

**Finding your niche in a global wine market -
Establishment of the new wine brand #QSTG with focus on
product development and entrepreneurial marketing**

Florian Wecker

Dissertation to obtain the degree of
European Master of Science in Viticulture and Enology

Advisor:

PhD Francisco Ramos Lopes Gomes da Silva, Assistant Professor at Instituto Superior de Agronomia, Universidade de Lisboa

Jury:

PRESIDENT:

PhD Jorge Manuel Rodrigues Ricardo da Silva, Full Professor at Instituto Superior de Agronomia, Universidade de Lisboa

MEMBERS:

PhD Luca Rossetto, Associate Professor at Università degli Studi di Padova;
PhD Manuel José de Carvalho Pimenta Malfeito Ferreira, Assistant Professor with Habilitation at Instituto Superior de Agronomia, Universidade de Lisboa;
PhD Francisco Ramos Lopes Gomes da Silva, Assistant Professor at Instituto Superior de Agronomia, Universidade de Lisboa.

2019

ABSTRACT

In accordance with the regulations of the Vinifera EuroMaster of science (M.Sc.) of viticulture and enology the author has chosen the opportunity to write a project master thesis under the title *“Finding your niche in a global wine market - Establishment of the new wine brand #QSTG with focus on product development and entrepreneurial marketing”*.

The author intends to establish a new wine brand named #QSTG, which is a diminutive of the German term *Quereinsteiger* (in English: career changer). The name refers to the completely different professional background of the author, who has been a lawyer and entrepreneur for many years, before studying viticulture and enology. The idea is to create a brand for wines, produced by the author and other winemakers who also have other professional backgrounds, bringing in new ideas based on their different perspective, approach and style of winemaking.

Within this project thesis the author first describes the scenario in which the new wine brand should be established, before defining the term entrepreneurial marketing by reviewing the existing literature and analyzing the current wine market.

In the next step the author develops the wine brand #QSTG in accordance with the targeted niche market. This includes key aspects, such as positioning, brand name, logo, wine style and quality.

Finally the marketing mix of #QSTG is developed, considering the findings about entrepreneurial marketing. Besides designing the product in collaboration with different graphic designers, this thesis also includes detailed elaborations about pricing, placement and promotion of the #QSTG products.

Due to the concluded feasibility, the author will implement the project following the graduation. Therefore the master thesis ends with an outlook on the next steps of the implementation of the #QSTG wine project.

Keywords: Entrepreneurial marketing, Small and Medium-sized Enterprise (SME), Wine market, Brand development, Product design

RESUMO

De acordo com os regulamentos do *Vinifera EuroMaster of Science* (M.Sc.) de viticultura e enologia, o autor teve a oportunidade de escolher escrever uma tese de mestrado sob o título “*Encontro do seu nicho no mercado global de vinhos - Estabelecimento da nova marca de vinho #QSTG com foco no desenvolvimento de produtos e marketing empresarial*”.

O autor pretende estabelecer uma nova marca de vinho chamada #QSTG, que é o diminutivo do termo alemão *Quereinsteiger* (em Português: Mudança de carreira). O nome refere-se à formação profissional completamente diferente do autor, que foi advogado e empresário durante muitos anos, antes de estudar viticultura e enologia. A ideia é criar uma marca de vinhos, produzida pelo autor e outros produtores de vinho que também possuem diferente formação profissional, trazendo novas ideias, com base nas suas diferentes perspectivas, abordagens e estilos de vinificação.

Nesta tese de mestrado, o autor descreve inicialmente o cenário em que a nova marca de vinho deve ser estabelecida, antes de definir o termo marketing empresarial, irá rever a literatura existente e analisar o mercado actual de vinhos.

Na etapa seguinte, o autor desenvolve a marca de vinho #QSTG de acordo com o nicho de mercado alvo. Isso inclui aspectos essenciais, como o posicionamento de mercado, nome da marca, logotipo, estilo e qualidade do vinho.

Por fim, é desenvolvido o marketing mix da marca #QSTG, considerando todas as descobertas sobre marketing empresarial. Além de projetar o produto em colaboração com diferentes designers gráficos, esta tese também inclui elaborações detalhadas sobre preços, posicionamento e promoção dos produtos #QSTG.

Dada a conclusão da exequibilidade deste projecto, o autor implementará o mesmo após a graduação. Portanto, a tese de mestrado finaliza com a visão nos próximos passos da implementação do projeto do vinho com a marca #QSTG.

Palavras-chave: Marketing Empresarial, Pequenas e Médias Empresas (PME), Mercado de vinhos, Desenvolvimento de marcas, Design de produtos

RESUMO ALARGADO

De acordo com os regulamentos do *Vinifera EuroMaster of Science* (M.Sc.) de viticultura e enologia, o autor teve a oportunidade de escolher escrever uma tese de mestrado sob o título “*Encontro do seu nicho no mercado global de vinhos - Estabelecimento da nova marca de vinho #QSTG com foco no desenvolvimento de produtos e marketing empresarial*”.

O autor pretende estabelecer uma nova marca de vinho chamada #QSTG, que é o diminutivo do termo alemão *Quereinsteiger* (em Português: Mudança de carreira). O nome refere-se à formação profissional completamente diferente do autor, que foi advogado e empresário durante muitos anos, antes de estudar viticultura e enologia. A ideia é criar uma marca de vinhos, produzida pelo autor e outros produtores de vinho que também possuem diferente formação profissional, trazendo novas ideias, com base nas suas diferentes perspectivas, abordagens e estilos de vinificação.

Primeiro, a descrição do cenário em qual a nova marca será estabelecida é feito, onde se determina a dimensão da marca #QSTG como sendo uma empresa de pequeno a médio porte (small and medium sized enterprises “SMEs”). Essas empresas enfrentam obstáculos como volatilidade da produção e consumo mundial de vinho, além das constantes mudanças regulamentárias, da alta concorrência (principalmente contra os países do novo mundo) e adversidades relacionadas à dimensão da empresa. Em seguida, a revisão bibliográfica e análise do mercado vinícola são realizadas, para então definir o termo marketing empreendedor apresentado, destacando como principal estratégia para a empresa uma sólida diferenciação de marca e fortalecimento da cooperação e dos laços profissionais, que proporcionam melhores oportunidades no desenvolvimento do produto e na análise do atual mercado.

Em segundo momento, o desenvolvimento da marca #QSTG atrelada ao seu específico nicho de mercado é feito, incluindo os principais fatores envolvidos, como, posicionamento, logo e nome da marca e, estilo e qualidade do vinho. O posicionamento da marca é feito em função dos diferentes segmentos de público alvo, sendo inclusa dentro do segmento de vinhos premium e de vinhos orgânicos. Os principais consumidores pertencem ao público alvo classificado como entusiastas do vinho. A marca e o produto são então desenvolvidos seguindo uma estratégia direcionada a esse público.

O marketing mix da marca #QSTG é desenvolvido e concluído, considerando a definição de marketing empreendedor apresentada, além de beneficiar com colaborações realizadas com

diferentes designers gráficos durante a elaboração do produto. O presente trabalho também apresenta detalhes dos processos relacionados a estruturação de preços, posicionamento e promoção dos produtos #QSTG. O foco é direcionado à promoção do produto já que dentro de SMEs a possibilidade de diferenciação e implementação de ideias dentro do conceito de marketing empreendedor, é beneficiada. Ferramentas de marketing baseado em mídias sociais, websites (já criado pelo autor), relação consumidor-gerente (“Customer relationship management “CRM”), PR e exposições comerciais são analisadas considerando a particularidade da marca #QSTG.

Após conclusão do mestrado e pelo positivo resultado e factibilidade do projeto a implementação do mesmo será realizada também considerando as futuras ações necessárias para concepção da marca.

TABLE OF CONTENTS

I.	INTRODUCTION	1
	1. THE PROJECT	1
	2. THE SCENARIO	1
	3. MARKETING MIX 4P	2
	4. ENTREPRENEURIAL MARKETING	3
	4.1 GENERAL DEFINITION	3
	4.2 ENTREPRENEURIAL MARKETING IN THE WINE BUSINESS	6
II.	MARKET ANALYSIS & COMPETITION	6
	1. WINE MARKET: FACTS & FIGURES	7
	1.1 SURFACE UNDER VINES	7
	1.2 WINE PRODUCTION	8
	1.3 WINE TRADE	9
	1.4 WINE CONSUMPTION	10
	1.5 ORGANIC WINE MARKET	11
	2. COMPETITION	13
III.	BRAND DEVELOPMENT & MARKETING OF #QSTG	15
	1. POSITIONING OF #QSTG	15
	2. THE BRAND NAME	18
	3. THE LOGO	18
	4. THE SLOGAN	19
	5. WINE STYLE	20
	6. WINE QUALITY	21
	7. REGION OF ORIGIN	22
	8. PRODUCT DESIGN & PACKAGING	22
	8.1 FRONT LABEL	23
	8.1.1 POP ART ILLUSTRATION	24
	8.1.2 CARTOON ILLUSTRATION	24
	8.1.3 WATER COLOUR ILLUSTRATION	25
	8.1.4 OTHER LABEL FEATURES	26
	8.2 BACK LABEL	28
	8.3 BOTTLE	29
	8.4 CLOSURE	30
	8.5 SECONDARY PACKAGING	30
	9. PRICING	30
	10. PLACEMENT	33
	10.1 DIRECT SALES	34
	10.2 DISTRIBUTORS	34
	10.3 EXPORT	35
	10.4 E-COMMERCE	36
	11. PROMOTION	37
	11.1 WEBSITE & NEWSLETTER	37
	11.2 SOCIAL MEDIA	39
	11.3 CRM	41
	11.4 CORPORATE BUSINESS RELATIONSHIPS	42
	11.5 PR	43
	11.6 MEDALS, AWARDS & RATINGS	45
	11.7 TRADE SHOWS	45
	11.8 WINE TOURISM	47
IV.	SUMMARY & CONCLUSION	47

LIST OF TABLES

Table 1:	Worldwide wine production by countries in mhl (OIV, 2019, State of the Vitiviniculture world market)	9
Table 2:	World wine trade by product type (OIV, 2019, State of the Vitiviniculture world market)	10
Table 3:	Wine attributes that consumers consider when purchasing wine (Cohen, 2009)	21
Table 4:	#QSTG wines: Name, Variety and Origin	26
Table 5:	Revised Price Segmentation Model (Fredericks, 2004)	32

LIST OF FIGURES

Figure 1:	Model of McCarthy's marketing mix or 4Ps (https://marketingmix.co.uk/4ps-in-marketing/)	3
Figure 2:	Most important aspects of entrepreneurial marketing (Morris et al., 2002, Simmons et al., 2009)	5
Figure 3:	Development of the world area under vines (OIV, 2019, State of the Vitiviniculture world market)	7
Figure 4:	Area under vines by size class of the holding 2015 (Eurostat, vit_t2)	8
Figure 5:	Developments in world wine production (OIV, 2019, State of the Vitiviniculture world market)	8
Figure 6:	Development of the wine world trade (OIV, 2019, State of the Vitiviniculture world market)	10
Figure 7:	Development of worldwide wine consumption (OIV, 2019, State of the Vitiviniculture world market)	11
Figure 8:	Development of organic viticulture in Europe 1999-2011 (Fib survey 2013, based on information of Eurostat and national data sources)	11
Figure 9:	Development of organic viticulture in the five European countries with the largest organic vine area (2007-2011) (Fib survey 2013, based on information of Eurostat and national data sources)	12
Figure 10:	Wine Consumer Segments (https://www.bauerhaus.com/the-6-different-wine-consumers/)	15
Figure 11:	Share of Consumers/Share of Purchases (Source: Project Genome by Wines and Vines)	17
Figure 12:	Handwritten Logo #QSTG	18
Figure 13:	Elegant Font Logo #QSTG	18
Figure 14:	Technical Font Logo #QSTG	18
Figure 15:	Round Font Black Logo #QSTG	18
Figure 16:	Round Font Red Logo #QSTG	18
Figure 17:	Mixed Square Font Logo #QSTG	19

Figure 18:	Clear Square Font Logo #QSTG	19
Figure 19:	Pop Art Illustration, white background	24
Figure 20:	Pop Art Illustration, colorful background	24
Figure 21:	Cartoon Illustration	24
Figure 22:	Cartoon Illustration “in vino veritas“	24
Figure 23:	Watercolour Illustration	25
Figure 24:	Front Label for “The Lawyer“	27
Figure 25:	Front Label for “The Investor“	27
Figure 26:	Front Label for “The Journalist“	28
Figure 27:	#QSTG Bottle with Front Label	28
Figure 28:	Cardboard cases for 6 bottles used by #QSTG (opened & closed); Look of handmade print	30
Figure 29:	The price ranges of wines (Rabobank International, 2009; Bruni, 2011)	31
Figure 30:	Wine Pricing Segments (Wine Folly, 2016)	32
Figure 31:	Screenshots of the first draft of the #QSTG website (homepage, wines, winemakers)	39

LIST OF ABBREVIATIONS

- AOP:** Appellation d'Origine Protégée
AWBR: Academy of Wine Business Research
B2C: Business-to-Consumer
CRM: Customer-Relationship-Management
DOC: Denominazione di Origine Controllata
EU: European Union
EUR: Euro (European Monetary Unit)
FiBL: Forschungsinstitut für biologischen Landbau
LSR: Large-Scale-Retailer
M.Sc: Master of Science
OIV: International Organization of Vine and Wine
PR: Public Relations
QSTG: Quereinsteiger
SEA: Search Engine Advertising
SEM: Search Engine Marketing
SEO: Search Engine Optimization
SM: Social Media
SME: Small and Medium-sized Enterprise
USD: United States Dollar

I. INTRODUCTION

1. THE PROJECT

In accordance with the regulations of the Vinifera EuroMaster of science (M.Sc.) of viticulture and enology the author has chosen the opportunity to write a **project master thesis** under the title “*Finding your niche in a global wine market - Establishment of the new wine brand #QSTG with focus on product development and entrepreneurial marketing*”.

The author intends to establish a new wine brand named #QSTG, which is a diminutive of the German term *Quereinsteiger* (in English: career changer). The name refers to the completely different professional background of the author, who has been a lawyer and entrepreneur for many years, before studying viticulture and enology. The idea is to create a brand for wines produced by the author and other winemakers who also have other professional backgrounds, bringing in new ideas based on their different perspective, approach and style of winemaking. The personal stories of these winemakers will be told and act as a key tool for the marketing of the brand. The different wine labels marketed under the #QSTG brand will be named after the profession of the respective winemaker (e.g. *THE LAWYER; THE INVESTOR; THE JOURNALIST; THE MUSICIAN*). The wines may come from any winegrowing region in the world, as long as the respective winemaker is a career changer, agrees in becoming part of the project and fulfils the quality rules/standards established by #QSTG.

Within this master thesis, the author is planning the project from scratch by developing the brand and product as well as a realistic and feasible marketing strategy. This includes subjects such as elaboration of the business idea, development of corporate design, logo, labels, website as well as finding potential #QSTG project partners. The marketing part of the thesis focuses on entrepreneurial marketing, taking into account the small size of the project and limited resources. The author analyses the market and competition, identifies possible niches and develops strategies for promotion, pricing and placement of #QSTG. According to the results regarding the feasibility, the author will later launch the brand #QSTG.

2. THE SCENARIO

In order to develop a business case, which can be implemented afterwards, the whole case needs to be put in a realistic scenario. As #QSTG will start as a new, small wine project, a scenario of a Small and Medium-sized Enterprise (hereinafter referred to as SME) acting on the global wine market and seeking for its niche is assumed. For reasons of systematics, it is necessary to first clarify the terminology for SME. Later on the term entrepreneurial

marketing will be defined. Therefore a literature review about entrepreneurial marketing of SMEs in the wine business has been performed. The subject was set in the context of the global wine market, which is challenging for SMEs but also opens some opportunities.

Pursuant to the *EU recommendation 2003/361* a SME is defined by the headcount of staff (<250) and turnover (<50 mio. €) or balance sheet total (<43 mio. €). According to this definition the vast majority of European wineries are small independent producers, and hence SMEs (Bruwer and Johnson, 2010; Terblanche et al. 2008). The focus of the literature review was put on SMEs, because these companies are often facing the same challenges #QSTG will face. These challenges include changing worldwide production and consumption patterns, tougher competition, particularly from the so-called *New World* producers, such as Australia, New Zealand, Chile, Argentina and South Africa, as well as increasing regulations. The wine industry is characterized by high competition, high barriers to entry, sophisticated consumers and overproduction (Beverland and Lockshin, 2006; Montaigne, 2010; Terblanche et al., 2008). The high competition can be also pictured in numbers: while for the four traditional European winegrowing countries (France, Italy, Spain and Portugal) the growth in volume of exports, as a percentage of world wine production, rose from 15 to 32% between 1988-1990 and 2001-2009, the ration for the New World countries rose from 3% in the late 1980s to 37% by 2009 (Anderson and Nelgen, 2011).

