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Conference Proceedings

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THE 2021 AWBR CONFERENCE - CO-ORDINATORS' PERSPECTIVES

The 12th Conference of the Academy of Wine Business Research was held in unusual circumstances, yet despite the difficulties imposed by the COVID-19 pandemic, it emerged as a success. It was a virtual conference, and was organised by the Committee of the AWBR, but hosted by Burgundy School of Business and was based partly on papers submitted for what should have been an in-person conference with us in Dijon, plus others submitted especially for the digital conference.

The constraints of a digital conference were such that there was no 'social' dimension. We had, instead, three two-hour sessions on successive days, each focused on a different theme. The topic of the first day was the future of wine business in a world turned upside down, the second day was on sustainability and the third day considered aspects of consumer behaviour – but also ended with a fascinating discussion on the future of academic wine business research, and what we should be engaging with in the future.

The sessions were timed so that participants all around the world could be involved: those of us in Europe had to endure a late night and those in the Antipodes far too early a morning. Only those in the Americas could attend at a civil hour. The conference took place on the 6th, 7th and 8th July (one day later for Australians and New Zealanders). Yet, despite the problems, over fifty people participated from eight countries in three continents. Presentations were pre-recorded and uploaded on a dedicated platform, so that the sessions focused more on discussion and questions than the detailed presentation of empirical data. This provoked some interesting debates. Twenty-seven presentations were submitted, and awards were made for the best presentation (Larissa Strub – a PhD student at Geisenheim University in Germany!), the best paper (“Look at me and my glass of wine! A moderated mediation analysis of the effect of narcissism on (over)consumption of wine” by Renaud Lunardo, Armando Corsi, David Jaud) and the most viewed video (Prof. Kym Anderson, of the University of Adelaide in Australia).

Although we are technically the co-ordinators of this, the conference could not have taken place without the full support and assistance of the AWBR committee. We'd particularly like to thank those who shared the moderation of the sessions with us – Simone Loose, Armando Corsi and Larry Lockshin. We also appreciate technical support from Armando and Natalia Velikova. Additionally, our School Manager in Dijon, Nathalie Grzeskowiak gave immense administrative support.

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6 JULY 2021

COVID-19 AND THE FUTURE OF WINE BUSINESS

Business Models and Wineries: The Many Forms of a Complex Organization

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Abstract

Purpose: To create a tool to assess differences amongst wineries that serves as a framework for future research.

Design/methodology/approach: A thorough review of wineries as the subject of study in wine business research; wineries in the general management literature; and the business model literature to permit the development of a multi-dimensional winery business model typology.

Findings: Wine business is a complex field (Orth, et al., 2007) but despite the wealth of study on global wine business, there remains little research where wineries are the focal object of study (Weatherbee and Sears, 2019). With the complexity and diversity of wineries remaining understudied, researchers have yet to fully capture the impact and influence of the winery on the other, more strongly studied elements.

Practical implications: This work lays the requisite groundwork and proposes a typology to captures the diversity of the articulation of winery business models.

Technology and Shared Touchpoints: A Wine Tourism Customer Journey Framework

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Keywords: wine tourism; wine experience; customer journey; technology

1. INTRODUCTION

Businesses in the tourism sector have been innovating their business models using Information and Communication Technologies (ICTs) for over three decades (Pan and Fesenmaier, 2000; Buhalis and Law, 2008). The Internet introduced new avenues for the marketing and selling of goods on-line and wineries were early adopters (Davies, 2000; Lynch and Ariely, 2000; Mueller, 2000; Goodman, 1999). The web provided a cost-effective technology allowing even smaller wineries global reach (Cooper and Burgess, 2000) and globally wineries have accelerated their presence on the Internet since then (Yuan et al., 2004).

Though the Internet is now a mainstay, many wineries employ only Web 1.0 technologies; while wine tourists have smartphones and are using social media platforms to access an increasing number of tourism businesses and third-party sources of information about wine and travel (i.e., blogs, travel sites, wine comparator apps, etc.). Wineries have been slow to adopt more interactive Web 2.0 technologies (Pucci et al., 2019; Szolnoki et al., 2018; Kolb and Thach, 2016; Forbes et al., 2015; Thach, 2009;; Zhu et al., 2009). So wine tourism generally lags the technological practices of other hospitality and services (Canovi and Pucciarelli, 2019; Kirova and Thanh, 2018, Thach, 2010). Similarly, wine business research has also lagged that found in the broader tourism domain (Sigala and Robinson, 2019).

2. PROBLEM STATEMENT

The lack of treatment of advanced technology in wine tourism is a critical gap as the evolution of Web 2.0 and emergent Web 3.0 technologies heralds a coming revolution in the tourist sector. A radical shift in how tourism information is gathered, analyzed, and managed using technologies such as geolocation, blockchain, artificial intelligence, personal agents, and big data analytics. The transition to *smart tourism* is a development fraught with tumultuous change as well as opportunity (Gretzel et al., 2015a). In the coming era of *smart tourist*

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ecosystems (Gretzel et al., 2015b) wineries must adopt these newer capabilities to effectively meet the needs of tourists seeking wine experiences.

3. CUSTOMER JOURNEY AND THE WINE TOURISM ECOSYSTEM

Though tourism has always been a service-intensive sector (Zeher, 2009) wine tourism is increasingly becoming even more service-dependant as wine tourists seek *experiences* (Pine and Gilmore, 1999). Service approaches such as the Customer Journey Map (CJM) are valuable tools for designing customer experiences. CJM is the conceptual representation of service interactions between a customer and a business; from pre-purchase information searches through the purchase experience and then the post-purchase assessment (Følstad, and Kvale, 2018; Stickdorn et al., 2018.). CJM's have recently been used in tourism studies to identify touchpoints between tourists and businesses providing, enabling, or contributing to tourist experience (Stickdorn et al., 2014; Stickdorn and Zehrer, 2009). While the importance of service in the wine tourism experience has long been acknowledged (c.f., Kunc, 2019; Fernandes and Cruz, 2016; O'Neill and Charters, 2000) we were unable to find evidence of the application of CJM in the wine literature.

From a CJM perspective, the wine tourism experience is multi-layered and comprised of encounters with regional cultures, geography and winescapes, with wineries and wine festivals, and the desire to experience local food and wines (Bruwer et al., 2017; Quintal, Thomas, and Phau, 2015; Quadri-Felitti and Fiore, 2012; Hall and Macionis, 1998;). Throughout the range and complexity of these offerings, service quality is critical; from the initial travel planning stage to the cellar door and wine tasting room experience (Pelet et al., 2018; Charters et al., 2009; Charters, 2006; Getz and Brown, 2006; Carmichael, 2005; Correia et al. 2004;; O'Neill and Charters, 2000). This means that technological service touchpoints include both those controlled by wineries as well as belonging to a complex set of organizations external to the winery.

4. PURPOSE OF STUDY

In answering calls to “look at the bigger picture” for technology in tourism in general (Sigala, 2018, p. 152) and wine tourism specifically (Sigala and Haller, 2019), the intent of this study is to generate a comprehensive ecosystem map of potential technological touchpoints between wine businesses and the wine tourist.

5. RESEARCH METHODOLOGY

Drawing upon CJM, service co-creation and a review of wine tourism literature dealing with technology use, a conceptual framework (Miles and Huberman, 1999) of Web 1.0 and 2.0 for a smart wine tourism ecosystem was developed.

6. PRELIMINARY FINDINGS

A map of technology touchpoints in a smart wine tourism ecosystem is proposed (see Figure 1). A secondary mapping of potential points of co-created value is derived (see Figure 2).

Figure 1

Technology Map in a Smart Wine Tourism Ecosystem

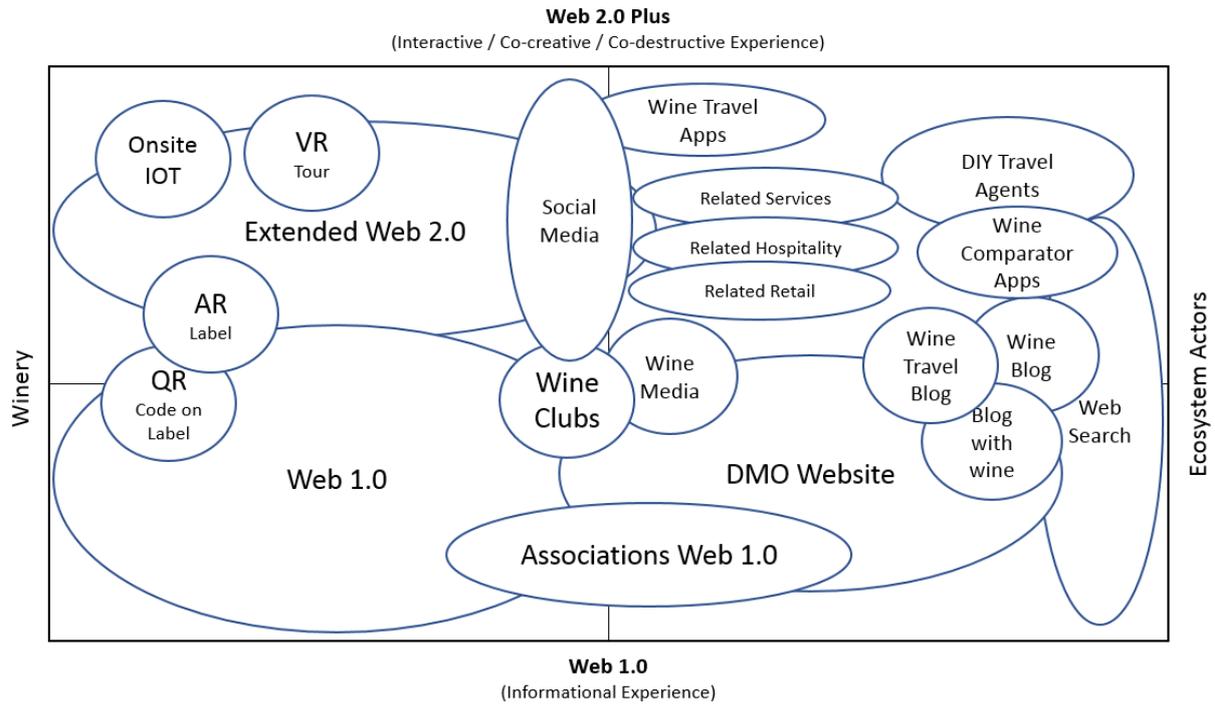
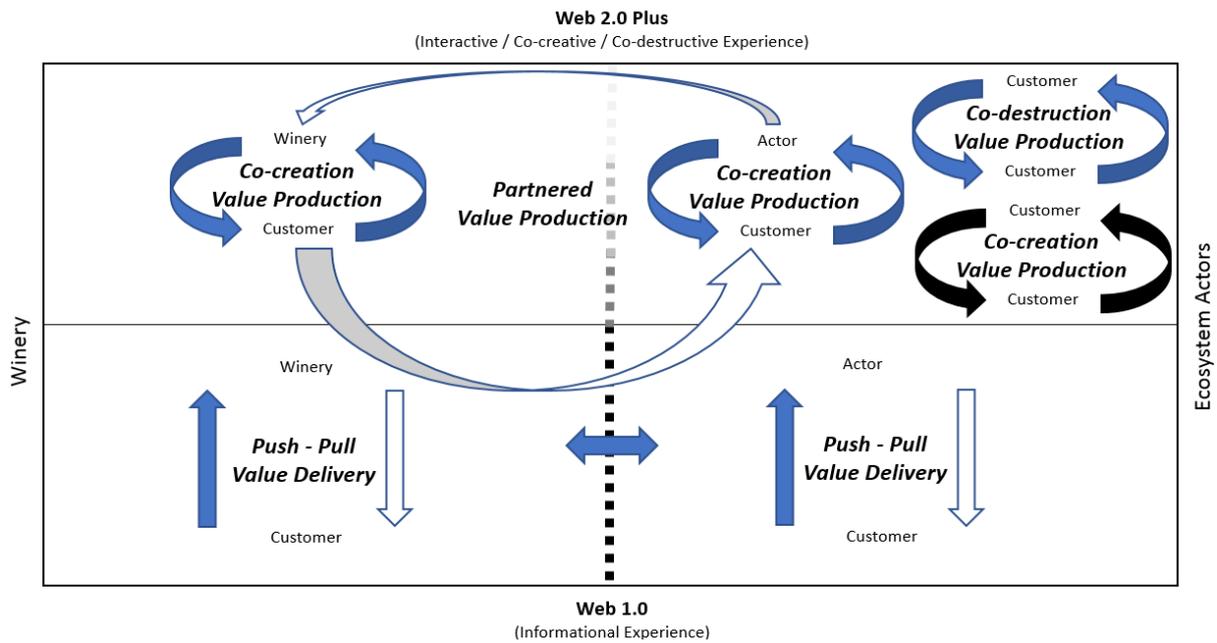


Figure 2

Value Potential in a Smart Wine Tourism Ecosystem



7. CONCLUSION AND IMPLICATIONS

To date, the collective potential for technology-mediated touchpoints in the wine tourist experience remains understudied. The proposed ecosystem maps provide a systematic way for wine tourism researchers to identify gaps and to situate their research contributions within a smart wine tourism ecosystem. As we advance this research agenda, researchers will be better positioned to advise practitioners in how to move to Web 2.0 and other advanced technologies.

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Today's Wine Industry: Sparkling Ideas or Business As Usual?

An Empirical Study of German SMEs

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As winemaking originated in ancient times, it can be seen as one of the oldest industries. Up to now, a vintner's business model has gone through several stages of development, affecting production process, target group(s), value proposition, and to a certain extent revenue model. Today, wine has become a mass product, and is often purchased in supermarkets, drugstores, and discounters. In Germany for example, more than 75% of wine consumed is purchased in retail, at an average price of less than 3 Euros. For individual wineries this development in purchasing behavior as well as willingness to pay represents one of the biggest challenges (next to climate change and rising input prices). Nonetheless, there is an impressive amount of successful and attractive SMEs that partly made their way through several generations of ownership and various business models.

The purpose of this research is to (1) find out which business models can be identified in today's wineries, to (2) identify patterns in the paths of successful business model innovation, and to (3) assess whether there are blind spots in the scope of potential business models that have not yet been covered.

Next to a literature review covering the state of the art of research in the field of business model innovation with a particular focus on winemaking, a theoretical framework for the development of innovative business models is designed, and an empirical study analyzing practical business model innovation amongst German wineries is undertaken. The major limitations of the empirical study are that it is mainly focused on several German wine regions as well as SMEs selling at least part of their production under their own brand, and that success is not quantified, but defined as (a) continued existence of the winery plus (b) the owner's assessment of its performance.

The framework for business model development follows the idea of a morphological box by first disassembling a business models' parts in order to then reassembling hypothetical combinations. The business model definition used is adapted from Gassmann et al. (2014) and Johnson (2018), and is comprised of the four categories value proposition, customer segments, value chain architecture and revenue model. The different forms of the four categories mentioned above are derived in a mixed approach by being taken partly from literature (e.g. Gassmann et al., 2014 or Taran et al., 2016), partly from own experiences, and partly from the empirical study. Hereby, the different forms are not intended to meet MECE criteria, i.e. for each category more than one form might be applied and the forms chosen don't claim to be exhaustive. Having defined 9, 18, 8, and 16 forms respectively, theoretically more than 20.000 generic business models can be designed.

After a rough analysis of more than 20 in-depth interviews, first answers to the research questions can be formulated:

(1) In the wine industry, business model innovation is less about starting a new business with a totally new business model, but more about switching to a different business model, sometimes in the course of succession. Amongst the businesses analyzed for this study, there are only a few wineries that follow exactly the same business model. The greatest similarities were found in the revenue model category: All wineries face the problem of rising input prices for bottles, energy etc., and all follow a fixed price model with the only discrimination being a discount for intermediaries and gastronomy. Nonetheless, the price range of the different companies varies a lot, mostly because of different value propositions and target groups. The value proposition is always a material good (wine, sparkling wine, spirits, juices, sometimes jam, oil etc.). However, there are several forms ranging from commodity to pyramid, quality leader and prestige product. Sometimes additional services are offered such as tastings, seminars and further events. Customer segments are B2C and B2B, often intermediaries such as retailers, specialty stores, or agents. When focus is on B2B customers, sometimes typical ABC-rules are applied, and some of the quality oriented, higher price wineries also target niche customers such as wine lovers, collectors or enology experts. Concerning the value chain architecture, there are still many businesses with full vertical integration, but there are also (smaller) wineries, which outsource many of their activities (from vineyard to cellar). A few winemakers take sustainability issues into consideration, and produce organic wine. The biggest disagreement is the amount of automisation vs. handicraft used in the production process.

(2) A number of trends or typical developments can be identified for the different categories; however, these trends often go into opposite directions (such as direct vs. indirect sales or machine vs. manual work in the vineyards). A common – and apparently successful – path is the shift from a quantity-focused production of bulk wine to a quality focused production of higher-priced wine sold to specialty stores and gastronomy.

(3) In Germany, production of classy white label wine seems not yet as popular as in international markets. Many winemakers use social media marketing, but only a few really invest in community building (there are lots of communities for wine lovers, but these are not operated by vintners). As far as I'm aware, there's no individual/customized wine, yet. Some of the revenue model forms, such as auctions or dynamic pricing, are already used by distributors such as online shops etc., but may in the future also be applied by individual vintners.

So far, only a rough analysis of the theoretical as well as empirical material has been undertaken, so the next steps are mainly focused on a more detailed and systematic analysis.

Results from the theoretical part of this research may be transferred to other industries and may serve as a methodology for business model innovation projects in practice. The findings of the empirical part will help vintners close to their retirement in succession planning questions or unsuccessful businesses in improving their situation. In general, the developed framework will help to get a clearer picture of the industry landscape, which may be useful for individual businesses, industry associations as well as governmental bodies that intend to support the industry.

Key words: Business model innovation, Wine industry, Succession planning

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Projecting Global Beverage Markets to 2025

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Abstract

Purpose: to use a new model of the world's alcoholic beverage markets to suggest how those markets might develop by 2025 and be affected by alternative Asian economic growth rates.

Methodology: The model projects markets to 2025 for wine, beer and spirits. How that alters shares in global consumption volumes and imports of wine, beer and spirits are reported for a baseline case as well as for a scenario in which Asia grows more slowly.

Findings: Asia dominates the projected growth in wine consumption and imports, with China being especially prominent, but Africa also is projected to raise its share of global wine imports. South Asia dominates projected growth in spirits imports. Slower income growth in Asia, however, diminishes substantially the region's projected import values.

Practical implications: The US-China trade war that is eroding consumer confidence in Asia will slow the growth in the region's imports of alcohol, especially wine. China's wine imports also are vulnerable to non-tariff barriers, as witnessed by Australian exporters in late 2020.

Key words: Changes in beverage preferences, premiumization of alcohol markets; international trade in beverages

1. INTRODUCTION

Beverage markets are continuously evolving as technologies and preferences change with population and income growth and as producers, investors, traders and consumers respond also to changes in policies in their own and other countries. Projecting changes in such markets is a fraught business. Yet many participants in these markets need to do this intuitively all the time. There is thus value in aiding that process by providing a formal model that incorporates parameters summarizing knowledge of market behaviour, assembles up-to-date data, and projects those markets into the future under various assumptions. This is to provide not *predictions* of what *will* happen, but rather a business-as-usual scenario to compare with alternative scenarios one might envisage.

The purpose of this paper is to use a new model of the world's alcoholic beverage markets to suggest how those markets might develop by 2025 and be affected by alternative Asian economic growth rates.

The paper begins in Section 2 by summarizing our new model of global beverage markets that builds on an earlier model of global wine markets and is detailed in Wittwer and Anderson (2020). Section 3, in reviewing past trends in global beverage production, consumption and trade, hypothesizes that Asia's rapid rise in global beverage production, consumption and trade will continue, but be dampened if the region's income growth slows. Section 4 draws on that review of past trends to simulate prospects for these markets by 2025. The concluding section summarizes the findings and projections, and points to the potential implications of continued trade friction between the US and China in slowing Asia's prospective consumption and hence imports, particularly by China for wine.

2. METHODOLOGY: MODEL OF GLOBAL BEVERAGE MARKETS

A model of the world's alcoholic beverage markets has been developed recently by Wittwer and Anderson (2020). It draws on a model of the world's wine markets first published by Wittwer, Berger and Anderson (2003) and revised by Anderson and Wittwer (2013), to which beer and spirits now have been added. In it, wine markets have been disaggregated into four types, namely non-premium (including bulk), commercial-premium, and super-premium still wines, plus sparkling wine. Commercial-premium still wines are defined by Anderson, Nelgen and Pinilla (2017) to be those between US\$2.50 and \$7.50 per litre pre-tax at a country's border or wholesale. Beer and spirits are not split into regular and craft categories, because the latter still have very small market shares in volume terms. The world is divided into 44 individual nations and all others captured in 7 composite regions.

The model's database is calibrated to the three years around 2017 (i.e., 2016-18), based on an update of the comprehensive volume and value data in Anderson, Nelgen and Pinilla (2017) and excise tax and import tariff rates in Anderson (2020). The model is projected forward to 2025, based on anticipated growth in aggregate national household consumption (a measure of real disposable income) and population together with anticipated changes in real exchange rates that are reported in Appendix Table 1 of Wittwer and Anderson (2020), plus a number of additional assumptions concerning trends in consumer preferences, production, technologies, and capital stocks.

Projecting eight years ahead is too short a period for long-term changes such as global warming to make a noticeable impression on wine or other alcohol markets, but far enough away for differences in income growth rates and changes in trade policies to show up as changes in market shares.

Concerning preferences, there is assumed to be a considerable swing towards all wine types in China, as more Chinese earn middle-class incomes. Previous modelling by the authors (Anderson and Wittwer 2015) revealed that without such a taste swing, income growth alone would have been incapable of tracing the rapid growth in China's wine consumption (and hence imports, which over the decade to 2018 accounted for one-quarter of the growth in the value of global wine imports). For the rest of the world, the long trend preference swing away from non-premium wines and toward commercial and super-premium wines is assumed to continue.

Both grape and wine industry total factor productivity is assumed to grow at 1 percent per year everywhere, while grape and wine industry capital is assumed to not grow net of depreciation. China's production is assumed to rise by one-fifth above its 2016-18 level, so well above its slumped 2018 level. If China's wine production were to remain at its low 2018 level, its wine imports would increase more than projected below.

