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*Corso di Laurea Magistrale in International Economics and Commerce*

Tesi di Laurea

**DEVELOPING DIGITAL MARKETING STRATEGIES  
IN THE WINE SECTOR:  
AN EXPLORATION OF ITALIAN SMES**

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## **ABSTRACT**

This work aims at exploring current digital marketing approaches, adopted by small and medium companies working in the wine sector, located in the Marche region.

In the first chapter an overview of the market is provided. Starting from the wider agri-food sector, the work will explore the global wine market, proceeding from the production to the trade stages. Afterwards, the focus shifts to the local production of wine in Italy, presenting the elements which characterize the wine market in our country.

The second chapter deals with the topic of digital marketing in general, starting from the observation of the digital approaches currently adopted, going through the analysis of consumer's behaviour and ending with the observation of the tools currently used in a digital strategy and how to measure their effectiveness.

In the last chapter, a qualitative exploratory analysis is conducted ;data are gathered using semi-structured interview carried out on a sample of five companies located in Marche region. Current trends in digital marketing in the wine market were examined. From the interviews emerged the motivations for their online presence, the strategies the companies use, the results related to the implementation of the strategy and the challenges that they have to face in this market.

## **ABSTRACT**

Il presente lavoro di tesi si propone di esplorare gli attuali approcci al marketing digitale, adottati dalle piccole e medie imprese che operano nel settore vitivinicolo nelle Marche.

Nel primo capitolo viene fornita una panoramica del mercato. Partendo dal più ampio settore agroalimentare, il lavoro esplorerà il mercato globale del vino, procedendo dalle fasi di produzione a quelle commerciali. Successivamente, l'attenzione si sposta sulla produzione locale di vino in Italia, presentando gli elementi che caratterizzano il mercato del vino nel nostro Paese.

Il secondo capitolo affronta il tema del marketing digitale in generale, partendo dall'osservazione degli approcci digitali attualmente adottati, passando per l'analisi dei comportamenti dei consumatori, per finire con l'osservazione degli strumenti attualmente utilizzati in una strategia digitale e come misurarne l'efficacia.

Nell'ultimo capitolo viene condotta un'analisi esplorativa qualitativa; i dati sono raccolti attraverso un'intervista semi-strutturata condotta su un campione di cinque aziende marchigiane. Sono state esaminate le tendenze attuali del marketing digitale nel mercato del vino. Dalle interviste sono emerse le motivazioni della loro presenza online, le strategie utilizzate dalle aziende, i risultati relativi

all'implementazione della strategia e le sfide che devono affrontare in questo mercato.

## **INTRODUCTION**

This work aims at providing the current approaches of digital marketing of SMEs; the analysis is focused on companies located in the Marche region which operates in the wine sector.

The first chapter consist of a preliminary analysis of the wine market. Starting from the wider agri-food market, we move to an in-depth analysis of the dynamics which regulate the world of wine. The production phases and the methodologies adopted by wine producers are examined, in order to proceed to an overview of the peculiarities of the wine supply chain, from production to the sale of the finished product. The focus is on the selling phase, analysing the key elements which allow the trade of this product, as well as on the characteristics and the classes of consumers who buy it. After an overview, we focused more on these dynamics, particularly focusing on the Italian wine market, trying to highlight its particularities, from the location of vineyards to quality certifications, laying the basis for the understanding of the spreading of an agri-food tourism.

The following chapter focuses on what the digital revolution has meant for markets, from the most common digital marketing practices to the e-tools used, trying to understand how consumer's behaviour has changed thanks to digital marketing and to the development of omnichannel marketing. Finally, the benefits that are

generally recorded from implementing a digital strategy within a wine production context were highlighted, as well as the tools that can help measure these results.

The last chapter, after a brief methodological excursus, shows the results of the research: a qualitative analysis carried out through semi-structured telephone interviews, to which a sample of five companies operating in the market examined were submitted. The analysis investigates the tactics used in the digital strategy, the motivations related to the development of the online presence, the challenges that this type of company faces when using a digital marketing strategy and the results related to its implementation.

## 1. THE WINE INDUSTRY: A MARKET INSIGHT

### 1.1 The evolution of the agri-food sector

The story of wine goes along with the story of the humanity. The first findings that allows to talk about the transformation of grapes into wine date back to a period between 5 thousand and 7 thousand years BC. It is a story made of traditions, knowledges, territories, experiences, it is the shared languages across different cultures all around the world.

According to OIV<sup>1</sup>, *“Wine is the beverage resulting exclusively from the partial or complete alcoholic fermentation of fresh grapes, whether crushed or not, or of grape must. Its actual alcohol content shall not be less than 8.5% vol. Nevertheless, considering climate, soil, vine variety, special qualitative factors or traditions specific to certain vineyards, the minimum total alcohol content may be able to be reduced to 7% vol. by legislation particular to the region considered”*<sup>2</sup>.

When talking about wine, it has to be taken into consideration the agri-food sector, i.e. the sector of agricultural production.

A product of agricultural origin is any product or commodity, raw or processed,

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<sup>1</sup> International Organization of Wine

<sup>2</sup> <http://www.oiv.int/en/technical-standards-and-documents/products-definition-and-labelling/definition-of-the-vitivinicultural-products-by-code-sheet>

that is marketed for human consumption (excluding water, salt and additives) or animal feed<sup>3</sup>. By 'Agri' is meant the origin, i.e. from agriculture; on the other hand, 'food' refers to the final use.

It can be differentiated from industrial products because of three different reasons:

- As being a product issued by raw material of agricultural origins, it is subject to seasonal availability. Thus, the production cycle can be fluctuating depending on the weather, still maintaining a regular path. Because of its perishable nature, it requires a lot of attention on the storage. Those products cannot be produced at the same level everywhere, their production is mostly not homogeneous.
- Agri-food product is differentiated by its food function of destination. There are three main dimensions that focus on food: nutrition, health and satisfaction.
  - The first, aims to ensure the caloric intake for the body.
  - The second, related to health function of food, began to take on importance in the 1960s, when the first pathologies linked to over-consumption of certain foods appeared and progressed after the outbreak of the "mad cow disease" and "methanol wine"<sup>4</sup> scandals

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<sup>3</sup> FAO: <http://www.fao.org/3/Y2772E/y2772e04.htm>

<sup>4</sup> Methanol is extremely toxic to humans. If as little as 10 ml of pure methanol is ingested, for example, it can break down into formic acid, which can cause permanent blindness by destruction

in the 1990s. From here, consumer preferences have shifted towards organic farming<sup>5</sup> and functional food<sup>6</sup> to their metabolism.

○ Finally, on most occasions, people do not eat food exclusively out of hunger but also for the taste of eating, for the satisfaction of senses and their social needs. Many foods, in fact, are consumed, in most cases, only for their convivial value (olives, cold cuts, wine, beer and many others).

- The third element of differentiation is the path of the supply chain. In particular, the focus is on labelling, traceability of the product and denomination of origin. Recently, the number of business associations within the same collective trademark has grown; through those associations the consumer is protected in terms of quality, origin and nature of purchase.

The agri-food product, because of its origin and destination, is subject to specific quality controls, such as HACCP, or "Hazard Analysis and Critical Control Points"<sup>7</sup>. Presenting the above-mentioned characteristics, vegetables, meat, fish,

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of the optic nerve, and 30 ml is potentially fatal( Vale A (2007). "Methanol". *Medicine*. **35** (12): 633–4. doi:10.1016/j.mpmed.2007.09.014 )

<sup>5</sup> Organic farming is an agricultural method that aims to produce food using natural substances and processes (ec.europa.eu )

<sup>6</sup> A functional food is a food claimed to have an additional function (often one related to health promotion or disease prevention) by adding new ingredients or more of existing ingredients (What are Functional Foods and Nutraceuticals? Agriculture and Agri-Food Canada Archived June 7, 2008, at the Wayback Machine)

<sup>7</sup> HACCP: food contamination prevention system, according to EC Reg. 852/2004 entered into force in 2006 and implemented in Italy with Legislative Decree 193/2007

pasta, milk and eggs, wine and other alcoholic and non-alcoholic beverages are food products.

In the first 7 months of 2020, EU27 agri-food trade (exports plus imports) reached a value of EUR 178.2 billion. Agri-food related industries and services together provide almost 44 million jobs in the EU (last update in 2018). The food production and processing chain accounts for 7.5% of employment and 3.7% of total value added in the EU<sup>8</sup>.

The agri-food system represents for Italy a highly strategic market. The 4,2% of the agricultural and food goods exported to the world is Italian<sup>9</sup>.

Italy is the nation with the largest presence of distinctive products: 269 products including PDO (protected designation of origin), PGI (protected geographical indication) and TSG (traditional specialty guaranteed).

In the wine sector itself can be counted: 332 DOC (den. controlled origin), 73 DOCG (den. controlled and guaranteed origin) and 118 IGT (typical geographical indication). The agri-food sector is undergoing a downsizing phase; in which small and/or inefficient companies are exiting the market, to give space to larger companies with a propensity to export and approaching technological innovation.

One of the major weaknesses of the sector has been the lack of innovation and

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<sup>8</sup> EC official website ([https://ec.europa.eu/commission/presscorner/detail/en/IP\\_19\\_5527](https://ec.europa.eu/commission/presscorner/detail/en/IP_19_5527) )

<sup>9</sup> Data: RAPPORTO UNIONCAMERE (2015), Alimentare il digitale. Il futuro del lavoro e della competitività dell'Italia, Centro Studi Unioncamere

marketing for the promotion of products, which has reduced competitiveness with respect to goods coming from abroad, of lower quality but with a greater information and technological background.

## **1.2 The wine production**

The evolution of the international competitive scenario in the wine market has been characterized by a geographical shift in production and consumption and a sharp increase in international trade. The underlying element is the progressive reduction of the weight of EU countries, traditionally the largest producers, consumers and exporters, and the emergence of new competitors on the international scene. Nevertheless, EU countries remains the wider wine producers.

According to OIV, the world production of wine stood between 254 and 262 million hectolitres. Italy remains the main producer, covering the 18% of worldwide production, estimated to be 47.2 million hectolitres<sup>10</sup>, decreasing from 49.2 million hl in 2019<sup>11</sup>. World production would therefore be divided between approximately 159 million hectolitres produced in Europe and 99 million hectolitres in the rest of the world.

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<sup>10</sup> [https://winenews.it/it/vino-la-produzione-mondiale-2020-sui-258-milioni-di-ettolitri-in-linea-1-sul-2019\\_428506/](https://winenews.it/it/vino-la-produzione-mondiale-2020-sui-258-milioni-di-ettolitri-in-linea-1-sul-2019_428506/)

<sup>11</sup> <http://www.inumeridelvino.it/2020/11/la-produzione-di-vino-nel-mondo-2020-prima-stima-oiv.html#more-54450>



Figure 1: world wine production (OIV and I numeri del vino)



Figure 2: world wine production, Europe not included (OIV and I numeri del vino)

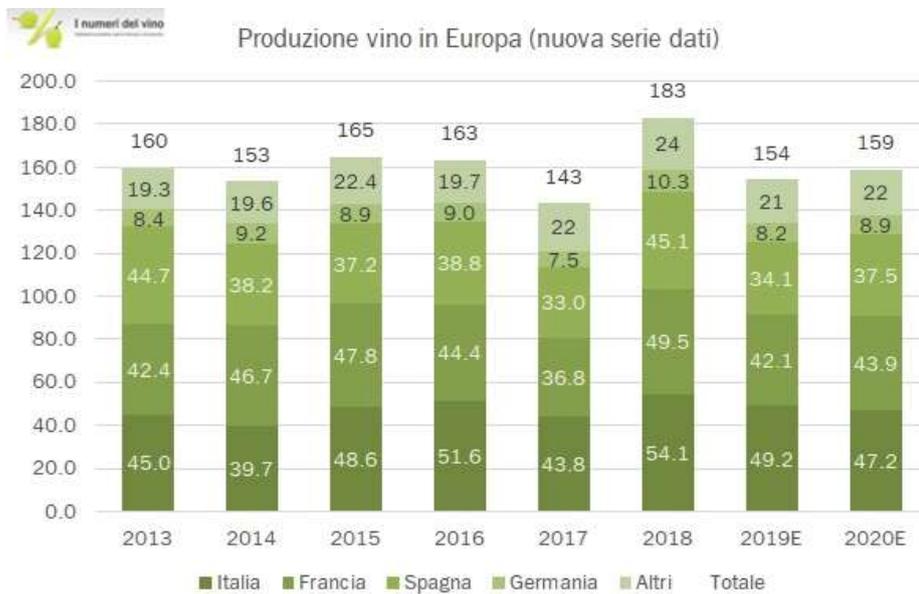


Figure 3: European wine production (OIV and I numeri del vino)

ISMEA projections of wine consumption within 2025 show marked changes in the quotas of countries compared to the base year. These estimates will certainly be affected by the effects of the 2020 pandemic, effects that are currently difficult to quantify.

According to Pau Roca, director of OIV: *“The 2020 production will enter a 2021 market still heavily conditioned by COVID19 and the containment measures have already had a strong impact on the sector. In the most important markets are estimated drops in sales value between -15%/-20%, although the situation changes from country to country and will be decisive the last 3 months of the year”*.



Figure 4: worldwide consumption projections (ISMEA report, June 2020)

The USA, France and Germany hold the top three places for the consumption of fine wine, but Canada is slightly ahead of Italy in fourth place, at least in terms of value. China strengthens its supremacy over the USA on premium wines, while the UK is aligned with Germany in third place. In Western Europe and New World countries in the Southern Hemisphere, fine wines will partially replace the cheaper wines with steady volumes. Important contribution to the growth in consumption in Africa and all the smaller markets<sup>12</sup>.

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<sup>12</sup> ISMEA report, June 2020



the wealthy class is also expanding in closer countries such as Poland. For Italian wine is a great opportunity to be seized.

Italy of wine is winning for being different, from the vineyard to the bottle. The quality and the ties with unique territories enhances the appeal of made in Italy, of the culture and heritage of the country.

Italy has consolidated top positions in the main international markets; Italian exports record a growing trend in terms of value and volumes increasingly shifted towards quality production. "Testo Unico del Vino" is the codification of the Italian legislation on wine production and trade which simplifies the requirements for Italian companies, improving their competitiveness. EU legislation is increasingly oriented towards promotion and investments on Italian companies which can be profitable.

High fragmentation of operators and their lack of capability on supply functions management (logistics, etc.) is weakening the overall structure. Lack of productive and commercial alliances with foreign companies and internationally recognized brands can lead to a loss of competitive advantages. Therefore, positioning Italian wines abroad results not adequate, in an excessive price competition scenario.

It results to be difficult to effectively communicate the huge diversity and variety of Italian wine (grape varieties, territories, denominations) and the exports' growth recorded seems to be linked to the Prosecco phenomenon, while a more intense development of exports would need more "protagonists". Indeed, in 2019 PDO

wines record 64% of share on total wine exports mainly driven by sparkling wines (ISMEA report).

### **1.3 Wine supply chain**

In order to understand the dynamics of worldwide consumption of a local product, it needs to understand the forces that are involved in the whole process.

The cultivation of grapes is the first, fundamental step to produce wine.

The global area under wines in 2018 was 7.4 million hectares and 5 countries represented alone the 50% of the world vineyard (Spain, China, France, Italy, Turkey)<sup>13</sup>. The variables of production are infinite, from the territory to the ripening time of each grape variety, up to the fundamental choices regarding the use of fertilizers and chemical products.

The second step is the grape harvest, i.e. when gathering grapes from the vineyards. Nowadays, this step is mainly mechanized. However, there are still many farms that prefer manual harvesting, which guarantees greater accuracy in the selection of the bunches. Harvesting takes place between August and October, depending on the right degree of ripeness of each type of grape, while for some late-fermenting grapes such as those of raisin wines it can take until November.

Afterwards, it is time to press. Pressing was traditionally done by hand, or rather

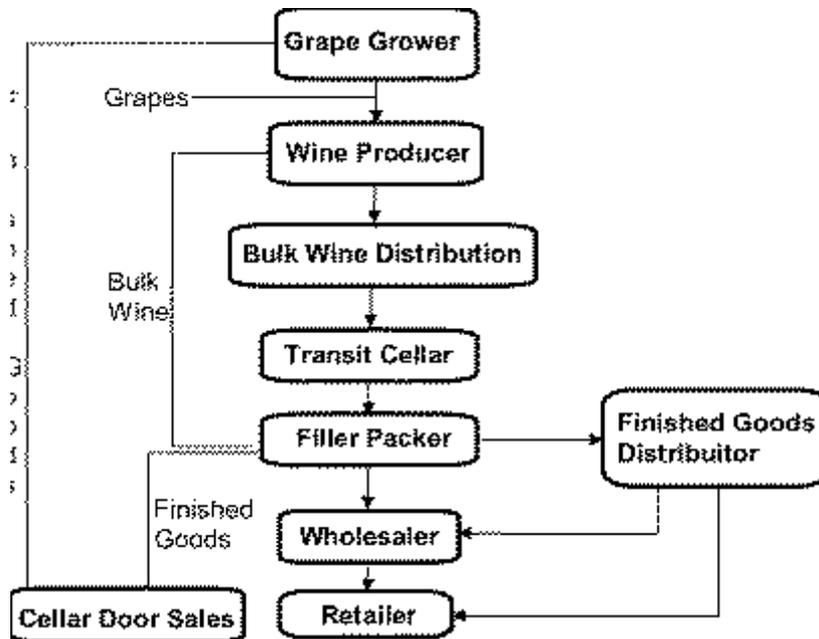
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<sup>13</sup> OIV,2019

with feet. The grapes are pressed, and the must obtained, corrected in acidity and purified from impurities and bacteria, is then collected in large vats. And in some cases, at this point, destemming (i.e. the elimination of stems and grape seeds) takes place.

