



## Market orientation in the wine industry in South Italy

**E. Pomarici, A. Coppola, C. Mele, S. Raia**

Università degli Studi di Napoli Federico II

Contact: pomarici@unina.it

### Abstract

The wine industry in South Italy is experiencing large changes. Many wineries have moved from a low value bulk wine orientation to a bottled premium wine orientation. The changes in production orientation forced the wineries to modify wine and grape production methods, firm organisation and marketing strategies and practices. The wine market evolution during the '90s has been favourable to these wineries but the current conjuncture and the increased competition are determining serious difficulties for the wine industry in South Italy and many wineries are showing a decreased competitiveness. As the evolution of demand and the increased retail power are two key drivers of change in wine market, a crucial factor in the competitiveness of the considered wineries should be their capability to acquire, possess and use market intelligence or, in brief, their market orientation (Kohli and Jaworski). Therefore the proposed paper aims to investigate the market orientation in the wine industry in South Italy and possible relationship between market orientation and performance.

The paper reports the results of a survey based on a questionnaire. Fifteen questions with multiple answers was defined to evaluate the firm market orientation, investigating how firms collect information, build relationship with direct and final clients, disseminate knowledge among all employees and how the different departments cooperate to transform elements of information in market intelligence. Before questions about market orientation, one question with multiple answers captures which is the meaning of "marketing" in the firm and who is considered the responsible for the marketing activities. After the questions about market orientation some questions gather information about the firm performance during the current period. Finally, questionnaires gather also information on many other aspects of the firm structure and organisation.

Data analysis is based on 130 questionnaires. Data are analysed with multivariate methods specific for qualitative data. The winery sample used represent about 30% of the population of premium wine oriented wineries in South Italy.

Preliminary results of the analysis show that wineries in South Italy have very different degree of market orientation; market orientation results related with the performance but also other elements looks able to explain performance deficiencies.