This global model has supply and demand equations and hence quantities and prices for each of the grape and wine products and for beer and spirits, plus for a single composite of all other products in each country such that it has elements of an economywide CGE model. Grapes are assumed to be not traded internationally, but other products are both exported and imported. Each market is assumed to have cleared before any exogenously introduced shock to the baseline projection of 2025, and to find a new market-clearing outcome following each shock. The inclusion of exchange rate variables explicitly in the model enables a distinction between price impacts as observed in local currency units from those observed in US dollars. All prices are expressed in real (2016) US dollar terms.

The national beverage consumption data in this study are sourced from two annual global databases: one that includes wine, beer and spirits volumes and stretches from 2018 back to 1961 (Anderson and Pinilla 2020) by drawing on Euromonitor International (2019) data), and another that includes wine, beer and spirits average consumer expenditure data compiled for all countries since the turn of the century and for some high-income countries back to the 1950s (Holmes and Anderson, 2017). Import data are updated from the COMTRADE database (United Nations, 2019). Wine production and consumption data are revised and updated for China, Hong Kong and Japan by Anderson and Harada (2018). Consumer tax and tariff rates are from Anderson (2020).

3. HYPOTHESIS: ASIA'S RAPID GROWTH IN GLOBAL BEVERAGE PRODUCTION, CONSUMPTION AND NET IMPORTS WILL CONTINUE, BUT BE DAMPENED IF THE REGION'S INCOME GROWTH SLOWS

Retail expenditure on each of beer, distilled spirits and grape wine has more than doubled in Asia so far this century, as has the overall volume of alcohol consumption. As a result, between 1998 and 2018 Asia's share of the volume of global alcohol consumption has risen from 31% to 46%, and of retail expenditure from a little over 20% to 34%.

Asia's recorded alcohol consumption in per capita terms has grown as average incomes have moved from low to middle and higher levels. Partly this results from substitution away from home production that is not officially recorded or taxed, but mostly it is a result of altered preferences as urbanization proceeds and incomes grow. For Asia as a whole, the volume of alcohol consumption has grown less rapidly than real income since 1960, not unlike in the rest of the world: Holmes and Anderson (2017) find that, across their sample of 80 countries, the peak per capita consumption of total alcohol occurs at a real per capita income (in 1990 International Geary-Khamis dollars) of \$16,900, which is just slightly above the average per capita income of Western Europe in 1990. The average per capita income in Asia reached \$16,900 by 2007.

Commensurate with its rise in average income relative to the rest of the world, Asia moved from less than one-quarter to two-thirds of the global average recorded volume of alcohol consumption per capita between 1961-63 and 2016-18, thanks especially to a large rise in China. Over the same period, the beverage mix has altered considerably: the share of spirits in Asia's consumption has fallen from 90% to 70%, beer's share has trebled from 9% to 27%, and wine's has risen five-fold – but only from 0.5% to 2.5%. While the shares of beer and spirits varied considerably between Asian countries in the 1960s, they are more similar now. By contrast, the share of wine was extremely low in all Asian countries in the early 1960s, whereas it is much more varied across Asia now. These changes translate to rises in Asia's shares of the global volume of alcohol consumption from 31% to 67% for spirits, from 4% to 33% for beer, and from 0.1% to 9% for wine.

In the rest of the world, the preference for spirits has increased, so it and Asia are converging. Asia's beer and wine shares also have converged on the rest of the world's, but from below. The change in wine's share of total alcohol is particularly striking in that Asia's is rising rapidly whereas the rest of the world's has fallen by nearly two-thirds. Within Asia, it is the more affluent economies of East Asia where the per capita level of and growth in wine consumption have been greatest (Anderson, Nelgen and Pinilla 2017).

China overwhelmingly dominates Asia's increase in aggregate wine consumption: it accounted for barely half of Asia's wine consumption in 2000, but in recent years it has accounted for more than three-quarters. Equally populous India, by contrast, had a wine market that is less than one-seventieth the size of China's in 2016-18, notwithstanding its very rapid income growth during the past decade or so. China's reduction in its wine import tariffs when it joined the World Trade Organization at the end of 2001, from 65% to 20% for bulk wine and to 14% for bottled wines, contributed to the surge in its wine imports over the past dozen years – at a time when India has retained its 150% import tariff on wine (and on spirits, and 100% on beer), not to mention its high sales taxes that vary across states. China's share of global wine consumption has risen from less than 2% prior to 2005 to 7% since 2015. As of 2016-18 it was ranked fifth in the world in terms of overall wine consumption and only a percentage point behind 4th-ranked Germany.

The consumption of beer and spirits in Asian countries has been mostly supplied by domestic production. A little bit of intra-industry trade occurs, and increasingly so in recent years, but generally net imports of both of those beverages, compared with levels of domestic consumption, have been very minor (2% for beer, 4% for spirits in 2015-17). By contrast, apart from China, almost all grape-based wine consumption in Asia is supplied by imports. Since early this century, the value of Asia's wine imports net of its exports has exceeded Asia's net imports of either beer or spirits). Since 1995, Asia's net imports as a share of global imports has varied between 0% to 5% for beer volumes and values, and between 2% to 8% for spirits volumes and a little higher for values of spirits.

Asia's shares of global imports of wine, however, have grown dramatically: in US\$ value terms from 2% in the mid-1980s to 6% in the mid-1990s and 21% in 2017-18. If intra-EU trade is excluded, Asia's share of the world's wine import value is now close to half. China represented around two-thirds of the volume and half of the value of those wine imports by Asia in 2018.

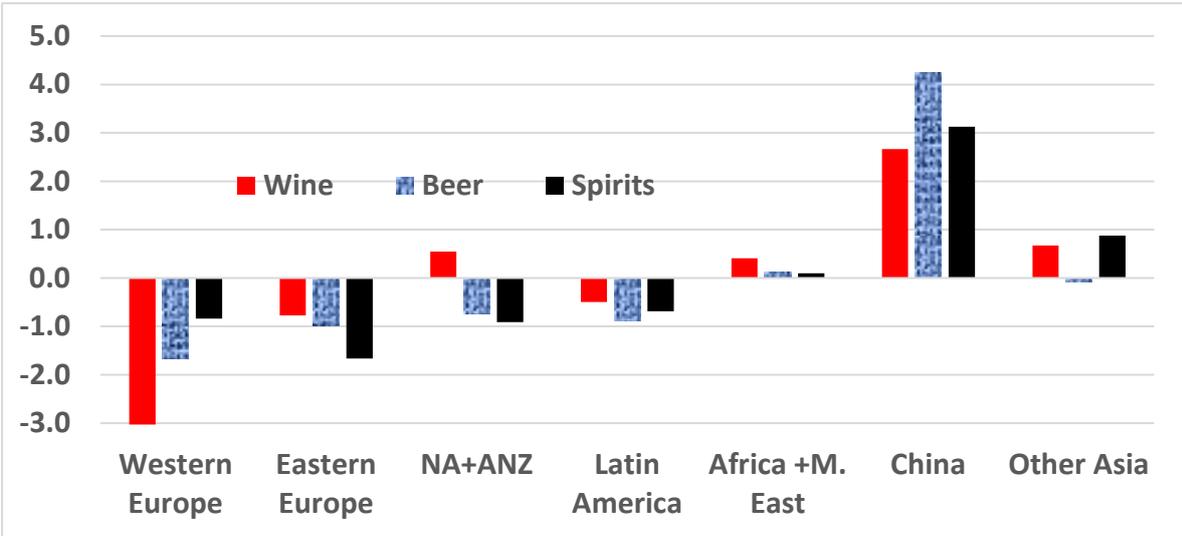
4. RESULTS: PROJECTING BEVERAGE MARKETS TO 2025

Since Asia is currently drinking less than half the per capita volume of alcohol consumed in the rest of the world, its consumption is expected to keep rising as its economic growth continues; and while its mix of alcohols is now much closer to the world average than it was in earlier decades, the share of grape wine in that mix is still very low. A key question in contemplating future global market growth is the speed and extent to which wine consumption will continue to increase in Asia. A glance at evidence from Western European countries that are net importers of wine is instructive. Only a very small share of their alcohol consumption was accounted for by wine in the early 1960s, but by 2016-18 wine accounted for around one-third of their alcohol consumption. A similarly rapid preference shift toward wine is thus possible in Asia. However, the following results err on the very conservative side as they project consumption in Asia to grow only a little faster for wine than for beer and spirits.

Specifically, in our baseline projection, by 2025 China’s shares of global beverage consumption are projected to be 2.7 percentage points higher for wine, 4.2 points higher for beer and 3.1 points higher for spirits than in 2016-18. The shares for the rest of Asia are up too for both wine and spirits, but only by about half of a percentage point. Africa also is projected to raise its share of global wine consumption. By contrast, shares of Europe, North America and Latin America are projected to be lower in 2025 than in 2016-18, especially Western Europe’s share of global wine consumption volume in our business-as-usual baseline projection (Figure 1).

Regional shares of world exports do not alter greatly over the projection period, but shares of world imports do change. Given the uncertainty associated with economic growth in developing Asia, including due to the current US-China trade war, we also explore an alternative, slower-growth scenario to the baseline projection to 2025. It assumes Asia’s aggregate household incomes grow only two-thirds as fast as in the baseline rates.

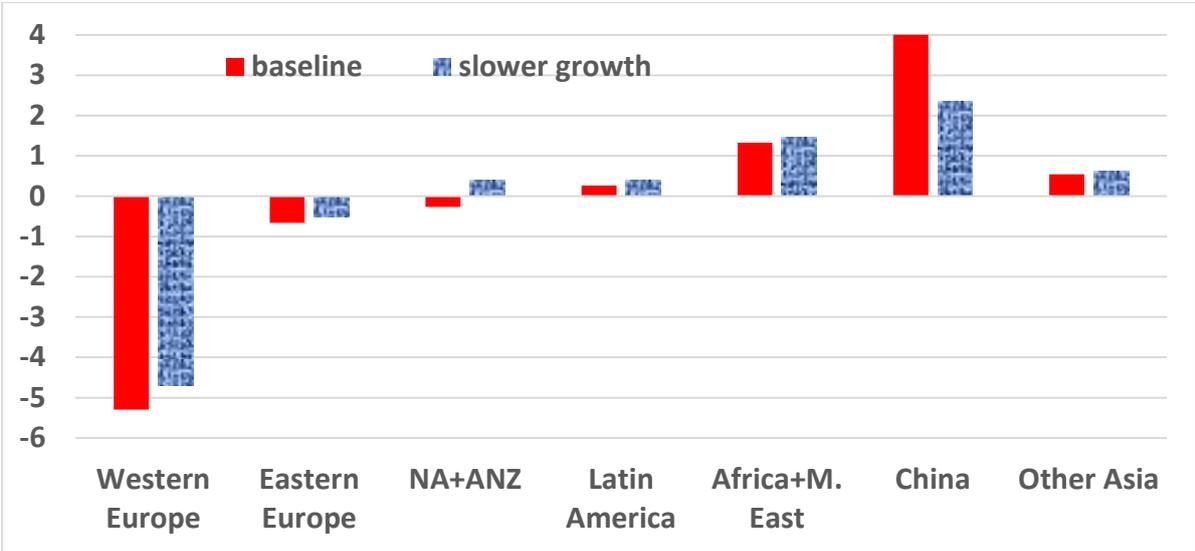
Figure 1: Projected changes in regional^a shares of the global volume of consumption of wine, beer and spirits, 2016-18 to 2025 (percentage points)



Source: Authors’ model projections.

The effect this has on projected changes in the shares of the global value of imports of wine are shown in Figure 2. Again China stands out, with its domestic wine production continuing to grow slower than its wine consumption. In the baseline scenario, its share of global wine import value rises by 4 percentage points between 2016-18 and 2025, and the rest of Asia’s rises by half a percentage point. But in the slower-growth scenario in which Asia’s economies grow only two-thirds as fast over this period, China’s share of global wine imports would rise little more than half as much – thus boosting shares of other regions including Other Asia. Africa is the only other region projected to enjoy substantial growth in its share of world wine imports, while Europe is the region whose share is projected to fall, by around 5 percentage points for Western Europe and half a percentage point for Eastern Europe.

Figure 2: Projected changes in regional shares of the real value of global wine imports, 2016-18 to 2025 (percentage points)

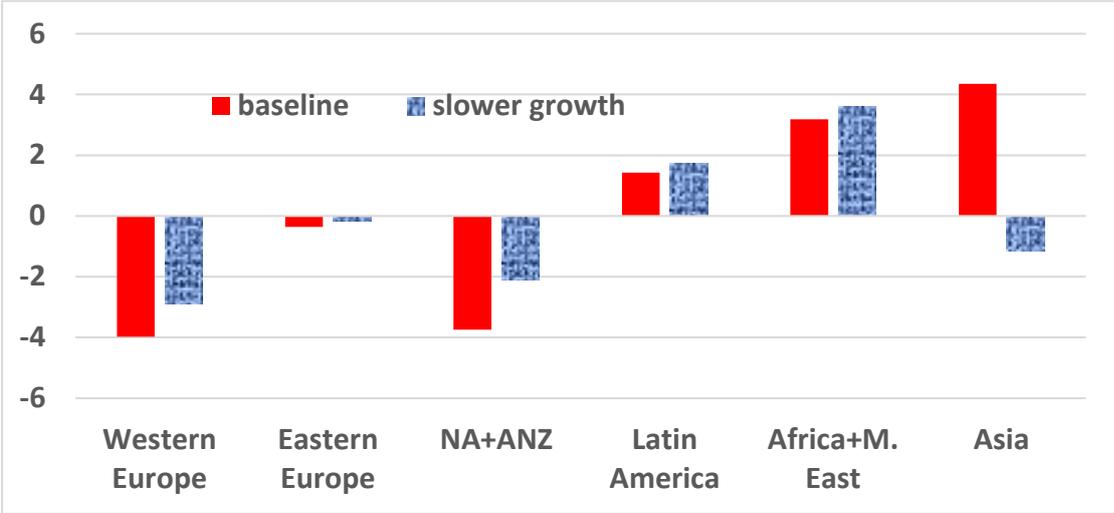


Source: Authors’ model projections.

The projected changes in the shares of the global value of imports of beer and spirits are shown in Figures 3 and 4. The overall patterns are similar to that in Figure 2 for wine. However, China’s growth in importance in global imports increases less for beer and spirits than it does for wine – despite our conservative growth in wine consumption in China over the projection period. In the case of spirits, South Asia dominates projected import growth.

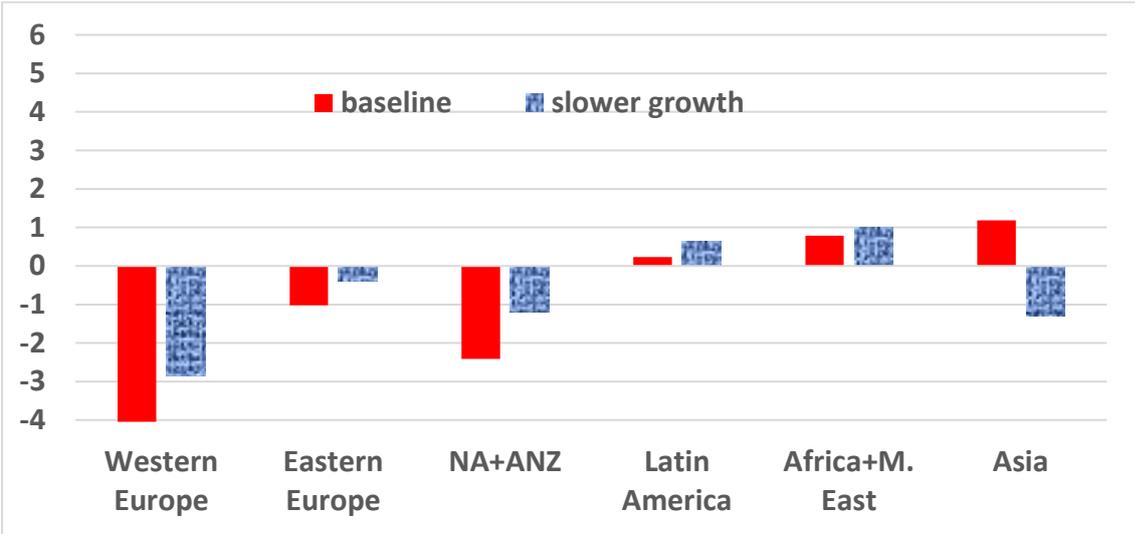
Were we to have assumed a larger preference swing towards wine relative to beer and spirits consumption in China, that country’s importance in global wine imports would have been even higher than that shown in Figure 2. That would not have been unreasonable, given that in the above projections shares of alcohol consumption in China alter very little from 4%, for wine, 41% for beer and 55% for spirits.

Figure 3: Projected changes in regional shares of the real value of global beer imports, 2016-18 to 2025 (percentage points)



Source: Authors’ model projections.

Figure 4: Projected changes in regional shares of the real value of global spirits imports, 2016-18 to 2025 (percentage points)



Source: Authors’ model projections.

5. DISCUSSION, IMPLICATIONS AND CONCLUSION

The findings in this paper can be summarized as follows:

- Alcohol consumption has been growing more rapidly in Asia than in the rest of the world, more than doubling since 1998 and raising the region’s share of global alcohol expenditure from one-fifth to one-third;
- Between the early 1960s and 2016-18, Asia’s shares of the global volume of consumption have grown fastest for wine but from a very low base (from 0.1% to 9%), and slowest for spirits but from a very high base (from 31% to 67%, compared with

beer's rise from 4% to 33%), such that Asia's mix of alcohol consumption has converged on the global average mix;

- Wine's share of alcohol consumption in Asia is rising in all Asian economies, especially the more affluent economies of East Asia, but it has yet to reach 4% in any of them;
- China is dominating the growth in Asia's total wine consumption, raising its share from half in 2000 to more than three-quarters in 2018 – while India's wine consumption remains less than one-seventieth that of China's;
- Imports account in volume terms for barely 2% of Asia's beer consumption and 4% of its spirits consumption, but for almost 100% of its wine consumption (except in China), such that the annual value of Asia's wine imports now exceeds that of spirits or beer imports;
- China's shares of global consumption of all three alcohols are projected to be 2 to 4 percentage points higher in 2025 than in 2016, and the rest of Asia's about half a percentage point higher, assuming incomes continue to grow moderately fast;
- However, if incomes in developing Asia during 2016-25 were to grow only two-thirds as fast as in the baseline projection, Asia's wine imports would be only half as large.

While the recent and projected rates of increase in per capita wine consumption in China are slower than what occurred in several northwestern European countries in earlier decades, it is the sheer size of China's adult population of 1.1 billion – and the fact that grape wine still accounts for less than 4% of Chinese alcohol consumption and domestic wine production has been unable to keep pace with domestic demand growth – that makes this import growth opportunity unprecedented. It would be somewhat less if China's own winegrape production increases faster than currently assumed, but that is unlikely to be able to reduce the growth in China's wine imports very much over the next few years, especially at the super-premium end of the quality spectrum. Of course slower income growth in Asia than assumed in the baseline projection dampens projected growth in wine, beer and spirits imports.

Projections are not predictions. How exchange rates move, and how fast various countries' wine producers take advantage of the projected market growth opportunities in Asia, will be additional key determinants of the actual changes in market shares over the coming years. So will any future bilateral and regional free trade agreements or new unilateral trade restrictions. Also important are taxes and other regulations on alcohol consumption (Meloni et al. 2019; Anderson 2020). India potentially could be much more important as an importer of beverages, but very high internal and external trade restrictions and excise taxes on alcohol have to date greatly confined the growth in sales in that populous country. In the more-immediate future, the US-China trade war and the novel coronavirus that are eroding consumer confidence in Asia will slow the growth in the region's imports of alcohol, especially wine.

A final word on China's much-more-dominant role in the recent and prospective growth of global imports of wine versus beer and spirits. This difference arises predominantly because (a) 2016-18 baseline shares of China in global imports are so much greater for wine than for other beverages and (b) the baseline share of imports in China's consumption is nearly ten times

greater for wine (at around 40%) than for beer and spirits. This is even more the case in other Asian countries where none of them are significant producers of grape-based wine. Our sensitivity analysis of previous model results have revealed that changes in assumed parameter values and in trade taxes have relatively minor impacts on results compared with these basic share variables that are incorporated in our model's database. It is that fact which drove us to invest so much time in compiling reliable data, especially for countries in the fast-growing Asian region. Even so, unilateral trade restrictions can cause bilateral trade patterns to diverge from the above projections. China's non-tariff barriers imposed informally on Australian wine imports in late 2020 (just as the writing of this paper concluded) are a case in point.

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Characteristics of Successful Virtual Wine Tastings: The Participants' Perspective

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Tricia H. Conover

Wine Wonderings (Substack), GrapeStone Concepts

INTRODUCTION

The COVID-19 pandemic led to the complete shut down of many winery tasting rooms in the United States, including in the major wine regions of California, beginning in mid-March 2020. Almost overnight, wineries lost one of the major channels for direct to consumer (DTC) sales, the winery tasting room. Even when wineries were allowed to start reopening tasting rooms, they faced significant restrictions on the number of people they could host in the tasting room and the conditions under which they could host visitors. Moreover, travel restrictions and consumer concern about traveling during the pandemic significantly reduced the number of tourists and other visitors to wine regions, further eroding a winery's ability to use its tasting room to generate DTC sales.

Many wineries, and other some wine retailers, began to use virtual tastings to do their best to re-create a tasting room experience from a distance. Wineries used different formats: from large-scale public events to private tastings, from highly produced broadcast experiences to a "down home" informal online gathering, and were different on many other dimensions.

This paper investigates the different virtual tasting formats from the participants' perspective to explore which aspects are most appealing and engaging to the customers who choose to join a virtual tasting.

PRELIMINARY LITERATURE REVIEW

Numerous studies have investigated different aspects of the winery tasting room, including how the tasting room experience can help create satisfied and loyal customers. For examples, see Fountain et al. (2008), Haverila et al. (2020), Nowak and Newton (2006), and Shapiro et al. (2014). To the best of our knowledge, no academic papers exploring virtual tastings using internet streaming technology have been published to date.

RESEARCH QUESTION

The main question the authors are investigating is what aspects of the virtual tasting experience the participants find most appealing and engaging that would help the virtual tasting experience to supplement or replace the in-person tasting room experience.

RESEARCH METHODOLOGY

The authors will conduct an online survey using a Best/Worst methodology to identify the most/least important factors influencing the participants' perception of the virtual wine tasting

experience. They will apply latent class analysis to identify the different participant-type groups and what they find important in a virtual wine tasting.

PRELIMINARY FINDINGS

To be determined. The authors will conduct the survey in late January through mid-February 2021, and conduct the data analysis in the spring.

