“Branding wine as a luxury product: Two cases from Amyndeon appellation”

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Abstract

During the last two decades, in the Amyndeon appellation, new upscale investments have been implemented and the respective wineries present a significantly quality effort, with their products traveling across dozens of countries at prestigious points of sale, as well as at a high price range.

Based upon case studies, this research sought to examine whether these two wineries incorporate in a systematic way, the luxury wine branding practices and components proposed and observed by other world renowned luxury wineries.

Results highlight that these two cases - and hence other high-quality wineries as well – need to incorporate in a more systematic and professional way the luxury branding, since their existing practices are on the right track but are not enough.

Finally, the need for mass promotion has to be combined with specialized and already existing focused promotion.
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1. **Introduction**

In the framework of this business project, we study the efforts of the contemporary wineries in the area of Amyndeon (Prefecture of Florina, Region of Western Macedonia) to brand their firms and their respective products.

Unquestionably, the appellation of Amyndeon is one of the most important wine-making areas in Greece nowadays. As it is evident by the official website of cluster, founded by the areas’ wineries ([www.amyndeonoenos.gr](http://www.amyndeonoenos.gr)), the 10 already established and operating wine companies present a significant sales performance both in domestic as well as to many international markets. ([www.agora.mfa.gr](http://www.agora.mfa.gr))

Some of these wineries, produce ultra-premium wines - that is upscale products in terms of both supreme quality and high price tag - which have succeeded in high rankings and awards to many world renowned and esteemed contests.

Inevitably, this kind of products are characterized as luxury ones and indeed some of the wineries strive – or at least would like - to brand their firms and their wines as luxury ones. But how do they manage it?

Therefore, we examine two cases from the Amyndeon area, in order to realize the degree in which the luxury branding efforts, made by the wineries, comply with the relevant practices, found, studied and applied in more advanced “wine-making” markets.

Apparently, the results of this research can be of assistance, i) directly to the two cases involved and ii) indirectly to other wineries of the area and members of the wine cluster, as well as the upscale wineries with high ultra-premium products throughout Greece.

Hence, the remaining part of this study is comprised by the following chapters:

- In chapter 2, the respective literature review is presented, starting from the branding and wine branding, moving towards the luxury branding and ending up to the branding of luxury wines, which is the core subject of this research.
• Chapter 3 presents the methodology applied throughout the empirical work, as well as the techniques and observations implemented.

• Chapter 4 provides the data found by the empirical work, which is actually the comparison of the luxury branding attitude of our two cases between them, with regards to the respective literature.

• On chapter 5 the discussion about the fourth chapter’s data follows, whereas

• At Chapter 6 the conclusions, recommendations and limitations are properly provided.
2. Literature Review

In the following pages, the respective literature review is presented. It starts from some basic notions of branding and the wine branding to end up to the luxury branding and more specifically with regards to the wine.

2.1. Introduction/History

The history of “marking” or “branding” products was initially used as a “mark” by guilds, in the Middle Ages, for quality craftsmanship indicator, while, later on, to indicate the purity of edible products (Cohen, 1988).

According to a definition of “branding”, provided, nowadays by the American Marketing Association (AMA), it is “a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers”(ama.org).

As Aaker (1991) states “for many businesses the brand name and what it represents are its most important asset – the basis of competitive advantage and of future earnings streams” and adds that this brand name rarely managed in a proper, coordinated and coherent way, towards the goal to maintain and strengthen it. Later on, Aaker (1996) put the brand equity into a frame of four traditional managerial issues, such as brand loyalty, brand awareness, perceived quality and brand associations.

A brand is an intangible but critical component of what a company stands for and the most important is that a brand represents a set of promises, a set of expectations to the consumers. Brand implies trust consistency and that is why it is widely evident the phenomenon that a consumer can have a relationship with a brand but in generally does not have a relationship with a specific product or a service. (Davis, 2000).

Brand knowledge is conceptualized according to an associative network memory model in terms of two components, brand awareness and brand image (i.e., a set of brand associations). Customer-based brand equity occurs when the consumer is familiar with the brand and holds some favorable, strong, and unique brand
associations in memory (Keller 1992) and therefore is easier for them to retrieve the brand from memory, when face the “problem” of choosing among a big number of brands (Aaker, 1996).

Modern marketing has focused upon the creation of differentiated brands, whose bases were identified and developed with the help of market research. Product attributes, packages, names, distribution strategies and advertising have been used to establish unique brand associations, on the basic idea to move from plain commodities to branded products. In this way we can reduce the importance of product price upon the final decision for purchase and highlight the differentiation bases. (Aaker, 1991)

Moreover, market shows that there is a change in focus, from a value that is functional product-based to the one that is symbolic consumer-based. This shift has resulted into the fact that a “brand” is viewed from the consumers’ viewpoint as a multidimensional concept with functional, symbolic, performance and image components (Thode 1996).

2.2. Wine branding

Regarding the branding at the wine industry, fine wine has long been associated with leisure, gourmet food and a host of other benefits of “the good life”. Symbolically, ultra-premium wines from the Old world, confer to the owner a certain status, collectability and the potential for significant investment returns. In fact, many, if not most, of the finest French wines are never consumed; rather they are held as trophies by their owners or cellared for investment purposes (Thode, 1996). This is an excellent starting point for a firm to develop a consumer-based brand equity.

Vlachvei et al (2012) through Novak et al (2008) gives a definition of wine branding as “the perception of the wine product and its name in the consumer’s mind”. Also, various symbols on the label are also strong and long-lasting associations that can also be transferred to new products and wines. Other packaging cues, when used consistently, can also act as brand associations. A winery’s buildings, its people and
the visiting experience can also play a positive brand association role. Linking a wine brand to a specific region, terroir or appellation is also a good tactic, if the region is better known that the brand itself. Sponsorships can act as another way for the wineries to build positive brand associations. The key issue and challenge for the firms should be the consistent and long-term linking of the associations to the brand (Vlachvei et al, 2012).

Today, the global wine market is described by an ever-increasing excess of brands and therefore, in this crowded marketplace becomes increasingly difficult to differentiate a wine product from its competitors. (Johnson and Bruwer, 2007).

Even though it is widely accepted that the heart of any successful marketing strategy is the strategic management of brands, the situation for the wine market is really complicated, due to the fact that there are multiple identities involved in the brand architecture (like country of origin, region and/or appellation, domaine /bodega /estate, producer labels and retailer labels). Hospitality and wine-oriented tourism mainly contribute into the development of broader identities of the various wine regions. (Brodie et al, 2008).

Researchers argued that it is crucial to undertake a successful wine branding strategy for: a) it makes shopping easier for consumers, b) decreases the selling time and effort of the wineries, c) it assist into the improvement of wineries image, d) it assists the differentiation of a winery into consumer’s mind, by using the intangible, emotional, and symbolic meanings that consumers attach to the brand, and e) it can make a wine successful by blending all its constituent elements (product quality, price, promotion, packaging) in a unique and memorable way that apply to the target group (Vlachvei et al, 2012).

The perceived quality of a wine region raises the quality expectation of the sub-regions or appellations within that region. The wine region is the most important information to predict quality on wine labels. Almost without exception, the addition of regional information on a label increased consumer confidence in the quality of the product. (Johnson and Bruwer, 2007).
While the brand is relevant in wine choice, the weighted importance of the brand elements changes across consumption situations. The result is that people choose wine products based on “the brand”, regardless of their experience. (Miller and Chadee, 2008).

Overall, it is more than profound that quality alone is not a sufficient prerequisite to rise to the top in international marketing. Individual producers must do a more effective job of translating the quality their (ultra-premium) wines have achieved into increased brand equity (Thode, 1996).

With regards to the Greek wine market, Dimara et al (2004) proved that, the type and source of information received by consumers, place of origin, disposable income, education and marital status, all exert an independent effect of consumption attitude creation (Vlachvei et al, 2012).

In an attempt to picture the brand equity dimensions for fine Wine, Thode and Maskulka (1996) modified the Aaker’s and Keller’s models of brand equity, as a four main variables function:

![Brand Equity by Thode/Maskulka (1996)](image-url)

*Figure 1: Brand Equity by Thode/Maskulka (1996)*
Vlachvei et al (2012) suggest that there are several areas of opportunity for a holistic approach of branding strategies by the wine producers in Greece as follows: a) PDO/PGI quality signals, as well as International wine exhibitions (a) Producers try to take advantage of PDO/PGI quality signals, as well as International wine exhibitions awards as promoting or securing tools of their reputation (b) producers in Greece have to invest in a more professional way and less passive one in terms of their brand image, its associations, the lifestyle and experiences it represents, by improving all intangible elements those ultimate affect consumer choices (c) networking and clustering with tourism initiatives help improving the “brand loyalty” and “brand awareness” (d) Greek wine producers have to adopt new electronic forms of communication and distribution channels, very valuable for brand recognition, stimulating word of mouth and targeting of opinion leaders (Vlachvei et al, 2012).
2.3. Luxury branding

Moving one step ahead, we study some more details with regards to the luxury branding.

