



Wine Business Institute
School of Business and Economics

10th International Conference of the Academy of Wine Business Research

People, Performance & Passion: Evolving Research Perspectives

Conference Proceedings

Sonoma State University
Rohnert Park, CA 94528
July 25th-28th, 2017

10th International Conference of the Academy of Wine Business Research

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**Do wine buyers purchase wine differently
online versus in brick and mortar stores?**

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Abstract

- Purpose: To measure the extent wine buyers behave differently when purchasing wine online vs. in brick and mortar stores. To extend the use of the Dirichlet and Duplication of purchase methodologies to a wine category in Europe.*
- Design/methodology/approach: Customer loyalty data of two brick and mortar stores and the website orders of a Benelux retailer have been gathered for a one-year period. Data has been analyzed based on seven specific wine attributes: colour, format, price range, country of origin, region, variety and brand. Dirichlet model and Duplication of purchase has been applied for each attribute, although we present in this paper how wine buyers behave with regard to country of origin.*
- Findings: The present study enlarges the scope of use of the Dirichlet model. Duplication of purchase Law was confirmed across all attributes analyzed and helped to better understand the structure of the wine category. Purchase frequency distribution has confirmed to be skewed for the website and attests the importance of reaching all potential buyers: light buyers, heavy buyers and non-buyers.*
- Practical implications: Although we can find a few differences, people buying wine online do not differ that much in their behavior compared to people buying in brick and mortar stores. Minor adjustments should be made to offer an assortment in line with the buying behavior of online buyers vs. offline buyers.*

Key words: Buyers' behavior, Online, Offline, Dirichlet, Duplication of purchase

Factors influencing retailers' decision to stock wine: Brand or region?

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ABSTRACT

We examine how wine retailers decide to stock wine, particularly the influence of brand name and region on their decision. The consumer wine purchasing literature suggests consumers rely on price, variety, brand, region and awards when purchasing wine. Yet, the factors wine retailers consider when purchasing wine is yet to be determined, prompting for research. A total of 12 expert interviews were conducted, as part of a larger study with a number of different wine retailers in South Australia. The results reveal that retailers consider a number of factors when it comes to stocking wine besides relying solely on brand, region or variety. Taste, price, label and regionality are the main factors claimed to be considered. From these factors, taste is reported to be the most important. The process is competitive for wine producers because of limited shelf space in wine retail stores. Ultimately, for a wine to be stocked it needs to over deliver on price and taste. When comparing the importance of the brand name and region in the decision-making process, a well-known region is slightly favoured more than a well-known brand. Yet, similar to consumer purchasing factors, other factors such as a variety and price weigh a higher importance in the process.

KEY WORDS: Wine retailing, stocking decisions, preference of brand name and region

Risk perception in the wine industry.
An exploratory study in Northern Italy

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Abstract

◦Purpose

Risks faced by farmers and by other actors in agricultural supply chains are numerous, and the literature is rich in studies that classify agricultural risks and analyse their effect on business operations and profitability. In the wine industry, the organisational structure of businesses may significantly influence risk perception and the adoption of risk-management strategies. Investigating the level of risk perception and awareness along the wine value chain, could be particularly interesting. Even actors positioned upstream in the wine supply chain are becoming increasingly sensitive to market dynamics, more prone to taking risks and more aware of the need to manage these risks. The purpose of this study is to address risk perception among different actors in the wine value chain and gain an understanding of whether and how different risk categories are addressed and managed. The study investigates the principal sources of risk in the Italian wine industry and the different perceptions of risk among winegrowers and wineries.

◦Design/methodology/approach

The methodology employed a questionnaire survey administered to 91 winegrowers and wine producers in Northern Italy. The questionnaire was designed after completing a comprehensive

analysis of the literature in risks associated with the wine industry, and four focus groups involving wine business entrepreneurs. Principal component factor analysis was applied to identify the principal sources of risk probability and severity perceived by the participants. The technique of K-means cluster analysis was applied to identify different business profiles in relation to risk perception factors.

◦Findings

Results demonstrate that hazards are the risks that receive more attention and consideration from farmers and wineries. Non-hazard risks also appear to be relevant to the participants.

Principal component factor analysis highlights the principal sources of concern for winegrowers and wineries. The most important factors are related to three different groups of risks: market uncertainty and threat, extreme weather conditions, and serious damage of facilities; the other concerns are associated with the non-hazard risks. In relation to the perception of risk severity, the most important factor is related to the damage that hazard risks can cause to business activities; while the other factors are associated with non-hazard risks. The cluster analysis identified four business profiles. Cluster 1 isolates participants that are more sensitive to risk probability than to risk severity. Only the threat of key-customer loss and the regulatory context elicit risk perception in Cluster 2. Cluster 3 expresses negative perceptions of risk probability and severity: it is particularly sensitive to the probability of production and market risks, and assesses the threat of competitors as the greatest area of risk. Cluster 4 is characterised by a particular focus on risks that directly imply cost. The analysis demonstrates that the four profiles are connected to different structural and risk-management characteristics.

◦Practical implications

An important challenge for many organisations in the wine industry is the ability to perceive risks that may represent threats to business performance, profitability and competitiveness. This study allows managers to highlight key risks, and enables them to distinguish between hazards and risks that can be addressed in relation to their probability and severity. Understanding these groups of risk and their perceived risk dimensions is essential for designing appropriate and effective risk-mitigation strategies. Hazards, which were assessed by participants as the most relevant risks, may typically benefit from insurance and control investment. The analysis reveals that non-hazard risks are also relevant to winegrowers and wine producers. These risks need to be covered through systematic prevention and mitigation strategies, and careful evaluation of these risks is therefore relevant for managers. Future research is suggested to further analyse the adoption of risk-mitigation strategies based on risk perception and organisation characteristics.

Key words: risk perception, risk probability, risk severity, hazards v. non-hazards, wine industry, Italy

Vulnerability and resilience in New Zealand's wine industry: A case study from Marlborough

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Purpose: This paper sets out a framework for resilience assessment in the wine industry. The application of the framework is illustrated through case-study analysis of impacts of recent earthquakes on the wine industry in Marlborough, New Zealand.

Design/methodology/approach: A case-study analysis of Marlborough region, on New Zealand's South Island, based on semi-structured interviews with key stakeholders, document analysis (media and industry situation reports, insurance assessments), and informed by academic literature on socio-ecological and disaster resilience.

Findings: Resilience analysis provides conceptual and methodological tools for assessing the capacity of socio-ecological systems to recover from shocks and stresses. Resilience thinking provides a useful conceptual and theoretical basis for assessing the capacity of the wine industry to absorb shocks, and prepare for future uncertainty.

Practical implications: Resilience assessment can help identify winery operation components that influence system-critical sensitivities to seismic risks. This type of analysis can help the industry identify system vulnerabilities and risks, and develop and support specific adaptation or resilience-building strategies.

Key words: resilience, wine industry, earthquake, vulnerability, New Zealand

Investigating supply chain risks in the wine distribution network: empirical evidence from China

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Abstract

◦Purpose

The objective of this paper is investigating the supply chains risks in the wine distribution network in China, to identify the key risks factors by empirical study, and to provide an overall framework that can be used as a conceptual landmark for further research.

◦Design/methodology/approach

Existing researches on Chinese wine industry form a background for the business environment of the Chinese wine supply chains. Data of industrial statistics are collected by reports of international and Chinese professional associations. To explorer supply chain risks in wine distribution network, we use qualitative methodology by examining five major companies in wine distribution network in China through semi-structured interviews and on-site observations, which are later interpreted with content analysis.

◦Expected findings

Establish a framework of supply chain risks in wine distribution network in China

◦Practical implications

This study investigates the supply chain risks in distribution network of Chinese wine industry. The findings could catch attention of researchers and managers of the importance of risk management in wine distribution network and supply chain, and help them understand more thoroughly the complex business environment. The findings could also be transferable to other emerging countries who share similar characteristics.

Key words: Risks, Supply Chain Management, Wine distribution network, China

Wine Improves Over Time but What About Wine Revenue?

The Measurement of Revenue Inefficiency Over Time

in the French Wine Sector

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◦*Purpose: We aim to measure the revenue inefficiency evolution of nine major French wine regions before and after the implementation of the common market organization (CMO) policies in Europe for the 2004-2013 period. During these years, the French winegrowing areas have decreased by 10.91% however the production volume remains relatively high. Since 2008, the new CMO policy set multiple disputable measures to strengthen the EU reputation of the quality wine. The policy introduced distinctions between the designation of origin and the geographical indication. These decisions strongly affect the situation of the French wine sector, and different regions consider different strategies to respond the CMO measures.*

◦*Methodology: The Data Envelopment Analysis is used this study to evaluate revenue inefficiency. We introduce a revenue Luenberger indicator based on the weighted additive distance function that accounts for all sources of inefficiencies. We decompose this indicator into productivity change and overall allocative inefficiency.*

◦*Findings: Results revealed that all regions exhibit a revenue progress after the implementation of the CMO. The analysis of technical inefficiency change and technological change allow to establish clear targets for the regions in terms of sales' strategies (domestic or foreign market preferences). The evaluation of allocative inefficiency witnessed the specificities of certain regions (e.g. Provence, Champagne or Bordeaux).*

◦*Practical implications: We consider that this study will help policy makers to analyze the strategies implemented by different regions and account for them in setting new policies which could reflect better regional performance.*

Key words: *French wine regions, over time performance*

Will Austrian Tax Reforms Send Wine Tourism Packing?

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Purpose - The purpose of this paper is to investigate the Austrian Financial Reform 2015/16 and its impact on the Austrian wine tourism sector. The focus is set on aspects such as competitiveness of Austrian wine tourism businesses and Austria's attractiveness as a wine tourism destination. As no study has dealt with the impact of legislative measures on wine tourism activities in Austria so far, this paper attempts to close this gap.

Approach - A review of related literature and an accurate assessment of the novel paragraphs in the relevant legislative texts provide information on legal changes pertaining to wine tourism in Austria. Eight in-depth interviews, totaling a duration of 226 minutes with experts in the field including tax consultants, managing directors of regional tourism boards and wine tourism operators were carried out to identify critical issues in connection with the new legal policies. Furthermore, future impacts and perspectives are evaluated. All interviews were recorded and transcribed to facilitate analysis. Coding followed a general framework of identifying thematic categories followed by interpretation and summing up of findings.

Findings - The increase in value added tax and the mandatory introduction of cash registers significantly affect business operations in wine tourism. Findings reveal that especially small-sized companies – which in the wine tourism context are the vast majority of all businesses - struggle due to these new legal regulations. However, external factors such as interest rates and geopolitical affairs have to be taken into account as well. Thanks to a good tourism infrastructure, high-quality offers and high security standards, Austrian wine tourism operators may be able to maintain a competitive position.

Practical implications - Based on the results of this study, effective tourism policies can be developed in order to establish favorable conditions for wine tourism in Austria. A number of measures and practical implications are outlined in this paper including recommendations concerning investment activities, amortization periods, technical solutions for cash registers and, finally, the advice to consult a professional tax advisor even as a small business. Both, qualitative and quantitative research on the topic along with rigid monitoring on how the sector develops (number of abandonment of the enterprises, bankruptcies) is suggested.

Key words: tax reform, wine-tourism, VAT, cash register, Austria.

How Country of Origins Compete and Grow

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Abstract

Purpose: This paper applies a well-known approach for understanding consumer buying patterns for brands into the area of Country of Origin (COO) research.

Methodology: The Dirichlet model is applied for the first time to predict buying patterns of the COO of wine brands sold in the UK using a sample of 9,316 households from the Kantar panel from 2006-2007.

Findings: The study shows that the double jeopardy pattern holds for COOs; that countries with more wine sales have more buyers with slightly higher loyalty than countries with less wine sales. Year one data successfully predict year two data.

Implications: Wine trade buyers, wine producing countries and retailers can use these purchase patterns to understand the base rates for consumer wine purchases. These can inform stocking and promotion decisions. The effect of marketing interventions, such as promotions and communications, can be more accurately measured. Only one market was tested, so further research in multiple markets would add strength to these results and implications.

Key words: Country-of-origin; Competition; Consumer preference; Dirichlet model

Exploring duplication of purchase patterns between wine buyers residing in different regions

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Abstract

Purpose: Region-of-origin (ROO) is a key driver of wine buyers' behaviour. In this perspective, we investigate the extent to which quality wines produced in a geographic area share customers living in the same geographic area versus customers living in different geographic areas.

Methodology: Duplication of Purchase (DoP) analysis is conducted on actual wine purchases recorded in a database provided by one of the largest French retail chains. The dataset included over 400,000 customers, who purchased over six million bottles of wine, across eight hypermarket/supermarkets in France in 2010. The supermarkets are equally spread across four geographic areas: North, South, East, West.

Findings: The penetration rates of quality wines produced in a certain ROO are higher amongst customers living in the same area. In addition, these customers tend to switch less between the quality designations produced in the same area compared to the national level, but they switch more between quality wines produced in a different area.

Implications: To a large extent, the findings indicate that ethno and regiocentric tendencies are applicable to the French wine market. Retailers could capitalise on these findings by tailoring their offer to the geographic areas people live in, both in relation to the wines made available to customers and the promotional activities run in various geographic areas.

Key words: Ethnocentrism, Regiocentrism, Region-of-origin; Duplication of Purchases; Competition.

1. INTRODUCTION AND LITERATURE REVIEW

Region-of-origin (ROO) has always been considered a sensible factor to judge the competition between wines. In a comprehensive review of the wine marketing literature published in the ten-year period 2003-2012, Lockshin and Corsi (2012) show that ROO is a key choice driver both in terms of the reputation of the location and quality designation. The importance of this factor is strengthened even more when ROO is combined with other elements such as grape variety, price, or brand. Papers published in the last five years on this topic have confirmed this aspect. When ROO is included in a study, it always comes up either as the most important (Garcia-Gallego & Chamorro-Mera, 2016; Kallas, Escobar, & Gil, 2012), or the second most important (Engelbrecht, Herbst, & Bruwer, 2014; Verdonk, Wilkinson, & Bruwer, 2015) choice factor.

When looking at the ROO phenomenon, however, studies always tended to either include a mix of known and unknown regions (Corsi, Mueller, & Lockshin, 2012; Lockshin, Jarvis, d'Hauteville, & Perrouy, 2006), or they have focused on specific ROO present in the area where researchers collected the data. The literature, however, has not given a lot of attention specifically to the way consumers relate to and purchase the ROOs located in the same areas where consumers reside. Yet, this information is critical because the way in which ROOs perform in relation to their competitors at a more localised level helps distributors and retailers design more tailored and efficient commercial strategies. Instead of trying to sell the same ROO in every location without distinctions, distributors/retailers can either know what ROO can be dismissed or need to be supported. In addition, a product performing poorly in a certain area may perform well in another area, with all the positive consequences that good performances lead to. This is, however, an insight that an analysis conducted at a national level cannot provide.

Not only this information is critical from a managerial perspective, but it is grafted in a long academic tradition looking at consumers' inclination to purchase domestic rather than imported products. This tendency, which goes under the name of *ethnocentrism* has been researched for more than 100 years (Sumner, 1906), but all the literature produced in the last 30 years goes back to the definition of Shimp and Sharma (1987, p. 280), who defined consumer ethnocentrism as "the appropriateness, or morality of purchasing foreign products...[that give the individual]...a sense of identity, feelings of belonging, and most important, the understanding of what purchase behaviour is acceptable or unacceptable to the in-group". Within this framework, a couple of salient outcomes are that ethnocentrism varies between individuals (Liu, Murphy, Li, & Liu, 2006), due to a variety of different factors including the city and zone of residence, age, socio-demographic levels, self-declared lifestyle, ethnic origin, knowledge of the origin of the product, purchase frequency, etc. (Schnettler, Miranda, Lobos, Sepúlveda, & Denegri, 2011). Ethnocentrism can also vary in relation to the brand or product under investigation, with lower involvement products leading to lower levels of ethnocentrism than high involvement products (Liu et al., 2006). In addition, highly ethnocentric consumers show higher purchase frequency and loyalty towards their own country and rejection of others (Schnettler et al., 2011). The wine business and marketing literature also looked into this topic with Brown and O'Cass (2006), who showed that consumer ethnocentrism negatively affects Australian consumers' willingness to buy foreign wine products, but gender and age don't. Similarly, Garcia-Gallego and Chamorro-Mera (2016) revealed that ethnocentrism is the second most important variable explaining the perceived quality of Extremadura's wines, and it influences both perceived quality and purchase intentions.

Ethnocentric tendencies, however, do not only exist at a national level, but also at a more regional, local level (Fernández-Ferrín & Bande-Vilela, 2013). A few of these studies observed this phenomenon from the point of view of the differences shown by various ethnicities within one country (Burgess & Harris, 1999; Oullet, 2007), but these differences seem to emerge also in more ethnically homogenous countries in

relation to the products been purchased. For example, Siemieniako, Kubacki, Glińska, and Krot (2011) investigated the beer preferences of Polish university students, showing that factors such as local patriotism, regional identities, and the brand image of local brands lead to more favourite attitudes and intention to purchase brands from the regions the students were from. Fernández-Ferrín and Bande-Vilela (2013) looked at the antecedents, consequences, and moderating effects of regional ethnocentrism among a small sample of consumers from Galicia (Spain), showing that a perceived decrease in personal financial situation, lower cultural openness and higher regional identities increase regional ethnocentrism. In addition, the more regionally ethnocentric consumers are, the more they reject and disvalue non-regional products, and they positively view political campaigns promoting regional products. Lee, Cheah, Phau, Teah, and Abou Elenein (2016) more specifically showed that regional ethnocentrism – or *regiocentrism* tendencies as they call it – and community involvement positively influence on the willingness to buy products coming from the region where consumers reside. Differently from Fernández-Ferrín and Bande-Vilela (2013), however, only perceived product necessity moderates this influence, while perceived economic/personal threat doesn't.

As one can see, both ethnocentrism and regiocentrism have been tackled with attitudinal measures, which, however, are considered to be poor predictors of consumers' behaviour (East, Wright, & Vanhuele, 2008; Sharp, 2010). It would be, therefore, useful to observe whether the regiocentric tendencies described by extant literature are reflected in the actual purchases made by consumers residing in different areas, through an analysis of the ROOs competitive patterns.

As such, this research formulates two hypotheses:

H1: Quality wines produced in the same area where customers live have a higher penetration (i.e. a higher buyers/shoppers ratio) in that area compared to other areas;

H2: Quality wines produced in the same area where customers live share proportionally less customers (i.e. customers repeating a purchase of the same quality wine) in that area compared to other areas.

2. METHOD AND SAMPLE

A very efficient approach to measure brand competition is to observe the extent to which two brands share the same customers. In this research we specifically look at French quality wines, i.e. French wines holding either an *Appellation d'Origine Contrôlée* (AOC), a *Vin Délimité de Qualité Supérieure* (VDQS), or a *Vin de Pays* (VdP) appellations. These appellations will be treated for the purpose of this study as brands.

The analysis goes under the name of *duplication of purchases* (DoP), as it refers to the possibility that the buyers of a certain brand X are *duplicated* (i.e. appear) among the buyers of other brands (Dawes, 2016). Previous studies reveal the existence of some consistent DoP patterns. The first pattern is that the proportion of buyers of brand X, who also buy brand Y, can be predicted from the penetration of brand being bought and the overall amount of cross-purchasing in the category (Dawes, 2016). This leads to the famous *DoP Law*, which states that small brands share their customers with large brands, but the opposite is not true (Scriven & Danenberg, 2010). In addition, the more two brands compete, the more customers they share (Ehrenberg, 2000). The DoP Law can be expressed algebraically, using the following formula:

$$b_{X|Y} = D * b_X$$

where $b_{X|Y}$, the percentage of buyers of brand Y, who also buy brand X in the chosen time period, is proportional to the brand X's penetration b_X and the duplication coefficient D , which is calculated as the average level of duplication occurring in the product category by the average duplication. Knowing what patterns we should expect from the data allow us also to identify more easily the deviations from the expected levels of duplication. In case two or more brands share their customers more than what their

penetration would suggest, we can say that these brands form a *partition* (Carpenter & Lehmann, 1985). Partitions are often the results of functional similarities between brands (Bass, 1974) Partitions can be identified and analysed after extracting the DoP tables through the *Partition Sharing Index* (PSI_{XY}). The PSI_{XY} is calculated as follows:

$$PSI_{XY} = \frac{b_{X|Y}}{(D * b_X)}$$

If the brands compete in line with the DoP law, the PSI_{XY} is equal to 1. However, if brands share their customers more (or less) than expected, the PSI_{XY} will increase (decrease). For example, a PSI_{XY} of 1.2 suggests that brands X and Y are sharing customers 20% more than what it is expected. A partition is identified when a number of brands have a PSI_{XY} of 1.2 or greater (Sjostrom, Corsi, Driesener, & Chrysochou, 2014). The PSI_{XY} can also be averaged between brands to establish the average level of sharing within that group (intra-partition sharing).

We run DoP analysis on a panel database of wine purchases provided by one of largest supermarket chains in France. The dataset comprises 403,382 customers, who purchased a total of 6,360,706 bottles of wine, across 8 hypermarkets/supermarkets in 2010.

The dataset has been coded to classify each transaction into the respective quality designation. Each wine was assigned to either one of the AOC, VDQS, or VdP appellations currently recognised in France, or classified as a table wine, or a foreign wine (i.e. produced in countries other than France). The classification is based on the product label description shown on the dataset provided by the retail chain.

We then calculated the market share of each of the resulting appellations, finding that 14.6% of the sample was represented by table wines, foreign wines, or generic VdP wines, while another 11.7% consisted of wines, whose labels could not be linked to any above mentioned appellations. This left us with a dataset of 4,686,475 bottles of wines (73.7% of the total dataset), purchased across 263 AOCs, VDQSs, and specific VdPs.

All AOCs, VDQS, and VdP with a MS of less than 1% have been grouped together, under a generic “Other” label, to avoid outliers skewing the results (Baldinger, Blair, & Echambadi, 2002). This left us with 18 AOCs, VDQS, and VdPs, which represents a 64.7% of the dataset, and other 245 AOCs, VDQS, and VdPs, which represents a 35.3% of the dataset.

The DoP analysis was first run at a national level. The dataset was then split in four subsets – North, South, East, West – based on the area code of the store where the purchases have been made. Each area had data coming from two stores. Given that the stores are located a few hundred kilometres away from each other between the four areas, wines have been exclusively purchased by households residing in the areas where the supermarkets are located. In case regiocentric tendencies emerge from the DoP analysis, we should see different penetration rates and partitions emerge between the four areas, and between the areas and the national level.

3. RESULTS

The penetration levels for the various AOCs, VDQS, and VdPs only partially confirm H1 (see Table 1). Champagne, an AOC produced in Northern France, has a higher penetration (39%) in Northern France, than in other areas. Cote du Rhone (27%), Cote du Rhone Village (10%), and Cotes du Ventoux (20%) are purchased by more buyers – in percentage terms – in Southern France. Crémant d’Alsace (10%) has the highest penetration in Eastern France, while Bordeaux (25%), and Vouvray (12%) have the highest penetration in Western France. We do, however, observe some exceptions. Bordeaux (24%), Cotes de Provence (18%), and Vin de Pays d’Oc (16%) show a higher penetration in Northern France. In addition,

the other nine appellations do not vary much their penetration levels between regions. Lastly, the penetration rates for the “Other” appellations are stable across the four areas. This result is a safe indication that the other appellations do not vary much their penetration between residing areas.

Table 1: Penetration levels for the various AOCs, VDQSs, and VdPs at a national and area levels

Production Area	AOC-VDQS-VdP	Aggregate France (Pen %)	North (Pen %)	South (Pen %)	East (Pen %)	West (Pen %)
NA	Other	66	67	66	65	67
N	Champagne	32	39	31	28	29
W	Bordeaux	22	24	16	21	25
S	Cotes du Rhone	21	17	27	30	7
S	Cotes de Provence	13	18	8	13	12
S	Vin de Pays d’Oc	12	16	9	13	10
S	Cotes du Ventoux	9	7	20	6	1
S	Coteaux Varois	6	7	6	5	4
W	Bordeaux Superieur	6	7	4	5	6
E	Crémant d’Alsace	5	6	2	10	2
S	Anjou	5	5	4	4	8
W	Bergerac	5	4	6	5	7
S	Cotes du Rhone Villages	5	4	10	5	1
W	Medoc	4	5	3	4	6
W	Premieres Cotes de Blaye	4	5	3	5	4
W	Bordeaux Rose	3	4	2	4	4
W	Vouvray	3	1	1	0	12
W	Lussac Saint Emilion	3	3	1	3	4
W	Blaye	2	3	1	2	3

We can now look at the intra-partition PSI_{XY} (see Table 2). Given that the dataset only includes one appellation produced in Northern France – Champagne – and one appellation produced in Eastern France – Crémant d’Alsace – we can only calculate the intra-partition PSI between appellation produced in Western France, and appellations produced in Southern France, and see if they vary between the areas where

buyers reside. It would, in fact, be a tautology to calculate how many buyers Champagne, or Crémant d'Alsace share with themselves.

The results show that, at a national level, the customers, who purchase an appellation produced in Western France, are 90% more likely to buy another appellation produced in Western France, while the customers, who purchase an appellation produced in Southern France, are 30% more likely to buy another appellation produced in Southern France. A similar pattern also emerges among buyers residing in Northern France and Eastern France. This is expected, as the intra-partition PSI is relative to producing areas where buyers do not reside in.

However, a different pattern emerges among buyers residing in Western and Southern France. Western appellations share their buyers 170% more than what it is expected in Southern France, and only 60% more in Western France, while Southern appellations share their buyers 100% more than what it is expected in Western France, and only 10% more in Southern France. Although these results seem counterintuitive, they actually prove the existence of regiocentric tendencies. If buyers reside in the area where the appellations are produced, they would be more inclined to purchase the same appellation over time, because they would be more mentally aware of what they are buying, and because that same appellation would have more chances to be physically available in the shops where buyers usually purchase. As a result, the appellation produced in the area where buyers reside would share less with other appellations produced in the same area. At the same time, when these buyers purchase wines produced outside of the residing area, they tend to swap more easily between these appellations, because the appellation produced in a different area will be less available, both mentally and physically. We can, therefore, accept H2.

Table 2: Intra-partition PSI_{XY} for the appellations produced in the same areas in relation to the areas where buyers reside

	Aggregate France	North	South	East	West
West	1.9	1.8	2.7	1.7	1.6
South	1.3	1.4	1.1	1.4	2.0

4. DISCUSSION AND CONCLUSION

To a large extent, our findings indicate that ethno and regiocentrism tendencies are applicable to the French wine market. To some extent, they express a preference for a local product against non-local products, and/or a rejection of non-local product (for whatever reason), in line with previous findings (Fernández-Ferrín & Bande-Vilela, 2013) and the social identity theory of Tajfel & Turner (1986).

Our findings suggest a conscious approach to buy wines: I buy wines from Bordeaux because I live in the Bordeaux area and I wish to sustain and support local producers and production. But these preliminary findings may also generate a few confounds:

- First, people in the South tend to buy more wines from the South because there are many more wines from the South available on shelves (i.e. greater physical availability). This is a strong (although realistic) assumption because we could only observe what was purchased and not necessarily what was available. In brief, there might be many more wines available of another region, with people not interested to buy them. Overtime, we would assume that the retailers would have removed those wines from shelves.
- Second, we could possibly argue that the mental availability and salience of these local wines are much higher for people living in the area. For example, if you live in Marseille, you already have Provence in mind, reinforcing the salient effect of ROO, here for, say, Cotes de Provence. Therefore, we're

not anymore in a full conscious approach of choosing specific wines because they are from the local area, but also because the ROO is unconsciously in buyers' mind (greater mental availability).

- Third, what is unclear at this stage is the extent family based wines are in competition or complementary to each other. For Dawes (2016), family based products (for example in our study wine from the South West) generate higher duplication of purchase among themselves. What is unknown is the extent that, say, Bordeaux and Blaye share same functional needs, and therefore are in direct competition, or if they do satisfy various needs (i.e. various occasions of consumption, different taste of people in the household, etc.) and therefore are highly complementary. Investigating the date and frequency of purchase (same buying occasion or not) could give us more insights on this matter. Such insights are critical for large national and private labels to decide for their branding strategy and architecture.
- Fourth, although different wines (from different regions) are directly substitutable for many buyers, we could also suggest for more involved buyers, wines from different regions are not substitutable, i.e. not fulfilling similar functionality. By extension, with what other regions do a specific wine region compete with: the entire market (regions) or more directly with a few ones? By extension, do Bordeaux wines compete mostly with themselves or with other wine regions?

Our findings have strong implications for retailers: depending on where they are located, retailers have a greater interest to enlarge the physical availability of local wines. The question remains to know at the expense of which other wines they should enlarge the offerings of local wines. More analyses at the lower appellation level could potentially give a response, in addition to a greater understanding of the functionalities offered by each of these wine groups.

