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Un tai di vin a tor pal mont. The internationalisation of Friulian wine. Contemporary trends and future perspectives

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Abstract:

Come una bottiglia di vino racchiude un mondo di sapori, colori, storie e tradizioni, così il mondo del vino presenta un mercato complesso nel quale produttori, consumatori e distributori operano e agiscono sfruttando le proprie caratteristiche, peculiarità e differenze. Anche il Friuli Venezia Giulia gioca la sua parte all'interno di un'arena globale dove le regole del passato non valgono più. In questo mio progetto di tesi, al fine di identificare le migliori e possibili strategie di marketing e processi di internazionalizzazione per le aziende vinicole friulane, ho deciso di partire dalle caratteristiche e dalle regole del mercato globale per analizzarne la complessità ed eterogeneità ed in seguito descrivere le strategie di promozione e internazionalizzazione più comuni ed efficaci. L' analisi dei settori vinicoli italiano, statunitense e cinese e lo studio del consumatore globale, condotto da diverse prospettive, evidenziano proprio le differenze tra mercati e le implicazioni che tale livello di complessità può avere su una strategia di internazionalizzazione.

La seconda parte della tesi si concentra sul caso friulano. Attraverso l'analisi SWOT, ho evidenziato i punti di forza e debolezza del settore vinicolo e ho elencato le possibili opportunità e minacce che le aziende incontrano o potrebbero incontrare nel prossimo futuro. Infine, grazie alle interviste a cinque aziende, ho potuto confermare e rafforzare alcuni punti dell'analisi precedente, toccando con mano la realtà vinicola friulana.

L'elevato numero di competitors a livello nazionale e internazionale che concorrono più o meno allo stesso livello in termini di qualità e tipo di offerta, complica un mercato che un ventennio fa si poteva dividere semplicemente in produttori del Nuovo e del Vecchio Mondo, la cui rivalità corrispondeva alle antitesi qualità e quantità, tradizione e innovazione. Oggi invece, possiamo trovare vini californiani nelle classifiche dei migliori rossi al mondo, mentre gli italiani talvolta faticano a classificarsi anche con i propri cavalli di battaglia. Uno sguardo generale al mercato globale non riesce a far luce sulle dinamiche e ragioni per cui la leadership del Vecchio Mondo sta venendo gradualmente a mancare di fronte alla potenza e ricchezza di paesi come California, Australia e Cile che possono contare su costi di produzione e gestione più bassi rispetto all'Europa.

Va sottolineato comunque che il mercato globale, sia in termini di qualità che di quantità, è ancora guidato dalla triade mediterranea Francia, Italia e Spagna, che nel complesso producono più del 50 percento della produzione mondiale.

L'Italia in particolare è il paese che ha registrato la crescita maggiore negli ultimi anni, soprattutto per quanto riguarda l'export, con Veneto, Toscana e Piemonte che trainano l'internazionalizzazione. Soprattutto a fronte del calo nel consumo nazionale di vino, le aziende vinicole italiane a partire dagli anni '90 hanno iniziato ad investire all'estero cercando nuove opportunità e nuovi consumatori che in molti casi scoprivano il vino per la prima volta. In paesi del nord Europa come Germania, Svezia, Danimarca, Olanda e Regno Unito, storicamente consumatori di birra, il consumo poco frequente di vino veniva associato a classi agiate e ricche. Da circa un ventennio invece, anche questi paesi si sono gradualmente appassionati al vino, grazie anche alla promozione di alcune cantine e a dei decisivi cambiamenti socio-economici che hanno aumentato il benessere della popolazione e la richiesta di nuove bevande di consumo. Malgrado questi consumatori non si riconoscano come esperti, col tempo hanno cominciato ad apprezzare il vino, ordinandolo al ristorante e in alcuni casi organizzando visite in cantine e/o degustazioni. Altri paesi invece, detti appunto emergenti, come Russia, Cina, Hong Kong, Singapore, Giappone e Corea del Sud, tradizionalmente non sono mai stati consumatori di vino e i rispettivi mercati rappresentano future sfide per le cantine friulane.

Un approfondimento sui mercati cinese e statunitense ha evidenziato che valenza strategica abbia per un'azienda vinicola, studiare attentamente i meccanismi e la struttura del mercato di sbocco. Per esempio, negli Stati Uniti il cosiddetto Three Tier System, il sistema di distribuzione degli alcolici, rallenta i tempi e aumenta il prezzo finale a bottiglia che in alcuni casi può addirittura quadruplicare. L'America inoltre, presenta una disomogenea distribuzione tra consumatori e produttori e una diversa legislazione a seconda degli stati. La California, infatti, produce quasi il 90 percento del vino americano e i maggiori consumatori si concentrano lungo le due coste. La conoscenza media del vino è aumentata nell'ultimo decennio e ha promosso un maggior interesse da parte dei consumatori, con particolare attenzione alle produzioni di qualità e di nicchia. Oltreoceano il consumatore cinese invece, è fortemente influenzato dalla propria cultura di riferimento, considera il vino più un bene di lusso e lo acquista principalmente per regalarlo e per occasioni speciali. Inoltre, culturalmente in Cina il colore rosso è associato a significati positivi e benauguranti, per cui il vino più acquistato è appunto rosso. Tutti questi elementi, se tenuti in considerazione, possono garantire il successo o l'insuccesso di un vino all'estero e non vanno sottovalutati da produttori e distributori.

A mettere in difficoltà le aziende e a complicare il mercato non sono solo la competizione diretta e indiretta con altri paesi, sia del Vecchio che del Nuovo Mondo, ma la complessità ed eterogeneità dei consumatori. In un mondo ormai globalizzato, si può infatti tentare di identificare un consumatore globale che evolve a seconda di molteplici fattori, tra i quali possiamo elencare età, cultura di riferimento, paese, estrazione sociale ed educazione. All'interno dello stesso mercato, infatti, è possibile individuare diversi cluster di consumatori, ognuno con i propri gusti, aspettative e benefici attesi. Malgrado le differenze interne ad ogni mercato, si possono comunque evidenziare alcune tendenze globali che accomunano i consumatori di oggi. Tra i principali trend infatti spiccano una diffusa sensibilità nei confronti della sostenibilità ambientale, di una produzione biologica e in alcuni casi biodinamica e naturale, un'attenzione maggiore alla salute e al legame di questa col cibo e col vino, un'esigenza di prodotti veloci e pronti all'uso che comunichino un legame col territorio e mostrino una loro personalità, infine un interesse sempre maggiore per la qualità.

L'analisi degli attributi del "prodotto vino" può essere utile all'identificazione di diversi tipi di consumatori. Ci sono persone più sensibili al prezzo che associano maggior qualità ad un prezzo elevato, altri invece sono colpiti da un layout e design particolari. Alcuni scelgono una bottiglia in base al paese o regione di provenienza, altri invece a seconda del colore o della varietà.

Infine, oltre alle caratteristiche di un prodotto, la scelta di una bottiglia o di un bicchiere di vino può essere condizionata dall'occasione d'uso. In base ad associazioni mentali e culturali, un vino può essere di moda, bevuto in allegria tra amici, un simbolo di convivialità o un modo di omaggiare un ospite, distinguersi col capo o con un partner commerciale, può essere ordinato al ristorante per accompagnare un piatto o semplicemente perché il nome ci è noto.

Così il consumatore di oggi è passato dall'ordinare "del vino" a richiedere "un vino" specifico, indicandone il brand, la varietà o la provenienza. I due elementi attorno ai

quali ruota il marketing internazionale del vino sono infatti il territorio e la marca. Alcuni produttori, specialmente le grandi aziende del Nuovo Mondo, hanno utilizzato una strategia di marca, puntando sulla novità, qualità e piacevolezza dei loro vini. La lezione più importante in fatto di *terroir* viene invece dai francesi, che fanno risalire al territorio la qualità, l'eccellenza e la fama di un vino. Quando ordiniamo un vino francese infatti, chiediamo un borgogna, dello champagne o del bordeaux. L'elemento principale è appunto il territorio, a sua volta garantito dalla AOC, il corrispettivo francese della DOC italiana. In Italia invece, troviamo un ibrido di entrambe le strategie di marketing. Esistono 408 denominazioni tra DOC e DOCG e 115 IGT che puntano sulla valorizzazione del territorio, ma troviamo anche alcuni nomi di aziende illustri come Ferrari o Santa Margherita e le stesse varietà come Prosecco o Ribolla Gialla che sfruttano il potere del *branding*. Tuttavia, al contrario dei francesi e ad eccezione di alcuni casi come Toscana e Piemonte, poche regioni italiane vengono associate ai loro vini. Una ragione è da ricercare nella varietà e nel numero di vini che una singola regione produce. Primo fra tutti il Friuli Venezia Giulia, che coltiva varietà autoctone e internazionali, non specializzandosi in una gamma selezionata. Un'altra causa invece è di tipo storico. Solo poche regioni italiane in passato sono state associate a grandi vini. L'Italia fino a pochi decenni fa era legata ad una produzione principalmente di vino da tavola. Nel caso del Friuli per esempio, solo il Picolit può essere considerato un vino prezioso fin dalle sue origini, tutti gli altri vini regionali venivano invece venduti nei mercati locali o alla Serenissima. Oggi la fama e la qualità dei vini italiani e friulani sono certamente aumentate, l'Italia non solo insegue la Francia nell'esportazione di vino frizzante ma l'ha sorpassata nella produzione totale e nell'export di vino bianco.
La terza e ultima parte della tesi è dedicata all'analisi del settore vinicolo friulano. Il Friuli Venezia Giulia è un piccolo universo enologico dove piccole e a volte anche micro-aziende, cercano di rappresentare attraverso i loro prodotti le particolarità e unicità del territorio. Con nove DOC, quattro DOCG e dieci varietà autoctone, il Friuli si presenta al mercato globale principalmente come produttore di grandi bianchi. Poche regioni italiane possono vantare i primati del Friuli Venezia Giulia, basti pensare alle peculiarità del terreno, al paesaggio, al numero di particolarità e varietà vinicole e anche al ruolo economico e di ricerca che svolge a livello mondiale. Ma come già detto, la produzione di buon vino non garantisce la vendita. Gli investimenti in marketing e

promozione, la cura personale dei clienti e il monitoraggio costante dei mercati, sono solo alcuni degli elementi che un'azienda vinicola oggi sfrutta per crescere internazionalmente. Fiere nazionali e internazionali, sia con la formula B2C che B2B, sono ottimi trampolini di lancio per sancire nuovi accordi e partnership: solo la costante cura di tali rapporti può fruttare nel lungo periodo.

I produttori del Friuli Venezia Giulia devono inoltre sopperire alla scarsa conoscenza della regione da parte dei consumatori. Ad eccezione degli addetti ai lavori, il vino friulano non è conosciuto e di conseguenza nemmeno ordinato. Sta infatti alle aziende, assieme anche alle amministrazioni e autorità locali, promuovere il territorio attraverso i propri prodotti. È provata infatti l'efficacia di una comunicazione focalizzata sul territorio, sulla storia dell'azienda e sul suo ruolo all'interno di un contesto sociale, culturale e ambientale. Pertanto, molte aziende sfruttano il potere persuasivo ed evocativo dello storytelling e lo associato ad esperienze immersive come degustazioni, visite, premi e certificazioni.

Il terzo elemento di successo e di investimento da parte delle aziende vinicole friulane è infatti l'associazione tra vino e cultura, o vino e viaggi. Le strade del vino, percorsi didattici in cantina con degustazioni, visite e cene a tema e anche servizi di ospitalità tra cui ristoranti, agriturismi o B&B, sono strategie efficaci per fidelizzare il cliente e per creare e rafforzare il legame tra vino e territorio, territorio e consumatore.

Le sfide future per le aziende vinicole friulane riguarderanno principalmente la capacità di fare sistema, di cooperare tra aziende e di concordare una strategia comune per penetrare mercati nuovi ed emergenti. Solo attraverso un lavoro di squadra sarà possibile ovviare alla piccola dimensione delle aziende friulane e alla grandezza dei mercati più complessi. Un uso all'avanguardia e interattivo delle nuove tecnologie costituisce un'ulteriore opportunità. Un servizio e-commerce più vivace e internazionale che possa venire incontro alle esigenze dei consumatori odierni e una forma di promozione che possa far parlare ed emergere in primis il territorio, potranno sicuramente coinvolgere in modo diverso i consumatori sia italiani che stranieri. Le prospettive future del vino friulano saranno perciò legate allo sviluppo di nuovi mercati e al rafforzamento di quelli tradizionali, che sono sempre in evoluzione. Mentre l'interesse crescente verso il vino bianco a livello mondiale potrà essere un'opportunità molto interessante per i produttori friulani, ma starà a loro riuscire ad intercettare adeguatamente questa nuova domanda. Infine, sarà utile ripensare ad alcune formule di marca che hanno certamente fatto la fortuna di alcuni, ma non sono riusciti a far emergere la regione e i suoi vini in quanto paesaggio e territorio unici. Sanare le differenze interne e ripensare una comunicazione d'insieme, promuovendo così una sana cooperazione e partecipazione, potrebbe migliorare il futuro del vino friulano e garantire il suo successo internazionale.

Introduction:

With this master thesis, I wanted to investigate and analyse the traits, role and position of the Friulian wine sector in the global market in order to highlight future prospects and developments.

In the first part, I will introduce the main characteristics of the global wine market in order to present the structure and context that every winery has to face in internationalising processes. In particular, in the first chapter I will describe the theoretic and pragmatic rivalry between Old and New World producers, with focus on their differences in production, consumption, types of wine and varieties, technologies and approaches, providing data and statistics for a detailed and accurate analysis.

Moreover, I will look at the Italian wine sector, underlying its role at international level, with its main trading partners, best productive regions and main exported wines. As well as other Mediterranean countries, also the Italian peninsula is affected and influenced by new emerging trends, as sustainability and green agriculture, a decrease in domestic consumption and a shift towards a production in terms of quality. I will then introduce the main obstacles to the growth of Italian wine abroad that it shares with Friuli too. They correspond mainly to the high level of diversification, the small size of wineries, a large offer of wine varieties and types and many different geographical designations.

Subsequently, I will analyse the American and Chinese wine markets in order to explain in detail the heterogeneity of the wine world. Since every market presents its own obstacles and characteristics, this analysis will give an example of the great and hard work wineries have to do before entering a new market or developing new strategies. USA is a grown market and is both a wine exporter and importer, where Italian wineries export a great percentage of their wine production. The American market though, presents its own obstacles and level of competition that Italian and Friulian wineries have to face and strategically bypass. On the other hand, the Chinese market represents the future challenge for many European winemakers, since it is an emerging market where wine consumption is still at the first stages. Nonetheless, it shows unusual consumer traits that inevitably will affect exporter's strategies.

The second chapter is an overview of the international consumers, with stress on the differences between countries, cultures and generations. The analysis will try to confirm and demonstrate through examples and case studies, the degree of complexity and heterogeneity of the globalised society, which inevitably complicates and differentiates marketing and promotional strategies. The identification of the global wine consumer will follow two main criteria: the attributes of wine that consumers evaluate and the occasions of use in which they drink. From a socio-demographic perspective, the analysis will highlight some trends as the increasing interest for organic and sustainable agriculture and products, first of all natural and organic wines, the importance of informative layout with clear descriptions about provenance or possible food pairings, and an evocative design able to convey the personality of the product and producer. I will further list some global trends that may influence consumer choices as wine tourism, e-commerce, "Made in Italy", certifications and prizes, providing some possible applications of them in promotion, with hypothesis of eccentric combinations and new ideas.

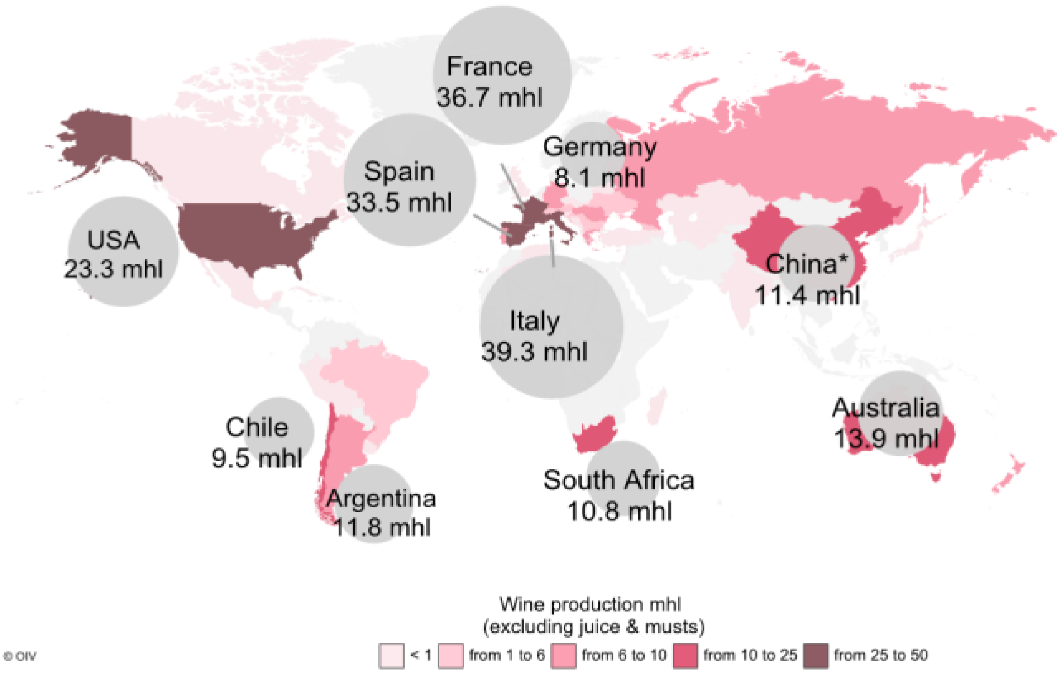
In the third chapter of the thesis, I will introduce and analyse the case and role of Friulian wine sector at international level. First, I will describe Friuli Venezia Giulia as a wine region with its peculiarities, interesting and unique traits, providing also a historical overview of the development of the Friulian wine sector since XIX century.

I will explain the position and role of Friuli in the global market, while the SWOT analysis will additionally highlight the prospects, treats, limits, opportunities and elements of strengths that the Friulian wine sector can use in its development and growth.

Finally, five interviews to Friulian wine producers will provide some ideas for final considerations about the present and future of Friulian wine. The real and direct experiences of wineries is crucial for the analysis of the opportunities that the region and winemakers have and could use in order to start or reinforce their internationalising process and marketing strategies.

1. The global wine market:

In this chapter, I will describe the main trends and changes in the global market that have characterized the last decade, highlighting the differences between Old and New World, with a focus on wine production, export and consumption. I will then try to collocate the Italian wine market in this global context, underling its strengths and weaknesses. Finally, I will deeper analyse two important and growing markets: China and USA. This final analysis will highlight some useful opportunities that wineries could catch in order to consolidate their trades and develop international strategies.



World Wine Production, source OIV.

In the last thirty years, the wine market has deeply changed and it is still evolving thanks to different developing trends and dynamics that have regarded internationalisation, the production process, a change in consumption and in the distribution system[1].

Moreover, due to globalisation and the reduction of protectionist and tax barriers accomplished by WTO since 1994, we can identify today a series of similar characteristics but also distinguishing elements within two big groups of producers: the

[1] CESARETTI P., GREEN R., MARIANI A., POMARICI E., *Il mercato del vino. Tendenze strutturali e strategie dei concorrenti*, Franco Angeli, Milano, 2006, pp. 11-31.

Old World (Europe) and the New World, mainly Argentina, Australia, Chile, New Zealand, USA and South Africa.

The high concentration in the wine market, with more than 50 percent of the world production under the control of only ten countries, mirrors both a traditional bond with the sector from Old World producers and the new emerging interests from New World countries. The differences between Old and New World can be found in the product identification strategies and in farms' dimensions. In the New World, there is firm concentration with few but big farms, which produce table wine and many export-oriented small vineyards, which produce quality wine. On the other hand, after the entrance of new competitors in the global market, the European producers had to adapt and developed new and resilient strategies. The majority of Old World producers are, indeed, small/medium farms, oriented towards high quality wine and export. This high concentration led to diversification that is visible looking at the difference between the exports in terms of volume and in terms of value and at the growth rate of the latter in the last five years[2].

One prevailing trend is the strong division in supply between table and quality wine. This distinction led many farms to opt for product diversification and specialisation according to a demand's transformation and evolution.

We can differentiate wines horizontally, by types (still, sparkling or liqueurs etc.), colour (red, rosé or white) or by the alcoholic content and vertically, by price or value, which characterizes especially quality wines. The latter can be distinguished by price (icon, premium, basic etc.), geographical designation (PDO, PGI, DC, AOC, DOCG), for which the value of *terroir* plays a strategic role, and finally variety (Cabernet-Sauvignon, Merlot, Chardonnay etc.), which is an important differentiation especially in the New World, where the European designations of origin are not applicable.

But table wine is not necessarily a synonym of low quality. It is also linked to all the products without any geographical indication that are not connected to a brand or a well-known variety, but are new and innovative and catch the interest of some niches of consumers. Among this group, we can list natural, organic or biodynamic wines. As the

[2] Precisely in the variation 2017/2012, the rate growth in terms of value accounted for 14.3% against 1% increase in terms of volume2018.

Quarterly Report of Rabobank of 2018[3] has highlighted, there has been an increasing interest towards lesser-known wine and regions from specific niches of consumers, who tend to prefer products with an authentic history and background rather than brand wines.

A second characteristic of the current wine market are the new consumption trends, with an increase of new types of consumers in emerging and traditional non-consuming countries, for example Hong Kong, Singapore and Japan, and a diminishing wine consumption in the Old World. In these countries, table and everyday wine has being substituted by occasional quality wine, for celebrations and special occasions.

Finally, after and thanks to globalisation and the growth of wine trade in new markets, the distribution system and retailing have changed and nowadays involve new marketing campaigns, strategies and channels, with indirect consequences on the value chain.

Production, export and import trends in the global market

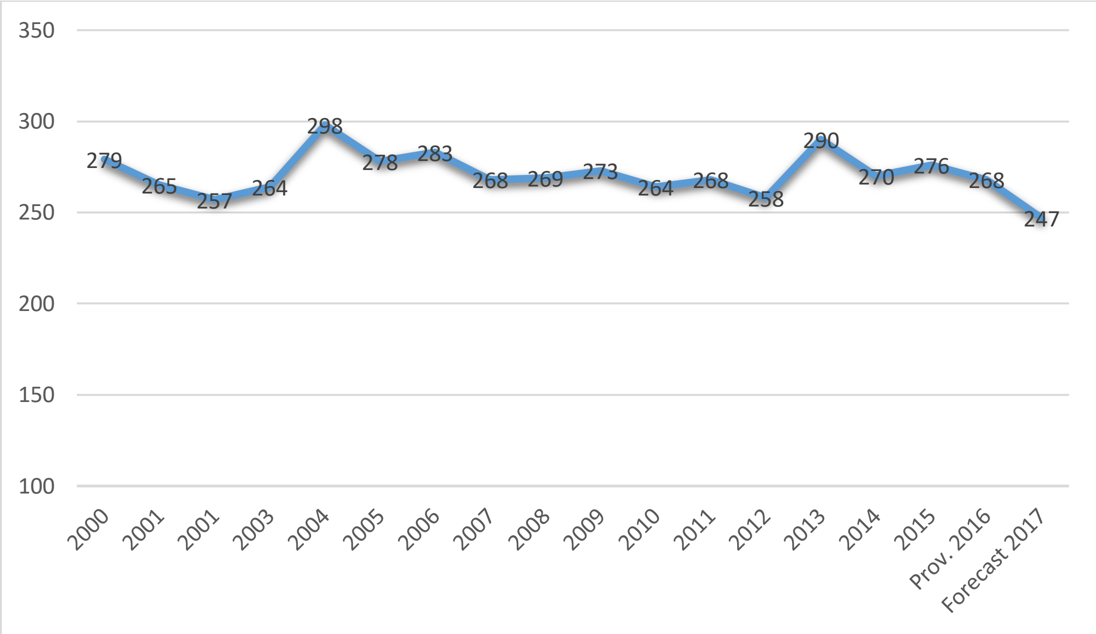
In the last sixteen years, the global production of wine has decreased by 12 million of hl due to two main factors, the gradual decrease of vineyard surface area in the world and the effects of the European Reform of 2008[4]. The low production of 2012 instead, is due to the lowest harvest in decades and similarly the one of 2017 has been deeply damaged by difficult weather events.

The area under vines destined to the production of wine grapes, table grapes or dried grapes in production or waiting production has reduced from 7.8 million of hl in 2000 to 7.5 in 2016, where the 50 percent of the global production is concentrated in five countries: Spain, China, France, Italy and Turkey. The data are although not surprising considering that China and Turkey are mainly table grapes producers[5].

[3] RANNEKLEIV, S., CASTROVEIJO M., Rabobank, *Wine Quarterly QI 2018, The evolution of sourcing strategies*, Food & Agribusiness Research, Utrecht, 2018, p.3.

[4] Wine CMO Reform (2008). It had the aim to increase the competitiveness of EU wine producers through various steps, as grubbing-up non-competitive vineyards, phasing out of distillation measures, introducing a National Support Program.

[5] Data from *OIV Statistical Report on World Vitiviniculture* of 2017.

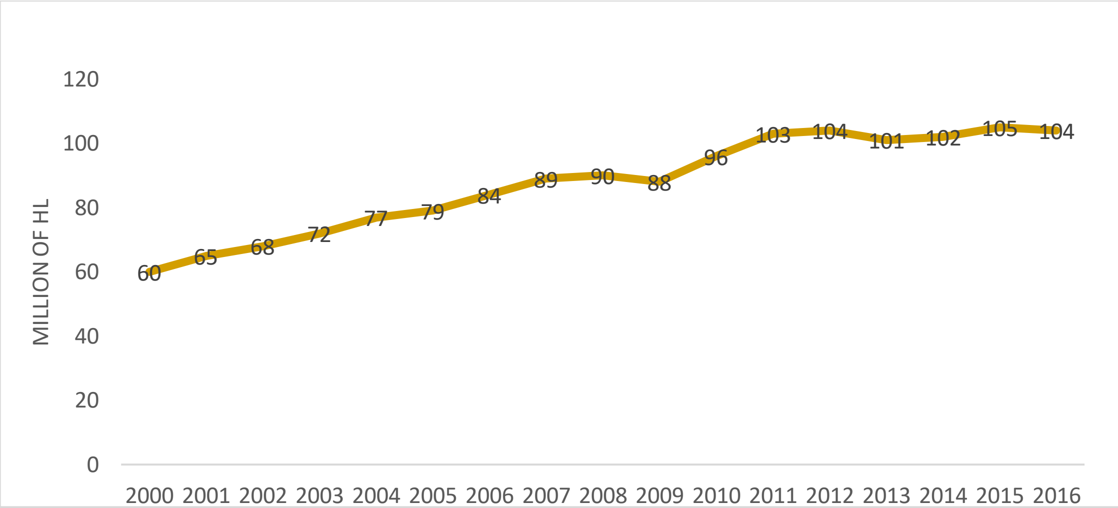


Trend of World wine production from 2000 to 2017. Source OIV.

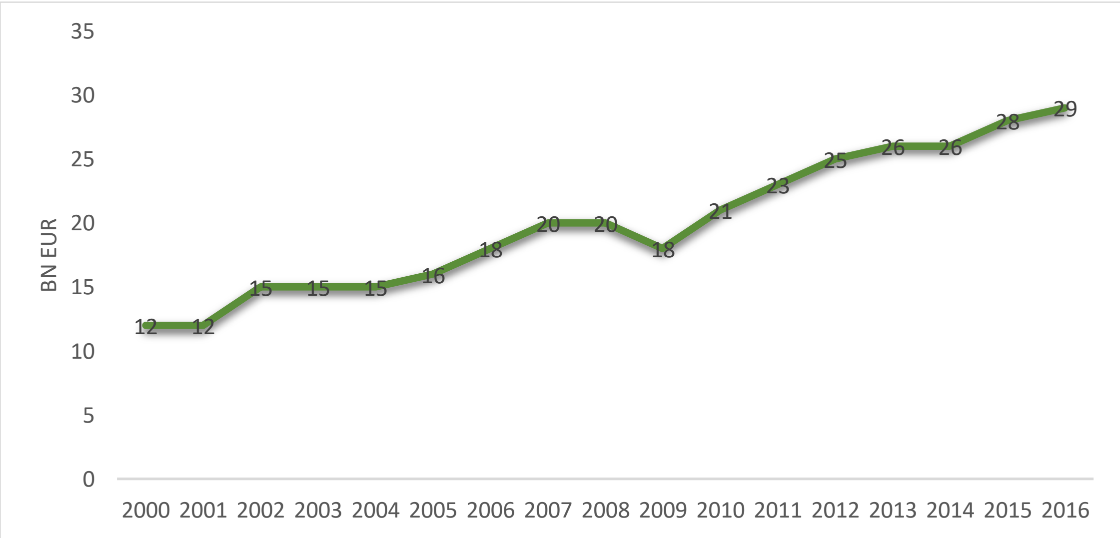
	2013	**2014**	**2015**	**2016**	**2017 Forecast**	**2017/2016 Variation in volume**	**2017/2016 Variation in %**
Italy	54.0	44.2	50.0	50.9	39.3	-11.6	-23%
France	42.1	46.5	46.5	45.2	36.7	-8.5	-19%
Spain	45.3	39.5	39.	39.3	33.5	-5.8	-15%
USA	24.4	23.1	23.	23.6	23.3	-0.3	-1%
Australia	12.3	11.9	11.9	13.1	13.9	0.8	6%
Argentina	15.0	15.2	15.2	9.4	11.8	2.4	25%
China	11.8	11.6	11.6	11.4	11.4	0.0	0%
South Africa	11.0	11.5	11.5	10.5	10.8	0.3	2%
Chile	12.8	9.9	9.9	10.1	9.5	-0.7	-6%
Germany	8.4	9.2	8.9	9.0	8.1	-0.9	-10%
World	290	269.5	274.7	268.8	246.7	-22.1	-8%

Total production in the first 10 world wine producers since 2013. Source OIV

The traditional leading trio of France, Italy and Spain account together around 52 percent of the world production of wine with a total of 109.5 million of hl, followed by USA (23.3 mhl), Australia (13.9 mhl) and Argentina (11.8 mhl), which has seen a production growth of 25 percent in the last two years. As we can see from the graph, while in Europe the production is decreasing, the three main producers in America and Oceania are observing a rise with a positive variation, which reflects the global trend towards wine consumption, increasing exports, along with the positive effects of globalisation.



Global wine trade in terms of volume since 2000. Source OIV.



Global wine trade in terms of volume

There are 83 countries involved in wine market, but only 12 controll 90 percent of the trades. Spain, Italy and France are again the leaders both in terms of value and volume and are a positive entry for the EU exports. There are fine and quality wine export-oriented countries, as France, New Zealand and UK, while others prefer trades in terms of volumes, especially considering the high costs of transports that differentiate bottled and bulk wine. As we can see from the graph, the entire global trade has strongly changed in the last sixteen years and ranged from 12 to 29 billion euro, accounting for more than 41 percent of world wine production. Sparkling wine has seen a positive growth of 26 and 23 percent respectively in terms of value and volume, while the international trade of bottled wine has increased by 14 percent in value, mirroring again the global trend of a preferred quality wine.

