a young entrepreneur be so ambitious to become a shining Star in the competitive landscape? What happens if all the conditions become favourable to a small company? What is behind the final decision of remaining the same, and just go ahead with no changes? How managing the fact of being a biodynamic producers in an area that has encountered serious problems in terms of product reputation?

This is the story of a young woman named Stella di Campalto - whose name Stella means “Star”- in Montalcino, a small country village in Tuscany, who produces biodynamic red wine and who has just released her first vintage of Brunello, in the middle of a scandal that has involved the main Brunello wine producers in the county.

This exploratory case study has been developed by following the framework provided by Yin (1984); data have been collected through depth interviews with the owner of the company. Secondary data have been collected in order to ensure the validity of the process. Background research findings have been used in the last section of the paper to support discussion.

This case wants to give an enlightenment on the following question: what does it mean being biodynamic in an area that is gradually recovering from a reputational crisis? How can an entrepreneur with a strong orientation towards organic and natural issues strategically manage firm’s distinctive traits? Under what conditions being biodynamic is a plus? How to succeed in the biodynamic niche market?

2. MONTALCINO AND THE COMPETITIVE ENVIRONMENT

Montalcino is a small country village in the heart of Tuscany, in the Siena Province. You get into the village, through some country roads and inside the city walls you find a maze of tight streets that unexpectedly open to breathtaking views of the surrounding landscape that is what is nearest to a postcard from Tuscany: vines, sweet hills, olive trees, country houses, cypresses, country roads and colours. In 2004 Montalcino, together with the near Valdorcia has been recognised by Unesco as part of the World Heritage.

5278 people live in Montalcino (ISTAT, 2009); Montalcino is the municipality in the Siena province with the highest aging rate and it has seen a growth in the population trends of 3,2%

in the period 2001 – 2009. Visitors who come to this village can find 36 restaurants, 58 Agritourism, 17 wine bars and 10 hotels in an area that covers 243,62 SKms most of which is country.

Why is Montalcino so popular? Montalcino owes its fame to Brunello, the wine that is produced by local wineries: in the area there are about 250 wine producers with 3500 hs of vineyard (mainly Brunello); the average annual production consists mainly of Brunello (6.5 million bottles) and Rosso (4 million bottles) for a total turnover of 104 million Euros per year. The wine is famous all over the world, due to the relevant percentage of product (60%) that is exported.

Montalcino economic system is the typical example of a wine driven rural system.

Table 1 provides some info about the business of wine in Montalcino

Vineyards (ha)		Sales and Turnover	
Vineyards Tot	3500	Global Turnover (000 €)	130.000,00
Brunello	2000	Export	60%
Rosso	250	USA	25%
moscadello	50,00	Germany	9%
San Antimo	900	Swiss	7%
IGT wines	300	Canada	5%
Company info		UK	3%
Companies (total)	250	Japan	3%
Bottling companies	200	Domestic Market	40%
Imprese commerciali	22	Tuscany	7%
Size (% of tot)		Central Italy	5%
< 1ha	22%	Northern Italy	8%
1-3 ha	29%	Southern Italy	1%
3-5 ha	15%	Montalcino	9%
5-15 ha	15%	Montalcino Wineries Direct Sales	8%
15-100 ha	9%		
> 100 ha	1%		
Wine production (Bottles)			
Brunello	7.000.000		
Rosso di Montalcino DOC	4.500.000		
Moscadello DOC	80.000		
San Antimo DOC	500.000		
SuperTuscan	500.000		
IGT	3.000.000		
Grappa made with brunello	250.000		

Table 1, Montalcino figures 2009 (Sources: CCAA Siena; Siena Province; Consorzio del Brunello di Montalcino; winenews.it)

The changes in the latest years in the competitive environment, happening at a local level and globally have reshaped that virtuous circle that has been able to create benefit for the local rural communities: the global economic crisis has affected the Tuscan wine business (Assoenologi, 2010) that has seen also internal demand of wine decreasing (Regione Toscana, 2010). Montalcino had to face an internal challenge arising from the recent Brunello scandal that has compromised the image of the Brunello wine (Cavicchi et al. 2010).

The 2009 has been one of the worst year in the Brunello history: *“Montalcino leaves the difficult year of 2009 in admirable fashion. The Territory has had to face, for the first time in its young history, an International economic crisis, not with a few hundreds of thousands of bottles to sell, but with a few million. However, despite price pressures, and some problems of overproduction, the International markets have continued to demand Brunello which seems to have kept its appeal even considering the crises encountered before the economic crisis arrived”* (Enrico Viglierchio, General Manager of Castello Banfi, from an interview on winenews.com)

Besides a few big companies, such as Banfi, that is owned by the Mariani American family and it is the biggest company of the area, Biondi Santi, Argiano and Cinelli Colombini, in Montalcino the majority of the companies is very small: the 66% of the wineries have vineyards that cover 5 hectares or less.

