



Columns

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Gilinsky, Jr., A. (Ed.), 2015. *Crafting Sustainable Wine Businesses Concepts and Cases*. Palgrave Macmillan, New York

In the recent past there has been a growing interest among scholars and practitioners on the subject of sustainability in the wine business, confirmed by a growing body of theoretical and practical contributions on this research topic (e.g. Mariani and Vastola, 2015; Santini et al., 2013; Szolnoki, 2013).

The strong interest on this issue is a direct consequence of different challenges, at global and local level, that the wine business have to face in order to survive (such as climate change, environmental degradation, resource scarcity, etc.). Moreover, interest also stems from the growing attention of policy makers towards this topic and the increasing investment in sustainable innovation from wine industries.

Recently a number of ways of implementing sustainability in the wine industry has been developed, mainly based on voluntary environmental and social standards. At the same time several initiatives and many sustainable winegrowing programs, developed through collaborative efforts driven by national institutions, associations and entrepreneurs are currently underway worldwide (Pomarici et al., 2015).

Different studies in literature suggest that the implementation of sustainable practices in wine business could provide several environmental and social benefits, simultaneously reducing input costs and increasing economic returns for producers. However, current literature does not portray a clear picture of the economic advantage of sustainable wine production (Forbes et al., 2013). Probably this lack could also depend by the fact that a large number of small and medium enterprises operate in very different natural and social contexts in the wine industry worldwide, together with the difficulty in defining the term "sustainability" in the wine industry.

In this context, the current book has the merit to provide an original contribution to the debate on sustainability of the wine business, and helps to define the potential benefits of adopting

sustainable business model, through the presentation of some case studies of wineries located in both the Old and New worlds, which have already implemented several strategies towards sustainability.

The book, whose content is very interesting and actual, is divided into five chapters. In the introduction, the Editor provides a concise and effective overview of the global wine market and a critical review of the up-to-date literature on the topic of sustainability in the wine business. Furthermore, a remarkable presentation of the main perceived benefits derived from the adaptation of sustainability strategy from wine enterprises is also provided in this section.

The following four chapters are devoted to the presentation and discussion of several case studies of wineries located in different areas characterized by very diverse economic, natural and social contexts. This chapter is extremely useful to understand and compare different sustainability strategies implemented worldwide. Particularly, the case studies presented are Bodega Pirineos and Puerta del Viento both located in Spain, Frog's Leap Winery in Rutherford (California, USA) and Lime Rock Wines in New Zealand.

Each case-study starts with a brief description of the characteristics of the regional wine industry, highlighting specific challenges to the local wine-business. Subsequently, a detailed description of the winery is provided, reporting the strategic paths and investments done by the firms to pursue sustainability, underlining the many faced difficulties and obstacles, along with the possible solutions. Moreover, each case-study highlights different business visions and approaches to sustainability.

The presentation of practical experiences of successful businesses towards sustainability that operate in diverse territories, each characterized by its own specificities, represents undoubtedly the most interesting and original aspect of this book; providing some longitudinal evidence that there are different regional approaches to becoming a sustainable wine business.

At the same time, the description of different successful experiences allows wine practitioners to increase their

awareness of sustainability of wine business, but also to share the best practices that have been adopted and to better comprehend those with the strongest impact on decreasing production costs and/or increasing wine quality.

Therefore, this book represents a useful reading for scholars' and students to extend their knowledge and understanding the relevance of sustainability dimension for the success in the wine industry. In addition, it offers an opportunity to evaluate a sustainable strategy in the wine industry. Overall, this book is a useful tool for practitioners who wish to deepen their knowledge of different strategies to increase the sustainability of their business, but also to compare various wine business experiences, using sustainability benchmarks and to better evaluate cost and benefits of new investments supporting sustainability.

Furthermore, the book provides insights to further develop the discussion, in both professional and academic worlds, on the possible strategies to encourage the orientation of the global wine business towards higher sustainability standards.

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Dougherty, P. H. (Ed.), 2012. *The Geography of Wine: Regions, Terroir and Techniques*. Springer, Dordrecht

The book *The Geography of Wine: Regions, Terroir and Techniques*, edited by Percy H. Dougherty, gives a comprehensive description of variability of vine cultivation and wines in the world, interpreting and stressing the capabilities of geography in studying a topic which has strong relations with the uneven pattern of reality on the earth. The study of wine puts all the geographers in front of their scientific responsibilities when investigating natural phenomena and human beings due to their different worldwide spread facets, and their interpretation could be very complex. Regions, terroir and even geographical techniques are challenging research topics which geographers are still facing, using different methods and tools, because they actually subtend sound theoretical questions about relations between space and place and, then, on if and how techniques can give acceptable explanations of the real world.