Million of hl	**2012**	**2013**	**2014**	**2015**	**2016**	**2012/2016 Variation**
Spain	20.7	18.4	23.0	24.7	22.9	10.6%
Italy	21.2	20.3	20.4	20.1	20.6	-2.8%
France	15.0	14.5	14.3	13.9	14.1	-6.3%
Chile	7.5	8.8	8.0	8.8	9.1	21.3%
Australia	7.2	7.1	7.0	7.4	7.5	3.3%
South Africa	4.2	5.3	4.2	4.2	4.3	2.7%
USA	4.0	4.1	4.0	4.2	3.8	-5.3%
Germany	4.0	4.0	3.9	3.7	3.6	-9.5%
Portugal	3.4	3.0	2.8	2.8	2.8	-18.2%
Argentina	3.7	3.1	2.6	2.7	2.6	-28.9%
World	103	101	103	105	104	1%

Global export in terms of volume in the first ten countries

Billion of euro	**2012**	**2013**	**2014**	**2015**	**2016**	**2016/2012 Variation**
France	7.8	7.8	7.7	8.3	8.2	5.3%
Italy	4.7	5.0	5.1	5.4	5.6	19.8%
Spain	2.4	2.6	2.5	2.6	2.6	9.1%
Chile	1.4	1.4	1.4	1.6	1.7	20.2%
Australia	1.5	1.3	1.3	1.5	1.5	1.4%
USA	1.1	1.2	1.1	1.4	1.4	31.4%
New Zealand	0.8	0.8	0.8	1.0	1.0	32.5%
Germany	1.0	1.0	1.0	1.0	0.9	-5.0%
Portugal	0.7	0.7	0.6	0.7	0.7	3.7%
Argentina	0.7	0.7	0.7	0.7	0.7	3.7%
World	25	26	26	28	29	14.3%

Wine export in terms of value in the first ten countries

The three main importers both in terms of value and volumes are USA, Germany and UK, while in terms of value we can intercet the so called "non traditional importers", as for example China and Russia, two emerging markets, new demands and opportunities. Among these countries, we can find intemediate importers/exporters that purchase the wine from a neighbour country and export it to an other. For example, UK traditionally exports quality wine from France and Italy, while Germany imports bulk wine, bottles it and then sells it to other markets, especiallly to East Europe[6].

[6] GALLETTO L., GREGORI, M., MALORGIO G., POMARICI E., ROSSETTO L., *Il Marketing del Vino*, EdiSES, Napoli, 2017, p.23

Million of hl	2012	2013	2014	2015	2016	2016/2012 Variation
Germany	14.4	15.3	15.4	15.3	14.5	-5%
UK	12.8	11.8	13.4	13.6	13.5	6%
USA	11.7	11.0	10.8	11.0	11.2	-4%
France	5.4	6.0	6.9	7.6	7.9	45%
China	3.9	3.8	3.8	5.6	6.4	62%
Canada	3.8	3.7	3.8	4.1	4.2	10%
Russia	4.9	4.9	4.7	4.0	4.0	-18%
Netherlands	4.0	3.6	3.8	3.8	3.8	-3%
Belgium	3.1	3.2	3.1	3.1	3.1	0%
Japan	2.6	2.6	2.7	2.8	2.7	4%
Wolrd	99	99	102	104	104	4.3%

First importers in terms of volume. Source OIV.

Bilion of euro	201	2013	2014	2015	2016	2016/2012 Variation in %
USA	3.9	3.9	4.0	4.9	5.0	27%
UK	3.9	3.6	3.6	3.9	3.5	-10%
Germany	2.4	2.6	2.6	2.5	2.5	1%
China	1.2	1.2	1.1	1.8	2.1	74%
Canada	1.5	1.5	1.5	1.6	1.6	4%
Hong Kong	0.8	0.8	0.8	1.3	1.4	74%
Japan	1.2	1.2	1.2	1.3	1.3	12%
Switzerland	0.9	0.9	0.9	1.0	1.0	4%
Netherlands	0.9	0.9	1.0	1.0	0.9	6%
Belgium	1.0	1.0	1.0	1.0	0.9	-8%
World	25	25	26	28	28	1.1%

First importers in terms of value. Source OIV.

From the point of view of international regulations and programmes of support, WTO and the EU play the bilateral role of superviors and promoters, especially in order to prevent some forms of protectionism or any other kind of market barrier to the free trade of wine and, on the other hand, to establish important rules to protect consumers and producers.

They can affect both the costs of production and the fair international trade, which the WTO has tried to denfend through two main regulations: the Agreement on Sanitary and Phitosanitary Measures- SPS and the Agreement on Technical Barriers Trade- TBT and the 1994 TRIPS Agreement concerning, among the main topic of intellectual property, the geographical indications.

The EU, in particular, has a specific and complex system of regulation (CMO) that concerns the entire wine supply chain, from the technical elements to the protection of the cultural and geographical identity of the products[7]. Especially because of this duplex aspect of regulation, of defence but also restriction, the EU has been critized by New World competitors. The EU reform of 2008 has three main goals: making EU wine producers more competitive, the governance rules simpler, clearer and more effective, achieving in this way a better balance between supply and demand, and defending the traditional European wine with also investments in rural areas[8]. The following 2013 CAP Reform on the EU wine sector aimed at the development of new products, processes and technologies. It has started some promotion measures to inform the Member States about the responsible consumption of wine and the Union systems of designations of origin and geographical indications. Finally, it has extended the restructuring and conversion of vineyards where necessary through grubbing them up for health or phytosanitary reasons.

The access of the EU food industry to non-EU markets and vice versa depends on international trade agreements and negotiations, particularly those of the WTO.

About the bilateral and international agreement between the EU and non-EU countries, the Commission has negotiated and/or concluded bilateral trade agreements with:

[7] This protection is guaranteed also through other agreements as the Paris Convention (1883) and the Lisbon Agreement (1958).

[8] POMARICI E., SARDONE R., *L'OCM Vino. La difficile transizione verso una strategia di comparto*, Tipar Arti Grafiche, Roma, 2010, pp. 1-6.

OECD countries[9], Euro-Mediterranean countries[10]; Mercosur[11] countries; Andean countries[12], Central American countries[13], Gulf Co-operation Council countries[14], Balkan countries and ACP[15] countries. The most recent are the EU-Canada CETA and EU-Japan of 2017.[16]

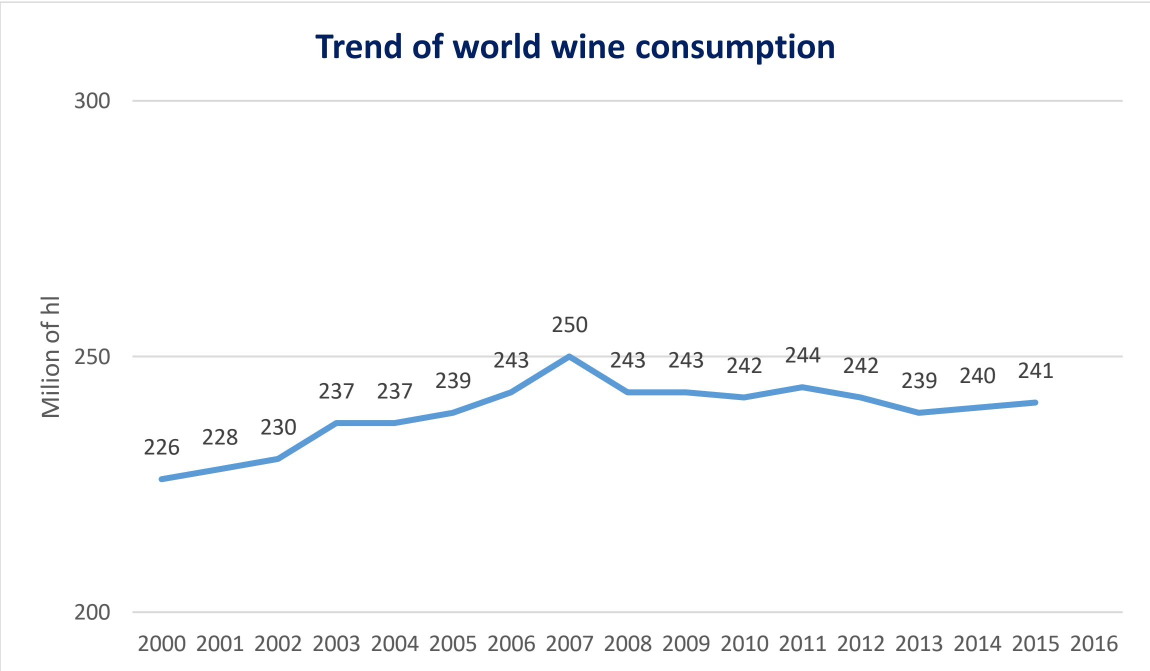
As I have mentioned above, the EU plays the double role of regulator and protector of the Old World market and establishes the necessary rules for the fair development of wine-growing techniques, wine production, oenological characteristics and parameters, designation and presentation (for example etiquettes[17]). One important issue concerned the difference between quality and table wines and the official recognition of the value and quality of some European wines, in a context where the New World producers were gradually entering the market with competitive wines that could negatively affect the Old World. As Mariani has pointed out[18], while in Europe there is a hierarchical list of value and a classification of wine quality, the fast and different development of the wine producers in the New World did not develop the same system of regulation. The identification of New World wines depends mainly on the brand and varieties and only in the last ten years the interest towards *terroir* and the designation of origin has gradually increased, along with the general interest to identify a specific origin and background. The improper and illegal use of the indication of origin for non-European products promoted the stipulation of the TRIPS (Trade Related Aspects of Intellectual Property Rights) negotiated at the end of the Uruguay Round in 1994. It established a standard of protection at international level for indication of origin products, which is fundamental for the fair competitiveness in the global market.

Another type of wine quality classification is the one of Rabobank, which classifies wine in Icon, Ultrapremium, Superpremium, Premium, Popular Premium and Basic[19]. This classification identifies wine from a cost point of view, due to the increased and

[9] USA, Canada, Japan, Switzerland, the European Economic Area, Mexico, Chile and South Korea
[10] Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, the Palestinian Authority, Syria, Tunisia and Turkey
[11] Argentina, Brazil, Paraguay, Uruguay and Venezuela
[12] Columbia, Peru, Equator and Bolivia
[13] Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama
[14] Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates
[15] Africa, Caribbean and Pacific
[16] http://ec.europa.eu/trade/policy/countries-and-regions/countries/canada/
[17] SABELLICO, A., *Le nuove norme sull'etichettatura dei vini,* Assoenolgi, Milano, 2003.
[18] CESARETTI G.P., GREEN R., MARIANI A., POMARICI E., *op.cit.*, p. 48.
[19] GALLETTO L., MALORGIO G., POMARICI E., ROSSETTO L., *op.cit.*, p.27.

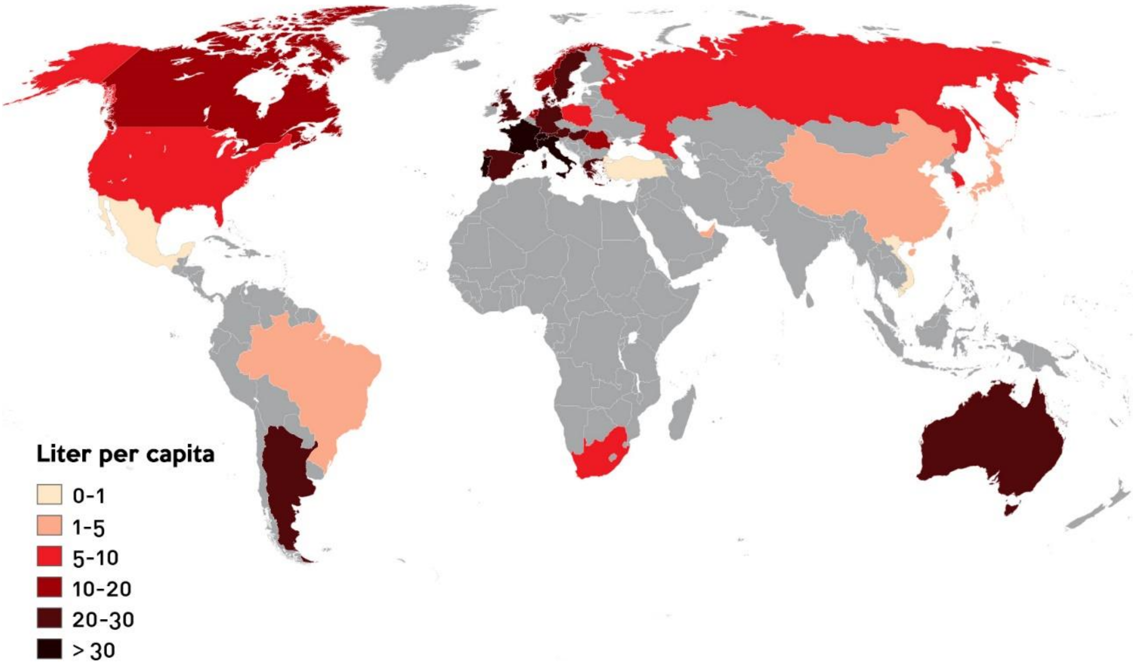
increasing interest for premium quality wine and the need also of a table wine description too, which has known a new type of demand from different consumers, interested more in the properties, taste and cultivation techniques of wine, rather than in its price and prestige. Some of these new types of wine, without any IG or other quality assessments, are natural, organic, biodynamic wines, which are today only a niche of the market, but constitute a new segment with specific but well-defined consumers.

Global wine consumption:
The global demand of wine depends on the single market's demand, which in turn depends on the consumers' behaviour and preferences. Since 2000, the total wine consumption in the world has been growing thanks to social and economic reasons. Among them, we can list the westernizing process of some Asian cultures and the increasing interest for wine drinking in non-traditional wine consumer countries especially in North Europe, Canada and USA.

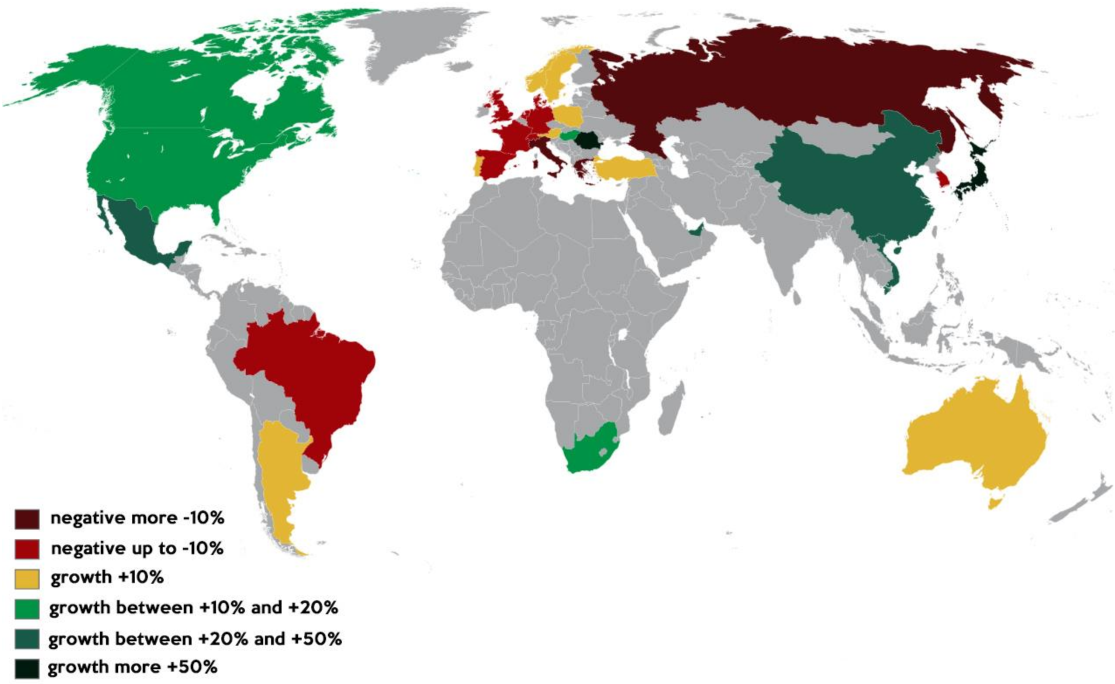


Source OIV

For example, the first position of US in the rank reflects a development since 2011 as both a producer and importer country, with an increasing internal demand. In the countries where wine is culturally part of the national diet, as for example Spain and France, the function of use is switching from table wine to occasional and party beverage. This ends in a concentration of the consumption rather than a distribution among all population that causes a fall of total consumption but an increase in the per capita.



Growth of total world consumption in 2015. Source WineMonitor.



Consumption per capita in the world in 2015. Source WineMonitor

On the other hand, the data of China should not be misleading, because if we consider the quantity per capita, the difference in Chinese consumption is linked to urban concentration.

Mhl	2012	2013	2014	2015	2016	2016/2015 Variation in volume	2016/2015 Variation in %	Per capita (2011)
USA	30.0	30.2	30.4	31.0	31.8	0.8	2.5%	7.3
France	28.0	27.8	27.5	27.2	27.0	-0.2	-0.7%	47.9
Italy	21.6	20.8	19.5	21.4	22.5	1.1	5.3%	31.0
Germany	20.3	20.4	20.2	20.6	20.2	-0.4	-1.8%	24.7
China	17.1	16.5	15.5	16.2	17.3	1.1	6.9%	1.4
UK	12.8	12.7	12.6	12.7	12.9	0.2	1.4%	20.3
Spain	9.9	9.8	9.9	10.0	9.9	0.0	0.3%	17.2
Argentina	10.1	10.4	9.9	10.3	9.4	-0.9	-8.3%	24.1
Russia	1103	10.4	9.6	9.3	9.3	0.0	0.3%	9.9
Australia	5.4	5.4	5.4	5.3	5.4	0.1	2.4%	20.0
World	244	243	240	241	242	0.9	0.4%	3.4

Source OIV

The consumption of wine is therefore determined by different occasions and habits that may reflect traditions, cultures or new emerging lifestyles and tastes. From a general and global perspective, traditional European wine producers are reducing their production and consumption, specifying and diversifying their supply and sophisticating their tastes. While new producers from North and South America, Africa and Oceania are increasing their production along with also an increasing internal demand.

Another recent trend in wine market concerns the distribution system and retail. While in the past a consistent number of families used to produce and consume at home table wine or buy it directly at the winery or at the supermarket, today [20] most of wine is purchased through retail channels and HoRecCa (hotel, restaurant and catering). The figures of 53 percent of HoReCa against the 47 percent retail in terms of value show the preference towards quality wine to drink outside and for special occasions. Domestic consumption

[20]NOMISMA (a cura di) *Wine Marketing, il marketing del vino in Europa: consumi, canali distributivi e importatori*. Nomisma, Agra, Rome, 2003.

comes mainly from large-scale retail distribution, but also e-commerce has recently increased thanks also to the gradual fall in the number of intermediates and consequently the reduction of distance between producers and distributors. In addition, the traditional role of wholesalers has changed, they are now developing their own brands, importing bulk wine (at a lower price) and then selling it.

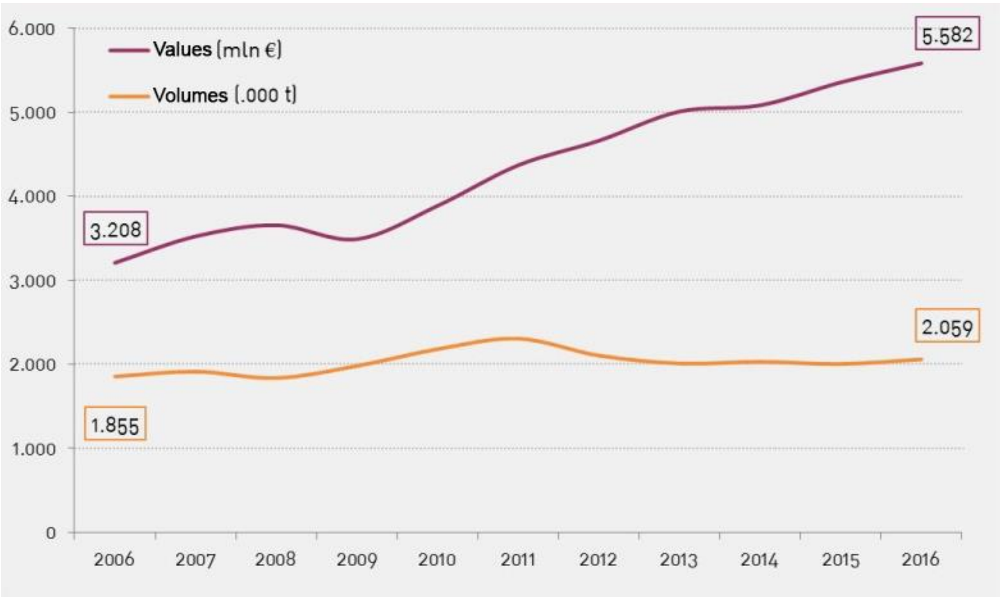
A general look at the Italian wine market:

The Italian vineyard sector is characterized by fragmentation, a polyvalent variety of wines and high level of regionalisation. With 90 different varieties of wines, cultivated in an area of 645,800 hectares, in a country where all 20 Italian regions are involved, have their particular varieties and a specific wine culture, wine is definitely a symbol of Made in Italy.

The 2017 production accounted for an amount of 42.5 mln hl, with an export growth of 3.7 percent in volume (21.4 mln hl and 45 percent of the total production) and 6.4 percent in value (6 bln euro).

Italy is also the first country in Europe with the highest number of protected designation of origin wines, with an offer of 408 PDO (DOC and DOCG) and 115 PGI (IGT) wines.

Despite all these positive achievements, there are still numerous opportunities of growth and development for the Italian wine sector but several improvements are necessary.

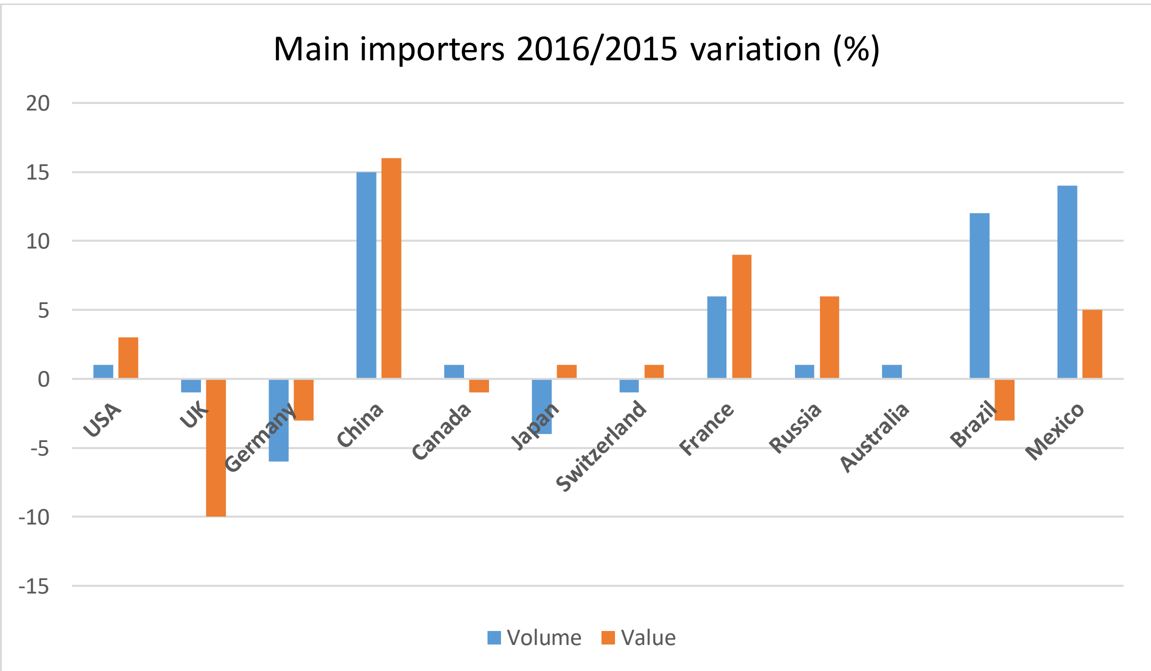


Trend of Italian export in terms of volume and value since 2006. Source Wine Monitor.

As the Report of OIV[21] has shown, in 2017 Italy has gained a positive record on the international stage, and it is the second leading exporter in the world after France, with a growth of 6 percent in terms of volume and 7 percent in terms of value compared to the

[21] OIV Statistical Report on World Vitiviniculture, Paris, 2017.

previous year. The last survey on the Italian wine sector of Mediobanca[22] of 2016 also has highlighted that the earnings from the exports between 2011 and 2016 have increased and are higher than the incomes from the internal market. Although, we shall not ignore the results of the other competitors as France and Spain, which have also recorded high incomes and have increased their market shares as well.



[22]MEDIOBANCA, *Indagine sul settore vinicolo*, Milano, 2017. [https://www.mbres.it/sites/default/files/resources/download_it/Indagine_vini_2018.pdf]

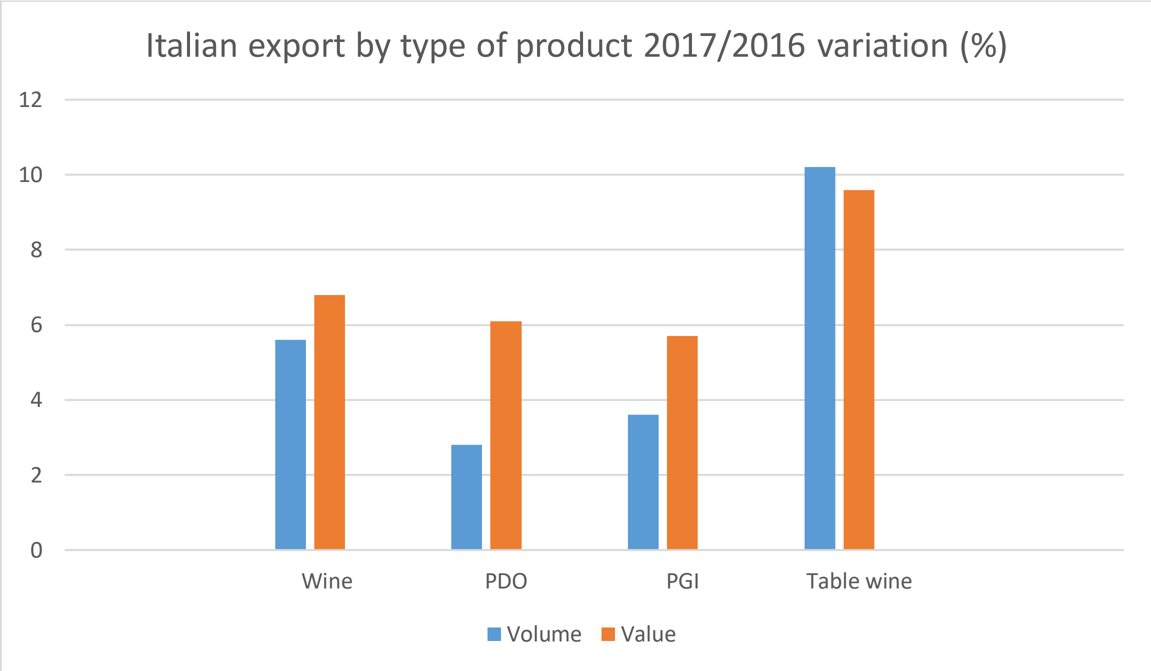
The four main trading partners of Italy in 2017 were USA (23.9 percent), Germany (17.5 percent), UK (13.7 percent), Switzerland (6 percent), and Canada (5 percent), while Japan, China and Russia, with an increased export in terms of value, can be considered new attractive and emerging markets that might offer new possibilities of growth.[23]

1st supplier in terms of volume	1st supplier in terms of value	2nd supplier in terms of value
USA		USA
Germany	Germany	
Switzerland	Switzerland	
Russia	Russia	
Canada		Canada
UK		UK

The countries where Italy is present as wine exporter and its rank in terms of value and volume

As the table shows, Italy is the first supplier both in terms of value and volume in Germany, Russia and Switzerland, and the first in terms of volume and the second in terms of value in UK, Canada and USA. Italy is also present in new import markets (China and Japan) and it is the fourth supplier in terms of value in Brazil, the third in Singapore and Mexico[24]. Exports in wide areas such as EU (7.1 percent), North America (6.3 percent), Centre and South America (3.1 percent) have increased in the variation 2016/2015 and this growth reflects the general trend of other European countries, thanks to the increase of global wine consumption and international wine trade.

[23] With respectively 47 percent increase in export to Russia, 25 percent to China and 8 percent to UK, source RANNEKLEIV S., CASTROVEIJO M., *op.cit.*, p. 4.
[24] GALLETTO L., MALORGIO G., POMARICI E., ROSSETTO L., *op.cit.*, p.25.



	Jan/Oct 2017/2016 Var. Volume	Jan/Oct 2017/2016 Var. Value
DOC	2.8	6.1
Still	-1.8	1.9
Sparkling	11.9	14.4
IGT	3.6	5.7
Still	3.7	6
Sparkling	-14.6	-10.1
Table wine	10.2	9.6
Varietal wine	32.7	31.3
Others DOC-IGT	-35.2	11.5

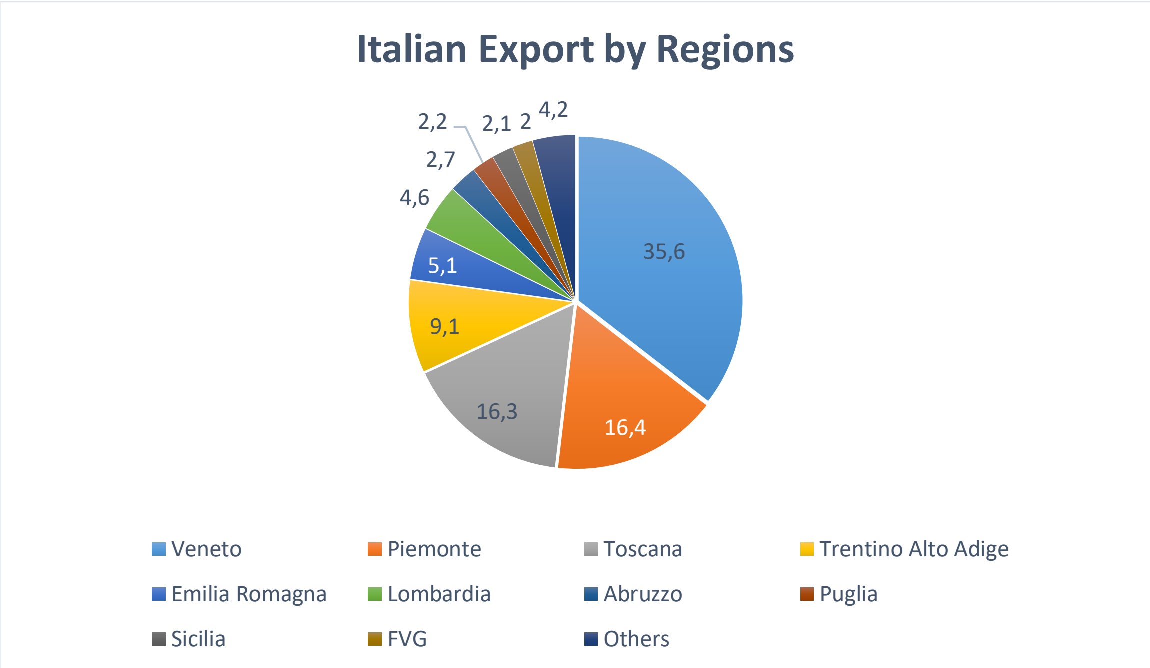
Variation 2017/2016 of Italian wine by type in terms of volume and value.. Source Ismea

The types of wine that have obtained great success abroad are sparkling and bottled, with a preference towards red wine[25]. In 2016 the exports of quality wine were distributed as follows: 6.9 percent in volume and 10 percent in value growth of DOC, -0.2 percent in volume and -1.5 percent in value fall of IGT and 5.7 percent growth in volume and -0.6 percent fall in value for table wines[26]. In terms of volume, the export

[25]Within the entire Italian export 72% bottled wine, 21% sparkling wine and just 7% bulk wine. (source Winemonitor: http://winemonitor.it/it/)
[26] Report of Ismea 2017, [www.ismea.it/flex/cm/pages/ServeAttachment.php/L/IT/D/.../P/.../E/pdf]

of DOC wines accounts for 8 mln hl and of IGT for 6.6 mln hl and in terms of value the first for 3.29 bln euro and the second for 1.7 bln euro. Other wines accounted for 6 mln hl and 654 mln euro. Finally, from the observation of the variation between 2016 and 2017, the general export trend of quality wine has increased, especially for DOC and IGT *spumante*, while other varietal wines, has seen a high growth of respectively 32.7 in volume and 31.3 in value.[27]

Among the twenty Regions of the Italian peninsula, the contribution to the national wine export and production is differently distributed. The top three regions that produce together 68 percent of the entire national production are Veneto, Piemonte and Toscana, followed by Trentino Alto Adige and Emilia Romagna. In addition, according to the 2017 Report of Mediobanca[28] the first thirty companies by total sales in the variation 2015/2016 are concentrated in the north and centre of Italy. This disequilibrium between north and south is due to various factors and reasons, among which we can mention a not homogeneous distribution of funds and public supports, different chances of investments in the south, which is nevertheless now living a new impulse and a positive growth.