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Do people buy wine and beer differently in rural vs. urban cities?

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Abstract

Purpose: Literature suggests that people living in rural areas behave differently from those living in urban areas. One key reason is “availability”: in rural areas, fewer stores are available for people to buy any product, and these stores are likely to offer a smaller range of products. In this perspective, the objective of this study is to investigate the behaviour of people living in both of these areas in relation to their purchases of wine and/or beer.

Methodology: Analyses are conducted on actual wine and beer purchases recorded in a database provided by a regional U.S. retail chain. The dataset includes over 30,000 customers, who totalled more than 434,000 wine transactions, and 350,000 beer transactions, across 7 rural stores and 2 urban stores. Typical brands performance metrics are used to assess the way brands and buyers behave: brand penetration, frequency of purchase, and loyalty.

Findings: People living in rural and urban areas tend to behave the same way: there are occasional buyers of particular brands but a majority of buyers don't regularly buy a particular brand. Overall, the double jeopardy rule applies to the U.S. wine and beer market, although we have found a few irregularities.

Implications: Although brand performances might vary between rural and urban areas, retailers can follow the same approach to market wines and beers in rural and urban areas. The brands, which can grow the most, are those able to get more buyers (i.e. increase penetration).

Key words: Rural, Urban, Wine, Beer, Purchase behaviour, Brands

**“Consume less, consume better”:
The case of Wine in Moderation message**

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Abstract

Purpose: Unlike most of promotion messages, which aim to boost sales, our study analyses a message delivered by an association to restrain wine consumption. The major objective is to understand what is the perception (awareness and significance importance) of the “Wine in Moderation” message in the eyes of the consumers (local community) and wine tourists (national and international tourists).

Design/methodology/approach: in order to assess the perception of the message, a questionnaire is submitted to visitors of wineries in five countries.

Findings: the WiM message is supposed to be positively perceived and to orientate consumer choice toward premium wines.

Practical implications: focus should be given to employees training to inform consumers on responsible drinking patterns.

Keywords: message perception, wine moderation, behavioral intention, congruence

DOING BUSINESS BETWEEN TWO EMERGING ECONOMIES: THE ENTRY AND PERSPECTIVES OF BRAZILIAN WINERIES IN CHINA

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Abstract

Purpose: Considering the marketing context between two major emerging economies - China and Brazil, the aim of this paper is to analyze the internationalization trajectory of the Brazilian wine industry in China, more specifically to identify motivations, challenges, and barriers.

Methodology: This is a qualitative and exploratory research that uses documents, case studies and in-depth interviews as data collection techniques.

Findings: The Brazilian wine industry is changing its market positioning in the international markets to an “exotic wines” approach. As challenges to explore the Chinese wine market, we stress the cultural distance and the risk of the Chinese demand being greater than the Brazilian wine production capacity. Another element is the export costs, i.e. high taxes and logistic costs.

Practical implications: With the perspectives to increase the Brazilian wine presence in China, we identified three strategic actions. (i) to promote events with wine specialists in China to know the market and the perceptions on Brazilian wine better; (ii) to build the Brazilian wine image and reputation in China; and (iii) to add value to Brazilian wine as a strategy to achieve the Chinese market.

Keywords: emerging economies; internationalization trajectory; Brazilian wine industry; China.

Resilience in Wine Supply Chains

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Abstract

Purpose: This study uses a three phase model of supply chain resilience (readiness, response and recovery) to examine the resilience of wine supply chain members in the context of the 2010 and 2011 major earthquakes in Christchurch, New Zealand.

Design/methodology/approach: A case study method was used to gather qualitative data from a sample of four members of the wine supply chain (NB. The scope of this study excludes wine producers).

Findings: Our findings highlight a number of factors that influence the resilience of wine supply chains. Key factors in terms of resilience include; building performance, distributed networks of locations, IT infrastructure, ownership of assets, critical infrastructure and adaptable workforce. In terms of managerial implications, this study highlights the need for having a tested plan in place prior to experiencing a disaster, as well as the importance of strong communication with all supply chain members in the aftermath of a disaster.

Key words: Resilience; Supply chain; Wine; Disaster; Earthquake

Supporting Export Programs under Demand Uncertainty through Labelling Postponement

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Abstract

Purpose: Wineries need to support an increasing variety of SKUs to fulfill demand across sales channels. Postponing labelling can be used to mitigate mismatching supplies to demands. However this practice increases operational complexity, so it should be used only when its advantages outweigh the costs. This paper investigates the conditions that make postponement preferable to direct production.

Methodology: An unnamed Chilean winery has provided forecasts, production data and operational policies. From this data two models are constructed: one that permits production with immediate labelling, and the other that stores inventory as unlabelled bottles, mandating a secondary labelling. We capture different planning environments by running both models while varying forecast accuracy, planning horizon length, and capacity tightness. Results are measured via performance metrics based on shortages, inventory levels and setups.

Findings: Postponed production outperforms direct production when capacity is tight. Conversely, when production line capacity is only loosely constrained, postponement loses most advantages over direct production, save for when forecasts are highly inaccurate and longer

horizons are used. Results are mixed when capacity is moderately constrained, but postponement's advantages increase with longer planning horizons or less accurate forecasts.

Practical Implications: In order to keep costs low and service levels high, export-focused wineries may need to add postponement to their toolbox. As postponement incurs additional handling costs, savvy operations managers should first consider their winery's planning environment. The optimal postponement strategy may change throughout the year as conditions shift.

Key Words: Postponement, Export Management, Forecasting, Production Planning

1 INTRODUCTION

Matching supplies to wine demand is growing more challenging. With increasing reliance on export programs and private label brands, wineries must manage more sales channels. Products destined for different sales channels or international markets may contain the same wine but cannot be treated as substitutes. In particular labels are often printed in different languages and may satisfy country-specific regulations. This product proliferation leads to higher inventory levels and more setups, in turn increasing operational costs. Furthermore, product misallocation is more likely, especially as wine production follows a yearly cycle, with demand both highly seasonal and prone to inaccurate forecasts.

Two different operational strategies can be used to meet demand: make-to-order (MTO) and make-to-stock (MTS). Applying MTO in the wine industry requires some level of production decoupling: for export-focused wineries this falls naturally at postponing labelling until the client, market, and order size is known. As Soman et al (2004) note, the large number of setups required to support a pure MTO strategy for a highly diversified product portfolio may impact order performance measures such as average response time and average order delay. Yet a pure MTS strategy may result in lower fill rates due to order uncertainty.

Other research explores tradeoffs between MTO and MTS strategies in the food (Soman et al, 2004) and wine (Cholette, 2009 and Garcia et al, 2012) industry. We must first define *Postponemen*: the purposeful delay in differentiating processes or activities until more information about customer orders is available (Van Hoek 2001). Postponement in the wine industry can take many forms, such as delaying blending of component varietals, leaving wine in tanks longer, or leaving bottled wines unlabeled until demands are better known (Cholette 2009). Van Hoek (1997) anticipates the growing bulk wine market in a case study where wine is exported in bladders and bottled at the local market. However, bottled wines command higher prices, and many wineries export single varietals in a standard bottle, so the natural decoupling point is before labelling. While Cholette (2009) quantifies how postponing can benefit a winery, the author's longer-term modeling framework does not capture important operational nuances, such as batch bottling, production capacity and changeovers. Postponement can reduce inventory carrying costs and lost sales but may increase processing expenses due to the loss in economies of scale (Zinn and Bowersox, 1988).

Does postponement live up to its hype when the operational constraints are taken into account and setup costs are explicitly accounted for? We attempt to answer this question. We consider the operations of a large, export-focused Chilean winery, first presenting an overview of the operational complexities that a wine decision maker must consider. We create two mixed integer linear programming (MILP) models that differ in the kind of inventory they can keep.

Both models capture the problem of capacitated lot-sizing with setup times. We assess the performance –in terms of inventory levels, lost sales, and setup costs– of delayed product differentiation under different planning environments. The main contribution of this paper is that we demonstrate how capacity tightness, horizon length, and forecast inaccuracy affects the relative performance of both models, and thus the comparative advantage of using postponement.

The rest of this paper is organized as follows: in Section 2 we document the relevant winery operations to be considered. Section 3 presents the wine production planning models, the parameters that are varied, and the metrics for success. In Section 4 we summarize the findings from our computational experiments and their potential managerial implications. We conclude with limitations of the study and suggest directions for future research.

2 Overview of winery production and fulfillment operations

Although wine production is a long process that starts with grape cultivation and continues with harvest, fermentation, and other activities under control of oenologists, we concern ourselves only with the bottling and labelling processes shown in Figure 1. Most Chilean wineries sell their production Free on Board, which means that the buyer arranges transportation from the port to its final destination. Transportation from winery to the port is comparatively easy since the ports of Valparaiso and San Antonio are close to Chile’s wine regions. However, the wineries must be able to bottle and label the wines ordered by the clients and have them ready in time to be transported to and loaded on the ship specified by the buyer before it sails on. When a winery exports to different clients worldwide, making the stack date for all the products ordered by a particular client can be challenging.

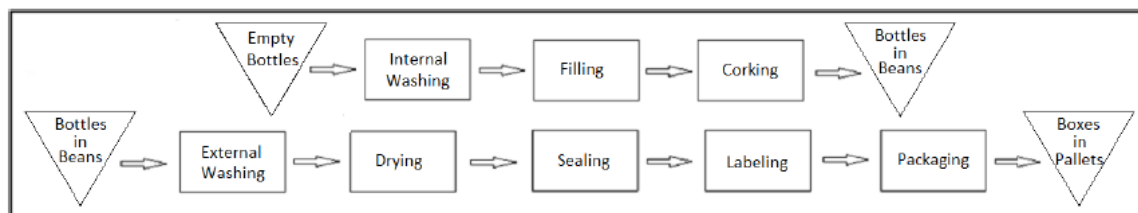


Figure 1: Bottling and labeling activities. Source: Arcos, 2004.

The critical activities, which usually determine the capacity of the line, are the bottle filling and the labeling activities. Processing speeds of bottling lines tend to be greater than the processing speed of the labeling, so when the lines work coupled the throughput of the line is usually determined by the labeling activity. Most bottling and labeling lines are highly automated and can run at a very high speed, but they require long setups when changing the product format or the wine being bottled. When the wine changes, both the intermediate bottling tank and the filling device on the bottling line must go through a cleaning process that removes all traces of the wine that was being filled. The length of the setup is sequence dependent on the type of wine and the quality of the wine. The time required to switch from red wine, to white wine is much longer than the time for the opposite switch. Also, switching from a regular wine to a premium wine takes longer than the converse, since mixing regular wine in with a premium wine is a worse error than getting some premium wine in a regular wine. Typical changeover times are almost two hours when going from a red to white wine, while going from white wine to a red one takes about one hour. The labeling process, on the other hand, is more agile than the bottling one

since setup times are much shorter and are not sequence dependent. For example, changing the label roll takes at most half an hour.

3 METHODOLOGY

We capture the winery's production planning problem with two mixed integer linear programming (MILP) models that differ by whether bottled inventory is stored unlabeled as work-in-progress (WIP) or labeled as finished goods. While in practice wineries may hold both unlabeled and labeled bottles, our research objective is to explore the impacts of labelling postponement on production planning performance. The full mathematical formulations are presented in Varas (2016); for brevity we summarize their salient aspects.

<i>Model Dimensions</i>	
I	Types of wine (2 types)
J	Labels (3 labels)
K	Production Lines (2 lines)
T	Time period (20 + HL weeks)
<i>Environmental factors</i>	
Horizon Length (HL): 3,4,5 weeks	
Production Capacity (PC): loose, moderate, tight	
Forecast Accuracy (FA): varying from relatively accurate to highly inaccurate	
<i>Key Parameters</i>	
Demand D_{ijt}	Uniform distribution over interval [.75 to 1.25] for each finished good ij and time t
Forecast FD_{ijt}^t	Forecast made in t for finished good ij in period t' . Less erroneous as t' becomes closer to t and with exogenous input (FA)
<i>Performance Measures</i>	
Shortage Level (SL)	Shortfall in demand for all finished goods that week not satisfied through production or from inventory, , averaged across all weeks and instances.
Inventory Level (IL)	Number of bottles, either labelled or unlabeled, stored at the winery that week, averaged across all weeks and instances.
Setups (SU)	Number of setups that occurred for bottling and/or labelling in a week, averaged across all weeks and instances.

Table 1: Model Setup Summary

3.1 Rolling horizon framework

Production planners often deal with forecast uncertainties using a rolling horizon framework (Chand et al, 2002). Illustrated in Figure 2, this framework requires setting the planning horizon length (HL), the frozen interval, and the replanning periodicity (Xie et al, 2003). The frozen interval is the subset of periods within the planning horizon for which the production plans are implemented according to the original schedule. The replanning periodicity (RP) is the numbers of periods between information updates and replanning production activities for the non-frozen periods. These parameters must be carefully set due to the trade-offs involved. Horizon lengths vary according to the order acceptance policy of the sales department; we will test the effects of setting the horizon length at 3, 4 and 5 weeks. A longer planning horizon may improve

effective use of resources, such as manpower through shift management, but adds more uncertainty to the manufacturing process due to more error-prone forecasts. A higher replanning periodicity (less frequent replanning) reduces the planning *nervousness*, simplifying supplying decisions, but reduce manufacturing flexibility, the ability to react to order changes (Gupta and Goyal, 1989). We assume that the winery typically makes the production planning decisions on a weekly basis: thus both the frozen interval and the RP will be 1 week. For each run we roll the model forward 20 times.

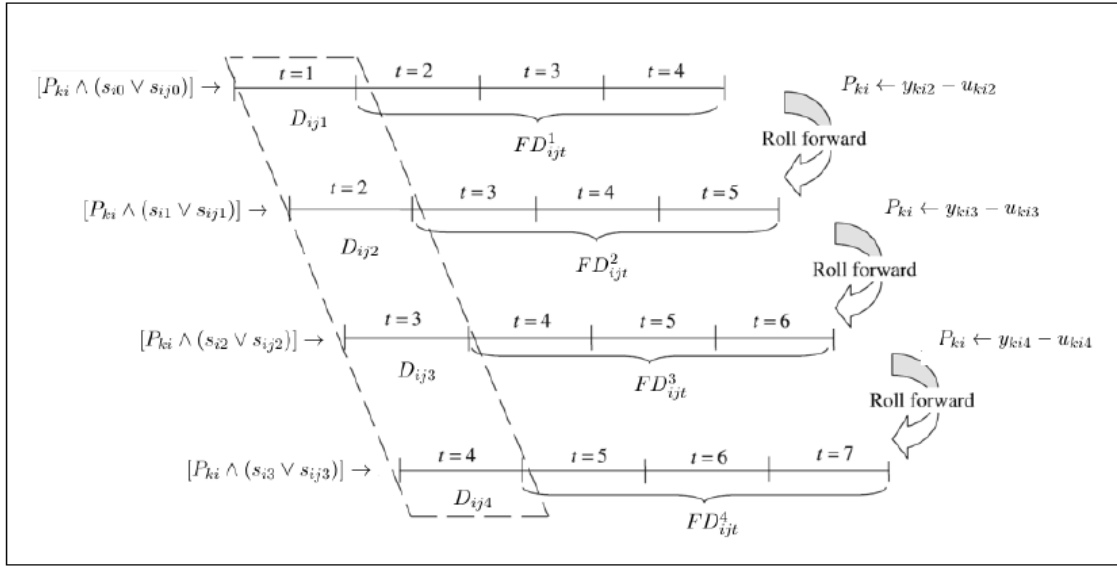


Figure 2: Rolling horizon framework with a RP of one period and a HL of four periods. Note that D_{ijt} refers to the actual demand in period t , whereas $FD_{ijt}^{t'}$ refers to the forecast made in t for the certain demand in period t' , with $t < t'$. Source: Asad and Demirli, 2010.

3.2 Demand Variability and Forecast Inaccuracy

Although wine typically exhibits seasonality, we assume demand for the finished goods over all periods is uniformly distributed. Forecast inaccuracy is incorporated via a parameter that multiplies the difference between a period's forecast and the actual demand, much as is done in Clark (2005). This parameter increases the further out demand is forecasted and is also tweaked exogenously with a Forecast Accuracy (FA) factor to mimic different production environments. We run both models for 60 different levels of this factor, defining three ordinal groupings of forecasts: relatively accurate, moderately inaccurate and highly inaccurate.

3.3 Decisions and Constraints

The main difference between the models is that the postponement model permits intermediate inventories to be generated by pulling tanked wine from the tanks and bottling it unlabeled. Conversely, the direct production model allows for wine to be bottled and labeled either to meet demand in that period or to be stored to meet anticipated future demand. Both models allow the lot size for a particular run to be determined endogenously. For example, larger lot sizes will increase inventory levels (IL) but reduce costs associated with setups (SU). Production decisions must respect operational constraints on tank usage and production line capacity. Production occurs one of two labeling and bottling lines, and the throughput of these

lines is set so that production capacity (PC) will be either relatively loose, moderate or tight with respect to average demand. If demand is unable to be met that week, a shortage (SL) is incurred.

3.4 Performance Measures and Objective Function

We consider three performance measures, where lower values are better. The average inventory level (IL) represents the number of bottles, either labelled or unlabeled, stored at the winery that week. Shortage levels (SL) are defined as any shortfall in demand from that week that was not satisfied through production or from inventory. Setups (SU) indicate the average number of setups that occurred for bottling or labelling activities that week. Use of labelling postponement means that as bottles must be run twice through the line, more setups will occur than with direct production, assuming similar lot sizes. Each of the models employs a weighted objective function to minimize the combination of these three measures. The weights are set to reflect the studied winery's preferences: shortages are the most pressing concern, while setup costs are typically less important. However, these weights have been calibrated so that no one metric will automatically dominate the other two.

4 FINDINGS AND MANAGERIAL IMPLICATIONS

We experiment with different planning environments by varying three factors: horizon length, forecast accuracy, and capacity tightness. These factors are important to consider as capacities vary by winery or even by season within the same winery, as can forecast accuracy and horizon length. We solve the two models for 100 instances of all such possible combinations, examining the weighted mix of resultant performance metrics. For brevity and simplicity, we present the comparative findings in Table 2, indicating whether the results are statistically significant ($p < .05$) and if so, when postponed production is preferable to direct production.

Postponed production outperforms direct production when capacity is tight, most notably due to service level failures due to production's inability to fulfill orders ontime. The superiority of postponed production is even more pronounced when forecast are less accuracy or planning horizons are longer. Conversely, when production line capacity is only loosely constrained, postponement loses most advantages over direct production, save for when forecasts are highly inaccurate and longer horizons are used. Results are mixed when capacity is moderately constrained, but postponement's advantages increase with longer planning horizons longer or less accurate forecasts.

Thus, before deciding whether to use postponement, winery planners would need to understand how accurate their forecasts are and how busy their productions lines are likely to be. Given that demand is highly seasonal, forecast accuracy and capacity usage may vary throughout the year. One managerial implication is that savvy operators could shift production strategies, postponing in times when production lines are likely to be highly constrained and orders less certain, then switching back to direct production in quieter or more certain times. These findings also suggest that winery operations managers will benefit from working more closely with their sales and marketing colleagues, as improvements to forecast accuracy or even just knowing when forecasts are more likely to be more accurate may shift the ideal operational strategy.

Forecast Accuracy	Horizon Length	Production Capacity		
		Loose	Moderate	Tight
Relatively Accurate	HL=3	<i>Definitely Worse</i>	<i>Definitely Worse</i>	Definitely Better
	HL=4	<i>Definitely Worse</i>	Results inconclusive	Definitely Better
	HL=5	Results inconclusive	Results inconclusive	Definitely Better
Moderately Inaccurate	HL=3	<i>Definitely Worse</i>	Results inconclusive	Definitely Better
	HL=4	<i>Definitely Worse</i>	Definitely Better	Definitely Better
	HL=5	Results inconclusive	Definitely Better	Definitely Better
Highly Inaccurate	HL=3	<i>Definitely Worse</i>	Definitely Better	Definitely Better
	HL=4	Definitely Better	Definitely Better	Definitely Better
	HL=5	Definitely Better	Definitely Better	Definitely Better

Table 2: Comparing Postponement to Direct Production under different environments

5 CONCLUSION

Although this work provides insights into the conditions that make postponement beneficial, some limitation must be addressed. As previously mentioned, wineries may not be operate only as make-to-stock or make-to-order but instead use a combination of both strategies (Garcia et al, 2012). Cholette (2009) shows that the optimal fraction of production postponed depends on conditions such as demand volatility. Thus, if results from our simplified analysis favor postponement over direct production, the real world solution will likely include both strategies but have more weight on postponement than in situations when our models favor direct production.

We have reduced the problem size so as to be able to solve this problem to optimality and to better illustrate fundamental results without cluttering details. However, we plan to develop heuristics that will handle the scale needed for solving the larger problems of real-world wine production planners.

As forecasts are unreliable and subject to change, solving models to optimality provides a limited benefit. Decision makers typically develop a variety of what-if analyses. Use of fix-and-relax heuristics such as espoused by Merce and Fontain (2003) should provide sufficiently good solutions for real-world problems with minimal computational burden.

Export-focused wineries will need to keep their costs low and service levels high in order to compete in the increasingly globalized wine market. Yet wineries and agribusiness producers on the whole have lagged behind other sectors such as tech and automotive (Van Hoek et al, 1998) in adopting measures such as postponement. Research such as this may serve to convince decision makers to consider postponement as an operational strategy and determine when it is more likely to be effective.

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Adaptation Strategies of Bordeaux's winemakers to face climate change

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Keywords: climate change, viticulture, adaptation strategies, probit model, Bordeaux

Abstract:

There is a strong consensus among international scientists regarding the existence of climate change (CC). It is well known that vineyards are particularly sensitive to climate factors, notably to temperature and precipitation. Changes in historical and future average temperature are expected to influence the overall quality of wines, and climate changes present significant challenges for this industry, now and into the future. Despite a lot of adaptive practices have been identified, almost nothing is known about the potential responses and efficient adaptation strategies the winegrowers are implementing or not and why. Therefore the models predicting a high decrease in winegrowing areas by 2050 didn't consider any adaptation of the winegrowers. From this perspective, we conducted an original survey on adaptation strategies of Bordeaux wine producers to face CC. The aim is to highlight whether winegrowers manage it in the short and long-run. The results demonstrate a significant short-term adaptation of wine producing firms, technical for the main part of time and in relation with the characteristics of each specific vintage. Wine producers therefore maintain yearly their strategic flexibility. On the long run, a part of them are adapting their practices (technically speaking once again) to the climate structural evolution.

Sustainability and its Impact on Chile's Vineyards

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Abstract

◦ *Purpose: To analyze how sustainability is understood, its implementation and finally if a formally managed and implemented sustainability initiative has any impact on the vineyards of Chile.*

◦ *Design / methodology / approach: To achieve the above objective, a two - step methodology was followed. First, we investigated sustainability and its impact on vineyards. Afterwards, fieldwork was carried out, materialized in a survey which was validated by experts from the academic and professional global communities. The field work lasted a period of 10 months, where a number of managers of Chilean vineyards, located between the IV and VII region of Chile, were thoroughly interviewed. The data gathered by the survey were duly analyzed with the aid of statistical packages.*

◦ *Findings: Based on the analysis done from the data provided by the 19 surveys undertaken, it is possible to verify a better economic performance of those vineyards that do have a sustainability management system in place, Wine of Chile - Sustainability, than those that do not.*

Key words: Sustainability, Performance, Wineries, Chile

A Toast...or Toasted? Wine Regions, Governance and Climate Change Adaptation

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Abstract

Short-term climate variability and long-term climate change are challenges confronting wine regions worldwide. Economic, political, social and environmental factors all influence a region's ability to adapt to these challenges. This project aims to understand how governance around land use planning, policy, and natural resource management creates opportunities or barriers to adaptation in wine regions. Applied social science research can enhance understanding of complex relationships between natural and human systems. This research will use the comparative case study method in order to better understand these issues in two regional contexts in Australia: the Barossa Valley and the island of Tasmania. Directed interviews with key-informants in government and the wine industry will be conducted to obtain descriptions and interpretations about the characteristics, orientations, and actions related to the research question. The research will also include an archival analysis of policy and planning documents affecting the wine industry, including industry initiatives and programs run by national, state, and local governments. The intended project outcome is to help identify the barriers and opportunities for new planning practices, as well as facilitate dialogue on adaptation strategies between local governments, those within the wine industry, and the larger community.

Key words: climate change, adaptation, natural resources, policy, wine

**Doing But Not Believing:
Why Wineries Engage In Sustainability Practices**

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◦Purpose: Sustainability as a corporate strategy depends in part on firm attitudes toward sustainability as well as the scope of sustainability practices. Wineries today are faced with the prospect of having to include sustainability into their practices but adoption can be hard, complicated or even undesired. This article examines firm features, specifically size as a potential source of variability regarding sustainability attitudes and practices for wineries.

◦Design/methodology/approach: Questionnaires were administered via telephone interviews with wineries in France (n=63). Production surface was the independent variable examined as potentially predicting sustainability attitudes and practices leading to competitive positioning and perceived firm success.

◦Findings: The findings clearly show that as wineries get bigger, their attitudes toward sustainability do not improve however sustainability practices do augment. Firm size and sustainability practices interact because they are perceived to lead to better competitive advantages such as augmented product quality and more appreciated innovations.

◦Implications: This study provides a firm (versus a consumer) perspective on sustainability in the wine industry. By identifying the difference between attitudes and practices, this study also provides insight in terms of firms features likely to encourage sustainability practices even if the attitudes to sustainability are not necessarily positive.

Key words: sustainability, wine, France

Philanthropy in the Global Wine Industry: An Exploratory Study

Part 1: Cross-national Qualitative Analysis

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Abstract

Purpose: Research on philanthropy in the wine industry is limited. This cross-national study seeks to explore philanthropy in the American, Spanish and New Zealand wine industries; specifically it identifies the philanthropic activities that are being carried out by wine businesses, the drivers of these activities, and the benefits (if any) that are gained from undertaking these activities.

Design/methodology/approach: The owners or managers of eleven wineries in the three nations were interviewed in order to obtain qualitative data. Analysis has identified common themes across the wineries and/or nations.

Findings: The major finding is that all of the interviewed wineries are undertaking philanthropic activities, with the donation of wine being the most common activity. Philanthropy across these wineries is predominantly being driven by altruistic rather than strategic motives, and the main benefit to arise from philanthropic activities is personal satisfaction, rather than any improvements in business performance. The commonalities found in this study suggest that winery owners are similar in terms of their wish to provide support for society, irrespective of cultural or national differences.

Key words: philanthropy; wine industry; qualitative; social responsibility; strategy

Philanthropy in the Global Wine Industry: An Exploratory Study

Part 2: Cross-national Quantitative Analysis

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Abstract

Purpose: This multi-national investigation examines the extent to which wine businesses are engaged in philanthropy, the types of donations provided, the nature of the recipients, and the amount that wineries are reportedly expending on these activities.

Design/methodology/approach: Researchers in five nations collected quantitative data from 408 wine businesses using an online questionnaire; descriptive statistics are presented herein.

Findings: A majority of respondents engage in philanthropic pursuits, with minor national differences in participation rates. Respondents report that the number of requests for donations is increasing annually, concomitantly resulting in increased giving. The primary activities are donations of wine and, to a lesser extent, cash donations. Beneficiaries are most likely to be at a local or regional level, and a wide range of organisations are supported.

Key words: philanthropy; wine industry; qualitative; social responsibility; strategy

1. INTRODUCTION

Business engagement in philanthropy has been said to improve both firm reputation (Seifert et al., 2003; Williams & Barrett, 2000) and the management of relationships with important stakeholders (Brammer & Millington, 2005). There is also evidence that consumers will give their support to those businesses who in turn choose to support charitable causes (e.g. Barone et al., 2000; Lorge, 1998; Smith & Alcorn, 1991). Whilst philanthropy as a subset of the corporate social responsibility (CSR) literature has been the focus of academic researchers for several decades, major gaps in knowledge remain with respect to actual company behaviours. Prior investigations have been primarily devoted to examination of philanthropy by large corporations in the United States (Schaper and Savery, 2004; Thompson, Smith and Hood, 1993). Researchers have yet to compare philanthropic practices across incumbents in a focal industry sector, across multiple nations, and among businesses in the wine industry.

Among the highlights of a 2015 survey of 520 residents in California's North Bay (Lake, Napa, and Sonoma Counties) and Central Coast (Santa Barbara and San Luis Obispo counties) is that, "84% [of respondents] said that wine businesses are either very important (54%) or important (30%) in terms of producing jobs and economic activity in their county; however, by a 50% to 19% margin, respondents said that most wine businesses are responsive to community concerns; 31% were uncertain or had no opinion about this" (McCuan and Hertz, 2015). One possible interpretation is that while respondents, by a considerable margin, embrace the presence of wine businesses in their communities to foster job creation and economic activity, they remain far less certain about the community benefits. Wine producers are well aware of community stewardship issues and acknowledge the importance of being environmentally mindful (Marshall et al., 2010). In order to create direct community benefits apart from economic growth or jobs, it seems likely that wine businesses are undertaking some form of philanthropy.

