ITALIAN SPARKLING WINES
INDUSTRY

Master's dissertation

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Introduction

Champagne brands are often seen to be different from other sparkling wines; the uniqueness of the product and the higher level of recognition have contributed among the years to build the strongest image and the iconic status symbol of this French outstanding. In the Italian sparkling wines industry there are two main actors in terms of production method: Metodo Classico and Metodo Charmat. In this dissertation we will only analyse the one with the same creation’s procedures and the same quality level: Metodo Classico.

The objective of this work is to analyse the Italian Metodo Classico compared to the French Champagne, in order to make a parallel with the iconic image and status symbol of the French one, followed by the difficulty of emerging in the foreign market of the Italian one.

The methodology used concerns the main phase of researches with a following assistance, in terms of general advices, by Giampietro Comolli\(^1\) and Manuela Scoffo.

The purpose is to start with the analysis of the two products, from the history to the production, passing through the regions and the main brands competing in this market. Afterward, the investigation will move over the market values in regards to market trends of exports and national consumption, with a focus on the important issue about the significant price difference of this two products. Finally, in the third part, we will perform a strategic analysis: starting from a general overview of the luxury segment, we will focus on the main cornerstone of this dissertation, the competitive advantage and the different drivers used by the two actors in their differentiation strategy. A final point will be on the highlight of the main challenges for the Italian Metodo Classico in order to link with the final conclusion of this thesis.

The aim of this dissertation is to demonstrate the theory that, despite the same quality level, the two sparkling wines have different images and thus distinct value perceived in the consumers’ mind.

\(^{1}\)Giampietro Comolli: OVSE founder in 1991
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1. Italian Sparkling wines industry overview

Most wine drinkers assume “if it is Italian and bubbly, then it must be Prosecco”. “They cannot be blamed, as Prosecco is the number one sparkling wine of Italy in production and export numbers. Most consumers associate fine perlage and a more or less sweet taste with this known Italian sparkling wine. But there are more sparkling wines in Italy less known. As we shouldn’t call any sparkling wine Champagne, we shouldn’t call all Italian spumanti Prosecco, either. All sparkling wines names mean a specific area and very often a specific method protected by law.”

The Italian sparkling wines industry could be classified basing on two different ways used to produce wine. Sparkling wine could be made using Metodo Classico or Metodo Charmat (also called Metodo Italiano): the difference between them consists in the second fermentation phase which, in the Metodo Classico, it occurs inside the bottles while, in the second one, happens in steel tanks.

It isn’t easy to describe Italian sparkling wine to a foreign audience. In fact, the word “spumanti” is not the proper one, because often producers, referring to their products, prefer to emphasise the denomination of their wine, as with the historic model of Champagne. This happens in Franciacorta, top-class region of Metodo Classico, the area of Italy with the most distinctive sparkling wine profile. Here, last year were produced about 8.3 million bottles that worth over 80 million euros. Much the same is also true of Trentino, known for the TrentoDoc denomination, where are produced almost 7.9 million bottles of similar value.

“In Italy, classical spumanti using Metodo Classico (previous called M étode Champenoise, and banned in 1992) as the role model are produced throughout the country, from Piedmont, where the denomination Alta Langa has taken hold in recent years, to Franciacorta and Oltrepò Pavese, which have the largest vineyard areas of Pinot Noir, to Trentino. There are the blends made from grapes

http://www.vinoroma.com
grown in Franciacorta, Trentino and Oltrepò Pavese produced by the likes of Guido Berlucchi or Ferrari, two of Italy’s leading producers, each of which sells approximately 5 million bottles every year.

The term spumanti for Metodo Classico covers about 21 million bottles, but this is an assortment of profoundly different wines whose total volume has not changed considerably over the past 20 years.”3

The large majority of the almost 300 million bottles of sparkling wine produced in Italy each year, are made by the Metodo Charmat, also called Metodo Martinotti. This one is different from the Metodo Classico in the variety of grapes used, the method used, the product obtained and price charged; but these sparkling wines are also called spumanti.

This method, newer and faster than the traditional method, was designed by the Italian Martinotti but then released by the French Charmat. The Charmat method is particularly suitable for the production of sparkling wines that have to maintain and enhance the aromatic character of their starting grapes, such as Prosecco. It differs from the previous method because the second fermentation takes place in large airtight containers called autoclaves, of a capacity ranging from a few dozens to several hundreds of hectolitres. Compared to the traditional method, the second fermentation takes place in shorter periods, from a few weeks to a few months, depending on the needs and the desired result. Upon reaching the desired pressure, the wine is chilled, clarified, filtered and passed without pressure losses in another autoclave where it receives the latest additions. From here then, always under constant pressure conditions, it is bottled. Prosecco is the number one exported product made using this method, with its 70 million bottles.

“It therefore quickly becomes evident that spumanti cover a vast, differentiated population of consumers that have something to offer for all tastes, from dry to sweet sparkling wines, from neutral to full-blown aromatic wines. This is true both in terms of image as well as international commercialisation. In fact, sparkling wines such as Asti and Prosecco have incontestable appeal and are

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3 Global sparkling wine production [https://fivs.org](https://fivs.org)
enjoying far greater success in many foreign markets. They are not only well-made and widely available in stores, but also not particularly expensive, thus affordable to everyone. Not surprisingly, almost 60% of the 70 million bottles of Prosecco and nearly 85% of the 85 million bottles of Asti Spumante produced each year are exported to numerous foreign markets. On the other hand, wines like Franciacorta, Trento and Oltrepò Pavese, that are favoured by experts, are having difficulty affirming themselves on the world market. They are more expensive than Prosecco and Asti, but unfortunately they are not perceived as valuable as the Champagne.

As a category, little more than 5% of Metodo Classico is exported. This is certainly not due to the quality of these products, which are impeccable, but the fact that producers tend to compete with Champagne without the international prestige. Further, in Great Britain and the US in particular, sparkling wines from the New World produced in joint ventures with famous Champagne houses provide strict competition in this market.4

1.1. Classifications

Common wines could have different colours, the reason is given by the use of disparate types of grapes; and by following different methods it results various tastes.

Thus, it is possible to classify wine in different ways: related to the typology and method of production; or to the denominations, which imply defined procedures to belong to them.

4 Global sparkling wine production https://fivs.org
European legislation (reg. CE 491/2009), used also in Italy, identify spumanti as:

- Vino Spumante (VS) or Vino Spumante Generico
- Vino Spumante di Qualità (VSQ)
- Vino Spumante di Qualità Aromatico (VSQA)
- Vino Spumante Gassificato (VSG)

Old denominations VSQPRD and VSAQPRD were abolished with the introduction of OCM, the EU regulation governing the wine sector, both in terms of the rules of production and in terms of grants given to companies in the sector.

One of the greatest issue of Italian sparkling wines industry is the lack of clearness and communication of data about consume and export, especially speaking about Metodo Classico. This confusion is increased also by the ambiguity of the laws that characterise the regulation of the sparkling wine in Italy. The Italian legislation foresees only the denomination "vino spumante" with the addition of terms that do not identify and distinguish the use of autoclave compared to the fermentation inside the bottle. For instance, in France there is the Champagne and the Cremant, in Spain the Cava and in Germany quality wine called Sekt and common one called Schaumwein.

This ineffective clearness of distinction between the two methods, which involve costs, times and completely different methodologies, creates confusion and does not help the consumption particularly of Classic Method, whose expenditure is identified in particular by recurrences and important celebrations.

To clarify in terms of information and wine culture, some Italian Metodo Classico producers from Trentino, Oltrepò Pavese, Alta Langa (that, in the whole, represent about a 50% of the total production of Metodo Classico) have created an association with the aim of protect this particular methodology. The association, whose name is Talento, identifies the superior quality of the wine and facilitates the consumers’ choice of the wines on the shelves.
At national and European level, the recognition of the name under the legislative outline for all the Italian products that respect the necessary requirements, would esteem and protect the image and prestige of Talento. That would be a warranty of superior high quality for consumers of Metodo Classico.

Wines are also classified by the Italian law which define four classes:

- **Vini da tavola**: represents the most basic level of Italian wine with the lowest price and not with a certified provenience or quality. This category held a significant prestige in the past, thanks to experimental winemakers who produced wines under this title. This situation has gradually diminished, however, since the introduction of the I.G.T. category with its more flexible production conditions, and Vino da Tavola has returned to its original status as the lowest category on Italy’s wine quality stairway.
- **I.G.T. (Indicazione Geografica Tipica)**: was introduced in 1992. Prior to 1992, many wines failed to qualify for D.O.C. or D.O.C.G. status because they were made from grape varieties not sanctioned under D.O.C. or D.O.C.G. laws. The I.G.T. classification focuses, rather than grape varieties or wine styles, on the region of origin; thus, the defined region name has to appear on the label.
- **D.O.C. (Denominazione di Origine Controllata)**: is the main rank of Italian wine classification, and covers almost every traditional Italian wine style. There are around 330 D.O.C. titles, all controlled by a product regulation which defines name, area where grapes should be cultivated, way of vinification, maximum yield and date on which the wine should be introduced in the market. Those which show consistently high quality earn promotion to D.O.C.G. status.

