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**Web Marketing Strategy in the Wine Sector:
The Case Study of the Prosecco World**

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INTRODUCTION

During the last decades the lifestyle and the way people communicate have been deeply affected by the emergence of the new technologies. The Web has become the most important tool of mass communication, to such an extent that, the way we think and act is always connected and correlated to it (Kaplan and Haenlein, 2010): friendships are made through Facebook, photos and videos are posted on Instagram, work can be found through LinkedIn.

The Web offers to users, at any time, the possibility to be in contact, share information and forge relationships overcoming any geographical barrier. This makes the Web the perfect place for companies to increase their visibility and to enhance customers interaction. So, exploiting the web as a strategic tool is no longer a choice but the only way to innovate the business model and keep up with the times (Moore, 2011).

The technological progress, the widespread and the easy access to information have strongly affected the market structure by transforming the consumer's needs and the company's way of acting (Parsons, 2013).

Thanks to the implementation of new technologies, companies have the possibility to automate manual operation and process information in a faster way. In doing so, they became more efficient and capable of diminishing the operational costs.

At the same time, customers, that are dealing with new needs and requirements, are acquiring a relevant position in the market. They are no longer perceived as simple buyers but more as partners. Firms are now aware of the opportunity, even the necessity, to interact with customers. That is why they try to satisfy and retain consumers within their business by tightening stable and durable relationships. In order to create these connections, it's necessary that companies interact with customers and this can be easily be done by using new technologies such the Web.

Many companies have included social media into their communication and advertising plan. The introduction and the correct use of these platforms imply significant advantages for the company, resulting in greater sales volumes, an increase of brand awareness and the strengthening of the corporate reputation. At the same time, the

business structure can forge a direct communication with consumers, without filters and mediators, resulting in the creation of a durable, honest and loyal relationship.

Nowadays, firms must implement and integrate a web marketing strategy, with its various applications, in their strategic plans. This is necessary for their survival and to be competitive in the global market. In this sense, digital channels as website, email, search engines, display advertising and social media are not only used to arouse users' interest toward the product but also to attract and retain consumers within the business reality.

These considerations are true for wineries, too. Even though the wine world emanates traditions, culture and heritage, the innovative and technological process involves and gives added value and benefits to the sector. In fact, due to the various configurations that the wine product has assumed over the years, wine businesses are more aware and conscious of the necessity to integrate not only traditional communication tools but also adopt digital channels in their marketing and communication strategy. Wine is no longer perceived anymore as a simple beverage, but it is considered a trendy and engaging product to consume in a convivial manner.

This thesis aims to evaluate the social media adoption and the related activities of Veneto and Friuli Venezia Giulia wineries embedded in the Prosecco System. An exploratory online survey, using Qualtrics software, has been created and spread toward Prosecco DOC and Conegliano Valdobbiadene Prosecco DOCG firms in order to understand their maturity level in terms of digital adoption.

In Chapter 1, the current world wine scenario is analysed, by looking at European and Non-European countries. Moreover, a general overview about Italy and the Veneto region is presented. In all cases, actual data about vine areas, consumptions, productions, and import/export practices are provided. Subsequently, in Chapter 2, the Prosecco World is evaluated, by focusing on the study of the Prosecco DOC and Conegliano Conegliano-Valdobbiadene DOCG production system. Chapter 3 presents the evolution in the marketing practice, the features of the new consumers, the evolution in terms of web phases, from web 1.0 to web 3.0, the features and different classification as regards the social media platforms focusing on the analysis of the most adopted social networking sites. In Chapter 4 the adoption of digital and technological

innovation in the wine sector is analysed. A description about the web marketing strategy and its application is provided, emphasizing the reasons why this kind of strategy should be adopted by wineries. In the last chapter, all the results of the online survey are presented and discussed. The survey was conducted in April 2019 and addressed towards Prosecco DOC and Conegliano Valdobbiadene Prosecco DOCG companies.

CHAPTER I - THE WINE INDUSTRY SCENARIO

The wine sector has always been considered particularly complex due to the numerous steps necessary to produce the finished product. The path to increase the added value of this production chain is found, not only in the raw material, the grape, but also during the winemaking procedure, ending with the bottling and marketing process of the wine product in the market. This production scheme, characterized by different stages, allows companies to diversify their products by introducing different production strategies and cutting-edge technological innovations. Moreover, the wine production area and its morphological features are relevant aspects for producing a high-quality product as requested. Other factors, as the economic and social conditions of a country, favours a relevant expansion in the wine business, building a new world scenario increasingly evolved and varied. This is possible thanks to the appearance of emerging countries that have no historical link with the wine production process but due to their configurations have decided to exploit their forces to become successful and fruitful realities in order to increase, consequently, the competition in the wine industry.

Nowadays, the wine industry is a selective and complex environment with problematic and challenging issues. Indeed, only the companies that are capable of effectively responding to the new customers' demand and the changes of the industry have the greatest opportunity of becoming successful realities. On the other hand, the businesses that have no intention of modifying their strategical and organizational aspects, will remain stuck in the past, with no possibility of surviving in the wine market.

In fact, wine, intended as a product, is subject to continuous change. The wine market and the wine culture are constantly evolving. This implies variations and transformations that persist over time.

Over the years, wine has adapted to the needs and the requests of society. Nowadays, we are dealing with a flexible and dynamic population, always looking for novelty and an innovative scenario, yet wishing to remain faithful to its past tradition and customs. Thanks to its qualitative characteristics, wine is a product that incorporates all these elements, harmonizing the past with the future. However, quite frequently, tradition, history and culture that characterize a territory, ever devoted to wine production, clash

with the technological innovations, the development of agricultural practices and the evolution of the wine industry.

Furthermore, the tough competitiveness that characterizes the global scenario and the need to survive in the wide wine market pushes the wine companies to keep up with the times, adopting an innovative and effective communication and marketing strategy to make themselves known and appreciated worldwide. In doing so, they gain the opportunity to acquire a relevant position not only in the national but also in the global wine market. At the same time, consumers have become more sensitive, conscious, and responsible. In fact, they are looking for a high-quality product that must, at the same time, be fairly priced. Keeping in mind all these considerations, wine companies must pay attention and respond effectively to the market requests in order to survive in the market.

1.1 Changes and new trends in the wine market

According to a study conducted in 2017 by IBIS WORLD ¹, the international demand in the wine sector is changing toward the request of a high-quality product. In fact, the focus toward a superior product can be perceived through the exploitation and valorization of the wine process. Nowadays, wine is no longer considered as a simple beverage but as a *“cultural product”* that encloses deep traditions, an inimitable territory and a long history. Consumers are looking for a wine connected to a specific and unique territory and they are fascinated by the idea of learning and being in contact with the wine product in its origin area (Tomazic, 2017).

Moreover, IBIS WORLD ² (2017) has emphasized the emergence of other new global trends related to the wine industry. Customers are taking care of their health and well-being. This implies a preference toward organic and natural products, without the presence of any chemical substances. That’s why wineries must adapt their products

¹ <https://www.efanews.eu>

² <https://www.efanews.eu>

and production process to this new scenario and the increasing demand connected to it.

Furthermore, the wine consumption is related to a change in terms of lifestyle and family habits. Due to the increasing tendency to consume less alcohol during meals, especially at home, today's society is characterized by a lower purchase trend for self-consumption. On the other hand, we are facing a positive drinking trend regarding the wine product away from home, on trade sectors such as restaurants, wine bars and wine shops. A better lifestyle, more free time and healthier choices have an impact on the international wine demand.

IBIS WORLD (2017) ³ has also provided other considerations especially regarding the factors that are influencing the international wine demand. For example, the increase in the disposable income encourages wine purchase. This is true because the price of a bottle of wine is relatively higher compared to other substitute drinks such as beer and non-alcoholic beverages. Moreover, wine consumption is affected by different demographic factors such as age, sex, education and life status. In general, age has the greatest impact. The wine market can be divided into four different age groups that influence the level of the international wine consumption.

- Young people, between 21 to 33 years old, identified by literature as Millennial consumers, represent 27% of the global wine market. During the last five years this category has experienced a growth in term of wine consumption: it's open to experience brand new and high-quality product, paying attention to the final price. Moreover, they look for an appealing product, which is also easy-to-find and purchase online, preferably through an e-commerce platform.
- People between 34 to 45 years really care about health and well-being, so they consume fewer alcoholic beverages and represent only 19% of the international wine market.

³ <https://www.efanews.eu>

- Consumers between 46 to 64 years provide the most significant contribution, representing 39% of the global wine market. Due to their high disposable income they are inclined to demand for superior and high ends bottles of wine.
- The last category, 15% of the wine market, is represented by the over 65 years old. They prefer to consume wine at the restaurant, avoiding self-consumptions.

As already mentioned, gender also has a strong influence as regards the international wine demand. In fact, the survey provided by Gallup in 2016 ⁴ highlighted the fact that with a preference of 47% women prefer drinking wine while only 32% of men favors this drink, selecting, other alcoholic beverages such as beer.

After these considerations regarding the features of the international wine demand and the factors that influence it, a general overview of the world wine industry is given, providing some data about the vineyard area, production, consumption and the import/export practice worldwide.

1.2 An overall overview of the world wine scenario: some data

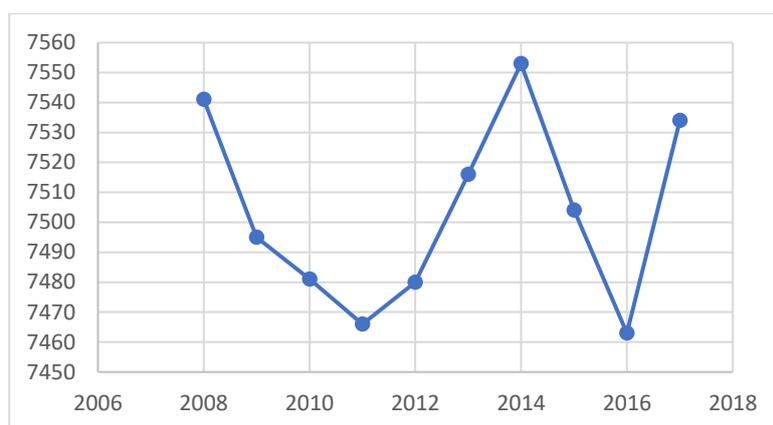
During the 41st World Congress of the vineyard and the wine business, held on the 19th of November 2018 in Punta del Este (Uruguay), the General Director of OIV ⁵, Jean-Marie Aurand, introduced a global and an overall overview of the wine sector.

Different data has been presented and discussed on this occasion, starting from the identification of the worldwide vineyard area in 2017. As expressed in Figure 1.1, during the past years, especially between 2008 and 2011, it has been possible to underline a considerable worldwide vineyard area reduction, but in 2012 the trend changed turning into a positive increase year after year. In 2017, according to OIV this data is around 7.534 million hectares, almost the same compared to 2016, with an increase of just 70 thousand hectares (kha).

⁴ <https://www.efanews.eu>

⁵ International Organization of vine and wine

Figure 1.1 - Worldwide vineyard area (thousands of hectares)



Source: Personal elaboration on OIV 2018-2019 data

Distinct scenario is found in the European zone. In 2017, the European vineyard area (taking into consideration the 28 Member States)⁶ cover 3.3 million of hectares, a reduction of 5.6 thousand of hectares (kha) compared to 2016.

In fact, during the years, a consistent European vineyard area reduction which occurred especially after the introduction of the EU Regulation (CE) n. 479/2008 dated to 29th April 2008, from the Common Organization of the Market in wine (CMO) within the framework of the common agricultural policy (CAP). After the approval of the Revision, the wine sector has been subjected to a significant and complex renewal process.

In fact, the main objectives of the EU Regulation were:

- Increase the competitiveness of EU wine producers, consolidating the reputation of European wines and regaining market shares in the European Union and the rest of the world;
- Provide the wine sector with a Community regime based on simple, clear and effective rules which ensure the balance between supply and demand;
- Preserve the European production wine traditions and promote their social and environmental role in rural areas.

⁶ Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the UK.

In details, this new Regulation wants to stabilize the wine market, abolishing ineffective and costly market intervention measures with the aim of increasing the competitiveness and reputation of European wines. Moreover, the reform is designed to promote the wine industry reconstruction, as it includes a three-year voluntary eradication scheme, with the aim of offering different solutions for the wine producers who are unable to cope with tough competition. The main purpose is to limit the wine-producing potential, decreasing the wine supply to protect the wine producer's profits. Since the European wine production was exceeding the wine demand, the new CMO wine provided the eradication of 175 thousand hectares at community level. The measure lasted for three years (from the campaign 2008/2009 to the 2010/2011 campaign). It was a voluntary action for winegrowers that in doing so received a community premium but, on the other hand, it was a mandatory practice for the European Member State.

Moving forward, the Regulation (EU) n. 1308/2013, of 17th of December 2013 but introduced on 1st January 2016, established a new system of planting authorizations in order to manage effectively and strengthen the European viticulture production process. As expressed in the Article 63, this Regulation implied the vineyard area annual growth, of the European Member State, being limited to 1% : *"Member States shall make available each year authorizations for new plantings corresponding to 1 % of the total area actually planted with vines in their territory, as measured on 31 July of the previous year"*.

Having a detailed look to the 2017 European scenario (OIV, 2018), Spain had the greatest vineyard area with a value of 967 thousand of hectares, even though the country is dealing with a decrease compared to 2016. France achieves the second position (787kha) with a stabilized vineyard area compared to 2016 immediately followed by Italy (695kha) that is facing an increase of the vineyard area compared to the previous year. The other noteworthy European countries are Portugal (194kha), Romania (191kha), Greece (106kha) and Germany (102kha), this 2017 data are stable compared to the year before.

Table 1.1 - European Vineyard Area ⁷ (thousands of hectares)

Country	2014	2015	2016	2017	Variation 2016/2017 (kha)
Spain	975	974	975	967	-8,2
France	789	785	786	787	0,9
Italy	690	682	690	695	5
Portugal	224	204	195	194	-1,5
Romania	192	191	191	191	-0,1
Greece	110	107	105	106	0,4
Germany	102	103	102	102	-0,1
Hungary	62	68	68	68	0
Bulgary	63	64	64	64	0
Russia	63	87	85	85	0
Austria	45	45	46	46	-0,5
Switzerland	15	15	15	15	0
Other European Countries	677	681	683	681	-2,1
Including the EU- 28 total (mha)	3.343	3.315	3.317	3.312	-5,60

Source: OIV, State of the wine world market, April 2018

On the contrary, the evaluation of the 2017 Non-European scenario different solution and conclusion must be carried out. In particular, after a double-digit growth of the vineyard area over the last few years, the Asian territory in this period, is facing a positive but slow growth in terms of hectares especially China (870kha). Different scenarios may be found in Turkey. In fact, this country is experiencing a tremendous decline of the vineyard area. In 2016, the area was about 468 kha, but in 2017 is about 448kha. The American vineyard area remained stable within the year (441kha), the same as the Australian one (145kha) and the New Zealand (40kha) while South Africa faced an irreparable decline.

A detailed analysis was provided for each country (Table 1.2). In order to have a general overview of the 2017 global scenario Spain, characterized by 967 mha, was the leading country in the entire world regarding its total vineyard area followed by China (870mha) France (786mha) Italy (699mha) Turkey (448mha) and USA (441mha).

⁷ Each country data takes into consideration the area under vines destined for wine grapes production, production or awaiting production of table grapes or dried grapes.

Table 1.2 - Vineyard area of the leading wine producing countries ⁸ (thousands of hectares)

Country	2014	2015	2016	2017	Variation 2016/2017
Spain	975	974	975	967	-8,2
China	813	847	864	870	5,9
France	789	785	786	787	0,9
Italy	690	682	690	695	5
Turkey	502	497	468	448	-19,7
USA	450	446	441	441	0,3
Argentina	228	225	224	223	-1,2
Chile	213	214	209	209	0
Portugal	224	204	195	194	-1,5
Romania	192	191	191	191	-0,1
Australia	154	147	145	145	-0,6
South Africa	132	130	129	125	-3,7
Greece	110	107	105	106	0,4
Germany	102	103	102	102	-0,1
Brazil	87	86	86	86	-0,1
New Zealand	38	39	39	40	0,8

Source: OIV, State of the wine world market, April 2018

Moreover, during the conference some information about the total worldwide grape production has been explained. In 2017, according to OIV (2018) this data is about 73 million of tons, a positive and rising trend over the years regardless the decline of the worldwide total vineyard area. In fact, this favorable data can be explained with the introduction, provided by some countries, of successful innovative strategy and technological tools that have improved the wine productive techniques. In detail, having an overall overview of 2017 scenario, China is considered the leading grape producer thanks to a value of 13.7 million of tons, followed by Italy (6.9 million of tons), United States of America (6.7 million of tons), and France (5.5 million of tons).

Analyzing the data of 2017, reported in Table 1.3, OIV highlighted the primacy of United States of America, as the first international country detaining the highest consumption with a value of 32.6 million of hectoliters followed by some European countries such as France (27.0 million hl), Italy (22.6 million hl) and Germany (20.1 million hl). Despite USA and Italy are facing a positive consumption trend compared to the previous year, France

⁸ Each country data takes into consideration the area under vines destined for wine grapes production, production or awaiting production of table grapes or dried grapes.

and Germany are experiencing a slight decrease in that same period. Moreover, in the international wine consuming ranking of 2017, China with a value of 17.9 million hl achieves fifth position, highlighting an ongoing positive and increasing trend. Matters are quite different in the South American countries, especially in Chile and Argentina where the national consumptions are suffering.

Table 1.3 – Main wine consuming countries (millions of hectoliters).

Rank	Country	2013	2014	2015	2016	2017	Variation 2016/2017
1	USA	30.8	30.6	30.9	31.7	32.6	2.90%
2	France	27.8	27.5	27.3	27.1	27	0.40%
3	Italy	20.8	19.5	21.4	22.4	22.6	0.90%
4	Germany	20.4	20.3	19.6	21.1	20.2	0.30%
5	China	16.5	15.5	16.2	17.3	17.9	3.50%
6	UK	12.7	12.6	12.7	12.9	12.7	-1,40%
7	Spain	9.8	9.9	10	9.9	10.3	0.30%
8	Argentina	10.4	9.9	10.3	9.4	8.9	-5,20%
9	Russia	10.4	9.6	9.2	9.1	8.9	-2,50%
10	Australia	5.4	5.4	5.5	5.5	5.8	4.90%
11	Canada	4.9	4.7	4.9	5	4.9	-1,70%
13	South Africa	3.7	4	4.3	4.4	4.5	4.50%
17	Brazil	3.5	3.2	3.3	3.1	3.3	6.00%

Source: OIV, *State of the wine world market*, April 2018

At the same time, OIV has provided the 2017 per capita consumptions data ⁹. These values have been calculated on the total population of each country. France holds the primacy with 45 litre per person per year, followed by 38.1 litre for Portugal and 35.8 litre for Italy. In both the cases, the per capita consumption data have been decreased compared to the previous year. Taking into consideration the American (9.8 litre) and Chinese (1.2 litre) data it's possible to affirm that, in the long run, these two countries will be the fuel of the world wine market growth (Table 1.4).

⁹ <https://www.inumeridelvino.it>

Table 1.4 – Per capita consumption data (litre), 2009-2017

lit per person	2009	2010	2011	2012	2013	2014	2015	2016	2017
FRANCE	48.4	46.6	46.4	47.7	47.1	46.4	45.8	45.3	45.0
PORTUGAL	42.4	43.9	43.8	42.5	40.6	39.6	40.2	38.3	38.1
ITALY	40.0	40.7	37.9	37.1	33.9	31.6	34.6	36.0	35.8
SWITZERLAND	37.9	38.4	35.5	34.9	34.7	35.9	36.9	35.5	35.3
CROATIA	34.1	35.4	34.5	34.4	34.4	34.4	34.4	34.4	34.4
SLOVENIA	37.1	37.5	37.3	33.1	33.1	33.1	33.1	33.1	33.1
BELGIUM	26.7	25.8	27.1	27.8	27.7	25.6	28.3	28.2	28.0
DENMARK	34.2	34.1	33.0	32.6	28.4	28.3	28.2	28.0	27.9
AUSTRIA	28.7	28.6	30.3	29.7	29.6	29.4	28.1	27.9	27.8
GERMANY	24.5	24.5	24.0	24.4	24.4	24.2	23.2	23.7	23.6
HUNGARY	26.1	18.1	21.3	21.1	19.7	22.8	22.6	23.5	23.4
AUSTRALIA	23.4	24.0	23.3	23.5	22.9	23.3	23.6	23.5	23.4
ARGENTINA	25.8	24.1	24.1	24.4	25.0	23.8	24.6	22.4	22.3
SWEDEN	21.6	21.4	21.2	21.1	21.9	20.9	21.7	21.6	21.5
NETHERLANDS	22.0	23.1	22.7	22.8	21.8	21.1	21.6	20.9	20.8
SPAIN	24.7	23.6	21.3	19.9	20.9	21.0	21.1	20.8	20.7
UK	20.5	20.7	20.5	19.9	19.7	19.4	19.4	19.7	19.6
GREECE	26.7	28.6	25.0	25.6	24.9	21.5	19.7	18.8	18.7
CZECH REP	19.2	19.1	19.0	17.4	15.4	15.3	18.1	18.0	17.9
CHILE	18.4	18.9	17.4	15.5	15.7	14.9	12.9	11.8	11.8
ROMANIA	18.7	7.6	16.4	12.1	12.9	13.1	11.1	10.5	10.4
USA	8.9	8.9	9.1	9.2	9.6	9.7	9.7	9.9	9.8
SUD AFRICA	6.8	6.9	7.0	7.1	7.2	7.8	8.4	8.5	8.5
RUSSIA	7.2	8.5	7.9	7.5	7.2	6.6	6.3	6.2	6.2
BRASILE	1.8	1.9	1.9	1.7	1.7	1.7	1.6	1.5	1.5
CHINA	1.1	1.1	1.2	1.2	1.2	1.1	1.2	1.2	1.2

Source: <https://www.inumeridelvino.it>

OIV (2018) has also provided the 2017 total value of the world market, considered as the sum of the export practice of specific countries¹⁰. With an evaluation of 30 billion euros the wine world market has achieved a value in terms of volume equal to 108 million hectoliters.

Regarding the export practice in terms of value, in 2017 it is possible to identify France as the world's leading exporter with a value of 9.0 million Euro, followed by Italy (5.9 million Euro) and Spain (2.8 million Euro). Both last two European countries are characterized by a positive and ongoing trend compared to 2016, the same as Australia, Portugal and New Zealand. On the other hand, from 2016 to 2017, the most significant value declines have affected the Non-European countries such as United States of America, Argentina and South Africa.

¹⁰ According to the observation of 83 countries via Global Trade Atlas

Moreover, in relation to the export practice in terms of volume, the three European countries mentioned above hold the primacy, as expressed in Table 1.5, but the arrangement is different. In fact, Spain detains the supremacy with a quantity level of 23.2 million hl, followed by Italy (21.4 million hl) and France (14.9 million hl). These two latter countries, together with New Zealand, Chile, Portugal and South Africa are characterized by a positive and growing trend. A different situation is expressed in Argentina and USA where, on the contrary, they are experiencing a volume decrease compared to 2016. The same situation is happening in Spain; even if it's the first country in the export practice in terms of volume, in 2017, its exported wine volume is decreasing compared to 2016.

Table 1.5 - Main wine exporters, including juice and musts, in terms of Value (mEUR) and Volume (mhl) in 2017

Country	Value (mEUR)	Volume (mhl)
France	9	14.9
Italy	5.9	21.4
Spain	2.8	23.3

Source: Personal elaboration on OIV, State of the wine world market, April 2018

Nevertheless, after a deep analysis of the overall scenario of each country it is possible to come up with the idea that the world market, in 2017, is experiencing a period of growth in terms of value and volume. The international wine market appears well defined, the European zone holds 73% of market shares in relation to the total exports in terms of value. This data is provided especially by France (holder a 30% of the total export market share) followed by Italy (holder a 20% of the total export market share) and Spain (holder a 10% of the total export market share). On the other hand, the New World countries, identified in the literature as Argentina, Chile, USA, China, Australia, which will be presented later, are detaining 25% of the total market share, an increase value compared to the previous year.

The worldwide import practice was facing a different scenario (OIV, 2018). The first five importing countries of 2017 are Germany, United Kingdom, United States of America, France and China; they imported a total of 55.3 million hectoliters, for a value of 14.4 billion Euro.

In detail in 2017, as regards the import practice expressed in terms of value, the USA is perceived as the world's leading exporter with a value of 5.2 million Euro, followed by the UK (3.5 million Euro) and Germany (2.5 million Euro).

Moreover, in relation to the import practice in term of volume, the three countries mentioned above hold the primacy but, the arrangement is different (Table 1.6). In fact, Germany detains the supremacy with a quantity level of 15.2 million hl, followed by the UK (13.2 million hl) and the USA (11.8 million hl).

Table 1.6 - Main wine importers, including juice and musts, in terms of Value (mEUR) and Volume (mhl) in 2017

Country	Value (mEUR)	Volume (mhl)
Germany	2.5	15.2
UK	3.5	13.2
USA	5.2	11.8

Source: Personal elaboration on OIV, State of the wine world market, April 2018

Furthermore, France, with an import volume of 7.6 million hl, retains a significant position in this practice. However, despite France is characterized by a strong tradition in the wine sector, being one of the largest European producers and detaining a leading position worldwide, it is experiencing an increase in the import practice due to a lack of low-end products and unfavorable climate events that have affected its production level this particular year.

In 2017, China, with an import volume of 7.5 million hl, is characterized by a soaring in the import practice compere to 2016 (+17%). Moreover, thanks to the import practice in terms of value this country is experiencing a tremendous growth compere to the previous year (+14,7%). In fact, with a value of 2.46 million Euro China is gaining the fourth position, getting closer to Germany, that as previously mentioned, it is the third

world's leading exporter. Once again, China's domestic demand is responsible for the growth of world trade in 2017.

In conclusion, Russia also deserves a specific analysis. In fact, despite the embargo and the various economic difficulties, the negative trend related to the Russian import practice in terms of volume and value that has characterized this country in the past years, came to a halt in 2017, experiencing a value of 4.5 million hl in terms of volume having a value of 878 million Euro.

Furthermore, OIV (2018) has provided an estimate of about 279 million of electrolytes, in relation to the worldwide data, as regards wine production for the year 2018. This outperforming data implies a 13% production increase compared to 2017 (250 million of electrolytes), but we should keep in mind that 2017 was characterized by tremendous and unfavorable climate condition that has affected the wine production capacity of some countries, consequently decreasing the entire worldwide production level.

Different estimates were provided for the main wine producing countries. Italy, also in 2018, with an estimated production value of 48.5 million hl, confirms its primacy being the world's leading producer, followed by other two European countries such as France (46.4 million hl) and Spain (40.9 million hl). Another noteworthy country is the USA with a value of 23.9 million hl. However, it is necessary to mention some South America countries where production increased significantly, especially Argentina (14.5 million hl) and Chile (12.9 million hl). Moreover, Australia (12.5 million hl) and China (10.8 million hl) are still in the lead of the worldwide ranking (Table 1.7).

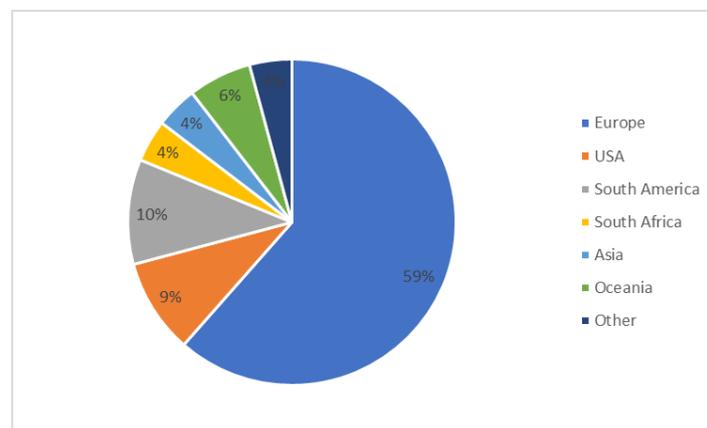
Table 1.7 – Estimate of the main wine producing countries, including juice and musts, (millions of hectolitres) in 2018

Rank	Country	Production
1	Italy	48.5
2	France	46.4
3	Spain	40.9
4	USA	23.9
5	Argentina	14.5
6	Chile	12.9
7	Australia	12.5
8	China	10.8

Source: Personal elaboration on OIV, State of the wine world market, April 2018

In fact, according to OIV (2018), the European zone remains the world's leading wine production area, with a market share in term of value decreasing from 67% at the beginning of the millennium to a level of 59% over the last 3 years. This scenario is guaranteed by the rise and the relevant contribution of new international producers that are not traditionally wine producers but at the same time have conquered a relevant position in the wine sector. As mentioned in Figure 1.2 they are the United States of America, which accounts for 9%, South America accounting for 10% (especially Argentina, Chile and Brazil), Asia with 4% (especially China), South Africa detaining a 4% and Oceania having a market value of 6% (especially New Zealand and Australia).

Figure 1.2 – Wine production for geographic area, market share in 2017 (percentage)



Source: Personal elaboration on OIV, *State of the wine world market*, April 2018

1.2.1 The presence of new competitors in the wine market

In the last twenty years, the world has been shaped by globalization. According to the International Monitoring Fund (IMF) ¹¹ definition, globalisation is an historical process that implies human innovation and technological development ¹². Moreover, this process has increased international relations and cross-border exchanges between countries implying integrated economies, unrestricted financial flow and free trade at global level. Furthermore, the term globalisation refers to the free movement of people,

¹¹ Organization of 189 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.

¹² <https://www.imf.org>.

labors, goods, knowledge, information, ideas and technologies across the international borders due to the overcome of the entry barriers. In conclusion, it's possible to highlight standardisation and conformance in almost all the global countries as regards the economic condition, lifestyle and ideological vision, having in mind western society model.

This free trade and free access scenario have influenced some changes within the global wine industry. In fact, there has been a consistent integration of the international wine markets; an internationalisation process adopted by companies and the presence of new actors in the global scenario has increased the global competition.

In fact, over the last fifteen years, wine demand has increased, the same as global wine consumption. In 2017, the total value pointed out by OIV (2018) regarding the worldwide wine data consumption is about 244 million of electrolytes, an increase of (+0,9) compare to 2016. This substantial data implies a reorganization of world consumption between Old and New countries. Not only the contribution of the Old World, which has a rooted tradition and detain a leadership within the wine sector but, also the increase of wine consumption is reinforced by the contribution of some emerging markets, the New World, especially South American and Asian one. Indeed, the worldwide level consumption has increased, on one hand, thanks to the overcoming of the European economic crisis, on the other hand, due to the progressive expansion of the middle class and its disposal income in the emerging countries. An example of this is given by the Asian middle-class population. Thanks to the offshore investment process it has been increasing its revenue, which in turn resulted in major growth and development. They are experiencing a high level of life, with a favours for the western style.

In fact, according to the analysis provided by Duarte et al. (2014) wine producers can be divided into two categories, the Old World and the New World. The Old World includes all the countries that have a strong tradition within the wine practice and have a deep knowledge of the wine sector. European countries such as France, Italy, Spain and Germany are included in this section. On the other hand, United States of America, Australia, New Zealand, South Africa, China and some South American countries

(including Argentina, Brazil, Chile) are emerging in the wine industry and are characterized by the following features (Table 1.8).

Table 1.8 – New World versus Old World.

<p>Old World - France, Italy, Spain and Germany</p>	<ul style="list-style-type: none"> • Rich in tradition • Terroir focused • Heavy Government’s involvement: strict regulations on vineyards and wine making methods • Traditional region-based labelling • High costs of production • High quality/ Higher price • Home of 4 of the six largest wine markets by consumptions • Limited distribution and marketing process
<p>New World – Argentina, Chile, USA, Australia and China</p>	<ul style="list-style-type: none"> • Innovation leaders in industry • Leveraging technology • Making the most of the lenient regulations • Attractive, easy to comprehend grape variety-based labelling • Utilize full Value Chain- excel in distribution and marketing • Medium to lower markets • Moderate to low price • Relatively new to wine industry for both producers and consumers

Source: Personal elaboration on <https://winefolly.com> and <https://sipsavorstomp.com>

1.3 The current Italian wine scenario

Italy is famous all around the world for its wine sector. In fact, it is considered the country with the widest and most diversified wine production in the world; just to think that vines grow everywhere and are present in every region. The Italian wine productive structure is distributed in a homogeneous way on the entire National territory. However, the volumes produced, and the type of wine production vary considerably. The Northern regions concentrate most of the IGP, DOC and DOCG wines (these denominations guarantee a superior quality), the Southern regions produce 2/3 of the national production of table wines. In conclusion, thanks to its favorable climate, conformation

of the territory and its rooted tradition Italy is considered the perfect place to produce various quality wines, known and appreciated worldwide.

Analyzing the wine sector and taking into consideration the statistics provided by “*I numeri del Vino*” (2018) it is plain to see that the Italian wine supply chain is very extensive and complex. In fact, there are many actors taking part in the production process. In Italy there are more than 300.000 firms where 47.000 are winemakers and 9.000 are bottlers ¹³. The Italian wine production base is fragmented, with small-medium size producers, employing 10 workers on average.

Moreover, the Italian wine business is characterized by different factors of production. This implies large investment in terms of capital, but the total amount can vary significantly between small producers and large companies. In general, mechanization has gained a relevant role in the production process. Nowadays, in order to keep up with the times, being competitive in the market and increase the production on a large-scale, some investments in the technological field are required. Nevertheless, the human capital is still valuable and vital, the production process still requires the human knowledge and know-how. Furthermore, the wine production process requests time and the final product necessitates a long qualifying period. The vineyard has an average lifespan of 12-15 years, which can be extended up to 30-40 years in some areas and the wine production generally starts from the third year. In conclusion, the wine sector deals with a low volatility of turnover. Turnover can be influenced by exogenous factors, such as climate changes, parasites, diseases or consumer changes in terms of tastes.

According to OIV (2018) in 2017, and as already mentioned, the Italian vineyard area is about 695 thousand hectares, an increase of 5 kha hectares compared to 2016. Nevertheless, 2017 represents for Italy an exception in terms of wine production volumes. This year is characterized by a limited harvest, the poorest in the last fifty years, due to unfavorable and unusual climate events. Just to make a comparison (OIV 2018), in 2016, 50.9 million hl of wine were produced (excluding juices and musts), while in the following year the Italian wine production volumes was 42.3 million hl (excluding juices and musts) a decline of 17% in just one year, with a production of 6.9 million tons

¹³ <https://www.efanews.eu>

of grapes. However, in this scenario, there is a repositioning of the Italian wine products taking place in the market: they are decreasing in terms of quantity but, on the other hand, they are rising in terms of quality. Indeed, according to Coldiretti ¹⁴ (2018), the 70% of Italian wine production is characterized by a superior quality, expressed and guaranteed by IGT, DOC and DOCG Denominations ¹⁵. Moreover, despite the decrease of the production volume, the Italian wine production value accounted for 12.1 billion Euro in 2017. In 2017, as regards the wine consumption, Italy, with a value of 22.6 million hl achieves the third position in the ranking of the major wine-consuming countries.

The productive situation changed and got better in 2018. In accordance with ISTAT (2018) ¹⁶, thanks to the production of an estimated value of 48.5 million hl of wine, Italy obtained the role of the first world producer. On the contrary, the official data referred by Mipaaf ¹⁷ regarding the wine production volume in 2018 is about 52.6 million hl. The data differ because nowadays the definitive statistics are not available, it is too early to have a precise and overall scenario about the Italian wine production for 2018. Despite that it is possible to highlight an overall positive trend identifying a substantial increase in the wine production in all the Italian regions.

This impressive data is not only due to the favorable climate and factor endowments but, also because the Italian wine sector has high yields, great and differentiated types of vines, development of nurseries and a wide range of high-quality products adjusted to the taste of different markets.

Different factors influence the level of competitiveness in the international wine market: the degree of the production, the capacity to conquer and penetrate new markets, the dynamism of the production chain and the level of investments, the climate conditions and the respect for the environment, the exploitation of different markets and the macroeconomic situation of the country. Analyzing the value of all these data it is possible to identify the Italian wine sector as the most competitive in the world followed by two other European wine realities, the French and the Spanish one ¹⁸.

¹⁴ The main Italian agricultural entrepreneurs' organizations.

¹⁵ <https://www.coldiretti.it>

¹⁶ <https://www.statistica.regione.veneto.it>

¹⁷ The Italian Ministry of Agriculture, food, forest and tourism.