In the basins, the must ferment for an average period of 7/10 days: during this biochemical process (fermentation or vinification) the sugar contained in the must begin to transform into alcohol and carbon dioxide. After vinification, the wine is filtered until it is clarified and then racked into containers of various materials, unless (in some rare cases) it undergoes a second fermentation.

White wines require minimal or even no ageing before bottling. Red wines, on the other hand, can rest up to 5 years (with a few exceptions of longer duration). The aging, during which the transformation of sugars into alcohol continues, can take place in oak, steel, cement or amphorae barrels: the choice of material and the size of the container change the characteristics of the wine. Finally, the wine is filtered again to eliminate impurities, deoxygenated by adding substances such as nitrogen gas and then bottled. The refinement of the wine continues in the bottle, being the wine a "living matter".



**Figure 6:** the wine chain, Constantin Bogdan Nechita

The segment of the wine supply chain that deals with the transfer of wine from the cellars to the actors that deliver the wine to the consumers, can take very different organizational forms.

It is possible to identify three different levels of intermediaries who cooperate in the supply chain:

Level 1 - wineries, breweries, distilleries (those that perform transformative functions);

Level 2 - wholesale distributors; this level has seen the most changes recently. Third party logistics operations have started to provide a range of services such as storage, handling and post-purchase services, which allow the product to accumulate added

value.

Level 3 - retailers (liquor stores, grocery stores, restaurants).

The direct sale at the company or cooperative, is considered almost obvious or traditional but it is now the focus of new initiatives. Taking care in detail of the welcome and the visit to the winery, storytelling and presenting the products and the production history and offering the products for tasting, the company has the opportunity to establish a relationship with the customer;

Wine shops and wine bars are increasing, thanks to the new consumption habits, especially among the younger ones, and to the consumer's attention to the assortment and the knowledge of the seller;

Retailers, large-scale distribution is the most important sales channel, primarily for cooperatives. It allows to reach a large number of customers and to increase the reputation of the company. The purchase of wines to be consumed every day, at low price is mainly made in supermarkets. The national shelf of supermarkets is increasingly proving that the myth of the sale of wines of lower quality is disappearing, as both the number of IGTs offered and the bottles of small companies and local cooperatives are increasing thanks to resale partnerships (Green & Iglesias Daveggio, 2003). A case of success and study is the policy of the German discount retailer Lidl, which is able to offer bottles, even prestigious (such as Gaya, Fazi Contini etc.), both Italian and foreign at competitive prices, always ensuring quality.

Another important channel, also in relation to the increase in the consumption of meals out, is represented by restaurants, hotels, cafes, and every commercial activity related to the HO.RE.CA sector.

As far as online commerce is concerned, compared to foreign countries, Italy is not very up to date, as e-commerce is still not very widespread, and this is because national purchasing traditions are solid and adverse to change and on the supply side only a few companies invest in online sales. In any case, this tool is strongly developing, since it can offer positive opportunities of expansion in the market for small producers.

#### **1.4 How a wine is marketed**

The most efficient way to sell wine is getting to know what the consumer wants from a wine and how the seller can satisfy his needs. This goal can be achieved by means of elaborated market research projects using large scale surveys, focus groups and already available market data. The results will help calculate the degree to which appellations of origin, varieties, and company brands influence purchasing decisions for particular products in specific markets. The results will also assist the firm in positioning the product in the marketplace and determining how to support the product through pricing, advertising, and promotion. This market assessment process is called a market audit and is the precursor to a marketing plan. The next step is to determine the relevant attributes of the product, that is, the characteristics

of the product that are significant to the consumer. As will be seen later, 4 main categories of attributes can be identified: quality, price, convenience, signals (elements that suggest other product characteristics). These attributes directly support consumer choices among mutually competitive products. For some products, a given mix of attributes will be important; for other products, a different mix must be used. Therefore, the producer must identify which attributes are important in order to motivate customers to choose a product.

The difficulty in selling wine emerges because every company proposes itself more or less in the same way. The "proposal" of a company can be traced back to the concept of brand or USP<sup>14</sup>, however, to marketing ideas.

Before attempting to innovate, it would be necessary to understand and analyse the proposal tools used to date. They can be traced back to the following elements:

1) *Appellation*. Wine is uniquely traced back to its origin. It is a tool that works well for some wines but not for others. The idea is that if one wants to obtain those organoleptic characteristics, urges to refer to that area, to that variety, to that soil.

2) *Family*. The character and reputation of the wine is traced back to the character and reputation of a family. The goal is to build the conviction among consumers that the brand stems from the integrity and credibility of the family.

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<sup>14</sup> (Unique Selling Proposition): the unique selling argument on which the advertising campaign must be based. The USP is a short statement that highlights the single point, advantage or characterizing, or the performance of the product on which to focus the message, to make it attractive in the eyes of the consumer.

3) *Price*. This tool includes the following options: i) High price and low supply; ii) Low price to gain high market share; iii) Value for money.

4) *Visual attractiveness*. It is based on developing attractive strategies on labels, bottles, boxes and supporting them with equally attractive visual images. It is an objective fact that many wine companies use a combination of these tools in their marketing strategies.

5) *Process*. In this way is emphasized the uniqueness of the process used to make the wine in order to make it special or attractive for market segments. Organic wine is an example of this.

6) *Function*. Wine or its packaging offer a function, or a way of use positively valued by the buyer. In this case, it is related to the occasion of consumption or to the easiness of use (ex. bag in box).

7) *Mood or antithesis*. The focus is on the intrinsic psycho-active power of wine. Create a brand that uses the tool of relationship, brands that communicate the idea of stimulating experiences that occur for example when friends are drinking wine and are immersed in pleasant conversations.

8) *Offers*. This aspect is linked to the social engagement of companies, for instance when promoting events in favour of solidarity associations.

Wine companies must innovate considering what the consumer will accept and effectively communicate the concepts they have adopted. The critical point to consider when adopting a marketing proposal is whether that concept is ahead,

behind or on the consumer's thinking curve. If the idea is too forward many people will not embrace it; even worse an idea that is outdated relative to the power curve will never work. Companies should place themselves on the rising part of the curve. Marketing is about telling a story. Companies need to tell the story about their marketing idea or concept so that people relate to it. Wine companies can follow traditional storytelling models of how they grew and what they are doing.

### **1.5 The wine consumer**

Wine is a complex product (Bruwer et al., 2011; Mueller et al., 2011; Ferro and Amaro, 2018; Lai, 2019) that goes beyond a mere consumer good but requires an understanding of how it is perceived and consumed, including influences such as culture, history, identity, value and socialization. Many have been the attempts to understand these factors that determine the consumer experience and then drill down into different consumer groups and their unique preference (Lategan et al., 2017; Spielmann et al., 2016). Popular factors were the different taste and visual aspects of the wine and correlating it with gender, age and experience (Bruwer et al., 2011), others have explored the factors that affect wine purchasing behaviour such as the location and environment when purchasing or consuming wine (Bruwer and McCutcheon, 2017) and others again compared the findings across countries (Mueller et al., 2011). The main decision criteria for consumer choices are understood, however, the lack of practical application in the research hints at the

degree of sophistication needed when positioning a complex product to a wide range of consumers across generations and geographies, especially in light of the many choices that consumers have.

It is fundamental, in order to understand how the consumer is driven by his own person and at the same time by the world around him, when buying wine, to take into consideration the motivations that lead him to the purchase, and to understand the link with the purchase itself.

Motivation is the force that stimulates a specific behaviour in view of the satisfaction of a specific need. An individual's needs are potentially infinite. The theory of motivation based on Maslow's pyramid of needs can serve to better illustrate changes in buying behaviour. Maslow (1954) identifies five classes of needs that individuals express according to hierarchical criteria:

1. Physiological needs (fundamental to survival);
2. Security needs (needs for self-preservation and physical well-being);
3. Social needs (need for love and friendship);
4. Self-esteem needs (need for self-actualization, status and prestige, and respect);
5. Self-actualization needs (anything that ensures an individual's fulfilment).

The basic needs are those that the individual fulfils first. As the needs placed on one step are satisfied, one moves on to those on the next step. The evolution of food consumption can be seen as an upward shift in this hierarchy. Today, in more

advanced societies, the physiological needs of hunger and thirst are largely satisfied; consumers demand that food be safe, and in many cases, they also want it to have positive health effects. The behaviour of many consumers can only be understood by considering their social, esteem and self-actualization needs (Senauer, 2001). In this regard, it may be useful to recall the distinction between "hedonist" and "utilitarian" consumers (Hirschman and Holbrook, 1982), which emerged in the late 1970s and early 1980s. In the traditional economic view, products are simply a source of utility for the consumer, not considering at all the emotional, multisensorial and symbolic dimension, being inappropriate for the explanation of the consumption of certain goods, among which wine. Hedonist orientation is opposed to utilitarian one, suggesting that the behaviour of the consumer, the utility and the value he or she gets from the act of purchasing depend on a hedonistic component of consumption. Hedonistic consumption deals with the elements of consumer behaviour related to the multisensory, fantastic, and emotional aspects of their experience with products (Hirschman and Holbrook, 1982). Hedonist attitudes may arise from the situation, the type of product, or the degree of the consumer's personal propensity toward hedonism. Wine can be configured as a product category suitable for a hedonistic type of consumption, it being understood that hedonism arises from the interaction between product and consumer and it is not an intrinsic attribute of the product (Scarpi, 2005). In the process of purchasing a product, a decisive role is played by the individual's level

of involvement in the product category concerned (Laurent and Kapferer, 1985). Involvement is related to the time spent searching for information, choosing and buying, the number of product attributes evaluated, and the expectations about the degree of satisfaction to be achieved (Zaichkovsky, 1985). It can also be hypothesized that consumers who are less involved manifest a higher sensitivity to price, due to the lower level of information and less time spent evaluating value for money.

A study conducted by the FAO (Food and Agriculture Organisation) on ten countries of the European Union, has shown how food consumption is converging in terms of macro nutrients. This convergence is due to phenomena such as the globalization of countries and the internationalization of companies. These are increasingly conforming lifestyles and social dynamics in different countries on the demand side while, on the supply side, we are witnessing the elimination of customs barriers, the hybridization of catering systems and points of sale.

When talking about wine, indeed, it has been recorded a convergence on the per capita average of consumption: Italy, Spain and France have a wine consumption average, higher but decreasing compared to other European countries, where per capita average is progressively increasing. It will reach, at this rate, a point of equilibrium, where the average consumption between countries will be the same. Another important trend is the homologation of the diet in the territory. This phenomenon is the consequence of an increasingly accentuated deconstruction of

meals. Most of consumers are adapting to the opportunities for consumption, offered by new lifestyles characterized by increasingly reduced work or study breaks, company canteens and fast food. There is no longer a meal structure (e.g. first, second, dessert) as there was ten years ago. This has led to a change in eating styles, which the offer must cope with. Today's society, besides being defined postmodern, is also a "society of satiety". Consumers are looking for quality, healthy products with hedonic as well as functional characteristics. Eating and drinking become mediators of our lifestyles. All this has led to the sophistication of consumer tastes and the polarization of their preferences.

Wine consumption in the world is 292 million hectolitres, on a total alcoholic beverage of 2.5 billion (12%); the first country for red wine consumption is China, with 18 million hectolitres; the first country for white wine consumption is USA, with 13 million hectolitres; the first country for consumption of sparkling wines is Germany, with 3 million hectolitres; the value of wine imports in the world is 37.8 billion dollars, of which 71% of packaged still wines, 19% of sparkling wines and the rest of bulk wines.

Researchers use to segment consumers, from an age point of view, into:

- Traditionalists: born between 1900 and 1945;
- Baby Boomers: born between 1946 and 1964;
- Generation X: born between 1965 and 1976;
- Millennials or Generation Y: born between 1977 and 2000.

These generations differ in their level of product knowledge and in their confidence to purchase, driven by a certain type of information seeking, which is different for each category. Generations differ in knowledge learned from internal sources i.e., their own self-confidence, given by experience, and from external sources such as newspapers, magazines, internet, labels or even friends, relatives and salespeople. Each source of information is used in conjunction with the others and serves as a strategy to reduce the risk of buying a product that one is not familiar with. Millennials seems to be less confident, seeking validation from others and having less subjective knowledge (Mueller et al, 2011). Generation X, on the other hand, has characteristics of independence and greater self-confidence, also due to greater experience; moreover, they are more likely to use friends and relatives as a source of information. Millennials, defined as digital natives, rely heavily on the information they find on the web, they live hyperconnected (Eastman et al., 2014); Generation X on the contrary tends to be more attentive to the distortion of reality that the media can give (Teagle, Mueller, Lockshin 2010).

Being aware that Millennials and Generation X are the biggest segment of consumers in the market, 5 categories of wine consumers has been identified, on the basis of demographical and behavioural index (Russo,2016).

- *Conservative consumers*: generally male, they consume wine every day in 40% of cases, they know the wine well, they are informed about it but they tend to choose already known labels

- *Consumers attracted by the image*: like conservatives, mainly male with daily consumption in 40% of cases, but unlike the former tend to look for information in a constant search for new products and are strongly convinced that a higher price corresponds to a better quality
- *Basic consumer*: the expenditure on wines is much lower than the previous categories, as well as the consumption; their choice is on labels of very well-known wineries
- *Experimentalist*: wine lovers, they have a deep knowledge of the product, they appreciate the most famous brands but prefer to experiment to the constant discovery of new wineries.
- *Pleasure-driven consumers*: they are the youngest and mostly female, they see wine as a social driver, an element of conviviality and sharing. They drink only in particular occasions; they love novelties and are deeply influenced by packaging and labels.

## **1.6 The Italian scenario**

Italy is studded with small entrepreneurs or family-run businesses with a small share of production; very few companies (SRL and SPA) with a share of production exceeding 50 ml hl, i.e. 60% of all production; and by cooperative structures with a dimension outside the European and international average (Sorbini e Agosta, 2004). 25% of these cooperatives produce more than 50 thousand hl

(ISMEA,2018). By legal definition for Italian companies in the wine sector, it is possible to identify:

- *Small family-run businesses*, vertically integrated businesses dedicated to both winemaking and bottling and sales (sole proprietorships or partnerships).
- Farms grouped together in *cooperatives* (wine cooperative<sup>15</sup> and consortia<sup>16</sup>) dedicated to the common processing of grapes collected from the funds of the members for the production and the sales of one or more types of wine.
- Finally, there are the few firms, “*economically independent or related with national and/or international groups*” (Spano, 2010).

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<sup>15</sup> Cantina sociale: a group of members, mostly producers, who have chosen to combine resources and all their means to reduce the costs of wine production.

<sup>16</sup> Consorzio vinicolo: The word consortium identifies an association between companies, of an economic nature, which has the specific purpose of realizing the financial interests of the participants, through collaboration between the member companies, aimed at maximizing the results they intend to achieve.

Classi di produzione (hl)	Aziende 2010 (n.)	Aziende 2015 (n.)	Var. %
0-100	51.327	34166	-33%
101-1.000	8.320	8023	-4%
1.001-10.000	2.277	2853	25%
10.001-50.000	403	468	16%
50.001-100.000	118	117	-1%
>100.000	84	106	26%
<b>Totale complessivo</b>	<b>62.529</b>	<b>45.733</b>	<b>-27%</b>

Classi di produzione (hl)	Quota aziende vinificatrici		Quota produzione	
	2010	2015	2010	2015
0-100	82%	76%	1,5%	1,1%
101-1.000	13%	17%	6,0%	5,8%
1.001-10.000	4%	5%	13,0%	15,7%
10.001-50.000	1%	1%	20,9%	20,3%
50.001-100.000	0%	0%	18,3%	15,3%
>100.000	0%	0%	40,3%	41,9%
<b>Totale complessivo</b>	<b>100%</b>	<b>100%</b>	<b>100,0</b>	<b>100,0%</b>

Figure 7: structure of wine producers in Italy, retrieved by Agea, 2015

The main tool to face competition seems to be the diversity of the productions and the heterogeneity of company dimensions. It comes spontaneous to wonder if such entrepreneurial heterogeneity can effectively guarantee the productive supremacy of Italian companies especially in the long term. As shown by ISMEA data (figure 7), wine cooperatives play a relevant role in production and *"the reasons for the success of this cooperative structure lie in the maintenance of ownership and family business and the ability to aggregate producers up to the amount of contributions necessary both to exploit economies of scale and to contain the power of buyers"* (Borzaga and Fontanari, 2014). The 3 principles on which cooperatives are based, i.e. mutuality, solidarity and economic democracy, guarantee these small agricultural producers to move towards larger markets, increasing foreign sales and promoting the process of internationalization of the market, offering products of

excellent quality at more competitive prices.

