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## **Co-opetition in the Wine Sector: The Waipara wine cluster revisited**

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### *Abstract*

*Purpose: We investigate whether the Waipara cluster has changed as predicted and demonstrate how wine clusters in the embryonic stage develop and evolve.*

*Methodology: This case study contributes to our understanding of the evolution of regional clusters and its implications for wine business.*

*Findings: It appears that an aspect of collaboration and collective thought among members may stifle competition, perhaps necessary for success.*

## 1. INTRODUCTION

It has been observed that New Zealand wineries have been successful (Tipples, 2008), but research outside the Marlborough region (see Hayward and Lewis, 2008) has been limited. Yet, over 500 wineries have been established in this country and exports have exceeded 50 million litres (Tipples, 2008). Research on wine clusters in New Zealand has been limited and implications from findings into how they develop and be improved is beneficial wine producing companies.

The principle aim of this paper is to further understand how wineries in a New Zealand wine cluster interact, evolve and function in order for all members to experience a prosperous wellbeing. Time often works in mysterious ways; this paper identifies how the Waipara wine cluster has developed since the Dana and Winstone (2008) study, and whether it transformed as predicted and what the future holds for this wine region and its members.

Formed in December 1993, the region formalised its cluster operation in 2004. During the mid-2000s, when data was being collected for Dana and Winstone (2008), the region comprised 79 vineyards, covering more than 800 ha of planting. However, the area has grown somewhat, as the region currently boasts 80 vineyards and 1200ha of planting (Waipara Valley Wine Growers, 2010).

Dana and Winstone stated, “given that the cluster is not fully evolved, the research questions take into account the current and desired future state of operations (2008).” Today, the region has developed since that time and has improved in some facets of operation, however has remained stagnant in other areas such as internationalisation. Underlying reasons pertaining to the aforementioned slow in development are discussed in this paper. In addition, this paper will identify what the best route to grow the region is while aiming to satisfy all members’ aims and goals. Exploring and understanding the Waipara region provides commercial insights for the region and other wine clusters around the world.

## 2. LITERATURE

### Co-opetition

Co-opetition among large firms has long been a topic for research. Co-opetitive environments are situations in which organisations simultaneously cooperate and compete with competitors (Nalebuff and Brandenburger, 1996). Lado, Boyd and Hanlon (1997) maintain that “success in today’s business world often requires that firms pursue both competitive cooperative strategies simultaneously” (p.111). For instance, the airline industry co-opetition has long been used to unearth mutually helpful ways to conduct business with competitors (Nason, 2008).

However, recently co-opetition has extended to small and medium sized enterprises (SMEs). Noting that, Porter (1998) suggested that emerging industry firms faced the dilemma of competitive self-interest *or* cooperative industry advocacy. Competition and cooperation can help firms leverage economic advantage as they share knowledge, information,

marketing intelligence and distribution chains (Enright and Roberts, 2001). Even small firms are now able to benefit from unbalanced competition in which they leverage of larger competitors (...). Similarly, Cefis, Ghita, and Sabidussi (2009) focused on cooperation, but not competition among SMEs. They argued that a collaborative advantage appear to be higher for the SMEs and by joining forces with other companies, the SMEs can surmount the limits derived from their limited resources and become dynamic innovators (Cefis, Ghita, and Sabidussi, 2009). Although co-opetition is not unilateral and simple, often the advantages can outweigh the negatives for partaking in such cohesive strategies (Padula and Dagino, 2007).

### Clusters

Clusters are defined by Porter (1998) as “geographic concentrations of interconnected companies and institutions in a particular field” (p.78). Clusters comprise both competition and cooperation and they coexist “because they occur on different dimensions and among different players” (Porter, 1998, p.79). Furthermore, many clusters seek to develop a brand image and joint promotional strategies for use in overseas markets (Perry, 2005). Through co-opetition clusters can leverage economic advantage from shared access to information and knowledge networks, markets and marketing intelligence, and supplier and distribution chains (Enright and Roberts 2001).

Recently there has been increasing interest in clusters of agri-food enterprises. Without focusing on competition, Leat and Revoredo-Giha (2008) focused on the challenge of developing relationships in the agri-food sector. Kottila, and Rönni, (2008) noted the importance of communication and trust between collaborative firms, but did not discuss competition. Wine clusters have since developed in New Zealand.