Since the dawn of humanity, there have been organized societies, leading groups and, of course, objects, symbols and lifestyles specific to these groups. The origins of today’s luxury, actually come from the appearance of these leading groups, as well as the symbols and objects related to them. Having that in mind, it is accepted that luxury is part of humanity and of life in society (Kapferer, Bastien 2009).

Luxury is – and always has been – a major sociological issue in any society, because it has to do, at one and the same time, with:

- social stratification;
- the notion of practical utility and waste;
- decisions relating to the distribution of wealth.

In other words, it is the society itself that defines the exact concept of luxury and not the other way around (Kapferer, Bastien 2009).

Coming to the 20th century, luxury faced huge development, mainly due to its democratization by two important drivers:

- The broadening of the client base, since almost everyone gained access to the world of luxury, and
- The gradual fading away of the historical social stratification.

Increase in spending power is maybe the most obvious driver for the growth of luxury goods consumption whereas, globalization plays a dual role as a driver of luxury, since:

a. offers accessibility to entirely new luxury products and services to new cultures and therefore opens new markets, and

b. leads to a levelling out of different cultures and religions by implying that in a perfectly globalized society there would be only one language and one religion (Kapferer, Bastien 2009).

[12]
A luxury product is rooted in a culture in the idea that buying for instance a Chinese luxury silk product, you are acquiring also a little bit of China and not the product alone. That means that a luxury brand has to remain faithful to its origins, as an anchor point in a world of cultural deracination (Kapferer, Bastien 2009).

The increase of communications during last decades assisted in a significant level to the development of the luxury market. The development of global mass media as well as the growth of international travel revealed to a greater population the beauties, richness and diversity of our planet (Kapferer, Bastien 2009).

Apart from these last four drivers, there is also the “non-return effect”, according to which, once consumers have tasted and experienced the luxury goods are reluctant to return to their previous consumption state and luxury goods have bigger possibilities to remain at their consumption habits compared to non-luxury goods (Kapferer, Bastien 2009).

For many years, all the companies that are now included in the luxury sector were separate and represented by different federations (i.e. Leather Goods, Perfumes and Cosmetics etc.). It was the French the first to realize that a bottle of champagne and a sophisticated dress have something in common and this is the reason why they created, in 1954, the association to promote the concepts of luxury, known as Comité Colbert. In this association, all members “shared the common vision of the importance of international ambition, of authentic know-how and high standards, of design and creativity and of professional ethics”.

According to Chevalier & Mazzalovo (2008), the initial market sectors covered by the Comité Colbert included the following activities:

- Haute couture and accessories
- Perfumes
- Jewelry
- Design homeware
- Hotel and gastronomy
- Great wines, champagne and cognac
- Publishing
Decoration

It is true that we are by now so familiar to the idea of luxury brands that we almost forget that, as a special form of cultural force and a specific way of branding and consumption lifestyle is comparatively a new concept (Chevalier & Mazzalovo, 2008).

The driver of globalization was the main reason for the evolution of family owned artisan companies into a corporate family of brands into a luxury group, like Gucci, LVMH and Richemont (Jackson, 2002).

These world renowned businesses with current estimates about the overall sales of luxury goods to be running at more than $100bn per annum, have implemented substantial investments in strategic management, product design, marketing and retail capabilities in their attempt to build and maintain the appeal and their position in the luxury market. (Okonkwo, 2008)

And the main part of this transformation took place at the late 1990s, where all these luxury offerings from a constellation of small businesses turned into a consolidated economic sector (Seo, Buchanan 2014)

But how did they manage it? Luxury products’ functional uses may vary but it is evident that they provide to their buyers with comparable symbolic and experiential benefits. These benefits may be prestige, social status and come primarily from the intangible attributes of the luxury brands (Kapferer Bastien 2009).

When someone buys for example a Burberry raincoat, he/she is not buying just a raincoat to cover his/her need. They are acquiring a branded name of high reputation, a fashion product which contains strong emotional value. From the customer’s point of view, the name of the product embodies this extra capital concept (Chevalier & Mazzalovo, 2008).

Trying to define “what is a luxury brand”, according to Interbrand (2008), in order for a brand to be qualified as luxurious, the following criteria have to be met:

- Sit within a level of a product category that demonstrates price insensitivity
- Demonstrate that setting high and expensive prices has neutral or almost a positive impact to its image
• Exhibit that perceived value plays an insignificant role amongst drivers of acquisition.

As Jackson (2002) refers, after the early 2000s, where the luxury market faced some major changes and the big conglomerate tried to emphasize their superiority and heritage to please the most affluent consumers, other luxury companies tried to combine high prestige with lower prices in order to gain access to middle-class consumers and others to gain access to international markets to increase their base of clientele. All of the above had the profound impact of an increased luxury market size, range of luxurious products and diversity of the customers.

Another important issue is that luxury brands that chose to substantially invest in brand building, are proven to exhibit a stronger competitive positioning than the ones that were more product- or service-oriented than branding-oriented (Okonkwo, 2007). This is really crucial here, since luxury customers take their decisions based on social and psychological needs, such as self- and social-esteem enrichment (Nia and Zaichkowsky, 2000). If a brand seeks to produce a so-called luxury item, superior quality and distinctive design are not just enough. A particular symbolic meaning is quite necessary and most importantly, a story or a myth behind the product, which perfectly meets the consumer’s perception of luxury. (Holt et al, 2004).

But, what if a firm wants to keep in mind practical issues in order to target to the luxurious market? What traits should present?

Keller (2009) has provided a valuable list of the ten characteristics that help define luxury branding, as follows:

i. Maintaining a premium image for luxury brands is crucial and controlling that image is therefore a priority;

ii. Luxury branding typically involves the creation of many intangible brand associations as well as an aspirational image;

iii. all aspects of the marketing programme for luxury brands must be aligned to ensure the quality of the products and services, whereas the purchase and consumption experience have to be pleasurable;
iv. logos, symbols, packaging, signage, and so on are brand elements, that besides brand names can play a significant role at the brand equity of luxury brands;

v. secondary associations from linked personalities, events, countries and other entities can enhance the brand equity of luxury brands;

vi. luxury brands must carefully control distribution via a selective channel strategy;

vii. a premium pricing strategy with strong quality cues and few discounts and markdowns has to be employed by luxury brands;

viii. these brands must carefully manage their brand architecture;

ix. they face a broader competition as they often compete with other luxury brands from other categories for discretionary consumer dollars; and

x. luxury brands must protect by all legal means their trademarks by combatting counterfeits.

In addition to that, Brun and Castelli (2013), provide also a list of 10 critical success factors (CSFs), that luxury brands should keep in mind and try to exert at their products and services, with as many of them as possible.

i. Steadily exhibiting **premium quality** in all products and services, as well as the complete Supply Chain (SC), both through superior material quality and conformity to product specifications;

ii. A **heritage of craftsmanship**, which guarantees the necessary expertise for manufacturing high quality objects;

iii. **Exclusivity** gained through the use of naturally rare materials, limited editions, limited production runs, selective distribution and the creation of waiting lists;

iv. A **marketing** approach that combines **product excellence with emotional appeal**; for instance, an appealing product display provides customers with an enhanced shopping experience, and the atmosphere at the point of sale reflects the values associated with the brand;

v. The **global reputation** of the brand, which transfers the idea of **world-class excellence**;
vi. A **recognizable style and design**, which means that consumers can easily recognize the brand without even looking at the label. Tangible features are not enough for this market. Customers, also, must emotionally react to the product due to its design and aesthetic;

vii. An **association with a country of origin** that has an particularly significant reputation as a source of excellence for a certain product category (i.e. Champagne, France);

viii. Elements that establish **uniqueness**, such as minor imperfections in hand-blown crystal vases;

ix. **Ultimate technical performance** based on technical know-how, such as sports cars. Customers are emotionally appealed by best-in-class technical performance. Thus they are able to distinguish luxury products from conventional ones. Continuous innovation can sustain product positioning at a high level.

x. The **lifestyle** creation allows the customer to share in a unique lifestyle, which can be replicated in everyday life by acquiring the specific luxury product.
2.4. Wine Luxury branding

Taking our final step into our literature review, we deepen our references and focus our interest into the luxury branding of wine products and firms.