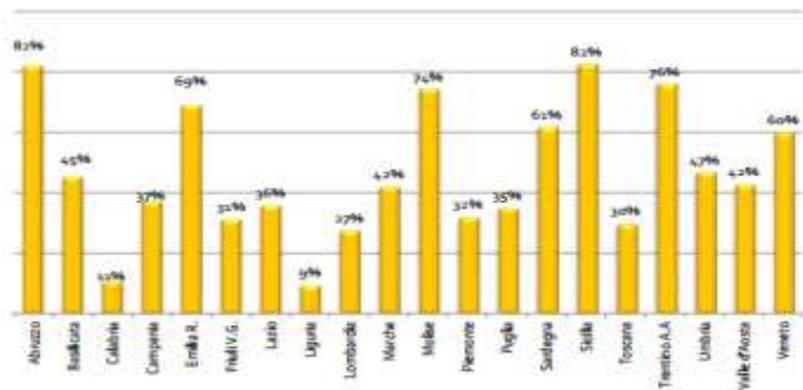


Figure 8: cooperatives production over total by region

### 1.6.1 The quality and production certification

The inability to know product quality prior to purchase generates a situation of information asymmetry between producer and consumer. The accessibility of cost information and the ability to acquire information about product quality allow us to distinguish between search goods, experience goods, and credit goods (Nelson, 1970; Darby and Karny, 1973). Price or label information, for example, are search attributes because they are readily accessible prior to purchase; experience attributes, such as taste, can be evaluated after purchase; trust attributes cannot be determined either before or after purchase, or only at a very high cost, so the consumer is left to depend on external judgments and the credibility of the brand and those who represent it. An attribute of experience, in wine, could be the

chemical composition. By reporting information that would otherwise be inaccessible, the label turns many attributes of trust into attributes of experience. Buyers cannot observe quality and therefore will be willing to pay a price corresponding to the average (expected) quality of the goods on offer. This leads to the exclusion of high-quality producers from the market. Repetition of this mechanism in the long run can lead to the disappearance of the market for the good (Akerlof, 1970). There are several ways to counteract the problems arising from information asymmetry, which can be traced back to discouraging the exploitation of the privileged position of the informed party or improving the level of information of the uninformed party. In a commodity market, such as food, firms can be deterred from engaging in opportunistic behaviour if they are made accountable for the consequences of those actions. This is possible because of the reputation mechanism on which brand policies are based: a brand earns, over time and at the cost of investment, a reputation that is a source of long-term profit. The cost of the investment required to build a reputation thus becomes an incentive to maintain a certain standard of quality. At the same time, consumers are willing to pay a premium for the brand, as it reduces search costs and risk and simplifies the decision by signalling product positioning (Shapiro, 1983; Erdem and Swait, 1998). Brand reputation can be considered an economic good, since consumers would pay more where a brand is given accolades, which reduces consumer risk. The concept of reputation can also be applied to collective brands or other characteristics such

as region of origin. The second solution to information asymmetry, providing information to consumers (the uninformed party), is a valuable tool against adverse selection and includes the use of quality signals. These consist of actions designed to reveal quality and can take a variety of forms: branding, pricing, performance and payback guarantees, and advertising expenditures. These signals overlap with brand and reputation policies, previously classified as incentives for companies rather than supports for consumers. Among the tools capable of improving the level of consumer information, in the agri-food sector, third-party certifications and collective brands are frequent and increasingly used. In the wine market appellations of origin play an important role in the indication of quality. Thus, the competitive advantage of Italy not only is represented by the quantity produced, but also by the quality of the production. The protection and enhancement of the wine patrimony begins in 1963, with the promulgation of the Law n. 116 "Proxy to Government to issue regulations for the protection of the denominations of origin of musts and wines", executed with the issuance of the D.P.R. July 12, 1963 n. 930, which ranked the Italian wines in "table wines" (VDT<sup>17</sup>) and in "quality wines produced in specified regions"(VQPRD<sup>18</sup>). The wines belonging to this last category can be further classified as VLQPRD (quality liqueur wines produced in specified regions), VSQPRD (sparkling wines quality wines produced in specific

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<sup>17</sup> VDT: Vini Da Tavola

<sup>18</sup> VQPRD: Vini Di Qualità Prodotti in Determinate Regioni

regions) and VFQPRD (quality semi-sparkling wines produced in specific regions) were then divided into two levels to "denomination of origin controlled" (DOC) and "controlled and guaranteed designation of origin" (DOCG). Since then, in some cases, many productions that had not sufficiently high standards quality were classified as VQPRD, just achieving the minimum characteristics required in the production specifications. It was the law February 10/1992 n. 164 "New discipline of the denominations of origin", which, with a deep selection, provided for the introduction of wines with "typical geographical indication" (IGT)<sup>19</sup>. The current discipline, issued by the Wine CMO<sup>20</sup> Reform, started with the EC Regulation n. 479 of April 29, 2008 and Legislative Decree no. 61 of April 8, 2010/13, provides instead for a classification between "wines without geographical indication" and "wines with geographical indication" and, for this last typology, a standardization with the existing legislation for the other agri-food products: IGT wines thus become PGI (Protected Geographical Indication), while those DOC and DOCG are grouped in the PDO (protected denomination of origin) category. In order to make the qualitative hierarchy of Italian wines more understandable, wines still undergo to the traditional indication.

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<sup>19</sup> UNIONCAMERE report, 2007.

<sup>20</sup> In the early days of the common agricultural policy (CAP), so-called common market organisations (CMOs) were created. These were designed to manage the production and trade of most of the EU's agricultural sector (eur-lex, [https://eur-lex.europa.eu/summary/glossary/common\\_agricultural\\_markets.html?locale=en](https://eur-lex.europa.eu/summary/glossary/common_agricultural_markets.html?locale=en))

The denomination of controlled origin (DOC), is a mark of Italian origin that certifies the area of origin and the harvest of grapes used for the production of wine on which the mark is affixed; it is used to designate a quality and renowned product, whose characteristics are related to the natural environment and human factors and comply with specific production regulations approved by ministerial decree.

The Controlled and Guaranteed Designation of Origin (DOCG) are reserved to wines already recognized as a registered designation of origin (DOC) for at least five years that are considered of particular value, in relation to the essential qualitative characteristics, in respect of the average of those of similar wines so classified, due to the incidence of traditional, natural, human and historical factors that have acquired recognition and commercial exploitation at national and international level (e.g. Moscato d'Asti, Franciacorta, Chianti).

The typical geographical indication (IGT), finally, indicates quality table wines produced generally on wide areas. The requirements are less restrictive than those required for wines with controlled designation of origin. Generally, this category includes table wines of quality inferior to wines with DOC and DOCG. It should be specified, however, that the placement in this category is due to both commercial choices and the impossibility (for the composition of the wine and for the grape varieties used) to fall within the specifications of quality wines of the production

areas (DOC and DOCG)<sup>21</sup>.

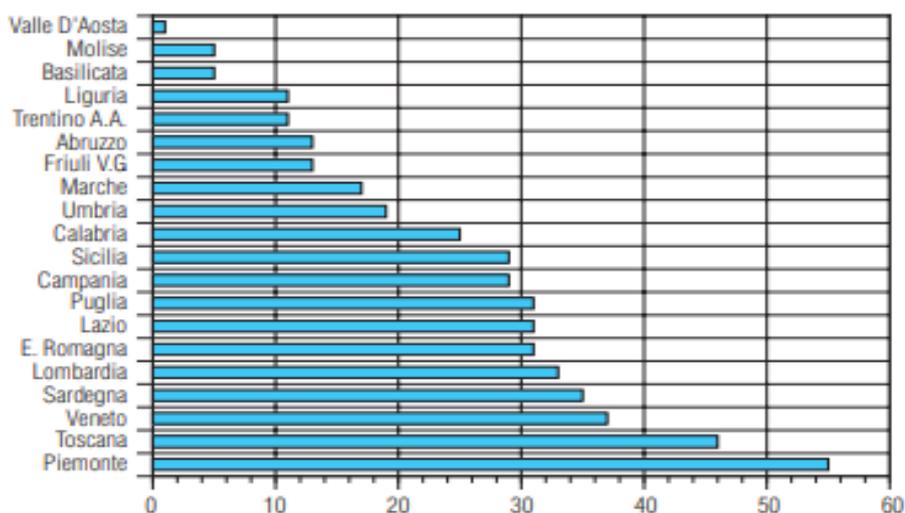


Figure 9: number of denominations by region (ISMEA,2007)

In recent years the consumer and the producers give a lot of importance to the way the wine is made (both in the vineyard and in the cellar), mainly with an eye towards sustainability. Consequently, it is useful to report another distinction of the wine product according to the methods with which the production is carried out.

We have therefore:

- Conventional wines: common wine, produced using chemical and physical plants, recognized normatively;
- Organic wines: we refer to a precise EU regulation, EC Regulation n.203/2012, which regulates the production, from the cultivation of organic grapes (without the

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<sup>21</sup> Rapporto Nazionale sul settore vitivinicolo, (2009)

use of synthetic chemical substances and without the use of GMOs) to the winemaking methods in the cellar, thus setting strict limits to the addition of sulfites (maximum 100 mg/l for dry red wines and maximum 150 mg/l for dry white wines);

- Biodynamic wines: biodynamic wine is slowly approaching success as well, i.e. wine obtained from grapes produced from biodynamic agriculture. There is not yet a standard and/or discipline that regulates its production, but it is being defined at European level;

- Natural wines: in this case we refer to those producers who do not adopt a certification / production standard but intend, without excessive constraints, to limit to a minimum the use of chemical products and perform the work in the cellar following non-invasive oenological practices.

The most successfully sold wines are those with the requirement of geographical origin because for the consumer they are synonymous with high taste-olfactory quality, although in some specific cases table wines can compete perfectly with others in terms of quality. All in all, the presence of strict production regulations and ad hoc rules have given a further impetus and a further guarantee to the product made in Italy. During their boom, also organic and natural wines were found to be important because of the production techniques. This trend is justified not only by better organoleptic perception but first and foremost by the protection of health and environment which those production techniques promote. The first thing that amazes about organic wine is its rapid evolution. This market, in fact, from 2007 to

today has increased of 234% (WSSR Drinks Market Analysis, 2018).

### **1.7 Wine tourism**

Food and wine are certainly keystones of the Italian tourist offer, one of the excellences in which our country is an undisputed "main player" on a global level. Six out of ten foreign tourists come to Italy exclusively for vacations, and of these, many choose the Italian destination exclusively for food and wine. Whether it is the main or secondary motivation for travel, Italian food has had and continues to have an extraordinary ability to attract tourist flows, especially from abroad.

For about 45% of Italian tourists the products of our gastronomy are the first motivation to travel to the Bel Paese: in 2017 there were over 110 million presences related to food and wine tourism (of which 43% are Italians and 57% foreigners). In recent years, spending on a vacation dedicated to food and wine has recorded a remarkable growth trend. The increase was 70 % from 2013 to 2017 and the total expenditure related to food and wine was over 12 billion in 2017, of which about 5 billion spent by foreigners and 7.3 billion by Italians (see Fig.1).

Wine tourism, intended as a sense of experience in which the tasting of wine is combined with knowledge of the culture and traditions of a region with a wine vocation, has always aroused interest in tourists. Wine tourism is a large, complex phenomenon, with different characteristics and articulated in relation to a multiplicity of factors. The definition of Boatto and Gennari (2011) identifies wine

tourism as a "*specialized type of rural tourism, but also a form of cultural tourism, for the research of knowledge of ethnography, archaeology, art and agriculture that implies. It also embraces ecotourism, because of its relationship with the natural environment, as well as health and sports tourism*". This latter definition combines with that of the European Charter of Oeno-tourism, which in its incipit defines wine tourism as "*the development of all tourist activities and leisure, dedicated to the discovery and enjoyment of cultural and oenophile vineyard, wine and its land*". The definition therefore includes the motivation of the stay, referring to the recreational purpose, includes the cultural aspect of wine tourism and gives equal importance to the rural territory and the wine product.

If in the past wine tourism could be seen more as a niche segment, today it has become an attraction for a wide audience composed of both experts and professionals as well as simple enthusiasts and the curious. Our country boasts wine productions of absolute value renowned nationally and internationally as well as a widespread territory extremely suitable from an oenological point of view.

The tasting of wines and the purchase of the same at interesting prices are the most sought-after experiences, but the research shows a strong desire for a richer offer, with the tasting of refined dishes combined with the production of the company, then activities such as tasting at sunset and dining in the vineyards.

Also, tourist grape harvest activities, wellness treatments and sports, artistic and psycho-physical relaxation activities, as well as the possibility to find activities

dedicated to children are very appreciated. This denotes a desire to live and experience the winery through new and more involving ways.

The objective of wine tourism is to stimulate the consumption of wine itself, creating dynamics by which the destination and the journey, on the one hand, allow the knowledge and direct promotion of the wine product. On the other hand, it offers consumers and admirers of the product a direct knowledge of production and territory, as well as a direct communion with the environment, experiencing its atmospheres. The actors of wine tourism have understood how the positive factors generated by wine tourism extend beyond the company itself, involving all sectors of the local economy.

### ***1.7.1 Territorial marketing***

The ability to maintain a competitive advantage over time depends above all on the resources a company can draw upon, and the territory is the place where they are found or created. Moreover, the country of origin and the place of production, as attributes intrinsically connected to a company, contribute to the definition of its identity, of its positioning and of the perception of its image among consumers. This is even more true in the world of wine, where the agricultural nature of the product implies that its production is deeply characterized and dictated by the particularities of the area where the company is located. The link between a wine company and its territory is so strong that it often becomes a distinctive factor on

which to base the competitive advantage on the market. This relationship acquires more value in case the territory has typical and peculiar requirements to be transmitted and shared with the company and its public. The concept of typicality of a product is the result of three dimensions (D'Amico, 2002): geographical, related to the location, raw materials and climatic conditions that affect the production process; historical, which is related to the cognitive value that a product can have as a bearer of knowledge and learning paths sedimented over time and then as an expression of the local memory, vocation and identity of a territory; cultural, concerning the symbols and customs transmitted over time that characterize the behaviour of a people relatively to some habits of life. These dimensions characterize the territory when they present uniformity and harmony within it (Pastore, 2002). Their coexistence gives the product a certain uniqueness and non-reproducibility outside of a given context, highlighting a path-dependent origin, that is, deriving from a precise socio-economic evolutionary path that is difficult to imitate, and, at the same time, transforms a simple physical asset into an element of communication and promotion of a landscape, cultural and historical heritage. The intensity of the link with the territory can vary to the point that it is possible to establish different types of typical products: original products, with only a simple link of image with the area; products made with local raw materials, even if they can be obtained in areas other than the territory of origin; products made not only with specific raw materials, but also through production processes developed in a

specific area and handed down over time. It is in this sense that the quality system of IGT, DOC and DOCG productions must be interpreted. Besides the concept of typicality, the link between wine company and territory can also be read in a systemic perspective focused on relationships and synergies that a company has or can originate with other partners or within the territorial context in which it is inserted. In fact, it is evident how a wine company seeks a certain consonance with its sub-systems belonging to the macro-areas of the chain and identifiable in the activities of agricultural production, winemaking, bottling and packaging, all in a logic of integration and optimization of logistics according to the so-called supply chain management; at the same time, it also interacts with higher-level systemic entities, such as the direct supra-systems of distribution, communication, consumers and institutions responsible for monitoring compliance with the rules, and the indirect supra-systems of tourism, culture, traditions, landscape and environment (Fait, 2008).

The place of production, therefore, has a relevant role in consumer perception of quality.

Many other are the factors for a company to prefer one place to another for establishing their production plant. The business economic theory of production management underlines the factors that should be considered:

1. *Supply factors* (quantitative and qualitative availability of production inputs, comparative cost of production inputs, transport costs).

2. *Institutional/community factors* (public incentives, environmental, social, cultural, ecological, fiscal and legislative factors).
3. *Demand factors* (labour skills, site appropriateness, location image, convenience for customers)

The choice will be towards the place that allows the minimization of production costs, as well as the optimization of services and the maximization of sales revenues.

When talking about the wine market, as shown by ISMEA data (figure 10), Italian wineries are concentrated in the regions with the greatest wine vocation. The regions with the highest production and the largest number of companies operating are concentrated are Veneto, Emilia Romagna, Sicily, Tuscany and Piedmont. Indeed, the location of the bottlers seems to be mostly in the areas of industrialization and commercialization and in the areas where wineries are more involved in downstream processes than the subjects of the transformation phase. However, the location decisions are not completely free from constraints as they strongly depend on the PDO and PGI production regulations, which indicate the area within which the wines can be bottled, as from Legislative Decree 61 of 8/4/2010<sup>22</sup>.

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<sup>22</sup> It requires "the indication of delimited areas in order to safeguard the quality and truthfulness of the wine product, avoiding subjecting it to sophistication or watering".