Furthermore SMEs are facing challenges related to their size. Low staff and minimal time for marketing activities, low production capacity and consequently no access to Large Scale Retailers (LSRs) and wholesalers, as well as low marketing budgets are typical problems. Insofar the marketing strategy of SMEs in the wine business has to be developed individually for each case.

3. MARKETING MIX 4P

Traditionally the marketing mix, or 4Ps (Figure 1), which was originally proposed by the marketer and academic E. Jerome McCarthy in 1960 and which has become one of the most enduring and widely accepted framework in marketing, can also be applied on wine marketing. It includes (i) Product, (ii) Pricing, (iii) Placement and (iv) Promotion as well as their concomitant areas in wine marketing, such as branding, new product development, public relations, managing the sales force, and distribution (Lockshin, 2003).



Figure 1: Model of McCarthy's marketing mix or 4Ps (<https://marketingmix.co.uk/4ps-in-marketing/>)

In addition to that, wine marketing should include some specific wine-related topics, such as consumer behaviour, wine tourism and direct sales (cellar door), labelling and packaging, wine events, medals and show awards, promotional activities, exporting, including market choice and channel within market choice, as well as selecting and managing agents (Hall and Richard Mitchell, 2008). Although SMEs can use this model as a framework for their marketing mix, entrepreneurial marketing differs from the known concept. The following literature review will summarize the research about entrepreneurial marketing in general and in the next step for the wine industry in particular. Furthermore the consequences for the marketing mix of SMEs in the wine business are analysed, considering the literature about various marketing tools for SMEs. Finally the findings are applied on the #QSTG project.

4. ENTREPRENEURIAL MARKETING

4.1 GENERAL DEFINITION

In theory entrepreneurial marketing is composed of knowledge about marketing, but also entrepreneurship, innovation, customer engagement and relationship development (Hills et al., 2008; Kraus et al., 2010; Simmons et al., 2009). Although managers in the wine business

rated marketing the second most important key factor for success after production know-how (Charters et al., 2008), there are surprisingly few academic studies about wine marketing, most of them focusing on the New World wine industry (Trinquecoste, 2009). Within these studies the role of branding is underlined in promoting industry growth through value creation (Beverland, 2005; Bruwer and Johnson, 2010; Celhay and Cusin, 2010b). Apart from the fact that branding and entrepreneurial marketing are different concepts, the relationship between the two is described in the literature as follows: if companies (small or large) apply innovative branding methods or classical branding methods in innovative ways, it can stimulate perceived customer value. The two concepts are linked by innovativeness and creativity since these are central principles of creating perceived customer value as highlighted in the definition of entrepreneurial marketing (Bjerke and Hultman, 2002; Morris et al., 2002).

In fact SMEs can take advantage of their small size and flexibility, by crafting strong niche positions within their sectors if they manage to balance the need to constantly react to day-to-day market changes with a commitment to stability of purpose in their strategic direction (Beverland and Lockshin, 2006). Entrepreneurial marketing is of importance for the future strategy of the company, involving organizational members' practice of integrating customer preferences, competitor intelligence and product knowledge into the process of creating and delivering superior value to customers (Jones and Rowley, 2011a). It is a combination of focusing on the market, generating creative insights, identifying new opportunities and sources of innovation, being able to take risks, leveraging resources and having a marketing approach which is driven by the owners/managers personality (Beverland and Lockshin, 2006; Carson and Cromie, 1989; Hill and Wright, 2000; Littunen, 2000; Simmons et al., 2009). According to Bjerke and Hultman entrepreneurial marketing is marketing of small firms growing through entrepreneurship (Bjerke and Hultman, 2002). As this definition does not go very deep, a more qualitative definition is given by Hills et al. Thus entrepreneurial marketing is: "a spirit, an orientation as well as a process of passionately pursuing opportunities and launching and growing ventures that create perceived customer value through relationships by employing innovativeness, creativity, selling, market immersion, networking and flexibility" (Hills et al., 2008).

There are several other factors, which are typical for entrepreneurial marketing. Some are pointed out by Morris et al. as well as by Simmons, including a (i) proactive orientation by being the first to visualize and exploit opportunities innovatively, (ii) having an opportunity-driven approach by exploration of unnoticed market positions within or outside current markets, (iii) being focused on innovation, (iv) being highly customer orientated by exploring latent needs on a creative way, (v) having a functioning risk management by redefining elements of an uncertain environment to reduce uncertainty/lessen vulnerability, (vi) leveraging resources by managing relationships with individuals/organizations and lastly (vii)

value creation by increasing benefits/reducing costs (Morris et al., 2002; Simmons et al., 2009). Insofar entrepreneurial marketing can be a driver for innovation. It can create and renew competitive advantage through sustainable value propositions in existing and new markets (Beverland and Lockshin, 2006; Hill and Wright, 2000; Simmons et al., 2009). In practice, entrepreneurial marketing is known for being more intuitive and dependent on specific situations (Guido et al., 2011; Hill and Wright, 2000).

That's why in entrepreneurial marketing intensity and motivation is more important than an analytical planning process (Hills et al., 2010). For Kraus et al. it should be regarded as "processes to create, communicate and deliver value" (Kraus et al., 2010). These processes lead to classical marketing approaches, but used in a creative and innovative way. Although these classical marketing approaches are applied by SMEs, the companies do not follow marketing theories and text books. This wouldn't make sense, since these companies don't have the recourses and competencies to use classical marketing in an efficient way (Chaston, 1997). Somehow the marketing process starts in contrary direction, rather than following the classical path to start with the assumption of an existing market and follow with the design and development of an appropriate offering to penetrate that market (Hills and Hultman, 2011). It is an opportunity-driven and opportunity-seeking way of thinking and acting (Hills et al., 2008). As there is no generally accepted and applied definition for entrepreneurial marketing in the literature, the following Figure 2 should summarize the most important aspects.

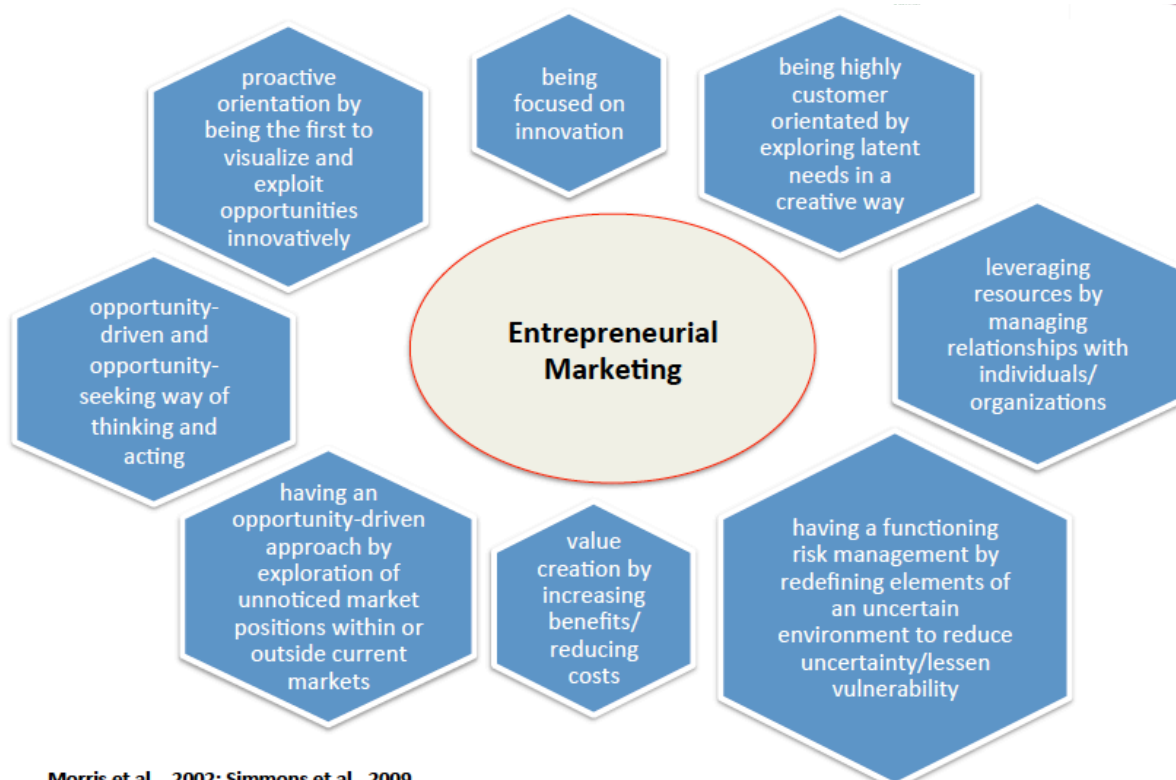


Figure 2: Most important aspects of entrepreneurial marketing (Morris et al., 2002, Simmons et al., 2009)

4.2 ENTREPRENEURIAL MARKETING IN THE WINE BUSINESS

The aspects mentioned under section 4.1 about entrepreneurial marketing also apply for the wine business. But of course there are some particularities, which shall be summarized in the following.

The wine market is considered as a highly complex market for consumer decision making (Celhay and Cusin, 2010b). Because of globalization, the importance of differentiation has even increased (Bruwer and Johnson, 2010). Companies in mature industries can still find opportunities in growth niches through differentiation (Gilinsky and McCline, 1999). Insofar differentiation is the major opportunity for SMEs in the wine business (Duquesnois and Gurău, 2010; Gilinsky and McCline, 1999). The way how SMEs and - in particular #QSTG - can differentiate by using tools from entrepreneurial marketing will be discussed under section III.

Another important success factor for entrepreneurial marketing within the wine industry is networking and building of business relationships with key stakeholders (Beverland and Lockshin, 2006). According to Terblanche et al. infrastructure and integration are very important. It is pointed out, that several individual factors can bring benefits for the marketing in wine business (Terblanche et al., 2008). Another example is given with regards to the French wine industry, which comprises a number of regional clusters, such as groups of companies from the same or related industries located in the same region (Bell, 2005). The establishment of networks can help to create a kind of entrepreneurial marketing cooperation, in order to acquire social capital within industry clusters (Casson and Guista, 2007; Felzensztein and Gimmon, 2009). Being organized in networks is a great opportunity for innovation. The benefits of networks promote innovation by exchange of knowledge and resources (Bell, 2005; Shaw, 2006; Suire and Vicente, 2008). But recently there have been some opinions promoting a broader thinking. Accordingly it would be useful to overcome local thinking by creating international networks for an exchange of industry-specific knowledge (Felzensztein and Gimmon, 2009; Morrison and Rabellotti, 2009).

Following the opinions of the literature, there are two specific factors SMEs in the wine business should focus on: (i) keeping and strengthening the current positioning through brand differentiation and (ii) engaging in cooperative business relationships and networks to have better opportunities in terms of product-market development (Thomas et al., 2013).

II. MARKET ANALYSIS & COMPETITION

For the development of a suitable marketing strategy for #QSTG it is crucial to understand the wine market in general and the approached niche market in particular. In the following

paragraph some facts and figures provided by the International Organization of Vine and Wine (OIV) concerning the wine market in the previous years are pointed out, before having a closer look at some numbers about organic viticulture respectively organic wine, as #QSTG will focus on this niche.

1. WINE MARKET: FACTS & FIGURES

1.1 SURFACE UNDER VINES

The world area under vines decreased from 7.8 mha in 2003 to an estimated surface of 7.4 mha in 2018. This area under vines also includes other production purposes, such as table grapes or raisins. This number is almost equal to 2017.

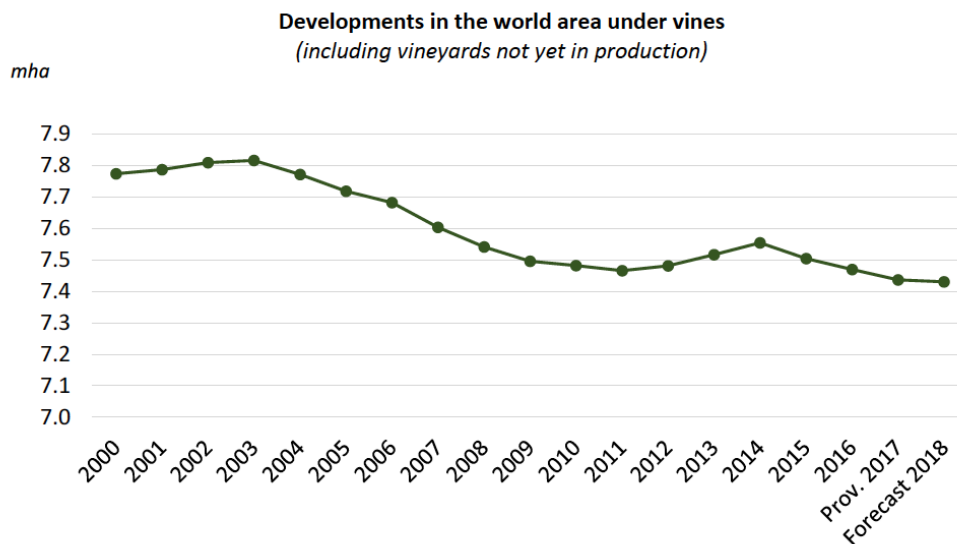


Figure 3: Development of the world area under vines (OIV, 2019, State of the Vitiviniculture world market)

The decrease since 2014 is mainly due to a decrease in vineyard surface in Turkey, Iran, USA and Portugal. In Europe the surface under vines has recently been quite stable, with 3.3 mha. In Asia, in particular China (875 kha), the significant increase in surface slowed down a little bit. In North and South America there is a trend of a slight decrease in vineyard area. The same trend has been observed in South Africa. In Oceania the surface under vines has recently been quite stable. Furthermore it is interesting to have a look on the size of vineyards. The following Figure 4 shows the area under vines by size in some selected European countries. Other than in South America there are more small grape producers, even if there is a clear trend of bigger vineyards underlined by big mergers and acquisitions in the wine industry.

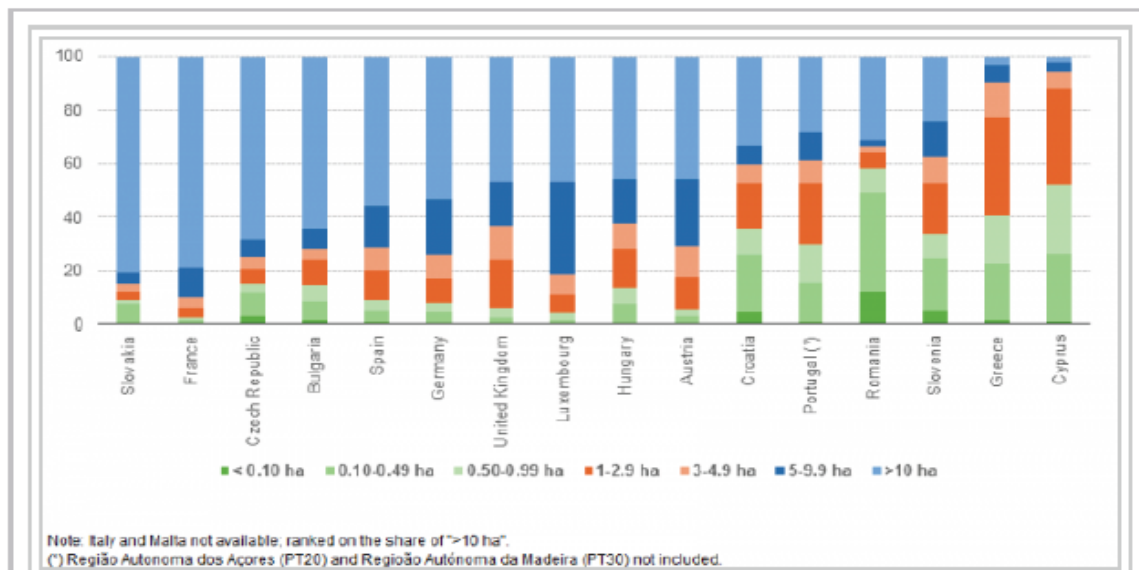


Figure 4: Area under vines by size class of the holding 2015 (Eurostat, vit_t2)

1.2 WINE PRODUCTION

Developments in world wine production (excluding juice and musts)

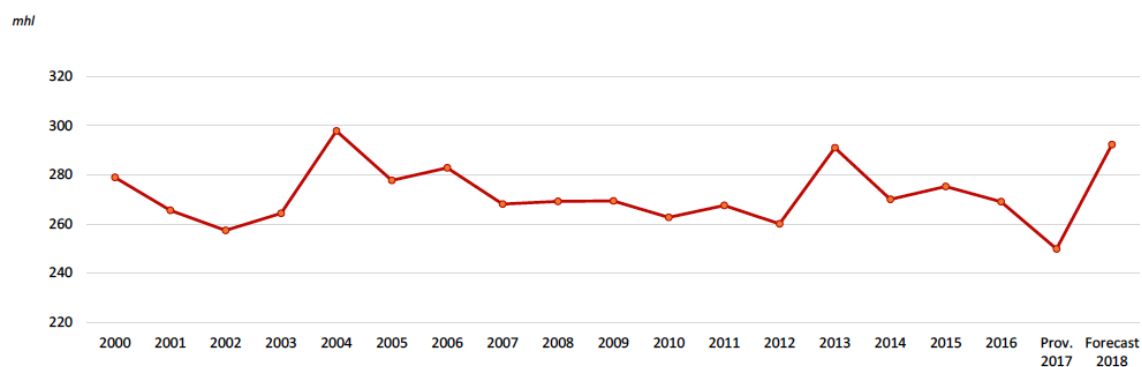


Figure 5: Developments in world wine production (OIV, 2019, State of the Vitiviniculture world market)

The OIV forecast shows a significant increase in worldwide wine production (excluding juice and musts) for 2018. The estimated production is 292.3 mhl compare to 249.8 mhl in 2017, which was historically low because of weather conditions. In Europe the estimated wine production for 2018 rose by 28.3%. While in China the production volume dropped from 11.6 mhl to 9.3 mhl, the production in North and South America was quite stable with some variations, such as a significant increase of 3.4 mhl in Chile. The wine production will always show some variations related to the weather conditions in each year. These variations might be even stronger in the future because of climate change and respectively more weather extremes. Nevertheless the wine production has been quite stable in average over the past twenty years. The following Table 1 was published by the OIV showing the average wine

production in mhl by countries from 2013-2017, the production of 2017 and 2018 plus the variation between these years in percent.