This investigation attempts to quantify and compare philanthropic practices in the US, Spanish, Australian, German and New Zealand wine industries. In particular, we examine whether wine businesses are actually undertaking philanthropy, and if so, what type of philanthropic activities they are providing, the value of their philanthropy (as a % of EBIT) and the main beneficiaries.

2. PHILANTHROPY LITERATURE

Payton (1988) defines philanthropy as voluntary actions for the public good. Similarly, Schuyt, Bekkers and Smit (2010) describe philanthropy as the voluntary contribution of money, goods, time or expertise to the public good. Philanthropy is commonly included as one of the core components of corporate social responsibility (CSR), with Carroll (1991) defining CSR as the economic, legal, ethical and philanthropic responsibilities of companies. It should be noted that philanthropy is the most discretionary of the CSR components, and thus the word voluntary typically appears in definitions of the concept. So, what are the types of voluntary contributions that businesses can make to assist society?

Previous research has revealed a number of philanthropic activities that businesses have undertaken. These include cash donations, product or service donations, use of facilities, sponsorship, volunteerism, employee matching grants, and cause-related marketing (Carroll & Buchholtz, 2003; Saiia et al., 2003; Seifert et al., 2003; Tsang, Welford & Brown, 2009). Some studies have reported that cash donations are the most common philanthropic activity (e.g. Cronk, 1988; Thompson, Smith & Hood, 1993). One study explored philanthropic engagement in the German Agrobusiness in the context of cluster management stating a high level of engagement for diverse agricultural businesses, including wine (Hensche et al., 2011). The philanthropic activities that wine businesses are realising have not been examined in detail in previous research.

Whilst there are numerous activities there are also a wide range of philanthropic beneficiaries. For example, Thompson, Smith and Hood (1993) report that local community, educational, sporting, religious, cultural, environmental and health-related organisations are the favoured recipients of philanthropy. Similarly, Godfrey (2005) and Siefert et al. (2003) note that philanthropy provides support for education, culture or the arts, minorities, health care, and relief funds for the victims of natural disasters. The Australian Bureau of Statistics (2002) report that small businesses typically donate to community welfare, sport and recreational causes, and health based activities.

There is some evidence that philanthropic activity is increasingly important and prevalent. For example, Bhattacharya and Sen (2004) claim that over 80% of the Fortune 500 companies are now including CSR spending in their annual reports (NB. this would include philanthropic endeavours). Porter and Kramer (2006) also note that 64% of the 250 largest multinational corporations are publishing CSR information annually. In the UK, the level of philanthropic donations made by large businesses has increased significantly over the past 20 years (Brammer & Millington, 2005). In New Zealand, Schaper and Savery (2004) report that over half of all businesses contribute to social and community causes. In terms of expenditure on philanthropy, donations across all FTSE companies was found to have increased from a mean of 0.11% of PBT in 1985 to 0.405% in 1999 (Campbell, Moore & Metzger, 2002). Thompson, Smith and Hood (1993) report the average annual donations by small businesses are only 0.2% of total annual sales. The extent to which wine businesses are engaged in philanthropy, and the amount they expend on these activities, is not known.

Gjolberg (2009) identifies national differences in CSR practices and performance, with corporate philanthropy in particular being prevalent among US companies. Palazzo (2002) also reports that European businesses are less inclined to engage in philanthropy than their American counterparts. Campbell, Moore and Metzger (2002) note that the rate of charitable donations in the US (1986-1996) is consistently higher than those made by UK businesses. As the wine industry is truly global in nature, we would thus expect differences across nations in terms of how (or if) philanthropy is undertaken. There is a suggestion that a business's industry sector may play a role in stimulating philanthropy (Brammer & Millington, 2006). This relates to the idea that the public and governments may apply pressure to businesses in some industries to behave in a socially responsible manner. As alcohol is a product which comes under considerable public and political scrutiny, it is possible that businesses in the wine industry

may feel a need to undertake philanthropy to balance any negative attention. Based on the foregoing review of the philanthropy literature, five research questions were developed:

- RQ1. Are wine businesses engaged in philanthropy?*
- RQ2. What amount are wine businesses spending on their philanthropic activities?*
- RQ3. Is the level of philanthropy provided, and requests received for philanthropy, increasing?*
- RQ4. Which philanthropic activities are most commonly provided by wine businesses?*
- RQ5. Who are the most common beneficiaries of wine business philanthropy?*

3. METHOD

To collect the quantitative data reported herein, each of the five researchers sent a structured questionnaire to wine businesses in their nation (typically using the online distribution services of *Survey Monkey* or *Qualtrics*). The questionnaire was developed following a review of the philanthropy literature, as well as exploratory interviews with several wine businesses in the US, Spain and New Zealand. The instrument used categorical items to measure the characteristics of the wine business (e.g. location, size and ownership structure), the philanthropic activities they engaged in during 2015, the recipients of these activities, and the amount spent (measured as a percentage of EBIT). Likert-scaled items were used to measure the philanthropic motivations, beliefs and strategies of the businesses. The questionnaire was pre-tested in some nations before data collection commenced. Whilst every effort was made to collect data using a standardised questionnaire, some minor changes to wording or categories had to be made in some nations to meet local needs.

Data was collected in each nation in 2016 and respondents were asked to refer to their business's philanthropic behaviour in the previous year. The number of respondents and the response rate varied across nation (see Table 1). The first column provides an estimate of the number of wine businesses in each nation.

Table 1. Respondent Numbers and Response Rate

<i>Nation</i>	<i>Approximate Population</i>	<i>Number of Respondents</i>	<i>Response Rate (%)</i>
USA	2,010	100	5
Spain	4,120	68	2
Australia	1,896	68	3
Germany	2,000	159	7
New Zealand	675	13	2

4. RESULTS & DISCUSSION

The first research question examined whether wine businesses are active philanthropically or not. Table 2 illustrates that a majority of wine businesses, in multiple nations, are indeed engaged in philanthropic activities. Earlier research reported that over half of all New Zealand businesses contribute philanthropically (Schaper & Savery, 2004) and that the level of philanthropy is higher in the US than in the UK or Europe (Campbell, Moore & Metzger, 2002; Gjolberg, 2009; Palazzo, 2002). Our results suggest that, in the wine sector, this has changed. A high engagement in philanthropy is developed both in the US and Europe (taking into account Spanish and German data) and this is also true across multiple nations such as NZ and Australia.

Table 2. Engagement in Philanthropy

	<i>Yes (%)</i>	<i>No (%)</i>
	99	1
	90	10
	81	19
	100	0
	100	0

The amount that wine businesses are spending on philanthropy was explored in the second research question (see Table 3). The questionnaire asked wine businesses to judge the value of their philanthropic activity (in 2015) as a percentage of their annual earnings before interest and taxes (EBIT). These results provide some support for the previously reported notion that US businesses expend more on philanthropy than do those in other nations. A total of 41% of US wine businesses donated 1% or more of EBIT; this compares to 13% of Spanish, 24% of Australian and 23% of New Zealand wine businesses.

Table 3. Value of Philanthropy

<i>Philanthropy as a percentage of EBIT</i>	<i>USA (%)</i>	<i>Spain (%)</i>	<i>Australia (%)</i>	<i>Germany (%)</i>	<i>NZ (%)</i>
Less than 0.2%	19	42	24	nr	39
Between 0.2% and 0.5%	20	14	25	nr	8
Between 0.6% and 1%	12	8	13	nr	31
Between 1% and 3%	24	8	9	nr	15
Greater than 3%	17	5	15	nr	8
Don't know	8	22	15	nr	0

nr=not recorded

The third research question examined whether the level of philanthropy was increasing or not; measured by both the wine businesses philanthropic activities and by the requests they receive for support. Tables 4a and 4b illustrate that the number of requests for help that wine businesses are receiving each year is increasing,. This may suggest that charity organisations are needing more and more help in order to address growing social issues. It may also be possible that the more the wine

industry is viewed as a substantial supporter of social causes, the more they are being drawn upon to provide support. For many wine business, the level of philanthropic help they choose to provide is also increasing each year (except in Germany). Again, this may be as a result of the increasing number of requests for help that they are receiving.

Table 4a. Level of Philanthropic Activity by Wine Businesses

	<i>USA (%)</i>	<i>Spain (%)</i>	<i>Australia (%)</i>	<i>Germany (%)</i>	<i>NZ (%)</i>
Level of philanthropic activity is increasing each year	35	41	35	10	39
Level of phil. activity is staying about the same each year	63	52	65	87	62
Level of philanthropic activity is decreasing each year	1	2	0	2	0
Don't know	1	6	0	1	0

Table 4b. Level of Requests Received by Wine Businesses for Philanthropic Support

	<i>USA (%)</i>	<i>Spain (%)</i>	<i>Australia (%)</i>	<i>Germany (%)</i>	<i>NZ (%)</i>
Level of requests is increasing each year	74	44	69	nr	77
Level of requests is staying about the same each year	20	42	29	nr	23
Level of requests is decreasing each year	1	0	0	nr	0
Don't know	1	14	2	nr	0

nr=not recorded

The types of philanthropic activities that wine businesses are engaged in were identified in the fourth research question (see Table 5). It was found that some wine businesses only undertook a single philanthropic activity, but a majority were involved with providing a number of different types of philanthropic activities. Across all nations, the single most commonly provided activity was the donation of wine. This result differs from earlier studies which have reported that cash donations are the most commonly undertaken philanthropic activity (e.g. Cronk, 1988; Thompson, Smith & Hood, 1993). Cash donation still follows in importance across the nations.

Table 5. Philanthropic Activities

<i>Activity</i>	<i>USA (%)</i>	<i>Spain (%)</i>	<i>Australia (%)</i>	<i>Germany (%)</i>	<i>NZ (%)</i>
Donations of wine	95	86	95	86	85
Donations of cash	69	33	38	65	54
Donations of facilities to host events	52	40	35	51	46
Donations of staff time	73	44	42	42	54
Donations of % of revenue on units sold	17	10	18	11	8
Sponsorship of a person, event or cause	42	43	58	12	54
Matching employee gifts/donations	9	8	4	21	0
Serving on non-profit boards	59	16	29	23	54
Volunteer efforts by staff	48	19	42	21	31
Other	nr	6	11	33	0

nr=not recorded

The final research question examined who was benefitting from the philanthropy provided by wine businesses. Table 6 illustrates the beneficiaries that the wine businesses focused on, as well as their locational preference. It is clear from these results that wine businesses prefer to have a focus on their local or regional vicinity; this indicates how important these businesses are to charities and organisations operating in physical proximity to wine businesses. New World nations appear to have less of a focus on international charities, when compared to the results from Spain. Education, cultural or arts, health, welfare or community organisations are most likely to benefit from wine business philanthropy in the US. In Australia, the results are similar except that sports organisations are also significant beneficiaries. Results from Germany are again similar, except that health organisations do

not receive wide support. New Zealand wine businesses are most likely to support educational, health, welfare or community and cultural or arts organisations. The most commonly supported causes in Spain are sports, cultural or arts, education and environmental. The results provide evidence that a wide range of organisations are benefitting from the philanthropy provided by international wine businesses.

Table 6. Beneficiaries of Wine Business Philanthropy

	<i>US</i> (%)	<i>Spain</i> (%)	<i>Australia</i> (%)	<i>Germany</i> (%)	<i>NZ</i> (%)
Individuals in need	25	42	22	31	46
Local charities	94	61	76	66	92
Regional charities	48	39	45		54
National charities	29	32	31	23	23
International charities	4	23	13		8
Educational institutions	64	37	44	43	54
Health-related institutions	49	8	44	16	46
Welfare or community organisations	45	19	49	89	46
Sports organisations	10	47	51	41	39
Religious organisations	15	16	22	37	0
Cultural or arts organisations	52	44	60	42	46
Environmental organisations	32	23	22	18	15
Relief funds (e.g. natural disasters)	23	10	29	10	31
Other	14	6	4	8	23

5. CONCLUSIONS, LIMITATIONS, FUTURE DIRECTIONS

This investigation provides an initial exploration of philanthropy across the global wine industry. A majority of respondents (i.e. at least 80%) are voluntarily providing support for the public good through philanthropy. Caution must be used in interpreting the results inasmuch as some questions may have become “lost in translation” or elicited answers that had different shades of meaning, due to the cultural and linguistic differences among respondents across country boundaries. Further, respondents may have reported higher levels of philanthropic behaviours than actual practice, due to fear of reputational harm.

That said, however, several gaps in knowledge regarding CSR in general and business philanthropy in particular are addressed in this investigation. There appears to be great convergence among respondents from different countries around: (1) nearly unanimous engagement in philanthropy, (2) dominance of wine donations, followed by donations of cash, (3) focus on supporting local and regional organisations in the educational, health, welfare or community, cultural or arts, sports or environmental areas, and (4) inducements to respond to an increasing number of requests for donations on an annual basis, whilst levels of philanthropic activity appear to be more or less constant across all nations under

study. With respect to national differences, wine businesses in the US report spending a higher percentage of EBIT on philanthropic activities than do their counterparts in other nations. A possible explanation for this disparity is that US companies can deduct charitable contributions to lower reported income for taxation purposes, whereas companies in some other countries cannot. A future study using the same data sets will (1) ascertain whether or not the motivations for philanthropy are altruistic or strategic in nature, (2) identify any benefits that are gained from philanthropic pursuits, and (3) examine the impact of firm size on giving.

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Teamwork in Wine Business Education: A Case of Collaboration between the Local Wine Industry and Academia

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Abstract

Purpose: As part of ongoing work to develop an interdisciplinary, undergraduate wine studies curriculum, business department professors, in collaboration with wine studies specialists, developed a new wine business (management and marketing) education course and augmented another.

Design/methodology/approach: Two courses in the undergraduate business program were targeted: a) a wine industry simulation was designed and delivered as part of an introductory course in management; and b) a new upper-division management and marketing course in value chain management in the wine industry was created. Both courses included collaboration among instructors and collaboration between instructors and professionals from the wine industry.

Findings: Members of the wine industry enthusiastically participated in course administration, building a base for future collaboration in wine business education. Students reported learning the many challenges and complexities of the business of wine and showed interest in taking more wine-related courses.

Practical implications: Traditional undergraduate students with little to no work experience and little to no wine industry knowledge can benefit greatly from a collaborative approach between wine industry experts and academicians in the design and delivery of wine business courses.

Key words: Wine business education, simulation, collaboration

The Impact of Marketing Directors on Entrepreneurial Practices in North Carolina Wineries

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Abstract:

Purpose: The aim of this research was to investigate to what extent having a designated marketing director impacts a winery's entrepreneurial marketing efforts.

Design/methodology: An online survey using Qualtrics measuring several entrepreneurial marketing dimensions was distributed to 142 members on the list of North Carolina wineries identified by the North Carolina Department of Agriculture and Consumer Services resulting in 33 usable surveys (23% response rate). Data was analyzed using analysis of variance.

Findings: Results illustrate that wineries that had a marketing director were more proactive, opportunity driven and more customer intensive. In addition, wineries with a marketing director were also marginally more innovation focused and employed risk reduction tactics. Finally, there were no differences between wineries with or without marketing directors in a winery's value creation.

Practical implications: Previous research has shown that an organization's use of entrepreneurial marketing tactics can lead to higher levels of organizational performance. In addition, research from the wine industry also suggests the positive relationship between a winery's use of entrepreneurial marketing and winery performance. This research sought to explore whether wineries that had a marketing director used entrepreneurial marketing tactics to a greater degree than wineries that did not. The results suggest that wineries with marketing directors employed entrepreneurial marketing tactics to a greater extent than those that did not have a marketing director.

Keywords: Entrepreneurial Marketing, Wineries, Marketing Director

Successful marketing of organic wine – a qualitative analysis of producers and retailers

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Purpose – The purpose of this study is to examine the factors which lead to a discrepancy between producers' supply and consumers' active demand of organic wine in Germany and to draw practical conclusions for the industry.

Design/methodology/approach – Data for this survey were collected using semi-structured in-depth interviews as a qualitative research method. Therefore, experts from 21 organic wineries and 14 different types of retailers were interviewed and examined using a content analysis. Furthermore, 20 store tests support the analysed data.

Findings – It is shown that producers do not actively communicate their organic wine production towards their customers. Both retailers and consumers do base their wine buying decision not on the attribute organic but on other factors such as wine quality, taste and relationship with the winery. In addition, consumers have little knowledge and are unfamiliar with organic wine. The combination of those findings does result in consumers' missing active demand of organic wine.

Practical implications – To increase an active demand of organic wine by consumers, organic wine producers might seek to activate the attribute organic within the wine buying process of consumers and retailers. This can be achieved by 1) the use of organic stores as a distribution channel, 2) an active communication through organic wine producers and retailers and 3) a better communication of organic wine labels. Using those practical implications can help organic wine producers to generate more active demand for organic wine.

Key words: Organic wine, Germany, Producers, Retailers, Qualitative research

WHAT DOES ‘SUSTAINABLE WINE’ MEAN TO CONSUMERS? AN EXPLORATORY STUDY IN FRANCE AND ITALY

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Abstract

◦Purpose

The study sought to investigate consumers’ awareness of different types of sustainable wine and whether wine involvement and a propensity towards ethically minded behaviours affect consumers’ perceptions. The study undertook a cross-country analysis of France and Italy.

◦Design/methodology/approach

The study used a free-choice approach to measure consumers’ perceptions of sustainable wine. Data were collected using an online consumer survey.

◦Findings

Perceptions in the top of consumers’ mind included respect for the environment, specific types of products and a low use of chemical products. French respondents focused on the social and economic effects of sustainable practices, while Italian respondents highlighted the benefits of the positive effects of sustainable wine on personal health. The perceptual space compared the following dimensions: different types of sustainable wine to conventional wine; health and sensory benefits to ethics; and wine with no added sulphites to other types of sustainable wine. Product involvement played a key role in determining consumers’ ability to discriminate between sustainable wines. To a lesser extent, consumers’ attitudes towards ethically minded behaviours appeared to explain differences in consumers’ perceptions.

◦Practical implications

The results of this study provide wineries with insights into consumers’ perceptions of seven different types of wine. Further, the results show that marketers need to provide clear evidence of the positive effects of sustainable practices. The results could also be used to support wineries’ marketing strategies so that they link product innovativeness, health concerns and ethical values with wine involvement and ethically minded behaviours in consumers’ perceptions.

Key words: sustainable wine, pick-any approach, ethically minded consumer behaviours, wine involvement, old wine world countries.

1. INTRODUCTION

There is already an extensive body of research on sustainable food and organic food consumption (Aertsens et al., 2009; Reisch et al., 2013). However, thus far, only a few studies have sought to understand the underlying motivations of consumers and the relationship between product evaluations and ethical and environmental consciousness. Consequently, more research is needed on the relationship between sustainability concerns and sustainable product choices. Such research would provide winemakers, marketers and public institutions with new insights into the most effective policy and communication actions that aim to promote sustainable choices.

Wine is essentially an agricultural product; thus, sustainability plays a very significant role in the wine business. One of the many problems that the wine industry has to address is the environmental consequence of making wine (Szolnoki, 2013). Today, rising energy prices, water scarcity, concerns about chemical exposure and climate change threaten the wine industry (Gilinsky et al., 2016).

Research on organic wine in France has shown that the organic market share is lower for wine than that of other food sectors (Agence Bio, 2016). Further, consumers, winemakers and wine companies remain confused about the meaning of terms such as sustainable winemaking and organic or biodynamic wine. Sustainable grape growing and wine making constitute a much broader concept than organic, biodynamic or integrated pest/crop management (Szolnoki, 2013). This study sought to offer new insights into the sustainable wine market by exploring the concept of sustainability and consumers' perceptions of sustainable wine. Specifically, this study aimed to investigate whether wine involvement and a propensity towards ecologically and ethically minded behaviours affects consumers' perceptions.

2. LITERATURE REVIEW

In the wine sector, several recent studies have shown that consumers are generally interested in wines that are environmentally friendly or socially responsible (Remaud and Sirieix, 2012; Ginon et al., 2014; Pomarici and Vecchio, 2014). However, compared to other industries, consumers hold the perception that the wine industry is already 'green'; a perception that creates one of the biggest barriers to the success of the sustainable wine sector (Sogari et al., 2016). Wine is generally perceived to be a 'natural' product; thus, compared to other 'natural' food products, claims of wine being organic have failed to create an important differentiation element (Remaud and Sirieix, 2012; Sogari et al., 2016). Indeed, the results of a study conducted in Canada (Rojas-Méndez et al., 2015) did not suggest that people highly concerned about the environment were more likely to have positive attitudes towards organic wine. A study conducted by Ginon et al. (2014) evaluated French consumers' perceptions of several logos that indicated environmentally sustainable production. The study showed that participants found the logos claiming environmental sustainability to be confusing and partially responsible for a reduction in participants' perceptions about the credibility of sustainable production practices. Moreover, consumers did not recognise any of the logos referring to sustainable wine practices. Many studies have linked product involvement to wine purchasing behaviours. Previous studies have found contradictory results on the relationship between involvement in wine and organic wine consumption. Rojas-Méndez et al. (2015) found that hedonism not only explains the consumption of wine in general, but also explains why consumers involved in wine do not

consume more organic wine. More generally, it has been found that consumers do not associate good taste with eco-certification.

Extensive research has been conducted analysing consumers' attitudes towards ecological and ethical behaviours and the issue of the attitude-behaviour gap (Sudbury-Riley and Kohlbacher, 2016). Sogari et al. (2016) found that valuing environmental protection does not affect the importance of sustainability during wine purchases; however, the belief that sustainable products provide benefits to the environment influences wine consumers' attitudes and purchases.

3. OBJECTIVES AND RESEARCH QUESTIONS

The study had a number of objectives. First, it sought to explore consumers' awareness of the existence of wines that claim sustainable practices, and consumers' perceptions of the concept of sustainability and the characteristics of sustainable wine. Second, it examined consumers' perceptions of sustainable wine and the product attributes associated with different types of sustainable wine. Third, it investigated the relationship between consumers' concerns for sustainability, their wine involvement and the product attributes associated with sustainable wine.

The study adopted a cross-country analysis, comparing results from France and Italy. These countries have in common a long tradition in wine consumption and production; French and Italian consumers show involvement with wine and sustainable consciousness has only recently begun to increase in the wine industry.

The study sought to answer to the following research questions: (i) Are French and Italian consumers familiar with sustainable wine and if so, what meanings do they associate with this concept; (ii) Which product-attribute associations do French and Italian consumers attach to sustainable wine, which associations are country-specific, which are product-specific and what are the differences to conventional wine; and (iii) How does wine involvement and a propensity towards ecologically and ethically minded behaviours affect consumers' perceptions about sustainable wine?

4. RESEARCH METHOD

An online consumer survey was administered by posting the questionnaire through social media in France and Italy from June to October 2016. The questionnaire comprised three sections. The first section analysed the awareness and immediate perceptions of respondents about sustainable wine in general by asking open-ended questions. The second section used a free-choice approach and the pick-any technique to measure consumers' perceptions about sustainable wine (Driesener and Romaniuk, 2006) and to explore and compare consumers' perceptions of conventional wine and sustainable wine. Specifically, respondents were asked state which attribute(s) they associated with each wine. They could freely link any, all or no wine to each attribute. The lists of attributes and wines were adopted from the earlier study of Remaud and Sirieix (2012) conducted in Australia and France and was selected following the literature review and tested on a focus group in Italy.

The list of attributes comprised 18 items representing four different groups of wine characteristics: (i) concrete characteristics (i.e., good value for money, more expensive, low quality, genuine taste and distinctive taste); (ii) image characteristics (i.e., traditional, luxury, innovative, linked to its origin and requiring education to appreciate); (iii) benefits to the

consumer (i.e., does not cause headaches, good for health, pleasure and fun, and trendy); (iv) benefits for the society (i.e., harmless to the environment, a more responsible winemaker, supports local production and respects ethical values).

The list of wines comprised six wines defined as sustainable and accessible to consumers in both countries (Mariani and Vastola, 2015): (i) organic wine; (ii) biodynamic wine; (iii) wine with no added sulphites; (iv) natural wine; (v) fair trade wine; and (vi) carbon neutral wine. Conventional wine was also included so that the respondents could consider a product with no sustainability features.

The third section of the survey used the Ethically Minded Consumer Behaviour (EMCB) scale developed by Sudbury-Riley and Kohlbacher (2016) to explore respondents' attitudes towards the concept of sustainability. Respondents' involvement with wine was evaluated using a scale proposed by Yuan et al. (2008).

The data were analysed using statistical software SPSS 22.0 and the technique of correspondence analysis. Attribute-product associations were represented through perception maps and tables of deviations. Median splits on summed scores of the EMCB and wine involvement scales were used to identify four types of consumers combining 'low' and 'high' divisions of EMCB and wine involvement for both countries. The four types included consumers with: (i) low EMCB and low wine involvement (T1); (ii) low EMCB and high wine involvement (T2); (iii) high EMCB and low wine involvement (T3); and (iv) high EMCB and high wine involvement (T4). Perception maps were generated for each type of consumer.

The samples comprised 148 people in France and 272 people in Italy. Unsurprisingly, as it was an online survey, the respondents in both samples were mostly young and well educated.

However, the French sample mainly comprised female students with low-income levels, while the majority of the Italian respondents were male workers with medium income levels. Both samples indicated they were frequent wine consumers. Specifically, 86.1 per cent and 74.4 per cent of respondents stated that they drank wine at least several times per month from the French and Italian samples, respectively.

5. RESULTS

5.1. Consumers' awareness and top-of-mind perceptions about sustainable wine

The French respondents appeared to be more familiar with sustainable wine than Italian respondents. Specifically, 54.7 per cent of the French sample, but only 38.2 per cent of the Italian sample had already heard of sustainable wine. Of the respondents familiar with the term 'sustainable wine', respondents' top-of-mind perceptions across the two countries linked sustainable wine with respect for the environment and specific types of product (Table 1). A similar percentage of respondents across France and Italy also indicated that using low levels of pesticides and chemical products was important.

Interestingly, subsequent word associations were focused on the benefits of sustainable wine in terms of sustainable development and its positive social and economic effects by French respondents. Conversely, Italian respondents highlighted the concept of ecology, improving biodiversity and the benefits for personal health. Very few respondents associated sustainability with a 'green' marketing strategy by wineries.

The absence of chemical inputs and the organic nature of these products were the top-of-mind characteristics noted for sustainable wine among the French and Italian respondents,

respectively. Further, Italian respondents highlighted a wider range of subjective individual benefits (such as being natural, healthy, genuine, good and safe). Very few respondents in either country perceived sustainable wine to be an expensive product.

Table 2 sets out the meanings that unaware respondents associated with the term ‘sustainable wine’. In both countries, respondents associated respect for the environment and the ecosystem with sustainable wine. They also associated sustainable wine with organic, biodynamic or natural wine. Similar percentages of respondents in both France and Italy indicated the social benefits and the link to the local production. Additionally, similar percentages of French and Italian respondents had no idea about the meaning of the term. Further, unlike the French respondents, two-fifths of the Italian respondents indicated that health and quality were further positive characteristics of sustainable wine.

Table 1 Word associations among respondents familiar with sustainable wine

	France (n=81) frequency (%)	Italy (n=104) frequency (%)
Respect for the environment	44.4	34.6
Organic wine, biodynamic wine, natural wine or wine without added sulphites	32.1	41.3
Sustainable development	27.2	2.9
Social and/or economic development	18.5	3.8
Less pesticides and chemical products	12.3	11.5
Ecology and biodiversity	3.7	18.3
‘Green’ marketing	2.5	4.8
Healthy product	0.0	5.8

Note: Multiple responses were accepted for both questions.

Table 2 Word associations among respondents unfamiliar with sustainable wine

	France (n=67) frequency (%)	Italy (n=168) frequency (%)
Respect for the environment	32.8	47.0
Organic wine, biodynamic wine or natural wine	31.3	29.8
Social development and equity	14.9	14.9
Local product	10.4	15.5
A healthy and quality product	-	39.9
I don’t know	13.4	13.7

5.2. Attribute-product associations

Figure 1 sets out consumers’ perception maps of attribute-product associations for the French and Italian respondents. There were some similarities between the attribute-product associations of the two samples. However, French respondents appeared to have a better ability to discriminate between attribute and product in the perceptual space than Italian respondents. Two latent dimensions explained approximately four-fifths of the variances in both samples. The first dimension that compared sustainable wine to conventional wine explained approximately half of the variance, while the second dimension explained 27 per cent of the variance and compared wine with no added sulphites to other sustainable wines, and health and sensory benefits to ethics.