Wine clusters, unlike other industry clusters are traditionally formed in areas with superior natural resources for grape growing with the Waipara region being no exception (Enright and Roberts, 2001). Enright and Roberts (2001) contend that although “globalisation has increased, paradoxically, interest in localised groups of firms in the same or related industries, or ‘regional clusters’, has accelerated as well” (p.2). The geographic clustering of producers may reduce the challenges, by facilitating proximity (Enright and Roberts, 2001). Furthermore, such a localisation action helps to ensure environmental, social and economic agendas of regional communities are satisfied (Enright and Roberts, 2001).

Research on wine clusters in New Zealand still remains an area in which further research can explore. Harfield (1999) found that both competition and cooperation exists among New Zealand winemakers. While Hayward and Lewis (2008) studied the regional dynamics of Marlborough wines and suggested that the region was “entering a new, mature lifecycle stage (2008, p. 135).” Furthermore, Aylward (2004) suggests that Marlborough is the only wine cluster in New Zealand that has progressed passed the embryonic cluster stage. Clusters in this stage are more evolved and have a cohesive integration of wine makers, growers, suppliers, marketers and regulatory education and infrastructure entities provide a structure in which firms compete and cooperate effectively (Porter, 1998).

However, the Waipara region which this study focuses on is not at this stage yet. It is still considered to be an embryonic cluster (Dana and Winstone, 2008). At this juncture, embryonic clusters can be considered as a loosely united group of companies and suppliers with some interaction with local industry associations, technical education providers and related agricultural firms (Aylward, 2004). Within small clusters such as Waipara, creating an environment in which innovation, upgrading and learning is imperative for survival (Attenberg, 1999). In order to achieve this goal, regions must engage and interact with both public and private entities to create the aforementioned environment (Aylward, 2004).

### Internationalisation

Traditionally only large firms could engage in international competition as they held better access to resources, while smaller organisations remained focused on local markets (Dana, Etemad, and Wright, 2000). However, specialisation has increased which has influenced larger firms to form alliances with smaller specific firms (Dana, Etemad, and Wright, 2000).

For many small firms, it is not feasible to internationalise alone ; instead, they internationalise by collectively working with a varying number of players and as a result they can achieve more successful exporting activities (Dana, 2006). Small enterprises need to team up in order to gain better international opportunities. For example, export grouping schemes for SME's provide the "opportunity for member companies to spread initial costs and risks of international market entry, share information and experiences, and pool resources to support stronger promotional efforts" (Welch, Welch, Wilkinson and Young, 2000). Therefore, by uniting together for a common purpose small firms can reach international markets more successfully.

Alward (2004) argued that the formation and organisation of New World wine clusters was owing to a collective desire to export and expand markets for their wine. Unlike Aylward's study the Waipara group are gradual when it comes to internationalisation. Respondents in the previous study indicated that the cluster was not set up in order to set up exporting capabilities (Dana and Winstone, 2008). Although employing an incremental approach to exporting can be beneficial to an extent, scholars argue that cluster export activities and innovation intensifies over time (Aylward, 2004).

Wilson and Goddard (2004) uphold that the New Zealand wine industry is susceptible to turbulent global market forces. Consequently, they argue that the industry needs to look overseas to truly expand as an industry (Wilson and Goddard, 2004). The most challenging part in achieving this is selecting the most effective distribution partners in order to create supply chain efficiency and gain access to essential knowledge and key markets (Wilson and Goddard, 2004). Additionally, as clusters increase in size and develop new firms are established (Enright and Roberts, 2001). With this follows a squeeze on the domestic market. Considering the aforementioned assertions it could be conceived that internationalisation for the Waipara cluster could be of vital importance for the future survival and continued growth for the area.

## **How it Was**

Dana and Winstone (2008) found that the Waipara wine cluster was developed to create a region which could be perceived as “super premium” by the domestic market. The cluster encompassed marketing and educational functions in order to improve the wine quality from the region and to raise awareness and distinguish the Waipara wine region. There were a number of problems associated with the cluster and its operation, but generally members benefitted from involvement within the cluster with domestic and international strategies.

Originally, the Waipara cluster was formed to specifically advance domestic sales of wineries in the region. The cluster was perceived to be in the embryonic cluster stage and was looking at an incremental approach to internationalization. Respondents perceived the cost of marketing their regional identity internationally would not provide enough benefit to members and the ‘country of origin effect’ played a part. One of the major ways the cluster engaged in internationalization was to entice key people to come to the region and promoting tourism. This strategy was perceived to be beneficial by members as people visiting would often raise the profile of the cluster when they returned home, which generated further sales. Interestingly, many of the cluster members associated the process of internationalization with domestic strategy. The clusters operation also supported and helped the wider Waipara community.