Wine production (excluding juice and musts)^a

<i>mhl</i>	2013-2017 Average	2017 ^b	2018 ^c	2018/2017 Variation in %
Italy	48.3	42.5	54.8	28.9%
France	43.5	36.4	49.1	34.8%
Spain	38.9	32.5	44.4	36.7%
United States ^d	23.2	23.3	23.9	2.3%
Argentina	13.0	11.8	14.5	22.8%
Chile	11.0	9.5	12.9	35.9%
Australia	12.6	13.7	12.9	-6.1%
Germany	8.6	7.5	9.8	30.7%
South Africa	11.0	10.8	9.5	-12.5%
China (mainland)	13.1	11.6	9.3	-20.0%
Russia	5.4	6.3	6.5	3.0%
Portugal	6.4	6.7	6.1	-10.0%
Romania	4.0	4.3	5.1	17.9%
Hungary	2.8	3.2	3.6	14.6%
Brazil	2.6	3.6	3.1	-13.2%
New Zealand	2.8	2.9	3.0	5.8%
Austria	2.2	2.5	2.8	10.8%
Greece	2.7	2.6	2.2	-15.4%
Moldova	1.8	1.8	1.9	5.5%
Switzerland	0.9	0.8	1.1	40.4%
Bulgaria	1.3	1.1	1.0	-3.6%
Other countries	14.8	14.5	15.0	3.4%
World total	270.9	249.8	292.3	17.0%

a) Countries for which information has been provided with 2018 wine production of more than 1 mhl

b) 2017: provisional data

c) 2018: forecasted data

d) OIV estimate (USDA basis)

Figure in italics: OIV estimate

Table 1: Worldwide wine production by countries in mhl (OIV, 2019, State of the Vitiviniculture world market)

1.3 WINE TRADE

Furthermore the statistics about wine trade (sum of worldwide exports) are an important indicator for trends in the wine industry. In 2018 there has been a modest increase in volume (+0,4%) and value (+1,2%). The volume reached 108.0 mhl while the value was 31.3bn EUR. Within the last 20 years the world wine trade continuously increased in volume and value. Besides other factors, growing new markets such as China, Russia and India are responsible for this numbers. From the #QSTG project perspective the only important message is, that

the international markets are not saturated yet and there is still some potential for exporting wine within the European market or to markets abroad.

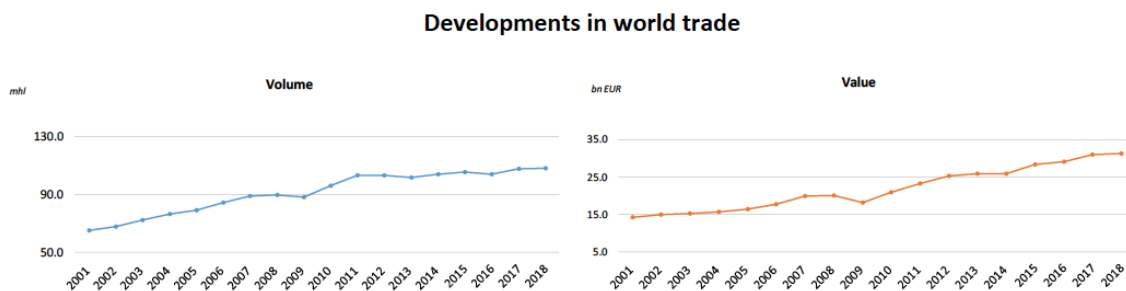


Figure 6: Development of the wine world trade (OIV, 2019, State of the Vitiviniculture world market)

It is also interesting to have a look on the product type which has been traded. The trade with bottled wine is the only category with a decrease in volume and value (-8.0%/-0.9%). As #QSTG will only market bottled wines this could have a negative impact. But #QSTG will focus on the premium market. This segment will be still dominated by bottled wines in the future.

The numbers of exported sparkling wine continues to increase as in the previous years (3.7%/6.3%). The highest growth rate was observed for bag-in-boxes with a growth of 5.0% in volume and 15.7% in value. Bulk wine exports decreased in volume (-5.0%) and increased in value (3.8%).

World wine market

Volume (mhl)		Value (bn EUR)		Type	2018 Vertical structure		2018/2017 Variation	
2017	2018	2017	2018		volume	value	volume	value
107.6	108.0	31.0	31.3	Bottled	53%	70%	-8.0%	-0.9%
				Sparkling	9%	20%	3.7%	6.3%
				BiB	4%	2%	5.0%	15.7%
				Bulk (>10L)	34%	8%	-5.0%	3.8%
Variation of 0.4%		Variation of 1.0%						

Sources: OIV, GTA

Table 2: World wine trade by product type (OIV, 2019, State of the Vitiviniculture world market)

1.4 WINE CONSUMPTION

While the wine consumption has constantly increased since 2014, which was mainly related to the growing consumption in the United States and China, 2018 seems to mark a preliminary end of this trend. This is mainly due to the slight decline in consumption in China and in the United Kingdom. The estimated world wine consumption is 2,465 mhl. The following graph (Figure 7) pictures this development. As this number is only an OIV

estimation and considering the margin of error in tracking global consumption, this figure has to be used with caution.

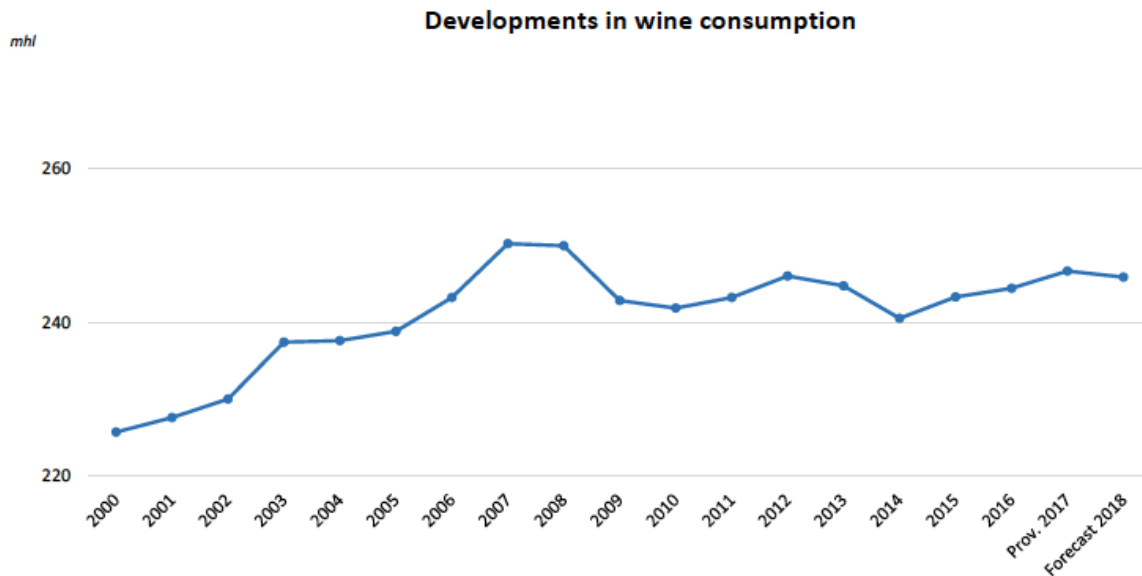


Figure 7: Development of worldwide wine consumption (OIV, 2019, State of the Vitiviniculture world market)

1.5 ORGANIC WINE MARKET

As #QSTG will produce and market organic wines, it is also important to give a short overview of the market of organic wines. Organic viticulture and biodynamic viticulture are methods for the production of grapes and wines in accordance with principles of organic farming. It is based on the European Union regulation No. 834/2007, taking into account the findings of ecology and environmental protection for the production of agricultural products. Since July 2010 organic products produced in the EU can be marketed with the EU certified organic food label. Besides the EU label, producers can also work with several national and international organizations such as *Agriculture Biologique*, *Bioland*, *Demeter* or *ECOVIN*, which define extensive rules about aspects such as soil care, fertilization and/or crop protection.

The organic wine market is constantly growing, because consumers are getting more and more concerned about environment, sustainability and healthy food. Furthermore there are agri-environmental programs which support this development. In recent years, organic viticulture became increasingly important. While the growth stagnated from 2001 to 2004, the area under organic vines is growing fast since then. Double-digit growth rates have been observed since 2008 (2008: +26 per cent; 2009: +30 per cent; 2010: +15 per cent; 2011: +20 per cent; Figure 8).

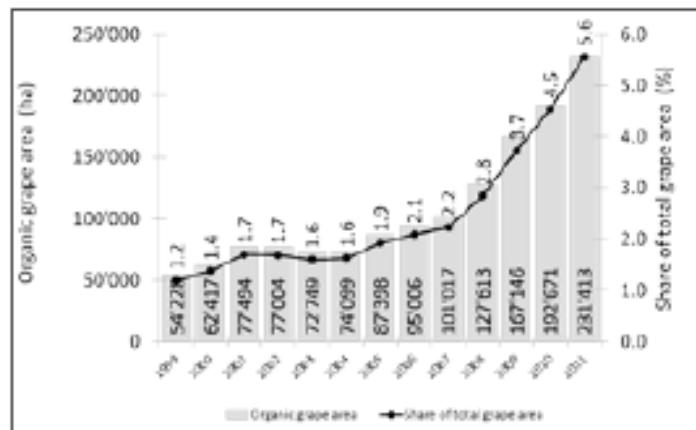


Figure 8: Development of organic viticulture in Europe 1999-2011 (Fib survey 2013, based on information of Eurostat and national data sources)

However it is quite difficult to get reliable numbers about organic viticulture because the OIV does not publish any numbers about this sector. Insofar other sources need to be consulted. Often sources are not up to date or inaccurate because there are a quite huge number of wineries in a stage of conversion or just not certified as organic yet, although they practice organic viticulture. Countries like Austria, Germany, Portugal and Switzerland don't publish data about wineries in conversion.

The numbers in this section about organic viticulture are mainly based on the document *EU Rules For Organic Wine Production – Background, Evaluation and Further Sector Development* which was published by the IFOAM EU Group. Unfortunately this only provides numbers for organic viticulture in Europe and not for the *New World*.

According to a survey by the research institute of organic agriculture (Fib) the surface of organic vineyards in the end of 2011 amounted to more than 230,000 hectares. Figure 9 shows that the largest surfaces of organic vineyards can be found in Spain (one third of European organic vineyards), France and Italy. Usually organic vineyards are planted for wine production, however in Turkey a large part of the production is used for raisins. In 2011 more than 100,000 of Europe's 230,000 organic hectares have been under conversion. In the meantime the conversion period ended and new wineries are in the conversion stage. Insofar the surface is still growing. An end of this trend is not foreseeable. As grapes from vineyards under conversion cannot be used for the production of organic wines, the supply of organic wines will increase congruously to the increasing surface of certified vineyards.

In 2011 about 5.6 per cent of the grape area in Europe was organic; in the European Union this number is even higher (6.6 per cent). This number represents a higher share than for overall agricultural land in the European Union (5.4 per cent in 2011). Hence, in many countries the share of organic vineyards is similar to or higher than the share of organic agricultural land in total.

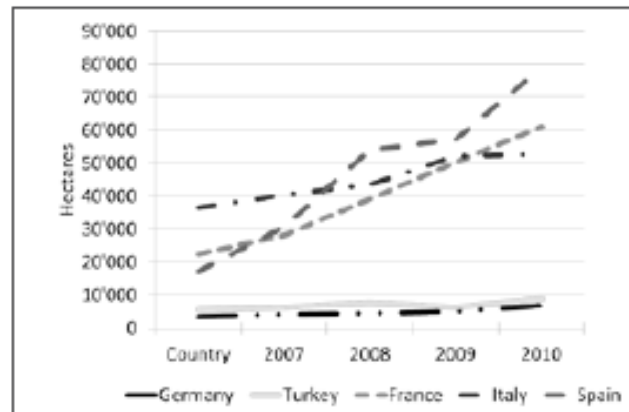


Figure 9: Development of organic viticulture in the five European countries with the largest organic vine area (2007-2011) (Fib survey 2013, based on information of Eurostat and national data sources)

On a global level Europe is with 230,000 hectares of organic vineyards by far the largest player when it comes to organic vineyards. 89 per cent of the total area under organic vines worldwide is located in Europe. This represents 3.7 per cent of all vineyards. Apart from Europe the major producers of organic grapes are the United States (almost 12,000 hectares in 2008) and Chile (4,600 hectares).

Finally it would be important to have a look at some numbers about the organic wine market in Europe. Unfortunately, almost no market statistics are available for organic wine. In contrast there are market numbers about the general organic food market, which reached 21.5 billion Euros in 2011 (19.7 billion Euros within the EU). For the French market there are some market numbers provided by agence Bio. Accordingly the revenue from organic wines was about 360 million EUR in 2011, which is approximately 4 per cent of all wine sold in France. The share of organic wines was higher than the share of organic food sales (2.3 per cent). These numbers show that the sector of organic wine is still relatively small. However, it is expected that by 2022 one billion bottles of organic wines will be consumed per year (Arthur, 2019). This shows that this sector becomes increasingly important.

#QSTG will focus on the niche market of organic wines, because the author believes in the importance of being environmentally sustainable. A positive side effect is, that the demand for organic wines is increasing and it is easier to enter a market with great growth rates.

2. COMPETITION

For a successful start of a business it is important to know what the competitors are doing and whether to adapt or differentiate. This is usually achieved by performing a competitor analysis. According to the here followed competitors analysis by Edmund Heinen, there are three basic questions which define the strategic orientation in competition. The model of Heinen is based on the theories of Michael E. Porter about market structures. The three

basic questions are connected to (i) the place of the competition, (ii) the rules of the competition and (iii) the core area of the competition (Heinen, 1991).

The question about the place of competition defines if the company wants to market their products in a niche market or in the main core market. For #QSTG this question is easy to answer, because the main core market is quite saturated with big players managing big marketing budgets. As a small new wine project it is almost impossible to compete in this core market. Besides this fact the production of #QSTG is too small to cope with the required quantities. Insofar #QSTG will be in competition with other small producers and wine projects for organic wines.

The second question which needs to be answered is the question about the rules of the competition. According to Heinen it is crucial to define the way how the new product should be established before launching. The two different options are basically adaption to and acceptance of established product definitions, sales channels and pricing strategies on the one hand or changing of established market rules. In previous parts of this document it has been asserted that for small producers and new brands, entrepreneurial marketing represents a great opportunity to market the product off the beaten tracks. One of the key points of entrepreneurial marketing is differentiation. Hence it is self-evident that #QSTG will not adapt to established, conventional product definitions, sales channels and pricing strategies. In fact the approach will be opportunity-driven, creative and progressive. The “how“ will be developed in the course of this project master thesis.

Finally the core area of competition needs to be defined. This could be either competition by cost orientation or by differentiation. Competition by cost orientation could be achieved by standardized products and orientation due to experience curves which lead to efficient cost management and ideally market leadership. On the contrary differentiation means to attune the product to the needs of the targeted customers. #QSTG will target the market for organic wines made by small producers. Insofar it is evident that the focus of #QSTG is rather on differentiation than on cost orientation.

