Evidence on transformations in Bordeaux Grand Crus and Napa ‘cult’ wine industries
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In this paper we examine the differences between Bordeaux Grand Crus wines and Napa so called ‘cult’ wines in order to discern the extent to which the market structure for both products differs and how such different structures have shaped the evolution of wine industry management in each region. We report on interview evidence with actors in both regions focusing on the transformations that are occurring in both Napa and Bordeaux. Interviews were conducted with a wide sample of firms over a three years period. We show that Bordeaux Grand Crus continue to evoke the status that comes from tradition and reliance on the longstanding Place de Bordeaux market structure while Napa cult wines by contrast have been more purposeful in creating their own niche market within a market, using Bordeaux first growths as a bench mark, but selling primarily direct to the consumer on restricted lists via allocation. Our conclusions suggest that firms in both of these premium wine sectors have adapted their focus and have developed more professional sustainable management models with particular emphasis on quality improvement, investment strategies and marketing to an increasingly more sophisticated consumer.