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5 [http://www.wine-searcher.com](http://www.wine-searcher.com)
- **D.O.C.G.** (Denominazione di Origine Controllata e Garantita): is the highest classification for an Italian wine. It denotes controlled production methods and guaranteed wine quality. It has the same regulation as D.O.C. but those wines are more valuable and particularly prestigious. There are strict rules governing the production, the grape varieties and also the limitation concerning yield, grape ripeness, winemaking procedures and maturation. Every D.O.C.G. wine is subject to official tasting procedures. To prevent counterfeiting, the bottles have a numbered government seal across the neck.

Both D.O.C. and D.O.C.G are submitted to strict controls, documentary, inspectional and analytical, following rules written in Reg. CEE 823/87, in the law n. 164/92, in D.P.R. n. 348/94 and in the Production Regulations.\(^6\)

From the consumer's point of view D.O.C. and D.O.C.G. denomination does not mean that the wine is the one with highest quality, but it guarantees that those wines are produced under rigorous control and they are expression of the region they come from.

In Italy D.O.C. wines are the biggest category with 320 typologies having the characteristics to satisfy the requirements; I.G.T. wines decreased their number from 120 to 118 in the last years due to the raise to the upper category. The smallest group is the one of D.O.C.G., due to the rareness highlighted with this denomination. By now there are 48 wines in Italy belonging to this élite of wines.

\(^6\) [http://www.ovse.org](http://www.ovse.org)
Spumante can be classified basing on its sweetness:

- **EXTRA BRUT**: sugar included between 0 and 6 grams/litre. These are the truly dry spumanti, which include the “pas-dosé” (dosage zero), a denomination which is not provided by law but is found on the label; this means that in the wine has not been added any “liqueur d’expedition”. Thus it does not have a higher grade of sugar than the base wine.
- **BRUT**: sugar less than 15 grams/litre. It is a bit dry.
- **EXTRA DRY**: sugar content between 12 and 20 grams/litre. It shows a soft light vein. Many Cartizze Spumante are truly dry.
- **SEC or DRY**: sugar content between 17 and 35 grams/litre. These spumanti are “on the vein” and have a discreet sweet note which, in some cases, brings out a certain intensity.
- **DEMI-SEC or MEDIUM DRY**: sugar content between 35 and 50 grams/litre. This is a dessert wine.
- **SWEET**: sugar content over 50 grams/litre. These are truly sweet spumanti. They are generally produced from aromatic grapes such as Moscato or Malvasia. Sometimes instead of the terms, you can find the sugar content directly expressed in gram/litre on the label.

<table>
<thead>
<tr>
<th>Type of Spumante</th>
<th>Residual sugar g/l</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Dosage zero)</td>
<td>(0)</td>
</tr>
<tr>
<td>Extra Brut</td>
<td>&lt; 6</td>
</tr>
<tr>
<td>Brut</td>
<td>&lt; 15</td>
</tr>
<tr>
<td>Extra Dry</td>
<td>12 - 20</td>
</tr>
<tr>
<td>Sec or Dry</td>
<td>17 - 35</td>
</tr>
<tr>
<td>Demi-Sec or Medium-Dry</td>
<td>35 - 50</td>
</tr>
<tr>
<td>Sweet</td>
<td>&gt; 50</td>
</tr>
</tbody>
</table>

Source: [www.darapri.it](http://www.darapri.it)

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7 [http://www.darapri.it](http://www.darapri.it)
As far as the size is concerned, the French have invented a series of differently sized bottles suited to all occasions. Normally, the choice ranges from the Quartino which holds less than 200cl (two flutes of spumante) to the Nabuchodonosor of 15 litres. To fill 4 large flutes 37.5 cl are needed, while the Magnum is considered to be the ideal size for the maturation of the wine.

These are the range of sizes:

- Quarto corresponds to 0.200 litres (1/4 bottle)
- Demi corresponds to 0.375 litres (1/2 bottle)
- Champagnotta corresponds to 0.750 litres (1 bottle)
- Magnum corresponds to 1.5 litres (2 bottles)
- Jéroboam corresponds to 3 litres (4 bottles)
- Réhoboam corresponds to 4.5 litres (6 bottles)
- Mathusalem corresponds to 6 litres (8 bottles)
- Salmanazar corresponds to 9 litres (12 bottles)
- Balthazar corresponds to 12 litres (16 bottles)
- Nabuchodonosor corresponds to 15 litres (20 bottles)
- Salomon corresponds to 18 litres (24 bottles)
- Primat corresponds to 27 litres (36 bottles)
- Melchizedec corresponds to 30 litres (40 bottles)
<table>
<thead>
<tr>
<th>Wine</th>
<th>Volume</th>
<th>Bottles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarto</td>
<td>0.20 litres</td>
<td>¼ bottle</td>
</tr>
<tr>
<td>Demi</td>
<td>0.375 litres</td>
<td>½ bottle</td>
</tr>
<tr>
<td>Champagnotta</td>
<td>0.75 litres</td>
<td>1 bottle</td>
</tr>
<tr>
<td>Magnum</td>
<td>1.5 litres</td>
<td>2 bottles</td>
</tr>
<tr>
<td>Jèroboam</td>
<td>3 litres</td>
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</tbody>
</table>

Source: [www.diwinetaste.com](http://www.diwinetaste.com)
2. Metodo Classico

Metodo Classico is the process of making Italian sparkling wine using the same method used in the Champagne region of France. However, the Champagne producers have successfully lobbied the European Union to restrict the use of the Champagne denomination within the EU to those wines produced in their region. Thus, wines from other regions cannot use the term Champagne on their wine label, instead they can use, for instance, the term Metodo Classico if produced in Italy or the local name equivalent in other regions.

This way of production was adopted by Carlo Gancia in 1859 to produce the first Italian Metodo Classico and it is commonly considered to be a style very much comparable to traditional French Champagne or Spanish Cava and sometimes identified by highest quality technique.

2.1. History

Some writings of the Roman era tell about wine with natural effervescence, but most probably the Romans used to drink the juice that still has to become wine; in fact, to be able to put the sparkling technique in practice, there is need of an airtight container, such as the bottle, which allows to maintain a pressure of 6 atmospheres at 20°C.

The progenitor of Metodo Classico, champagne, was born in France in the abbey of Hautvillers by Dom Pierre Pérignon in the seventeenth century.

In 1800 Reims was the capital of the Champagne production thanks to Dom Perignon.

Carlo Gancia left Turin for Reims to deeply understand the Metodo Classico and to learn the techniques and the secrets of bubble-making across the Alps. He was hired by an ancient and renowned local factory called Piper-Heidsieck. For two years he experienced the process of making Champagne, becoming an expert. His aim was to simplify the French method using Moscato grapes, saving time and work, in order to lower the production cost.
In 1850 Carlo Gancia went back to Italy and, with his brother’s help, he began with his experiments in an ancient cellar near Chivasso. He tried to adapt the Metodo Classico to the Moscato grapes, a sweet spumante, and grapes from Oltrepò Pavese, that produce dry spumante like Champagne. The “Fratelli Gancia” company was officially born.

All the experiments with Pinot Noir and Chardonnay wines were ineffective until 1865 when, removing French syrups, Carlo Gancia obtained the first Italian Spumante Metodo Classico, made of Moscato grapes with higher quality and produced at lower costs.

Carlo Gancia was a capable businessman and strategist. He built up strong ties of trust with the agricultural class, basically his direct suppliers, creating a loyal sales network. His main clients were still bars, coffee shops and liqueur shops, mainly in the urban areas.

After 15 years of trials and small batches, he finally commercialized his wine on a large scale in 1866 with the first international shipment.

The Fratelli Gancia Company moved from Turin to Canelli, in the heart of the white moscato. This solved the problem regarding transport from the place of origin of the grapes to the production plant in Chivasso. The perfect conditions of the raw materials determined an important leap forward in Gancia’s wine production.

Its creation was recognized by the institutions at the time as innovative and original, receiving official recognition and the patent or Royal permission for marketing it.

In 1870 the "Moscato Champagne" started to reap its first commercial success. The initial aim was to commercialize the product in the large luxury hotels, in refined hotels and resorts, promoting and exalting the quality and specifically Italian identity.  

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8 http://www.gancia.it
2.2. Grapes

Grapes are generally hand picked earlier, when sugar levels are lower and acid levels higher. Grapes are chosen according to their variety, origin and quality. Each bottle is pressed and stored separately. The juice of harvested grapes is pressed off quickly to keep the wine white; the technique is different for other types, for instance, the pink rosée Metodo Classico wine.