In some industries it would make sense to perform an in-depth review about certain competitors within the targeted market. This proceeding is useful if there is just a small number of competitors which can be compared with each other. In the wine industry there are thousands of small producers and wine projects producing organic, artisanal wines. Thus an in-depth review and comparison between them appears unpromising. In fact it seems to be more promising to choose examples of small, organic wineries or wine projects which have been started from scratch. Thereby it might be possible to analyze what led to success stories and what led to failure. However this should not be part of this master thesis.

III. BRAND DEVELOPMENT & MARKETING OF #QSTG

In this part of the project thesis, the brand of #QSTG and a suitable marketing mix is developed. The marketing mix is taking into account the aforementioned findings about entrepreneurial marketing. Nevertheless the marketing mix will also consider the classical 4 P marketing mix and combine this framework with elements of entrepreneurial marketing. For the development of a new brand it is fundamental to define the targeted market before starting any marketing activities. Only by knowing your future customers it is possible to develop the brand and products in accordance with their needs and expectations. In addition to that, an efficient marketing mix can only be developed if it is known with whom you are communicating. Insofar it is crucial to firstly define the future market and customers of #QSTG. After the positioning of #QSTG is clear, the brand and respectively the marketing mix can be developed accordingly.

1. POSITIONING OF #QSTG

#QSTG will stand for premium, artisanal, organic wines, produced by inspiring winemakers who left their past careers behind in order to follow their passion for wine. For a better understanding who the customers of #QSTG will be, it makes sense to understand the different types of wine consumers and target a specific market segment. The following figure pictures the six types of wine consumers:

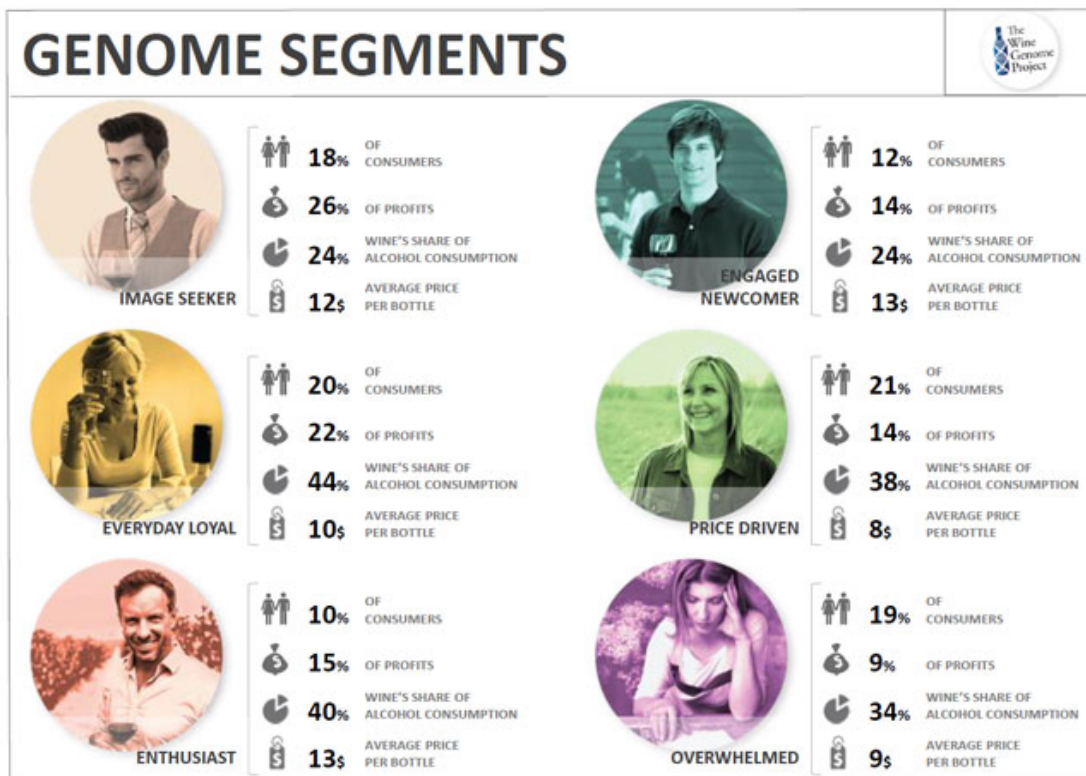


Figure 10: Wine Consumer Segments (<https://www.bauerhaus.com/the-6-different-wine-consumers/>)

According to this study “*Project Genome*“ by the world’s largest wine seller *Wines and Vines*, each type of wine consumer has his or her characteristic behavior. The following attributes have been identified by this study:

➤ **Overwhelmed**

- By number of choices
- Like to drink wine, but don’t know what to buy
- May select by wine label design
- Want easy to understand info in retail
- Open to advice, but frustrated if no one is in the wine section to help
- If confused, won’t buy anything

➤ **Image Seekers**

- Status symbol
- Are just discovering wine
- Have basic wine knowledge
- Like to be the first to try new wine
- Open to innovative packaging
- Prefer Merlot
- Check restaurant wine lists online and research scores
- Millennials and Males

➤ **Wine Enthusiast**

- Entertain at home with friends
- Consider themselves knowledgeable about wine
- Like to browse wine sections at stores
- Live in cosmopolitan centers, affluent suburban spreads or country setting
- Influenced by wine ratings and scores
- 47% buy wine in 1.5L as “everyday wine” to supplement their “weekend wine”

➤ **Everyday Loyal**

- Like wine from established wineries
- Prefer to entertain at home
- Wine makes occasion more formal
- When I find a brand I like, I stick with it
- Wine is part of my regular routine

➤ **Price Driven**

- I believe you can buy good wine without spending a lot
- Price is top consideration
- Shop in a variety of stores to find the best deals
- Use coupons & know what's on sale ahead of time
- Typically buy a glass of the house wine when dining out, due to the value

➤ **Engaged Newcomers**

- Don't know much about wine, just like to drink it
- Young = Millennials
- Wine is part of socializing
- Interested in learning more about wine

After reviewing and analyzing the different types of wine drinkers above, #QSTG will focus with its marketing activities on Wine Enthusiasts. Another group of wine drinkers which could also become interesting for #QSTG in the future are Engaged Newcomers.

The idea of #QSTG is to market interesting premium organic wines made by inspiring winemakers who are career changers. Although the wines of #QSTG are of high quality, the consumers will purchase the wines rather for being interesting, organic, new, artisanal and different than for being exclusive or prestigious. As Wine Enthusiasts like to share wines with friends at home, they will love to tell the story of #QSTG and its related winemakers. By creating an artistic and recognizable label (section III. 8.1) #QSTG wants to arouse interest amongst Wine Enthusiasts seeking for new interesting wines in their wine shop or wine bar.

Besides Wine Enthusiasts, the segment of Engaged Newcomers could be interesting to target as a group of consumers. Those individuals are interested in learning about wine, they are young (Millenials) and they might turn into Wine Enthusiasts later. But as they are usually not going to wine shops and their salary is not high enough yet, it is harder to reach this segment. So #QSTG will start with putting the main marketing effort on reaching Wine Enthusiasts. Another reason for this approach is pictured in Figure 11, which is based on the initial study for *Project Genome* from 2008 by *Wines and Vines*. Within their study they have been surveying the purchases of 10,000 premium-wine consumers – defined as those who purchased wine priced at \$5 and higher – over an 18-month period. While the first *Project Genome* study asked online survey participants to recall their wine purchases during the last 30 days, the *Home & Habits* study tracked the actual purchases of *Nielsen Co.'s Homescan®* consumer purchase panel, which employs in-home bar code scanners and surveys to map consumer buying behavior across a demographically balance” (Caputo,

2008). The figure shows that Wine Enthusiasts represent only 12% of all wine consumers. At the same time they are responsible for 25% of all wine purchases.

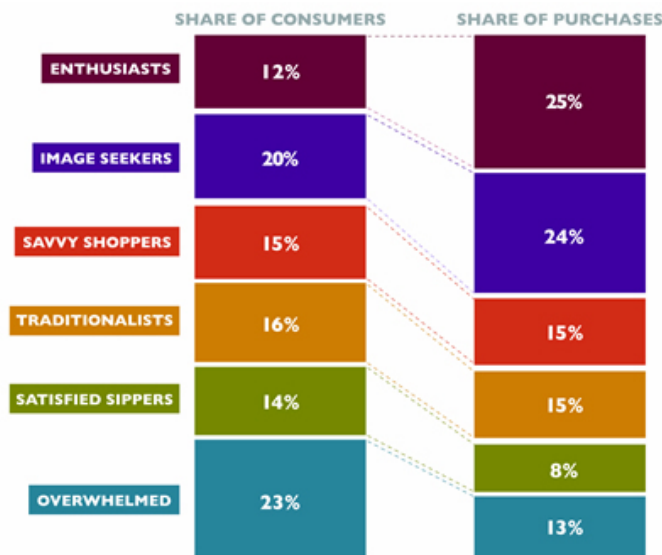


Figure 11: Share of Consumers/Share of Purchases (Source: Project Genome by Wines and Vines)

2. THE BRAND NAME

As mentioned before, #QSTG is an abbreviation for the German term “*Quereinsteiger*”, which means career changer. As the vocabulary *Quereinsteiger* is too long and very difficult to pronounce for foreigners, the unofficial abbreviation QSTG was formed. This was combined with a hash tag in order to put it in the modern context of a digitalized world with social media where hash tags are widely used. Furthermore the meaning of QSTG = career changer expresses the core message of the brand: follow your passion, do what you want to do with your life, it’s never too late for a change. This message is in tune with the zeitgeist of our prosperous society where an ever growing number of individuals are striving for self-fulfillment and where people who follow their passion are admired for their courage.

3. THE LOGO

The logo of #QSTG should be very simple and easy to remember. For that reason the logo only consists of the name of the brand without any additional pictures. Two graphic designers have been engaged to draft a respective logo. One idea was to express the personality of the career changers by using a hand written logo:

Figure 12: Handwritten Logo #QSTG

The second graphic designer suggested a logo with a clear and clean design. Therefore she drafted the following different possible logos:

Figure 13: Elegant Font Logo #QSTG

Figure 14: Technical Font Logo #QSTG

Figure 15: Round Font Black Logo #QSTG

Figure 16: Round Font Red Logo #QSTG

Figure 17: Mixed Square Font Logo #QSTG

Figure 18: Clear Square Font Logo #QSTG

As the logo should be clear on the one hand and express that #QSTG is new, different and progressive, the Mixed Square Font Logo (Figure 17) is the most suitable logo. The Bordeaux red of the hash tag symbolizes the color of red wine. The font is elegant and gives an indication of the wine style. The diagonal letters symbolize the German word “quer“ which means crosswise and implies the message to think outside the box.

4. THE SLOGAN

Although it is not necessary for a wine brand to have a slogan, it can help to explain the concept of the brand or to express the brand message. The slogan could be used for the websites on flyers or other printed advertising material. In the following list some possible slogans have been drafted:

Possible Slogans:

- *From office to nature*
- *From desk to wine*
- *Follow your passion*
- *Profession with passion*
- *Passion in a bottle*
- *Wine with soul*

As not all of the #QSTG winemakers worked in the business world before, the first two slogans are not matching perfectly. “*Profession with passion*” might sound too technical. The last two slogans could match with the brand, but does not explain the story behind #QSTG. So the third slogan “*Follow your passion*” has been chosen. It expresses what all #QSTG winemakers did when they left the comfort zone of their previous jobs in order to follow their passion for wine.

5. WINE STYLE

The wine style is also an important success factor. As many other things in our modern, globalized world, wine styles sometimes change due to fashions. In the past, noble people or later wine critics such as the famous Robert Parker who invented his 100 points rating system often influenced these fashions. Today there are still influential critics, journalists, sommeliers and influencers on social media channels, who promote a certain wine style. Right now natural wines, organic wines, low alcohol and easy drinking wines are trending. But in general there seems to be more diversity in wine styles recently.

A particularity about #QSTG is, that the different wine labels are made by different winemakers. For the consistency of the brand it is crucial to create wines which follow somehow the same philosophy of winemaking. Otherwise it would be almost impossible to perform a centralized marketing of all #QSTG wines. For consistency it is not enough that all winemakers have the attribute of being a career changer in common. Moreover the wine style should be somehow similar. Therefore the author created the so-called “#QSTG Constitution” which should give a guideline to the winemaking partners.

#QSTG Constitution:

- **#1:** Be Courageous: Winemaker is career changer
- **#2:** Be Emotional: Follow your passion
- **#3:** Be Creative: Create individual wines
- **#4:** Be Calm: Let your terroir speak

- **#5:** Be Sustainable: Use organic grapes
- **#6:** Be Natural: Spontaneous fermentation
- **#7:** Be Real: Don't fine and filter
- **#8:** Be Healthy: Less sulphur is more
- **#9:** Be Fair: Great Price-Quality Ratio
- **#10:** Be Happy: Sit back and enjoy the wine...

6. WINE QUALITY

Wine quality is one of the most important success factors in wine marketing. At the same time it is not easy to measure, because it also depends on personal consumers' preferences. The consumers' wine choice is influenced by various factors (see table below).

	Attribute
1	Promotional display in-store
2	Grape variety
3	Origin of the wine
4	Information on the shelf
5	Alcohol level below 13%
6	Matching food
7	Information on back label
8	Medal/award
9	An attractive front label
10	Brand name
11	Someone recommended it
12	I read about it in a guide
13	Tasted the wine previously

Table 3: Wine attributes that consumers consider when purchasing wine (Cohen, 2009)

Consumers are usually trying to reduce risk while purchasing a bottle of wine. The assessment of wine quality is complicated and based on extrinsic cues such as price, brand, region, medal, variety and intrinsic cues such as taste, bouquet and sensory characteristics (Cohen, 2009). The taste of the wine was the most concerning risk for consumers and plays a dominant role for the consumers' choice (Mitchell and Groatorex, 1989; Koewn and Casey, 1995; Thompson and Vourvachis, 1995). As tasting of wines is often not possible during the purchase process, other factors can also be important and should be part of the product development.

As mentioned before, #QSTG will focus on the premium price segment. Insofar the wine quality needs to be in accordance with this price segment and the quality of other wines of competitors who also sell their products in this segment. #QSTG will guarantee the required high quality by (i) the choice of the #QSTG partners, (ii) by the #QSTG Constitution with its rules for viticultural and enological practices and (iii) by pre-tastings and selection of the #QSTG wines.

7. REGION OF ORIGIN

There are several studies suggesting that the region and the origin of the wine is an important cue in wine choice and has a major impact on wine purchase (Angulo et al., 2000; Felzensztein and Dinnie, 2005; Orth et al., 2005; Perrouty et al., 2006; Skuras and Vakrou, 2002). Since centuries the region of origin has been an important factor for wine as a product. Especially in France this system has a long tradition and is nowadays established in worldwide marketing of wines. As mentioned before, differentiation is very important for the marketing of SMEs in the wine business. Arguably, differentiation is already implemented in France and other parts of the world through regional differentiation reinforced by the Appellation regulations. These regulations define grape varieties, pruning and training systems, as well as winemaking practices in geographical regions, driven by consumers' need for authenticity, quality and traceable products (Bruwer and Johnson, 2010). The French AOC designation is linked to the concept of terroir (including soil, microclimate, etc.) to which certain varieties and hence wines are well adapted (Gamble and Taddei, 2007). The designation of an AOC can be used as a label which gives value to the product. Particularly for SMEs, since a price premium can be charged using a known AOC (Terblanche et al., 2008). However, due to easy access to technological advancements and higher qualified winemakers, the ability to produce high quality wines is getting easier. Hence, such price/quality relationships are more easily replicable (Pitta, 2007). According to Gamble and Taddei (2007), an AOP is rather a reference of origin of the product than a reference of quality. Following this opinion, approaches to differentiate via appellations is no longer a sufficient competitive advantage. SMEs need to go further to develop their branding strategies in order to defend their competitive position within the industry.

#QSTG will market wines from different winemakers from different countries and regions. This gives #QSTG the opportunity to market a portfolio of wines from different well-known origins with its associated grape varieties. Thereby the brand can continuously be developed by subsequently adding interesting winegrowing regions and varieties to the portfolio.

8. PRODUCT DESIGN & PACKAGING

Consumers are well known to rely on the imagery, layout and color used in labels to infer wine quality and brand personality (Gluckman, 1990; Jennings and Wood, 1994; Verdu Jover et al., 2004; Boudreaux and Palmer, 2007). Furthermore wine labels are – after price - the second most important predictor of wine purchase intent (Mello and Pires, 2009).

According to the paper of Mello and Pires (2009) there are strong consumer preferences for certain combinations of colors and shapes in the composition of wine labels. The implication of the empirical findings suggests that the “resilient” color-shape combinations should be

used decisively in label design. This knowledge can be used by SMEs to improve their marketing strategy by designing successful color-shape compositions for their labels: color signals a product's attributes, thereby influencing perceptions about price and quality (Kerfoot et al., 2003). Knowing about the limited marketing budget of most SMEs it is also important to be aware of the fact that packaging color is the least expensive way of changing a product (Parmar, 2004). Furthermore SMEs should be creative in packaging (labels, bottle shapes/sizes, capsules, cases, etc.). This is another efficient way of differentiation in wine shelves between bottles of competitors.