According to Beverland (2004), little is known about the nature of luxury wine market, thus a picture of the overall wine market can be found through a report by Geene et al. (1999), which actually is represented in the following picture:

![Quality Segments in the Wine Industry](source: Geene et al. (1999, p.17))

Therefore “Icon” wines can be admitted that are consistent with the luxury status. According to Geene et al (1999), these wines have a price tag bigger than US$50 per bottle (75cl), are relatively rare and their demand primarily comes from the connoisseurs. These consumers know what they want and rely on their own judgment. For them, price is just a guide or index to quality and prestige when choosing a product (Beverland, 2004).

As stated above, some characteristics of the luxury brands include high price, excellent quality, specialized distribution channels, a prestige image associated to the brand and an element of uniqueness. (Beverland, 2004). These main characteristics can be used also to identify some luxury wine brands and their respective products. Also it is safe to take into account the history of a winery, in order to eliminate the risk of including a rather “cult wine” whose prose has been
increased mainly due to positive review by an wine opinion-maker critic, like Robert Parker (Beverland, 2004).

Therefore branding authenticity is really crucial for the luxurious profile of a winery. Beverland (2005) provides attributes that characterize the luxury wineries, the main of which are the following ones:

I. **Heritage**: Use of individual histories, as part of their brand building programs. Experiential tours of winery’s facility is often celebrated with promo and marketing activities.

II. **Pedigree**: through studies, two aspects to a brand’s identity are evident: it will result in a price premium, and a higher expectation of performance therefore the ability to establish a consistent track record of performance builds brand value for the winery. They exhibit their track record by creating library stocks and holding regular tastings of their stock (past vintages). The wineries also highlight the proven ability of their wines to age as a point of differentiation from newly emerging ‘cult brands’.

III. **Stylistic consistency**: wineries’ brand managers slowly evolve the style rather than radically change it in relation to follow the consumer fashion changes. Consumers also identify the consistency of style as an aspect of authenticity per se, even though the very essence of authenticity has more to do with style rather than taste.

IV. **Real quality commitments**: the uncompromising commitments to quality by the wineries part seems really critical for consumers as an authenticity claim. Investments in quality improvement, purity with single vineyard wines, care in selecting and handling the product, from vine to wine, the use of oak, the time cellared before release etc. are all aspects of commitment to quality but also a commitment to the winery’s clientele.

V. **Relationship to place**: the use of region of origin has a long history and wineries see it as a critical and core brand attribute. This attribute of authenticity is expressed through commitment to the “terroir” term, which is actually the “all-
inclusive combination in a vineyard environment of soil, climate, topography plus the ‘soul’ of the wine producer” (Guy, 2002). Some wineries take care to emphasize the non-intervention with nature, while others identify the source of their grapes on wine labels. But it is really crucial to underline that some consumers do not buy in place alone, but also realize the critical role of creative artists into delivering a high quality wine that remains a unique expression of the specific place.

VI. **Method of production**: the consumers are interested in learning the exact way the wine is produced, like during the tours within the winery. Also the importance of knowing on behalf of the customers the actual identifiable person that created the brand and the wines themselves.

VII. **Appearing above commercial considerations**: consumers tend to value mass-marketed wines far less than those that are less obviously commercialized. There is a preference among consumers to naive marketing, which is exactly the marketing that enriches the intrinsic qualities of the product and nothing more than that. The deliberate downplaying of commercial motives, in favor of a production orientation has been well esteemed by the consumers, because they view this approach as a defining element of authenticity. Authenticity is about integrity, about labelling, after all not over-selling itself.

But apart from the branding authenticity alone, Beverland (2004) provided us with a list of major luxury brand components that characterize and therefore are necessary the luxury wine firms: a) product integrity, b) value driven emergence, c) culture & history and d) marketing & endorsements.
• **Product Integrity**: it includes several attributes like “product quality”, “attention to detail”, “credibility” and “product integrity”. There is a focus on production quality and a belief in a “combination of details” where some wineries are **extremely fanatical about details**, with wineries trying to vertically integrate in a number of areas that they believe have an affection on the end product quality, such as barrel production, logistics/transportation etc. Many wine producers not only have high standards at selecting their suppliers but also undertake much of their tasks (oak wood selection, treatment and barrel manufacture) in order to assure exact high standards of the respective production. Other wineries, show emphasis on quality by not bottling any wine in a very poor year, whereas others gain further credibility by the endorsement of a product by an external wine critic or institution. Tours at luxury wineries take place, where two things are mainly focused:

  a. the historical events associated with the firm and the quality dedication and

  b. how the total steps of production result to an improved quality final wine. In the same way, the promotional material, also focus on these factors.
• **Value driven emergence**: some wineries were really deliberate towards targeting the luxury market and their strategy had been emergent. Others, on the other hand took deliberate strategic decisions in order to fully exploit emergent situations. Primary target was to find associations (with other renowned persons, events, activities) that can further endorse their strategy towards luxury market.

• **Culture/History**: History of the firm is really crucial and really evident to their strategy. A detailed description of the milestones of the firm (foundation, age, key dates, back catalogue of the products etc.), as well as a hard copy of firm’s history help them retain the links to their history. This takes place via either “stories” (of the firm, of its people, founder, previous owners, of the products, of people and their associations) or “policies” about the support of firm’s operation. These stories and policies are also used to the promotion material of the wineries or during tours (great vintages, no vintages, historic events etc.). These stories are actually a bridge of the past and the present and this bridge is assisted by specific policies to ensure the constant evolution but - at the same time distinctive - style of the firm.

• **Marketing/Endorsements**: Most of the wine producers have a good idea of their clientele base and it is usually difficult to generalize about the characteristics of their consumers. Despite this lack of market information, they keep in a high level the respective awareness of their products and quality achieved, both with regards to customers as well as the general market place. Endorsements from the press and/or promotional strategies (such as “cellar door sales” and “by-the-glass” promos to up-scale restaurants) enhance this awareness procedure. Smaller wineries may organize open cellar door tastings in order to broaden public awareness to even less-involved wine consumers. Through this approach wineries gain widespread social approval, which plays a critical motivation role to some luxury consumers. Of course, luxury wines, as part of their commitment to product integrity and quality, use to keep overall production low, which is a result of a low vine yield as a quality preservation means. As a direct effect, this perceived scarcity is believed to be important to
positioning. Finally the “attention to detail” approach and corporate behavior runs all firms’ activities, even the marketing sector. In this sector, even the discussion for the change or slight alteration of a label color, is of great importance and indicated the commitment to detail and quality. This attention to detail also drives other aspects like the presentation of the winery, the promotional material, the selection of service stuff, even the selection of agents and representatives.
3. Methodology

With regards to the research paradigms we had to choose between the quantitative and the qualitative one.

The **quantitative paradigm** is based on positivism and, since science is characterized by empirical research, it is obvious that all phenomena can be condensed to experiential meters which actually represent the truth. Randomization, blinding, highly structured protocols and written or orally administered questionnaires with a limited range of predetermined responses are usual types of quantitative paradigm. Here the sample sizes used, are significantly larger than those used in qualitative research and therefore statistical methods are needed for the validity of the analyzed results. (Sale et al, 2002).

On the other hand, the **qualitative paradigm** is based on interpretivism and constructivism. This advocates that reality has no existence prior to the activity of investigation, and reality terminates its existence at the time our respective focus stops over it.

Process and meanings are this kind of research’s main emphasis and the respective techniques include in-depth and focus group interviews and participant observation. Because of the fact that samples are not supposed to characterize large populations, small and meaningful samples of coherent respondents are used. And these samples are capable of providing important information (Sale et al, 2002).

Due to the nature and the purpose of this research we chose the qualitative paradigm for the following reasons:

- As Smith and Heshusius (1986) define “Validity” to a quantitative researcher would mean that results correspond to how things really are out there in the world, whereas to a qualitative researcher “valid” is a label applied to an interpretation or description with which one agrees”.
- Our strong belief that the assumptions of the qualitative paradigm are established on a worldview not represented by the quantitative one. (Sale et al, 2002)
• Data gathered in this way:
  o focus more on “actions” than “behavior”
  o have a strong handle on what “real life” is like.
  o give emphasis on a specific, focused case and are featured with richness and holism, capable of revealing valuable complexity.
  o are often perceived as the best strategy for discovery and exploring a new era. (Miles, Huberman, 1994)

The following qualitative research was designed and executed using the following methods:

• Literature Review:
  o According to Petticrew and Roberts this kind of reviews are “a method of making sense of large bodies of information, and a means of contributing to the answers to questions about what works and what does not” (2006).
  o Petticrew and Roberts underline seven general stages in carrying out a systematic review:
    i. Definition of the question set to answer.
    ii. Determination of the types of studies selected to review.
    iii. Comprehensive literature search.
    iv. Screening the results of that search.
    v. Critical appraisal of the included studies.
    vi. Synthesis of the reviewed studies
    vii. Dissemination of the findings
  o Following the above steps our research was conducted accordingly, being adapted to the needs of our topic. Our main goal was to understand the meaning of the luxury wine branding and how it derives from branding itself. This means that we needed to describe accurately the ways that it functions, produces insights, constructs evidence through the utilization and compilation of a broad range of different types of data. (Petticrew and Roberts, 2006).