CONCLUSIONS

Informal conversations with wineries indicate that a number of wineries believe the virtual tastings have been a financial and customer relations success, helping them survive the effects of the pandemic in a much better position than they expected when they were forced to close in the spring of 2020, and many of them plan to continue to conduct virtual wine tastings even after winery tasting room visits start to return to a normal level. The authors intend for this paper to provide wineries with guidance, based on empirical support, for designing and implementing a virtual tasting experience that will be most appealing and engaging for their specific target market.

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Social Media adoption in German wineries: Innovators or laggards?

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Keywords: Wine Marketing; Social Media Marketing; Social Platforms; Online Communication

INTRODUCTION AND BACKGROUND

Both the share of active social media users (45% in 2020) and the average time spent on social media platforms (138 min. /day in 2018) show a steady upward trend in the German population (Statista, 2020a) that appears to be even reinforced by the worldwide Covid-19 pandemic. An investigation on the effects of Covid-19 on media usage in Germany revealed that 38% of the respondents stated an increase in their social media usage during the pandemic and 89% of respondents considered it likely that they will stick to their intensified social media usage (Statista, 2020b). Thereby, all age groups actively use social media platforms ranging from 98% of millennials down to 65% in the age group above 65 in 2018 (Statista, 2020a). Using social media platforms, the wineries aim to provide customers with target-group-specific information, push communication and improve brand awareness, acquire customers, announce tastings, and offer customer service (Hoffmann, Szolnoki & Thach, 2016). Thus, social media platforms are a crucial channel for companies to get in touch with their (potential) customers. This applies particularly to product categories such as wine as it is a product that elicits an emotional response, and for which consumers rely on recommendations from experts and friends, search for information on social networks, and exchange ideas with other users (Szolnoki et al., 2014a). But do wineries address this need? Prior literature mostly investigated on the intent and motivation for social media usage by surveying wineries (Hoffmann, Szolnoki & Thach, 2016), but until now no representative data is available showing the actual social media adoption of German wineries. We address this research gap by providing transparency on the actual status of wineries' social media adoption in Germany's three biggest wine regions: Rheinhessen, Pfalz and Baden (Statistics' Landesamt RLP, 2019).

METHODOLOGY

In a first step, we perform a comprehensive web research to compile a representative sample of wineries for each region, based on the wineries' agricultural area (in ha). If applicable, further winery characteristics, such as the production of organic wine or selling officially certificated wines (VDP), are captured. By taking the wineries' size into consideration, the drawing of more sophisticated conclusions on the differences between wineries' social media adoption and their possible capabilities to further drive social media activities is facilitated. Secondly, we check the availability of a social media presence of the sampled wineries on the three most frequently used social networks among the German population: Facebook, YouTube, and Instagram (Statista, 2020c). In a last step, publicly available key performance indicators are collected for those wineries with a social media presence on one or more of those platforms. Specifically, in the case of a Facebook presence, the number of likes is recorded for each winery, for Instagram the number of followers, followed users and posts, and for YouTube the number of followers.

PRELIMINARY FINDINGS

According to Szolnoki et al. (2014a) and their findings based on 377 surveyed wineries in 2014, 34% of companies used social media channels for their customer communication. In contrast, our preliminary results for the region Pfalz show an increased awareness among German wineries about the need to initiate social media activities: Today, 66% of wineries are active on at least one of the considered social media channels, with 43% choosing a multichannel strategy by utilizing two or three channels at once, primarily Facebook plus Instagram. While Facebook is used by every third winery (65%) and Instagram by every second (42%), YouTube is chosen rarely (6% of wineries) to reach and communicate with wine consumers. An in-depth analysis of the Facebook and Instagram performance indicators (likes, followers) shows a differentiated picture on the achieved reach and, thus, the social media success of wineries. It ranges from wineries only setting-up a social media platform without content and 0 followers on Instagram up to wineries serving more than 15,000 followers on Instagram and getting 37,000 likes on Facebook. Moreover, medium-sized wineries rather than very large or small wineries seem to invest in social media as a touchpoint and platform of interaction with (potential) customers.

CONCLUSION AND MANAGERIAL IMPLICATIONS

Our preliminary findings indicate that most wineries recognize the substantial need of a social media presence, although this realization is often rather in its beginnings. Hence, a professional social media strategy, in terms of target-group specific communication and continuity through content plans, is lacking. Further, social media as a touchpoint must be embedded in a holistic Customer Journey approach actively shaping customers' experience and different touchpoints. In the future, it is expected social platforms will increasingly enable German wineries to realize sales opportunities as a part of a comprehensive multi-channel sales and marketing strategy.

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Italian Wine Consumption after Covid-19: New and Disrupted Habits

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Abstract

In Italy, wine is an integral part of most people's habits and lifestyle. The advent of a traumatic event as the Covid pandemic, though, brought deep changes in people's life: economic instability and normality disruption led consumers to revise their priorities and to modify their consumption and purchase behavior. The following study analyses the impact of socio-demographics, psychological and context-related modifications induced by the pandemic on wine consumption and purchase patterns. An online structured survey was delivered to a sample of Italian wine consumers and Logistic Regression was applied. Results highlight consuming wine is a deeply rooted habit in Italian consumers' life which resisted the great context modifications following the pandemic. Changes in wine consumption, moreover, are connected to that of other alcoholic beverages. Psychological difficulties show no direct effect on variations in wine consumption frequency, while some significant indirect effects emerged. Information collected is paramount to understand wine consumers reaction and behavioral changes induced by the pandemic and effectively plan market(ing) strategies during new peaks of infection.

Key words: Covid; wine consumption habits; habits disruption; stress.

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SUSTAINABILITY AND THE WINE BUSINESS ENVIRONMENT

Economic Sustainability of Wine Estates: First Insights and a Roadmap for Future Research

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Purpose: Sustainability is a key concept in wine business. While ecological and social sustainability have received strong attention, the pillar of economic sustainability has so far largely been neglected both in wine business research and in sustainability certification schemes. The purpose of this paper is to outline an empirical framework to assess the economic sustainability of wine estates, to present first results for German wine estates and to suggest avenues for future research.

Methodology: Data from balance sheets and financial statements of German wine estates marketing bottled wine are used to assess their economic sustainability based on key benchmark figures. Particularities of mostly family-owned wine businesses are taken into account by including an imputed wage for family members and thereby permitting comparability across businesses with different workforce structure.

Findings: About 30% of wine estates are not economically sustainable and their profit does not sufficiently cover family wages and does not provide return on capital. The long term survival of these businesses is at risk when investments are required and successors are sought.

Practical implications: The framework presented here is a first empirical concept to assess the economic sustainability of wine estates. Future research is required into the risk component, to assess the relative impact of drivers on long-term success and international harmonisation.

Keywords: Profitability, economic sustainability, cost, revenue, imputed family wage

Can Viticultural Mechanisation Make Steep Slope Vineyards Economically Sustainable?

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Purpose: The purpose of this paper is to empirically estimate machine and labour costs for mechanisation options of viticultural processes. We identify opportunities for wine producers to improve their economic profitability by increasing viticultural mechanisation.

Methodology: By identifying three external factors that determine the degree of optimal mechanisation of the most costly viticultural processes, we develop a typology of unique vineyard types. To estimate the effect of these factors on production costs we conducted analysis of variance with fixed and random effects for more than 2,800 single working time records for ten of these vineyard types.

Findings: Mechanisation of general viticultural processes, harvesting and pruning strongly affect viticultural costs. Minimal pruning provides significant cost saving potential of up to 1,820 €/ha in flat and steep slope vineyards that permit mechanised harvest. Steep slopes suffer from significant cost disadvantages of up to 5,366 €/ha that can only be partially compensated by mechanisation. Future price reductions are required to make the steep slope harvester competitive to manual harvest.

Practical implications: The results can aid producers to make cost-efficient decisions in their choice of viticultural systems and provide benchmarks for the comparison of their labour and machine working time records. Results provide guidance to public policy about subsidies required to compensate wine growers to preserve steep slope viticulture for public benefits and to assess cost-savings from restructuring steep-slope vineyards into transversal terraces.

Limitations: Records from the first two years of a long-term project are presented here that result in small sample sizes for rare vineyard types. Further research with larger sample size is required to model interaction effects between the factors and to generalise findings to other countries and different viticultural conditions.

Keywords: viticulture; labour force demand; minimal pruning; mechanisation; steep slope viticulture

A Recent Development in Wine Classification Systems: Collective Family Ownership

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Abstract

Purpose: There are complex and overlapping systems of wine classification. This paper aims to explore collective family ownership as a marketing strategy for wineries with special focus on the Australian First Families of Wine (AFFW).

Design/methodology/approach: This paper examines the history of classification systems and canvasses the literature for examples of classification based upon the recently emerging concept of collective family ownership.

Findings: The AFFW was created in 2009 made up of 12 long-established family-owned wineries. Now there are 11 member wineries. It is one of three such groups in the world. The defining criteria for membership is the production of an *iconic* or *flagship* wine. This luxury good component seeks to establish each brand as a Veblen good with an expectation of a price premium for the products from each winery.

Practical implications: The findings of this paper map the marketing strategy of the AFFW, laying the foundations for further investigation of practical implications via interviews and observational fieldwork.

Keywords: Wine classification systems; Wine marketing; Collective family ownership; Australian First Families of Wine; Veblen goods

1. INTRODUCTION

Wine classification systems deploy an ensemble of overlapping (i.e.: complementary *and* competing) markers to ground their methodologies. These markers include *inter alia* place, denoted as physical geography, ‘Old World versus ‘New World’, nation-state boundaries or the more sophisticated concept of *terroir*. Methods and style of vinification, vintage, grape variety

are also deployed, as is ownership, emphasised to a greater or lesser degree. In increasingly globalised value chains, these systems of classification cross the divide between being designed for production on the one hand and for consumption – or marketing – on the other.

As an element of these complex and overlapping systems of classification the concepts of excellence and luxury have always been salient (see, for example, Hall 2016). However, more recently traditional notions of same (see, for example, Wolf et al. 2016) have been augmented by a specific claim to *authenticity* grounded not in place, or price – or indeed in an intricacy of both – but ownership generally and family ownership in particular as the crucial marker of differentiation.

Against the backdrop of the multifarious types of wine classification systems, this study canvasses examples of new forms of classification based upon family ownership from across the wine-producing globe, investigating the *a priori* claim of authenticity grounded in collective family ownership set against typical markers as denoted by, for example, place and price. Three recent examples of this classification system have been identified, namely: *First Families of Wine* (Australia); *Family of Twelve* (New Zealand); and *Primum Familiae Vini* (France). The focus here will be upon the Australian First Families of Wine group.

Initially we are concerned with an evaluation of the current state of classification groups and the history of the development of classification systems generally. Nearly all have an attachment to place, although this is sometimes tangential. Family ownership of the wine is the main characteristic of the classification system that forms our central concern here. This does not, however, preclude concurrent membership of other classification systems. An examination of the characteristics of collective family ownership in the system of somewhat overlapping classification groups is undertaken with reference to the substantive theoretical and empirical literature.

In this paper we will examine in particular the emergence of collective family ownership as a ‘new’ form of wine classification system in the context of the Australian First Families of Wine group.

2. LITERATURE REVIEW AND PROBLEM STUDIED: THE HISTORY OF CLASSIFICATION SYSTEMS

Classification systems for wine have existed almost as long as the wine trade itself. As soon as wine was transported from its place of origin, it was branded with regionally recognisable symbols stamped into the amphorae that bore the precious liquid (Dutton 2019). Region of production was therefore the first formal method of classification that can be found, for example, in the remains of amphorae in archaeological digs in Bordeaux, whose ancient inhabitants appeared to prefer the Catalan wines of Tarraco (Tarragona) and Sicily (Berthault, 2000). The regional denomination is still in use today, especially in areas that do not have an official appellation system. In Australia, Geographical Indications (GIs) formalize to some

extent the regional classification system for labelling, but do not extend to determine grape type, yield, or methods of vinification.

Appellations, in contrast, define not only location, but also grape type, yield, and methods of vinification. This form of classification therefore clarifies additional elements related to production. Although Chianti (Italy - 1716), Tokaj-Hegyalja (Hungary - 1730), and Douro (Portugal - 1758) were among the first officially sanctioned appellations in the world, it was the French who codified the appellation system in the wake of the phylloxera crisis in an attempt to combat both artificial wine and misleading labelling of wines made from grapes grown outside recognised regions. From the early 20th century, various attempts were made to enforce regulations around production, which were largely unsuccessful, until the creation of the *Institut National des Appellations d'Origine* (INAO) under the Loi Capus in 1935. Appellations represent a classification system now widely used throughout Europe, but have yet to be fully embraced in other wine producing regions of the world.

Classifications based on price began to emerge around the same time as the first appellations. The most famous example began in Bordeaux in the mid-18th century and resulted in the 1855 Bordeaux classification, listing 61 red wines and 27 white wines in a fixed ranking from 1st to 5th growth based on wine prices (Markham 1998). Burgundy, Champagne, and Saint Emilion have adopted their own systems of classified growths, but price is only one factor among many in their hierarchies. The only other classification based entirely on wine price is Langton's Classification of Australian Wine, established in 1990, following to a degree Orley Ashenfelter's quantitative analysis of the fine-wine market in *Liquid Assets* (www.liquidasset.com). Although most vineyard classifications have their historical origins in wine prices, land prices or land profits (Storchmann 2012: 8), the rise of "expert opinion" and competitions has camouflaged commercial concerns to an extent, privileging producer pride and consumer pleasure over perceived profit.

Another classification that has evolved over the last 50 years or so is numerical rating, made popular by U.S. wine critic Robert Parker in the 1970s and embraced by Australian writer James Halliday, as well as various publications including *Wine Spectator*, *Decanter*, and many, many others. Jean-Marie Cardebat and Emmanuel Paroissien have attempted to overcome subjectivity by aggregating numerical ratings in their Global Wine Score (www.globalwinescore.com), (Cardebat and Paroissien, 2015).

In addition to these classifications, more general classifications guide consumers in their choices, such as:

- Vinification method and style – still, sparkling, dessert, fortified and by colour.
- Vintage – wine coming from grapes grown in a specified year.
- Varietal – specific or dominant grape varieties used to make wine e.g. Riesling, Chardonnay, Shiraz etc.

Each classification has been developed with particular aims related to regulation of production, consumer information, and promotion of prestige, quality and value. The emergence of

collective family ownership as a classification system differs from these other classifications in that it foregrounds a long-established tradition that has only recently been recognized as adding value to the end product.

3. RESEARCH OBJECTIVES AND HYPOTHESIS: THE POSITIONING OF CLASSIFICATIONS BASED ON COLLECTIVE FAMILY OWNERSHIP

One aim of this research is to establish how classification based upon collective family ownership is positioned in the historical and current systems of wine classification.

European viticulture has traditionally been dominated by family businesses, with family names representing authenticity in ‘Old World’ wine industries. When translated into the contemporary context of the global wine industry, where large-scale commercial producers have a greater footprint (Simpson 2011), this ‘Old World’ *a priori* adds value to ‘New World’ family owned wineries, functioning as a code not only for authenticity, but also quality, given perceived links between heritage and luxury (Lipovetsky and Roux 2003).

Current research on family owned wineries focuses mainly on issues of comparative business practices (Bresciani et al), gender relations (Bessière 2014), and storytelling (Sexton 2013) in French and Italian wineries. The most relevant research to our paper is an exploratory study on using family heritage to market wines in Victoria (Australia), which concludes that this ‘Old World’ practice is an effective strategy for ‘New World’ wineries (Strickland et al 2013).

3.1 Australian First Families of Wine (AFFW)

In 2009, against a backdrop of depressed global demand and falling unit price (see Fleming et al., 2014; Grant, Gow and Dollery 2011) the AFFW was created by 12 family owned Australian wineries. Together they represent 16 Australian regions across four state (or provincial) jurisdictions and have more than 1300 years of winemaking experience and 40 generations of winemaking experience.

The members of AFFW at the time of inception were long-standing producers of well-known brands: Brown Brothers, Campbells, D’Arenberg, De Bortoli, Henschke, Howard Park, Jim Barry, McWilliams, Tahbilk, Taylors, Tyrrells, Yalumba.

In mid-2019, De Bortoli was dropped from the AFFW. There are now 11 member families as profiled in the recent publication, *Australia’s First Families of Wine* by Richard Allen and Kimbal Baker (November 2019). They collectively own more than 5000 hectares of Australia’s finest vineyards.

Essential criteria for membership are:

- Having a ‘landmark wine’ in their portfolios listed under Langton’s Classification and/or 75% agreement by the group that a wine is considered ‘iconic’
- Being family-controlled

- Having the ability to do at least a 20-year vertical tasting
- Having a history of oenology going back a minimum of two generations
- Ownership of vineyards more than 50 years old and/or ownership of distinguished sites which exemplify the best of *terroir*
- Long-term commitment to export, environmental best-practices and appropriate cellar door experience
- Family-member service on wine industry bodies, and
- Membership of the Winemakers Federation of Australia (WFA).

The motivation for AFFW establishment was described in 2010 by James Halliday in his Foreword to *Heart and Soul: Australia's First Families of Wine* as:

[T]he realisation that export markets had either lost sight of or had no way of knowing about Australia's rich history, its diverse regions and wine styles, and the fierce personal commitment of the best winemakers to the production of high-quality wines true to their variety and geographical origin...The challenges for Australia are clear enough. What Australia's First Families of Wine can and will do is turn words into actions, ambitions into concrete results (Halliday, 2010).

Clearly, these 12 long-established family-owned wineries decided upon collective action to separate themselves from the bulk of Australia's wine producers by drawing a series of markers pointing to their superior quality.

In his Foreword to *Australia's First Families of Wine*, Halliday brought his assessment of the wine marketplace up to date:

Wine is now a far larger internationally traded commodity, and methods of marketing are changing at a pace inconceivable twenty years ago... It might be thought that the members of First Families are at a disadvantage in this Brave New World. Not so. They will continue to enjoy advantages unique to the individual members, notably rapid decision-making on matters ranging from great to trivial importance. The synergies flowing from this are obvious, and the decision to proceed with this book in English coupled with a Mandarin translation is to be applauded (Halliday, 2019).

This 'rapid decision-making' may well refer to the expulsion of De Bortoli from Australia's First Families of Wine, made public, albeit discreetly, through the publication of this 10th anniversary collectors' item book including only 11 families of winemakers. Stephen Henschke's Introduction mentions 'like-minded families' and being 'well placed to claim ownership of the "family" mantle'. He also states that:

As Australia's First Families of Wine has evolved, so too has the next generation. Having grown up immersed in the world of wine, with a deep understanding of family wine businesses, they are imbued with the pioneering spirit of their forebears, a respect

for the work of the generations before them and an exciting approach to the future. Also a great sense of pride and responsibility. They are the future (Henschke 2019).

The new ethos of future generations has been embraced by Brown Brothers, whose latest generation of family members in the wine business includes not brothers, but sisters Emma, Katherine and Caroline, prompting their father Ross to rename the company The Brown Family Wine Group in September 2018.

4. RESEARCH METHODOLOGY

The characteristics of collective family ownership in the wine industry are not dissimilar to those of generic family ownership, Family owned wineries constitute the majority of production units, but not overall production quantity, in many wine producing countries. However, for collective family ownership members the additional focus on luxury and exclusiveness, length of time in the industry and service to the industry is an attempt to differentiate themselves from other family owned wineries. The overall aim is to obtain price premiums for their member's products. The theoretical basis of the defining characteristics of collective family ownership are now discussed.

The first and foremost difference is the establishment of their wine and/or brand as a Veblen or luxury or 'snob' good (Veblen, 1899). Veblen goods are products where demand rises as price rises. This is usually because people think that more expensive 'iconic' goods are better quality and so people buy more (Kapferer et al, 2014; Hojman, 2016). Related to the Veblen concept are positional goods which are scarce and are desired for their ability to show success and conspicuous goods which people buy to indicate social status or success. In both instances when prices rise, people want to buy more. The 'landmark' or iconic wines of the AFFW members are constructed to achieve the Veblen effect.

There is no consensus regarding what attributes a product must possess to be classified as luxury in the existing literature (Wolf et al, 2016). The conceptualisation of luxury is multi-faceted; however a commonly held view is that luxury is any product with a high enough price especially if it restricts to consumption of the product to only the few (Kapferer et al, 2014; Wolf et al, 2016).

Attempts to create iconic status wine which leads to increased prices should lead to an increase in the reputation of the producer. This self-reinforcing loop was first outlined by Shapiro (1983) who suggested that high-quality reputation producers receive price premiums because they sell wine to consumers who suffer from information asymmetry. The price is high, the producer is therefore high quality and vice versa. Combris et al. (1997) demonstrated that for French wines consumers are indeed willing to pay premium prices for good reputations. There is much theoretical and empirical evidence which suggests that wine price premiums are likely to be associated with producers who have a high quality reputation (Oczkowski & Doucouliagos, 2015; Oczkowski 2016).

The history of wine classifications has been mapped here to serve as an evaluative framework in which classifications based upon collective family ownership of wineries can be positioned. The relative benefits to members of collective family ownership classifications (in particular AFFW members) are now discussed.

5. RESULTS / FINDINGS

Individual wineries are attempting to achieve multiple objectives through their membership of this collective family ownership classification.

First and foremost though is to create an exclusiveness for their brand to enable price premiums to be obtained for their icon and other wines. Caracciolo et al. (2016) compared the pricing implications of private and collective firm strategies. The effects of the two reputation strategies have a different weight according to the price segment of the wine. While private reputation plays a major role in both low and high priced wines, collective reputation, especially based on geography, seems especially important for high priced wines. Costanigro et al. (2010) examined the impact of collective reputations on market price. The results show how the structure and relative importance of reputations change as prices vary. Specifically, reputation *premia migrate* from collective to specific brands and wines as prices increase. Frick (2016) examined German wineries and found that the price premium that a high quality firm earns induces it to maintain its reputation. Without premiums, firms in a collective group would find that an opportunistic strategy of quality reductions is profit maximising in the short run without enforceable guarantees of quality.

Another major issue is the nature of the collective family ownership classification. Tirole (1996) coined the term 'collective reputation'. Costanigro et al. (2010) used it in the context of multiple agricultural firms sharing a common name or instances in which products are traced to groups of firms. Classification systems based on region result in levels of quality being associated differentially.