[27] *Ibidem*.
[28] Mediobanca, *Indagine sul settore vinicolo*, Milano, 2017.

The Italian wine system is characterized by high concentration and fragmentation as the 6th agricultural census of Istat has shown. Among 388,881 farms with about 664 thousands hectares of vineyards, 69 percent of them account only one hectare, and on the other hand, 33 percent of the area is gained by only 7 percent of the farms with more than 20 hectares.

We can identify three typologies of farms: farm wine cellars, cooperatives wine cellars and industrial wineries. Besides the producers, the Italian wine system includes also many specialized operators, as for example bottlers and distributors. This high fragmentation in the market determines different costs of production, different levels of vertical integration and affects the interaction and the relationship with the market and the level of export orientation. According to the most recent data of Ismea[29], the concentration trends from an agricultural and production point of view has proportionally increased the hectares per farm and the integration of them, thanks also to the EU incentives and reforms.

The increasing number of wine consumers and of new wine importers represents an interesting scenario of real chances and opportunities for the Italian wine producers and exporters. One of the key issues in the international wine trade is the cooperation within firms and the development of a single governance, which might shake and improve at least international trades. For this reason, farms and wine exporters today need to communicate in different and innovative ways, with a clearer and single image and message to the foreign and extra Europe partners. It is also fundamental to investigate and understand these new consumers, the new context of drinking and the different targets of the Italian supply.

The three main areas of intervention of prior importance are structure, exports and consumption. As a matter of fact, the typical fragmentation of the Italian wine sector, as the emblematic number of farms shows, has caused a series of structural problems regarding the ability of the enterprises to act together, cooperating horizontally and vertically.

Moreover, the supply of Italian wine lacks of a specific and recognizable identity. When Italian wines became competitors of the French quality wines, Italian products stopped being just table wines and gained a higher status and recognition, an evolution that has

[29] XV Ismea-Qualivita Report, January 2018, pp.36-39.

not entirely ended. The identity of Italian wine is still blurred and confusing, due to a fragmentation in supply and to the wide list of types of wine of which Italy can be proud. In this confusing but at the same time enchanting landscape, we can read a paradox: in a market where the demand asks for a segmented and diversified supply, the segmented and diversified Italian wines, which on the paper present all these requests, are still looking for an identity, a defined recognition and designation. In addition, the positive trend of Italian wine exports owns part of its success to the power of "Made in Italy" and the image of the country abroad.

From the point of view of internationalisation and exports, the chances and opportunities for Italian wines and the future positive results will depend on the ability to penetrate new emerging markets, to strengthen the already established relationships with trading partners, to identify and select specific and well characterized consumers, gaining greater market shares and a competitive role.

On the other hand, in a so complex and stratified demand, the consumer is the second key player within wine marketing and it will be therefore analysed in the second chapter.

In conclusion, as the 2017 ISMEA Report has highlighted, USA and China represents two different markets in which Italian wine could increase its market shares and exports. USA is a strong final market for Italian wine, but in some States, it is still considered a luxury good and not a substitute to beer or other beverages. Moreover, in USA the consumption per capita is increasing, as the import data has shown, as well as the chances of growth of the Italian wine distribution, which is still anchored to US imports in volume instead of value.

The second interesting case is China, an emerging market where Italy potentially could make the right move, as the data with a doubled demand in the last five years, with a peak of 3.7 billion in 2013, confirms.

In deep analysis of future prospects: the American and Chinese markets

USA:

Have you ever heard of muscadine wine? Do you know that the Vikings probably named America *Wineland*? Or that California, produces almost the 90 percent of American wine? Do you know that the super Tuscans originate from Napa Valley's wines?

The story of wine in the US did not start with Columbus and not even with Washington, it had its ups and downs and not so long ago had to struggle against very difficult times[30]. Nevertheless, USA are today the fourth most important wine market in the world. Its export, import and consumption rates are growing, while wine drinking has stopped being a hobby of few rich people and became popular and appreciated by many different types of consumers.

Muscadine vine is the autochthonous American variety that since the arrival of the first colonials had been used for the production of a special wine in the East Coast States. As a native plant, muscadine can be considered the most patriotic wine and fits especially the humid and warm climate of Florida[31]. It has been used for the production of a port-style wine, traditionally bumped with sugar, since XVI century.

Albeit from muscadine grapes can be made both red and white wines, the final product cannot be compared with the majority of European wines and did not satisfy the palates of colonials. But when the Spanish and French tried to plant *vitis vinifera* on the soil of the East Coast all attempts miserably failed due to harmful attacks of phylloxera and other pests. Only after the mythic conquest of the West, the missionaries found the perfect soil and climate where Europeans could grow their vines. The first wineries were built in New Mexico and only after 1779 also in California, more precisely in San Diego, while Napa Valley started growing grapes only in 1830s. In 1779, Franciscan missionaries planted the variety called "mission grape" that remained the most cultivated varietal in California throughout XVIII century.

America made his voice heard in wine world by changing the future of European wineries. In 1870s, some wineries from Missouri shipped hundreds of vine cuttings to Europe, where a catastrophic infection of phylloxera had destroyed almost the entire

[30] The 2014 earthquake in Napa Valley and the last destroying fires during 2017 summer.
[31] The first big production started in Saint Augustine (Florida)

European wine landscape. Thanks to new plantations and crossings, Europeans could create the phylloxera resistant hybrids that still exist.

After this precious contribution, American wine and wine consumers knew another black period due to the Great Depression and prohibition. Between 1920 and 1930 just few bottles of Chianti were allow to be sold as "anti-stress remedy" and most vineyards had been removed or replaced with table grapes[32] or groves. For this reason, even after the repeal of prohibition, all wineries had to recover and started again from the scratch.

American wine-makers got their revenge and saw the results of all their work at the Judgment of Paris in 1976, when among the most famous French wines, Californian Chardonnay Chateau Montelena 1973 and the Cabernet Sauvignon Stag's Leap 73 incredibly won the first prizes, leaving Old World producers without words. The winning signed the historic shift toward quality wine production for California and started the evolution and growth of Napa Valley. Robert Parker talked about a "democratisation of wine" and the victory of the modern world over the old one.

At last in the 1970s Californian wine production rocketed, beating all records. New vineyards and investments were made in order to meet the increasing demand, catching also the attention of European investors, who wanted their "piece of gold". Since 1960s, the total surface under vines has increased from 40,500 hectares to 216,000, along with the number of wineries and shipping. After the pioneer valleys of California as Napa, Sonoma and Santa Cruz, others followed the wine fever in Monterey, Paso Robles, Santa Ynez and outside California, in Oregon, a perfect land for pinot noir, and Washington.

The Blind Judgment was a turnaround also for the image associated to wine, previously considered an immigrant drinking habit and now the symbol of the American upper-middle class.

Furthermore, the wineries of Napa created an entire industry around wine-making with the aim to create loyal customers, for example a strong and attractive tourist offer, fast infrastructures and connection with San Francisco and marketing campaigns, reinforced by the reviews on *Wine Spectator*. The new ideas of Robert Mondavi, with his clear vision of a sophisticated and elegant wine, were shared with other pioneers of California as John Daniel Jr., Luis M. Martini, the Christian Brothers, Barringer, Inglenook,

[32] WINE INSTITUTE, *The history of California wine*, 2012.

Beaulieu and Larkmead[33]. Together they revolutionized Napa Valley, putting emphasis on new technologies, varietals and most of all quality. With their effort, Napa became the most famous American winemaking County in the world.

As said above, with sense of entrepreneurship Europe got interested in American wine and entered the market through joint ventures. Among them the most famous and discussed was Opus One, the cabernet born in 1979 from the joined forces of Mondavi[34] and Baron du Rotschild who blended together "tradition and innovation"[35]. Later on, the new and highly praised international taste of Californian wines influenced also Italy. In 1980s, the group Antinori started with other Tuscan wineries a production of wines that wanted to imitate the sweet tastes of California. They involved Mondavi, who bought half of the shares of Ornellaia and worked with the most influencer oenologists Michel Rolland and Andrè Tchelistcheff, considered the father of Napa oenology. They produced the innovative "Super Tuscans", which obtained first success in US but not in Italy.

In conclusion, or I should say, just to begin, California, the Golden State of surfers, the Beach Boys, Beverly Hills and Hollywood has made its voice heard also in the wine world. Nonetheless, making wine does not guarantee new drinkers. The increase of wine consumption among the domestic market and a change in American lifestyles are indeed the challenges US wineries are facing today and tomorrow.

[33] HIRA, A., SCHWARZ, T., *What makes Napa Napa? The roots of success in the wine industry,* Wine Economics and Politics 3 2014 (37-53).

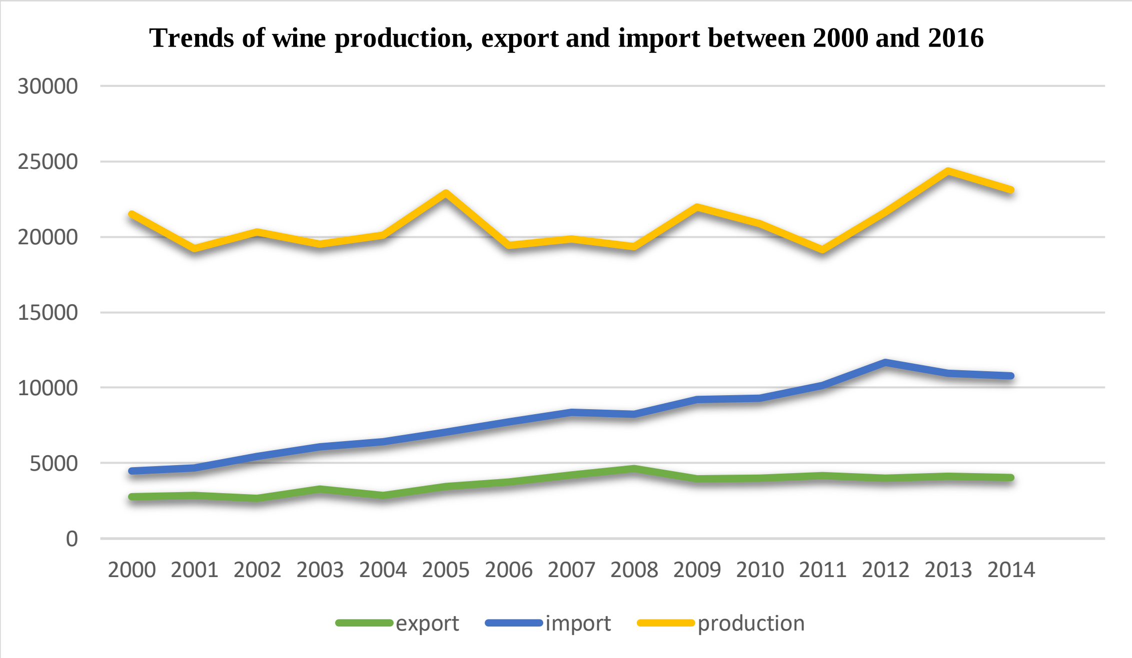
[34] A critical analysis of the wine world during the era of Mondavi, Parker and Rolland can be found in the documentary of Jonathan Nossiter "*Mondovino*". In his film, Nossiter describes lights and shadows of the international wine world with on one side the typical American philosophy of profits and economic success and on the other side the disadvantages of homogenized tastes and production.

[35] https://en.opusonewinery.com/estate/winemaking/

American production, export and consumption:

USA has a total surface under vines of 224 kha[36] and according to the recent Wine Institute's report about US/California Wine production[37], the total production in 2017 was 330.155 million gallons.

According to Wines & Vines and BW166 (2018)[38], the total of US wine sales were $62.7 billion, with $41.8 billion from domestic wine and $20.9 billion from imports. The top wine country is California with 4,425 wineries (45%), followed by Washington (8%), Oregon (8%), New York (4%) and Texas (3%)[39]. The state of California indeed produces and ships 86 percent of the total American wine production. In 2017, it has been registered a growth of 3 percent corresponding to a retail value of $35.2 billion and the shipping within US were up to 241 million 9-liter cases.



Source OIV

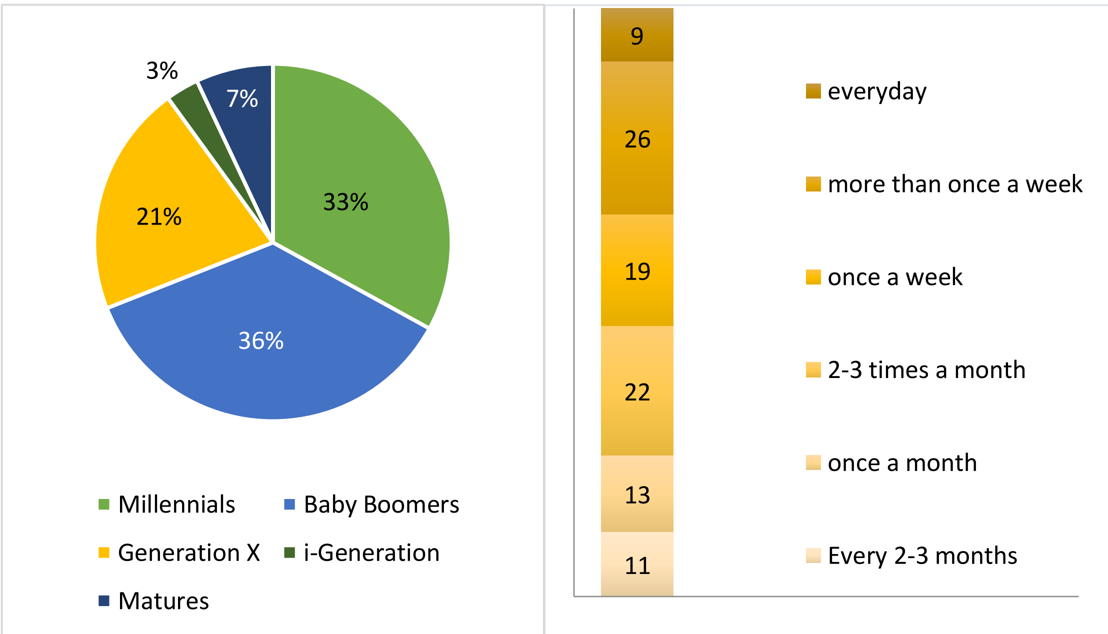
Total US wine export originates mainly from Californian wineries (90%), with a revenue of $1.53 billion in 2017. The main trading partners are the EU 28-member countries ($553 million), Canada ($444 million), Hong Kong ($119 million), Japan ($94

[36] Data from OIV.
[37]WINE INSTITUTE, https://www.wineinstitute.org/resources/statistics/article83
[38]BW166, *Wine Imports and Exports Report June 2009.* https://s3-us-west-2.amazonaws.com/bw166-public/wine_import_export/2009/06/HM2HH36tLA4T/bw166_wine_import_export_200906.pdf
[39] The other American states that produce wine are Virginia (3%), Pennsylvania (3%), Ohio (2%), Michigan (2%), North Carolina (2%), Missouri (1%), Colorado (1%), Illinois (1%), all other states (16%).

million), China ($79 million), South Korea ($25 million), Mexico ($23 million), Singapore ($17 million) and Philippines ($14 million).

With more than 100 AVAs (American Viticultural Areas), the majority of varietals cultivated in US are international vines and the top selling wines are chardonnay, cabernet sauvignon, red blends, pinot grigio, pinot noir, merlot, moscato, rosé and white zinfandel. The Rosé registered an incredible grow of 66 percent in 2017 and it is mainly sold within the domestic market. Also sparkling wine and sauvignon blanc have registered growth in demand. Indeed, according to the Wine Institute[40] the retail value of wine in 2017 was 62.2 billion with a growth of 2 percent respect the previous year. The domestic market of sparkling has reached 26.3 million of cases, corresponding to an increase of 8 percent. The market of Champagne and other sparkling wines gather approximately 7 percent of the entire American market.

About consumption trends, the data of Wine Market Council[41] show a balanced proportion in terms of gender within wine consumers, with 59 percent female and 41 percent male drinkers, where females seem to prefer sparkling and white wine respect to men who generally drink more reds.

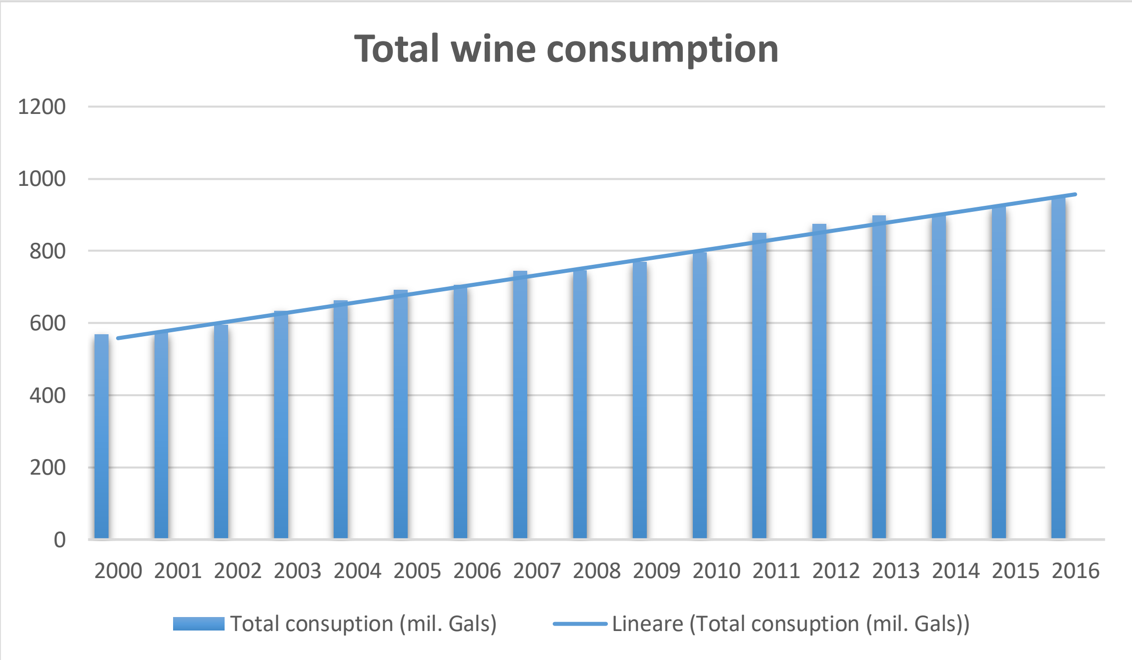


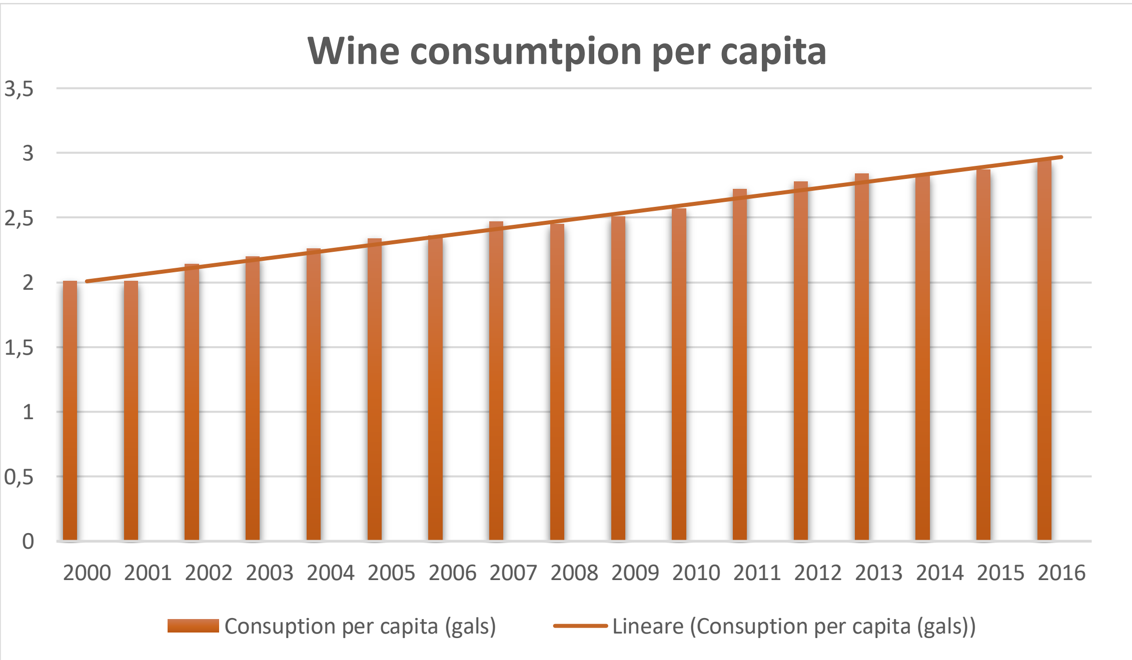
Source Wine Market Council

[40] WINE INSTITUTE, https://www.wineinstitute.org/resources/statistics/article121

[41] WINE MARKET COUNCIL, *2017 Wine Market Council Wine Consumer Segmentation Slide Handbook* , 2017. http://winemarketcouncil.com/wp-content/uploads/2017/10/2017_WMC_Wine_Consumer_Segmentation_Slide_Handbook2.pdf

Considering the increase in the legal drinking age population (+10 percent), the demographic distribution among wine drinkers identifies five clusters: Baby Boomers, Millennials, Generation X, over-72 also called Matures and i-Generation, a small group of drinkers between 21 and 22 years old. Although wine drinking has increased and has partly substituted alcoholic beverages, only 35 percent of the drinking population taste wine with high frequency, i.e. more than once a week, but the number is going to grow thanks to socio-demographic changes.





Source OIV

With the exception of some difficult vintages (2008 and 2010), the total wine consumption in US has been increasing since 2000, while the increase in consumption per capita well reflects the changes in drinking customs and habits within the American population.

Distribution system: the Three Tier System.

5th December 1933, the 18th Amendment is repealed by ratification of the 21st Amendment: alcoholic beverages and liquors are again legal in the US. Nevertheless, even today the heritage of prohibition echoes in the American distribution, more precisely in the so-called 3-Tier System.

Even though some critics would argue that the system is now inefficient and counterintuitive, its first purposes were to fight the abuse of alcohol among the population, by pricing goods through mark-ups along the supply chain and to support the free trade. The objectives of the American Antitrust Act of 1890, indeed, aimed to decrease the political and economic power of big producers that could create monopolies and limit consumer choices.

The 3-Tier System is structured as follows. At first stage, there are wine-makers and grapes growers who sell the final products to wholesalers. At this second level, distributors, or importers in the case of foreign goods, apply a percentage or mark-up to the price of the bottle and then they sell it to retailers. These third tiers are for example grocery stores, wine bars, restaurants, local wine shops that add again a percentage to the price. For example, a bottle of wine that the winery sells at $5 can be sold in a wine shop at $15 or even at $30 in a restaurant. In addition, the pricing of "by-the glass" is even higher especially when bars sell the glass at the same price of the bottle.

The system is complex and the final price of wine does not reflect its original value, but new trends are gradually disrupting it by bypassing some tiers. It is the case of e-commerce and direct-to-consumer sales (DTC). Although some States still do not allow direct shipping and home delivery of alcohol, e-commerce cut the passage of retailing and flash sales sites are the new frontier for consumers who want to spend less and purchase quality and international wines. Some of these sites are the *Cinderella wine, Lot18, Winestillsoldout* and *Garagiste.* The category of fast sales sites accounted in 2017 revenues for a total of 100 million dollars.

E-commerce has also changed traditional marketing, by reaching more customers through internet, it can increase the loyalty of consumers who start purchasing wine from the same and trustworthy site and allow wineries to reach customers all over the world. Wine is also the most popular alcoholic beverage purchased on-line, 65 percent between 2016 and 2018, followed by spirits and beer.

In 2017, direct-to-consumer sales represented 70 percent of wineries' entries in Napa Valley, where wine-tourism offers include often tastings, visits and wine shops. The strong appeal of Napa and other valleys in California are clear examples of the success some visionary winemakers were able to foresee in 1980s.

Finally, the additional element of complexity that makes America one of the most interesting and challenging market for both national and international wine maker is the differences in laws and regulations within the fifty States[42]. The limits to out-of-state shipping or specific authorisations and licenses change from one State to the other with national importers and distributors that re-sell again to retailers. This is the reason why Italian wineries have contact exclusively with national importers and cannot have just one that can take care of all USA.

The American wine drinker and new trends:

The demographic segmentation of American wine consumers presents four clusters: Matures (age 69+), Baby Boomers (age 51-68), Generation X (age 39-50) and Millennials (22-38)[43]. Their life-styles, knowledge about wine and financial possibilities are different and tend to evolve during their life. Nevertheless, we can draw a simple description of these groups in order to identify the characteristics of American wine consumers and to guess future perspectives.

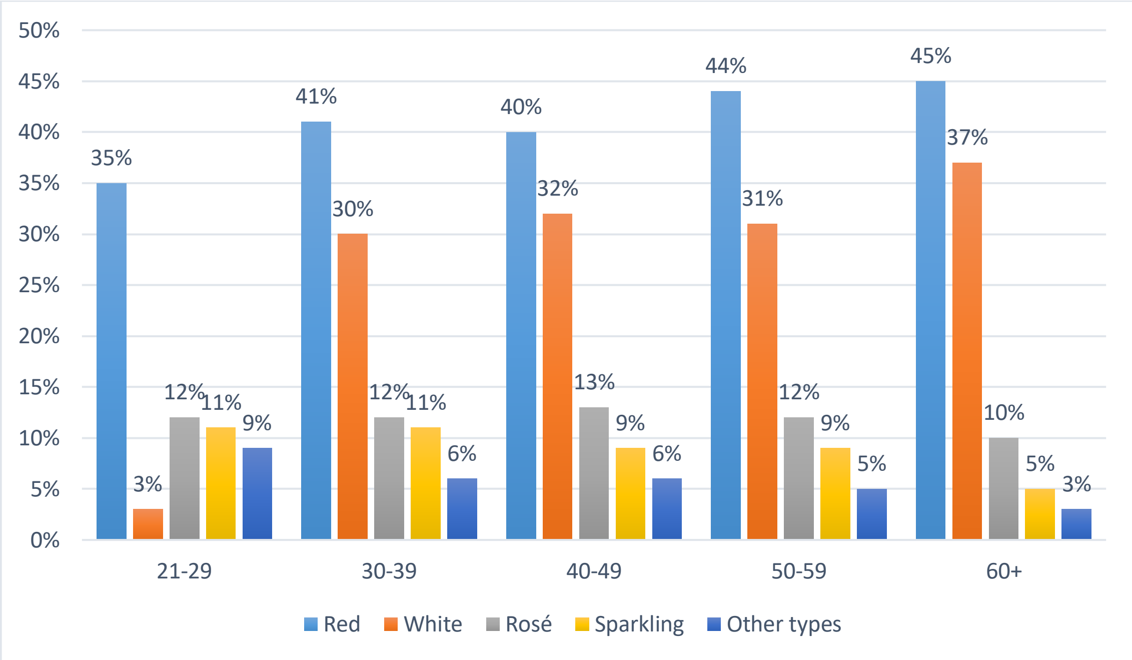
Matures are known especially in the sector of spirits and beer and only a small part has always appreciated wine. The others used to associate it to high economic status, lifestyles and cultures. The ratio between alcoholic content and price is the first discriminating attribute matures look at and consider in the evaluation of wine. Following these parameters, they tend to prefer low-priced wine in large formats.

[42] For detailed lists and data see: https://www.bigcommerce.com/blog/wine-ecommerce/#which-states-allow-you-to-buy-and-sell-wine-online

[43] We should remember that in US the minimum age for drinking is 21.

Baby Boomers are today the leading consumers but forecasts have predicted that they will be surpassed by GenerationX in 2021. They are close to the retirement age or have already retired and consequently they are changing parts of their lifestyles and interests, as well as wine consumption habits. However, the more interesting and influencing consumers are Generation X and Millennials. As the Silicon Valley Bank's 2018 Report[44] has highlighted, the first are "at the top of income and spending" and prefer quality domestic wine that they usually purchase directly at the winery since they are loyal consumers. Millennials are the most heterogeneous cluster and will surpass Generation X by 2026. Although they have more knowledge and curiosity about wine, a considerable lack of financial opportunities, they are indeed also called "frugal millennials", limits their chances of purchasing and has considerably separated them from previous generations. They are still "seeking a premium product and a positive experience and they are inclined to substitute craft beer and spirits for wine, especially on premise"[45] They are quite price conscious without sacrificing quality.
While Generation Xers are loyal, evaluate DTC sales, participate at tastings and visits and look for experiences, Millennials evaluate more information, relay on technologies and as Baby Boomers, have moved from restaurants to home drinking.
Summarizing, Millennials and Gen Xers are two big groups that have rotated consumer's preferences and represent the target for marketing campaigns and future strategies. The 2018 Report has also predicted that premiumisation will continue as the fall of $9 wine consumption and the increase of wine sold between 12$ and 25$ indicates. The economic and financial possibilities of consumers will definitely influence drinking habits and frequency among the American population.

[44] MCMILLAN, R., *State of the Wine Industry 2018,* Silicon Valley Bank Report. https://www.svb.com/trends-insights/reports/wine-report/2018-svb-wine-report/
[45] *Ibidem*, p. 18.



Types' preferences among the American population.

In order to look at the American wine consumers from a different perspective, we can use the parameters of analysis of a pilot study published on the *International Journal of Wine Business Research*[46] that has investigated consumer's preferences and differences between New and Old World. The authors have highlighted five clusters: *traditionalists, wine seekers, label fans, insecure* and *price conscious.* The second discriminating parameter is age, because the study distinguishes simply between young and old people. The survey highlighted that "Millennials with 70 million members, represents one of the most promising new wine consumer segment"[47], belonging to the second, third and fourth clusters. Some are *wine seekers*, they choose wine according to the taste, the country of origin, the price and variety, but this description is the same for all wine drinkers so it does not reflect an only American characteristic. The second cluster, *label fans*, groups all drinkers that relay on design, the back labels information, while *insecure* consumers trust their previous tastings, recommendation, price and medals because they generally have little knowledge about wine.

[46] DE MAGISTRIS, T., GROOT, E., GRACIA, E., ALBISU, L. M., *Do Millennial generation's wine preferences of the "New World" differ from the "Old World"?: A pilot study*, International Journal of Wine Business Research, 2011, Vol. 23 Issue: 2, pp.145-160.
[47] *Ibidem*, p. 146.

A general characteristic of New World consumers is the high heterogeneity in supply. While Old World drinkers are more traditionalist and value wine according to the variety and geographical origin, American Millennials face great numbers and dynamism, try new products but trust at the most their past experience or recommendation.

About the preferences of Millennials toward the type of wine, a survey of the University of Lubbok[48], Texas, has showed that 48 percent prefers red, 18 percent white and 34 percent both, and that taste, food-pairing and relax are the three main reasons for drinking. About varietal, the preferred red is cabernet and the white is chardonnay. Considering brands, the Pinot Grigio of Felluga, Jermann and Cantina Terlano-Kellerei, all from Friuli, are respectively at the second, third and fourth in rank of the most appreciated pinot grigio in US[49].

Looking at the new evolving trends in wine consumption and consumers, that are conversely influenced by economic and social changes, we can point out some new and more influencing elements that producers should consider while entering the American market.

Frugal young consumers for example, do not want to pay the restaurant's mark-ups and prefer to purchase wine in stores, while Baby Boomers are slowing their spending and alcoholic consumption. American consumers are gradually moving from big chain restaurants to smaller and/or fast-casual dining, where small wineries have more chances to sell their products. The Three-Tier System raises prices and costs so that especially Gen. Xers prefer to purchase wine directly at the wineries, while Millennials use to buy it in specialised stores.