The paper suggested a desired operation of the cluster in which other institutions became involved with the cluster, creating a “highly developed cluster” (Aylward and Glynn, 2006). For instance, the paper identified that networks and associate members could be established within tourism companies, government agencies and other specialist entities. Furthermore relationships with universities would help to improve education and marketing functions of the cluster. Overall, increased formalization of operations, education, communication and transparency would help the cluster grow. The paper also suggested the clusters internationalization strategy could be improved through measures such as cost-sharing initiatives. Additionally, the paper suggested that the cluster could build upon its indirect internationalization strategy by communicating to other useful institutions.

## **3. METHODOLOGY**

This qualitative study was interpretive in nature, focusing on case studies of wineries (as per Lyons, 2005), the data for which were collected by semi-structured interviews. Research aimed to understand cluster operations and ambitions from the member’s perspectives. Gauging perspectives from a mix of growers, producers and a marketing manager allowed differences in perspectives to be understood. Additionally, perspectives from large and small wineries were sought, which allowed potential differing perspectives to be interpreted.

Wineries were contacted through an email discussing the nature of the project. If they indicated interest a phone call was made and a subsequent interview was organized with their

consent. Through this method, a self-recruited convenience sample was sought. People who were attracted to complete the survey were relatively unknown to the researcher as to minimise selection bias. Through self recruitment, it ensured the aforementioned healthy mix of perspectives was involved. Although there are limitations with such a technique, which are acknowledged, the aforementioned sampling technique was considered suitable and was not foreseen to adversely affect the research data.

Face to face interviews were conducted as well as telephone interviews. All interviews were semi structured and all were voice recorded as recording interviews creates significantly more reliable data through specific words of participants (Patton, 2002).

Analysis began from the first interviews which were read to understand emergent themes which could be more focused on in later interviews. Themes were saturated and were systematically compared in order to bring deeper meanings to the data and relationships with responses.

Participants were made aware that responses were treated with confidentiality with no self identifying responses being included in the report. Participants were informed of what was required of them and were reassured to express their opinions and attitudes. However, it was stressed if they felt uncomfortable with certain questions they were not obligated to answer them.

#### **4. FINDINGS**

##### *Overall Growth*

Overall, the respondents indicated that Waipara had experienced growth throughout the region, although it had not been a smooth ride and the recent recession had impacted on business. Respondents additionally mentioned the inclusion of a few new wineries into the association. This finding coincides with Enright and Roberts (2001) view that clusters increase in size and firms.

It has however, become harder to compete domestically as cheap wines have flooded the market and thus producers are now focused on making quality wine as a mechanism to overcome this competition. Interestingly, various wineries have felt growth more than others. For instance, one respondent exclaimed “we grow more grapes, more wine. Drastically more actually”. In contrast another asserted “Yea it’s about the same, it has only changed a little bit from about five years ago”. Despite differences members noted there was a unanimous agreement in the fact that Waipara still has a long way to go in terms of establishing itself as a distinctive region.

People indicated belonging to the cluster was still a valuable and useful venture. Wine makers felt that with the cluster not only could information and knowledge be shared, but more importantly there is power in numbers and using that collective and consolidated voice could be significant. Whereas going out alone is ineffective.

### Domestic growth

Respondents from smaller wineries believed there was still significant potential for domestic growth. The smaller wineries argued that because they were more specialized and unique there was room for them in the market. One particular member specifically stated that their winery was “small and premium so it is better to sell here”. Concurrently, another respondent believed the region must “focus on producing quality wines” in order to maximise potential domestically as they “just can’t compete on price anymore”. One particular member stated that “one interesting development that has occurred is that some producers have combined together in order to share a bigger voice domestically”. The aforementioned integration was believed to create a larger name in order to maximise domestic sales.

On the contrary, larger wineries believed “there is no more growth domestically and it has reached its limit” and that wine consumption domestically had not increased significantly and “any real expansion will probably have to be overseas expansion”. It is interesting that different size wineries have such conflicting ideologies about domestic growth. Although this is natural, organisation and direction is important to guide the cluster so that different wineries agendas can be fairly considered. Without this organisation, the cluster may become separated and stagnant due to conflicting ideas and some may wonder what the benefit of remaining a member still is.