However, collective reputations have several characteristics which are problematic. Because a public good is a good that has both non-excludable and non-rivalrous characteristics in that individuals cannot be excluded from use, there is the incentive to free ride. Shapiro (1983) commented on the implication for individual sellers to reduce the quality of their product and take short run gains before consumers catch on and to free ride on their collective partners. To reduce this occurring minimum prices at a premium above cost are mandated. Dressler (2016) examined collective and individual reputation effects in Germany. His major finding was that being a privately managed winery and belonging to a closed quality circle of similar producers maximises quality reputation and increases prices. The converse is true of membership of negative collective reputation groups.

Winfrey and McCluskey (2005) outlined how in a collective there is an incentive for individual firms to choose quality levels that are sub-optimal for the group. This outcome supports the imposition of minimum quality standards for all members. Castriota et al. (2015) analysed the

determinants of collective reputation and found that they are history dependent. Other fundamental drivers of group reputation identified were minimum quality standards and effective enforcement of same. They also found that the relationship between group size and collective reputation is non-linear, with ease of entry creating free-rider problems resulting in non-optimal outcomes.

6. THEORETICAL AND MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

Management of collective family ownership companies must constantly work through the benefits and costs of remaining members of groups like the AFFW. Can they individually obtain greater benefits (mainly higher prices) as a result of their membership as opposed to going their own individual way?

7. CONCLUSIONS

This paper firstly reviewed wine classification systems in general and collective family ownership in particular. *Prima facie*, several motivations for belonging to the AFFW can be deduced. These include primarily economic ones – creation of a luxury good using their landmark/iconic wine can result in price premiums being obtained for all of their wine products which will help to push against the market power of multinational wine conglomerates and as a mechanism to halt the declining unit price of Australian wines sold on the global market. Secondly, are the social/cultural reasons of authenticity, storytelling, and multi-generational experiences to increase demand for their wines as exemplified by their long history with multiple generational vines and the ability to undertake 20 year or more vertical tastings and their membership of and service to wine industry bodies.

The empirical estimation of the impacts of collective family ownership on prices, profits and market share is the next logical step in this body of work. In particular this is to understand if the Veblen effect is valid in the case of the ‘landmark/iconic’ wines of AFFW members.

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Social Enterprise: A Review and an Example from the Wine Industry

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Abstract

Purpose: This paper examines the social enterprise literature and discusses a case study example of a social enterprise from the New Zealand wine industry.

Design/methodology/approach: A semi-structured interview was used to collect qualitative data from one of the co-founders of the 27seconds wine brand, with the other co-founder answering questions via email.

Findings: 27seconds provides an example of a social enterprise in a wine context. It began as a business with a clear social mission, it derives income from the sale of wine, and profits are reinvested to support the growth of the business and its social mission. This wine brand from New Zealand displays characteristics that are consistent with many of the differing definitions provided in prior social enterprise literature.

Practical implications: This case study provides one of the first examples of a social enterprise operating in a wine context. It may provide inspiration for others in the wine industry to start up a similar social enterprise to address a social need.

Key words: social enterprise; wine; New Zealand

1. INTRODUCTION

This paper explores the concept of social enterprise and applies the concept in the context of the wine industry. The subject of social enterprise is a growing one, in terms of both the volume of academic literature and the number of these organisations around the world. In particular, it reviews how social enterprise has been defined in prior academic literature and how this form of business differs, in practice, across nations. Finally, this paper discusses an example of a social enterprise from the New Zealand wine industry.

2. SOCIAL ENTERPRISE LITERATURE

The term social enterprise first emerged in Italy in the 1990's, and has since been the topic of research across Europe and in the US (Defourny and Nyssens, 2001). More recently, the concept has been examined in Eastern Asia and Latin America. In general, social enterprises have emerged in countries or regions as funding for state social programmes has weakened (Kerlin, 2010). It is also likely that increasing awareness of global social issues is resulting in the emergence of an increasing number of social enterprises. Peattie and Morley (2008) assert

that the number of social enterprises has grown significantly in recent years, with approximately 55,000 of these organisations in the UK alone. Kerlin (2010) argues that explanations of regional differences are lacking in the social enterprise literature. Indeed, few studies have focused on social enterprise in the New Zealand context. In addition, no prior literature has been found to have examined a social enterprise in the wine industry. This paper addresses both of these gaps.

2.1. Definition

The concept of social enterprise has been variously defined in the academic literature, but to date there is no commonly accepted or consistently applied definition (Dart, 2004; Grant, 2008; Peattie and Morley, 2008). Indeed, Peattie and Morley (2008) argue that the term social enterprise includes “organisational types that vary in their activities, size, legal structure, geographic scope, funding, motivations, degree of profit orientation, relationship with communities, ownership and culture” (p. 7).

In general, social enterprises are businesses that operate to achieve both social and financial motivations. There are some similarities across definitions; for example, Haugh and Tracey (2004) state that a social enterprise is a business that trades entirely for a social purpose, whilst Dees and Anderson (2006) argue that it is business undertaken for a significant social purpose. Other authors describe social enterprises as businesses that have both a social and an economic bottom line (Dart, 2004; Fruchterman, 2011), or that they are organisations that seek business solutions to social problems (Thompson and Doherty, 2006). Several authors have suggested that social enterprises are broadly defined as the use of non-governmental, market-based approaches to address social issues (Kerlin, 2006; Kerlin, 2010). The EMES definition is also widely reported in the social enterprise literature. This definition states: “social enterprises are not-for-profit private organisations providing goods or services directly related to their explicit aim to benefit the community” (Defourny and Nyssens, 2001, p. 5). The UK government’s definition of social enterprises is “a business with primarily social objectives whose surpluses are principally reinvested in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners” (Peattie and Morley, 2008, p. 8). There is some consensus that having a social mission is the primary objective of all social enterprises (Young and Lecy, 2014).

EMES also define social enterprise through criteria that are either economic or social indicators (Defourny and Nyssens, 2001). The four economic criteria are: a continuous activity producing goods and/or selling services, a high degree of autonomy, a significant level of economic risk and a minimum amount of paid work. The five social criteria are: an explicit aim to benefit the community, an initiative launched by a group of citizens, a decision-making power not based on capital ownership, a participatory nature, which involves various parties affected by the activity, and a limited profit distribution. Peattie and Morley (2008) have also defined social enterprises by identifying three salient features: the pursuit of a social goal, the non-profit distribution constraint, and the assignment of ownership rights and control power to stakeholders other than investors coupled with an open and participatory governance model. In particular, Peattie and Morley (2008) argue that the exclusion of a profit-maximisation goal is

a key feature of social enterprises.

The problem with defining social enterprise is that these businesses take different forms in different nations. Social enterprises can be not-for profit organisations, but they can also be social cooperatives, inter-sector partnerships, a legal form of social business, or a programme in a for-profit corporation, or some combination of these forms. Young and Lecy (2014) have categorised six different types of social enterprises: for-profit business corporations, social businesses, social cooperatives, commercial nonprofit organisations, public-private partnerships and hybrids.

2.2. Global Differences

Kerlin (2010) states there are important regional differences in what the term social enterprise means and how these organisations have developed (see Table 1). Some types of organisations may be categorised as social enterprises in one country, but are not defined as social enterprises in another country. In addition, social enterprises can take various legal forms in different countries (Peattie and Morley, 2008).

Much of the social enterprise literature has focused on Europe and the United States. In her comparison of US and European social enterprises (Kerlin, 2006), stated that these organisations in the US fall along a continuum from profit-oriented businesses engaged in philanthropy or CSR activities, through to dual-purpose businesses that balance profit and social goals, to non-profits engaged in commercial activity to support their social mission. Defourny and Nyssens (2001) state that US social enterprises are predominantly non-profit organisations that look to the market in order to earn income and respond to decreasing state funding. Peattie and Morley (2008) make the interesting point that in the US, being an organisation that is specifically pursuing a social goal is not a necessary condition for qualifying as a social enterprise. In contrast, the main forms of social enterprise in Western Europe were, historically, associations and social cooperatives that were formed to provide employment or specific care services (Kerlin, 2006). Today, European social enterprises come in various forms, including employee development trusts, social firms, intermediate labour market organisations, community businesses, or the trading arms of charities (OECD, 2003). Another way of summarising the diversity of social enterprise types across Europe and the US is to consider social origins. Kerlin (2009) describes the US model as involving interactions between civil society and the market, with virtually no influence from the state; in contrast the Western European model is shaped by interactions between civil society and the state, with a weaker role of the market.

Social enterprise literature is beginning to appear from other nations. In Japan, social enterprises have focused on revitalisation and social integration (Kerlin, 2006). Kerlin (2009) asserts that a typical Japanese model of social enterprise is a mix of interactions between the state and the market, and to a lesser extent, civil society. The term “community business” has been more widely used in Japan than social enterprises (Defourny and Kim, 2011). Defourny and Kim (2011) discuss the emergence of social enterprises in East Asian nations as a way to cope with new social problems arising from socio-economic changes in the late 1990s. The

authors also describe five predominant forms of social enterprises found in East Asian nations; namely, the trading non-profit organisation, the work-integration social enterprise, the non-profit cooperative enterprise, the enterprise stemming from non-profit/for profit partnerships, and the community development enterprise. Social enterprises in Southeast Asia are typically revenue-generating activities that address social and sustainable development needs (Kerlin, 2006). In nations such as Zimbabwe and Zambia, there is a lack of state support and poor economic conditions; social enterprises in these nations tends to focus on employment generation through micro-credit for small businesses (Kerlin, 2006). Similarly, a lack of public sector funding has resulted in the emergence of social enterprises in Argentina, largely to address unemployment and social exclusion (Kerlin, 2006). State support also fell in East-Central Europe due to the fall of communism; social enterprises in these nations focus on unemployment and human services (Kerlin, 2006).

The New Zealand government has formally defined a social enterprise as an organisation with a social mission that provides community benefit, one that derives income from trade, and one where the majority of profits are reinvested to fulfil the mission (Department of Internal Affairs, 2013). In the New Zealand context, Grant (2008) describes existing social enterprises as including employment schemes for those with disabilities, community development in remote areas, youth and family services, Maori and Pacific Island organisations providing health care, and community cooperatives that produce fruit and vegetables. In the case study presented below, the social enterprise operates within the New Zealand marketplace but offers aid to a charity organisation that operates internationally.

Table 1. Comparison of Social Enterprises by Countries/Regions

<i>Nation</i>	<i>Outcome Emphasis</i>	<i>Organisational Type</i>	<i>Focus</i>	<i>Legal Framework</i>
United States	Sustainability	Nonprofit / company	All non-profit activities	Under discussion
Western Europe	Social benefit	Association / cooperative	Human services / employment	Developing
Japan	Social / economic benefit	Nonprofit / company	Human services / employment	Not yet considered
East-Central Europe	Social benefit	Association / cooperative	Human services / employment	Developing
Argentina	Social / economic benefit	Cooperative / mutual benefit	Human services / employment	Not yet considered
Zimbabwe / Zambia	Self-sustainability	Micro finance institution / small enterprise	Employment	Not yet considered
Southeast Asia	Sustainable development	Small enterprise / association	Employment / human services	Not yet considered

Sources: Kerlin (2006); Kerlin (2010)

3. EXAMPLE FROM THE NEW ZEALAND WINE INDUSTRY

A case study method was used to examine 27seconds, a wine brand and a social enterprise. A semi-structured interview with one of the co-founders, Pete Chapman, was held in February 2019 and follow-up questions were asked via email. The interview was supplemented with data

collected from various items about 27seconds in the mainstream media and in social media, and an email exchange with Alanna Chapman, the other co-founder.

27seconds is a wine brand that is based in the North Canterbury wine region, near to Christchurch in the South Island of New Zealand. The brand name refers to the fact that every 27 seconds a person is sold or trafficked into slavery, somewhere in the world. Profits from 27seconds are used to support Hagar, an international charity that provides recovery services for survivors of human trafficking, slavery and abuse.

3.1 The History and Development of 27seconds

27seconds was established by Pete and Alanna Chapman, following a visit they had made to India. There they witnessed young Nepalese women who had been trafficked and sold into slavery as sex workers. The Chapmans went home to Waipara with a commitment to do something to help.

The business began in 2017, when the Terrace Edge winery had a bumper harvest of Riesling grapes. Pete works as the viticulturist for Terrace Edge, his family's wine business. Together, he and Alanna devised a plan to use the excess grapes to make wine to support Hagar. In the first vintage, they produced around 10,000 bottles of Riesling, Sauvignon Blanc, Pinot Noir and Rose from Terrace Edge grapes that were purchased at a discounted rate. The Chapmans also received significant support from others in the local wine industry. This included free mechanical harvesting, free label design, bottle caps and boxes, and discounted bottles and labels. They received increased support for the brand in the second vintage, including a growing number of volunteers from the local community and from their customer base.

The Chapmans regarded the 27seconds venture as an ongoing business from day one and their goal for establishing it was to become "a sustainable vehicle for change". For this to occur, they focused on producing a high quality wine at a good price and for a good cause. The Chapmans measure success in a number of ways, including conventional marketing factors such as making a profit, increasing sales and gaining brand awareness. However, they also view 27seconds as being successful if it increases awareness of the global slavery issue. As mentioned, the brand has received considerable attention in the media. In addition, information is shared with the public through the 27seconds website and through social media.

Sales can also be made online, as well as through local food and wine festivals, in the Terrace Edge cellar door, and through a limited number of liquor stores and supermarkets. Initially, the 27seconds wines were not available in liquor stores and supermarkets, and the Chapmans assumed that all of their sales would be made directly to consumers through their website, Facebook, their Wine Club and at food and wine festival events. However, after participating in events, they were approached by a number of restaurants who asked to stock their wines. The Chapmans can thank their customers for getting their wines into several liquor stores and supermarkets; these customers asked their local stores to stock the 27seconds wines and thus they were pulled through the supply chain to these retail outlets. The Chapmans comment that they have gained a rapid retail presence without having to knock on doors; "our customers are

doing the work for us”.

The Chapmans describe their customers as people with a social conscience. They state that new customers are firstly drawn to the story behind the brand, but that repeat and loyal purchasing is due to the quality of the wine. They believe that their customers enjoy drinking good wine and doing good for other people at the same time.

27seconds was initially formed as a limited liability company, but has recently changed its legal status to that of a charitable company. This means they do not have to pay tax on profits and allows them to maximise the donations they can make to Hagar. Alanna, Pete and two business mentors retain ownership of assets and the brand name. The time that Alanna and Pete put in to 27seconds is voluntary, and they also have additional volunteers who help with tasks such as harvesting and labelling wine bottles. Approximately \$25,000 was donated to Hagar from the first vintage, with a portion of profits being reinvested in order to grow the business and to cover costs for the following vintage. Apart from the benefit they provide to Hagar, the Chapmans note that they have achieved other indirect benefits. These include personal satisfaction and the development of their entrepreneurial skills. In addition, through their social media presence and their vineyard volunteer days, the Chapmans have created a community of interest amongst consumers; this community, in turn, is helping to raise awareness of the global slavery and human trafficking issue, and they are helping to grow the 27seconds brand.

4. CONCLUSIONS

The example of the 27seconds wine brand satisfies many of the various definitions that have been proposed in the social enterprise literature. In particular, it meets the definition written by the New Zealand government in that it is a business with a social mission, it derives income from trade, and profits are reinvested to fulfil the mission (Department of Internal Affairs, 2013). 27seconds was started with the explicit aim of providing funds to the charity Hagar, and thus matches definitions of social enterprise that have focused on social mission as a primary objective or reason for trading (Dees and Anderson, 2006; Haugh and Tracey, 2004; Young and Lecy, 2014). In addition, 27seconds uses a market based approach or a business solution to address a social problem (Kerlin, 2006; Kerlin, 2010; Thompson and Doherty, 2006). It is also clear that 27seconds has both a social and an economic bottom line (Dart, 2004; Fruchterman, 2011).

The establishment and ongoing operation of 27seconds also matches the EMES social enterprise characteristics (Defourny and Nyssens, 2001). 27seconds can be characterised by economic criteria such as a continuous activity producing goods, a high degree of autonomy, a significant level of economic risk, and a minimum amount of paid work. 27seconds provides an example of social enterprise that meets the three criteria proposed by Peattie and Morley (2008); it pursues a social goal, it has limited profit distribution (i.e. it does not have shareholders), and ownership and power is not held by investors. The wine brand can also be characterised by the EMES social criteria as it has an explicit aim to benefit the community, it is an initiative launched by citizens, it has a participatory nature involving various parties, and it has limited profit distribution. Interestingly in this case study, 27seconds was not established

to help the local community, but rather to help those affected by slavery and human trafficking in other nations. Despite the international focus of 27seconds, the business enjoys a lot of voluntary support from the local community and from customers. Indeed, customers have been responsible for getting these wines into retail outlets. The cause and purpose of the business appears to resonate with New Zealanders who typically have little to no exposure to slavery and human trafficking.

No prior literature has detailed an example of a social enterprise from the wine industry. The 27seconds example provides evidence that it is possible to startup a wine business as a social enterprise and with a specific social mission as its reason for existing. In addition, this paper adds to the subject of social enterprises in a New Zealand context. Social enterprises in New Zealand can be thus summarised:

- Outcome emphasis = social benefit
- Organisational type = nonprofit
- Focus = all non-profit activities
- Legal framework = defined by the government, with the ability for these organisations to operate as charitable companies and thus receive tax benefits

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The Relative Importance of Benchmarks on the Economic Success of Wine Estates

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Abstract

Purpose: The Economic sustainability of wine estates is important to succeed in an increasingly competitive wine market. This paper analyses the relative importance of economic benchmarks in their effect on economic success and profitability of German wineries.

Design/methodology/approach: Key economic benchmarks of between 264 and 319 German wineries per year over a span of seven years (n=2,086) were analysed using random forest models. This new statistical model that is rooted in machine learning has proven strong prediction accuracy and robustness compared to other learning algorithms.

Findings: Overall turnover variables were more essential drivers in determining economic success, than cost variables. However further analysis concluded, that yield and business size were also important factors to take into account.

Practical implications: In line with previous findings, larger wineries seem to be more successful by working more efficiently. Generally, focussing on increasing turnover through pricing and volume should be prioritised over controlling cost.

Key words: Economic sustainability, benchmarks, cost and pricing strategies.

Is Biodiversity in Vineyard an Argument for Developing Wine Tourism? The Wine Producers' Perspective.

Extended Abstract

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Key words: Sustainability, wine tourism, biodiversity, wine producers

1. CONTEXT AND RESEARCH PROBLEMS

According to the 2019 Intergovernmental Panel on Climate Change (IPCC) report, supporting sustainable development is imperative. Despite the growing interest of the research towards sustainable agricultural practices in wine sector (Christ and Burritt, 2013; Bartocci et al., 2017; Jradi et al., 2018), the extent to which sustainable development can contribute to wine tourism development is rarely being questioned (Baird et al., 2018; Montella, 2017).

Valuable ecosystems – including pollination, soil formation, flood mitigation, carbon capture, biological control – provide favourable factors to the sector. If historically, biodiversity and vines have not been willing partners (Barnes et al., 2010), during the last decade “weeds” have been seen as beneficial for the vineyard, ranging from reducing costs to supporting wine tourism.

The economical stakes of wine tourism are high and developing wine tourism represents a diversification opportunity (Sigala and Robertson, 2018; Andelic et al., 2019). These trends have encouraged winemakers to go beyond simple wine tastings and enrich their offer with experience connected with nature: winescape (Bruwer and Lesschaeve, 2012), cultural (Altschwager et al., 2017; Ponsignon et al., 2017), or historical features of the vineyards (Gravari-Barbas, 2014; Velikova et al., 2016).

The winescape defined by Johnson and Bruwer (2007) as “encapsulating the interplay of: vineyards; wineries and other physical structures; wines; natural landscape and setting; people; and heritage, town(s) and buildings and their architecture and artefacts within, and more” is a

multidimensional concept, connecting the stakeholders of a territory. Gravari- Barbas, (2014) defended the idea that wine tourism development needs the winescape.

Environmental conservation and creation of valuable ecosystems are at the heart of sustainable winery management. These are strong arguments to develop a wine tourism beneficial for tourists and to address the growing cohort of green travellers (Barr and Prillwitz, 2012; Hunting & Conroy, 2011). Biodiversity, affecting the landscape and the vineyard, is a major quality of the winescape for visitors of a wine region (Bruwer and Lesschaeve, 2012).

While the environment plays a predominant role in the destination image (Sigala et Robinson, 2018), it has not been studied yet, whether ecosystem and biodiversity of vineyards can argue for wine tourism development.

The wine producers' perspective has been chosen to analyze the following questions:

- How do you describe your winery eco-system? Are there any measurements in place?
- Do you measure the impact of biodiversity on your company's development?
- If any, what benefits does biodiversity bring to your winery in terms of wine tourism?
- Are there challenges or contradictions between biodiversity and wine tourism?

2. METHODOLOGY

The study adopts a qualitative perspective to evaluate the impact of biodiversity on the wine tourism in France. It employs a grounded-theory approach to provide confirmation of selected constructs and a selection of variables.

Data were collected from fourteen winery owners across Languedoc Roussillon, this region being one of the largest organic vineyards of France. The wineries have been purposely chosen on the following criteria: offering wine tourism on site; being certified by one or many environmental labels; and volunteering to be interviewed.

One of the authors conducted on-site in-depth interviews over a period of one month. All interviews followed a standardized format covering: (1) eco-system description, (2) management practices, (3) biodiversity factor analysis, (4) factors fostering or discouraging wine tourism due to biodiversity. All informants were asked to discuss environmental dimensions of cultural practices, impacts of biodiversity on wine tourism, effects on travellers, and possible benefits and challenges related to biodiversity. All interviews were recorded, then transcribed verbatim, imported and managed using the NVivo software for further analysis.

3. PRELIMINARY FINDINGS

Our analyses aimed at disclosing patterns and themes and clustering the observations into conceptual groups of constructs identified in the literature. Examining the data revealed several crucial themes:

- (1) Winery owners are aware that the attractiveness of a touristic site is strongly linked with biodiversity protection (e.g. “*it brings richness, authenticity which is highly appreciated by our visitors*”);
- (2) Producers diverge on the constraints of biodiversity conservation (eg. “this is certainly not a constraint”; “this has a cost; I understand why some others might be reluctant...”) This rises the challenges faced by the producers and the question of return on investment;
- (3) Certain wineries are deemed to emphasize biodiversity (e.g. “... *we use special signage, which explains our flore and faune* “);
- (4) Differences appear in visitors’ behaviour and the question of responsibility becomes a real challenge (e.g. “*tourists should preserve environment and be responsible (...)*developing tourism could be dangerous for biodiversity - it is necessary to manage the flow, educate visitors ... it is necessary to find a balance!”)