The analysis of deviations from the expected levels of responses showed that both samples positively associated conventional wine with the characteristics of tradition, good value for money, pleasure and fun and as being either low quality or luxury. However, conventional wine was not seen as trendy, innovative or more expensive. Respondents also held negative perceptions about the societal benefits of responsible wine making, its harmlessness to the environment and respecting ethical values.

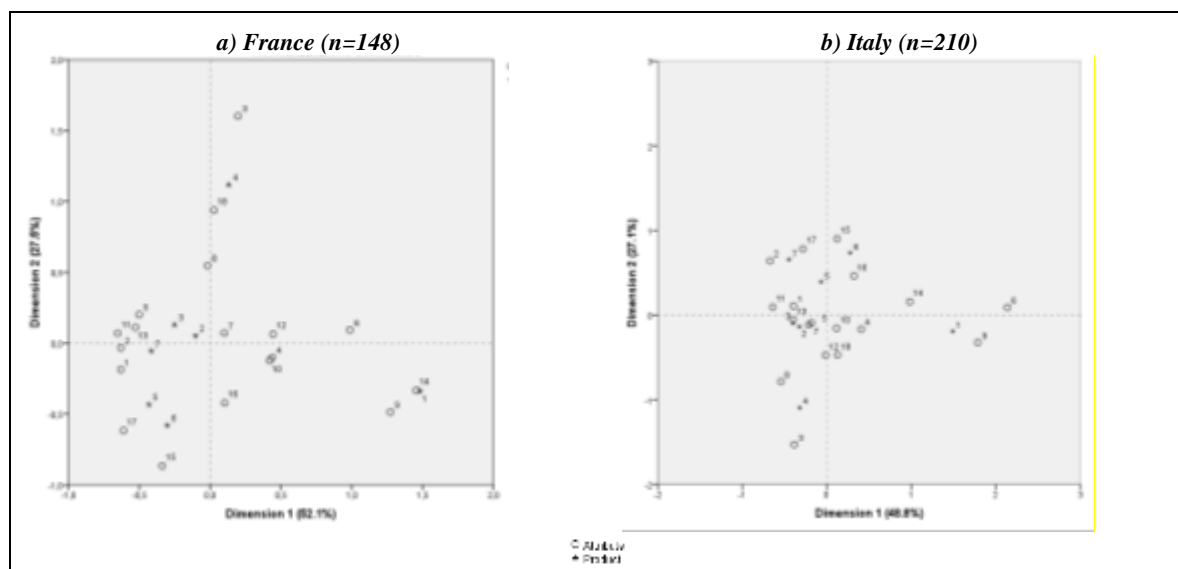
As confirmed by their positions close to the centre of the maps (see Figure 1), organic and biodynamic wines received moderate attribute associations in relation to the expected levels of response. Organic wine was associated with the characteristics of being harmless to the environment, trendy, good for health and more expensive. Italian respondents also perceived it as having a genuine taste. Italian respondents did not see organic wine as being low quality, traditional or supporting local production while French respondents did not see it as being innovative or requiring education to be appreciated.

Both samples perceived biodynamic wine as being more expensive and innovative, but did not see it as being able to support local production or as offering good value for money. French respondents also highlighted the fact that it could be harmless to the environment, while Italian respondents associated it with luxury and as requiring education to be appreciated, but negatively associated it with tradition, respect for ethical values and links to origin.

Wine with no added sulphites was clearly associated with health benefits and French respondents believed that it had a distinctive taste. Negative associations included its benefits for society and the environment. Respondents associated natural wine with a respect for ethical values. French respondents also highlighted its benefits for local production and saw it as being associated with more responsible winemakers.

Fair trade wine was perceived as having the ability to support local production and as respecting ethical values, but was negatively seen in relation to harmlessness to the environment, its innovativeness and healthiness. Conversely, carbon neutral wine was perceived as being harmless to the environment and innovative; however, it was not seen as traditional or as having a genuine taste. Italian respondents added the characteristics of winemakers that are more responsible and respect ethical values.

Figure 1 Perception maps by country



Note: Attributes: 1 = More responsible winemaker, 2 = Harmless to the environment; 3 = Does not cause headaches; 4 = Pleasure and fun; 5 = Trendy; 6 = Low quality; 7 = Need to be educated to appreciate; 8 = Good for health; 9 = Traditional; 10 = Luxury; 11 = Innovative; 12 = Genuine taste; 13 = More expensive; 14 = Good value for money; 15 = Supports local production; 16 = Linked to its origin; 17 = Respects ethical values; 18 = Distinctive taste. Products: 1 = conventional wine; 2 = organic wine; 3 = biodynamic wine; 4 = Wine with no added sulphites; 5 = natural wine; 6 = fair trade wine; 7 = carbon neutral wine.

Perception maps of the four consumer types highlighted the different influences of EMCB and wine involvement on consumers' perceptions of sustainable wine.

Less involved consumers associated specific attributes to conventional wine and wine with no added sulphites, but showed less discriminative ability in relation to the other sustainable wines. When EMCB was high (i.e., among T3 consumers), natural, fair trade and carbon neutral wines were positioned very close to each other on the perceptual map in relation to conventional wine and were mainly associated with ethical attributes.

When wine involvement was high (i.e., among T2 and T4 consumers), it appears that it was easier for respondents to attach product-attribute associations (e.g., the distinctive taste of wine with no added sulphites) to sustainable wine. In relation to the other wines, the respondents distinguished between both organic and biodynamic wines and natural, fair trade and carbon neutral wines. Notably, T4 consumers with high EMCB make particularly clear distinctions. Organic and biodynamic wines were associated with product characteristics (i.e., as being more expensive, innovative, trendy and requiring education) while natural, fair trade and carbon neutral wines were associated with benefits to society. Natural wine was closely associated with ethical values, fair trade wine was associated with supporting local production and carbon neutral wine was associated with respect for the environment and responsible winemaking.

6. DISCUSSION AND CONCLUSION

French and Italian respondents showed different levels of familiarity with sustainable wine. The perceptions in the top of consumers' mind were similar in both countries; however, French respondents were more focused on its positive social and economic effects and Italian respondents were more focused on the benefits of sustainable wine in terms of product quality and individual health. These results were consistent with the recent work of Thøgersen (2017) who found that openness to environmentally friendly food products differs between lifestyles and European regions. Unfamiliar respondents with sustainable wine held similar positive perceptions as the familiar respondents; however, fewer word associations were elicited. Only a small share of the respondents proved to be sceptical about sustainable wine.

These results have practical relevance for wine marketers. If the positive effects of sustainable production practices were emphasized (in terms of resource savings, waste reduction or economic and social balances), consumers could be provided with concrete evidence of the expected benefits of sustainable wine and consumer's credibility (undoubtedly the weak points of sustainable products) could be increased (Ginon et al., 2014).

In the perceptual space, French and Italian respondents clearly differentiated between conventional wine and sustainable wine, perceiving sustainable wine as more innovative and trendy. These results also support Thøgersen's (2017) findings in relation to food products. Among sustainable wines, the perceptual dimension ranged from health and sensory benefits to ethical values. Wine with no added sulphites was perceived differently to other types of sustainable wines. Organic and biodynamic wines received moderate attribute associations and were mainly associated with concrete or image product characteristics. Conversely, consumers mostly associated ethical attributes to natural, fair trade and carbon neutral wines.

Combined with the market segmentations proposed by several previous studies (i.e., Pomarici and Vecchio (2014), Sogari et al. (2015) and Thøgersen, (2017)), these results could be used to support wineries' decision-making processes in relation to product mixes and consumer targets. The perceptual space showed the relative distance among types of sustainable wine. Further, the product-attribute associations identified by this study could provide a starting point for consistent

marketing combinations between product portfolio, target market expectations in terms of quality and sustainable impacts, promotion and communication campaigns.

In relation to the French sample, the results of this study were compared to those obtained by Remaud and Sirieix (2010) in their study on perceptions of organic, biodynamic and wine with no added sulphites. The comparison showed that the image of conventional wine has not changed significantly in France and that the image of organic wine remains the same for most attributes (i.e., harmless to the environment, trendy, good for health and more expensive). However, some of the associations were weaker in the present study. Interestingly, the attribute 'good value for money' was negatively associated with organic wine in 2010, but was not more significantly associated with organic wine in the present study. Additionally, biodynamic wine was perceived as being less expensive, trendy and innovative than in 2010, but was more strongly associated with being harmless to the environment. The need for education to appreciate the wine was no more significantly associated with this type of wine. Finally, in both studies, wine with no added sulphites was associated with health-related attributes. Thus, it can be concluded that the positioning of organic and biodynamic wines has changed; both were seen as more being familiar and less expensive than in the previous study. This is also consistent with the growing market share of these wines and the decreasing price gap between these and conventional wines.

In relation to the Italian sample, the results accord with previous studies on the Italian sustainable wine market (Mariani and Vastola, 2015). Among the product-attribute associations, Italian respondents attach importance to respect for the environment and ethics, but the expense of these products does not appear to be an issue. This also confirmed Sogari et al.'s (2015) study that found a positive relationship between positive attitudes towards sustainable wine, higher beliefs of environmental protection and a willingness to pay more money.

The present study extended the research by showing how wine involvement and a propensity towards ecologically and ethically minded behaviours affect consumers' perceptions. The findings highlighted that consumers' involvement with products plays a key role in determining their ability to discriminate between the different types of sustainable wine. Conversely, consumers' attitudes towards an EMCB appeared to explain to a lesser extent differences in consumers' perceptions. These results were also consistent with those of Sogari et al. (2016) who showed that valuing environmental protection is not significantly related to the level of importance attributed to sustainable aspects in wine. Additionally, the results are partially in line with those of Pomarici and Vecchio (2014) who identified the relevance of wine involvement, but also considered other factors such as wine purchasing frequency and interest in sustainable foods to reduce the attitude-behaviour gap.

It appears that is the first time that the EMCB scale has been applied to analyse the perceptions of wine consumers. However, this study does have some research limitations. The first limitation relates to the size of the sample investigated. Future studies should be conducted in new world wine-producing countries or countries characterised by an emerging wine demand. The attitude-behaviour gap is also an area that has not been investigated in relation to sustainable wines. Scholars and marketers should pay close attention to this issue to identify feasible solutions for wine.

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If Parker Likes It, What's Wrong with Me? A Critique of Wine Ratings as Psychophysical Scaling

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“We cannot share experiences so we cannot compare perceived sensations directly.”
(Bartoshuk et al., Physiology and Behavior 82 (2004), p. 110)

Abstract

Purpose: Beyond technological change to enhance wine market efficiency, dispassionate expert wine evaluation to educate consumers might have increased information efficiency in recent decades since consumer ignorance likely inhibited growth of the fine (or premium) wine market, despite increased global affluence and an expanded middle class.

Considerable research explores how ratings correlate with fine wine prices, testing whether ratings correlate positively with willingness to pay (WTP), perhaps mitigating the consumer's problem. However, the mixed results say that ratings are not reliable guides to wine quality and WTP.

A structural difficulty with interpreting and comparing ratings is that, as a form of hedonic quality index, interpersonal comparisons are questionable—say, between experts or an expert and oneself. For example, different tasters may have different standards for measuring a taste's appeal (e.g., the existence of “supertasters”). Saying that experts can tell consumers what is in the bottle and that guides their willingness to pay is logically flawed.

Design: This paper explores ratings as a form of hedonic psychophysical scaling (PS), using the scaling literature.

Findings: This illuminates the difficulties and raises fundamental questions about the reliability of ratings—in effect, adopting someone else's psychosocial scaling as one's own—and the interpretation of any price-rating correlation.

Implications: Food scientists have addressed the challenge of interpersonal hedonic evaluation using “magnitude matching” which attempts to establish a common scale of taste appeal and intensity so that tasters provide hedonic ratings against a putative common yardstick. The paper asks whether this technique might lead to more reliable expert ratings.

Key words: fine (premium) wine, experts, ratings, psychophysical scaling, hedonic index

Do wine judges give higher score to wines made with less known grape varieties?

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Abstract

- Purpose: In this study, we investigate the extent wine judges do give higher scores to specific wines, based on various attributes, including: region of origin, color, still vs. sparkling, grape variety, etc. Having a greater understanding about the chances to get awarded is critical for wine producers submitting wines to any competition: should they showcase a typical Cabernet? And compete within a well-known Cabernet characteristics universe or submit a bottle of Treixadura, for which wine judges may have a greater willingness to showcase the original characteristics of the product...*
- Design/methodology/approach: 27,470 wines submitted to the International Wine and Spirit Competition from 2013 to 2016 have been analysed. The IWSC database offer a wide range of different wines, from mainstream wines to more original or indigenous wines. The ranking of grapes is provided by Adelaide University in the 2010 Database of Regional, National and Global Winegrape Bearing Areas by Variety. Not all the wines were awarded by IWSC, but all have been given a score over a 100 points scale, resulting from the average of the grades given by a pool of wine experts (judges). The analyses are based on the OLS estimation of grade equations.*
- Findings: Econometric results indicate that the Top10 varietals variables are associated with a negative estimated coefficient, meaning that on average, wines made from these grapes are graded lower than wines made from other, less frequent, grapes. Attributes impacting positively the score given to wines submitted to IWSC include: wines of the new world, wines produced under a certification of origin rule.*
- Practical implications: Our findings suggest that consciously or not, wine judges tend to give an incentive to wine amateurs and buyers to discover less 'mainstream' wines. Our results also encourage organizers of wine competitions to select some more homogenous samples of wines.*

Key words: Judge, Score, IWSC, Grape varieties

3rd Party Expert Wine Ratings and Wine Performance in the U.S. Wine Market: Who is the Fairest of them All?

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STRUCTURED ABSTRACT

Purpose: *The research examines the impact of Wine Spectator, Wine Advocate, and Wine Enthusiast ratings and rating consistency on the prices and market performance in the U.S. market.*

Design/methodology/approach: *The research design involves harvesting wine data from online resources including databases at each of the three websites. An exhaustive screening process identifies qualifying wines as available in the U.S., produced in France or the U.S., and including ratings from all three sources.*

Findings: *Findings from the research support relationships between the ratings and wine prices. Additionally, results suggest that the ratings are not entirely consistent and can be considered as separate predictors. Results for price change highlight in particular the positive effect of Wine Advocate ratings on wine performance.*

Practical implications: *The practical implications suggest that efforts among producers to gain favorable ratings from noted expert sources like these may indeed pay off. In particular, in the U.S. market, Wine Advocate ratings, those associated with Robert Parker, may influence market performance most positively. Future research will be directed at a more complete model considering causal factors of both the rater scores and wine performance simultaneously.*

Keywords: Expert ratings, Decision-Making, Purchase, Market Performance

An Exploration of Tail Dependence between Robert Parker and Neal Martin en Primeur Wine Ratings

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Abstract

◦Purpose

The establishment of the British wine expert Neal Martin as the successor to Robert Parker in 2016 with respect to Bordeaux wine ratings for the prestigious Wine Advocate magazine creates some uncertainty for wine producers. In particular, given the influence of Parker on the Bordeaux market over the years, the question regarding the comparability of the ratings between the two experts especially for en primeur wines arises.

◦Design/methodology/approach

Copula function methodology is used to examine the bivariate relationship between Martin and Parker en primeur wine ratings for the period of 2010 – 2012 where concurrent ratings were available.

◦Findings

Our results indicate significant upper tail (higher rating values) dependence in the bivariate relationship between Martin and Parker ratings, particularly with respect to the left bank wines. In terms of right bank wines however, the tail dependence decays over time perhaps indicating a greater independence of Martin's ratings.

◦Practical implications

The implications for Bordeaux chateaux is that in terms of left bank wines, Martin's ratings, particularly with respect to upper values, would appear to be strongly correlated with those of Parker's. With respect to right bank wines, however, there is greater uncertainty between Martin and Parker ratings suggesting developing preferences on the part of Martin.

Key words: (wine ratings, Bordeaux, en primeur, copula functions)

Sustaining a market in the face of change: Bordeaux classified growth wines market

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Abstract

Purpose: This paper examines the classified growth wines market in Bordeaux that has emerged over centuries. In this system specific to Bordeaux, Châteaux do not sell directly to final consumers or to distributors but to négociants. Having a strong knowledge of international markets, the latter negotiate “allocations” with châteaux owners with the help of wine experts called courtiers. The system is based on the so-called “en primeur” sales, a system where wines are sold when they are still in barrels. With a growing international demand for Bordeaux wine, we question why this complex and original system persists given internal and external changes.

Design/Methodology: Semi-structured interviews with key actors in the Bordeaux wine market

Findings: Wineries continue to adhere to this established marketplace for the sale of their wine even though they are losing some margins that their current status and reputation might afford them with less reliance upon intermediaries. Reasons for this appear to be fear of the unknown plus institutionalised acceptance of the cultural legitimacy of the Place de Bordeaux and its apparent longstanding efficiency.

Key words: Bordeaux – markets – institutions - history – social relations.

The Advertising of Burgundy wine since the beginnings of viticulture

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Key words: Burgundy, wine, quality, advertising, winegrowers, merchants, mistrust,

As the art of communication is as old as trade, it's interesting to study it in its historical perspective. In Gallo-Roman times, signs sculpted in blocks of stone indicated the points of sale where customers could buy wine: the sign displayed in the archeological museum of Dijon shows a customer carrying a jug which the merchant will fill with wine. However, such forms of indication as inn signs, produced in one single copy, cannot be considered as advertising even though they aimed at a certain number of potential customers.

In those distant times, many merchants praising their wines were not overscrupulous. Thus, writer Raymond Dumay was ironical about the beginnings of advertising in Burgundy: *"In the 6th Century A.D., the most prestigious wine in the world was Falernum from Ascalon, in Phoenicia. What do you think the merchants of Dijon did? They called their wine Falernum with the blessing of Bishop Gregory who spontaneously wrote the first advertizing leaflet. In order to be effective, the "handbill" or the "please insert" had to fall in the hands of a consumer already informed by the mass media. The old Roman road which ran alongside the Côte d'Or played that role. Along that sunny corridor, all temptations were offered, Puligny-Montrachet, Meursault, Pommard, Beaune, Nuits-Saint-Georges, Gevrey-Chambertin..."*

For a long time, the advertizing of Burgundy wines rested on "publicity" and word-of-mouth. In the Middle-Ages, the Cistercians organized like a multinational company, distributed their wines all over Europe to their 1200 priories and Abbeys without resorting to any policy resembling advertizing. Whereas before the advent of the Valois dynasty, most wines produced in the Duchy were white, special attention was paid to the celebrated pinot vermeil by the new dynasty (1364-1477.) The Valois Dukes proved to be ardent propagandists. In 1370, Philip the Bold contributed to the fame of the wines of Beaune by donating 36 kegs to Pope Gregory XI in Avignon. Raymond Dumay commented the donation in these terms: *"The master stroke of Burgundy wine was to hire all the popes of Avignon as International Public Relations Officers. They were the only ones who had agencies in all expanding countries."* In fact, the Valois dynasty promoted red wine at the expense of white wine. Duke Philip the Good claimed to be *Landlord of the best wines of Christianity* and thanks to the Valois Family, Burgundy wines found outlets in Flanders, the richer part of the Duchy.

After the fall of the Duchy in 1477, Burgundy wines lost their glamour. They gradually fell into quasi oblivion. However, it should be noted that the landlord of Savigny had the following quote engraved above the entrance gate of his château: *"The wines of Savigny are nourishing, theological and kill morbidity."* No adman would think of using such a slogan today. As a matter of fact, this quote offered an answer to the inhabitants' preoccupations of the time: the need to find their sustenance with the rosé wines of the parish, the interest taken by religion in the drink served at the Last Supper and the medicine used by physicians in hospitals. Burgundy wines only started regaining their fame at the end of the 17th century when the Sun King's doctor advised his illustrious patient to drink Burgundy wine instead of the acidic still wines of Champagne.

Courtiers aped the king and the 18th century saw a return of prosperity and fame in the province. As the standards of living were rising, wine consumption increased. What we call "advertising" today played no

part in the improvement of the situation. In their writings, authors like Abbé Tainturier and Claude Courtépée referred to Côte de Nuits and Côte de Beaune as "*the good Côte*." "The word "advertising," however was not even mentioned in *the Encyclopedia*, the great work of literature published by Diderot and d'Alembert.

In 1790, new administrative divisions bearing the names of mountains or rivers appeared in France. Rather than Seine et Saône (the two major rivers of the newly created department) Member of Parliament Arnould suggested the name *Côte d'Or* (golden hills) for the center of Burgundy. This name proved to be a brilliant advertising idea. The word *publicité* (advertising) was coined during the French Revolution but only applied to politics and law, (It mostly consisted in making decisions of justice known to the public.) Only in the middle of the 19th century did the word start to apply to the economy and trade.

In that Century, advertising resorted to a rational, demonstrative argumentation, the texts were compact and deprived of illustrations. The same pictures were used for 20 or 30 years. Most of the time, they praised the qualities of brandy but seldom those of wine. Spirits already had the lion's share in the media but sometimes advertising appeared where it was not expected: In the 1840 edition of Napoleon Landis's very popular dictionary, there was an illustration devoted to the wine of Chablis. As of the Second Empire (1851-1870,) posters painted by artists signaled the real onset of advertising. This form of communication was stimulated by economic prosperity and the progress of lithography, It was its first golden age. Poets and doggerel writers wrote rhyming slogans. Lamartine, the famous romantic poet of Mâcon claimed "*I'm not a poet, I'm a great wine grower*." He had no qualms about resorting to advertising but he was a poor businessman and he went bankrupt! In 1868, Doctor Jules Guyot recommended a national advertising campaign concerning not only the wines of Burgundy but those of the whole nation. Yet, wine companies mostly seized the opportunities offered by trade fairs or World exhibitions like those of 1855 and 1889 to communicate about their wines. Such villages as Gevrey, Aloxe, Vosne, Morey, Chambolle, Puligny were allowed to add the much better-known names of their most famous growth to their own name: Chambertin, Corton, Romanée, Saint-Denis, Musigny, Montrachet..., which proved to be excellent advertisements.

Generally speaking, Burgundians shied away from advertising for many reasons such as the catholic culture, ("*Don't lead us into temptation!*" "*Thou shalt not lie!*") the tradition of business secrecy, the reluctance to draw the public's attention, contempt for *the shopkeeper's spirit*... Advertising was held in suspicion. Wine companies, retailers, consumers, journalists, intellectuals and economists, all had a very poor opinion of it. When exposed to advertising, the public was wary, even reluctant. The French liked to think they loathed advertising, didn't like to advertise and hated so be submitted to suggestions and influences...

At the end of the 19th Century, estate-owners steered clear of fairs and exhibitions attended by wine merchants. In spite of interesting conditions (free stands) offered by the *marché au vin* of Dijon in 1891 in the thick of the scourge of the phylloxera crisis, winegrowers didn't show up so that this yearly event stopped in 1894. However, they participated in the competitions organized at the agricultural fair of Paris and won many medals. On that occasion, their union published a catalog aiming to inform the Parisian public on the importance and the quality of Burgundy's wines. Cartography which had progressed enormously in the second half of the century contributed to their propaganda. Winegrowers meant to advertise without admitting it. Everybody knows there is a thin line between information and advertising.

However, as advertising which prompted people to consume was held in suspicion. Old merchant companies, wine retailers, wine buffs, journalists, intellectuals and economists had no consideration for it. At the mere mention of that word, connoisseurs, traditionalists and representatives of the intelligentsia

stood on their dignity and put their back up. In many an eye, it projected an image of ugliness. Economist André Siegfried blamed it for disrupting the economy when it was not used in moderation. Politicians and the Administrations repeatedly claimed to "moralize it." Feeling threatened by advertising, a form of sale without salespeople, commercial travelers disapproved of it and denigrated it when they called their customers. ESC Dijon Bourgogne (today, Burgundy School of Business) was founded in 1900 to train the future salespeople who would sell wine but advertizing had no place in the curriculum! It was only after World War 1 when Gaston Gérard, an eloquent lawyer and future mayor of Dijon was recruited in that institution that advertising was taught. For a long time, it remained the prerogative of brandy brands like Riquès, Dubonnet, Byrrh or Pernod.

Those who openly resorted to it were usually outsiders or newcomers. They often did it in a very profitable way. In 1927, Pierre André purchased the "yellow castle" and the estate of the Gauthé family in Aloxe-Corton. He soon changed the sales techniques, modernized the layout of labels and crates. Thanks to a dynamic network of salesmen, his wines were distributed in France and Europe. His methods scandalized the winegrowers of the village and aroused their envy. In the hall of Paris gare de Lyon railway station, travelers could see a gigantic billboard representing the castle in the middle of the vineyards whereas no vines actually grew around it. Aloxe-Corton people accused him of misleading advertising!

In 1941, André Boisseaux purchased the Patriarche company which had been founded in 1780 in Beaune. He developed a brand policy "*to offer modern wines allying quality and value.*" He regularly purchased wines at the yearly auction of the Hospices de Beaune and his generosity made headlines all over the world. His greatest success was the launch of a sparkling wine: *Kriter*, "poor man's champagne." He also sponsored sport events. 14 sailboats were named *Kriter* and the famous navigator Olivier de Kersauson broke many records on board his *Kriter*.

In fact, nobody, not even the French, is totally immune to advertizing. People didn't resist the optimistic, colorful universe of posters whose artistic qualities sometimes weakened the content of the message. The image of France's most popular king, Henry of Navarre (1589-1610) was often used to advertize the wines of every province. He is supposed to have liked those of Givry and Pernand-Vergelesses. The good king was known for his simplicity and the villages who used his image, not only in Burgundy but all over France, didn't produce the most glamorous wines but simple wines in the good king's image. On the other hand, in an advertisement dating back to the 1930s, Beaune wine merchant company Bouchard Père et Fils used the image of Louis XIV, the Sun King to feature itself as the king of wines. The image of Napoleon, who loved Gevrey-Chambertin was also used by the producers of this village. Claude Noisot, one of his grenadiers married a rich widow of Fixin who owned an estate. He had the name of her vineyard located in "*Aux Cheuzots*" changed into Clos Napoleon.

Nobody was totally adverse to the idea of advertizing although nobody liked the word. *Réclame*, (untranslatable into English) which was used to designate a hard sell form of advertizing, had a negative connotation. The catalogs of the famous Parisian wine store Nicolas, drawn by famous artists, were very successful and contributed to the renown of that institution. Being mentioned on Nicolas's catalog was a source of pride for a wine producer as well as a free advertisement! Wine companies often mentioned the villages where they owned vineyards on their letterhead. Bottle labels became more and more sophisticated but not necessarily more informative. Traditional wine merchants who didn't scorn advertising used it to strengthen their image more than to break into new markets.

It was not until the implementation of the *Appellation d'Origine Contrôlée* system in 1935 that consumers could find truth on labels. The AOC system meant the victory of *crus* (growths) over brands. This made it

all the more difficult for big companies to advertize. As for small companies, most of them still rejected the very idea of advertising until the end of the 1950s. "*Good wines need no sign.*" No brass plate on the doors of most winegrowers' houses! But growers were proud to frame the diplomas they had won at wine competitions and display them in their office. Many of them were real characters and fascinating storytellers. Customers enjoyed meeting these men of the soil who knew how to assess them, persuade them, stir sincere emotions in them. Without being aware of it, growers had invented narrative communication known today as storytelling. Their words expressed the goodness of human nature, a passion for viticulture and love of their trade. Together with bottles of wine, customers purchased the image of the winegrower, stories to repeat and the memory of a special day. In fact, very few growers sold wine direct to consumers although they had been encouraged to do it by Raymond Baudoin, the founder of *La Revue du Vin de France* and Frank Schoonmaker, the American importer.

Between the two World Wars, wine propaganda was characterized by the folklorization and theatricalization of the trade of winegrower, in an amazing turn around. Growers who had been serfs of landlords, humble peasants, anonymous workers throughout history became the flag bearers of viticulture. Aware of the advance of appellations and their impending triumph, rich estate-owners and wine merchants put on grower clothes and claimed a new respectability. They wanted to feel ennobled by the soil. Historian and novelist Gaston Roupnel wrote the story of Nono, a humble grower of Gevrey-Chambertin and praised the men and women who tended vines. Theater director Jacques Copeau created the character of Jean Bourguignon, a sensible, colorful figure of winegrower. In Meursault, in 1924, wine merchant Jacques Prieur and estate-owner comte Jules Lafon started promoting the famous white wines of their village at a time when consumer demand mostly concerned red wines. They resumed the tradition of end-of-harvest meals by organizing the yearly *Paulée de Meursault* where the growers of the village served their best wines to their guests.

At the end of the 1930s, the French society opened itself to modernity and started accepting advertising. Some intellectuals considered it as a form of art. Poet Jean Cocteau advertised stockings! Playwright Jean Anouilh wrote slogans. A great connoisseur and an excellent taster, Burgundy novelist Colette, who wrote about wines with great accuracy and eloquence, praised those of the Chauvenet company in Nuits-Saint-Georges.