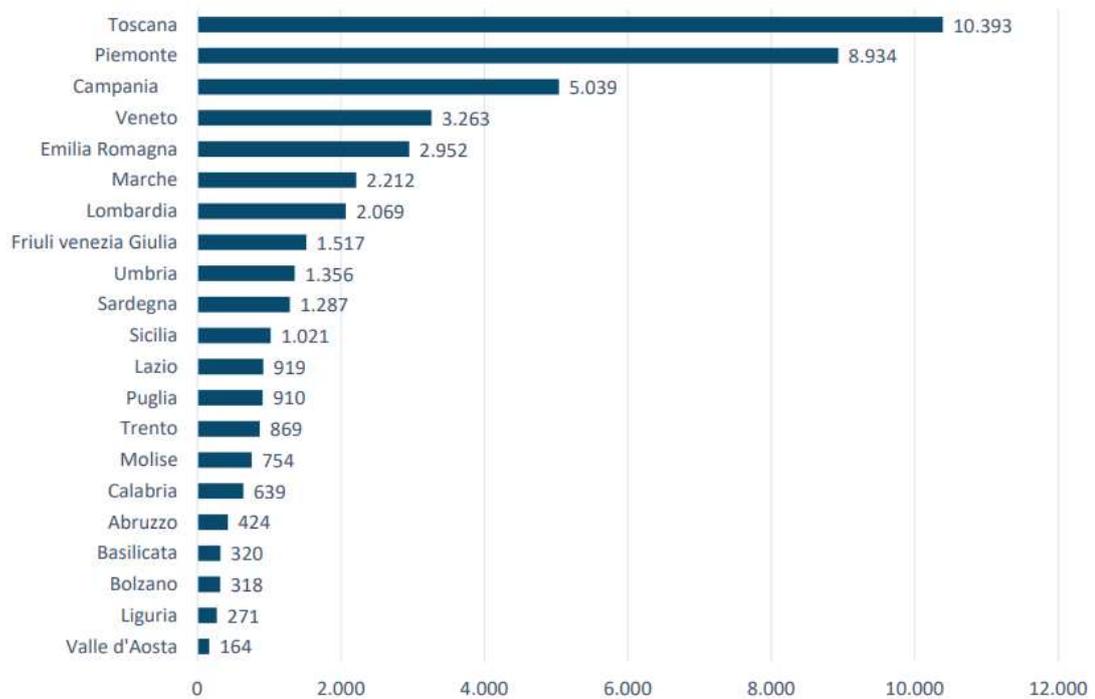


Figure 10: wine producer companies' distribution throughout the Italian regions, ISMEA 2018

### ***1.7.2 Relational and experiential marketing***

Relationships have always been the pivot of society as they are the core of human behaviour, and they also play a primary role in business (think of business networks, cooperation and partnerships). But it is only recently that relationship marketing, a complementary approach to the traditional one based on contacts (relationships), networks (set of relationships) and interactions (the activities carried out within networks and relationships), has developed as an independent strand of study in the field of marketing management. In a context in which the time factor has acquired

a crucial importance for the achievement of competitive advantage, the relational effort becomes the manifestation of a flexibility and ability to manage all the resources and skills of the company; an intimate relationship with consumers then allows to obtain important benefits in terms of loyalty. If in many sectors this new marketing paradigm can be a novelty, for wine companies it is a matter of rediscovering and reinventing a philosophy of managing the relationship with customers that goes back to the tradition of the sector itself: wine has always been in fact an attachment to the land, to its flavours and origins, community, conviviality, interweaving of stories and sharing of passions. In particular, it is necessary to reconfigure the beverage - which remains, however, an essential factor of the business - within a wider and more complex system of offerings, intended as a set of activities oriented to the relationship between the winery and the consumer. Building, developing and maintaining ongoing and lasting relationships with customers means, first of all, knowing and interpreting their rational and emotional aspects, which are not unique and obvious, but multifaceted and difficult to predict; secondly, understanding the characteristics of the consumption experience they want to live. Here we cross over once again into the field of experiential marketing: the way to manage the relationship with the public from the point of view of loyalty is, in fact, the creation of an involving and all-embracing consumer experience; on closer inspection, then, among the factors underlying an extraordinary episode is precisely the relationship. Among the elements that companies can design as part

of an event are precisely the interaction with their consumers and the attribution of meaning to this relationship of reciprocity experienced by the person, that is, his involvement. The aim of a company should be to increase customer involvement in the interaction. To enhance this involvement, it is possible to act on:

- the senses on which the sensory marketing approach is based;
- technology, the Internet (through countless and immediate contacts at very low costs, allows to attract attention, establish a dialogue and co-act with consumers);
- participation, understood as an active and positive reaction of the individual.

Involvement then transforms itself into interaction. This process based on personal attribution of sense, although complex, must certainly be supervised by the company as it represents an opportunity for the creation of a deep bond with the consumer and for the generation of a state of consumer immersion which makes possible the memorability of the experience. The uniqueness of the experience is something that goes out of the schemes and repetitiveness, strengthening as a memory and becoming extraordinary; which is the further factor leading to the achievement of a valuable interaction (De Sanctis, 2009). In the field of wine, the moment par excellence in which it is possible to establish an authentic relationship with the consumer is certainly the one of the receptions in the winery. This

treatment of hospitality, which can take place in the winery, in the reception room, in the restaurant or during a visit to the vineyard, to the cultivations or to the castle according to the structure of the winery, represents a highly participative, interactive and collaborative meeting with the world of wine; in case in such occasion the glass is raised, the highest level of emotional involvement of the consumer is reached. Among the characters that revolve around the beverage, the main one is certainly the producer, who plays the role of witness of the living image of bottles; therefore, the direct contact with the producer becomes a precious vehicle of symbolism and sensations. It is up to him to entertain the public and tell the myth of his winery and its wines during the welcoming process.

## 2. DIGITAL MARKETING AND THE WINE MARKET

In this chapter it will be discussed the evolution of marketing and the shift from the traditional to a digital approach, with focus on the dynamics that govern the wine industry's business online.

### 2.1 From traditional marketing to digital marketing

According to the AMA, “*Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large*”.

Marketing, taking up the similarity of Borden (1984), is a larder from which management should know how to take the right ingredients, in the right measures, and mix them together in a coordinated and harmonious manner, in order to have the best return in economic terms from its own communication activity, in the short and long term. The mixture of ingredients to be amalgamated together, has been grouped into 4 distinct variables to control (McCarthy, 1960), called the "4Ps":

- *Product or service*; the starting point of any business strategy. It must meet the needs of consumers, attract and retain them. The final output must also be differentiated from the competition.
- *Price*, meaning the amount of money the consumer must pay to receive the product. It is one of the most difficult variables to control and

apply, the price in fact depends on many other dynamics, internal or external to the company.

- *Point of Sale* or distribution; the set of activities that allow the product/service to reach the final consumer. It passes therefore from the point sale to the distribution channels.
- *Promotion*; this is perhaps the most important variable, the one by which the consumer becomes aware of the product and/or the firm itself. Today, scholars prefer to replace it with "Communication", meaning a broader approach, no longer mono-directional, from the company to the consumer, but bi-directional, in which the consumer actively participates in the company's growth.

These 4 variables make up the Marketing Mix (Borden, 1984), a set of planned actions, coordinated and consistent with each other to build an optimal marketing strategy to reach its target objective.

This model has been promoted and intensively developed by Philip Kotler that, in his book *Marketing Decision-making* (1971), highlights the shift of companies from product-oriented to market-oriented.

Recently, the model has been enriched with other "3Ps", leading to the current model of the "7Ps":

- *People*; to reach consumers it is necessary to humanize the brand, charging it with emotions and personality.

- *Processes*; meaning all the activities necessary to get the product to the final consumer, in the most effective and efficient way for both parties. From production, to packaging, to the method of transport.

- *Physical evidence*: the elements that make the intangible tangible. Consumers are looking for evidence of the quality of the product or service offered even when the product is not physically present in front of them.

Nowadays the biggest challenge for businesses is achieving their marketing goals in an ever-changing scenario characterized by consumers difficult to be analysed, whose consumption behaviours are difficult to predict and reflects the socio-demographic and economic-cultural changes which featured the 21<sup>st</sup> century:

- Mass customization; possibility, especially thanks to the network, to satisfy the needs of a specific market segment or even to be able to customize an ad-hoc product for a single user;
- Excess production capacity in developed markets; which has intensified competition between companies, not only for products but also for distribution and communication mix channels;
- Globalization of markets; companies must create advertising campaigns and related products, as well as respectful of the different cultural characteristics of the target countries;
- Technological innovation; ICT (acronym for "Information Communication Technology") offers today to the user, a wide range of tools to buy, sell and

collect information about a product or service.

The main character, the keystone of postmodern society, is the consumer itself. It led to a change in the traditional marketing approach, which goes along with a series of innovation that enabled the consumer to be more conscious about his/her role in the purchase (Hennig Thureau et al., 2010; Leeflang et al., 2014).

By traditional marketing Kotler, the milestone of the marketing studies, meant: "that social and managerial process aimed at satisfying needs and requirements through processes of creation and exchange of products and values. It is the art and science of identifying, creating, and delivering value to meet the needs of a target market, while making a profit".

Consumers, tired of being persecuted by the hammering mass advertising, were no longer sensitive to the marketing actions of companies and, indeed, became almost irritated by them. The social and human needs Kotler spoke about, in fact, had to be reviewed in a playful and emotional key. A less "corporate-centric" and more *customer-oriented* approach was needed.

Business is moving towards inclusivity: technology, through automation, by lowering product costs allows companies to serve newly emerging markets by enabling the poor to purchase cheaper products. It also works the other way around: with reverse innovation, new products can be developed and introduced in emerging markets before being sold elsewhere.

The flow of innovation that was previously vertical (from companies to the market)

is now horizontal. In the past, companies believed that innovation had to come from within, then realized that the pace of internal innovation was not high enough to make them competitive in a constantly changing market. Today, innovation is horizontal: the market provides the ideas, companies commercialize them. Similarly, competition is also shifting from vertical to horizontal because of technology. With the internet, small companies are making their way into areas they might not otherwise have been able to enter.

Customer trust is also no longer vertical but horizontal. In the past, customers were easily influenced by marketing campaigns. But recent research shows that most customers now believe in the "F-factor" (Friends, Families, Facebook fans, followers), almost all ask advice to complete strangers on social networks and trust them more than advertising and expert opinion (Berthon, Pitt, Plangger, & Shapiro, 2012). The relationship between brand and customers should no longer be vertical but horizontal, the company must treat customers as its peers and friends.

In recent years, technology has occupied more and more space in our lives, leading to the creation of a virtual world, new languages, a new way of living and a new era that involves everyone. In a short amount of time, the Internet has become a widespread tool everywhere, starting from offices and ending in the homes of more than ten million Italians, which are increasing more and more, as shown by the latest surveys. Millions of people daily consult the e-mail, continuously search information on the Net and become part of "virtual communities". They face a new

world, read newspapers, download electronic books, buy goods and services online, and even training is passing through the Web becoming e-learning. The places of our daily life are becoming more and more "virtual" and offer us their traditional services also via computer, compressing more and more the times. A new way of providing information was created, but in order to understand the Internet phenomenon one must have a global vision of all aspects of information. The world around us is changing, so much that never in history have humanity has witnessed such a radical and profound transformation. The telecommunications sector is transforming everybody lives, distances are reduced or cancelled, and traditional personal computers are increasingly replaced by network computers. The great Net is not only revolutionizing everyday life, but it has also modified many other aspects of the reality that surrounds us, introducing new technologies and new forms of communication. New terms, previously unknown, are becoming part of our vocabulary, among which we cannot fail to mention that of "digital" now used in all areas and aspects of our lives. This whole process of transformation is often referred to as the "digital revolution", a revolution with characteristics and connotations different from others that affect not only the technological aspect, but brings with it cultural, social, political and economic consequences. The digital revolution aims to change the global functioning of society and life, trying to improve all aspects related to it (Rouse & Pratt, 2017).

The tools of web become therefore fundamental e-tools for marketing manager

(Weinberg & Pehlivan, 2011). There are some sectors where this revolution has already been embraced, such as the tourism sector, where online booking has replaced telephone booking, with the birth of platforms that help users find the best accommodation. Other sectors, however, are now understanding the possibilities and opportunities offered by the web and begin therefore, to position themselves in the market. This is the case of the wine sector. It has emerged that there is a percentage of wineries that do not yet invest in the digital channel and if they do, they invest derisory budgets.

Given the sociocultural and technological changes that have resulted from the digital revolution, we can see digital marketing as the other side of the coin from traditional marketing. Digital marketing is nothing but the reworking of a strategy for achieving business goals that involves the use of technology and digital resources (Kotler, 2017).

Thus, the use of digital technologies modifies some of the aspects of traditional marketing, first and foremost the 4P's model. From this new perspective, the "7Ps" model needs to be reinterpreted embracing new dynamics of consumption and promotion.

In a connected world, the product is not simply offered to the customer, but is co-created with him. In fact, companies are developing product development strategies in which the potential buyer appears as an active part of the process, personalizing products and services and thus adding value to the result.

Also, the strategy tied to the price evolves: the pricing therefore adapts to the markets, but also to the target of consumers. The prices fluctuate like the currencies, thanks to the possibility to analyse the big data, going to customize also to the habits of the final consumer.

Once the product has been conceived and the price defined, the best channel to reach the buyer must be decided. This phase also changes for instance the services offered by Uber or Airbnb, companies that lend themselves as a channel to facilitate user access to goods and services that are not their own. This is a peer-to-peer access, in which companies play the role of mediators within a community that becomes essential in order to "activate" the sale.

Finally, promotion becomes more of a conversation: what we will see later as the promoter of the advocacy phase. The promotion is done through the web, social media become fundamental sources of information: the message that was previously launched in a univocal way, now becomes the activator of a conversation about the product/service, which allows the potential customer to acquire the necessary information. Just think, for example, of online reviews.

This new paradigm of the 4Ps has been redefined by Kotler as the 4Cs model: *cocreation, currency, community* and *conversation*. This new vision lays the foundations of marketing 4.0, a vision linked to the strategic integration of digital marketing with the traditional one, as a fundamental tool for companies to put themselves and relate within society (Kotler, 2018).

Digital marketing goes beyond the concept of the Internet and refers to a concept that concerns the set of habits, behaviours and expectations of a modern customer who lives and interfaces with these dimensions, so it consists of a set of activities that through the use of digital tools, develop marketing campaigns and integrated communication, targeted and able to generate measurable results that help the organization to identify and constantly map the needs of the demand, to facilitate exchanges in an innovative way, building with it an interactive relationship that will generate value over time (Mandelli, Vescovi, 2003).

## ***2.2 A new path to purchase: the 5 A's model and the customer lifecycle***

The demand models that explained consumption up to fifty years ago are not adequate for understanding current consumer behaviour. Demand was once determined by price and income. Preferences could be easily predicted on the basis of demographic factors. The changes that completely transformed society during the twentieth century disrupted these patterns, making preferences extremely varied and unpredictable. Overlapping stratifications and differentiations have produced numerous segments and niches of consumers that are extremely diverse and constantly evolving. Income, demographic variables and even lifestyles are no longer enough to categorize consumers (Fabris, 2003).

Behind every purchase the consumer goes through a process: the buying process

(Kotler, 2007). The old marketing model presented a 4 phases process, representing a linear path with a funnel shape. The theoretical model of the 'aida' (attention, interest, desire, action) is revisited many times over the years to arrive at the model of the 4As:

- *Awareness*: indicates the moment of discovery of a brand or a product.
- *Attitude*: indicates the inclination of the customer towards that brand or that product generated from the answer that it gives to the own needs according to a scheme of personal values.
- *Act*: represents the purchasing action in itself.
- *Re-act*: based on the previous experience, the customer may or may not decide to repeat the purchase.

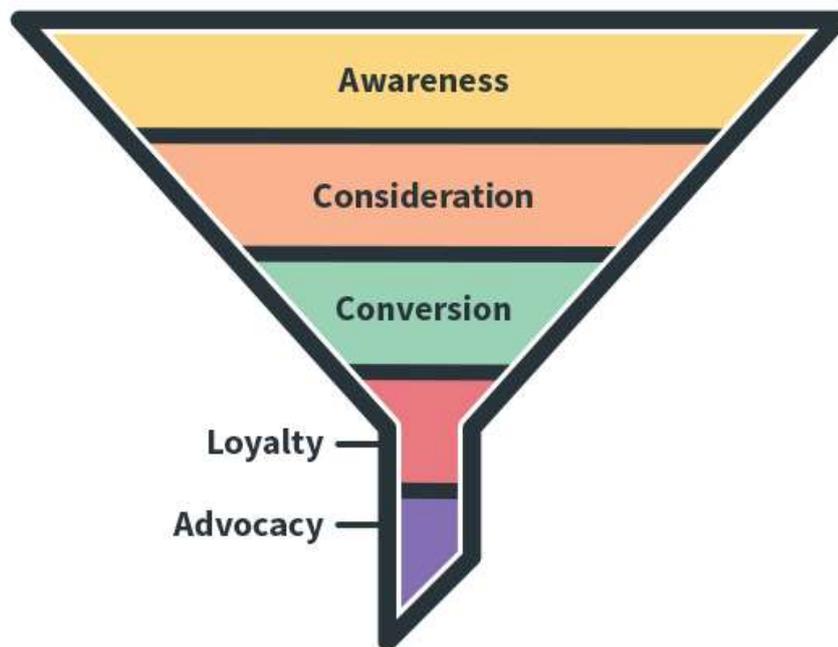
Considering the existence of a highly connected society, the theoretical model of the 4As is readjusted. The role of marketing is thus modified, becoming a tool to accompany the consumer at each stage of the customer journey in the interconnected world (Kotler, Kartajaya, & Setiawan, 2017). Therefore, it is possible to talk about a model of the 5 A's: *Aware, Appeal, Ask, Act, Advocate*.