4. FIRST CONCLUSIONS

The qualitative findings of the study yield valuable insights regarding the relationship between eco-system, biodiversity and wine tourism. Measuring and studying various aspects of biodiversity and wine tourism will be in the focus of the future quantitative study.

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Market Acceptance of Fungus-Resistant Grape Varieties (FRGV) – A Qualitative Analysis among Producers and Retailers

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Abstract

Purpose – The purpose of this study is to examine the factors which, despite the advantages of fungus resistant grape varieties, the supply from producers and retailers is low.

Design/methodology/approach – The survey is supported by data from semi-structured interviews. The interviews were conducted with experts from 48 organic wineries as well as 18 different types of retailers and were evaluated through content analysis.

Findings – It is shown that producers do not actively communicate their FRGVs to their customers. Retailers are facing a low active demand for wine made of FRGVs due to unattractive grape variety designations, higher consulting effort, and an increased risk in the purchase decision. In addition, the experience of the first generation of FRGVs is mostly negative among producers, retailers, and consumers.

Practical implications – A higher level of consumer acceptance is possible by offering attractive grape varieties, direct communication of these grape varieties, and the provision of information.

Keywords: FRGV, PIWI varieties, Germany, Producers, Retailers

Lifecycle of Decision-Making Factors for Investing in a Smart Vineyard. A Case Study of High-Tech Employees in the Bay Area

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Abstract

The wine industry's success is defined by the quality of produce by passionate wine growers around the world. Return on investment (ROI) is not their primary priority but maintaining their operational costs must strictly align with their overall vision. In the Bay Area, high-tech employees frequently explore promising avenues to invest their hard-earned income into something they love and that can receive high ROI. Our findings from observing and interviewing with 50 families show that they are passionate, tech-savvy, have above average net worth living in the Bay Area, who are also often social drinkers and are driven to explore investment opportunities in smart vineyards to yield high ROI while kindling their innate passion for the wine business. A primary selling point and appeal of a "smart vineyard", in other words, an entity where individuals can manage the end-to-end process including the operational costs at their fingertips on a mobile app. The smart vineyard implementation plan would be end-to-end, customized, designed and delivered with predicted risk mitigation plans. In this paper, we discuss ways to cover the gaps between viticulture high-tech investors and high-quality grapes production from a smart vineyard by discussing important decision-making factors in this entire process.

Key words: Smart Vineyard, Investors, High-Tech, ROI, Bay Area

1. INTRODUCTION

Over the past several years of high-tech industry boom in the Bay Area, there has been a huge shift in the way the high-tech employees spend their time and invest their earnings. After observing and interviewing close knit conversations with 50 families in focus groups, there has been a recurring pattern in the way these high-tech employees socialize, and it is often is over drinking a glass of wine in the evenings to talk about investment strategies to secure a happy retirement plan and protect their earnings. The Bay Area also known as the "Silicon Valley of California" has diversity of cultures, ethnic groups, and beliefs that together have brought about the advent of computer technology and information systems. Many of their employees work for top Fortune 500 companies with good take home salaries that are sufficient enough to buying home on mortgage and make investments in secondary homes while renting them out as secondary form of earnings to investing in the stock market or educational degrees as common trends to receive huge returns. This case study takes samples from these families interested in investing in viticulture knowing the high return on investment (ROI), but withdrawn by the number of risks involved ("barrier to entry") and a solution for this problem is to design a smart viticulture plan from the inception to yield high profits by keeping the risk factors in precision

check which can be achieved by making a vineyard technically smarter. Further research will be conducted through actual experimental learning experience of the solution.

2. THE PROBLEM

From sampling 50 San Francisco Bay Area families Table 1.1 describes the current investment types of these 50 families. Each is tech-savvy, with high-tech jobs and their household income is at least \$150,000 per annum. The problem is the barrier of entry and concern of investing as they are not sure if the smart vineyard will yield them a good ROI and understanding decision-making factors will help them prepare better. We will conduct further research on this topic to elucidate practical application of the decision-making lifecycle proposed in this paper.

Table 1.1: Investment types of the 50 families interviewed and number of families

Investment types of these 50 families	No. of families
Stock, Bonds and Retirement Plans	38
Overseas Investment	24
Certificates of Deposit	33
Land, houses and commercial buildings	37
Educational degrees and certifications	40
Agricultural Land Overseas or in the US	12
Vineyard / Wine Business	0

2.1 Sample Data Description

50 families in the San Francisco Bay Area, California typically working for high-tech employers with an average family size of 3-4 consisting of father, mother and one-two children were observed and interviewed. Table 2.1 explains the family split, number of participants and wine consumers details. Table 2.2 explains the number of participants who showed willingness to invest in a vineyard and their principle driving motivations including significant willingness to invest due to were more than one high return on investment (ROI) as a motivation in our sample interviews conducted. A high ROI as a motivational factor was envisioned to purposely foreshadow the smart vineyard with high-tech capabilities and ease of the proposed solution that helps in decision-making to invest. Differences in motivation may contribute to the high variability in quality and quality-adjusted prices of wines in emerging wine regions. [Li, J., Gómez, M.I., Brent Ross, R. and Chaddad, F.R. (2019)] Recognizing differences in owner motivation is critical to establish appropriate policies to support the development of the wine industry in emerging regions. [Li, J., Gómez, M.I., Brent Ross, R. and Chaddad, F.R. (2019)] In this paper, we will focus on high ROI to purposely maximize profits and derive a possible by a smart vineyard as a solution to help in closing the open questions and concerns that were raised by these high-tech employees who are willing to invest, thereby reducing barriers to entry of these consumers.

Table 2.1: Family split size, number of participants and number of wine consumers among the 50 families observed and interviewed in person

Family split	No. of Participants	Working in High-Tech	No. of Wine Consumers
Father	50	50	39
Mother	50	36	27
Children (21 + years)	16	12	9
Total	116	98	75

Table 2.2: Motivational factors to invest in a smart vineyard and number of willingness to invest in a smart vineyard.

Motivational factors to invest in a smart vineyard	No. of participants who showed willingness to invest in a “smart” vineyard
Passion	26
High Returns on Investment (ROI)	60
Sense of ownership	12
Recreational Investment	4

3. THE SOLUTION

3.1 *Smart Vineyard Management System (SVMS)*

Greater awareness is needed in the adoption of innovations, as they require significant investments in capital and human resources so that they may bring an increase in competitiveness. [Sarri, Lombardo, S, Pagliai, Perna, Lisci, De Pascale, V, Rimediotti, Cencini, G. and Vieri, M , 2020] The increasing availability of agricultural technologies able to provide data requires an exact integration process. Tools including the Business Model Canvas [4], the assessment of the Technological Readiness Level (TRL) level and the restructuring of processes according to lean and, most recently, lean plus green methods, offer advantages that allow farms to acquire highly competitive margins. [Sarri, Lombardo, S, Pagliai, Perna, Lisci, De Pascale, V, Rimediotti, Cencini, G. and Vieri, M , 2020] This methodology proposed for smart farming was divided in four stages (1. understanding the changes in action; 2. identifying the added value of Smart Farming processes; 3. verifying the reliability of new technologies; 4. adjusting production processes) that can be applied at different levels in vine farms to make the adoption of precision agriculture techniques and technologies harmonious and profitable. [Sarri, Lombardo, S, Pagliai, Perna, Lisci, De Pascale, V, Rimediotti, Cencini, G. and Vieri, M , 2020] The proposal for smart farming methods have not been implemented yet for profitability evaluation but concludes the results of the “Oenosmart” project [Sarri, Lombardo, S, Pagliai, Perna, Lisci, De Pascale, V, Rimediotti, Cencini, G. and Vieri, M , 2020]. Once the Oenosmart project goes live, it can open doors to prove the decision-making factors lifecycle proposed in this paper.

3.2 Process of Investing, Tracking Operations and Profits/Losses

First and foremost, smart farming applications to viticulture needs to be adopted by smart vineyard supporting startups or companies who can facilitate the investment as process as investors or provide the appropriate financial referrals to these investors. This process can be carried out by a single company or multiple contracting companies looping together in a business chain, while still maintaining the whole product concept [Sallez, Y., Berger, T., Deneux, D. and Trentesaux, D., 2010]. Finally, a monitoring service like a web/mobile dashboard should be included to track operations at the smart vineyard, evaluating risks, tabulation of the operational and capital expenses incurred and declaration and summation of net balance sheet. This will provide succinct and easily accessible information for Bay Area high-tech investors so they may focus on their day job while easily monitoring their smart vineyard, stress free. Journalist Samuel Squire spoke with growers from several winegrowing regions about the vineyard management apps they've adopted and how these have proven to be highly beneficial. [The North Bay Business Journal. (2018)]

3.3 Evaluating and Mitigating Risk Factors

There are many risk factors involved in managing a vineyard needing to be disclosed to the investor responsibly from their conception. a. Damage or destruction of buildings and inventory due to perils such as earthquake or fire b. Wine leakage c. Wine stock contamination d. Business interruption e. Liability [Johnson, L.F., Pierce, L., DeMartino, J., Youkhana, S., Nemani, R. and Bosch, D., 2003]

Mitigation plans that are thoroughly tested and verified over the years of viticulture must be included in the whole process from the smart vineyard's original to obtain buy-in of investors for each historical risk foreseen. Image-based tools like remote sensing, multi-spectral image processing, leaf area, irrigation modeling, yield monitor, viticulture, decision making Vineyard managers in California's premium wine industry are concerned with canopy development, field uniformity, relative amounts of leaf and fruit production, and irrigation management strategy. [Li, J., Gómez, M.I., Brent Ross, R. and Chaddad, F.R. (2019).] It is concluded that remote sensing can provide a basis for decision support in vineyard management. [Li, J., Gómez, M.I., Brent Ross, R. and Chaddad, F.R. (2019).] Including these tools can bring an open communication to the smart vineyard investors in short- and long-term decision-making process for investors.

4. POSSIBLE DECISION-MAKING FACTORS FOR BAY AREA HIGH-TECH INVESTORS

In summary, a successful investment model for the Bay Area employees is built of facilitation of a clear end-to-end whole product model and optimization of the model through improvising "smartness" in vineyard business management. The smartness here is defined by the continuous improvement (CI) that is incremental. An increasingly popular strategy for enabling continuous improvement is through mobilization of high level of involvement of the workforce in sustained incremental problem-solving. [citeseerx.ist.psu.edu. (n.d).] To adopt an evolutionary CI model, the smart vineyard has to adopt and make some behavioral changes. Building behavioral capability of this kind constitutes an important contribution to the resource base of the firm and one which it can deploy in pursuit of a variety of strategic goals — lower costs, improved

quality, faster response, etc. However, the process of accumulating such a resource is a long and difficult one involving articulation and learning of behaviors and practicing and reinforcing them until they become routines — ‘the way we do things around here’. [Sallez, Y., Berger, T., Deneux, D. and Trentesaux, D., 2010] Figure 1 consolidates the problem in section 2, the solution in section 3, intertwined with the proposed lifecycle decision-making factors to invest in a smart vineyard.

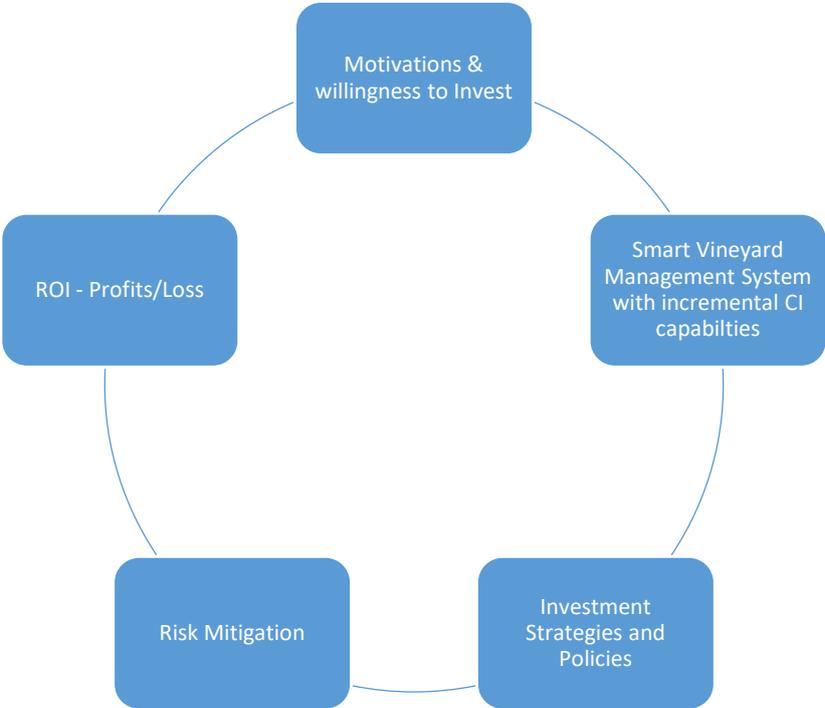


Figure 1: Lifecycle of decision-making factors for investing in a smart vineyard

5. CONCLUSION

The San Francisco Bay Area high-tech employees would like to be informed about the know-how in viticulture, investment strategies and regional policies, minimize risks and maximize profits. The “smartness” of the vineyard is the motivational factor for high ROI. By adopting the decision-making lifecycle, startups can build the smart vineyard management system (SVMS) with CI capabilities or existing wine businesses can adopt a change management cycle to introduce a SVMS, financial lending companies can prepare for short term and long term investment plans, high-tech workers can better invest by keeping the entire system in check, risks can be minimized with the prediction of threats and new entrants into the market without compromising on the quality or yield and finally reap benefits. The decision-making factors proposed in this paper serves as a strong basis to help these types of investors to take the next steps to invest. Further research will take these factors to test and evaluate the adoption by investors by implementing the smart vineyard.

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Can Changes in Wine Marketing Attributes and Messaging Help Motivate Consumer Trial of Low-Carbon Wine Packaging?

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Abstract

Purpose: This extended abstract focuses on how to motivate consumer trial of low-carbon wine packaging. The existing literature shows that messaging is an important aspect of gaining consumer trial. Two message categories, concrete versus abstract will be tested in a simulated shopping experience across four low carbon packages plus standard glass bottles.

Design/methodology/approach: This research will be conducted as a discrete choice experiment using two message types (low carbon v recyclable) with two appeals (concrete v abstract) across four price points and four levels of brand prestige. Consumer demographics and attitudes will also be measured. This will allow a variety of potential influencing factors to be manipulated all while simulating real purchasing contexts.

Findings: Data collection and analysis is anticipated to begin in March/April of 2021 and preliminary results will be presented at the conference.

Practical implications: This research can ultimately be used to help inform wine producer decision making regarding low-carbon wine packaging schemes, while also providing insight into the viability of low-carbon wine packaging in market. It also provides insight into potential messaging strategies that can be used in other areas of the industry (e.g. labelling, health claims)

Key words: Sustainability, Low-carbon, Wine packaging, DCE, Messaging

1. INTRODUCTION

Wine is often assumed to be natural and non-polluting by the consumer, however, more than two-thirds of winemaking's carbon emissions can be attributed directly to the production, packaging, and transport of conventional glass wine bottles (Abbott et al., 2016). Consequently, the majority of the wine industry's carbon emissions could be mitigated through reduced material usage, more efficient packaging shapes and sizes, and the use of more sustainable materials. However, there is little evidence of whether environmentally sustainable, low-carbon packaging will be accepted by consumers in the market (Baird et al., 2018).

2. LITERATURE REVIEW

Consumers have been found to generally be poor predictors of a package's sustainability performance, in most cases valuing the least carbon efficient packaging options the most (Herbes et al., 2018, Lindh et al., 2016, Ok Park and Sohn, 2018, Steenis et al., 2017, Van Dam, 1996). In the case of wine packaging, the most carbon intensive packaging format is the conventional glass wine bottle, with consumers perceiving other packaging options negatively due to factors such as poor wine quality and poor sustainability performance (Chrysochou et al., 2012, Hopkins et al., 2011, Steenis et al., 2017).

One tactic to combat consumer barriers is the use of messaging, which can be used to help educate consumers about new packaging options, as well as favourably nudge behaviours (Atkin et al., 2006, Sheth and Ram, 1989). Messages can be classified into two categories: abstract (low-detail) or concrete (detail-heavy) (Yang et al., 2015, Choi et al., 2018). There is no conclusion as to which is best at nudging consumer behaviour, and they have not been considered in the context of sustainable packaging trial (Atkinson and Rosenthal, 2014, Boz et al., 2020, Choi et al., 2018, D'Souza et al., 2006, Evans and Peirson-Smith, 2018, Hernandez et al., 2015, Hoogland et al., 2007, Mueller Loose and Remaud, 2013, Teisl et al., 2008).

Another factor that could influence trial is the content of the message. Consumers favour eco-attributes differently depending on where they fall in a product's life cycle (Herbes et al., 2018, Steenis et al., 2017, Van Dam, 1996). Eco-friendly attributes stemming from a package's origins (e.g. gathering of raw materials) and the production, transport, and retail portions of a package's life cycle are not valued by consumers, whereas eco-friendly attributes stemming from the end of a package's life cycle (e.g. recyclability, biodegradability) are valued highly (Herbes et al., 2018, Steenis et al., 2017, Van Dam, 1996). While knowledge of this preference has existed for some time, it has not been considered as a basis to structure eco-messaging around.

3. RESEARCH QUESTION

This paper focuses on: 'Can changes in wine marketing attributes and messaging help motivate consumer trial of low-carbon wine packaging?'

4. METHOD

This research employs a discrete choice experiment (DCE) to uncover respondents' preferences through the combination of specific product features into sets of competing alternatives (Lockshin and Corsi, 2020). Different messages and messaging appeals, packaging types, brands, and price levels will be used in the simulation. This method has previously been used in studies addressing similar issues, such as the effects of sustainable wine claims (Remaud et al., 2010), wine brand, region, price sensitivity (Lockshin et al., 2006), back labels (Mueller et al., 2010), and healthier wine alternatives (Barreiro-Hurle et al., 2008).

Demographics, category involvement, performance of other pro-environmental behaviours (e.g. recycling trash), brand usage, and environmental concern will be used as covariates to discern whether the effects revealed by the DCE vary by consumer factors.

5. PRELIMINARY FINDINGS

Data collection and analysis is anticipated to begin in March/April of 2021 and preliminary results will be presented at the conference.

6. IMPLICATIONS

This research is expected to produce findings that will deliver impact to both industry and academia.

Thus far, the only sustainability initiatives that have promulgated throughout the wine sector globally are oriented around the viticultural process. Given that anxieties around consumer response has been cited as a key cause of reluctance to introduce low-carbon packaging initiative by wine producers, this research seeks to directly address these anxieties, allowing producers to make alternative packaging decisions with confidence (Baird et al., 2018). It also will assist wineries in implementing these strategies properly, identifying what messages, price points and types of consumers should be considered, as well as what types of brands will benefit most from alternatively packaged wine variants.

In regard to academia, this will help clarify exactly what types of messaging appeals are most effective in this context, as well as what the content of sustainability messages should focus on. Beyond this, this research will also add to the body of research surrounding NPD acceptance, providing insight into how acceptance is affected by a variety of factors, and how it can be better motivated. These findings can then be used to inform decision making outside of the context of alternative wine packaging, or even the wine industry as a whole (e.g. health labelling, motivating trial of lower-alcohol wines, etc).

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8 JULY 2021

CONSUMER RESEARCH AND WINE

Generation Z Perceptions of Rosé Wine in Australia: From Packaging to Product

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Abstract

Purpose: The project was designed to gather data related to Generation Z (18-25-year-old people) perceptions of rosé wine so as to determine which factors influence their preferences.

Design/methodology/approach: The research process was based on standard two-stage wine marketing questionnaires, which focus first on the visual perceptions and then on wine appreciation. Questions on packaging, labelling, provenance and colour using a Likert scale and comments for eleven rosé wines mainly from France and Australia, and questions on wine smell and taste for five Australian rosé wines were answered by three cohorts.

Findings: Generation Z visual perceptions were most positively influenced by bottle shape and negatively influenced by wine colour (or glass colour). Generation Z wine appreciation demonstrated marked preference for slightly sweeter, fruity rosé wine.

Practical implications: This study sheds more light on the complex consumption decision-making process for rosé wine. An important managerial implication is the resistance to the current trend of providing minimal textual information on the label.

Keywords: Rosé Wine, Generation Z, Packaging, Product Appreciation, Australia

1. INTRODUCTION

Over the past 20 years, rosé wine has risen exponentially in popularity and production. Considered in the past as a drink for those who do not usually consume wine, or as a ‘summer tippie’, with highly gendered connotations, rosé has certainly not been appreciated in the same way as red or white wines. Across the international wine industry – ranging from national government organizations to major retailers – rosé has not even had its own identifiable place, usually disappearing into the category of red wine production, consumption and sales. The

market has now shifted dramatically. According to Nielsen statistics, US rosé sales are rising 40% year on year, with global market share of rosé rising from 8% in 2002 to 10% in 2017.

Established wine critics have changed their position on rosé wines (Fitzmaurice, 2017). Numerous articles about rosé by respected writers have appeared in the United States (New York Times – Eric Asimov; Wine Spectator), the United Kingdom (World of Fine Wine; Decanter), and Australia (Gourmet Traveller Wine – Max Allen; The Australian – James Halliday; Sydney Morning Herald – Huon Hooke). Their opinions have validated rosé as a wine with more complexity and value – both cultural and economic – than previously recognized by many wine consumers (See also Dutton and Howland on ideals of fine wine).

There is significant endorsement of pale, dry Provence-style rosé wine by celebrity ‘producers’ including actors Brad Pitt and Angelina Jolie (Miraval, Provence), and rocker Jon Bon Jovi and his son Jesse (Hampton Water, Languedoc) who make their wine with Gérard Bertrand, famous ex-rugby star and owner of many châteaux, including Château l’Hospitalet, renowned for its summer jazz festival. The latest celebrity entrant to the wine scene is Sex and the City star Sarah Jessica Parker who has partnered with New Zealand’s Invivo & co to make a sauvignon blanc, launched in August 2019, with a view to making a rosé from Provence next. These mainstream, all-ages icons appeal to very broad social segments, engendering a considerable uptake of this French product by the aspirational American middle class and by extension, a large sector of the global market.