Montalcino is mainly known for the Brunello wine that in 2006 has been named as the best wine of the world by WineSpecator (www.winespectator.com). Brunello DOCG is made with 100% Sangiovese grapes and producers must wait five years before releasing the wine on the market after the vintage. All this waiting means a delay in earnings and storage expenses for firms, whilst for consumers purchasing such an old wine means buying a wine for special occasions. Wineries also produce the Rosso di Montalcino DOC wine, that is made with 100% Sangiovese grape but there is not a minimum aging time prescribed as it is for Brunello, and the maximum wine yield from grapes is higher than for Brunello. As it can be guessed, Brunello prices are higher than Rosso ones. Brunello prices usually fluctuate: the quantity of Brunello released every year depends on the quality and volumes of the vintage. In 2008 a wine scandal affected the Montalcino wine industry: some wineries were accused of not respecting the productive standards and to use other grapes than Sangiovese. The scandal had serious consequences on the local wine industry: the US temporarily stopped to import Brunello, and some companies choose to sell their Brunello under the Rosso label at a lower price. The association of wine producers revealed some weaknesses in managing the crisis, and a new president of the Consortium replaced the old one who was formally in charge of monitoring the adoption of productive standards set by the regulation. The dynamics of the scandal and its effects on the local wine industry and wine tourism industry have been depicted by Cavicchi et al. 2010 (see Box 1).

After about one year, the scandal seem far away: after having removed the block for Brunello imports, the US remain the major importer of Brunello wine (25% of total export), and in 2009 Montalcino has seen Brunello sales reaching 7,18 million bottles sold with a growth of almost 5% respect to 2008. Brunello is still on the top of the mind of consumers that buy wine in specialised shops (AGI; Il sole 24 ore) and optimistic forecasts are released by the Consortium. Anyway, bloggers and other specialised websites still talk about the scandal, even if the attention paid by newsmidia has definitely decreased (Cavicchi et al. 2010).

Box 1.

The Brunello wine Scandal – the story

News about rumours of irregularities and of investigations was first published on March 21, 2008, by the Italian blog *vinoalvino.org*, edited by an important Italian winewriter, Franco Ziliani. On March 27, the newspaper *Repubblica*, local edition of Florence, reported: “The case: ‘doctored Brunello’...seizures at five wineries... Brunello cut with other grapes, regulations for Italy’s most famous wine broken by combining other grape varieties with Sangiovese in the bottle.” Prosecutors in Siena investigated top Montalcino producers for fraud. Treasury and Labor Departments have by this point already seized vineyards, cellars, and bottles. The hypothesis is that those producers used between 10–20% of grapes other than Sangiovese in their Brunello. According to appellation regulations, the wine must be made from 100% Brunello grapes. (...) Three or four persons from each winery have been investigated. The intention was perhaps that of producing a softer wine, more appealing to certain palates, such as American” (translation of *Repubblica* article published on the blog *vinowire*). The news resounded all over the world, as we reported in the introduction of this work, and a sort of battle of press releases and declarations started to interest media coverage. At the beginning of April, the news about the investigation was connected to tampering with other food (e.g., dioxin in mozzarella cheese) and wine. (...) The Consortium, in light of these “rumors”, declared through a press release on March 28, that in 2007 the inspections carried out by Consortium officers over 1,667 hectares of vineyards found that only 17 hectares (only 1%) presented some irregularities with respect to the DOCG code of production. A certain confusion arose over which wine was made of what grapes. The two investigations were reported together by newspapers, and many Italians mistakenly thought that Brunello could be made with tainted wine.

(from Cavicchi A., Santini C., Beccacece E., 2010 “Are you ready for the unexpected? The case of the Brunello crisis” in Faraoni M., Santini C. (eds) “Managing the wine business: research issues and cases”, MgH, Milan.)

The impact of media scandal (...) varies according to the profile of the company: smaller wineries who host an agrotourism in their property would be less affected by the crisis than bigger wineries. One of the reasons is because, due to their smaller dimensions, they would be able, in theory, to ensure a higher degree of control on their resources and production. (...) The most successful strategy seems to be the one adopted by niche producers, especially those producing biodynamic and organic, who should be more capable than others to ensure consumers about products attribute and quality.

