The role of sectorial strategies in the case of French PDO wines: Successes and failures

Jean-Guillaume DITTER, Christian BARRERE, Joëlle BROUARD

OMI, Université de Reims, Groupe ESC Dijon Bourgogne
jean-guillaume.ditter@escdijon.eu, christian.barrere@gmail.com, joelle.brouard@escdijon.eu

Today wine markets are global. Nevertheless wines are produced on territories, with varying degrees of relation to them. It is usual to distinguish an “old world” terroir model, based on protected designations of origin (PDO) and a new world models, building on wine varieties, brands and clusters.

Each model is supposed to draw from specific assets and produce information and reputation that allow consumers to decide and markets to work. Nevertheless this binary distinction has to be questioned. Clusters and, mainly, terroirs are not homogeneous. On the one hand some terroirs are incredibly successful (obviously the main case is the Champagne one), on the other hand some others lead to poor results (who, today, knows the Blanquette de Limoux which is the oldest sparkling wine in the world?). This heterogeneity does not primarily derives from natural but social conditions, among which the strategies of the actors. Moreover, at the beginning of their development, some terroir wines were facing similar conditions but their development paths have been very diverse. So, comparative history allows us to understand the conditions of successes and failures and to see that, despite the legal protection ensured by the PDO, the typicality of a vineyard is not a sufficient condition of success.

For that the paper addresses the conditions of competitiveness of terroirs related to their “differentially quality”. An evolutionary model that considers wine markets as strategic games between mutually dependant players the issue of which gives a well-defined level of quality constitutes our theoretical starting point. The working of the play leads to diverse dynamics and to specific path development dependences. Then we can observe how the institutional conditions (number and heterogeneity of the producers, types of associations, relations to the political area and so on) act upon types of management and governance and, finally, define the conditions of the strategic choices and determine the path development. On this basis we compare the success story of the Champagne wine with the failures of other vineyards (Clairette de Die, Blanquette de Limoux, Cahors). The comparative history of these vineyards shows that competitiveness does not only result from natural conditions. In some circumstances the behaviours of the economic actors and, peculiarly, their ability to definewining strategies are decisive. In the case of Champagne the Maisons played a decisive role.
Their power allowed them to anticipate and to define a long-term policy; to use some situations (the Big crisis of the Champagne) to organize a general agreement on development path; and to enforce it. When the expansion path took effect it gave profits to the whole sector and, so, became self-enforcing. The possibility of collective action also depended on distribution conditions. The necessary consensus derived from the belief that the common strategy favoured almost all the actors: to convince vine growers to accept the high quality strategy the Maisons had to accept a new distribution of earnings by paying more the grape and by increasing the price of grape when the price of bottles increased. On the contrary, in the other vineyards, the absence of leaders institutionalized opportunistic behaviours that created a lock-in situation. The history of French vineyards also shows the advantage of the leader position on the followers’ ones. In spite of voluntarist policies in the recent period, the emergence of a new image able to modify the consumers’ choices is very difficult. It obviously is the case for sparkling wines when the iconic image of Champagne stands up: the recognition by consumers of the typicality of the Champagne wine and the classification of this typicality as a superiority over other wines tends to rigidify the competition among lots of more or less typical wines. Finally, the last but not the least teaching given by the comparative history of terroir wines is that the most important within the specific resources is not generally the quality of natural ones but the quality of human and social ones, that is to say the human and social creativity.

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