• Data Collection: The data were gathered using the following four types:
Interviews: not structured but rather qualitative interviews took place with the two cases’ owners, where the researcher used a mental framework of study questions, in a conversational mode. This approach, compared to structured interview was an opportunity for two-way interaction. (Yin, 2010).

Observing: it can be a vital and valuable way of collecting primary and raw data, unfiltered by any form of influence. During one week in both cases, the researcher was able to study first-hand the various aspects of the report, by:

- “Working in the field”: even participating at the companies’ winery tours to visitors
- “Participant observation”: at all stages of winery operation, even the owners and company’s personnel reactions.
- “Site visits”.

Collecting and examining: objects such as documents, printed as well as digital (printed material, flyers, advertising material), archival records from the wineries (like labels evolution, back catalogues photos) or other secondary sources (wine magazines, internet archives, online newspapers, firms’ corporate websites, social media respective timelines etc) were accumulated and examined. (Yin, 2010). This material used to complement the field interviews and conversations.

Feeling: Having the opportunity for “on-site” work, it was really crucial for the researcher to record even the various feelings both of the businessmen and personnel, as well as the customers of the firms. (Yin, 2010).

Case study analysis (Yin, 2009). We seek to explain some present circumstance and behavior (Luxury wine branding of the Amyndeon Wineries), therefore “how” and “why” are our main basis for questions and research. And our research requires and “in-depth” description for explanation. This method allows the researcher to retain a holistic and meaningful characteristics of real-life events, such as small group (wineries) behavior, organizational and managerial processes etc (Yin, 2009). Finally, the multiple case-study analysis
was chosen, because the comparison of our cases towards the respective literature as well as between those two was of utmost importance for our research and conclusions.

At this point, we have to point some underlying issues for the qualitative method of our empirical work. Our implicit concepts, inevitable frame our fieldwork experiences and therefore affect the data gathered. Furthermore, what the researcher can consider as a descriptive “fact” is a two-stage-processed result, one by the explanation of the persons studied and one by the researcher itself. But the very nature of our research that has to do with “luxury wine branding” is seriously interconnected with people’s perception, therefore is a rather subjective than objective issue.

As far as the ethics is concerned, the overall empirical work implemented under the principles of beneficence, respect and justice (Sieber, 1992)

More specifically and since a qualitative study was carried out, the following ethical issues have been tackled and paid significant attention before, during and after the work (Miles & Huberman, 1994):

- **Worthiness of the project:** the study can provide valuable information for the development of the wine market of the area and therefore the wellbeing of people involved, both directly and indirectly.
- **Informed consent:** People involved in the study and specifically owners and employees in the two winery cases freely and fully voluntarily gave their consent, as well as their time and data necessary.
- **Benefits, costs and reciprocity:** The anticipation of having valuable information about their way of doing luxury branding has been of utmost importance and necessity to them.
- **Harm and risk:** All precautions have taken into account in order for the research process not to impose any harm or risk to participants. This risk might be of a disclosure of a sensitive corporate practice of information.
- **Honesty and trust:** the relationship and the mutual respect with the research participants guaranteed the highest level of trustworthiness possible.
• **Privacy, confidentiality and anonymity:** throughout the study, these three parameters have taken into account, since no protected information has been used, nor confidentiality issued have been arisen. All data used are freely accessible or have been given to me with consent.

• **Research integrity and quality:** the study has been implemented in a careful and thoughtful manner.
4. Findings / Data Analysis

Based on the luxury wine branding components, outlined by Beverland (2004), an in-depth analysis follows that reflects the two cases from Amyndeon Greece appellation. More specifically, the two famous wineries of the region examined are the Alpha Estate and the Domaine Karanika.

The first 3 parts of the analysis (1.Foundation and Development, 2.Product Line and 3.Economic Data & Performance) relate to introductory data, in order to create a clear view about the current situation of the two firms, whereas the following four parts (4.Product Integrity, 5.Value Driven Emergence, 6.Culture/History, 7.Marketing/Endorsements) are actually the comparison of the two wineries with respect to the luxury brand components, introduced by Beverland (2004).

Data were gathered and extracted with several methods and by various sources as stated in the methodology, including interview with the two wineries’ owners Angelos Iatridis (Alpha Estate owner and winemaker) and Laurens Hartman (Domaine Karanika owner and winemaker) respectively, as well as other secondary sources like printed (advertising) material, corporate websites, labels, social media posts (Facebook and Twitter, internet-published interviews, news etc). Finally, during January 2015 (January 12-18), I participated into the operation of the two wineries, for almost a week, in order to have a firsthand understanding, about the day-by-day operation as well as the visitors’ experience.

The main findings, presented at a comparative matrix, follow at the next page:
<table>
<thead>
<tr>
<th>Item</th>
<th>ALPHA ESTATE</th>
<th>KARANIKA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Foundation and Development</td>
<td>Founded in 1997 by Makis Mavridis (vine-grower) and Angelos Iatridis (winemaker)</td>
<td>Founded in 2006 by Laurens Hartman – Karanika (Dutch-Greek) and his wife Annette van Kampen (Dutch).</td>
</tr>
<tr>
<td></td>
<td>Mavridis is the vine grower with a great agricultural past in the area, whereas Iatridis is the winemaker with education and training in France and other countries</td>
<td>The wine-making decision was more of a “middle-life-crisis” reaction than a career-change approach.</td>
</tr>
<tr>
<td></td>
<td>Part of a long-term plan by both partners that met at the right place the right time.</td>
<td>No prior relation at all with the area, just selected it primarily for the Xinomavro varietal and its potential</td>
</tr>
<tr>
<td></td>
<td>Proprietary vineyard of 90ha and total investment of more than 20m€ in three different phases so far</td>
<td>Proprietary vineyard of 5ha and a total investment of almost 1m € so far in one main phase.</td>
</tr>
<tr>
<td>2. Product Line</td>
<td>There are 14 available products/labels available</td>
<td>There are 7 different final products/labels</td>
</tr>
<tr>
<td></td>
<td>Price range: €10,00 -100,00</td>
<td>Price range: €10,00-60,00,</td>
</tr>
<tr>
<td></td>
<td>12 different varietals planted</td>
<td>5 different planted varietals.</td>
</tr>
<tr>
<td></td>
<td>Capacity: 540.000 bottles/year</td>
<td>Capacity:25.000 bottles/year</td>
</tr>
<tr>
<td></td>
<td>Export to 30 countries</td>
<td>Exports to 7 countries.</td>
</tr>
<tr>
<td></td>
<td>“Icon wines”:</td>
<td>“Icon wines”:</td>
</tr>
<tr>
<td></td>
<td>“Alpha One” , ( €80,00 and 4.800 bottles/year)</td>
<td>Karanika Cuvée Prestige (€$60,00 and 4.000 bottles/year)</td>
</tr>
<tr>
<td></td>
<td>“Alpha Estate Red (S.M.X)” (€60,00 and 58.000 bottles/year)</td>
<td>Karanika Cuvée Speciale Brut (€50,00 and 8.000 bottles/year)</td>
</tr>
<tr>
<td>3. Economic Data &amp; Performance</td>
<td>3,2m € Turnover</td>
<td>90k € Turnover</td>
</tr>
<tr>
<td></td>
<td>30k € profit</td>
<td>0,5k € Profit</td>
</tr>
<tr>
<td></td>
<td>Personnel: 25 full time / 30 part time</td>
<td>Personnel: “2-person MNC” (Interview) / Plus 6 part-time.</td>
</tr>
<tr>
<td></td>
<td>Promotion/Marketing expenses: 9,4% of turnover.</td>
<td>Marketing expenses: 5% for now but targeting to 15% until 2020.</td>
</tr>
<tr>
<td>4. Product Integrity:</td>
<td>Obsession to control and protection of the production (alpha-estate.com)</td>
<td>Obsession with the preservation of the natural dimension of the wine and the whole production cycle:</td>
</tr>
<tr>
<td></td>
<td>Wineries show a dedication to production quality at all aspects of their operation. From vine-to-wine and from vertically integration of the production to the clients’ experience during a winery tour.</td>
<td>Promotion of biodynamic wine.</td>
</tr>
<tr>
<td></td>
<td>Winery buildings were initially designed and therefore constructed to better service winery tours.</td>
<td>Least possible use of chemicals. (Karanika.com)</td>
</tr>
<tr>
<td></td>
<td>Special lighting</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Huge corridors</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Specially designed routes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Huge infrastructure investments in order to have control over every aspect of production</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Very strict method for sparkling wines production:</td>
<td></td>
</tr>
</tbody>
</table>