(from Cavicchi A., Santini C., 2012, *Brunellopoli: wine scandal under the Tuscan sun*, *Tourism Review International*)

3. MATERIALS AND METHODS

The essence of case studies is the triangulated research strategy (Yin, 1984). Case studies have found a wide diffusion among various disciplines; some scholars have underlined the appropriateness of this research methodology in the SMEs research field (Chetty, 1996). Case study is a flexible research methodology (Yin, 1984) and “As a form of research, case study is defined by interest in individual cases, not by the methods of inquiry used” (Stake, 1998). Academy has seen an active debate on case study: many scholars by demonstrating how case studies can be implemented in the theory generation process (Eisenhardt, 1989) have overcome the barrier of replicability that has been seen as one of the main inhibitors for a widely acceptance of case studies as a research method (Leonard Barton, 1990). Other scholars (Groat and Wang, 2002) have worked on showing the linkages and possible interactions of Case Study methodology with other research methods, whilst others (Yin, 1984) have put much more efforts on outlining processes that could ensure the scientific validation of case studies.

In developing the case study protocol we have observed the suggestions proposed by Yin (1984) with particular attention to ensure the maintenance of chain of evidences and a triangulation among the data collected. This case has been purposely selected (Stake, 1995), because of its features and in particular of uniqueness (the winery is a pioneer in the biodynamic industry in Montalcino and the strategy followed differs from the mass of the winery in the same area) and its critical and revelatory (especially for what concerns the way the company manages the fact of being a byodinamic). As for most of the cases purposely selected, there is an interest in generalising findings through analytical processes based on reasoning (Jhoansson, 2003). In our research design we have followed the synthesising case procedure and we have adopted an abductive mode of reasoning (Stake, 1995) that sounds particular appropriate to this specific circumstance and responds to the challenges of building a case from fact analysis and theory.

By following the approach proposed by Dubois and Gadde (2002) we conceive this case study as a “tool”, rather than a “product”; also the literature review has been organized differently from confirmatory studies and we have decided to develop it over the time (Strauss and Corbin, 1990) as in case studies the “need” for literature often emerges during the process (Dubois and Gadde, 2002).

4. THE CASE: STELLA DI CAMPALTO WINERY

3.1 The Origins

Stella di Campalto is a young woman, who decided to establish in 1992 the very first biodynamic winery in Montalcino, in a small piece of land owned – and forgot – since the 40s by her family.

After getting a degree in viticulture in Bordeaux and having had some experience in the service industry, Stella thought she was ready to move from Milan and to start her own business in the Tuscan countryside: *“There were some European funds for enhancing female entrepreneurship in agriculture; I decided to apply for getting the money for starting the wine production. I do remember myself running with an old Panda car driven by my aunt for delivering my application at the Montalcino office! I could not believe my eyes when I saw that my application was ranked as the first among all the applications in Montalcino”*.

Montalcino was the ideal place for Stella to grow her family: Steiner’s biodynamic principles perfectly suited the decision of living in harmony with the surroundings and the best way, for Stella, for realizing excellent products by respecting the nature and by not poisoning the place where she and her family were living.

In the first 90s Montalcino was growing and big wineries were increasing their production to meet market demand. Stella became the pioneer of biodynamic: *“people thought I was crazy: why producing biodynamic wine? Brunello was having an incredible success all over the world, but I was seeing at what price: natural resources were fully exploited and the land was getting poorer and poorer every day. Some companies have asked their vineyards to much”*.

3.2 Organization and production

The company is organic certified since 1996 and biodynamic methods have been fully implemented by 2002. The winery has been projected and organized by respecting the main rules of biodynamic wine making: grapes should be manipulated as less as they can, and once crashed, grape juice must get into the tanks by following the gravity system.

“Once alcoholic fermentation is complete, the “wine” is taken down to the ageing cellar, where it will mature in small barrels made from thick wood, or in barriques (225-liter casks) or tonneaux (900-liter casks). The ageing cellar is 15 meters deep, allowing the temperature to remain at a constant, natural level. The wine is aged for as long as it takes for it to reach optimum maturity, and each part of the ageing process is carried out in accordance with our quality-control guidelines” (from company website).

The cellar is built on three levels and hosts some interesting modern art installations, to remind that winemaking is an art; fermentation takes place at the lowest level of the building, where temperature can be easily controlled. Processes are organised in order to maintaining every single vineyard vintage separated: *“In the cellars, we aim to tap the potential of every single vineyard. The grapes are picked by hand and placed in small trays before being destalked, and they are then allowed to fall into 30-quintal wooden vats”* (from company website).

