

Ithaca 2018 Abstract Submission

Title

A new sub-appellation among local restaurants: the Rive case in the Conegliano Valdobbiadene Prosecco District

I want to submit an abstract for:

Conference Presentation

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Keywords

Conegliano Valdobbiadene Prosecco DOCG, sub-appellation, wine differentiation strategy, Rive.

Research Question

Which is the market share and the performance of the new Rive sub-appellation among restaurants belonging to the Conegliano Valdobbiadene Prosecco District?

Methods

Restaurant sample survey by means of an ad hoc direct questionnaire.
Hypotesis testing for some market and performance variables.

Results

Our findings indicate that the Rive Sub-appellation can be a viable tool for implementing an effective marketing strategy for the top Conegliano Valdobbiadene.

Abstract

The 2009 Prosecco PDO's Reform has not expanded the boundaries of the Controlled and Guaranteed Denomination of Origin (DOCG), making it necessary for the historic production area the putting into place of a competitive strategy aimed at both conserving excellence and re-evaluating the production land. The establishing of "Rive" Sub-Appellation (SA) within the Conegliano Valdobbiadene Prosecco DOCG is one of the driving elements of its differentiation strategy (Boatto et al., 2017; Galletto et al., 2017; Porter, 2008).

In the local language "Rive" are the vineyards on the steep slopes that characterize the territory area that goes from Valdobbiadene to Conegliano in the Veneto Region. The viticulture vocation of these areas has been recognized over the years by studies on terroir as well as by the experience of vine-growers who have been operating manually for generations on these harsh slopes (Merlo & Favaretti, 1976; Tempesta et al., 2010; Tomasi et al., 2013). The Conegliano Valdobbiadene Prosecco DOCG disciplinary recognizes the benefit arising from the "heroic" cultivation of these vineyards and regulates their production in order to safeguard their quality.

Each one of the 43 Rive combines a unique and distinctive blend of soil composition, vineyards exposure, microclimate and intangible values, which includes history, local memories and cultural identity, etc. Data analyzed by CIRVE show that in the last two years Rive Prosecco has increased its certified area and it is slowly widening its market share: in 2016, the Rive Prosecco accounted about 2% of the overall Prosecco DOCG area (C.I.R.V.E., 2017; Porter, 2008; Valoritalia, 2017).

Over the last decades, Conegliano Valdobbiadene Prosecco DOCG's sparkling wine supply had been mostly focused on Premium price positioning, reinforcing itself through a tailor-made value-for-money strategy. The adoption of this strategy has been successful for several years, but the scenario has gradually changed with consumers demanding more premium and expensive Prosecco wines (Pomarici, 2016).

The Rive peculiarities make this SA a tool for product differentiation with the purpose of trading up roughly a 20% portfolio share of Conegliano Valdobbiadene Prosecco DOCG from Premium price products to Super Premium and Ultra premium wines (Corsi & Rowley, 2016).

According to this process, when attempting to make Rive SA appeal to consumers by showing its superior quality and exclusivity, a communication based on emphasizing its highest premium quality could play an crucial role, whatever wine may be "qualified" such as in HoReCa channels (Goldstein et al., 2012).

Our work intends to highlight the importance of the Rive only within the Conegliano Valdobbiadene Prosecco DOCG's area, where we supposed it should have gained -its highest recognition level having come into being here. On this regard, we focused our attention on a wide sample of local restaurants (86), which was surveyed by means of an ad hoc questionnaire in 2017. Besides some general features related to the business, the questionnaire dealt mostly with Rive SA's issues.

More specifically, we looked at the following aspects:

- a) the sample share of restaurants selling the Rive SA;
- b) the Rive SA weight on total Prosecco DOCG sales;
- c) the price gap between the Rive and the Superiore Prosecco;
- d) the customers' knowledge about the Rive Prosecco and preferred wine styles;
- e) the operators' opinion about the SA, especially on its improvement of sale profitability for geographic indication wines;
- f) the linkage between the business location and the type of Rive presented in the wine list.

The main findings may be summarized as follow:

- a) 30% of the restaurants sell the Rive SA. Most of the businesses sell at least two Rive brands. However, the geographical distribution of these restaurants is not homogeneous, showing a greater diffusion in the main towns.
- b) Factors significantly affecting the Rive diffusion are the restaurant specialization on fish cuisine or "traditionally revisited" cuisine and the high customer's expenditure for a meal.
- c) Some Rive are preferred over the others and we found only a substantial evidence of linkages between the local Rive and restaurant location. Some producer's brands show a higher penetration among the restaurant in comparison with others.
- d) The Rive's sales are about 12% of the total Prosecco DOCG sales and appear rather tied to the production of the local Rive.
- e) The price gap between the Rive and the Superiore Prosecco (8%), confirms previous reports on the Rive price performance (Boatto et al., 2017).
- f) Operators declare that customers show a growing interest in Rive sparkling wine, though they complain of insufficient promotion for it. They think that the relationship between the Rive Prosecco and its "heroic viticulture" production should be better stressed.

The consumption in the production area seems to reflect a strong local perception of the Rive's identity, recognizing the intrinsic link between heroic viticulture and quality.

The results, although related to a limited area, are interesting and can be considered a starting point for implementing an effective marketing strategy for the top Conegliano Valdobbiadene sparkling wine at local level and especially for a further wine tourism development. Hence, the Rive SA, thanks its deep roots in the territory, appears to be a key-tool for the distinctive relaunching of the whole denomination (DOCG) district (Hirschman, 1970; Ostrom et al., 1994).

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