

Strategic Foundations of Grand Crus

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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