As of the 1930's, advertizing became mostly a collective affair. The creation of the Brotherhood of the Chevaliers du Tastevin in the thick of the Great Depression, proved to be a very successful public relations operation. It renewed with the medieval tradition of initiation rites by inviting wine buffs, journalists, gastronomes, royals, diplomats, movie stars from all over the world to share a scrumptious dinner and taste magnificent wines. The newly "knighted" guests were expected to speak highly of Burgundy. In the wake of the Nuits-Saint-Georges brotherhood, numerous other brotherhoods saw the light of day: la confrérie des vignerons de Saint Vincent (Mâcon,) les Piliers Chablisiens (Chablis,) les Trois Ceps (Auxerre,) les Foudres Tonnerrois (Tonnerre,) la Cousinerie de Bourgogne (Savigny-les-Beaune,) le Bailliage de Pommard, la Confrérie du Cep Henri IV (Givry,) les Compagnons de Saint Vincent et disciples de la Chanteflûte (Mercurey)...

Every year since 1938, celebrations like the *Saint Vincent Tournante*, a big festival celebrating the patron saint of winegrowers at the end of January, draws large crowds to a different wine-producing village.

Some villages benefited from free advertising thanks to the movie industry. The plot of *Notorious* (1946,) a film by Alfred Hitchcock, a great Burgundy wine lover, revolves around a bottle of Pommard 1934. Gabriel Axel's beautiful film *Babette's feast* (1987) highlights a bottle of Clos de Vougeot 1846. The movie *Sideways* (2004) which praises Burgundy's pinot noir, especially *Richebourg* is another example.

However, in our days of product placement, this discreet form of communication is no longer free and unfortunately out of reach of Burgundian budgets.

After the "Winegate" scandal of 1974 (Midi wines relabeled as Bordeaux wines for export to the USA,) the wine merchants' image was seriously tarnished, not only in Bordeaux but all over France. Serious companies were also discredited. In Nuits-Saint-Georges, the Moillard company launched a deft campaign explaining the role of merchants in the wine world, summed up in the slogan: "*In Burgundy, being well-born is not enough, being well-tended is what matters.*"

In that decade, supermarket distribution was on its way to becoming the first seller of wine in France much to the discontent of traditionalists who saw in that form of trade a degradation of the nobility of wine. To meet the growing demand, purchasing centers needed important operators. Wine merchants were better able to supply the large volumes required. The Moillard Company, which had anticipated the change, launched a campaign on the theme "what is a wine merchant?" to reassure customers.

In the 1970s, in the wake of the Winegate crisis, many growers, at long last, started selling their wines direct from the estate. Prejudices against advertising began to vanish.

The BIVB (Interprofessional Bureau of Burgundy wines), founded in 1977, federates regionwide campaigns which aim at benefiting both growers and merchants... However, its initiatives have not always been successful. In the 1990's, the Bureau asked Bryan Maybury, an Australian adman, to take care of its new campaign. The posters and billboards showed two similar photographs of the beautiful village of Monthélie, which is not so famous as its neighbors Pommard, Volnay and Meursault. The caption was: "*Famous Burgundy, Secret Burgundy.*" Instead of introducing a less familiar aspect of the region to wine lovers, the message was blurred and served neither the famous villages of Burgundy nor the less prestigious ones. Another campaign gave a wrong image of the region with the slogan: *Burgundy, a land cherished by the gods*. True, Burgundians are very proud of their terroir but without man's work, there would be no terroir. Such a campaign ignored the reality of man's toil. Likewise until very recently, visitors entering the village of Chambolle-Musigny could see an enormous billboard representing vineyards with the caption: *Chambolle-Musigny thanks Nature*. Vintners just followed the prevailing opinion shaped by Academics. In 1967, the respected Professor Rolande Gadille had published a Doctor's degree thesis about the Vines of Burgundy in which she celebrated the soil, the weather, the sunshine, drainage... without mentioning the human contribution.

In the 1970s, in the wake of the Winegate crisis, many growers, at long last, started selling their wines direct from the estate. Prejudices against advertising began to vanish but in 1991, the *Evin law* imposed stringent restrictions to advertising, which is banned on TV and in most newspapers and magazines. Besides, the content of messages must be strictly technical. No mention of the pleasure of drinking is allowed... For many growers, this law reverses a fundamental principle of freedom: normally, one can do what is not forbidden but the law lists the practices which are allowed! What is not on the list is forbidden. True, the Evin law was amended in a more liberal way in 1994 and again in 2005 after a huge demonstration of growers all over the country. In 2009, advertising on the Internet was allowed except on sites targeting youngsters or related to sport. In 2004, the BIVB was reprimanded for using forbidden criteria such as enological vocabulary words. Ironically, advertising became restrictive when wine producers had finally accepted it!

Today, most growers have an Internet site in French and in English, sometimes in other languages and they use this modern tool to communicate on their estate but practically never to sell their wines. Like journalists writing in the specialized press, some wine buffs write blogs and prove to be excellent influencers.

Burgundy's Vineyards during World War 1

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Vineyards without men

One century after the First World War, many historians are still taking a keen interest in this subject. We may come to regret that Europe wasn't governed by winegrowers: the harvest looked promising in all viticultural regions and young growers thought of preparing vintage more than they did of going to war. Yet, when they were mobilized, soldiers coming from wine regions believed the conflict would be rapid and victorious. On August 2nd, 1914, they left their villages shouting: *"We'll be back in time for the grape harvest."*

Even before the declaration of war, the shortage of manpower began to be felt. In Yonne, in Côte d'Or, in Chalonais, Mâconnais, Beaujolais, young people tended to desert the vineyards in spite of the regularity of viticultural work, the absence of unemployment and wages higher than in agriculture. They aspired to a five-day week and work conditions they considered more advantageous in the town than in the country...

When the war was declared, not only were healthy men mobilized but in each village, military veterinarians sorted out the horses and mules deemed fit for military duties. Wagons and harnesses were also requisitioned. Horses and wagons would be used for the transport of provisions and artillery. Only lame and one-eyed horses escaped the requisition, which was a drama for many an estate.

Crédit Agricole, the farmers' bank, granted loans for the grape harvest work but few growers' families seized the opportunity because people didn't *"run up debts"*! Instead of credit facilities, they would have preferred the State to pay cash for the horses which would have been very useful for cartage tasks. Horses which had been valued at half their worth!

Patriotic to the core, the men who stayed put on a brave face and told themselves they'd be better off relying on the fraternal solidarity of villagers by assisting one another. During the beautiful fall of 1914, school children, youngsters, women and old people picked grapes together. In the Côte vintage was held October 10th and 20th. There was no rain, a dry cool wind, hoarfrost in the morning which didn't damage the harvest; in the daytime after the mist had been dispelled, the sun shone, so that the first fall of the war was one of the most beautiful for a long time. In the Chablis area, the harvest was not plentiful but the villagers thought that the local cider production would help them through the winter.

In order to help people who weren't used to making wine, *Le Progrès Agricole et Viticole*, the growers' bi-monthly magazine gave sound advice: *"Just like tincture of iodine enables wounded soldiers to heal rapidly, vinification has an effective medicine: sulphur."* Besides, the journalist, observing that the Austrians refused to buy French wines, suggested *"Let's pay them back in their own coin: no more German farm machinery, no more German chemical products, no more Teutonic junk!"* And the following warning: *"Le Progrès won't accept any advertisement from German industrialists or traders"* was inserted in the magazine.

During the rainy and snowy winter of 1915-1916, people worked without much enthusiasm. As strong men were fighting on the front, little manure was dug in and not much eroded soil was replaced. Pruning was hastened because of the fear of the lack of manpower in spring. In order to speed up the task,

preparatory pruning was assigned to women who cut off large unnecessary canes. The best workers did the real pruning work.

Men on the front, women in the vineyards!

In many villages, the canes were not picked up and burned, they were broken up and left to rot on the ground. In Beaujolais, almost one third of the wine area was not tended, many vines were not pruned and weeds grew in the rows which had been so carefully cultivated.

Necessity knowing no laws, the soldiers' mothers, sisters and wives got down to work in the vineyards. *"Men on the front, women in the vineyards"* became the watchword. They received quick training and as one journalist wrote: *"They must get a good education in viticulture. There are dressmaking and cooking schools, why shouldn't they attend a viticulture course?"* Women were encouraged to go to conferences and register in specialized schools. A journalist realized that *"there are too many schools for boys and none for girls. Why not organize pruning competitions for women? They shouldn't shy away from participating in them."* Pruning could definitely be entrusted to women: *"When you come to think of it, pruning is a task for women, it seldom exacts much effort but just attention and intelligence. Women often have these two qualities."* That task had priority but plowing wasn't to be neglected. Now, workers often refused to hoe unpruned vineyards because they didn't want their hands to be scratched by canes especially when it was cold.

In spite of transport difficulties, the wine sold was conveyed to its addressees. The authorities' watch was not very active and the whole production wasn't declared. *"In short, people drink wine, even a lot of it without always informing the Liquor Control Board,"* the editor of *Le Progrès* wrote.

Children were also asked to contribute. For a time, compulsory education was a little forgotten. The editor of *Le Progrès* commented: *"Too bad if pupils don't go to school as diligently as in times of peace. Fewer pages won't alter much the knowledge acquired in childhood!"* Pupils sprayed the vines with gusto. In a wooden shelter built at the edge of the vineyard, mothers prepared the mixture to be used for the treatment which they poured into the spraying device. Their sons who wore rubber coats loaded them on their backs and sprayed the stocks.

As the available manpower was limited, workers demanded a lot, too much for many estate owners. Some of them recruited prisoners of war: *"staff that wouldn't blackmail them all the time."* Only professional bodies such as coops and growers' unions as well as a few major companies could use them because the war department sent a contingent of at least twenty workers overseen by seven soldiers. The prisoners had a reputation for being *"obedient and amenable, fairly hard-working when they were watched carefully,"* (*Le Progrès*.) René Engel, writer and wine grower in Vosne-Romanée, told that, in his village, one prisoner proved to be a remarkable worker. He supervised the estate in which he was posted and developed it much better than its owner. But in truth, few prisoners were familiar with vineyard work. Most of them had no experience and as they were renewed by one third every month, they had not enough time to be trained. In 1916, *Le Progrès* published a French-German lexicon of useful terms to manage farm workers.

The families fervently hoped leaves would be granted to "their" soldiers. But few young growers benefited from leave, though the war secretary had stated that *"the cultivation of land was as essential to the victory as the organization of defense on the front and the manufacture of munitions."*

Horses and the war

In Auxerrois, where alfalfa and sainfoin had replaced vines after the phylloxera crisis, refugees from the Ardennes engaged in breeding draft horses. Ardennais horses, hardy, brisk, relatively small animals were suitable for vineyard work. As oats were requisitioned, the horses were fed with beets, carrots and bran.

However, even the estate-owners who needed a horse and could afford one often refused to invest in one. Acquiring a spirited 18-month colt was all very well but who would break it in? Aged growers and women hesitated to harness it!

On the front, few horses fell under the enemy's fire but many died because of terrible weather conditions, exhaustion, lack of food and the composition of their rations.

As the war wore on, those who had stayed in the vineyards got organized more efficiently. Planting new vines was exceptional but on the whole, vines were rather well-tended in spite of the scarcity and high cost of manpower.

In 1917, quartermasters sold the horses which had become unfit for armed service but many ended up being slaughtered owing to the shortage of means of moving them. The winegrowers from the South of France, who were further away from the front lines than their Burgundian colleagues, couldn't buy an animal. They complained that they were misunderstood by the Administration.

At the beginning of 1919, demobilized horses were offered for sale. Anxious not to be ripped off, the owners asked the authorities to take account of the number of horses given by each of them at requisition because they didn't want to see them monopolized by horse-dealers.

Sulphur and copper shortage

The country people's relative optimism was nevertheless marred by the fear of running out of sulphur and copper sulfate to fight against powdery and downy mildew. They were also afraid of a rise in indirect wine taxes because the government needed funds to finance the war. Besides, speculation on chemical products was dreaded. Sympathizing with growers, the editor of *Le Progrès* wrote: "*The shortage of sulphur and copper against vine diseases is tantamount to a shortage of ammunitions against the Krauts.*" In the villages, finding these products became harder than spraying them. The growers regretted that the price kept increasing even though the still neutral USA could produce a sufficient amount to meet the French demand. In 1915, the English government finally authorized the export of copper sulfate to France. This product was the monopoly of a small number of British companies which controlled the market. "*Let's hope they won't want to take advantage of the situation to make big profits! And middlemen could also be tempted!*" growers sighed. In 1916, the Saint-Gobain company set an example of disinterestedness by selling its products below their cost price. For their part, growers wholeheartedly hoped for an agreement between producers and consumers in order to stabilize the market and avoid speculation, which had distorted the prices to the detriment of viticulture.

Between 1914 and 1917, the price of sulphur was multiplied by four. This product was imported from Sicily and growers were afraid of running out of it. Because of the fighting in Northern France, the factory of Amiens stopped producing it. For a while, growers thought of importing it from the USA and even Spain. *Le Progrès* advised growers to mix it with lime to reduce consumption. This had no effect on the high pressure needed for the spraying devices. Cheap sulphur dross, the residue from blast furnaces, was also used.

In 1917, sulphur and copper were distributed according to the growers' needs but few wagons were available for their transport. In some places, sulfate and copper were distributed after the attacks of the

diseases. Now, spraying on time really mattered: *blue vines*, those which had been sprayed with copper gave much better harvests. In 1918, at long last, winegrowers received sufficient quantities on time.

Noah: in times of hardship, you have to make the best of things

As winegrowers were not sure to obtain the chemicals required for treatments against fungus diseases on time and at reasonable rates, some of them thought the solution consisted in planting hybrids which, for them was equivalent to taking out insurance against bad harvests. They also saw in hybrids a way to make money. Noah, a white cultivar, triumphed in humid years when vines suffered from powdery and downy mildew. In dry years, its victory was not so striking. Hybrids were pruned long, ripened late and gave poor-quality, low-alcohol wines.

Le Progrès offered its subscribers advice on how to make wine with hybrids. Recipes concerning the removal of the foxy taste typical of hybrid wines were given. The adjunction of cultivated yeast to obtain that result was recommended. Some enthusiastic advocates even found a taste of Burgundy in those yeasted wines! *"After all, man's palate gets used to all savors, which gradually become neutral. The palate becomes insensitive to them,"* people said to reassure themselves.

Wine requisitions

In 1908, wine was included in soldiers' rations when Parliament voted a 2-million Francs allocation to help winegrowers in difficulty. In 1914, the 25 centiliters (8.8 fl oz) per day ration was not enough to save them. The declaration of war put an end to exports and disrupted the home market because trucks and trains were mostly used to transport troops. In 1914, the total production amounted to 60 million hectoliters, 16 million hl more than in 1913. At the end of the first war year, Minister Alexandre Millerand, considering that wine was better than the water distributed in the trenches, decided to supply more wine to soldiers.

In the vineyard, people convinced themselves that soldiers didn't receive enough wine: *"More wine would increase their stamina. How good it would be for these poor guys shivering in the trenches to drink a glass of mulled wine that they would prepare themselves!"* *Le Progrès* reported. It was believed that the soldiers who drank wine showed more courage in the fights and more resistance to typhus. In another issue of the magazine, a chronicler stated that soldiers needed the comfort brought by wine with the exception of any other beverage: *"Let's hope that replacing it with cider, as some ill-advised representatives of Brittany and Normandy suggested, is out of the question! Our soldiers would be exposed to health hazards so as to satisfy some parochial interests. Leave cider to civilians and shirkers!"* Professor Ravaz wrote: *"Every soldier drinks wine from a beaker. If the beaker is washed with water, the wine is a waste! If it's covered with a coating of tartar, wine is excellent!"* As a matter of fact, military authorities purchased more and more wine.

Once the vinification of the 1915 vintage (good quality, small volumes) was over, the war department stressed the patriotic aspect of wine requisitions and expressed its wish to reconcile the interests of the State with those of vintners. Considered to be despoliation, requisitions were received with general hue and cry but the thought of the soldiers' plight in the trenches led producers to accept them. Rural policemen called on estate-owners to inform them that 25% of their harvest would be requisitioned to meet the army's needs if their production was in excess of 10 hectoliters (263 US gallons.)

In every department, the price was set by an evaluation commission which took the alcohol content, the hue and the exposure of wine to air into account. The commission allowed the vintner concerned two weeks' reflection before accepting the offer. If he rejected it, he had to give his reasons and the final

decision was made by the justice of the peace. Payment was made in cash or in treasury bonds. Naturally suspicious, winegrowers were afraid of having to wait until the end of the war before being paid but their fears were unfounded.

Figuring that prices could only rise, some producers turned down the requisition. They declared harvests which were inferior to reality. Offenders ran the risk of paying a heavy fine but actually the patriotic spirit prevailed and few in fact cheated.

The sellers of requisitioned wine were required to tend the barrels with due diligence until their collection, which could take a long time because of the vagaries of transport. Besides, the day of loading depended on the army's needs. Producers who were impatient to see the wine leave their cellar invoked the alibi of the fighters' welfare: *"Soldiers can't afford to wait on the goodwill of suppliers to get their wine. Whatever happens, they must be assured of receiving the daily ration they are entitled to,"* echoed *Le Progrès*. Competent, conscientious producers tended the wine they couldn't dispatch right away. They feared two diseases: *tourney**, which threatened wines low in alcohol, and *acescence**, which affected wines with a higher alcohol content. Cleaning tanks and barrels carefully, topping up*barrels regularly usually sufficed to prevent those diseases.

On the front, good and not so good wines

When the requisition was aggressive, winegrowers found it hard to put up with the bad manners of noncommissioned officers. In 1917-1918, one third of the harvest was requisitioned! In 1918, the farmers' union of Mâconnais protested against the price offered which was *"an extremely high war tax"* for growers. Wine was requisitioned until 1919 but by then, only those vintners who produced more than 100 hectoliters (2630 US gallons) were asked to supply wine at a price 10 to 20% inferior to the market price.

As a matter of fact, requisition had the predictable effect of causing price increases. When growers complained that the compensation was less than the market price, the Administration replied that, if that were the case, the amount paid by requisition would be representative, not of the transaction but of a price distorted by speculation.

Soldiers drank on the front lines but also behind the front, so that some wives bought kegs and sold wine to take away. A license cost them 10 centimes and a declaration made at city hall. That's all there was to it! Café owners didn't appreciate such competition, which they thought unfair (they were only allowed to open their establishments from 10:00 a.m. to 1:00 p.m. and 5:00 to 7:00 p.m! American soldiers staying in the country hospital of Verdun-sur-le Doubs were not allowed to go to cafés and hotels. They bought wine from growers in the nearby villages to the great displeasure of café and hotel owners, whose turnover went down.

Burgundians were scandalized to hear that, on the Yser front, wine was sold at 7 Francs a liter whereas it cost 1 Franc at the estate. Middlemen were blamed. Soldiers on leave complained that wine froze in their beakers, evidence that a lot of water was added: *"Everybody knows that alcohol doesn't freeze!"* they protested. The producers from the South of France were blamed.

In the trenches, soldiers had every reason to complain: often the wine wasn't good. Sometimes, it stayed several weeks in tankers immobilized on the tracks in the summer heat. What's more, war gave free rein to all kinds of deceit on the origin of wine. Burgundian soldiers, who were often the victims of such fraud could often measure the extent of the harm caused by the unfair competition of very mediocre wines bearing Burgundy labels.

A favorable impact on trade

Requisition only concerned a certain volume of wines produced in Burgundy. The war had a positive impact on trade. Hardly had growers finished making 1914 wine when their plentiful production flooded the market. In 1915, business brightened up in Beaujolais. At the end of 1915, a high price was offered for the 1913 and 1914 stocks. As for the 1915 harvest, it was almost entirely sold at the beginning of 1916. Vintners became more demanding as prices kept rising.

As the home production and the wine from Algeria, then a French colony, were not enough to quench the country's thirst, the commercialization of *piquette** was allowed. *Piquette* was made by pouring water on pomace* without adding alcohol or sugar. In fact, it hardly competed with wine. At the same time, Argentinians got rid of two million hectoliters of wine by pouring it in the irrigation canals of their vineyards! Soon, it became well-nigh impossible to find white wine on the market. In Beaujolais, noah reached record prices. Wine merchants protested against what they considered outrageous claims. Suspected of being profiteers of public misfortune, growers saw in high prices the sign of restorative justice. The war offered them revenge against the inequitable terms middlemen imposed on them when they drew their profits from the growers' destitution and toil. In Mercurey, growers demanded to sell the content of barrels because they were afraid they would not have enough casks for the next harvest: the village cooper was fighting and no oak was available! The fine wines of Burgundy which weren't requisitioned were still served in Swiss restaurants, Switzerland remaining Burgundy's only export market during the war. Demand on the home market plummeted owing to transport difficulties. The yearly auction of the wines of the Hospices de Beaune was cancelled in 1914 but one was held in May 1916 and the tradition continued in 1917 and 1918.

Victory at long last!

When the bells rang to announce the victory of the Allied Forces, the armistice seemed to signal the prelude of a glorious peace and to present viticulture with bright prospects. Winegrowers asked to be represented in the commissions of the peace conference on matters concerning viticulture. The question of Appellations of Origin had been debated for 9 years. It was supposed to lead to a law that should have been voted in July 1914. Because of the imminence of the war, the vote was adjourned. During the conflict, a mixt commission that brought together growers and wine merchants met to codify the *local, loyal and steady* uses guaranteeing the protection of appellations of origin. The law was finally passed in May 1919 before the signature of the peace treaty.

Many grower families had lost one son during the war. The survivors, who were demobilized ten months after the armistice, could participate in the 1919 grape harvest. Many husbands and sons came back ill, disabled, gassed, weakened. Many estates were left in the hands of widows. Rather than going back to the vineyards, many workers sought jobs in factories, trade or the Administration. When the prisoners-of-war returned to Germany, Beaujolais estates were desperately short of manpower. In its desire to "*offer effective and advantageous material help to reconstitute an estate, set up a wine company, start a family to put the country back on its feet,*" Crédit Agricole granted 1% loans to the war victims for a duration of 25 years.

Thanks to the presence of Allied Forces in France, the wine trade was quite profitable until 1919. Never had so many fine Burgundy wines been sold at prices consumers found outrageous. British, Canadian and U.S. soldiers provided producers with the opportunity to export *on-the-spot*, when France had lost the German and Austrian markets because of the war and the Russian market because of the 1917 Revolution. England imposed import quotas, Sweden and Denmark heavily taxed wine, Finland, Canada with the exception of Québec and the USA banned the imports of wine but contrary to a widespread opinion, France had never exported big volumes of wine.

THE MAGNIFICENT FIVE of The CATALAN FAR WEST

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Abstract

Purpose: The purpose of this compact teaching case is to teach International Business and International Marketing students the process of evaluating export opportunities, developing an export product and creating an export plan. The case presents the story of the five pioneering Priorat wineries, the increasing pressure to grow and export beyond the domestic and new world competitive markets, and the potential of a joint venture to launch a single brand intended for the international export market.

Design/methodology/approach: This case study used personal interviews and field observations as well as secondary on the export market.

Findings: This a pedagogical case study.

Practical implications: This case has been successfully taught to University of Barcelona, Marketing students to help them evaluate international export opportunities for a joint venture between five highend, limited production wineries.

Key words: Internationalization Strategy, International Marketing, High-end products, Priorat, Wine sector

Georgian wine museum is making a strategic decision

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Abstract

Purpose — This case study focuses on a strategic decision for the eventual establishment of the National Wine Museum in Tbilisi, Republic of Georgia. Currently, there is no national museum of wine in Georgia. Instead, this ancient wine region showcases its deep-rooted wine history through travelling interpretive exhibitions around the world. The purpose of this case is to explore strategic options and financial consequences of the development of a new stationary wine cultural museum center in Georgia.

Design/methodology/approach — The research case compares two wine regions – the country of Georgia and the Bordeaux region in France – both well-known for their millennial wine-making traditions, rich culture and history. The testimonial on the recently opened La Cité du Vin in Bordeaux is presented side by side with a description of an ongoing practice of travelling Georgian wine artefacts collections exhibits. The case is based on the analysis of transcripts from several first-person interviews both in Georgia and in France, supplemented by reports from the Georgian National Museum and La Cité du Vin. Secondary financial data, governmental reports, wine production and export statistics, the number of tourists and the cultural environment of both regions have also been used.

Findings — The case presents materials for a strategic choice to be made: whether Georgia needs to open a stationary wine museum in its capital city or to continue showcasing its wine artefacts through traveling exhibitions. The new wine museum venture appears costly and market expectations are uncertain. Yet, the example of La Cité du Vin proves that attracting private donors, benefactors and establishing supporting collaboration can help overcome financial barriers. Innovative strategies (e.g. reinforcing the educational role of wine museum; combining a museum model with a cultural center structure) could also be considered as options.

Practical implications — Financial barriers often prevail in case analyses and overshadow other, possibly better, alternatives. The analysis of a similar context in a different wine region exemplifies how these barriers can be resolved. However, to ensure the best strategic model for a particular market, the cultural environment, wine education needs awareness, and market evaluations should be considered.

Originality/value — This case study provides a detailed review of different cultural contexts for wine museums and demonstrates that crafting a unique museum model requires strategic planning, marketing analysis and entrepreneurial thinking.

Key words – wine museum; wine tourism; strategic choice; decision making; innovative projects

Abstract

Sula Vineyards Video Case Study

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Purpose – This video case study will focus on three prominent opportunities and issues faced by the Sula wine business based in Nashik, India. More specifically, this research will evaluate the performance of the business around three primary challenges and make recommendations on the same. The first area of focus is the promotion of wine tourism in a large developing economy of India where the consumer's tastes and the market for wine are rapidly expanding. Second is the identification of the influence of unfavorable climatic changes on the supply chain. Finally, we will address the impact of an important and upcoming state-level tax policy on Sula's sales revenue in the future.

Design/methodology/approach — This research will use and analyze the data collected from first-person interviews and other necessary company data required to thoroughly answer the above research questions. Particularly, we plan to use the company's data on excise taxes paid in different states of India across various brands of Sula wine. We will also use the financial statements from the past three years and various company's documents to pin down the challenges faced by Sula regarding wine marketing, distribution, and production. Please note that we have not yet collected the above-mentioned data. The request of the secondary data from the company is in the process and we plan to collect the data from the interviews sometime towards the end of the year 2017.

Findings – The findings will be outlined once all the data for the research is collected and analyzed.

Practical Implications – Based on the findings, the case research will –

- Identify and recommend effective measures to advance wine tourism in India.
- Determine best practices on sustainable strategies in the wine industry.
- Help position Sula Vineyards for changes in government tax policy.

Environmental Effects on Entrepreneurial Thinking in the Northern California Wine Industry

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ABSTRACT

The U.S. wine industry is an established agricultural sector which has seen volatility and growth over the last 15 years. While a well-studied industry, there is little research to observe management perceptions of entrepreneurship and contextual factors. This study uses survey data of Northern California wineries collected in 1999 and 2015 to understand the industry-specific systems of entrepreneurship. We collected data on winery operational environments, business characteristics, and the perceived concerned contextual factors. We hypothesize the age and size of wineries will vary by perceived environmental factors and entrepreneurial thinking. We find counter-intuitive perceptions with the larger and older wineries being more focused on entrepreneurial thinking than smaller and younger ‘entrepreneurial’ firms. We also find the concerns of industry contextual factors are shared by all industry players regardless of age, size and strategy. Additionally, we identify a wine industry shift in the primary business concerns from market concerns in 1999 to more macro-economic concerns in 2015. This industry shift is consistent with the emerging entrepreneurship literature research stream on environmental context. The study findings provide insight into the current entrepreneurship literature of established industries and the need for contextual research. The practical findings provide wine industry participants insight in the priorities for development of strategies regardless of size and age.

An analysis of wine consumers' environmental values, ethical concerns, and health consciousness

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◦*Purpose* – This research aims to examine different wine consumers segments in terms of ethical concerns about production, environmental values, health-conscious lifestyles, and diets.

◦*Design/methodology/approach* – Data ($N=1,048$) were collected via an online survey conducted in the US, the UK and Germany. A series of hierarchical regression analysis was employed to examine the impact of socio-demographics on consumers' personal values and to explore the impact of environmental values and ethical concerns on health conscious lifestyles and dietary patterns. A one-way ANOVA was performed to compare *super core wine drinkers*, *core wine drinkers*, and *marginal wine drinkers*.

◦*Findings* - Wine consumers' socio-demographic characteristics have a predictive power on consumers' environmental values and health consciousness. Furthermore, consumers with different levels of wine consumption frequency differ in their health conscious behavior and environmental values. Super core wine drinkers were found to be most ethically concerned about production; and super core and core wine drinkers showed significantly higher levels of environmental values. Marginal wine drinkers were the least conscious regarding healthy lifestyles.