Still the previous assertions from smaller wineries are interesting. However, they take a rather short term view. Wilson and Goddard (2004) maintain that the New Zealand wine industry is vulnerable to market changes, and are required to seek overseas opportunities to expand. Therefore, although in the short term domestic growth may be occurring, this may not continue in the long term, especially as the cluster grows.

### Internationalization aspirations

Despite many of the respondents indicating there was still some room for domestic growth, most explained the domestic market had become more competitive locally, especially in terms of price. Others perceived lower quality wines from overseas have been making their way to shelves and are hard to compete on price. One particular interviewee stated that there are now “wine blends being made and are being sold for less than ten dollars a bottle and it makes it harder for us to compete and much harder to sell with all this extra cheap wine”. Another member was in concurrence in saying “all the cheap wine being produced makes it hard to compete domestically”. Therefore, the domestic market in Waipara may have some room for growth still but it is quickly becoming increasingly cutthroat on price.

When asked about internationalisation all of the respondents believed this was becoming more important for the region. For example, a respondent contends “Yea we are going to have to internationalise”. In addition, another maintains “absolutely, exports are of vital importance. We are looking at that more”. Although, according to one member “not much is really happening in that regard”. Despite a lack of effort, currently all members

consistently agreed that internationalisation is imperative, however it became apparent that members had many different opinions about the way in which it should be done.

Interestingly, some of members appeared to be rather conservative with regard to internationalisation of the area. Some viewed the action as being “risky” and “expensive” to undertake. Others suggested they would take an incremental approach and “branch out slowly in slow steps”. This is consistent to the thought pattern of members in the preceding paper. Other members dwelled on what hasn’t worked in the past and that internationalising can often be “easier said than done”. Despite a few members projecting unadventurous thought towards exporting, members generally are keen to generate an internationalisation strategy of some description.

One of the restricting factors with internationalizing with any wine region is reputation. Despite efforts to raise the profile of the Waipara wine region, members asserted that the region may still be too insignificant internationally for people overseas to distinguish their wines from other New Zealand wines. “Waipara as a region is not distinct and 99% of people overseas don’t care that much as to where in NZ is from”.

The main focus it seems is to attract inbound tourism and occasionally important wine writer and critics to the area an experience what is has to offer. Employing this strategy has only been moderately successful at best with members stating seeking international growth could perhaps be done in a different way. Specifically, one member justified that “it is back to that old thing if you come all the way from England to New Zealand , how many days would you actually spend in a wine region to sorta thing and how much we have to spend on advertising would actually end up being what we get two bottles of wine.” Therefore, attracting tourists to the region might not necessarily be cost effective and new efforts must be encouraged to boost exports and internationalisation.

Rather than getting people to come to Waipara, one option could be to start exporting more and focusing on making networks. One member highlighted a “need to target the gatekeepers and people with the right contacts”. It became apparent that foreign market opportunities existed for the region, the problem was accessing them in a way that is cost effective and successive. Although this is easier said than done, it could be quite achievable. One particular way to accomplish this goal would be to organise a trade fair or wine expo overseas. The cluster could negotiate with other institutions and seek government funding. Events of this nature have been found to be especially useful in creating contacts with key people and if organised well, would be very beneficial for the region (Spence, 2000).

Parenthetically, the Waipara region could start an export grouping scheme in which larger wineries who are interested in internationalising could talk to other larger wineries in other regions and create a demand driven export group which shared similar ideas and goals regarding internationalisation (Welch *et al.*, 2000). Unlike the Waipara wine cluster which seems to encompass conflicting ideologies regarding internationalisation with large and small wineries the grouping scheme could overcome these. Furthermore, grouping together will help by using power in numbers and more serious and useful contacts may be more likely to



be interested in the scheme. Tipples (2008) argued that small wineries in New Zealand are able to maintain access to large distributors overseas. He believes key factors in achieving this is to take a commercial risk, and satisfying the supply of wines and using attention to detail “right down the chain” (Tipples, 2008, p.456). Therefore, increasing exports is quite possible and should be pursued by the cluster.

The two potential strategies may or may not be the best options for further internationalising. However one thing is certain, the cluster needs to address their exporting strategy more and establish the different wineries goals in that regard. Using a transparent and collective approach will help ensure all members remain satisfied their goals are taken into account before group decisions are made.