Wine is an object of pleasure and a great opportunity to make a worldwide geographical research and the book is a pleasant reading both for scholars and any other reader who wishes to improve his/her knowledge about wine culture and production.

The book is organized in five parts, starting from a general overview of topics, followed by chapters on regional, physical, cultural/economic and technical approaches in geography. In the overview, Dougherty, Unwin and Elliot-Fisk put the study of wine in the historical and cultural framework by the geographical perspective. The starting intriguing question is why you can buy different bottles of drinkable wine paying terrifically different prices depending on the regions of origin. Why are the efforts of Australian winemakers paid so much less than those of French *vignerons*? Geographers can help you in finding the answer.

Percy Doherty makes a large references review on regional analysis, comparative studies, terroir, climate GIS analysis and cultural studies, demonstrating that the geographer is well equipped for interpreting the complexity of wine production and commerce and the interaction between soils, culture and economy that influence the type of grape used and of wine produced in each region. The topic of terroir is deepened by Tim Unwin in his chapter entitled '*Terroir: At the Hearth of Geography*'. It is conspicuous that with *terroir* are connected individuals involved in production, in social organization and, last but not least, in agricultural practices. All individual components are involved in a dynamic interaction, so that *terroir* is to be viewed as an area that residents consider a 'project', aiming at valorizing the area itself through a particular type of production and using natural and cultural resources. This issue has been appreciated even by the American winemakers who, as told by Deborah Elliot-Fisk in her case study on the formal designation of wine appellation of origins of the United States.

After this large and exhaustive overview, the relations between wine and geography have been clearly established and the rest of the book can easily give effective examples of the geographical approach to wine. The second part is then dedicated to the analysis of case studies from Europe and Canada. Denyse Lemaire and David Kasserman present a comparison between Bordeaux and Burgundy, two of the most reputed French wine regions, giving sense to the complex interplay between social and natural assets, from the Middle Age to the computer age, which have produced and still produce the diversity and distinctiveness of worldwide famous wine regions. Donna M. Senese, Wayne Wilson and Bernard Momer discuss the case of the Okanagan Wine Region of British Columbia, Canada. Even in the New World the early influence of French in vine cultivating and winemaking is evident. A strong political sustain to planting vine orchards and the opening of free trade allowed the Okanagan region to accelerate the wine industry development, driven by the consumer's demand and based on favorable climate conditions and sustained by the spreading of tourism.

In introducing the third part, regarding the physical topic, Scott Burns stresses the importance of soil and geology in

producing the *goût de terroir*, the taste of the earth. He affirms that wines 'differ from each other based on seven different factors: the type of grape, the bedrock geology and resulting soils, the climate, the soil hydrology, the physiography of the site, the wine maker and vineyard management techniques.' Besides the deep technical and diffused explanations, supported even by a large literature review, the present writer is happily surprised by the magical appearance of the number 'seven', corresponding to the pieces in which the God of wine has been cut by the Titans, and explaining the different factors which produce the taste of the earth (remembering that Ctôn is the deity of the underground Earth).

The fourth part of the book consists of three chapters. In the first one, David Beck, Cheryl McEwan and Tony Binns refer about the structural and ethical transformation of the South African wine industry and related socio-economic hard challenges. The transformation of the industry, since 1994, has faced multiple dimensions regarding the opportunity to reorganize the wine supply to the international demand, basing the success on ethical issues regarding the overcoming of apartheid, fair trade and biodiversity concerns. The chapter demonstrates that ethical imperatives can match with marketing necessities, being capable of conducting entrepreneurs to economic success, by building competitive wine brands on the respect of ethical codes. In the second chapter, Barbara A. Carmichael and Donna M. Senese refer about competitiveness and sustainability in wine regions. Tourism and wine celebrated a joyful wedding even outside old world wine regions and wine tourism became also a fundamental topic for geographers. The authors show the possibility of conveniently applying a stage model of destination management in two Canadian wine destinations, the Niagara and Okanagan regions. The third chapter deals with the Californian wine industry as perceivable by the economic geography approach. Greig Tor Guthey underlines that besides the usual attention paid to natural endowments, entrepreneurship and watershed moments, economic geographers should acknowledge the broader context of industrial development and regional change in order to understand the reasons for the growth of the industry in California. In fact, the success of the Californian wine industry can be also explained through the analysis of interaction and knowledge exchange which occurs in specific places and the way production of wine becomes a collective process, as yet studied by literature on industrial districts.