Once the grapes have been soft pressed using the Marmonnier, the juice is cooled for clarification. Once clarified, it is transferred into clean fermentation vats ready for the first fermentation. Surprisingly enough, many of the Metodo Classico producers use the exact same grapes as in Champagne, including Chardonnay and Pinot Noir. ⁹

Chardonnay is a white grape from Bourgogne, a small village situated in east-central France. In the end of 1800 it was imported in Italy by Giulio Ferrari but it was recognized as a wine varietal only in 1978. It is made by a combination of black Pinot and white Gouais. Chardonnay has medium and round leaf, the bunches and the berries are both medium size, the berries are also tender and golden yellow coloured. “Chardonnay is particularly popular among wine producers because the variety produces relatively high yields, that grow in a broad spectrum of climates and can be made into wine of acceptable quality with relative ease. Although most famous for its still, dry wines, Chardonnay is used to produce an impressively diverse range of wine styles. The variety is put to use in sparkling wines all over the world like Champagne, when it is usually paired with Pinot Noir.” ¹⁰

Pinot Noir is the forefather of all Pinot grapes, it is a black grape hailing from Bourgogne. It is a common fallacy that black grapes only make red wines. The flesh of the black grapes is in fact colourless, with only the skins containing pigmentation. As long as the skins do not remain in contact with the juice during fermentation, they create a white still base wine for sparkling wine. Pinot Noir is

⁹ http://www.wine-searcher.com
¹⁰ http://www.altalangadocg.com
recognized for a very distinctive scent of red fruits especially blackcurrant, blackberry and raspberry. It is suitable for aging in barrique. “It takes a great deal of care and skills to make Pinot perform, and the results vary wildly from watery, acidic candy water to some of the richest, most perfumed wines on Earth. Although Pinot Noir earns most of its fame from its still, red, varietal wines, the variety is also an ingredient in the production of sparkling white wines. It can be used alone to produce blanc de noirs, but is most commonly blended with Chardonnay, and other members of the Pinot family (Pinot Meunier in Champagne and Pinot Blanc in Franciacorta).”

2.3. Production regions

The body of Metodo Classico sparkling wines can be a bit richer than Champagne because the growing regions in Italy are warmer than the French one.

Piedmont was the first Italian region that, thanks to the Gancia company, made spumante an international product known all over the world. Piedmont is surrounded on three sides by the Alps, including Monviso, where the river Po rises, and Monte Rosa. It borders with France and Switzerland. Piedmont is famous for the wine denomination Alta Langa. Gancia pioneered the global brand concept by starting exporting at the end of 19th century. Starting from 1865 with the production and commercialization of Asti Champagne, after denominated Asti Moscato and nowadays only Asti (or Asti Spumante). Gancia was followed by Cora, Cinzano, Martini & Rossi, Riccadonna, Contratto, Fontanafredda. This Spumante must be made by 90% of Chardonnay and/or Pinot noir and 10% of other not aromatic grapes. The minimum aging of yeast is 30 months that become 36 for the Riserva ones.

11 http://www.wine-searcher.com
Lombardy has two areas of excellence, Oltrepò Pavese and Franciacorta. The Oltrepò Pavese is an area of the Province of Pavia in the north-west of Lombardy. Oltrepò Pavese spumante is made by grapes of Pinot Noir and was created by Cantina Sociale Torrevilla in 1970.

The territory of Franciacorta is a section of the Province of Brescia on the western border of this area. The soil, consisting of gravel and sand over limestone, drains well, and is ideal for the cultivation of grapes and winemaking. The weather is mild and constant due to its location south of the foothills of the Alps and the tempering presence of large lakes. Franciacorta is a very ancient region of wine production, in fact, people has been producing wine since Etruscan age, only around 1960 they have begun to produce spumante.\textsuperscript{12}

Vine cultivation has been a constant in Franciacorta, where grapes were grown from Roman times to late antiquity and the Middle Ages, thanks to its favourable climatic and soil conditions.

The pioneer was the winemaker Franco Ziliani in society with Guido Berlucchi. Soon after Berlucchi, all Italians started purchasing Metodo Classico wines: Bellavista, Cà del Bosco, Mosnel.

In 1978 in Franciacorta was produced the first Italian Spumante dosage zero (sweetness less than 3 g/L). Nowadays Franciacorta represents 30% of all the Italian Spumante reality.

Trentino is situated in the very north of Italy bordering Austria and Switzerland.

Trentino is known as the Italian Champagne due to the same weather conditions and the same soil characteristics. Grapes are situated at an altitude between 300 and 800 meters. This spumante is made by grapes of Chardonnay personally selected by Giulio Ferrari. In 1902 Ferrari (now called Lunelli) started the production and was followed by Pojer e Sandri, Methius, Altemasi, Conti d’Arco, Cesarini Sforza, Rotari. The minimum aging of yeast is 36 months for the Millesimati that become 50-60 for the Riserva ones and 72 for the Cru ones.

\textsuperscript{12} \url{http://www.franciacorta.net}
2.4. Production method

Grapes are hand picked when sugar levels are lower and acid levels higher. Each bottle is pressed and stored separately. Once the grapes have been soft pressed using the Marmonnier, the juice is cooled for clarification, and then it is transferred into clean fermentation vats ready for the first fermentation.¹³

“The first fermentation begins in the same way as any wine, converting the natural sugar in the grapes into alcohol while the resultant carbon dioxide is removed. This produces the basic wine that is too acidic at this point. Then the blend, known as the cuvée, is assembled using wines from various. After primary fermentation and bottling, a second alcoholic fermentation occurs in the bottle. In this specific step there is the main difference between Metodo Classico and Metodo Charmat, the first one has a second alcoholic fermentation in the bottle and the other one in a tank.” ¹⁴

This second fermentation is induced by adding a secret recipe made up by a determined quantity of yeast and rock sugar. Once the base wine has been blended, the winemaker must add the liqueur de tirage, a mixture of reserve wine, sugar and yeast culture, to stimulate a second fermentation and to create bubbles. The amount of added sugar will determine the pressure of the bottle.¹⁵

Once this is added, the wine is transferred into glass bottles, sealed with metal crown caps to stop the sparkling wine from escaping under the pressure. The wine is stored in a wine cellar horizontally in a constantly cool and dark room (10-12 °C), for a second fermentation. During the second very slow fermentation the carbon dioxide is trapped in the bottle, keeping it dissolved in the wine. The more the fermentation is slow, the more the bubbles will be thin, copious and lasting at the uncork moment. The bottle is then riddled, so that the lees settle in the neck of the wine bottle. During the ageing on the lees (18-36 months), the wine develops an array of aromas and flavours through contact with the yeast sediment, which is created during the second fermentation.¹⁶

When the secondary fermentation and ageing are complete, it is time to remove

¹³ [http://www.thorntonwine.com](http://www.thorntonwine.com)
¹⁴ Wikipedia
¹⁵ [http://www.winegrowers.info](http://www.winegrowers.info)
¹⁶ Altroconsumo
the sediment (lees) from the bottle. “In this stage the bottles are transferred to special racks called pupitres. This places the bottles at a 45° angle with the cork pointed down. Every few days the bottles are given a slight shake and turn and dropped back into the pupitres. The drop back into the rack causes a slight tap, pushing sediments toward the neck of the bottle. In about 6 to 8 weeks the position of the bottle is pointed straight down with sediment in the neck of the bottle. The bottles undergo this process known as riddling, known as remuage in French, and lasts from 15 days to 6 months. A very tricky phase conducted by expert craftsmen. This manual way of riddling sparkling wine is still used, but has otherwise been largely substituted by mechanized riddling equipment called gyropalettes.” 17

Disgorging, known as dégorgement in French, is the process by which the sediment is removed from the neck of the bottle. It could be done in two different ways: à la volée or à la glace. 18

A’ la volée is the handmade process of uncorking the bottle removing the sediment from the neck of the bottle. The craftsman should be very prepared and expert. A’ la glace is the process of removing the sediment by freezing it. When the crown cap is removed, the pressure from the champagne causes the sediment, which is now encapsulated in a plug of ice, to fly out with considerable force. The neck is then frozen, and the cap removed; during this phase a little quantity of wine will be lost. Instantly, the liquid level is topped up with liqueur d’expédition, a mixture of base wine and sucrose, plus some grams of sulphide dioxide as a preservative, plus some secret ingredients. This practice is known as dosage and it determines the sweetness of the product, since the sugar previously present in the wine was consumed in the second fermentation. Its composition varies depending on each single brewery, which uses it as a trademark of its product.

Immediately after the liqueur d’expédition has been added, the bottles are sealed with a cork and a cap and then undergo an additional resting period for the liqueur d’expédition to mix with the wine, and will then put on the label ready for trade. 19

17 https://sticksandsteel.com
18 http://thewinehub.com
19 Il vino spumante. Giuseppe Sicheri, HOEPLI
2.5. Brands

The Italian sparkling wines industry is dominated by two main region of production, with two guaranteed Consorzi: Franciacorta D.O.C.G. and TrentoDoc. They gather the most important and relevant wineries of the region, promoting and defending the controlled and guaranteed origin of their Metodo Classico.

*Franciacorta D.O.C.G.*

The Consortium Franciacorta was founded in 1990 in Corte Franca to guarantee and to monitor compliance with the rules for producing Franciacorta wine. It is set in Lombardy and the grapes used are Chardonnay, Pinot Noir and Pinot Blanc. Wine is produced exclusively by the method of secondary fermentation in the bottle, Metodo Classico that, since 1995, it is certified as DOCG. Before Berlucchi, this region was exploited only for the creation of red wines, not spumante. It counts 2800 hectares of vineyards: 82% Chardonnay, 14% Pinot Noir, 4% Pinot Blanc. In 2014 15.475.977 bottles were sold (1,428,993 sold abroad - 9.2% exported). There are 109 member wineries. The main wineries are: Berlucchi, Ca’ del Bosco, Bellavista.