#QSTG will use the packaging for differentiation by being valuable, noticeable, modern, progressive, artisanal, artistic and personal. In the following the packaging is developed in order to achieve differentiation and to fulfil the aforementioned attributes.

8.1 FRONT LABEL

According to Melo and Pires (2009), the wine label is the second most important predictor of wine purchase intent. If a potential wine buyer is unsure or has to decide between two bottles in the same price category, he will probably purchase the bottle because of the wine label. Furthermore the front label already reveals a lot about the content of the bottle. A very traditional label picturing an old Chateau will probably be a Bordeaux-style wine addressing more traditional wine drinkers, such as Everyday Loyals or Image Seekers. Conversely a very modern, maybe colorful label will address consumers, such as Wine Enthusiasts or Engaged Newcomers. Therefore the design of the label has to be in accordance with the targeted market.

As #QSTG will mainly focus on Wine Enthusiasts, the label should promise a special, individual and somehow different wine. The whole concept of #QSTG plays with the idea of individuals who left their careers behind in order to follow their passion for wine. These stories perfectly match with the expectations and dreams of Wine Enthusiasts, because for them wine is a very emotional, social and communicative product. They like to hear about the stories behind the wine and they will even spread the story by word of mouth. For this reason it makes sense to put a picture of each #QSTG winemaker in the center of the labels. But as #QSTG wants to build an image of being arty and creative, different graphic designers have been consulted to draft an illustration for the label. Therefore photos of the author of this project thesis served as a template. The goal was to receive different drafts with different styles of illustrations, such as pop art, cartoon and watercolor illustrations and to choose from these drafts the most suitable.

8.1.1 POP ART ILLUSTRATION

An Indonesian graphic designer, who is specialized in creating WPAP digital pop art portraits, made the first draft. He created one draft with and one without background. The design is colorful, modern and eye-catching.



Figure 19: Pop Art Illustration, white background



Figure 20: Pop Art Illustration, colorful background

8.1.2 CARTOON ILLUSTRATION

The second draft also comes from an Indonesian professional vector artist, who is – inter alia – specialized on cartoon illustrations. The task was to make a cartoon illustration of the author, which includes the previous profession (lawyer) and the future profession (winemaker). The final draft shows the author with a business outfit and rubber boots in a wine cellar. The cellar wall shows a drawing of *Justitia*, the Roman goddess of justice, and *Dionysus*, the Greek god of the grape-harvest, winemaking and wine as well as of fertility. In one of the two drafts the illustrated character is proposing the Latin toast “*In vino veritas*” (engl.: in wine there is the truth). This toast also connects the two professions law and viticulture and enology. This illustration is young, cool and unusual in the context of wine.



Figure 21: Cartoon Illustration



Figure 22: Cartoon Illustration "in vino veritas"

8.1.3 WATER COLOUR ILLUSTRATION

The last draft was made by a Malaysian Artist, who is specialized in water color, pencil and charcoal illustrations. The task was also to illustrate the author of this project thesis in consideration of his previous and new profession. The artist implemented this task by dressing the character of the illustration with a business outfit and rubber boots. With his right arm he is holding a legal code, while having a wine glass is in the other hand. In the background there are wine barrels, grapes and again *Justitia*. The background is covered with wild splashes of watercolors. This illustration is arty, wild but a little bit overloaded.



Figure 23: Watercolor Illustration

After some discussions and internal surveys, the pop art illustration without background was chosen to be the most suitable for the #QSTG project. The design is modern, colorful but cool and clean at the same time, eye-catching and memorable. Compared to the two other drafts it doesn't include the elements of the career change. But as the name of each #QSTG wine will be the previous profession of the respective winemaker, it is not necessary to have all details and symbols on the label. In the case of the watercolor illustration it can be noted, that a wine label with all the colors, details and symbols would even be overloaded. The cartoon illustration might be too juvenile and not valuable enough for the targeted premium market.

8.1.4 OTHER LABEL FEATURES

The #QSTG front label should be eye-catching and clear. That means it should only consist of the pop art illustration and some basic information: (i) the name of the wine, (ii) the grape variety, (iii) the origin and (iv) number of each bottle of the total production.

As mentioned before, the name of the wine will be the previous profession of the respective winemaker. Taking into account the career changing winemakers who already committed themselves to be part of the #QSTG project, the first #QSTG wines will be called:

Name of the wine	Grape Variety	Origin
The Lawyer	Riesling	Mosel
The Journalist	Pinot Noir	Mittelrhein
The Investor	Grenache/Carignan	Languedoc
The Musician	Blaifränkisch	Burgenland

Table 4: #QSTG wines: Name, Variety and Origin

The font used for the front label will be a handwritten font. This adds a personal touch to the wine. The consumer should thereby feel that the wine was handmade and basically signed by the winemaker. The font is handwritten by a German-Brazilian designer who is specialized on calligraphy. It is also possible that #QSTG will work with print finishing, such as paint 3-D effects or stamping. The used material of the labels will be matte recycled paper.

The grape variety and region of origin will also be printed in a handwritten font. In this case the font has to be clearer than the one of the wine name, because the information about variety and origin should be easily accessible. A final feature will be the number of each bottle of the whole production. It will be printed as follows:

#1731825

This method is known from works of arts, such as limited prints. Thereby the consumer understands that the production volume is very small, hence the number of bottles limited and that each bottle is an individual, artisanal item. All these features lead to the final front labels, which could look as follows:

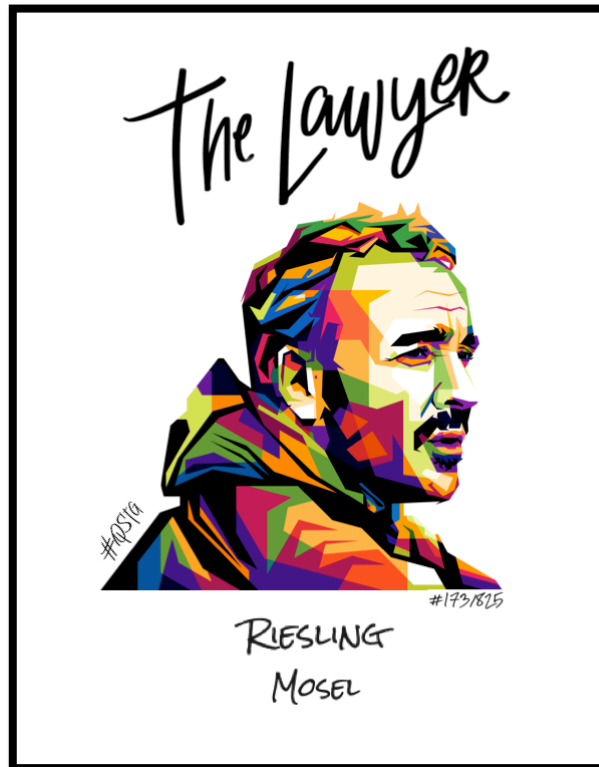


Figure 24: Front Label for "The Lawyer"



Figure 25: Front Label for "The Investor"

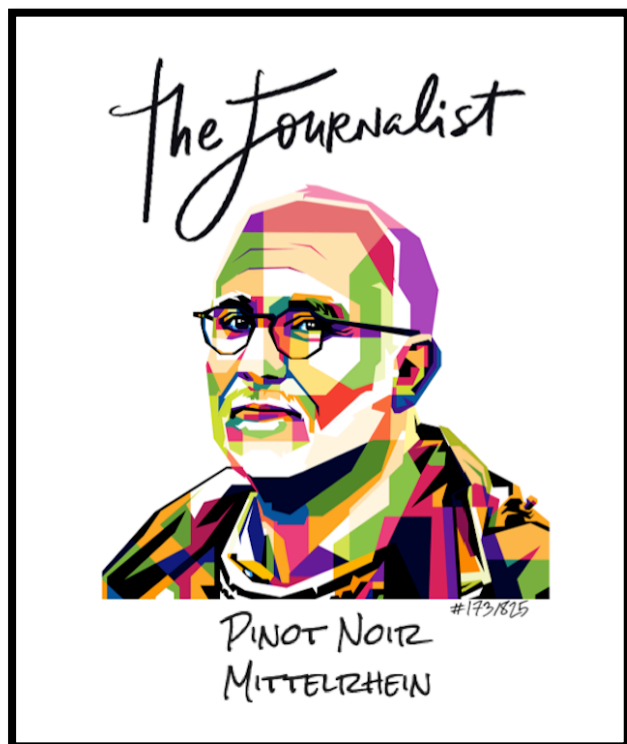


Figure 26: Front Label for "The Journalist"



Figure 27: #QSTG Bottle with Front Label

8.2 BACK LABEL

The back label is mostly a tool to give the consumer some basic information, to meet the legal requirements and to give some background information about the brand and the wine. In the specific case of #QSTG it is also important to give some information about the winemaker. The text about the project #QSTG will be as follows:

- *#QSTG (Quereinsteiger) is a wine project of inspiring individuals from all over the world who left their past careers behind to follow their real passion: Making Wine.*

The description of the winemaker and the wine will also be printed on the back label. The following example is for the wine made by the author of this project thesis:

- *The Lawyer was made by Florian Wecker, who traded the desk for the cellar to follow his passion and become a winemaker: As a lawyer he always had to negotiate balanced agreements. Today all his energy is dedicated to making fine, elegant, organic wines. Only by mediating the complex interaction between grapes, yeast and terroir he can create an outstanding wine full of harmony.*

Furthermore the back label has to include the following information:

- Vintage (maybe will be removed to the front label)
- Name of the Winemaker
- Winery of the Winemaker (if he has his own winery)
- Place of bottling
- Alcohol Level
- Wine Category (depending on the country of origin: Qualitätswein, AOP, DOC etc.)
- #QSTG Constitution (optional – depending on design and space on the back label)
- Address and Website of #QSTG
- Bar code
- Allergen warning in different languages: *Enthält Sulfite, Contains sulphites, Contiene Sulfitos, Bevat sulfieten, Sisältää sulfiitteja, Innehåller sulfiter, Indeholder sulfitter, Satur Sulfitus, Contiene Solfiti, Obsahuje Siricitany, Contém Sulfitos*
- Organic certification (if possible)
- Warning symbol for pregnancy and drinking

8.3 BOTTLE

All wines of #QSTG will be bottled in Burgundy shape bottles. The Burgundy bottle rather stands for elegance than for powerful wines. This fits with the #QSTG wine style which focuses on lower alcohol levels, no over ripeness, good levels of acidity, less extraction and less intervention.

A particularity about the #QSTG wines are the different origins and grape varieties. At first glance this could cause some problems, as Riesling is for example traditionally bottled in an original Riesling bottle. But as the image of #QSTG should be rather modern, different and maybe even rebellious than traditional, a “wrong” bottle shape might even create some curiosity amongst consumers instead of meeting with a refusal. For the consistency of the brand and for the recognition value it is important to use just one style of bottle.

8.4 CLOSURE

The closure of the #QSTG wines will be cork. This closure is still the material which expressed the highest value and contributes the best properties for wine aging. Furthermore the opening of a bottle with cork has an emotional component, which is part of the whole customer experience. As a natural product cork is also more eco-friendly than other closures. Instead of an average capsule, the cork of the #QSTG wines will be sealed with wax. This fits with the #QSTG image of being an artisanal brand with limited numbers of production for each wine. The wax closure is also a kind of psychological legitimation for the quite high price of each bottle, because consumers usually know from their experience, that those bottles are more expensive.

8.5 SECONDARY PACKAGING

The secondary packaging can also be used to differentiate from other brands, to create added value by increasing the customer experience and to build the image of the brand. On the other hand it is important to keep the costs as low as possible and try to avoid the usage of avoidable packaging material, which will end as waste and pollute the environment. Hence #QSTG will act responsible and sustainable by only using wrapping paper for single bottles and cardboard cases for 6 bottles. As the printing of boxes is expensive, #QSTG will start with screen printing technique, in which the logo is painted on the box by using paint rollers and patterns. This way #QSTG can (i) keep costs low and (ii) support the image of an artisanal, handmade product.



Figure 28: Cardboard cases for 6 bottles used by #QSTG (opened & closed); Look of handmade print

9. PRICING

Another important aspect is the pricing of the products. As SMEs have a limited size of production, it is extremely important to have a pricing strategy which is in accordance with the quality of the product and which is economically sustainable. According to a study carried

out by Ling and Lockshin (2003), wine quality, rating and winery/brand reputation have major effects on the price, while region and size of winery have differential effects depending on the variety of grape. Vintage has only a minor effect. Consequently, SMEs should focus on the quality of their products (vineyard management and vinification), and brand building by entrepreneurial marketing. It is also important to keep in mind, that the pricing plays an important role for the targeted market. As SMEs often focus on niche markets, they have to know their customers and their willingness to pay.

The following figures show two different price segmentation models developed by Rabobank International in 2009 (Figure 29) and a more recent one by Wine Folly from 2016 (Figure 30). Rabobank divided the prices in seven categories focusing on the European market. Insofar the price ranges are quoted in Euro:

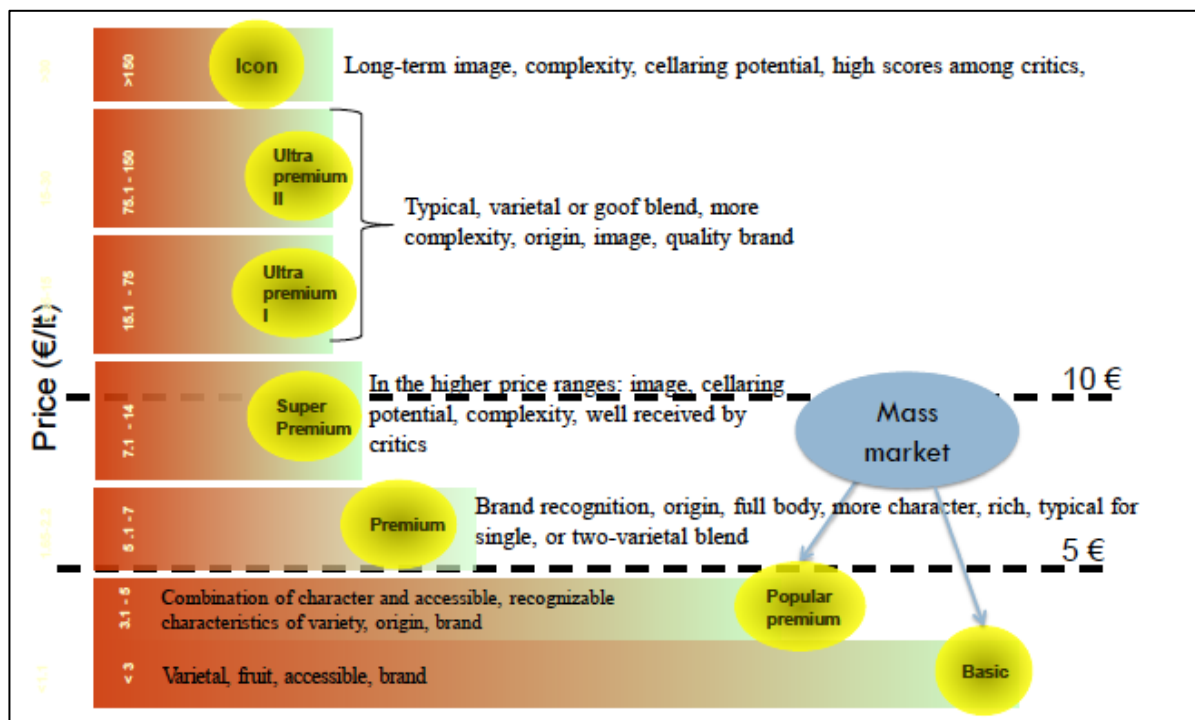


Figure 29: The price ranges of wines (Rabobank International, 2009; Bruni, 2011)

In contrast Wine Folly is working with nine different price categories focusing on the US market with prices quoted in USD.