The last chapter of the fourth part has been written by Robert Sechrist on the origin, diffusion and globalization of Riesling after its first appearance in the Rhine valley about 1350 AD, the only non French noble grape variety. The spread and success of the grape Riesling are global today, but the flavor of the Riesling wine depends (once again) on *terroir*.

Part fifth of the book is finally dedicated to geographical techniques, in three chapters. The first one by Lee Johnson et al. deals with the continuing advancement of geospatial technologies for mapping wine areas. Images shot by satellite or aircraft are useful to increase the quality of management of an entire zone or singular wine farms and orchards. Case studies from Australia, California, South Africa, France and

Italy are provided, showing different regional patterns and market challenges the old world is facing due to new emerging wine regions. The second chapter is dedicated by David R. Green to all the tools and techniques for monitoring and mapping the environment, whereas agriculture and winemaking have been increasingly involved in using information technologies. In a vineyard the day-to-day operations are strongly helped by modern geospatial technologies and three of these particular techniques, remote sensing, the global position system (GPS), and geographic information system (GIS) are more and more capable to furnish a massive quantity of data and information to be used in managing decisions. The authors provide also an overview of a prototype remote sensing advisory systems which can have a large diffusion in many world wine regions.

Finally I like to give my best personal appreciation for this book due not only to its absolute worth for any kind of reader, a geographer or not, but much more for being a useful benchmark for future researches on any aspects of winemaking and consuming.

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Güvenen, O., Serbat, H., Giraud-Héraud, E., Pichery, M. (Eds.), 2013. Quantitative Studies and Empirical Applications. Palgrave Macmillan, Basingstoke

During the last decades, the production of wine went through a radical change in which traditional and modernity are combined. The main aspects of the new production are closely related to the characteristics of markets, the new techniques of marketing and the introduction of innovation of product and processes in order to achieve a higher quality. Nowadays the analysis of the wine production represents a very complex mission for many reasons. The relation among quality, quantity and price of the wine product is closely linked to the characteristics of wine and affects the decisions of wine producers and the socio-economic context in which demand and supply interact. The economic reasoning may encourage producers to privilege the quantity more than the quality as a consequence of markets conditions and/or the costs of production. The dilemma is that having a product at lower prices, given a set of production techniques, is in sharp contrast to the quality of wine (trade-off between quantity and quality).

The book entitled "Wine Economics – Quantitative Studies and Empirical Applications" is edited by Eric Giraud – Héraud and Marie Pichery. The preliminary text of the book presents the introduction and overview of the book followed by sixteen chapters of the book, classified into five parts.

The first part of the book presents the issues related to consumption of alcohol and welfare associated to it by analyzing the relationship between various characteristics like demand, consumption, advertisement expenditure and welfare

of the consumers etc. Chapter 1, by Jan Bentzen and Valdemar Smith, analyses the impact of alcohol consumption on consumers' life satisfaction. A panel data set for 21 OECD countries from 1961 to 2005 is employed for both alcohol consumption and life satisfaction index. The econometric analysis presents the mixed results that alcohol consumption affects the life satisfaction both negatively and positively. The second chapter by James J. Fogarty highlights the significance of welfare-maximizing alcohol taxes. The author introduces a model and uses Australian data to evaluate the current alcohol taxation approaches associated with the welfare and also presents the optimal alcohol tax rates. On the other hand, Ruben Hoffman and Yves Surry estimate econometrically the impact of advertisement expenditure on the demand for alcoholic and non-alcoholic beverages in France. The authors also estimate the impact of Evin Law implemented in 1991 in France which restricted the advertisement of alcoholic beverages. Annual data comprising the period 1997–2004 is employed. Results confirm the impact of the law on consumers demand for alcoholic beverages.

