Loire Valley vs South Africa: which marketing practices regarding Chenin?

Nicolas BROUTE, Francesco GUIDI, Lora GOULEVANT, Aubin LECOMTE, Sophie MOREL, Styliani NTASIOU, Isara VONGLUANNGAM, Cécile COULON-LEROY - ESA

EuAWE Congress – Dijon – May, 25th 2018

CONTEXT – CHENIN AS A GLOBAL GRAPE

South Africa: 9,100 ha (OIV, 2015; SAWIS, 2015; Interloire 2015)
Loire Valley: 11,940 ha

Production rank (OIV, 2015)
1st: 60% of worldwide production
2nd: 30% of worldwide production

Share of total (Chenin plantings vs region total)
South Africa: 16.5% (SAWIS, 2015)
Loire Valley: 14.1% (Interloire, 2015)

PDO/PGI scheme (Implementation date)
"Wine of Origin" (~1935)
"AOC" (1973)

PDO/PGI scheme for Chenin
South Africa: 3 regions (main: Western Cape), 27 districts (ex: Stellenbosch)
Loire Valley: 3 main subregions (main: Anjou-Saumur), 17 appellations (ex: Anjou Blanc)

Share of non-sparkling (dry/sweet/semi-sweet)
South Africa: 98% (SAWIS, 2015)
Loire Valley: 35% (Interloire, 2015)
RESEARCH QUESTION AND HYPOTHESES

RQ : Which marketing practices are being implemented by Chenin producers in the Loire Valley and in South Africa? Are they really different or do we observe similarities?

- H1 : There exists a clear distinction between the marketing practices of the two countries, with either PDO/PGI (for France) or grape variety (for South Africa) being mostly shown on the front label
- H2 : There exists a cluster made of French and South African producers that stresses on either grape variety or PDO as the first information shown on their label

RESEARCH METHODS

• Wine-searcher pro
• 180 Labels (90+90)
• Coding of Variables
• Price.mean.usd Database design

To describe data between dependent binary variables [country as factor] and variables [Grape ; Winery ; Origin]

Logistic Regression

• To test a link across all variables [Consitutive Grape ; Winery ; Origin]
• Illustrative variables [Country ; Average Price ; Price range]

MCA

• To determine clusters
• On the first, 3 dimensions of the MCA coordinates (52% of total variances)

HCA

RESULTS – logistic regression

Call: glm(formula = Winery ~ Country, family = "poisson", data = chenin)

Coefficients:
            Estimate Std. Error z value Pr(>|z|)    
(Intercept) 0.85421     0.03607  23.704  <2e-16 ***
CountrySA -1.23371     0.14878  -8.258  2.7e-16 ***

No Significant link between "Country_SA" and "Winery"

Call: glm(formula = Grape ~ Country, family = "poisson", data = chenin)

Coefficients:
            Estimate Std. Error z value Pr(>|z|)    
(Intercept) 1.73824     0.30466  5.7304  2.1e-08 ***
CountrySA -1.70095     0.28033 -6.0636  1.3e-09 ***

Significant negative link between "Country_SA" and "Origin"

Call: glm(formula = Origin ~ Country, family = "poisson", data = chenin)

Coefficients:
            Estimate Std. Error z value Pr(>|z|)    
(Intercept) -1.07213     0.13308 -8.0571  2.2e-16 ***
CountrySA  0.67213     0.16568  4.0631  4.7e-05 ***

Significant positive link between "Country_SA" and "Grape"
Cluster 3 represents 10% of the wines (18).

- It includes French (6) and South African (12) wines.

- Here the grape variety is shown first, long before the winery name.

Sign of convergence?
DISCUSSION

- H1: There exists a clear distinction between the marketing practices of the two countries, with either PDO / PGI (for France) or grape variety (for South Africa) being mostly shown on the front label

- H2: There exists a cluster made of French and South African producers that stresses on either grape variety or PDO as the first information shown on their label

YES

CONCLUSION & NEXT STEPS

- 2019: Great Year with 1st Worldwide Chenin Congress to be held in Angers (July)
- Starting point of a common marketing strategy between Chenin producers from the Loire Valley and South Africa?
- Possible sequels to this study:
  - Measuring the impact of the congress in n=5 years (2024)
  - Conducting the same study on a basic-to-premium wine database (immediate)
  - Explore other marketing practices such as environmental labelling (new in South Africa)

LIMITS

Mostly Super to ultra-premium wines (73%) due to wine-searcher pro. Database

CONCLUSION

APPENDIXES (just in case)
MAIN REFERENCES

South Africa:

Loire Valley:

Other:

EXPANSION OF INTERNATIONAL GRAPE VARIETIES (Anderson, 2010)

BROADER WIDE OF THE FIELD STUDY DONE ON CHENIN (ESA, 2017)
• 45% of total Chenin plantings are dedicated to Sparklings
• Better ROI for Sparklings especially crémant de Loire

Source: Interloire, VINCI, Douane, IRI