The whole winery is conceived to be part of the landscape: the choice of materials used for the building makes the cellar looking naturally and the colours perfectly mix with the surroundings.

“Here at the Winery, we work hard to preserve the harmony of the natural environment - we feel fortunate to be guests in a generous land protected by Mount Amiata. We have every intention of continuing to be a small-scale producer with just a few plots - this way, we can walk around our vineyards personally and get to know them a little better every day” (from company website).

Also the vineyards are managed differently from the conventional vineyards: first of all grass is free to grow in the vine, because it helps plants to get hydrated and to maintain nutrition elements; then the company has to follow the Steiner’s requirements for composting by implementing the Preparation in soil management¹. Harvest is hand made. Three years ago the company has bought a small bottling machinery, because bottling was becoming extremely time consuming.

The estate covers 13,45 hectares, of the which 5,5 hectares are covered by 6 different vineyards, at various highness, that produce Brunello, Rosso and Sant’Antimo. As in most of Tuscan wineries, besides the vines you find olive trees: Stella’s olive trees have been planted in the 1920s. Each vineyard is conceived and managed as a small cru with distinctive traits: grapes are divided according to the vineyard they belong to and the wine is aged separately in one or more wooden vats. *“A great deal of time and resources are dedicated to the maintenance of the ecosystem of the area around the vineyards and the company facilities. We endeavour to cultivate grapes that are healthy, powerful, flavoursome and unique to each vintage. In this way, we can produce wines that are pure, unrepeatabe expressions of their terroir of origin as it was in the year the grapes were grown.”*

The company produces internally all the grapes of Sangiovese needed for releasing its Brunello and Rosso. There are 5 employees in the company and Stella personally follows all the phases of the production, and she is involved in exhibitions and wine fairs organization.

“I have understood that building stable professional relationships with my employees is fundamental: I have learned that it is easier to work with people that have grown up within the company and know what we are doing and where we are going”.

Stella productive choices stress the product quality and wine features, rather than the capacity of a certain product to meet demand: this is the philosophy that inspired Stella not to release Brunello before 2009. Between 2001 and 2003 the market was particularly receptive for Brunello, and the 2003 vintage was ranked as one of the best of every time: although there were favourable market conditions Stella decided to make Rosso instead of Brunello.

Stella conceives wine as an agricultural product, first of all; in her vision a winery should maintain its original agricultural orientation by focusing on production, rather than struggling for becoming symbols or tourist attractions.

This philosophy fully explains the fluctuations in production: Stella’s production is, in general low, and it changes according to the vintage (fig.1).

¹ Preparations are identified through a number: there is the 500, the 501 and preparation from 502 to 507. In particular, Horn Manure Preparation (500) increase the microflora and increases the nutrients available in the soil. It is used mainly for developing humus formation and increasing water holding capacity. Preparation 501 is the Horn Silica and helps the plant in assimilating the light and warmth; as a consequence plants provide flavourer fruit with a higher aroma and nutritional quality. the last type of preparation in the Compost Preparations (502 to 507), that are used for improving the dynamic cycles of the macro- and micro-nutrients, via biological processes in the soil and in material breakdown.

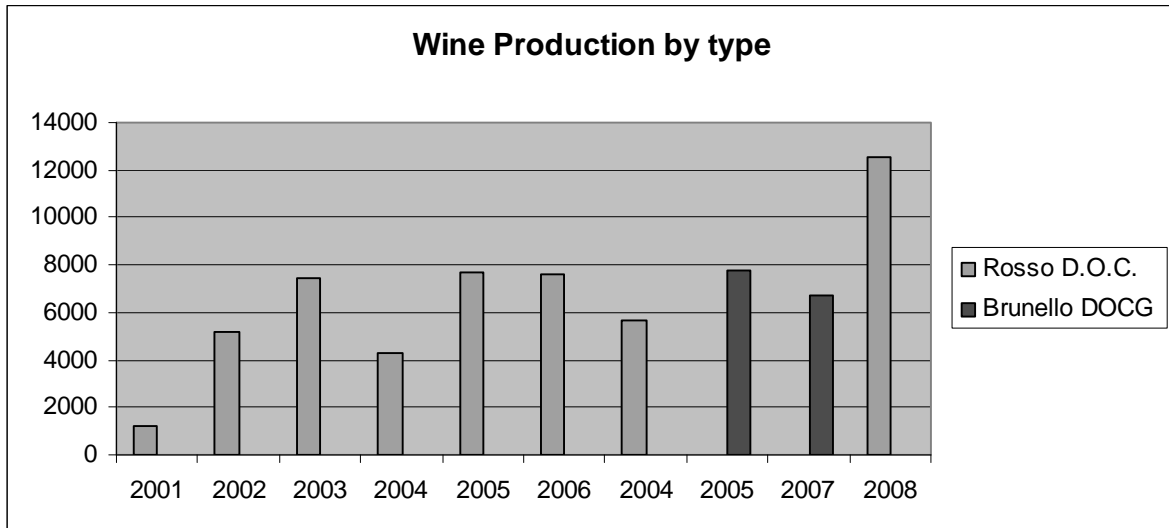


Figure 1. Wine production by type and year.