◦*Practical implications* – This research shows that consumers with different wine consumption frequency have different environmental and health conscious values. In order to target consumers effectively, wine marketers need to understand which consumer segment value these appeals the most and deliver them accordingly.

Key words: health consciousness; environmental values, ethical concerns

Profiling the Luxury Wine Buyer in America

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Abstract

- **Purpose** - The purpose of this research project was to describe demographics and motivations of luxury wine buyers in the US market.
- **Design/methodology/approach** – An online survey was completed by 1081 US wine consumers, of which 473 were designated to be luxury buyers based on price spent on wine. Standard demographic and wine consumer scales were utilized for profiling.
- **Findings** – Results show that the luxury wine buyer is more likely to be male, aged 30 to 50, with a higher income and education level. Motivations of the luxury wine buyer are different than the non-luxury wine buyer, and reasons for purchasing luxury wine go beyond mere collecting.
- **Originality/value** - This research is one of the first to analyze the luxury wine consumer in the US market, and provides useful information for wine marketers and researchers on the profile of the luxury wine buyer in America.

Key Words: Luxury Marketing, US Wine Market, Consumer Behavior

From non-drinkers to drinkers: The wine adoption journey and the key adoption factors among Chinese consumers

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Abstract

◦*Purpose* – Traditional wine producing countries are confronting greater supply than demand domestically. This encourages penetration into emerging markets where wine is not yet commonly consumed. However, the vast majority of consumer studies focus on those who are already wine drinkers. Our knowledge of converting non-wine drinkers into wine drinkers is still poor. Therefore, this study aims to explore the wine adoption pathway of consumers from the emerging Chinese market and to identify the key factors of wine adoption.

◦*Methodology* - Twenty-six semi-structured in-depth interviews with upper middle class alcohol consumers were conducted. The sample was collected in Guangzhou and Xi'an, which differed in geographic location, age, alcohol and wine consumption frequency. All the interviews were audio recorded and transcribed into Chinese for content analysis.

◦*Findings* – We outlined the four decisive behavioural stages from first wine experience, to increasing exposure, reinforcement, and finally the confirmation of being a regular wine drinker. These four stages are highly associated with the social behaviour and demographic factors of the consumer. Perceived healthiness, product involvement, reference group influence, premium sign value, culture and taste preference are also found to be the key factors of wine adoption in China.

◦*Practical implications* – The results suggest that the wine adoption process starts in a consumer's early 20s and the wine consumption habit may set in around their middle 30s. To grow the customer base for wine, marketing interventions should apply within this period with the consideration of the key factors.

Key words: adoption process, adoption factors, non-adopter, wine, China

Young Chinese consumers and their first wine experience

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Purpose: This paper reports on part of a study exploring Chinese consumers' experiences with wine, focusing in particular on the experience of young Chinese wine consumers (Generation Y). It addresses the questions: What is the process, influencers and context of wine socialisation of young wine consumers in China, and how do their experiences differ from those of older Chinese consumers?

Design/methodology/approach: An online survey was distributed to Chinese respondents who had consumed wine at least once in their lives, and were of legal drinking age (18 years). Within a total valid sample of 608 respondents, 395 respondents were aged between 18-34 years at the time of the study (born 1981-1997). Descriptive statistics, Chi-square and *t*-tests were used to analyse the data.

Findings: Young adults in China today are first experiencing wine in significantly different environments to previous generations. In particular, they are being exposed to wine at a younger age, and in less formal settings than their older counterparts. The family, and particularly parents, are important influencers of early wine experiences. While health reasons and situational suitability are given as major motivations for first consuming wine amongst Chinese wine consumers of any age, Gen Y consumers report stronger motivations for wine consumption overall, suggesting perhaps a greater interest and engagement in wine.

Practical implications: This account of the wine socialisation experiences of young Chinese consumers offers insights to marketers and researchers seeking to understand this increasingly significant market segment. Of particular interest to wine marketers is the role of the family in early wine experiences, and the sophisticated and classy image of wine held by Gen Y consumers in China.

Key words: Generation Y, wine socialisation, Chinese wine consumers

How can you improve the reputation of a territorial brand?

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◦Purpose: The aim of this paper is to explore the measure of a territorial brand, in this case, Champagne, in the perception of French residents. In particular, we are interested in the components of this perception to detect those aspects which could positively influence reputation.

Methodology: We conducted an online survey of 946 domestic French wine consumers, examining their perceptions and wine consumption behaviour, and particularly those relating to Champagne. For this paper, we focus on the reputation of the territorial brand Champagne through the willingness to pay for standard bottle of Champagne and consumers' perceptions of it. Then we analyse the varying weight of the components of consumers' perception to detect those which could improve the reputation of Champagne.

◦Findings: There are correlations between the willingness to pay for a standard bottle and the brand perception of the territorial brand of champagne. This is especially confirmed with two subcomponents of functional need: uniqueness and awareness. However our models have weak fit and require the development of a more advanced model which includes perception of private brands who share the collective reputation.

◦Practical implications: Even though the fit of our final model is low, our results suggest that focusing on two components of the perception of champagne in the domestic market could counterbalance the current decrease of the champagne sales. One is to maintain a high level of awareness of the product. The other is to improve the perceived uniqueness of the territorial brand champagne.

Key words: Territorial Brand, Brand perception, French consumers

LOCATION-SPECIFIC ADVANTAGES IN THE WINE INDUSTRY – FROM TERROIRS TO TERRITORIES

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Introduction

The purpose of this paper is to explore why location still matters in the wine industry despite its increasingly global nature and analyse the various approaches for categorising it. The wine industry has been experiencing dramatic changes during the last 25 years, with the emergence of new markets, as well as new competitors and new production places. The industry has increasingly become global and concentrated. Large multinational companies adopt global strategies, sourcing grapes and wine from various locations worldwide. The development of varietal wines enables such a move, as the origin of the wine consequently loses its importance.

We would therefore assume a diminution of the "sense of place" in the wine industry and the end of wine territories. For Veseth (2011), "somewhereness" is to be replaced by "nowhereness". Yet, evidence shows that the place of production remains important and has even gained momentum in new producing countries. The academic literature has tried to analyse the factors behind this sense of place. Two different frameworks have emerged: while academics from traditional producing countries mostly refer to terroir, new those from producing countries tend more frequently to focus on clusters. Yet, this division is increasingly criticised, in particular for being artificial (Bélis-Bergouignan, 2011).

Rather than finding differences and similarities between the terroir and cluster models in wine, our first purpose in this paper is therefore to analyse their complementarities. Indeed, we want to show that these frameworks simply view similar structures with different lenses. Our second objective is to bring back together existing frameworks in order to conceive a comprehensive one.

Terroir: factor endowments and comparative advantages

A first explanation of the importance of location in the wine industry builds on the traditional "terroir" concept. The definition of terroir given by the French INAO¹ focuses on the physical specificities (soil, climate) of a particular vineyard (Marchesnay, 2002). This definition has gradually evolved to take into account human action as well, whether by the choice of grape varieties, the selection of parcels or the growing methods. In the OIV resolution VITI 333/2010, the OIV defines terroir as "a concept which refers to an area in which collective knowledge of the interactions between the identifiable physical and biological environment and applied wine-making practices providing distinctive characteristics for the products originating from this area".

"Terroir" hence refers to the combination of climatic, soil and other site-related natural conditions, such as topography, landscape characteristics and biodiversity features. Although human influence is integrated in this definition, it remains limited to making the best out of natural conditions, i.e. finding and using the most adequate grape varieties or winemaking techniques.

This framework builds on the factor-proportion theory that emphasises the importance of local factor endowments (land, labour capital, natural resources) in international trade and specialisation (Hira and Swartz, 2014)². The model suggests that several production factors, primarily labour and capital, but also land and natural resources, are used in the production of final goods. Countries and regions have different quantities, or endowments, of production factors available for use in production. Each country or region will consequently specialise according to its comparative advantage that is to say in products making use of the most abundant – hence cheapest – production factors.

For an agricultural product such as wine, soil and climate, (i.e. the "terroir" (Hira and Swartz, 2014)) are key production factors. It is commonplace to say, within the world of wine, that the most reputed regions gain their reputation because of the quality of their natural environment. The quality of a wine is thus determined by its particular location, the best wines being produced in regions endowed with the best land and climatic conditions. Furthermore, appellations aim to protect local producers from outsiders and free riders, whose objective is to take an unjustified advantage of a terroir's reputation. Appellation is hence in part the legal crystallisation of the non-legal concept of terroir as a place and tradition influencing a producer.

Yet, this explanation is being questioned on different grounds. First, although factor endowments may explain why some regions are better equipped than others as far as wine production is concerned, they do not precisely differentiate among similar wine regions or explain what makes a specific wine region successful. They also overlook the recent success of wines originating from new producing countries that put less emphasis on terroir, as supply and production are often spread across various locations. It is thus argued that, with the evolution of technology, natural conditions have lost their importance (Hira and Swartz, 2014).

¹ National Institute for Control of Origin. This is the organisation in charge of regulating the French appellation system.

² It was originally developed by two Swedish economists, Eli Heckscher and his student Bertil Ohlin in the 1920s and extended by Paul Samuelson in the 1930s.

Clusters: agglomeration economies and transaction costs

The emergence of new producing countries is often associated with the competitiveness of local clusters, defined as "geographical grouping[s] of enterprises which operate within a specific industry" (Porter, 1998), such as wine. The cluster framework builds on the theories of Alfred Marshall (1890): in his book, *Principles of Economics*, he showed that economic activities tended to concentrate geographically in a defined space to benefit from specific competitive advantages linked to geographical proximity. Michael Porter (1998) initiated the idea of clusters using as one example among others, the Californian wine cluster.

This reference was subsequently used to describe varyingly sized production areas in Chile, Brazil, New Zealand, South Africa or Texas: Australia has thus sometimes been considered as a "meta" or "mega" continent-wide cluster (Aylward, 2004a; Muller & Sumner, 2006; Visser & De Langen, 2006). The concept has been less frequently used as an analytical framework for vineyards located in traditional wine producing countries, such as the Douro wine region in Portugal (Rebelo & Caldas, 2011) or Bordeaux (Bélis-Bergouignan, 2011).

In this framework, local factor endowments/comparative advantages matter less than the components of the cluster's business environment, as detailed in the "competitiveness diamond" model. This model aims to explain the competitive advantage of territory in a given industry by combining industry- and location-specific factors. The diamond includes four sides:

- Input conditions: infrastructures, qualified labour force, technological practices and know how, and the presence of training and research organizations.
- Demand conditions: the size and the requirements of the market, which encourage local firms to improve their produce in terms of quantity, price and quality.
- Strategy, structure and competition among local companies: the location of a high number of competitors in a given territory enables them to distinguish themselves from each other by the quality and price of their products, as well as by a continuous innovation process.
- Related and supporting industries: the presence locally of a large number of specialized and complementary firms (cooperage, glassware, labels, machines and inputs) enables firms in a given sector to obtain the best goods and services at the best price.

The dynamics of a cluster is based on the productivity gains generated by geographic proximity and access to specific local inputs. The geographic concentration of complementary participants facilitates the regularity of interactions by reducing transaction costs between partners. The presence of specialised suppliers, service providers and support organizations (training and promotion bodies, local authorities) provides local firms with easy access to diversified private and public services and resources (training, expertise, infrastructures).

Innovation within the cluster is also driven by the intensity of complementary relationships between local firms, each one adapting to demanding clients' needs and putting pressure on its suppliers or providers (Aylward, 2004b). Competition between companies within the cluster is a catalyst for productivity gains and innovation as well, as each company is encouraged to distinguish itself from its neighbours, both partners and competitors, whereas complementarities enable insiders to achieve economies of scale, whether in terms of trade, logistics or marketing.

A clustering process emerges when the simultaneous presence of a significant number of factors generates a threshold effect. Subsequently, clusters tend to reinforce themselves, insofar as the presence of favourable conditions attracts existing firms – outsiders wanting to become insiders – and invigorates the entrepreneurial process. Eventually, relationships between complementary clusters (wine, tourism, gastronomy, and culture) will contribute to enhancing the overall coherence and global competitiveness of the cluster.

This model enables one to understand the individual strategies of companies in an economy that is largely regulated by market relationships. In a "Smithian" logic of "invisible hand", the pursuit by each player of its self-interest creates the right conditions for competitiveness at a collective level and on a regional scale. Although the role of national and local governments (the fifth side of the diamond) in encouraging competition and hence competitiveness – through their support to training and research, the creation of infrastructures and the introduction of laws promoting competition and consumer protection – is acknowledged, it remains limited to the creation of an appropriate framework in which companies will compete.

Furthermore, the model mostly relies on market-based mechanisms generating traditional agglomeration economies – positive external effects induced by geographic proximity – and reducing transaction costs. It somehow tends to neglect non-market relationships such as inter-personal relationships and trust, emphasised by such authors as Gordon and McCann (2000). Porter (1998) does stress the importance of collaboration among companies, with the support of so-called "institutions for collaboration" in developing "public goods" that will contribute to competitiveness on a collective level. This is in line with the "territorial branding" concept, i.e. the idea that a wine territory is offering a product that cannot be replicated elsewhere both for environmental and socio-cultural reasons (Charters and Michaux, 2014; Charters and Spielmann, 2014). Yet, the reasons and ways cooperation and these institutions develop is not formally explained (Ditter and Brouard, 2014; Hira and Swartz, 2014).

The model is moreover often questioned for lacking solid scientific bases (Martin and Sunley, 2003). First, the boundaries of clusters are contingent and rarely follow the traditional categories used to classify industrial and economic statistics. The term "cluster" can therefore be used to name very different objects, such as the Australian wine industry on one hand and much smaller vineyard areas like the Napa Valley on the other hand. Local concentration of wine producers is very often synonymous with cluster activity, although insiders may not cooperate with one another. Second, the nature of the clustering process is itself not clearly explained: the framework may be useful to understand how actual clusters operate, but has limited prescriptive implications and does not provide much support to policy-making.

Finally, the competitiveness framework helps understand the development of new producing countries that favour light regulations, open competition and innovation-driven strategies. It is less relevant as far as traditional producing countries are concerned, where non-market mechanisms, traditions and government regulations play a bigger role. As Smit (2010 p.124) explains, "Porter's Diamond Framework is not a new theory that explains the competitiveness of countries but rather a framework that enhances our understanding of the international competitiveness of firms. [...] It should be taught as a tool for analysing country sources of competitive advantage in order to enhance the ability of managers to make informed decisions on how to configure the value chain, and where to do what in the world".

The resource-based view: connecting organisations to their environment

A more recent perspective on location-specific advantages in the wine industry builds on the resource-based view of the firm (Penrose, 1959; Wernerfelt, 1984; Peteraf, 1993). The latter was initially designed to understand the bases of firms' competitive advantages: it suggests that the competitive advantage of a firm stems from the resources (assets) that it owns, or is able to get access to. Those resources are "tangible or intangible assets that firms use to conceive and implement their strategies" (Barney, 1991), including land, buildings, equipment, but also brand reputation, trademarks or intellectual property.

Resources are both heterogeneous – they differ from one firm to the other – and immobile, so they cannot easily be transferred from one firm or place to the other. They are either found within the firm or can be acquired from its environment. The existence of location-specific, or territorial, resources may therefore give insiders a sustainable competitive advantage over outsiders (Hervás-Oliver & Albors-Garrigós, 2007). Territorial resources can be natural (soil, climate)³ or constructed (historical, cultural and social). They are considered as distinctive if they are difficult to transfer or imitate. Distinctive resources can in turn be divided into two categories: "systemic" and "restricted access" (Wilk & Fensterseifer, 2003; Fensterseifer and Rastoin, 2013).

Systemic resources are external effects, such as agglomeration economies, that are accessible to all insiders. It is the case for example of a positive reputation enjoyed by a vineyard, due to adequate geophysical conditions (terroir), or the presence of a dynamic inter-professional association. Restricted access resources are local practices, scientific or technological knowledge generated by local research institutions, whose value depends on the absorptive capacity of each producer (Cohen and Levinthal, 1990). The capacity of an individual producer to exploit territorial resources will in fact depend on its objectives and positioning, as well as its own internal resources and competences. These resources are consequently difficult to use, even by insiders themselves, and are a source of differentiation within the vineyard area (Fensterseifer and Rastoin, 2013).

For instance, the success of the Franciacorta appellation, located between Milan and Brescia, is in part due to the use of drills, which enabled some producers to dig large temperature controlled storage cellars intended for sparkling wines. In Bordeaux, the investments made by the great Chateaux – state of the art wine cellars, regular renewal of barrels, optical sorting equipment – ensure high standards well beyond the reach of small local producers.

Fensterseifer and Rastoin (2013) identify five main types of resources (or capital) offered by wine clusters:

- Natural capital: soil and climate, water resources and landscapes, which are the primary resources of a vineyard.
- Technical capital: specialized labour force, equipment and inputs, advisory services, marketing and distribution, financial services (risk capital, investment funds), the capability to disseminate internal knowledge and know-how.
- Institutional capital: professional organizations, unions, specialized private or public organizations, teaching and training organizations, research and technology centres, technical assistance centres.

³ Landscapes, although of natural origin, should nonetheless be considered as a constructed resource.

- Social capital: horizontal or vertical cooperation, informal networks dedicated to problem solving, entrepreneurial spirit.
- Reputational capital: the wine region's reputation for quality, the reputation of local appellations, the attractiveness of wine tourism (wine routes, wine related cultural and artistic events).

This framework combines both terroir- and cluster-based perspectives: on one hand, a terroir is a consistent set of resources making up a vineyard's natural capital, while contributing to building up its reputational capital. It contributes to territorial branding. Yet, it is not the only type of resource available to insiders. On the other hand, cluster effects are mostly encapsulated in the vineyard's technical capital, while cooperation and other forms of non-market coordination mechanisms are incorporated in institutional and social capitals.

The model is interesting as it raises the issue of dialectics between individual strategies and performance on one side and collective performance on the other side: specific resources may be considered as strategic by some insiders while neglected by – or not accessible to – others, due to differences in absorptive capacities. It also emphasises the role of cooperation among insiders and of local governance mechanisms as competitiveness drivers. The production and exploitation of territorial resources requires locally embedded forms of organization, i.e. particular means of interaction among insiders (local producers and other economic, social and political players).

Nevertheless, one key problem remains partly unanswered, relating to the resource formation process: in the resource-based view, strategic resources are the product of a set of complex social relationships where culture and history play an important part. They are also subject to causal ambiguity, as the causes and consequences of specific resources are hard to distinguish. Because of these idiosyncratic characteristics, the resource-based view can hardly be subject to generalisation and thus serve as a basis for policy design and implementation.

Suggestions for an integrative framework

The previous models can be combined into a general framework explaining the role of location in the wine industry. To do so, we build on an extended economic characterisation of terroir, considered as a territory. From an economic point of view, a territory is "physical space, not limited by a court or institutions but rather by natural elements of cultural and/or ideological order. It has an identity of its own, determined by nature, culture, history, human and social capital (knowledge, know-how ...), making-up a collective identity. It is a place of relationships between heterogeneous actors with different objectives, leading to the implementation of collective dynamics characterized by a common purpose" (Pecqueur, 2000, p.15). It is thus a social and historical construction, where interactions among economic agents are at the origin of locally embedded resources.

Similarly, Rastoin and Vissac-Charles (1999, p.173) define terroir as "a homogeneous territory endowed with a very strong identity, characterized by a set of natural (soil, climate) and cultural, historical and social resources". It is a collective structure whose geographic components matter less than the resources developed by these same players and their interactions, such as individual and collective skills, building on enduring collective trust and facilitating an exchange. In particular, local producers are embedded in a dense network of wide ranging social relations (family, professional, friendly, political or economic) that have developed over time and promote the accumulation and dissemination of this knowledge and know-how (Rastoin & Vissac-Charles, 1999).

Interactions among producers (market and non-market, competition and cooperation – known as coopetition) contribute to the formation of previously mentioned territorial resources.

- Competition drives quality improvement and innovation.
- Cooperation supports the development of specific skills and know-how
- Both contribute to the reputation of the vineyard area.

The wines of Bordeaux are for instance considered as good because of their mild maritime climate and the gravel or clay/limestone soils on which the vines are planted. However, whilst there may well be some truth in this, it is an environmentally reductionist argument. Historically, Bordeaux wines competed for market share with other wines from south-west France, such as Cahors (once famous for a wine so densely coloured it was called "black wine"). A simplistic explanation for the greater reputation Bordeaux now has compared with Cahors could be the cooler winter climate of the later (or perhaps the soil (Wilson, 1998)). However, it is also the case that the merchants of Bordeaux (the main place of export for the region) effectively 'strangled' exports from the interior in favour of their own production. Bélis-Bergouignan (2011) also emphasises the intensity of interactions among local players that characterises the vineyard today.

However, territorial organisations require adequate regulation mechanisms due to existing tensions between individual strategies and the collective territorial one. Traditional and new producing countries have adopted different regulation mechanisms (Charters and Spielmann, 2014).

For instance, in most French vineyards, terroir is the cornerstone of a strategic model based on close identification between territory, producer and product: "terroir products" are linked to a geographic area but also and above all to, history, a culture and local collective know-how that give it its true value and make it unique, consequently inimitable outside the territory. This identification between terroir, firm and product constitutes an almost insurmountable barrier to the entry of outsiders, which puts insiders in a situation of monopolistic competition in the niche thus created, generating unearned revenues referred to as a "territorial rent", enabling them to charge high sales prices (Calvet, 2005; Torre, 2002). At its best, it acts as a territorial brand, i.e. a form of location-related brand, where the product sold is inextricably linked to its origin (Charters and Spielmann, 2014).

Outsiders can still capture part of the territorial revenues linked to the terroir by exploiting confusion on the denomination or origin of the product, as highlighted by the disputes over the use of "Champagne" and "Chablis" appellations in the USA (Spielmann and Charters, 2013), while insiders themselves can be tempted to behave as "free riders". "Terroir-based" strategies are thus generally backed-up by appellations: the early moves to create PDOs in France (in this case appellations) were indeed essentially designed to protect the economic power of the growers in a single area by limiting the boundaries of that area. This was, for example, the case in Champagne before the ultimate delimitation of what became the area of the appellation in 1927 (Guy, 2003; Barrère, 2007). There is therefore a clear link between PDOs and territory. To this extent, a PDO can be seen as the legal outworking of a territorial brand, so that even in non-European countries it is no longer possible to claim a territorial designation for a wine if the producer does not source the raw material for that designation.

However, in Europe the PDO goes further; it also prescribes production criteria (e.g. authorised grape varieties, pruning methods, maximum yields, and minimum ageing periods). These constraints are designed to guarantee a minimum quality level for the wine made within the territory in order to give

the consumer some expectation of *typicité* (typicality) in all wines from the area. To this extent the PDO takes on further responsibilities that are typically expected of a brand manager for a proprietary brand; it does not just protect the name, but it also works to ensure product quality and consumer satisfaction. Appellations are regulated by often sophisticated territorial rules and mechanisms, whose purpose is to promote cooperation between various parties and ensure abidance by the common rules (Charters and Spielmann, 2014).

Yet, other types of territorial strategies and governance mechanisms exist, in France, other European countries, or new producing countries.

Conclusion

This exploration has attempted to reconcile competing academic and practitioner views about the significance of "territory" in the world of wine production. (European) Terroir does not have to be postulated in contradistinction to (New World) wine clusters. Rather, by adopting a resource-based view and focusing on how organisations relate to their physical and institutional environments we have shown that both perspectives can be employed to bring clarity to the notion of the wine territory. Terroir is a form of industry organisation that operates inside cultural constraints and social organisation, while clusters do not exist independently of the reputation offered by the physical and constructed resources of a vineyard area. Both are, in any event, contingent, having evolved over many centuries.

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German Wine Consumers and New Grape Varieties – A Choice-based Conjoint Analysis

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Abstract

◦*Purpose:* Fungus resistant grape varieties are the key to environmentally friendly wine growing. This study examines whether German consumers are willing to buy environmentally friendly produced wines. The study's focus is on the reduction of fungicides and the improvement of the carbon footprint which are both related to the fungus resistant grape varieties.

◦*Design/methodology/approach:* A choice-based conjoint analysis with the attributes 'reduction of pesticides', 'organic certification', 'familiarity with the grape variety', the 'slogan "better for the environment"', 'reduction of CO₂ emissions', and 'price'. The sample of 1500 Germans is representative for the German wine drinking population. The conjoint analysis was calculated with the Hierarchical Bayes method to estimate individual-level part-worth utilities.

◦*Findings:* The most important attribute is 'price', followed by the 'familiarity with the grape variety', the 'reduction of pesticides' and of 'CO₂ emissions'. The calculated marginal willingness to pay reflects these results. The marginal willingness to pay for a familiar grape variety is 2.91 euros. The value for the 80% reduction of pesticides is 2.71 euros and for the 50% reduction of CO₂ emissions, it is 1.44 euros. Participants would pay 1 euro more for a wine with organic certification; and only 0.82 euros for the slogan 'better for the environment'.

◦*Practical implications:* To successfully market wines made of fungus resistant grape varieties, producers have to find a way to convey the eco-friendliness of these grape varieties.

Key words: wine marketing, consumer behaviour, Germany, fungus resistant grape varieties, pesticides, CO₂ emissions, choice-based conjoint analysis

Using Data Mining to Classify Terroir Specific Aromatic Profiles of True-To-Type Wines from Burgenland a District of Austria

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Abstract

The purpose for this research work was motivated by another research work conducted by the government agency of wine agriculture in Austria. The basic goal was to identify the influence of terroir on the aroma profile of specific analysed wines of the region, namely 'Blaufränkisch' and 'Zweigelt'. Sensoric data was collected from standardized micro vinified red wines of geologically different areas of the wine growing region of Burgenland. These different samples were tasted and quantitatively assessed by a tasting commission. A selected list of descriptors was used to correlate the sensoric values to the soils of their origin. The method used to build the correlation model is based on artificial neural network (multilayer perceptron with back propagation algorithm) for model building. The evaluation has been done calculating the dependency matrix of the built artificial neural network. The results identified a unique relation between the terroir and the aroma profiles of the analysed wines.

Key words: artificial neural networks, system identification, aromatic profile, terroir, red wine

The Joy of Wine: Exploring Emotions on Wine Websites

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The Joy of Wine: Exploring Emotions on Wine Websites

Purpose: To understand whether the emotions expressed on wine estate websites can significantly predict sentiment.

Methodology: Ten wine estates from five countries well-known for their diverse and high-quality wines (South Africa, Australia, New Zealand, France, United States) were selected. Content from the wine estates' websites was analyzed using IBM's Watson to assess the sentiment expressed on each website. Watson output was then used in a multiple regression analysis with emotions predicting sentiment.

Findings: Findings showed that emotions are not related significantly to overall sentiment on the winery websites. Interestingly, findings contradict two findings from recent research.

Practical Implications: The practical implications of this research show that wine estates and wine marketers can test whether the content of their websites mirrors the emotions that they desire to express to consumers and visitors, which can assure that appropriate expectations are set for the consumption experience.

KEYWORDS: *Wine estate websites, emotions, content analysis, sentiment analysis, Watson*

**How wine marketers can use social media network analysis to assess, develop,
and leverage their social media network presence:
An example using the search term “penfolds” and the social media sites Twitter
and Instagram.**

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Abstract

Purpose: The primary purpose of this paper is to introduce some visual/graphical methods to wine marketers and wine marketing researchers that can be used to assess a firm’s participation and presence in their social media network. The parallel purpose is to approach the explanation in such a way that a wine marketer or wine marketing educator may be comfortable enough to try and use the techniques for their wine business or in the classroom. As such, the format follows a step-by-step approach to the data collection, analysis, explanation of the results, and possible interpretations for the firm.

Design/methodology/approach: Because the research is practical in nature, the term “penfolds” was used to search Twitter and Instagram posts over a 10 day period in August 2016. This gave a result of 1,091 tweets (Twitter posts) and 950 Instagram posts. These are examined for content using static and dynamic wordclouds, and for social media name and social media chain networks using sociograms.

Findings: The results suggest that the techniques can be informative and may prove to be a useful first step and potential baseline for more detailed and targeted analyses. Throughout the research, we offer practical strategies for developing and improving the social media network presence of a wine business.

Key words: social media; network analysis; sociograms; wine; marketing; strategy

Imagine That! Ad-Induced Telepresence for Online Wine Applications

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◦Purpose: The objective of this research study is to examine the value of virtual tours as a relevant advertising context for wine brands. Specifically, this research suggests that virtual tours have an immersion-inducing quality that leads consumers to experience the brand in an almost realistic fashion, resulting in augmented brand attitudes and purchase intent. The role of consumer imagination and knowledge are also examined.

◦Design/methodology/approach: Two studies are conducted. The first study (n=128) was a field study conducted in France and Ireland, combining product experience with or without a virtual tour. The second study was conducted online (n=228) with American consumers. Study 2 replicates the findings of study 1 and examines the relevance and interaction of imagination and knowledge with media induced telepresence.