Finally, a more careful attention for health and natural products caused a decline in alcoholic consumption but a new and increasing demand for quality and organic wine, and since 2013 the demand for organic wine has rapidly increased, opening more doors for foreign producers.

[48] HENLEY, C., FOWLER, (et.al.*), Label design: impact on millennials' perceptions of wine*, International Journal of Wine Business Research, 2011, Vol. 23 Issue: 1, pp.7-20.

[49] MCMILLAN, R., *op.cit*, p.20.

Future perspectives and strategies for Italian wine in US:

The complexity, size and heterogeneity of the American market surely presents many opportunities for Italian wineries but at the same time several and resourceful competitors. Every year in US almost 100.000 new etiquettes are presented, old world countries operates as big groups with massive marketing campaigns, international varietals are keeping the first positions among drinkers' preferences and American consumers still prefer domestic wines. However, these premises should not discourage Italian wineries' internationalisation processes and ventures in the New World.

During Vinitaly, at the conference "Wine? Italians do it better"[50], Roger Nabedian, Senior Vice President of Premium Wine Division of E. & J. Gallo Winery Inc. that imports wines from six different countries and is the biggest exporter of California wines in the world, has listed some strategic tips for Italian wine internationalisation.

According to Nabedian, Italian wines should differentiate themselves starting from the authenticity and the bond with their land in order to meet the tastes and preferences of the American market. Every bottle should offer inimitable experiences and emotions that should go beyond the first perceived values.

From the point of view of packaging and labelling, branding strategies should be created with focus on the target consumer and the product position.

In order to enter the American market, a start from the most representative States where there is high concentration of drinkers, retailers and distributors can be a good strategy, along with the careful selection of trustworthy and loyal partners in the target market. On the other hand, in US some States have reached market saturation, therefore by moving to fresher States as Texas[51] Italian wine has more chances and prospects of growth among new consumers.

"The first element of strength that Italian can use in order to increase their exports is definitely the deep and long relationship they have with the land," commented Nabedian, "their proud for traditions, culture and values is profound and should be reflected also in wine." The deep sense of belonging should combine also innovation

[50]COLSANTE, M., "La chiave del successo nel mercato USA", in *Wine Meridian,* 2018. http://www.winemeridian.com/news_it/posizionamento_corretto_e_coraggio_di_osare_la_chiave_di_successo_nel_mercato_usa_342.html

[51]WINE MERIDIAN, "Community is the key", in *Wine Meridian*, 10/11/2018, http://www.winemeridian.com/news_it/community_is_the_key_2677.html

and will of change, since the market evolves. In other words, Italian wineries should experiment, dare and hazard a little bit.
Another possible strategy is to follow new channels and to interpret and catch contemporary trends. The increasing interest for organic wine, especially in US, has opened new opportunities for Italian wines, always associated with the respect for the environment and natural and healthy food. In addition, the development of relationships between producers and consumers, the land and people could start a 360° phenomenon that includes production, consumption, tourist offers, travels and marketing.
Finally, Italian wine exporters should focus on the socio-demographic differences that distinguish the numerous consumers. The ability to anticipate particular clusters' preferences and taste can be a key for future fruitful investments and the growth of Italian wine consumption.

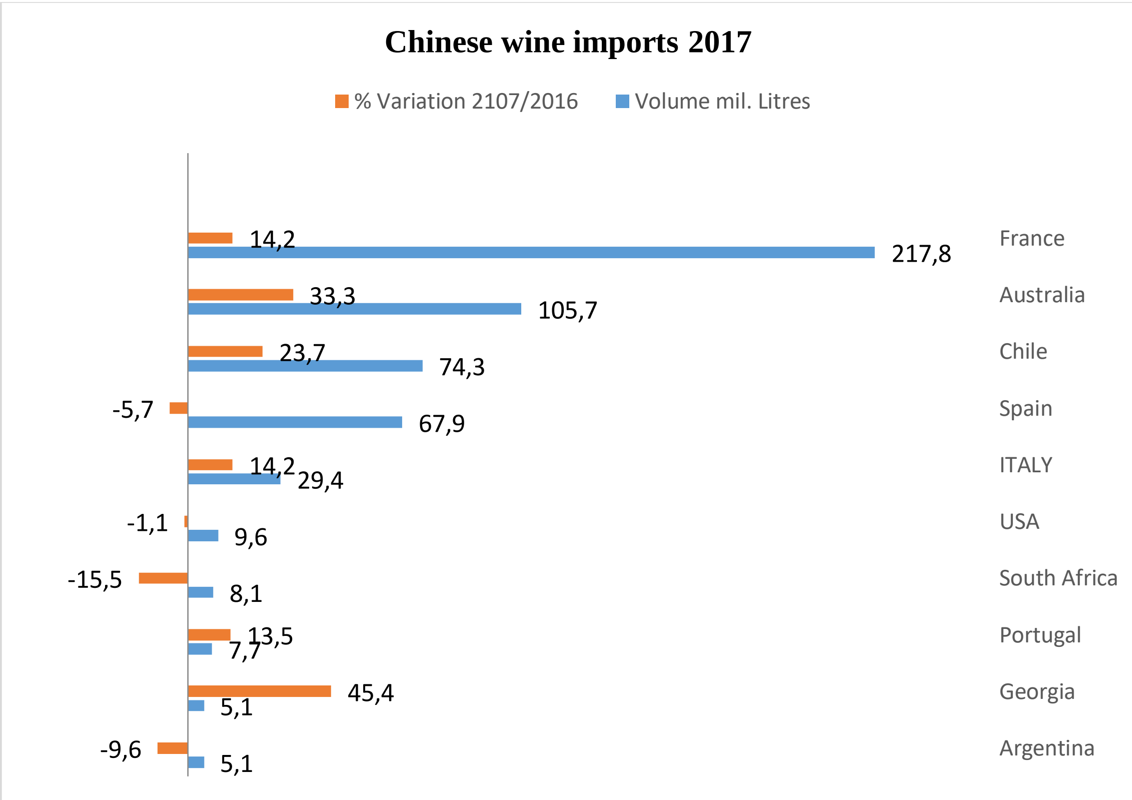
China:

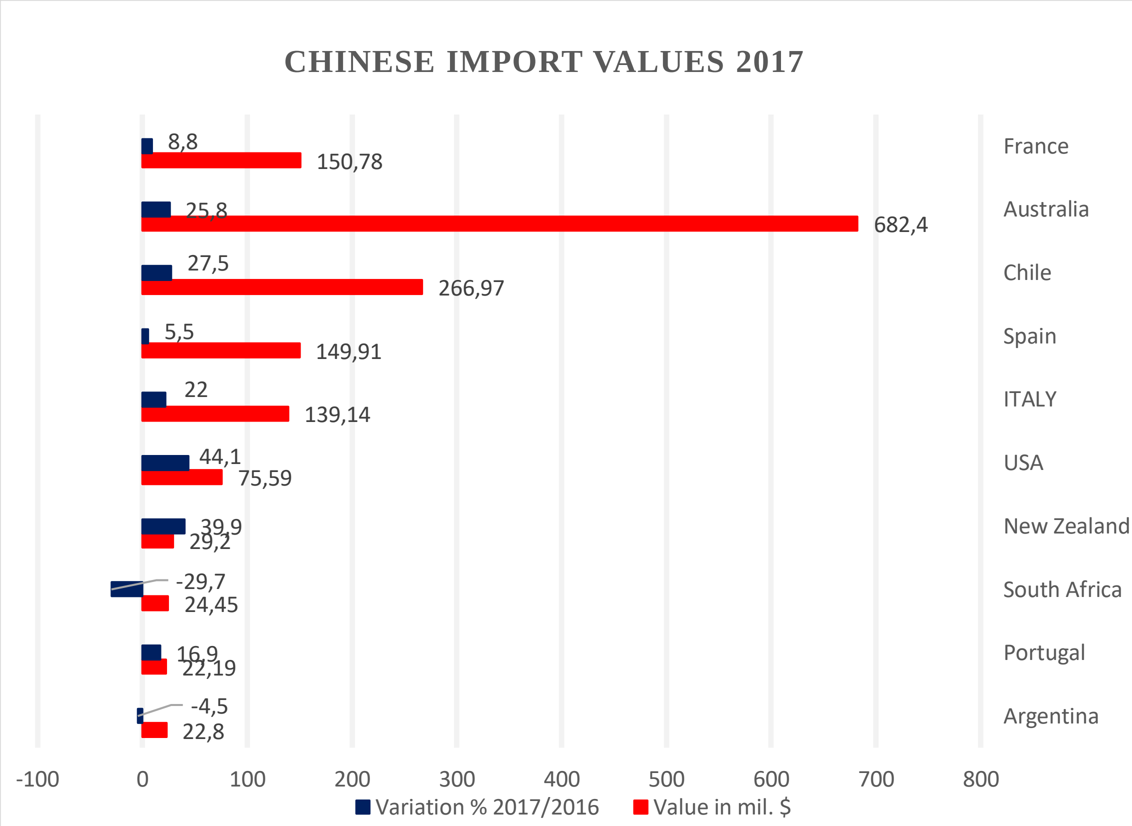
The long and ancient history of wine and winemaking in China can be traced back to 4000 BC, nevertheless today wine is considered a foreign product. The industrial production started only in 1892, when Chang Bishi founded the Changyu Wine production company and started the first large scale production in China.
Through the second half of XX century and especially after 1949, the interests and investments of Chinese wineries increased. New wine grape varieties were introduced from Europe but only in 1979, the Great Wall Chinese Wine Company produced the first dry white that met the European standards.
Between 80s and 2000, China started joint-ventures with French and European investors, such as the Sino-British Joint-Venture Qingdao East China wine company established in 1985 and the Sino-French Joint-Venture Beijing Dragon Seal Winery Co., Ltd. in 1988.
Since 2000, the interest in wine from Chinese consumers has increased, today the surface under vines is 847 kha and China is the fourth biggest winegrowing country in the world[52]. Nonetheless, the domestic wine production cannot compete in terms of quality and tradition with the European countries also due to the harsh and difficult weather conditions of Chinese land. On the other hand though, its high potential is

[52] Source OIV.

visible in consumption trends since the Chinese market is attracting new investors and exporters.

Since 1995, the annual wine production in China has been steadily increasing, reaching a domestic production of 11.5 mhl in 2016. Chinese wine dominates the market with 70 percent share, while the other 40 percent is mainly covered by French, Australian and Chilean imports. In 2017, the total amount of imported wine, both bulk and bottled, was 746 million litres equivalent to a value of 2.8 US million dollars, with an increase of 16.9 percent in volume and 18 percent in value compared to 2016.





Source Decanter

Although China has not the climatic characteristics of other New World countries, with cold winters in the North and humid-wet summers in the South, we can identify 11 wine regions. Among them the most representative are Handong Province, Hebei Province, Beijing, Tianjin, Shanxi Province, Shaanxi Province, Ningxia, and Jilin Province. Ningxia, in the inner part of China, has produced the most awarded wines winning 34 medals, while Xinjiang, with 22 medals, has the largest wine grape production. The most cultivated variety is Cabernet, while some experts have found that Chardonnay and Syrah are suitable varieties for the Chinese soil.

The great achievements of French marketing strategies in the Chinese market long before other countries have influenced Chinese tastes, and is clear in their preference for red wines. Nevertheless, some of the strong trends introduced in the 90s are changing. As a research from Wine Intelligence have showed[53], an increase in demand of white

[53] PERROUTY, J. P., HALSTEAD, R., RASTEGAR, N, *Who will be the winners in China's "Wine Market 2.0?",* Wine Intelligence, White Paper VINISUD, 2012.

dry wines is predicted, especially for those palates who prefer fruit-driven, lower tannin red wines and aromatic whites.
It is important for importers to suit the Chinese tastes, to match their food and understand their drinking customs. Softer delicate wines are growing in demand and becoming popular especially in the metropolitan areas, where wine drinking is switching from being a luxury good to be the “order of the day”. The increasing female population is playing a central role in the popularisation of white wine. Women indeed show more interest and knowledge of wine, but still think that male should buy and /or order it.
Some autochthonous and native Chinese varietals will have brighter future since they are better suited to the local climates and soils, they have great resistance to diseases and new investments in technology and machinery from Chinese wineries will surely increase the quality of the final products. Nevertheless, the competition with domestic wine should not scary importers, since the direct substitutes are not Chinese wines but national alcoholic beverages as baijiu and beer.
Moreover, in order to develop a targeted marketing strategy and promotion in China, it is important to understand the role that alcoholic beverages and wine play in the everyday life of people and their cultural values. Traditionally alcoholic drinking is part of the Chinese culture and is mainly associated to official celebrations and important events. Indeed, during the Mid-Autumn festival or New Year’s Eve, the average consumption usually rockets. But, even though the old rituals have been reinterpreted in a modern key, wine drinking is still associated to western tradition. In other words, as Europeans know little about tea, Orientals know less about wine, but some things are changing.

Chinese consumers:

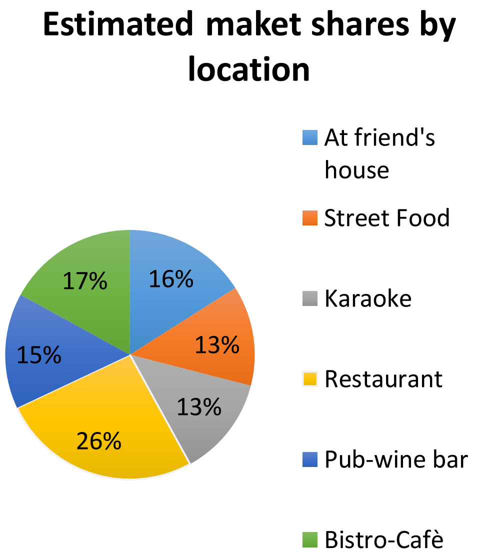
According to the study conducted by Liu *et al.*[54] about the consumer segmentation of Chinese market, wine drinkers are often well educated, with high incomes, between 19 and 35 years old and live in urban areas. The majority of them buy wine at supermarkets (73 percent), for special occasions and as gifts. The Chinese tradition of *mianzi*, literally “face”, deeply affects wine purchasing decisions. *Mianzi* is the self-

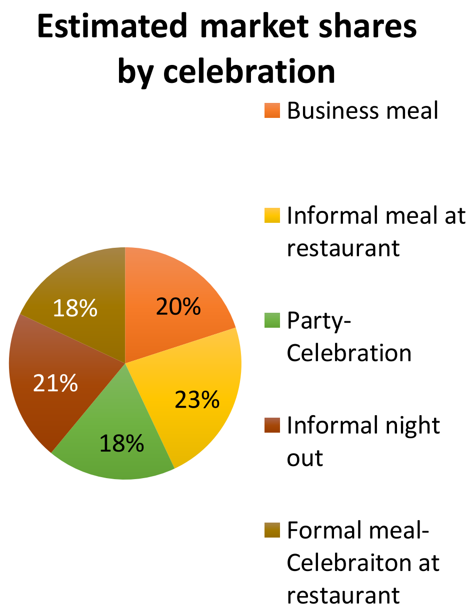
[54] LIU, Hong BO, et al., *The Chinese Wine Market: a market segmentation study,* Asia Pacific Journal of Marketing and Logistics, Volume: 26, Issue: 3, 2013, pp. 450-471.

esteem a person has and in turn his image or reputation perceived by others, for this reason "losing your face" is a very disgraceful consequence for Chinese people. Chinese use to purchase expensive wines also in order to show politeness and respect for the gift's receiver. For this reason, an expensive imported wine, associated to attributes as higher quality, sophistication and respect in business context[55], is bought for special occasions or business dinners.

It is evident how much the product's symbolism plays a strategic role in consumers drinking habits, indeed, Chinese prefer to order imported and expensive wine at restaurants or buy them as gifts and domestic wine for home consumption.

In addition, the symbolism of colours influences consumers' choices. Red wine (even better if French) is healthy, associated to blood and all attributes linked to the traditional Chinese medicine and is the colour of celebration and happiness. Indeed, Chinese started drinking wine not only because it was trendy and sophisticated, but also for its health benefits. Wine, with less alcoholic content than traditional Chinese liquors, is indeed better for both body and mind, helping people not to exaggerate and keeping that mild and respectful attitude that the Confucian philosophy teaches.





Source: Wine Australia

[55] CAMILLO, A.A., *A strategic investigation of the determinants of wine consumption in China*, International Journal of Wine Business Research, Vol. 24, Issue 1, 2012, pp. 69-92.

Moreover, despite the enormous numbers of Chinese population, the consumption per capita of wine, with less than 0.5 litres per person, cannot be compared with the European standards. On the other hand, the occasions of drinking and the increasing number of wine drinkers in all Asia are rich chances for Old and New World producers to export wine in China, as well as Singapore, Hong Kong and South Korea. The two graphs show the strong link between premium wine consumption and official or business occasion, but they also introduce the new trend of more common way of drinking fine wine in casual places such as pubs or wine bars.
The education programs and strategies are the most successful ways in which Chinese people can know about wine and get more interested. The most important sources of information, along with the traditional recommendation and word of mouth, are product reviews, wine tastings, wine educational classes and wine trade shows, product labels and social media. The organisation of events as masterclass, private tastings and fairs are important to spread the knowledge through new channels and in innovative ways that could catch the attention of the young Chinese population.

According to a behavioural-benefit segmentation base, the Chinese consumers can be divided in *extrinsic attribute seekers, intrinsic attribute seekers and alcohol-level attribute seekers.* Except for the third group that are the more traditionalist and purchase mainly domestic wine according to its alcoholic content, the two other clusters are good examples of the Chinese market's complexity. From this differentiation, indeed we can deduce some important elements that characterise Chinese consumers. For example, if we consider the first cluster, we understand that the relationship between price and quality is not the same as in the West. Chinese associate price to social status, business position and the country of origin. Since imported wines are more expensive, they are also perceived as better in quality. But in many cases, this has nothing to do with the image of the country or wine region in China, except for France. On the other hand, the second cluster that evaluate more attributes such as health, knowledge and food pairings, focus his attention on the wine's taste, rather than on its price. Again, attributes such as the country or place of origin, as well as the variety or the vintage year, are not considered by Chinese consumers in their consumption choices.

Despite all Asian cultures are westernizing themselves by changing many habits and abandoning others, for example the most evident change is the increase of materialism and consumerism among all levels of society, the deep rooted culture of a country cannot be easily substituted and represents the biggest obstacle for foreign investors.
Old world producers should therefore concentrate their attention not on the simple exportation of the same values, traditions and usages linked to wine-drinking in Europe, as they have done in other markets as US, but should mainly focus on a different and modified promotion, in order to meet Asian tastes and drinking customs.

Who are conquering the market: France and Australia

The case and story of the great success of French wine in China can only be a striking lesson for all other importers and success seekers in Asia to the point that some critics have talked about a true monopoly of the quality wine sector, in particular of the Bordeaux.
When French went to China for the first time, they could draw on a blank canvas, because the general knowledge of Chinese consumers about wine was close to zero. They for example used to associate quality to high price and healthy attributes to red wine, since they thought that the only colour of wine was red and they preferred fruity-sweet tastes. Thanks to a great work of promotion and the contemporary help from big and most of all French supermarket chains as Carrefour, Auchan and Metro,[56] French exporters imposed their red wines and conquest the palates of Chinese drinkers. As previously explained, Chinese also associated health benefits and positive attributes to red wine, a cultural fact that has helped the French. Considering that the majority of Chinese consumers purchase wine at supermarkets, the success was written in advance.
But the most interesting achievement that French got from the adventure in China, is that they were able to create a strong and positive mental association between Chinese minds and French wine. The value of some regions as Bordeaux and Medoc increased, attracting also Chinese investors that in some ways saved some Chateaux from bankruptcy. They were able to create a strong bond between China and France, that later developed in visits in wineries and travels to French wine regions.
Nevertheless, French are not the only competitors of Italian wine exporters. They should watch out also other aggressive producers as Chile and Australia.

[56] XU, M., *French wine marketing in China*, Final Thesis, Universitè de Strasbourg, academic year 2012-2013.

The strategies of these two New World producers and the weapons they use for consumers' attraction are different and innovative. Indeed, China is the leading market for Australian wine export (63 percent), which reached a total export in terms of value equivalent to $676 million in 2016, thanks also to the "China-Australia free trade agreement" signed in 2015, which cut import duties. Other similar bilateral agreements within China and Chile and China and New Zealand have favoured exportations from these countries. For example, the 2005 agreement on free trade between Chile and China has increased by 23.7 percent the Chilean exports.

The elimination or reduction of trade barriers has increased exports both in terms of volume and value, allowing big Chilean and Australian wineries to invest in marketing and promotion[57]. Australia, for example, developed a differentiated marketing strategy for every targeted Chinese region, since they are characterized by different tastes, religion, language and traditional gastronomy. Chinese in the north part of the country, for example, tend to prefer salty dishes; in the south they prefer them very spicy, in the north-west spicy, in the south-east sweet, while along the coast they eat mainly fish and shellfish. Australians have also invested in the Chinese culture knowledge, especially in learning about pragmatics, politeness and the right behaviour during business transactions. They demonstrated to their Chinese partners a true and less arrogant approach and at the same time, they learned the market structure and the internal deep differences between the numerous regions of China.

According to Direction 2025[58], a 2007 survey and prediction about the development of production and marketing strategies of the Australian wine sector, the key element of success is targeted campaigns, along with the pursue of competitive advantage through the maximisation of production with new technologies that can preserve and guarantee high volumes of affordable good quality.

The most recent "Australian wine made our way" presented at the 2018 Vinexpo Hong Kong[59], showed a picture of Australian wine that promotes its wine sector characterized

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[57] CORSI, Armando Maria, MARINELLI, Nicola, ALAMPI SOTTINI, Veronica, (2013) "Italian wines and Asia: policy scenarios and competitive dynamics", British Food Journal, Vol. 115 Issue: 3, pp.342-364.

[58]WINE AUSTRALIA, *Directions to 2025,* 2007. http://www.wfa.org.au/assets/strategies-plans/pdfs/Directions-to-2025.pdf

[59]MADIGAN, A,. "Australian winemakers doing it 'our way' at Vinexpo Hong Kong", in *Australia's wine business magazine*, 05/30/2018, https://www.wbmonline.com.au/new-campaign-unveiled-in-hong-kong-australian-wine-made-our-way/

by camaraderie in the wine community, strive for excellence and innovation. The combination of brand strategies and Australian wine story is the reason of success of Australian wine that wants to transform the difference from Old World wines in an element of strength. Indeed, Australians do want to present a different and new product, made with the most innovative techniques and at a lower price, presenting fruit-forward wines that can be appreciated by many different consumers. For this reason, they organised the marketing campaigns focusing on both the product's attributes and the consumer's preferences. The direction 2025 has highlighted how much Australian wineries have invested in branding, focusing on what consumers desire. The results show that consumers choose wine according to the benefits they receive and the brand personality. There are four different personalities[60] associated to wine and four other perceived benefits[61] on which Australian wineries built their strategies.

And Italy?

Italy is therefore on one side pressed by France that seems to control great part of the premium wine category, and New World countries, Australia, Chile and New Zealand, on the other, that have gained a competitive advantage thanks to the trade agreements.

Therefore, how can Italy emerge and increase its power in the Chinese market? According to Li Medei, oenologist and professor at the Beijin Agriculture College[62], Italian wines have some unique characteristics that, with the right promotional strategies, could beat French and other competitors.

The ideas of Medei coincide with the SWOT analysis made by Corsi, Marinelli and Sottini about Italian wine in China[63]. They all think that the strength of Italian wines are rooted in its authenticity, quality and health benefits. The idea of authenticity suggests the classic style associated to Italy, with its long history and rich gastronomical tradition. In addition, health benefits are associated to the properties of wine and the sustainable-organic philosophy of Italian wineries. The point is that all these attributes can make the success of Italian wine, but at the same time, could cause a catastrophe

[60] "Brand Champions", "generation next", "Regional Hero" and "Landmark Australia", according to the personality you associate to wine drinking and your own personality.
[61] "Quality", "Value for money", "social" and "emotional".
[62] WINE NEWS, Il futuro del vino in Cina, e le possibilità per il vino italiano, nel dialogo tra WineNews e Li Demei, professore di Enologia al Beijing Agriculture College. "Per competere davvero con la Francia bisogna investire in promozione ed educazione",*in Vinitaly*, 08/02/2017, https://www.vinitaly.com/it/news/wine-news/il-futuro-del-vino-in-cina-e-le-possibilita/
[63] CORSI, A. M., MARINELLI, N., ALAMPI SOTTINI, V, *op.cit.*

without a correct and thoughtful promotion. Since Chinese associate positive values to the Italian food, matching food and wine could be a good strategy, especially thanks to the power of “Made in Italy”, the second most recognizable brand in the world.
In addition, also pairings between Chinese cuisine and Italian wine can be a strategy, if we think at the marriage between the fish dishes of coast cities and the white wine with high acidity level and less tannins from Friuli, Trentino or Sicily.
With the development of specific and culture-based strategies, it is possible to diminish the appeal for French red wines with the offer of new, innovative and more suitable products. The key role of promotion and the necessary synergy within Italian wineries are the most important element that should be improved and on which we should concentrate energies and investments, according also to Fabio Piccoli. In his intervention at “Le Radici del Vino” 2018 in Rauscedo he has clearly explained that in order to fight big winemakers, we should invest especially on two things: personality and diversification. Big wine areas, such as the Triveneto (Friuli Venezia Giulia, Veneto and Trentino Alto Adige) should work as a district, cooperate and develop shared marketing strategies, especially in gigantic emerging market as China and Russia, where it is important to organise and set the strategy before entering the market. About Italian wine personality and diversification, Piccoli highlighted that a differentiated offer can reduce the negative consequences of low fidelity from the consumer and the power of other competitors[64]. Moreover, the great number of different wines that Italy offers, it is a strategic weapon in order to avoid generalisations and to make specificity and uniqueness more visible.
China is indeed a new emerging market for wine and the perspective of growth for Italian wines is still very high. Cooperation within wineries coordinated by national institution or organisations can be helpful for presenting at fairies in groups and not alone, for developing a single presentation as a country, region or designation, and targeting specific clusters.

As we have observed, US and China are two different markets, where wine is differently known consumed and diffused. Despite these differences among foreign

[64]Every year in US 150,000 new etiquettes are created. Italy now has competitors at global level and the only solution seems diversification.

markets, the Italian wine land, the regions, the geographical designations seem to have failed.
In USA, Italian wineries presented themselves separately and alone, they invested in branding, putting the name of the winery or the variety of wine before the provenance. At international fairs, except for some, wineries are not organised as a group, but everyone works alone. In 2018, this behaviour is no longer acceptable in 2018 and it is also counterproductive, considering a global market with a globalised consumer.
These types of promotion are deeply damaging the land, the imaginary associated to it and its values. Even though other countries have understood the power of land and designations or the so called “Country of Origin effect”, Italian wineries have underestimated it.
Chilean, Australian and New Zealand wineries are promoting the country of origin, though with higher economic possibilities, but surely with less quality in terms of value. While Californian wineries are focusing everything on the valleys and land, investing in storytelling, in vineyard visits and DTC sales. In a market where every year 100,000 new wine etiquettes are created, it is impossible to impose a brand when the dimension of the vineyard are too small as in the case of Italy.
Despite this first pessimism, some wineries have understood the importance of cooperation and team working, rather than trying to do it all alone. At the conference organised during the event “Le Radici del Vino” in Rauscedo, Fabio Piccoli declared that Napa Valley’s vineyards in 2017 made 70 percent of total revenue with DTC sales. This result explains the power of attraction those vineyards have and how well they have managed promotion and marketing. “We should remember”, said Piccoli, “that in Napa Valley and Sonoma there is nothing but vineyards, while here in Italy we can offer wine, art, history, unique landscapes and more. We are blind, if we do not understand the potential of our regions.”
The other important lesson that invalidate the doubts of some Italian winemakers, is that presenting the land first does not diminish the power and value of the single winery. On the contrary, it increases it and diminishes the costs of organisation and logistics, especially about managing and keeping distributors and wholesalers, which is always a task for small or micro wineries.

The second secret for the future of Italian wine is education. New and updated educational programs, with tastings, workshops with the detailed and consumer-specific presentations could be a good path through which we can penetrate the market or consolidate our position in others. From the perspective of consumers, specific studies of the target market and consumer today are fundamental. The stubborn individualism of Italian business should stop as soon as possible and give space to cooperation.

Thirdly, Italians should not forget about Italians. The domestic consumption per capita is lowering down due to the change in consumption habits and the direct competition from other alcoholic beverages. Further researches could highlight new strategies and inspire new investments within our country that could increase the popularity of wine among new generations. It is true that new emerging countries in Asia and America are discovering wine, but we should not forget that it is part of Italian culture.

2. Wine consumers and wine marketing

In this chapter, I will try to identify wine consumers starting from a comparative analysis of different markets, with the purpose to illustrate the complexity of the global market and wine drinkers. My analysis will focus on some parameters of differentiation, more precisely, from a socio-demographic perspective and lifestyle determinants. I will illustrate the differences and similarities within consumers of the same age but with different origins. This degree of complexity generates clusters of different sizes and niches and distinguishes one market from the other.

The second perspective of analysis will focus on the expected benefits and attributes that international consumers usually associate to wine, their purchasing habits and preferences.

In addition, from the description of some new emerging trends, I will draw some ideas for a new and innovative marketing of Italian and Friulian wines that can lead to new opportunities of growth and to a better promotion of our products at international level. There is a global market but not a global consumer; hence, we can only identify some "global" trends that must be adapted according to the producer, exporter and final consumer.

Who is the wine consumer?

Wine consumer or wine consumers? In our globalised, stratified and complex world, the answer seems obvious. New and trendy occasions of use, new types of consumers, communities and groups of drinkers appear every day, creating a more entailed and stratified demand that is hard to intersect and fully satisfy. A definition or classification's system of these new consumers is therefore crucial. The method of analysis and the classification's parameters, though, change according to the market and country and for this reason, the analysis does not present always the same results. This level of complexity inevitably affects marketing and positioning strategies, the producers and distributors' choices, which will vary according to the target market and demand.

From a socio-demographic perspective, we can classify and identify the different groups or clusters, and eventually niches, according to their lifestyles, place of living, culture, to their social status, income, hobbies or their needs[65]. In order to identify groups of wine consumers, a starting point could be the use of some segmentation variables[66]. As Galletto and Gregori have described[67], we can divide wine consumers according to age, gender, family structure, religion, education, job and income. From a geographic perspective, the elements that affect wine consumers are for example the place of origin, of residence and the climate. Finally, there are the psycho-geographic variables that include lifestyle, personality and social classes.

Even though some[68] would argue that Kotler's variables are too simplistic since they do not consider the complexity, heterogeneity and hybridity of the globalised or "glocalised" consumer, we can still apply them not forgetting that, due to this level of complexity, the picture of a global wine drinker would be just a mere abstraction.

In a multi-racial, -ethnic, -linguistic and –cultural society, where our cities are crowded of people that come from all over the world, have different tastes and needs, the grassroots marketing could be a good solution. In order to fulfil this goal, we should ask ourselves about the characteristics of new wine consumers, such as Millennials and Asian people, their lifestyles and context of drinking, and especially their unsatisfied desires, needs and expected benefits, analysing their product-use situation, product benefits and especially perceived values. There is not just one successful type of wine or one successful variety as well as there is not only one type of consumer. The key point is again a perfect mix of consumer targeting and one-to-one marketing.

The wine internationalisation and the attempt of some firms to expand their exportations in new markets should intersect the new demand of wine drinkers. They, for example, can be divided according to their age and lifestyle.

As the study of Roe and Bruwer has shown[69], two main distinct groups of consumers are "Millennials[70]" and "Generation X". The first are between 6 and 29 and have grown up with technology, social media and internet. They look for diversity, novelty and

[65] Maslow's pyramid of needs divides the people's needs in "basic physiological", "safety and security", "belonging and social activity" and "self-realisation and fulfilment". He draws a hierarchy of necessities, where the consumption of wine could fit in the last three groups.

[66] I will use the variables of KOTLER, *Marketing Management*, Pearson, Milano, 2012, p. 335.