Although the production has increased, Stella is still producing 60% less than the maximum productive capacity allowed by local regulations.

3.3 Consumers and Markets

Whilst most of the companies consider Rosso as a second best wine (lower price, lower expenses, shorter product cycles) Stella made of her Rosso a great wine, aged at least 2 years. Many critics have noticed this product.

“The Rosso di Montalcino 2003 produced by the winery San Giuseppe, run by a young woman with a fascinating name, is already a very good wine and it will surely become a big one as time goes by. It is a wine that is borne from a particular philosophy (...) and from the implementation of cellar practices as more natural as possible” (Franco Ziliani, Wine Report).

The Rosso has received several awards and in 2010 it has been ranked as one of the top wines from Tuscany by the Espresso wine guide, one of the opinion leading wine guides in Italy. Stella’s winery competes mainly in the Ultra Premium price segment; among the Rossos released by other wineries, Stella’s prices are in the average, and the Rosso’s wine released by Biondi Santi, the most prestigious winery in Montalcino, is the highest priced¹ (Fig 2).

¹ The prices have been collected in wineries and through some specialised shop’s websites.

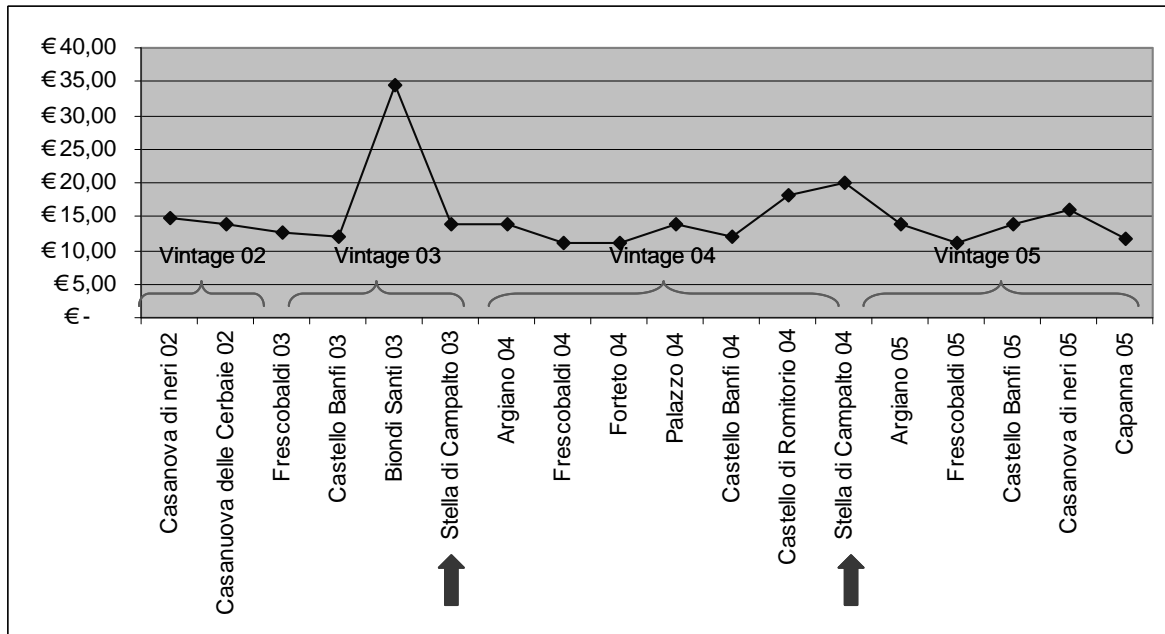


Figure 2. Rosso's price comparison

Stella's wines are not designed for a specific category of consumers: Stella is aware of the importance that Millennials and GenX have for the market, and she also knows that GenX need to be educated to wine in order to become conscious consumers, but she is not trying to target a specific market segment. *"I am not trying to push my product on the market: my product is available and can be found if there is someone who seeks for a very good wine"*. This is the idea that inspires also the relationship between winery and visitors: *"I don't want my winery to be open to everyone: we are not planning to have organized tours 24/7 for improving our cellar door sales. We are not seeking for a notoriety among the mass: we want to warmly welcome those that knock at our door because they really want to taste a good wine, or because they have been told about us, they have read about us, or simply they have been inspired during their journey"*.