- The first stage (*Aware*) describes "the first contact" with a brand: the potential customer must become aware of the brand and its proposition in a sea of brands;
- The second stage (*Appeal*) describes the fact that the potential customer, at some point, decides to express his interest in only a few of these;
- The third stage (*Ask*) describes an active interest (intention) that manifests itself

in the search for more in-depth information about that brand.

- The fourth stage (*Act*) is the one in which the purchase is made, the use of the product or the fruition of the service is perfected, and the after-sales service is experienced.

- The fifth stage (*Advocate*) is where the customer repurchases, recommends and recommends the brand to others.



**Figure 11:** the customer funnel, SPROUTSOCIAL

It often happens that the customer journey is not linear, or that sometimes some stages are skipped. In order to understand the funnel model, it is necessary to frame it in the specific context in which it developed. Before the Internet, company's

approach to the market focused on push strategies, basing on a broadcasting type of communication logic, the one-to-many model, typical of mass communication (unidirectional communication addressed to passive audience). The function attributed to marketing in this context was, in essence, that of intercepting the consumer during the purchasing process, through the main channels of communication (television, radio, press, in-store communication, etc.), in order to direct him towards the choice of a specific product.

This linear, one-way model has been overtaken by the advent of new technologies and the spread of the Internet, which have determined the transition to a new paradigm. The exponential increase in the offer of products and services associated with technological evolution, the fragmentation of the media and the consequent multiplication of the touch points between the consumer and the brand has radically changed both the purchasing behaviour of the consumer and the way in which companies do business. With the advent of the Web, the consumer is no longer a passive user but an active and interactive player in the purchasing process, able to influence the purchasing decisions of other consumers.

This new context makes the path to purchase less and less representable as a linear path structured in an ordered succession of phases. Instead, the decision-making process in the digital age increasingly resembles a circular process in which all phases of the funnel influence each other and contribute to the achievement of the

result. What counts, in the end, is the customer experience, which is formed through every single moment of their interaction with the company. The customer experience, is "the internal and subjective reaction of the customer to any direct or indirect contact with a company" (Meyer and Schwager, 2007). The stages of the funnel are no longer sufficient, and companies need to create trust with potential clients from the very beginning. That is the reason why it urges adding a pre- and post-sales phase to the original funnel.

At this point, can be taken into consideration the omni-channel communication. It is a marketing strategy based on the involvement of its audience through all communication channels of a business (Neslin and Shankar 2009), both offline and online. In fact, users today use many different touchpoints before completing an action.

They first see an advertisement on their smartphone. Then they visit the brand's website from their computer. They sign up for the newsletter and receive an offer via email. They check it on their phone, start putting the product in their cart, but don't complete the order.

A post on a social network reminds them of the promotion and at that point, they go back to the site with their computer and complete the purchase.

In this regard, in an omni-channel environment the most critical interaction is not with the channel but with the brand (Piotrowicz and Cuthbertson, 2014). Omni-

channel marketing is based on two key areas, how customers obtain information and how transactions are made (Bell et al., 2014).

The customer lifecycle is a similar path to the sales funnel, but with some distinct differences. It is, primarily, about taking into account the new role of consumers. In fact, today, customers are proactive and have very high expectations. What they are looking for is no longer simply a product, but a solution. A way to forget about problems and satisfy their needs.

Keeping in mind that the customer lifecycle is nothing more than an evolution of the customer journey, our model will modify and expand the four phases seen above:

- Awareness. This is the phase in which prospects<sup>23</sup> become aware of a business. This is when a business' relationship starts to be built, which can happen on the web, on a page, in a blog, on social media, through offline advertising or by word of mouth;
- Engagement. When a prospect finds the company site, he can show his interest through different types of actions. He may start following on social media, blog or podcasts, he may sign up for newsletter to receive special information and promotions;

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<sup>23</sup> a potential customer

- Evaluation. People do a lot of research before completing a purchase. This process can take many weeks or just a few minutes. Either way, this is a fundamental phase, because with the right activities, a company will be able to give them the right push that will lead them to become real customers. The best way to do this is to make all the information they need to proceed to purchase available to them. Users want to be able to solve all their questions on their own, but it's also good to be available by phone or live chat;
- Purchase. At this stage the prospect-user has made a decision and is convinced to complete the purchase. It is crucial for a company to provide information about how other customers have found service and product;
- Post-purchase. This is a crucial stage in the customer lifecycle and the success of a business. In this moment customers test the product and after-sales support. What is necessary at this point is make it clear for a company that the established relationship needs to be maintained in the future;
- Loyalty and Advocacy. After the purchase customer may need support and valuable content. This will make it easier for them to come back and re-purchase, becoming loyal customers and even volunteer promoters of a business will come back to buy, but most important, a satisfied customer can turn into a promoter.



**Figure 12:** the customer lifecycle, alexa.com

### ***2.3 The 5S model: a strategy development***

Once the customer journey is outlined, the company understands the points which need to intercept in order to get to the customer. The 5S theory is a simple way to plan a digital marketing strategy, designed by Dave Chaffey and PR Smith (2017). This theory helps brand or company creating a digital marketing strategy that could increase their profit.

The 5S stands for:

- *Sell* - Grow Sales: this is the main goal that drives the strategy, as increased sales cause increased profits. Brands can start selling online not only through a proprietary e-commerce site, but also by activating the digital channel through marketplaces such as Amazon, eBay, online distributors

(dropshippers or other Internet sites), intermediaries such as outlets, and so on. Brands can also offer their customers services to increase sales, for example, by offering free delivery when they buy online.

- *Speak* - Get closer to customers: talk to their customers through social media, corporate blogs, content marketing, newsletters and so on creating a detailed conversation that answers all customer questions or can help understand what needs customers have. If a company really understands a customer's interests, attitudes, and behaviour, then it will get or give better responses. And it will also help building a better relationship with customers.
- *Serve* - Add value: serve the customer and make him participate, involving him in other aspects of the business relationship so that he can exchange information with the company and can stimulate the phenomenon of virality. This step is fundamental for a brand to stimulate advocacy, word of mouth, but also to be able to offer targeted services minimizing the possibility of customer dissatisfaction.
- *Save* - Companies need to know the value obtained by digital marketing: save money through disintermediation projects, cost efficiency initiatives and warehouse charges: digital is a lever at the service of logistics, production and distribution.
- *Sizzle* - Extending the brand online. It is about building the brand online,

making the added value visible even through complementary services (Chattey, 2018).

Digital marketing, therefore, should be understood as a series of approaches aimed at maximizing profits by creating relationships with customers through the innovative use of technologies made available by the third industrialization.

Many e-marketing tactics can be used. It's up to the company to decide which one is best suited to its business objective, considering the expectations and needs of the target audience, and integrating them with each other.

1. *SEO*: Search Engine Optimization is the practice used to achieve organic rankings in search engines (Google, BING, etc.). Companies should be concerned about good structure of pages, easiness to find posts with the volume of pages, posts of personal website or blog contents, as well as partnerships to get links to the website (which increases its relevance). Indeed, according to a Study conducted by Google in 2014, 71.33% of users do not go beyond the first page of search results and of this, the first 5 SERP<sup>24</sup>, get 67.6% of total clicks. This is where we need to be present, and to do this it is necessary firstly, to optimize the code of the site during its construction and secondly, to optimize in the internal content of the website. All this is done through a scrupulous selection of Keywords, meaning by

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<sup>24</sup> Search Engine Results Page

them, the correspondence of what targeted potential consumer may be looking for in the search engine.

2. *SEA*: it is an acronym for "Search Engine Advertising", also defined as Keyword Advertising. SEA consists in the possibility to buy visibility spaces, inside the search engines, for searches and partner sites related to the product or market of reference. This allows brands to bring qualified traffic to the website and pay only on the basis of user actions. This type of strategy is complementary to SEO because it gives short-term results. The most popular services that use this type of model are Google AdWords and Facebook Ads. In both, a company pays per click received, that is why it is also known as PPC. When starting a business online, Google ads help boosting the online presence, in the meanwhile a company should just work on implementing and improving the SEO.
3. *Email Marketing*: Another very famous practice in the world of digital marketing is email marketing. This strategy is still one of the most widely used and most successful. Making email marketing campaigns means getting the email addresses of customers and potential customers to send them, regularly, information about the business. Usually, this strategy is very much related to content marketing.
4. *Inbound Marketing* or content marketing: Using content marketing strategies means companies are creating posts, videos, e-books, and other

contents in order to help interested customers in the purchase process, trying to attract them to the brand. This is usually generally associated with blogs and social media.

5. *Affiliate Marketing*: The digital affiliate marketing strategy consists of finding websites and influencers that speak to the same audience as the company's, which can advertise a product under commissions. Also known as Influencers marketing, it is quite common among ecommerce business and is a strategy that helps within SEO, as it generates links that recommend the company website.
6. *Social Media Marketing*: it is a form of marketing that uses social network websites and applications as marketing tools. Among all the types of marketing practices, this is probably the most recent. It has started to raise in recent years with the growth of Facebook and all other social networks. It is closely associated with content marketing strategies and also, as in the case of Facebook, for performance marketing campaigns. Providing a content on the networks spread organic researches, or even sponsor it can increase reach. Owning accounts in social media applications like Instagram, Facebook, Twitter or even to have their website page so customers can know more about their products and write their reviews will help the brand to develop more touchpoints with the customer during his journey.

#### ***2.4 Online targeting in the wine sector***

As with the offline world, any company online needs to be present where actual or potential consumers are. It is therefore necessary to understand what the target audience of an e-wineries is.

Taking into account the internet population (34.2 million Italian internet users<sup>25</sup>), the Instat statistics and the peculiarities of the wine product, the ideal wine consumer profile has the following characteristics: age between 25 and 74 years old, male, graduated or with at least a high school diploma<sup>26</sup>, medium-high knowledge about wine, moderately competent in the use of the services offered by internet.

This refers to individuals belonging to the so called "Generations X and Y". If Generation X, has faced the cognitive and technological revolution of internet at a mature age and has learned to live with it, Millennials have grown up with it. The latter, in fact, is sociologically recognized as the "Connected" generation and are the protagonists of the sharing economy. Generation Z, that is represented by those who reached the mature age only in 2014, represent the "Hyper-Connected" generation, but they do not seem to have enough wine knowledge to buy wine

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<sup>25</sup> Audiweb, 2018

<sup>26</sup> INSTAT, 2017

online.

Therefore it is essential, first of all, to be present on the web with a website having a persuasive design, simple but creative, secondly, in order to use internet as a sales channel, it is useful to build an e-commerce, or decide to distribute (e-Placement) one's own bottles, on dedicated platforms (tannico.it, Svinando, eBay, Amazon, etc..).

The choice of the online platform depends on the business strategy adopted and the budget to invest in web marketing. Proprietary e-commerce is suitable for wineries whose brand is already known or which can rely on external resources (web agency) for the efficient and effective construction of their e-commerce site. Moreover, it allows a direct point of contact with their target, reducing the distance between consumer and producer (33% of wineries consider this a strong advantage of the online channel). Relying on e-retailers or marketplaces, on the other hand, is a good starting point to increase one's online brand awareness and becoming familiar with the web.

It is essential to optimize it in order to bring traffic to the company website or e-commerce and to be present in the places where the target audience searches and shares information, as well as in the devices most used to access these tools.

## **2.5 Digital marketing for relationships development: B2B and B2C**

The markets, that is where demand and offer meet, can be of two types: customer market, where the customer is generally the consumer, and market business to business where the customers are the organizations. Those markets are also known as business markets. Although the market of the organizations is characterized from an enormous number of products and from a volume of business much larger regarding the market of consumption, the two are common because there are in both persons who assume the role of buyer and therefore take decisions in order to satisfy a determined need (Kotler). To define the b2b market, however, it is not sufficient to compare it with the b2c market, because of its complexity and variety: exchanges can be simple transactions or complex partnerships, the products being exchanged can be materials, capital goods or services, the players can be small businesses or multinationals. Internet turns out as an optimal instrument for the search of new suppliers, to lower costs and fasten purchasing. In addition, companies use the Internet as a connection tool for sharing marketing and sales information, for providing support and creating relationships. Communication in these markets can have various purposes, including making the company and its identity known, conveying its capabilities and potential, making its financial soundness perceived, or presenting its goods and services to the market. Each objective requires a different form of communication, which must be well thought out and planned, and

must be able to convey clear, credible, consistent and information. If these principles are not followed, the communication will be superficial and therefore not credible to the client audience. In the B2C sector, customers themselves appreciate and want to buy comfortably from home; therefore, e-commerce sites must convince the purchase, which for example can derive from a good display on various devices, the ability to pay with reliable systems, the convenience and simplicity of the site and clear return and refund policies. In a B2B approach it is important to consider that suppliers and partners are business owners, and therefore primarily interested in the final profit.

Although business between organizations often uses tools such as email or phone calls to reach agreements, e-commerce is often created to save time and money. To talk about communication in the digital world, the idea that there is no longer a separation between the two approaches is becoming increasingly concrete: purchasing decisions in business are made by people, so they are subject to human factors that eliminate the possibility of making completely objective choices. "There is no more B2B or B2C: It's Human to Human," says Brian Kramer, who in 2014 also published a book based on the idea that products and companies don't have emotions, people do. According to Kramer, people want to be excited, they want to understand and feel included, they want to be part of something great. Therefore, it is considered necessary to humanize the brand, creating a personal and customized relationship between company, suppliers and customers, promoting

conversations and not simply sharing communications; it becomes important to tell stories, not write texts. The real idea behind this approach can be summarized by quoting Dharmesh Shah, co-founder of HubSpot, an American platform specializing in Inbound Marketing: "People don't buy from companies; people buy from other people, so solving people's problems is the smartest primary objective a company can pursue" (2014). Benefits of implementing a strategy that formulates messages from context, where the scenario helps to better explain ideas, include: a sense of trust and confidence conveyed to customers, increased chances of creating lasting and effective word-of-mouth through the ability to develop long-term relationships, and the increased ease of listening and understanding to users. By applying Human to Human, the company moves towards the transformation of the target into personas, i.e. accurately profiled consumers on which the communication strategy will be based. It can be defined as the next step in customization: personalized marketing aimed directly at the personas in question, who are placed at the centre and actively involved through continuous interactions between content and brand. The customer must feel important and should perceive that he is an accomplice in the company's growth. It is essential to convey understandable information, created ad hoc and based on accessible and verifiable information, and on real facts, which are consistent with the context in which one is inserted; consistency is necessary in all company dimensions, and not only with respect to the product, but also in marketing channels and employee behaviour.

## **2.6 Digital marketing for internationalization**

Traditionally, internationalization referred to the process of a company expanding into the international market (Welch & Luostarinen, 1988). The concept of internetization, on the other hand, is an evolution that includes internationalization, but with greater value and speed than before, thanks to the greater use and reliability of Internet-related technologies and processes, without which modern production and international competitive trade would have remained decidedly ineffective, if not impossible. Through the use of the Internet, then, internationalization enables companies to create greater value and productivity, which leads to faster and more intense growth. Internet-based technologies and processes have, in fact, become the backbone of internationalization and are enabling the delivery of higher value to the far corners of the world and far beyond the limitations of the past (Etemad et al., 2010). Moreover, international competition nowadays depends on a set of international transactions, which includes the integration of production processes and internal and external relations, and whose distinctive feature is that most of the information is acquired and transmitted online through the web and related technologies. Internetization has also become the information infrastructure needed for internationalization in the web world, which is rapidly overtaking and gaining centrality over internationalization in the offline world. In contrast to the legally and culturally fragmented world and physical space, the web space is free of major

fragmentations and barriers, at least for the time being. In any case, the 45 experiences in the offline world have been the basis of everyone's perceptions, actions, and learning for a long time and have formed the way we evaluate things - conventional internationalization cannot be an exception to that rule. In much the same way as the disorienting experience of overcoming cultural barriers in the real world, entering the land of the web could cause confusion and bewilderment for those unaccustomed to navigating the Internet. Despite this, there are many companies that have decided to make strategic use of the world of the web, improving their knowledge of this tool in order to take advantage of the opportunities it offers, such as the volume and speed of information circulation that it allows. As a result, the world of the web is increasingly becoming a familiar and useful environment for the global population, regardless of one's initial orientation and whether one is used to surfing. Evidence suggests that the two worlds are increasingly overlapping and intersecting, benefiting all citizens and businesses, especially SMEs (Etemad et al., 2010). The growing importance and penetration of User Generated Content in Web 2.0, coming from places that are geographically very distant from each other and exploited in a skilful and strategic way at the enterprise level, are increasingly making internetization a necessary condition for the internationalization of SMEs (Etemad et al., 2010), although not yet a sufficient condition in itself (Souitaris & Cohen, 2003). In this context, it is possible to perceive a growing pressure, especially on SMEs, to rely on the Internet for their

internationalization activities, and the use of Internetization is therefore widely seen as an indispensable tool for them.