However, it is the younger Millennials or Generation Y (people born between 1980-2000) who have really led the charge towards rosé. Unencumbered by historical hierarchies or significant wine experience or knowledge, Millennials reinvented rosé as their chosen drink. Firstly, whereas pink is usually associated with femininity and/or homosexuality for older generations, Millennials have adopted it as their colour, representing an ironic post-prettiness, a kind of detached, de-problematised look for whoever wishes to embrace it (Steele, 2018). Secondly, rosé is perceived as uncomplicated, not requiring wine appreciation skills, and offers instant pleasure, unlike many other aspects of Millennial life – such as finding a permanent job, independent accommodation, etc. Thirdly, social media loves rosé. It looks good in any photograph, the packaging is often embellished and unusual, and it has spawned hashtag phenomena like ‘brosé’, ‘frosé’, and the ubiquitous ‘Yes Way Rosé’ (Stolle, 2019; Velikova et al., 2016). The two Millennials behind the @YesWayRosé Instagram account, Erica Blumenthal and Nikki Haganir, have made their own version of the wine – Summer Water, as has social media influencer Joshua Ostrovsky (‘The Fat Jew’) who found the pretty pink wine so instagrammable, he launched his White Girl Rosé in 2015 (Jonze, 2017).

For serious wine drinkers, rosé has become acceptable and sometimes even interesting; for mainstream consumers, rosé is a glamorous taste of France with a celebrity twist; for Millennials, rosé is whatever you want it to be, and so it can be constantly reinterpreted, renewed, and taken in very different and innovative directions. National Rosé Day, which occurs on the second Saturday in June, was registered with the online National Day Calendar in 2014 by Provence-based exporter Bodvar – House of Rosés. There are now rosé beers and

cidars, as well as cocktails containing rosé, pushing mixing to its limits (Willcox, 2019). In June 2019, Millennials Morgan First and Tyler Balliet opened Rosé Mansion in New York, which offers wine education experiences for the Instagram generation (Kaplan, 2019). A competition launched by New York based wine and spirits import company Biagio Cru to find an influencer to promote their own French rosé wine label Rosé All Day, was won in September 2019 by Jessica Wagner (@TheWeekenderFashion). Rosé is everywhere – in cans and magnums, in distinctively shaped bottles, noticeably present now in virtual and real life.

This study recognizes the impact of Millennials, along with other mainstream and connoisseur categories, in increasing the visibility and availability of rosé wine in the global consumer marketplace. It seeks to understand how this new scenario might play out for an emerging category of wine consumers – Generation Z who are aged between 18-25 years. In the pilot study, we asked Generation Z students based in Melbourne, Australia, from a range of experiences and cultural backgrounds, what they think of rosé packaging and then recorded their appreciation of the product. We aimed to gather data related to Generation Z perceptions of rosé wine so as to determine which factors influence their preferences.

2. LITERATURE REVIEW AND PROBLEM STUDIED

There is a relatively small amount of scholarly research on rosé wine published to date, which is to be expected due to the very recent and dramatic rise in global production and consumption. Elizabeth Gabay MW's comprehensive book on the history of rosé around the world provides a general overview of the current marketplace in the final chapter on the business of rosé (2018). More critically focused analysis of the sociological aspects of rosé wine consumption, especially in the US, has been undertaken by Fitzmaurice (2017) who found that high-status critics divested rosé wine of its low-status, feminine associations and re-invested it with high-status through referents to elite consumers and lifestyles (See also Normand-Marconnet). Two new articles on rosé wine in Italy seek to contribute to understanding why Italy's consumption of rosé wine has remained fairly stagnant in comparison to the US and France, with Rossetto and Galletto (2019) suggesting that Italian rosé producers need to strengthen associations with intrinsic attributes such as appellations as well as extrinsic ones such as brands and price; and Capitello et al. (2019) focusing on consumption context to explain consumers' choices of rosé wines in Italy. Research on the aroma and sensory profiles of Australian rosé and their likely impression in the Chinese market by Jiaming Wang et al (2016a; 2016b; 2018) offers insights into targeting Australian production for export to China. The most salient and relevant work for the present study has been published by Velikova et al (2014; 2015; 2016) whose cross-cultural comparisons of consumer attitudes towards rosé wines reveal different constructions of the perceived image of rosé in four international markets – the US, New Zealand, France, and the UK.

In contrast to the minimal scholarly research, there is a great deal of media attention and industry reporting on the rise of rosé, which points to Millennials or Generation Y as leaders of this notable trend (Stolle, 2019; Willcox, 2019; Kaplan 2019; Jonze 2017; Hoppe 2016).

This project draws on the findings of recent scholarly research, media articles and industry reporting to analyse the delving deeper into perceptions of rosé wine by exploring the links between visual perceptions and preferences/purchases and comparing them across more culturally homogenous and younger cohorts (Generation Z instead of Millennials). The data is then analysed to establish semiotic frameworks for rosé wine that are relevant to the Generation Z cohorts.

3. RESEARCH OBJECTIVES AND HYPOTHESIS

This project aimed to gather data related to Generation Z (18-25-year-old people) perceptions of rosé wine so as to determine which factors influence their preferences.

Factors include:

- a) packaging – bottle shape, size, colour, closure
- b) labelling – front and or back of bottle, name, label shape, size, colour, language,
- c) provenance – national, regional, hybrid, unidentifiable
- d) product – wine colour, smell, taste, mouthfeel

The objectives were:

- a) to establish a pilot project which will be used to develop a protocol for larger scale quantitative and qualitative online questionnaires
- b) to understand which factors influence their preferences and the degree of influence
- c) to ascertain whether certain factors influence perceived cultural and/or economic value
- d) to compare perceptions across different cohorts with more or less wine-drinking experience and knowledge to see whether responses converge or diverge

The key questions were:

- a) Which factors – packaging, labelling, provenance, product – influence Generation Z perceptions of rosé wine?
- b) How do these perceptions impact on their preferences (and potential purchases)?

The central hypothesis was that the French and/or Provence-style packaging, labelling and provenance would be the most influential factor in rosé wine preferences and purchases.

4. RESEARCH PROCESS AND METHODOLOGY

The research process was based on standard two-stage wine marketing questionnaires, which focus first on the visual perceptions and then on wine appreciation.

4.1 Selection of Participants

Participants were volunteers recruited via email and facebook messages to student groups at the Melbourne and Monash Universities in Victoria, Australia. Three different cohorts of Generation Z students, studying in three different locations were targeted to provide a balanced range of responses:

- a) Self-selected students of wine subjects
- b) Self-selected students of non-wine related subjects
- c) Self-selected international students of non-wine related subjects

Each cohort represented a different level of engagement with wine in the Australian context. Each cohort received the same written questionnaire with a number of open-ended questions. Each cohort was shown and served the same wines in the same order. Responses to the questionnaire are anonymous.

4.2 Selection of Wines

Wines for assessing visual perceptions were mainly selected from a range of rosé wines widely available in Dan Murphy's stores in Australia (one of the largest liquor supermarket chains with 30% dollar market share, owned by Woolworths Ltd), made by either French or Australian producers, including a few Australian producers who use French language on their labels. This choice enabled us to explore whether 'French-style' Australian packaging has more impact than simple Australian-style packaging. These wines included:

- a) La Boheme, De Bortoli, Yarra Valley, Pinot Noir, 2018
- b) Bird in Hand, Adelaide Hills, Pinot Noir, 2018
- c) Fontaine Rosé, Dominique Portet, Yarra Valley, Cabernet Merlot blend, 2018
- d) Le Petit Rosé, Jacob's Creek, Pinot Noir, Grenache, Mataro blend, 2018
- e) Mirabeau en Provence, Côtes de Provence, Syrah Grenache blend, 2018
- f) Côte des Roses, Gérard Bertrand, Languedoc, Grenache, Cinsault, Syrah blend, 2018
- g) Farr Rising Saignée, Farr Family, Geelong, Pinot Noir, 2018

A few lesser-known examples of rosé were also included for various reasons:

- a) Poppy the Frenchie 2018 – small production McLaren Vale 100% Grenache rosé made by Millennial winemaker Paige Cooper to appeal to Millennials, incorporating storytelling on back label about her French bulldog 'Poppy' and association with France.
- b) The Islander 2018 – ultra pale Kangaroo Island Sangiovese rosé made by French winemaker Jacques Lurton
- c) Badaginnie Run 2018 – Provence-style 100% Grenache rosé made by Strathbogie winemakers Snow Barlow and Winsome McCaughey with international consultant Ken Chase with the specific intention to appeal to Provence-style rosé consumers.
- d) Mateus NV – Portuguese rosé, lightly sparkling, in distinctive packaging which was the first imported rosé to succeed in the Australian marketplace in the 1960s and 1970s.

Wines for assessing blind appreciation were all Australian examples of similar pale colour, made of different blends from various regions:

- a) La Boheme, De Bortoli, Yarra Valley, Pinot Noir, 2018
- b) Bird in Hand, Adelaide Hills, Pinot Noir, 2018
- c) Fontaine Rosé, Dominique Portet, Yarra Valley, Cabernet Merlot blend, 2018
- d) Le Petit Rosé, Jacob's Creek, Pinot Noir, Grenache, Mataro blend, 2018
- e) Badaginnie Run, Strathbogie Ranges, Grenache, 2018

4.3 Methodology

The methodology proceeded as follows:

- a) Participants were asked to respond to some general questions regarding their own background, wine-drinking experience and knowledge.
- b) Participants examined a selection of 11 bottled rosé wines and were asked to respond to a series of questions, including a ranking of their preferences, based on their visual perceptions. There was a table for each bottle with various characteristics ranging from bottle shape to colour of wine, each with a Likert scale 1 (positive perception) - 5 (negative perception) and space for comments. They were then asked whether they would buy any of them based on their visual perceptions and which ones they considered most/least expensive.
- c) Participants were asked to taste blind 5 of the wines selected from among the 11 wines and rank their preferences. They were then asked whether they would buy any of them based on their appreciation of the product and which ones they considered the most/least expensive.

5. RESULTS AND FINDINGS

5.1 Sample Description

As this was a pilot project, we were keen to observe any tendencies related to categories established via the general questions – gender identification, cultural background, wine experience. All participants were in the Generation Z age group bar one, who was 26. There were several international students in each of the cohorts and a few Australian students in the international cohort. The ‘international’ cohort therefore cannot really be considered a discrete group for analysis, rather this category can be compared across cohorts. Wine experience indicates that participants drink wine once a week or more. Details of cohorts in the table below:

Table 1: Cohort Numbers and General Description

Cohort	Total No	No of F	No of M	No of Int	Wine Exp
a	12	7	5	3	12
b	9	6	3	6	7
c	16	9	7	13	6
Total	37	22	15	22	25

5.2 Factors Influencing Generation Z Perceptions of Wine

Given the low number of participants and the high level of qualitative responses (comments accompanying participants’ Likert responses), we focused on overall score ranges for visual perceptions of the packaging, labelling, provenance and colour, as well as standout comments. For the wine appreciation, we noted the most and least liked wines based on smell and taste.

Bottle shape was clearly a major influence on the participants’ visual perceptions of the wine. The most obviously different shapes – Mateus and Côte des Roses – were the most popular wines to buy and were considered the most expensive. Participants with more wine experience compared the Mateus bottle shape to Chivas (whisky) or cognac, adding to the perceived

prestige of this low-priced wine. Côte des Roses was admired for its elegance and prettiness and deemed a perfect gift, even though the labelling was too small and hard to read. The only other bottle shape that attracted commentary was Bird in Hand, which was favoured by a few participants for its taller than average bottle and minimalist design-focused labelling. La Boheme labelling was admired for its artistic image and Dominique Portet for the simplicity and matching copper colours of the closure, the logo on the label, and the orangey hue of the wine. However, none of these wines were as popular as the Mateus and Côte des Roses.

Wine colour was an important factor in negating perceptions. Mateus did not suffer from its dark pink colour despite association of darker pink wine with sweeter, stronger flavours, and paler, pretty pink wine with drier flavours. This may be due to the age of the participants and their declared preference for sweeter wines, especially those without much wine experience. In contrast, The Islander received much lower scores often with commentary that it was too pale, a confusing colour – ‘is it white wine or rosé?’ The labelling was also deemed too hard to read. This feedback flies in the face of recent marketing research on rosé by the CIVP and fashion in Provence production to minimise the labelling so as to show off the palest product possible in clear glass. At the other extreme, the most negative responses were to Farr Rising Saignée, bottled in amber glass with a cork, perceived as difficult: ‘can’t tell the colour’, ‘hard to open’, yet it was often also listed as one of the most expensive wines.

Provenance was not openly stated as an important influence, even though the two top wines were both from Europe – Portugal and France. The only wine from Provence, Mirabeau, was neither popular nor unpopular. It did not stand out amongst the other bottles, the name was difficult to pronounce, standard pretty pink colour. Australian wines with French names were acceptable, not often remarked upon; Le Petit Rosé was particularly appreciated as clever.

Somewhat predictably, the most polarising wine was Poppy the Frenchie, with its image of a French bulldog on the front label and the story of the winemaker’s pet on the back label. Comments ranged from ‘irrelevant’ and ‘tacky’ to ‘cute’ and ‘appealing’ with a few female Asian participants stating they would buy it to drink with friends.

In terms of product appreciation, participants almost unanimously favoured Le Petit Rosé, demonstrating that Jacob’s Creek has produced a very successful palate pleaser. Although many of the Australian participants recognised this brand as less prestigious in the visual perceptions, they selected it as the most expensive wine in the blind tasting. Bird in Hand was the most polarising, preferred by some due to its fruity sweetness. La Boheme did not appeal, nor did Dominique Portet, although the latter was considered by several to be the most expensive, interestingly correlating lack of appreciation with higher prices. Many participants said they would buy Le Petit Rosé and were delighted to discover that it was one of the most affordable wines on the blind tasting.

5.3 Visual and Taste Perceptions Impact on Potential Purchases

The impact of visual perceptions on potential purchases is predominantly related to the bottle shape, though European provenance may also be an underlying factor, given the top choices of Mateus and Côte des Roses. The particularity of Provence is not important. The act of buying rosé wine in a beautiful bottle as an affordable gift for (female) friends is also a consideration. These wines also seem like the most expensive, not necessarily for social consumption with friends, more for a special occasion. Negative visual perceptions arising from rosé that is ‘confusing’ – either not visible or too pale or difficult to open or pronounce – have an evident impact on potential purchases.

Taste perceptions’ impact on preferences and potential purchases are even more coherent, with Le Petit Rosé’s crowd-pleasing blend dominating both wine appreciation and purchases. The price point (AU\$13-18) means this wine is accessible for enjoyment with friends, and therefore a regular purchase, as opposed to the special occasion ‘gift’ purchase of the beautiful bottle.

6. DISCUSSION

This study builds on the work of Velikova et al. (2014) which found that there was considerable cultural variation on consumer attitudes towards rosé wine. They found that in France rosé was seen as a perfectly acceptable summer holiday drink; in the US unsophisticated, sweeter rosé was popular with younger, female consumers, while in New Zealand, with strong domestic white wine production and in the UK for demographic reasons rosé was not so high in consumers’ consideration sets. In this study, conducted in Australia but in a multicultural environment, we investigated young consumers’ responses to visual stimuli (packaging, labelling, colour) as well as provenance and of course smell and taste. In this study we found that stated purchase intentions were based predominantly on social factors, especially for females, and also the weather; a summer drink. (Melbourne has a Mediterranean climate with cold, wet winters and warm to hot dry summers.) We found strong resistance to the Provençal fashion, perhaps inspired by CIVP marketing research, of minimising labelling so as to show off the content; these young consumers wanted more textual information from the package. This was common to both Australian and international participants. Bottle shape, a more obvious physical feature, was a strong influence, however.

7. THEORETICAL / MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

This study sheds more light on the complex consumption decision-making process for rosé wine. In Australia, as in France (Velikova et al., 2014) it is seen as a summer drink so seasonality of sales is likely to persist. Of the international respondents, female Chinese students responded strongly and positively to the picture and description of the dog on the Poppy the Frenchie label. This is consistent with the popularity of cutesy imagery with young female Chinese people and given the strong growth in the China wine market this is something for managers to bear in mind.

Although Le Petit Rosé was very popular in the blind tasting, Australian respondents familiar with the Jacob's Creek brand rated it less favourably. This suggests that Pernod Ricard will struggle to bring the Jacob's Creek brand upmarket, consistent with the findings of Pontes, Palmeira and Jevons (2016) who found that extension direction moderated the performance of vertical line extensions; it may be more efficient to use a different brand to capitalise on the product quality.

There was little mention of the more technical aspects of winemaking, with only colour and sweetness being mentioned; a wine that was too pale was criticised, and sweetness gave rise to both positive and negative comments; managers must understand that sweetness of rosé is a differentiating factor. Provenance, likewise, was not seen as a significant contributor to the choice set. Bottle shape and label design were more important to our participants.

An important managerial implication is the resistance to the current trend of providing minimal textual information on the label. For this group of emerging wine consumers, the lack of information generated negative comment. Further cross-sectional research could investigate whether this phenomenon is associated with the type of wine or with youthful inexperience of these Generation Z respondents.

Further research could investigate whether the stated importance of bottle shape in forming purchase decisions was associated with a relative lack of sophistication among rosé drinkers, the relative inexperience of our Generation Z respondents, or because with little information from the labels the semiotics of bottle shape provided substitute signalling. Another opportunity for further research is to investigate whether consumption of rosé is driven more by social considerations than for other wines, and if so whether this is significantly gendered.

8. CONCLUSIONS

One of the key conclusions of this paper is that Generation Z perceptions of rosé wine in Australia diverge slightly away from both Millennial and mainstream global tendencies. Whereas Millennials seem to focus on personal storytelling and the pink colour, and mainstream consumers on pale, dry Provence or French provenance, Generation Z prefer striking bottle shape and sweeter fruity wine flavour for potential purchases.

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Exploring the Role of Nostalgia in Wine Consumption: The Very Best of Georgia

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Abstract

The current paper focuses on the role of nostalgic memories in wine consumption behavior. Core to the present research is the proposition that nostalgic memories account for the relationships between consumers' perceptions of product quality and emotional feelings that are evoked while consuming that product (Georgian wine, in our case). Data were collected via an online survey of Russian and Ukrainian consumers (the two major markets of Georgian wine export). Findings suggest that nostalgic memories mediate the relationships between product quality perceptions and consumer emotional response to wine consumption. This effect seem to work not only for consumers with personal nostalgic memories of a region, but also for those who do not have autobiographical memories of it. We thus theorize that nostalgic memories may refer to the image of a region as it was formed back in the past. Future research should further explore this proposition.

Keywords: nostalgic memories, quality perceptions, emotional benefits, Georgia

INTRODUCTION

Although the scientific approach to the phenomenon of nostalgia has been suggested centuries ago (Johannes Hofer coined the term in 1688), its definition and the research inquiry towards the concept have changed greatly over time. The modern view suggests that nostalgia is a sentimentality for the past, typically for a certain period of time or a place with happy memories (Boym, 2002). Nostalgic memories are typically associated with a yearning for the past, its personalities, and events, especially the 'good old days' or a 'warm childhood' (Sedikides, Wildschut, Arndt, & Routledge, 2008).

Within the last decade, nostalgia has become a topic of increased research interest in various disciplines, such as advertising, tourism, consumer behavior, as well as mass communication and political sciences (several prominent politicians employed nostalgia to win elections). Nostalgic memories have been previously studied in the wine business scholarly literature,

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albeit only by a handful of researchers (e.g., Bruwer & Alant, 2009; Sheridan, Duarte Alonso, & Scherrer, 2009). Furthermore, to the best of the researchers' knowledge, no previous wine consumption or wine tourism study examined the phenomenon of nostalgia as the focal point of their research. To further explore the role of nostalgic memories in wine consumer behavior, the present study pursues a quantitative approach to draw inferences concerning the relationships between wine quality perceptions and emotional benefits of wine consumption.

LITERATURE REVIEW

Within the marketing academic community, empirical research has been directed towards the understanding of the role of nostalgic memories, and consequently, the application of this knowledge to the development of marketing strategies. For example, using the disposition theory of mood, Orth and Gal (2012) explored nostalgic brands appeals to consumers. Their findings suggest that nostalgic (rather than non-nostalgic) brands boost consumers' mood, which is the major driver of behavioral intentions. In a later study of persuasive mechanisms of nostalgia, Orth and Gal (2014) found the ability of visual clues (a brand's packages) to trigger personal nostalgia.

Consumer research suggests that nostalgic memories often have emotional components that accompany retrieval of these memories (Buchanan, 2007; Levine, Lench, & Safer, 2009). Nostalgia triggers a change in people's affective states (Holbrook & Schindler, 1996). When remembering past experiences, people retrieve not just a dry recollection of the events but also the emotions associated with those events (Levine, Lench, & Safer, 2009). In other words, people re-live their past experiences through the emotions they have experienced in those circumstances.

In the wine context, emotions have been explored from a myriad of perspectives. The condensed format of this conference paper allows us to focus only on emotions associated with consumption. Bruwer and Alant (2009) studied wine consumption as a *hedonic experience* – “a sensual and pleasurable activity aimed at personal enjoyment” (p. 235) Further, referring to wine tourism, the researchers suggest that if this experience is remembered, perhaps even invoking feelings of *nostalgia*, there is a good chance that these wine tourists may share their memories with others. Given the widespread of social media, the prospect of nostalgic memories sharing (and thus, influencing others) becomes even more expected nowadays.

Orth, Wolf and Dodd (2005) studied dimensions of wine region equity. Specifically, their study explored what consumption values drive purchase attitudes and behavior. Out of the six distinct dimensions of equity profile (quality, price, social, emotional, environmental, and humane values), this conference paper focuses only on two dimensions - quality perceptions and emotional benefits.

Given the inherent connection between nostalgia and emotions, we propose that nostalgic memories can trigger hedonic (emotional) feelings during consumption, as well as perceptions of product quality. We further theorize that nostalgia relates to emotions and quality perceptions

directly, and additionally, nostalgic memories function as a mediator in the quality perceptions-emotions relationship.

Lastly, it is important to note that Muehling and Sprott (2004) caution that while nostalgic thoughts may be generated from personally remembered past (i.e., ‘personal nostalgia’), nostalgia is not restricted to autobiographical memories. Nostalgia may be associated with vicariously experienced events (referred to as ‘historic nostalgia’). This is particularly relevant to the current study, as we are not interested in autobiographical memories *per se*, but rather in a broader context of an *image* of a region created in consumers’ minds; and how nostalgic memories of that image affect consumption of its iconic product - wine.