### Larger players

Since the Dana and Winstone (2008) paper was written, one of the major developments that has occurred in the Waipara region has been the prominence of larger players such as Montana entering the scene. From the literature, it appears if larger businesses enter a new region they like to impose and develop their presence in the market by lowering prices and buying off competition; consequently members were asked how they felt about the arrival of bigger players within the Waipara region and what impact have they had on the area.

Remarkably, the majority of members described the new arrival as “great for the region.” There are many reasons pertaining to such opinions. Montana is a “well established and successful vineyard” in New Zealand and abroad. Due to this fact, people explained that a reputable company such as Montana developing in Waipara demonstrates that they are “stamping their mark of approval in the region and saying this is a good region”. Having a company which possesses the ability to “sell wine all round the world, anywhere in the world” is advantageous to little wineries in Waipara. One respondent explained that internationally if consumers “start getting a Waipara Riesling or Waipara Pinot Noir on their shelf and its going to be a bit of regional brand awareness so we are quite happy about it”. Furthermore, members described that Montana’s actions within the cluster have not detracted from anything they have been achieving. Moreover, Montana was keen to “always willing to put their hand in the pocket to give some money for advertising and hiring tents for events”.

Subsequently, this finding contributes to a growing view that smaller firms can gain advantages from associations with larger firms (Lechner et al., 2006). Smaller players are able to leverage of the larger firms legitimacy, reputations which facilitates access to further stakeholders, as the perceived risk of exchange becomes decreased (Lechner et al., 2006). Additionally, learning effects will increase when smaller firms can harness knowledge and learn from more diverse partners (Burt, 1992 ; Granovetter, 1985). Consequently, larger players moving into the area could be perceived as beneficial for other smaller members as they gain spillover benefits such as reputation, legitimacy and knowledge from the presence of larger entities.

### Competition

In parallel to the previous study, when asked about competition and whether the respondents perceived others as competitors all exclaimed there was no competition. Participants constantly argued that “We don’t see other wineries as competitors at all, people help each other out” and that they were all supportive to each other. Further reasons pertaining to this view is that the cluster is “definitely about more collaboration rather than competition” and the association is “really a sharing environment”. The previous work established similar sentiments and upon further investigation discovered competition was present, although not direct or aggressive. “Wineries were concerned about pushing each other and competing to make better wines to ensure the region was “producing consistently high-quality wines. This study endeavoured to examine if this finding held true.

When asked if the aforementioned type of competition still existed between wineries members indicated that it had not become as important as before because they now believed “if a bad wine is produced in the area then it is not necessarily seen or generalised to the region I don’t think. People have become more educated and are aware of the reputations and differences between some of the bigger brands in the Waipara region”. Consequently, participants are not as concerned about the performances of other wineries. For instance, “we don’t mind as much if one winery is too bad. If they want to produce not quite as high quality then that’s okay”. Changes in perceptions from members here is very interesting considering the reasons for setting up the region were to establish a quality and prestigious wine region. Opinions demonstrated by participants contradict previous literature on the inherent needs for competition in emerging industries to ensure survival (Harfield, 1999).

Porter (1998) explains that “without vigorous competition a cluster will fail” (p.79). Therefore, from the above findings, could the cluster be lacking competition. Competition in clusters helps to increase productivity, innovation and stimulates new businesses (Porter, 1998). Subsequently, although there may be some competition if any, the cluster should try to facilitate more competition as it could be taking a far too collaborative approach which in the long term could be its downfall.

### Leadership

Leadership and guidance is crucial not only in terms of growth and success, but also longevity. When the region was visited last time members attributed the success of the region to an independent manager who was used to “provide business acumen and create an atmosphere free from jealousy, doubt and favouritism”. Interestingly, the independent manager is no longer active within the association. One member associated rising costs and a lack funding “from a government local thing so he was initially got paid by them and then they went 50/50 and then other wineries decided it wasn’t worth the money and it was going to be fully funded by them”. Concomitantly, another member stated “you have to be able to fund it. That person was put in there to generate money, somehow they didn’t manage it really and it was too hard going”. Instead of utilizing an independent manager there is now “one of the members that does that now”. It is interesting as suggest that there needs to be an independent leader who can oversee the interests of all parties involved (Welch *et al.*, 2000).