[67] GALLETTO, L., MALORGIO, G., POMARICI, E., ROSSETTO, L., *op.cit.*, pp. 53-65.

[68] LINDRIDGE, A., *Segmentation in cross-cultural settings*, in RUGIMBANA R., NWANKWO, S. (eds.), *Cross-cultural Marketing*, Thomson, UK, 2003, p. 78.

[69] ROE, D., BRUWER, J., Self-concept, product involvement and consumption occasions: Exploring fine wine consumer behaviour, British Food Journal, 2017, Vol. 119 (6), pp.1362-1377.

[70] Also known as "Generation Y".

relay on internet for getting information and knowledge, they are usually eager for new challenges and prefer brand wine. A survey of Eliott and Barth[71] over a group of young American students has revealed that Millennials evaluate more the extrinsic product characteristics than the intrinsic one. In other words, name, packaging, layout, brand and design count and attract more their attention than other attributes, as the country of origin, the variety, the producer and the vintage year.

Nevertheless not all Millennials are the same. A recent survey on young drinkers in South Africa[72] has highlighted the core economic role of this group of drinkers who, despite their age, have their own tastes and preferences. Subjective knowledge seems to be more important than objective connotations as brand, price and awards. Indeed, young South African consumers relay more on their previous experiences and on their friends or family's advises. The importance given to personal relationships is connected to the contexts of wine drinking. It is associated to conviviality, sociality and fun, attributes that generation X does not usually evaluate. However, a study[73] about American and Spanish Millennials has compared "New World" and "Old World" young consumers, showing that Americans share some characteristics with the South Africans, while Europeans are more traditionalist, preferring wine according to the designation of origin and variety. One common feature is the little importance they both give to label, design, brand and awards, which are in turn, important attributes for Generation X. They treat media with irony and do not trust it. Indeed, they prefer informative advertisement rather than persuasive one, they encountered in their life a long series of economic and social changes, they moved from having a lifelong job to a temporary one, but they are still self-assured and independent. Generation X includes often a group of consumers who are willing to pay more for premium wine, drink it during special or formal occasions at home and at restaurant, but do not necessary drink more in terms of quantity.

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[71] ELIOTT, S., BARTH, J. E., *Wine label design and personality preference of Millennials,* Journal of Product and Brand Management, 2012, vol. 21 (3), pp. 183-191.

[72] LATEGAN, B. W., PENTZ, C. D., DU PREEZ, R., *Importance of wine attributes: a South African Generation Y perspective,* British Food Journal, 2017, Vol. 119 Issue: 7, pp.1536-1546.

[73] DE MAGISTRIS, T., GROOT, E., GRACIA, A., ALBISU, L. M., *Do Millennial generation's wine preferences of the "New World" differ from the "Old World*"?: A pilot study, 2011, International Journal of Wine Business Research, Vol. 23 Issue: 2, pp.145-160.

Generational differences are therefore fundamental for market segmentation and show a clear differentiation among consumers. Nevertheless, the questions should not focus only on who purchases wine but also why, for which occasions and in which situations.

From the point of view of lifestyles, according to Martinez-Carrasco et al.[74] in the Spanish market there are four lifestyle variables of quality wine drinkers: *interested in gastronomy, in healthy life, social activity and ethnocentric people*. The first group buys wine for dinners with friends or themselves, talk about their hobby with friends and sale assistants and read specialised magazines. People who drink wine to socialise, to have fun with friends and meet new people evaluate it not only for its taste, but for its symbolic function, that may go from a demonstration or rather an ostentation of social/economic status or class to a simple way of relaxing and chilling. Then, there are the ethnocentric consumers, who prefer local and national products, for example PDO or regional wines[75], who drink and purchase wine because it is part of their tradition and reflects their identity. Finally, some healthy people believe in the physical and psychological benefits[76] of a moderate wine consumption. All natural wine's consumers, green people who appreciate the sustainable aspect of winemaking and cultivation belong to this type of consumers.
In the emerging market of Far East, we can observe a complete different group of consumers, who have different characteristics, associate different values to wine and purchase it for different occasions. Chinese people like wine, but do not really know it. Thanks to the booming economic development and a process of westernization, also Chinese people have started drinking wine, many new alcoholic brands have entered the market and western supermarkets and lifestyles have affected or influenced Chinese drinking habits. The increased competition has lowered prices and increased the wine consumption, especially in urban areas. A survey of the Universities of Adelaide and

[74] MARTINEZ-CARRASCO, L., BRUGAROLAS, M., MARTINEZ-POVEDA, A., *Quality Wines and Wines Protected by a Designation of Origin: Identifying Their Consumption Determinants*, in Journal of Wine Research, 2005, Vol. 16, No. 3, pp. 213–232.
[75] This latter category can be applied mostly on European Old World wine producer countries given the importance and role of wine consumption in their national tradition.
[76] For further reading about healthy consumers, see SAMOGGIA, A., *Wine and health: faraway concepts?*, 2016 , British Food Journal, Vol. 118, Issue: 4, pp.946-960.

Beijing[77] has studied the consumer's preferences and characteristics in the Chinese capital, showing a complete different scenario in comparison to the American market. Chinese consumers indeed do not know wines and their purchasing decisions are made on the criteria of geographical origin, previous experiences, brand and recommendation. On the other hand, wine variety, alcoholic percentage, design, layout and specific readings are not fundamental in buying.

Other market segmentation parameters are the expected benefits that a consumer hopes to receive from a product. Wine can be seen as a *sexy* beverage, associated to a social or economic status, consumed for self-realisation in order to show an interesting personality. It may be elegant, trendy and distinguishing, for sophisticated, high status and cool drinkers. Wine consumption is also related to *knowledge,* to all the technical notions and information about wine, vinery and tasting. People who usually order wine at restaurant, who give advises and take part to wine tasting or events sometimes consider it a *hobby* and expect to share this interest with others. Wine can be associated also to *pleasure* and *fun* when it is linked to emotions, to relax and the enjoyment of a moment alone or with friends. On the other hand, a consumer may expect that a wine is *convenient*, not too expensive, that reflects a good balance between quality and price. Finally, who expects to benefit from brand, luxury and *griffe,* looks usually for design and famous names, while natural or bio-ethic people will be interested in organic and *natural* products that eventually are also *healthy*.

These expected benefits can be combined, building up a complex mix of attributes that a consumer evaluates. For this reason, the market segmentation could end up in an unpredicted heterogeneity that marketing campaigns should try to satisfy. They will consequently target specific types of consumers with the creation of different brands for different markets, or of a selected offer for specific countries.

Brands and Trends: how to communicate complexity

Despite the heterogeneity of the global wine market, there are some trends shared by globalised consumers. A comparative study of Wine Intelligence[78] provides some ideas

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[77] YU, Y., SUN, H., GOODMAN, S., (et.al), *Chinese choices: a survey of wine consumers in Beijing,* 2009, International Journal of Wine Business Research, Vol. 21 Issue: 2, pp.155-168.

[78] HALSTEAD, L., *Wine Intelligence Global Consumer Trends and the Wine Category 2016,* http://www.wineintelligence.com/wp-content/uploads/2016/03/Global-Consumer-Trends-Presentation-2016-Annotated.pdf

for a deeper analysis of these contemporary global trends, using ten key words: *play, custom, devotion, up-grade, trust, transparency, well-being, mini, fusion* and *instant.* Their analysis can build up a full marketing mix to use in internationalising processes.
Custom is related to the personification (customization) of a product for specific or single consumers, who are put at the centre, made feel positively different and unique. Customized bottles, with personalised labels, etiquettes or designs are some examples. The trend is directly related to *mini* that is linked to some social and economic changes, as for example the demand for small packaging and sizes for singles. “Half bottles” in Australia and “10 Vins” in France are two examples of a mix of customisation, *mini* and technology (*up-grade*). P*lay* and *transparency* have to do with the importance of interaction, of *trust* and knowledge that consumers evaluate. Nowadays persuasive advertising is perceived as deceiving, for this reason, *transparency* play an important role and it is conveyed not only through informative etiquettes and labels but also through a smart use of technology and innovations.
Wineries promote their products, events, and fairs through social media (above all Facebook and Instagram), while others invest in smart ideas and projects that involve for example IOTs. Some of them are the highly criticised “Smart Wine Bottle” by Kuvée and the NFC tags on bottles that give access to more information about the product, its producer and possible food pairings. The element of *instant* is again very important in societies that believe in the preciousness of time and evaluate ready and fast things. E-commerce, with hundreds of websites, alcohol delivery apps[79] and even wine and cocktail vending machine[80] are the new frontiers that can provide the fastest and fullest services. *Play* and *fusion* concern the multisensory and immersive experience of wine tasting that must merge with other fields outside gastronomy, as tourism, wellness, culture, etc. Challenging experiments and a constant re-invention are the key factors for an appealing and fresh offer. All these things should also drive the consumer to a sort of *devotion,* which is not obvious in a world where change and evolution are sometimes more important than loyalty. When wine is associated to a personal experience, to emotions or to philosophies of living, the customer’s loyalty tends to

[79] “BolltesxXO” is a high quality wine, beer and spirits delivery app in China, Hong Kong and Singapore. An Italian correspondence is “Fast Drink 24” a start-up from Padova that delivers drinks, beverages and food.
[80] “Foxtender “is an American cocktail vending machine, which tries to substitute a real bartender and able to make up to 400 different beverages.

increase. One main challenge for winemakers is therefore the creation of an emotional or ideological bond between the consumer and the product. This bond can be related to personal and positive memories, for example a travel or an extraordinary adventure, that may be a very powerful marketing strategy because it creates a relation with the place, which goes beyond the objective and intrinsic values of a bottle. The category of *well-being* is therefore crucial and related to the concept of health, especially with natural or biodynamic wine drinkers who consider this type of wine healthier.

The trends that I have listed are just some examples of how many attributes a bottle of wine can contain and a consumer can look for and recognise. The knowledge and study of contemporary trends can only help Italian and Friulian wine producers and retailers in the development of marketing strategies that eventually will highlight new and different attributes. During a process of internationalisation the producers must sometimes come down to some compromises between the image and values that he would like to express and what the market demands, with the emerging and always changing trends and tastes of consumers. This kind of compromise can be disappointing, if the image promoted abroad is for example too generalised[81] but at the same time necessary and can be a very successful marketing strategy with the right mix of values, attributes and services that all together can build up a powerful image of Italy and Italian wines. Generalisation should not be confused with homogenisation or standardisation, 2018 wine consumers indeed, ask for personality and authenticity. A balanced mix of place branding, education (information) and promotion would therefore distinguish Italian and Friulian wines without losing the inimitable and rich variety of our country and neutralising its quality and incredible offer.

Thinking global, drinking local:

In the last 20 years both our domestic and the international wine markets have deeply changed, new trends have emerged and previously unknown types of wine have become popular and trendy. These sensible variability and potential of change must be taken into account in internationalising processes and in the development of marketing

[81] In the hypothetical association that I have made above between Lambrusco and Parmiggiano Reggiano, some experts would see a generalisation, since the two products do not actually come from the same area. Nevertheless, an accurate and differentiated promotion of the Italian territory would be almost impossible abroad. This is the sort of compromise that I consider necessary and important in order to create and to convey a strong image of "Made in Italy" and "Italian way of life".

strategies for a successful promotion of Italian wines. The trends described below are connected to the global market and to the globalised consumer, who most of all seems to evaluate two different things: brand and land.

Starting from these two important macro-elements of Italian wine and marketing, we can identify some strategic aspects that could increase the appeal of a product or a producer. They are related to the importance of information, sustainability and experience that consumer appreciates more than other attributes, along with the increasing demand for smart and fast e-commerce, retail and informative design.

According to the economist Mike Veseth[82], speaker at the conference "Wine and Money"[83] in Portofino, there are two kinds of globalised consumers: one evaluates the brand, the other the land. Brand and land seem to be the starting point for a new marketing strategy of Italian wine. Some Italian regions before others have already proved it, demonstrating the core power and potential of "land branding" and highlighting the several marketing opportunities that a wine region can hide.

Tuscany, before many other Italian regions, has understood the power of fine wine and its connections with branding and territory. Through investments in branding, innovation and the territory, some wine areas as Montepulciano, Chianti and Montalcino benefit from the singular wineries' success, which subsequently increased the touristic attraction of Tuscany. The story of the success of Brunello and Chianti derives from the long-sighted initiatives of famous names such as Marchesi Antinori, Castello di Ama, Ruffino, Col d'Orcia and Castello Banfi. According to Lorenzo Zanni[84], the entrepreneurial initiatives of these Tuscan families lead us to their prestige of today. Up to now, they still coexist with the traditional and small local producers, who have not fully abandoned old and surpassed approaches towards production and promotion. The ability of the first group consists "of combing tradition and innovation", said Zanni, "they reinterpret tradition in a dynamic way, emphasizing the immaterial positive values linked to it.[85]" They have also added new values to the old ones, going beyond the familiar dimension of many wineries. Thanks to huge investments in the

[82] TAGLIONI, M., 2 July 2018, E' tempo di riposizionare il vino italiano nel mondo, *Il Corrriere Vinicolo,* n. 2 p.5.
[83] During the event "Vino Vip al Forte" on 18th June 2018.
[84] ZANNI, L. (ed.), *Leading firms and wine clusters. Understanding the evolution of the Tuscan wine business through an international comparative analsis,* Franco Angeli, Milano, 2004, pp. 113-192.
[85] Ibidem, p. 116.

wineries, collaborations with non-Italian partners and oenologists and new innovative marketing approaches, they succeeded in raising the image of Italian wine in the global market. This result sometimes was achieved by adapting the wine to the global tastes, in other words, making the wine "international", surpassing the ideas of a local production in order to commercialise an exclusive and unique wine. For this reason, without losing the bond with their land, producers as Marchesi Antinori distanced their production from DOC or IGT and produced their own brands and wines, without certifications. Going against tradition, consortia and the land itself, they in fact revolutionised the image of Tuscany and its wines. The co-existence of two different approaches, the traditional farmers who produce Chianti Classico and the innovators with their own wines, contributed to the creation of a territorial governance that other Italian regions have later copied and taken as an example.

Brand and land can therefore build up together a catching marketing mix of attributes and values that the international consumer may appreciate and that in turn, can help the producer from different perspectives, first of all, tourism.

Brands or certification?

As I have previously explained, the Italian wine offer has always been considered of middle quality and low price. British used to describe it as "cheap and cheerful", not comparable to the French Bordeaux or Merlot, but the process of premiumisation has affected Italian wine too. Globalised consumers started to appreciate Italian wine, while the sector was progressively focusing on quality production and internationalisation.

Both types of consumers show in their preferences and tastes the same need for identification and information. A famous brand is nothing more than a recognisable name that it easy to distinguish on the shelf of a supermarket or on the menu of a restaurant. At the same time, it distinguishes the consumer, who has chosen it for its attributes and especially for the image it conveys.

In addition, the land answers to a specific seek of identity and recognition. The consumption of a wine that is strictly related to a circumscribed area links the consumer to the idea of authenticity and personality, of tradition and cultural heritage. In the end, high quality can be expressed by a famous brand, translated in high prices, or by the land often certified by the designation of origin, which tries to communicate the complex mix of terroir, varieties and the historic values of a land.

Although in Italy we can find more than 500 products within DOC, DOCG and IGT, which are all tight together with specific traditions, values, experiences and terroir, more importance has been given to brands and branding. There are many Italian brands that are globally known and have made the success of many firms, especially in the fields of fashion or automotive, but there are few successful brands that come from the Food&Wine sector. The reason is directly linked to the high level of complexity and variety of the Italian supply, but also to the inability of some producers to communicate their products and sometimes to believe in the power of "Made in Italy".

From the point of view of the consumer, a brand has three main functions. It is distinctive, i.e. it is easy to identify through a special design, logo and a widely known name. It also guarantees a certain quality and reduces the risks linked to less known wines and finally, it is related to a specific image and sense of belongings. On the other hand, from the point of view of the producer, the brand can ensure the customer's loyalty; it is communicative and protects the producer from imitations. There is a long and rich series of attributes that the consumers associate to a brand. They can be grouped in *basic*, *necessary* and *mental associations*[86]. The first one includes the wine typology, alcoholic percentage, the vintage year and the sensory profile and as the word suggests, it introduces the basic information about the product.
Necessary attributes are etiquettes, packaging and certifications that can play a strategic role in brand promotion. Packaging can make a bottle unique and more attractive for the consumers, playing with different colours, materials, sizes and graphics. For example, a small packaging of a bottle may be useful and preferable for a single, who would not drink a 75cl bottle alone, or a sustainable and recycled carton or even a can[87] may represent the new substitutes to glass. Some innovative and unusual examples of packaging are the "Mini Garage" by Anthony Hammond like little jerry cans, the bag in box "Versus Wine Pouch" and the Swedish aluminium bottle "Elk and Wolf".
Moreover, etiquettes can carry informative material about the wine cultivation, for example organic or biodynamic, about the harvest techniques with special selection as in the case of Millésime and Cru, about the methods of production, the place of origin

[86] GREGORI, M., GALLETTO, L., MALORGIO, G., POMARICI, E., ROSSETTO, L., *op.cit.*, pp. 258-262.
[87] The American "Underwood" (Oregon) wine is a quality everyday-drinking Pinot Noir in 33cl can.

and the food pairings. All these information can be meaningful and distinctive for a consumer, who will choose the wine according to the values he/she associates to them. Again, the etiquettes can convey all these values through a concise and direct use of graphic design, logos or images and through an effective combination of colours and layout. Wine producers should not underestimate the power of a good and attractive etiquette within all the extrinsic values it conveys. It is in the end the wine passport and one of the few things that makes a bottle different and more attractive, especially without a strong brand or name behind it. For example, many French wines as Bordeaux use all similar images of chateaux or families' coats, from white, light brown to gold layout and a graphics that conveys the idea of a long history, luxury and elites. While biodynamic and natural wines use to play with innovative and eccentric graphics, which recall their natural and artistic (alternative) character.
Finally, if we look at the international market, the global consumers seem to appreciate the informative nature of Italian bottles. An article published on "Il Corriere Vinicolo"[88] has explained the way in which Canadian customers choose wine at supermarkets, where bottles are divided according to their geographical origin, and their preferences towards premium wines ($30 per bottle), especially red. One interesting aspect is the role of promotion and education that the same stores are making in order to "educate" their customers to the world of wine and tasting. Many of them organise special theme events with experts and sommelier, such as tasting and dinners. They promote and encourage e-commerce and have newsletter, so that their clients could gradually know their supply, becoming more conscious about their shopping.

From the point of view of land promotion, one of the main obstacles to the global knowledge of Italian wine is the inability to differentiate the product, starting from the promotion of the "land" and the distinction from one region to another. One possible solution could be a clear identification of the place, region or village on the etiquette. There are indeed logos or little maps that can graphically give more information than a long written description. In this way, the customer would easily recognize the product in the future and in some cases associate it to some other attributes. The new-born logo

[88]FERRANTE, P., "Ontario. Dai vini *vintages* mezzo miliardo di fatturato, "*Il Corriere Vinicolo,* 2nd October 2017, n. 29, pp. 12-13.

“Delle Venezie” for the Pinot Grigio DOC has been created with the purpose of conciseness, in order to be distinguishable for a foreigner consumer who would immediately recognize the three-colour Italian flag and the *gondola*, although the wine has nothing to do with Venice[89]. This solution is a clear example of how the “Made in Italy” can be helpful in the creation of a brand connected to a specific land. However, despite the communicative power of these little maps, they are not printed on all etiquettes. They indeed could help a foreign consumer to recognize and later remember the location of Carso or Collio.

Another innovative tool that can be useful both for producers and consumers are smart etiquettes. With these IOTs, that use for example NFC and QR technology or the more traditional bar code, the producer will guarantee more transparency about the grapes’ origins, the winery and the production, while the consumer will have access to all the extra information that a standard etiquette does not contain. Thanks to these new technologies, new ways of narration are possible and especially producers can use the power of storytelling in order to introduce their wines but also to start and establish a deeper relationship with the consumer. Smart etiquettes can connect the consumer to a digital tour of the winery, with videos and pictures that show the story of the producer, his mission and philosophy. They can share special promotions or coupons, entail the consumer in contests or events, communicate the brand and promote fidelization, with the chance to share all these experiences on social media or with their community. This opportunity may allow the producer or retailer to a customisation of the product, thinking of personalised offer, promotions or related events. New apps can connect the simple wine consumption to many other experiences such as cooking, travelling, social networks. and can easily connect the brand to the land.

Certifications and collective trademarks are the third discriminative and distinguishing element on a bottle of wine and are used both in brand and land marketing. The world of certifications exceeds in complexity, changes according to the country and is not always transparent and easy to understand for the average consumer, who usually is confused by the different logos, names and substitutes. Certifications can be divided in two big groups, the first based on the geographical origin and the second based on the

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[89] PALESE, C., “Debutto per la prima annata”, from *Il Corriere Vinicolo*, n. 18, 14th May 2018, p. 7.

method of cultivation and production. Within these two groups, we can again identify sub-groups of smaller dimension, which contribute to the stratification of the sector.
Collective trademarks of GI[90] and organic certifications represent a useful tool for small producers without a strong brand and few financial opportunities. They make the identification of the product easier and faster, ensuring the quality and origin of the bottle. However, the long list of designations (AOC, DOP, PDO, DOCG, DOC, etc.) forms an intricate labyrinth for the international drinker, without a way out and that leads sadly to a discouraging confusion.
But how could a foreign drinker understand something that even Italian or French domestic drinkers cannot fully describe and that does not have a direct correspondence in their domestic market[91]? All these differences in names are linked to the same level of complexity and variety that characterizes European and first of all Italian wine production and tradition that constitute their uniqueness. Nevertheless, in recent years some producers and consortium have understood the importance and pragmatic function of a single (and simple) designation that would avoid confusion and promote an easier identification of Italian wines.
As Bonifazi has illustrated in his article on VVQ[92], the designation of origin can be compared to a "territorial brand", but not all designations have the same size and influencing power. In Italy, there are indeed, 70 "big" DO and IG that account together 90% of the designated wine, against 335 that account only the remaining 10%. The first one have access to financial opportunities, participate to fairs and international events, they invest in promotion and marketing, while the others, especially the one that can count only on the quality of their product, have strategically organised themselves in consortiums or trademarks, gathering the forces together in order to create a single image to present abroad. Moreover, the confusion is again reinforced by the chaotic administrative structure of European and Italian disciplinaries and laws, which, as I have anticipated above, may have no direct correspondence in other countries.

[90] Geographic Identification.
[91] The European system of DO has no equal correspondence in Usa or other countries outside EU, which decreases the level of protection on the products.
[92]BONIFAZI, L., "Denominazioni da accorpare", *VVQ. Vigne, vini e qualità,* n. 2, March 2018, pp. 69-71.

Fusions or eliminations are two possible solutions to this high concentration of similar designations, often in a very restricted area, as in the cases of Sannio[93] and Delle Venezie[94].

Garofano and Riviezzo, in their analysis about the possible implications and connections between certifications and *terroir*[95], praised the ability of Sannio winemakers of creating a single consortium in 1999 with the purpose to improve the image of the wine, the region and to safeguard the producers. Today the consortium of Sannio certifies three DOP (Aglianico del Taburno DOCG, Falanghina del Sannio DOC and Sannio DOC) and the Benevento IGT and protects more than 7,900 producers. The positive outcomes from this strategy have raised the general evaluation of Sannio as quality wine and of the region as touristic attraction. Nonetheless, a provincial individualism form producers, who, despite the consortium, stubbornly cannot see the big picture but only their small piece of vineyard, heavily diminished the power of *terroir*. This lack of cooperation and sense of community is typical of the Italian wine sector and characterizes small realities as Campania and also Friuli Venezia Giulia.

The case of IGT Tre Venezie and the most recent DOC Delle Venezie are instead an example of conscious cooperation. Producers form Friuli Venezia Giulia, Trentino and Veneto have created in 2017 a single designation in order to present Pinot Grigio[96] in the off-trade wine market from a position of strength.

Looking at the other side of the ocean, we identify some trademarks as "Wines of… South Africa, Chile, Argentina, Australia", which are mandatory information but are graphically expressed with colourful, easy to remember and attractive logos. Collective and private trademarks add value to the product in terms of differentiation, legal and health protection, authenticity and image. In addition, the promotion of a land's product may become a land promotion itself, with many other positive consequences. However the success of this kind of promotion is guaranteed only with a real participation and cooperation of producers and authorities too.

[93] http://www.sanniodop.it/default.aspx

[94] http://dellevenezie.it/blog/2017/02/05/doc-delle-venezie-igt-trevenezie-fatta-ora-consorzio-vini-al-supermercato/

[95] GAROFANO, A., RIVIEZZO, A., in ed. NAPOLITANO, M.R., MARINO, V., *Cultural Heritage e Made in Italy*, Editoriale Scientifica, 2016, Napoli, pp. 251-274.

[96] We should remember that 96% of Italian Pinot Grigio is sold abroad.

The second popular and successful certification is organic wine, along with all its sub-groups as biodynamic, vegan, natural, fair trade, etc. They all share the same care towards sustainable methods of production, cultivation and bottling, the same interest for the environment, physical and psychological health, and form a growing cluster, in which consumers differentiate products with strict parameters and strong ethics. As producers of DO wines, also organic or biodynamic winemakers needed a network and forms of protection, in order to be visible, recognisable and trustworthy in the market. The interest for these types of wine also from average drinkers has enlarged the sector, that only ten years ago was just a niche. These certifications promote a product that intersects many trends and values of today, such as the demand for unique bottles, with a story to tell and personality, for innovative wines that can combine tradition and new technologies, for authenticity and experiences.
Both certifications are synonyms of different attributes that the consumer can potentially evaluate. They promote and communicate specific values and images, linked to a land or to ethical and environmental issues. Their core role is effective when the consumer does not choose a bottle of wine according to its name, brand, price or popularity, but when these attributes come first and drive their choice, or even play the same part of brands.

In conclusion, premium and green wines drive the international consumers' choices, followed by the varied offer of wines with geographical indication. In the near future, the Italian and Friulian wine sector will therefore follow the main global trends, focusing on brand and land, in order to gain more market share and conquest new emerging markets, where the choice would not be necessary brand or land, expensive or cheap, information or design, but will be a combination of them.
The result of this combination would mean "branding the land", so that the appeal and attractiveness of a region would come first than the winery's name, as in the case of famous French wines as Champagne and Chianti. All characteristics and the values of *terroir,* which go from the soil characteristics to culture and tradition, would be summarized in a single appellation or designation. Nevertheless, even though some wineries have understood the necessity to consolidate and reinforce the power of land, focusing on collectiveness and cooperation in Italy and FVG, the efforts in this direction

are still too low, so that the lack of information within wine consumers must be completed by educational programs and promotion. Along with educational campaigns, wineries have also invested in other combinations as smart etiquettes and wine-roads in order to intersect the demand from other fields and trends, as well as taking smartly advantages from the image of "Made in Italy". All these strategies are examined below.

Following the trends: sparkling, natural, Made in Italy and wine tourism

Trends can be a good starting point from which a wine-maker can set up his production and promotional campaigns, but following the demand can hide also some threats and difficulties. The demand for sparkling, sustainability, Made in Italy and the growth of wine tourism are just some of these contemporary trends.

An exemplary case is the increasing demand for sparkling wine at international level, which sees France (56% of global export)[97] and Italy (24%) as leading exporters, especially of Champagne and Prosecco.

We can understand the potential of trends looking at the story of Prosecco, the sparkling wine from the east part of the Veneto region, specifically from the area of Valdobbiadene and Conegliano in the province of Treviso (today recognized as "Conegliano e Valdobbiadene DOCG" and "Asolo DOCG"). With the other PDOs that have enlarged the consortium area, the production of Prosecco recorded today 400 mln bottles sold and it is the first exported Italian type of wine. The great demand of Prosecco has promoted innovations, expansions, new plantations so that today the cultivation of Grave, the grape variety from which Prosecco is mostly made, and its production have expanded also in other areas outside Valdobbiadene and Conegliano, up to Friuli Venezia Giulia and other provinces of Veneto. Some critics would argue that, after this economic growth and after an eventual change in tastes and trends, the monoculture could be more a threat rather than a strength. A partial solution could be a right product differentiation. Indeed, a challenge that Prosecco's producers are facing recently, is the establishment of a differentiation strategy between DOCG and DOC Prosecco, because the first one is higher in quality and price, is produced in a smaller and restricted area and needs to be distinguishable for foreigner consumers. Some wineries for example, have chosen to start a more sustainable business, with a

[97] WINE BY NUMBERS, *January March 2018,* June 2018, http://www.uiv.it/wine-by-numbers/

conversion toward organic cultivation. The production of organic wine will not only attract new green consumers, but it gives new quality attributes for differentiation to the Conegliano- Valdobbiadene DOCG.
Although the town of Prosecco, where the homonymous wine took is name is near Trieste, the production of the sparkling wine has no big role in the Friulian oenological tradition. Nevertheless, its international demand pushed producers to find a substitute, instead of converting all vineyards. The region of Friuli Venezia Giulia is therefore an example of another differentiation strategy. Riding the wave of the "Prosecco fever", it has presented and promoted the autochthonous Ribolla Gialla[98]. Since 2006, the vineyards under Ribolla Gialla have increased by 97 percent, from 183.5 to 362 hectares of surface and the wine production has grown by 18.9 percent. It is incredibly versatile, can be still or sparkling and can be drunk alone, during happy-hours or served with meals, a proper example of diversification.

A second trend that is conquering the interest of a specific group of consumers is natural wine. With many different connotations, methods of production, ideologies and philosophies of cultivation that distinguish for example natural, biodynamic and organic wines, this new emerging wine sector is increasing (+24 percent increase in hectares equal to 16 percent of total Italian surface under vineyards) and attracting the interests of a specific cluster. As Pierpaolo Penco, wine, tourism & business consultant and professor at the MIB Trieste School of Management, described in an article published by Wine Intelligence[99], the consumer of natural wine has "careful consumption patterns towards less chemical, natural or sustainable products, which are perceived as better". They, for example, choose to buy only wine from small farmers because they do not pollute or they prefer natural ingredients and do not accept wines with chemical intervention. Despite the evident and systemic confusion in the offer, with not all producers organised in a single association or with different ideologies about wine

[98]MESSAGGERO VENETO, "E la moda degli spumanti trascina la Ribolla gialla", 08/1/2018, http://messaggeroveneto.gelocal.it/udine/cronaca/2016/08/16/news/e-la-moda-degli-spumanti-trascina-la-ribolla-gialla-1.13967611
[99]PENCO, P., "Il boom dei vini naturali", *Wine Intelligence,* 2/20/2018, http://www.wineintelligence.com/il-boom-dei-vini-naturali/

cultivation and production[100], that make a dialogue or a compromise impossible, the group of natural wine lovers is increasing. They appear to be not loyal to the brand, indeed they are curious to explore and try other small productions, but are loyal to the category, preferring always natural or organic wine to standard one and willing to pay more for what they consider of higher quality. In the same article, Penco added: "Looking at them closely, they are often young consumers, casually labelled as Millennials, sometimes a bit of a hipster in their look, impressionable by artisan microbrewery drinkers, with a lifestyle that provides a good dose of curiosity and use of social media to communicate." Besides, natural wine is generally perceived as fine and good also by average drinkers, because they know little about wine and associate to it a careful and better work, they positively evaluate the direct relationship with the farmer and his ecological purposes.
Moreover, this kind of production is successful because it is linked to the strategy of customisation and the interests towards typical Italian handicraft. With all this premises the success and growth of natural, biodynamic and organic wine in both North and South of Italy is unquestionable.
From the side of producers, sustainability and similar interest towards a greener production, is achieved also through investments in genetically modified grapes, which resits to some diseases or fungus. Some Italian wineries[101] have invested in this new innovative and sustainable cultivation, without forgetting about tradition and terroir. They have planted autochthonous but genetically modified grape varieties in order to reduce the use of pesticides and fitosanitary treatments. It is still a niche of producers, which in some cases is still in the first stages of experimentation, but the prospects of growth are real and optimistic. The hybrids in the vineyards would not only limit the use of chemical interventions, but also promote a cooperation between farming and science, between wineries and institute of applied genomics.