Berlucchi was funded in 1961 by Guido Berlucchi. The headquarter is in Borgonato (BS). Guido Berlucchi started conducting experiments in Franciacorta using Chardonnay, Pinot Noir and Pinot Blanche. That wine had a stability problem, because as soon as it was bottled it used to get hazy. Guido Berlucchi tried to find the help of a wine maker who could fix the problem, and “in 1954 he met Franco Ziliani, graduated at Istituto di Enologia di Alba (Alba Wine Making Institute). Franco Ziliani fixed the stability problem and, in collaboration with Guido Berlucchi, they started the production in Franciacorta of a high quality sparkling wine which could compete with Champagne. At the end of the 1950’s, also thanks to the help of Giorgio Lanciani, they began creating the foundations
for sparkling wine production in Franciacorta. It will take many attempts before getting in 1961 to the creation of the first 3,000 bottles of sparkling wine having the quality Franco Ziliani wanted for that wine. The success of that wine is striking and Guido Berlucchi began to receive many orders\textsuperscript{20}; the myth of Franciacorta had just born. Guido Berlucchi is recognised as the inventor of DOCG Franciacorta, the first Metodo Classico in this region. It counts 500 hectares of vineyards, 80 collaborators and 4million of bottles produced every year.

Cà del Bosco was funded in 1968 in Erbusco (BS). Everything began in 1965 when Annamaria Clementi Zanella moved to Franciacorta; she was the mother of Maurizio Zanella, the creator of Ca' del Bosco's success and founder of the renowned Franciacorta's winery.

“The evolution of Ca' del Bosco's production can be divided in phases, during each of them the winery introduced new types of wine. In the beginning of the 1970's, the winery released two still wines: a white and a red of Franciacorta. Then, during the period from 1978 to 1980, the winery decides to start the production of sparkling wines. In the 1980's Ca' del Bosco focuses on the production of still wines and releases a wine produced with Pinot Noir grape. The winery completes its production line with other “non vintage” bubbles, as set by the disciplinary of production for the Appellation of Controlled and Guaranteed Origin (DOCG) Franciacorta.”\textsuperscript{21}

Ca' del Bosco house sells its wine in 28 foreign countries; 30% of its production is export.

Bellavista was born in Franciacorta in 1977, by the hand of the entrepreneur Vittorio Moretti. These first vineyards were right on the Bellavista hillside, whose name derives from the panoramic position that offers a view of Lake Iseo and the entire Po valley, which extends until the Alps. It counts 190 hectares that produce around 1,300,000 bottles. Speaking about Bellavista, one can’t refer to a single harvest, but separate harvests that depend on the position

\textsuperscript{20} http://www.berlucchi.it
\textsuperscript{21} http://www.cadelbosco.com
and exposition of each vineyard.\textsuperscript{22}

\textit{Trento D.O.C.}

It was created in 1984 and it is situated next to Alto-Adige at the base of the Alps, Trento is famous for Chardonnay and Pinot Nero-based bubbly. The Institute protects the quality of the production methods used to make Trentodoc sparkling wine. There are 43 Trentodoc producers, all highly qualified and certified.\textsuperscript{23}

Ferrari F.Ili Lunelli is of course one of the most iconic and recognizable Italian Spumante all over the world. It was founded by Giulio Ferrari in 1902, who was a pioneer in Trentino Alto Adige. He started to produce a few highly select bottles using Chardonnay grapes. “Ferrari immediately received international recognition and nowadays it remains the reserve of an extremely discriminating clientele. Bruno Lunelli, owner of a wine shop in Trento, succeeded in increasing production without ever compromising on quality, thanks to his passion and entrepreneurial talent. Nowadays Lunelli’s sons lead the company with the aim of combining innovation and tradition, taking Ferrari around the world as ambassadors of the Italian Metodo Classico. Ferrari won the title of “Sparkling Wine Producer of the Year” at the international competition The Champagne and Sparkling Wine World Championships 2015, prevailing in the final round over two renowned Champagne producers: Charles Heidsieck and Luis Roederer.” \textsuperscript{24}

\textsuperscript{22}http://www.bellavistawine.it
\textsuperscript{23}http://www.trentodoc.com
\textsuperscript{24}http://www.ferraritrento.it
3. Champagne

3.1. History

Champagne should be considered the result of a progressive development over the years related to more people but it is a duty to recognize to the cellarer Dom Perignon deserving merits.

In 1670 he became cellarer of the Abbey of Hautvillers and here he began his experiments and qualitative improvement about the winery.

For Dom Pérignon and his contemporaries, sparkling wine was a sign of poor wine making and not the desired end product. He spent time trying to prevent the bubbles and he created a white wine that the court preferred to the classical red burgundy.

He had great knowledge of grape varieties, including the importance of pruning of the vines, the selection of grapes during the harvest; he was responsible for the recognition of the necessary maturity of the grapes and the skill with which he learned to blend the grapes in appropriate percentages before pressing; the insight to abandon grey wine and devote himself to white winemaking, separating the stalks and peels, rose grapes blended depending on vintage.

He developed the art of blending: not only blending different grapes, but also the juice from the same grape grown in different vineyards.

To help prevent the exploding bottle problem, he began to use the stronger bottles developed by the English man Kenelm Digby. This change of the bottle was important, because of the lack of alteration of the taste of wine, as was the case with the wooden bot. This one was not the only innovation introduced to the production method from Dom Pèrignon. To avoid the emission of any gas bubbles, it was necessary to seal the bottle well, so the wooden stopper wrapped in a cloth soaked in oil was replaced by the cork. He was not the first one to use cork: before it was done in Limoux in the Abbey of Saint-Hilarie for sparkling wine production. However, he was the first to use it routinely. He introduced the concept of Cuveé that consists in putting together must not only from different grapes, but also from different areas.

Dom Pérignon died in 1715, but in his 47 years as the cellar master at the Abby
of Hautvillers, he laid down the basic principles still used in making Champagne today. This is the reason why he is so famous and recognized. However, only fifteen years after his death began the marketing of Champagne sparkling wine in France. Sparkling Champagne was only about 10% of the region's output in the 18th century, it was enjoyed increasingly as the wine of English and French royalty and the lubricant of preference at aristocratic gatherings.

“Until 1728 the wine was sold in bulk or drums but the face of the industry really began to change when Louis XV allowed the transport of wine in bottles in 1728. A year later, Ruinart became the first recorded Champagne house.”

In 1735 was instituted a royal ordinance to dictate the size, shape, and weight of champagne bottles. The king of France decreed that the bottles for Champagne should have weighed 28 ounces, a little more than the current 750 cl. The size of the cork they should use and that they be secured with strong pack thread to the collar of the bottle. The bottle, once filled, should be fixed with three rounds of string passed cross-shaped and attached to the neck of the bottle.

Claude Moët founded, in 1743, what was to become the largest champagne house today, the House of Moët.

After the fall of Napoleon, wine monopolized the Russian market. Tsar Alexander II in 1876 bought the entire production of Roederer pretending he was still stuck in crystal. Crystal today, is synonymous with Champagne Roederer.

“The complexity of making champagne lead to the replacement of the monastic and aristocratic growers with the champagne merchants. With their capital, the merchants, had to ability to perfect the fermentation process, age, distribute, market and export the wine.

Dégorgement was first practiced in 1813. It was perfected in 1818 by the Veuve Clicquot's cellar master Antoine Muller. He developed the "riddling" process in which the sediment of dead yeast cells gets into the neck of the bottle so it could be removed without the time consuming task of decanting each bottle. This process also prevents the loss of most of the gas.”

25 http://www.champagnesabering.com
26 http://theindustrypress.com
27 http://champagne1.narod.ru
In 1836, André François, a pharmacist from Châlons-sur-Marne, invented an instrument, called a sucere-oenomètre, which measures the amount of sugar in wine. With this invention, the amount of sugar needed to stimulate the second fermentation could be determined with precision.

The problem of the bursting of the bottles under the pressure was solved only in 1850 with the patent of the English glassmakers Holden and Colent for the production of a more solid glass that would hold the pressure during the second natural fermentation of wine. Pasteur discovered in 1859 that microorganisms are responsible for the transformation of sugars into alcohol and gas. So only after this date we can talk about Metodo Classico in the modern sense; before that, in fact, there were no added sugar and yeast to induce fermentation, neither the first nor the second, but only a wine whose fermentation was stopped by the cold and resumed in spring.

In 1848 an English merchant Burners asked the Maison Perrier-Jounet a dry sparkling wine without added sugar after disgorging; they acceded to the request, but unfortunately without great success. Only in 1865 the Maison Bollinger sent to London a very dry Champagne and since then the demands were increasing. By 1853 total sales of sparkling champagne reached 20 million bottles up from just 300,000 bottles at the turn of the century.

“The early months of the World War I, which brought devastation to the region, saw a rapid German advance into northern France and by 1915 they were driven back just north of the city of Reims. The enormous caves, the Roman chalk quarries, beneath Reims that were used for the storage and production of champagne, became shelters from the 1000 days of bombardment the city endured from 1914 to 1918. After the war, the city had to be rebuilt and the years after were difficult; thus, the champagne market decreased. The champagne houses stopped buying grapes, so the growers formed the first champagne cooperatives and, with the ending of Prohibition in 1934, the industry began to turn around.”

Robert-Jean de Vougé, Moët & Chandon head, in 1941 established the C.I.C.C. (Comité Interprofessional du Vin de Champagne) which regulates the level of the purchase price of champagne grapes. Since World War II champagne sales have climbed upwards, nearly quadrupling.

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28 [http://www.champagnesabering.com](http://www.champagnesabering.com)
between 1945 and 1966. Champagne has trickled down the social scale and is no longer considered just a luxury.  