The second part of the book discusses the behavior of consumers and the relationship between price and wines. Chapter 4, by Hyunok Lee and Daniel A. Summer, investigates econometrically the effects of price on wines with the place name Champagne relative to the other sparkling wines that do not claim the name Champagne. The results confirm the higher price of wines with the place name Champagne. Likewise, chapter 5, by Jean-Francois Outreville, analyses the relationship between the price of wines and the size of the bottles. Results confirm that the price of Champagne increases proportionally with the size of the bottle. However, this is not the case for Bordeaux wines. Professional tasters, experts and judges are key actors in the wine sectors. However, the outcomes of assessment process are likely to be affected by the individual behavior of the experts. This is argued by Matteo M. Galizzi in Chapter 6 wherein he analyses the existence of any bias in the professional wine experts' evaluations. Using the qualitative and quantitative information from the three wine guides in Italy, the author calibrates the probit model to find the evidence on the difference and the convergence of the three wine guides. Likewise, Pascale Bazoche, Pierre Combris, Eric Giraud-Heraud and Jean-Baptiste Traversac study the impact of characteristics of wines in general and appellation of origin on the willingness of consumers to pay. The authors used an incentive compatible elicitation method on highly competitive (i.e. lower-middle-range) markets of France and Germany selecting Red Burgundy wines for the model. The results show that sensory characteristics and label information influence French and German consumers differently.

The third part of the book illustrates the issues related to the ranking of wines and financial aspects. As in chapter 8, Michel Balinski and Rida Laraki explain the comparison between a traditional method of ranking and a new approach – majority judgment. The authors presented the foremost reason why majority judgment should be used to make jury decisions. The global, integrated and diversified markets have increased the number of investment choices for the investors. Today, wine is

being served not only as a beverage product but also as an investment product. This is highlighted by Philippe Masset and Jean-Philippe Weisskopf in chapter 9 wherein they elicit the opportunity and profitability of purchasing this “financial” product. Following this, Paul Amadieu, Jean-Pierre Couderc and Jean-Laurent Viviani investigate the relationship of financial and investment policies of French wine companies with the business cycles in the period of financial crisis. They examined the four specific aspects of companies' management: working capital management, human resource management, financing policy and investment policy. The authors argue that companies' operational and financial policies influence the sensitivity of these companies to the business cycle.

Part 4 of the book is devoted to the intermediary markets and strategic decisions of the wine growers. As in chapter 11, Tim Coelli and Orion Sanders conducted an exploratory study to obtain empirical information on the degree of technical efficiency among wine grape growers. The study uses the irrigation dataset of the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) whereas the stochastic frontier analysis (SFA) method is employed. On the other hand, chapter 12 by Gordana Manevska-Tasevska empirically examines the grape growing family farms in the Tikvevs vineyard district of Macedonia to investigate the importance of grape assortment in attaining higher farm efficiency. The author maintains that the knowledge of the relationship between grape assortment and farm efficiency could help policymakers to better devise agricultural policies and thereby enhance farm efficiency. The following chapter by Giulio Malorgio, Cristina Grazie, Francesco Caracciolo and Carla De Rosa investigates the determinants of wineries' long and short-term strategies concerning the bottling of wines of Italian Geographical Indications (GI). The authors estimated a sequential probit model and the Heckman two-step model for the determinants of long-term and short-term strategies respectively. The chapter concludes with the potential product development and marketing strategies for Italian GI wineries. On the other hand, Isabel Bardaji, Belen Iraizoz and Julio Estavillo in chapter 14 identify the explanatory factors of export intentions of Spanish wineries using ordinary least square method (OLS) with a stepwise technique. The results confirm the importance of exporting for most of the wineries in a competitive market.

The last part of the book is devoted to the new and emerging topics of wine literature. Francoise Bensa and Marie-Claude Pichery in chapter 15 addressed the several aspects of wine tourism and on-site wine sales. The authors explored the aspects of experiential marketing and conducted an empirical analysis using the sample data from Alsace and Burgundy. The study concludes the wine tourism activities offered by the winemakers create a relationship of confidence with the consumer even though they do not affect the on-site sales in the short term. The final chapter by Julian Alston, Kate B. Fuller, James T. Lapsley, George Soleas and Kabir P. Tumber addresses to several questions related to the rising alcohol content of wine. The authors examined whether it is an external climate change or the deliberate strategy of companies which leads to the rising alcohol content in wines. The study

used 16 year time series data from Liquor Control Board of Ontario (LCBO) on the alcohol content of wine from a large number of countries.

In general, the work presented in this book is notable since it covers a set of diversified topics related to wine economics. From the strategic decisions of wine growers to the behavior of wine consumers, the book presents numerous areas like production, pricing, marketing, retailing, and ranking etc. Moreover, some new and emerging topics of wine literature have been mentioned in the book and one of them is the wine tourism and on-site wine sales wherein the authors explored

several aspects of experiential marketing. In fact, this is a hot topic in a current scenario of tourism activities and further empirical work can be done to investigate the relationship of winemakers with the consumers in the context of tourism activities.

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