[30]
<table>
<thead>
<tr>
<th>Item</th>
<th>Alpha Estate</th>
</tr>
</thead>
</table>
| 4. Use of top-rated Ermitage barrels: | • Requires attention and precision throughout the year  
  • Méthode traditionnelle, like the one in France (Champagne)  
  • Detailed skills needed  
  • Winemaker has to be part of the winery itself  
  • Twisting of the bottles many times per day, steady temperature throughout the year inside the building. (Obser. notes) |
| 5. Specially chosen distribution channel for Greece: | • Specifi... just requirements of the winery (wood age, toasting level etc).  
  • Renewal of barrels every year (obser. notes)  
  • Promotion of this approach during winery tours and social media (Obser. Notes, FB timeline) |
| 6. Carefully chosen distribution channels for abroad. | • Control who the importer is. (references, history etc)  
  • Mainly with reference to Greece (i.e. 2nd or 3rd generation Greek entrepreneurs at the foreign markets)  
  • Lately, attempts to cooperate with local companies there, in order to internationalize their network |
| 7. Green vine harvest, twice a season: they limit the final amount of vines | • Requires attention and precision throughout the year  
  • Méthode traditionnelle, like the one in France (Champagne)  
  • Detailed skills needed  
  • Winemaker has to be part of the winery itself  
  • Twisting of the bottles many times per day, steady temperature throughout the year inside the building. (Obser. notes) |
| 5. Absence of organized domestic distribution channel. Direct communication between buyer (points of sales or final customers) and winery. | • Elimination of mediator’s expenses  
  • Direct link of the buyer with “Karanika, the different winemaker” (Interview) |
| 6. International distribution channels has been selected through small/boutique importers and not big chains | • Laurens’ profile assists the cooperation with foreign companies and entrepreneur.  
  • Already internationalized distribution channels outside Greece. |
| 7. Green vine harvest, twice a season: they limit the final amount of vines | • Requires attention and precision throughout the year  
  • Méthode traditionnelle, like the one in France (Champagne)  
  • Detailed skills needed  
  • Winemaker has to be part of the winery itself  
  • Twisting of the bottles many times per day, steady temperature throughout the year inside the building. (Obser. notes) |
<table>
<thead>
<tr>
<th>Item</th>
<th>produced in order to increase their quality. (Obser. Notes, Kostas Nikou)</th>
<th>produced in order to increase their quality. (FB/social media posts and photos)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. Credibility gaining: main focus on esteemed wine critics review about their wines. A lot of effort (and therefore promo expenses) is paid towards this goal (liaison, travelling etc)</td>
<td>8. Credibility gaining: main focus on esteemed wine critics review about their wines. But waits for them to discover “his hidden gems” instead of promoting it to them.</td>
<td></td>
</tr>
<tr>
<td>• Mainly guided by employees.</td>
<td>• Mainly guided by Laurens himself</td>
<td></td>
</tr>
<tr>
<td>• Winery was initially designed for wine-tours.</td>
<td>• “Myth” oriented</td>
<td></td>
</tr>
<tr>
<td>• The best advertisement is by experiencing the winery tour.</td>
<td>• Helps for the “confirmation of the myth” (Interview)</td>
<td></td>
</tr>
<tr>
<td>• Endeavour for perfection and exaggeration in every aspect of the tour (Obser. Notes)</td>
<td>• More humble, honest and grounded, not so impeccable and perfect (Interview)</td>
<td></td>
</tr>
<tr>
<td>• Levelled communication with regards to visitors wine experience (3 levels)</td>
<td>• «Even with a little bit of mess I should excuse for” to the visitors» (Interview)</td>
<td></td>
</tr>
<tr>
<td>• Full of technical data about the procedure</td>
<td>• Human-centric tour. Mostly info about the history of the founders and how they ended up here.</td>
<td></td>
</tr>
<tr>
<td>• Full of winery historical data (foundation, founder’s background etc)</td>
<td>• Focus on the sustainability of the winery, the nature protection, the co-existence with animals, almost</td>
<td></td>
</tr>
<tr>
<td>• Promotion of the “exaggeration” in every aspect</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• «When you are leader you have to educate your customers» (Interview, Obser. Notes)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Almost 10,000 visitors in 2014. They become real ambassadors of the winery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Do exist (flyers, maps, business cards) for use mainly during fairs.</td>
<td>• Mainly focused on “cost-saving” social media</td>
<td></td>
</tr>
<tr>
<td>• Focus on stylistic consistency and quality appeal with all other products</td>
<td></td>
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</table>

5. Value-driven Emergence: |
- The winery strives to exploit well-known personalities or widespread historical events in order to build strong and upscale

1. They started scheduling and designing such associations with other market-sectors only this year with Chris Rafalides, vibraphonist based in NY, originated from the Region of Western Macedonia