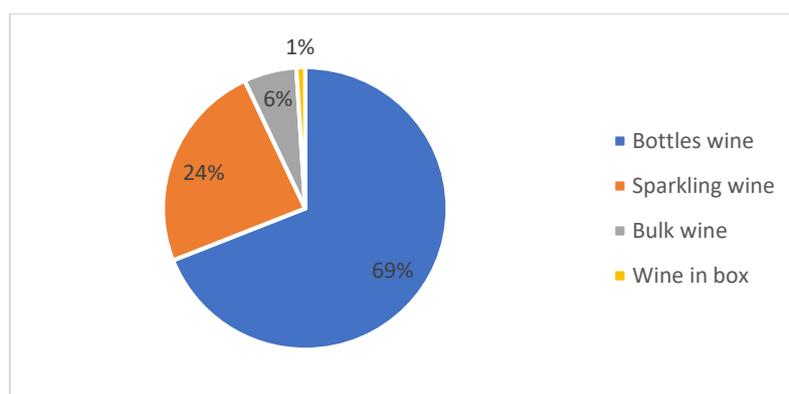
¹⁸ <https://www.statistica.regione.veneto.it>

1.3.1 Italian export

Italian wine is requested and appreciated worldwide. Indeed, in the last ten years Italian wine has acquired a relevant position in terms of value, more than triple compared to volumes in the foreign markets. Italy is among the third leading wine exporting countries in the world, exceeded in terms of volume and value only by France (holder a 30% of the total export market share) and followed by Spain (holder a 10% of the total export market share). It's the second top wine exporter, exporting 40% of its own production and holding 20% of the total export market share ¹⁹.

In 2017, according to ISMEA ²⁰ (2018) it is possible to underline an outperforming trend. About 21 million hl of wine were sold abroad generating a value of 6 billion Euros ²¹. The composition in terms of the type of wine exported is expressed in Figure 1.3.

Figure 1.3 – Export composition in terms of wine typology in 2017 (percentage)



Source: Personal elaboration on ISMEA data, 2018.

The United States remains the first target market for our wines, followed by the European Germany. Nevertheless, a negative aspect of this extended practice is the excessive concentration and dependence of the Italian wine exports in few foreign markets, the first three targeted markets absorb 60% of the total export (USA, Germany, UK). Moreover, the Italian wine sector is characterized by other weaknesses, one of which is the way it pursues the internationalisation practice.

¹⁹ <https://www.winemonitor.it>

²⁰ Institute of Services for the Agricultural Food Market.

²¹ <https://winenews.it>

Due to the small size of the Italian wine companies, the main problem remains the capability to penetrate the foreign markets. In fact, according to Melitz (2003) only the biggest and most productive firms engage in the international trade. That's why in order to overcome this issue, it becomes necessary, for sharing risks and costs, to establish durable and profitable collaborations between companies.

Furthermore, to develop a successful internationalisation strategy it's necessary to improve the relationship within international productive and distributive chains, strengthening and enhancing the Made in Italy implied value.

The previsions for the year 2018, about the Italian wine sector, have been presented during a workshop organized by UniCredit Bank during the biggest event dedicated to wine's world in Verona, Vinitaly. The *"Industry Book"* published on April 2018 collects the analysis, studies and data that the UniCredit Bank has conducted regarding the tendency, dynamics, competitiveness and the future perspective in terms of growth and development of the Italian wine sector. According to their sector studies the level of export is still growing in the first nine months of 2018, with a production value of 4.5 million Euros (an increase of 3% compare to the same period in 2017).

The United States remains the first target market for the Italian wine, followed by Germany and the United Kingdom. These markets hold approximately two-thirds of the total Italian wine export. Moreover, it's necessary to keep in mind the fact that in the Russian market the Italian wine volume and value has started to grow again.

Regarding the Far East countries, in recent years, Italian wine companies have made relevant investments to develop and promote some marketing campaigns in order to penetrate these markets, especially the Chinese one. In fact, China is experiencing a period of constant and economic development. In this context, it is necessary for Italian companies to consider entering the Chinese market as a priority. However, despite all the effort made to being well established in the Chinese market, the first Eastern market for the presence of Italian wine is the Japanese one. This scenario is possible due to a strong economic, cultural and commercial relationship between Japan and Italy.

Indeed, according to the ICE data of Tokyo provided by Wine News, in 2018 Japan imported Italian wine for a value of 21.6 billion Yen, around 173 million Euro ²².

In addition, according to ISTAT (2019) ²³ the Made in Italy sparkling wine, that symbolizes the 23% of the total exported products, is becoming the driving force of the national wine sector. In fact, in the first nine month of 2018 the sparkling wine bottles have been exported abroad for a value of 1 billion Euro. Made in Italy sparkling wine has been requested especially by United Kingdom, the main target market. Moreover, the tremendous success of sparkling wine is related to the excellent performance of the “Prosecco system” located in Veneto region. (characterized by Prosecco DOP, Conegliano-Valdobbiadene DOCG and Asolo Prosecco DOCG). Analyzing the data of the first nine months of 2018, the exportation of the Prosecco system has gained a value of 634 million Euro. In fact, Prosecco wine represents the 60% of the Italian sparkling wine abroad, requested especially by United Kingdom (35%), USA (23%) and Germany (5%). These markets hold approximately two-third of the total Italian wine export.

In 2018, in the United Kingdom, out of 200 million bottles consumed, 124 million were Made in Italy and 113 million of these were Prosecco bottles. In the American market, out of 95 million bottles of Italian wine, 78 million were Prosecco.

Germany remains the world's leading consumer of sparkling wines: about 1.7 billion bottles are sparkling wines; out of 100 million imported bottles, 34 are Italian of which 20 of Prosecco. On the other hand, the Made in Italy sparkling wine is not appreciated as much in China so its sales in terms of volume are decreasing.

1.4 The current Veneto region wine scenario

Wine is a strategic resource for Italy, especially for Veneto region. In fact, Veneto is the first Italian region for wine export, it is the number one grape producer, and has the largest cooperative wine structures of Europe and the largest private wine groups. The final data for the 2018 Veneto harvest has been presented on 14th January 2019 in

²² <https://winenews.it>

²³ <https://www.inumeridelvino.it>

Lonigo during the annual focus group promoted by Veneto Region, Veneto Agriculture²⁴ and Avepa²⁵.

2018 represents a flourishing year for the Veneto region wine sector. In fact, thanks to a favorable climate, the production of grapes amounted to 16.4 million quintals collected from which almost 13.4 million hl of wine has been produced data consistently increased in term of quantity and quality compare to the previous year. In fact, in 2017 only 9.5 million hl of wine were obtained from the harvest, but this data reflects the hostile climate that it had been translated into a poor harvest season. Moreover, the increasing level of wine volume production from 2017 to 2018 reflects the presence of new vine plantings ²⁶.

The Veneto vineyard is made up by two different macrosystems: the "Prosecco System" characterized by Prosecco DOC, Conegliano-Valdobbiadene DOCG and Asolo Prosecco DOCG wine, that in 2018 produced 6 million quintals of grapes. On the other hand, we identified "Verona System" that thanks to its Valpolicella, Soave, Bardolino, Bianco di Custoza and Garda wine produces 2.32 million quintals of grapes. These two systems added together produced about 8.48 million quintals of grapes, half of the Veneto wine production in 2018.

1.4.1 The Veneto region export

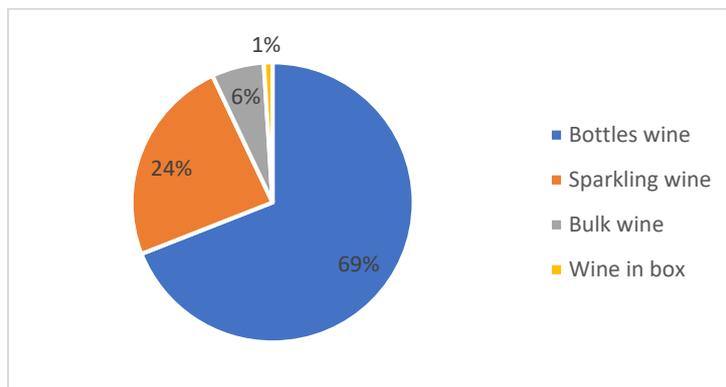
Nowadays, thanks to a vineyard area of 94.414 hectares, Veneto remains the first Italian region in terms of wine export. According to "*Bollettino socioeconomico del Veneto*", published in January 2019 by the Statistics Office of the Veneto region, the export of Veneto wine has achieved a primacy, reaching a value of 1.5 billion euros in the first nine months of 2018, an increase of 3% compared to 2017. Figure 1.4 express the Veneto export composition in terms of wine typology in 2018. Due to this successful and abundant wine season, it's necessary for the Veneto wine producers to extend their presence worldwide identifying and penetrating, with their products, new markets.

²⁴ Veneto agency for the primary sector.

²⁵ Veneto agency for payments in agriculture.

²⁶ <https://argav.wordpress.com>

Figure 1.4 – Veneto Export composition in terms of wine typology in the first nine month of 2018 (percentage)



Source: Personal elaboration on ISTAT data, 2019

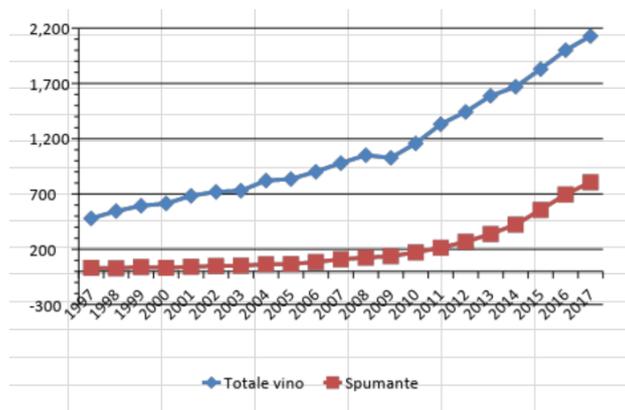
As said, wine represents the flagship product for the Veneto region; it is requested and appreciated all over the world. The Rapporto Statistico 2018²⁷, *“Il Veneto si racconta, il Veneto si confronta”* states that a solid commercial partnership is consolidated within Veneto and other international markets. In 2017, the level of the exported wine in the United Kingdom has reached a value of production of almost 430 million Euros, followed by the USA market with an exported value of 420 million Euros. Moreover, the value of wine export in the Nordic countries such as Denmark Netherlands and Norway are falling while there is a surprising growth of China (+ 43%), France (+ 28%) and Russia (+ 21%).

The Veneto region, thanks to its well-defined history, flourishing territory and favorable climate is considered the first Italian region in terms of turnover regarding the production in the wine sector with a value of 1.3 billion Euro in 2016. Moreover, analyzing the ranking of the first ten Italian provinces for turnover in the wine production in the year 2016, 5 of these provinces (Verona, Treviso, Vicenza, Padova, Belluno) are in the Veneto region. The reason of this tremendous success is given by importance in terms of value that the sparkling wine is acquiring, year after year, the sparkling wine. Taking into consideration the last 5 years, the performance of the sparkling wine is gaining speed; the continuous growth in terms of volume and value is superior compare to the wine production considered as a whole. This can be deduced

²⁷ Tool that collects, process and analyses data sector regarding the Veneto region in order to obtain a structural and economic situation of the territory.

also by the fact that in 2017, the total Veneto exported wine achieves a value of 2128 million of Euros of which 806 million Euros is the value of the exported sparkling wine (Figure 1.5). As already mentioned, sparkling wine represents the 24% of the exported wine. Much of this success is linked to the Prosecco phenomenon, in this sense, the Prosecco DOC and the Conegliano-Valdobbiadene DOCG are the driving force in economic terms of the Veneto wine sector and they will be examined in detailed in the next chapter.

Figure 1.5 – Veneto total wine and sparkling wine exported (million Euros)



Source: Personal elaboration Veneto agency for the primary sector - Veneto Agriculture data, 2018

CHAPTER II - THE SUCCESS OF PROSECCO WINE

Veneto wine is synonymous of high quality achieved with well-defined methods. Moreover, thanks to the combination of tradition and innovative production techniques this wine has a strong relevance not only in the national market but also worldwide being the first economic driver of the region. In this context and in this area, the Prosecco System, known not only in Italy but also worldwide, was born.

In particular, the region is characterized by two main wine Denominations, DOC (Controlled Designation of Origin) and DOCG (Controlled and Guaranteed Designation of Origin). We identify Prosecco DOC, produced throughout the Veneto and Friuli Venezia Giulia regions. On the other hand, the DOCG Denomination incorporates the Conegliano Valdobbiadene Prosecco DOCG that comes from Conegliano Valdobbiadene, a hilly area limited to just 15 municipalities in the North East of Italy and the Asolo Prosecco DOCG whose production extends over 19 municipalities around Asolo.

It is therefore necessary to highlight the differences between these two-wine Denominations, identifying the substantial variations that consumers should take into consideration in their purchase practice.

2.1 Prosecco World

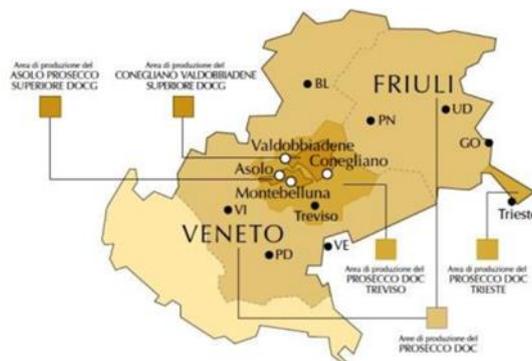
Prosecco is facing a tremendous success, not only in Italy but also worldwide. This product is characterized by a simple name, easy to pronounce and remember. Moreover, Prosecco is defined by a sustainable price, it is easy to find, and it is offered by a growing number of producers. Furthermore, being appreciated worldwide this international success is the result of an understandable wine characterized by an appealing taste.

Despite that, within the Prosecco world it is necessary to stress out the differences, not only in terms of Denomination, but also as regards the production area and the production data that characterized the Prosecco DOC and Conegliano Valdobbiadene DOCG.

As already mentioned, Prosecco DOC involves a wide production area, which includes two regions, Veneto and Friuli Venezia Giulia. Its production is extended towards Belluno, Gorizia, Padova, Pordenone, Treviso, Udine, Venezia, Vicenza, Trieste provinces. Moreover, according to its Production Specification ²⁸, Prosecco DOC can be mentioned as Prosecco DOC Treviso and Prosecco DOC Trieste if the grape harvest, the winemaking procedures and the bottling activities take place entirely within these two provinces. The reason behind this distinction is based on the idea of promoting and highlighting the historic production area of Treviso and Trieste. Moreover, within the Prosecco DOC area, it's possible to identify, by considering exclusively the Treviso province, two restricted wine production areas that have achieved the DOCG Denomination: the Conegliano-Valdobbiadene territory and Asolani Hills area (Figure 2.1)

The Conegliano Valdobbiadene Prosecco DOCG and Asolo Prosecco DOCG, enhanced by the recognition of their superior quality, are considered the excellence of the Treviso winegrowing practice and one of the greatest manifestations of the Italian sparkling wine production system.

Figure 2.1 – The territories of the Prosecco System



Source: <https://www.lemillebolleblog.it>

In details, the Prosecco World can be represented through a “quality pyramid” where at the top it’s possible to identify the Conegliano Valdobbiadene Prosecco DOCG system. It incorporates three different types of sparkling wines that rise at the top of the pyramid

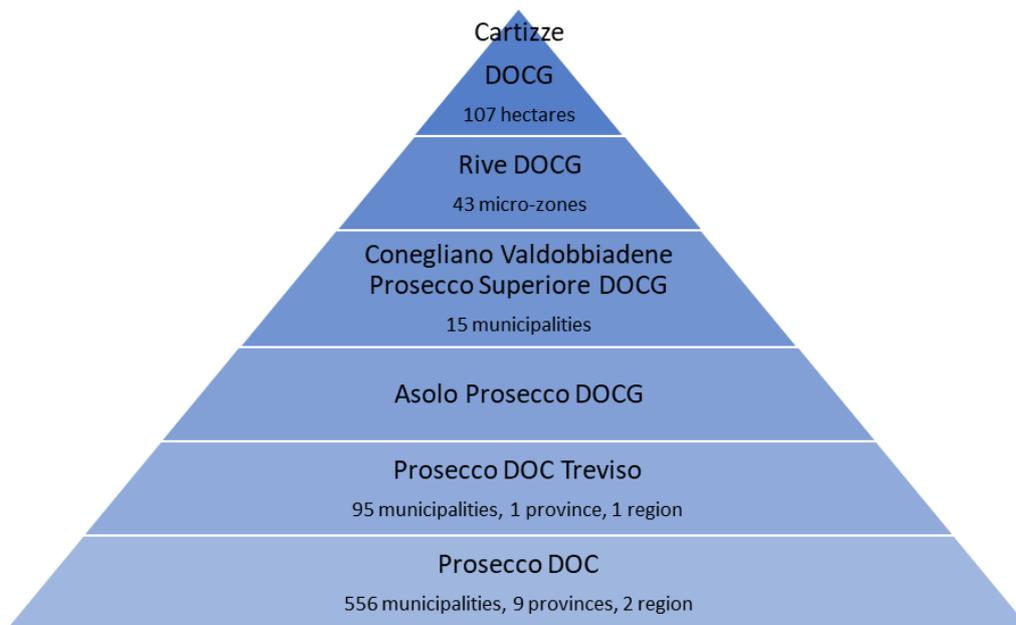
²⁸ “Disciplinare di produzione” is an instrument that establishes the minimum parameters that provide specific characteristics to the product so that it can be identified in its traditional known features.

because the grapes come from specific vineyards area and the production processes are characterized by strict rules.

- Valdobbiadene Superiore Cartizze DOCG ²⁹
- Conegliano Valdobbiadene Prosecco Superiore Rive DOCG ³⁰
- Conegliano Valdobbiadene Prosecco Superiore DOCG ³¹

Close to these types of wines it's possible to identify the already mentioned Asolo Prosecco DOCG while the DOC Denomination is found at the bottom at the Prosecco world pyramid (Figure 2.2).

Figure 2.2 – The Prosecco System quality pyramid



Source: Personal elaboration on <https://www.enofylzwineblog.com>

²⁹ It is produced in a sub-zone that covers 107 hectares of vineyards.

³⁰ It includes 43 Rive (the slopes of the hills that characterized the zone).

³¹ The historic Prosecco Superiore is produced exclusively in the hills of the Conegliano Valdobbiadene zone and its production area includes 15 municipalities (Conegliano, San Vendemiano, Colle Umberto, Vittorio Veneto, Tarzo, Cison di Valmarino, San Pietro di Feletto, Refrontolo, Susegana, Pieve di Soligo, Farra di Soligo, Follina, Miane, Vidor and Valdobbiadene).

2.2 Designations of Origin

The configuration of the production area, linked to the traditional production techniques, have a strong relevance in the determination not only of the wine quality but also of its organoleptic features. This concept has been defined and accepted by the European Union. In this sense, in order to protect the wine's distinctive characteristics some Certifications, associated to the wine origin area, the processing sites and the production techniques, have been recognized and established at national and European level. Nowadays, there are specific EU regulations and national standards application that control the wine production and its further classification.

With the application of the Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs published in the Official Journal of the European Union, the Council of the European Union guarantee two different qualitative and protection categories for the wine product: Protected and Geographical Indication (IGP) and Protected Designation of Origin (DOP). The DOP certification is attributed if the specific organoleptic and quality features of the wine product depend essentially or exclusively on the territory in which it's produced. Moreover, a DOP label guarantees that the production, transformation and preparation phases take place in the defined and limited geographic area.

On the contrary the IGP label, less stringent compared to the DOP one, is applied to those wines that have specific qualities and/or reputation due to their geographical origin and whose production and/or transformation or processing occurs in the given geographical area. For being qualified as an IGP product at least one production phase must occur in the designated area.

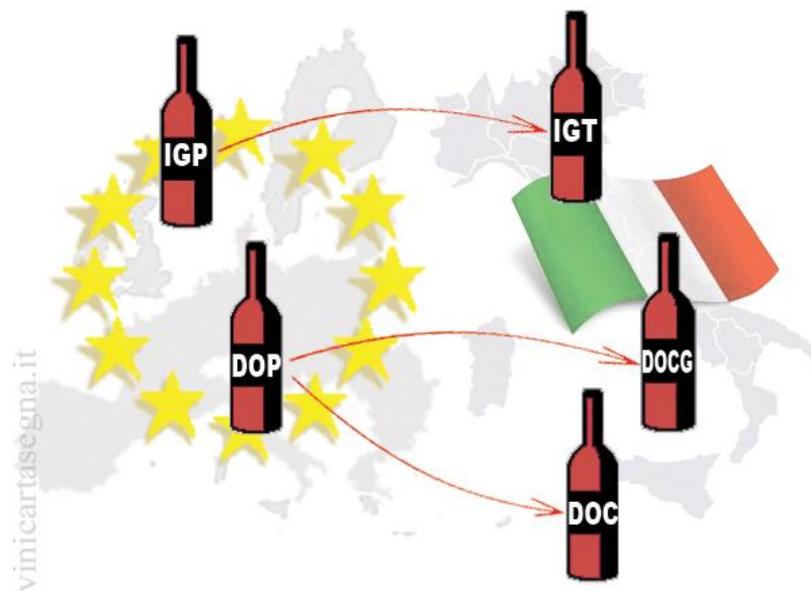
On the contrary, the Italian legislation has introduced some important variations with respect to the European guidelines. In fact, the Legislative Decree of 8 April 2010, No. 61, published in the Official Journal No. 96 of 26 April 2010, established that the Protected Designation of Origins wines (DOP) are classified in:

- Controlled and Guaranteed Designation of Origin (DOCG)
- Controlled Designation of Origin (DOC)

In other words, the DOCG and DOC classifications are used in Italy to designate the DOP wine products, as regulated by the European Union.

Moreover, Protected Geographical Indication (IGP) includes the Regional Geographical Indication (IGT). IGT classification is adopted in Italy to identify the IGP wines as regulated by the European Union (Figure 2.3).

Figure 2.3 – Wine classification according the European and Italian Regulation



Source: <https://www.vinicartasegna.it>

Focusing on the national standards application, the Italian qualitative system classifies the wine product in four different qualitative and protection categories expressed in ascending order: table wine, IGT, DOC and DOCG.

The IGT³², DOC³³ and DOCG³⁴ are independent labels that certify the origin and the quality of the wine product, from table wine to high-quality product such as Prosecco bottle. Italian classifications have the aim to protect and preserve the wine producer from the counterfeiting practice of Made in Italy wine. At the same time, the final

³² "Indicazione Geografica Tipica" - Regional Geographical Indication.

³³ "Denominazione di Origine Controllata" - Controlled Designation of Origin.

³⁴ "Denominazione di Origine Controllata e Garantita" - Controlled and Guaranteed Designation of Origin.

consumer, thanks to these certifications, is aware of purchasing a high-quality product made according to some specific rules defined in the wine Product Specification.

The Product Specification is the law that defines the production and commercial requirements of an agricultural or food product. In other words, it's an instrument that establishes the minimum parameters that provide specific characteristics to the product so that it can be identified in its traditional known features. It establishes a system of technical rules that are defined by the public authority with the contribution of trade representatives, industry experts and other stakeholders.

As regards the wine sector, the Product Specification implies the application of legal requirements, set of indications and operating practices that must be followed and strictly applied during the wine production process. In order to produce an IGT, DOC or DOCG wine it is necessary to conform the final product to what is expressed in each Product Specification. In fact, being made of different articles, it specifies the official name of the Denomination and the types of wine that can be produced under this Certification. Moreover, it contains information regarding the ampelographic base specifying what type of grapes from a specific vineyard must be used during the wine production process and the maximum yields for hectares. Another article defines the grapes production zones indicating the geographical production area. The production phase is controlled so winegrowing rules and winemaking standards are set. Furthermore, Product Specification specifies the consumption characteristics; the features that the product must have at the end of the production process in terms of color, smell, taste, alcohol content, and acidity. In conclusion, norms in terms of labelling, packaging and placing the product on the market are defined. The last article provides information about the control structure that must verify the compliance of the product with the provisions defined in the Specification.

After being elaborated, presented, approved and published the Product Regulation is periodically reviewed for being updated and modified. In fact, since the Regulation has been in place, it is controlled by Mipaaf. In conclusion, if the standards and the elements defined in the Product Specification are violated by the producer from the law viewpoint it is considered a crime.

The IGT Denomination recognizes the quality of table wines that are characterized by a large and wide production area that must be identified and delimited. The production regulation of an IGT wine doesn't set excessive restrictions as regards the wine production process and its further market inclusion. This because the rigidity in terms of norms and standards defined by the Specification is proportional to the quality class of the wine produced. In order to obtain the IGT certification, wine must be produced in the geographical indication specified in the Product Specification and the 85% of grapes used in the production process must be originated from the harvest in the specified geographical area. Furthermore, after 5 years, an IGT wine can obtain the DOC Denomination if it has all the requisites required by the DOC Specification.

2.2.1 Differences between DOC and DOCG Denomination

As already expressed, the DOCG Denomination, a step higher compared to the DOC, is established with the aim to protect and ensure the wine value provided by history, culture, tradition, human capital and territory; all elements that add value to the final product.

DOCG stands for "Controlled and Guaranteed Denomination of Origin", the highest quality level for Italian wines. This Denomination, represented in the wine bottle, identifies the geographical origin of a high-quality wine that has distinguished itself for detaining the DOC certification for at least five years. Moreover, a DOCG wine is characterized by stricter production requirements and severer chemical-organoleptic controls compared to a DOC wine. In fact, the inspections, that also imply a sensory analysis, are conducted by a committee of experts that analyse the wine's organoleptic features several times: during the bottling stage and before putting the product on the market.

On the contrary, the DOC Denomination, that stands for "Registered Designation of Origin" is a label that certifies the delimited area of origin for the grapes used in the production process. Moreover, the production phase is regulated by the Product Specification that defines the characteristics in terms of organoleptic properties, and

alcoholic content that a DOC wine must present. They are subject to chemical and organoleptic tests during the production phase.

Nowadays, many DOC and DOCG Denominations have been in place especially in the North and the Centre part of Italy. However, sometimes they are not exploited and used not even close to their full capacities. In fact, the producers make a strong effort in order to achieve the certification but in the long run they are not capable of certifying their own products. This situation doesn't depend on them. In fact, most of the time it is not possible to certify the wine production due to an excessively restrictive Specification that strongly limits the right to certify the product.

This is not the case of Prosecco DOC, Conegliano Valdobbiadene Prosecco DOCG and Asolo Prosecco DOCG that respectively in 2009 have obtained the recognition according the European and the international sense. The new scenario, that takes the name of "Prosecco Project", has the aim to protect the Prosecco wine globally from any falsification and imitation the Prosecco wine. In fact, in the last years the Prosecco world has been subjected to many imitative phenomena due to the tremendous success of the product and thanks to the increasing national and international consumer demand. In the long run this falsification practice, very tough to keep under control and abolish, would create a serious damage in terms of image and future incomes for the authentic Prosecco wine product. That is why in 2009, in order to preserve an undamaged reputation, Mipaaf approved the reorganization of Prosecco System which implies an increase in terms of controls and guarantees. Prosecco is no longer perceived as a wine obtained by a type of vine but as the wine of a specific territory. In fact, even if Prosecco can rely on the production process techniques, most of the qualitative characteristics and organoleptic proprieties that differentiate a DOC and a DOCG wine are provided by the territory of origin. For these reasons, it was established two different quality levels: the recognition of the DOCG Denomination for the Conegliano Valdobbiadene Prosecco DOCG and Asolo Prosecco DOCG and the definition of the Prosecco DOC Denomination.

The introduction of the DOCG Denomination became necessary because the DOC Denomination wasn't able anymore to efficiently protect the Prosecco original production area anymore. The main idea behind the implementation of DOCG aimed to a better product protection but also to identify and accept the territory as a qualitative

factor that makes the product recognizable and appreciated all over the world. In fact, the DOCG Denomination is synonymous of dynamic capabilities, winegrowers' experience, unique climate, exclusive terroir area, rooted tradition and cultural heritage.

2.3 Prosecco DOC in numbers

As already mentioned, Prosecco DOC is produced exclusively in the North-East of Italy, within Veneto and Friuli-Venezia Giulia, between the Dolomites and the Adriatic Sea. The interaction between the climate, the soil and the winemaking tradition gives rise to Prosecco DOC, a unique and a stylish wine. Having obtained the DOC Denomination on the 17th of July 2009, this type of wine is made by special grapes that are cultivated within a specific and restricted geographical area that define the wine's aroma and its organoleptic characteristics. In 2009, after the recognition of DOC Denomination, the Consortium for the Protection of Prosecco DOC was established (Figure 2.4).

Figure 2.4 - Consortium for the Protection of Prosecco DOC mark



Source: <https://www.prosecco.wine>

It's a private body created according to the public interest that joins together all the categories of producers such as vine-growers, winemaking companies and bottlers. Only in 2012 Mipaaf defined the objectives of the Consortium, conferring to it some functions and purposes that are expressed and defined in the Prosecco DOC Charter, in Article 4.

Protection, promotion and valorization are the main pillars of the Consortium. Preserve the DOC Denomination from any imitation and falsifications practices, provide technical

support and spread detailed information about product specification toward the consumers are the main activities carried out by the Consortium.

Numerous duties are performed by the Consortium. It faces a wide range of activities related to the entire wine product life cycle in order to guarantee the Denomination expansion and protection in accordance with the rules defined and specified in the Product Specification. Moreover, in order to improve brand awareness and reputation different initiatives and events are organized by the Consortium worldwide. Throughout collaborations, partnerships, masterclass, cultural manifestation and communication and advertising campaigns the Consortium tries to add value and enhance the product but also the territory image. The Consortium DOC maintains relations with the press, it conducts market research to study the consumers behavior and attitude toward the product and it arranges future directions that Prosecco DOC must follow.

Among all these activities, the Consortium for the Protection of Prosecco DOC provides every year, as in 2018, the production data and a general overview of the Prosecco DOC scenario.

Being produced in nine North-East Italian provinces such as Belluno, Gorizia, Padova, Pordenone, Treviso, Udine, Venezia, Vicenza and Trieste, it accounts for a wide production area of 24.450 hectares. Moreover, according to the data it is possible to affirm that the Prosecco DOC world involves a broad productive industry with 11.102 vine-growers farms, 1.211 winemakers and 348 sparkling wine producers.

In 2018, Prosecco DOC distinguishes itself by excellent market performance both in terms of value and volume. In this year, the Prosecco DOC total production reaches a turnover of 2.4 billion Euro producing 464 million wine bottles. The offer is diversified, the greatest production concerns sparkling wine (83%), followed by Frizzante (17%) and Tranquillo wine types (0.05%).

Prosecco DOC is one of the leaders within the range of the Italian sparkling wine. It contributes to the economy of its production territory (Veneto and Friuli Venezia region) being a symbol of quality, success and style.

In detail, 2018 sales data show that only 25% of the production is destined to the national market with a volume of 116 million wine bottles that generate a value of 600

million Euro. The Italian market can be divided into 4 different macro-areas that are characterized by a different wine level demand. According to the Nielsen area³⁵, this type of wine in 2018 is especially requested by the North-West part (37%) followed by the North-East area (30%). The center of Italy and the South area, that group together also the Islands, count respectively 19 and 14 percentage.

The remaining 75% of the wine production affects the international market. The export practice involves 348 million of bottles that create a value of 1.800 million Euro. In fact, in 2018 the European market, confirms itself as the first exporting absorption area of Prosecco DOC with a value of 72%. Moreover, Prosecco DOC is also requested and appreciated also in Non-European countries. Noteworthy data is given by the fact that 22% of the international demand is absorbed by the North America market. The Asian market accounts for 4%, Oceania absorbs 2% while South America and Africa are less than 1%.

2.4 Conegliano Valdobbiadene Prosecco DOCG system: its competitive advantages

Conegliano Valdobbiadene Prosecco DOCG system is located in Conegliano Valdobbiadene, a hilly area limited to just 15 municipalities in the North East of Italy. It is characterized by a superior quality guaranteed according to the DOCG sense of regulation, the highest quality level for Italian wines. Conegliano Valdobbiadene production area is characterized by a unique microclimate. Being located between the sea and the Pre-Alpes this area presents a temperate climate within an annual average temperature of around 12 °C. However, the Conegliano Valdobbiadene hills are subjected to different solar exposure that implies the creation of different wine products with distinguished flavors. Moreover, this production area implies the coexistence of different typologies of soils but also differently shaped hills. The presence of these

³⁵ The Nielsen areas are used for the geographical segmentation of a sample or clientele. Italy is divided into 4 Nielsen Area; the subdivision criterion is based on a homogeneity of socio-economic characteristics of each Area.

Area 1: North West (Piedmont, Aosta Valley, Liguria and Lombardy)

Area 2: North East (Veneto, Friuli-Venezia Giulia, Trentino-Alto Adige and Emilia-Romagna)

Area 3: Center (Tuscany, Latium, Marche, Abruzzo, Molise and Sardinia)

Area 4: South and Island (Campania, Calabria, Basilicata, Apulia and Sicily)

various and distinct natural features has determined the creation of different micro areas that give birth to different types of products. Each product is characterized by unique and distinct organoleptic elements that represent the added value of the wine. Conegliano Valdobbiadene is produced mainly in a sparkling variation and it is observed in three different types: Conegliano Valdobbiadene Prosecco Superiore D.O.C.G., Conegliano Valdobbiadene Prosecco Superiore Rive D.O.C.G. and Valdobbiadene Superiore di Cartizze D.O.C.G. These wines are well known not only among Italian consumers but also on the foreign markets.

Conegliano Valdobbiadene historic production area has remained limited to just 15 municipalities over the years. The terroir, unique in terms of microclimate and in the soil composition, is one key factor that guarantees and determines the wine's superior quality making this Denomination inimitable. In the Conegliano Valdobbiadene hills, this wine expresses itself at best due to long but not excessively cold winters, hot and ventilated summers with periodic thunderstorms and a long mild autumn. Moreover, the area is characterized by different slopes, each hectare requires about 600 hours of work for Conegliano Valdobbiadene D.O.C.G. to be considered a hand-crafted wine, the expression of Italian art of vine growing. Moreover, the system's remarkable position is the result of a forward looking and constant hard work of the producers and the stakeholders that actively operate in this sector. Their investments, not only in physical resources such as equipment and facilities, but also in human capital, allowed them to be competitive in the markets and acquire a relevant position.

Nature, history and culture are responsible for the superior quality of Conegliano Valdobbiadene D.O.C.G. What makes this Denomination unique doesn't depend only on the raw material quality and the fertile soil, but a relevant role is played by the production methods rooted in the culture and in the history of this area. The History of Conegliano Valdobbiadene began three centuries ago with the foundation of the Italian first enology school in Conegliano. Wine culture has deeply pervaded this area for centuries, and it is the expression of each production method still used today. For all these reasons Conegliano Valdobbiadene represents the ideal area for growing vines as an example of complete specialization of the territory. The unique microclimate, the

composition of the soil and the wine tradition are three reasons that make this region ideal for growing vines and the establishing of a well-defined wine business structure.

Conegliano Valdobbiadene Prosecco DOCG represents a leading figure for the regional, national and international production system because, it has been able to react and innovate itself due to the challenges imposed by the global market. The natural endowments provided by the land wouldn't have been enough if they hadn't been enhanced by forward-looking entrepreneurs. The success of Conegliano Valdobbiadene DOCG among consumers is based on several elements: original image, easy drinking, great versatility of use and fine price performance. Conegliano Valdobbiadene DOCG has its own image because it doesn't have substantial overlaps with its competing products (Cava, Crémant) or connection with Champagne. For these reasons Conegliano Valdobbiadene DOCG producers are expanding the export practice, including new destinations. The purpose is to collect all the opportunities that globalization is offering to a product that is linked with its production area but, at the same time, is global.