◦Findings: The results clearly show a direct effect of telepresence-inducing media (virtual tours) on augmented brand attitudes and purchase intent. An experience with a virtual tour augments product experience. The second study confirms these results and demonstrates that imagination mediates the relationship between telepresence inducing media and consumer knowledge. Consumer knowledge is important when telepresence is not present but imagination is important when telepresence is induced by media contexts, such as virtual tours.

◦Implications: The results of two studies provide insight in terms of the marketing benefits of using online applications that include virtual reality. In the case of experiential goods, such as wine, virtual reality results in positive downstream consumer outcome behaviors. Consequently, it is recommended that wine marketers include virtual reality in their online communications.

Key words: telepresence, wine, virtual reality applications

Considering the effects of perceived website personality on wine purchases in m-commerce and why gender matters

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Purpose: Wine growers, wine merchants, oenologists and wine lovers who sell wine from their cellars, in supermarkets, or on their websites or apps personalize their product for promotional reasons. Webpages or apps sometimes offer themes to provide the system with a particular personality. Unfortunately, even if differences of perception exist among consumers, the question of website personality does not seem to have been investigated in a mobile commerce (m-commerce) context.

Design/methodology/approach: This study examines the effects of the personality of mobile-phone websites and apps promoting or selling wine, and the perception and attitude of the consumer, on his/her online purchase intention. The moderating effects of age and gender are also analyzed. The research was conducted on French consumers. Through online and personal survey questionnaires, 275 responses were collected. Data was interpreted using SPSS 20.

Findings: The results show significant effects of website personality on attitude towards the wine website and purchase intentions. The moderating effects of gender and age have been examined. The results indicate that the impact of wine website personality on consumer attitudes is stronger for women than men; however this relationship does not vary according to age.

Practical implications: Wine producers and retailers should consider gender to enhance sales and loyalty to m-commerce websites. Managerial implications are discussed.

Originality/value: Wine m-commerce studies are limited.

Keywords: *mobile commerce, wine purchase, attitude, website personality, gender*

The Wolfville Magic Winery Bus: Profiles and Segmentation of Wine Tourists in a Nascent North American Cool-Climate Wine Region

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Purpose: This study was designed to explore the characteristics of wine tourists in the emergent wine region of Nova Scotia, Canada and to compare the profile to wine tourists in other regions as reported in the extant literature.

Methodology: Using online survey instruments, data were collected annually for the period 2013-2015 from respondents who participated in seasonal organized wine tours. Descriptive statistics and Two Step Cluster Analysis were employed to produce demographic profiles and customer segments for these wine tourists.

Findings: A demographic profile of respondents showed that most were female empty-nesters with an expressed interest in wine but limited wine knowledge. Cluster analysis determined that wine tourists in the region can be segmented into six groups, based on self-reported wine knowledge and interest, when combined with levels of activity at wineries visited.

Practical Implications: The success of the Wolfville Magic Winery Bus demonstrates the value of cooperation amongst businesses that might ordinarily consider themselves as competitors, particularly as a new sector forms. The results suggest that winery owners and staff must be aware that various visitor types will enter their doors and that tourist preferences for activities and program may vary. Since this form of wine tourism is mediated through a formal tour, future research should compare these visitors with those who travel to the winery independently.

Key words: wine, tourism, segmentation, Nova Scotia

Culinary Wine Tourism: Exploring the Theory of Experiential Consumption

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Abstract

Purpose

We explore key elements of consumer demand for the development of a successful wine and culinary tourism segment. In particular, we explore the demand preferences that are important for consumers in identifying a suitable wine and culinary related hotel offer in South Tyrol. In addition, we study the key elements of current supply and their pricing. Conceptually, we utilize the theory experiential consumption (4E-Model) of Pine & Gilmore (1998): entertaining, educating, escaping, and aesthetic.

Methodology

We surveyed potential tourists in a wine region to gain a better understanding of demand features of wine and culinary related hotel offers using an exploratory factor analysis.

Findings

The most preferred demand feature defining a culinary wine experience relates to informative entertainment. The second feature relates to socio-cultural activities that educate. The third are wine and food-specific activities to escape from normal routines. A forth feature relates to the aesthetics of style and culinary wine traits offered within the package. We also relate our results to current supply conditions for wine and culinary related hotel offers in South Tyrol to see if the tourism sector is developing supply conditions that reflect consumer preferences

Practical implications

Matching demand preferences and supply conditions is crucial in developing a successful wine and culinary related tourism segment.

Key words: Culinary wine tourism; demand preferences; experience consumption

Comparing Purchase- and Experience-Motivated Winery Visitors

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Abstract:

Purpose - This exploratory paper integrates theories of tourist motivation, services marketing, and service dominant logic. We examine the influence of purchase and experience motives on winery visitors' perceptions of 'facilitating services' that support learning more about the wine and winery operations and 'enhancing experiences' such as festivals, events and other hospitality and recreation services. Not all visitors perceive themselves as tourists and thus, perhaps are not incentivized by the same product mix elements as tourists might be. The goal is to gain a fuller understanding the role of goods and experiences in the minds of winery visitors and to tease out any potential implications for winery planners and marketers.

Design/methodology/approach – Convenience sampling was used to gather data from winery visitors using an onsite intercept study and self-reported questionnaires at 23 North Carolina wineries. Wineries were stratified to balance factors such as age of the business, production levels, and location in the state. A majority of wineries were rurally situated, producing fewer than 5000 cases of wine annually. Questionnaire items were adapted/transformed from the extant wine tourism literature. Likert-type items were used to differentiate buy- and experience-motivated visitors using five-point scales. Data were analyzed using SPSS Version 24.

Findings - A majority of visitors were from North Carolina. General demographics were similar to previous studies, i.e., older, largely female, having comparatively higher education and income levels. Results indicate that purchase-minded visitors are focused on wine and 'core service,' i.e., wine tasting, and are slightly more discount-oriented than are experience-minded visitors. Buy-motivated visitors had stronger positive regional brand perceptions about NC wine and wineries, including beliefs about taste, value, quality, and loyalty. Also, wine club members seem to be more purchase-minded than experience-minded when visiting wineries. There were no differences between the groups with respect to facilitating services, i.e., learning about wine, touring the winery, talking to the winemaker. Experience-minded visitors viewed 'enhancing services' more positively and attributed higher value to supplementary hospitality and tourism elements.

Practical implications - At a minimum, wineries should strategically distinguish two important visitor motives, wine "buyers" and wine "tourists," in order to better comprehend distinctive interests and purchase behaviors. Tasting bar services should focus on wine buying rather than entertainment, and wineries should carefully scrutinize the impact of these two distinct visitor motives on revenue strategies both in terms of bottle sales and revenue gained from hospitality services, e.g., dining, festival, and other touristic elements of the winery. The value and payback of enhancing services for wine club members should be carefully assessed since they rated these as less important as a reason for visiting a winery. The role of 'buy-minded' visitors in promoting regional NC wine brands should also be explored, since the former viewed NC wine more positively than did 'experienced-minded' guests.

Key words: consumer, North Carolina, service-dominant logic

**Does satisfaction trigger purchase?
The case of winery visit experience.**

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Abstract

Purpose: the aim of this study is to determine whether experiencing a wine cellar visit can trigger satisfaction and provoke purchasing.

Design/methodology/approach: in order to assess the impact of the perceived authenticity and satisfaction level and purchases, a questionnaire is submitted to visitors in a historical wine cellar in Alsace.

Practical implications: a specific attention should be given to the wine cellar atmosphere and authenticity as well as the socialisation between the staff or the owner and the visitors/tourists.

Keywords: satisfaction, purchase, consumption experience, authenticity

Wine tourism in the Côte Chalonnaise: an emerging destination

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Purpose: The paper provides an overview of the wine tourism offerings and wine tourism potential in the Côte Chalonnaise, in Burgundy, France. These issues are explored in the context of local contingencies and the exogenous forces which are being negotiated by wine stakeholders as they seek to establish new wine, and tourism, markets.

Design/methodology/approach: At the core of this project is a series of thirty semi-structured interviews conducted between 2014 and 2017 with key wine stakeholders in the Côte D'Or and Côte Chalonnaise regions. These interviews are supported by participant observation, and content analysis of brochures, tourist guidebooks, and wine/tourism websites.

Findings: Côte Chalonnaise is a peripheral region, in terms of both the reputation of its wines and tourist flows. The actions of local wine stakeholders – individually and collaboratively – have resulted in substantial development in wine tourism activities and attractions for visitors. The wine tourism offering in Côte Chalonnaise looks set to expand, given clear synergies between the needs of wine producers in this region to distribute their wines, and the requirement of wine tour guides to find small vigneron in Burgundy willing to receive visitors.

Key words: wine tourism, wine stakeholders, Côte Chalonnaise, Burgundy

HOW CONSUMPTION OCCASIONS SHAPE CONSUMER PREFERENCES: A DISCRETE CHOICE EXPERIMENT APPROACH

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Abstract

Purpose: Extant literature has shown that consumption occasions shape consumer preferences. However, this conclusion has been reached with techniques, which are not truly reflective of the way in which consumers make their choices. The purpose of this paper is, therefore, to test this literature's findings through a discrete choice experiment, a technique, which captures better the way in which consumers choose.

Methodology: A discrete choice experiment, which manipulates 13 product attributes. The respondents were asked to think about buying wine for one of three consumption occasions in the store where they normally purchase their wines. The data were collected online in November 2015 generating a total of 1,295 completed questionnaires. The sample was socio-demographically representative in terms of age, gender and income of the cohort of the upper-middle class urban population aged 18-49 living in Beijing, Shanghai, Guangzhou, Chengdu, Shenyang, and Wuhan who drink imported wine at least twice a year.

Findings: Only some of the results are in line with previous research. Origin is not always the most important choice driver, and the importance of prices varies between occasions. In addition, consumers do not seem to care much about medals, awards, or labels, but they somewhat rely on store or expert ratings when purchasing wines for more refined occasions.

Implications: Researchers need to think carefully about the methodology adopted to conduct a study, as different techniques can lead to very different results. Replications can strengthen previous findings, and reduce the risk of false positives.

Key words: consumption occasions; retail; discrete choice experiment; China

. Introduction and literature review

The effect that consumption occasion has on consumers' choice has been a topic of interest for more than forty years (Belk, 1974; Fountain & Lamb, 2011). Quester and Smart (1998) were among the first to investigate this in the wine marketing literature. They studied the effect of consumption situation and product involvement on the importance consumers give to various product attributes and their levels through a conjoint analysis of 303 Australian consumers. The results showed that the importance of region does not differ between consumption occasions, however the importance of price, grape variety and wine style varied between occasions. This study, while novel at the time, has several limitations. First, from a methodological perspective, conjoint analysis relies on rating scales, thus assuming that respondents always evaluate one option at the time. This creates biases in the valence of the options being evaluated making the results unreliable (Hofmans et al., 2007). Secondly, the alternatives were displayed as words instead of visual stimuli, an approach, which is now known to lead to bias results (Mueller & Lockshin, 2008). Third, although the authors mention that the options presented to respondents are the results of a combinatorial design of product attributes and their relative levels, only the results relative to the attributes have been presented, thus leaving aside a question about the importance the specific levels have on wine choices.

Hall and Lockshin (2000) and Hall, Lockshin, & O'Mahoney (2001) also looked at the effect of consumption occasion on the importance Australian consumers attach to product attributes and personal values using a means-end chain approach with up to eight different occasions. The results show some differences in the importance consumers give to the various product attributes, but these differences cannot be statistically evaluated due to the methodology adopted. The importance given to these attributes does not derive from a trade-off between attributes and does not reflect in reality the way consumers actually make choices. It is also not possible to measure the importance given to the attributes' levels.

Other studies in this area have adopted a more descriptive approach, showing if and when consumptions occasions change the way in consumers purchase. Liu and Murphy (2007) provided a description of the way Chinese people consume wines. They showed that Chinese purchase red wines only for special occasions, prefer inexpensive wines for private consumption and more expensive wines for public occasions, mostly due to 'face'. Thach (2011) focused on Generation Y (Gen Y) in the US showing they generally consume wines in traditional situations, such as special occasions and fancy restaurants, but they have also found a few more occasions revolving around social situations with friends and family. Furthermore, Gen Y consumers are willing to spend more money on a bottle of wine by occasion than the average American. These results are similar to those of Fountain and Lamb (2011), who suggested that Gen Y New Zealanders are more likely than older consumers to consume wines during special occasions. In addition, their study revealed that the wine type and grape variety are important across all consumption occasions and age groups, while the importance given to wine quality and price varies with the consumption occasion. During highly involved situations (i.e. special occasions), the first increases, while the second decreases. This accords with Hall & Lockshin (2000).

Despite the merit these studies have in showing the basic effects consumption occasions have on wine choices, the results do not allow trade-offs between bundles of competing options and do not reflect a realistic choice process. Further research in this area is necessary to provide better guidance to wine marketers. The purpose of this study is to reduce the limitations in the extant literature using a discrete choice experiment (DCE), a technique, which is more reflective of the way in which consumers actually make their choices. The context of this research is the China wine market, as the growth recorded in this market for the last few years and estimated future growth (Euromonitor International, 2016) makes the results of this study appropriate from an academic and a managerial perspective.

. Method and sample

DCEs make it possible to measure trade-offs across bundles of competing options – in this case bottles of wine. The product attributes and levels, as well as the combinatory design to generate the stimuli (i.e. wine bottles) were taken from Williamson, Lockshin, Francis, and Loose (2016). The decision to adopt an experimental design, which has already been used in another study, stems from a well-established principle in scientific research: replication (Lindsay & Ehrenberg, 1993).

The opportunity to test whether the results obtained in a previous study hold despite a change in context reinforces the confidence in the findings (Nenycz-Thiel & Romaniuk, 2014). The combinatory design comprises 13 product attributes, eight of which contained multiple levels – country of origin, price point, closure type, label style, grape variety, expert rating score, store rating score, and presence of a gold medal – while five – fictitious brand name, alcohol content, bottle shape, bottle volume, vintage – have been kept constant. Different from (Williamson et al., 2016), who asked respondents to complete the DCE after priming them with various advertorial messages, the respondents in this study were asked to think about buying wine for one of three consumption occasions in the store where they normally purchase their wines. The occasions, an informal meal at home, celebrating a special occasion at home and a dinner at home with guests were varied between participants. These occasions were chosen based on the growing trend of at-home consumption illustrated by Corsi, Cohen, and Lockshin (2016) in a three-year market research report on the attitudes, perceptions and behaviour of the upper-middle class urban population aged 18-49 living in Beijing, Shanghai, Guangzhou, Chengdu, Shenyang, and Wuhan who drink imported wine at least twice a year. These consumers are driving the growth of imported wine.

The data were collected online in November 2015 generating a total of 1,295 completed questionnaires. The sample was socio-demographically representative in terms of age, gender and income of the cohort of consumers mentioned previously. After checking for flat-liners, speeders and inconsistent responses, the sample was reduced to 1,004. The majority of respondents were 30-39 years old (44%), male (62%), earning more than RMB 10,000 (AUD 1,500) per month (63%), living in Shanghai (37%), Guangzhou (15%), and Beijing (12%).

Data were analysed using LatentGold Choice 5.1. Attribute importance for each of the three occasions was calculated using Wald statistics (Scozzafava, Corsi, Casini, Contini, & Loose, 2016; Williamson et al., 2016) and the results are compared descriptively. In order to examine whether the part worth utility associated with each attribute's level is statistically different across the other three occasions, the Wald(=) statistic was computed (Loebnitz, Loose, & Grunert, 2015; Williamson et al., 2016). To present the part worths utilities in a more managerially

understandable way, we convert them into market shares following the procedure suggested by Williamson et al. (2016).

. Results

The results show that country of origin and price are the two key choice drivers overall. Chinese consumers are mostly driven by price, when buying wine for an informal dinner at home (69%) with origin also having an influence (16%). Origin is the most important factor when buying wines for dinner at home with guests or for special occasions (45% and 42% importance, respectively). Price is second (12% and 17%, respectively). Unlike the informal dinner at home, the other occasions caused more factors to be considered in the wine choice. A special occasion or hosting guests cause a wine buyer to use a more complex set of factors to make his/her choice, especially raising the importance of various third party endorsements, like medals, store ratings and expert ratings. Label and grape variety also increased in importance. Closure had no impact on choice in any purchase occasion. Table 1 below summaries the results.

Table 3: Product feature importance across different purchase occasions

Product feature	Informal dinner at home (%)	Special occasion at home (%)	Dinner with guests at home (%)
n	331	332	341
Country	16	42	45
Price	69	12	17
Closure	0	0	1
Label	1	12	5
Grape	3	8	7
Medal	1	11	6
Store rating	5	5	13
Expert rating	5	10	6
Total	100	100	100

When looking at preferences towards attribute levels, the results show significant differences between occasions in relation to countries, prices, labels, and medals (see Table 4).

France is consistently the most preferred country, but, while Australia equals Italy as the second most preferred country when buying wine for an informal dinner, Italy solidly surges over Australia when buying for a special occasion or a dinner at home with guests. As expected, Chinese consumers prefer to spend less for an informal dinner at home (RMB 130) than for a special occasion (RMB 190 – RMB 370), or a dinner at home with guests (RMB 250). A similar pattern can be seen in relation to labels. An elegant design is slightly more preferred over other label designs when choosing wine for an informal dinner, while a prestigious label design is preferred for the other two occasions. Lastly, and contrary to expectations, Chinese consumers do not find medals on wine labels to be important. This tendency seems to be stronger when buying wines for more formal occasions than for informal ones.

As for those attributes, which do not show significant differences between occasions, Chinese consumers appear to be completely indifferent to the type of closure wines are sealed with; they prefer dry reds and Cabernet Sauvignon over Pinot Noir and Shiraz; and to buy wines with the highest possible store rating scores. Interestingly, though, when it comes to expert ratings, Chinese consumers seem to either prefer to purchase wines with the highest score a wine can receive, or not to have an expert rating at all, rather than having a good, but not exceptional rating.

Table 4: Share of preferences for product attribute' levels – By consumption occasion

	Informal dinner at home	Special occasion at home	Dinner with guests at home		
n	331	332	341		
Country	MS (%)	MS (%)	MS (%)	Wald (=)	p-value
France	32	35	35	27.98	0.00
Australia	25	21	22		
Italy	25	27	27		
China	18	17	17		
Price (RMB)	MS (%)	MS (%)	MS (%)	Wald (=)	p-value
70	16	8	8	581.18	0.00
130	21	12	13		
190	18	14	14		
250	13	14	15		
310	10	14	13		
370	9	14	14		
430	7	12	12		
490	6	12	13		
Closure	MS (%)	MS (%)	MS (%)	Wald (=)	p-value
Screw cap	51	50	52	2.51	0.28
Natural cork	49	50	48		
Label	MS (%)	MS (%)	MS (%)	Wald (=)	p-value
Elegant	14	13	13	27.03	0.02
Prestigious	13	17	14		
Stately	13	12	13		
Light hearted	13	14	13		
Modern contemp	12	11	11		
Eclectic	12	12	11		
Modern classic	12	11	13		
Modern vibrant	11	10	11		

Grape	MS (%)	MS (%)	MS (%)	Wald (=)	p-value
Dry Red	27	26	28	5.43	0.49
Cab. Sauv.	27	29	28		
Pinot Noir	23	24	22		
Shiraz	22	21	22		
Medal	MS (%)	MS (%)	MS (%)	Wald (=)	p-value
none	53	58	56	12.67	0.00
Gold medal	47	42	44		
Store rating	MS (%)	MS (%)	MS (%)	Wald (=)	p-value
99 points	39	38	40	7.39	0.12
95 points	31	31	32		
none	30	31	28		
Expert rating	MS (%)	MS (%)	MS (%)	Wald (=)	p-value
96 points	39	38	39	3.45	0.49
None	32	31	31		
92 points	29	30	29		

Adj. $R^2 = 0.032$; LL = -28,632; BIC(LL) = 41,166; n= 1004; df = 924

.. Discussion and conclusion

Only some of these results are in line with previous research. Contrary to Quester and Smart (1998), this research shows differences in the importance given to the origin of the product. However, Quester and Smart (1998) conducted the research in Australia used region of origin. This study used country of origin instead to ensure comparability with Williamson et al. (2016), and functionally to present the Chinese with “origins” they had knowledge of and use in wine choice (Corsi et al., 2016). As the China market evolves replication with both regions and countries of origin should be conducted to test if the patterns hold. Extant literature offers plenty of references to justify the use of both product attributes (Lockshin & Corsi, 2012).

It is interesting to observe the changes in the importance of prices between occasions. Wakefield and Inman (2003) noted that when consumption occasions are perceived to be more hedonic, the importance of prices decline. We didn’t test the hedonic perception of the various occasions, but if we adopt the argument of Fountain and Lamb (2011), who claimed that special occasion is more hedonic than regular occasion, these results are in line with previous literature. We see a marked decline in the importance of prices too, as the occasion shifts from an informal meal at home to a special occasion or a dinner at home with friends, but, as the occasion becomes more hedonic, the most preferred price point grows. Showing medals on the label wines is not a recipe for success in China. Chinese consumers don’t display interest in line with Williamson et al. (2016). Label style is important when choosing wine for a special occasion. In line with previous research (Lockshin & Corsi, 2012), this study shows that traditional labels and colours are preferred over complicated designs and unfamiliar colour combinations in China.

Lastly, previous research using DCEs has shown that consumers do not care much about medals, awards, or labels (Goodman, 2009; Lockshin & Corsi, 2012), except for low involvement consumers, as in Lockshin, Jarvis, d’Hauteville, and Perrouty (2006). However, studies using Likert scales draw opposite conclusions (Atkin, Nowak, & Garcia, 2007; Rocchi & Stefani, 2005). This is a call to the research community to think carefully about the methodology adopted to conduct the research, the value of replication under various conditions.

We acknowledge that our study did not include other product attributes from previous research in the field of situational influence (e.g. Hall et al., 2000). This was due to the desire to replicate Williamson et al. (2016). Other product attributes, such as wine style or brands, do play a role in the decision process, which could influence the results. Also, we can’t generalise across China. Our respondents represented only one very important cohort of Chinese consumers (i.e. the upper-middle class urban population aged 18-49 living in major Chinese cities who drink imported wine at least twice a year). Although these consumers represent quite a significant proportion of current wine buyers in China, we cannot exclude that the results could be potentially different with more heterogeneous respondents. This research only looked into the effects that occasions have in the selection of wine. However, we know that occasions not only change the way in which wines are purchased, but they actually change the beverages people consume (Agnoli, Begalli, & Capitello, 2011). Future research could therefore fill this gap, by investigating how consumers, particularly younger ones, form their product portfolios.

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More than wine. Analysing the importance of terroir for different products in different markets

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Abstract

◦*Purpose:* This paper aims to set out a research methodology able to analyse the appeal of different stimuli for the consumer in different terroir products coming from the New and the Old World, highlighting how consumer perceptions toward terroir changes from product to product. It focuses on the cultural differences in the perception of terroir; the different perception of terroir linked to different country of origin and consumer preferences for the different labels attesting the legal recognition of terroir.

◦*Design/methodology/approach:* Discrete Choice Models were chosen as the instrument able to meet the research objectives. The surveyed terroir products will be wines, cheeses and *charcuterie*, each of them becoming the main focus of a discrete choice experiment. The surveyed population will comprise consumers from France, Italy and the UK. Each consumer will be asked to imagine inviting an American friend for dinner and having to offer him/her a domestic cheese labelled as PDO, a European cold cooked meat labelled PGI and a Californian wine labelled AVA.

◦*Findings:* Three experimental design are built, made up of four attributes, assuming different levels: the origin (expressed at a national, regional or local level); the theme of the story about terroir (concerning the history of the family of producers, the production territory, the production process and the *climat*); the private label (present or not); the collective label (present or not), and; the price.

Key words: terroir, wine consumer, private label, collective brand, discrete choice models

Wine store brands & consumer perceptions

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Abstract

Purpose: The purpose of this research is to understand the role and the presence of wine store brands on the French market. This article pursues two major objectives: (1) to determine the major strategies and stakes of wine store brands for the large scale grocers and (2) to understand and assess the consumer's perception of wine store brands.

Design/methodology/approach: Two studies are implemented: a qualitative study through interviews with marketing managers and observation in stores and a quantitative one, focused on consumer's perceptions, through an experiment.

Practical implications: this research determines the major strategic elements on which each large scale grocer builds and develops their wine store brands as well as highlights differences and similarities between these competitors but also regarding national brands. Based on these results, "wine SBs consumers" profiles are developed which can help large scale grocers to have a better targeting of their consumers and to win the prices war with national brands.

Keywords: store brands; wine ; consumer perception

Counterfeiting French Wines: A Review

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Abstract

Purpose

This study aims to analyze the specificities of wine fraud in France today and to show the alternatives offered to the different stakeholders in the wine industry.

Design/Methodology

A literature review based on academic papers (history) and articles coming from the professional press, Internet websites and public organizations was made.

Findings

Frauds have always existed and producers have had to adapt to the various forms of counterfeiting, by adopting modern technology. Traceability of great wines is crucial and therefore, a new type of relationships between producers and consumers has been developed, which became a marketing opportunity for producers.

Practical implications:

This paper, which offers an inventory of the methods used by forgers to deceive customers, makes both producers and consumers aware of the extent of the problem. The counterfeiting phenomenon is dangerous for producers' image and the technological changes are a tool allowing producers to protect their wine and reinforce their relationships with consumers.

Keywords

Counterfeit, fraud, France, forgery, traceability, consumer relationship.

An exploratory classification of the wineries in the DO Emporda

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Abstract:

Purpose: The aim of this paper is to analyze the revenue models adopted by wineries, considering their: ownership, economic indicators, and Parker List punctuations.

Design/methodology/approach: A sample of 27 wineries located in Emporda, a county in the north-east of Spain, has been analyzed. Data were collected using secondary sources and wineries websites. Content analysis and descriptive analysis have been applied.

Findings: The exploratory findings represent four different groups of wineries, depending on the diversification strategy applied: from those wineries, focused only on the core business to other wineries that offer several complementary products and services. The majority of wineries are family businesses. Regarding the Parker List, the sampled wineries have increased their punctuations, and have been used to attract visitors. No differences were found regarding the economic indicators.

Practical implications: The classification of the revenue models allows wineries to adapt their strategies to improve their performance. The implications for customers are for the information about the complementary services and products those wineries offer. Finally, implications for administration are focus on actions to be taken to improve and make the sector more dynamic.

Key words: DO Emporda, winery cluster, family business, Parker List, revenue model

1. INTRODUCTION

DeJean (2005) recalls that historically, France was the "showcase" of luxury (chefs, gourmet, sommelier, etc.) that have survived. Schimmel (1905) stated that class fashions change when the lower class has access to them. In particular, they find in wine and its pairing, the link to the desired object. That "democratization" of fashion and luxury and the growing interest of the new world together with emerging countries, produced a new phenomenon labeled by Lipovetsky (2000) as "emotional luxury". More recently, authors like Jarrett and Jarvis (2016) highlighted the cross-country differences to define both the intrinsic and extrinsic attributes of the high-end wines. The former are the most difficult to define but some consensus has been found for the extrinsic attributes, being the most valued the "friends' recommendation", "taste it in a suitable restaurant", "Parker ranking", "recommendation of a wine expert" and "taste something new". Most of them are related to gastronomy, haute cuisine and the notoriety of the Parker ranking (for a more in-depth relationship between the type of consumer and complementary products, see e.g., Casas Romeo et al., 2016).

Regarding the internal factors for a winery to succeed, the property of the organization has been also analyzed. Family-owned companies have implemented governance structures that are specific to their size, country, age, culture and supply chain (see e.g., Köhr, 2016). In order to survive in the market, some of them have searched for strategic elements or capabilities allowing them to grow and differentiate. However, studies such as Dyer (2006) and Schulze et al. (2001), among others, conclude that previous works are not analyzing the "family effect" on the organizational performance or on the agency costs.

Taking the abovementioned into account, the aim of this paper is to analyze the revenue model adopted by wineries, considering their: ownership, economic indicators and Parker List punctuations. To achieve this objective, this study adapts Surlemont's et al. (2005) classification used to define the revenue models in the haute cuisine sector.

2. LITERATURE REVIEW

2.1. Family-owned wineries

The definition or the delimitation of the concept of family business is complex. For that reason there is not a general accepted definition (Littunen and Hyrsky, 2000). However, the International Family Business Network has verified a definition of family firms developed by the European Union (2008): a firm is a family enterprise "which belongs to family over the time and at least one representative of the family is formally involved in the governance of the firm. Most of the share capital, with corresponding rights, is in the possession of family members who manage the business". Therefore, the essential elements to define a family business are: property, power and continuity. These variables are also used in other definitions in the literature. In particular, the property is one or several families; the management of the business

involves several members of the family; and to maintain the ownership and management of the company to the future generations.