1. No such associations at all.
| Item                                                                 | 2. Attempt to make synergies and converge the two market-sectors, common characteristics of both target-groups. | 2. No use of wine-ambassadors:  
- Due to different promotion philosophy  
- Prefer the “hidden gem” discovery and not boosted discovery  
- Can’t afford it |
<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>associations to the clientele’s mentality as implied product endorsements.</td>
<td>3. Use of wine ambassadors, (boosted by EU-funded projects)</td>
<td></td>
</tr>
<tr>
<td>1. New Winery, with commercial history of 12 years.</td>
<td>2. Tour includes lot of details of the winery itself and its respective history.</td>
<td></td>
</tr>
<tr>
<td>2. Tour includes lot of details of the winery itself and its respective history.</td>
<td>3. Lack of linkage of the winery with the history of vinification / viticulture of the Amyndeon area (more than 100 years old). Only a reference to old vines used at a product. (obser. Notes, website, interviews)</td>
<td></td>
</tr>
<tr>
<td>3. Back catalogues of products: Do exist and is a crucial part of their operation.</td>
<td>4. Back catalogues: Only a very few items exist, due to limited commercial history of the company.</td>
<td></td>
</tr>
</tbody>
</table>
| - Special department in the cellar for high-profile promotion, especially for the respective two “icon wines”  
- Not promoted in all media available | 5. “stories”: Thorough use of stories, about:  
- Winery creation and foundation  
- Founders evolution  
- Flagship products  
- People related to the winery (interviews, website, social media) | 6. “Policies”:  
- Exaggeration at all levels  
- To overcome the mediocrity of Greek wine market sector  
- Cooperation with French renowned winemaker (blends formation) to preserve the stability and consistency of the wine character of the products throughout the years. (observ. Notes) |
| 6. “Policies”:  
- Organic (www.karanika.com, Social Media)  
- Zero CO2 footprint (TedXAU)  
- Organic/Biodynamic wine production  
- Love to nature and other animals (Vimeo.com) | 5. “stories”: Thorough use of them, in order to build and sustain the “myth”  
- About Laurens and Annette and why they chose the place  
- No Stories about products, but mainly due to short commercial history. | 6. “Policies” used:  
- Organic (www.karanika.com, Social Media)  
- Zero CO2 footprint (TedXAU)  
- Organic/Biodynamic wine production  
- Love to nature and other animals (Vimeo.com) |
<table>
<thead>
<tr>
<th>Item</th>
<th>7. «Wine is the epitome of a cultural product»</th>
<th>7. «Culture is money, culture is business, culture sells and helps you to focus on the product»</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. Marketing/Endorsement:</td>
<td>1. Name of the winery: <strong>ALPHA</strong></td>
<td>1. Name of the Winery and most of the products: <strong>Karanika</strong></td>
</tr>
<tr>
<td>- The process of finding out the exact traits of their consumers and build a message upon those characteristics.</td>
<td>- disyllable,</td>
<td>- Marketing message focused on Laurens.</td>
</tr>
<tr>
<td>- How do they create a brand and product awareness in the general market place?</td>
<td>- with Greek character,</td>
<td>- Laurens is the product.</td>
</tr>
<tr>
<td>- What is their relation to the notion of marketing?</td>
<td>- no co-identity with a human-family name/surname</td>
<td>- They want to be the opposite of Alpha Estate in the Amyndeon wine area.</td>
</tr>
<tr>
<td>- What types of promotion campaigns do they run</td>
<td>- impersonal but more appealing to international customers</td>
<td>- People choose the human being and not the wine!</td>
</tr>
<tr>
<td>- How do they exploit the various endorsements?</td>
<td></td>
<td>- “Find a niche (wine) market and you get a competitive advantage”</td>
</tr>
<tr>
<td>2. Promotion/Marketing major categories are (% of annual promo expenses):</td>
<td>2. Promotion/Marketing major categories are:</td>
<td>2. Promotion/Marketing major categories are:</td>
</tr>
<tr>
<td>- Promo actions of the Greek distribution channel (35%)</td>
<td>- Travelling both inside and outside Greece</td>
<td>- Travelling both inside and outside Greece</td>
</tr>
<tr>
<td>- Promo actions abroad, like ambassadors, tastings, thematic dinners etc (20%)</td>
<td>- Samples both cost of product and shipping costs</td>
<td>- Samples both cost of product and shipping costs</td>
</tr>
<tr>
<td>- Winery hosting and services expenses (tastings, etc, 14%)</td>
<td>- Winery hosting and services expenses</td>
<td>- Winery hosting and services expenses</td>
</tr>
<tr>
<td>- Travelling for promo purposes, both inside and outside country (12%)</td>
<td>- Man hours for social media updates</td>
<td>- Man hours for social media updates</td>
</tr>
<tr>
<td>- Samples both cost of product and shipping costs (12%)</td>
<td>- (Interview with Mr. Karanika, Feb 2015)</td>
<td>- (Interview with Mr. Karanika, Feb 2015)</td>
</tr>
<tr>
<td></td>
<td>(Obser. Notes from Accounting Dept, Feb 2015).</td>
<td></td>
</tr>
<tr>
<td>- SMX Alpha Red: “Luxurious” but is also evident the “attention-to-detail” evolution through years (Observ. Notes, See also Appendix 2)</td>
<td>- Replicating best practices from mature/traditional (sparkling wine) markets.</td>
<td>- No images, but clean, sleek, serious labels, focused ion Karanika brand</td>
</tr>
<tr>
<td>- Esteemed awards accompany the label of specific vintage (see also Appendix 2)</td>
<td>- Use of family sign</td>
<td>- Use of family sign</td>
</tr>
<tr>
<td>- “Alpha 1” appearance: “Less is more” and minimal approach</td>
<td>- Not playful, but serious</td>
<td>- Not playful, but serious</td>
</tr>
<tr>
<td>- During first years were necessary for brand awareness.</td>
<td>- Now it’s unnecessary for the winery.</td>
<td>- Now it’s unnecessary for the winery.</td>
</tr>
<tr>
<td>Item</td>
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</tr>
<tr>
<td>• Now it’s more of a cost than assistance to sales.</td>
<td>• “Now it’s a waste of money we don’t have” (Interview)</td>
<td></td>
</tr>
<tr>
<td>5. Endorsements:</td>
<td>5. Endorsements:</td>
<td></td>
</tr>
<tr>
<td>• Big reviewers and wine critics/journalists (Jancis Robertson, Robert Parker etc) make the difference.</td>
<td>• Nico Manessis, Yiannis Karakasis, Tom Stevenson and other wine journalists that are world renowned have expressed the Domaine Karanika strong potential and this is what Laurens is after.</td>
<td></td>
</tr>
<tr>
<td>• Their good review is the real award and a long-lasting sales tool.</td>
<td>• These are true opinion makers and «all help towards this myth awareness raising amongst market»</td>
<td></td>
</tr>
<tr>
<td>• The liaison with these teams requires cost and time but is a priority for the winery.</td>
<td>• No vertical tastings: Only 4 years of commercial products</td>
<td></td>
</tr>
<tr>
<td>• Vertical tastings with esteemed wine reviewers are the “most important events that create sales for the winery” (interview)</td>
<td>6. No conventional press releases in printed media. Waste of money.</td>
<td></td>
</tr>
<tr>
<td>6. No conventional press releases in printed media. Waste of money.</td>
<td>7. Very focused travelling at valuable markets around the world, to enhance the sales.</td>
<td></td>
</tr>
<tr>
<td>7. A lot of travelling around the world to lead tastings.</td>
<td>• «People are happy because they’ve found a winemaker that can communicate with, a personal relation» (Interview)</td>
<td></td>
</tr>
<tr>
<td>• “Customers desperately want to meet the winemaker of a wine they like”</td>
<td>8. NO sponsoring of events</td>
<td></td>
</tr>
<tr>
<td>• Inevitable but sales-boosting cost.</td>
<td>• «We have no-money, therefore we have to be creative»</td>
<td></td>
</tr>
<tr>
<td>8. Some limited sponsoring of high-profile events</td>
<td>9. “Perceived scarcity” is profound (4.000 and 8.000 bottles respectively).</td>
<td></td>
</tr>
<tr>
<td>9. “Perceived scarcity” is especially underlined due to the limited number of bottles of these two products, (A1 only 4.800 bottles).</td>
<td>• «The market really believes in us and places pre-orders well before the annual release of the product» (Interview)</td>
<td></td>
</tr>
<tr>
<td>10. Digital communication:</td>
<td>10. Digital communication:</td>
<td></td>
</tr>
<tr>
<td>• No use of mass (and impersonal) email campaigns</td>
<td>• No use of mass (and impersonal) email campaigns</td>
<td></td>
</tr>
<tr>
<td>• No exploitation of the – big annual number – of visitors’ contact details in order to create a strong binding with them (Interview, Kostas Nikou)</td>
<td>• Thorough use of (cost-free) social media</td>
<td></td>
</tr>
<tr>
<td>• Very basic use of social media (FB and Twitter) with no luxury branding benefit.</td>
<td>• Promotion of aspects of the “myth” through his posts (crazy, stubborn Dutch-Greek guy that loves nature and its final products).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Photo with a green-salad out of the vineyard to promote the purity</td>
<td></td>
</tr>
<tr>
<td>Item</td>
<td>Alpha Estate</td>
<td>Karanika.com</td>
</tr>
<tr>
<td>------</td>
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<td>--------------</td>
</tr>
<tr>
<td></td>
<td>Website: stylistic consistency with company’s product colors and text. Basic informative (only facts) update with no-personality. (<a href="http://www.alpha-estate.com">www.alpha-estate.com</a>)</td>
<td>and chemicals-free condition of the block where wines come from.</td>
</tr>
<tr>
<td></td>
<td>Overall focus more on technical data of the wines rather than on intangible-related keywords and aspects. (i.e. heritage, history, pedigree e.t.c.)</td>
<td>Website: different approach. Consistent with the lines of the company. Promotion of the very myth of the company, with respective photos and texts.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Overall focus on the “quality-purity-artisanal” myth of the company (endorsements, biodynamic calendar etc), as well as history of area and the connection to the past of the vineyard (Karanika.com)</td>
</tr>
</tbody>
</table>

Table 1: Comparison of luxury wine components for two cases in Amyndeon
5. Interpretation of findings / Discussion

Within the next paragraphs an attempt of interpretation of findings and further discussion is presented. We compare and contrast what the literature stands for and what we found, with respect to each one component of the previous chapter’s matrix.

5.1. Foundation and Development

ALPHA ESTATE is located in the Amyndeon region, in North West Greece. It is the brainchild of two visionaries, the skilled, second generation vine grower, Makis Mavridis and Angelos Iatridis, the winemaker, educated in Bordeaux, trained in Bordeaux, Alsace, Rhone, Champagne and winemaker to many, international well known, Greek wines. The company was founded in 1997. The design and organization of the vineyard was carefully studied and it began in 1994, while in 2005 the first phase of the buildings and mechanical installations of the winery were completed. Since then a continuous evolution to the investment is underway (more than 20m € so far), with infrastructures both in the viticultural and winemaking potential.