Table 2.1 - 2017 Conegliano Valdobbiadene DOCG

VINEYARD	- Total area (ha)	8.088
	- Conegliano V. Prosecco DOCG (ha)	7.706
	- Rive DOCG (ha)	274
	- Superiore Cartizze (ha)	108
EMPLOYEES	- Total employees	6.245
	- In wine-growing companies	3.277
	- In wine producing companies	242
	- In sparkling wine companies	2.726
	- Vineyard	369
	- Winery (288 enologists)	1.116
	- Trade and administration	669
	- Export Office	182
	- Trade Manager	62
	- Entrepreneurs	328
- Young entrepreneurs	908	
PRODUCTION AND VALUE	- Declared grape production (t)	97.598
	- Certified wine production (hl)	685.695
	- Conegliano V. Prosecco DOCG (bt)	91.425.957
	- Spumante (sparkling bt)	84.512.815
	- Rive (bt)	2.000.951
	- Superiore di Cartizze (bt)	1.478.184
	- Frizzante (bt)	3.292.703
	- Tranquillo (bt)	141.304
	- Retail value of production (€)	502.575.888
BUSINESS	- Vine-growers	3.442
	- Wine-producing companies	427
	- Sparkling wine producer	185
	- Cooperative	7
DOCG SPARKLING WINE	- Production total value	472.270.815€
	- Italy (58%)	280.113.388€
	- Total Export (42%)	191.157.426€
	- Germany (20%)	43.366.322€
	- United Kingdom (21%)	38.039.324€
	- Switzerland (18%)	32.591.540€
	- United States of America (9%)	16.007.198€
	- Austria (5%)	10.117.609€
	- Benelux (3%)	6.409.501€
	- Canada (3%)	5.860.640€
	- Other market (more than 130-20%)	39.765.282€

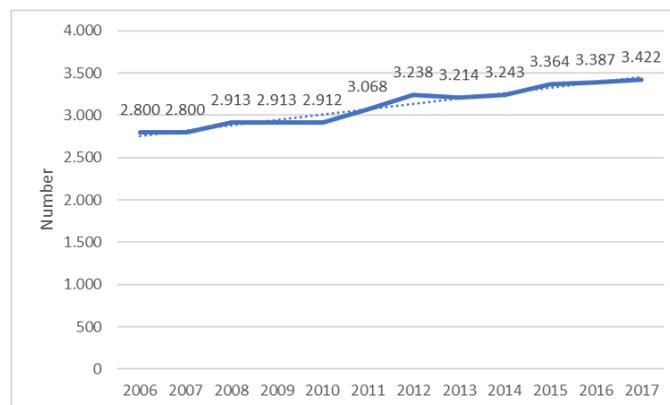
Source: Valorialta, 2018, C.I.R.V.E., 2018

2.4.1 Conegliano Valdobbiadene Prosecco Superiore D.O.C.G in numbers

The 2017 Conegliano Valdobbiadene DOCG data are included in the annual Economic Report drew up in 2018 by the District's Research Centre with the collaboration of C.I.R.V.E.³⁶

In 2017, the DOCG area accounts for 3.442 vine-growers, which translates to an increase of 1 percentage point compared to 2016 (Figure 2.5). Due to a quantitative growth of the business structures, even the surface in terms of hectares has increased during the years. In 2016, the production of Conegliano Valdobbiadene affected 7.549 hectares, but in 2017 vineyards extended over a surface of 8.088 hectares (Table 2.1) causing a rise as regards the grape production. The Report highlights a decrease in the number of wine-producing companies 427 (Figure 2.6), but on the other hand, an increase in the sparkling wine producers 185 (Figure 2.7). However, in both the cases the level of wine production still increased compared to the previous years. All these companies, which are actively involved in the Conegliano Valdobbiadene DOCG production system, are strongly connected through an effective and well-established relationship, creating a consolidated network that is controlled by Valorialia³⁷, a society that ensures the achievement of efficiency, flexibility and constant growth.

Figure 2.5 – Vine-grower, 2006-2017

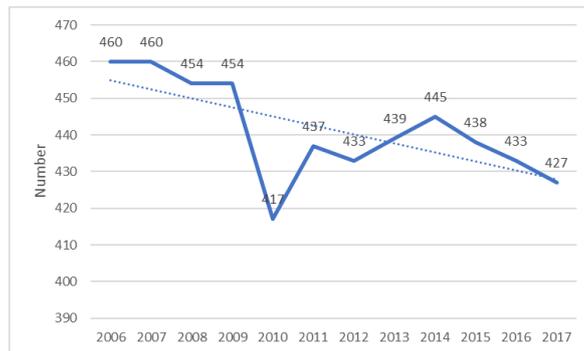


Source: Personal elaboration on C.I.R.V.E and Valorialia data, 2018

³⁶ Economic Observatory of the Interdepartmental Centre for Research in Viticulture and Oenology of Padua University.

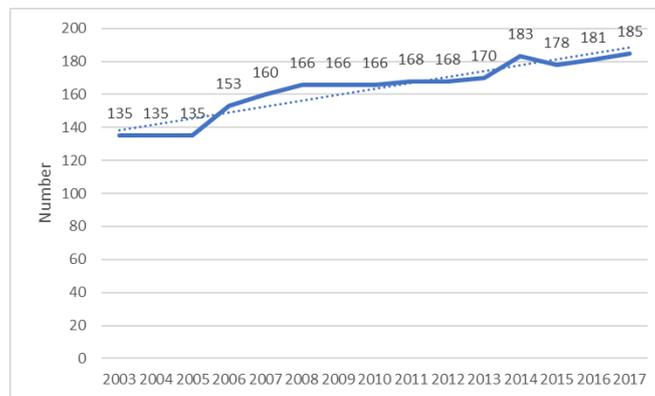
³⁷ It's the leading company in Italy authorized by Mipaaf, for the control and certification of wines with Designation of Origin, Geographical Indication and wines with indications of the grape variety and / or harvest.

Figure 2.6 - Wine-producing companies, 2006-2017



Source: Personal elaboration on C.I.R.V.E and Valorialia data, 2018

Figure 2.7 – Sparkling wine producer, 2003-2017



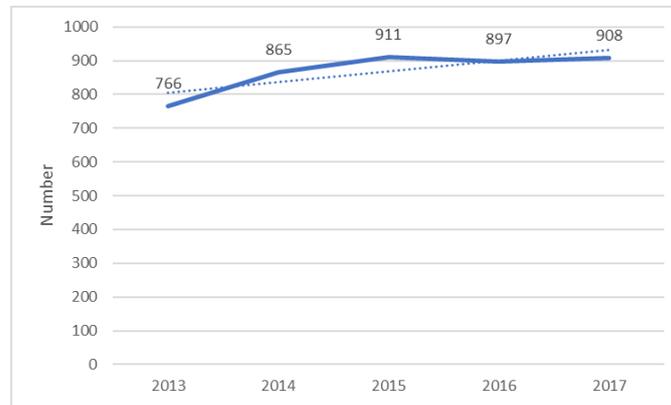
Source: Personal elaboration on C.I.R.V.E and Valorialia data, 2018

Moreover, this report highlights the number of skilled people actively involved in the Conegliano Valdobbiadene DOCG system. In 2017, the human resources of the district are represented by 6.245 employees (Table 2.1). This reality creates jobs and invests in human resources generating a generational change and a more dynamic sector. In fact, it is important to underline the presence of young people ³⁸ inside the District. In 2017, 908 young people were employed in the sparkling companies, one- third of the total employees (Figure 2.8). The increasing presence of young people mostly affects the big companies instead of the small ones. Moreover, it's also important to point out that young people recover different and various professional roles within the business

³⁸ Young people with less than 40 years

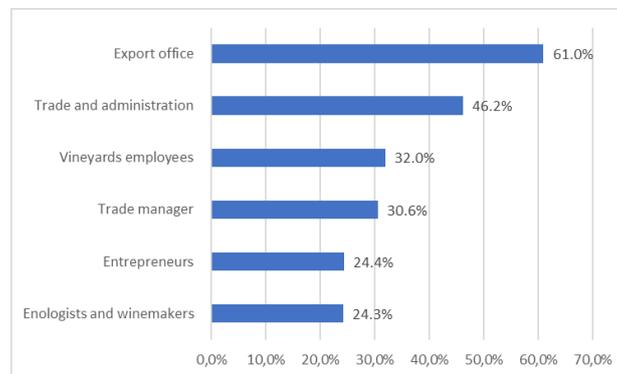
structure. Above all they work in the marketing field and in the export office while they are least present in the technical and productive roles that are employed in the wine-cellar and in the vineyard area (Figure 2.9).

Figure 2.8 – The inclusion of young people in sparkling wine companies, 2013-2017



Source: Personal elaboration on C.I.R.V.E and Valoritalia data, 2018

Figure 2.9 – The professional roles recovered by young people, 2017.



Source: Personal elaboration on C.I.R.V.E and Valoritalia data, 2018

In 2017, Conegliano Valdobbiadene DOCG distinguishes itself for its excellent market performance both in terms of value and volume. During this year, Conegliano Valdobbiadene DOCG reality has produced 91,4 million bottles³⁹ for a value of 502,6⁴⁰ million euros.

³⁹ This data includes Conegliano Valdobbiadene Prosecco Superiore DOCG, Conegliano Valdobbiadene Prosecco Superiore Rive DOCG, Valdobbiadene Superiore di Cartizze DOCG and Frizzante production.

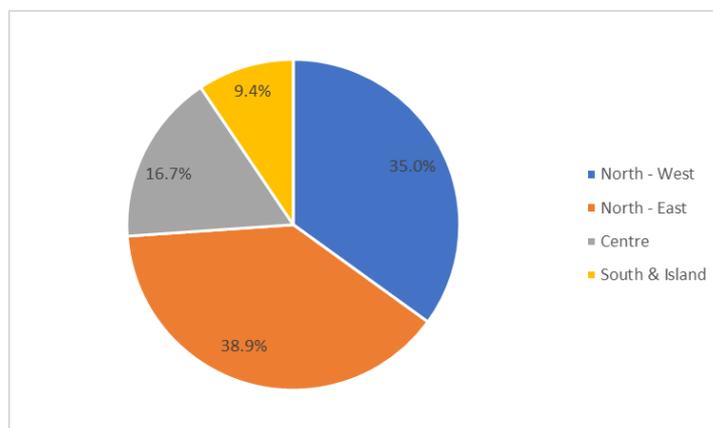
⁴⁰ This data includes Conegliano Valdobbiadene Prosecco Superiore DOCG, Conegliano Valdobbiadene Prosecco Superiore Rive DOCG, Valdobbiadene Superiore di Cartizze DOCG and Frizzante production.

In detail, Spumante represents the 92.4% of the entire production, Rive accounts for 2% and Superiore di Cartizze is produced in a quota of 2%; the 96% of the entire production affects the sparkling wine. Compared to the sparkling wine typology, in the Conegliano Valdobbiadene area, other types of wine such as Frizzante (4%) and Tranquillo (0.2%) are produced in smaller quantities.

Sales data show that 58% of the production is destined to Italy while 42% of the production is destined toward the international market (Table 2.1). In 2017, as regards the Italian market, the sparkling wine DOCG production reaches a supply size of 280 million Euros, equivalent to 50.1 million bottles. In 2017, the production value of sparkling wine sold in the national market remains stable compared to 2016 (+0.3%) while a volume growth equal to 2% compared to the previous year is recorded.

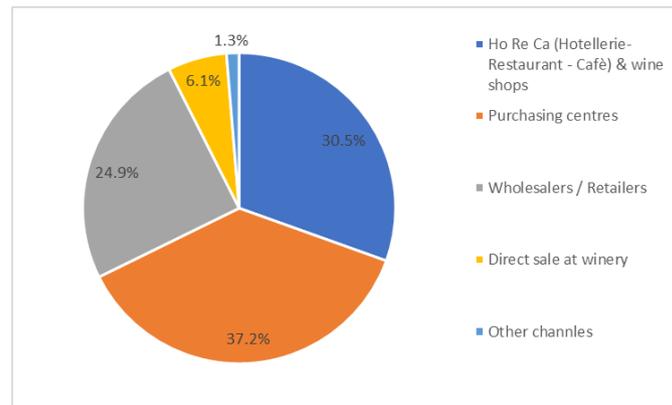
According to Nielsen the Italian market can be divided into four differentiated macro-areas: North-East, North-West, Centre and South/Islands. In 2017, some changes in terms of the demand of Spumante DOCG typology were recorded in these areas. In fact, on one hand the Northern regions are facing a slowdown in terms of demand, on the other hand the Central-Southern regions are experiencing a Spumante DOCG purchase rapid growth. Despite this, two thirds of Spumante DOCG sales are located in the North part of Italy, especially the North East absorbs 39% of sales, followed by the North west area that accounts for 35%, the Centre has a value of 17% while the South/Island area is characterized by a value of 9% (Figure 2.10).

Figure 2.10 – Spumante DOCG demand according to Nielsen area (percentage), 2017



Source: Personal elaboration on C.I.R.V.E and Valorialia data, 2018

Figure 2.11 – Spumante DOCG distribution channels, 2017

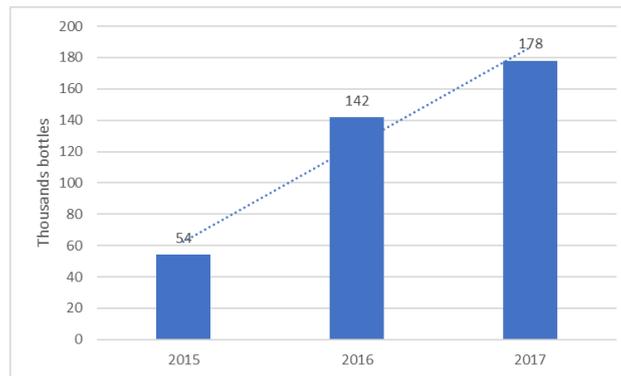


Source: Personal elaboration on C.I.R.V.E and Valoritalia data, 2018

Different sale channels are used to promote and sell the Spumante DOCG. In 2017, the HoReCa (Hotellerie-Restaurant-Caf ) and the wine shops account for 31%. Furthermore, a relevant position is covered by the purchasing centers (37%) whose sales have increased in volume and even more in value. A minor role is covered by the wholesaler/retailers (25%) while there is an evolution of the company direct sale channel that accounts for 6% (Figure 2.11).

Moreover, compare to the previous year, the 2017 data reveals a positive trend in terms of value and volume within the e-commerce channel. In fact, the sales of Spumante DOCG occurred through the e-commerce platform are characterized by positive performances, reaching a volume of 178.000 bottles, generating a turnover of 1.3 million Euro. Moreover, from 2015 to 2017, the number of sparkling wine producers that have decided to exploit this cutting-edge channel has doubled, from 16 units in 2014 we moved toward 35 companies in 2017. It's important to stress out that the decision to adopt this platform is taken regardless of the size of the company. In conclusion, all these flourishing data confirm the growing interest in the E-commerce channel highlighting further developments and improvements in the adoption of this platform by other wine businesses (Figure 2.12).

Figure 2.12 – Spumante DOCG bottles sold through the E-commerce, 2015-2017



Source: Personal elaboration on C.I.R.V.E and Valorialia data, 2018

In 2017, the Conegliano Valdobbiadene DOCG reality experiences a tremendous success by strengthening its value and entering in new international markets. In fact, the wine products are requested, appreciated and exported in almost 140 countries. Looking at the export data ⁴¹, the scenario related to this practice has reached a value of 192.2 million Euro and a volume of 36.4 million exported bottles.

In 2017 the European market, confirms itself as the first exporter absorption area as regards the Conegliano Valdobbiadene DOCG Denomination. However, it is also important to point out the importance of the export practice within Non-European countries. International markets differ from one another in term of features, dimension and wine demand. However, in this wide scenario it is possible to identify three groups of countries that share some common traits: traditional importers, strategic importers and new importers.

Germany, Switzerland and Austria are considered traditional markets, in other words importing markets, where the presence of Conegliano Valdobbiadene DOCG is by now consolidated. In fact, German- language markets represent 43% of the entire exports. In details, in 2017, Germany and Austria experience an increase in the import practice while in Switzerland the demand of DOCG sparkling wine is slowly decreasing.

Moreover, the United Kingdom, the USA, Benelux, Canada, the Russia Federation and other European countries are strategic markets, where the DOCG sparkling wine is

⁴¹ The analysis of results conducted on the international market refers to Prosecco Superiore DOCG and Rive DOCG

showing the best growth rate. Particularly in 2017, in the United Kingdom and the USA the import level improved while France, Benelux and Canada are experiencing a decrease in term of import.

Furthermore, Scandinavia, Australia & New Zealand, Japan, South-East Asia, Latin America, Brazil, Other Asian & African countries, China & Hong Kong, Africa & the Middle East are considered new importers. Conegliano Valdobbiadene producers are developing a new relationship with these markets. However, a decrease in the import practice can be perceived in some of the new destinations of the Conegliano Valdobbiadene Denomination except for China, Hong Kong and the African countries.

2.4.2 Conegliano Valdobbiadene DOCG District

Concentrating the industry production in one or few locations reduces the industry's costs, even if the individual firms remain small. In the last few years economists and entrepreneurs have identified the importance of the district model for the Italian economy, defining it as a geographical concentration of firms involved in a specific sector. Indeed, many firms connected to a specific sector, but characterized by different tasks, have decided to cluster geographically in order to gain benefits and achieve better performance from its competitors (Chiarvesio et al., 2010).

For these reasons Conegliano Valdobbiadene was recognized in 2003 as Italy's First Sparkling Wine District as an example of industry where external economies of scale take place. The unique microclimate, the characteristics of the soil and the business model have made this region ideal for growing vines and fostering the presence of an extensive network of vine growers that constitute a real district. This area is characterized by a perfect competition between firms, but at the same time, a huge network relationship is created to decrease the costs of production and support the marketing strategy in the national and global market. Conegliano Valdobbiadene District brings together different reality such as: the sparkling wine producers, the producers' Consortium, distilleries, the Veneto Grappa Institute, Companies that design and manufacture winemaking machinery, laboratories of analysis, companies that supply products and services for winemaking phase, scientific institutions, local organizations

including those who promote tourism and those involved in the hospitality field like restaurants, wine, shops, hotels and agritourism.

A sector that is facing external economies of scale consists of many small firms that are perfectly competitive. External economies of scale exist for three main reasons: they attract specialized equipment and services; they create a highly skilled workforce and they promote knowledge spillovers. All these reasons explain why Conegliano Valdobbiadene firms gain benefits to cluster geographically.

Conegliano Valdobbiadene DOCG is a high-quality product that requires not only the natural factor endowments but also the support of machinery, technology and other components that are the expression of its value. Located around this area, firms that provide specialized equipment, services and products linked with the wine business. For example, in this area there are a significant number of firms that are involved in the production of glass and bottles. Moreover, a multinational corporation, which produces corks, has decided to open the Italian branch in this context. There is a huge reality of companies that design and manufacture winemaking machinery, giving birth to a world-class industrial pole in the food processing sector, without forgetting the importance of the services that in this context are provided by analysis laboratories and scientific institutions.

A large and concentrated industry can create a pooled market for workers with highly specialized skills. It is an advantage for the producers because they are less likely to suffer from labour shortages reducing the research and recruitment costs of workers. Moreover, workers can benefit from this because they are less likely to become unemployed. With a highly skilled workforce the company that needs to hire new employees can find them inside the industrial district. Here in Conegliano an example is the Winemaking School and Padua University which, thanks to their strong commitment and work, train and develop specialized figures in the wine sector. Knowledge is one of the important input factors in highly innovative industries. Investments in capital should be complemented by investments in education or research & development (R&D). An informal exchange of information and ideas takes place between different realities that are involved in the district in a large and concentrated sector. Regarding Conegliano Valdobbiadene, in order to improve marketplace knowledge, study competitive

scenarios and help producers to perform efficient strategies the District's Research Centre was created.

2.4.3 The Conegliano Valdobbiadene DOCG Consortium

As said before, Conegliano Valdobbiadene DOCG reality represents the success of a large team. Indeed, this Denomination is characterized by a huge number of producers and stakeholders of different sizes, distributed throughout the fifteen municipalities, that have decided to join in the Consortium, a private body with a variety of goals.

In fact, the Consortium for the Protection of Conegliano Valdobbiadene DOCG is a private body created in the public interest and it joins together all the categories of producers: vine-growers, winemaking companies and bottlers. Numerous tasks are performed by the Consortium. It faces a wide range of activities related to the entire wine product life cycle, starting from the support in the vineyard area, to the promotion of the product and finishing with the continuous controls related to the DOCG Denomination.

In fact, the Consortium is focused on three main areas: protection, promotion and sustainability.

Regarding the protection field, the Consortium carries out important work to improve production methods in the vineyard and winery, supervising all the stage of production, aiding and training the professional figures. At the same time, the Consortium wants to guarantee the authenticity of the product, protect the consumers and preserve the producers.

The Consortium's efforts aim to promote communicate and valorize it elevates the image of Conegliano Valdobbiadene DOCG not only in Italy but also abroad. Throughout collaborations, partnerships, training activities, cultural events and communication campaigns the Consortium tries to add value and promote the product. Only few companies enter the export market because dealing with international trade is a very expensive and time-consuming process. Conegliano Valdobbiadene area is characterized by small firms, often family-based, so companies work together in the

Consortium in order to gain benefits in the international trade, reaching markets that couldn't exploit individually, and decrease trade cost through collecting marketing activities coordinated by Consortium.

However, even if the Consortium for the Protection of Conegliano Valdobbiadene DOCG is the main investor in the protection and promotion of this Denomination, it is not the only promoter body. In fact, these activities are performed and supported by also other actors such as Altamarca, Confraternity del Prosecco, Primavera del Prosecco and the local Pro Loco.

Altamarca is an association that promotes and exploits the Conegliano Valdobbiadene area through the creation of the Prosecco and Conegliano Valdobbiadene Wine Road. This road allows the consumer to be in contact, in the original production area, with the wine product, being capable to understand the real value in terms of heritage, tradition and cultural components. In doing so, Altamarca guarantee an economic and tourism development of the Conegliano Valdobbiadene area.

Confraternità del Prosecco has a similar objective: the enhancement and promotion of the Conegliano Valdobbiadene territory and its wine productions fostering and organizing some events. The Confraternità, founded by people involved in the wine sector, is an authentic Prosecco school and works to develop a partnership between people, wineries, territory and the Prosecco wine.

As regard the sustainability field, the consortium has launched an important program for the protection of its origin area forging its environmental sustainability. This commitment has been assumed in order to preserve, in the long run, the superior quality of this wine and the economy of Veneto region. The Consortium carries out a policy of sustained growth where investments in capital are complemented by investments in education or R&D. In this case a virtuous cycle arises.

CHAPTER III – DIGITAL STRATEGY IN THE MARKETING PRACTICE

3.1 The evolution in the marketing practice

The actual economic scenario is the result of the effort of two driving force: globalisation and the evolution in the technological field. According to Kotler (1999) *“Technology is the agent of change not only in the material infrastructure of society but also in the models of human thought”*. Moreover, the author adds that *“Digitalisation is the revolutionary manifestation of technological evolution”*. In fact, we moved from a mechanical world toward a digital one. The web, computer, smartphone and social media are becoming integrated part of people daily life, influencing the behavior, not only of the single person designed as a consumer, but also of the producer. Due to the speedy of the change progress, companies can no longer continue to rely on established and rooted practices, but they should respond and react quickly to the change and be flexible to adapt their strategy to the new needs.

The developments in terms of customers purchase behavior and the rapid social-economical changes require a reorganization of the marketing practice. In the last 60 years, marketing has been characterized by different approaches.

The traditional marketing practice was about the identification of the target market needs and all the actions and strategies of the firm aimed to promote the product within a standardize mass market. Historically the marketing mix, made up of 4Ps ⁴², was intended to promote the product. Moreover, a one-to-many communication approach was established with no possibility to forge a dialogue and a connection with consumers, considered athetic and passive entities. Unique and undifferentiated strategies, based on the idea to sell the product and gain profit from the single transaction, were set up by companies (Bhayani et al., 2014).

Within the traditional marketing logic, the standardize promotion activities were supported by traditional mass communication tolls such as TV, radio and press. These mass media, effective to promote the product on the local market, were addressed uniformly without distinction to the mass society, marked by homogeneous needs and

⁴² Product, Price, Place, Promotion

features. In doing so, the communication method was characterized by a unidirectional information flow and a top-down approach that created an interactive asymmetry between companies and consumers. Moreover, a push approach was exercised, advertisement campaigns were used by companies to push the product and raising the interest toward the mass society influencing their purchase practice (Mc Cole, 2004).

Nevertheless, during the years, from a marketing practice focused on promote and introduce a product to not accustomed customers, we moved toward a new phase; the digital marketing approach that takes into consideration the new needs of the demand being the result of the emergence of the new technologies.

Nowadays, companies don't sell the mere product but, they also provide experiences and emotions added to it; marketing becomes a storytelling experience. The digital marketing practice emphasizes an innovative market approach resulting in a differentiate strategy aimed to define a personalize dialogue and establish a specific and unique relationship with each customer. In this sense, from a 4Ps marketing mix we moved toward the 4Cs ⁴³. Companies, instead of simply promote the product, communicate it to the final consumers.

The world becomes globalised, temporal and geographical barriers are not a problem anymore. With the advanced of the web, the role of consumers has turned into a demanding, informed, unpredictable and complex subject. The Web becomes a vibrant place where people, united by the same passions and interests, can interact and communicate without any barriers. From the company prospective, the firm's online presence must be persistent and refresh. Moreover, thanks to the adoption of digital channels, companies have the possibility to reach, attract and have a direct and durable contact with consumers. Through the establishment of a sincere and loyal dialogue, it is therefore necessary to avoid a functional and impersonal quantitative logic in favours of a unique and timeless qualitative approach (Durmaz et al., 2016). In this new logic, a pull approach is exercised. Company strengths the brand reputation and image in order to enhance consumers interest toward the product. It's possible to affirm that companies have changed their approach toward products and consumers: now they listen to

⁴³ Communication, Consumer, Cost, Convenience.

customers' requests and they consider customer feedback forging a many to many relationships. Moreover, firms provide a tailor-made customized solution adapting and differentiating the product satisfying customers' needs. Furthermore, thanks to a digital marketing strategy companies can monitor, control and measure in real time the advertisement performance and the effect that generate among the customers. In doing so, companies can quickly respond and modify what is improper ⁴⁴.

In the 90s it was widely spread the idea that digital tools would have substituted the traditional media causing their disappearance for once: this drastic scenario has not happened. On the contrary, we are dealing with a convergence and complementarity situation between mass and digital communication channel. In the marketing and communication field digital media are combined with traditional channels in a dynamic and a creative way.

3.1.1 From marketing 1.0 to marketing 4.0

During the years, the marketing practice, always considered an integrated part of the society, has passed different stages and it has assumed different configurations. This is because it has adapted itself according to the social, cultural, economic and technological changes of the society.

This scenario is expressed in the book *"From Products to Customers to the Human Spirits: Marketing 3.0"* written by Kotler and his co-author Kartajava and Seitiawan. From being product-centric ⁴⁵ the marketing practice has moved toward the consumer centric stage ⁴⁶. In fact, we have assisted to a great shift from the mere product promotion toward the satisfaction of customers' needs and requests.

Moreover, the marketing practice has moved toward the human-centricity phase ⁴⁷ characterized by company's promotion messages that no longer serve to promote the product or to stimulate emotions toward the consumer. In fact, companies provide

⁴⁴ <https://vitolavecchia.altervista.org>

⁴⁵ Marketing 1.0

⁴⁶ Marketing 2.0

⁴⁷ Marketing 3.0

ethical solutions and answers for overcoming the problems that are afflicting the society.

However, nowadays in this digital transformation era, the marketing practice has acquired a new declination. Based on the book *“Marketing 4.0: moving from traditional to digital”* Kotler, with his co-author Kartajaya and Setiawan, has found out a new marketing approach based on the relationships and connections between companies and customers, the so-called marketing 4.0 phase.

In the marketing 1.0 phase, that can be identified between the 50’s and 60’s, the firm main objective was to sell the basic and standardize product toward the mass buyers, forcing a one to many transactions. Buyers, motivated and influenced by simple physical needs, recovered a passive role in the purchase practice. They couldn’t exercise any bargaining power or express any opinion in terms of product specification being subjected to the company decisions and actions. In fact, they had only the possibility to choose the suitable product present on the market that was more consistent with their personal needs, without no say in matter.

From a product centric logic, we moved toward the Marketing 2.0 phase. After the consolidation of the information and technology era between the 70’s till the 90’s, the firm main objective was to satisfy and retain the consumers within its business. Consumers are being getting more and more demanding. Simple physical needs have been replaced by not simple fulfilment of specific customers’ requirements and preferences, but also the emotional sphere was contemplated. Customers, characterized by a conscious, aware and smart attitude toward the purchase practice were not satisfied anymore by a standardize and mass product. Firms must provide tailor- made solution and target the market in order to provide differentiates products range. As expressed by Kotler ⁴⁸ *“Companies must pay attention to the fact that customers are getting more educated and have better tools such as the Internet at their disposal to buy with more discrimination. Power has been passing from the manufacturer to the distributor, and now is passing to the customers”*. The customer is perceived as the king.

⁴⁸ <https://www.kotlermarketing.com>

This scenario, where customers have the capability to identify and evaluate the product value, is the result of the development of digital technologies. Moreover, due to the advanced of globalization force customers are characterized by high expectation in terms of product specification. Globalisation phenomenon doesn't imply the involvement of a universal and standardize consumer, but it leads to socio-economic contamination that strengthen customer's needs and expectations, providing some adjustments. Through the advanced of the Web consumers can get easily informed about product specification and compare different options buying the preferred one. Moreover, they can feel emotions and get involved. In this sense, a one- to one relationship between firm and a mindful and heartfelt customer is established.

From the 90', thanks to the rapid expansion of the web, we assist to a "*new way technology*" that allow people to be always connected and be online due to the lower cost of technological tools and the global application of the Web world. We assist to the creation of online communities where people can participate, communicate and interact simultaneously with other users. The strengthening of Social Media is considered the fuel of the new way technology. During the marketing 3.0 phase, people are not considered anymore as simple consumer but human beings with mind, heart and souls. That's why we identify this stage as the value driven marketing approach. The product must incorporate and satisfy not only a functional and emotional needs but also human side spirit realization. In fact, it's not enough to understand people needs but it's necessary to perceive their emotion and their personal social cause. People are not buying anymore a product only for its features and high quality but also for the intangible and deepest value contain in it. Firms must incorporate in their products the mission, vision and values of their business. Companies must emphasize and transmit to the customers the corporate values in terms of human capital, morality and sustainability. Moreover, they must provide services being capable to make the world a better place satisfying the human needs: a many to many collaborations is established.

Within the mass society, during the marketing 1.0 phase, the typical buyer was defined as a weak and apathetic subject, receiver of commercial and advertising campaigns where the contents, transmitted through traditional mass media channels, were defined

only by companies. In this scenario, the traditional communication channels were the only powerful source that influenced the consumer purchase activity.

On the contrary, during the marketing 2.0 phase the focus shifted toward the consumers. Kotler identified them still as passive subjects in the marketing campaigns. However, this apathetic attitude changed during the marketing 3.0 phase thanks to the implementation of new media, especially the advancement of social network that have changed and modified the asymmetric relationship between companies and consumers (Figure 3.1).

Figure 3.1 - A comparison between marketing 1.0, 2.0 and 3.0

	MARKETING 1.0	MARKETING 2.0	MARKETING 3.0
	Product-centric Marketing	Customer-oriented Marketing	Value-driven Marketing
Objective	Sell products	Satisfy and retain the consumers	Make the world a better place
Enabling Forces	Industrial Revolution	Information Technology	Social Media
How companies see the market	Mass Buyers with Physical Needs	Smarter Consumer with Mind and Heart	Whole Human with Mind, Heart, and Spirit
Key marketing concept	Product development	Differentiation	Values
Company marketing guidelines	Product specification	Corporate and Product Positioning	Corporate, Vision, Values
Value propositions	Functional	Functional and Emotional	Functional, Emotional, and Spiritual
Interaction with consumers	One-to-Many Transaction	One-to-One Relationship	Many-to-Many Collaboration

Source: <https://www.themarketingfreaks.com>

The consumer, in order to choose the best option according to its standard, before buying the product has the possibility to be informed about product specifications and the company history through different digital sources. In this sense, a company cannot anymore rely and limit its marketing and communication campaign only to a product advertisement promoted by traditional mass media channels (TV, press, radio). In doing so is going to lose attractiveness toward consumers, decreasing the possibility to influence consumer purchase decision. On the contrary, the social engagement is gaining power. Consumers seek and favours an informal world of mouth conversation

channel (WOM), they rely on family personal views and recommendations. Companies being motivated by this new consciousness, should adopt innovative communicative and marketing strategies combining traditional mass media channels together with social media tools (Fuciu et al., 2018).

The evolution and advancement of technologies modified the marketing practice resulting in the expansion of marketing 4.0 phase. Nevertheless, the technologies used today are not new, but they have been converged favored a closer relationship between the traditional and the digital marketing approach. Technology bounds people and companies: informal conversations and the emergence of social customer communities take place in the web. Moreover, social media and brand communication are integrated, that is not just brands talk about people but above all people talk and share stories about brands. That's why an innovative marketing approach is required. Connectivity, digital economy, integration of offline and online tools, word of mouth and loyalty are the main buzzword that a company must incorporate in its marketing and business strategies.

3.2 The post-modern consumer

Thanks to the emergence of social media, consumers have shifted from a passive and receptive entities to an active, participate and dynamic subjects. Being characterized by new needs and requirements as expressed by Fabris in his book "*Il nuovo consumatore: verso il postmoderno*," (2003), the role and features of consumers have been changed. In doing so, the author has identified specific characteristics of the new consumer:

- **Autonomous with a defined critical sense.** Customer is looking for a solid dialogue that allow him to forge a connection and a link with the company;
- **Competent.** Customer is more informed, conscious and aware;
- **Demanding.** Customer is seeking for a high-quality product that expresses also the value, mission, vision and norms of the company;
- **Disenchanted and partly disillusioned.** Customer is characterized by a pragmatic and practical attitude toward the offer;

- **Disloyal to the brand.** Consumer is less and less faithful to brands. It's saving money looking for the best offer.

From this analysis, consumers are careful, informed and proactive subjects. Moreover, they are less inclined to take risks and they are asking for a reliable, convenient and durable product.

Fabris's research is a good starting point for the identification of the post-modern consumer features. Nevertheless, during the years due to emergence of new digital tools the overall scenario has changed influencing the purchase practice and the consumer dimensions.

Nowadays, consumers are distracted, impatient and they don't want to waste their time. They ask for an immediate detailed information applying the minimal effort during the research. To be entreated they look for dynamic and creative engaging contents buying more and more on the net. Consumers are always connected being sociable subjects that want to share and interact with other users. Furthermore, they are oriented towards the search for unique and personalized purchasing experiences in which they play an active role ⁴⁹.

In this sense, consumers are no longer considered passive entities but fully integrated parts of the company business. Moreover, they are not perceived anymore as weak and receptive subjects to be educated and informed through the mass media channels. In fact, they have acquired autonomy and critical sense that allow them to make their own and impartial judgment regarding the product. Moreover, they can be informed and be in contact with the product through a simple online research.

Today, differently from the past, consumers spend more time on the Web. They are always connected and online. Using some digital tools, consumers are fully involved and active during their purchase practice, finding product information, sharing opinions but also buying the product online. Purchasing on the web, customers have instant access to specific information. Moreover, they can compare different goods, being informed and recommended about product peculiarities through the diffusion of information and advice generated from other users that have already experienced the product. In this

⁴⁹ <https://www.sas.com>

sense, a world of mouth practice is exercised (WOM). In fact, a common feeling arise, people are exhausted and do not trust anymore of advertisement campaigns promoted through mass media traditional channels (Belleghem, 2016). They switch TV channels when commercials are being broadcast, they bin promotion materials when they are checking the letter box and they erase online newsletter without having read them. People are asking for real stories and they want to be informed in an authentic and credible way. Exchange of opinions and an informal conversation about other user's personal experience are more credible instead of specific marketing campaign. Clients prefer to follow the advices of their peers during the purchase practice. In doing so, they protect themselves from false promises and by the commercial tricks, purchasing what is most desirable from them according to their economic, social and cultural point of view.

Flexible and open-minded companies have understood the importance of foster an interactive dialogue within consumers. In this sense, social media are the main digital platforms on which most of the relational and dialogue exchange take place within users and company.

3.3 From Web 1.0 to Web 3.0

Everything began in 1989 when, Tim Berners Lee, a CERN ⁵⁰ researcher, invented the World Wide Web aimed to exchange and manage a huge volume of information. The web was originally designed and developed to facilitate data exchange and for sharing scientific information in an electronic format. In doing so, it encouraged communication and cooperative activities between Universities and Institutes all around the world. However, the 1991 represented the point of no return: Berners Lee published the first website in the world, and from that moment on, the world was never the same ⁵¹. The period from the early 90s since 2000 was characterized by the widespread use of the web; this first phase is known under the name of Web 1.0. According to the definition provided by Berners (1998), it was the era of the "*only read web*".

⁵⁰ European Organization for Nuclear Research.

⁵¹ <https://home.cern>

In fact, Web 1.0, known also as informative web, was an information space where humans could improve their access to pre-available contents such as images, medias, scientific articles and experiments. Users were passive subjects that didn't provide content for the Web. Indeed, in this phase, technical skills, a web server and a web domain capable to create HTML pages and images, were necessary endowments for generating data.

Internet was thought to find, and only simple contents were available. The web sites, with a reduced updating frequency, were statics and only webmasters had the necessary technical skills and tools to update these pages. Moreover, users had the possibility to use web contents without creating interactions while the web sites pages were simply consulted. In fact, during this phase, the interaction level between the businesses active on the web and potential customers were very restricted. Indeed, final consumers had the possibility to visit and examine the web pages, characterized by a simple text graphic, having a simple look to the product's online catalogues with no opportunity to undertake dynamic and interactive actions; the one way only web. On the contrary, in this period, the traditional communication channels such as telephone, radio and TV advertising were the only suitable instruments able to create proactive connection between products and consumers (Figure 3.2).

