Pick up the right Chance card and succeed in Monopoly: the case of Norwegian Wine Market

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The wine market in Norway is a monopoly. In fact, it is possible to buy the wine, and all alcoholic drinks, only in special stores called “Vinmonopolet”, or consume it inside the channel HORECA. The sale of this beverage through other retails, as happens in the others countries, is not allowed.

There are two historic reasons behind that, both could be classified as social. In the 19th century Norway faced major alcohol problems, and in 1921 the sale of alcohol, which means also the sale of any kind of wine, was forbidden consequentely of the referendum on prohibiting sales of spirits result, held in 1919.

The first Vinmonopolet opened in 1871, and now these outlets count a number of sale points equal to 262, able to cover the requirements of the Norwegian customers and located around all Norway. The number of wines presents inside the different wine shops is good. Wines coming from the main countries producers are available, within them it is possible to find, also, a good representation of Italian wine, especially with denomination. The most popular of these wines are available in all its shops, while those not in stocks at one outlet can be ordered without additional charge. This system allows the company to serve both the majority of its customers and connoisseur.

As a consequence of this market structure, the choice of the wine mainly depends on the price, product quality and the perception consumers have of them. In this sense, it is possible to affirm that neutral policy is adopted by Vinmonopolet: no favouritism is shown towards brands, producers, countries or suppliers in general.

The aim of this research is to give some enlightenment about the market structure in Norway and the related opportunities for foreigner producers. Starting from some data about level of sales and market shares among countries and brands, an analysis is carried on about the competitive environment experienced by all the actors of the retailing system. This analysis is based on both desk research on secondary data and on in-depth interviews to 20 key informants of Norwegian wine market. The key informant technique is an expert source of information (Marshall, 1996) recently used, among others, by Casini et al. (2008) to explain the competitive environment in UK wine sector.