CONTEXT: GEORGIA – THE WINE REPUBLIC OF THE SOVIET UNION

To empirically test the relationships outlined above, the Republic of Georgia - a small country located at the crossroads of East and West - was chosen as the study site. Georgia was one of the 15 republics of the Soviet Union from its inception in 1922 to its breakup in 1991.

In the minds of the Soviet people, Georgia has always had a special sentiment - everyone’s favorite, a privileged republic, the darling of the Soviet press. One of the reasons for a glossy postcard image of the Soviet Georgia was its location, which made it a favorable resort area in a country with mostly harsh climate. Due to its optimal weather conditions, the “sunny Georgia” - as it was widely referred to - has become a tourist Mecca of the Soviet Union. The most prestigious and luxurious resorts in Gagra and Pitsunda (which were part of Georgia in the Soviet era) were much favored by the government elite and an impossible, romantic dream of ordinary people.

Georgia has also been famed for its natural beauty. The dramatic Caucasus Mountain ranges (the highest in Europe), with hairpin roads and hidden villages, the legendary Borjomi springs, magnificent skiing resorts and breathtaking sea beaches – these fairytale-like images in the otherwise gloomy Soviet culture have been imprinted in the Soviet people’s minds. Georgia was perceived as the most hospitable nation, full of happy, cheerful people. The image of Georgia was inseparable from its beautiful polyphonic music, delicious food, and of course, the country’s staple – wine.

Since the ancient times, Georgia has been known as a country of wine. It is considered the birthplace of wine; and Georgians have long been proud to be the oldest winemaking nation in the world. Allegedly, in 1945 at the Yalta Conference, Joseph Stalin (who was a native of Georgia) treated Sir Winston Churchill with Georgian wine *Khvanchkara*, and afterwards the British minister became a devoted enthusiast of this wine.

In the Soviet times, no discussion about of Georgia would be complete without mentioning wine. Simply put, wine was synonymous with Georgia. This narrative of Soviet Georgia shaped a public image of the country, which makes it a perfect case to study nostalgic memories in the wine context.

RESEARCH OBJECTIVES

The current work extends research of the nostalgia phenomenon in that it focuses on the role of nostalgic memories in wine consumption behavior. Core to the present research is the proposition that nostalgic memories account for the relationships between consumers' perceptions of product quality and emotional feelings that are evoked while consuming that product (Georgian wine, in this case). Figure 1 visualizes the conceptual model.

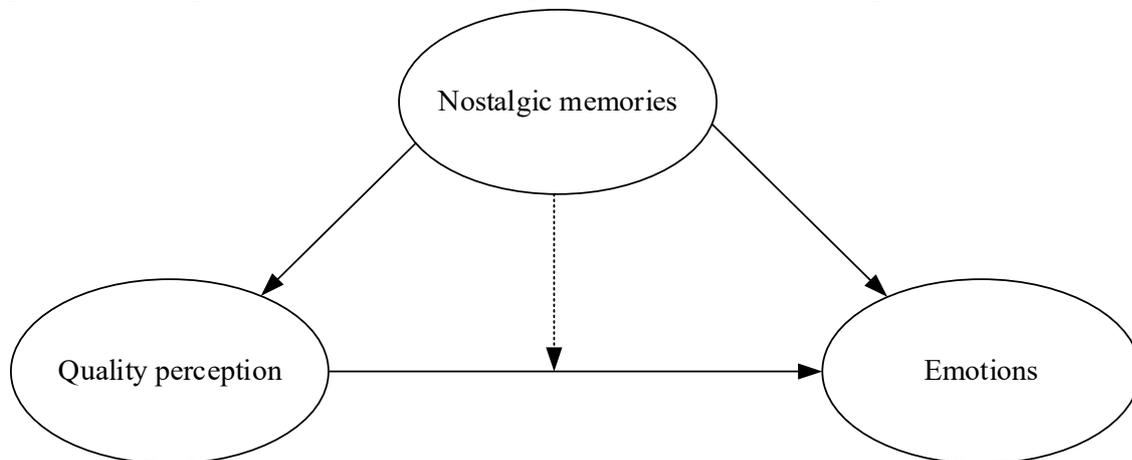


Figure 1. Conceptual model

METHODOLOGY

Procedures

Data were collected via an online survey of wine consumers in Russia and Ukraine. The choice of the sample was driven by the Georgian wine export statistics. Although the country exports its wine to over 50 countries, the latest figures from the Georgian National Wine Agency (2019) reveal that Russia still remains the top export destination, with a total of 41,112,235 bottles; and Ukraine takes the second place (6,766,841 bottles). These two markets alone account for 74% of the total export of Georgian wine. Given the importance of these markets to the Georgian industry, it seemed only logical to survey consumers in these countries to assess their attitudes towards Georgian wine. Consumer panels were provided by two large international market research companies with divisions in Russia and Ukraine. A total of 800 complete surveys were collected and used for analysis, 400 in each market respectively.

Measures

Measures for dependent and independent variables were borrowed from previous literature. The assessment of *nostalgic memories* relied on the work of Muehling and Spratt (2004). Although the original scale was adapted to fit the context of the current work, the scale items loaded strongly on a single factor, with $\alpha = 0.96$. *Quality perceptions* were assessed with a series of items measuring perceptions of Georgian wines. The items were borrowed from a study of consumer attitudes towards regional wines by Kolyesnikova, Dodd, and Duhan (2008). Finally, assessing consumers' *emotional benefits of consumption* (evoking of good feelings) relied on the work of Orth, Wolf, and Dodd (2005).

Data Analysis

A series of regression analysis were conducted based on the method suggested by Baron and Kenny (1986) and Orth, Campana, and Malkewitz (2010). First, the mediating variable of *nostalgic memories* was regressed on the independent variable *quality perceptions*. Second, *nostalgic memories* was regressed on the dependent variable *emotions*. Third, independent variable *quality perceptions* was regressed on the dependent variable *emotions*. Lastly, the dependent variable *emotions* was regressed on both the independent variable and the mediator.

RESULTS

Sample Description

Forty percent of the sample were male, and 60% were female. Respondents had higher levels of education, with over half of the sample (54.6%) having an undergraduate degree. With regards to wine consumption and knowledge, the majority of the sample (59%) self-accessed their wine knowledge as basic ('know the names of wine styles, wine regions, but can't identify differences between them'). Almost one-third drink wine at least once a week or more frequently; yet the same percent of the respondents consume wine only once in a few months or several times a year. When asked specifically about Georgian wine, the frequency of consumption was significantly lower, with the almost two-thirds of the sample consuming Georgian wines only occasionally, once every few months (Table 1).

Table 1. Frequency of wine consumption

	How often do you consume wine? (%)	How often do you consume Georgian wine? (%)
Every day	1.6	0.0
Several days a week	11.6	1.1
About once a week	18.9	2.9
Once every two weeks	17.3	5.9
About once a month	19.5	13.3
Once in a couple of months	16.6	21.3
A few times a year	14.5	43.4
Never	0.0	12.3
Total	100.0	100.0

Dependent and independent variables were assessed on a 5-point Likert scale, anchored between 1 ('*strongly disagree*') and 5 ('*strongly agree*'). Participants were asked to indicate their levels of agreement with statements "*Georgian wines are...*" Mean scores, standard deviations, and alpha coefficients are depicted in Table 2.

Table 2. Quality perceptions, emotional benefits, and nostalgic memories of Georgian wines

	Mean	SD
<i>Quality perceptions</i> ($\alpha = 0.86$)		
good quality	4.06	0.80
good value for money	3.79	0.83
popular in Ukraine/Russia	3.88	0.85
well-known in Ukraine/Russia	3.93	0.90
appropriately priced	3.44	0.87
widely available	3.61	0.92
world-class	3.91	0.82
<i>Emotional benefits/evoke good feelings</i> ($\alpha = 0.92$)		
make me want to drink it	3.95	0.86
make me feel relaxed	4.02	0.81
make me feel good	4.13	0.78
give me pleasure	4.13	0.78
<i>Nostalgic memories</i> ($\alpha = 0.96$)		
remind me of the past	3.09	1.17
help me recall pleasant memories	3.51	1.06
make me think of the time when I was younger	2.98	1.20
make me feel nostalgic	3.09	1.16
make me reminisce about a previous time	3.13	1.14
evoke fond memories	3.52	1.07
are a pleasant reminder of the past	3.18	1.15
bring back memories of good times from the past	3.23	1.16
remind me of the good old days	3.20	1.16

When *nostalgic memories* were regressed on *quality perceptions* and *emotions*, beta coefficients were significant (equations *a* and *b*). *Quality perceptions* were a significant predictor for *emotions* (equation *c*). When both *quality perceptions* and mediator *nostalgic memories* were included in the regression model, the impact of the variables slightly decreased - however, they remained significant predictors for *emotions*. Furthermore, the explained variance increased from 9% to 44% (Table 3). This finding supports the initial proposition of the study that nostalgic memories account for the relation between the quality perceptions and emotional benefits for consumption of Georgian wine.

Table 3. Mediating effect of nostalgic memories

	β (standardized)	<i>t</i>	<i>p</i>	F	R ² adj.
a) QUALPERC = f(NOSTALGY)	0.31	9.28	.000	86.215	0.09
b) EMOTION = f(NOSTALGY)	0.37	11.33	.000	128.29	0.14
c) EMOTION = f(QUALPERC)	0.64	23.65	.000	559.56	0.41
d) EMOTION = f(QUALPERC, NOSTALGY)					
QUALPERC	0.58	20.97	.000	319.32	0.44
NOSTALGY	0.19	6.85	.000		

DISCUSSION

The current study suggests that nostalgic memories mediate the relationships between product quality perceptions and consumer emotional response. By itself, nostalgia affects quality perceptions and emotions (evoking good feelings while drinking wine). The more intense the feelings of nostalgia towards the region, the better the perceptions of the quality of wine from that region; and the higher the perceptions of the quality of wine, the more consumers are going to enjoy the consumption of wine from that region. Most importantly, however, is the fact that nostalgic memories play a crucial role in these relationships. The casual chain of relationships means that nostalgia affects wine quality perceptions, and quality perceptions affect evoking good feelings while drinking the wine.

This effect seems to work for people who have visited Georgia in the past (20% of the sample), as well as those people who have never been to Georgia. We thus theorize that nostalgic memories can refer to the image of the region as it was formed back in the time. Future research should further explore this proposition.

Moreover, it is interesting that nostalgic memories have such powerful and long-lasting effect in the consumption context. During the Soviet times, wine choices were extremely limited, with the vast majority of production coming from Georgia. Back then, preferences for Georgian wine were obvious. Nowadays, however, with the abundance of wines from different world regions available on the Russian and Ukrainian markets, consumers clearly opt for a variety. Yet, preferences for Georgian wines are still apparent – largely due to nostalgic memories, as this research shows.

Lastly, it is noteworthy that despite the current political tension between Russia and Georgia, Russian consumers still have very positive perceptions of Georgian wine. One possible explanation could be that in spite of all the adversities the country has faced within the last century, consumers share good memories about their Soviet past (Kovtiak, 2018) and retain good images formed during those times.

CONCLUSIONS AND IMPLICATIONS

The finding reported here make several important contributions on research on nostalgia in wine marketing. We take the concept of nostalgia one step further and suggest that nostalgic memories can be based on the image of a region created in consumers' minds, regardless of whether or not consumers have their own (autobiographical) memories of that region. For the academe, these findings signal the need for further research of the nostalgia phenomenon in the wine context. For the industry, the study is of value for regional brand development practices as it highlights important relationships between emotional consumption, quality perceptions, and nostalgic memories.

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Instagram & Wine – a Quantitative Analysis of the Usage Behaviour of Wine Consumers and Wineries on Instagram

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Purpose: In this study, we examine the usage behaviour of wine consumers and producers on Instagram in Germany and draw practical conclusions for wineries.

Design/methodology/approach: One online survey was developed to evaluate the usage behaviour on Instagram of wine consumers based on current literature. Another study was used for collecting data on how German wineries use social media platforms. Research questions were tested by using descriptive analysis, t-test, Chi-Square test and univariate ANOVA.

Findings: The results of this research empirically support the anecdotal evidence, that the way wine is bought and consumed by wine consumers has an influence on their usage behaviour on Instagram. It also shows the potential of communication between wine producers and wine consumers.

Practical implications: This study has provided evidence that wineries benefit from using Instagram and that different target group are represented on Instagram.

Key words: Social Media Marketing, Instagram, Wine Marketing, German Wine Consumers

Look at Me and My Glass of Wine! A Moderated Mediation Analysis of the Effect of Narcissism on (Over)Consumption of Wine

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Abstract

Is wine consumption a beautiful experience? This answer seems to be affirmative because wine consumption is an aesthetic and social experience and takes on hedonic dimensions. This research investigates the effect of narcissism (i.e. love of one's self-image) on wine intoxication experience. Specifically, this effect is moderated by subjective knowledge and mediated by social attractiveness associated with wine. We conducted an online field study (final $N = 654$). The results confirm our hypotheses and first show that narcissism enhances social attractiveness associated with wine, which in turn increases wine intoxication experience (mediation analysis, Model 4). Results of a moderated mediation analysis (subjective wine knowledge as the moderator, Model 7) further show that the indirect effect was stronger for people high in subjective wine knowledge. This research sheds on when and why narcissism influences wine consumption and has strong implications for managers involved in the wine business industry and policy makers.

Keywords: wine, sensory experience, personality, self-image, responsible drinking

Market Trends of the GIs Wine in the Italian Supermarkets: The Case Study of “Chianti DOCG”

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The wine purchases are growing consistently in the Italian modern grocery shopping: supermarkets account for about 40% of the value of wine purchase of Italian families. In particular, this positive trend concerns the sales of bottled wine (0,75 litre), which have increased their amount both in terms of value (+26,6%) and of volume (+4,8%) in the period 2009-2017. Furthermore, the supermarkets' supply consists of a greater wine variety of different labels and brands.

At the same time, there is evidence of an increasing consumers' interest towards quality products, inducing supermarkets to include on their shelves a greater assortment of wine with Geographical Indication (GI). Indeed, in the period 2009-2017 the supermarkets' sales of PDO (Protected Designation of Origin) and PGI (Protected Geographical Indication) wine are growth by 22.8% and 9.7%, respectively.

To better investigate the performance of GIs wine in the supply of supermarkets and define the main strategies, we analyse the sales (from 2009 to 2017) of the bottles of a specific PDO wine, Chianti DOCG, using IRI Infoscan data. Chianti DOCG is one of the most famous Italian wine GI and the most purchased GI in the supermarkets (the 2.88% of the whole sales in 2017). In the period 2009-2017, the number of labels of Chianti DOCG grew up by 7% and the sales value increased from 37.9 million Euro to 46.2 million Euro (+21.9%). Bottled sales of Chianti DOCG account for 95% of the total sales of this wine.

In our research, we apply some multivariate statics analysis. In particular, we perform a factor analysis on seven explicative indicators: the annual average value of sale; the percentage of bottles not sold in promotion; the average number of different labels sold by each producer; the average price; the percentage of bottles sold with a price higher than Euro 5,00; two explanatory

indicators of the trend of the sales in the considered period, respectively one for the value and one for the price. Furthermore, a hierarchical cluster analysis was applied to the Chianti DOCG producers (213) present in the market at least one year in the above-defined period.

This elaboration allows us to identify five different typologies in terms of sales strategy. Two groups represent, respectively, the producers who have started (20% of the sample) and who have stopped (40%) to sell wine over the considered period. Looking at the producers with a constant presence in the supermarket in the period 2009-2017, it is possible to define some tendencies. One group of producers shows a negative trend in the value of sales and it is characterized by the lowest average sale price and restricted sales value. The rest of the sample can be identified by two different successful strategies. On the one hand, we detect the increase of the sales value (+31% in the defined period) of a group of big producers/bottlers, defined by a large amount of wine sold with medium-low prices. On the other hand, it is possible to identify wineries described by limited volumes in the supermarkets and high price bottles, which shows a growth of 73% in the sales value.

This scenario offers some useful insights for analysing the GI wine market. While supermarkets represent the reasonable distribution channel for big producers/bottlers, at the same time there is room for growth even for small-medium sized quality-oriented producers.

Future research could investigate other Italian wine with GIs to have a wider view of the wine supply in the supermarkets.

Making Memorable Experiences: Tour Guides in Wine Tourism

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Keywords: wine tourism; tour guides; customer experience; memorable

1. INTRODUCTION

The wine tourist experience (WTE) is the result of various actors working within a tourism ecosystem (Sigala, 2019). These include organizations; the landscape; the constructed materiality of the winescape; the people (Quintal, et al., 2015; O'Neill, et al., 2002); and other aspects of local culture (Thomas, et al., 2018; Bruwer and Gross, 2017; Bruwer and Lesschaeve, 2012). While all these actors contribute to the WTE, at the core lies a sub-set who deliver the services upon which the experience is grounded; the service delivery network (Tax et al., 2013).

An actor that has a significant impact on customer experience is the tour guide (Whipple and Thach, 1988). While tourism and marketing literatures have long acknowledged the contributions of guides - and the critical role that they play in extraordinary experiences (c.f., Weiler and Black, 2015; Ap and Wong, 2001; Arnould and Price, 1993) - a review of the wine tourism literature reveals that of all the actors within the service delivery network of a wine tourism ecosystem the most under-researched is the wine(ry) tour guide.

2. PURPOSE

The purpose of this study is to investigate the role(s) these wine(ry) guides play within the service delivery network of a wine tourism ecosystem.

3. RESEARCH SITE AND METHODOLOGY

The Wolfville Magic Winery Bus (WMWB) began in 2012 in the Annapolis Valley, Nova Scotia, Canada. It was North America's first double-decker hop-on hop-off wine tour experience. The tour starts in the centre of the Town of Wolfville traveling a 19-kilometre loop. The route is designed to allow passengers to visit each winery for 60 minutes before proceeding onwards. Passengers may stay at one winery for longer, re-boarding the bus on the next cycle.

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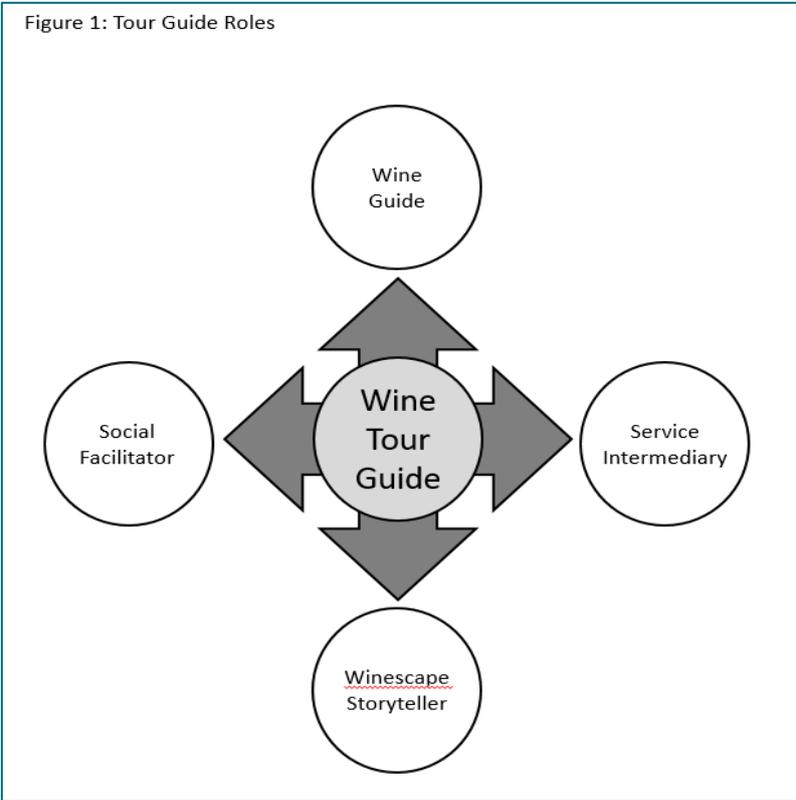
Fax. (902) 585-1085

Staff on the bus includes a driver and tour guide. The bus serves over 7,000 customers each season (Digby County Courier).

As part of a longitudinal survey (2012 – 2019) administered to the bus ridership, one question asked: “What was the most memorable aspect of your experience on the Wolfville Magic Winery Bus?” Participants were allowed an open-ended answer. A review of these comments led to a serendipitous and unanticipated finding (Campanario, 1996; Merton, 1968) regarding the roles of the wine tour guide.

4. PRELIMINARY FINDINGS

A thematic analysis of the data revealed that the tour guide fulfilled several roles (see Figure 1). An illustrative quote is used to describe each role in the sections which follow:



4.1 Wine Guide

It was very interesting learning about the production of wine, the variety of grapes grown and used in the production of the different wines. The whole experience was fun, enjoyable and relaxing. from riding on the bus, the guides, the wine and food, everything was excellent!

He made it fun and educational at the same time.

The tour guide is a source of information and expertise (Reisinger and Steiner, 2006) about local wine, winegrowing, and wine production. This is particularly significant for an emerging wine region where no printed wine guides existed.

4.2 Service Intermediary

Our terrific guide, Jeremy! He was like a juggler, handling all the groups and still showing enthusiasm for each destination and introducing the hosts as friends, as we arrived. We felt well cared for.

The link between guide service quality and customer experience (Ivens and Shaw, 2002) helps to create a sense of authenticity through real-life interpretation of the destination (Reisinger and Steiner, 2006). The way the guide communicated with tourists customized the WTE as the guide's narrative exposition connected the bus tour with each winery.

4.3 Social Facilitator

The tour guide on the bus! He's very entertaining and makes the ride memorable and fun! The drive[r] and our tour guide were always making sure that we spent as much time at each winery and made sure we were always accounted for each stop. Very knowable and friendly, keep everyone very entertained the whole day.

Guides enhance the tourist experience by facilitating social interaction (Arnould and Price, 1993), whether amongst other tourists (Nicholls, 2011) or with service providers (Prayag and Lee, 2019). The guide – through stories, sing-alongs, interesting anecdotes and recommendations – created a sense that he was not talking to tourists but rather having a conversation with them.

4.4 Winescape Storyteller

Jeremy, our tour guide was amazing. He constantly made the bus ride to and from the wineries a very enjoyable time and very entertaining as well. He was also very knowledgeable about the area and I found out a few tidbits of info that I didn't know about, and I have lived here all my life!

One important way that tour guides create memorable experiences is through storytelling (Gummerus et al., 2013; Bryon, 2012). The interactive nature of these stories lends an anecdotal feeling that customizes the experience in a way that isn't offered through a guidebook or map.