Figure 3.2 – Web 1.0: Web that connects information



Source: <https://parapontis.wordpress.com>

The next phase took the name of Web 2.0. This new concept was provided in 2004 during the "Web 2.0 Conference" organized by the O'Reilly Media Inc. Tim O'Reilly and Dale Dougherty, respectively president (CEO) and vice-president of the O'Reilly Inc, expressed their consideration about the diffusion of innovative features that the Web

was developing and facing. Contrary to what it was believed, the web wasn't experiencing a crisis but, as expressed by O'Reilly (2007) in the article *Design Patterns and Business Models for the Next Generation of Software* "*The web it was more important than ever, with exciting new applications and sites popping up with surprising regularity*".

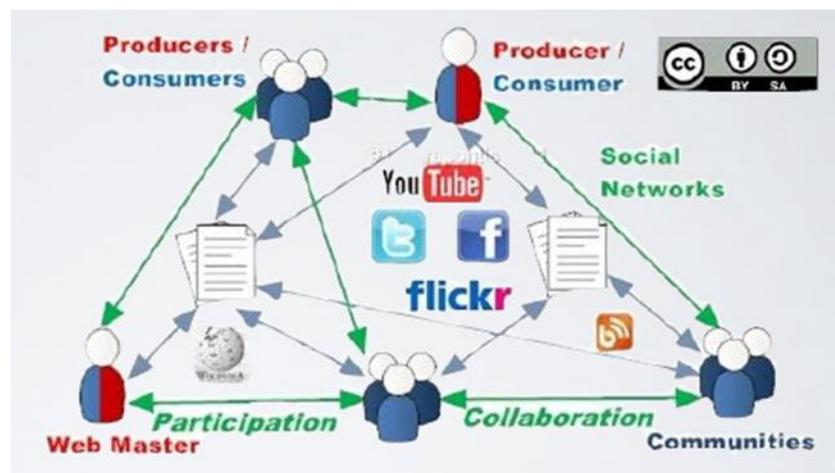
Moreover, the author highlighted that most of the characteristics and technologies that were identified as Web 2.0 where already existed before 2005. Despite that, the Web was experiencing something new and unusual.

The new stage, defined as the "*read-write web*" but also participative web (Berners, 1998), flourished between 2000 till 2005. The emergence of advanced technologies wasn't the element that allowed to perceive the difference and the evolution between the previous stage. On the contrary, what changed and increased was the active participation of the users on the Web. During this phase, consumers were information's producers; users could publish their own contents on top of existing resources. Defined as a two-way share web, it wasn't anymore a mere content consultation activity but, a content creation practice that allowed users to participate in the web content design activities.

In doing so, the main difference compare to Web 1.0 phase is perceived by the close relationship between users and contents. In fact, during Web 1.0 stage, in order to create web contents and a simple graphic base, it was necessary to detain deeply knowledge and be a sector's expert. After the 2000s the scenario changed, that's why high skills, sector-specific competencies and technical training were no longer required for generating attractive contents and dynamic graphics. Every "*unskilled user*" can recover an active role in the content creation, its diffusion and sharing practice on the web. Interaction, participation and sharing were the three main pillars behind the concept of Web 2.0. In fact, according to a sociological point of view, users created a collaborative relational network and by exploiting the "*collective intelligence*" could provide information, enrich their contents but also face and interact with other users (Morriello, 2010).

Cutting-edge digital and interactive social media platforms that included Blogs, Wikis, Podcast, Forums and Social Networks were designed and implemented in this phase. In fact, according to Kaplan and Haenlein (2010) social media is defined as *“a group of internet-based applications that built on the ideological and technological foundations of Web 2.0 and that allow the creation and exchange of user generated content”*. In particular these two elements have introduced for the first time a new interacting and communicating way. From a one-to many approaches we moved toward a many-to many communication practices. Above all, especially using social networks we moved from an indirect communication form to a direct interaction that allowed an immediate real time participation and sharing activity between users (Figure 3.3).

Figure 3. 3 – Web 2.0: Web that connects and links users



Source: <https://parapontis.wordpress.com>

Despite the huge changes and the consistent developments of the Web, its transformation process is still ongoing. In fact, in 2006 a new stage took form and made its way; Web 3.0, known as the era of “read-write-execute web” (Spivack, 2011). It’s not the introduction and the adoption of new technologies that make the differences but, the emergence of new factors is the drive engine. Openness, semantics and transparency are the buzzwords of this stage (Figure 3.4).

During Web 1.0 phase, the information and data available were limited and most of the time researches didn’t provide the correct result. On the contrary, within Web 2.0 the situation changed. In this case, the data and the disposal information were exaggerated,

that's why it was very thought for the software to identify meaningful contents. In order to overcome this issue and obtain an easy access to effective findings, Web 3.0 provides just the results that are aligned with the research field context. In this sense, the semantic web is exploited. Furthermore, Web is perceived with additional features: the Web of data, but also as an upgraded tool able to modify and influence the society through its contents, a three dimensions Web capable to replicate the reality in a digital form, an adaptable and intelligent Web capable to interact with the final user (Choudhury, 2014).

Figure 3.4 – Web 3.0: Web that connects knowledge



Source: <https://parapontis.wordpress.com>

3.4 Social media: Definition and features

After the advanced of Web, the world changed. Becoming a universal tool in the 90s, during the years the Web moves from an information source toward a communication tool, defined by Schindler and Liller (2012) “*Social Web*”. In fact, it turned into a social space where there are no more filters and people, united by passions and interests, can communicate and share going beyond any restriction.

In this context, the emergence of new digital tools has modified the overall scenario. At the beginning of the 21st century the increasing appearance and diffusion of social media, considered web 2.0 digital platforms, was the transformation engine. According to social aspects, these innovative media have modified people lifestyle and human interaction. Furthermore, focusing on the economic field, social media have

revolutionized the marketing and communication practice influencing the company business strategy.

Social media, that combine technologies and computer procedures, allow users to create and share online contents. In fact, identified as a user-generated content tools, within social media people can interact, communicate and share personal information, through the Web, within each other. Every social media user can, at the same time, look over contents posted by others but also, they can publish and create their own ones without any limitations. In this sense, a new sharing models arise, from a monolog, one-to-many relationship we assist to a shift toward a many- to- many dialogue (Enginkaya and Yilmaz, 2014).

Moreover, the rapid adoption of social media has transformed also the way customers behave and interact with companies. Through the introduction of social media, firms can easily understand customers' requests and needs, forging, at the same time, an active and dynamic relation with the final customers. Thanks to social media, inequalities are no longer present, all the subjects involved in the exchange practice assume the same relevance. Firms cannot control users' behaviors and their generated contents activity.

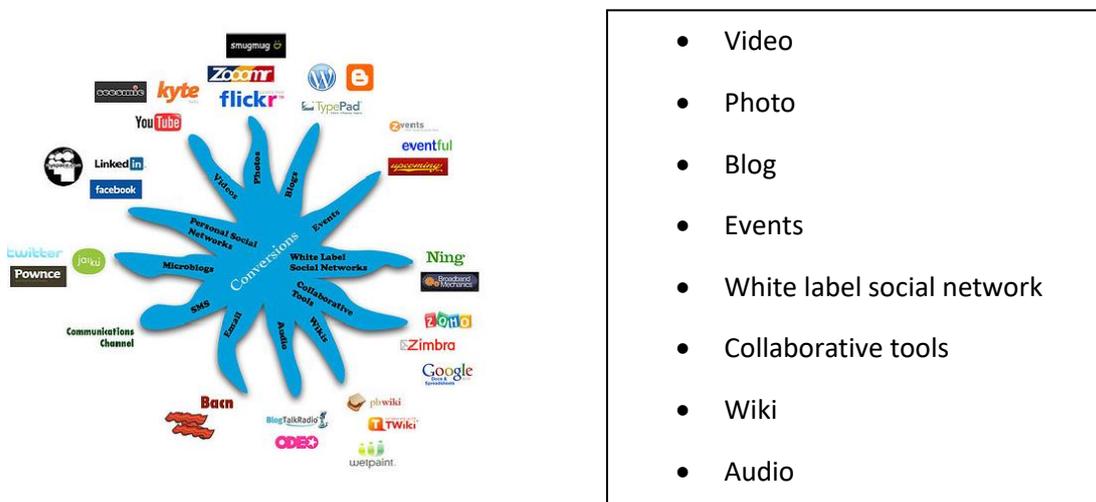
At the same time, different authors have investigated the reasons that influence companies in the adoption of these innovative platforms. Strickland et al., (2016) summarize as follow:

- Cost: Companies can benefit in terms of costs because they do not incur into any additional expenses when they decide to adopt a social media platform, or when they open a social networking profile;
- Expansion: Social media platforms have become an important part of the modern world, an inseparable tool in everyday life. The use of social media platforms has grown exponentially between users, that's why companies, in order to keep up with the times, are encouraged to adopt them;
- Ease of use: Understand how social media platforms work is simple and instant. Immediacy and simplicity are powerful elements that affect their application;
- Longevity: The positive trends that are affected the social media platforms are unstoppable. This phenomenon will persist over time.

- Dynamic content: Innovative and interactive content are shared. This results in a direct communication form with consumers, without filters and intermediaries, with the creation of a consistent and durable brand-consumer relationship.

During the years, different social media classifications have been provided and identified. The web contribution consists in the “starfish” diagram designed by “Scoble” in 2007. It points out 12 social media categories providing for each of them some example of the key actors (Figure 3. 5).

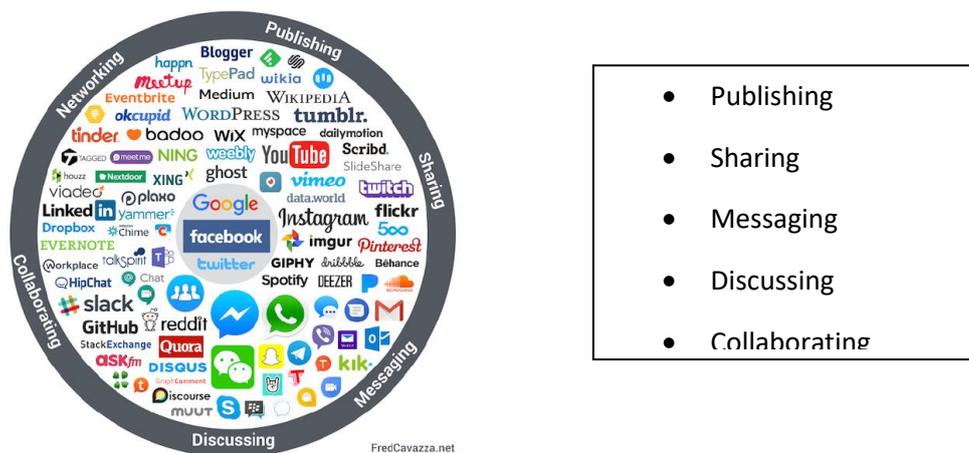
Figure 3.5 - The starfish diagram



Source: <https://scobleizer.blog>

Coming from the web, Social Media Landscape, provided in its first version in 2008 by Fred Cavazza, it's a traditional circle-shaped diagram aimed to illustrate the social media diversity. Cavazza identified six different social media sections based on the services offered to the users (Figure 3.6).

Figure 3.6 – Social Media Landscape



Source: <https://fredcavazza.net>

The literature contribution is guaranteed by Kapan and Haenlein (2010) that have classified social media in six groups. According to their scheme, social media differentiates in terms of four variables divided into two groups (Table 3.1). Based on media research, the first classification can be made according to the degree of social presence and the level of the richness of the medium. These two variables determine the immediateness of the media and its capacity to avoid ambiguity and uncertainty.

- Social presence: It depends on the type of multimedia contact that users can achieve; an acoustic, visual and physical one;
- Media richness: It's based on the idea that any communication approach implies the resolution of ambiguity and the reduction of uncertainty. This depends on the availability of information that can be provided given a time period.

Based on social processes, the second group is made by Self- presentation and Self-disclosure variables that, on the contrary, determine the relationship level between users.

- Self-presentation: It's the way users can present themselves using digital tools;
- Self-disclosure: It's the level of personal information that can be posted and transmitted through social media; this implies a conscious or unconscious revelation of personal information.

Table 3.1 – Social Media typologies

		Social presence/ Media richness		
		Low	Medium	High
Self-presentation/ Self-disclosure	High	Blogs	Social networking sites (e.g., Facebook)	Virtual social worlds (e.g., Second Life)
	Low	Collaborative projects (e.g., Wikipedia)	Content communities (e.g., YouTube)	Virtual game worlds (e.g., World of Warcraft)

Source: Kaplan & Haenlein (2010) “Users of the world, unite! The challenges and opportunities of social media”.

Here are introduced the social media categories identified by the authors:

- **Blogs:** They are one of the oldest forms of social media that have replaced the traditional personal web pages. Managed by a single user, the internet page administrator has the possibility to post short articles expressing its opinion while its personal page is open to the public. The level of interaction is high since readers followers can express their opinion posting comments regarding a specific topic;
- **Collaborative projects:** Representing the most democratic form of user generated content, collaborative projects allow users to co-operate for creating, in a collaborative manner, specific contents. These platforms are characterized by a low interaction level between users and the absence of exchange of personal information;
- **Social networking sites:** Consumers can open their owns profiles, posting photos and videos, sharing private information and opinion, communicating and interacting with other users. Facebook, Twitter, Instagram and LinkedIn belong to this section;
- **Content communities:** These platforms allow users to post and share multimedia content as photos, videos and text within each other. On the contrary, the degree of personal information that can be posted and transmitted via the content communities is limited;

- **Virtual Worlds:** these platforms replicate a virtual place where users interact within each other through the adoption of personalized avatars. This social media typology is made by two different categories: Virtual Game Worlds and Virtual Social Worlds. As concerns the first denomination, users must follow some specific behavioral rules (e.g. World of Warcraft). On the contrary in the second category more autonomy and freedom of conduct is granted (e.g. Second Life).

3.4.1 Social media trends

After the rapid adoption and increasing use of these digital platforms, every day Social media acquire a significant relevance in the consumer life. The spread of digital platforms, the participation among users and the availability and easy access on the Web are the secret of the success achieved.

Thanks to the analysis conducted by We Are Social, with the help of Hootsuite, a leading platform in the social media management sector, it has been presented the Digital Report 2019, through which the 2019 worldwide digital scenario is represented.

In January 2019, within a total population of 7.676 billion, the number of global Internet users has reached a value of 4.388 billion, about the 57% of the population have access to Internet. Moreover, the active users on social media are 3.484 billion about the 45% of the global population is active on social media while the users that are using mobile devices are about 3.256 billion (Figure 3.7).

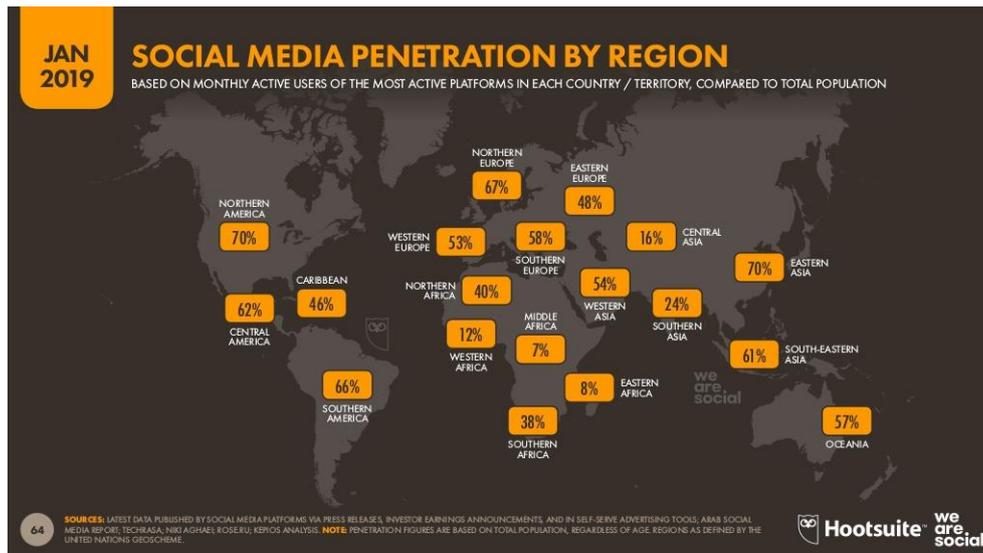
Figure 3.7 – Digital around the World, 2019



Source: <https://wearesocial.com>

The level of penetration of social media tools is different in each country reflecting the socio-economic situation of the specific State. The most active nations include North America (70%) and Eastern Asia (70%), two industrialized internet-connected economies with a consistent population. On the contrary, Middle Africa (7%) and Eastern Africa (8%) are characterized by the lowest social media penetration rate (Figure 3.8).

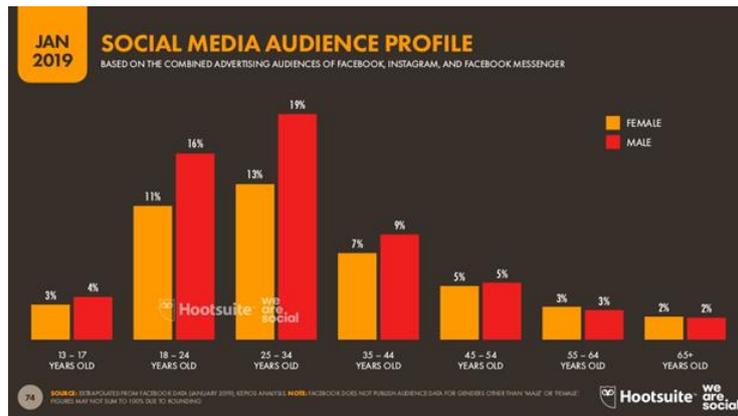
Figure 3.8 – Social media penetration by region, 2019



Source: <https://wearesocial.com>

Moreover, the report has investigated how Internet users engage with social media. According to the statistics, an Internet user has an average number of social medias of 8.9 frequented accounts. The average time spend on these platforms is about 2 hours and 16 minutes. Users are actively engaged being user-generated content. In details, having a detailed look to the social media audience profile attention must be carried out toward the Millennial Generation. Millennials, also defined as Generation Y, are young people born between the 1980 and the 2000 during the digital era (Smith and Nichols, 2018). Being always connected, the 90% of Millennials surfs daily on the web not only to get informed and learn but also for leisure purposes (Figure 3.9). They are largely involved within social media including Facebook, YouTube, Twitter, Snapchat, and Instagram (Kohut et al., 2010). Much of the social media use by Millennials is done from a smartphone.

Figure 3.9 – Social media audience profile, 2019



Source: <https://wearesocial.com>

3.5 Social networking sites

As already said, social networking sites are application within social media platform. Different definitions in terms of social networking sites have been provided by the literature (Table 3.2).

Table 3.2 – Social network definitions

Author	Definition
Burke (2006)	<i>“An online social network is a loose affiliation of people who interact through websites. The web enables any person to build a vast number of relationships with others, regardless of geographical distance. It also makes it possible for people with similar interests to find each other and to contribute their comments and ideas in diverse forums”</i>
Dwyer, Hiltz, and Passerini (2007)	<i>“The main motivation for social networking is communication and maintaining relationship”</i>
Bolotaeva and Cata (2011)	<i>“Social networking sites are instruments for building virtual communities, or social networks, for individuals with similar education, lifestyles, interests, or activities”</i>

Scott (2011)	<i>“Social networking help people cultivate a community of friends and share information”.</i>
Galati et al. (2017)	<i>“Among the Social media platforms, social networking sites are applications that allow users to create profiles, through which they can connect with other users, exchange personal information, send messages, invite friends and colleagues to events and share knowledge and information”</i>

Source: Personal elaboration

In fact, a new way of acting and communicating between people arise thanks to the presence and diffusion of the web in people daily life. The involvement and emergence of Social network, as an innovative way of connecting and sharing, has a strong influence and impact in people routine, allowing consumer to contact people, exchange personal information, organize events and share multimedia contents through their use (Galati et.al 2017).

According to Ceron et al., (2014) a social media in order to be identified and classified as social network must present specific features:

- Specific users, people or companies that have set up their own profile, must be present;
- Users must be related and linked within each other through a virtual friendship;
- A two-way interactive communication and relation must be set up.

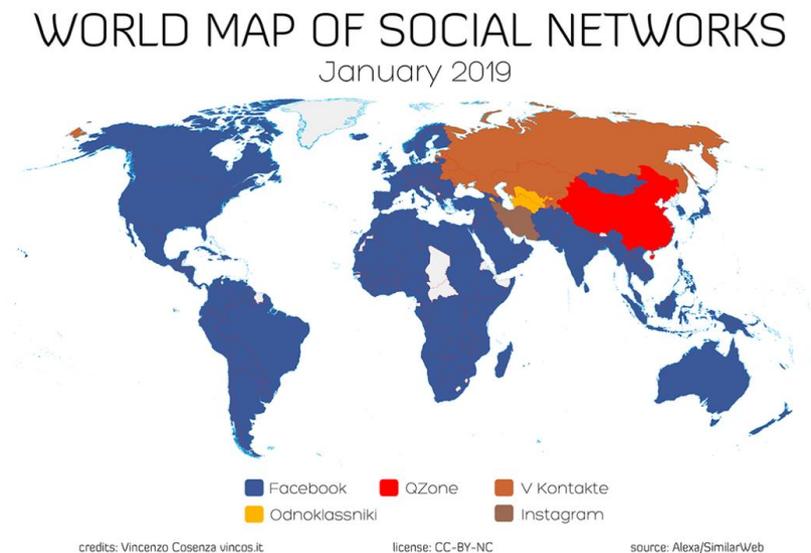
Clemons (2009) emphasized 4 additional characteristics related to social network sites. One of that is Personal, in the sense that information in social websites match the personal interest of users; Participatory and Physical because interactivity, mutual relationship and interaction are essential precondition for developing an online community. Whereas, the last aspect is Plausible because some social networking websites require some rules in order to guarantee functionality and safety.

Each social network is characterized by specific and distinctive features however, the access procedure is common to every platform. After the registration and the creation

of a personal profile, each user can develop its own on-line community inviting family and friends to be part of it.

The number of active users and the emergence of different social network typologies is endless. This phenomenon is extending day after day on a global scale. However, large differences in terms of social network adoption are recognized in relation of the geographical area. Facebook is still the most established social networking platform in terms of users at global level, being the leading platform in almost 92% of the entire total surface. An exception is represented by China where the predominant platform is Qzone and Russia where V Kontakte has acquired a leading position (Figure 3.10).

Figure 3.10 – World map of social networks, 2019



Source: <https://vincos.it>

3.5.1 Facebook

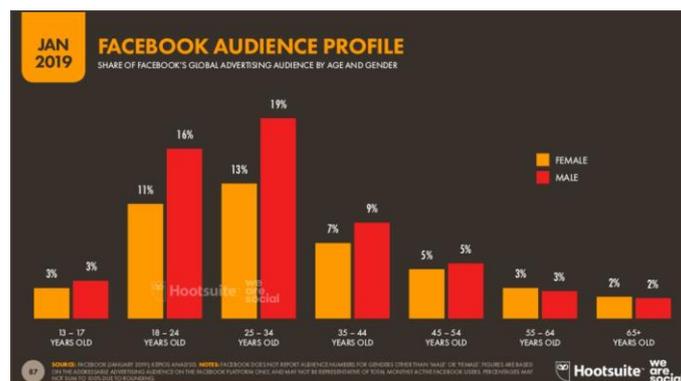
Facebook was developed in United States of America in 2004 by Mark Zuckerberg, a student of the prestigious Harvard University. At the beginning, designed and projected as a mere high school network, Zuckerberg's willingness was to create a website page not only limited to the establishment of a closed online community network for academic relations. In fact, he wanted to implement a social network where users could organize their social relations even outside the purely university context. In doing so, in 2006 Facebook became a corporate network reaching a worldwide appreciation.

Being nowadays the most commonly used and appreciated online communities, it counted in January 2019, about 2.2 billion global users (Table 3.3). Facebook primary aim is explained on its access page as follow - *“Facebook is a social utility that connects people with friends and others who work, study and live around them. People use Facebook to keep up with friends, upload an unlimited number of photos, share links and videos, and learn more about the people they meet”*⁵².

After the registration on the platform, users can design their own profile that can be constantly be update by adding personal information, including photos, videos and posts. Facebook platform allows a flexible, quickly and easy exchange of information between users (Mozas-Moral et al., 2016).

Globally, users are well distributed between man and women but it also interesting to pointed out that the main Facebook users are people within an age of 25 till 34 years old (Figure 3.11).

Figure 3.11- Facebook audience profile



Source: <https://wearesocial.com>

Facebook diffusion represents an opportunity that companies cannot ignore. Companies can create their own Facebook account and use their personal pages in order to get more visibility but also interact directly with customers. Researchers have pointed out that advertising on Facebook influence the brand image and reputation affecting the consumer purchase intention (Dehghani and Tumer, 2015). Companies use Facebook in order to improve brand awareness, foster people participation and engagement through online visibility (Wallace et al., 2014).

⁵² <https://www.facebook.com>

Table 3.3 – Facebook statistics, 2019

- 2.2 Billion monthly active users
- In Europe over 370 million people are on Facebook
- Age 25 to 34 is the most common age demographic
- Every 60 seconds: 510.000 comments are posted; 293.000 statuses are updated, and 136.000 photo are uploaded

Source: <https://zephoria.com>

3.5.2 Twitter

Twitter creation dates back to 2006. It defines itself as *“a service for family, friends and co-workers to communicate and stay connected through the exchange of quick, frequent messages”*. Moreover, *“Twitter is what’s happening in the world and what people are talking about right now”*⁵³.

Users can publish only short texts consisting of 280 characters, called "tweets". At the same time, they share image, videos and links. Twitter doesn't originate a closed online community; each user can start following how wants with no need to obtain any consensus.

Counting 326 million users worldwide it is considered one of the most popular social networking sites in the world. However, in 2018 the number of global active users has decreased compare to the following years. On the contrary, the number of "registered" users engaging with the platform seems to be declining while the overall visitor traffic on Twitter.com has increased in recent months. This is possible since “observes” do not need a Twitter account to access some content that users publish on the platform for enjoying Twitter value (Table 3.4).

⁵³ <https://twitter.com>

Table 3.4 – Twitter statistics, 2019

Source: <https://expandedramblings.com>

3.5.3 Instagram

Until 2010, year of its release, Instagram rise was unstoppable. In a social and cultural context characterized by frenetic rhythms and scarce availability of time, the communication channel the attracts most is the visual one. Instagram is an easy way to capture and share the best moments of user's life.

Instagram platform allows users to take photos and videos, edit the content with creative filters, transform how it looks and share the multimedia content through the online community. Instagram is considered the world's largest photo sharing social network counting in the first trimester of 2019 about 1 Billion active users (Table 3.5). The global increased interest and appreciation toward this social networking site has resulted in a diffusion and utilization of the platform not only for personal purposes but also for business aims. Thanks to its immediacy and the viral diffusion of the contents Instagram is a powerful Visual Marketing tool that should be adopted by companies. In fact, this social network, thanks to its efficacy and free access, is currently the most demanded and used advertising tool especially for small companies that have a limited marketing and communication budget. Instagram is a place where the visual expression and multimedia manifestation of companies stimulates feeling, emotions but also influence people behavior worldwide. Dynamic and creative content but also images create an immersive and inclusive experience that stimulate a positive reaction and company attractiveness perception within users.

Table 3.5 – Instagram statistics, 2019

- 1 Billion monthly active users
- 500 Million daily active users
- 25 Million of business profiles on Instagram all over the world
- 2 Million monthly advertisers for share stories for reaching the desired business results
- 60% of people declared to be aware of new product on Instagram
- 80% of the users follow a company on Instagram
- 200 million users visit a company profile daily

Source: <https://expandedramblings.com>

3.5.4 LinkedIn

Launched in 2003, the social networking site LinkedIn controls the relationship in the business world being the world's largest professional network on the Web. Counting 610 million members worldwide in more than 200 countries it has assumed a significant relevance in the business-to business market (Table 3.6).

LinkedIn platform, currently available in 24 languages, allow users to get in touch with people and the topics related to their professional world. Moreover, members have the possibility to build their online business relationship network, keep up with the latest sector news, establish working contacts connecting with other professionals, find out job opportunities in different fields and apply for them. LinkedIn is focused on the individual needs and requests. In doing so, members can publish online and make accessible to the companies that are offering labour proposal their personal information, educational background, working experiences and achievements. This platform overcomes any space and time dimension optimizing the possibility for future employees to find a job. On the other hand, companies can select the best candidate

within a wide range of nominees with different profiles. From the company side, being enrolled in the platform results in the increase of the firm visibility awareness and online reputation.

Table 3.6 – LinkedIn statistics, 2019

- 610 million members
- 30 million companies represented on LinkedIn
- 20 million open jobs on LinkedIn Jobs
- 46 million students and recent college graduates are on LinkedIn
- 70% of the members are outside the US

Source: <https://www.linkedin.com>

CHAPTER IV – DIGITAL STRATEGY IN THE WINE SECTOR

4.1 The adoption of technological and digital innovations in the wine sector

We are facing a total disruptive era. The logics that were valid in the past have no meaning anymore. At the same time, the wine sector is experiencing a tremendous change. In the past, the winery's first objective, in order to obtain the highest production volume, was to maximize the wine production level by adopting some technological innovation. In the last decades, the wine industry, from the quantity concept, it moved toward the quality aspect (Fiore et al., 2016). In fact, the wine producers are trying to achieve the excellence in terms of quality in order to be competitive in the market. Nowadays, the concepts of sustainability, organic wine, biodynamic wine, and a high attention to obtain IGT, DOC and DOCG certification are taking place.

However, the introduction of some technological innovations can be perceived not only at the beginning of the wine production process but, during others production steps such as sales and after sales activities. In fact, the producers have understood that a high-quality product is not enough to compete in the worldwide market. Nowadays, customers don't buy the product itself, but they are looking for the value added behind it: tradition, culture, heritage and history (Hoyer et al., 2010). That's why they want to be informed about the value, attitudes and norms that shape the product and be involved in the production process. It becomes relevant talk about wine, provides information about the producers and the territory, all elements that linked together added value to the final product.

All these factors are the consequences of the global change in terms of socialization, communication and trade. Digitalisation and the emergence of new technologies are modifying the way people interact and communicate within each other. The advanced of digital channels is changing the business and the organizational models leading a deep transformation in the wine sector. Nowadays, the price variable remains a decisive factor that influence the purchase decision but, at the same, the buying practice is affected by the net, community ratings and by the recommendation of people that surround the final consumer (Higgins et al., 2016).

The wine companies have got the point: it's necessary to differentiate itself and add intangible value to the final product creating a link with consumers. That's why many wine firms are now aware of the importance of the marketing activities for the valorization and promotion of their products. In order to interact with the final consumers, they use, not only traditional communication tools, but also innovative digital channels. A web marketing strategy must be integrated in the wine industry in order to create value and provide the experience that consumers are looking for.

Many companies have included social media, particularly social networking sites, into their communication and advertising plan. This has implied a consistent transformation of the structural models and huge developments in the companies' marketing strategy (Kim et al., 2015). Social networks are the digital platforms on which most of the relational exchanges take place and this is true also for wineries. In doing so, wineries exploit the power of social media opening an active profile on social networks like Facebook, Instagram and Twitter in order to enhance the territory, the company and the products, forging and maintaining customer relationship (Wallace et al., 2014).

4.2 The World Wide Web as a driving force in the wine sector

The advanced of Internet in the mid 1990's had a relevant influence in the marketing practice especially for the wine industry. The web is perceived as the driving force that empowers companies and its adoption it's necessary to growth and survive in the market. Over the years, researches have tried to identify different opportunities linked to the implementation of the web as an efficient communication channel and later also as a marketing strategic tool. According to Hsieh and Lin (1998) in the web space firms look the same and they can benefit from the same advantages. Companies have the opportunity and discretion to implement any kind of Internet strategy that suits better within their business. Through the web, companies face lower marketing cost for promoting, providing and marketing goods and services around the world. Overcoming the national borders, businesses have a quick and a priority access in new and international markets without encountering additional costs (Kleindl, 2000). The web is an information exchange source and a cutting- edge communication channel that

support the marketing practice. It guarantees a cost-effective communication approach. Moreover, Internet power is found in its capability to allow companies to engage and interact with customers and, at the same time, networking with business partners. In a dynamic, interactive and friendly environment as Internet is perceived (Ainscough and Luckett, 1996), a one-to-one communication takes place and a direct approach is established. Relying on Internet, companies can carry out market researches for better understand sector dynamics, listen to consumers' needs and upgrade the final product according to their requests. In this sense *"Internet has become a marketing interface through which information sharing among Small and Medium Enterprises and other groups is becoming the key factor for focusing strategies on the consumer needs"* (Begalli et al., 2009).

The advanced of Internet can be perceived as a win-win solution both for companies but also for consumers. From the firm's side, the adoption of Internet allows them to enter and competing in international markets, be subjected to lower marketing costs and, at the same time, enhanced the customer satisfaction generating a consumer loyalty feeling. Customers, due to the continuous flow of detailed information and an easy and quick access, can take an informed decision choosing and buying the best option from a wide range of marketed goods.

Internet doesn't imply only benefits; some limits have been highlighted by Hoffman and Novack (1996). In the late 1990s, privacy and security limits, together with Internet usage complexity and unfamiliarity, have been identified as consumers restrictions. Moreover, from the companies side the authors have encountered an absence in terms of specific skills identified as a lack of web-business knowledge and experience.

Despite that, due to the rapid spread and increased relevance of Internet and the advanced of the Web 2.0 phase, companies have understood the real value of the Internet concept. It's not anymore as a mere and efficient communication medium but *"it is also a powerful tool to affirm interactive marketing where an equal input from technology, content and marketing experts help create meaningful and efficient customer relationships"* (Begalli et al., 2008). To gain tremendous opportunities, a new marketing model has been developed and offered to firms; the web-marketing strategy that should be integrated in the firm's business strategy. The inclusion of a defined and

planned web marketing strategy can help wineries to move from a product approach toward a marketing orientation base, turning into a more ambitious and functional business.

4.3 The adoption of the web marketing strategy by wineries

The web marketing approach can be summarized as a non-conventional marketing practice that exploits digital channels to analyse the market, establish commercial relationships and marketing activities through the Web. In other words, Web marketing practice linked together different marketing and advertising strategies. Firstly, to establish an effective web marketing strategy companies must identify the target audience and adopt different plans according to their needs and use. Subsequently, companies must foster their online presence. In fact, after a current and deep online market analysis and having obtained defined results, the web marketing planning goes through different phases (Table 4.1). The strategy definition and the website objectives determination characterize the strategic phase. On the contrary, the choice about the website quality in terms of contents and graphic, its creation and the operational action programs related to the website promotion, which include the search engine marketing practice (SEM), belong to the operational stage. A control and measurement phase based on the implementation of a budget and performance monitoring concludes the web marketing process (Berthon et al, 2012).

Table 4.1 – Web marketing phases

Phase 1	<ul style="list-style-type: none"> • Current marketing situation analysis
Phase 2	<ul style="list-style-type: none"> • Defining strategy • Setting web site objectives
Phase 3	<ul style="list-style-type: none"> • Operational actions programs
Phase 4	<ul style="list-style-type: none"> • Control and Measurement

Source: Personal elaboration on Berthon P., Pitt L., (2012) "Marketing meets Web 2.0, social media and creative consumer"

The web marketing uses non-standard methods and channels, that allow to keep under control and measure the implemented marketing activities. This consistent market analysis and the frequently performance measure allow a rapid reaction and intervention in the case that some marketing activities are not conforming with what is requested and required. From the web, perceived as a business card, nowadays it is considered as a defined platform for generating business opportunities. Companies have decided to move online not only to gain benefits in terms of cost but also to connect and attract new customers. It's very simple for companies to have a functional website page and a social media presence. That is why, through the integration of the web marketing practice, companies aim to achieve a higher visibility and exposure on the web raising interest and attracting the target audience being an easy and cost-effective marketing activity that allow to engage directly with customers on the web. Nowadays, it's impossible even for a winery business, that it's a mix of traditions and heritage to survive in the market without adopting a successful web marketing strategy.

The first research regarding the application of web marketing strategy in the wine sector was proposed by Goodman. Goodman (2003) suggested a four-elements model for the implementation of Internet marketing activities and the competitive benefits achieve after a web marketing strategy implementation by the wine business. Time compression is linked to the idea that Internet disseminates and offers information in a contained time favoring an easy way to do business. Moreover, Internet, considered as an innovative means for interaction, builds authentic relationships and deep connections in the market field. Consistent improvements and the enhancement of core competencies are other advantages that arise after the implementation of a web-marketing strategy (Figure 4.1).