ALPHA ESTATE winery is located in the heart of the privately owned vineyards (90 Hectares) of the viticulture exploitation. That means that transport of the grapes from the vineyard to the winery during harvest is done at the shortest possible time. Close proximity, in combination with transport in special refrigerators and harvest at the coolest hours of the day underline the outmost respect and protection of the organoleptic characteristics of the wine grapes. Natural gravity, a concept applied from the design of the winery, is exploited throughout the winemaking process, with the minimum possible stress to the raw material. All construction materials are highly inactive and neutral in order to secure absolute neutral atmosphere conditions inside the winery, protecting the quality of the grape, the must and the wine. Managing the winery is simplified by applying a totally integrated building management system at all levels, from the winery process to the machinery and mechanical functions both inside the winery and from distance, from any part of the world. Large part of the winery and its state of the art machinery of the latest
available winemaking technology are monitored directly by the suppliers of this equipment on line, through modems, in order to secure optimum performance. But the most important and greater space of the winery is the underground cellar which houses at ideal and optimum conditions all through the year the oak casks were ALPHA ESTATE's wines are aged. A specially designed path has been designed and created for the winery visitor in order for him to be able to visit the underground cask cellar without disturbing the quietness of the wines ageing inside the casks. Details can of course be obtained at first hand with a prescheduled visit to the winery. Finally the tasting room consists the point where design ends and pleasure begins for ALPHA ESTATE wines. (www.alpha-estate.com)

The overall investment cost so far is near 20m € and the building construction phase will be completed within the next two years, whereas the vineyard will be completed with additional 30ha within the next 5 years. (Interview Kostas Nikou)

Main message, winery’s philosophy and embedded myth: “Exaggeration in every aspect of the operation, absolute respect to the ecosystem, the vine grower and the wine lover”.

On the contrary, Domaine Karanika was founded by Laurens M. Hartman - Karanika and Annette van Kampen. Laurens is the son of a Greek mother and a Dutch father. Both he and his wife Annette have lived all their life in the Netherlands and had worked for about 15 years in various management positions in publishing before one day they decided to pursue their dream: to produce top-quality wine. Over the years, they were trained as winemaker, oenologist and vineyardist in Europe and the US. They seriously considered all options, from Australia to Germany, but their love for the amazing Xinomavro variety led them to Amyndeon in Greece.

At Domaine Karanika they “work in harmony with nature to protect the health of people and the earth while producing the finest quality wine”.

Their organic vineyards at the Amyndeo plateau in the far North-west of Greece (the coolest climate of all the wine-producing regions of Greece) include old to very old Xinomavro vines, the younger Assyrtiko, Cabernet Sauvignon and the almost forgotten Limniona.
Karanika’s winemaking philosophy is minimal handling of grapes and wines with few chemical additions. We work according to Maria Thun’s biodynamic calendar in the winery and vineyard therefore our wines ‘breathe terroir’, are crystal clear, very aromatic and have considerable length. No bombastic heavyweights but straightforward honest wines.

The Karanika winery is a three-storey, gravity-flow building situated between the villages of Amyndeon, Vegora and Levea, on a slope at the shores of lake Vegoritis. The exclusive design of the building allows the wines to be made without the disastrous effects of pumps and filters. (www.karanika.com)

The overall business plan is more than 1 m € and was co-funded by the Greek State (where Laurens got in real contact with the Greek bureaucracy) (Interview Kostas Nikou).

Main message, winery’s philosophy and embedded myth: “a Dutch-Greek winemaker, almost irrelevant, but really focused, stubborn and almost maniac man that makes his wines so different and great, out there... in the unknown place of Amyndeon” (interview to Kostas Nikou)

It is evident that the two wineries have the same starting point, which is the production of the highest possible quality wines from varietals planted in the coolest appellation in Greece (Amyndeon). The differences apply to their previous experiences and inputs. Alpha Estate with a more corporate approach, long-term scheduling and implementation of their plan, whereas Laurens and his wife, they have an approach of “making their dreams come true” without showing the need for corporate success (at least at the first approach).

5.2. Product Line

During all these years, Angelos Iatridis and his team at Alpha Estate, after continuous experimentation with the 12 different varietals planted, proceeded with the production of 14 products/labels, whose retail price varies from €10,00 to €100,00. Their overall capacity is 540,000 bottles/year and the maximum capacity of the vineyard will reach the 1,000,000 bottles with the completion of the business plan, in 2020.
Today they export to 30 countries with USA, Canada, Australia, UK and Germany as major markets.

Two labels are distinguished out of the Alpha Estate product line, as “icon wines”, according to Geene et al (1999):

- “Alpha One”: This is the wine maker’s (A. Iatridis) choice. The best 17 barrels of each harvest of Alpha Estate, present “the absolute expression and dynamic of the Amyndeon viticulture zone” (alpha-estate.com). With an overall production of 4,800 bottles/year and the very positive reviews (Jancis Robinson, Robert Parker) that has already received, it is collectible and its retail price is more than €80,00 both in domestic as well as the international markets. (interview Kostas Nikou)

- “Alpha Estate Red (S.M.X)”: This is the winery’s flagship wine. Angelos Iatridis admits that “this is exactly what I was thinking of when we started designing the winery”. And he’s proven to be right, since this the most well-known product of the winery throughout the world, with an overall annual production of 58,000 bottles, highest rankings in wine journalists reviews and countless awards in international and domestic wine contest and fairs (with a retail price of €50,00). (alpha-estate.com, Observation Notes).

1 km away from Alpha Estate, Laurens and Annette have managed – so far - to produce 3 still and 4 sparkling wines, all of the latter with the traditional method (Méthode Traditionnelle) which is identical with the one used in Champagne. These labels come from the privately owned vineyard and the 5 varietals, whereas the overall production of still wines is 9,000 bottles and the sparkling wines 16,000 bottles. They export to 7 markets with a price range from €10,00 to €60,00.

The two “icon wines” are actually sparkling ones, since these are the winery’s target for the next years:

- Karanika Cuvée Prestige: 60% Assyrtiko and 40% Xinomavro blend, is the newest - and most prestigious – product of the winery with a retail price of €$60,00 and overall production of 4,000 bottles/year, whereas
• Karanika Cuvée Speciale Brut (€50,00 and 8,000 bottles/year) was the sparkling wine that made the wine critics all around the world to admit that Laurens is the No1 sparkling wine maker in Greece, as well as the Champagne expert Tom Stevenson to point out that “seldom have I come across any artisanal sparkling wine that is as polished as Hartman’s Brut wine. He has the potential to produce a world-class sparkling wine”.

It is obvious that Alpha Estate seems to have a long-term plan in terms of varietals planted, blends and therefore final products. On the other hand, Domaine Karanika, tries to find niche markets and take advantage of them. According to Laurens, “we came here to produce the best possible Xinomavro, but we found a market gap and business opportunity in the quality Greek sparkling wine “méthode traditionnelle”. (Interview Kostas Nikou). This kind of changes in very short period might send a confusing message to the luxury market (which needs long-term commitments), and this is the main reason that Laurens believes that he has to focus only on sparkling wines.

5.3. Economic Data & Corporate Performance

Obviously, due to the economic performance, the Alpha Estate budget can afford to invest more (both in absolute and proportional values, that is €300k to €10k respectively) in promotion and marketing expenses, than Domaine Karanika. Alpha Estate has been established to cover these needs as posed by the international standards of the specific quality markets.

On the other hand, Laurens and Annette do not have this option, since they can’t afford it.

As Laurens states “we have no-money, therefore we have to be creative and innovative”. This driving force squeezes the traditional promotional expenses and tries to find new ways or more cost-effective ways for the same price.

Alpha Estate promotes their wines in up-scale restaurants with all luxury available, whereas Laurens prefer to promote his artisanal, almost rural profile into low-profile wine tasting points, as long as the participants have the same taste and values.
5.4. Product Integrity:

In Alpha Estate they try to produce high-quality products, as an expression of place (Amyndeon appellation), vintage conditions and the oenologist wine making ability, regardless of the weather conditions (Internet interview).

For instance, the irrigation system (more than 300 klns of underground pipelines) that has been applied in Alpha Estate, was the first vineyard in Europe to implement such a patent. They try to “stress” the vine (in combination with the private weather station operating in the place) in order to produce the best possible grape, full of aromas and quality characteristics. (Print out material, Internet interview, https://www.youtube.com/watch?v=-tEj2R1OJ3E)

Every machinery in the winery is continuously monitored and recorded.

The overall approach of the Alpha Estate operation towards “Product Integrity” can be summed up in the following words of Angelos Iatridis: "We don’t buy a single grape. We want to control every aspect of what we do, from the planting of the vines on through to the winemaking. I admit it: I’m a control freak" (www.sommelierjournal.com)

The use of technology combined with the continuously evolving know-how is what Alpha Estate promote in every aspect of its operation.

On the other hand, at Domaine Karanika they “work in harmony with nature to protect the health of people and the earth while producing the finest quality wine”. (www.karanika.com).

They don’t focus so much on technology, but more on know-how and artisanal, organic, natural friendly approach of the wine making.

This endeavor is better communicated and is more efficient to the final customer, since they skip mediators (that increase the cost of the product) but also customers have a direct connection with the winemaker.