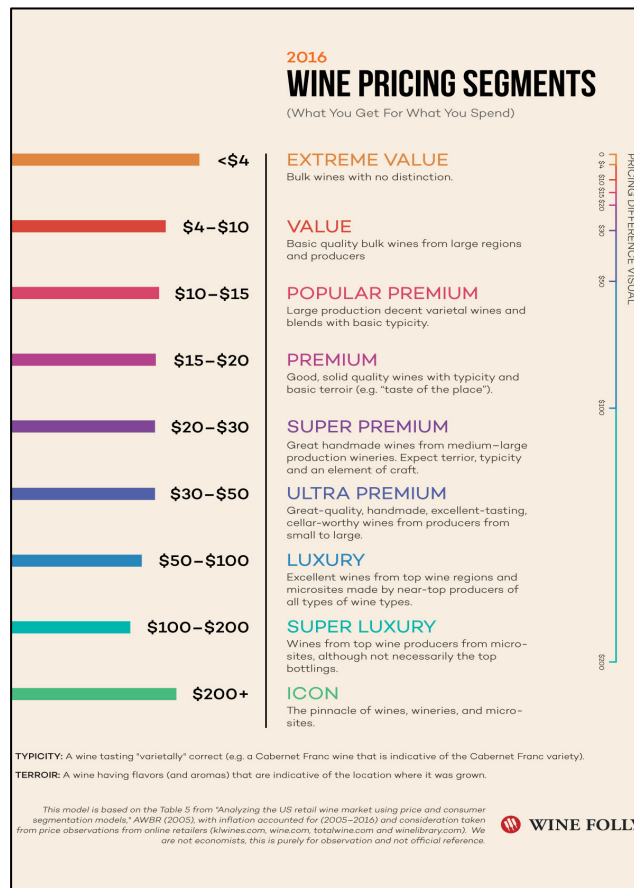


Figure 30: Wine Pricing Segments (Wine Folly, 2016)

This model is based on the “Revised Price Segmentation Model” (Table 5) by AWBR from the study with the title “Analyzing the US retail wine market using price and consumer segmentation models” AWBR (2005), with inflation accounted for (11 years from 2005–2016) and consideration taken from price observations from online retailers (klwines.com, wine.com, totalwine.com and winelibrary.com).

Segment	Price Range (per 750ml)
<i>Luxury Super Segment</i>	
Icon	over \$100
Super Luxury	\$50 to \$100
Luxury	\$25 to \$50
<i>Premium Super Segment</i>	
Ultra Premium	\$14 to \$25
Mid-Premium	\$10 to \$14
Popular Premium	\$7 to \$10
<i>Everyday Super Segment</i>	
Fighting Varietals	\$3 up to \$7
Extreme Value	Below \$3
Jug Wine*	Below \$3

Source: Fredericks, 2004

* Jug Wine refers to wines packaged in 3L jugs or 5L boxes

Table 5: Revised Price Segmentation Model (Fredericks, 2004)

It is important to mention that the names for wine pricing segments are not consistently used in the wine business world. For this thesis we use the price segments of the Rabobank study (Figure 29), because it is more applicable to the European market where #QSTG will start the project. Having the #QSTG customers in mind (mostly Wine Enthusiasts) and the high effort put in the production of small batches of artisanal wines, most #QSTG wines will cost between 20,00-25.00 EUR for the final consumer. Nevertheless the final pricing can't be done at this stage, because therefore it is necessary to know the exact production costs of the #QSTG wines. This costs include the cost of vineyards, sales, marketing, loans, real estate, administration etc. Of course a profit margin needs to be added, which - together with the production costs - result in the so-called ex-cellar price.

According to the Rabobank figure, the #QSTG price category would be called Ultra Premium I. Due to Wine Folly the #QSTG wines would be Super Premium. According to the quoted Table about the *Revised Price Segmentation Model*, #QSTG wines would be Ultra Premium. Whatever the name of the #QSTG price segment is, it can be recorded that #QSTG will sell premium wines.

10. PLACEMENT

After having developed the product with the respective pricing, it is extremely important to draft a strategy for the placement of the #QSTG products. As mentioned before, more and more wineries and winemakers are able to make high quality wines due to higher education and/or improved cellar technology and enological products. Nowadays one of the key success factors of a winery or a wine project as #QSTG is the ability to sell the wine for the desired price. Therefore the placement and the promotion of the product is crucial. This paragraph deals with the 3rd P (placement) of the classical marketing mix and the development of a strategy for the choice of sales channels by #QSTG products. Again the creativity and flexibility of entrepreneurial marketing is essential and needs to be implemented within the classical framework.

The main sales channels are (i) Direct Sales, (ii) Distributors, (iii) Export, as well as (iv) E-commerce. As mentioned before, an opportunity-driven and opportunity-seeking attitude is characteristic for entrepreneurial marketing. Hence there is not only one sales channel, which should be focused on. Each SME has to take sales opportunities, which appear and find own ways to market their products.

10.1 DIRECT SALES

Because of the highest profit margin, direct sales (cellar door) can be an attractive sales channel for wineries. Another advantage of this channel is the opportunity to talk to your customers during the sales process and build a personal relationship. Thereby a strong connection can be achieved which might result in loyal customers who will continue ordering your wine. This could be even supported by collecting e-mail addresses of the customers and invite them to be part of newsletter mailings with information about new vintages, new partners, special offers etc.

On the other hand direct sales also include some disadvantages, such as the need for a point of sale, manpower and time. Although the margin is higher than in other sales channels, the number of bottles/cases sold is usually lower. So the marketing costs per bottle are higher. This ratio has to be monitored in each individual case. But what does it mean for the #QSTG project? As #QSTG will not start with an own winery, there is no permanent point of sale available. Besides this fact the author will start the project as a one-man-show. So there is also not much manpower available. Nevertheless #QSTG will watch out for public wine- and food-sales events and will organize wine tastings for family, friends and others with the opportunity to purchase wine afterwards. Furthermore #QSTG will be creative in their direct sales approach, by getting in touch with the occupation groups which correspond with the #QSTG wine labels. The author still has a great network amongst lawyers. Law firms sometimes need wine for receptions and/or events. In addition to that law firms buy wine as gifts for employees or important clients for Christmas or birthdays. Therefore it could be interesting to offer them a wine called The LAWYER, as this will remind the presentee on his or her lawyer and can create a client loyalty. The same idea is of course applicable to events of all other occupation groups related to the #QSTG labels.

10.2 DISTRIBUTORS

Selling via distributors is interesting for SMEs, because they can usually sell big shares of their stock through this channel and thereby quickly earn their production costs. If a winery builds a business relationship with a distributor it usually lasts over years, so it can give some security for a small producer. On the other hand, this distribution channel also includes some disadvantages and risks. As distributors also need to earn money by retailing the wine to bars, restaurants, hotels or wine shops, they need to get discounts from the producer, which are often linked to the number of cases the distributor is purchasing. Hence the margin of the winery is lower in this channel. On the other hand the SME can focus with its limited manpower on other key areas, such as production and marketing, instead of spending a lot

of time in selling wine directly to customers. A risk related to this sales channel is the dependency on the distributors. If a small company sells most of its production to one or two distributors, the risk of losing this distributor(s) due to e.g. bankruptcy or strategic reasons can also lead to a major crisis for the winery. Insofar it is highly recommended to diversify the customer portfolio instead of working with one or two distributors.

#QSTG will try to work with a few distributors in order to avoid the dependency on only one business partner. Furthermore it is very important for #QSTG to find a distributor which matches with the philosophy of the project. The #QSTG wines need to fit in the portfolio of the distributor. This means #QSTG is seeking a business partner which also focuses on organic wines, artisanal wines and small producers. In this way it is more likely to build a long-lasting business relationship with benefits for all stakeholders. Only a distributor who is convinced about the project will spread the story of #QSTG and thereby help to let the project grow.

10.3 EXPORT

In the last decade of globalization foreign markets became increasingly important for wineries. This trend is also pictured in numbers: the volume of wine trade reached 108.0 mhl while the value was 31.3bn EUR. Besides the traditional export markets, emerging markets such as China, Russia and India are responsible for this trend. Of course the decision of a winery to export their wines to foreign markets highly depends on the demand for the products in the respective market. Exporting can be a good choice, if foreign markets are demanding for the niche product of an SME (e.g. natural wines in Scandinavian countries). Finally it is also important to find an importing business partner which matches with the products, philosophy and needs of the exporting winery.

Although #QSTG has an opportunity-driven marketing approach, the sales focus will not be on exports in the early stage of the business. As the production volume will be very small in the beginning, it makes more sense to build a customer base for the brand in the local market, instead of distributing it in the whole world. By this strategy #QSTG will be able to grow in a sustainable way. This does not mean that #QSTG would refuse to export wines once an opportunity is popping up. But the plan is to start local and later grow also into foreign markets. This strategy is supported by the fact, that the brand is designed in English language. Thereby it will be much easier and quicker to develop new foreign markets. Markets which could be interesting for #QSTG in a future stage are: Scandinavia, Netherlands, Belgium, Switzerland, USA, Japan, China, and Russia.

10.4 E-COMMERCE

E-commerce is a sales channel, which is characterized by its great growth rates since the digital age has started. An end of this development is not foreseeable. Consumers of all ages and classes are using online shops for purchasing all kind of goods, including food and wine. In the pre-internet era most wineries didn't have the opportunity to use many distribution channels. These wineries mostly sold their products in markets close to their home base. The arrival of the internet and first e-commerce solutions promised to change this situation. The adoption of electronic distribution and communication channels was particularly viewed as advantageous for SMEs, giving them a tool to overcome physical and managerial barriers for internationalization (Quelch and Klein, 1996; Hamill and Gregory, 1997; Sinkovics and Bell, 2006), making it possible to reach, source from, and sell to global markets (Hoffman and Novak, 2000) and reduce overhead costs. However, this promise not fully lived up for most SMEs. Canadian statistics about this subject for example showed, that while 40% of firms conducting e-commerce felt, that reaching new customers was a benefit realized (Statistics Canada, 2007), only 25% felt that conducting business over the internet lowered their costs (Statistics Canada, 2006). Nevertheless it became obvious during the last years, that adoption of e-business to at least some extent is necessary for business survival. According to Neilson et al. (2010) e-commerce should be integrated in the SMEs' websites to create another sales channel. This opinion misjudges the huge effort a company has to put in a web-shop. Besides the costs for the shop solution, a company usually needs costly technical support of a web agency. Furthermore it is quite time consuming to run and update the shop and merchandise management system. Finally the handling and shipment of the orders also need time and manpower. Insofar having an integrated web-shop on the company website can be an option to create another sales channel which gives customers an easy option for directly purchasing products of the company. But before deciding to create an own web-shop the responsible person needs to be aware of the aforementioned facts.

#QSTG will definitely have a website. The website has already been designed. The details will be discussed below (paragraph 11.1). If #QSTG will also implement an online shop in this website is not clear yet. On the one hand it would be good to give private customers the chance to buy the wine directly online. On the other hand there will not be much traffic on the website without spending much money for online marketing. Insofar it makes more sense to integrate an online-shop at a later stage of the business. In an earlier stage it could be interesting for #QSTG to find a business partner who is operating an established online wine shop. Thereby #QSTG could offer their clients an option to order the wines online without having the risk, cost and effort of operating an own online-shop. Another option could be to use major marketplaces as *Amazon* to sell the #QSTG wines. Although the fees for having

an own shop on *Amazon* are quite high, the online reach is obviously outstanding and could support sales as well as the visibility and publicity of the brand.

11. PROMOTION

The brand is one of the most important cues that consumers assess while buying a product or service (Gordon, 2002) and it is considered as the sum of the images that consumers have in their mind about a particular company. Hence, SMEs can use the different tools of promotion to build and develop their brand and influence the consumers' choice. Promotion might be the field where SMEs can differentiate most in areas such as Social Media, Customer Relationship Management (CRM), and Corporate Business relationships, PR, Medals/Ratings, Trade Shows and Wine Tourism. All these tools can be used to build and develop the brand(s) of SMEs.

11.1 WEBSITE & NEWSLETTERS

Today it is recognized, that websites are an essential component of Business-to-Consumer (B2C) marketing strategy for companies – facilitating communications, sales, and relationship management (Johnston et al., 2007). Johnston et. al. demonstrated that websites contribute to profitability for SMEs in all industries worldwide. While websites can contribute to profitability, making effective use of this new sales and communications tool requires not only technological skills but also marketing knowhow and access to the respective resources (Tarabishy, 2007). However web technologies have evolved over the past years and made the use of modular web construction systems much easier. Thereby less resources are recently needed to build and maintain a professional website.

But why is it so important nowadays to have a company website? First of all a website makes the company or brand visible in the *World Wide Web*. Just the way of presenting the brand on a website gives the user an idea about the image of the brand, how modern or old school a brand is or how professional a company is operating. Furthermore a website is an important tool to inform different stakeholders about the brand and its products: consumers, distributors, caterers, journalists or critics.

Particularly for a young, new and small brand like #QSTG it is important to have a website. It will happen frequently that someone talks to people about the project, that someone presents the wine at trade shows or tasting events or that a phone call with a distributor or journalist from far away is made. In all aforementioned situations it is useful to provide business cards including the link to the website or to send emails with the respective link. Thereby you can gain customer's trust in the new company/brand and inform the people about your product. In

the beginning there will be not much traffic on the website, because only people who really search for the website will find it. In this stage the Google algorithm will rate the importance of the website very low and accordingly list the website in a backmost position in their search engine. In the long term it is possible to improve this position by using *Search Engine Marketing* (SEM), in particular *Search Engine Optimization* (SEO) and *Search Engine Advertising* (SEA). But it doesn't seem to be useful to invest money in this kind of marketing, because #QSTG is not getting any revenues from the website (unless an online-shop is integrated). For #QSTG the website should provide information to potential business partners, customers and journalists/critics. Therefore the author of this project thesis drafted a website under the following test domain:

www.qstg.jimdosite.com/

Later this test domain will be replaced by the final domain www.qstg-wine.com. During the development process of the website one of the main goals was to keep the website as simple as possible. The usability of a website is very important. Therefore the #QSTG website only consists of few menu items: The homepage, one page about the #QSTG wines (which will be constantly extended) as well as one page about the #QSTG winemakers and their life changing stories. In addition to that, there will be the option to contact #QSTG, because one of the most important purposes of the website is to get in touch with potential business partners. #QSTG will also build up a customer relationship management (CRM). One important tool for CRM is the mailing of newsletters. Therefore an option will be added to the website, where users can register for the #QSTG newsletter.

As already mentioned under section 10.4, an online-shop could be added to the #QSTG website. But as the integration of this sales channel is time and money consuming, it is not planned for the beginning of the business. It might be part of the future marketing of #QSTG. Below the Website is presented in a few screenshots:

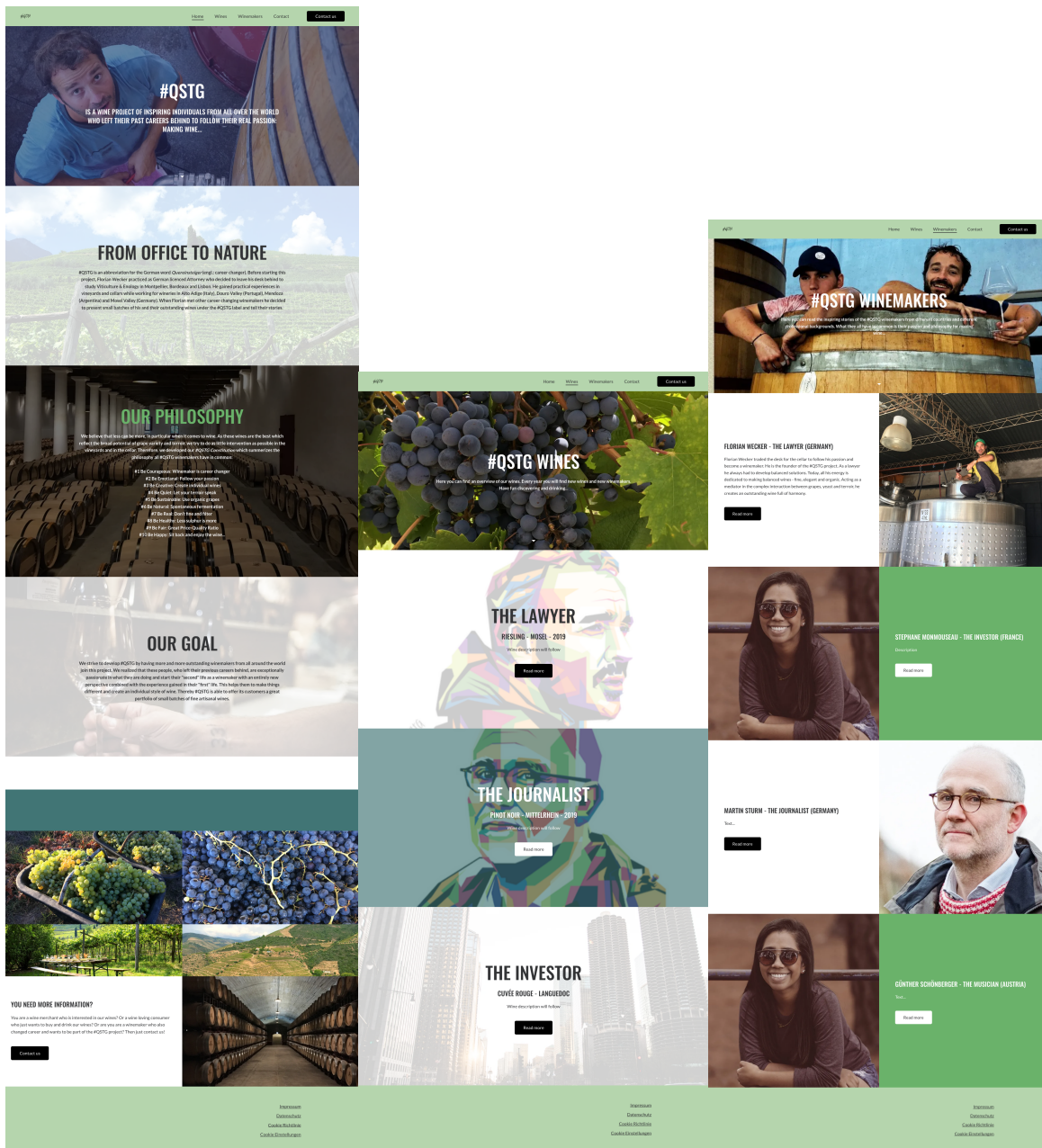


Figure 31: Screenshots of the first draft of the #QSTG website (homepage, wines, and winemakers)

11.2 SOCIAL MEDIA

In recent years, social media (SM) rapidly grew and became an important application to the field of marketing. This had a significant impact on business structures, leading to a change of the companies' marketing dynamics (Wu, 2016; Kim et al., 2015). Kaplan and Haenlein (2010) define SM as “a group of internet-based applications that build on the ideological and technological foundations of web 2.0, and that allow the creation and exchange of user-generated content”.