### 3.2. Grapes

Champagne grapes are the link between a unique terroir and an ancestral method of winemaking. The complex fruit produced marks the culmination of 15 month’s constant care and attention. From planting to pressing, there is attention to detail at every stage. The harvest produced is 349 million bottles.

“Pinot noir accounts for 38% of planting. It is the predominant grape variety on the Montagne de Reims and the Côte des Bar where the cool, chalky terrain suits it perfectly. It is the Pinot Noir that adds backbone and body to the blend, producing wines with distinctive aromas of red berries and good structure.”

“Meunier accounts for 32% of planting. This robust grape variety shows better cold-weather resistance than the pinot noir and is particularly well suited to the more argillaceous soils of the Marne Valley. The meunier adds roundness to the blend, producing supple, fruity wines that tend to age more quickly than wines made with the other two varieties.”

“Chardonnay accounts for 30% of plantings. The chardonnay accounts for 30% of plantings. The chardonnay is king on the Côte des Blancs, yielding delicately fragrant wines with characteristic notes of flowers, citrus and sometimes minerals. Being slower to develop than the other two varieties, chardonnay produces wines that are built to age.”

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29 [http://www.champagne.fr](http://www.champagne.fr)
30 [http://www.champagne.fr](http://www.champagne.fr)
31 [http://www.champagne.fr](http://www.champagne.fr)
32 [http://www.champagne.fr](http://www.champagne.fr)
3.3. Production region

“Champagne is the name of the world famous sparkling wine we all know, but it is also the name of the region where this wine is made. By French and European law, the mention of “Champagne” is submitted to a strict regulation and the term Champagne can only be used for wines produced in this region, 165 km East of Paris. Like all wine regions of France following the AOC (Appellation d’OrigineContrôlée) rules, the area where the champagne is produced is delimited. 5 sub-regions can be identified which are: Aube, Côte des Blancs, Côte de Sézanne, Montagne de Reims, and Vallée de la Marne. The productive area counts 33,573 hectares of which 22,285 in the Marne department, 7,931 in the Aube and Haute-Marne departments, 3,357 in the Aisne and Seine-et-Marne departments.”

The Champagne region and its vineyards have been controlled and defined by the controlled appellation of origin that deliers since 1927.

The Champagne Region is known especially for its two main cities: Reims and Epernay. Other beautiful cities in the region are Verzenay, Le Mesnil-sur-Oger, Saint-Thierry and Hautvillers.

“The Champagne terroir is the only one of its kind with its northern location, rugged climate, distinctive soil type and hillside vineyards. This wine producing region is influenced by both an oceanic climate coming from the west and a continental one from coming the east. The cool winters and mild summers with frequent rain showers all year long. The northern location makes it a bit cooler than France's other wine-growing regions, which gives the grapes the proper acidity for sparkling wine production. These conditions are ideal to produce Champagne and to perpetuate the making process.”

“Champagne gained importance in its own right, during the middle ages as a centre of European trade. The medieval counts of Champagne were wise enough to encourage commerce and strong enough to protect the traveling merchants. They created the then famous, Fairs of Champagne. Though these fairs were

33 http://www.france-bubbles-tours.com
34 http://www.champagne.fr
mainly about cloth, they were of obvious benefit for the wines of Champagne as it gave them easy exposure and access to important wine markets.\textsuperscript{35}

There are 15700 winegrowers (vignerons) and about 300 Champagne Houses (maisons de champagne).

### 3.4. Production method

Champagne wines are exclusively produced from grapes grown, harvested and made into wine within the Champagne delimited region; therefore, they possess characteristics not found anywhere else in the world.

Today, the production of Champagne is quite different from the experiments of Dom Pérignon ended in the accidental discovery of the famous French sparkling wine. Champagne is produced, following strict criteria imposed by the Champagne regulatory framework, by natural yeast fermentation in the bottle.

Several steps must be followed for the creation of Champagne. “The main rules concern: the use of just three authorized grape varieties (Chardonnay, Pinot Noir, Pinot Meunier); short pruned vines (Cordon de Royat, Chablis and Guyot pruning); capped grape yields per hectare; juice extraction strictly limited to 102 litres of must per 160 kilos of grapes; minimum annual required alcohol levels by volume; dedicated Champagne wine-making and storage premises; a natural winemaking process known as the Metodo Classico; a minimum 15 months storage period for bottled wines prior to shipping.” \textsuperscript{36}

The process of champagne making starts from the harvest commonly around mid October. Grapes are harvested by hand and pressed as soon as possible, especially with Pinot Noir and Pinot Meunier, because skin contact with dark skinned varietals start to taint the juice quickly if left on the skins. Two different pressings are utilized: the first press is called the “cuvee” which is

\textsuperscript{35} [http://www.france-bubbles-tours.com](http://www.france-bubbles-tours.com)

\textsuperscript{36} [http://www.champagne.fr](http://www.champagne.fr)
considered the finer that produces a higher quality juice; the second one is called the “tailles” and it is considered of lesser quality. Appellation laws strictly regulate the volume of juice from each pressing that can be included in the final product. The cuvée is the base wine selected to make the Champagne and the alcohol content of the cuvee is usually around 10%.

“The first fermentation is relatively quick and warm; the emphasis here is to produce a relatively neutral wine that is high in acidity. A second fermentation and extended lees ageing requires that such a wine have the acidic structure to engage such a process. Most often this first fermentation takes place in stainless steel, and most do not go through malolactic fermentation. However, some producers will use a combination of wood and stainless steel in this first fermentation.” 37

What makes the French sparkling wine unique is the blending of multiple vintages; for instance, in the wines of Krug, seven different vintages are blended to create the famous multi-vintage cuvee. The assemblage process is the founding moment that brings together all of the work that precedes it, conferring its uniqueness to the Champagne.

“Once a blend has been created, the liqueur de triage, a mixture of still wine, sugar and yeast, is added to the blended wine. The sparkling wine is then bottled with a crown cap and left to begin a secondary fermentation in the sealed bottle; this is the key process in producing Champagne. The bottles are placed in cool cellars at a temperature between 10 and 12 °C; it allowed to slowly ferment, producing alcohol and carbon dioxide. Active yeast will begin consuming the available sugar and carbon dioxide is the product of this second fermentation. Since the bottle is sealed, the carbon dioxide cannot escape with the result of producing the sparkle of Champagne. This second fermentation takes between 4-8 weeks.” 38

Effervescence, being the distinctive mark of Champagne, is the first indication of their quality: “the mousse must be sustained, durable and delicate mousse; an imperfect mousse brings to a hurried judgement of the wine.” 39

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37 https://www.mumulesvignes.com
38 https://mumulesvignes.com
39 http://www.champagne.com
The champagne maturation continues to in the cool cellar for years after the secondary fermentation, characterizing its composition and flavour.

“By law, non-vintage Champagne must age a minimum of 15 months on their cells, although most age between 18-24 months; instead, vintage champagnes must age a minimum of 3 years on the lees. The best and most expensive Champagne is aged for five or more years.”

“After the aging process is complete, it is ready to be bottled through a process known as remuage. The Champagne bottle is placed upside down in a holder at a 75° angle. This procedure of ridding forces the dead yeast cells into the neck of the bottle where they are removed or disgorged. This process must be done methodically, by hand or by machine. Remuage done by hand, is made slowly turning the bottle a bit every day till it is vertically upside down. By hand the process can take 2 months: each day the riddler comes through the cellar and turns the bottle 1/8th of a turn while keeping it upside down. By machine the entire whole can be performed in about 1 week.”

“The Champagne bottle is kept upside down while the neck is frozen in an ice-salt bath. The bottle cap is then removed and the pressure of the carbon dioxide gas in the bottle forces the plug of frozen wine out leaving behind clear Champagne. This process of removing is called disgorgement.”

A mixture of white wine, brandy, and cane sugar, to adjust the sweetness level of the wine, called the dosage, is added before the champagne is re-corked. The special composition and mixture of the dosage will establish the sweetness level and style of champagne. In the case of wine with zero dosage, the liqueur d’expedition is not added.

“The sparkling wine is ready for the final step, the re-corking. After a cork is inserted, a protective wire cap is placed over the bottle to help secure the cork and bottle to secure the high internal pressure of the carbon dioxide. The wine is then shaken vigorously, in order to help integrate the wine with the liqueur d’expedition”.

The champagne is finally born.

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40 https://www.mumulesvignes.com
41 http://www.henrisreserve.com
42 http://www.henrisreserve.com
43 http://www.champagne.it
Before the distribution, Champagne matures for a determinate period in the cool cellars to bring out the unique aroma. “A Champagne wine spends its lifetime in perpetual evolution. From the moment of its birth to the point of drinking, it continues to develop and assert its sensory profile. These stages in its development depend on the winemaking process determined by the winemaker.”