Figure 4.1 – Competitive benefits

Time Compression	Core Competency	Continuous Improvement	Relationships
<ul style="list-style-type: none"> • Save time • Less waiting time 	<ul style="list-style-type: none"> • Easier to use outside firms 	<ul style="list-style-type: none"> • More aware of trends 	<ul style="list-style-type: none"> • Help relationships with upstream members of the value system
<ul style="list-style-type: none"> • Easier to do business 	<ul style="list-style-type: none"> • Easier to deal with other firms • Easier to find assistance when needed 	<ul style="list-style-type: none"> • More aware of quality issues • Better at what you do 	<ul style="list-style-type: none"> • Help relationships with downstream members of the value system
<ul style="list-style-type: none"> • Quicker to get in contact • Faster to get information • Faster to give information out • Get more done 	<ul style="list-style-type: none"> • Internet help to coordinate activity • More focus on your role • Easier to coordinate activity • Internet helps logistics • Supply chain is more streamlined 	<ul style="list-style-type: none"> • Cheaper to do business • Internet improves business • Better marketing effort • Business more profitable • Reduced costs to market 	<ul style="list-style-type: none"> • Help relationships with consumers • Tighten the distribution chain • Increase customer retention • Make more people aware of the brand • Increase repeat business

Source: Goodman, S. (2003), "A framework for the implementation of (internet) marketing by the wine business".

Other advantages have been emphasized by Bertoli (2012). Lower marketing and advertising costs can be obtained compared to the traditional communication channels. Moreover, being on the web allow companies to increase their international visibility, web reputation and popularity. At the same time, a one to one communication approach is established fostering a relationship and a loyalty feeling with customers. A control and measurement tactics allow companies to monitor and control their online performance. Web marketing is made up by different activities that if used in the correct way would assure the company success:

- Display Advertising
- Email Marketing
- Social Media Marketing
- Search Engine Marketing (SEM) made by Search Engine Advertising (SEA) and Search Engine Optimization (SEO)

Display advertising is considered the "billboards of the web" (Jandal, 2011) through which companies use banner ads and other graphical advertisements to promote and market products and services online. In other words, this practice is an online powerful commercial form that give instant information about the product specifications to

customers. Usually a display advertising, made by text, images and videos ad is found in a web page. Using this advertising practice companies attract customers interest and catch their attention straightway. Once users click on the advertisement banner, they are redirected to the site that advertise that product. Moreover, using the display advertising tool companies aim to increase profit toward the marketed product forging brand reputation and awareness within the online community. In fact, users are more motivated to click on the announcements of companies that they trust and recognize ⁵⁴.

Even if we are dealing with the exponential growth of social media, email marketing practice is still ongoing being a successful tool to implement in the business. Considered a direct form of marketing that aims to create and distribute information and commercial advertisement via designed email, according to the 2018 data it is the most effective web marketing activity ⁵⁵. This is because consumers get into and view their email account more than other digital platforms. At the same time, company should obtain the permission from customer that accept to receive emails by them. The email marketing activity is valid for different type of business. In doing so, companies can forge a close relationship with customers creating a one to one communication approach customizing the message according to the receiver. At the same time, Email Marketing practice establishes a constant connection and link with customers, the content must be attractive and dynamic in order to keep alive the memory of the company until the customers is ready to purchase. Thought this instrument, companies can easily reach consumers instead of waiting them. Adopting an email marketing activity implies also other benefits. Firstly, costs are lower compere to other traditional advertising forms so companies can save money. At the same time, companies can constantly monitor and control the audience acceptance and trend toward the email.

Also Search Engine and Social Media Marketing practice are web marketing activities but will be presented in the following paragraphs.

⁵⁴ <https://www.wsimarketbuilders.com>

⁵⁵ <https://www.academia.edu>

4.4 Websites features: Moving from Wine 1.0 to Wine 2.0 approach

A common understanding is that having a business website is now a prerequisite to survive in the online environment. Websites are the most popular online communication tool for different business models. In any web marketing strategy, especially within the wine industry, a consistent role is recovered by winery's web site (Bruwer and Wood, 2005). In the literature, different studies have been conducted in order to evaluate the content quality, efficacy and functionality of wineries website. From a study conducted from Italian researches in 2008, seven assessment criteria (7Cs) are employed for winery's website content analysis (Begalli et al, 2008). From this research, it has been emphasized that wineries use a website page as a showcase instrument to introduce their products and promote their business structure online. Moreover, website is considered a marketing medium to attract and retain customers. It also reveals that greater priority, according to the wineries business prospective, is assign to the website functionality while the website community is the less relevant aspect (Table 4.2).

Table 4.2 – 7Cs Parameter Evaluation

7Cs	Parameters
Content	<ul style="list-style-type: none"> • Website update • Graphic and layout quality • Counter presence
Choice	<ul style="list-style-type: none"> • Products presentation • Range of products • Presence of accessory products • Presence of agro-tourism activities
Context	<ul style="list-style-type: none"> • Websites typologies (degree of interactivity) • Transaction typologies
Comfort	<ul style="list-style-type: none"> • Ranking • Simplicity and enjoyment • Number of languages • Navigability • Site map presence • Presence of an internal search engine
Convenience	<ul style="list-style-type: none"> • Direct sale availability • Delivery time • Delivery costs

Customer service	<ul style="list-style-type: none"> • Delivery traceability • Payment procedures • Delivery procedures • Security of transactions • FAQ
Community	<ul style="list-style-type: none"> • Forum presence • Ability to network with customers • Visit book presence • Link availability • Free toll telephone number availability

Source: Personal elaboration on Begalli, D., Codurri, S., and Gaeta, D., "Wine and web marketing strategies: The case study of Italian speciality wineries"

A recent study, dating from 2016, aims to discover the website role and use made within wineries. Even if the examined wineries are located in the same region, four different approaches and way of acting have been identified (Capitello et al., 2016).

- "Sceptical approach" is assumed by wineries that consider Internet as an ineffective communication tool. In this sense, the website financial investment is limited to a functional platform with no storytelling section and lower possibility to interact and socialize. The website contents are not updated, and no E-commerce service is established.
- "Functional approach" has been emphasized. Wineries establish a functional website characterized by high quality in terms of design, easy to navigate and storytelling accuracy. On the other side, only one language version and lower frequency of website updated contents is offered. Moreover, little relevance is assigned to the community aspect avoiding social media connections with no possibility to buy the product online.

The literature has applied the concepts and features of the different web phases finding a correlation with the wine sector. That's why these two mentioned approaches can be categorized as "Wine 1.0 attitude" and "Wine 2.0 attitude".

As in Web 1.0 phase, websites could be only consulted, and customers interaction and participation are very restricted; in Wine 1.0 approach it's possible to identify the same attitude. Wine 1.0 is defined as a simple wine business described and presented on the

web in an apathic and passive way. In this case, the website aims to provide information related to the business and products. Through the website, that is a mere informative source, consumers can just have an overview of the wineries' configuration with no possibility to interact, leave comments or find answers to their doubts.

Shifting toward the Web 2.0 stage also the website approach has changed. As in Web 2.0, in Wine 2.0 phase a two-way communication arises and through the website wineries can interact and engage with wine consumers in an emphatic and dynamic way. Wine consumers are active subjects that, from being passive receiver of marketing content, become the core promoters and designers of the brand message. Winery websites are enriched by the E-commerce platform and some interactive elements take place (Olsen and Harmsmeyer, 2008).

In this sense, the remaining two website approaches identified by Capitello et al., (2016) under the name of social approach and aesthetic/storytelling one, can found a correlation with the Wine 2.0 phase.

- “Social approach” highlights the capability of a winery to foster customers interactivity and online engagement through a website. A website recovers different functions: an emotional, storytelling and experience aim is achieved. Thanks to an updated and multi-language website, wine customer can interact and be in contact with wineries in an active and dynamic way. A two-way communication dialogue is established, and a community of wine lovers arise. An E-commerce platform is introduced allowing firms to sell the product abroad.
- Through an “aesthetic and storytelling approach” in wineries' website particular attention is given to the storytelling section. Wineries want to introduce themselves sharing, through an emotional approach, corporate history, culture and tradition focusing on the territory features that add tangible value to the final product. This attitude is more focus on the creation of a relational and emotional bound instead of an economic return.

In conclusion, a winery's web site could be the first online channel through which consumers come close and discover the winery business. Perceived as a “business card”, wineries must introduce themselves in an attractive way because the first impression is

necessary to stimulate and hold customers' attention and catch their interest. Through an appealing, updated, engaged, intuitive and comfortable website, an online connection and emotional experience between wineries and customers can arise. Specific studies reported that a high level of customers satisfaction and experience with a winery's web site stimulates and encourages the customers purchase practice (Nowak and Newton, 2008). An effective website aims to promote online the winery brand identity, image and reputation by informing users about its products specifications, highlighting corporate missions, values and terroir's history most of the time through a dedicated storytelling section. Moreover, a well-established website can present a positive interactive efficiency, providing information about event planning, ensuring an E-commerce platform for buying the product online and guaranteeing a customer service before and after the purchase.

4.4.1 E-commerce

The Internet dominance and expansion is unstoppable. Plenty of firms have decided to integrate the E-commerce in their business strategy achieving improvements in terms of operational efficiency and profit creation. According to Weideman's definition (2009), *"E-commerce – refers to the marketing, distributing, buying, selling and servicing of products or services over the Internet"*. In other words, the E-commerce refers to the use of electronic tools and technologies in order to create a digital market and an online commerce.

However, not all the products are suitable for being sold online, that's the case of wine. This depends on the wine composition that needs precautions and a stable environment for not being damage. Consumers are very confused during their purchase experience due to the large variety of the offer present on the market besides the fact that wine is a very complex product to understand and codify. That's why consumers are sceptical to buy the product online and consequently wineries are fearful to invest in the E-commerce platform (Szolnoki et al., 2016).

Many wineries don't perceive the web as a sale channel to integrate in their business strategy. Thanks to a survey sector, the main reasons from winery side for not adopting

this online channel have been analysed and the data have been presented during the International Conference UGIVI- Enoteca Grinzane- UIA Italy “*Aspetti giur-economici della comunicazione e distribuzione del vino online*” (Table 4.3).

Table 4.3 – Wineries reasons for not adopting the e-commerce platform

- | |
|--|
| <ul style="list-style-type: none">• Logistical problems• Lack of internal skills• Fears of excessive costs (marketing expenses, personal training, technologies, legal aspects)• Fear of not being able to handle private sales• Conflict with distributors and existing customers• Trivialization of brands that can be perceived too commercial |
|--|

Source: Personal elaboration on <http://ugivi.org> data

On the contrary, wine companies are comfortable and favours a direct sale practice because they believe that wine product should be tasted directly by consumers during the purchase practice. However, consumers, who have already experienced the wine, or they have been recommended by a friend or suggested by the online community, prefer the convenience of home delivery. Furthermore, through the online sale, consumers can enjoy different types of wines very difficult to find, product information are easier to obtain, and the money spent acquire more value ⁵⁶.

From the company perspective, the E-commerce adoption involves specific advantages. Wineries can reach and penetrate niche and foreign markets with no need to create local sales network. Moreover, thanks to the E-commerce integration the brand awareness and reputation is strengthened and an interest around a product is created. For all these reasons, in the wine sector online and offline channels must coexist and fit (Dean and Forbes, 2016).

In the Italian wine sector, the presence of the online channel is still very limited and fragmented. An insecurity and uncertainty feeling regards the E-commerce efficacy pervades both consumers and producers. In 2017, only the 0.5% of the entire Italian wine production has been sold online generating a value of 25 million Euros.

However, E-commerce does not destroy the traditional trade, indeed contributes to strengthening the brand image fostering wine knowledge and diffusion. That's why in

⁵⁶ <https://www.buy-wine.it>

other countries, the wine sector is characterized by an interconnected offline and online multichannel context. From the research carried out by Ovse-Ceves (2017) different scenarios have been presented. In China, around the 20% of wine is sold online creating a value of 1.4 billion Euros; in the USA, the 15% of the wine production is sold online generating a value of 1 billion Euros ; in the UK the turnover is 0.9 Billion Euros, equal to 12% of the sales of wines, in France 10% of the national wine is sold online, in Spain the 8% and in Germany the 5% of the production is sold online⁵⁷.

4.5 Search Engine Marketing practice

After defining the website peculiarities, a strategic approach for any website owner is to define how users can encounter and be in contact with a specific website. Customers consult a specific winery website because they already know what they are looking for, being aware and having a degree of familiarity with that reality. In some other cases, consumers can discover and visit one site rather than another thanks to the activity of Search Engine Marketing (SEM) that companies, including wineries, operate almost daily. The web marketing is subjected to a wide range of applications, and the SEM is part of that.

Nowadays, due to Internet spread, search engines such as Google, Yahoo, MSN, and Ask are becoming reference points for customers. *“Search engines are programs that offer interaction with the Web via a frontend inter-face through which a user can enter a search term or make successive selections from relevant directories”* (Kritzinger and Weideman, 2016). In easier terms, a search engine is the first search instrument used by consumers for gaining information from the Web. These tools allow users to run a research, typing a specific term and obtain defined results in a short time. In doing so, the used search engine reports a list of websites that contain the search term. Websites are in competition to obtain visibility and generate targeted traffic, that’s why is acquiring relevance for websites being listed in search engines.

⁵⁷ <https://www.wine2wine.net>

Search Engine Marketing (SEM) is a form of web marketing that tries to promote websites by improving their visibility in search engine result pages. It includes free or paid activities, designed to generate qualified traffic and, in the meantime, encouraging and addressing customers to visit a specific website. The aim is therefore to bring to the website the largest number of visitors really interested in the website's contents through search engines.

Through the search engine marketing practice, two types of marketing activities can be carried out; Search Engine Advertising and Search Engine Optimization. One or both should be implemented by companies to guarantee top ranking (Berman and Katona, 2011).

Within the Search Engine Advertising (SEA), companies exploit paid advertisement to boost their website traffic and appear with a higher ranking in a search engine result pages (SERPs) that are the resulted pages generated by the search engine in response and accordance to customers' demand. According to specific data, customers focus their attention toward the results present in the first SERP and rarely visit the website located in a lower ranking position. That's why for companies, acquire relevance in the market and recover a higher position in the SERP is a priority. In the specific, Google AdWords, an advertising platform that allows websites to place themselves above all in SERPs results, is the most common tool adopted by firms to appear on the Web.

Conversely, the Search Engine Optimization (SEO) approach includes different techniques aimed to increase the website traffic quality and volume, pushing the website ranking higher using an "organic" search engine result (George, 2005). More visibility is granted thanks to a leader website position in the search engine results. In this sense, no payments to search engines are made by companies. In fact, a website higher ranking, achieved due to the adoption of an organic search approach, is the result of an ongoing effort in terms of website content improvement instead of a payment effect. Different steps should be made in order to rank high on SERP: get crawled, choose strategic key words, enhance the websites contents and increase inbound relevant links (Malaga, 2008). According to the definition provide by Weideman (2009) in his book, *"SEO is a complex process of fine-tuning many elements of a webpage- including*

rewriting content and hyperlinks, changing the website structure, adding image descriptions and manual submission to search engines, to name but a few”.

Even if search engines features are constantly evolving, on the other hand, Search Engine Marketing practice would always remain a constant and certainty for companies that want to remain competitive on the web. Today’s consumers are better informed and aware of market specification while their purchase decision is conditioned by some technological tools. Finding and comparing information on companies and their products, through the web, is becoming a consolidated practice. In the literature, the concept of web site visibility acquired importance; it’s necessary for a website to be present on the first search engine result page (SERP) otherwise only 1 out of 3 users would continue to visit the other pages located downward. The statistics are clear, most of the users, about the 91%, look and visit only the websites located at the first three pages of web results. While another consistent numbers of users, about the 67%, focus their attention only toward the first page of search engine result (Weideman, 2009). A higher ranking in terms of search engine result pages increases the possibility for the website to be visit and appreciated, enhancing, at the same time, company’s exposure and awareness.

That’s why a Search Engine Optimization approach, incorporated with Search Engine Advertisement practice is essential for companies that want to detain the leadership in terms of website visibility and be found in search engines before other business realities.

4.6 Social media marketing strategy in the wine business

In most recent period, the advancement and popularity of social media has changed the overall scenario not only at a social level but also according to a business prospective modifying the way companies conduct marketing and implying a firm’s structural transformation. Social media are perceived as virtual spaces where people interact, know each other, exchange opinions, and have conversations through their applications (Social Networks, Blogs, Content Communities) creating, in this way, virtual communities. In fact, these tools haven’t acquired relevance merely within users, modifying the interaction and communication manners but, at the same time, social

media represent a cutting-edge communication channels used with different aims by companies (Castronovo and Huang, 2014).

By the rapid spread of social media, the marketing practice has been affected and influenced by continuous transformations in terms of communication approaches. From a traditional one-to-many conversations between companies and customers, we move toward a many-to-many dialogue enhancing the influence of the word-of-mouth sharing process on the customers purchase decisions (Thach et al., 2016).

Indeed, over years, consumers have started to communicate with businesses so consequently companies should interact with their clients intensifying, through the adoption and use of social media, a social and emotional brand relationship. As stated by Olson (2009) through social media companies capture new customers, support current clients, build brand awareness, enhance brand reputation and promote brand image launching targeted advertising campaigns.

Nowadays, due to the dramatically growth and rapid adoption of social media by consumers, without the application of an effective social media marketing strategy is very tough for companies to survive and be competitive in the market. Social media marketing practice, if managed correctly in the company's marketing mix and integrated efficiently with other traditional marketing channels, it represents a successful and winning marketing solution. (Bolotaeva and Cata, 2011). This innovative communication and marketing strategy allow companies to extend their brand beyond the national borders, reaching any part of the world. Moreover, in doing so the marketing practice is enriched to personal level (Brandt, 2008).

Social media marketing strategy (SMM), entered in the business field in the mid-2000s, exploits the social media ability to generate a stable and durable engagement between businesses and customers, fostering an online sharing. It's considered an original advertising method and branding technique used to promote and increase company visibility and brand image. Moreover, it aims to interact and attract customers, that are grouped in numerous online communities, through the adoption and use of different social media platforms.

Within social media, customers, from passive and apathetic subjects, have been converted into pro-active entities that formulate a wide quantity of user generated content through their online conversations, interactions and behaviors (Szolnoki et al., 2018). Customers, through their comments, advices and sharing activities published on the web activate an online word-of-mouth process, involving their online community in the discussion and influencing their purchase practice. Customers use social media in order to achieve information about the product specification and gain digital knowledge-sharing about others consumer's feel (Schulz, 2016). According to SMM the common belief is that what users express on the net is truthful and valid. People are more confident and rely more on other users experience and recommendation with the thought that company has very limited control over what is expressed.

Social media allow companies to promote their image and strength their reputation, as well as the establishment of a friendly and informal relationship with customers. Customers can propose, criticize and suggest new ideas to the company that should listen to customer's needs and request, modifying their business strategy according to the customers feedback. Dialogue and a brand loyalty practice is increased. Moreover, Social Media Marketing aims is to increase brand awareness that should result in the growth of sales, enhance brand credibility and reputation and finally the incentive and influence of online word of mouth approach (Dolan and Goodman, 2017).

The 2018 Social Media Marketing Industry Report, that aims to highlight and understand how companies are using social media platforms to growth and promote their business, has been released in May 2018 by the Social Media Examiner. By the Report formulated by Michael Stelzner, various discoveries and conclusions can be emphasized. The survey was conducted on a sample of 5.726 marketers, in majority business-to-consumers companies (B2C) instead of business-to-business realities (B2B), coming from different industries located in different countries (United States of America, United Kingdom, Canada, Australia and India).

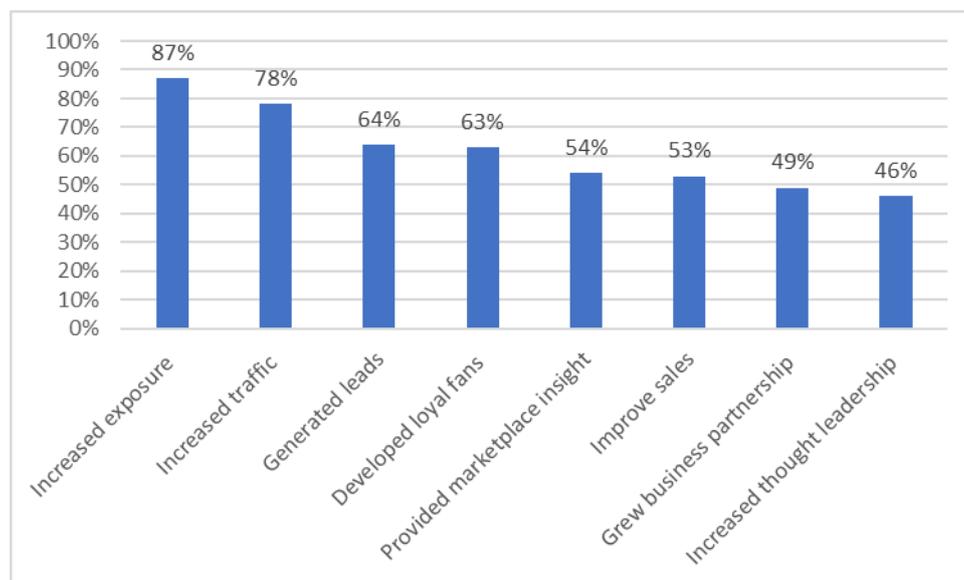
Social media marketing practice is still developing. Marketers are still seeking specific answers and they are wondering about the effective strategy related to this innovative tactic. The evidence that supports the recent emergence of this phenomenon is

guarantee by the fact that the 72% of the marketers have at least 2 years of social media marketing experience.

Furthermore, uncertainty and hesitation is a common feeling within this practice, that's why the 90% of the surveyed marketers is interested to learn what social tactics are most effective, the 89% wants to be informed about the best techniques that allow to engage the audience while the 85% desired to know what are the best social management tools to use and how to create a functional social media strategy.

The investigation focuses also on the benefits defined by the adoption of social media marketing strategy. The 87% of surveyed marketers specify that their social media commitment has increased their business exposure while increased traffic is the second mentioned benefit, with 78% positive results. The complete social media marketing benefits rank is expressed in Figure 4.2.

Figure 4.2 - Social media marketing benefits rank (percentage)



Source: Personal elaboration on Social Media Marketing Industry Report 2018 data

Additionally, the analysis investigates the most commonly used social media platforms. Social networking sites hold the first position in the ranking. The primacy is detained by Facebook, used by the 94% of the surveyed business, followed by Instagram (66%), Twitter (62%) and LinkedIn (56%). Noteworthy changes can be identified compare to 2017. The 2018 findings confirm that Facebook is still the leading and dominant platform

for business, but Instagram is gaining momentum and popularity jumping from the fourth position of the previous year directly to the second one. For this it should be adopted and integrated in the company's social media marketing strategy soon. Twitter is experiencing different situation. In 2017, with a value of 68% held the second position but now is maintaining the third position, being undermine by Instagram emergence. Making a comparison between B2C and B2B marketers a distinct setting is expressed. Facebook remains the leading platform in both the two categories, but LinkedIn is gaining speed in the B2B market being a professional platform. Moreover, companies should identify the suitable type of content to share within each platform. Companies' mission is to share across social media inspiring and attractive contents. According to the survey, the commonly types of content share by social platforms is related to visual images (80%) followed by videos (63%) and blogging (60%).

These considerations should also be made for the wine sector. In fact, during years, wine has been subjected to different configurations. Being considered as a simple agriculture drink product nowadays is perceived as a symbol of prestige. As expressed by Tomazic (2017) wine "includes" and "emanates" the history, the culture and the terroir of origin. Moreover, wine is a socialization, conviviality and engagement mean that overcome any barriers. Wine should be savored and satisfy the consumer's taste. From an everyday beverage, the wine consumption become a pleasure, cultural and shared experience. Wine is synonymous of lifestyle, emotional experience and trend to follow (Capitello et al., 2014).

Wine is produced, demanded and marketed all around the world. Due to the high request, the wine industry is expanding in almost all countries. According to OIV (2017) globally it is counted 10.000 grapevine varieties, 1.000.000 wine labels and 150.000 winemakers. These data confirm that the wine industry has never been so competitive than nowadays. It's very thought to survive in the global wine market, companies must differentiate themselves from the mass trying also to survive in the digital era.

At the same time, consumers are captured by a confusion and uncertainty felling due to the diversification and wide variety of wine products present on the market. This type of product relies on a high level of reputational credibility among potential consumer that are searching for information and advice. Moreover, the interaction and exchange

of opinions as regard the wine product help to guide the consumers actions. In order to make a conscious purchase customer ask the help of experts or friends relying on their suggestions and recommendations (Remondino, 2014).

Particular attention must be address toward the Millennial generation, characterized by an increasingly wine consumption level. In fact, Millennials start to appreciate and request the wine product becoming one of the leading forces among wine consumers. Millennials enjoy wine but in very different ways compere to the older generation and it is something that wineries must take into consideration. Millennials also identified as “digital natives”, are comfortable with technology being very active and social on the web. Inseparable from their smartphones, Millennials are the generation that spend more time on social media platform visiting and being online predominantly through social networking sites (Facebook, Instagram, Twitter) where world of mouth has a strong relevance and the capability to influence the purchase actions. (Higgins et al., 2016).

Millennials avoid traditional wine business focus more on products and wine producer, but they prefer pioneering and proactive wine brands that are connected online and use different social media. At the same time, these wineries should have an active and updated social network profile enrich by creative message, image and interactive post (Fernández et al., 2017).In order to build a relationship with any generation is necessary to understand their inclination, preferences and buying behavior and responding to them. Within Millennials generation the consumption attitude persists but the preferences and style of consumption changes, evolves and becomes digital.

If in the past, wine consumers sought advices in books, sector magazines and newsletter, at the same time, website, considered a powerful tool, is not the exclusive instrument that guarantee the online relation between wineries and customers. Indeed, in the digital era social media influence is gaining speed acquiring relevance in the customer purchase decision. From a business perspective, social media are the perfect instrument to attract wine consumers and provide information about the wine quality and features. Moreover, social media favours a word of mouth approach, an attitude that is functional on wine consumer. Due to the complexity of the wine industry, the wine consumers want to be informed and recommended before purchase the product, that’s why relay

and follow advices and recommendations provided by the online community. For all these reasons wine is the ideal product for the adoption of a social media marketing strategy.

4.6.1 International perspective about Social media adoption

Ten years ago, literature reported only few examples about the application and consequences of social media tool in the wine business. However, in few years trend has inverted. A lot of studies, that emphasize the relationship between social media and wine, have been provided.

The analysis conducted by Bouquet dates to 2012. A comparison between American and French wineries has been carried out. Within a sample of more than 200 wineries for each country, it has been noted that American wineries were more active and inclined to use social media in their business instead of French one. The result was clear, almost all the surveyed American wineries were active on Facebook (94%) while in France only the 53% of the interviewed wineries declared to have adopted this communication channel. This investigation has provided the evidence regards the different approach in terms of marketing practice and acceptance of social media tool between an Old World (France) and a New one (USA).

A more recent and international study has been conducted among different countries: Germany, USA, Australia and New Zealand. Additional considerations and differences between Old ⁵⁸ and New World⁵⁹ can be carried out (Szolnoki et al., 2018).

The communication strategy of German wineries relays largely on the use of traditional communication channels such as post, phone and fax. A different approach can be highlight in the New World countries. Even if traditional communication channels are still in used, at the same time, a consistent engagement toward digital communication tolls such as e-mail, newsletter and social media platforms is emphasized. As regards the level of impotence assumed by social media in these countries, it's possible to affirm

⁵⁸ Germany

⁵⁹ USA, Australia and New Zealand

that German wineries, give a lower level of importance to these tool compere to the countries belongs to the New World.

Moreover, it has been investigated the reason why wineries decide to adopt and use social media platforms. A wide range of motivations have been found (Table 4.4) However, the social media main objective differs between countries. The main reasons that push the German wine producer toward the introduction of these tools regarded the possibility to provide information about events and enhance public relation. On the country, the New World countries give importance and follow other purposes. Social media are used mostly to interact with consumers and acquire new one. Additionally, social media are considered as a display window where to foster and market the product.

Table 4.4 – Reasons behind the use of social media by wineries

- Provide event information
- Public relation
- Communicate to the consumers
- Gain new consumers
- Advertise wineries
- Provide customers service
- Provide wine tasting information
- Communicated to others

Source: Personal elaboration on Szolnoki G., Dolan R., Forbes S., Thach L., Goodman S., "Using social media for consumer interaction: An international comparison of winery adoption and activity"

German wineries are used to integrate and manage in their communication strategy a single social media platform. On the contrary, New World countries are active on several social media. A common trend has been identified; between the wide range of social media, the social networking Facebook is the most adopted platform by all the surveyed wineries in all the investigated nations. German wineries are used to integrate and manage in their communication strategy a single social media platform, in most of the cases Facebook. That's why Twitter, Instagram, Video sharing instruments and running a blog are not considered so much in the German communication strategy. On the contrary, New World countries are active on several social media, that's why Facebook it is not the only platform used by wineries to communicate and relate to customers. In

order to extend brand awareness, foster people's inclusion, improve brand loyalty and dealing with a huge number of clients at once, New World countries integrate multiple social platform in their media plans. Social network site such as Twitter, Video sharing tools and Instagram are the most commonly used and allowing wineries to benefit from an increase in wine sales.

Researches have tried to investigate the reason that prevent wineries toward the adoption of these social media platforms (Table 4.5). Different difficulties are the reasons that limit the implementation of social media platforms (Strickland et al., 2016). Social media plan it is a time-consuming process that requires a huge investment in terms of time effort. Moreover, firms may have not the technical competences to manage effectively a social media platform. Without having a strategic media plan in mind, it's challenging to create interesting and attractive post while specific social media platforms are considered not in line with the goals of the wineries.

Table 4.5 – Limits related to the implementation of social media platforms

- Lack of time
- Difficulties in creating interesting content to post
- Lack of skill required to manage
- Scepticism about the effectiveness of SM with customers
- Lack of financial resources
- Business size

Source: Personal elaboration on Strickland P., Williams K., Laing J., Frost W., (2016) "The Use of Social Media in the Wine Event Industry: A Case Study of the High-Country Harvest in Australia"

Another noteworthy study has been submitted by Italian researches that has decided to investigate the relationship between the adoption of social media and the firms' organizational characteristics in Sicilian wineries (Galati et al., 2017). According to this scenario, small firms are more inclined to adopt social media tools compere to the big one. In fact, huge investments are made by big companies in terms of traditional advertisement and promotional marketing campaigns, preferring traditional communication channels. These findings highlight a lower engagement in social media tools by big companies. Moreover, it has been provided that the educational level of a manager is strictly related with the firm's social media plan. In fact, Sicilian wineries that

have more implications in the social media field are those run by entrepreneurs or managers with a high educational level. That's because they had in mind a specific strategic plan, they can understand the organizational and cultural changes required and are more conscious of the benefit provided by social media.

CHAPTER V – WEB MARKETING STRATEGY: A SURVEY IN THE PROSECCO WORLD

5.1 Research objectives and investigated factors

Companies involved in the wine sector are increasingly called on to understand the potential and limits of digital tools, perceived as marketing and promotion instruments but also identified as communication devices through which firms could engage with the national and international wine demand.

This research aims to measure the social media adoption and the related activities of Italian wineries located in the Prosecco System. Attitudes, practices and strategic implications of Prosecco wineries, within social media tools, have been stressed. The reasons and factors that influence the social media adoption but also the criticalities that limit their use in the marketing, communication and trade field have been investigated.

In order to understand this, an exploratory online survey has been created and released toward Prosecco firms located in Veneto and Friuli Venezia regions. Data are collected through an online survey using Qualtrics software.

5.2 Data collection

The questionnaire, formulated in Italian version, consists of 80 single, multiple or text entry questions divided into twelve sections.

1. *Company General Information*: The geographical location, year of foundation, annual production, annual turnover, form of conduction, company production area and other information aimed to knowing the background of the interviewed entity have been asked;
2. *Human capital*: This section is used to collect information regarding the number of employees, the age, sex and level of education of the entrepreneur and the marketing manager and the future intentions about recruitment;

3. *Company strategies*: This section is intended to understand the level of the importance that the surveyed company has assigned to specific investments area (production, R&D, certification, international trade, IT) in the last five years and what the company are going to innovate in the next five years;
4. *Marketing activities*: This unit aims to discover how the marketing activities are developed within the companies. Moreover, other questions are addressed to understand how many employees work in the marketing area and their specific tasks;
5. *Digital marketing channels*: This section highlights which social media platforms are adopted and why they were chosen;
6. *Facebook*: The following were asked: the number of followers, the main reasons behind the adoption of this platform, the focus of the communication content share through Facebook, which digital instruments are used to analyse Facebook performance and how often the results are checked. Furthermore, in the case Facebook is not part of the business strategy the surveyed companies must give the reasons behind this decision;

Regarding the following sections 7, 8, and 9 identified respectively as Instagram, Twitter and LinkedIn units, the same research questions formulated in Facebook unit are re-presented for each type of social network;

10. *Website*: This section investigates the functions fulfilled by the website, the focus of the communication content shared through it and how often new contents are updated. Moreover, in the case the website pages are not an integrated part of the business strategy the surveyed must give the reasons behind this decision;

11. *E-commerce*: This unit provides information regarding the implementation of the E-commerce service identifying the reasons behind the adoption;

12. *Internationalisation*: The last unit incorporates questions aim to understand trade activities abroad and the social media strategy adopted to promote their business in foreign markets.

The survey, characterized by an online procedure, was conducted with the Prosecco DOC and Conegliano Valdobbiadene Prosecco DOCG Denomination firms. In fact, Ca' Foscari University has established a cooperation with Veneto Agriculture and the Prosecco DOC Consortium in order to run and promote the survey. In particular, the questionnaire has been distributed toward the DOC producers and members through the DOC Consortium. For this reason, an email, to inform Prosecco DOC companies about the research and containing the link of the survey, was sent from the Institutional Consortium email address.

At the same time, an e-mail invitation, which briefly explained the survey and contained the access to the survey's link, was sent out to 184 Conegliano Valdobbiadene Prosecco DOGC firms, from a Ca' Foscari student email account. The company's mailing list has been found on the Prosecco DOCG website, in the wineries section.

Data collection took place from the 10th of April since the 14th of May 2019 using Qualtrics software that allowed the set-up of an online survey. Thanks to the possibility to identify the companies that didn't reply to the questionnaire after the first invitation, two other reminders were sent at a two-week time distance from one another. The survey data are processed in an aggregate and anonymous manner, for a total of 79 responses.

However, most companies decided not to participate in the survey: some wineries sent an e-mail explaining the reasons why they refused to take part: mainly there were unwilling to disclose private company information, characteristics and strategic focus.

Despite the low participation and response rate, it has been possible to analyse the social media scenario within the Prosecco system also creating some correlations between the obtained results.

5.3 Methodology

The dataset, originated from Qualtrics software after the survey elaboration, is composed by qualitative and quantitative type variables. In doing so, it is necessary to specify the various configurations that these variables can assume.

Qualitative variables are non-numeric variables that measure specific qualities. At the same time, depending on the type of the observation, they can be classified into attribute or ranking.

- Qualitative attribute variables are made up by simple attributes and features (e.g. color of eyes, religion) that from a statistical point of view, cannot be compared and ranked. In other words, it is not possible to establish an ordinal hierarchy but only generate an equality or diversity relationship.
- Qualitative ranking variables are characterized by elements (e.g. educational level, satisfaction degree) that from a statistical point of view can be compared and ranked according to an objective ascending/descending order. This means that an equality or diversity relationship is not established however, it is possible to express an objective order between the analysed elements.

On the contrary, quantitative variables are numeric variables that measure numeric features. Depending on the type of the observation, they can be classified into binary, discrete and continuous ⁶⁰.

- Quantitative binary variables, also known as dummy variables, assume the value 0 or 1, depending on whether a given condition is satisfied or not. In order to proceed with the bivariate analysis, some variables in the survey have been transformed into dummy ones.
- Quantitative discrete variables are made up by finite number of modalities (e.g. number of bottles, number of employees) that can always be placed in correspondence with the set of natural numbers.
- Quantitative continuous variables assume a relative possible value (e.g. numbers of hectares) contained in a real predefined interval.

In order to proceed with the analysis, the dataset has been modified. The qualitative variables have been turned into quantitative ones. In doing so, it was possible to analyse

⁶⁰ <https://www.dm.unibo.it>

the numeric results and the frequency of each survey's questions. In the unvaried analysis phase, different observations have been carried out.

5.4 Descriptive analysis

The first section aims to analyse the structure of the companies participating in the survey. The surveyed firms are requested to indicate the geographical location (region and province), year of foundation, annual production, annual turnover, form of conduction, company production area and other information aimed to knowing the background of the interviewed entity.

5.4.1 Geographical location

Analysing the data, it is interesting to note the high participation rate of the wine companies located in the Veneto region (92%). This is made possible because all the companies that belong to Conegliano Valdobbiadene Prosecco DOCG system are established in Conegliano Valdobbiadene, a limited area located in the Veneto region. Conversely, as regards the Prosecco DOC Denomination, its production area extends towards Veneto and Friuli Venezia Giulia regions. That is way 6 companies declare to be established in Friuli Venezia Giulia region, for a value of 8% (Table 5.1).