### ***2.7 Digital marketing for brand reputation***

The concept of Reputation has been extensively examined in studies on business operations, but has gained strength following the scandals of 2001 (Enron, Worldcom, Arthur Andersen, etc.) and 2007 (Lehman Brothers in the lead) after which the financial markets have included the intangible components of sustainability and integrity in the ratings of company value assessment (e.g. Dow Jones Sustainability Index) and have inspired the legislation in force, well represented in Italy with the launch of D. Lgs. 231/2001 and subsequent updates. The term is back in vogue, in a new guise, with the growth and spread of digital technologies that have revitalized its importance and meaning, assuming reputation as a basic assumption of the quality and intensity of interactions and exchanges - monetary and otherwise - on social media and the network. Fombrun defines reputation as "the perception of a company's past and future actions that determine its overall attractiveness in the eyes of its stakeholders, compared to its main competitors". The concept of corporate reputation therefore refers to a process of construction and sedimentation of the evaluation that a subject or a group of subjects expresses on another subject or group, within a given community. From this point of view, reputation can be considered as the index, detectable collectively,

of the reliability of a subject, constructed on the basis of one's own direct experiences and the references obtained from other members of the group.

Another important aspect, to be considered at this point, is that reputation is not a static and absolute value, but changes and evolves over time. The dynamic nature of reputation is emphasized here, highlighting its relationship on the one hand with the behaviour and results achieved by the company (Roberts, Dowling, 2002), and on the other with the evolution of social culture and common feeling regarding certain general issues (e.g. the environment, immigration, health, gender equality, poverty, unemployment, corruption, etc.) on which a company can have a more or less strong impact.

It should be made clear that it is not enough to just apply a few online tools to achieve the result and improve. Businesses initially viewed the Internet as a medium in which to be present in the same ways as in traditional marketing. The sites were online brochures in which to affirm and consolidate their corporate identity and that of their brands. Then the Web was explored as a real sales channel. This is the phase in which sites dedicated to the sale of books such as Amazon and auctions and sales such as eBay become established. E-commerce, on the other hand, is considered interesting by organizations mainly because of the ease of access and the possibility of reaching a wide target audience without significant investment. Consumers have begun to experience brands as a way of expressing themselves and some companies have been able to perceive this trend and transform it into a new way of approaching

the Web and beyond. The role of marketing is undergoing a profound transformation, brands can no longer expect to tell and sell through the levers of traditional marketing and communication and to obtain satisfactory results, they must try to build a relationship with their target audience through the creation of experiences that leverage involvement. Building a brand is very important in the world of wine, as consumers today are faced with an excessive number of choices (Nowak, 2008).

The wine sector seems to be predestined to benefit from social media in a special way; this is because wine drinkers often have an opinion and are inclined to share it with other people. Therefore, the transformation of communication occurred in these years and the level of interaction in social media certainly offer new and wide opportunities to the world of wine. Today it is much more likely that consumers are influenced by some social networks rather than by a testimonial in an advertisement (Poynter 2008). Moreover, a study published by DEI Worldwide in 2008, highlights how 70% of consumers who visit social media do it to get information about brands or products, with 49% of them deciding to buy based on information found in social media. Lavarie (2011), also states that most consumers use social media as an alternative to search the web; in fact they can find a lot of information and feel safer and more comforted when they read, for example, about past experiences from other consumers. Companies, therefore, need to be able to manage this information and choose which of it should be visible to the public.

Based on research conducted by Szolnoki, Gergely, et al (2011), a set of different uses of social media was developed. The results show how brands engage in social media by following 3 types of orientations

Orientation 1: Event and visitation focus. These are event and visitation focused brands, with significant promotion of both off-site and on-site events, concerts, available services, tastings, and embedded features. In this case social media is also used to inform about bookings, availability and pricing.

Orientation 2: sales and promotion focus. The second type of usage involves focusing mainly on sales and discounts. In addition, brands or companies use Facebook to inform consumers about product availability, incentives, wine reviews and rewards.

Orientation 3: Customer relationship focus. Wineries use social media to develop a sense of community and to build a relationship with consumers. Some frequently use photos posted on the fan page of their facility or surrounding landscape or staff, representing the brand's culture and philosophy. Brands also often demonstrate concern for the environment and the region and promote and share other local businesses, charities and events.

### ***2.8 Italian wine companies through digitalization***

According to a research conducted by Omnicom PR Group Italia on the 25 Italian wine companies by turnover, "*The digitalization of the wine sector is proceeding*

*with intensity, also as a response to the pandemic that has severely tested restaurants, exports, tourism and the physicality of places of consumption and sales. In addition to the consolidation of social channels, often accompanied by the choice to outsource e-commerce, we have witnessed the creation of new online formats for tasting".*

Instagram continues to grow compared to all other social, with an increase in aggregate followers of 51% compared to 2019, also favoured by the role of influencers in the telling of experiences. Facebook, on the other hand, records a growth of 1.2% when talking about fan base for the analysed brands while the weekly update frequency remains unchanged compared to 2019. YouTube is manned (with little intensity) by 11 companies while Twitter by only 9. Wikipedia, on the other hand, very useful also in terms of SERP<sup>27</sup>, is manned by only 3 wineries.

After the growth recorded in 2019, with the passage from 3 to 6 wineries out of 25 offering a proprietary e-commerce, 2020 is marked by stability. Part of the wineries (8 out of 19 not equipped with proprietary e-commerce) prefer to indicate on their sites wine shops, some of them equipped with online wine shop, where it is possible to buy and taste products. Although brands still want to accompany the consumer

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<sup>27</sup> Search Engine Results Page

along the whole purchasing path, when this is not possible, "qualified" third parties are suggested.

The COVID-19 pandemic has led to an improvement in the user experience of some sites, conceived until now to be just a showcase of products (only 8 out of 25 have a score higher than 7 on a scale of 1 to 10).

The contents range from descriptions of autochthonous vines, to which are sometimes dedicated in-depth pages on the site, to tasting and pairing itineraries, touching in many points issues related to territory, sustainability and social responsibility.

Languages used for online wine communication are mainly Italian and English, followed by German, Chinese and Russian, witness the great influx that these countries guarantee to the Italian wine tourism sector.

Few companies are equipped with chat or chatbots, useful for the management of information requests from leads, in many cases those who make use of them on their social channels, manage them in a not very effective way, greatly lengthening responsiveness times.

What is important in social media marketing for wine is to have a very clear plan: to understand which social media to choose, what kind of contents to post, to make well-reasoned Ads and, above all, to control campaign data with a final report. An operative plan must therefore be

- Measurable

- With a deadline

- Well framed

The importance of the final data analysis should never be underestimated: Facebook and other social media provide an analytical part where a company can monitor the progress of campaigns and content. This makes it easier to understand what the target audience likes the most.

### **2.8.1 Website**

Creating a website for wine producers is important for many reasons. First, the website is the first official contact of the client with the brand, and therefore with the winery; here, people can retrieve the main information about the company and the offer they provide. The website for a winery, moreover, also strengthens the brand identity: through the organization and the style, the customer can perceive the brand philosophy. Finally, the website allows to start a process of inbound marketing (SEO): it will be the customers who will find the company in the moment in which they are exactly looking for the product that the company proposes.

A site generally consists of 5 essential pages:

- *The story*: the about us section is the most visited section of a company's website.

The potential customer wants to know what is behind the birth of the company, what it does and how it does it, for how long. Often in this page there are also short presentations of the founders of the company, just to want to shorten the distance

of the business and humanize the digital medium (kotler, marketing 4.0)

- *Products*: the visitor to the page will want to know what products the company sells. The more precise the information about the product, the easier it will be for the visitor to choose. In the case of wine, it is essential not only to outline the production specifications, but also to explain how they are produced, list any certifications or awards, and suggest olive oiling to the customer, who will select the wine based on their needs without too much effort.

- *Additional services*: especially in the world of wine production, it is important to present a page dedicated to events, fairs and organized visits or tastings

- *Contacts*: giving visitors the possibility to get in touch with wineries is essential in order to create a relationship with them. This is a fundamental page because it is often visited by users who want to get in touch with the company. In this section should be found phone number, email (or contact form), physical address. For greater truthfulness and to allow the visitor to assess the brand visibility, which is often synonymous with quality in the eyes of the consumer, a contact page should contain information relating to: social profiles, link to the FAQ with the suggestion to visit the FAQ page, a reference to the possibility of subscribing to the newsletter, the google map with the reference to the google my business tab.

- *Reviews*: a potential customer is more likely to seek information and ratings from peers, which are considered less "corrupt" sources than self-referential business content. For this reason, the reviews/what they say about us page or section is

important in the winery's website, because it aims at reinforcing the positive belief of the visitor, but also to prevent him/her from abandoning the site.

### **2.8.2 Blog**

The word blog is an abbreviation of "web log" and indicates a self-managed website where news, information, opinions or stories of any kind are published in real time, displayed in reverse chronological order. The blog is an instrument of free expression, a middle way between the personal homepage and the discussion forum that keeps track of the interventions of the participants. It can have many functions as it can be used for personal purposes as an online diary constantly updated or alternatively it can be a tool for virtual aggregation between people who share a certain interest, they have been successful for their simplicity but especially because they are the best interpreters of the founding values of the Internet, such as ease of access and the ability to share with any user their ideas and experiences. The blog is a website published on the web that allows to create and share content in text, audio, images and video format using a dynamic way of publishing content. These spontaneous contents, written within one's own blog, sometimes become a reference point for other users who wish to inform themselves about such topics; in this way some bloggers gain a certain web reputation. The published articles can be commented by anyone and, therefore, they become frequented spaces for discussion that can also lead to the success or failure of a product or a company. A blog is

characterized by simplicity in the insertion of content without the need of special technical knowledge. Contents are generally organized in chronological order, from the most to the least recent, with the possibility to comment, and often presenting hyperlinks to related sites and blogs or links used for daily updates.

A very important tool for easy navigation within blogs is the tag, which is a keyword that is associated with all the articles that deal with that topic in that blog, facilitating the reading of pages that share the same theme.

Blogs can also be managed by companies themselves and are suitable for both SMEs and large companies. However, in this case, it is necessary to keep them active by updating them periodically with interesting content and monitor any comments from users to respond promptly.

Also, in this case, contents must be coherent: in case they talk about wine, they tend to publish news or articles about it, whether they are from the agricultural world or related to health, or even to food.

### **2.8.3 Newsletter**

The newsletter is an electronic mail message that is sent periodically and free of charge to those who have requested it, generally through online registration. It is a tool for transmitting news and information to a variety of subjects, in a simple, fast and economical way. Through the periodic sending of a newsletter, the body, the company or the association, can create and maintain a continuous relationship with

various subjects (customers, prospects, employees, media, investors, etc.).

#### **2.8.4 You Tube**

You Tube is the first and most important social network of videos. Anyone can upload movies, comment on them, share them in other social networks, vote for them. It has over a billion registered users, over 4 billion visitors per day, for a total of about 300 hours uploaded every minute and over 2 billion videos are viewed every day. The average user is between the ages of 18 and 54 ([www.youtube.com](http://www.youtube.com)). From a business point of view, it is an exploitable media to create a channel dedicated to the brand and share in it the video materials that one wants to transmit to users. It is also a perfect channel to create a typical ad hoc situation for word-of-mouth that becomes buzz or viral marketing. Viral videos represent a key potential of this social media, but the costs are high. In addition to the classic banners found on many sites that derive revenue from advertising services, it is possible to insert video ads on the home page, on the results pages and, in the last year, even at the beginning of the videos themselves clicked by users.

The use of YT in the wine market is advantageous in case a content is created in order to emotionally stimulate the user: storytelling in this case is the essential act of videomaking, the telling of a story related to the winery capable of transmitting its values. Moreover, it is often possible to find training videos: real and proper instructions about wine tasting.

### **2.8.5 Facebook**

Facebook is one of the most popular web pages. In little more than ten years it has grown surprisingly and today it has 1.6 billion active registered users.

The success of Facebook can be linked to its simplicity. The ordinary Internet user does not need to know anything about programming or coding to create a Facebook account. On the first visit to the website, the user can register very easily by filling in an online registration form that appears automatically and does not require anything demanding (basic personal information.); Facebook registration does not require too much personal information and can be completed in a few minutes without any effort.

Once the registration is completed, the user can access his page, which is standard for all users. The structure of the page is divided into several blocks, where on the right side there are all the groups, friends, favourites and other users' information. The left part concerns recommendations that can be a game, a business page or people, which could be a link later.

Finally, the largest part of the page is occupied by the News Line, where all updates and news about users' connections and subscriptions appear immediately after publication.

What makes a company's presence on this social network appealing is the ability to

instantly share content, whether it be multimedia, institutional information, or referrals to other pages. This possibility allows companies to better integrate themselves in the information flow and to promote products without any pressure on the potential customer. For companies, the Facebook page related to their business in the basic version is totally free, so easily accessible to all. The information to be included is that which allows the visiting user to immediately understand what it is about: Activity or local place, Artist, Band or public figure, Company, Organization or Institution, Containment, Brand or Product, Cause or Community. (Facebook 2016.)

To start a successful story on Facebook, the business should attract users and gain more followers for its page after the profile has been created and the first information package has been added to it. To create traffic and build recognition, the business can start with the existing customer base by inviting them to follow the company's page. Once a network of loyal followers is created, word of mouth spreads and existing subscribers begin inviting their friends, family and other connections to view the page. These interactions can be tracked through the tools for businesses provided by the Social.

The biggest advantage of Facebook is that there is no need to wait for the customer to come in and show interest in the company or brand, but the company can go directly to the customer with the selected content and not disturb or distract him. For the algorithm to function correctly, in favour of the company, updates should

be weekly. In this way, the user who receives them does not feel bombarded, but is presented with information that reconnects him to the brand. Facebook also facilitates the management of the editorial plan, allowing the scheduling of publications. Additionally, opting for "Targeting in the news section" allows a company to set the type of audience the post should be shown to; however, the post will be visible to anyone who visits the page.

The perfect Facebook marketing consists of quality content, community management and advertising; this is because it seems that the algorithm prefers organic content related to users-persons rather than pages, maximizing interactions with users and pages that are already interacting more frequently. It's for this reason that creating a network of communities becomes critical.

Facebook also has more direct-to-business services, such as Facebook Adverts and Adverts Manager. These means allow businesses to address the audience not blindly, but consciously by selecting target groups based on gender, age, physical location and reaching those nine hundred million daily visitors for whom advertising could be meaningful.

After selecting the target group, the company can decide the budget and spending limits, which will be set on a daily basis or per campaign. To effectively manage campaigns Facebook offers the use of Adverts Manager, which can also be accessed through smartphones and tablets (Facebook,2016.)

Having an overview of how Facebook works, it is worth highlighting a few aspects

related to the user base in Italy. 58% of users are over 35 years old, with a greater concentration in the 35-46 bracket, registering a decrease in the younger group, against a growth in the 46-55 age group.

This allows us to understand the usefulness of this SN as for reaching the target audience in the wine market. Clearly the opening of the page must be considered within a marketing strategy: it is opened only in case a specific type of audience, more generalist and "old", is targeted.

### **2.8.6 LinkedIn**

LinkedIn represents for companies and professionals an excellent channel or tool for their advertising, developed on the basis of "social selling"<sup>28</sup>. It is a social that allows companies and workers to communicate, exchanging information, ideas and networking (thus creating a network of contacts for the world of work). It fulfils a defined need: finding potential customers, experienced suppliers, and candidates for jobs. It helps to showcase one's resume to the world and perform "personal branding" actions (Peretti, 2013). "Personal branding" is described by Centenaro (2012) as follows: *"... is the process by which an individual or a company characterizes itself in a unique and recognizable way, creating a brand-image that*

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<sup>28</sup> Social Selling: *"selling approach, which leverages social and digital channels for understanding, connecting with, and engaging influencers, prospects and existing customers at relevant customer purchasing journey touchpoints for building valuable business relationships"* (Ancillai et al, 2019)

*strongly reflects a mission, a shared value, and its own communication style.*

*Thanks to this activity and the possibilities offered by social networks such as LinkedIn, everyone can increase their visibility, enhance their credibility and expand their network of contacts and customers".* The goal is to "get bought in" early, attracting more opportunities congruent with what one does best (Centenaro). Because of the way social is conformed and its unique communication model, LinkedIn is a great platform for B2B companies. In fact, almost every company and especially their organizational charts are present, with related people matched to their role in the company. Anyone who wants to sell products or services, especially in B2B, now has a great opportunity presented by this tool: to build in-depth and personalized relationships, integrating the various marketing activities of the brand to generate a more complete and qualified company reputation.

Moreover, thanks to "content marketing" it is possible to identify contents of interest for potential customers on the platform and, in a second moment, to contact directly the companies' decision makers in order to conclude the selling process. Thanks to LinkedIn, these potential buyers are much easier to describe and thanks to the abundance of information, therefore being able to create more accurate "buyer personas" (De Nobili, 2018).

