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

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The topic

• Heterogeneity of terroirs: successes and failures
• What are the conditions of the competitiveness of terroirs?
• A high, regular and known quality
• The role of strategies
• The conditions of strategies
A strategic and evolutionary determination of quality
The model (Barrère, 2003, 2007)
The equilibria
When terroir leads to success: the case of the Champagne wine

• The beginnings: two markets, the high quality one, the bad quality one

• The strategies of the Grandes Maisons and the second age of Champagne wine: the strategy of PDO, the new development path

• The results: glory and wealth
The price for one ha. of vineyard
Thousands €

<table>
<thead>
<tr>
<th>Region</th>
<th>Price (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Languedoc</td>
<td>11000</td>
</tr>
<tr>
<td>V. Rhône</td>
<td>33000</td>
</tr>
<tr>
<td>Bordeaux</td>
<td>66000</td>
</tr>
<tr>
<td>Bourgogne</td>
<td>110000</td>
</tr>
<tr>
<td>Alsace</td>
<td>131000</td>
</tr>
<tr>
<td>Champagne</td>
<td>829000</td>
</tr>
</tbody>
</table>
When the terroir model fails

- The Blanquette de Limoux
- The Clairette de Die
- The Cahors wine
Conclusion


• The role of strategies that require specific conditions:
  – a few and strong Maisons
  – able to anticipate and define a long-term policy
  – to organise a general agreement
  – The absence of leaders: free-riding and lock-in situations

• Specific resources: the human and social creativity

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