The basic idea is to build a stable relationship with a few selected people, to communicate with them, provide information and an experience during a brief winery tour: Stella wants to create an attachment between consumers and her products. Recently Stella has decided to add a page to the company website, that is conceived as a journey diary, where she posts comments and share ideas with people.

The company sells its wines mainly to Restaurant and Specialised wine shops, that are going to remain the main sales channels. Due to production volumes, the company is not considering to sell its wine to retailers, but hopes to enhance direct sales through web contacts, rather than developing cellar door sales.

Besides the small size, this winery is definitely export oriented: more than 50% of its production is exported in Europe (Stella is official supplier of the English Royal Family), USA and Japan.

"I am currently working for exporting to China and Brazil. Every year I select a couple of new countries and I organize a journey for establishing a sales network there. I need to visit the places, to see how people live there. It can happen to get in contact with some people from foreign countries interested in selling my wine abroad; I start from my contacts and I am happy to say that it frequently happens that the first step is made by other people that seek for my product and contact me".

Stella sees that her company is not as competitive as others in price: other companies, especially the bigger ones have lower prices for the Rosso, and Stella needs to cover extra

cost in producing biodynamic wine and should also work for educating consumers on the specificities of her wine. Although she is helped by the growing interest in organic and biodynamic, Stella is expected to work harder than other competitors to motivate the extra price she asks for her wines.

3.4 The meaning of being biodynamic and sustainable

Consumers' choice towards organic and biodynamic wine is frequently motivated by healthy issues and the search for quality attributes (Fotopoulos et al.2003). In some cases, wineries manage their green orientation as a strategic lever for achieving product differentiation (Delmas and Grant, 2008). Being organic or biodynamic can represent a factor of choice for consumers; thus the availability of organic product on the market has made organic very popular among consumers. As consumer's awareness towards natural issues grew, producers have seen in organic a strategy for marketing their products: in some countries organic food moved from a niche to a mainstream position (Sharples, 2000). *"Today being "natural" has become a cliché: I am hardly trying to attract consumers because they are interested in the quality of my products. First of all mine should be considered as a good wine and, on a second step, it should be considered as a biodynamic wine. All the curiosity in consumers for knowing what is behind the wine should arise after the first sip of wine"*. In Stella's vision the warranty given by biodynamic production comes after products' characteristics. Besides biodynamic practices, Stella uses solar energy and makes effort to reduce wastes and to recycle. The company has been conceived as sustainable oriented since its beginning: the decision of being sustainable has been taken because sustainability and biodynamic were simply aligned with the owner's vision of the company. Stella's strategy is definitely inspired by her personal values and vision: *"Every company should decide what to do. My choice is the most suitable for me, but I do not judge other's people choices: some other companies have chosen differently and have oriented themselves towards an industrial approach to production. The real point is that every company takes its decisions according to what sounds better for them. Under this perspective every choice must be respected. There is not a best way for doing wine: there are many ways because people are different"*.

For Stella designing strategy is not a matter of planning and evaluating alternatives, but a matter of coherence. *"I would not say that going green is my strategy, unless you would define strategy as anything else than a coherent behaviour"*.

After the scandal many companies have recognised the importance of going organic or biodynamic in Montalcino, considering sustainability as a good lever for gaining a competitive advantage.

3.5 The crisis, a shared vision and the future

"The Brunello scandal led the system to a crisis: it is singular that the original meaning of the word crisis – that comes from Greek – is choice, not catastrophe, as many people might think. This crisis forced producers to choose and rethink about how they conceive their products and how they want to produce them. The crisis also shaped consumers' purchasing behaviour: consumers now want to get much more information about the wineries; they want to know how wine is made and the philosophy of the company. Consumers seek for something more than just a bottle of Brunello, they seek for producers". Stella says that definitely the crisis had a positive impact on her business: Montalcino wines have lost some credibility in general, and the strategy followed by her company in the long time has paid back. In a recent interview released to intravino.com and available on YouTube, Stella declares that the scandal

has helped her to get more involved with Montalcino, and gave her the strength for taking some decisions. Stella has released her first Brunello vintage after the market crisis.

In 2009, after having abandoned the Consortium of Montalcino, Stella has founded with other three local producers an association called “Sangiovese per Amico” (that literally means “sangiovese”, that is the grape variety from which Brunello is made, “as a friend”)¹.