The third trend that characterizes Italian wine production and that could be smartly and strategically used to promote a strong image of our wines and eventually to create a

[100] In Italy there are many different associations and organisations such as ViniVeri, ViNatur and Demeter, etc. this fragmentation and lack of dialogue prevents the chance for a network and the definition of a single image of Italian natural wine.
[101] TAGLIONI, M., "Il miglioramento genetico per un'agricoltura più sosenibile", *Il Corriere Vinicolo*, n. 20, 18th June 2018, pp. 9-13.

recognisable and undistinguishable brand is the powerful and not fully exploited "Made in Italy".

One strategy is co-branding, by associating the globally renowned Italian food with the domestic and rich wine supply. The combination of food/wine and geographic indication creates a strong bond between the product and the country (or region). In other words, this bond could improve wine's communication through its land of origin and the land's communication through its wine.

Strategies of co-marketing can be time restricted or limited to just one project, they can involve both private and public actors and put together business from totally different sectors and countries. Furthermore, collaborations are fundamental in the establishment of a strong and cohesive network of services and activities that a region as Friuli Venezia Giulia can offer, creating customized packages all-inclusive, which would temp also the laziest person. At the same time, they promote the region/city culturally, artistically and naturally, organizing activities that go from sport to culture, from art to wellness, under the theme umbrella of wine.

The first and easier combination is between food and wine, which have presented unconventional and original pairings as Barbera and Norvegian codfish[102], Prosecco and pizza and the Friulian balsamic vinegar "Asperum" with Felluga wine[103]. However, food and wine is not the only field in which cooperation is possible. Other new combinations are between wine and weddings, where the "Wine&Wedding" group[104] organises weddings and honeymoon in wineries-resorts, which has seduced especially British fiancés. Another possible idea for co-branding is wine and art, an example is the collaboration between the winery Caparzo in the hearth of Tuscany and the CIVITA association that have created "Vino Civitas"[105] a series of three wines sold for the restoration of some local artistic heritage. Finally, "Wine and sport" would offer a

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[102]In October 2014, the producers of Barbera in Agliano (AS) organized the "Barbera Fish Festival", with top chefs and restaurant, show cooking and experts presentation a innovative meeting between the red wine from Piedmont and the Novegian codfish of Norge. See:SCHIFFO, E., "Agliano con il Festival della Barbera e del merluzzo sposa i vigneti Unesco e la Norvegia" , *La Stampa*, 10/13/2017, http://www.lastampa.it/2017/10/13/asti/agliano-con-il-festival-della-barbera-e-del-merluzzo-sposa-i-vigneti-unesco-e-la-norvegia-W44hO5QD1C19QpN7bZa80J/pagina.html

[103] Since 2015 Gloria Midolini and Alessandra Felluga decided to join their forces and promote respectively the products and services of the other. They share the same guide tour and tastings thanks also to a geographical proximity near Buttrio (UD).

[104] https://www.wineweddingitaly.com/en/

[105]https://www.civita.it/Associazione-Civita/Attivita/Studi-e-Progetti/Progetti/Civitas-un-vino-per-sostenere-l-arte

package of wine tasting, food experiences and many different sport activities as rafting, canoeing, cycling and mountain biking. The "Montefalco Wine Terre Del Sagrantino"[106] for example organises balloon flights and river rafting for wine tourists.
In the New World countries, the general knowledge of DO and IG is lesser than wine varieties. For this reason, an American or Canadian consumer would hardly know where the Lambrusco of Sorbara comes from, but the association with Parmiggiano Reggiano will surely ring him a bell.
From the side of foreigner consumers, a second and oppose strategy could be the combination of Italian wine and other culinary traditions, as Shigeru Hayashi has done in his guide where he describes the best Japanese food pairings with our reds and whites. This latest form of "fusion" is surely a different and multicultural way of promotion.

Finally, wine tourism in Napa and Sonoma, the *Rutas de vino* in Spain, the *Rue du vin* in France and last but not least the Italian *Strade del vino* are just some examples of how the regional and cultural promotion can be combined with new types of tourism and travel, building new opportunities and promoting unusual experiences. Even though wine tourism started as a niche industry, now it accounts for 7 billion dollars in US, while the activities from Alsace to Champagne, from Provence to Bourgogne have a business of 5.2 billion euro. In Spain, the visits to the wineries and wine museums in 2016 accounted 2.7 million tourists of mainly Spanish people, but the percentage of international visitors is increasing[107]. The profile of wine tourist does not highly change according to nationalities. They are mainly adults between 40 and 60, married and with high income that live in cities or urban areas. They are often couples or little groups of friends, looking for a new kind of experience. Indeed, the majority have little knowledge about wine and tasting, according to ACEVIN[108], a Spanish association of wine cities, 47 percent of them have only basic information about oenology and nevertheless or especially because of it, their interest and curiosity are the first impulse for organising this kind of trips. The attraction towards a complex and fascinating world

[106] https://www.montefalcowine.it/
[107] All data are taken from: FERRANTE, P., FLAMINI, C., "L'enoturismo? Per loro conta così", *Il Corriere Vinicolo,* n. 34, 6th November 2017, pp. 4-9.
[108] Ibidem, p. 6.

made of farming, chemistry and passion, may answers to the need of new and authentic experiences that a consumer is gradually missing. The distance between the producer, the place of origin of a product and our table, especially for people who live in the cities, has cut down all original relationships between the winery and the drinkers. Many visitors in fact want to find again that sense of authenticity, reality and look for genuine experiences they probably have lost or are not able to find at home. The first aim of these trips is not the mere visit to a cellar or the direct purchase of wine from the producer, even though 53 percent of American tourists in Napa Valley declared to have bought the wine in the winery they have visited. They also look for a 360° experience in a comfortable place, staying for example in a resort or B&B, surrounded by a breath-taking and relaxing landscape, full of history, tradition and sociable people. Along with wine tasting, wine museums, tours in the cellars and in the vineyards, they appreciate the combination of them with cultural events, food and wellness. Consumers can meet directly the producers, know their methods and secrets, understanding the true passion inside a bottle of wine and the philosophy of some farmers. Especially natural wine lovers, but in the end all regular drinkers, are able to establish a personal relationship with small and sustainable producers, in a beautiful and also healthy environment, free from dangerous and noxious treatments in the vineyards. With all these premises, the producer can ensure a long-lasting customer loyalty and more visitors thanks to the subsequent word of mouth to friends and colleagues.

As some Australian wineries have described, there are also obstacles to the internationalisation of these activities to foreigner visitors, especially when there are consistent language barriers as with Chinese people who demonstrate scarce interest and knowledge. Nevertheless, the numbers and the increasing demand of tours and similar travel is a positive incentive for Friulian and Italian wineries too, since wine tourism represents a challenging and optimistic source of revenue and renovation of our domestic wine sector.

Most of all, Italian and other European wine-roads have something that New World wineries cannot offer. They have a larger network of services and experiences for tourists. If we look, for example, at the “Strade del Vino dei Colli Orientali” in the region FVG, the profile of wine tourist is plural. People who eventually visit wineries can be divided in wine lovers, cultural tourist, historic tourist, green tourist and cycling tourist who will differently evaluate the winery's offer and activities, preferring some and avoiding others. The key point is that international and Italian travellers would find a perfect marketing mix with a high degree of differentiation thanks to the great number of attractions and services, for example the UNESCO site of Cividale, with many museums and medieval churches, the numerous castles and villas, caves for curious speleologists, the hills and mountains in the Natisone and Judrio Valleys for river sports and hiking, the trenches from the first world war and beautiful little villages to explore. Differentiation and personality are the real strength of Friulian tourist offer. Apps and websites are the fastest and most updated tools to organise and enjoy a wine-travel, but also traditional travel guides and tour operator are promoting this kind of experiences, selling for example full packages to couples, families and groups.

In conclusion, the combination "food- wine -land" represents not only an interesting idea for Made in Italy products' marketing campaigns, but also for the tourism sector and creating a strong image that links culture, food and tourism that will benefit the Italian economy from different perspectives.

Napolitano and Marino in their "Cultural Heritage and Made in Italy"[109] have underlined the unquestionable resources associated to the cultural heritage and country of origin effect, but they have also warned us about the possible limits of Made in Italy.

Country of origin effect and cultural heritage may represent useful tool for internationalisation processes and the increase in appeal of Italian wine abroad. About the internationalisation strategies of Prosecco, researches have declared that without a strong bond with the country (region) of origin the product would lose its appeal and intrinsic values.

According to Giovanna Pegan and Donatella Vianelli[110], the image and identity associated to Italy and the Italian wine can lose power and appeal if badly used, especially in those markets where there is a huge gap of knowledge between experts and the average consumer, who is not autonomously able to perceive the distinctive and intrinsic identity of a bottle and its relationship with the place of origin. Shared and co-created marketing campaigns along the entire supply chain, a balance between branding and land promotion and investments in education can be useful strategies for the appeal

[109] NAPOLITANO, M. R., MARINO, V., o*p.cit*, pp. 27-207.
[110] PAGAN, G., VIANELLI, D., in NAPOLITANO, M. R., MARINO, V., *op.cit.*, pp.297-329.

of a region and its products. We should not forget that Made in Italy is the second most recognizable brand in the world and that the attributes associated to the Italian Food&Beverage have no competitors. Furthermore, the image of Made in Italy should incorporate also the intangible elements that constitute the "Italian way of life", the imaginary and the *genius loci* that all together build up the *cultural heritage*. Macario and Santovito[111] have explained that in some cases when there is little knowledge of a brand or lack of information, the image and the imaginary of a country are strategic.

In the case of wine and especially of geographical indication, the effects of Made in Italy are limited by the great variety that can be found in the Italian wine landscape, which pushes wineries to invest mainly in strategies of brand that end in mere individualism, where only big wineries can emerge. Since in the Italian wine sector there are few strong brands, one possible alternative is the creation of a "brand" made of territorial culture, with history, art and architecture, food, wine, and special services, for example hospitality and wellness, that fuse themselves in wine tourism.

[111] MACARIO, G., SANTOVITO, S., in NAPOLITANO, M. R., MARINO, *op.cit.*, pp. 366-404.

3. Friuli Venezia Giulia and the wine sector:

The region of Friuli Venezia Giulia is an in-between land in the east part of northern Italy, with multiple contrasts, interconnections and unorthodox relationships. The mitigating Adriatic Sea and the Julian Alps protect the vineyards on the hills of Collio, Carso and Colli Orientali and create a perfect climate that enriches the fruity tastes of wine. This small region is a kaleidoscope of landscapes and a melting pot of languages, with four official languages (Italian, Slovenian, German and Friulano), of cultures and traditions. With Austria at north, Slovenia at east and Veneto (Venice) at west, the land and its people have been influenced by the Austro-Hungarian Empire on one side and the Republic of Venice on the other.

As Tito Livio and Plinio recorded, the Romans and even Livia, August’s wife, benefit from the wine vocation of Friuli whose products from Aquileia quenched the matrons and patricians’ thirsts. The Ribolla Gialla, or Rebula in Slovenian, was already known both at the court of Vienna and in the Republic of Venice; many German princes appreciated Terrano and Giobatta Michielli in his “Bacco in Friuli” praised Pignolo.

In the second half of XIX century, winemaking and winery were only part of a rural subsistence farming and domestic consumption system. As Andrea Cafarelli in his analysis of the history of winemaking in Friuli has explained[112], the regional pre-industrialised agriculture used to consider winery as important as other cultivations. Farmers used to invest in a production of quantity and not quality, in a land that was not equally and morphologically suitable for winery. This focus on quantity is visible in the extension of hectares, with almost 16,000 hectares of vineyards, and in the number of grape varieties that, according to the 1863 regional exhibition of “Associazione Agraria Friulana”, were more than 300. Different varieties were cultivated in the same field and after the harvest blended together and, except for some fine productions[113], little importance was given to the trade outside the regional markets.

Nevertheless, after the crisis and all problems caused by the phylloxera and the powdery mildew, along with other Italian regions, also Friuli Venezia Giulia abandoned the old approaches towards winemaking. Since1960s the farmers made investments, despite the

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[112] CAFARELLI, A., in COSTANTINI, E., *Storia della vite e del vino in Friuli e a Trieste,* Forum, 2017, Udine, pp. 225-265.

[113] See for example the story of Picolit.

high costs of production due to the small dimensions of wineries, the labour costs and the hard competition with other markets. Between 1960 and 1970, thanks to the Common Agricultural Policy (CAP), some technological and mechanical improvements and a change in the consumer's consumption habits, the Friulian wine sector knew a growth, with an increasing trend toward quality wine that characterizes the strategy of today. Since the Roman Empire, wine and winemaking, seasons and harvests ordered people's life rhythms, penetrating the farmers' souls and created a vital bond between men and land that has survived until today.

Production and export:

Today the total surface destined to vineyards is about 20,000 hectares, where 60 percent are of white grapes. The 6,644 wineries are on average of 2 hectares and 80 percent of them are smaller than 10 hectares, with an average of almost 3 hectares per farm that in higher than the national average. All four provinces of the region (Udine, Gorizia, Trieste and Pordenone) cultivate and produce wine.

	Total surface (ha)	**Total production (q)**	**Total production (hl)**
Udine	9,076	1,018,779	719,564
Gorizia	4,167	439,129	247,853
Trieste	184	22,256	15,989
Pordenone	9,493	1,227,954	873,006
FVG	**22,920**	**2,708,127**	**1,856,412**
ITALY	639,521	71,682,266	51,615,461

FVG total surface, total grapes production and total wine production in 2016

Since 1980s, thanks to acquisition and investments, the total number of wineries has been reduced and the average of hectares per farm increased up to 2.9. Since 2010, the total surface under vines increased by 10 percent (1000 ha) and the number on vineyards decreased by 46 percent thanks to farm concentration and acquisitions.

According to the Mervino project[114], 66 percent of vineyards control all phases of production, form cultivation to bottling, 27 percent cultivate only grapes and 7 percent only transform and bottle wine.

	1982		1990		2000		2010	
	N. of vineyards	Average Surface	N. of vineyards	Average Surface	N. of Vineyards	Average Surface	N. of Vineyards	Average Surface
FVG	35,014	0.6	22,470	0.8	12,285	1.4	**6,644**	**2.9**
UD	15,964	0.6	9,298	0.8	5,187	1.4	**2,747**	**2.7**
GO	2,412	1.5	1733	2.1	1,004	3.5	**772**	**5.3**
PN	14,972	0.6	10,219	0.7	5,699	1.2	**2,789**	**2.8**
North-East	309,064	0.7	220,792	0.8	149,400	1.1	**83,393**	**2.0**
ITALY	1,629,260	0.7	1,184,861	0.8	791,091	0.9	**388,881**	**1.7**

Number of vineyards and average surface in FVG from 80s to 2010.

The first varieties in terms of quantity are Pinot Grigio, Glera, Merlot, Friulano, Sauvignon, Chardonnay, and Cabernet Franc, Refosco dal Peduncolo Rosso, Cabernet Sauvignon, Ribolla Gialla, Pinot Bianco, Verduzzo Friulano, Traminer Aromatico, Malvasia Istriana, Pinot Nero, Schioppettino, Picolit, Riesling Renano and Pignolo. Between 2015 and 2016, as we can see in the table below, it has been recorded a general decrease in the hectares under cultivation, except for Pinot Grigio, Glera, Ribolla Gialla, Malvasia and Pinot Nero, which in turn have grown. This inverse trend is linked to the increase in demand and consequently in production of Prosecco (made at least with 85% of Glera grapes) and the capital and marketing investments towards Malvasia and Ribolla Gialla.

[114] POZZI, E., *Il settore vinicolo regionale, uno sguardo d'insieme.* Introduzione al progetto Mervino. http://www.ersa.fvg.it/informativa/appuntamenti-in-regione/incontri-tecnici-convegni-e-manifestazioni/convegno-friuli-venezia-giulia-speciale-anche-per-i-vini/friuli-venezia-giulia-speciale-anche-per-i-vini-i-risultati-del-progetto-merlino?set_language=en&cl=en

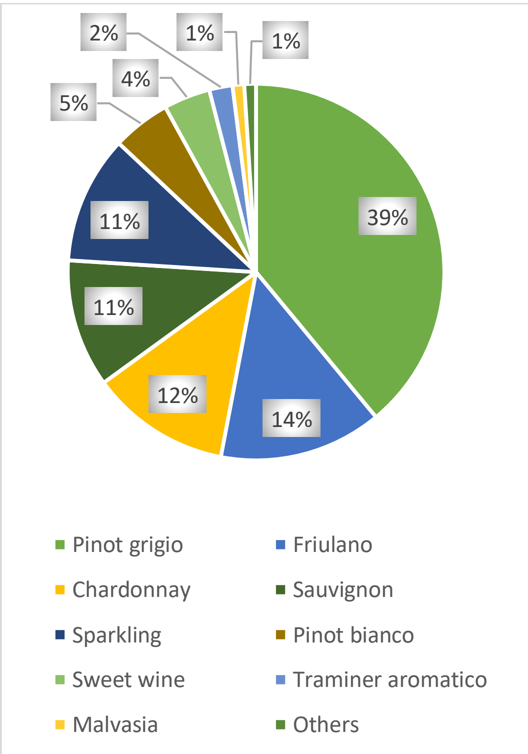
	2016	2015	2014	2013
Pinot Grigio	6,728	6,219.6	5,632.8	5,404.0
Glera	4,064.9	3,898.4	3,949.9	3,880.1
Merlot	2,303.6	2,367.4	2,455.4	2,614.0
Friulano	1,610.5	1,623.5	1,633.1	1,709.2
Sauvignon	1,369.3	1,360.2	1360.0	1,400.1
Chardonnay	1,338.3	1,325	1,332.2	1,348.6
Cabernet Franc	1,040.4	1,073.1	1,103.4	1,187.1
Refosco dal Peduncolo Rosso	784.2	801.4	805.1	844.2
Cabernet Sauvignon	483.9	536.2	592.9	619.3
Ribolla Gialla	561.0	450.6	393.6	365.3
Pinot Bianco	470.8	490.5	505.3	544.8
Verduzzo Friulano	404.0	411.3	438.7	462.6
Traminer Aromatico	375.4	341.5	317.7	316.7
Malvasia Istriana	268.9	258.9	249.1	246.6
Pinot Nero	222	212.4	197.5	205.3
Schioppettino	144.8	141.7	137.9	155.8
Picolit	90.1	87.6	91.6	103.4
Red table wine	91.2	82.8	82.7	52.9
Riesling Renano	76.0	86.4	85.0	84.9
Pignolo	74.7	85.9	84.0	87.8

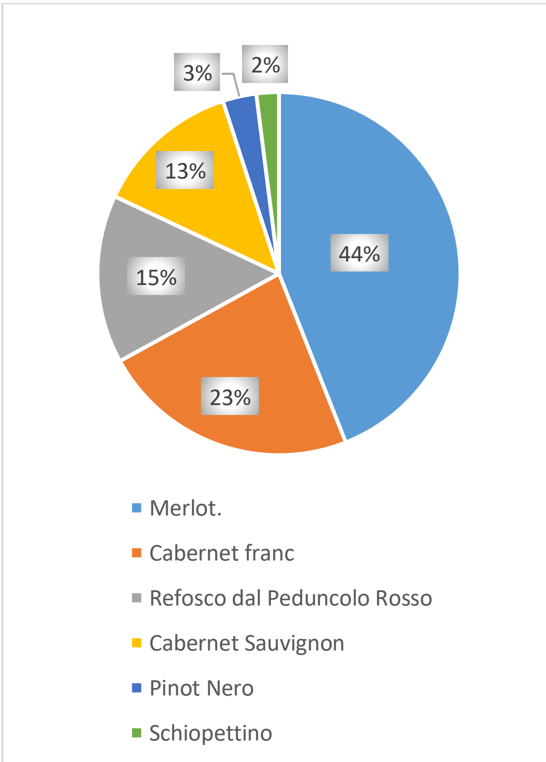
Surface of varieties in FVG (ha)

In terms of quality, the first white wines produced are Pinot Grigio, Prosecco, Sauvignon and Ribolla Gialla and the reds are Merlot, Refosco and Cabernet Franc, where 19.5 hectares are DOC for whites and 7.2 for reds. Friuli Venezia Giulia is a region with high vocation towards quality production with 78 percent of wine with certifications.

	2012	2013	2014	2015	2016
Pinot Grigio	325,229	437,888	378,871	440,927	**468,790**
Prosecco	115,226	235,820	265,611	408,767	**447,108**
Merlot	94,725	115,275	91,989	104,114	**89,601**
Sauvignon	58,831	65,126	59,924	71,944	**74,782**
Chardonnay	57,394	72,972	60,206	76,014	**60,276**
Friulano	47,256	45,885	42,719	50,178	**51,959**
Cabernet Franc	53,280	47,482	43,604	52,590	**44,058**
Ribolla Gialla	21,608	24,449	29,661	35,878	**42,749**
Refosco	38,427	27,461	18,029	38,074	**39,103**
White	19,870	39,462	39,047	27,747	**24,960**
TOTAL	958,679	1,264,248	1,162,713	1,445,570	**1,466,596**

Ten first FVG quality wine production 2012-2016





[115]

Surface under white and red quality wines.

[115] Sparkling corresponds to the sum of Prosecco lungo (6%), Prosecco (3%) and Ribolla Gialla (2%). Sweet is the sum of Verduzzo (3%) and Picolit (1%).

The DOC areas with different terroir and grape varieties account together 15,000 hectares equal to almost 70 percent of the total regional surface under vines. The zones are Friuli Grave, Friuli-Latisana, Friuli-Aquileia[116], Isonzo, Colli Orientali del Friuli[117], Collio[118], the oldest since 1968, Carso[119] and Lison-Pramaggiore, while the four little DOCGs are Ramandolo, Picolit, Rosazzo and Lison.

In 2012, in order to increase the appeal and popularity of southern DOC areas as well as to provide a further tool for promotion and safeguard for producers, the consortium of Friuli Aquileia, Friuli Annia, Friuli Colli Orientali e Ramandolo, Friuli Grave[120], Friuli Latisana e Friuli Isonzo joined their forces together and created the DOC FVG. This new-born designation did not eliminate the others, but gave to the wineries the opportunity to use this generic designation in order to increase the popularity of the region in foreign markets and to collaborate more closely with each other. The larger designation is used for example by vineyards of the south part of Friuli Venezia Giulia, especially the former DOC Annia, Grave and Aquileia, Lison and Isonzo that form the point of view of quality and image, cannot compete with Collio and Colli Orientali.

Moreover, since 2009, there is also the interregional DOC Prosecco, which includes five provinces of Veneto except for Verona and Rovigo and the four provinces of FVG and it is the main reason for the increase of Glera's new plantation. In addition, there are three IGTs: Delle Venezie, Alto Livenza, between the provinces of Treviso and Pordenone, and Venezia Giulia. Lastly, in 2017 from the first one was created the Pinot Grigio DOC Delle Venezie that gathers together 23,374 hectares of vines between the autonomous Province of Trento and the regions of Veneto and Friuli Venezia Giulia. It is today the biggest Italian DOC with a production of 170 million bottles per year, where only 4 percent of them are destined to the domestic market.

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[116] http://www.viniaquileia.it/index.php
[117] http://www.colliorientali.com/
[118] https://www.collio.it/
[119] http://www.carsovinokras.it/
[120] http://www.docfriuligrave.com/index.html

The DOC areas of FVG. Source: Consorzio Doc FVG

In comparison with the national average (24.1%), Friuli Venezia Giulia distinguishes itself with 47.7 percent of wineries that produce quality wine and a surface under quality wine grapes up to 81.5 percent of the total area, where the Italian average is only 38.8 percent.

Moreover, the eastern area of Collio and Colli Orientali, which are the heart of Friulian quality, have a revenue rate 18.4 percent higher than the regional average, where 50 percent of agricultural surface is destined to vineyards[121]. The hills of Colli Orientali extend in an area that goes from the border with Slovenia to the towns of Tarcento, Nimis, Povoletto, Attimis, Faedis, and Torreano, to the east part of Cividale, San Pietro al Natisone, Prepotto and ends in Buttrio, Manzano, S. Giovanni al Natisone and Corno di Rosazzo. The hills high between 100 and 350 meters are of marl and sandstone soil. Some of them are terraced to provide an ideal habitat for viticulture and thanks to the natural shelter of the Julian Pre-Alps, the vines are protected from the cold north winds and mitigated by the Adriatic sea.

[121] SILVESTRI, I. (ed.), *6° Censimento generale dell'agricoltura in Friuli Venezia Giulia, dati definitivi*, Istat, 2013, p. 25.

The area of Collio has always been an in-between land, where a single vine could separate Slovenia, Italy and Austria, an emblematic symbol of the middle-European culture, where the real protagonist is wine. Most of all white grapes wine must thank the *ponca* or *flysh,* the marl and sandstone soil that enriches and gives personality to the great premium autochthonous whites as Malvasia, Vitovska, Friulano, Ribolla Gialla, Riesling and many others. In an area of 1500 hectares, from Capriva, to Cormons and Gorizia, the wineries try and succeed in the research of an equilibrium in the mix of contrasts that characterise the land.

Unlike other Italian regions, as Sicilia, Marche, Puglia, Toscana, Veneto and Calabria[122], the cultivation of organic and biodynamic vines in Friuli Venezia Giulia is still small and accounts for just 2 percent[123] of the total production[124], with only 7.5 percent of wineries with an organic certification[125]. Nevertheless, sustainable cultivation is slowly developing along with the global and national trend[126].

The first steps towards sustainability are made for example by farms that have invested in genetically modified vines in order to have more resistant plants and avoid phytosanitary treatments. In this way, the costs decrease and the final product is healthier and more natural. For example, Iga, the first Italian provider of genomic research services located in Udine, cooperates with VCR, Vivai Cooperativi Rauscedo (PN), the world biggest grower of vine cuttings. It is a clear sign of a generous and authentic interest for a sustainable agriculture, for the preservation of environmental variety and of a constant research in quality.

[122]I NUMERI DEL VINO, "I numeri della viticoltura biologica in Italia – aggiornamento 2016", 2/25/2018, http://www.inumeridelvino.it/2018/02/i-numeri-della-viticoltura-biologica-in-italia-aggiornamento-2016.html

[123] As it will be explained further, one reason is that many wineries have decided not to certify their production although they follow sustainable farming or because they cannot be 100% organic and be certified.

[124] COSTANTINI, E., *Storia della vite e del vino in Friuli e a Trieste,* Forum, 2017, Udine, p.302.

[125] Mervino

[126]Italy is indeed the global leader in terms of organic wine, with 16% of vine surface, up to 103,000 hectares, thanks to new conversions and the high demand from consumers and large scale distribution.

The wine sector in Friuli is mainly led[127] by small and sometimes micro family farming wine business, which control all phases of production, (cultivation, transformation, cellaring, bottling, etc.).

	2017		2017	2018	Variation
	Value	%	Jann/March	Jann/March	%
Veneto	2,128,762	35.5	469,692	482,079	2.6
Piemonte	987,335	16.5	202,179	215,382	6.5
Toscana	936,840	15.6	216,704	218,394	0.8
Trentino Alto Adige	531,152	5.4	66,119	69,402	0.7
Emilia Romagna	321,152	5.4	66,119	69,402	5.0
Lombardia	270,361	4.5	59,762	67,760	13.4
Abruzzo	170,201	2.8	40,268	43,961	9.2
Puglia	148,974	2.5	36,204	38,256	5.7
Sicilia	127,293	0.4	5,717	5,727	0.2
FVG	**112,962**	**1.9**	**24,635**	**27,086**	**9.9**

FVG export in comparison with other Italian regions.

The export of Friulian wine in 2017 with 100 million euro of value and a 50 percent growth in the last five years[128], has greatly increased and is higher than the Italian national average. As I have illustrated in Chapter 1 about Italy, the three main trading partners of FVG are USA (39%), Germany (24%) and UK (21%). In addition, in the last five years, the FVG export growth in UK was equal to 239 percent, in Japan to 184 percent and in Germany to 160 percent. Other important trading countries are Canada[129] and China.

[127] According to a survey of Ersa (Agenzia regionale per lo sviluppo rurale) 66% of business control all phases, 27% just sell the grapes to other farms and 7% are only transformers.

[128] Source PENCO, P., "Does Wine Tourism boot sales?", *Wine Intelligence, 09/05/2018,* http://www.wineintelligence.com/does-wine-tourism-boost-sales/ and elaboration of Ismea data.

[129] There is an interesting case of unfair competition in Canada, where some Canadian wines are sold under tha label of "Colio", an other example of "Italian sounding" products as the parmesan cheese. See: CESCON, M., "Dopo l'addio al Tocai, ora un altro scippo: in Canada vendono i vini bianchi 'Colio'", Messaggero Veneto, 07/06/2018, http://messaggeroveneto.gelocal.it/udine/cronaca/2018/07/06/news/dopo-l-addio-al-tocai-ora-un-altro-scippo-in-canada-vendono-i-vini-bianchi-colio-1.17035909

The Mervino project conducted by Ersa[130] has showed that the preferred media for communication, promotion and marketing are websites, social networks, public events in the vinery and national and international exhibitions, as for example Vinitaly, Prowein[131], Vinexpo and the London International Wine Fair. Almost 20 percent of the wineries offer also other services, combining different fields, for example Food & Beverage and hospitality. Some are indeed *agriturismi*[132], B&B or resort, where you can eat, relax and enjoy a pleasant time surrounded by hills and nature, fine food and of course wine.

About international consumption, a survey of Vinitrac conducted by Penco[133] describes the Friulian wine consumer as curious and risk taker. They are mainly expert and willing to try new products and varieties. In the United States, only 4 percent of wine drinkers knows wines from FVG, among them the most appreciated variety is Sauvignon Blanc, followed by Chardonnay and Pinot Grigio. The majority of drinkers knows Friuli because of a previous holiday and therefore associates to it positive memories and images that create a personal bond and preference. The positive relationship within wine and personal experiences and a direct knowledge of the product's geographical origin are elements that can determine a marketing success. They must not be underestimated and could create an opportunity of growth for producers from FVG, especially in a market where the customer loyalty is very unstable. Among German wine consumers, 20 percent declare to know the region of Friuli and its wines, preferring Pinot Grigio and Sauvignon Blanc, but only 8 percent of them have ever bought it. The majority are male, between 55 and 64, are willing to try new wines and pay more for fine and premium bottles, they prefer to drink it in many different occasions but mainly at restaurant for formal events or relaxing at home.

Finally, medals, prizes and positive reviews from influential critics enrich the identity card of a winery and its wines. Friuli Venezia Giulia is indeed an exclusive representative of quality whites at both national and international level. International

[130] "Agenzia Regionale per lo Sviluppo Rurale": Regional office for rural development.
[131] One of the most important international trade fair of wines and spirits in Dusseldorf, Germany.
[132] Farm holidays.
[133] WINE MERIDIAN, "I vini friulani tra export e qualità", *Wine Meridian*, 08/16/2018, http://www.winemeridian.com/news_it/i_vini_friulani_tra_export_ed_ospitalit__1962.html

and autochthonous wines have won important and prestigious prizes and competitions. Among the Italian medals, the most aspired one is the Three Glasses of Gambero Rosso and the BIWA (Best Italian Wine Awards). In 2019 Gambero Rosso list, there are 26 Friulian wines and all are whites. The "Collio Friulano '16 – Schiopetto" and "FCO Sauvignon Zuc di Volpe '16 - Volpe Pasini" received the three glasses, while the "Vitovska '16- Zidarich" and "Terre Alte- Livio Felluga" are respectively at the 39th and 47th rank among the 50 best Italian wines of 2018. About the reviews and classification from James Suckling, one of the most important and influent wine critic in the world, Schiopetto with its Collio Friulano 2016 gained the 75th position in the Top World Wine of 2017 list with 98 points. It is also at the 10th position in the Top Italian Wines list, followed by "Where dreams have no end" of Jermann number 64 and number 97 Abazzia di Rosazzo 2014 by Livio Felluga.

All these awards and medals contribute to the importance and appeal of Friulian wine at international level, especially among quality wine drinkers. The rich and variegated supply of Friulian wine though can meet the taste and interests of many different consumers, not only who evaluate medals and prizes. The pros and counts of this level of variety and heterogeneity will be studied in the SWOT analysis below.