Table 5.1 - Distribution of participating wineries by region

REGION	TOTAL	% TOTAL
Veneto	73	92%
Friuli Venezia Giulia	6	8%
Total	79	100%

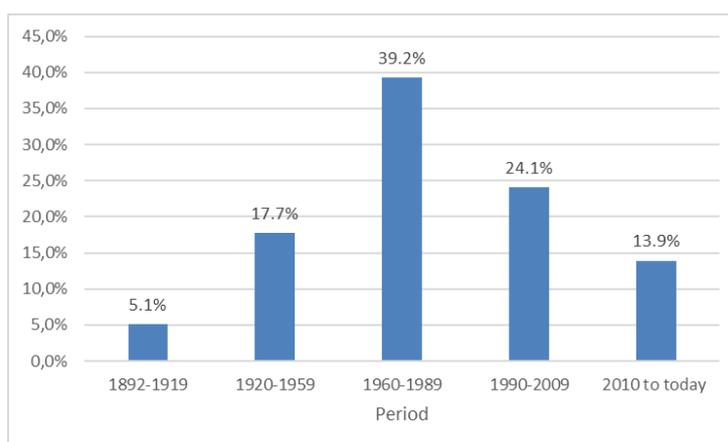
Source: Personal elaboration on survey data

5.4.2 Year of foundation

Most of the surveyed companies have been founded in recent years, starting from the 900s, until today. 5% of the surveyed companies were founded over 100 years ago, the oldest one was established in 1892. Moreover, 18% of the entire sample can boast of

being active for 60-99 years while 39% of business for 30-59 years. Furthermore, 24% enterprises began business about 10-29 years ago whereas the remaining 14% have been activity for less than 10 years. Over the years, the trend has been to reduce the opening of new businesses. In fact, these types of businesses are used to have a long tradition, many often with generational handover (Figure 5.1).

Figure 5.1 – Company year of foundation (percentage)



Source: Personal elaboration on survey data

5.4.3 Annual production

Most of the surveyed companies, produce few bottles, in relation to the last three years. In fact, half of the companies, 52% of the entire sample produce less than 200.000 bottles. This data reflects the production fragmentation in small family-run businesses. However, referring to this sample there is not a very marked gap. The remaining 48% has an annual production of more than 200.000 bottles (Table 5.2).

Table 5.2 – Annual production (reference to the last three years)

ANNUAL PRODUCTION	TOTAL	% TOTAL
< 375 hl (50.000 bottles ca.)	21	26.6%
375-750 hl (50.000-100.000 bottles ca.)	10	12.7%
750-1.500 hl (100.000-200.000 bottles ca.)	10	12.7%
1.500- 3.750 hl (200.000-500.000 bottles ca.)	18	22.8%
3.750- 7.500 hl (500.000-1.000.000 bottles ca.)	9	11.4%
> 7.500 hl (1.000.000 bottles ca.)	11	13.9%
TOTAL	79	100.0%

Source: Personal elaboration on survey data

5.4.4 Annual turnover

As regards the annual turnover, in order to obtain indicative answers and not discourage the producers from completing the survey, the observations have been divided into sections. These data, represented in Table 5.3, partially confirm the situation recorded in the production field. In fact, about 84% of the companies have an annual turnover of less than 5.000.000€ in relation to the last three years.

Table 5.3 – Annual turnover (reference to the last three years)

ANNUAL TURNOVER	TOTAL	% TOTAL
<100.000 Euro	12	15.2%
100.000-300.000 Euro	17	21.5%
300.000-700.000 Euro	13	16.5%
700.000-1.500.00 Euro	14	17.7%
1.500.000-5.000.000 Euro	10	12.7%
5.000.000- 10.000.000 Euro	3	3.8%
> 10.000.000 Euro	10	12.7%
TOTAL	79	100.0%

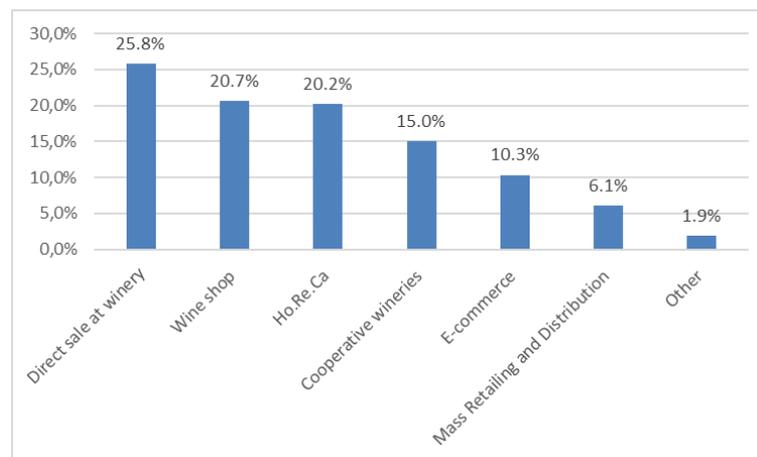
Source: Personal elaboration on survey data

5.4.5 Distribution and sale channels

Different sale channels are used to promote and sell Prosecco wine. The “direct sale at winery” has been observed to be the most used and appreciated by the surveyed companies. At the same time, a relevant position is recovered by wine shops (21%) while HoReCa (Hotellerie-Restaurant-Café) accounts for 20% of the entire sample.

On the contrary, producers don’t rely too heavily on the E-commerce platform. This channel is not perceived yet as an integral component of the wine industry culture and this data confirm the producer scepticism feeling toward its integration (Figure 5.2). Some companies (2%) indicated “Other” specifying that they deal with bottlers, wholesalers and foreign importers.

Figure 5. 2- Distribution and sale channels (percentage) ⁶¹

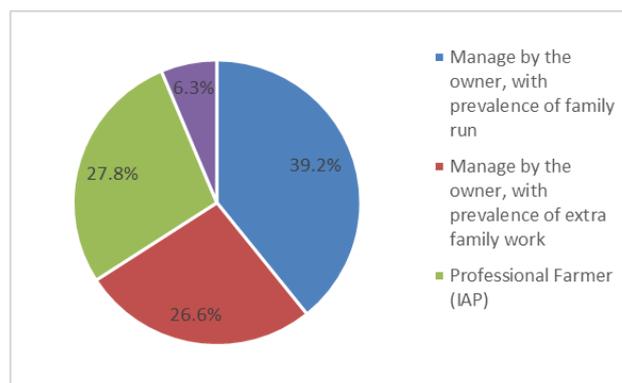


Source: Personal elaboration on survey data

5.4.6 Company conduction and managerial and organisational structure

From the collected data, 39% of the surveyed firms are managed by the owner with prevalence of family run. This scenario confirms the traditional and common approach that persists in Italian wine-making companies. However, also the wine sector is moving toward an entrepreneurship tendency. This is confirmed by the fact that 28% of the interviewed companies are run by a professional farmer. Some firms (6%) indicated “Other” specifying different form of conductions such as special prosecutor, management board, and food industry.

Figure 5.3 – Company conduction (percentage)

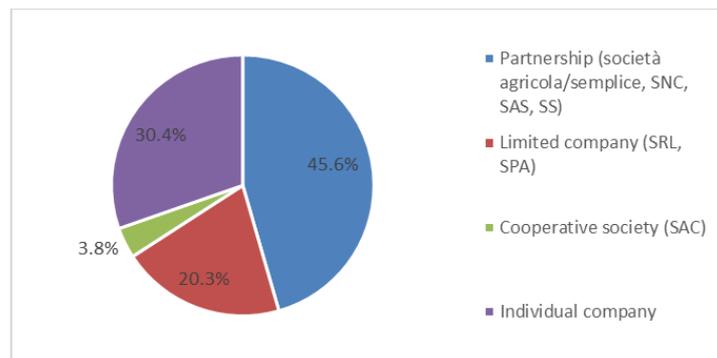


Source: Personal elaboration on survey data

⁶¹ Multiple answers were allowed. The percentages related to each distribution and sale channels are calculated according to 213 total observations.

Regarding the managerial and organisational structure, 46% of the entire sample is characterized by a partnership. On the other hand, individual company, which is the simplest legal form built around the figure of the entrepreneur, accounts for 30% (Figure 5.4).

Figure 5.4 - Managerial and organizational structure (percentage)



Source: Personal elaboration on survey data

5.4.7 Company production area

To determine company production area, they were asked to indicate the total agricultural area, the utilised agricultural area and the vineyard area. All these data have been recorded in hectares (Table 5.4).

Nevertheless, the answer to this question was no mandatory considered that sensitive data, which could have influenced entrepreneurs to not complete the survey, were requested. For this reason, incomplete and fragmented data were analysed. On a sample of 79 companies, 55 of them provided information about the total agricultural area, 48 companies answered about the utilized agricultural area while 69 reported information about the vineyard area. The total agricultural area varies from 0 to 7000 hectares while the utilized agricultural area is between 0 to almost 3200 hectares. The vineyard area assumes a lower maximum value, from 0 to 1000 hectares. This significant vineyard area data, that concerns a large cooperative group, doesn't represent the sample. In this case, we are dealing with an outlier that interferes with the sample representativeness. In order to have a true framework it has been decided to eliminate the outlier from the vineyard area analysis, that now assumes a value from 0 to 205 hectares.

Table 5.4 – Company production area (hectares)

	Total Agricultural Area	Utilised agricultural area	Vineyard area
Statistical average	190.9	124.8	38.9
Median	18	15	12,5
Modal value	10	4	10
Min	0	0	0
Max	7000	3200	1000

Source: Personal elaboration on survey data

5.5 Human capital

This section wants to investigate the human capital specifications and its engagement in the company. Most of the surveyed companies are small, in fact, 62 companies (78%) declare to employ no more than 10 employees. On the contrary, only 7 business (9%) recruit more than 30 employees (Table 5.5).

Analysing in detail the three realities that are composed by more than 50 employees one of those is a cooperative structure, another one has a managerial organisational structure and the last has a direct owner with a prevalence of extra-family work conduction. Surprisingly, the company, that has more than 100 employees, is a food industry. However, these four companies are an exception that is why excluding the observations belonging to the cooperative and food industry due to data contamination, just two realities would remain. Therefore, it is possible to confirm that the Prosecco system wine companies are traditional small, family-run business with few employees.

Table 5.5 – Human capital

Employees	0	1-2	3-5	6-10	11-30	31-50	>50	>100
Number of Firms	4	15	20	23	10	3	3	1
Percentage	5.1%	19.0%	25.3%	29.1%	12.7%	3.8%	3.8%	1.3%

Source: Personal elaboration on survey data

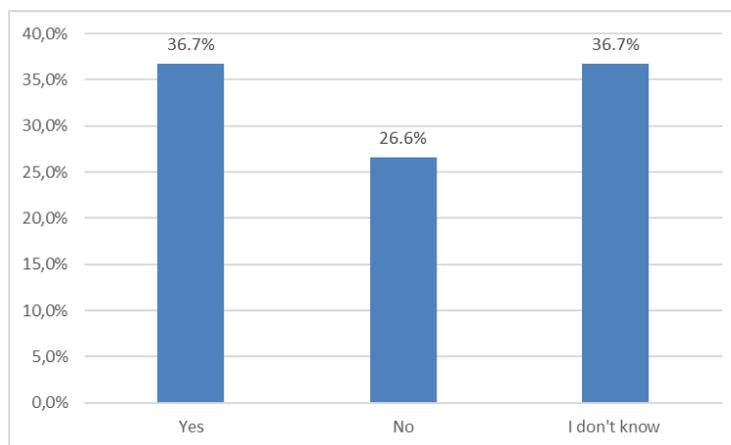
5.5.1 Future assumptions and roles of future recruitments

Considering the evolution of the market and the rapid growth of social media, it would be thought that wine companies, in order to keep up with the times and be competitive

in the market, would have been inclined to increase the number of employees. Indeed, this is true.

37% of the surveyed firms are willing to hire in the next five year. On the other hand, only 27% of the sample declares that is not planning to increase the number of workers. At the same time, the remaining 37% expresses uncertainty towards hiring additional employees in the future. However, it is preferable and beneficial that these entities would change their strategic plans in the future.

Figure 5.5 – Future assumptions (percentage)



Source: Personal elaboration on survey data

The following question was addressed toward the 29 companies (37%) favourable to hire in the next 5 years. They were asked to indicate which profiles would be recruited among those proposed. The results are shown in Table 5.6.

The most researched profile regards the production and laboratory staff (33%) which is opposed to the sales and marketing operator (13%) and a digital marketing employee (9%). In the “Other” section, companies had the possibility to indicate other profile typologies. They mainly chose agricultural workers and land surveyors. Considering the hard work and the long and defined production procedures that the raw materials require, it is easy to understand why there would be a high future demand of land workers and production/laboratory employees. On the contrary, the communication and the digital marketing field would not be strengthened by many new employees.

Table 5.6 - Roles of future recruitments ⁶²

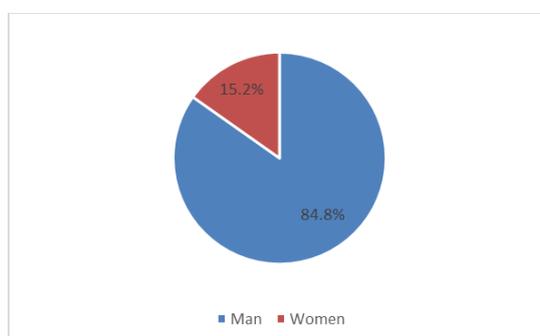
TYOLOGY	TOTAL	% TOTAL
Digital Marketing	4	8.9%
Sales and marketing	6	13.3%
International trade	8	17.8%
Accounting	9	20.0%
Production/laboratory	15	33.3%
Other	3	6.7%
TOTAL	45	100.0%

Source: Personal elaboration on survey data

5.5.2 Employer gender and age

85% of the surveyed firms are run by a man, on the contrary the remaining 15% are managed by a woman (Figure 5. 6). This data confirms the male footprint in the wine sector. However, the trend is changing. Wine is increasingly linked to the female entrepreneur’s world. Comforting data is provided by Borsa Italiana (2019); the Prosecco system incorporates many firms run by women entrepreneurs ⁶³.

Figure 5.6 – Gender of the employer (percentage)



Source: Personal elaboration on survey data

Data on age is fragmented. However, more than half of the sample (55%) has an age over 50 years old (Table 5.7). This data is confirmed by the statistical average that has a value of almost 52. The oldest entrepreneur is 84 years old while the youngest is 28 (Table 5.8).

⁶² This question was addressed toward the 29 firms (37%) that, as investigated in the previous questions, are favorable to hire in the next 5 years. Multiple answers were allowed. Some companies have expressed their intention to hire different profiles. That’s why there are 29 responding companies and 45 observations. The table expresses the distribution of the recruitment needs in relation to 45 observations. The percentages related to each profile are calculated according to the 45 total observations.

⁶³ <https://www.borsaitaliana.it>

Table 5.7 – Employer age

EMPLOYER AGE	TOTAL	% TOTAL
<30	6	7.6%
31-40	10	12.7%
41-50	18	22.8%
51-60	24	30.4%
>61	19	24.1%
ND	2	2.5%
TOTAL	79	100.0%

Source: Personal elaboration on survey data

Table 5.8 – Descriptive statistics of the employer’s age

Statistical average	51.79
Median	54
Modal value	47
Min	28
Max	84

Source: Personal elaboration on survey data

5.5.3 Gender and age of the marketing manager

The first table (Table 5.9) is characterized by one additional row compared to the followed one (Table 5.10). The original answer provided the possibility to indicate when the owner is also the marketing manager. This data (32%) confirms that there is a tendency for which the employers tend to be the marketing manager. This highlights how small companies usually do not need a professional sector figure to take care of the marketing and communication field. In this case, for 15% of the surveyed firms no data is available. This is because most of these realities due to their business structure and configuration don't have the marketing manager profile.

Secondly, the new percentages were calculated also taking into consideration the gender of the owners who hold the role of manager. Regarding the marketing sector, also in this field, most managers are male, representing the 57% of the entire sample (Table 5.10).

Table 5.9 – Gender of the marketing manager

GENDER	TOTAL	% TOTAL
Man	24	30.4%
Woman	18	22.8%
Employer= Marketing manager	25	31.6%
ND	12	15.2%
TOTAL	79	100.0%

Source: Personal elaboration on survey data

Table 5.10 – Gender of the marketing manager

GENDER	TOTAL	% TOTAL
Man	45	57.0%
Woman	22	27.8%
ND	12	15.2%
TOTAL	79	100.0%

Source: Personal elaboration on survey data

The age of the marketing manager was also observed. In this sense, managers that are between 40 years old represent 41% of the entire sample. 17% of the entire sample didn't reply. Only one firm did not indicate the marketing manager's age. The remaining 12 firms indicated that there is no marketing manager presence within their businesses (Table 5.11).

According to Table 5.12 the modal value, that represent the data with the highest frequency, is 33. Moreover, the oldest entrepreneur is 84 years old while the youngest is 23.

Table 5.11 – Marketing manager age

MARKETING MANAGER AGE	TOTAL	% TOTAL
<30	10	12.7%
31-40	22	27.8%
41-50	14	17.7%
51-60	15	19.0%
>61	5	6.3%
ND	13	16.5%
TOTAL	79	100.0%

Source: Personal elaboration on survey data

Table 5.12 - Descriptive statistics of the marketing manager's age

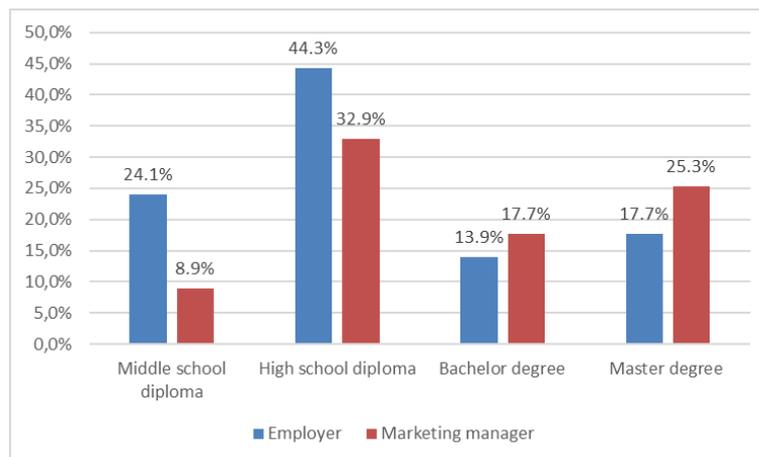
Statistical average	44.6
Median	42.5
Modal value	33
Min	23
Max	84

Source: Personal elaboration on survey data

5.5.4 Employers and marketing manager educational level

This figure wants to identify the differences in term of educational level that occur between managers and entrepreneurs. In particular, the distribution of qualifications is observed by creating 4 macro areas, corresponding to the different educational levels: middle school diploma, high school diploma, bachelor's degree and master's degree. In this sense, it is possible to point out that marketing manager are characterized by a higher university formation compare to the owners, both in terms of bachelor's and master's degrees (Figure 5.7).

Figure 5.7 –Educational level comparison between employers and marketing manager (percentage) ⁶⁴



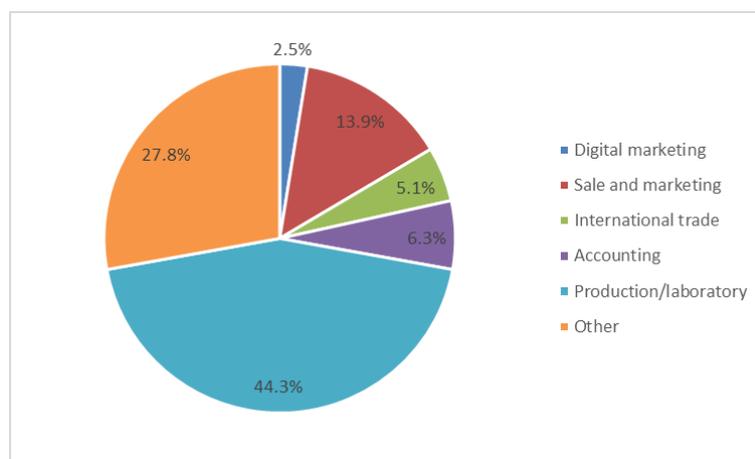
Source: Personal elaboration on survey data

⁶⁴ The percentages have been calculated on a sample of 67 total observations.

5.5.5 Young people inclusion

Which sector mostly employs young people, up to 30 years, was observed. 44% of the surveyed companies declared to have a prevalence of young people in the production and laboratory field. A noteworthy percentage is represented by “Other” classification. Here most firms declare to have no employee up to the age of 30 in the company. On the contrary, others business confirmed to have employed young people that are active in winery, in the winegrowing practice and in the back office (Figure 5.8).

Figure 5.8 – Young people inclusion (percentage)



Source: Personal elaboration on survey data

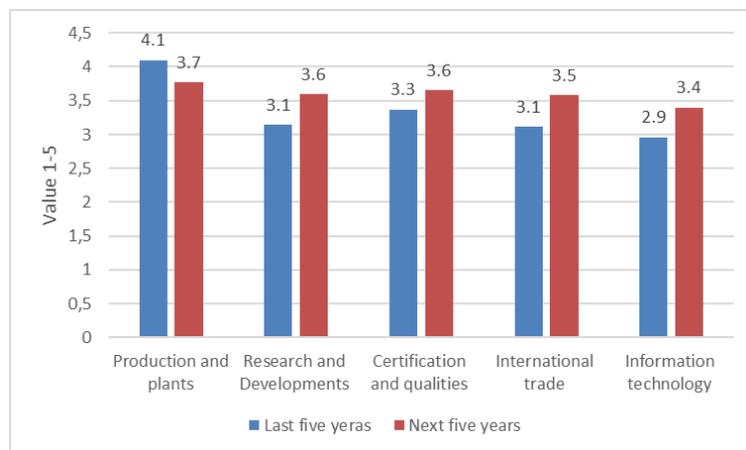
5.6 Company strategies

It has been investigated the level of importance of investments destined to specific area in the last 5 years (2014 - 2018). Entrepreneurs have assigned a value from 1 to 5 to each category in accordance to the Likert scale. It should be noted that, according to the surveyed firms, all the proposed area constitutes a valid investment reason. Every category has reached an average value higher than 2.5 (half of the evaluation scale). As regards the entire sample, the most interesting area is the production field with an average value of 4.1 followed by the certification and qualities class with an average of 3.3.

Subsequently, the same question has been resubmitted referring to the future. The goal is to investigate the level of importance of the investment in the same area but in the

following 5 years (2019 - 2023). In doing so, it's possible to make a comparison. With reference to the next five years, the investment contribution toward the production area will decrease. At the same time, International trade, with an average value of 3.5, and Information technology, with an average value of 3.4, are gaining speed. These data emphasize a positive trend for the Prosecco wine market. It detains favourable inputs for future improvement and developments in the technological and international trade area (Figure 5.9).

Figure 5.9 – Comparison between the level of importance of the investments (Likert scale)

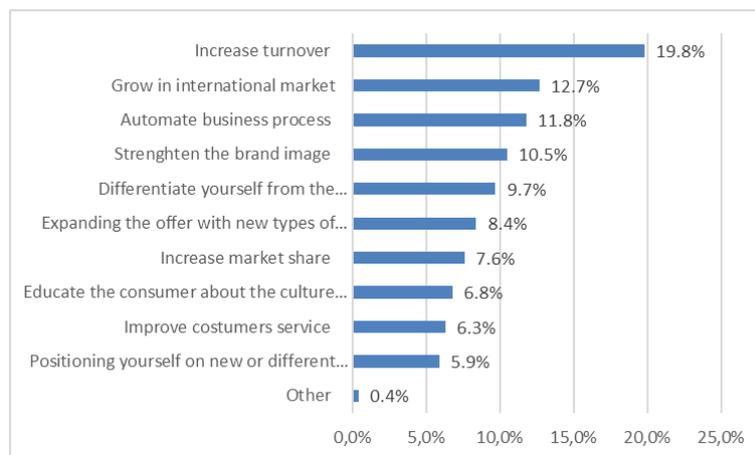


Source: Personal elaboration on survey data

5.6.1 Firm's goals

In this section, entrepreneurs have also indicated, from a list of choices, the three most important objectives and ambitions to reach within the business. In this sense, increase turnover (20%), grow in the international market (13%) and automate the business process (12%) are the top three categories that have received the highest consensus. It can be positively observed that, even if the first three objectives imply an increase in terms of revenues, even more ideological objectives have received a high score, resulting in the business success (Figure 5.10).

Figure 5.10 – Firm’s goals (percentage) ⁶⁵



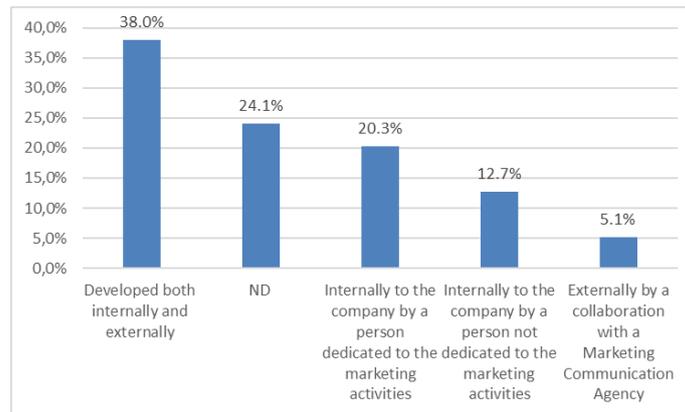
Source: Personal elaboration on survey data

5.7 Digital marketing activities

Companies had to indicate how the marketing activities in terms of social media, communication, advertising and E-commerce practice are developed. As expressed in Figure 5.11, 38% of the entire sample has declared that the marketing activities are developed both internally and externally. At the same time, 20% of the interviewed companies carry out their marketing activities internally thanks to an experienced person, fully involved in the sector. Only few firms (5%) entrust these activities to external marketing communication agencies. For a consistent percentage (24%) no data are available. This is because most of them do not perform any social media, communication and advertising activities in the business.

⁶⁵ Companies had to indicate 3 answers necessarily. The percentages related to each objective are calculated according to 237 total observations.

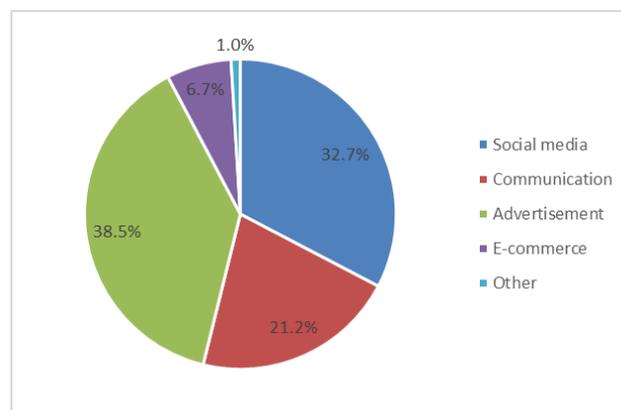
Figure 5.11 – Marketing activities (percentage)



Source: Personal elaboration on survey data

As expressed in Figure 5.12, advertisement investments (39%) and social media management are developed internally (33%). The surveyed companies prefer to check and manage their own social pages and profiles. As regard the “Other” section (1.0%), one companies specified that the graphic designing activity is performed in-house.

Figure 5.12 – In- house marketing activities (percentage) ⁶⁶

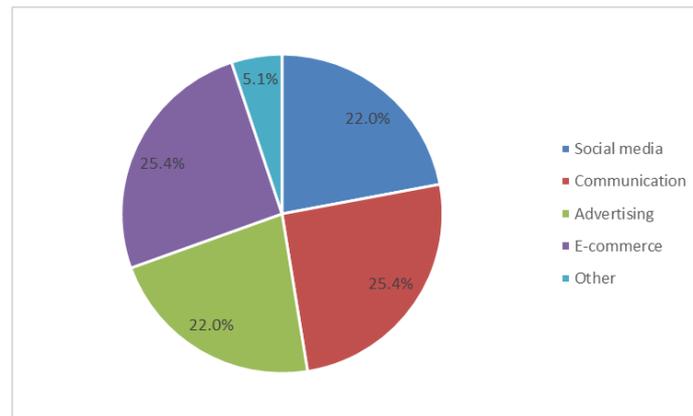


Source: Personal elaboration on survey data

On the other hand, as expressed in Figure 5.13, companies are not frequently responsible for the E-commerce service. In fact, there is a tendency to commission the E-commerce channel externally (25%). As regard the “Other” section (5%) activities in terms of Public relations (PR), digital PR and press office are performed externally.

⁶⁶ Multiple answers were allowed. The percentages related to the marketing activities developed internally are calculated according to 104 total observations.

Figure 5.13 – Marketing activities developed externally (percentage) ⁶⁷

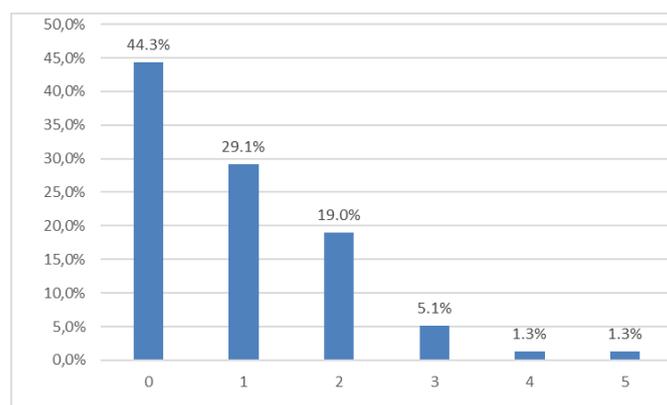


Source: Personal elaboration on survey data

5.7.1 Marketing area

In order to have a general overview of the marketing area, the number of the employees involved in this sector it was investigated. Most of the surveyed companies, 44% of the entire sample, have no employees involved in this sector. This is possible because most of the interview companies does not have a marketing area (Figure 5.14).

Figure 5.14 – Number of employees involved in the marketing area (percentage)



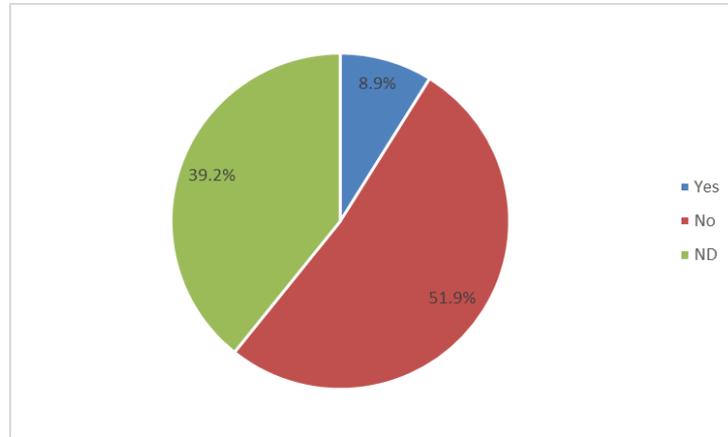
Source: Personal elaboration on survey data

At the same time, most of the companies with a defined and efficient marketing area (52%) have declared that their employees do not have defined tasks. There are no professional figures dedicated to specific duties (Figure 5.15). Usually the marketing

⁶⁷ Multiple answers were allowed. The percentages related to the marketing activities developed externally are calculated according to 59 total observations.

employees handle everything without any limitation or specifications. This depends on the size of the surveyed companies and the limited workforce.

Figure 5.15 – Do employees have defined tasks in the marketing area? (percentage)



Source: Personal elaboration on survey data

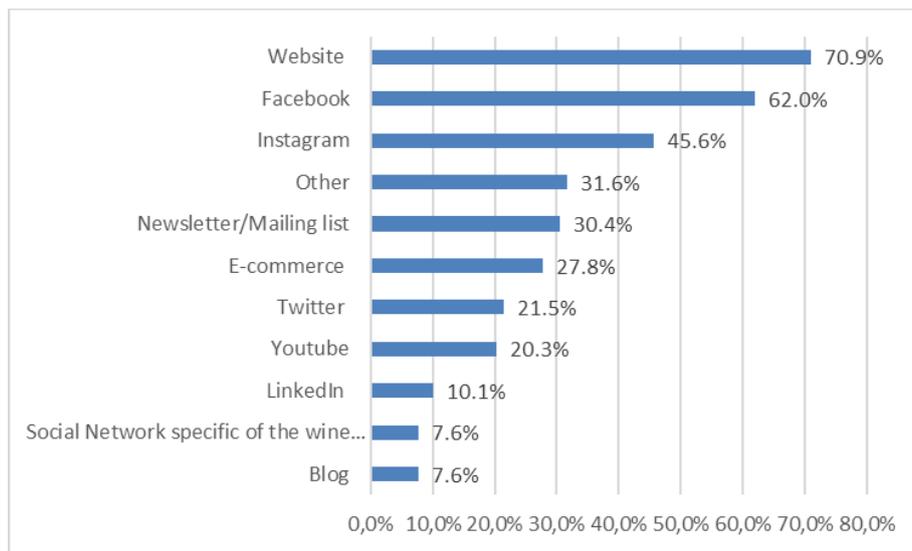
5.8 Digital marketing channels

This section wants to investigate which digital platforms are used and adopted by the surveyed firms. As expressed by Figure 5.16, 71% of Prosecco firms have their own personal website page. This is because a website represents the first step required for a company to be considered active and present on the web. This tool allows them to overcome any geographical or time barriers enhancing brand identity and increasing consumer awareness. Moreover, through the web site companies can sell the product online. However, this practice is not fully exploited between the surveyed companies. In fact, only 28% of the entire sample provide E-commerce service to customers. The newsletter is perceived as an effective way to communicate with customers and acquire new ones, that is why the 30% of the companies used this tool. Moreover, YouTube is commonly adopted by 20% of the entire sample. This video sharing platform is the ideal place to share experiences and contents in an immediate and efficient way.

The most used social networking site is Facebook, being adopted by 62% of the entire sample followed by Instagram (46%) and Twitter (22%). On the contrary, the use of LinkedIn is very limited (10%).

32% of the surveyed companies has also indicated “Other” as possibility. Later, 4 companies specified that they use Google Ads, SMS, Google my Business, and Chinese social media. At the same time, within this category 21 companies have declared that now no digital channels are adopted at the moment.

Figure 5.16 – Digital channels adopted by companies (percentage) ⁶⁸

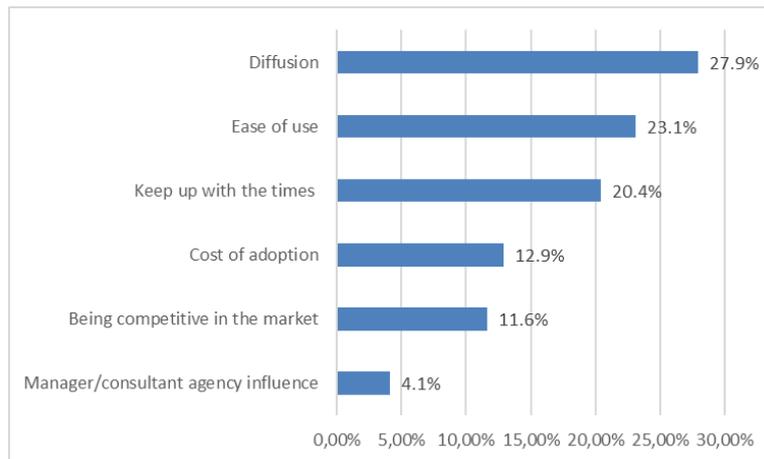


Source: Personal elaboration on survey data

The reasons why wineries decide to adopt these digital platforms are listed in Figure 5.17. Diffusion (28%), the simple operation connected to their use (23%) and the possibility to keep up with the times (20%) are the main reasons that influence wineries to include these tools in their business strategy. Moreover, companies recognize the low cost connected to their adoption (13%) and a higher possibility to be competitive in the market (12%).

⁶⁸ Multiple answers were allowed. The percentages related to the digital channels adopted are calculated according to 265 total observations.