According to a study by Galati et al. small firms have become more involved in SM in terms of (i) high values for intensity, (ii) richness and (iii) responsiveness. As the costs of this communication tool are - compared to other classical and non-virtual tools - quite low, SMEs can adopt SM as a strategic channel. As soon as a company decides to use SM as a strategic channel, it is crucial to focus on the quality of the content and posts, the style of writing, photos and the timelines of information exchange, because all factors can have an impact on consumer awareness and brand loyalty, with the opportunity to increase sales (Galati et al., 2017). Insofar SM can be used as a channel, which opens great opportunities for SMEs to communicate with their customers, get quick feedback and react in a creative and spontaneous way on a day-to-day base.

As there are many different social media platforms with different focuses and users (e.g. facebook, instagram, snapchat, pinterest, twitter, vivino), the choice of the right platforms is important. Considering the market of #QSTG, facebook, instagram and vivino are the three SM channels which will be used. These platforms are widely used and give #QSTG the opportunity to create content and thereby tell the story of the brand and its associated winemakers. The stories should be supported by high quality photos which are able to trigger positive emotions amongst the followers. Needless to say, that all the effort put in SM marketing makes only sense, if there is a relevant group of followers on the respective SM channels. Therefore the first necessary step is to build up a group of followers on facebook and instagram. As an organic growth of the community is much more sustainable than a sudden growth by paying for new followers, this process of building up a community needs time.

It is also important to keep in mind, that SM platforms should not be seen as a one-way road. In fact it is very important to use SM as communication platforms with customers. By responding to user comments a relationship and hence loyalty of users can be build. Furthermore it is possible to directly react on criticism and thereby understand the needs of customers and to improve the own performance on different levels. The aforementioned communication with followers via SM is free of charge. Besides this free usage of SM it is possible to pay for facebook or instagram advertising. The advantage of this kind of advertising is, that the people who should receive the advertisement in their timelines can be exactly defined by age, location and interest. As this kind of SM advertising is quite expensive, it makes only sense, if it leads to sales with a satisfying conversion rate. Insofar SM advertising becomes an option for #QSTG as soon as an own web shop exists.

But facebook and instagram cannot only be used via the company profile. It is often much more efficient to work with so-called influencers, who usually have a high number of followers. Some of them are very much specialized on certain subjects, such as fashion, beauty, food or wine. For wine, those individuals could be famous wine journalists,

sommeliers, and masters of wine or just wine lovers. Obviously their groups of followers are interested in wine. Hence these groups are quite homogeneous and interesting for marketing purposes, because you can target your customers very precisely. If influencers present a wine on their facebook or - today more likely – instagram account this can increase the public awareness about a wine and even lead to an increases in sales. For that reason it makes sense to get in touch with influencers and convince them to post something about your wine on their accounts. Professional instagrammers will charge money for their services, others will post about the product for a few bottles of wine. #QSTG will use its contacts to some influential individuals in the wine business for letting the wines be presented on SM.

In order to make the management of different SM channels easier, #QSTG will use SM management apps (e.g. monday.com, Loomly or Sprout Social), which enables the user to operate different platforms at the same time.

While facebook and instagram are very famous SM platforms with the general purpose of connecting people, there are also special interest SM platforms. One of those platforms is vivino, which connects wine lovers, wine producers and wine merchants. As a producer you can use this platform to give some background information about your wines and the project in general. Furthermore it is also an useful feedback channel, because users are leaving comments about the wines they consume. Some of the wines can be directly purchased online via the app. Hence vivino can also act as a tool to increase sales. For that reasons #QSTG will use vivino besides facebook and instagram.

11.3 CRM

One principle of marketing is that it is cheaper to keep an existing customer than to win new customers. The reason for that are the customer acquisition costs which are usually quite high. For this reason companies from all kind of businesses try to keep their existing customers and to generate follow-up purchases. A good way to achieve this goal is summarized under the term customer relationship management (CRM). This term covers all actions a company is taking in order to keep their existing customers and animate them to purchase more products of the company. A very common way of CRM is the sending of newsletters, which was already mentioned under section 11.1. By sending newsletters to existing customers who agreed in receiving newsletters, a company can raise awareness, inform about new products or promotions. The timing of newsletters is a crucial factor. The frequency should not be too high, because otherwise the customer might get annoyed and the action has the opposite effect. In addition to that it makes sense to send newsletters before Christmas, New Year or other important holidays, because this are the times when

families come together and drink wine or buy wine as presents. In winter it makes sense to promote more red wine, in summer more white and rosé wine.

Another way to encourage existing customers to purchase wine is the mailing of promotion codes, which they can enter on a website in order to get discounts.

Some wineries also create member clubs. In this model customers can become members of the club and get the opportunity to pre-order wines of the new vintage, get special editions, discounts or other advantages. The idea about this clubs is to create something special and exclusive. The members somehow feel privileged to be part of the club. For the winery it's a great way to sell wine and have a really strong CRM tool. In addition to that a very close communication between the winery and the customer is possible which enables the winery to react very quickly to criticism or other customer related issues.

#QSTG will start CRM with newsletter mailings. Therefore e-mail addresses need to be collected on the website or directly from customers. For legal reasons it's important that the customer agrees in receiving newsletters. As soon as #QSTG starts an own online-shop on its website, there will be actions, such as mailings to existing customers including promotion codes or invitations to exclusive tastings with the #QSTG winemaker(s). #QSTG will also try to collect dates of customer's birthdays in order to send individual birthday wishes. Thereby a personal connection is created, which also supports customer loyalty. As wine bars, restaurants and wine shops are very important customers, #QSTG will initiate events with these clients where a #QSTG winemaker is presenting wines to the clients of the restaurant. This will strengthen the relationship to the B2B clients, but also raises awareness amongst B2C customers.

11.4 CORPORATE BUSINESS RELATIONSHIPS

Furthermore building cooperative business relationships is crucial for industry growth and value creation (Brown and Butler, 1995; Jones and Rowley, 2011b; Schamel, 2006; Simpson and Bretherton, 2004; Vrontis et al., 2011). These activities are important elements of entrepreneurial marketing and if adopted can add value to the business (Thomas et al., 2013). SMEs can create synergy effects by working with other wineries of their region, share costs by presenting products together with other producers at trade shows, being part of working groups, etc. As described earlier in this project master thesis, #QSTG is a wine project of different winemakers who changed their careers and share the philosophy about winemaking. Insofar #QSTG created a corporate business relationship in which it is possible to exchange experiences and opinions. As all #QSTG winemakers had careers in different fields before, it is even possible to support each other with the previous expertise, such as law, economics or PR. Another positive aspect about this cooperation is the establishment of

synergy effects within the group. This can be part of the marketing and sales process or in purchasing enological or viticultural products together. In the future it even could be an option to share stands at trade shows in order to split costs and to present the wines together. By promoting the shared philosophy of winemaking it is also possible to make this style of wine more popular or get awareness in the press, because the different stories of the winemakers might be interesting stories for journalists. In the following the starting #QSTG partners are listed. After that a list of potential future partners is presented:

Starting Partners:

- Florian WECKER – The LAWYER (Riesling, Mosel)
- Stephane MONMOUSSEAU, The INVESTOR, Grange De Bouys (Grenache/Carignan Cuvé, Languedoc)
- Martin STURM, The JOURNALIST. Weingut Sturm (Pinot Noir, Mittelrhein)
- Günther SCHÖNBERGER – The MUSICIAN, Weingut Schönberger (Blaifränkisch, Burgenland)

Potential Future Partners:

- Jos HARWIJN, The MERCHANT (Amsterdam)
- Hans SCHMID – The AD MAN (Vienna)
- Roland VELICH – The GAMBLER (Burgenland)
- Jutta AMBROSITSCH – The DESIGNER (Vienna)
- Others

In addition to the self-established #QSTG network it could make sense to become member in a network which is already established. As #QSTG is producing artisanal and organic wines a network specialized on this kind of wines would be suitable. #QSTG will mostly act on the German market. Therefore *Vinaturel* or *ECOVIN* would be an attractive partner. #QSTG is already in contact with *Vinaturel*.

11.5 PR

According to the definition of the Cambridge dictionary, Public Relation (PR) is the activity of providing the public with information about an organization so that people have a positive idea of the organization's work. These information can be brought to the public via different kinds of media, such as newspapers, journals, radio, TV, website etc. Usually the press is informed by press releases provided by the organization. In other cases journalists decide to create editorial content by writing stories about a company, a product or an individual related

to the company, such as the founder, the cellar master, the vineyard manager etc. In any case PR is an important tool for companies to raise public awareness. Many companies aim for people talking or discussing about the company or their products. This goes so far, that some companies even prefer to have bad PR than having no PR. It is also quite common that companies hire professional PR agencies, which take care of this subject. This shows how important this topic can be and that it needs some expertise to do PR in a correct and efficient way.

Obviously most small and new wineries can't afford to hire a PR agency for doing this job. But there are still ways to do some efficient PR work. In the first step it's important to collect contact details of relevant editorial journalists of local and national newspapers, journals, websites and blogs. In the next step it makes sense to get in touch with the responsible people and invite them to the respective winery or wine project. It could be even a press event or press conference. As journalist always need new and exciting stories, it is important to send a mail or invitation letter before, which serves as a teaser making them curious to learn more about the winery.

#QSTG will also put some effort in PR activities, because the project seems to be quite suitable for PR campaigns. The general proceeding will be done as described before. #QSTG will be able to provide inspiring stories to the press, because there is not only the story about the project, there are also the stories about the different #QSTG winemakers and their career changes. Furthermore #QSTG strive for getting some publications in professional journals. As in the beginning the focus of the whole marketing strategy will be on the German wine market for organic wines of small producers, only German newspapers and professional journals, such as *Vinum*, *Schluck* or *Falstaff* are relevant. In addition to that the author has some professional contacts to German airlines. It could be very attractive to get coverage in board magazines. On the other hand it is also a question of timing. It might make more sense to take this opportunity once the project is a little bit bigger, because otherwise #QSTG might not be able to cover the potential subsequent demand.

Finally #QSTG will also work with bloggers. Bloggers are individuals who run a blog about a specific subject on the internet. Since SM platforms became so influential, the importance of blogs decreased. Nevertheless there are still some good wine blogs such as winefolly.com, vinography.com, timgaiser.com. It is useful to get in touch with those bloggers, provide samples of wine and try to encourage them to publish a review or story about your wine. As bloggers also need to earn some money, most of them are charging money for writing about a product. For #QSTG it would only make sense to work with bloggers from countries where the #QSTG wines are available.

In summary there are many ways and options to raise awareness by PR. A positive aspect about PR is that it is often for free. But it also needs a lot of work and persistence in order to

reach the goals. So entrepreneurial marketing is in demand another time. The personality and the effort of the owner or other responsible persons are crucial for the success. And there is not only one way: It needs creativity and the ability to see and take opportunities once they show up.

11.6 MEDALS, AWARDS & RATINGS

As shown in Table 3, medals and awards are also influencing the consumers' wine choice. This can either happen in a wine shop at the wine shelf or beforehand, when a consumer reads a review about a wine. Very often a consumer is overstrained when he or she is standing in front of a wine shelf. He might know if he wants to buy a red, white, rosé or sparkling wine. Maybe he also has a preference for a country, region or grape variety. But usually he needs further advice or criteria of choice. The best case is a good shop assistant who can support the customer in his decision. But often this support is not available, so the customer needs other decision-making support. In this case wine medals, awards and ratings can help a lot to sell wine. It is part of human nature that most people need confirmation in life and in their decisions. If they see that an acknowledged wine expert, a famous wine magazine or wine critic awarded the wine with a medal or a high rating, the indecisive customer will probably go for this wine. The awarded wines are usually equipped with a sticker or tag which shows a medal (usually gold, silver or bronze) or points of a famous critic as Robert Parker. There is an increasing number of individuals or organizations who organize wine competitions awarding wines with medals or points. Hence the value of the medal or the points highly depends on the individual or the organization, which is responsible. Nevertheless even a medal of an unknown competition can make consumers buy wines.

In this respect #QSTG will carefully select the market of wine competitions, awards and ratings and participate only in competitions which match with the targeted market. The decision of course also depends on the terms of participation. Besides providing the wines for the tastings, a participation fee is usually required. #QSTG will check in each case if the ratio between costs and expected marketing effect is acceptable.

11.7 TRADE SHOWS

Trade shows are a great opportunity to present wines to a large group of private or professional people. This leads to the first big differentiation of trade shows, those for private visitors and those for professionals.

The trade shows for private visitors are usually smaller and often only last two to three days. The purpose of these trade shows is on the one hand to give consumers the opportunity to taste a lot of different wines in one place, enjoy the atmosphere of the fair and sometimes even be able to purchase wine. On the other hand producers get the opportunity to present their wineries and their wines to a large group of consumers, talk to consumers, maybe even have some direct sales and spread flyers, price-/order-lists or business cards. There is quite a big number of different examples for this kind of wine fairs in Germany. A list is available under the following link: <https://www.messeninfo.de/Weinmessen-Deutschland-FSL363-L55-S6.html>. #QSTG will chose a few of these public trade shows according to the focus of the event (e.g. organic wine, natural wine, small producers etc.), location, price for participation and the own time schedule.

On the contrary, professional fairs are much more business oriented. The fact that only people from the wine business have access to the fair creates a space where wineries can find many opportunities for making business. International distributors, journalists, sommeliers, producers, importers and many others meet at the most important trade shows in the world like *ProWein* (Düsseldorf/Germany), *Vinexpo* (Bordeaux/France), *London Wine Fair* (London/UK), *Vinitaly* (Verona/Italy) or *Hong Kong International Wine & Spirits fair* (Hong Kong/China). The disadvantage of these trade shows is the very high price, which an exhibitor has to pay for a stand. Insofar it is mostly for bigger or at least established wineries which can afford to pay this price. But there are also options to become part of a network as discussed in section 11.4. Often networks like *ECOVIN* rent a stand at important trade shows and give their members the opportunity to present their wines and pay much less than having their own stand. As #QSTG is a German brand which is even based in Düsseldorf, it would make sense to participate at *ProWein*. But as mentioned before the costs are too high for a start-up. Insofar the medium-term goal of #QSTG is to participate as part of a network and thereby share the costs.

On an international level the Millésime Bio in Montpellier/France could be an interesting trade show for #QSTG. *Millésime Bio* is a world organic wine fair for professionals. As the number of organic producers is constantly growing, this trade show is also growing fast.

Some trade shows invite interesting, young wine projects to their fair without charging the regular fee. This matches with the idea of opportunity driven entrepreneurial marketing. Networking and communicating with the right people is extremely important to be successful with this strategy. Thus #QSTG will put as much effort as possible in its entrepreneurial marketing activities.

11.8 WINE TOURISM

Wine tourism is an area of wine business, which significantly grew within the last couple of years. Whole winegrowing regions invest in infrastructure and develop this field to attract tourists to visit their regions. As tourists pay for accommodation, food and consume local products as wine, the whole local economy is supported. For wineries it is an opportunity to present their winery to visitors and create an unforgettable customer experience including wine tasting. Usually the visitors will purchase wine after the tour and take their memories back home. Thereby a strong customer relationship can be created.

In the case of #QSTG there is not an own winery yet which could be visited. But in the long term the plan is to establish a #QSTG home base which is open for visitors. With a growing network of #QSTG partners it could also be an option to organize and offer trips to the respective wineries. But in this early stage it is obviously important to focus on the core business, which is producing and selling wine.