In an industry where most sales interactions are performed by specialized sales staff, direct interactions with stakeholders and buyers are critical. Their processes of researching and evaluating offers are thorough and intimacy with the salesperson

becomes a key factor in choosing one brand over another (Kotler, Kartajaya, & Setiawan, 2017). As a result, LinkedIn allows for "social lead generation" operations at low cost and with excellent results. Social is particularly useful for intercepting customers with specific characteristics and needs, often niche ones such as the industrial machinery sector. The most popular function for doing this is Sales Navigator, LinkedIn's premium paid platform: the highlight is the built-in advanced lead search engine. It has several filters that help unearth more strategic contacts, such as filtering by level of seniority in the position or company, company type, how many have changed jobs in the last 90 days, etc. Lastly, it is important to note that in order to make the most of the feature's potential, one should always have an optimized content strategy on its business page (De Nobili, 2018).

### **2.8.7 Instagram**

Another globally recognized social media channel is Instagram. It is impossible to say that Instagram is used by all people, but those who use Facebook and other social media channels are more likely to register on Instagram under the influence of connections and friends. The channel has 1 billion monthly active users and about 500 million daily active users worldwide. Users who use Instagram are 52% female and 48% male, and 63% of users access Instagram at least once a day (Igersitalia,2020). With the growing popularity and business demands, Instagram has established marketing solutions for businesses.

The target audience and material can be chosen very precisely to increase the visibility of the content (Instagram Business, 2016).

The platform is focused on images and short videos. The sources of Instagram take place in the mobile network. Ideally, Instagram is used to give an idea of personality, daily routine or exciting moments, but at the same time, it can be considered as a valuable platform for marketing and businesses. The suitability of this social media channel for doing business can be explained by observing its simple structure for use and the number of users, who willingly spend their time posting and watching videos and photos through the updates. For this reason, the use of this social by wine companies is generically focused on the transmission of brand values, bringing potential customers closer to the production processes and history of the company.

Unlike Facebook, which was born in the desktop version, Instagram is more of a mobile platform. Instagram exists as a mobile platform, but not only for marketing and general use. The ability to edit images is facilitated by the tools provided by the application, which is integrated into the image upload process (Instagram 2016.)

Instagram is not only simple to use, but also very easy in the creation of profiles. The page is presented with an account name, a profile image under which the user can insert a brief description and a link to refer to the official page, a blog, an e-commerce site, etc. (Instagram 2016).

Instagram allows the use of hashtags, which help match users' photos to a certain

topic. The better the tagging, the more users are able to find the photo. Not only do hashtags help increase image views and likes, but the description also plays a significant role. In case, when a few words of description are intriguing, inspiring or catchy, other users and subscribers will remember the photo better, which means for the business it will bring more brand identification (Miles,2014).

While in the past Instagram's algorithm determined which posts deserved to rank at the top of the feed based on a chronological criterion, today gaining visibility on the social network of images is no longer so simple. Over time, following the development of machine learning and AI, in fact, the functioning of Instagram has become increasingly complex and more like its "big brother", Facebook. To be successful, it's not enough to publish content before competitors and use the right hashtags. Certainly, the timing factor is important, and hashtags are still an important source of visibility, but they are not the only factors to take into account. of 2018, Julian Gutman, product lead of Instagram, had argued that there were five factors that determine how the algorithm works: user relationships, expressed interest, content relevance, login frequency and number of accounts followed.

What emerges is the need to engage the audience, elicit that part of engagement that creates a relationship between the company and the ig user.

Just like captions, Instagram Stories can be a great way to encourage audience engagement and consequently improve feed placement. Very useful are also IGTVs and live feeds, which can be used to explain the story behind the production of a

type of wine, the steps to obtain a certification, recipes that can be reproduced at home to pair with a certain wine (normally this last content is proposed more by influencers, who bring a wider area of users to know the brand but without being too intrusive), purchase advices, technical details and so on. Also the reels function, a middle way between stories and IGTV, has taken off on the wave of tiktok, and can work very well when giving little information even if only visual in a very short time, allowing the memorization and promoting the interest of the user.

Recently, in addition to the shopping section that has replaced the news section, allowing many brands to make their way to users who did not know them, a guide section has been added, which works similarly to the affiliate link function in the stories: also in this case companies can rely on influencer marketing or create a personal guide in which the firm recommends its products or brand partners, of your winery or, whether there is no online e-commerce, of online retailer.

On Instagram, then, there is the rule that 'the eye also wants its part': which means that when developing an editorial plan, users have to keep in mind a certain aesthetic line to be repeated in each publication, to give uniformity to the page.

In the world of wine, Emanuele Trono, enoblogger and instagrammer, highlights the essential steps to follow in order to develop an Instagram page that brings leads and develops one's business:

- Lasting but flexible strategy, to readapt to the continuous changes of the social algorithm

- Analysis of traffic data and readjustment based on the results: adapting content according to the specific audience for each section is essential to stay in touch with the user.
- It's fundamental to diversify the communication: on the feed users have to try to keep always the same aesthetics, as it plays the role of business card for the curious user; in the ig stories, given the temporary nature of these, anyone can easily publish something less "professional" aesthetically speaking, trying to get closer to those who interface with us through the social.
- Experiment with IGTV
- Find a brand personal tone of voice: it is essential to keep it, especially in the feed, where the visitor, once familiar to a certain type of caption, will always expect the same type of storytelling.
- Weigh up the sponsorships, trying to plan them and push them both on personal and clients' profile.

### **2.8.8 Pinterest**

Pinterest is a social media channel, founded in 2010 by Ben Silbermann, Evan Sharp and Paul Sciarra directed to people's interest, hobbies and things they like. It helped to dig up information on topics of interest and link them to real life activities, and it's because of this feature that companies can get to know potential customers better. The reasons why Pinterest is so important to modern businesses are

described later in this chapter (Semiocast 2013; Pinterest 2014).

Pinterest has created an online bulletin board for everything an individual might like or want. The name of the platform consists of "pin," the name of the individual cell that is displayed by the user, and interest. Pins are convenient visual markers that can represent various visual data and links. Each image is associated with a link, and each image can then be saved to explore the link in the future or - in the best case - immediately generate a click on blog. Users can add, create, and store pins on their call boards, creating a sort of personalized collection of images or videos. (Pinterest, 2016) anyone can repin images or videos from other users.

From what has already been said, businesses can gain some obvious benefits in the form of credits or scores since the initial pin or source is always visible, regardless of how often it has been repinned. The repinning process is identical for individual users and organizations. It consists of a few simple steps:

Companies upload content that can link back to their website and growing brand awareness. The most interesting pins are viewed and saved by the first round of users, including individuals and businesses. Another round of repinning takes place and the same pin appears on the boards of other pinners, and so on based on how many views and saves a piece of content manages to get.

Already since 2012, with the opening of the social network to companies, almost 500 thousand companies have registered with their own account. The reason for the choice of this social network is the behaviour of the users: they are active users,

who actively search for a topic of their interest.

Verifying the company's webpage is a crucial step to take after registering the company in Pinterest. This step is crucial to ensure the existence of the website and ascertain its reliability. Moreover, once the company is verified, it can use the tools of Pinterest Analytics, a tool that tracks all user movements and provides precise data on several pinners, who have seen, pinned and checked the company's information and webpage. The company can also see what topics its audience is interested in based on their behaviour on Pinterest.

To gain recognition, it's not enough to use qualitative content for marketing purposes only. Logos, profile images and slogans, if displayed at all, must be at the corresponding level. The better the quality of the content produced and issued, the greater the chance for the company to gain the interest of pinners and repinners. Of course, quality alone doesn't automatically get people to pin. The content must be visually appealing, beautiful and distinguishable, and it must also include the company's logo, which is integrated to make a difference, standing out from a very high amount of similar content. To increase the customer base and drive web page traffic, the company has the option to selectively add "Pin It" buttons to the most relevant string-related content.

Another advantage guaranteed by this social network is the possibility of analysing the market of competitors and substitutes without having to search for them individually, but thanks to the pins suggested according to the interest towards a

specific subject.

This being said, Pinterest can be very useful for a winery which already has an important and strategic presence on social networks and which does not focus only on the sale of wine, but also of services and objects, such as visits to the winery and/or glasses, maybe mainly abroad (Pinterest is widely used in Northern Europe and in America). Creating an aesthetic board, which reminds of the values of the brand, can increase brand recognition of users. Moreover, the possibility to access the website landing page results very useful in order to get to know the brand, shorten the distance between companies and users. For the winery that only sells wine, instead, it can be very useful in the discovery phase, as the image in the personal board can appear in the discovery page or suggestion page very often.

### ***2.9 Measuring the Digital Strategy success***

Key Performance Indicators (KPI), refers to key performance indicators, are indexes that monitor the performance of a given activity or business process, such as, for example, a digital marketing campaign. In this sense, they must be analysed by making clear reference to the objectives that a company want to achieve. Choosing a non-quantifiable indicator that cannot be measured objectively would make little sense, as would defining short-term objectives.

KPIs are not the same for every companies, as each one needs specific indicators,

which may vary according to the business activities and processes. Choosing the right key indicators turns out to be an extremely important choice, since, in addition to measuring business effectiveness and efficiencies, they also provide a direction for making choices and develop the strategy.

Considering that different companies have different aims, it is possible to identify different key indicators:

- If the objective is to reduce the average cost of customer acquisition, it will be important an analysis of the average time between the conversion into leads and the finalization of the sale to reduce costs; it is necessary in order to optimize the sales process, thus streamlining the work of the sales department and reducing overall costs. It might also appear useful to consider the average duration of each phase of the sales cycle, in order to eliminate slowdowns in the sales process. The Customer Acquisition Cost, CAC, is the cost of acquiring a new client, the cost of convincing them to buy a good or service. Calculated by comparing the total cost of sales and marketing with the number of customers acquired, it is useful to define the time required to recover customer acquisition costs, as they may impact the firm's bottom line.
- If the aim is to increase the value of a customer's average lifecycle, then considering the retention of existing customers is effective: establishing the

time at which the user becomes a customer is important in analysing the degree of retention, which allows the company's lifecycle value to be increased. The retention rate represents the percentage number of customers at the end of the year minus those acquired during the year, divided by the customers at the beginning of the year. The Life Time Value, LTV, is an indicator that starting from the purchasing behaviour of customers, monitored through a database of historical purchases, makes measurable the predictable profits; it is useful to understand if the relationships between business, and therefore analyse if the investment in advertising is able to retain.

The performance of social media can be measured through ROI (Return on Investment), which is an indicator of the financial success of social media marketing activities.

Specifically, as its name suggests, ROI measures the return on investment of a specific activity, in our case a social media marketing activity, indicating its ability to generate more revenue than the costs incurred to implement it.

However, it must be pointed out that, differently from traditional communication tools, companies do not have full control over social media and, consequently, thanks to its horizontal nature, are placed on the same level as consumers. And it is precisely this aspect, the risk connected to this lack of control, and the budget invested, that makes managers question the return that comes from investing on

these means.

In a context of continuous improvement, the performance evaluation phase is crucial to understand mistakes and identify the most effective strategies to implement. It is always necessary to analyse, at least on a quarterly basis, the coherence of the approach, the efficiency of the levers and tools, as well as the response from the target users: before drawing effective conclusions, however, it is necessary to consider the results at least in the medium term. While it seems easy to monitor the effectiveness of a tool, time, quality, flexibility and openness are essential to build a relationship with online consumers (Peretti, 2013).

There is another set of data to be analysed in order to deep understand the consumer and evaluate the effectiveness of the digital marketing campaign. Digital metrics can be grouped into 3 main categories, namely related to e-communication (website and advertisements), e-commerce, and social media. The main tool used to monitor digital metrics is Google Analytics. It is a Google tool, installed on websites, that tracks what users do within the site. However, this online program only provides data and information that needs to be interpreted. It is the company that should understand which data are useful to get the information needed in order to better the strategy and, therefore, increase the profit. Google Analytics allows observation on the traffic on the website, in real time and continuously, showing different graphs and tables of data, divided into Dimensions and Metrics. Dimensions are qualitative attributes, the description of a piece of data. Metrics, on the other hand, represent

the values of each Dimension. The main Google Analytics Dimensions are audience, acquisition, behaviour and conversions. Other useful information that can be obtained are for example the "bounce rate" (the percentage of users who enter and leave the site without browsing it), the "source", which represents the specific source of user traffic on the site (the company can see if users come from Facebook, Google searches, etc.), or the type of device used to view the site (mobile devices or desktop). It is very useful to know this information in order to evaluate metrics and KPIs: in fact, it is possible to measure the number or percentage of visitors who click on a call to action and become real customers (conversion rate), in order to associate them to the return on investment made by the company (ROI).

### **3. WINE PRODUCER IN MARCHE REGION: ANALYSING THE DIGITAL PRESENCE OF PMI**

After having carried out an overview of the market and marketing models of the wine sector and having deepened the current digital strategies used, with a focus on the sector, in this chapter we will proceed with the exploratory analysis. The objective is to understand the current dynamics when it comes to digital marketing, with a highlight on the motivations and the approaches used by a sample of Italian wine producers, located in the Marche region.

#### **3.1 Research methodology**

Any phenomena can be investigated by an analysis of data gathered through inquiries. There are two methods for gathering information which can be used when analysing a phenomenon: qualitative and quantitative<sup>29</sup>. In this work, a qualitative research has been adopted, since the analysis is aimed at exploring a phenomenon (Taylor & Bogdan, 1998).

Qualitative research is defined by Creswell (1998) *"as inquiry process of understanding based on distinct methodological traditions on inquiry that explore*

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<sup>29</sup> Research based on numerical data

*a social or human problem. The researcher builds a complex, holistic picture, analyses words, reports details of informants, and conducts the study in a natural setting".* According to Denzin and Lincoln (2005), qualitative research involves the use and collection of a variety of empirical materials (case studies, personal experiences, introspections, life stories, interviews, cultural texts and productions, observations, interactions, audio-visual materials, etc.) that describe problematic moments and knowledge constructions at the individual and group levels. Qualitative research generally focuses on the collection of verbal data, rather than numerical measurements. Thus, the information collected is then interpreted.

In qualitative research there is an increasingly frequent reference to the Qualitative Grounded Theory (Cohen, Manion and Morrison, 2007; Bryant, Charmaz, 2008). According to this theory, the data used to analyse phenomena emerge directly from contextual situations, which become the focus of the researcher, who obtains important analytical data. Therefore, data are collected using systematic but flexible guidelines and the qualitative data are used to construct theories 'grounded' in the data themselves (Charmaz, 2006).

Qualitative researchers use interviews to gather the information needed to analyse a social phenomenon. Interview is defined as "*a conversation provoked by the interviewer, addressed to subjects chosen on the basis of a survey plan and in a consistent number, having cognitive purposes, guided by the interviewer, on the*

*basis of a flexible and non-standardized scheme of questioning"* (Corbetta, 1999).

Interviews allow research to deeply explore a particular topic or phenomenon, becoming a useful tool for interpretative inquiry (Charmaz, 2006).

The qualitative interview, although providing a "structure", has a degree of standardization different from the quantitative one. In-depth interviews are generally open ended, in order to allow the interlocutor to talk freely about topics relevant for the research. Interviews have: an interviewee, a list of questions previously prepared, a planned meeting (place, time, duration, tools). Basing on the level of planning, communication, flexibility, timing and standardization, three different typologies of interview can be identified: structured, semi-structured and unstructured. In this work, the most suitable for the purpose is the semi-structured typology. In a semi-structured, the interviewer identifies the areas to be explored and leaves to the interviewee freedom to proceed in the order and manner he or she prefers (De Carlo, 2002). It is a combination of planning and flexibility, in which moments of prefixed questions alternate with moments dependent on the individual interviewers; from this we can infer its greater use compared to other types, because in addition to making it possible to evaluate the interviewee, it gives the interviewee the opportunity to actively interact by asking questions (Argentero, 2001, Brewerton and Millward, 2001).

This research was conducted using a semi-structured qualitative interview on the small and medium enterprises which produce and sell wine, located in the Marche region.

### **3.2 Data collection**

First, eleven wine companies of the Marche region have been selected; among the eleven, five responded to the request of interview. The companies were selected on the basis of two main parameters: size, preferring SMEs; and online presence through at least two channels. In most cases, those companies were family-owned businesses with an online presence guaranteed by at least social networks and a website.

For each company a contact person was interviewed, during a phone call. Each of them was addressed questions both pre-formulated and tailored to the specific situation, based on a semi-structured outline.

#### **Velenosi**

Velenosi winery, a family business, was established in 1984 thanks to Angela and Ercole Velenosi and in 2005 became Velenosi Srl. The winery is located in the city of Ascoli Piceno, and Velenosi's lands extend in the territories adjacent to the valleys of Tronto river, which having clayey and nutritious soils, have always been perfect for the cultivation of vineyards. Besides the four wineries located in Ascoli

Piceno, Castorano, Monsampolo del Tronto and Castel di Lama, there is a vineyard in the area of Ancarano (TE) and in the area of San Marcello (AN), among the Jesi Castels. The bottles of wine are sold both in Italy and abroad, including non-European countries: the international commerce covers the 65/70 % of their total. The company owns accounts on Facebook, Instagram (5.351 followers), Pinterest and even LinkedIn. They recently started selling online through the e-commerce that can be found on the website.