SWOT analysis of the wine sector in Friuli Venezia Giulia:

Strengths and Weaknesses: The incredibly rich Italian offer, including hundreds of grape varieties, blends and types of wine, as still and sparkling, white, rosé and red, sweet and dry, reflects itself in proportion in the region Friuli Venezia Giulia.

Its wines mirror in taste, colour and flavour the natural and cultural environment where they come from, the plurality and variety of landscapes, with hills, Pre-Alps, rivers and the sea. Clay, sandy, rocky and calcareous soils diversify the region and give unique morphological characteristics to the vineyards. The autochthonous wines as Friulano, Picolit, Pignolo, Refosco dal Peduncolo Rosso, Ribolla Gialla, Schiopettino (Ribolla Nera), Vitovska, Verduzzo, Terrano and Tazzelenghe, all cultivated in the designation of origin's areas, attract the interests and tastes not only of experts and wine lovers, but also of every curious and risk-taker consumer (and hopefully in the near future, also of regular drinkers). The quality wine offer includes three IGT, four DOCG and nine

DOC[134] , a significant input towards a production only in terms of quality. Indeed, in comparison with the Italian total production, FVG accounts for just 2.4 percent of it by volume, but in terms of quality and excellences, with recognitions and important prizes and medals, its wines are not inferior to other more famous.

Highly interested wine lovers would appreciate the small and restricted areas of production with the so-called *cru* or DOCG. The dessert and meditation wine Picolit, known and appreciated since 1762 in all courts of Europe thanks to the count Fabio Asquini from Fagagna, and Ramandolo, produced exclusively with Verduzzo grape variety in a small village near Nimis (Udine) in an area of only 60 hectares, can compete with the most famous equivalent at the international level.

The great variety of wines is also due to the many types of soil with different morphological characteristics in a relatively small region. The incredible mix of terroir and climate, created a unique land where a distance of few hills determines an unbelievable difference in wine's taste and body. The Sauvignon of Collio is different from the Sauvignon of Colli Orientali and even inside the same vineyard, the harvest of the west side of the hill, is different from the one on the southeast side.

The fragmentation in the vineyards of Friuli and their inevitable small sizes are both positive and negative aspects. Small dimensions mean more control and care, attention to details and the possibility to create, in case of a great vintage, premium wines, limited editions, special selections and *reserva* that are appealing attributes for foreign consumers. On the other hand, the small or sometimes micro farms cannot produce the amount of hectolitres that the global market requires and incur in high costs of production. This is one of the biggest obstacles to the development and growth of the wine sector in Friuli Venezia Giulia. In addition, the numbers and quantities required by international dealers and retailers is slowing down every internationalising process or venture, along with the inability of some producers to create useful and smart networks for cooperation.

One common critic from regular American consumers is indeed that wines from Friuli are difficult to find in stores and supermarkets, although it is always hard for small producers to meet the standards imposed by the large-scale retail distribution. The main

[134] https://www.consorziodocfvg.it/le-doc-del-fvg/doc-e-igt-del-fvg/ with also the two interregional Doc of Prosecco and Pinot Grigio delle Venezie.

distribution channel is HoReCa, which tries to intersect some contemporary social changes, as for example the increase of meals at restaurants that favours quality wine consumption, and the decrease in domestic consumption of table wine.
E-commerce has greatly increased in the last decade since producers have understood its high potential for internationalisation and its appeal for young generations who evaluate fast delivery and information.

Sometimes the "village mentality" or an "extreme individualism"[135] of some producers and farmers seems to prevail, when they do not understand the importance of community and cooperative work and networks. Especially if we look at the international level, but also at some exemplary cases of other Italian regions, the key role of cooperation and communication within neighbours is clear. Instead, in FVG the definition and creation of a single and only designation of origin "DOC Friuli" took long time and not without critics, although it would increase the competitiveness of Friulian wine at international level. If this cooperation cannot born from a sense of community, which in Friuli seems to emerge only in catastrophes and difficult times, it should arise from a double need: a clear and direct communication, able to convey a single and effective image of the region and secondly, a good retail system and partnerships that can make Friulian wines competitive in the global market.
I wanted to end this list of pros and counts, of strengths and weaknesses underlying one positive aspect of Friulian producers. It is undeniable that Friulian people are obstinate, proud and sometimes stubborn, but they are also able to convert difficulties in opportunities, as the case of Tocai-Friulano[136], philoxera and the earthquake of 1976 prove. Facing all these hard circumstances, Friulian people have always put aside their innate individualism and worked together. The most recent example is the subscription of the new cross-border DOC Terrano, from now on Teran, signed by Italian and Slovenian representatives of Carso's winemakers on 16th March 2018. This single

[135] ZANFI, A., *Friuli. Terre, uomini, vino,* Carlo Cambi editore, 2004, Poggibonsi (Siena), p. 19.
[136] In 2008, the sentence of the European Court of Justice imposed that the only Tocai was the Hungarian Tokaj, a wine and grape variety totally different from the Friulian Tocai that takes its name from the homonymous region. In Italy, the grape variety changed the name in "Tocai friulano", but the wine can be sold abroad with the only name Friulano. Before and after the sentence there have been long and hard debates to discuss the future of a product that belongs to Friuli and was already known also internationally, but the success that followed the sentence muted all critics and doubts about the future of this exquisite wine.

denomination will join producers in a relationship that for the first time will go beyond borders, prejudices and differences.

Opportunities and Treats: As I have mentioned before, the popularity of wines from FVG cannot be compared to the products from Tuscany or Veneto, with its Prosecco for example. Partly because of its marginality, from a geographical but also historical point of view, FVG is not widely known as tourism destination both inside and outside Europe. Moreover, the mental association between the region and its wine production is very rare within wine drinkers.

In order to solve this lack of popularity and spread the image of this wild and marvellous land, wine producers and sellers should create a strong image, developing targeted marketing strategies. For example, the wine variety Friulano, the former Tocai, is an attempt to link the name of the product to its place of origin, in order to create a mental association in the international consumer. This strategy can be successful as the famous cases of Champagne, Franciacorta and Bordeaux prove, but it has not achieved the results predicted.

Another attempt to consolidate the image of Friuli is linked to the DOC Friuli, which has not substituted the other DOCs, but is more a general indication that includes all variegated and different areas of the region.

Finally, one recent and advantageous fact that could benefit the regional wine sector is the series of public and private investments that wineries are making both in the vineyard but especially in the cellar. Collaborations with research institutes, as the University of Udine and Iga, have introduced new techniques and methods that merge oenology, genetics, botany, engineering and sometimes design.

We can better understand the importance of a close and cooperative network between producers, retailers and buyers also if we consider all the positive implications and reflections on other fields. Tourism, hospitality and food sectors, along with also the new media can create together a resourceful network, with economic gain and growth for everyone. In other words, there are emerging trends that match perfectly with the world of wine, vinery and oenology. The associations "Vino e Sapori FVG"[137] and

[137] https://www.vinoesapori.it/en/about-us/

“Movimento Turismo del Vino”[138] promote wine tourism and events that connect people, not simple tourists and most importantly not consumers, to the landscape and the regional culture through its tastes, food and drinks, its smells and colours. It is a cultural offer that creates new values, memories and relationships. A consumer will often prefer a wine that comes from a place he knows or has visited, to which he has established a long-term relationship, rather than an anonymous or standard product. One of the main reasons why a regular drinker chooses a bottle of wine from the shelf of a shop is because someone has previously recommended it or because he has already tried it. Indeed, for some consumers emotional and personal relationships can count more than price, medals or brands. In order to strengthen this kind of networks, e-commerce and social media can play a strategic role, connecting people and promoting events, sharing and making wines and wineries popular and appealing for foreigners.

Other activities that create dynamism, value and put the winery under a different light, are all the resorts, B&B, *agriturismi* and restaurants inside the estates that help financially the business and match food, hospitality, wellness and travel. Finally, the cultural and artistic events that are organized in many wineries or in the little towns nearby, as concerts or other artistic events, are interesting resources that connect the land and its people with travellers and tourists, to show from a different perspective the world of wine to the rest of the world.

But how can wineries make themselves known at international level? And how can the wines from FVG be successfully promoted and bought abroad? Many Friulian producers claimed that fairs and events are the principal way for self-promotion, followed by a good website and an e-commerce network[139]. The fair of *Vinitaly* is the most important international window, where in 2017 107 wineries from FVG attended and could establish important trading partnership with retailers and buyers from both growth and emerging markets[140].

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[138] http://www.movimentoturismovino.it/it/chi-siamo/

[139] According to the survey of Ersa for the Mervino project.

[140] According to Wine Intelligence, there are five types of wine markets: Mature, Established, Growth, Emerging and New Emerging. The first is where wine has reached is potential with stable or decline volumes , we can include in this group Germany, France, Italy, Argentina, Chile, Austria, Spain, Hungary, Portugal, Romania, Greece and Slovenia. The established markets have strong historical growth that is decreasing and are UK, Switzerland, Australia, Norway, The Netherlands, Sweden, Denmark, Belgium, Luxembourg, New Zealand, Finland and Ireland. In growth markets wine is becoming a mainstream product: USA, Japan, Canada, Hong Kong, South Africa. In Emerging markets wine experience is growing and shows a good potential from a relative low base: China, South Korea,

Along with the international trend and preference towards sparkling wine, above all Prosecco, the Ribolla Gialla from Friuli is one of the leading and more demanded product. Some producers think that it will be the symbol of Friuli, and not Friulano as previously supposed, able to promote the region even in China, Japan and Russia.

Finally, another opportunity to catch is the potential of growth that emerging and growth markets offer. These markets have different types of consumers, stratified clusters and dynamic tastes. Therefore, the demand of today could not be the same tomorrow, hence heavy capital investments, in for example monocultures, are risky[141].

An accurate analysis and a differentiated offer is therefore fundamental and strategic. Even though FVG is widely known for its white wines, there are always some "outsiders". Friuli is also a land of red wines[142], indeed some farmers produce high quality wine, which can be another element of differentiation and at the same time reflects perfectly the first characteristic of the Friulan identity. As many oenologists have affirmed[143], the key factor of Friulian wine is its character, which is well expressed in whites, as Ribolla Gialla, Tocai (Friulano) and Pinot Grigio but can be found also in the reds, such as Schiopettino, Pignolo and Refosco dal Peduncolo Rosso. The latter is an interesting product because, despite its wild nature that complicates cultivation, it is extremely versatile and can be drunk young or after cellaring. This specific "character" of wines is a new alternative to the homogenised tastes of some international wines that are losing their appeal even in the global market. Furthermore, thanks to morphological and climatic reasons, every vintage is different and cannot be compared or even copied by other countries. This uniqueness benefits also the "international" varieties that are cultivated in Friuli, as Chardonnay and Merlot that cannot be considered standard either.

Singapore, Russia, Poland, United Arab Emirates, Brazil, Mexico, Czech Republic, Taiwan, Slovakia, Columbia, Peru and Angola. In New emerging markets , wine is still a new and unknown drink with some potential, they are Malaysia, Turkey, India, Philippines, Thailand, Indonesia and Nigeria.

[141] See for example the case of Prosecco.

[142] The Refosco of "Miani" winery (Buttrio) is one example, the production inferior to 10000 bottles per year but some bottles (of some selected vintages) are sold for more than 600$.

[143] Antonio Brisotto, Riccardo Cotarella, Attiglio Pagli, Pierpaolo Rapuzzi, Roberto Cipresso and Francesco Spitaleri in ZANFI, A., *Friuli. Terre, uomini, vino,* Carlo Cambi editore, 2004, Poggibonsi (Siena), pp. 19-27.

The main threats to the Friulian wine sector are common to many others and concern the fast changing in trends and tastes of the globalised society. Moreover, we should not forget that, despite the numerous innovations and modification that can be made in the cellar, winery will be always subjected to weather conditions, seasons and climate. A great vintage could increase the value (and price) of wine or on the contrary, a difficult season could compromise it.

Secondly, another subtle threat to Friulian wines are direct competitors and "Italian/Friulian sounding" products. An example is the "Colio" wine, which is made and sold in Canada and takes advantage of the association with the real Friulian area "Collio"[144]. The numerous substitute goods, first of all beer, are the second big competitors of wine. Especially among young drinkers, the regular consumption of beer is higher along with the increasing interest for micro-brewery[145]. Wine is oftener chosen for special occasions, at restaurants and for food pairing, while beer and "spritz" are for informal and casual occasions.

With focus on the differences between Old and New World wine countries, we can highlight two additional treats. One is the increasing power of New World producers, as for example Australia that with a different approach towards a quality production but with big quantities, can invest large sums of money in marketing campaigns, with focus on country of origin and variety. The second treat comes from the inside and it is the diminishing consumption of wine within the Italian population. Friulian wineries indeed should not only focus on internationalisation, but also on the national promotion in order to increase the popularity and consumption in the Italian regions.

[144] CESCON M., Dopo l'addio al Tocai, ora un altro scippo: in Canada vendono i vini bianchi "Colio", *Messaggero Veneto,* 6th July 2018.
[145] *Il corriere vinicolo,* n. 1, January 2018.

STRENGHTS	WEAKENESSES
• Parcellizzation/cru • Excellence: medals, three glasses of Gambero rosso, etc. • Varieties: wide offer of both white and red wines. • Autochthonous grape varieties • Quality and terroir: DOC and IGT wines and DOCG • Innovations: new implantations and innovations. Investments in the vineyard and in the cellar. • New doc to come.	• Popularity: it is not known abroad • Micro or little farms, niches production. • Image: not clear element of distinction of the wines and the region. • Retailing: it is not easy to find in supermarkets or in other retailing shops. • Quantity: Only 2.4% of national production • Network and cooperation: inability of farmers to create a strong and effective network. • Costs: high and higher costs, due to a quality production, mainly by hand and without technology.
• DOC Friuli: one single designation of origin could help in creating an homogenized offer and in promoting a direct and specific image of Friuli • Wine tourism: combination, mix of different experiences in order to create a unique cultural, culinarian and artistic offer. • Parcellisation/cru: small production for premium, selected, reserve, limited editions etc., which attract the attention of specific consumers. • New emerging markets: China and others. • Growth markets: US, Japan, Canada and S. Africa. • Use of media and network • Red wine • Autochthonous wines with personality. • The era of homogenized international wines is at an end	• Direct and indirect competitors: “Italian/Friulian sounding” products and substitute goods as for example beer. • Climate: it is still a sector that depends on climate and harvests. • Trends: fast change in trends and tastes.
OPPORTUNITIES	THREATS

Five cases of Friulian wineries, their strategies towards internationalisation and promotion:

In order to support my thesis, I wanted to collect direct experiences and opinion about internationalising processes, strategies and promotion from five Friulian wineries. I asked them some questions about two main topics: internationalisation and promotion. More precisely the questions were about the strategies they use in order to penetrate new markets, the way in which they preserve long-term partnerships, about the distribution system, the role and importance of new trends and the competition with other countries. The second group of questions concerned the communication and promotion of the winery and indirectly of the region, the role of storytelling and geographical indication.

Although the five wineries differ essentially in dimension and total number of bottles produced, I wanted to extend the object of analysis in order to compare big and small business, looking for similarities and differences. Except for Di Lenardo, the other are located in Colli Orientali and are expression of a similar tradition. They all export a great percentage of their production and are willing to increase it.

All interviews have been translated and then elaborated for a final comparison. They were similar to a simple chat instead of a formal questionnaire, because I wanted to focus more on impressions and opinion rather than numbers.

Ronchi di Manzano

Ronchi di Manzano is a feminine innovative winery on the steep hills of Manzano (Udine), in the heart of Colli Orientali. The three women of the family, the mother Roberta Borghese with her two daughters Lisa and Nicole are promoting Friulian wine internationally not forgetting the ancient bond with tradition, history and land.

I met Lisa and Nicole in a warm morning of September during the harvest, when everyone was busy transporting the grapes from the vines to the cellar. Sitting under the porch surrounded by vines, I could smell the must of white just picked-up grapes, trying to catch and understand the story these vines were telling me.

Ronchi di Manzano, founded in 1969 and led by Roberta Borghese since 1984, is a perfect example of an innovative but at the same time pure traditionalist winery in Friuli Venezia Giulia. The international perspective and trend towards which the family is leading and directing her work is without any doubt a clear sign of openness and desire of change. On the other side, the family has not forgotten her origins and spreads loudly her philosophy. As Lisa has explained, the key factor of the winery is summarized in the words “family”, “quality” and “terroir”. “We should not underestimate the power of a clear mission and vision” said Lisa, “because international clients always ask you about the philosophy of the business. For this reason, our image of a close family and our deep relationship with the land is successful.”

The idea they try to convey are a land with pure, simple but clear values, which goes from the respect towards nature and health, to the preservation of tradition, knowledge and the distinctiveness of Friuli Venezia Giulia.

More details, less generalisation. While other and sometimes bigger Friulian wineries have shifted from DOC to IGT wines, Ronchi di Manzano still believes in the power of designation, cru and quality production. “We try to educate our clients, explaining them where we come from, even if it is hard and no one has ever heard about Friuli. We have witnessed that, once we have described the uniqueness of our soil, particularly chalky, very rich in micro elements and mineral salts, and our belief in small but quality production, the tasters usually change their minds. They start associating to our winery important ideas and images which are transferred in the wines we present.”

According to these ideas and ideals, Ronchi di Manzano produces 17 wines and cultivate 60 hectares of vines, with an accurate selection of grapes which translates the large surface of vines in a smaller final production of almost 250.000 bottles. Their wine offer presents both autochthonous and international wines, the classics: Pinot Grigio, Pinot Grigio Ramato, Chardonnay, Friulano, Merlot, Sauvignon, Cabernet Sauvignon, Cabernet Franc e Refosco dal Peduncolo Rosso and the crus: Ellegri Bianco, Ribolla Gialla, Rosazzo, Verduzzo, Picolit, Brauros Rosso, Pignnolo e Ronc di Subule Merlot. “We try to explain to our clients even the difference between DOC and DOCG, since we have 20 hectares on the hills of Rosazzo, one of the most ancient and exclusive area of the Region.”

The choice to produce wines with an old bond with the land is visible in the decision not to produce sparkling wine, except for an old attempt of a Spumante, an idea now abandoned. “The region Friuli Venezia Giulia has no tradition in sparkling wine. I know many big wineries that produce both Prosecco and sparkling Ribolla Gialla, but it is only a trend and as many others it is risky and can hide some threats."

The principal means of promotion are fairs and events. The most important are Prowein and Winexpo, where the winery can promote itself, presenting its product to buyers and distributors. "Since every market its different, distribution channels and methods change accordingly. We usually make a products' selection to present according to the tastes and demand of that particular country. After we have met the retailer or buyer, we organise together special events as tastings or even dinners where we present our winery and region." Today Ronchi di Manzano exports in all Europe, USA (California, Connecticut and New York City), Japan and it is now expanding in new emerging markets as China (Shanghai) and Indonesia. During these events, the direct participation of the owners is highly rewarding, as well as the cooperation with other Friulian wineries.

Prizes and medals are essential. "In a world where every country from Chile to Georgia produces wine and with distributors with long and rich catalogues, the only way to make our wine different and visible are prizes and medals", explained Lisa. "Although the prize that yesterday was prestigious, as the three glasses of Gambero Rosso, tomorrow could be substituted by a review of James Suckling or an article on *Decanter*."

Ronchi di Manzano has also understood the importance of packaging and etiquettes. "When I and my sister started actively working in the winery, we wanted to make a change, to bring an air of innovation, so we decided to renew the design and packaging of our bottles." "We changed everything," says Nicole, "capsule, etiquette and the form of the bottle, and we are fully satisfied with the results. The previous etiquette was compared to a grocery's store's wine. With its black background and graphic style was considered of low quality. Now we chose a fresh layout, which carries the full name of Colli Orientali and in its simplicity is new and modern. Sometimes distributors ask us to change the etiquette or the size of the bottle in order to meet their standards," added Lisa, "for this reason, we export also small size bottles."

There is a clear coherence between the philosophy of the winery and her products, her way of promotion and distribution. "We sell to Horeca maily for preserving our image. It is not only because we cannot meet the quantity required by supermarkets, but also because of the image that is associated to the bottle you find in grocery stores. It is always a matter of quality and image."

Thanks to the experience in many fairs all over the world, Ronchi di Manzano has understood the core value and long-term positive consequences that derive from a sincere collaboration within Friulian wineries. "Friulian people are the real enemy of Friuli," comments Lisa, "and I think that nothing will change until 20 years, because only through team work we can create a solid union and be comparable in size and power to other Italian regions." In USA, they share the same agent with other small-medium vineyards, who presents them as a single group, distinctive of FVG. They are also part of the consortium Italia Del Vino in which there are also big Italian groups as Santa Margherita, GIV and Ferrari. They cooperate in the process of internationalisation of Italian wine, representing their own Region, sharing the same ideas and strategies of promotion. In this way, they coordinate about the same images, philosophy and messages to express, the way in which Made in Italy and the Italian lifestyle should be presented. "This is a valid strategy" thinks Lisa, "because in this way at the events we're the only representative of Friuli, without other competitors."

The final trend of wine market that Ronchi di Manzano would like to follow in the near future is the possibility to expand the services offered at the estate. For example, they are considering the option of a B&B or little resort in order to guest their clients and all customers that visit the vineyard. While I was talking with the two sisters, a little group of Austrians came in for a little tasting and bought some wine. "Many people come everyday and we would like to organise tastings with also some food and snack in order to welcome them properly. I would open the winery all day long if possible, because in my opinion everything from the export to the simple direct sell is important." The hills of Colli Orientali have landscapes that can hold your breath, but despite the sense of peace and equilibrium, wine-roads or wine tourism is not fully developed and one reason could be the little faith some winemakers have in them. New investments, except for the one destined to the cellar, can be made in order to combine production and recreation and are a positive message from young generations.

Di Lenardo Vineyards

When you look at the website of the Di Lenardo winery, two words come to your mind: international and irony. The mix of advanced technology with a clear perspective towards internationalisation and a different and unconventional sense of humour characterise one of the biggest winery in FVG. With approximately 750.000 bottles per year, Di Lenardo exports in more than 30 countries, entering new markets and looking at new challenges. As many other Friulian families, they started from their ancestors' heritage, "Vigne dai Vieris, Vigne da San Martin, Vigne da Lis Maris, Vigna Nuova and Tiare d'Albe", has expanded and now work upon 60 hectares of vines in the province of Udine between Aquileia and Manzano[146].

The production of 17 types of wine with witty and funny names as the Friulano "Toh!", the Ribolla Gialla "Comemivuoi[147]", the Chardonnay "Father's eyes" or the explicit white "Thanks" with the picture of three old family members on the etiquette, the sweet one "Pass the cookie" and the sincere red "Just me" are some of the names the owner Massimo has invented.

The conscious promotion of Friulian authenticity goes along with the careful attention to the current demand and the changes in the markets, to innovation and the constant research for quality improvements. According to this approach, in 2017 they launched the first sparkling Ribolla Gialla, which even against every optimistic prediction, was sold out in few days. Nevertheless, against all forecasts, this result unexpectedly goes against the aim of some Friulian winemakers to sell the sparkling Ribolla as a substitute to Prosecco.

Vittorio, the son of Massimo, works in the winery and shares with his father the management of international relations and distribution. He explained to me their strategies of promotion, the importance of information and customer's education. At every international fair, their philosophy with a specific and highly detailed description of Friuli Venezia Giulia are fundamental. "I usually start saying that Italy is a country with thousands of exceptional and unique things, where wine production and knowledge

[146] The vines rented in Manzano are destined exclusively to the production of Ribolla Gialla.
[147] "As you like me"

is passed from one generation to the other. Then I explain that, although in Italy every region makes wine, there are only three producers of quality whites, and one is Friuli." In a world where numbers and ranks are considered true replicas of reality, a classification of the region is easy to understand for every consumer. "Then I explain the reasons why Friulian wines are different", he continued, "and for the experts, I can also talk about soil conformation and its influence on the wine".

After the presentation of Friuli Venezia Giulia, they usually highlight the old history of the winery and the long tradition in winemaking passed inside the Di Lenardo family. "The family image and the personal story of our winery make always a good impression on clients. The new etiquette of "Thanks", with the black and white picture of my grandparents has caught the attention and was highly appreciated, so we're thinking to use it also on other bottles in the near future." After the presentation of the winery, they usually turn to the description of the bottles, sometimes with technical details and not forgetting to underline the characteristics of soil, land and climate.

"In the end," said Vittorio, "wine is something you drink and enjoy. We want to communicate the idea of conviviality, of pleasure and fun, which are all associated to a good glass, and in this case the communication is easier, because wine speaks for itself, it is honest and true." In other words, wine never lies and its frankness is visible also in Di Lenardo's name choices, with the etiquettes full of irony, humour and coherence with the message. For example, the same "Pass the cookie" arises immediately the scene of a Sunday lunch that you end with a sweet wine accompanied with "cantucci". The rosé "Le Nuvole[148]" in the website is described as "a fresh and fruity wine for the summer", to serve at sunset on the beach and can be associated to occasions such as happy-hours or summer dinners in the gardens.

The second essential element to attract the attention of international distributors are medals and prizes. Articles on Wine Spectator, reviews from Parker and Maroni, the 3 glasses of Gambero Rosso are the most influential recognitions in Italy and abroad. They are useful for differentiation, but are limited to time and place. Their influence can indeed decrease and some other trends and new innovative critics may emerge.

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[148] "The Clouds".

One of this new trend is e-commerce. “It is the future”, commented Vittorio, “but in Italy we’re not ready yet.” E-commerce is still the mortal enemy of all Italian wine bars, since they consider the online and fast sell an unfair competition. The current phenomenon shows many wine shops that refuse to buy the bottles from wineries that have an e-commerce service. This clearly limits its possible development.
The other attracting trend, which meets the interest of many different consumers, is the care for the environment with attention towards natural treatments and respect for the soil and vines. “We don’t have a 100% organic farm, because it would be too risky,” explained Vittorio, “but except for some treatments against parasites or diseases, we do everything naturally.” Since 2009, they use solar energy to run the cellar, another contribution to a conscious production with low impacts. A website originally only in English (and now also in Italian) will be soon translated also in Mandarin, old etiquettes and layout are always replaced by new and fresh one, in order to present appealing bottles that can meet the tastes of new consumers.

The entire Di Lenardo’s offer clearly tries to intersect all kinds of demand and all types of consumers, international and domestic, old and young, producing both international and autochthonous wines, looking at the world but starting from the origins. The participation at international fairs as Winexpo, Prowein and Vinitaly are windows through which they can meet new importers and buyers. Every fair is different and reflects the country’s market, in Germany for example, they’re addressed to professionals who usually come from East Europe, while at the fairs in the Netherlands also restaurants and wine-bars organise tastings, events and theme dinners also for common people.
As many other producers, they are trying to expand in China and Russia and are facing the same difficulties of many others, which are mainly related to quantities and numbers. The Chinese market is not only emerging but is gigantic, “I’m going to Hong Kong in order to find some distributors, but it is not easy to meet their required standards and quantities.” The second challenge their facing in China is the promotion of white wine instead of the more requested and appreciated red. “The Friuli Venezia Giulia should be known for its best and quality wines, which are the whites, for this reason we go partially against the Chinese tastes and preference. Furthermore, the

preference for reds has cultural reasons, but it is all a matter of status symbol. Chinese have a high consideration for French wines and the possibility to afford a bottle of $200 is very prestigious for them. But we want to present the whites anyway", commented Vittorio.

According to him, the second emerging market is Russia, where middle classes are growing and now look for different and more sophisticated lifestyles, with of course new drinks. If there are no further taxes and duties on foreign goods, both the American and Russian markets will present a good margin of growth for Friulian Wines.

Ronco del Gnemiz:

On the top of the hills near San Giovanni al Natisone (UD), there is the house of Serena Palazzolo, her son Jacopo and Christian Patat, who work together in Ronco del Gnemiz and Nec-Otium. I met Jacopo and his family in a cold evening of September, during the last days of the harvest at the end of summer.

Ronco del Gnemiz represents an unusual winery with a solid philosophy and clear objectives. Due to the little dimensions of the estate, with only five hectares of vines, they decided for a high quality and controlled production, with a strict selection and control over all phases, from planting to selling. "We want to express the land", said Christian the oenologist, "for this reason, we even distinguish two different productions from the grapes that come from the east side of the hill and the one that come from the west side." The reason is that the vines produce wines with different flavours and taste, thanks to the different sun orientation, with obvious limits the total quantities and number of bottles they can produce."

The rigorous grapes' selection process is not the only carefulness they have highlighted. Indeed Jacopo explained that despite the wide variety of autochthonous and international vines that we can found in many Friulian vineyards, Ronco del Gnemiz has made a selection and chosen the best one for that particular soil. "One main problem of Friulian people," commented Serena, "is that they can never choose, they have twelve or fourteen different types of wine in their lists. Instead, in France for example you don't find these numbers, in Burgundy they produce Burgundy and in Bordeaux they make Bordeaux." For this reason, Ronco del Gnemiz produces a limited selection of both autochthonous and international wines, the whites are Sauvignon, Chardonnay and Friulano, while their reds are Merlot, Cabernet franc, Cabernet Sauvignon and Schiopettino.

The parallel winery and activity is Nec-Otium, which is more international and manages many different activities, as the exportation of wine for foreigner etiquettes, mainly British, the purchase of grapes from other Friulian winery in Colli Orientali and then bottling. Since the wines are destined to foreign markets, the majority of wines are international: Pinot Grigio, Sauvignon and Chardonnay.

Ronco del Gnemiz defends also its personal approach towards internationalisation and promotion. “We don’t look for new clients, importers or buyers,” said Christian, “they usually come to us instead. But don’t think that we are arrogant, it’s only due to financial and economic reasons. In other words, we can’t afford it.”

Pursuing this strategy, long-term business (and sometimes personal) relationships with importers from all Europe and USA are highly important, they indeed have the same clients for 20 years and are not interested in short-term partnerships. For this reason, they cultivate and protect them, promising high quality products and organise private events for them. “We don’t take part at Vinitaly, but we organise a parallel event with specific and 360° tastings in a beautiful villa near Milan. We do it because we evaluate more this kind of experiences rather than traditional fairs where everyone is always in a rush and cannot stop for too long. We want to be a qualitative alternative”, said Christian. This approach surely allows real interested people to know not only the producers but to fully learn the land wine comes from, its particular characteristics and reasons of uniqueness, getting the chance to virtually visit Colli Orientali through a glass of wine.

The description through which they present their wine is distinctive. They start from Ronco del Gnemiz, from the 5 hectares that surround their house, with all their characteristics and particularities. Only after this highly specific description, they start talking about San Giovanni al Natisone, Colli Orientali and Friuli Venezia Giulia, because as Christian has explained, “We want to start from our reality and our identity, from our ideas and philosophy, because the character of our wines derives from this soil conformation and this specificity.” During these events, they can defend the

exclusiveness of their wines, avoiding direct competition with other Friulian wineries at Vinitaly demonstrating their desire not to act like the majority.
According to this sense of identity, they do not invest in new etiquettes or branding, but prefer to keep the original layout and design especially in order to facilitate the recognition from the customer. “The etiquette is the identity card of the wine and if I change it just to answer to some trends then it will be hard for my clients to recognize it. In other words, there is no reason why my wine should change identity”, concluded Christian.

“We don’t use Facebook or Instagram too much. We have shut down even the website because I didn’t have the time to update it properly,” added Serena, “the young members of the family should take care of it”, ironically commented, “but it is all a work in progress.”
Despite the first impression of a very risky strategy, in the end I understood the strong philosophy and beliefs at the bottom of Ronco del Gnemiz. They are of that rare type of people who still believe in the importance of land before men. “If we plant a new vine, we do it thinking and hoping that it will last for the next 25 or 50 years. Now, many winemakers in Friuli also in the hilly part of the region, are following trends and marketing, wholly forgetting about history and soil characteristics”, commented Serena.
When I asked them why they have just few types of vines, they have explained that even though Ribolla Gialla is an autochthonous vine from Friuli, first there is no evidence of sparkling wines in Friulian tradition, which in turn exists in Veneto. Secondly, the Ribolla is not a high quality wine, is simple and has low production on hills. New plantations of vines following trends are risky and against tradition, promoting something that has nothing to do with FVG.
“The land, the terroir come first”, is definitely one of the motto of Ronco del Gnemiz. “The percentage of change in new plantations in Collio is around 2 percent”, said Serena, “here in Colli Orientali is 30 or even 35 percent”, a clear sign that the winemakers are confused or in other words are putting the demand and consumers’ tastes, before soil, land and their mission.