Figure 5.17 – Reasons that influence digital channel usage (percentage) ⁶⁹

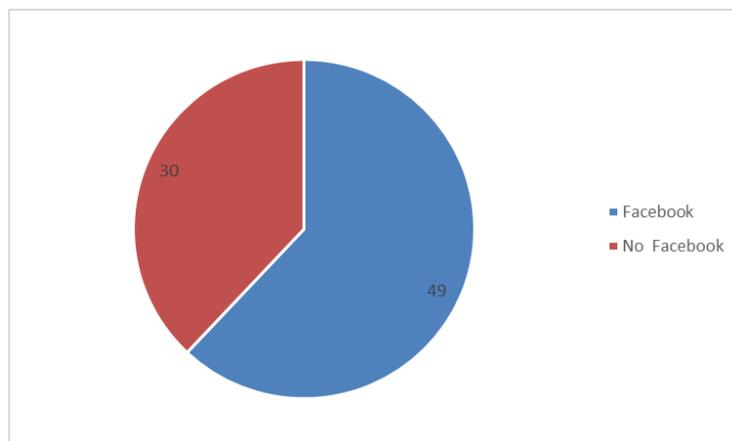


Source: Personal elaboration on survey data

5.9 Facebook

This unit is focused on the use of Facebook. All the data was calculated on a sample of 49 firms, those who have adopted this platform in their marketing and communication strategy (Figure 5.18)

Figure 5.18 – Number of companies on Facebook



Source: Personal elaboration on survey data

The number of followers that the surveyed firms detain on their Facebook profile was investigated. Not all the companies answered, that is why the missing data have been

⁶⁹ Multiple answers were allowed. The percentages related to the digital channels adopted are calculated according to 147 total observations.

added and found by checking the public and open profiles of companies. The statistical average is about 3401 followers, while the modal value, that represents the data with the higher frequency is 500 (Table 5.13).

Table 5.13 - Descriptive statistics of Facebook followers

Statistical average	3401.5
Median	1173
Modal value	500
Min	9
Max	50543

Source: Personal elaboration on survey data

The frequency with which new contents are posted and updated was enquired. “Once a week” with a percentage value of 31% is the answer that has obtained the higher consensus. At the same time, “3 times a week” and “Only during important events and exhibitions” have obtained the same percentage. Despite that, more than half of the sample, the 63% ⁷⁰ of companies, have a mature approach in posting new contents. This is a signal of the highly and persistent attention and effort from the firm side for the use and develop of this instrument (Table 5.14).

Table 5. 14 – Facebook updating frequency ⁷¹

UPDATING FREQUENCY	TOTAL	% TOTAL
Every day	5	10.2%
Once a week	15	22.4%
3 times a week	11	30.6%
Monthly	7	14.3%
Only during important events or exhibitions	11	22.4%
TOTAL	49	100.0%

Source: Personal elaboration on survey data

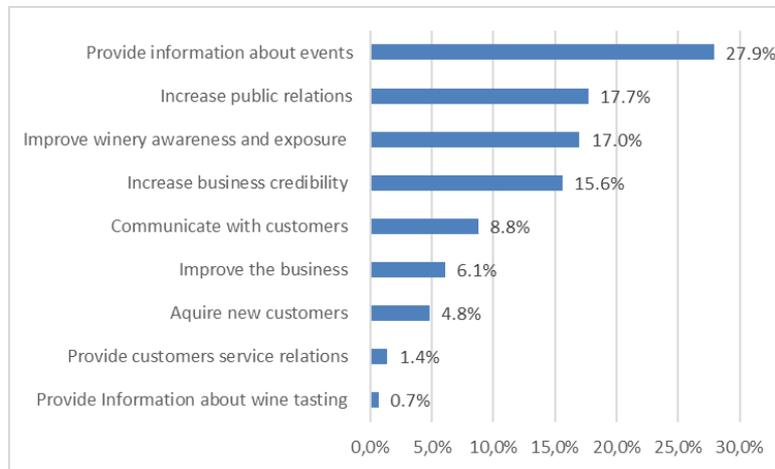
Moreover, in Figure 5. 19 the three main reasons that influence the adoption of Facebook were asked. This social network is used primarily to inform and keep users up-to-date and providing information about events (28%). At the same time, it is a tool that

⁷⁰ The percentage that brings together the mature companies includes all the companies that have answered “Every day”, “Once a week” and “3 times a week”.

⁷¹ The percentages have been calculated on a sample of 49 firms.

increases the public relation (18%) and allow the winery to improve awareness and exposure (17%).

Figure 5.19 – Reason behind using Facebook (percentage) ⁷²

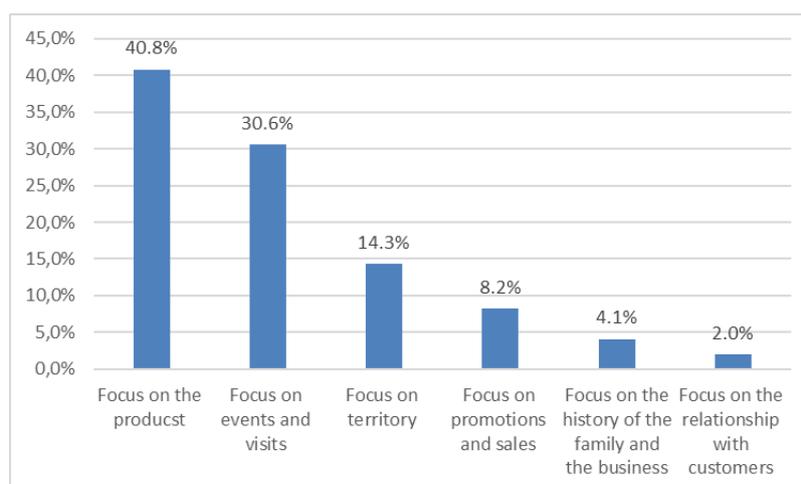


Source: Personal elaboration on survey data

Particular attention must be paid to the decision regarding which content should be posted and published. It is necessary to share original, attractive and emotional posts. This survey revealed the main topics shared by Prosecco wineries on Facebook; most companies, 41% of the entire sample, focus their posts on promoting and marketing their products. At the same time, post about events and visits are characterised by a positive trend. This increases user participation and awareness towards the business (Figure 5. 20).

⁷² Companies had to indicate 3 answers necessarily. The percentages related to each objective are calculated according to 147 total observations.

Figure 5.20 – Content focus (percentage) ⁷³



Source: Personal elaboration on survey data

The survey also discovered which digital tools are used by companies to analyse the performance obtained through their Facebook profile (Table 5.15). Different observations can be carried out. 59% of the entire sample use defined measurement instruments. Facebook Insight is the most employed tool (53%). Thanks to Facebook companies can come close and interact with their fans. Facebook Insight is an instrument formulated with the aim to monitor these connections. Companies can have a complete overview about users' interaction, engagement and involvement to their Facebook pages. In doing so, they get more personal information about their target (age, sex and educational level). Moreover, according to the statistics they can formulate a new strategy and post different contents ⁷⁴.

Facebook Analytics is adopted by 4% of the entire sample. *“Facebook Analytics is a powerful behavioral analytics solution that lets you measure, understand and optimize your product and customer experience”*. In other words, Facebook Analytics offers a complete scenario, overcoming standard demographic statistics, and analyzing people's interactions within the business ⁷⁵. Moreover, Likealyzer metrics is used by just one firm

⁷³ The percentages have been calculated on a sample of 49 firms.

⁷⁴ <https://it-it.facebook.com>

⁷⁵ <https://analytics.facebook.com>

and according to its definition “Using Likealyzer helps brands succeed on social media by providing actionable insights, not just metrics” ⁷⁶.

25% of the surveyed firms has also indicate “Other” as their answer specifying that no instrument is adopted. Moreover, 16% of the sample did not provide an answer. It is thinkable that the lack of data is related to the fact that these tools are not used by companies.

Table 5.15 – Facebook instruments ⁷⁷

TYPOLGY	TOTAL	% TOTAL
Facebook Insight	26	53.1%
Analytics	2	4.1%
Likealyzer metrics	1	2.0%
Other	12	24.5%
ND	8	16.3%
TOTAL	49	100.0%

Source: Personal elaboration on survey data

In Table 5.16, the frequency use is reported, and the scarce exploitation of these instruments was observed. 72% of the surveyed companies check and monitor their Facebook performance making decisions based on the results achieved, with a monthly and quarterly frequency. Only a few companies check performances regularly.

Table 5.16 - Frequency with which results are checked ⁷⁸

FREQUENCY	TOTAL	% TOTAL
Daily	1	3.4%
Weekly	7	24.1%
Monthly	10	34.5%
Quarterly	11	37.9%
TOTAL	29	100.0%

Source: Personal elaboration on survey data

⁷⁶ <https://likealyzer.com>

⁷⁷ The percentages have been calculated on a sample of 49 firms.

⁷⁸ This question was addressed toward firms that adopt some instruments for monitoring Facebook results. The percentages have been calculated on a sample of 29 firms.

For the 30 surveyed companies that do not use Facebook a specific question was asked to understand the reasons that influence the decision not to include this tool in their business strategy (Figure 5.21). It is interesting to observe that Facebook configurations and specifics are not deterrents against its adoption. Nowadays, Facebook is a well-known and well-established social network so there is no scepticism towards its adoption. On the contrary, the main reason behind the decision not to use Facebook are related to the business configuration and structure. This platform is not in line with the winery's objective (24%), furthermore, either business management (22%) or business size (17%) are limiting factors. In addition, 9% of the entire sample answered "Other" Some of them are 100x100 conferring partners, others deal only with the production phase while the majority have no marketing side.

Figure 5.21 - Reason behind not using Facebook (percentage) ⁷⁹



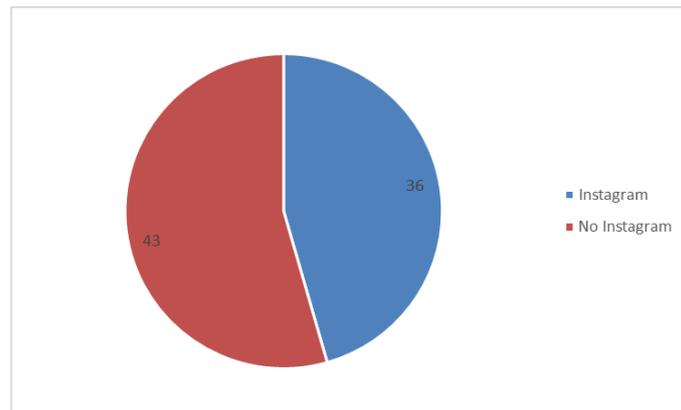
Source: Personal elaboration on survey data

5.10 Instagram

This unit is focused on the use of Instagram. All the data are calculated on a sample of 36 companies, those who have adopted this platform in their marketing and communication strategy (Figure 5.22).

⁷⁹ Companies had to indicate 3 answers necessarily. The percentages related to each objective are calculated according to 90 total observations.

Figure 5.22 – Number of companies on Instagram



Source: Personal elaboration on survey data

The number of followers that the surveyed firms detail on their Instagram profile was investigated. Not all the companies answered, that is why the missing data have been added and found by checking the public and open company profiles. The statistical average is about 971 followers, while the modal value, that represents the data with the higher frequency is 394 (Table 5.17). Compared to Facebook, there are fewer Instagram fans; the number of companies active on Instagram are also fewer.

Table 5.17 - Descriptive statistics of Instagram followers

Statistical average	971.4
Median	54
Modal value	47
Min	28
Max	84

Source: Personal elaboration on survey data

The frequency with which new contents are posted and updated was asked. “Once a week” with a percentage value of 33% is the answer that has obtained the highest consensus. More than half of the sample, 67%⁸⁰ of firms, have a mature approach in posting new contents. This is a signal of the highly and persistent attention and effort from the firm side for the use and develop of this instrument (Table 5.18).

⁸⁰ The percentage that brings together the mature firms includes all the companies that have answered “Every day”, “Once a week” and “3 times a week”.

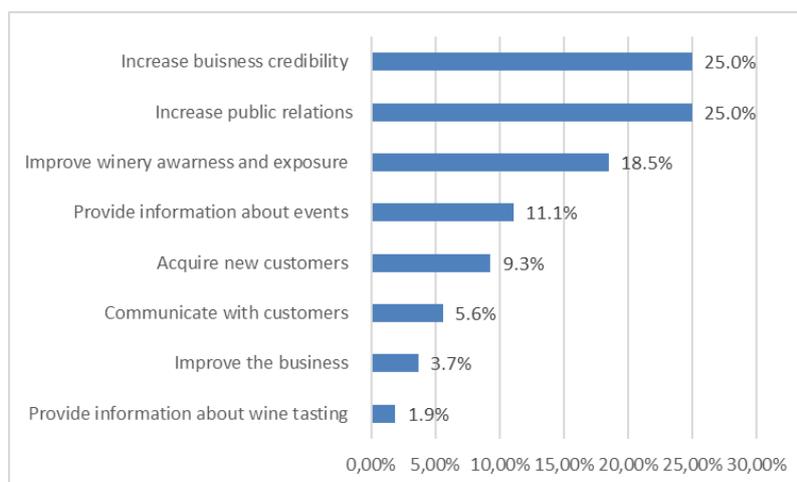
Table 5.18 – Instagram updating frequency ⁸¹

UPDATING FREQUENCY	TOTAL	%TOTAL
Every day	5	13.9%
Once a week	12	33.3%
3 times a week	7	19.4%
Monthly	9	25.0%
Only during important events and exhibitions	3	8.3%
TOTAL	36	100.0%

Source: Personal elaboration on survey data

Moreover, in Figure 5.23 the three main reasons that influence the adoption of Instagram were asked. This social network is perceived as a tool to increase public relation (25%) and enhance business credibility (25%). At the same time, firms recognize the relevance of this tool to increase winery awareness and exposure (19%). Moreover, customer communication and relationship are behind the motivation to adopt Instagram.

Figure 5.23 – Reasons behind using Instagram (percentage) ⁸²



Source: Personal elaboration on survey data

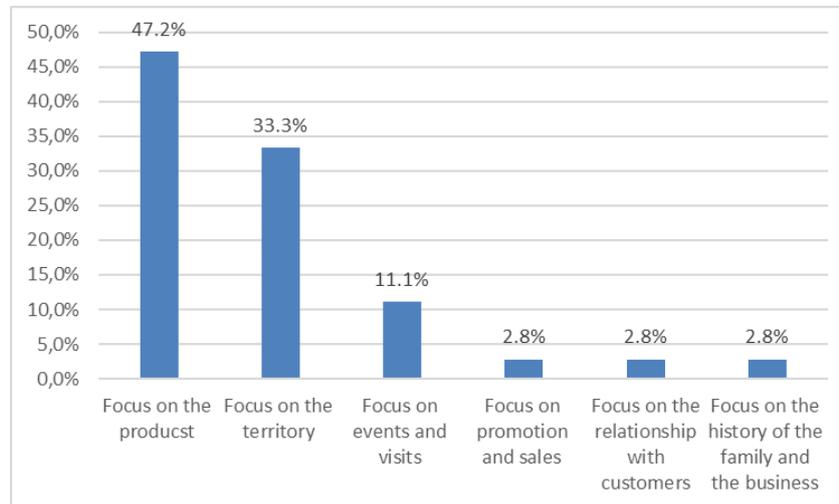
Subsequently, the main topics shared on Instagram posts were discovered. On this platform contents play a relevant role for engaging and retaining customers. 47% of Prosecco firms share images and videos about the products in order to promote their

⁸¹ The percentage have been calculated on a sample of 36 firms

⁸² Companies had to indicate 3 answers necessarily. The percentages related to each objective are calculated according to 108 total observations.

business and increase sales. At the same time, posts about the valorisation of the production area are widespread (33%). Showing and describing where the product comes from favours customer engagement and loyalty (Figure 5.24).

Figure 5.24 – Content focus (percentage) ⁸³



Source: Personal elaboration on survey data

At the same time, which digital tools are used by companies to analyse the performance obtained through their Instagram profile were investigated (Table 5.19). Different observations can be carried out. 31% of the entire sample use defined measurement instruments. Iconsquare was the most commonly used tool in Prosecco wineries (22%). This is because this tool allows to promote Instagram accounts and analyse profile statistics, track the likes and monitoring the customers activities. However, the integration of this instrument is not free ⁸⁴

Hootsuite is used by 3 companies. This platform can help business to exploit their social media platforms. In particular, *“We made early partnerships with the social networks that mattered most to our customers...and their customers”*. Hootsuite offers several services in order to optimize the social media strategies, monitor the brand’s image and save time ⁸⁵.

⁸³ The percentages have been calculated on a sample of 36 firms.

⁸⁴ <https://pro.iconsquare.com>

⁸⁵ <https://hootsuite.com>

39% of the surveyed firms answered “Other” specifying that no instrument is used. Moreover, 31% of the sample did not answer. It is thinkable that the lack of data is related to the fact that these tools are not used by companies.

Table 5.19 – Instagram instruments ⁸⁶

TYPOLGY	TOTAL	% TOTAL
Iconsquare	8	22.2%
Hootsuite	3	8.3%
Other	14	38.9%
ND	11	30.6%
TOTAL	36	100.0%

Source: Personal elaboration on survey data

For the 43 surveyed firms that do not use Instagram, a dedicated question was asked to understand the main three reasons why they do not use this tool. The Instagram platform is well rooted in our daily life (Figure 5.25). Most of the entrepreneurs are aware of its effectiveness. That is why there is no scepticism towards its adoption. On the contrary, the main reasons to not use Instagram are related to the business configurations and structure. Business management (19%) and an inadequate human marketing capital (19%) achieved the highest consensus. At the same time, this platform is perceived not in line with the winery’s objective (17%). It is not a matter of distrust of the platform, instead it depends on the company’s features and the market targeted. Moreover, 6% of the entire sample indicated “Other” as the answers. Some of them are 100x100 conferring partners, others deal only with the production phase while the majority have no marketing side.

⁸⁶ The percentages have been calculated on a sample of 36 firms.

Figure 5.25 – Reasons behind not using Instagram ⁸⁷

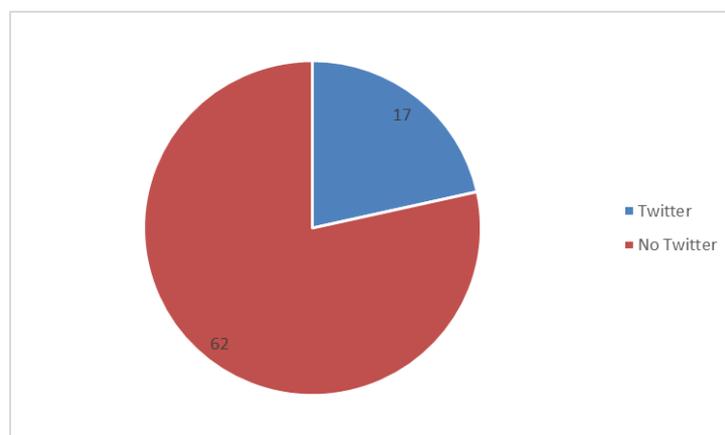


Source: Personal elaboration on survey data

5.11 Twitter

This unit is focused on the use of Twitter. All the data are calculated on a sample of 17 firms, those who have adopted this platform in their marketing and communication strategy (Figure 5.26).

Figure 5.26 – Numbers of companies on Twitter



Source: Personal elaboration on survey data

The number of followers that the surveyed firms detain on their Twitter profile was investigated. Not all the firms answered, that is why the missing data was added and

⁸⁷ Companies s had to indicate 3 answers necessarily. The percentages related to each objective are calculated according to 129 total observations.

found by checking the public and open company profiles. The statistical average is about 667 followers. The maximum number of followers is 2800 (Table 5.20). However, this value is the lowest, compared to Facebook and Instagram cases.

Table 5.20 - Descriptive statistics of Twitter followers

Statistical average	667.4
Median	502.5
Min	30
Max	2800

Source: Personal elaboration on survey data

The frequency with which new contents are posted and updated was asked. “Only during important events and exhibitions” is the answer that has obtained the highest consensus. More than half of the sample, 53%⁸⁸ has an unsuitable approach in posting new contents. This is a signal of the low and limited effort by companies to use and develop this instrument (Table 5.21).

Table 5.21 – Twitter update frequency⁸⁹

UPDATING FREQUENCY	TOTAL	% TOTAL
Every day	1	5.9%
Once a week	2	11.8%
3 times a week	5	29,4%
Monthly	4	23.5%
Only during important events and exhibitions	5	29.4%
TOTAL	17	100.0%

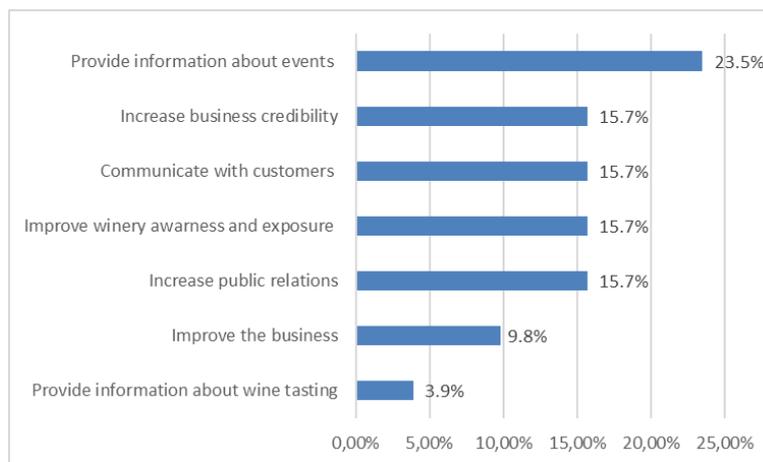
Source: Personal elaboration on survey data

Moreover, in Figure 5.27 the three main reasons that influence the adoption of Twitter was inquired. In the case of Twitter, it is perceived as an instrument that allows companies to provide information about events (24%). At the same time Twitter is adopted to communicate and maintain a relationship with customers (16%) but also to improve brand credibility and image (16%).

⁸⁸ The percentage that bring together the non-mature firms include the companies that have answered “Monthly” and “Only during important events and exhibitions”.

⁸⁹ The percentages have been calculated on a sample of 17 firms.

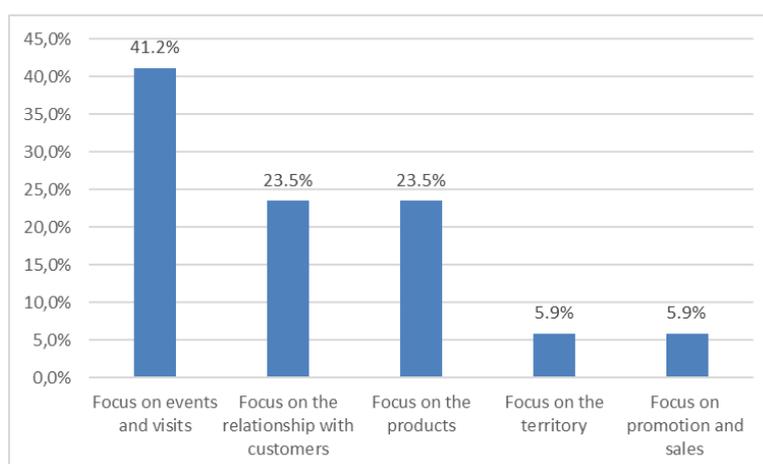
Figure 5.27 – Reasons behind using Twitter (percentage) ⁹⁰



Source: Personal elaboration on survey data

Subsequently, the main topic shared on Twitter posts were listed. Genuine and engaging contents favour the company’s attractiveness and reputation in the web and on social media. 41% of the sample focuses their posts on informing customers about events and visits organised by the wineries. Forging a relationship with customers and product promotion cover a leading role (24%). On the contrary, the focus on the family and business history has obtained no consensus. This typology of content is share on another social network platform.

Figure 5.28 – Content focus (percentage) ⁹¹



Source: Personal elaboration on survey data

⁹⁰ Companies had to indicate 3 answers necessarily. The percentages related to each objective are calculated according to 51 answers.

⁹¹ The percentages have been calculated on a sample of 17 firms.

Which digital tools are used by companies to analyse the performance obtained through their Twitter profile were investigated (Table 5.22). Different observations can be carried out. Only 24% of the entire sample use defined measurement instruments. Twitalyzer is an instrument used to measure business credibility and appreciation on Twitter. At the same time Twitter Analytics measure and analyses companies Tweets and provide information about followers ⁹² .

59% of the surveyed companies answered “Other” specifying that no instrument was used. For 18% of the sample no data are available. It is thinkable that the lack of data is related to the fact that these tools are not used by companies.

Table 5.22 – Twitter instruments ⁹³

TPOLOGY	TOTAL	% TOTAL
Twitalyzer	2	11.8%
Twitter Analytics	2	11.8%
Other	10	58.8%
ND	3	17.6%
TOTAL	17	100.0%

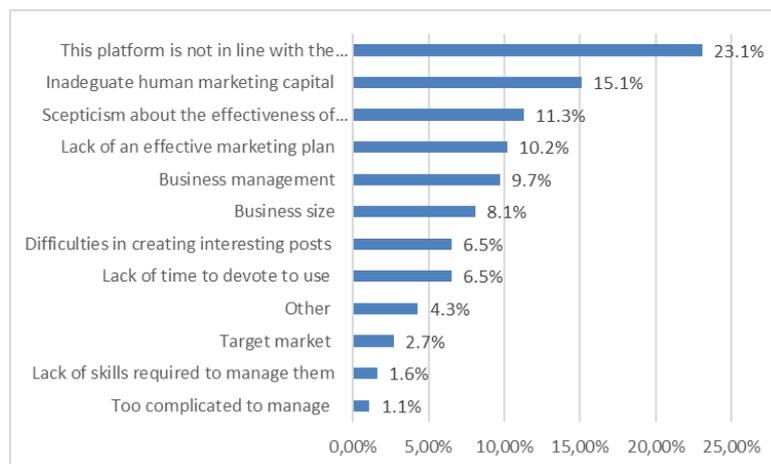
Source: Personal elaboration on survey data

For the 62 surveyed firms that do not use Twitter, a specific question was asked in order to understand the main three reasons that influence them to not integrate this tool in their business strategy (Figure 5.29). Most companies agree that this platform is not in line with the winery’s objective (23%) and an inadequate human marketing capital prevent Twitter adoption (15%). However, the most significant data is given by high consensus toward the scepticism about the effectiveness of Twitter with clients (11%). Some Prosecco companies express their uncertainty about this platform, preferring to invest and be present on other social network sites. In this case, Twitter configuration and specification are limiting factors. Moreover, 4% of the entire sample also answered “Other”. Some of them are 100x100 conferring partners, others deal only with the production phase while the majority have no marketing side.

⁹² <https://analytics.twitter.com>

⁹³ The percentages have been calculated on a sample of 17 firms.

Figure 5.29 – Reasons behind not using Twitter (percentages) ⁹⁴

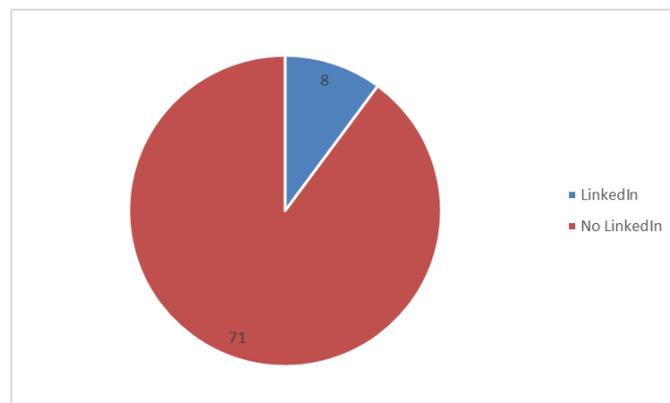


Source: Personal elaboration on survey data

5.12 LinkedIn

This unit is focused on the use of LinkedIn. All the data are calculated on a sample of 8 companies, those who have adopted this platform in their marketing and communication strategy (Figure 5.30).

Figure 5.30 – Numbers of companies on LinkedIn



Source: Personal elaboration on survey data

The number of followers that the surveyed companies have on their LinkedIn profile were observed. Not all answered, that is why the missing data have been added and

⁹⁴ Companies had to indicate 3 answers necessarily. The percentages related to each objective are calculated according to 186 total observations.

found by checking the public and open company profiles. The statistical average is about 368 followers. The maximum number of followers is 1000 (Table 5.23). However, this value is the lowest one compare to Facebook Instagram and Twitter.

Table 5.23 - Descriptive statistics of LinkedIn followers

Statistical average	368
Median	281,5
Min	10
Max	1000

Source: Personal elaboration on survey data

The frequency with which new contents are posted and updated was asked. “Only during important events and exhibitions” is the answer that obtained the highest consensus. More than half of the sample, 62%⁹⁵ has an unsuitable approach in posting new contents. This is a signal of the low and limited effort by the company to use and develop of this instrument (Table 5.24).

Table 5.24 –LinkedIn updating frequency⁹⁶

UPDATING FREQUENCY	TOTAL	% TOTAL
Every day	1	12.5%
Once a week	0	0.0%
3 times a week	2	25.0%
Monthly	1	12.5%
Only during important events and exhibitions	4	50.0%
TOTAL	8	100.0%

Source: Personal elaboration on survey data

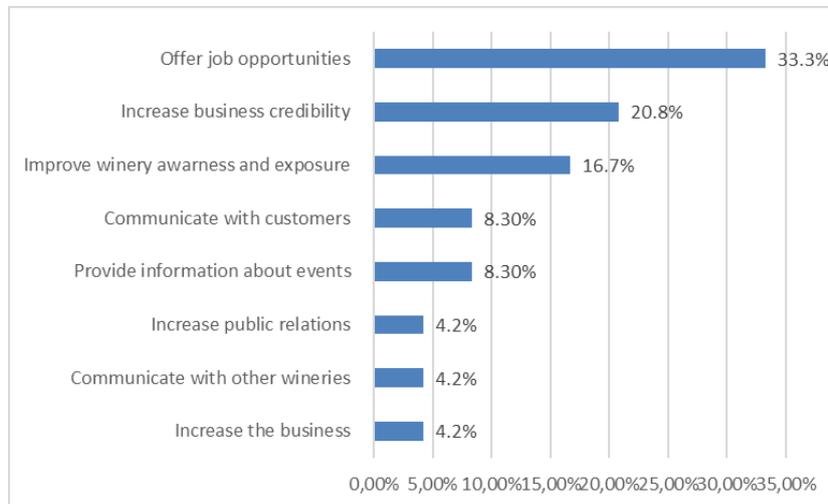
Moreover, in Figure 5.31, the three main reasons that influence the adoption of LinkedIn were inquired. In this case, the main objectives that push companies to have a LinkedIn profile are to offer job opportunities (33%) increase business credibility (21%) and

⁹⁵ The percentage that bring together the non-mature firms include the companies that have answered “Monthly” and “Only during important events and exhibitions”.

⁹⁶ The percentages have been calculated on a sample of 8 firms.

improve winery awareness and exposure (17%). In doing so wineries can extend and enrich their contact network.

Figure 5.31 – Reasons behind using LinkedIn (percentage)⁹⁷

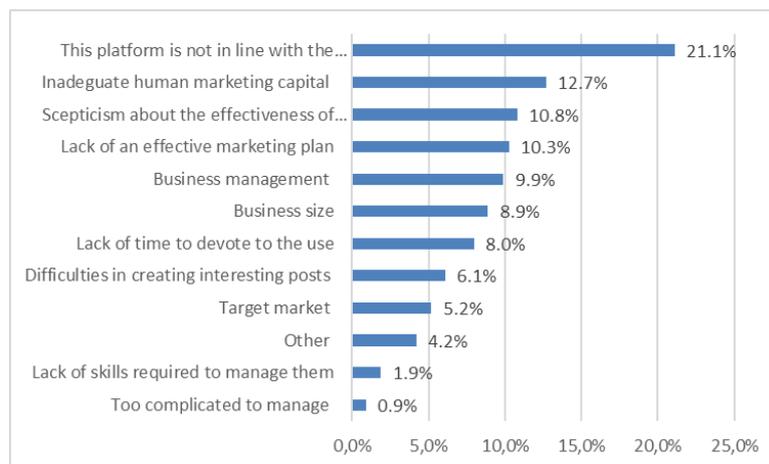


Source: Personal elaboration on survey data

For the 71 surveyed firms that do not use LinkedIn a dedicated question has been released in order to understand the three main reasons that influence them to not include this tool in their business strategy. The answers are fragmented. Predominantly, this platform is not in line with the winery’s objective (21%). At the same time the business configuration and the lack of human capital in the marketing sector are deterring factors. However, also in this case there is a sceptical feeling about the effectiveness of LinkedIn with clients (11%). Some Prosecco firms express their uncertainty toward this platform preferring to invest and be present on other social network sites. Moreover, the 4% of the entire sample has also indicate “Other” as a possible answer. Some of them are 100x100 conferring partners, others deal only with the production phase while the majority have no marketing side (Figure 5.32).

⁹⁷ Companies had to indicate 3 answers necessarily. The percentages related to each objective are calculated according to 24 total observations.

Figure 5.32 – Reasons behind not using LinkedIn (percentage) ⁹⁸

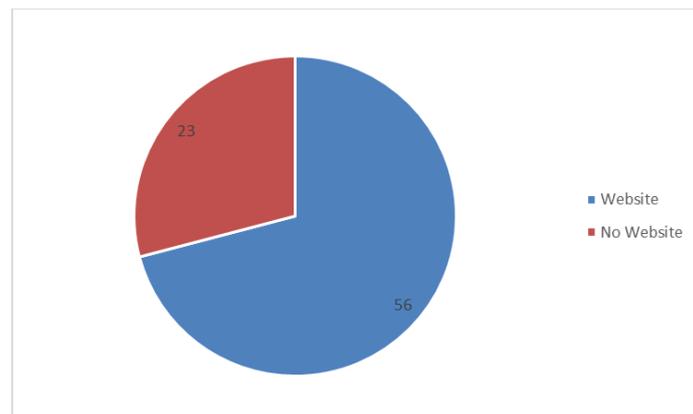


Source: Personal elaboration on survey data

5.13 Website

This section wants to investigate the reason why a wine business decides to adopt a website page and the function fulfilled by it. All the data are calculated on a sample of 56 companies, those who have adopted a personal website page in their marketing and communication strategy (Figure 5.33).

Figure 5.33 – Numbers of companies that have a website



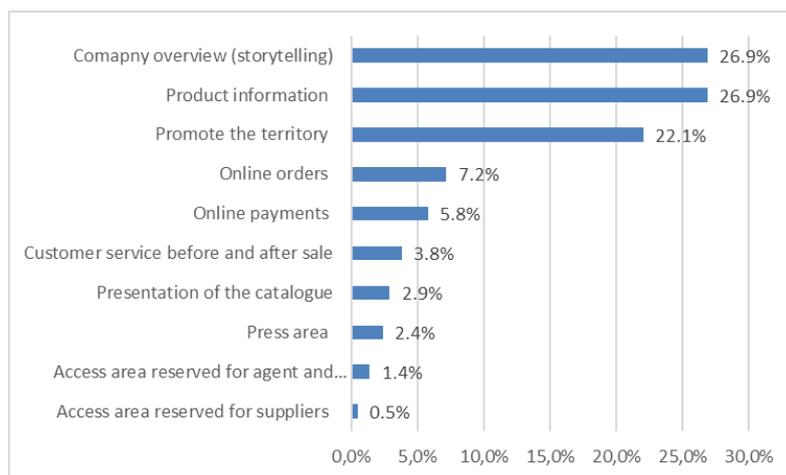
Source: Personal elaboration on survey data

⁹⁸ Companies had to indicate 3 answers necessarily. The percentages related to each objective are calculated according to 213 total observations.

The website is a powerful instrument that if designed and managed correctly will ensure brand visibility and attract new customers. A website should be characterized by an attractive layout and an intuitive navigation. At the same time, it should fulfill specific aims. As expressed by Figure 5.34, all the 56 website pages of the surveyed firms are characterized by a storytelling section where the company’s general overview and the family’s history is described (27%). Customers want to be involved and be part of the business realities. This is the easiest and effective way to establish an emotional connection with them. From the economic point of view, all the surveyed firms declare that a website section is dedicated to the description and promotion of their products (27%). At the same time, a common strategy is to dedicate a website section to promote the territory with its peculiarities and features (22%).

The E-commerce channel is not so exploited by companies. Websites have not been designed for offering this additional and innovative service. In fact, only a few websites offer the possibility to order online (7%) while online payments are allowed by an even smaller sample of companies, the 6% of the entire sample. On the other hand, the other proposed functions still appear to be little exploited by the websites of the surveyed companies.

Figure 5.34 – Role fulfilled by websites (percentage) ⁹⁹



Source: Personal elaboration on survey data

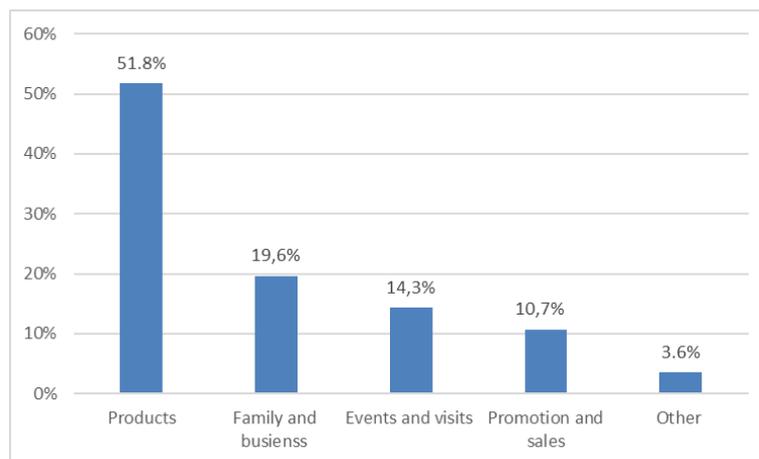
⁹⁹ Multiple answers were allowed. The percentages related to the digital channels adopted are calculated according to 208 total observations.