IV. SUMMARY & CONCLUSION

The establishment of a new wine brand is always challenging and a venture. The wine market is very complex and laced with big, medium- and small-size producers. Due to the progress of vineyard- and cellar-technology as well as enological products, the average quality of wines has increased over the last decade. Consequently it is not easy to differentiate only by wine quality. Besides having a high quality product, it is nowadays crucial to differentiate by classical marketing topics such as storytelling, wine labeling, secondary packaging, awards, social media presence, PR and many others. The goal is always to arouse awareness and interest amongst the targeted consumers. For small producers or wine projects like #QSTG, which usually have very small marketing budgets, the only way to arouse customer awareness and interest is to perform entrepreneurial marketing. This includes a high level of effort, commitment and creativity by the owner/founder, as well as an opportunity-driven and opportunity-seeking approach focusing on innovation and customer-orientation.

After developing the brand #QSTG and the marketing concept within this project master thesis the implementation and launching of this project appears realistic, feasible and promising. Particularly the stories about #QSTG and the related career changing winemakers are predestinated for great storytelling and hence for high marketing potential on various channels. Furthermore the collaborations with other winemakers from different regions open opportunities for synergetic effects as part of the corporate business relationship. Another advantage of the #QSTG project is the relatively low financial risks, because the volume of

required capital is manageable. The business can be developed step by step, because the project stands out due to a high level of scalability. Corresponding to the demand, the own production as well as the amount of the production purchased from the #QSTG partners can be increased. In addition to that, new partners can be targeted according to customer needs. Thereby #QSTG can react quickly to market trends and can successively develop its product portfolio.

The author of this project thesis will produce the first vintage of #QSTG wine in 2019. Therefore 1.500kg of organic Riesling grapes have been purchased from an organic grape grower (*Weingut Melsheimer* in Reil/Mosel) in the Mosel valley. The author will transport the grapes to the cellar of a winery near Trier (*Dominikaner Weingut C. von Nell-Breuning*), where he will process the grapes. The wine will be vinified following the rules of the #QSTG constitution. The bottling and labeling is planned for April 2020. Simultaneously the #QSTG wines of the partners will be produced. Depending on the type of wine, their wines will be released by #QSTG in the course of the year 2020 and 2021. At the same time the marketing strategy, which has been developed in this project master thesis, will be implemented.

Bibliographic references

- Anderson, K. and Nelgen, S. (2011), "Global wine markets, 1961 to 2009: a statistical compendium", *Wine Economics Research Centre*, University of Adelaide Press.
- Angulo, A.M., Gil, J.M., Gracia, A. and Sanchez, M. (2000), "Hedonic prices for Spanish red quality wine", *British Food Journal*, Vol. 102 No. 7, pp. 481-493.
- Arthur, R. (2019), "The organic wine world is in full expansion mode – and shows no signs of stopping!", *Beveragedaily.com*,
<https://www.beveragedaily.com/Article/2019/02/08/Organic-wine-market-continues-to-grow>
- Bell, G.G. (2005), "Research notes and commentaries: clusters, networks and firm innovativeness", *Strategic Management Journal*, Vol. 26 No. 3, pp. 287-296.
- Beverland, M.B. (2005), "Crafting brand authenticity: the case of luxury wines", *Journal of Management Studies*, Vol. 42 No. 5, pp. 1003-1029.
- Beverland, M.B. and Lockshin, L.S. (2006), "Crafting a niche in a crowded market: the case of Palliser Estate Wines of Martinborough (New Zealand)", in Weinstein, A. and Dalgic, T. (Eds), *Handbook of Niche Marketing, Principles and Practice*, Routledge, London, pp. 159-190.
- Bjerke, B. and Hultman, C. (2002), *Entrepreneurial Marketing: The Growth of Small Firms in the New Economic Era*, Edward Elgar Publishing, Cheltenham.
- Boudreux, C. and Palmer, S. (2007), "A Charming Little Cabernet, Effects of Wine Label Design on Purchase Intent and Brand Personality", *International Journal of Wine Business Research*, Vol. 19, No 3, pp. 170–186.
- Brown, B. and Butler, J.E. (1995), "Competitors as allies: a study of entrepreneurial networks in the US wine industry", *Journal of Small Business Management*, Vol. 33 No. 3, pp. 57-66.
- Bruwer, J. and Johnson, R. (2010), "Place based marketing and regional branding strategy perspectives in the Californian wine industry", *Journal of Consumer Marketing*, Vol. 27 No. 1, pp. 5-16.
- Caputo, T. (2008), "Many Wine Consumers 'Overwhelmed'. *Wines and Vines Analytics*,
<https://winesvinesanalytics.com/news/article/53745>.
- Carson, D. and Cromie, S. (1989), "Marketing planning in small enterprises: a model and some empirical evidence", *Journal of Marketing Management*, Vol. 5 No. 1, pp. 33-49.
- Casson, M. and Guista, M. (2007), "Entrepreneurship and social capital: analysing the impact of social networks on entrepreneurial activity from a rational action perspective", *International Small Business Journal*, Vol. 25 No. 3, pp. 220-244.

- Castaldi, R.M., Cholette, S. (2005), "Analyzing the US retail wine market using price and consumer segmentation models" San Francisco State University, USA, Academy for Wine Business Research (AWBR).
- Celhay, F. and Cusin, J. (2010), "Le vin de cépage: une innovation tautologique?", *Decisions Marketing, Special Arts et Culture*, Vol. 60, pp. 77-81.
- Charters, S., Clark-Murphy, M., Davis, N., Brown, A. and Walker, E. (2008), "An exploration of managerial expertise in the Western Australian wine industry", *International Journal of Wine Business Research*, Vol. 20 No. 2, pp. 38-152.
- Chaston, I. (1997), "Small firm performance: assessing the interaction between entrepreneurial style and organizational structure", *European Journal of Marketing*, Vol. 31, pp. 814-831.
- Eli Cohen, (2009), "Applying best-worst scaling to wine marketing", *International Journal of Wine Business Research*, Vol. 21, pp. 8 – 23.
- Duquesnois, F. and Gurău, C.C. (2010), "Strategies concurrentielles dans une industrie en crise: le cas de l'industrie vitivinicole en Languedoc-Roussillon", *Revue Française de Gestion*, Vol. 20 No. 3, pp. 41-56.
- EU recommendation 2003/361,
<https://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:124:0036:0041:en:PDF>.
- Felzensztein, C. and Dinnie, K. (2005), "The effects of country of origin on UK consumers' perceptions of imported wines", *Journal of Food Products Marketing*, Vol. 11 No. 4, pp. 109-117.
- Felzensztein, C. and Gimmon, E. (2009), "Social networks and marketing cooperation in entrepreneurial clusters: an international comparative study", *Journal of International Entrepreneurship*, Vol. 7 No. 4, pp. 281-291.
- Galati, A., Crescimanno, M., Tinervia, S. and Fagnani, F. (2017), "Social media as a strategic marketing tool in the Sicilian wine industry: Evidence from Facebook", *Wine Economics and Policy* 6, pp. 40-47.
- Gamble, P.R. and Taddei, J.-C. (2007), "Restructuring the French wine industry: the case of the Loire", *Journal of Wine Research*, Vol. 18 No. 3, pp. 125-145.
- Gilinsky, A. and McCline, R.L. (1999), "Entrepreneurial growth strategies: an exploratory study of the California North Coast wine industry", paper presented at the *International Council for Small Business*, Naples, June.
- Gluckman, R. L. (1990), "A consumer approach to branded wines", *International Journal of Wine Marketing*, Vol. 2, No. 1, pp. 27–46.
- Gordon, W. (2002), "Minding your brand manners", *Marketing Management*, Vol. 11 No. 5, pp. 18-20.

- Guido, G., Marcati, A. and Peluso, A.P. (2011), "Nature and antecedents of a marketing approach according to Italian SMEs: a structural equation modelling approach", *International Journal of Entrepreneurial Behaviour and Research*, Vol. 14 No. 4, pp. 342-360.
- Hall, C.M. and Mitchell, R. (2008), *Wine Marketing: A Practical Guide*, Elsevier, p. 5 (pp. 344).
- Hamill, J. and Gregory, K. (1997), "Internet marketing in the internationalisation of UK SMEs", *Journal of Marketing Management*, Vol. 13, Issue 1-3.
- Heinen, E. (1991) *Industriebetriebslehre: Entscheidungen im Industriebetrieb*, Gabler, Wiesbaden.
- Hills, G.E. and Hultman, C.M. (2011), "Academic roots: the past and present of entrepreneurial marketing", *Journal of Small Business and Entrepreneurship*, Vol. 24 No. 1, pp. 1-10.
- Hills, G.E., Hultman, C.M. and Miles, M.P. (2008), "The evolution and development of entrepreneurial marketing", *Journal of Small Business Management*, Vol. 46 No. 1, pp. 99-112.
- Hill, J. and Wright, L.T. (2000), "Defining the scope of entrepreneurial marketing: a qualitative approach", *Journal of Enterprising Culture*, Vol. 8 No. 1, pp. 23-46.
- Hoffman, D. and Novak, T.P. (2000), "Measuring the Customer Experience in Online Environments: A Structural Modeling Approach", *Marketing Science*, 19 (1), pp. 22-42.
- Jennings, D. and Wood, C. (1994), "Wine: Achieving competitive advantage through design", *International Journal of Wine Marketing*, Vol. 6, No. 1, pp. 49-61.
- Jones, R. and Rowley, J. (2011), "Networks and customer relationships in a small software technology firm: a case study", *Journal of Small Business and Entrepreneurship*, Vol. 24, No. 1, pp. 29-48.
- Johnston, D.A., Wade, M. and McClean, R. (2007) "Does e-business matter to SMEs? A comparison of the financial impacts of internet business solutions on European and North American SMEs", *Journal of Small Business Management*, Vol. 45, No. 3, pp. 354-361.
- Kaplan, A.M., Haenlein, M., (2010), "Users of the world, unite! The challenges and opportunities of social media", *Bus.Horiz.* 53(1), pp. 59-68.
- Kerfoot, S., Davies, B. and Ward, P. (2003), "Visual merchandising and the creation of discernible retail brands", *International Journal of Distribution and Retail Management*, Vol. 31, No. 3, pp. 143-152.
- Kim, S., Koh, Y., Cha, J., Lee, S. (2015), "Effects of social media on firm value for U.S. restaurant companies" *Int. J. Hosp. Manag.* 49(1), pp. 40-46.

- Koewn, C. and Casey, M. (1995), "Purchasing behaviour in the Northern Ireland wine market", *British Food Journal*, Vol. 97 No. 11, pp. 17-20.
- Kraus, S., Harms, R. and Fink, M. (2010), "Entrepreneurial marketing: moving beyond marketing in new ventures", *International Journal of Entrepreneurship and Innovation Management*, Vol. 11 No. 1, pp. 19-34.
- Ling, B.-H. and Lockshin, L. (2003), "Components of Wine Pricing for Australian Wine: How Winery Reputation, Wine Quality, Region, Vintage, and Winery Size Contribute to Varietal Wines", *Australasian Marketing Journal*, 11 (3), pp. 19-32.
- Littunen, H. (2000), "Entrepreneurship and the characteristics of the entrepreneurial personality", *International Journal of Entrepreneurial Behaviour and Research*, Vol. 6 No. 6, pp. 295-309.
- Lockshin, L. and Hall, J. (2003), "Consumer purchasing behaviour for wine : what we know and where we are going", *Adelaide: Diss. University of South Australia*, p.5.
- Mello, L. and Pires, R. (2009), "Message on a bottle: Colours and shapes of wine labels", *American Association of wine economists, AAWE Working Paper No.42*.
- Mitchell, V.W. and Greatorex, M. (1989), "Risk reducing strategies used in the purchase of wine in the UK", *European Journal of Marketing*, Vol. 23 No. 9, pp. 31-46.
- Montaigne, E. (2010), "European wine market issues and prospects in the context of the changes to the Common Market organization for wine", *Agricultural and Resource Economics, Giannini Foundation of Agricultural Economics*, University of California, Vol. 13 No. 6, pp. 2-5.
- Morris, M.H., Schindehutte, M. and LaForge, R.W. (2002), "Entrepreneurial marketing: a construct for integrating emerging entrepreneurship and marketing perspectives", *Journal of Marketing Theory and Practice*, Vol. 10 No. 4, pp. 1-19.
- Morrison, A. and Rabelotti, R. (2009), "Knowledge and information in an Italian wine cluster", *European Planning Studies*, Vol. 17 No. 7, pp. 983-1006.
- Neilson, L.C., Madill, J. and Haines Jr., G.H. (2010), "The development of e-business in wine industry SMEs: an international perspective", *Int. J. Electronic Business*, Vol. 8, No. 2, pp.126–147.
- Orth, U.R., Wolf-McGarry, M. and Dodd, T.H. (2005), "Dimensions of wine region equity and their impact on consumer preferences", *Journal of Product & Brand Management*, Vol. 14 No. 2, pp. 88-97.
- Parmar, A. (2004), "Marketers ask: hues on first?", *Marketing News*, 15th February 2004, pp. 8–10.
- Perrouy, J.P., d'Hauteville, F. and Lockshin, L. (2006), "The influence of wine attributes on region of origin equity: an analysis of the moderating effect of consumer's perceived expertise", *Agribusiness*, Vol. 22 No. 3, pp. 323-341.

- Pitta, D. (2007), "Building brand equity and share of heart at Nassau Valley Vineyards", *Journal of Product and Brand Management*, Vol. 16 No. 2, pp. 148-151.
- Quelch, J.A. and Klein, L.R. (1996), "The Internet and International Marketing" *Sloan Management Review*, 37 (3), 60-75.
- Schamel, G. (2006), "Geography versus brands in a global wine market", *Agribusiness*, Vol. 22, No. 3, pp. 363-374.
- Shaw, E. (2006), "Small firm networking: an insight into contents and motivating factors", *International Small Business Journal*, Vol. 24 No. 1, pp. 5-29.
- Simmons, G., Thomas, B.C. and Packham, C. (2009), "Synergy within an entrepreneurial approach to marketing", *The International Journal of Entrepreneurship and Innovation*, Vol. 19 No. 1, pp. 63-72.
- Simpson, K. and Bretherton, P. (2004), "Co-operative business practices in the competitive leisure destination: lessons from the wine tourism industry in New Zealand", *Managing Leisure*, Vol. 9 No. 2, pp. 111-123.
- Sinkovics, R.R. and Bell, J.D. (2006), "Current perspectives on international entrepreneurship and the Internet", *Journal of Entrepreneurship*, Vol.3, Issue 4, pp. 247-249.
- Skuras, D. and Vakrou, A. (2002), "Consumer's willingness to pay for origin labeled wine: a Greek case study", *British Food Journal*, Vol. 104 No. 11, pp. 898-912.
- Suire, R. and Vicente, R. (2008), "Théorie économique des clusters et management des réseaux d'entreprises innovantes", *Revue Française de Gestion*, Vol. 4 No. 184, pp. 119-136.
- Tarabishy, A.E. (2007), „The State of Information Technology on Small Businesses World-Wide: Listening to Entrepreneurs and Experts, Results of the Global Technology Study, Conducted by Dell and ICSB (International Council of Small Business)“ http://www.icsb.org/Portals/0/ICSBDELL/ICSBDELL_TheState_of_IT_WorldWide_ListeningtoEntrepreneursandExperts_July10.pdf, p. 3.
- Terblanche, N.S., Simon, E. and Taddei, J.-C. (2008), "The need for a marketing reform: the wines of the Loire region", *Journal of International Food and Agribusiness Marketing*, Vol. 20, No. 4, pp. 113-138.
- Thomas, L.C., Painbéni, S., Barton, H., (2013), "Entrepreneurial marketing within the French wine industry", *International Journal of Entrepreneurial Behavior & Research*, Vol. 19 Issue: 2, pp. 238-260.
- Thompson, K.E. and Vourvachis, A. (1995), "Social and attitudinal influences on the intention to drink wine", *International Journal of Wine Marketing*, Vol. 7 No. 2, pp. 35-45.

- Trinquecoste, J.F. (2009), "Marketing du vin: millésime académique 2008 vingt/vin, Rétrospective d'actualité dans le droit vitivinicole 2008-2009", in Trinquecoste, J.F. (Ed.), *Le vin et ses marchés. Annales* (2009), Éditions Daerios, Cenon, pp. 65-70.
- Verdú Jover, A.J., Lloréns Montes, F.J. and Fuentes Fuentes, M.M. (2004), "Measuring perceptions of quality in food products: the case of red wine", *Food Quality and Preference*, Vol. 15, pp. 453-469.
- Vrontis, D., Thrassou, A. and Czinkota, M.R. (2011), "Wine marketing: a framework for consumer-centred planning", *Brand Management*, Vol. 18 Nos 4-5, pp. 245-263.
- Wu, C.W. (2016), "The performance impact of social media in the chain store industry", *J. Bus. Res.* <http://dxdoi.org/10.1016/j.jbusres.2016.04.130>.