5. CONCLUSIONS

The literature makes it clear that although guides are interacting with groups (multiple individuals), effective guides manage to personalize/customize the narration and experience for tourists, creating those memory traces that are the hallmark of effectively delivered experiences (Zatori, et al., 2018; Carbone and Haeckel, 1994). Thus, guides are a critical component of the ecosystem that delivers satisfying and memorable WTEs.

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Navigating the Wine Involvement Continuum

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Abstract

The range, reasons and various motivations that underpin a consumer's wine purchasing behaviour are explained by a concept known as product involvement (Zaichkowsky, 1985). An individual's product involvement tends to increase over time, with Clarke and Belk (1979) having established that the influence of a consumption occasion on a purchasing decision diminishes through repurchase experiences. However, as initially postulated in Spawton (1990), and replicated by Hall and Winchester (1999), there is at least one segment of consumers with extensive experience in wine consumption who also exhibit very low levels of wine involvement.

Low levels of product involvement are also inversely correlated with perceptions of risk (Dholakia, 2001). Lacey, Bruwer and Li (2009) confirming in the restaurant environment that perceived risk declined with increases in wine involvement. Consequently, higher wine-involved consumers tend to buy more volume, at a greater purchase frequency and pay more per purchase on average than customers with lower wine involvement (Hollebeek, Jaeger, Brodie, & Balemi, 2007; Lockshin, Spawton, & Macintosh, 1997). However, the extant literature on increases in wine involvement is silent on indications of how, whether, or when wine involvement increases occur beyond the evidence that it occurs for some consumers based on a number of wine experiences. Thus, this 'Big Picture' research contention is to investigate the process of involvement progression from non, to low, through to high for wine consumers.

Key Words: Wine Involvement, Historical method, retrospective Interviews

INTRODUCTION

A number of members of the wine trade argue that too few consumers drink good wine. Although some consumers do find their way to vinous Nirvana, those that spend the required money on good wine illustrate the culmination of a long-term process, freckled with changes in behaviour from vinous Neophyte, through to seasoned professionals. What is unknown at this point in time, is the manner in which a consumer's interest in wine changes over time.

RESEARCH BASIS

The purpose of this research is to identify how wine consumption patterns change over time. This question is of a qualitative nature, and thus demands the use of a research method that explores these issues in depth. Product involvement for an exceptionally technical consumer good like wine could also require an extensive sample of respondents. Further, there is the

potential for responses to this research question to cover extensive timelines. As such, this study benefit from the use of retrospective interviews following the historical method (Golder, 2000). This method has recently gained both popularity and prestige in marketing research, with such seminal papers like Chandy and Tellis (2000) on the *Journal of Marketing's* 'Curse of Incumbency', and more recently the *Journal of Marketing Research's* editor, Rajdeep Grewal, citing the importance of that method in a foreword of the journal's February (2017) edition.

RATIONALE

The primary advantage in using this method is that change in behaviour can be investigated over time (Krishnan & Sharpiro, 1999). A prospective research method can be used to measure influence and change from the present, into the future. However, time must pass in order for change measurement to occur, and any loss of respondents over time can lead to reductions in the significance and value of results (Denzin & Lincoln, 2005). A retrospective method offers the advantage over a prospective method because change can be investigated from periods in the past, up to the present. As long as the research is exploratory, change, and a timeline can be clearly defined, this method is suitable (Corti, Binns, Howat, Blaze-Temple, & Kai Lo, 1990; Denzin & Lincoln, 2005)

SUPPORT FOR METHOD

Recalling information from memory elicits probing the synapses of storage of long-term memories. This process of recall is best effected when respondents are primed by the provision of familiar and/or unique triggers connected to these memories (Baddeley, 2004; Westerberg et al., 2006). Therefore, the synopsis of this methodology is to prime respondents on the process in which they progressed (or not) from wine consumer initiate, along a pathway to their current level of wine consumer involvement.

Recollection of long-term memories can help in connecting linked concepts in the consumer's mind, such as the influence of related events in history. Specific wine events may be attributable to the process of consumers progressing along a continuum of involvement. These events could be of the positive; the 'The French Paradox', or negative; 'The antifreeze crisis' type, but offer the potential to illustrate externally validating experiences to help illustrate the process of consumers moving along a continuum of wine involvement from initiate to connoisseur.

Subsequent probing of memories can also create connections between concepts that may not have initially been evident. Thus, the idea in this process is to minimize recall repetitions, while capturing as diverse a range of considerations connected to a respondent's wine consumption as possible during any repetitions of the methodology. These are the conflicts of most note to the use of retrospective recall in this research.

Thus, an emerging model of the retrospective methodology of data collection is to start by asking respondents to provide a verbal, basic recall of wine consumption patterns, in their own words, over their lifetime. By initiating an initial recollection of experiences in the respondent's own words, the idea is to let the respondent set the familiar and unique regarding their wine

consumption history (Anderson & Bower, 1980). By not probing for details, or connections with other issues, there is the intent to capture the top-of-mind considerations in historical consumption, while impacting the likelihood of subsequent recall being affected by the probing process.

These ‘top of mind’ concepts that the respondent recalls most readily are consistent with the market research process of measuring awareness (Laurent, Kapferer, & Roussel, 1995). Consequently, it is important to have the first recollection recorded in real time. Video or Audio recordings are currently considered of relatively equal value, despite the inability to ascertain non-verbal cues in the absence of a visual record of the event.

The instrument used in collecting retrospective information should be an audio medium because there needs to be fewer potential influences on behaviour. Subsequent recordings could be made by video, but the benefit of being able to review a respondent’s video footage is in the capacity to examine situational ambience, and body language, if desired.

After synchronous methods will have been used successively, an asynchronous method will be used to allow the respondent as much time as desired to think about and provide their response to the question. Repeated probing reinforces memory reliability, but response validity can only be ascertained through cross-referencing with literature and/or third parties, Data saturation will be attempted through recall method diversity.

Consequently, the emerging methodology is to

- a. Start with (recorded) verbal recall of wine purchasing and consumption history
- b. Video record a virtual recall
- c. Follow with emailed timeline summary
 - Triangulation of recall improves validity (external event timing, plus any/every third-party consolidation of recall)
- d. Provide all respondents with synopsis of wine involvement continuum schematic, and asked to apply that to their experience.

In the final stage, a schematic model will be identified, with the purpose of exploring the exhaustivity of this model for all respondents at this stage.

DISCUSSION

To be established following each stage of the methodology.

IMPLICATIONS

Consumers having more experience in wine consumption are less impacted by factors external to any wine purchase than consumers with low degrees of wine involvement. For wine producers arguing that the quality of the product should stand out beyond any other appeal, the capacity to accurately identify consumers who express this sentiment will be invaluable.

The modern wine market makes more purchase choices, of more wine, from more countries, more available than ever before to more consumers than ever in history, according to the OIV (2016). However, this increase in wine availability leading to greater choice for consumers has a countering effect on the concurrent influx of new wine consumers. Newer consumers have lower degrees of product involvement, and are thus more frequently dissuaded from purchasing a product due to a heightened perceived opportunity cost than the impact on higher involvement consumers.

As a category, wine takes up entire supermarket aisles, and can be little more than an overweight tome to the average diner at an upmarket restaurant. The litany of choices presented to the average consumer at any point of sale consistently dwarfs the range of choices made available. This range of choice thus poses a constraint to any wine producer because the idea that presenting a surfeit of choice to consumers will lead to an increase in sales has been debunked as a myth (Kurien, Paila, & Nagendra, 2014). Kurien et al. (2014 pg. 323) go on to explain that "... when customers have more choices, they buy less; [less often], and... often simplify [their purchase decision] using the wrong criteria". More choices thus end up leading to dissatisfaction with any purchase because of the cumulative opportunity cost given up with that purchase. Thus the challenge to the wine sector is to find effective means to minimize the consideration of choices presented to consumers at the point of sale.

Because wine is arguably the most fragmented consumer goods item in the world, the range of purchase occasions and prices that consumers are content to pay for any wine needs to be matched to the wine consumer's various motivations for purchase. With wine involvement requiring time in order for it to be developed, it is essential for the wine sector to establish both how, and how long it could take for consumers to progress through the wine involvement continuum.

RECOMMENDATIONS

The wine sector therefore finds itself in a situation where it needs to find an effective means to increase wine involvement for consumers, or actively reduce the number of choices available for consumers at the point of sale. With the number of wine markets, and number of wine producers increasing in new world countries at a greater rate than those are disappearing in traditional wine producing countries, the alternate solution is to identify means to increase consumers' overall wine involvement.

Consumers discover wine as they begin to personalize their social experiences to other people (Wilson, 2011). This period where wine becomes adopted as an alcoholic beverage of preference marks a change in behaviour from a non-consumers to a wine consumer. However, the process of increases in wine involvement from that point on require identification, as outlined in the text above.

From the point where increases in wine involvement are identified in a consumer's timeline, it is recommended that the frequency and influences in which these changes occur be researched.

With the knowledge that time is one common factor in the progression along the wine involvement continuum, it is henceforth recommended that research using an epidemiological research method be used as a means to identify what, and to what degree identified influences affect changes in wine involvement for consumers over time.

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From Regional Brand to Regional Wine Brand: The Case of Foreign Regional Wine Branding in the US Market

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Abstract:

Purpose: The aims of this study are twofold: to investigate the direct relationships between Wine Consumer Expertise (WCE), Regional Brand Attitude (RBA), Regional Wine Brand Image (RWBI), and Regional Wine Brand Equity (RWBE), and to examine the indirect relationships between these variables through a serial mediation.

Design / methodology / approach: A quantitative study of 187 U.S. consumers is conducted to test, across 12 wine regions, a model of direct and indirect effects between the variables listed above.

Findings: Results show that WCE has direct positive effects on both RBA and RWBI. RBA has a direct positive effect on both RWBI and RWBE. RWBI has a direct positive effect on RWBE. RBA and RWBI both mediate the relationship between WCE and RWBE, indicating a significant serial mediation from WCE to RWBE.

Practical implications: Stakeholders of both regional branding and regional wine branding should coordinate and develop marketing strategies (targeting, positioning, packaged offers) customized to the level of expertise of wine consumers.

Key words: Wine consumer expertise, Regional brand attitude, Regional wine brand image, Regional wine brand equity, Wine branding.

Wine export in Africa: building trust in B2B relationship

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Abstract

Purpose: Our paper focuses on building trust between African wine importers and foreign trade partners. Our main research question concerns the effects of commitment and relationship value on trust in a B2B relationship with Africans importers. Moreover how African cultures can affect these effects is another point of great interest.

Design/methodology/approach: We used both quantitative and qualitative analyses and two groups of supplier's respondents were created depending on whether the respondents were from a French speaking African country (FSA) or an English speaking African country (ESA). We used first quantitative analysis conducted through the structural equation model with latent variable (SEML); and secondly qualitative analysis based on semi-structured interviews. In our quantitative approach, participants were sent an online survey between July and September 2019. The structural equation model with latent variable (SEML) was estimated using partial least square (PLS) (Walter et al., 2000). For the qualitative analysis, data were collected through semi-directive interviews with open-ended questions (Corbin and Strauss, 2008). Participants were interviewed either by WhatsApp-calling or face-to-face in the city of Bordeaux in France and note-taking was adopted.

Findings: The results showed that to export wine in Africa markets, relationship and commitment variables have a significant direct positive effect on customer's trust, with a little dominance of the relationship value's effect. The findings reveal also some cultural specificities and drivers evoked by Africans as essentials to increase commitment, relationship and trust, i.e., benevolence, similarity, reputation and attractive price more emphasized in French speaking African countries.

Practical implications: These results highlight the need to train employees to focus on some key attributes of relationship marketing, expected to create trust with Africans buyers over time. As being benevolent, honest, committed, aware of Africans expectations and building close and interpersonal relationships with Africans.

Key words: wine, trust, commitment, Africa, B2B

1. INTRODUCTION

Even if Africa is not an easy place to do business, it may be a high profitable market (Leke et al., 2018). Since wine markets in Africa are mainly import markets, the necessity for African wine importers to have strong relationships with partners of different cultures is of great interest. Understanding African customer's culture is important to build trust (Darley and Blankson, 2008). Our paper focuses on building trust between African wine importers and foreign trade partners.

2. LITERATURE REVIEW

Reciprocal commitment and long-term relationships have been proved to play an important role in building trust in B2B relationship (Wetzels et al., 1998). Trust and commitment have been described as critical antecedents to inter-organizational collaboration (Fan et al., 2012). Trust reduces the perceived risk in a relationship and thus leads to commitment in the relationship (Ganesan, 1994). If a supplier is not perceived to be competent and honest enough, the customer can show no commitment towards the relationship (Morgan and Hunt, 1994). Increasing the customer's expectations and building strong exchange relationships is even critical to build trust (Chang et al., 2016).

3. MAIN PROBLEM TO BE INVESTIGATED AND CONCEPTUAL MODEL

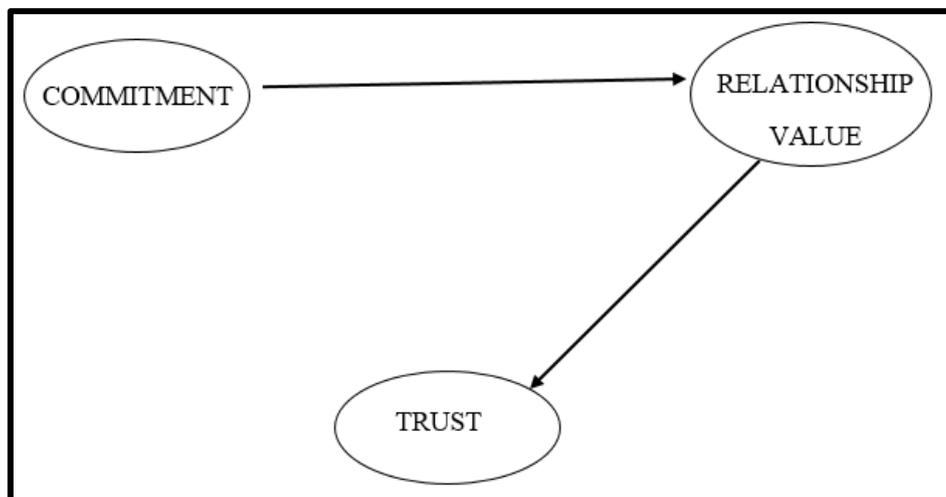
Our main research question concerns the effects of commitment and relationship value on trust in a B2B relationship with Africans importers. Moreover how African cultures can affect these effects is another point of great interest. Given above arguments, we formulated the following hypotheses:

H1: Relationship value has a positive and direct effect on trust.

H2: Commitment has a positive and direct effect on relationship value.

H3: Commitment has a positive and indirect effect on trust.

Figure 1: Commitment-Trust-Relationship Conceptual Model



4. RESEARCH METHODOLOGY

We used both quantitative and qualitative analyses and two groups of supplier's respondents were created depending on whether the respondents were from a French speaking African country (FSA) or an English speaking African country (ESA). We used first quantitative analysis conducted through the structural equation model with latent variable (SEML); and secondly qualitative analysis based on semi-structured interviews.

Table 1: Sample composition

FSA	Cameroon	Ivory-Coast	Morocco	Togo	Burkina-Faso	Benin	DRC	Congo
ESA	Nigeria	Ghana	Kenya	Tanzania				

In our quantitative approach, participants were sent an online survey between July and September 2019. The structural equation model with latent variable (SEML) was estimated using partial least square (PLS) (Walter et al., 2000). For the qualitative analysis, data were collected through semi-directive interviews with open-ended questions (Corbin and Strauss, 2008). Participants were interviewed either by WhatsApp-calling or face-to-face in the city of Bordeaux in France and note-taking was adopted.

5. PRELIMINARY RESULTS

Figure 1: Estimated model

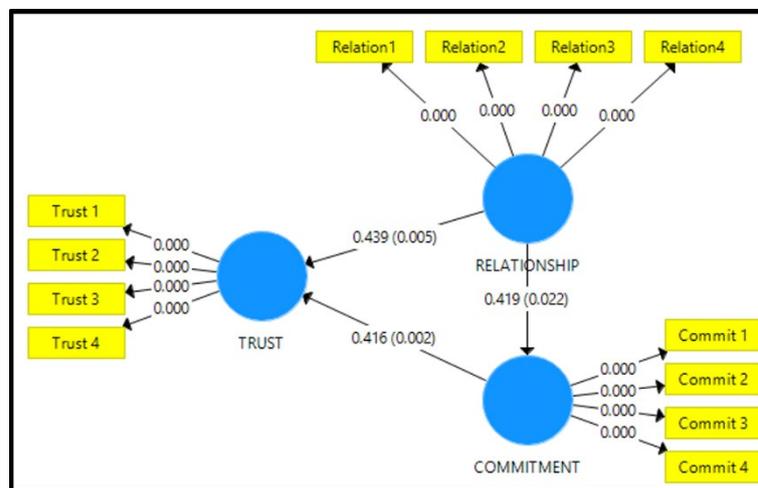


Table 1: Testing for the presence of indirect effects

	Indirect effect	T Statistics (O/STDEV)	P Values
RELATIONSHIP -> COMMITMENT -> TRUST	0,174	1,658	0,097
RELATIONSHIP -> TRUST	0,174	1,658	0,097

The results showed that to export wine in Africa markets, relationship and commitment variables have a significant direct positive effect on customer's trust, with a little dominance of the relationship value's effect. The findings reveal also some cultural specificities and drivers evoked by Africans as essentials to increase commitment, relationship and trust, i.e., benevolence, similarity, reputation and attractive price more emphasized in FSA.

6. CONCLUSIONS AND MANAGERIAL IMPLICATIONS

Through the presentation of factors cited by Africans as limitations of international wine business - due to the lack of trust - it is essential to build trust by increasing relationship and commitment between suppliers and importers. These results highlight the need to train employees to focus on some key attributes of relationship marketing, expected to create trust with Africans buyers over time. As being benevolent, honest, committed, aware of Africans expectations and building close and interpersonal relationships with Africans.

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Buying Wine Online or Offline: Some Determinants of Choice

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Abstract

Purpose: This paper aims at determining the reasons why customers prefer to buy wine online or offline, comprising both mobile-commerce (m-commerce) and e-commerce platforms. In particular, this research strives to understand effects of social influence and enjoyment on the intention to purchase wine from online and offline touchpoints. Moreover, the goal is to find out about the differences in the behavior of French, Austrian and English wine buyers.

Design/methodology/approach: To answer our research questions, data was collected through an online questionnaire. A theoretical model is suggested and tested by the use of SmartPLS3. Online and offline buyers are compared using multi-group analysis (MGA) technique. Wine buyers from different cultural groups are compared by the use of one-way ANOVA through SPSS 19.

Findings: To date no paper has examined the differences between shopping behavior in a retail store or on an e-commerce or m-commerce platforms taking into account the construct mentioned above. Hence, our contribution tries to bring to the fore preliminary results on wine shopping behavior and to reveal what drives consumers to make a decision in favor of buying wine online or offline.

Practical implications: The results show that fun and social influence affect intention to buy wine from offline touchpoint. Enjoyment strongly and significantly affects the intention to buy wine from online touchpoints. Austrian wine buyers differ from English and French buyers with respect to preference for offline touchpoint.

Key words: wine marketing, e-commerce, m-commerce, consumer behavior

Landscape's Relationships with Wine Consumer Behaviour Constructs from an Italian Wine Tourism Perspective

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Keywords: Landscape; wine tourism; Italy; involvement; opinion leadership

INTRODUCTION

In rural tourism studies, landscape has received much attention from researchers (i.e. Stoffelen and Vanneste, 2015; Terkenli, 2004). The complex relationships between landscape and tourism have however, not been subjected to the same amount of investigation. Not surprisingly, Stoffelen and Vanneste (2015, p.545) assert that the multi-disciplinary nature of tourism and landscape “provides specific challenges to analyse this complexity.” In many wine tourism studies, landscape is perceived as one of the most relevant attributes of winescape perceptions among wine tourists (i.e. Bruwer and Gross, 2017; Bruwer and Lesschaeve, 2012). Although previous studies have defined and assessed landscape as a uni-dimensional concept, no previous study has evaluated the importance wine tourists give to the main representative elements/attributes of the landscape of a wine region as a wine production area and tourism destination. Moreover, no previous study has examined the effects wine consumer behaviour constructs such as involvement, knowledge, information processing and, opinion leadership have on how the landscape of the region is perceived.

LITERATURE REVIEW

During the process of wine tourism attaining special-interest tourism (SIT) status, the importance of landscape as a winescape dimension has consistently been confirmed in research studies (i.e. Alampi-Sottini *et al.*, 2019; Bruwer and Gross, 2017). The exact role played by the various landscape elements in the wine tourism situation however, remains unclear (Bruwer

and Lesschaeve, 2012). Moreover, despite wine consumer behaviour studies having examined, mostly in isolation, the relationship between the wine tourism visit decision and consumer behavioural constructs such as involvement (Bruwer *et al.*, 2019), product knowledge (Ellis and Caruana, 2018), and information processing (Bruwer and Thach, 2013), the relationships between these and landscape perception, and ultimately preference remain unexplored. We make a substantive contribution by examining these in our study.

RESEARCH METHODOLOGY

We use a multi-layered approach, firstly to identify the preferred landscape elements in a wine tourism setting via a pilot study. Next, we execute an online study using a representative sample of 1,000 wine tourists originating from cities across Italy. In this, we execute a discrete choice experiment (DCE) using a photo-based approach (as in Jacobsen, 2007) to determine the preferred landscape elements from the pre-identified set. We conceptualise the constructs of involvement (Bruwer *et al.*, 2019), knowledge (Ellis and Caruana, 2018), information processing (Bruwer and Cohen, 2019) and opinion leadership and seeking (Flynn *et al.*, 1996). We then use structural equation modelling (SEM) to test for effects on landscape perception. Potential moderating and mediating effects of variables such as visit frequency, gender and age are also tested for effects.

PRELIMINARY FINDINGS

Preliminary results show there are four dimensions (anthropic elements, natural elements, vineyard (scape) and, distance from origin) and ten attributes comprising the physical landscape construct. Once final results are available, we will model the relationships between constructs and test for effects (see research methodology above).

CONCLUSIONS AND MANAGERIAL IMPLICATION

Our research integrates conceptual underpinnings from the tourism, consumer behaviour and wine tourism fields and contributes to the wine tourism knowledge base using a somewhat unorthodox approach to firstly conceptualise, and secondly, test for effects between fundamental wine consumer behaviour constructs and elements of the landscape construct. The main managerial implication of our research will be to inform a future proposal to UNESCO for recognition of a historical landscape in Italy.

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