“We are three friends, three producers, that live nearby, and we take part to wine fairs together. We are not in competition, because every wine is unique, and all the wineries should perceive it!”

With the help of a research institute, they have created a sort of system for defining the characteristics of Sangiovese grapes within the vineyard.

“We believe that if our work were conducted only upon commercial and financial criteria, we would deprive ourselves and others of the pleasure of experiencing surprise and thrill and we would probably cause irreparable damage.”(from Sangiovese per Amico website).

The aim of this association, that it is open to anyone who is interested in sharing such a vision, is to promote a specific productive philosophy, the Sangiovese grape, and Montalcino:

“Producing wine in an area rich in charm and potential, which has not been fully exploited yet, requires a strong commitment. We have taken up the challenge of making, in this territory, from this grape variety, with the utmost respect for production regulations, uncommon wines having a soul and personality.”(from Sangiovese per Amico website).

For the future Stella wants to remain a small scale company: she has increased gradually her production, but she doesn’t aim to improve consistently the volume of bottles sold. In particular she wants to grow in foreign markets but remaining “the same” in Italy. The growth must be managed accordingly to the cellar capacity that is limited and that can be hardly reorganised because of the gravity system. Despite the overall financial conditions that got worse and that have generally reduced the buying power of consumers, Stella appears particularly trustful towards the future. The globalization of tastes happening in the wine industry, as well as the reduced buying power of consumers, don’t worry Stella.

“IPAD has thought people a great lesson: people were afraid that printed books could disappear as IPAD has been launched on the market. Bookshops still exist and new small independent publishing companies are editing books that unexpectedly jumped at the top of book charts. There is not logic, but things happen, because people are getting back to use inner sensations, feelings and instincts when they take decisions. IPAD can’t reproduce the smell of a book, the satisfaction that the buyer has when he gets out of bookshop with a brand new book or the sensation of flipping through a book. The same can happen with wine”.

4. DISCUSSION

This case is particularly interesting for many reasons. First of all it provides useful insights about niche strategy, often adopted by organic and biodynamic wineries. Secondly it suggests some reflections about strategy making and the role of personal values in shaping strategy, that it is an aspect extremely important for entrepreneurs with a strong orientation towards sustainability.

4.1 The importance of niche size

Playing in a niche is a widely diffused strategic behaviour among small wineries (Jarvis and Goodman, 2003). Niche is often perceived as a potentially superior approach for small or

¹ The other producers are: Francesco Leanza, the first to produce organic wine in Montalcino with his company Podere Salicutti and Caroline Pobitzer and Jan Hendrik Erbach, wife and husband, owner of the biodynamic Pian dell’Orino

specialised firms (Toften and Hammervoll, 2008) in search of a profitability (Linneman and Stanton, 1991). Markets that are particularly suitable to be segmented (because of the different characteristics of products, or because of consumers' taste) appear as a breeding ground for niche strategy (Toften & Hammervoll, 2008; Dalgic, T. and Leeuw, 1994). In the wine business, niche strategy happens under one or a few conditions (Jarvis and Goodman, 2003): because the wine is a very high quality product, because it is addressed to the upper end of the market; because of product's name; because of how the company is perceived (very exclusive); because of a strong and consistent brand association; because of its packaging or design, or because there is a unique story - intriguing and romance- behind. Stella's winery owns many of the characteristics that make the wine to be rightly addressed to a niche positioning.

The biodynamic wine segment in the higher end of the market can be considered as a niche within a niche: Stella's successful choice of not to address her wine exclusively to a biodynamic consumer means remaining opened to a wider market segment. Although there's an increasing interest among consumers towards organic and biodynamic products (Hughner et al., 2007) promoting the wine by underlining firstly its quality and features and only on a second step its productive methods enables to avoid several problems: firstly it avoids, as we have already said, the problem of competing into a niche that reveals itself to be too small. Secondly, there is not the problem of sharing a philosophy or a similar set of values between consumers and producers: one of the reasons why consumers buy organic or biodynamic products is because of healthy concerns (Zanoli and Naspetti, 2002), whilst others are inspired by environmental issues (Squires et al., 2001). In some cases consumers seek for a warranty of product quality (Soler et al., 2002), whilst in other cases it is a consumption pattern that is associated to a particular stage in consumers' life (like the arrival of a baby as observed by Hill and Lynchehaun, 2002), or to a set of values that consumer have (Grunert and Juhl, 1995; Zanoli and Naspetti, 2002). Stella, by promoting her wine as a good wine that has a story behind deliberately makes wine purchasing easier.