3.5. Legislation

“While many people use the term "champagne" generically for any sparkling wine, the French have maintained their legal right to call their wines champagne for over a century.” The Treaty of Madrid in 1891 established this rule, and the Treaty of Versailles afterward reaffirmed it. The French and European law impose that the mention of “Champagne” can only be used for wines produced within this region situated 165 km East of Paris. The AOC (Appellation d’Origine Contrôlée) declares that the Champagne production area must be limited to five sub-regions: Aube, Côte des Blancs, Côte de Sézanne, Montagne de Reims, and Vallée de la Marne. AOC regulations also states regulation about the production and the manufacturing of this sparkling wine. “All the aspects of the production process are based on principles approved by the INAO. These regulations embrace all of the features that characterize an AOC product: geography, climate, technique and human inputs. AOC regulations also specify the production conditions about: planting, viticultural practices, pressing, the winemaking process from start to finish, labelling and packaging.” “Main rules of the Champagne AOC concern: a strict delimitation; the approved grape varieties (Chardonnay, Pinot Noir, Pinot Meunier, Pinot Blanc, Pinot Gris, Arbane, Petit Meslier); the method of pruning (Royat, Chablis, Guyot, Vallée de la Marne); a maximum permitted yields per hectare; a maximum permitted press yield; the minimum potential alcohol content of newly harvested grapes; the secondary fermentation in the bottle; the minimum

44 http://www.champagne.com
45 http://www.mentalfloss.com
46 https://www.agilience.com
periods of maturation on lees (15 months for non-vintage Champagne and three years for vintage Champagne).” 47

3.6. Brands

Champagne produces about 320 million bottles a year, its 56% is consumed in France. There are about 15,000 different brands in champagne (negociants, cooperatives, grower, Marque d’acheteur (which is someone that buys Champagne from a brand and puts it own label on). The houses and Cooperatives represent 79% of the total volume produced. The biggest Champagne group is LVMH (Louis Vuitton Moët Hennessy) which holds, in its portfolio, the most famous houses: Moët & Chandon (that yields 32 million bottles) and Veuve Clicquot (that produces 16 million bottles).

“All these major names are focused on raising quality, and, aside from viticultural improvements, appear to be concentrating on increasing complexity in their big volume blends, either through increasing the amount of reserve wine, extending lees-ageing times, or installing wooden vats for fermenting and ageing base wines.” 48

Dom Perignon

It is a brand produced by the champagne house Moët & Chandon. “Most intellectuals and high society people recognize Dom Perignon, not only because it is the most well known champagne brand in the sparkling wines market, but also because it is related to the luxury champagne. According to the legend, the famous monk was the one who first made a very early variation of the sparkling wine. The philosophy, vision and spirit of Dom Pérignon are incarnated

47 http://www.champagne.com
48 http://www.thedrinkbusiness.com
in his Manifesto, a document which explains the ten basic principles guiding winemaking at the House.”

Moët & Chandon

The house was established in 1743 by Claudet Moët and it is located in Epernay. “Now it is propriety of LVMH which also owns Pommery and Veuve Clicquot. Combined, these four houses represent almost 50% of the export market. Moët & Chandon owns 1,190 hectares of vineyards, the largest one in the area of Champagne, and annually produces approximately 28,000,000 bottles. The hectares of rich limestone soil are classed 50% as Grand Cru and 25% Premier Cru. Underground, the Moët & Chandon cellars are the most extensive in the region; extending more than 28km, they form a subterranean labyrinth where the sparkling wine matures under perfect conditions of humidity and temperature.”

“Moët & Chandon is the most powerful brand accounting for almost twenty-five percent of all export sales; this is the most expensive champagne in the world. Moët & Chandon champagne was introduced by Moët & Company in early 1750s and can be described as the most popular in history. People like Napoleon and the Duke of Wellington could be associated with this sparkling wine. Nowadays, the appeal of the most expensive champagne brands still remains, as reports are that even Queen Elizabeth is still enjoying the beverage.”

http://www.domperignon.com
http://www.intowine.com
http://www.Moët&Chandon.com
**Veuve Clicquot Ponsardin**

The house was founded in 1772 by Philippe Clicquot-Muiron and it is located in Reims. It is propriety of LVMH since 1987. “With the assistance of her cellar master, Antoine de Müller, Clicquot invented the riddling rack that made more efficient and economic the process of degorgement; it involved systematically collecting the spent yeast and sediments left from the wine’s secondary fermentation in the bottle’s neck by using a specialised rack. Madame Clicquot, known as “the Grand Dame of Champagne”, is credited with a great breakthrough in champagne handling that made, thanks to her skills in wine making and business, mass production of the wine possible. The house still bears her name. They own 515 hectares of vineyards and 24km of chalk cellars. Veuve Clicquot is featured in several films including James Bond and Casablanca.  

**G.H. Mumm**

The house was founded in 1827 by three brothers, Jacobus, Gottlieb and Phillip Mumm, German winemakers from the Rhine valley and G. Heuser and Friedrich Giesler. The wine house is located in Reims. Now it is propriety of Pernot Richard and it is one of the largest Champagne producers. “Mumm’s label is famous for its red ribbon, the “Cordon Rouge”, patterned after and resembling the French Grand Cordon of the Légion d'Honneur. G.H. Mumm has been an official sponsor of F1 racing since 2000 and provides the champagne bottles for the podium celebrations after each race. The brand’s Cordon Rouge is also the Official Champagne of Kentucky Derby.  

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Laurent-Perrier

The house was founded in 1812 and it is located in Tours-sur-Marne. Laurent-Perrier is the main brand of Group Laurent-Perrier, which also acquired Chateau Malakoff in 2004. “With over 1,200 grape growers with supply contracts, Laurent-Perrier exports to more than 120 countries in the world. The brand became one of the world’s best selling champagne in 2005, behind only Moët & Chandon and Veuve Cliquot.”

Bollinger

It was founded in 1829 in Ay by Hennequin de Villermont, Paul Renaudin and Jaques Bollinger. Nowadays the house continues to be run by members of the Bollinger family. This Champagne is also known as the “James Bond” champagne; it has been featured in over eleven different 007 films and it is also featured on the original books of the famous agent. In Britain Bollinger Champagnes are affectionately known as "Bolly".

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54 [http://www.laurent-perrier.com](http://www.laurent-perrier.com)
55 [http://www.adorechampagne.com](http://www.adorechampagne.com)
56 [http://www.bollinger.com](http://www.bollinger.com)
Louis Roederer

The house was founded in 1776 and it is located in Reims; it was inherited and renamed by Louis Roederer in 1833. It remains nowadays as one of the few still independent champagne house, run by the owner family. “From a vineyard area of 240 hectares, Louis Roederer produces two thirds of the grapes needed for its production, sourcing the remaining required grapes from established known farming. Each year over 3.5 million bottles are shipped to more than 100 countries in the world. Louis Roederer Champagne is famous especially for the popular Cristal Champagne, the golden wrapped bottle synonym of exceptional quality, aristocratic elegance and distinct style. Louis Roederer is considered one of the leading champagne houses, not only for being notable Champagne producers but also for having an exceptional wine portfolio.”  

57 http://www.louisroederer.com
4. Market Values

The study of the evolution of numbers in terms of consumption, production and export of sparkling wines could be a way of analysing and comparing Italian Metodo Classico to Champagne. Consumption of Metodo Classico has had a significant increase during these last years, on the contrary Champagne suffered a decrease in past years. Despite that fact, Champagne has an incredible and iconic image that let it prevail in the market in terms of value even if not in those of volume increment. People are willing to pay a premium price for Champagne, but not for the Italian Metodo Classico, because of the name and status quo that Champagne has accomplished in the years. This fact is shown in the gap between volume and value caused by the consumer price, $ per litre, that is completely different among the two products.

The main theory in my dissertation must be supported by numbers that identify and help to understand the gap in the face-to-face between the two sparkling wines, in terms of price competition and value perceived. Analysis among consumption, production and export are useful to deeply understand the evolution of the market and to reflect on the struggle of Italian Metodo Classico in making people perceive its value and quality, not supported by consumers’ willingness to pay. The formulation of a competitive strategy is run to link the quality and value of the Metodo Classico with the willingness to pay a higher price in order to reflect the real worth. Researches and market investigations, supplied by the societies of analysis, let us understand market trends; analyse the distributive levels and the trend of the prices, which allows us in the end to value the marketing effort; to monitor the efficaciousness of the undertaken promotional activities and actions of marketing to promote the quality and value of a product.
4.1. Export of Sparkling Wines

In order to better understand how the market is split and how much a country is competent and effective in terms of shipping, we should look at export data of the three main competitors. Speaking of general sparkling wines’ export, it is possible to identify trends among years (from 2011 to 2015) analysing the three main actors in sparkling wines’ production: Italy with Spumante, France with Champagne and Spain with Cava.

Here are taken into consideration general sparkling wines, without a distinction among Italian Metodo Classico and other typologies of Spumante. The aim of analysing past trends in export of these three main actors is to understand at which point is the growth and how the market has changed in the last years. During the interpretation of data, it is important to highlight, in this contest, the general growth of Italian export in terms of volume, compared to the French one. We will see that the gap will be the opposite in terms of value, due to the consumer price $ per litre.

Export sparkling wine (million litre)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>175</td>
<td>180</td>
<td>200</td>
<td>240</td>
<td>275</td>
</tr>
<tr>
<td>France</td>
<td>150</td>
<td>155</td>
<td>160</td>
<td>165</td>
<td>180</td>
</tr>
<tr>
<td>Spain</td>
<td>150</td>
<td>155</td>
<td>160</td>
<td>170</td>
<td>175</td>
</tr>
</tbody>
</table>

Source: *Il Corriere Vinicolo*, Unione Italiana Vini (year 89 n°13, April 2016)
In the table above, the numbers identify the general increase of the export of Italian Sparkling wines in last five years.

Italy is the first country in terms of million litres exported and the gap between Italy and the other two main competitors is significant: 100 million litres more than France and Spain.