Subsequently, the type of information that companies are used to sharing mostly on their personal web pages are highlighted (Figure 5.35). Websites provide predominantly information about the product specification (52%), indication about the family history and business description (20%) and a remainder about events and visits (14%).

The territory option has achieved no consensus, this result is not in accordance with what is specified in Figure 5.34. As only one answer was allowed companies indicated the contents that are shared more frequently. This does not mean that information and description about the terroir are not present.

In the “Other” section, entrepreneurs have specified the content topics. Recipes and matching wines are recommended in this section; it is an additional service for customers.

Figure 5.35 – Content focus (percentage) ¹⁰⁰

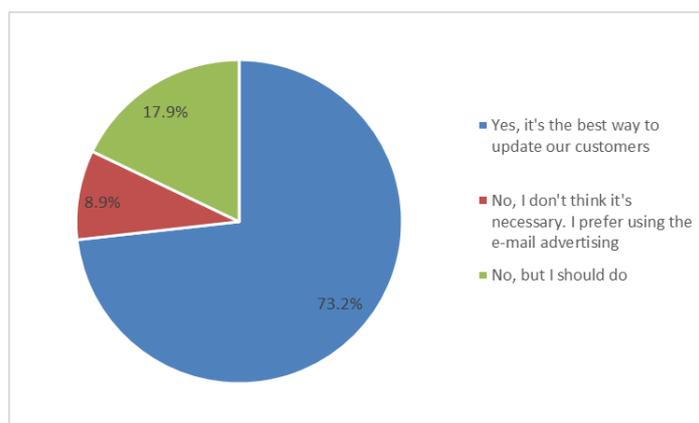


Source: Personal elaboration on survey data

In Figure 5.36 the numbers of companies that publish news and information about events and exhibitions in their personal web page are represented. Most of the surveyed firms commonly used their websites for information purposes to update customers (73%). A result that does well is the tendency of companies, which do not yet offer this service, to recognize its importance and plan it in the future (18%).

¹⁰⁰ The percentages have been calculated on a sample of 56 firms.

Figure 5.36 – Website informative aim (percentage) ¹⁰¹



Source: Personal elaboration on survey data

The frequency with which new contents are posted and updated was asked. “Only during important events and exhibitions” is the answer that has obtained the highest consensus. Almost all the sample, 91% ¹⁰², has an unsuitable approach in posting new contents. This is a signal of the low and limited effort from the firm side for the use and develop of this instrument (Table 5.25).

Table 5.25 – Website updating frequency

UPDATING FREQUENCY	TOTAL	% TOTAL
Daily	1	1.8%
Once a week	4	7.1%
3 times a week	0	0.0%
Monthly	24	42.9%
Only during important events and exhibitions	27	48.2%
TOTAL	56	100.0%

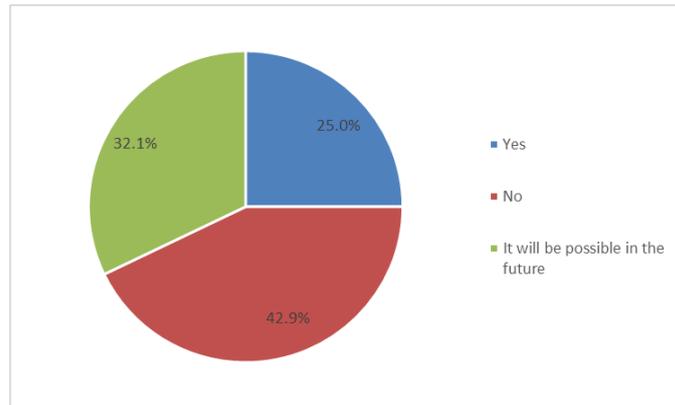
Source: Personal elaboration on survey data

Regarding the E-commerce channel, only the 25% of the entire sample provides this opportunity. This data confirms the sceptical approach toward this channel. However, the 32% of the entire sample is thinking of offering and incorporating this service in the website page soon. That is a positive and comforting fact (Figure 5.37).

¹⁰¹ The percentages have been calculated on a sample of 56 firms.

¹⁰² The percentage that bring together the non-mature firms include the companies that have answered “Monthly” and “Only during important events and exhibitions”.

Figure 5.37 – E-commerce platform on the website



Source: Personal elaboration on survey data

Moreover, in Figure 5.38, the three main reasons that influence the use of the website was inquired. The website is perceived as a tool that allow the company to improve winery awareness and exposure on its site (30%). Moreover, the propensity to use the website as an informative tool is still confirmed. Through their personal web pages wineries provide information about planned events (15%) and are capable of increasing public relations (14%).

Figure 5.38 - Reasons behind having a website (percentage) ¹⁰³



Source: Personal elaboration on survey data

¹⁰³ Companies had to indicate 3 answers necessarily. The percentages related to each objective are calculated according to 168 total observations.

At the same time, which digital tools are used by companies to analyse the performance obtained through their website were observed (Table 5.26). Different observations can be carried out. Only 38% of the entire sample use defined measurement instruments.

Google Analytics is the most commonly tool used by the surveyed companies (32%). According to the definition - *“Google Analytics lets you measure your advertising ROI as well as track your Flash, video, and social networking sites and applications”*¹⁰⁴. In other words, this free platform allows companies to understand and learn more about winery’s web site users. In doing so, companies can formulate a complete picture of the situation benefiting from the data.

Google Search is just adopted by 3 firms. This platform *“help you measure your site’s Search traffic and performance, fix issues, and make your site shine”*¹⁰⁵

4 % of the surveyed firms has also indicate “Other” as an answer specifying that no instrument is adopted. For 23% of the sample no data are available. It is thinkable that the lack of data is related to the fact that these tools are not used by companies.

Table 5.26 – Website instruments¹⁰⁶

TPOLOGY	TOTAL	% TOTAL
Google Analytics	18	32.1%
Google Search	3	5.4%
Other	22	3.6%
ND	13	23.2%
TOTAL	56	100.0%

Source: Personal elaboration on survey data

For the 23 surveyed firms that do not have a website, a dedicated question was asked to understand the main three reasons that influenced them to not include this tool in their business strategy (Figure 5.39). Predominantly, the business structure (38%) and the idea that this platform is not in line with the winery’s objective (25%) limit the website adoption. At the same time, the lack of a defined and effective marketing plan (13%) and the absence of personnel in the marketing sector (6%) are deterring elements.

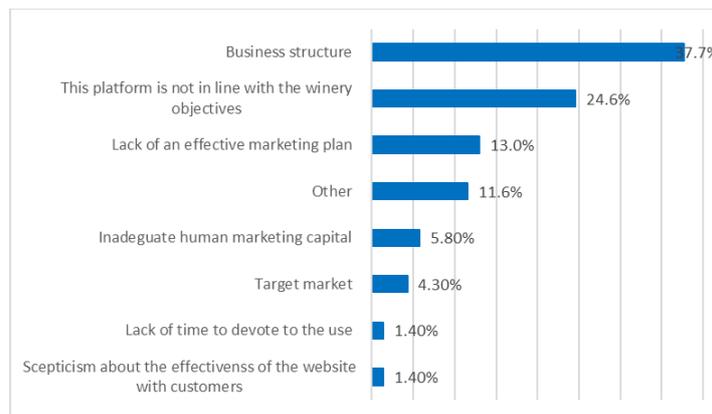
¹⁰⁴ <https://analytics.google.com>

¹⁰⁵ <https://search.google.com>

¹⁰⁶ The percentages have been calculated on a sample of 56 firms

Moreover, the 12% of the entire sample has also indicate “Other” as possibility. Some of them are 100x100 conferring partners, others deal only with the production phase while the majority have no marketing side. Also, for the website, it’s specificities and features are not limiting factors.

Figure 5.39 - Reasons behind not using a website (percentage) ¹⁰⁷



Source: Personal elaboration on survey data

5.14 E-commerce

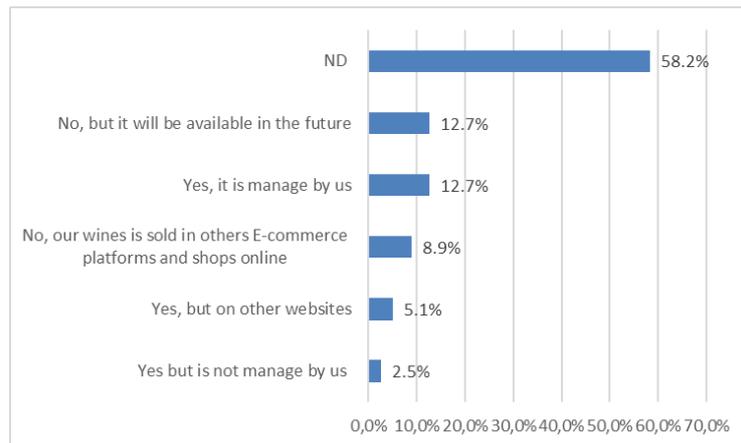
This section wants to investigate the E-commerce trend and level of adoption in the surveyed wineries.

From Figure 5.40, companies that manage the E-commerce site and those interested in activating it in the future have similar percentages (13%). On the contrary, the number of companies that run E-commerce outside the company is very low. Despite that, in some cases, some wineries decide to position the product in other E-commerce platforms or online shops (9%). Customers can find and buy the product on other E-commerce platforms where, in this case, Amazon, Vinicum and Store Italy detain a leading position.

From this data, it seems that companies are reacting to the market changes based on new customer needs and, above all, the compulsory conditions necessary to survive and win the tough competition.

¹⁰⁷ Companies had to indicate 3 answers necessarily. The percentages related to each objective are calculated according to 69 total observations.

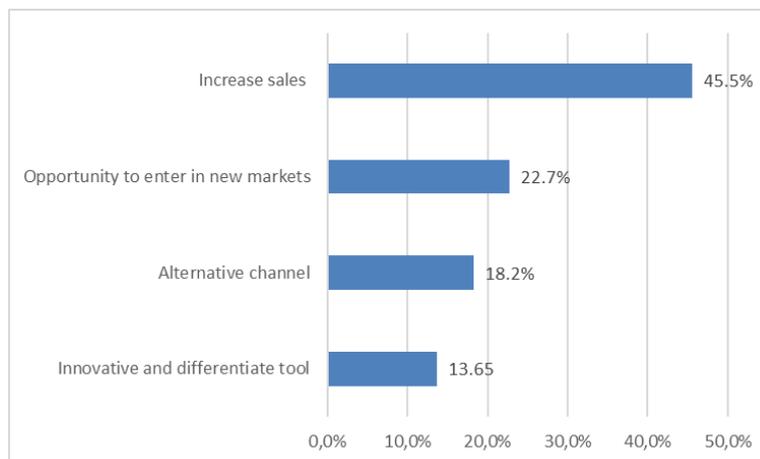
Figure 5.40 – E-commerce (percentage)



Source: Personal elaboration on survey data

Companies that offer the opportunity to buy the products online have expressed which were the goals that led to the choice of E-commerce adoption. E-commerce is perceived as a tool that increase sales (46%) but also allow wineries to expand and enter in new markets (23%) as well as being considered as an alternative channel (18%). In this sense, the need to appear as an innovative company emerged (Figure 5.41).

Figure 5.41 – Reasons behind using E-commerce (percentage) ¹⁰⁸



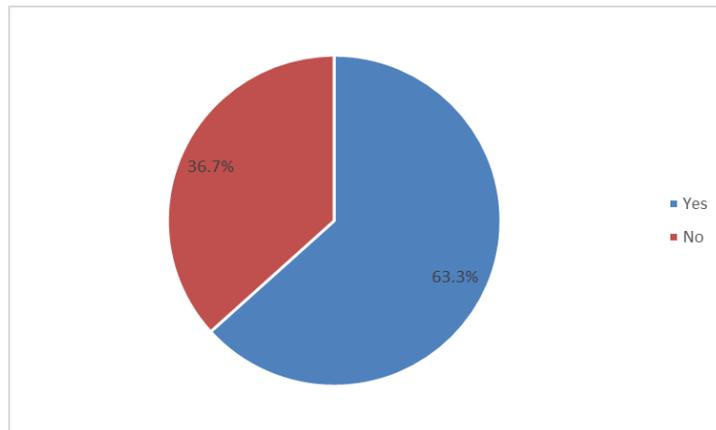
Source: Personal elaboration on survey data

¹⁰⁸ The percentages have been calculated on a sample of 22 firms.

5.15 Internationalisation practice

63% of the entire sample, specifically 50 companies, sell the product abroad. This a positive sign because wineries have understood the necessity to expand their borders. This implies an opportunity to growth and expand (Figure 5.42).

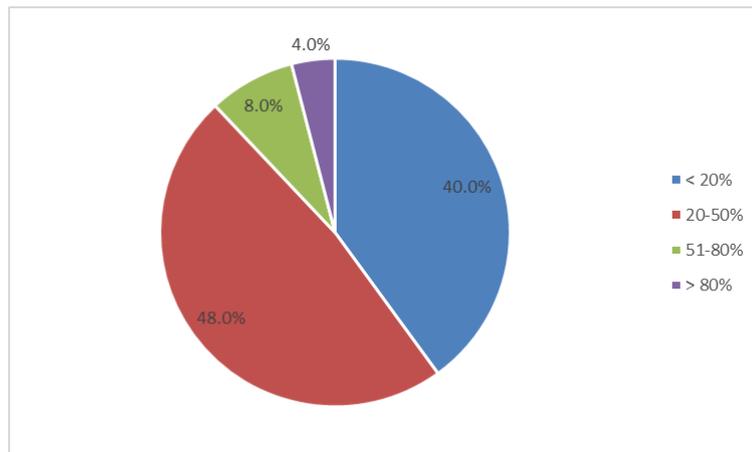
Figure 5.42 – Do you sell abroad? (percentage)



Source: Personal elaboration on survey data

The percentage of the wine production destined toward International markets was highlighted. According to Figure 5.43, for 48% of the surveyed companies the output destined to export has a value of 20-50% of the entire production. The export practice recovers a significant role in the Prosecco World environment. Companies have realised that it is necessary to penetrate and look at new markets for being competitive and expand their business.

Figure 5.43 - Percentage of wine produced for export (percentage) ¹⁰⁹



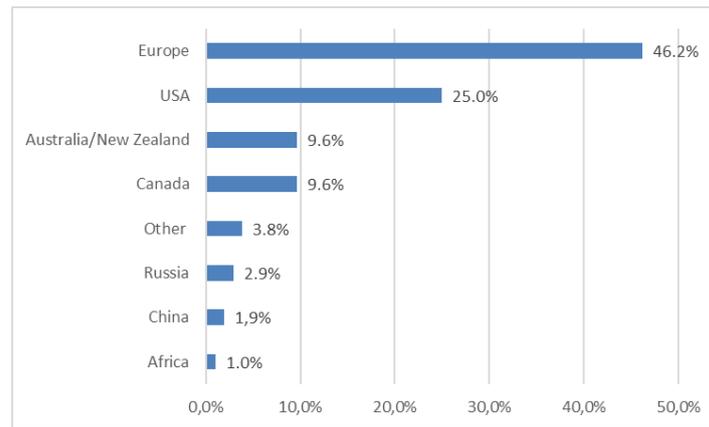
Source: Personal elaboration on survey data

As expressed by Figure 5.44 Prosecco wine is requested and appreciated all over the world. The surveyed companies carry out commercial relationship in all continents. They are active especially in Europe (46%). Prosecco wineries carry out commercial relations especially with Germany and UK. At the same time, countries like Austria, Czech Republic, Slovakia, Romania, Bulgaria, Sweden, Denmark Norway, Spain, Belgium and Oland represent reference markets for the surveyed companies.

Not only confined to Europe, it is a global product that is exported in America as well (25%). Moreover, there is also a high demand in the Canadian and the Australian market (10%).

¹⁰⁹ These percentages have been calculated on a sample of 50 firms, those who sell the product abroad.

Figure 5.44 – Reference countries where Prosecco is exported (percentage) ¹¹⁰

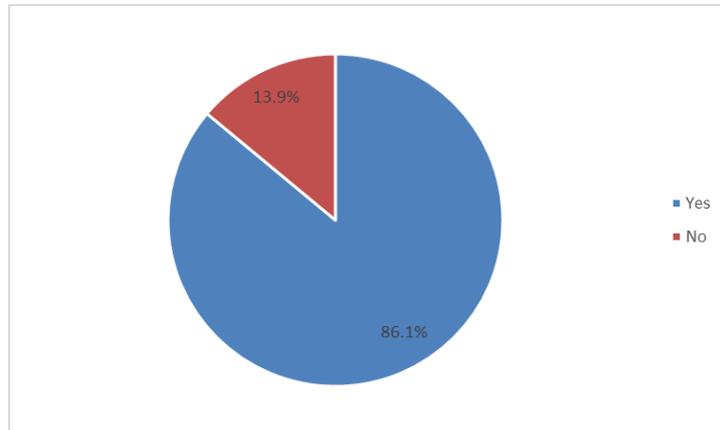


Source: Personal elaboration on survey data

From the company side, there is the awareness that a digital strategy is necessary to enter and penetrate in international markets. Almost the entire sample (86%) recognizes the importance of defining a digital strategy to penetrate in international markets. This data is encouraging and promising (Figure 5.45). Multiple reasons have been emphasized. A digital strategy allows to improve visibility, it also makes it possible to reach distant countries through communication and promotion of a product that otherwise cannot be experienced directly. Through digital, news and information run faster enhancing brand positioning and awareness.

¹¹⁰ Multiple answers were allowed. The percentages related to the importing countries adopted are calculated according to 104 total observations.

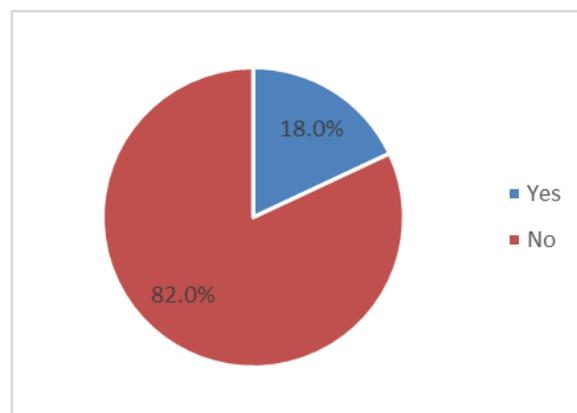
Figure 5.45 – Is it important to define a digital strategy to penetrate in international markets? (percentage)



Source: Personal elaboration on survey data

Nowadays companies should develop digital strategies that are consistent and in accordance to the local needs that characterise the country with which they interface. Every country has its own specifications and needs. Tailor-made solutions should be provided for the digital world. However, even if wineries are very active and dynamic abroad and recognize the importance of the adoption of a digital strategy, almost all the surveyed firms (82%) do not adopt a different digitalisation strategy according to the reference country with which they establish a commercial relationship. We are very far away from the idea to adopt and promote specific digital strategies depending on the reference market (Figure 5.46).

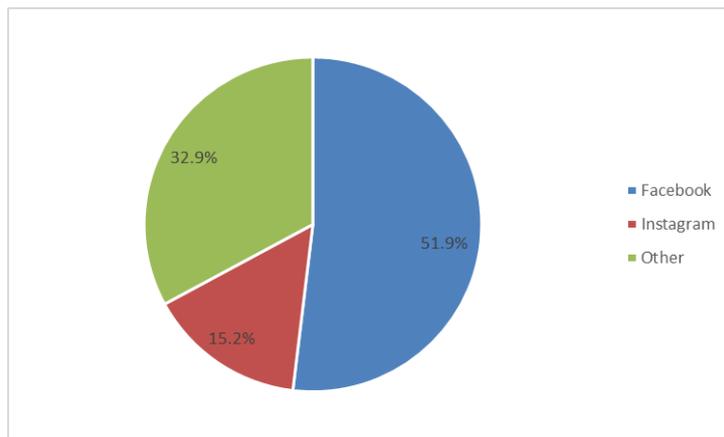
Figure 5.46 – Different digitalisation strategy for international markets (percentage)



Source: Personal elaboration on survey data

After having defined a general overview, the last question aims to understand which digital tool is used the most by companies to promote their digital strategy (Figure 5.47). The tendency is to promote the product and the business using Facebook (52%) even if Instagram (15%) is gaining speed. None of the surveyed companies rely on Twitter as its main digital channel. Moreover, in the “Other” section, entrepreneurs have specified that no digital instruments are used and adopted to promote their business.

Figure 5.47 – Digital channels (percentage)



Source: Personal elaboration on survey data

5.16 Relationship between company size and adopted social media

After completing the univariate analysis, it has been decided to compare specific variables, two by two, in order to study the relationship that exists between them.

Firstly, the relationship that occurs between the average annual production and the number of social medias adopted in the company business strategy was observed. Specifically, it is interesting to find out if there is a positive relationship between these two variables mentioned. In other words, the question aims to understand whether the increase in annual production results in the tendency of the company to increase the number of social medias.

Statistics, based on the features of the compared variables, provides different tools to answer this research question. Correlation, which measures the linear dependence between two variables indicating how strongly these variables are related, is the

statistic tool that suits for quantitative variables. Correlation is not causation but implies the tendency of a variable to fluctuate in function of another element.

The two correlated variables are:

- The average amount of the annual production. In this case, six predefined production levels were proposed in the survey. For analysis purposes, it has been decided to group these six production classes together into small, medium and big production level. The small production level includes the companies that have a wine production lower than 375hl and between 375-750hl. The medium production level embedded all the companies that are characterised by a production level between 750-1.500hl and 1.500-3.750hl. Lastly, the big production level incorporates the companies with a wine production between 3.750-7500hl and higher than 7.5000hl.
- The number of social medias adopted by the company. In this case, eleven possibilities were proposed (Facebook, Instagram, Twitter, LinkedIn, Website, E-commerce, Social network specific of the wine sector, Blog, YouTube, Newsletter/Mailing list and Other). For analysis purposes, it has been decided to create 4 classes of social medias (0-1 social, 2-3 social, 4-5 social and above 5 social).

In Table 5.27 this relationship is highlighted.

Table 5.27 – Bivariate analysis between the average amount of the annual production and social media adoption

	0-1 social	2-3 social	4-5 social	> 5 social	Total
Small production level	21	7	2	1	31
Medium production level	6	6	12	4	28
Big production level	2	3	6	9	20
Total	29	16	20	14	79

Source: Personal elaboration on survey data

Firstly, to verify the independence of the two variables, the chi square test was conducted. Moreover, the chi square test aims to find a relationship between the expected and the observed results. Chi square has a value of 34.36 that implies a p-value

of 0.0000057906. This letter value is lower than the significant level $\alpha= 0.01$. In doing so, we reject the null hypothesis and the accept we alternative one. In doing so, there is no independence between the two variables. On the contrary it exists a correlation between them.

If we want to relate these two variables, it's not possible to operate a linear correlation (Bravais Pearson correlation). However, these two variables are ranking (ordinal) and it is possible to use the Spearman Rank Correlation Coefficient ¹¹¹.

This is the obtained result using SPSS software (Table 5.28).

Table 5.28 - Spearman Rank Correlation

			CLASSE_DI_PRODUZIONE_MEDIA	CONTEGGIO_SOCIAL_MEDIA
Kendall's tau_b	CLASSE_DI_PRODUZIONE_MEDIA	Correlation Coefficient	1,000	,442**
		Sig. (2-tailed)	.	,000
		N	79	79
	CONTEGGIO_SOCIAL_MEDIA	Correlation Coefficient	,442**	1,000
		Sig. (2-tailed)	,000	.
		N	79	79
Spearman's rho	CLASSE_DI_PRODUZIONE_MEDIA	Correlation Coefficient	1,000	,551**
		Sig. (2-tailed)	.	,000
		N	79	79
	CONTEGGIO_SOCIAL_MEDIA	Correlation Coefficient	,551**	1,000
		Sig. (2-tailed)	,000	.
		N	79	79

** . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS software data

The Spearman correlation coefficient (rho value) has a value between - 1 and +1. Number close to each extreme indicate a strong relationship, while the number close to 0 indicate a weak or no relationship. More we are close to +1 it means that one variable increase so the other has the tendency to increase as well (directly proportional correlation). On the contrary, more we are close to -1 one variables tends to increase while the other tend to decrease (inversely proportional correlation) ¹¹².

¹¹¹ Spearman rank correlation is a non-parametric test that is used to measure the degree of association between two variables. The Spearman rank correlation test is the appropriate correlation analysis when the variables are measured on a scale that is at least ordinal.

¹¹² <https://laboratoriostatistica.files.wordpress.com>

In this case, rho has a value of 0.551, it is not so close to 1 but it is a statistically significant result. Moreover, the p-value is 0.000 lower than $\alpha = 0.01$ so the Spearman correlation coefficient is statistically significant. In this sense, it is statistically proven that as production increases companies tend to increase social media adoption.

At the same time, it is possible that there are companies characterized by a limited average annual production level but the value of a single bottle of wine is high, implying a substantial turnover. That's why the same procedure is performed but the variables compared are different. In this case, it has been investigated the relationship that occurs between the average annual turnover and the number of social medias adopted in the company business strategy.

Specifically, it is interesting to find out if there is a positive relationship between these two specified variables. In other words, the research question aims to understand if the increase in the annual turnover results in the tendency of the company to increase the number of social medias.

The two correlated variables are:

- The average amount of the annual turnover. In this case, seven predefined production levels were proposed in the survey. For analysis purposes, it has been decided to group these seven turnover classes together into small, medium and big turnover level. Small turnover level includes the companies that have a turnover lower than 100.000€ and between 100.000-300.000€. Medium turnover level embedded all the companies that are characterized by a turnover between 300.000-700.000€ and 700.000-1.500.000€. Lastly, within the Big turnover class are incorporated the companies with turnover between 1.500.000-5.000.000€, 5.000.000-10.000.000€ and higher than 10.000.000€.
- The number of social medias adopted by the company. In this case, eleven possibilities were proposed (Facebook, Instagram, Twitter, LinkedIn, Website, E-commerce, Social network specific of the wine sector, Blog, YouTube, Newsletter/Mailing list and Other). For analysis purposes, it has been decided to create 4 classes of social medias (0-1 social, 2-3 social, 4-5 social and above 5 social).

In Table 5.29 this relationship was emphasized.

Table 5.29 – Bivariate analysis between the average amount of the annual turnover and social media adoption

	0-1 social	2-3 social	4-5 social	> 5 social	Total
Small turnover	22	4	1	2	29
Medium turnover	6	9	11	1	27
Big turnover	1	3	8	11	23
Total	29	16	20	14	79

Source: Personal elaboration on survey data

Firstly, to verify the independence of the two variables, the chi square test has been conducted. Chi square has a value of 49.18 that implies a p-value of 0.0000000068398. This letter value is lower than the significant level $\alpha=0.01$. In doing so, we reject the null hypothesis and we accept the alternative one, so there is no independence between the two variables. On the contrary it exists a correlation between them.

If we want to relate these two variables, it is not possible to operate a linear correlation (Bravais Pearson correlation). However, these two variables are ranking (ordinal) and it's possible to use the Spearman Rank Correlation Coefficient. This is the obtained result using SPSS software (Table 5.30).

Table 5.30 - Spearman Rank Correlation

Correlations			FATTURATO	CONTEGGIO _SOCIAL_ MEDIA
Kendall's tau_b	FATTURATO	Correlation Coefficient	1,000	,542**
		Sig. (2-tailed)	.	,000
		N	79	79
	CONTEGGIO_SOCIAL_ MEDIA	Correlation Coefficient	,542**	1,000
		Sig. (2-tailed)	,000	.
		N	79	79
Spearman's rho	FATTURATO	Correlation Coefficient	1,000	,650**
		Sig. (2-tailed)	.	,000
		N	79	79
	CONTEGGIO_SOCIAL_ MEDIA	Correlation Coefficient	,650**	1,000
		Sig. (2-tailed)	,000	.
		N	79	79

** . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS software data

In this case, rho has a value of 0.650, it's not so close to 1 but it is statistically significant result. Furthermore, it is higher compared to the rho, equal to 0.551, that linked the production level to the social media adoption.

Moreover, the p-value is 0.000 lower than $\alpha = 0.01$ so the Spearman correlation coefficient is statistically significant. In this sense, it is statistically proven that in correspondence of a low turnover the adoption of social media decreases while as the turnover gets higher companies tend to increase social media adoption.

From these statistical tests, some conclusions can be carried out. The turnover class and the annual production play a fundamental role when it is time to define a digital strategy. From this analysis it is proved that the Prosecco companies that are more likely to adopt digital tools are the most solid, mature and profitable ones.

5.17 Relationship between company size and Facebook update frequency

The relationship that occurs between the production level and the frequency with which companies post and update new contents in Facebook was observed. Specifically, it's interesting to find out if there is a positive relationship between these two specified variables. In other words, the research question aims to understand if the increase in the annual production level results in the mature tendency of the firm to update and post new Facebook contents frequently.

The two correlated variables are:

- The average amount of the annual production. In this case, six predefined production levels were proposed in the survey. For analysis purposes, it has been decided to group these six production classes together into small, medium and big production level. Small production level includes the companies that have a wine production lower than 375hl and between 375-750hl. Medium production level embedded all the companies that are characterized by a production level between 750-1.500hl and 1.500-3.750hl. Lastly, within the Big production level are incorporated the companies with a wine production between 3.750-7500hl and higher than 7.500hl.

- The frequency with which companies post and update new contents in Facebook. In this case, five predefined answer were proposed in the survey. This variable it has been transformed into a dummy one. Under the value 0 are embedded all the firms that answered “*Monthly*” and “*Only during important events and exhibitions*”; the non-mature companies. With the value 1, are classified the mature companies that answered, “*Every day*”, “*Once a week*” and “*3 times a week*”.

Table 5.31 expresses this relationship.

Table 5.31 – Bivariate relationship between the annual production level and Facebook update frequency

	0	1	Total
Small production level	6	2	8
Medium production level	8	15	23
Big production level	4	14	18
Total	18	31	49

Source: Personal elaboration on survey data

Firstly, to verify the independence of the two variables, the chi square was conducted. Chi square has a value of 6.71 that implies a p-value of 0.034922332. This letter value is lower than the significant level $\alpha= 0.05$. In doing so, we reject the null hypothesis and we accept the alternative one, so there is no independence between the two variables. On the contrary it exists a correlation between them. Firms’ maturity, in terms of Facebook update frequency, depends on the company’s annual production level.

At the same time, it has been investigated the relationship that occur between the average annual turnover and the frequency with which companies post and update new contents in Facebook. Specifically, it is interesting to find out if there is a positive relationship between these two specified variables. In other words, the research question aims to understand if the increase in the annual turnover results in the mature tendency of the firm to update and post new Facebook contents frequently.

The two correlated variables are:

- The average amount of the annual turnover. In this case, seven predefined production levels were proposed in the survey. For analysis purposes, it has been decided to group these seven turnover classes together into small, medium and big turnover level. Small turnover level includes the companies that have a turnover lower than 100.000€ and between 100.000-300.000€. Medium turnover level embedded all the companies that are characterized by a turnover between 300.000-700.000€ and 700.000-1.500.000€. Lastly, within the Big turnover class are incorporated the companies with turnover between 1.500.000-5.000.000€, 5.000.000-10.000.000€ and higher than 10.000.000€.
- The frequency with which companies post and update new contents in Facebook. In this case, five predefined answer were proposed in the survey. This variable it has been transformed into a dummy one. Under the value 0 are embedded all the firms that answered *“Monthly”* and *“Only during important events and exhibitions”*; the non-mature companies. With the value 1, are classified the mature companies that answered, *“Every day”*, *“Once a week”* and *“3 times a week”*.

Table 5.32 emphasizes this relationship.

Table 5.32 - Bivariate relationship between the annual production level and Facebook update frequency

	0	1	Total
Small turnover	5	0	5
Medium turnover	10	12	22
Big turnover	3	19	22
Total	18	31	49

Source: Personal elaboration on survey data

Firstly, to verify the independence of the two variables, the chi square test has been conducted. Chi square has a value of 14.38 that implies a p-value of 0.000754. This letter value is lower than the significant level $\alpha = 0.01$. In doing so, we reject the null hypothesis and we accept the alternative one, so there is no independence between the two

variables. On the contrary it exists a correlation between them. Firms' maturity, in terms of Facebook update frequency, depends on the company's turnover level.

Companies' maturity in publishing and updating new content on Facebook, with a frequency of at least 3 times a week, depends on both the production and turnover class. The higher these classes are, the easier it is for companies to be frequently active on Facebook.

CONCLUSIONS

Nowadays, the wine product is not simply perceived as a mere mass beverage. On the contrary, it embeds aromas and flavours that suggest traditional values, cultural specifications and terroir configuration. Conviviality and engagement are the new keywords in the consumption practice because the relationship between consumers and wine producers has changed.

Wineries have realized that it is no longer sufficient to produce and place the product on the market. However, thanks to the key role that consumers play in the purchase practice, it's necessary to involve, excite and retain them stimulating their interests toward the business reality.

Communicate, narrate and inform customers about product specifications, terroir history and get them emotionally involved in the business background is the recipe for success. For all these reasons, after perceiving the evolution in the consumer trends, companies must necessarily change their marketing and communication strategy but also their investment practice fostering a digital conversion.

All this is possible thanks to the implementation of an effective web marketing strategy in the business reality. Create a dynamic and inspiring website, adopt various social media platforms and be active on multiple social networking sites are just some elements that favours brand awareness and strengthen the brand reputation in the Web world.

In doing so, exploiting the "network value" (Evans, 2008), companies can reach every consumer at any time, overcoming any space-time barriers, providing a targeted and personalized message, resulting more valuable and profitable especially in relation to the marketing business strategy. The wine industry should be aware of the beneficial results that can be obtained after the implementation of the new technologies and how this will be reflected in the business performance.

At the same time, this innovative process is encountering some difficulties and limitations. Companies have problems promoting and valorizing the product specification and the terroir characteristics to online consumers. As regards the Italian wine scenario, these problems are mainly due to the structure and configuration of the

agricultural firms. The business arrangement, the limited budget and the lack of an effective marketing plan are the main reasons that withhold companies from adopting these digital tools. Moreover, inadequate human capital employed in the marketing field, absence of technical skills to manage these platforms and the limitation of the targeted market are other deterrent factors.

This scenario has emerged from the survey that has been promoted and distributed to a sample of companies located in the Prosecco System. From the obtained results different observation can be carried out.

In detail, the website is the most exploited digital tool that fulfils various functions. In most cases, it is a comprehensive business card that contains detailed descriptions about products, the storytelling section and images of the production area. Moreover, it provides information about events and exhibitions, organized and promoted by the company, favoring an interaction exchange with customers. However, in most cases, the website that provide the direct E-commerce channel, where customers can select and buy the product online, is just related to few companies.

The presence of wineries' profiles on the major social networking sites is gaining speed. Facebook and Instagram are the most appreciated and used. In most of the cases, Facebook and Instagram profiles are the most attractive, updated and monitored ones. On the contrary, Twitter is losing steam due to a sceptic attitude toward its effectiveness while LinkedIn's potential has not yet been understood. In both cases, these profiles contain limited information, the update frequency is inadequate, and the monitoring phase is not performed.

This is bad because the social media world is constantly changing. Formats, ways of use and way of acting are evolving. That's way companies should be aware of the new trends and be monitoring the performance of their social networking pages. Consumers are the key elements that can determine the success or failure of the business. For all these reasons, companies should listen to them, track their feedback, understand what they desire and what they do not appreciate. Social media analytics is a requested activity that must be integrated in the business strategy. Thanks to this analysis, it is possible to

understand how business is perceived in the online world and consequently adopting new and effective strategies according to the target audience.

Furthermore, it has been statistically proven that the turnover class and the annual production play a fundamental role when it's time to define a digital strategy. From this analysis it emerged that Prosecco companies, characterized by a solid base, are more likely to integrate their business and marketing strategy with consistent social media platforms. At the same time, the companies with a social media maturity level in terms of update frequency are those characterized by a robust company structure.

Through this thesis, the Prosecco company's maturity level in terms of digital adoption has been analysed and evaluated. Compared to previous years, companies have gained greater awareness toward the necessity to look toward the digital world. Integrating and adopting these digital platforms is now a prerequisite to be competitive on the market. The increasing presence of companies on social networking sites, a careful and emotional approach in the website page and the willingness to integrate the E-commerce platform are very encouraging data. However, the lack of targeted and differentiated social strategy, the limited update content frequency and the almost inexistent monitoring results phase emphasize that the digitalisation process is still in its early stage. It will be a long process that will require further investments in human capital and in additional technologies.

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