Karanika’s winemaking philosophy is minimal handling of grapes and wines with few chemical additions. They “follow nature, instead of trying to control it”. They follow and promote it – the organic farming, love for nature and animals, the sustainability and the use of biodymanic calendar.
“No bombastic heavyweights but straightforward honest wines” is what they are looking for.

Since the very first steps, Laurens knew that one main competitor in the area is Alpha Estate. Therefore every aspect of his promotion campaign is “the opposite of Alpha Estate”. There is an effort to present and therefore to persuade the market that there is an alternative for supreme quality wines, but needs a lot of work, a lot of know–how and a lot of respect to nature.

Both of the wineries are unconditionally committed to product integrity towards their customers. This commitment is expressed in different ways, obviously for different target groups.

5.5. Value-driven Emergence:

The Alpha Estate winery has the financial liquidity and has also built the network to invest in such synergies. With the assumption that wine is also a culture-loaded product the association of a world-class wine with world-class musician that both come from the same place in Greece, provides a win-win situation for both parties. Also, Alpha Estate uses wine ambassadors for the promotion of their product line, throughout the world, a policy widely applied by a lot of wineries worldwide that are in a “brand-awareness raising” status.

Laurens Hartman, on the other hand, believes that whatever is reinforced with assistance other the normal process, eventually and in the long run deflates. Also, the fact that there are no funds for such an approach available, there is no question at all.

At the Alpha Estate, they try to find ways to minimize the time for the adequate brand awareness level which will allow the sustainable operation of the firm. Therefore they save time by acquiring expertise and associations with every mean necessary. At Domain Karanika, though, Laurens takes the “hard way” and invests at the long-term reputation building, a method that requires a lot of time in order for the message to be delivered to the minimum-needed critical mass of favorable clients.
5.6. Culture/History:

The winery of Alpha Estate does not promote a history other than the one of the company and the founders themselves. The rich viticultural and vinification history of the broader Amyndeon area, provides valuable synergies and associations that assist the luxury branding with regards to the component of “Culture and History”.

“Stories” and story-telling, about products and people related to the winery, are widely used and applied mainly during tours, in order to promote the idea that this winery is here and will stay for a lot of years to come.

Back catalogues of the winery (and especially the two wines studied) provide a valuable tool for the luxury branding of the Alpha Estate, for the years to come, since they prepare a special cellar only for them (Observation Notes).

Long viticultural history of Amyndeon area is strongly exploited by Domaine Karanika: “we are most proud of a 100 year old plot, a 0,25 hectare vineyard that yields only 500kg of the finest grapes, which is not more than 1000 bottles per hectare. This vineyard was planted when Greece was still under Turkish occupation, it is at least 150 years old” (www.karanika.com). Winery’s policy for the promotion of the “myth” is evident in every aspect of presentation, even during wine critic Nico Manessis video about Domaine Karanika, where pictures of pets and into-the-nature-life are deliberately promoted (https://vimeo.com/37844728).

Laurens experience in the publishing sector has equipped him with tips and expertise about the exploitation of an areas’ history and situation for his company’s association and promotion. This is something that Alpha Estate should definitely go after, of course in its own style and way. The lack of both wineries in term of long history (something common in luxury wine brands) can be replicated by the use of the rich wine-related history of the area.

Furthermore, Domaine Karanika shall create and promote the back catalogues of its flagship wines. It is a cost of the present but the payback in the future is expected to be a lot more in terms of both economic return and luxury branding enhancement.
5.7. Marketing/Endorsements:

Both wineries recognize the world-renowned fact that focused marketing expenses boost strong brand association and brand awareness and therefore sales.

Both of them are recognized as “boutique” wineries and is of utmost importance for their customers to meet the winemaker in person. It is a process that creates strong bonds between the wine lover and the winery. This connection can be sealed when the same person visits the winery, but this is not always possible.

Both of them have gained awards and the wine world attention with promising comments by the real opinion makers, which are the esteemed wine critics and journalists, with thousands of “loyal followers” all over the world.

It is evident though, that Alpha Estate is more aggressive towards the liaison with these people and therefore the increase of possibilities for such a review to be written. On the contrary, Laurens waits for the market to actually force these critics to deal with the Domain Karanika, in a more like “hidden-gem discovery” approach.

Below, there is a sample of the respective wines’ labels in order to visually endorse the above written remarks, as well as a sample of social media timeline of both wineries.
A sample of the two Social Media Timeline follows:

Figure 8: Social Media Post of Domaine Karanika, about the purity of the vineyard

@domaine.karanika To some of us this is just a weed that destroys our lawn. To others this is lowly salad, but to us this is excellent pesticide. Tangling against downy mildew and powdery mildew (cucumber and pear brown spot). Especially mixed together with nettles...... (in Dutch it is called 'paardebloem' and beerntolie). And as always Jonas is the first to team and help...

Figure 9: Social Media Post of Alpha Estate, about a significant endorsement

Alpha Estate shared Angelos Iatridis's photo
February 28 at 5:47pm · 0

Angelos Iatridis with Mark Squires at Stachti Gallery
Presenting to Robert Parker Jr. during The Matter of Taste of the Iconic Wines of the World, Alpha Estate BMX and Old Vines Xynomavro, VIP room
6. Conclusion and Recommendations

Through the basic theory of branding we ended up looking into the “theories-in-use” introduced by Beverland (2004). These theories are actually the luxury branding strategy of some of the most prestigious wine industries around the world. He proposed a model with a network of the following interactive and inter-related components that range from the strategic the historical, down to the technical: *product integrity, value driven emergence, culture & history, as well as marketing & endorsements.*

As Beverland (2004) states “firms seeking to build such brands develop values and theories-in-use to ensure the continued credibility of these brands, as opposed to simply charging a high price or developing an exclusive image”.

We examined this model of luxury branding in the wine industry in two cases, in the appellation of Amyndeon that produce high-quality wines, with a world-wide consumption base.

What we have found is that the two wineries have the general mentality of luxury wine branding, compared to the literature:

a) They focus on product integrity in a “maniac way”. Every aspect of this attempt should be carefully appointed and modestly promoted to their existing and potential customers.

b) The value-driven emergence is at both cases, at a low level, compared to what happens at an international level. One possible reason could be that they are still not so used to such an intense internationalized exposure.

c) Due to the fact that these are almost young wineries, with no long-term history back in time, they can overcome this impotence by taking advantage of the long over-centennial viticultural and winemaking heritage of the Amyndeon appellation.

d) A thorough attempt has to be done by their side to get as much information as possible about the specific characteristics and traits of their respective customers. Promo activities have to focus even more at their wineries and
thorough effort shall be done in order to attract even more visitors to their wineries. This number of initially visitors and at a second phase customers could end up as the best advocates of the wineries. Therefore, wineries should focus in combining their visitors/advocated and a carefully selected mass promotion strategy. Otherwise they could be an easy prey by other competitors who undertake such a strategy. Luxury marketers maybe needed to supplement the wineries’ historical approach with a greater degree of intelligence gathering.

It is evident that the wineries and their respective managerial teams are on the right track, with regards to luxury wine branding, probably due to their prior international education and experience at the wine market. Besides, it is not a coincidence the fact that they represent two of the finest wineries in Greece at the moment, in terms of quality products and future potential worldwide.

This “right track”, however is rather empirical than scientific. It is more like a “copy-paste” of “international practices” than proper adaptation of best-practices of luxurious wineries. At least, in both cases we examined, their strong belief was that their brand evolution is a developing process, but this evolution is guided by a strong set of values.

Further research should seek to replicate these findings. A mixed method approach and a range of different wine makers throughout Greece, combined with a quantitative consumer research from different countries could be an approach.

The promotion of good practices, a selection of benchmark studies and a valuation of the results of the luxury wine branding needs to be made. We believe, though, that a strong first step is made with our present contribution to the area.

We believe that the main limitation for this specific research was the time available, in the framework of an MBA dissertation. This is really crucial, since a lot of people believe that “the only true luxury is time” and the writer is a strong enthusiast of this approach.
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8. Appendices

APPENDIX 1: Corporate Website comparison

Homescreen of the Domaine Karanika, official website

Homescreen of the Alpha Estate official website
The very first two approaches.
Esteemed Awards are part of the label (Decanter, 2006).

The front label has its firm logo, embossed at the label’s background. The purpose is to add a luxurious feeling at the consumer’s touch.
Change of the shape of the label, to better «enfold» the bottle.

Braille letters are also introduced to better serve vision impaired consumers.
Introduction of QR Codes on the labels
The latest available label. The text provides a lot of technical data and less of luxurious-oriented keywords.
APPENDIX 3: Stylistic Approach of the Karanika Brut sparkling wines labels