Generally, the sparkling wines market has grown in the last years and it is shown by the increase in export, in terms of volume.

Italian sparkling wines, thanks to Prosecco, increase 15% in volume, arriving at a share of 40% on the included total of 10 countries. But also the France grows well, benefiting of the increase of the Champagne, defined gone out of the crisis that had struck it between 2009 and 2012. It stops instead the raise of Spanish Cava that, after 4 years of continuous growth, has a balance in the exported volumes.
In terms of value and so in terms of million dollars earned with export, the growth is not so linear, in the last 5 years we can observe ups and tolerable downs in the general growth of export.

Speaking of million euros earned among the three main actors, the situation drastically changes. Italy is the second country in terms of million dollars exported but the gap between Italy and France is massive: 2.250 million dollars less than...
France. The reason of the heavy deficit of value concerning Italy, can be found in the price of the sparkling wines; it is caused by the average price of Italian Spumanti. Truthfully this Italian sparkling wines data, in these tables below, represents and take into consideration not only the direct competitor of Champagne, which is Metodo Classico, but also Metodo Charmat.

Afterwards, in a deeper analysis of Metodo Classico, we will see that it is more expensive than for instance Prosecco, because of its higher quality and more sophisticated way of production.

In the table below is shown the average price of Italian sparkling wines that is extremely and incredibly lower than Champagne’s one, considering the high quality of the Italian Spumanti. As always, here are taken into consideration both the two ways of production, Metodo Classico and Metodo Martinotti, thus, the average price is significantly low. As far as Italy concerns, the average price is around 4 $/litre, decreased in the last 5 years from 4 with a climax of 5 in 2013. As far as France concerns, the average price is around 18,8 $/litre, slightly decreased in the last 5 years. The reason why the average price of Italian sparkling wines is so low will be analysed and clarified better in the third part of this dissertation, with the strategic analysis of the two products in terms of value perceived.

Speaking about volume, the gap was 100 million litres more than France and Spain, in terms of value the gap was 2.250 million dollars less than France, that is because the gap in terms of dollars per litre is 14,8 $/litre in 2015. Italy produces more but at a lower consumer price and we will analyse the reasons why in the next chapter.
Export sparkling wine ($/litre)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Italy</strong></td>
<td>4,5</td>
<td>4,5</td>
<td>5</td>
<td>4,8</td>
<td>4</td>
</tr>
<tr>
<td><strong>France</strong></td>
<td>20,5</td>
<td>20</td>
<td>20,4</td>
<td>20,8</td>
<td>18,8</td>
</tr>
<tr>
<td><strong>Spain</strong></td>
<td>3,5</td>
<td>3,5</td>
<td>3,5</td>
<td>3</td>
<td>2,8</td>
</tr>
</tbody>
</table>

Source: *Il Corriere Vinicolo, Unione Italiana Vini* (year 89 n°13, April 2016)

Source: *Il Corriere Vinicolo, Unione Italiana Vini* (year 89 n°13, April 2016)
4.2. **Metodo Classico’s analysis**

Before making a comparison between Metodo Classico and Champagne we will focus on Metodo Classico specific data. This research is made to better understand which typology of Metodo Classico is the leader in the Italian and foreign markets. In order to analyse trends and specificity, the study will be focused on a trend among years (from 2011 to 2015) specifically about the consumption and production of Metodo Classico and its different typology of sparkling wines.

The table below represents the macro global Italian consumption of Metodo Classico, divided into its main typologies: TrentoDoc, Franciacorta, others DOP Metodo Classico and others generic Metodo Classico.

<table>
<thead>
<tr>
<th>Metodo Classico dispatched/consumed (million bottles)</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>TrentoDoc</td>
<td>7.660</td>
<td>7.350</td>
<td>7.250</td>
<td>7.150</td>
<td>6.950</td>
</tr>
<tr>
<td>Franciacorta</td>
<td>10.950</td>
<td>11.950</td>
<td>13.820</td>
<td>15.150</td>
<td>16.395</td>
</tr>
<tr>
<td>Others DOP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metodo Classico</td>
<td>1.350</td>
<td>1.030</td>
<td>1.130</td>
<td>1.050</td>
<td>1.100</td>
</tr>
<tr>
<td>Others Metodo Classico</td>
<td>3.100</td>
<td>1.910</td>
<td>1.350</td>
<td>1.150</td>
<td>800</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23.060</strong></td>
<td><strong>22.240</strong></td>
<td><strong>23.550</strong></td>
<td><strong>24.500</strong></td>
<td><strong>25.245</strong></td>
</tr>
</tbody>
</table>

*Source: [www.ovse.org](http://www.ovse.org) – founded in 1991 by Giampietro Comolli c/o UCSC Piacenza*
From the graph above we can see that among the dispatched sparkling wines, considered in millions of bottles, the best performance is the one of Franciacorta. The Metodo Classico from the region of Franciacorta, in terms of volume, registers for the year 2015 a market presence of 16.395 million bottles consumed. It is followed by TrentoDoc with its halved value of 6.950 million bottles consumed and follow-up by the others Metodo Classico.

Speaking of the trend of the past 5 years, we can notice a general increment of bottles consumed, in particular Franciacorta highlights an important and significant increase of 6 million units. Franciacorta is the Italian leader in terms of consumption.

As far as the production of Metodo Classico is concerned, the analysis of trend from 2011 to 2015 will help us to better understand how production differs from consumption.

The table below represents the macro global Italian production of Metodo Classico, divided into its main typologies: TrentoDoc, Franciacorta, others DOP Metodo Classico and others generic Metodo Classico.
### Metodo Classico production (million bottles)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TrentoDoc</strong></td>
<td>7.900</td>
<td>7.200</td>
<td>7.700</td>
<td>7.000</td>
<td>7.000</td>
</tr>
<tr>
<td><strong>Franciacorta</strong></td>
<td>11.900</td>
<td>14.500</td>
<td>15.500</td>
<td>16.900</td>
<td>18.400</td>
</tr>
<tr>
<td><strong>Others DOP</strong></td>
<td>1.300</td>
<td>1.300</td>
<td>1.100</td>
<td>1.050</td>
<td>1.100</td>
</tr>
<tr>
<td><strong>Metodo Classico</strong></td>
<td>2.500</td>
<td>2.050</td>
<td>1.600</td>
<td>950</td>
<td>900</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>23.600</td>
<td>25.050</td>
<td>25.900</td>
<td>25.900</td>
<td>27.400</td>
</tr>
</tbody>
</table>

Source: [www.ovse.org](http://www.ovse.org) — founded in 1991 by Giampietro Comolli c/o UCSC Piacenza

### Metodo Classico production

Source: [www.ovse.org](http://www.ovse.org) — founded in 1991 by Giampietro Comolli c/o UCSC Piacenza
The table above represents the production of Metodo Classico and it highlights the massive production of Franciacorta, with its 18.400 million bottles, compared to the others. In the last 5 years the production has slightly grown for what concerns all the Metodo Classico, in particular for Franciacorta that has undergone a massive increase of 7 million units. This data is related and in line with the consumption’s data. Franciacorta is the Italian leader also in terms of production.

From a comparison between consumption and production we can see that in 2011 the gap, represented by the unsold million bottles, was 540; in 2012 was 2.810; in 2013 was 2.350; in 2014 was 1.400; in 2015 was 2.155 million bottles. Generally, the production has an increase of 3.800 million bottles in 5 years and the consumption of 2.185 million bottles. It seems that the growth was linear and at the same pace, with an average gap of 1.615 million bottles unsold. However, in five years the situation has changed significantly: in 2011 the gap between consumed bottles and produced ones was about 540 million and in 2015 it was about 2.155 million bottles unsold.

The production has grown but Metodo Classico needs to fill the gap between bottles produced and bottled unsold that is still too wide.

Now the study will observe in a specific way all the different typologies of Metodo Classico, trying to make a comparison between Italian consumption, export and total consumption, in relation to two different years. Here are taken into consideration year 2015 and year 2011 as a sample, in order to make a comparison among recent years and five years ago and to have an idea of the evolution of the trend.

The table concerns four different typologies of Metodo Classico and focuses on singular internal consumption and export.
Year 2011

Metodo Classico total consumption (million bottles)

<table>
<thead>
<tr>
<th></th>
<th>Italian consumption</th>
<th>Export</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TrentoDoc</td>
<td>6.930</td>
<td>730</td>
<td>7.660</td>
</tr>
<tr>
<td>Oltrepò Pavese, Alta</td>
<td>1.290</td>
<td>60</td>
<td>1.350</td>
</tr>
<tr>
<td>Langa, Alto Adige e</td>
<td>2.950</td>
<td>150</td>
<td>3.100</td>
</tr>
<tr>
<td>Friuli</td>
<td>10.160</td>
<td>790</td>
<td>10.950</td>
</tr>
<tr>
<td>VQS, VS and Varietal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>21.330</td>
<td>1.730</td>
<td>23.060</td>
</tr>
</tbody>
</table>

Source: [www.ovse.org](http://www.ovse.org) – founded in 1991 by Giampietro Comolli c/o UCSC Piacenza
Year 2015

Metodo Classico total consumption (million bottles)

<table>
<thead>
<tr>
<th></th>
<th>Italian consumption</th>
<th>Export</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TrentoDoc</strong></td>
<td>6.300</td>
<td>650</td>
<td>6.950</td>
</tr>
<tr>
<td><strong>DOCG, DOC, IGP</strong></td>
<td>1.000</td>
<td>100</td>
<td>1.100</td>
</tr>
<tr>
<td><strong>Varietals and</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Common</strong></td>
<td>760</td>
<td>40</td>
<td>800</td>
</tr>
<tr>
<td><strong>Franciacorta</strong></td>
<td>14.700</td>
<td>1.695</td>
<td>16.395</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22.760</strong></td>
<td><strong>2.485</strong></td>
<td><strong>25.245</strong></td>
</tr>
</tbody>
</table>

Source: [www.ovse.org](http://www.ovse.org) – founded in 1991 by Giampietro Comolli c/o UCSC Piacenza

Source: [www.ovse.org](http://www.ovse.org) – founded in 1991 by Giampietro Comolli c/o UCSC Piacenza
In 2015 we can observe the significant gap between export and internal consumption as far as the Franciacorta and TrentoDoc concern. The Italian Consumption of Metodo Classico represents the 90% of the whole production. The difference is strategically inefficient because all the production stagnates and is consumed inside the national boarders.

