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Haute école de gestion
Genève

A Firm level study of the Global Wine Industry

Presentation of the project, the database and some studies

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Motivation

- Wine is a global industry
- Competitive advantage is a combination of fixed and mobile factors
- Industry concentration but a lot of heterogeneity among small and medium size producers
- Lack of comparative studies among regions and between countries, at least at the micro level
- Sample sizes
- My interest in value chains

Genesis of the project

- Small grant focusing in Switzerland and Argentina
- Field work in Geneva and North West Argentina
 - Improve the questionnaire
 - Reactions from winemakers
 - Lesson: questionnaire relevant, could be extended, impossible to apply within the budget we had.
- Solution: survey needs to be online
- Result: possibility to expand if reliable collaborators
- Covid helped

The Survey

- Translation to 11 languages
- Exhaustive census of wine firms population: 45'000+
- Same survey for everyone for comparability
 - Chile and Italy added a few extra questions. Greece change one, Spain dropped one.
- Survey: 137 questions covering five key areas
 - winery profile and characteristics;
 - production function to capture quality differentiation activities from the vineyard to the distribution of the wine;
 - firms' skills, technology capabilities, and management and commercial practices;
 - export activities and perceived constraints by the winery;
 - innovation type and creativity process

Collaborations for the Survey

- Argentina: CEMA University Brazil: FGV Sao Paulo Bulgaria: University of Plovdiv
 - Chile: Universidad Ibañez Croatia: University of Zagreb France: KEDGE Business School
 - Italy: University of Turin Moldova: USPEEE Portugal: AESE Business School
 - Romania: Babeş-Bolyai University South Africa: University of Cape Town
 - Spain: University of Zaragoza Switzerland: HES-SO Changins
 - United Kingdom: Plumpton College United States: Eastern Connecticut State University
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- The survey was implemented without local institutions collaboration in Australia, Austria, Canada, Cyprus, Germany, Greece, New Zealand, and Uruguay.

Results of the Survey

- 5'294 answers from 23 wine producing countries, including the largest producers and exporters
- Response rate went from as little as 3.5% in the US up to 50.5% in Uruguay
- New World 955 answers (18%) vs Old World 4'339 (82%)
- Three largest databases (53.91% of the sample)

Spain	688
France	865
Italy	1301

Italy

- 1st objective was to have at least 10% response rate in each of the 20 administrative regions: lowest Friuli-Venezia Giulia (13.22%), highest Valle d'Aosta (42.59%)
- 2nd objective was at least 20% response rate in selected DOC/G

DOC/DOCG	Population	Answers	Response rate
Franciacorta - Lombardia	107	37	34.60%
Prosecco - Veneto	298	68	22.80%
Etna	116	47	40.50%
Chianti Classico	300	96	32.00%
Alto Adige	220	52	23.60%
Brunello di Montalcino	189	47	24.90%
Barolo/Barbaresco	322	102	31.70%
Monferrato	343	78	22.70%

France

Wine region	Population	Answers	Response rate
Alsace	254	39	15.35%
Jura	129	13	10.08%
Savoie	47	7	14.89%
Rhone	814	72	8.85%
Corsica	123	15	12.20%
Provence	755	57	7.55%
Beaujolais	268	17	6.34%
Languedoc-Rousillon	1256	99	7.88%
Burgundy	1296	111	8.56%
Loire	880	47	5.34%
South West	605	55	9.09%
Champagne	407	55	13.51%
Bordeaux	4267	278	6.52%
Total	11101	865	7.79%

Spain

- 1st objective was to have at least 10% response rate in each of the 68 DOC (achieved). Final response rate 18.77%
- 2nd objective was at least 20% response rate in three selected DOC/G for region specific work and comparisons

DOC/DOCG	Population	Answers	Response rate
45 – Rías Baixas	172	32	18.60%
48 - Ribera del Duero	298	54	18.10%
51 - Rioja	619	207	33.44%

Argentina

- 1st objective was to have at least 20% response rate in each Province:
 - 875 wineries identified
 - 230 answers (26.3%)
 - Mendoza 152!
- Current work
 - Export intensity
 - Quality differentiation
- Global report for the industry and 2 academic papers
- Presentation in Mendoza
 - March 29th and 30th 2023

Where we are, where are we going?

- Half of the databases have been cleaned
 - Efforts need to continue and comparability need to be assured
 - We will create an online tool to extract summarized aggregate data.
Firm level data is for the moment only for the researchers in the team
- Four reports for stakeholders produced, three distributed
 - More efforts to pay back wineries which contributed to project
- Eight working papers produced, two under review publication
 - As data is cleaned, more papers should be produced.
 - Comparability of dataset should lead to natural collaborations among members
 - Non members: welcomed! Interested? Drop a line

Some work done for Argentina

- How the country-of-origin impacts wine traders' mental representation about wines? (<https://www.sciencedirect.com/science/article/pii/S0963996920305056>)
- Old and New World wine countries' names were used as verbal prompts.
- Wines' country-of-origin was more important on guiding traders' representations than their own origin.
- Representations for traditional wine exporting countries were precise and specific to their wines.
- Non-traditional wine exporting countries produced associations related to the image of the country.
- Argentinean wine: Malbec, powerful/strong wines, neighboring producing countries, famous wines/wineries, red wine, high quality.
- Strong association with Malbec and bold red wines creates a challenge for the introduction of other varieties and wine styles into the international markets.
- French wines: greater level of knowledge/intimacy of the participants. Categories such as terroir/regions and appellations and tradition/culture/history and have an unequivocal positive representation: the best and high quality. They are also characterized by a diversity of wine styles, famous wines and wineries, red wine and typical varieties.