The only 2.0 tool that the winery uses is e-commerce in collaboration with selected sites that promote and sell their bottles. Moreover, they work with one Italian distributor who takes care of the whole domestic market and sell exclusively to Horeca and wine-shops. About internationalisation the countries where Ronco del Gnemiz and Nec-Otium export are mainly in Northern Europe[149], with UK as first importer, Japan, Australia, South Africa, Singapore and USA, where they have three different distributors and one freelance that sells only to privates, bypassing the traditional distribution system.

The collaboration with some American travel agencies and tour operator provides every week groups of wine-tourists who visit the estate and taste its product. "Sometimes they even arrive by coaches and buses. We welcome everyone and we are happy to do it, to present our region and our way of life", said Serena telling me about that time when a group was supposed to be of 15 people and in the end they were 60.

According to Christian and Serena, wine-tourism is a great opportunity for FVG but should be better supported by regional and provincial authorities. Even Americans seem to better promote Friuli. Serena indeed told me about the "Frasca Food and Wine"[150] in Boulder, Colorado: "We know some guys in Colorado, who are our clients and promote Friuli in a way that Friulian people wouldn't be able to do. In some way, they have fallen in love with Friuli and they propose Friulian cooking at their restaurant." The restaurant presents in his menu and on his website a true love for Friuli. They describe dishes and traditions with details and true passion. They also offer the unknown Friulian wines to Americans who then come to Friuli for vacation. "The problem is", explained Serena, "once arrived, that they do not find the services they expected. Moreover, Friulian people are still surprised that someone from so far away could be interested in coming to this piece of land just because he had tried frico in a restaurant 9000 km away." There is a disparity between the previous ideas of Friuli and the reality. According to Christian, the autonomous provinces of Trento and Bolzano were able to promote their regions and services in an impeccable way, from which we can only learn a lesson.

Finally, the other element that characterises the identity of Ronco del Gnemiz is sustainability. The farm is conducted with sustainable and green treatments, with

[149] UK, Netherlands, Belgium, Sweden, Norway, Germany, Denmark, France.
[150] https://www.frascafoodandwine.com/

respect for the land and the people, but they haven not asked for certifications and don't want to promote their wine using sustainability or organic farming as an element of differentiation. Respect and responsibility should not be used as mere marketing strategies and attributes for differentiation, they have more to do with ethics and ideals, are the ideas that Ronco del Gnemiz shares with other farmers and winemakers.

Volpe Pasini and Schiopetto

Emilio Rotolo is the owner and senior manager of Volpe Pasini and Schiopetto, two great and old wineries in the heart of Collio and Colli Orientali. Volpe Pasini's estate covers an area of 52 hectares of vines with white and red grapes between Togliano and Prepotto, near Cividale del Friuli. It produces 60 percent white wines and 40 percent reds, international and autochthonous vines from which derive two lines: Volpe Pasini[151] and the premium wines of Zuc di Volpe[152].

Schiopetto is located on the hills of Collio in province of Gorizia, cultivates four crus (Capriva, Oleis, Pradis and Zegla) for a total amount of 30.5 hectares of vineyard, where the great Friulian whites can express their superior quality in two lines: Mario Schiopetto[153] and De Rosis[154]. The winery was founded by Mario Schiopetto in 1970, who wanted to highlight the unique characteristics of Friulian wine investing in technology and innovation. Today, the family of Rotolo follows his footsteps with same mission and preserves the same values of Mario. From the website of the winery, we can directly read: "For Schiopetto a white wine must be first of all elegant and refined, but at the same time it must clearly and precisely express the characteristics of the varietal and the territory of provenance."

History, tradition, culture and innovation are the pillars of the two wineries, as Emilio Rotolo explained to me during our conversation: "Wine expresses the values of western culture. It was part of Greeks and Romans cultures and has a symbolic importance for Christians too. It was a basic everyday beverage until 60s and today is the testimonial of

[151] Grivò (Pinot Grigio), Chardonnay, Sauvignon, Ribolla Gialla, Friulano, Togliano (Merlot), Refosco dal Peduncolo Rosso, Cabernet.
[152] Ipso (Pinot Grigio), Pinot Grigio, Ribolla Gialla, Focus (Merlot), Sauvignon, Refosco Dal Peduncolo Rosso, Pinot Bianco.
[153] Friulano, Pinot Grigio, Malvasia, Pinot Bianco, Sauvignon, Mario Schiopetto (blend of Riesling and Friulano), Rivarossa (blend of cabernet sauvignon and merlot) and Podere dei Blumeri (blend of Merlot and Refosco dal Peduncolo Rosso).
[154] Bland de Rosis (blend of Friulano, Sauvignon, Pinot Bianco and Pinot Grigio), Ribolla Gialla, Pinot Grigio and Merlot.

the Italian food sector in the world. It has moved from prehistory to the global market. But despite the support of OCM for internationalisation, many small Italian wineries have not the skills and possibilities to operate safely in the global market and secondly we are late. In China for example, the first countries are France, Australia, Chile, even Spain and the same China, while Italy is just making its first steps in that gigantic market. Moreover, Friuli is the first producer of fine whites, the first in the world, but except for experts and professionals, no one knows it, or even knows where Friuli is. In addition, since in the Friulian mentality there is a complete lack of communication skills, of any ability for cooperation and since quality today is not enough as it was just 30 years ago, today we need to invest in marketing and education."

Marketing campaigns, a constant presence in the market with an export manager who lives abroad 300 days a year and takes care of all international relations and partnerships, the participation at special events organised by James Suckling, Gambero Rosso and other representatives of excellence, are all strategies that Volpe Pasini and Schiopetto have adopted in order to promote not only their wines, but especially the land. "The Region of Friuli Venezia Giulia is an expression of uniqueness, quality and peculiarity that can be found in our wines. Nevertheless, there are other Italian regions as for example Sicily that have wines of lower quality but have invested in communication, so that they sell more wine than we do. The Friulian wineries that today export and sell their products in more than 30 countries in the world are maybe 5 or 6," showed me Mr Rotolo, "and have invested in branding without a marketing focus on the land. You won't listen a consumer in a wine bar ordering a "Collio" or a "Colli Orientali", but he'll order a Merlot or a Bourgogne or will even ask for a wine from Sicily or Alto Adige and only later he'll choose the specific winery. This is a clear defeat for Friuli and for a quality sector."

The low and only generic knowledge that people have of Friuli influences also importers and distributors, who do not perceive as a necessity to list some Friulian wines in their catalogues. For this reason, promotion and education play a strategic role. In order to pursue these goals, Volpe Pasini and Schiopetto try to profit from new and unconventional channels as private tastings, the participation at *Great wines in the world* by James Suckling, as well as traditional fairs as Vinitaly, Prowein and the

Merano Wine Festival. Finally, the care towards the relationships and meetings with famous and influent critics, specialised magazines and the constant presence in the markets guarantee together long term business relationships and re-orders.

Storytelling and branding is a mix that increases the chances of a small winery to get into new markets. The emphasis on tradition, family, culture and terroir is able to link the bottle to the region even thousands of miles away. The variety and quality offered by this "little oenological continent", as Mr Rotolo called Friuli, is a powerful advantage that has been underestimated. "Thanks to its specificities, the wine produced on the hills of Collio and Colli Orientali, that account respectively a total of 1500 and 3500 hectares, should be classified as super premium as Bourgogne. Instead, we are witnessing processes of vineyards' conversion and increases in production of sparkling Ribolla, which has never characterized Friuli. Especially on the plain (once "Grave") it is now cultivated among corn and soy fields and finally sold declassified as IGT and not DOC. Friulano is not promoted as the symbolic wine of Friuli and in the end, big wineries produce commodities and forget about quality", it's the critic of Mr Rotolo.

The other essential elements that increase the importance of Italian wine abroad are prizes, medals and recognition of excellence. They help both the final consumer and the distributor to distinguish and select a winery instead of another, are the identity card of a wine, but of course change every year due to the different harvest.
Three glasses of Gambero Rossso or a good review from James Suckling seem to count more than the designation of origin. This disparity shows a general ignorance about wine outside Italy and demonstrates the limits of designations in general, which are in some ways overcome by trendy brands. "In China or in Indonesia", explained Mr Rotolo, "there is no wine culture at all. Expensive bottles, thanks to the marketing made by French in the past, are associated to luxury, high social status, fashion and not to the values and attributes that link wine to western tradition. For these reasons, China and all East represent the challenge of all wine exporters in the near future." he concluded.
With these premises the promotion of Friuli is not a Chimera, but not even an easy task. Both Volpe Pasini and Schiopetto try to present and educate the importers about the land, the bond within vineyard, cellar and the people who work in them, the incredible

values and traditions carried along through generations, harvest after harvest, translated in just few bottles of wine. But of course, today there must be a parallelism, a constant dialogue between tradition and innovation, looking back in order to go further, starting from the "ponca", the typical Friulian terrain composed of clay and limestone, and ending on the shelf of a restaurant in New York or Hong Kong.

Starting from the land means also to take care of it, in full respect of nature and sustainability. Schiopetto and Volpe Pasini do not like to use organic farming and sustainability as a marketing strategy, indeed they do not promote their sustainable phases of production. Mr Rotolo said that wineries are always "the sentinel of the land", which means that they should be the first in line to respect and protect it. For this reason, sustainability is more a duty that any farmer should consider fundamental rather than a marketing strategy. They for example try to use thin bottles, recycled paper, the vineyard of Capriva is totally energetically independent thanks to a machine that burns the waste from the vines. They adopt woods in order to restore the balance between CO-emissions they produce and oxygen in the atmosphere. All these cares are not promoted on the website or on the etiquettes through certifications but demonstrate the importance the two wineries give to their land, so that also the wine could reflect the same values in the palates of international drinkers.

Finally, e-commerce and a fair pricing strategy can ensure good revenues and preserve the same image in all markets. The market is global as well as the consumer, with a simple click you can check the price of a bottle in different markets and, except for some differences caused by monopolies, trade barriers or taxes, it must be almost the same. Pricing differently may cause a disaster, it will damage the image of the business and diminish the trust of distributors and retailers. Also e-commerce must respect these rules, for this reason the wineries have sold only to some websites that guarantee a fair promotion, without fake sales or discounts. Some of these sites are Tannico and Vino75 in Italy, Superiore[155] in Germany, many other operates in USA, the biggest market of e-commerce.

[155] https://www.superiore.de/

In addition, accommodation facilities and wine-tourism represent further opportunities for the promotion of the wineries and the region. Thanks to the *agriturismo,* the tours in the cellar and in the vineyards and tastings, large groups of people can visit and see with their eyes the beauty of Colli Orientali and Collio. The offer of this kind of services is crucial for a land that wants to be known and appreciated for its landscapes, history and oenological relevance. “Villa Rosa” and “Villa Volpe Pasini” merge history, tradition and hospitality, while the still work in progress wine-shop and museum about the visionary figure of Mario Schiopetto with the storytelling of the winery in Capriva will surely enrich the offer and attract new visitors. “Wineries must invest in additional services, creating a network with other wineries, while politics should invest in the streets or roads, organise events and establish partnership with foreign countries.” Concluded Mr Rotolo.

Today Schiopetto and Volpe Pasini have entered in more than 40 markets, constantly invest in new technologies, both in the vineyard and in the cellar, and look for new challenges especially in Russia and China, where there are prospects of growth.

Perusini:

In Corno di Rosazzo, few meters from the border that separates the zones of Collio and Colli Orientali, near the river Judrio that until 1918 divided Italy and the Astro-Hungarian Empire, there is the winery and vineyards of Perusini. Since the first attempts of the great grandfather Giacomo Perusini, the whole family has cultivated the hills in Gramogliano selecting and improving the cultivation of autochthonous vines such as Picolit and Ribolla Gialla, considering themselves more as artisan of wine rather than industrials. Even against the trends of the past, the Peruini family has understood the potential of Friulian wine and promoted it in the domestic and international market. Today, the winery is led by three brothers, Tommaso, Carlo and Michele, who follow the steps of their parents and grandparents with a new and innovative approach towards internationalisation and new investments from the cellar, to the vineyard and the other services in the estate. The winery boats to be one of the *happy few* listed by Veronelli in “I vignaioli storici” and a tradition in the sector of innovators and at the same time guardians of the land.

It produces 150.000 bottles a year, the majority of grapes come from their own vineyards, exclusively on the hills that surround the estate, while 15-20 percent are bought from other farms. Following the domestic and international demand, 40.000 bottles are of sparkling Ribolla Gialla, which is destined mainly to Italy and UK. The rest of the production includes Pinot Grigio, Friulano, Sauvignon, Chardonnay, Refosco, Merlot, Cabernet Franc, Cabernet Sauvignon and Merlot with black etiquette, the special bottles are Rosso del Postiglione, Brut (sparkling Ribolla) and Picolit.
The numbers testify the important role of internationalisation with 40 percent of total production sold to foreign markets. The most important both in terms of quality and quantity are USA[156] and Europe, where UK, Belgium, Norway, Denmark are solid importers, while Germany and Netherlands have consumers' preferences and a market fragmentation they are not able to fully satisfied. "In UK", explained Carlo De Pace, the product and sales manager of Perusini, "we work with Moreno Wines that distributes our quality line, while in Germany we are present only in Bayern and Nordhein-Westfallen. In Germany it is more common to sell directly to privates, as restaurants and bars, instead of having partnerships with distributors. Finally, the youngest partnership is with Ireland, where we have a contract with the biggest soft drinks national distributor."
The strategy especially in the USA is to sell the wine "by the glass" in order to achieve a proper volume of orders and limit the price's shift, because if the importer directly sells the product the price won't change too much, but if he sells it to other retailers the bottle will be overpriced and this will damage the winery and the product's collocation in the market. The collaboration with different importers in US opens new doors and provides more opportunities, in this way Perusini does not depend on just one importer and can diversify the risk and offer.
Internationalisation and the constant research for new clients and importers is an activity that must be carefully organised, structured and thanks to the old experience in different markets, Perusini vineyard has developed a personal strategy and method. Carlo De Pace is young and full of resourceful ideas. He has told me about some experiences in fairs and promotional events, where he has learned how to invest time in the best way

[156] Especially Florida, Texas, Nebraska, California, Connecticut, Massachusetts, New York, Minnesota, Arkansas.

with the less loss of time. “The economic resources are limited and I want to participate at events that are useful. For example, I prefer the formula “B to B” instead of “walk around tasting”, because it makes me lose less time. It is a formal presentation of 30/40 minutes and it has been successful in some cases. With the first formula, I meet only people who have read the profile of the vineyard and are interested. On the other hand, I can know importers or clients through their description. If we match, then I do the tasting and present the product,” said Carlo. Institutional fairs as Vinitaly, Prowein and Winexpo are quite compulsory, but these new forms of meetings are making fruits.

One resourceful tool is the partnership with groups as the Adhesion Group that organise the meeting and concentrate all presentations in a couple of days in which the winery presents itself, its products, gets to know the clients inside and also outside the event, during city tours and other experiences. Thanks to these new formulas, Perusini has founded new clients in Singapore and Chicago.

The collaboration with organisations and groups is useful also in the other way round, with the formula of incoming. Perusini uses to invite importers and distributors at the estate with the financial and organisational support of OCM of Udine, which usually covers the costs, and Iron 3, which makes these kind of direct and 360° experiences for international clients possible, organising the accommodation and transports. In this way, Perusini creates added value, while the visitors can directly meet the people who work in the winery and touch by hand the lifestyle in Friuli with all its characteristics and shades.

But if you can only present the region through its wines, the typical geographical and then oenological description is the routine. The most difficult public are the Chinese, or oriental people in general, who have never heard about Friuli. In this case, mentioning Venice is enough in order to arise positive connotations and postcard images in their minds. On the other side of the globe, American consumers are showing two different trends, explained Carlo: “I’m observing that in the American market two trends are developing: there is one group of consumers who follow the brand, are interested in famous names and trendy wines. They look for Santa Margherita’s Pinot Grigio, for example. The second group is made of curious and alternative consumers, who want to try autochthonous wines, discovering regions with quality production, niches with a different care for nature and traditions. They are our target consumers.”

Despite its marginality, both in terms of quality and quantity within the Italian wine market, Friulian wine is always perceived as a quality product, for which people are willing to pay more. Thanks to the collaboration and the help from local agents, Friulian small and medium wineries can find their collocation in the global wine market. “Promotion” explained Carlo, “is as important as production. You should never underestimate the power of selling and promotion, the importance of taking care of clients, support them and push them and being constantly present in the markets. We are many, and the competition is high. You can make the best wine in the world, but if you can’t sell it, what’s the point? For this reason we have invested in promotion and marketing.”

In order to be representative of a specific philosophy and mentality, Perusini vineyard with other wineries nearby have founded the Biodistretto, a district of organic and biodynamic farms and wineries that guarantee the respect and protection of a wide area. The district gives added value to the production, because your vines are surrounded by fields and other vines that are organic as well. Despite the district, Perusini does not promote this aspect of the vineyard since their final product cannot be organic because they buy some grapes.

As Volpe Pasini and Schiopetto, also Perusini has selected trusted e-commerce websites for on-line services. With Negozio del Vino they have agreed a minimum price, which is higher than the price for traditional distributors, so that they cannot be in contrast.

Finally, one of the most lucrative and growing resources that create dynamism in the winery are the numerous services that the estate offers to simple tourist, wine lovers and international partners. Perusini organises events, tastings, weddings and offer accommodation services in 12 little cottages and apartments on the surrounding hills and the *agriturismo,* where couples and families can spend their holidays. The cellar and the villa can host the large groups of American tourists that come every week thanks to a partnership with the cruise agency Grand Circle; they usually taste the wines and buy them, being a good entry for the winery. Germans, Austrian and Swiss tourists are “walking wallets” as Carlo called them, “They can spend a lot of money, so I can offer them different services and suggest many activities linked to our winery, from accommodation, to dinners at our restaurant “Il Postiglione” and oenological and cultural trips nearby and in all Friuli. The most important thing is that they come again, they talk about us with their friends, and this is very important for our promotion."

According to Carlo De Pace, wine-tourism is definitely more important and strategic than prizes and medals. When he has taken the control of sales and internationalisation, he initially tried to chase after recognitions, good reviews and competitions, but he finally stopped. "I cannot stand them," he commented, "I reject the system and the same concept of prizes, because you cannot limit the value of a wine just to a mere number or the grade from a famous critic." Even without this forms of promotion, Perusini vineyard can successfully sell its products, presenting itself as a winery that is rooted in the history and characteristic of its region that is representative of a typicality, the true expression of its land.

Comparison of the results and comment:

	Ronchi di Manzano	**Di Lenardo**	**Volpe Pasini/Schiopetto**	**Perusini**	**Ronco del Gnemiz**
Hectares of vines	60	60	52 and 30.5	15	5
N. of wines	17	17	15 and 12	13	11
N. of bottles	250.000	750.000	350.000 and 170.000	150.000	38.000
China	✓	✓	✓	✓	✗
USA	✓	✓	✓	✓	✓
Organic cultivation	✗	✗	✓	✓	✓
Organic certification	✗	✗	✗	✗	✗
Website	✓	✓	✓	✓	✗
Social Network	✓	✓	✓	✓	✗
Accomodation	✗	✗	✓	✓	✗
Tours and Tasting	✓	✓	✓	✓	✓
Fairs	✓	✓	✓	✓	✗
Prize, medals	✓	✓	✓	✗	✗
E-Commerce	✓	✓	✓	✓	✓
DOC Colli Orientali	✓	✗	✓	✓	✓
DOCG	✓	✗	✗	✓	✗
DOC Collio	✗	✗	✓	✗	✗
Prizes/medals	✓	✓	✓	✗	✓

From the comparison of five wineries the results confirm some elements of strength and weakness that I have highlighted in the SWOT analysis, while other hypothesis have been proved wrong or were not fully true.

From the biggest to the smallest vineyard, they all invest in high quality production. This high quality in some cases is achieved through a strict selection of grapes, with inevitable losses in terms of volume, in other cases it is pursued with premium lines.

Outside Italy, Friulian wines are generally recognized as quality whites, being a power starting point for improvement. Nevertheless, the small production in terms of quantity along with a weak organisation within the same wineries, have undermined the image of the region, which is not known by the average international consumer. Due to this lack of popularity, all wineries must invest great amount of resources in promotion and education, even in the European growth markets.

Moreover, despite the importance producers give to terroir, land and Friuli Venezia Giulia, geographical origin and designations play a secondary role in promotion. Indeed, all wineries have developed marketing strategies focusing on branding. Di Lenardo is the emblematic example: he has created a brand and promote it highlighting his name and work before provenance, playing with witty and attracting etiquettes. However, we should not forget that the vineyard of Di Lenardo has different numbers and a different geographical collocation and it differs from the other wineries also in the production process. The opposite case is represented by Ronco del Gnemiz, which uses its small sizes and production as an element of strength. Differently from all other wineries, it starts from its own hills and only later connects them to Colli Orientali and Friuli. It puts at the centre its little vines before anything else, focusing on its peculiarities and story. The other wine makers, instead, lack of a single marketing strategy and have chosen a mix of branding and country of origin effect. This mix is not necessary negative, but creates confusion and will hardly put land before men.

The project of promotion of a single image of the region or a singular designation has not been fully developed and supported by political authorities too. The contribution and collaboration from regional authorities and consortium are lacking of organisation and sense of community, which translates itself in the total individualism of Friulian wineries. Except for the attempts of Ronchi di Manzano and the partnerships that Perusini has signed with marketing groups, all Friulian wineries act alone in the global market. The time and money necessary for fairs and international tastings oblige them to select just a few number and the more effective ones. Internationalisation and the constant research for new clients is a 24h activity that must be planned and modified according to the country, the objectives and the financial possibilities. Some wineries as Ronco del Gnemiz and Perusini prefer to preserve long-term partnerships especially in big markets where the competition is high, as UK and USA, without forgetting to look for new clients and opportunities.

The internationalisation strategies follow two different trends. There are wineries that prefer to impose tradition, with their autochthonous wines, going sometimes against the consumer tastes but presenting a different and atypical substitutes. A clear example is the attempt of promoting Friulano as the emblematic wine of Friuli, because thanks to its characteristics, it is the best representative of Friulian peculiarity and terroir. Volpe Pasini, Schiopetto and Ronchi di Manzano are the most "conservative" wineries, in the sense that they want to defend the land and its fruits. They cultivate both autochthonous and international varieties that are expression of terroir, but do not want to follow temporary and risky trends. In order to sell more, the second group tries to intersect new trends, above all the love for sparkling. Perusini and Di Lenardo have invested in Ribolla Gialla, but focusing on quality production. In particular, Di Lenardo has rented some vines on the hills of Rosazzo because the Ribolla Gialla expresses its delicate tastes only if cultivated on hills. Along with autochthonous wines, many wineries still meet the international demand with the production of safe wines as Pinot Grigio that against negative forecasts is one of the most required whites outside Italy, Chardonnay, Cabernet and Merlot.

All wineries try to promote the authenticity of the region and its uniqueness, producing extraordinary wines, while through selections or premium lines, they invest also in the singular identity of the vineyard.

Whether you want to impose the most representative or the most appealing wine, one thing is sure: selling white wine is the challenge of all Friulian wineries, especially in the markets where reds have for long time conquest consumers. It will be the next challenge especially in new emerging markets as China, Japan and Indonesia where red wines have cultural and social attributes. The rich offer of varieties and types of wines that every winery, except for Ronco del Gnemiz, presents, reflect the Italian and Friulian heterogeneity, that can be a resource but at the same time its Achilles heel, since it differentiates but also complicates the offer. Friulian wineries must therefore spend more time and resources in education than any other country.

The survey has showed that despite experts and professionals, few consumers know Friuli and Colli Orientali, but the same wineries do not use geographical designation in their own promotion. Before land, the most appealing element is storytelling. Tradition, an old family management and the human relations that characterize the vineyard influences foreigners' consumer choices. It is through the storytelling that terroir and land can emerge and merge, with a bond that is always connected to the people who work in it and love it. Web sites, Instagram and Facebook pages contribute together to the communication of a single image and the message of a mission. Except for Ronco del Gnemiz, all other wineries have understood the power and importance of media. They have all invested in informative and persuasive websites, where the story and values of the winery along with the core mission and meaning of their work is vivid and easy to understand. The promotion is elegant and pass through the keys "family", "heritage" and "quality/authenticity". Di Lenardo uses irony, Perusini uses history and heritage, Volpe Pasini and Schiopetto play with the power of tradition and innovation, while Ronchi di Manzano counts on image, with a high involvement of social media as Instagram and Facebook pages.

Storytelling is strategic during incoming events, tours in the vineyard and tastings. The power of narration with the direct experience at the vineyard create a bond that is potentially stronger than any marketing campaign and that in addition could develop a different kind of tourism, far from the masses that visit Tuscany or Trentino. The commitment from political authorities or regional tourist agencies should create an offer with the necessary services to make this development possible, as Perusini's example shows, with the aim to create a network within wineries, restaurants, museums and many other facilities.

Following the trend of e-commerce, all wineries have stipulated agreements and contracts with selected websites that usually sell their wines at an agreed price. This kind of agreements does not damage the traditional distribution system but increase the chances of promotion and selling. All wineries agree about the future and increasing importance of e-commerce, but also about the little ability of the traditional national system to adapt and change. For this reason, mirroring the trend of many Californian wineries, they count on direct to consumer sales, especially thanks to loyal visitors and wine-shops inside the estate.

About the commitment for a responsible and sustainable production, all wineries share the same values and principles. Organic or at least less impacting farming is an important issue for all of them. Albeit this sincere respect for nature, they do not use the theme of organic production, certifications or cultivation as a marketing strategy. The theme of sustainability is surely attracting but should not be considered a discriminating attribute. It is more a duty rather than a merit.

Finally, the last element that almost all wineries share is the ambition of expansion and growth, along with the trust in constant technological and oenological improvement. They have all made investments in the vineyard and in the cellar in order to improve the quality of their products, but they are also focusing on new projects of internationalisation, especially in new emerging markets, where the consumption of wine is a trendy drink. In this case, the role of education, with the organisation of special meetings, tastings and other events is fundamental in order to educate new consumers to the pleasure of wine, its meanings and its bond with Friuli. US is still the first target market because as Andrea De Pace has explained, the possibilities of growth are many and the American consumers are evolving their tastes and changing drinking habits, especially in non-traditional wine lover states. China, Japan and all Asian countries represent the next challenge. Due to the different market structures, the hostile competition from New World and Old world wine producers and complex drinking cultures and lifestyles, Friulian wineries must plan a common strategy in order to promote a coherent and cohesive image of the region. Only collaboration and the abolition of the typical provincial attitude of individualism, the Friulian export would grow and Friuli Venezia Giulia would benefit from it and indirect positive consequences as wine tourism.

Conclusions:

There is a whole world in a bottle of wine, as well as there is a world of wines too.

The global landscape of wine production and consumption reflects all degrees of complexity and heterogeneity that characterize XXI century. In a global market, a globalised consumer emerges with all its differences and peculiarities for which wine gets new and evolving values and attributes. Dozens of different meanings, occasions of use and values have substituted the old nutritional purpose of wine.

It is true that today people drink less, but at least they drink better.

Two big players, Old and New World producers, represent the elementary conflict between innovation and tradition, past and future, local and international, quality and quantity. Despite this ancestral rivalry, we have identified some trends that characterize the global wine market. An increasing importance of quality and interest for sustainability and health, a more aware consumer who evaluates information and informative layout, as well as attractive designs and etiquettes. However, the most important thing that global consumers evaluate today is personality. A winery's clear identity and an attractive and interesting personality are fundamental ingredients for a good and successful promotion. The hardness of competition at world and national level imposes this kind of strategy, since wine does not sell itself alone anymore. From a marketing perspective, they correspond to a good storytelling empowered by a smart use of technology, especially new media and e-commerce.

Whether a consumer evaluates more the intrinsic or extrinsic characteristics of wine, some attributes are always important. Variety, colour, price, food pairing and place of origin play today a key role in wine purchasing decisions and consumption habits. New occasions of use have replaced simple home consumption, marking social-demographic evolutions. Wine attributes and associations vary according to the culture and country, evolving from one decade to the other and can make the success of a temporary trend. Wine drinking may be indeed a trend itself, thanks to the increased interest for a healthier lifestyle, to westernising processes, to the increased outside consumption in bars and restaurants.

For all these reasons, the challenge of all wineries for the near future and in new markets will not be the simple exportation of wine but of its respective culture, values

and identity. The ritual bond that link Mediterranean cultures to the consumption of wine is due to a long tradition built by the families of wine makers and their heritage.
If the final results of marketing and educational campaigns in new emerging markets would end with the transposition of some of these western values, it would guarantee a different and brighter future for wine exports and consumption and it would increase the economic and cultural relationships between countries.

A deep study of the final market with possible barriers, treats and its own and specific characteristics, and a detailed analysis of the target consumer are basic starting points for any winery that wants to start an internationalising process.
The little region of Friuli Venezia Giulia has understood the importance of a targeted strategy too and is playing its part in the international market. The small dimension of vineyards and the confused strategies of promotion have slowed down the processes of internationalisation, but a new spirit of entrepreneurship is inspiring young generations of winemakers.
Facing the globalised consumers, Friulian wineries had to adapt and change strategy according to the market, the social and economic changes of the country and the direct and indirect competition especially from New World countries that can count on higher investments in marketing and production. Despite these apparent obstacles, Italian and Friulian exports have been increasing since 2012. This positive result is partially the consequence of a general increase in wine consumption at world level with new emerging markets that are developing new lifestyles and drinking habits, and additionally due to the successful marketing strategies and investments that the wineries have made.
The two main marketing strategies of Italian and Friulian wineries focus on brand and/or land and have been mixed in Italy and Friuli. The first one statistically characterizes big important wineries, while the second belongs to powerful and famous regions, as Toscana and Piemonte. Finally, there is a big and variegated group in the middle that has made a mix of them, focusing both on branding and landing, without a complete and real success. Partially targeted strategies have diminished the power of both, ending in a little knowledge abroad. It is indeed improbable that an American consumer knows a Friulian wine or a Colli Orientali. For this reason, strategies that

combine incoming facilities, tourism and wine can be a resource for small regions as Friuli that cannot be associated with a single wine. The numerous variety of Friulian wines is indeed at the same time a strength and a weakness for internationalisation that in many cases needs simplification or generalisation. Tastings, fairs and education programs along with visits and tours are the most important ways in which small Friulian wineries can spread the pleasure of wine drinking, promote their region and their products, having the chance to explain its complexity and heterogeneity to an international public.

Future challenges for Friulian wineries are the development of a single and unified strategy for the penetration and positioning in new emerging markets and a concrete and real collaboration with each other, where competition could become coopetition within firms with same purposes. In order to succeed, the participation of political and administrative authorities is crucial, especially for the realisation of a good system of services, tourist offer, welcome facilities and infrastructures.

The use of IOTs and innovative technologies could improve the production, from the vineyard to the cellar, and its promotion, with new ideas thanks to label design, e-commerce and smart etiquettes. As "Made in Italy", "Made in Friuli" products will surely benefit from the country of origin effect if associated with a powerful promotion with an emphasis on the region and terroir. Moreover, an increasing demand for white wine constitutes the next opportunity for Friulian wineries if they can catch it and intersect the expected benefits of consumer.

With all these suggestion and premises, it is clear that the possibilities of growth for small regions as FVG are real and tangible, even in the global market and with a high level of competition. Despite its weaknesses and limits, the opportunities for Friuli Venezia Giulia are many and Friulian wineries with their efforts will be able to translate, transport and communicate the love and pleasure of wine drinking into a new expression of conviviality, sense of belongings that may even link distant cultures and people.

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