4.2 The role of vision and values

This is the case of a *green green business* (Isaak, 2008), as it has been conceived as green since its beginning. Through her visionary leadership (Westley & Mintzberg, 1989), Stella has developed her "strategy" coherently to her principles, vision, and values and her strategy style can be defined as cultural (Hart, 1992), due to the fact that there's a strong emphasis on entrepreneurial vision. Nevertheless, the pervasiveness of her entrepreneurial vision in all the aspects of company's life (production, relationships with other producers, market perception and positioning, customer relationship, etc..) requires a general sense of purpose and value sharing across organization members (Bennis & Nanus, 1985; Johnson, 1988). Sharing the vision with the people involved within the organization is a need for those companies who are literally inspired by visionary leaders; Stella's orientation to set trustful permanent relationships with employers aims to promote an attachment to workplace and job, that has been recognised to facilitate the vision sharing process (Oswald et al., 1994).

It has been depicted how the sensitiveness shown by entrepreneurs towards sustainability is at the centre of a value network: Stead and Stead (2000) depict the "*Sustainability-centered values network*" that includes the interest for community, the recognition of the value of the diversity, the importance given to quality or the care of posterity. This set of values is at the centre of the so called "eco-enterprise strategy" and inspires the eco-entrepreneur (or ecopreneur). In the case of Stella there is the evidence that her personal interest for sustainability has shaped the relationship with the community and the territory, as it emerges from the participation to the Sangiovese per Amico Project.

4.3 The relationship with biodynamic

Stella believes in biodynamic but decided not to brand her products as biodynamic. This is because she is convinced that biodynamic could represent an answer to production needs and it should be evaluated according to its functionality and effectiveness in responding to some specific needs. In Montalcino there has been a growing interest towards what is organic and biodynamic: this is because it is seen as a quality warranty. We have seen also how organic, due to its popularity, has moved from niche to mainstream market (Latacz-Lohmann and Foster, 1997): what has been a distinctive trait for a few producers is slowing became something much more popular and diffused. Stella is aware of the possibility that a productive philosophy could become a cliché and consequently losing its effectiveness as a lever for achieving an effective differentiation. Furthermore, as Grunert has observed (2007), due to fast growth of quality food and beverage production, certifications would loose in their effectiveness and could become a surplus in the future. In such a similar situation, underlining the vision and the philosophy that is behind a product is a successful strategy in the long run. In this perspective the work that Stella is currently doing with the Association “Sangiovese per Amico” is extremely important.

4.4 The relationship with customer

Stella knows that a very important part of her job consists in educating consumers and intermediaries about her wine. Stella, anyway, is adopting a precise strategy in approaching clients: by not being aggressive in promotion, she seeks only for those clients who are really motivated to purchase a wine that is recognized to have some interesting cues and attributes. This strategy is appropriate for a small sized company, who surely has difficulties in investing resources for attracting consumers. Stella is deeply convinced about the role that inner motivations have in consumers' product perception and evaluation: although market conditions are changing and there is a progressive globalization occurring in the wine industry, Stella is persuaded about the prominent role that personal motivations, cultural orientation and emotions have for wine consumers. In her mind there is still a space for those who are interested in transforming a simple act of purchasing into an experience and this class of buyer would resist to external threats coming from the market: the market is full of unexpected case of success that can be hardly explained if you don't consider what the product really means for consumers.

5. CONCLUSIONS

The case of Stella di Campalto winery is a clear example of a successful small company that has been able to achieve an effective differentiation among all the competitors by building a solid reputation that resisted to a market crisis. The core of this successful strategy is not the fact of being biodynamic and organic certified, but it is the entrepreneurial vision of the business that is continuously inspiring not only winemaking, but also the relationships with other producers, with the hosting community, with clients and with the surroundings. Although the existence of favourable market conditions for biodynamic and organic growth, this case suggests that certifications per se are not a strategy. Sustainability, in this perspective, is a path, rather than a simple solution to adopt, and it requires an alignment between the entrepreneurial mindset, company's vision and the set of norms and values within the organization (Bonn and Fisher, 2011). This case opens further research questions about the pursuit of a sustainable strategy in a market crisis and the role of entrepreneurial mindset

in shaping a sustainable strategy. There is a growing interest shown by academics in the issue of sustainability that has been recently defined as the missing link in strategy (Bonn and Fisher, 2011): this case also confirms that the strength of entrepreneurial personality and the importance given by this entrepreneur to vision and values has facilitated strategy formulation process, but further researches should be carried out in order to investigate the relationships between strategy adoption, sustainable practices implementations and entrepreneurial orientation towards sustainability.

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