The involvement of the family in the organizations' management and the creation of unique resources and capabilities (Habbershon and Williams, 1999) lead to contribute significantly on their performance (Chu, 2011). This better performance is due to a more efficient management of the resource of the organization (Carney, 2005), generating competitive advantage (Barney et al., 2001). For example, Gallucci et al. (2015) show that family involvement contributes positively to return of sales (ROS), together with the use and communication of a family-based brand, resulting in higher sales rates. The research found non-significant results on family as a product brand in the wine industry, because the purchasing behavior is influenced by: price, label, taste, and region of origin, among others. Therefore, consumers' image of the area, region or country could influence consumers' perception of a product (se e.g., Van Ittersum et al., 2003), and the impact on the purchasing behavior or decision could also be influenced (Vrontis et al., 2006).

Pearson et al. (2008) observed that family firms create more employment and revenue growth. Besides, in those organizations, employees contribute to better economic and financial results because they are: more motivated, loyal, and increase the truth among themselves (Tagiuri and Davis, 1996). Family firms in the wine industry are also associated with: excellence, tradition, and trustworthiness (Smith et al., 2013). The tradition, together with the origin, are the key elements to perceived quality (Menghini et al., 2007). The wine elaborated in family businesses would symbolize the family values and their traditions (Vrontis et al., 2016), as well as textures and flavors which are the link to cultural identity (Harrington, 2006). Therefore, in the current research, the ownership of the winery is analyzed as a possible variable that influences the revenue model adopted.

2.2. Revenue models in haute cuisine

The analysis of the revenue models, in this research, is based on an existing study which proposed to classify the haute cuisine restaurants depending on their diversification. Specifically, Surlemont et al. (2005) observed that chefs in haute cuisine, sometimes focus on satisfying, their customers through their cuisine, and the profitability is a secondary objective. That type of chef is concentrated on his/her restaurant (core business) to improve his/her cuisine and obtain rates and awards, like Michelin stars (or be in the Parker List in the wine's case). On the other hand, there are other chefs that manage several complementary activities or businesses to increase the: profitability levels, to minimize the risk, or to get more notoriety. Depending on the revenue sources of these restaurants, the authors have identified three revenue models:

- (1) *'watch your sales basket'*: the group in which restaurants focus only on the core business
- (2) *'have as many baskets as you can'*: in this group the restaurants based their model on the diversification to exploit all possible sources of revenue
- (3) *'have the baskets you can handle'*: the group is built with those restaurants that chose to diversify only in some sources of revenue, so the diversification is lower than in the previous group (partial diversification).

3. METHODOLOGY

The sample of this research consists on wineries operating in Emporda, located in the north-east of Catalonia (Spain), between the Pyrenees and the Mediterranean Sea, “La Costa Brava”. This region has its own Designation of Origin (DO Emporda-Costa Brava). According to Institut Català de la Vinya i el Vi (INCAVI, 2016), 1,770h in Emporda are under the DO, with an average production of these wineries of 46,300 hl. The identified population of wineries in the Emporda region has been 61 firms. Two steps were followed to collect data. The first was to gather data from the website and the second was to use the economic data available. Information of 57 wineries websites could be gathered (see also Hashim and Murphy, 2006; Da Silva and Alwi, 2007). The information collected for this study consisted of:

(a) Ownership and people behind the organization. This information was divided into family-owned business and other types of ownership. This variable is important because, in Spain, family businesses represent 57% of the Spanish Gross Domestic Product (Instituto de la Empresa Familiar, 2015).

(b) Activities offered. This information refers to the complementary activities and products offered by the sampled wineries: such as hospitality services, oil, cheese, and other products.

(c) Awards or recognitions of wine. This variable is based mainly on the Parker Rating System, which is based on a 100-point system to measure the quality of wines. In this research, the wines with more than 89 points, and its evolution within the last three editions are considered.

The economic indicators were gathered from the database Sistema de Análisis de Balances Ibéricos (SABI). Information of only 27 wineries was available in this database. The indicators used were (see also Gallucci et al., 2015): (a) Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and (b) Returns on Assets (ROA). The time period analyzed consists on data from 2012 to 2015, although not all the wineries have the last year available. So, although the number of wineries in the province is 61, the final sample analyzed is based on only 27 wineries, which have a website and their economic indicators are available.

The analysis of data followed an inductive and interactive process (Miles and Huberman, 1984; Strauss and Corbin, 1998). The data gathered from multiple data sources is qualitative, which is appropriate when the research is exploratory (Ghauri et al., 1995). The study is based on a qualitative interpretation of the data and the literature research, in order to identify and refine theoretical foundation of the arguments.

4. RESULTS

4.1. Revenue models identification

Group A. The first group includes 7 cases (26%) which are firms that focus on the core business (no diversification): to create products derived from grapes, like wine, cava or vinegar; and to offer tourism activities related with the production of wine, like visits to the cellar, wine-tasting,

or wine-selling. This group is equivalent to ‘*watch your sales basket*’ proposed in Surlemont et al. (2005).

Group B. The second consists of 8 wineries (30%) which diversify into another source of revenue, like producing other products or other economic activities, but not both. The diversification activities chosen are either in products, specifically olive oil (2 businesses), or in economic activities like accommodation (3 businesses), museum (2 businesses) or restaurant (1 business). The level of diversification is partial, so this group is similar to Surlemont et al. (2005)’s ‘*have the baskets you can handle*’.

Finally, the remaining 12 firms are involved in all possible sources of revenue. Following the Surlemont’s et al. (2005) classification, it would refer to ‘*have as many baskets as you can*’. The wineries had diversified into elaboration of a) other products: like olive oil, honey, eggs, salt, b) other activities like: restaurants, accommodations, courses, museums or showrooms, health spa’s, c) different kinds of events and guided visits.

Group C. The third group has 6 wineries (22%) that developed two types of activities, mainly related to restaurant activity and the organization of special guided visits. This group could be considered as a mix between group B and group D.

Group D. The fourth group contains 6 wineries (22%) that develop all possible businesses from the maximum possible number of sources. Specifically, they diversify in four or more sources of revenue.

Thus, the first contribution of this research is the adaptation of the existing classification proposed by Surlemont et al. (2015), giving a more detailed description of the different sources of revenue. Although the sample is small, it was possible to clearly identify 4 groups instead of three as in Surlemont’s et al. (2015) proposal. The number of complementary activities could be important to improve the performance. Those results also allow to state that businesses in the same sector (food and beverages) could have similar revenue models, however differences and specifications could be found. The diversification in the wine industry in other sectors, related to the tourism sector or co-related to it, is a strategy to increase competitiveness (Presenza et al., 2010; Koch et al. 2013; Duarte-Alonso and Liu, 2010). For example, Dowling and Getz (2006) observed that the quality of wine is not enough to attract tourists to the vineyard, it is necessary also to create memorable experiences. But the challenge is to create a unique experience. According to Mitchell et al. (2002), there is a combination of several factors such as: cuisine, ambience, attitudes, among others. In the same way, Beames (2003) claims that a successful wine tourism requires: resort facilities, local products, related events, instead of the classical cellar visit.

4.2. Ownership, economic indicators and Parker List punctuation

Using the groups defined for wineries, the variables “ownership”, “economic indicators” and “Parker list punctuation” have been used to complete the description.

For *ownership*, table 1 summarizes the results into three different types: family businesses, non-family businesses and cooperatives. It could be seen that the majority of wineries are family-owned companies, with the highest percentage of this ownership in the second group (diversification into another source of revenue), 88% or 7 firms, which also contains cooperatives. On the other side, group C has the lowest percentage of family business but the highest percentage of cooperatives. The first group, the one not diversifying, has no cooperatives and the highest percentage of non-family business, although the most common ownership is the family.

Table 1

Ownership characteristics by revenue model (in number of wineries and in %)

Group	Family business	Non-family business	Cooperative
A	5 (71%)	2 (29%)	0 (0%)
B	7 (88%)	0 (0%)	1 (13%)
C	3 (50%)	1 (17%)	2 (33%)
D	4 (67%)	1 (17%)	1 (17%)
Total	19 (70%)	4 (15%)	4 (15%)

The second variable analyzed is the *economic indicators* of wineries. For the period analyzed (2012-2016), no significant conclusions could be extracted because no differences were found. The numbers are only exploratory and not presented because the data is not available for all years considered neither for all groups. Based on the available data, the great majority of wineries have an unstable evolution during the analyzed years. Considering the average EBITDA per groups, the last group presents the better indicators but not for the entire period, followed by group B which has increased in 2016. Groups A and C present lower average results but while the group A increases in 2016, group C decreases. In terms of ROA, the situation is similar, i.e., the last group presented the best ROAs during 2012-2014 but in the last year, the best result was for group C.

Regarding the *Parker List punctuation*, both the wines punctuation and their evolution have been analyzed. In general terms (see table 2), the number of wineries that become part of the Parker List has increased for all the groups described. However, the number of award-winning wines has decreased throughout the most recent editions of the list.

Table 2

Parker list punctuation and evolution by revenue model (number of wineries and number of award-winning wines)

Group	2012			2014			2016		
	Number of wineries	Wines' points		Number of wineries	Wines' points		Number of wineries	Wines' points	
		80-89	90-95		80-89	90-95		80-89	90-95
A	2	10	2	3	10	6	3	3	8
B	1	2	0	0	0	0	2	2	3
C	1	2	0	2	3	2	3	3	1
D	3	20	9	4	12	6	4	16	2

If the analysis is presented by groups, the fourth (group D) has the highest number of wineries and wines in the Parker List. Group A is ranked in the second place and its main characteristic is that the number of wines with the highest punctuation has increased. The other two groups present lower levels of punctuations and awards, but while group C increases the number of wineries, the evolution of group B is irregular because they lost their awards in 2014 but recover them in 2016. The results are related to Duarte-Alonso and Liu's (2010) findings who observed that wine-makers have the priority to increase the quality of their wines before being involved in tourism and hospitality sector.

5. CONCLUSIONS

The aim of this paper is to analyze the revenue model adopted by wineries, considering also: the ownership, economic indicators, and Parker List punctuations. The results of the exploratory analysis allow extracting the following conclusions.

First, the wineries could be classified by revenue models depending on their diversification as the restaurants are (Surlemont et al., 2005). The contribution of this study is the split of one of the groups, the one with the maximum diversification, in two groups. The final result is four different groups of wineries that have also been defined according to their: ownership, economic indicators, and punctuation in the Parker List.

Second, regarding the other analyzed variables, family business is the most common type of ownership, although the group with the highest percentage of families managing wineries is not achieving the highest average of the economic indicators (not in line with previous studies such as Gallucci et al., 2015). As also found in Surlemont et al. (2005), the highest economic indicators are for the group with the greatest diversification. Group D is also presenting the highest amount of wines awarded in the Parker List (see Ali et al., 2008; Jones and Storchmann, 2001). Thus, it is important to use internal and external factors to classify the wineries.

Implications of this research are for wineries, which can implement different levels of diversification and know the relationship with other variables. Also, customers have several opportunities to enjoy the diversification. The administration, which could help in promoting or taking actions to help wineries to improve, and improve the sector performance.

This research is not free of limitations. The sample used is one of the most important as well as the data available for each of them. In addition, no details are available of which activity is adding more value to the winery.

Future work will focus on obtaining data from the primary sources in order to define in more detail each cluster. Another future line would be comparing different regions in order to analyze if there is a pattern on cellars' performance and ownership.

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Relationship between Business Model and Strategy in the Wine

Industry: An Explorative Study

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Abstract

Academically, there is a lack of information concerning how SMEs operate in the wine sector – particularly in Europe – from a strategic perspective (Spiga, 2015). Moreover, dynamic marketing and sales, increasing mechanized processes, brand image development, environmental issues and management optimization are key parameters to create value, a structural goal for each business model (BM). In the framework of a wine estate, analyzed globally and with a sustainable vision, performance includes environmental, organizational, societal and economic aspects. Within a very competitive environment, we investigate the strategy and BMs of wineries located in France, Italy and in the United States. Our findings are that the strategy of those entities exists but is not formalized, that they nevertheless adopt different BMs and that sustainable practices enable them to reconcile their BM with their strategy.

Key words: Business Model – Strategy – Performance – Sustainability – Innovation.

Strategic Foundations of Grand Crus

By

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Abstract

Purpose – to identify marketing-related resources and capabilities of firms operating in a niche market and assess them by applying the VRIO-framework to identify potential sustainable competitive advantages (SCAs), in accordance with the resource-based theory.

Methodology – the population is the group of Bordeaux *Grand Crus* wine producers combined. This research follows a two-stage process. First, 60 respondents answer a structured questionnaire and provide information about the firms' marketing-related resources and capabilities. Then, the highest ranked resources and capabilities are assessed through VRIO-based structured personal interviews of industry experts to identify potential SCAs of the niche firms combined.

Findings – this research identifies three potential SCAs for the Bordeaux *Grand Crus* firms collectively; the quality of the terroir, the brand image and the 1855 classification.

Implications – theoretically, this research presents a process to identify SCAs and to conduct a complete VRIO-analysis. Also, this research applies a combined group of firms as level of analysis. Managerially, this research lists a number of potential resources and capabilities, presents a practical process of performing an actual VRIO analysis, and suggests SCAs for a given group of case firms, providing specific examples for managers to consider in respect to their own firms' situations.

Key words – Wine marketing; Market Strategy, Grand Crus

**Environment Effects on Entrepreneurial Thinking
in the Northern California Wine Industry**

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ABSTRACT

The U.S. wine industry is an established agricultural sector which has seen volatility and growth over the last 15 years. While a well-studied industry, there is little research to observe management perceptions of entrepreneurship and contextual factors. This study uses survey data of Northern California wineries collected in 1999 and 2015 to understand the industry-specific systems of entrepreneurship. We collected data on winery operational environments, business characteristics, and the perceived concerned contextual factors. We hypothesize the age and size of wineries will vary by perceived environmental factors and entrepreneurial thinking. We find counter-intuitive perceptions with the larger and older wineries being more focused on entrepreneurial thinking than smaller and younger ‘entrepreneurial’ firms. We also find the concerns of industry contextual factors are shared by all industry players regardless of age, size and strategy. Additionally, we identify a wine industry shift in the primary business concerns from market concerns in 1999 to more macro-economic concerns in 2015. This industry shift is consistent with the emerging entrepreneurship literature research stream on environmental context. The study findings provide insight into the current entrepreneurship literature of established industries and the need for contextual research. The practical findings provide wine industry participants insight in the priorities for development of strategies regardless of size and age.

Key words: Strategy, Contextual Factors, Entrepreneurship, Wine Industry

Hot weather – cool drinks: Is day temperature associated with retail sales of alcoholic beverages?

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Abstract

Purpose – Little research on the influence of external factors, such as weather and holiday periods, on retail sales is available with regards to the alcoholic beverages industry. This study investigates how weekly retail sales of alcoholic beverages vary in association with daily maximum temperatures and annual federal holidays across US counties in the years 2013 to 2015.

Design/Methodology/Approach – Secondary data of weekly retail sales (volume) of alcoholic beverages from stores in 651 counties in the US are analysed. The data covers on average 21% of all existing US counties and 12% of the total US off-trade retail sales of alcoholic beverages in the period studied (Euromonitor 2017). Data of federal holidays and meteorological data are collated for each county in the sample. Seasonal autoregressive integrated moving average models with exogenous regressors (SARIMAX) are applied for the time series to investigate possible relationships and effects.

Findings – The results indicate that off-trade retail sales of beer, liquor, red and white wine are temperature sensitive overall throughout the year, while rosé, sparkling and other wine are not. Sales sensitivities to temperature also differ by geographies. In the warmest regions liquor and white wine sales do not respond to temperature changes. Public holidays represent a constant influencing factor on sales increases for all categories investigated.

Keywords – retail, alcoholic beverages, temperature, holidays, time-series, SARIMAX

The Choice of Adopting the “Rive” Sub-Appellation in Marketing the Prosecco Sparkling Wine

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Abstract:

Purpose: The paper investigates why wineries producing the Conegliano Valdobbiadene Prosecco DOCG (CVP) decide to adopt the sub-appellation (SA) “Rive” as a way to increase the value of their wines. .

Design/methodology/approach: We applied a logistic regression to explain the Rive SA choice. By using data recorded in the Annual Inquiry on CVP producers, we divide wineries into two samples: those who have adopted the Rive SA and those who have not. By means of a stepwise procedure, we define factors that are more likely to explain the Rive SA choice within a set of structural, marketing and related wine touristic variables.

Findings: Results show that the production size (as bottles), the vineyard area devoted to Glera DOCG, pressure tanks capacity, ultra-premium price positioning at cellar door, involvement in a local and effective wine event, wine tourists’ expenditure have the highest and the most positive impacts on the Rive SA choice.

Practical implications: Considering that Rive SA may play an important role in supporting and valuing a heroic viticulture-based economy, the knowledge of factors favouring the Rive SA use may help the CVP Tutelary Consortium in appropriately undertaking its promotion among wineries who have not yet adopted it.

Key words: Geographical sub-indication, differentiation, sparkling wine, heroic viticulture, wine tourism

The market of rosé wines in Italy: an hedonic price analysis on retail channel

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Abstract

Purpose. This paper is aimed to analyze the market of rosé wines in Italy, to outline market segments and strategies and to investigate the fixing price process of these wines in Italian retail. Design/methodology/approach. A survey has been carried out on retailers by collecting data about wines as intrinsic attributes (grape variety, blending, regional origin, alcohol content, etc.), extrinsic attributes (packaging, price, brand, price), point of sale and visual merchandising (display, facing). The hedonic analysis required a rearrangement of data survey while a Box-Cox transformation allow us to control a strong heteroskedasticity detected on data.

Findings. Results shows three wine segments: still, semi-sparkling and sparkling rosé. The still segment is strongly differentiated while the price is affected by the certification of origin, grape, wine blending, brand and outlet features suggesting two main strategies. One strategy is focused on geographical indication endorsing consumer's brand loyalty; the other strategy is mainly driven by retailers and weak producers' brands. Semi-sparkling and sparkling wines show a different picture since producers and retailers follow consumer's preferences towards fresh and easy drinking wines

Practical implications. The hedonic analysis give suggestions to wine rosé producers that should reinforce their brand through associations among intrinsic attributes such as geographical indication and extrinsic ones as well as to meet retailer requirements

Keywords: rosé wine, hedonic price, intrinsic attributes, extrinsic attributes, retail.

Eastern European Wine Industry's Two-Prong Approach to Marketing

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Purpose: A review of Eastern Europe's wine industry suggests that two major marketing avenues are being developed: large, often government-aided, multi-tiered distribution systems and smaller, direct-to-consumer wine tourism (Hudelson, 2014). In Eastern Europe, each nation's wine industry is predominately forced to choose one of these two approaches, influenced by (1) the strength of the nation's tourism infrastructure, (2) the social-history attitudes within the wine industry and, (3) the geopolitics, and government favoritism toward certain wineries by national governments.

Methods: The author conducted qualitative research in twenty of the previously communist wine-producing nations of Eastern Europe. Eighty-seven interviews were conducted as well as a small, non-random survey among wine-related academics. Current metrics for the various nations and wine regions were also included in the analysis.

Findings: The author found that one of these two approaches offers significantly more benefits to a wine region and nation in general; however, most of the Eastern European countries surveyed lack the resources or social organization to pursue that approach successfully.

Practical Implications: The degree that a nation's wine industry can successfully benefit the greatest number of its citizens depends on numerous attributes, many of which are covered here.

Key Words: Wine Tourism, multi-tiered distribution, Eastern Europe

Wine Trails in the Czech Republic

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ABSTRACT

Wine tourism development is connected with building of wine trails. There began a completely new project for wine trails twenty years ago in the region of South Moravia in the southeastern part of the Czech Republic. Now it is well-developed system with its own quality certification service providers. However, all those involved are looking for answers, whether it was filled original project objective: to bring customers to the place of wine-origin and make more profitable business opportunities in the field of viticulture and winemaking. There is also important if helped realization of project to the sustainable development in the region.

The main research objective of this paper was to define and evaluate the benefits of establishing and developing wine trails for wine-growers and wine producers. To achieve the objective, it was necessary to analyze the degree of incorporation of the program wine trails in the marketing mix of companies and also compare similar programs in neighboring countries (Slovakia, Austria and Germany).

The main results include the finding customers often visiting winemakers and program of wine trails increased orders after visits. A separate and rather important fact is the increase motivation to start new businesses providing tourism services which leads in longer stay of people in the region.

For the development of the entire wine sector is also linked to the need to create new jobs directly in the industry, but also multiplication effects of related industry suppliers, as well as in tourism.

Key words: *start new businesses, Wine Tourism, wine trails, Wine Clusters*

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Profiling the new wine consumers in Poland

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Abstract

Purpose - This paper investigates new wine consumers in Poland. Poland provides the context for this study because the country's wine culture is in a state of rapid change. This study investigates the extent to which demographics, values, and wine preferences relate to exploratory behavior.

Design/methodology/approach - Data obtained from 195 Polish wine consumers who responded to an online survey. Exploratory behavior was measured using the VARSEEK scale adapted to wine. Other measures used in the study included the Schwartz Value Inventory, frequency of consumption, price paid, place of purchase, wine knowledge and involvement, preferred wine style, available selections, and origin of wine.

Findings - The findings show that Polish wine consumers' level of exploratory behavior is not related to demographics, but is influenced by personal values. The consumers who were most likely to engage in exploratory behavior valued creativity, fun, and risk taking while those who were least likely valued behaving properly. Wine consumers exhibiting exploratory behavior had more global outlook as they were more likely purchase wine in other countries and desired more wines from regions outside Poland.

Practical implications - The findings are useful for wine marketers when developing strategies for wine consumers in transitional markets based on their unique needs and expectations.

Originality - This is the first known research conducted in Poland focusing on wine consumers' exploratory behavior and subsequent wine preferences.

Keywords - Wine, consumer behavior, variety-seeking, consumer segmentation Polish wine market

Does terroir matter for wine and wine destination marketing? The case of Greek wines and wine consumers

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Abstract

Purpose: wine consumption and wine tourism research was combined for better understanding demand for wine destinations. The relative importance of terroir elements in relation to price and winescape elements was examined for creating wine preferences and motivation to visit region of origin.

Design/methodology/approach: Greek consumers were surveyed, as past studies revealed the need to conduct context-based research to address the uniqueness of terroirs

Findings: in relation to winescape elements, terroir elements are more important in driving wine preferences and demand for wine destinations

Practical implications; wine producers need to ‘exploit’ the terroir elements for producing, branding and marketing their wines and wine destinations

Keywords: terroir; wine; destination; marketing; Greece; decision-making

COUNTRY RESOURCES AND COMPETITIVE ADVANTAGE IN THE INTERNATIONAL MARKET: A STUDY IN THE BRAZILIAN WINE INDUSTRY

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Abstract

Purpose: The aim of this paper is to analyze how the country resources can contribute to build a competitive advantage in the internationalization of SMEs from emerging economies in the wine industry. We argue that peculiar use of resources for internationalization in emerging countries and foreign markets are an opportunity for wine business, more specifically Brazilian wineries.

Methodology: This qualitative and exploratory research is based on primary and secondary data. The study was conducted from November 2016 to February 2017.

Findings: Specific resources of the country are determinants for Brazilian wineries to build a competitive advantage abroad, as the image of the country and of the government in foreign markets; embassy support to get new consumers; sectorial projects to support the wineries financially and operationally; and personal characteristics associated to Brazilian people which are reflected in the product, the label and the brand.

Practical implications: Brazilian wineries must explore specific resources of the country, as the reputation associated to Carnival, happiness and freshness in the product and the label to add value to its brands and to be recognized as a wine producer of the “Exotic World” of wine.

Key words: Specific resources of the country, emerging economies, resource based view.

SHAPING A WINE TERRITORY AND ITS DEVELOPMENT: THE CASE OF THE OKANAGAN, BRITISH COLUMBIA

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Abstract

Purpose: The paper sets out to discuss how a relatively young wine region might be shaped in real time. Drawing on the literatures on recognized wine territories and the notion of 'terroir' and strategies for shaping territorial competitiveness, it provides key insights on the context of the Okanagan wine region.

Design/methodology/approach: Our approach is to consider a case study in real-time, i.e. by reflecting on our on-going experience as part of a group that is responsible for conceiving, leading and carrying out a project intended to support development of the British Columbia wine territory. To some extent, it is an action-research like project, where practical observations and reflections are gathered through regular meetings, workshops, emails, documentation review, etc. with/from industry practitioners and other stakeholders.

Findings: There is a recognized need for a more organized approach in the industry, especially to shape the region's identity along the lines of a territorial/ terroir strategy. Having a structure is important to enable actors develop the capability of collective knowing, trust and cooperation, which are key to shaping a territory in real time.

Practical implications: By better understanding how a process is built (and being part of it) in order to stimulate continuous interactions, shared experiences and knowledge may help actors to coordinate and modify their strategies over time, in the interests of the wine region. These are important first steps for collective strategy-making and actions, for the Okanagan to shape its wine territory.

Key words: wine territory, territorial development, collective strategy, Okanagan

Using proximity theory to understand actor engagement in the French Wine Industry

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Abstract:

◦*Purpose:* This project aims to identify the influence of geographic, organised and social proximity on the engagement of actors in the French wine industry. Further, we identify the relational connections and the behavioural processes of resource integration, knowledge sharing and learning that depict engagement.

◦*Design/methodology/approach:* 23 in-depth interviews were conducted with a series of wine growers, producers, and industry experts from the wine industry in Alsace, France. The interviews were analysed by thematic coding of the transcripts.

◦*Findings:* The results reveal that geographic proximity in the Alsace wine region is currently counter-productive to actor engagement. While wine industry bodies based on traditional organised proximity are ineffectual, those that have organically emerged from strong social proximity are encouraging engagement, information sharing and innovation.

◦*Practical implications:* Engagement among actors in the same industry leads to beneficial outcomes, including the co-creation of activities such as innovation and destination marketing. Understanding the influence of geographic, organised and social proximity on the engagement among actors will allow for strategies to enhance the relational connections in the Alsace wine region. Thus, this research will provide a framework to enable these connections and associated skills to be developed among participants in the wine sector.

Key words: engagement, proximity, co-creation, wine, actor engagement

Wine Tourism and Staff Training in a Novice Wine Region: the Case of Northern Virginia

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Abstract

◦ *Purpose:* Prior research reveals the importance and interconnectedness of the tasting room experience, service quality, and tasting room staff and emphasizes the need for staff to receive training to maximize effectiveness. However, researchers and industry leaders alike assert that staff do not receive the necessary training. The objective of this paper is to understand the importance of training for tasting room staff in the novice wine tourism region of Northern Virginia.

◦ *Design/methodology/approach:* In-depth, semi-structured interviews were conducted in-person at 12 wineries in Northern Virginia. Wineries were selected using a judgment sampling, and information was analyzed applying an inductive approach.

◦ *Findings:* The wineries rely on wine tourism, the tasting room, and direct-to-consumer channels for 80-100% of sales. All interviewees emphasized focusing on the customer and telling their wineries' stories. The data show that the majority of the owners/operators believe training for tasting room staff is important. No one requires any wine knowledge when hiring candidates, and all provide some level of training using a range of methods, particularly shadowing and tasting. Consistent with the literature, the data indicate that more training could be offered in sales and professional selling. The study found time to be the main barrier to providing training due to the fact that all the wineries rely heavily on part-time tasting room staff.

◦ *Practical implications:* Three strategic recommendations with seven tactics are offered to help wineries strengthen their training programs.

Key words: wine tourism, tasting room, staff, training, Northern Virginia

How do consumers shop wine online? An application of the Dirichlet model

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Purpose – The purpose of this research is to analyse how consumer buy online and if wine consumers' online shopping behaviour follows the same patterns as offline in traditional sales channels. This is conducted by testing if the Dirichlet model holds for online transaction data.

Design/methodology/approach – The model is for the first time applied to online wine sales data. Sales records from a large German online shop with about 25,000 customers and 45,000 transactions were analysed for two years 2014 and 2015. Market shares and loyalty were examined for five wine attributes (price, country of origin, producer, grape variety and region of origin). The polarisation index ϕ (phi) was used as a measure of loyalty.

Findings – The Dirichlet model fits sales data from a German online data suggesting that wine purchases online follow the same double jeopardy behaviour as offline. Consumers show the highest loyalty to country of origin followed by price, producer and grape variety. All loyalty measures ϕ lie well above comparable values from offline studies.

Practical implications – Wine purchase behaviour offline follows similar patterns as offline. Purchase frequency is strongly related to market share and double jeopardy largely holds. The descriptive analysis of online wine purchases shows that most consumers only rarely buy wine online, mostly once a year with close to one and a half dozen of bottles. It is likely that these rare online purchases are responsible for the higher than expected loyalty measures.

Key words: online sales, purchase behaviour, market share, Dirichlet, Germany.
