### Title
Exploring retailing strategy for small wineries: Comparing: Bordeaux and Napa Valley

### I want to submit an abstract for:
Conference Poster Session

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### Keywords
Retailing strategy, small wineries, direct to consumer sales, Napa Valley, Bordeaux

### Research Question
The study explores the retailing strategy including direct to consumers sales model which can be applied among small wineries.

### Methods
We will conduct focus group interviews with small winery operators in Bordeaux and Napa Valley to explore effective retailing strategies that can be used. Around 30 in-depth personal interviews

### Results
This research project is still in progress and we are looking forward to presenting the results of the study at the conference.

### Abstract
Direct sales in the wine sector are gaining popularity, providing a competitive advantage by aggregating value for Agri-products and increasing bargaining power (Fiore2016). The wine industry is increasingly using direct-to-
consumer distribution channels, including wine clubs, tasting rooms, and online sales (Higgins et al. 2015). A plethora of research works have reported the importance of direct-to-consumer sales in the global wine industry as it is a lucrative revenue source for wineries. In spite of the number of the existing research on the direct-to-consumer sales, there has been a little consensus on the definition and scope of direct-to-consumer sales in different global wine regions. The direct to consumers sales in the U.S. is quite different from the way the direct-to-consumer sales is adopted in the traditional old wine country (e.g. France). In the U.S. wine club membership plays a pivotal role in the direct to consumers sales (Teaff et al.; Thach, & Olsen, 2005; White & Thompson, 2009). Often, the number of wine club members for a winery provides the reputation of the winery, and winery visitors’ loyalty toward the winery (Skinner, 2000).

On the other hand, the range of retailing strategy that small wineries operators can adopt is very limited, mainly due to time and resources constraints. Most of small wineries in the U.S. have relied on direct-to-consumer sales through wine club membership and wine tourists visiting cellar doors. Tradition a three-tier distribution system embedded in the U.S. winery industry has made direct to consumer sales more lucrative among small wineries because it allows them to bypass middleman such as wholesaler and retailers (Thach & Olsen, 2006). On the other hand, the wine club membership is not a traditional direct to consumer sales model that has been used widely among small wineries in Europe. In the case of wineries in Bordeaux, France, very few wineries have adopted wine club membership for their direct consumer business model. Instead, cooperative has been a common mode to run wineries and distribute wines among small wineries in old wine countries in Europe as it provides small wineries a competitive advantage as it helps small wineries achieve economies of scale, which reduces the cost of operating wineries significantly ranging from production to marketing (Couderc et al., 2011; Richter & Hanf, 2021). In spite of the merits of the cooperative business model for small winery operators, the cooperative business model rarely exists in the U.S. wine industry while small wineries account for more 90 percent of the U.S. wineries (Insel, 2011). While past studies provide evidence that direct-to-consumer play a pivotal role in the sales of smaller wineries there has been no conceptual theoretical model that underpins the retailing strategy that can be applied for small winery operators across the Atlantic.

Purpose of the Study & Methodology
This research seeks to examine this peculiar absence. The study explores the retailing strategy including direct to consumers sales model which can be applied among small wineries. In order to produce generalizable insights for major wine regions, we decided to study Napa Valley and Bordeaux. We analyze an array of relevant literature on retailing strategy in the context of the wine industry to build the conceptual model that can be applied for small wineries in different regions. In addition, the study integrates emerging trends on retailing such as virtual wine tastings into the conceptual model of retailing strategy for small winery operators (Wen & Leung, 2021). We will conduct focus group interviews with small winery operators in Bordeaux and Napa Valley to explore effective retailing strategies that can be used. Around 30 in-depth personal interviews from small wineries operators in Bordeaux and Napa Valley will be conducted. Open-ended interview questions relevant to retailing strategy will be developed and two researchers from France and US will conduct the in-depth personal interviews. The researchers will identity the emerging theme from the in-depth personal interviews in order to build a survey that could be distributed to the small operators in both wine regions

The results of the study help both academia and industry practitioners better understand retailing strategy for small wineries and advance the existing body of literature on retailing strategy and management in the wine business.

References
Conference November 2011, Napa, CA.


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