Despite the manager getting released, members indicated that getting in a manager again would be worthwhile. One participant stated that there was some tension often “between growers and businesses with regard to marketing practices”. Additionally others described the previous manager as being useful and significantly helped the “branding of Waipara as a region”. Furthermore, making “the local restaurants to be more aware of local wines on their menus and creating quite a bit of food and wine competitions”. One member believes since the departure matters have “sort of broken down a bit” As a result, the respondent believed employing “the right person at the helm to get everyone together” would be beneficial. Others believe the region has become stagnant as a result and that the cluster had become the “same or even less formalised but definitely not more”. The region therefore should look to develop this aspect in order to create fairness, increased strategy and enhanced communication throughout the region ultimately resulting with the region progressing.

*Has it improved by talking to other institutions?*

An area which was indicated as important for development was the interaction between the cluster and other institutions to stimulate growth. According to the respondents action of this sort was lacking in a few areas. However, there has been some interaction with the local Hurunui Council with regard to attracting tourism. The extent to which this has been beneficial has as the respondents claim, been hard to measure. Perhaps members could seek advice from larger more powerful tourism entities such as Tourism New Zealand.

One interesting development with institutions is the new ‘greening Waipara’ scheme looking to develop the vineyards sustainable practices. Members claim the reason for this is that the association is trying to “incorporate the clean, green image now with the Waipara image. With this scheme there has been involvement from Lincoln University Bio-Protection Centre in developing the wineries to looking after the environment in which viticulture takes place. Lincoln University helps to monitor the progress of the wineries in a bid to “the first fully certified wine industry”. Many vineyards have set up biodiversity trails nearby to their restaurant and winery. Customers are then able to explore and experience the relationship between the winemaker and the environment which respondents indicated had “been useful I think”. Such an initiative creates further value in which the customer gets to appreciate and understand the area in which the wine is made.

Harnessing and leveraging this green practice has and may well become very important for the Waipara in terms of differentiating their region. “Consumers growing environmental consciousness has influenced marketers to develop new products, new packaging and new promotional campaigns” (Morris, Hastak and Mazos, 1995, p.328). Firms are now expected to pursue corporate environmental strategies for their promotions and their products; consequently, for companies to survive in a competitive world environment, they are expected to create innovative marketing strategies related to environmental issues. Therefore, the “greening Waipara initiative may well serve to create further value and loyalty with customers in addition to helping differentiating and establishing the region.

Interestingly, a study found that New Zealand wineries with higher commitment to exports will adopt and utilize environmental practices (Sinha and Akoorie, 2010). However, the results from our study show that the Waipara region is not very focused on internationalisation at the present point in time. Wineries, here, are currently focusing on becoming a sustainable wine region. Therefore, the results from this study seem to contradict Sinha and Akoorie's findings. This argument should be addressed by further research.

However, could the region still look to develop further relationships with other institutions to stimulate growth and bring increased knowledge and practices to Waipara. According to Aylward "it is the interaction between these public and private sector actors that can be so effective in generating an environment of concentrated innovation (2004, p. 1)." As a result, the cluster should attempt to network with other organisations whose specialties could make the operation more effective and efficient.

## 5. CONCLUSION

Enright and Roberts (2001) argued that wine clusters growing. The principal aim of this paper is to understanding the evolution of Waipara wine cluster in New Zealand since the Dana and Winstone study (2008). First, despite it become harder to compete domestically as cheap wine flooded the market, Waipara cluster growth. Conflicting ideologies were found between smaller wineries, that believe there is potential for domestic growth with quality specialization, and larger wineries that argue there is no domestic growth but overseas expansion. Secondly, all of the respondents agree that internationalisation is imperative. However, Waipara cluster needs using a transparent and collective approach to address exporting strategy, which satisfied the different wineries goals. Third, members feel great the arrival of bigger players like Montana and beneficial for smaller on reputation, legitimacy and knowledge. Fourthly, competition is present in Waipara even if respondents exclaimed the opposite. It appears that collaboration among members may stifle competition, perhaps necessary for success. Lastly, the independent manager role on leadership and guidance is crucial for growth and longevity. Interactions with institutions will be important in order to differentiating cluster by developing a green image with the new "greening Waipara" scheme. In addition, this paper will identify what the best route to grow the region is while aiming to satisfy all members aims and goals.

There are a number of limitations of this study. Waipara study finding focus on a wine cluster, specifically in the New-Zealand wine industry in the Waipara region. Future research should also consider others industries or others countries. We propose to focus further research beyond the "New World" perspective, to include more of the traditional wine regions of Europe. This study must help understanding the difference between both economic models and their evolutions.

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