### **Le Caniette**

The farm *Le Caniette* was established in the 60's, thanks to the conversion to vineyards, operated by Raffaele Vagnoni, of the lands he inherited from his father. Currently, the company covers a total of 20 hectares of vineyards, olive groves and woods. The company has adopted a certified organic production method accordingly to the protocol of control and organic certification of the Consortium for the Control of Organic Products - CCPB.

Their online presence is granted from 2010, when the website was created; from 2016 they also opened their Social Media account on Instagram (3.386 followers), Facebook and LinkedIn.

Starting from May 2020, they also sell online thanks to the Shopify e-commerce.

### **Tenuta Cocci Grifoni**

A company active since 1933, thanks to the historical vineyards "Messieri", "Colle Vecchio", "Vigneto Madre", "Grandi Calanchi". In the wine-producing lands "San Basso" and "Tarà", autochthonous Italic vines are produced, giving birth to the D.O.C. and I.G.T wines of the territory: Sangiovese, Montepulciano, Passerina and Pecorino. In the early 2000, Marilena Cocci Grifoni created the website, *“in order to create online visibility and internationally communicate who they are”*. In 2008, when Facebook arrives in Italy, they open their own company profile; the same happened in 2016, when they also create their Instagram account, that nowadays count 9.321 followers.

### **Ciù Ciù Tenimenti Bartolomei**

Ciù Ciù Tenimenti Bartolomei was established in Offida, in the heart of Piceno's hills, where Rosso Piceno Superiore is produced. Ciù Ciù winery has been operative in the Italian territory for 50 years, with the aim of enhancing the identity of some significant Italian terroirs which spread all over central Italy (Abruzzo, Latium and Marche) and partly in Sicily. The production goes from the most famous traditional Italian vines, from red Montepulciano, Sangiovese and Nero D'Avola to white Pecorino, Trebbiano, Chardonnay, Sauvignon, including 300 hectares of organic and biodynamic production. Among the most prestigious labels: Merlettaie Offida DOCG Pecorino, Evoè Marche IGP Passerina, Gotico Rosso Piceno Superiore

DOP, Esperanto Offida DOCG Rosso. Wines are distributed in Italy as well as in Europe, United States of America and Asia.

They established an online presence for more than 10 years thanks to the online website. The presence was strengthened in few years through Facebook first, Instagram later (currently they count 13.400 followers). They also have a twitter account, active for two years, and a LinkedIn page, recently open.

### **Cantina Broccanera**

Broccanera winery was recently established (2012), in the hills of Arcevia, by Giorgio's will to create wines that would talk about his land, sea, rurality and mountains at the same time. Situated through 4 hectares of vineyards, the wines are produced in a certified organic way, with a low use of sulphites, cultivating different types of grapes: Verdicchio, Syrah and Merlot the main ones. Since 2012 they have a website, mainly used as an institutional guide to the winery. They also sell online through 4 different e-commerce ([callmewine.com](http://callmewine.com); [tannico.it](http://tannico.it); [gallienoteca.it](http://gallienoteca.it); [severiniwines.com](http://severiniwines.com)).

The company is present on different Social Media: specifically, Facebook and Instagram, which are used since 2014. The online profile is still growing, and the Ig account currently accounts for 1.662 followers.

Company	Company dimension	Contact person	Interview duration
Velenosi	Medium	Digital strategy manager	30 min
Le Caniette	Small	Owner	28 min
Cocci- Grifoni	Medium	Owner	32 min
Ciù Ciù Tenimenti Bartolomei	Medium	Owner	18 min
Cantina Broccanera	Small	Owner	12 min

**Table 1:** Interviews information, author's elaboration.

### **3.3 Firms' adoption of digital marketing: social media, website and e-commerce**

Companies were asked how long they had been providing an online presence. The companies reported they opened the website around 2010, except for Cocci Grifoni who reported that they opened the site in the early 2000s. Two company also referred about a plan to improve the site going forward, in order to provide a more responsive and engaging user interface and an increased amount of resources provided.

Most companies reported relying on an agency to manage the website and social, while only two provided independent management of the portal, of which one stated initial involvement of an agency, later dropped.

One of the agencies reported not to have a well-developed editorial plan, tending to publish on social networks in conjunction with events or particular periods in the vineyards, and only after having collected sufficient multimedia material, with a frequency of 1 post every 3 days, fairly distributed between stories and posts (published on all social networks at the same time). On the contrary, companies that work with agencies totally rely on them.

According to the interviewed Companies, the tendency is not to differentiate online content on different social networks.

Among the companies interviewed, two have their own gallery on Pinterest, but only one of the companies uses the social network on a regular basis and has a good following.

LinkedIn is used little (only two of the companies) and only recently adopted. The common idea is that it is not considered a fundamental social network for the development of the company.

All companies recognize Facebook as the most powerful social network in their field. This trend, according to the companies, is related to the age of consumers who

still use this social network, being in the 40-50 years old range and being more prone to a higher spending. Moreover, the Social Network allows to *“choose the public we want to address our content, which is a free tool very useful for business that Facebook provide us”* (Le Caniette).

The website are presented purely as the institutional portal, where companies show themselves and give the possibility to explore their personal ecosystem; the website is, according to the companies, the place where the curious user can find the necessary information to be guided in the purchase, as well as the place where contact companies or ask for a visit in the winery.

Three out of five websites, besides to the traditional sections, provide the user with two additional section which can be considered paramount considered the context they work in. The first one is the section dedicated to the rewards and the certifications they show their positioning in the market through the rewards institutional or recognized organizations in the agri-food sector provide them with. The other section is news section: through this tool, the client can find out more about the sector the companies work in, and how other people talk about them. Those means allows the user to gather the information they need to minimize the information asymmetry between producer and consumer.

Four out of five companies use the website to allow clients to access their e-commerce, generally managed by other platforms. Only one company does not

believe this is a suitable channel for the sale of wine and prefers to continue using traditional channels. The user interface is linear and intuitive, and each bottle of wine presented has his own personal specific sheet which can be read online or downloaded both in Italian and in other languages. Indeed, almost every website provides at least an English translation of the website itself, except from Broccanera, which, however, is providing a new version of the website with the possibility to choose the language.

Company	Instagram	Facebook	Pinterest	Linkedin	E-commerce
Velenosi	si	si	si	si	si
Le Caniette	si	si	no	si	si
Tenuta Cocci Grifoni	si	si	si	no	no
Ciù Ciù Tenimenti Bartolomei	si	si	no	si	si
Cantina Broccanera	si	si	no	no	si

**Table 2:** Companies' preliminary analysis, author's elaboration

### 3.4 Motivations to build an online presence

One of the objectives of this work was to investigate the reasons why SMEs in the wine sector would exploit online presence. When the wine companies were explicitly asked the reasons why they wanted to have a website, all of them reported

the willingness to provide a client, or a prospect, the contact information, as well as the possibility to gather a set of institutional information.

Afterwards, it comes to the Social Network, which were used first because “*the market requires a social presence*” (Cocci-Grifoni).

However, the interviews suggested that social engagement has only recently intensified thanks to a more consistent and conscious use of social media. Companies recognize the importance of online presence, above all to create an initial moment of contact with the consumer. The companies identify the need to create different touchpoints in order to get to the client through different means and in different moment as the current aim of social media campaigns.

The strategy connected to the use of social networks is mainly due to the need of increasing business visibility and intensifying relationships with consumers. In particular, four companies out of five clearly identified the necessity of strengthening the brand in the eyes of the client, both online and offline, as the main purpose of social media presence. Social is seen by customers as a means of involvement in the life of the winery and the producers, so companies are pushing towards a sharing of everyday life. This trend was strongly intensified in the period March 2020- today, motivated by the impossibility to go to the winery, due to the national lockdown in Italy. Two companies found themselves implementing the e-commerce just in the period before/ during the lockdown, so the promotional

activity from that period on has intensified, activating more frequent sponsorships on Facebook or in general intensifying the social activity. Velenosi has then underlined the commitment in 'humanization' of the brand that in this precise historical moment is fundamental for the credibility of the brand.

### **3.5 Outcomes and challenges of a digital marketing strategy**

Only one of the companies surveyed said they saw results related to the implementation of the online strategy almost immediately, recording an immediate increase in leads to their website via Social Networks. The remaining four referred seeing the first results after about 1 year, results in terms of online visibility and credibility and related increase in sales.

All of the companies that also make online sales, however, confirmed one trend: the reiteration of the purchase made by customers which bought from them through the online. Indeed, sociodemographic characteristics of users who access online shops through social networks and website do not substantially differ from those of offline consumers, mostly represented by men in an age ranged 40-50 years old, both connoisseurs and average wine drinkers.

None of the company refers to social presence exclusively as a booster to purchase. The companies were also asked about the impact of the digital strategy on the

network, consisting of both individual customers and sales and supply chain associates.

Interviews revealed a weak intensification of the company network and strengthened relationships with various supply chain players. One company stated that it had even expanded its business network through the use of LinkedIn and google tools. The remaining companies, however, have highlighted how the use of social media and SEM has not increased the size and density of their network. Finally, one of the companies expressed reluctance to establish new business relationships, emphasizing loyalty to their suppliers and vendors.

Companies were asked for an explanation regarding the management of international customers. All companies identified the need to provide institutional content in other languages as an attempt to ensure material that was understandable to foreign importers. In particular, Velenosi explained the importance of facilitating sales to foreign business partners as a focal point of the international sales strategy, which accounts for about 70% of the company's total sales: this choice has not only facilitated and speeded up the various steps of the sale, but also has allowed them to increase their business partners abroad. In addition, the company has included in its marketing plan the presence on foreign instant messaging and social media platforms, enabling them to monitor foreign markets more intensively. Digital channel, thus, are window on the life in the winery, trying to involve the consumer

emotionally, in order to keep through digital what traditionally happens during the visit in the winery. Speaking of winery visits, Velenosi reported an increasing attendance to this type of event linked to the improvement of the website, which has facilitated access to information and prices. The digital manager of the winery believes this has brought more trust in the winery by consumers.

Finally, the 2020 Pandemic has brought a digitalization of purchase in every field: it was expected also in the wine sector. Many farms and companies in the agri-food and beverage sector provided different options to purchase online during the national lockdown, recording an increase in online selling and new customers acquisitions. Indeed, the wine companies interviewed did not refer any relevant arise in customers acquisition, on the contrary, the pandemic enhanced the existing contact purchase, boosting their support to the wineries.

The interviews show that there is a trend towards digital marketing, but this is being slowed down by the presence of an extremely conservative and traditionalist consumer market. To this conservative attitude is added, then, the element which characterizes the agri-food industry: the impossibility of selling a product without tasting it.

Wines, in particular the medium-high range of the product, are seen as not essential needs, therefore the consumer must be sure about the purchase; generally this pursuit security is given by a previous positive experience, which enables the client

to repeat the purchase (although, as Alessandro from Broccanera reminded in the interview, “*apps to review wines are spreading, allowing us to sell also to people that don't know who we are*”).

The biggest challenge companies must face is related to the emotion which must push them to buy a product. Emotion, traditionally in this market, comes from the experience of the visit in the cellar, from the tasting or from the tasting in the wine shop; with online it becomes complex to stimulate the emotional side of wine drinking. The companies have tried to overcome this problem by acting on two fronts. On the one hand, there is a tendency to humanize the product and the processes behind the production of wine, bringing the final consumer into the wine ecosystem. This involvement, supported by the use of social networks, leads to the second tendency of companies: the humanization of the product leads to the humanization of the brand, which is perceived in a scale of values and beliefs capable of increasing the brand reputation of the company in the eyes of consumers themselves.

### **3.7 Digital marketing in the Italian Wine industry: Issues emerged**

It seems, therefore, wine companies do not aim at the mere online sale, but rather they see the e-commerce channel as a support to the traditional ones, and they focus

on the digital strategy in order to create a network of loyal customers and collaborators.

Social networks work as a showcase for the companies, which aims at communicating their values, their ideas, their human side. They want to increase their brand reputation, which can lead to a sales increase. Websites serves as the institutional page where clients and prospects can find the information they need.

What appears to be clear after the analysis, is a lack of genuine and consistent commitment in developing a digital strategy. Considering the result, the companies achieve by having a little social presence, if they would intensify the dedication to the social network, creating for instance an editorial plan, they could increase the network even more than currently.

The wine sector does not seem to perceive the possibilities that the digital revolution has provided.

Probably, the current situation due to the COVID19 pandemic has set the basis for a transformation in this sector as well, forcing producers to get close with internet and social networks on one side, and nurturing consumers' interest towards production processes and 'backstage', on the other.

The future is more digital than ever. If companies operating in this sector would accept this tendency, probably they would be more prone to implement a better

strategy in the long time. First of all, long lasting results can be achieved only with patience and consistency: therefore, wine companies should invest more (time and energy, instead of money) in planning. The editorial plan should be well differentiated through the social networks, considering the different typologies of public, each channel has his own public. It seems companies does not see the real potential of the web: in order to create a web reputation, the online presence should be strengthened, the channel should be more targeted and the business network should be more dense. Not all channels are necessary: the ones which fit better the company target should be selected, and all the efforts should be focused in those channels.

Besides, there is a valid means for this typology of good which also represents a status: the WOM (Word of mouth); if this instrument is well managed by the producer, which can choose who can start talking about them, it can be a very useful tool. Finally, the results should always be monitored: many interviewees did not have any information about the results and the statistics issued from the online traffic. Indeed, this step is the most important, since the companies can understand their customer and customize the interaction with them.

Wine companies should see web marketing as an opportunity, not a threat; it is a window on the world that can create new opportunities in a globalized society striving for emotions and status. Wine and the world around it are made of evocative

images and sensations, stimulus to all consumers' senses, capable of evoking different feelings in everyone; it is possible to create a personal and customized relationship with every consumer. To do this, it is necessary to understand the potential offered by new technologies, to exploit them in the best possible way. Today it is possible to customize products, but when talking about wine, it is also possible to do it with the sensations it evokes, remembering and reminding consumers that wine has changed: no more a beverage, but an experience, to be tasted alone or in company.

## **CONCLUSION**

In a world driven more and more by technological transformations, where the digital revolution is leading us towards continuous novelty, enterprises are also facing change. In a hyper-connected and ever-changing world, the most propitious way to cope is to adapt to the change itself. The goal of this work is to analyse how companies operating in the production and sale of wine have embraced the digital revolution and adopted online techniques. In the first chapter the topic focus is the economic context of the market: starting from production and distribution, up to consumption practices, moving towards a deeper analysis of the local market. The focus goes from global, including export-import data, up to local, underlining the peculiarities of Italian producers. The second chapter, on the other hand, focuses more on digital transformation: how it has impacted the wine business and what is the current state of the art concerning digital marketing practices in the sector.

In the last chapter, finally, it can be found an analysis of the online presence and the practices adopted by a selection of wine producers in the Marche region. By the means of a semi-structured interview, a qualitative analysis points out which are the trends and the features of the digital strategies used by a sample of wine producers in the Italian region. The interview highlighted that the use of digital tools for the promotion of their products is not very intense and supported. The different channels are not managed using an organized approach, often without a precise editorial plan, and in most case, companies rely on communication agencies without

showing personal interest on the results. An element of particular emphasis has emerged: most companies tend to use little social to expand their network, preferring instead the traditional channels.

The tendencies underline very low interest in digital marketing from companies, which prefer to invest on traditional, in part unable to perceive the opportunities that the web can provide.

## **APPENDIX**

### ***INTERVIEW QUESTIONS***

1. Da quanti anni garantite la presenza online? Qual è stata la motivazione che vi ha spinti a prendere questa decisione? Gestite tutto da soli o vi appoggiate ad un'agenzia?
2. Dopo quanto avete iniziato a registrare dei risultati?
3. Nell'implementazione della strategia, quali strumenti utilizzate? Quale ritenete sia stato più impattante nel raggiungimento dell'obiettivo strategico?
4. Riguardo i social: vengono creati dei piani editoriali ad hoc, differenziati per ciascun social per tone of voice e contenuti, o rielaborate semplicemente gli stessi contenuti?
5. Riuscite ad avere una profilazione dei clienti? Avete notato delle differenze socio-demografiche tra i consumatori che comprano online e quelli che comprano fisicamente nel vostro wineshop o dai rivenditori?
6. La scelta delle lingue del sito web: questa opzione ha portato risultati tangibili a livello di commercio internazionale? Qual è l'impatto che la vostra presenza online ha avuto sul commercio internazionale?
7. COVID-19: in questo ultimo anno l'acquisto online ha visto un forte incremento dato dall'impossibilità di recarsi fisicamente nelle enoteche e nelle cantine. Qual è stato il vostro riscontro in questo senso? Avete rivisto

alcune tattiche? In quale canale avete riversato maggiori sforzi per sopravvivere a questo periodo di crisi?

8. Per quanto riguarda il B2B: si sono creati o rafforzati dei legami di rete grazie alla presenza online?

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