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Title

Motivations and obstacles to the environmental transition of champagne producers

I want to submit an abstract for:

Conference Presentation

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Research Question

What are the motivations and obstacles to the environmental transition of champagne producers and how to encourage the most recalcitrant to undertake this transition?

Methods

Adopting a qualitative approach, we conducted a series of 45 semi-structured interviews with experts: producers (winegrowers, co-operatives, houses), graphic designers, printers, wine retailers, influencers, and employees of institutions.

Results

Motivations: health, personal conviction and satisfaction, differentiation, value creation, tapping new markets, quality, the environment, brand image.

Obstacles: higher production costs, lack of credibility of organic viticulture, quality, traceability, feasibility.

Abstract

Abstract

The present research studies the motivations and obstacles to the environmental transition of champagne producers and the place of organic certification, using a two-step approach: qualitative and quantitative. The qualitative phase is now complete, the quantitative phase is still to come. During the first qualitative phase, we collected the opinions of various types of experts (producers with and without environmental certifications, wine retailers, graphic designers, printers, influencers, employees of institutions) from September to December 2021 (45 interviews). The present communication will focus on the restitution of our first results, but we will also discuss the quantitative methodology considered for the second phase of our research, as we are considering a questionnaire administered to all champagne producers. For this second phase, the opinions of AAWE colleagues regarding methodology aspects will undoubtedly be very helpful. Moreover, this presentation could be the occasion to a potential collaboration with interested colleagues from any other wine producing region in the world, which could possibly lead to an inter-regional comparative analysis.

Theoretical and empirical context

Market studies and the scientific literature both emphasize the dynamics of environmental transition in the wine sector, and especially the rise of organic viticulture (Corsi and Strom, 2021). In a generally sluggish global market,

organic wines are expected to grow by an average of 9% per year by 2024 to capture 4% of the global market, compared to 2.75% currently (Nagel, 2020). The same goes in the champagne industry: according to the Champagne Committee (CIVC), in March 2022 more than 56% of Champagne's vineyard qualified to at least one environmental certification, including 8% for certified organic viticulture, compared to respectively 20% and 2.5% in 2019. These figures show the current strong dynamic of conversion in Champagne, but there is still significant room for improvement, partly due to the difficulties linked to the regions' climate. Several big names that are pioneers in this field, such as Louis Roederer, Pommery, Leclerc-Briant, Lanson and others, have indeed converted part or all of their vineyards to organic production, without systematically communicating on it. This is all the more surprising that communication about an environmental certification can be a source of differentiation (Brugarolas Mollá-Bauzá, 2005) leading to a better valorization of the production (González and Parga-Dans, 2018) and to an increased competitiveness (Atkin et al., 2012; Sogari et al., 2015). It also gives access to new markets internationally (Atkin et al., 2012; Gonzalez and Parga-Dans, 2018). These positive effects are expected to offset the additional costs generated by lower yields, higher labor expenses, and the extra administrative work and costs involved in obtaining certification (Bonti-Ankomah and Yiridoe, 2006; Brugarolas Mollá-Bauzá et al., 2005; Corsi and Strom, 2012; Delmas and Gergaud, 2021; Delmas and Lessem, 2017; Frétillet, 2020; Gonzalez and Parga-Dans, 2018; Ogbeide et al., 2015).

Under these conditions, we consider that the environmental transition of champagne producers constitutes a growth relay as well as a source of production valorization. However, we observe that many producers are still reluctant to this transition. This situation leads us to our research question: What are the motivations and obstacles to the environmental transition of champagne producers and how to encourage the most recalcitrant to undertake this transition? We adopt the point of view of Gonzalez and Parga-Dans (2018) and Delmas and Gergaud (2021) according to whom ecolabels have a great potential to reduce the environmental and social impact of products through consumer choice. The general idea is to enhance the motivations and reduce the barriers to the environmental transition in order to convince champagne producers of the benefits of a viticulture and wine-production more respectful of the environment, and to encourage the most reluctant growers to start an environmental conversion.

Main results

The statements of experts allow us to better understand the strategies pursued by producers in adopting environmentally friendly practices and the conscious choice of whether or not to communicate on these practices via the addition (or not) of a label on the packaging of their products. We observe a very clear opposition between an artisanal approach VS a commercial/marketing approach strongly related to the type of producer and opposing winegrowers to bigger firms like houses and co-operatives. The production of environmentally friendly/organic champagne by houses and co-operatives refers more to a marketing approach whereas winegrowers are more product oriented. This opposition is reflected in two very distinct communication strategies. Some environmentally friendly champagne producers seem to be mainly motivated by a product vision: environmentally friendly viticulture and winemaking are seen as a tool to enhance the quality of their wines. Consequently, these producers do not feel the need to communicate on this aspect via the facing of their bottles because it is not considered as a direct sales vector (e.g. "first generation" organic champagnes that do not display an ecolabel on the front of their bottles: Champagne Fleury, Henry Giraud, De Souza, Larmandier-Bernier). The organic dimension of their production is only mentioned on the back label of their bottle, on their website, and in their commercial discourse. A second communication strategy uses the environmentally friendly production as a real commercial argument, clearly displaying logos on the main label of the bottles, either on the whole range or, more often, on a single reference of the range (e.g. Champagne Lanson, Nicolas Feuillate, Canard-Duchêne, Charles de Cazanove).

Moreover, our findings confirm motivations and obstacles to the environmental transition found in the literature, but they also shed a light on other incentives and barriers. Concerning the motivations, differentiation (Steinthal and Hinman, 2007; Sogari et al., 2015; Klohr et al., 2013; Brugarolas and Rivera, 2001), valorization (Atkin et al., 2012; Alonso González and Parga-Dans, 2018), requirement of business partners (Gonzalez and Parga-Dans, 2018) and access to new markets (Berghoef and Dodds, 2011) are confirmed. But other motivations appear, like the concern for the personal health of the producer, of his family and of his neighbors, the personal conviction and satisfaction of the producer, the improved quality of the product, and a better brand image. Concerning obstacles, the problem of higher costs and prices (Frétillet, 2020; Bonti-Ankomah and Yiridoe, 2006; Brugarolas Mollá-Bauzá et al., 2005; Levaggi and Brentari, 2014; Corsi and Strom, 2012; Delmas, et al., 2008, etc.) is confirmed, as well as the

"polluter pays" reversed logic which was highlighted by Alonso González et al. (2019): it is those who do not pollute who are forced to pay. It appears that some champagne producers refuse to enter into this logic and mention it as an obstacle to their environmental transition. But there are also other obstacles, like the lack of credibility of environmentally friendly viticulture and winemaking, the fear of a lower quality of the wines, and the difficulties linked to the traceability which jeopardizes the transition feasibility for bigger firms.

Limits and further research

The main limitations of the present work relate to the qualitative methodology adopted, which limits the generalization of our results and does not allow us to quantify them. But it will help us draft our questionnaire for the second quantitative phase, for which we intend to gather feedback from AAWE colleagues on the methodological aspects, and which can also be an opportunity for collaboration.

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