The total production of Metodo Classico increased from 2011 to 2015 and another positive factor is a 2.5% reduction of the gap between export and internal consumption.

Comparing results of 2011 and 2015 in terms of total production, internal consumption and export, we can highlight the increment of the export, from 8% in 2011 to 10% in 2015. This data could be a booster and a starting point, giving optimism to the expansion and development of the Italian market. If the trend is a +2% every 5 years, in 2020 we could reach another +2% achieving a+12% of export.

The leader in this run is Franciacorta with its significant growth: in terms of export, from 790 million bottles in 2011 to 1.695 million bottles in 2015; in terms of internal consumption, from 10.160 in 2011 to 14.700 in 2015.

The growth is substantial in terms of internal consumption and must be developed in terms of export. This mission is not easy outside Italian borders because Metodo Classico, in contrast to Champagne, must be illustrated and explicated to a foreign audience who does not know this product and its value in terms of quality.
4.3. Champagne’s analysis

After the specific and deep analysis of Metodo Classico’s different typology data, we proceed to the brief analysis of Champagne, in order to make a comparison with Metodo Classico and to have more data for the third part of this dissertation. Data about Champagne concerns total shipment, internal consumption and export. This is to better compare the two products.

Champagne can count a value of 4.7 billion euros of which 2.6 for exports. As far as the shipments is concerned, data regarding 2015 could be summarize:\(^58\)

<table>
<thead>
<tr>
<th>Total shipments</th>
<th>312,531,444 bottles</th>
<th>of which</th>
<th>• 223,548,634 by houses (72%)</th>
<th>• 88,982,810 by&lt;br&gt;winegrowers and&lt;br&gt;cooperatives (28%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>161,882,697 bottles&lt;br&gt;(52%)</td>
<td>of which</td>
<td>• 91,934,709 by houses&lt;br&gt;(57%)</td>
<td>• 69,887,998 by&lt;br&gt;winegrowers and&lt;br&gt;cooperatives (43%)</td>
</tr>
<tr>
<td>Export</td>
<td>150,708,747 bottles&lt;br&gt;(48%)</td>
<td>of which</td>
<td>• 131,613,925 by houses&lt;br&gt;(87%)</td>
<td>• 19,094,822 by&lt;br&gt;winegrowers and&lt;br&gt;cooperatives (13%)</td>
</tr>
</tbody>
</table>

Source: [www.champagne.fr](http://www.champagne.fr)

Champagne sales (last 5 years)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total (mil bottles)</th>
<th>% variation</th>
<th>France</th>
<th>EU</th>
<th>Extra EU</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>312.5</td>
<td>2%</td>
<td>161.8</td>
<td>81.6</td>
<td>69.0</td>
</tr>
<tr>
<td>2014</td>
<td>307.1</td>
<td>1%</td>
<td>162.3</td>
<td>78.0</td>
<td>66.9</td>
</tr>
<tr>
<td>2013</td>
<td>305.0</td>
<td>-1%</td>
<td>167.3</td>
<td>74.7</td>
<td>62.9</td>
</tr>
<tr>
<td>2012</td>
<td>308.6</td>
<td>-4%</td>
<td>171.3</td>
<td>76.4</td>
<td>60.9</td>
</tr>
<tr>
<td>2011</td>
<td>323.0</td>
<td>1%</td>
<td>181.6</td>
<td>82.3</td>
<td>59.0</td>
</tr>
<tr>
<td>2010</td>
<td>319.5</td>
<td>9%</td>
<td>185.1</td>
<td>80.6</td>
<td>53.8</td>
</tr>
</tbody>
</table>

Source: Comtè Champagne (CIVC)
With an annual global turnover of 4.7 billion euros and 312.5 million bottles shipped in 2015 Champagne consolidates its leadership position in the world of sparkling wines.\textsuperscript{59} As we saw before, Champagne has not the leadership in terms of volume and bottles produced, but it outperforms in terms of value and revenue. “Turnover from Champagne reached a new high with 4.7 billion euros, breaking the previous record from 2007. This result is due in equal parts to sustained growth in shipments, which have risen by 2% to 312.5 million bottles, favourable exchange rates on the principal markets and a rising demand for the higher value ranges. There is an important point that must be underlined: the steady decline of the French market in the last years. For the first time the Comtè Champagne stated "sans doute déclin durable" (undoubtedly a lasting decline). Years 2012 and 2013 have recorded a decrease in the sales, especially as far as the 2012 concerns with a -4% drop."\textsuperscript{60}

\textsuperscript{59} \url{http://www.champagne.fr}
\textsuperscript{60} \url{http://www.inumeridelvino.it}
A Stax\textsuperscript{61} Analysis, comparing price to quality for Champagne and other sparkling wines, revealed that price does not always mean quality, Champagne on average sells for around three times the price of other sparkling wines.

“They collected data to capture quality and price data on almost 3,000 Champagnes and sparkling wines from France, Italy, Spain, and the U.S., and analysed this data to generate insights. Critics about quality and prices were compared, looking at price differences by region, and also examining how much a critic will change their rating of a wine over a period of time. This analysis also highlighted a way to quantify brand value, providing an insight about how much people should pay for the quality of the wine, and how well some regions and associations do in building brand in the food industry and luxury categories. The Champagne, coming exclusively from the Champagne region of France, it is the most famous sparkling wine in the world, and its average price is higher than that of any other sparkling wine. The extremely high prices of Champagnes are legendary, but even eliminating the most expensive ones, Champagne houses on average sell for around three times the price of other sparkling wines. This is the reason behind the massive brand control, which leads in terms of consumer quality and value perception.” \textsuperscript{62}

“Critic ratings would suggest that price does not define the value. The data shows that price does not always mean quality, however, people are willing to pay more for a rated Champagne not for the intrinsic quality of a lower rated sparkling wine not named champagne. It must be said that once you hit a certain price level within each category, people should expect at least a reasonably high-quality bottle.” \textsuperscript{63}

\textsuperscript{61} Stax Inc: global strategy consulting firm
\textsuperscript{62} http://www.stax.com
\textsuperscript{63} http://www.stax.com
4.4. Final considerations

From the previous analysis came out a series of data that could be summarize in two sentences.

The total Italian Metodo Classico amounts of 25.245 million bottles consumed and 2.485 million bottles are exported; export represents the 10% of the total consumption. From the total Champagne amount of 312.5 million bottles consumed, 150.6 million bottles are exported; export represents the 48% of the total consumption. Champagne can count a value of 4.7 billion euros of which 2.6 for exports.

The gap to be filled with the French opponent is still excessive, especially because in the general and global culture, not according to the experts, the price is a synonym of quality. The cellars must aim to develop the internal market, to give specific weight and value added to the product. The export strikes the enterprise balance, but the economic growth comes from the width and diffusion of the internal consumption.\(^\text{64}\)

As far as the Metodo Classico is concerned: Franciacorta grows in the consumption both domestic and in terms of HORECA\(^\text{65}\) of a 7% with stable prices to the consumption, with a production value closed to 100 million of euro and a turnover closed to 230 million of euro. Oltrepò Docg-Doc, TrentoDoc, Altalanga instead register a decrease in volume but a global turnover in growth (+0,9%). Franciacorta consumption is about 15.1 million of euro, almost the double of TrentoDoc (7.2 mill/euro); its consumption has a +7,5% growth in the volume (1.45 million bottles) and a custom average price of 31,3€. Metodo Classico’s challenge abroad is always very complex because Champagne is so strong with his popular and iconic image and value perceived but it is slowly growing in a

\(^{64}\) https://www.oecd.org

\(^{65}\) HORECA: it is an abbreviation used in Europe for the sector of the food industry that consists of establishments which prepare and serve food and beverages (food service). The term is a syllabic abbreviation of the words Hotel/Restaurant/Café.
global market dominated by two great leaders as Champagne and Cava according to OVSE - Economic Observatory of Sparkling Wine\textsuperscript{66}.

In summary the Metodo Classico remains almost fixed around 23/24 million bottles. Franciacorta grows in volumes and absolute values, but with more unstable and diversified consumer prices. Champagne in decrease in the last five years, starts growing, but they reduce the top brands. The price has assumed the leadership of the purchase in all the channels, less between the premium labels. The price-quality factor has gone definitively for the choices of purchase, supplanted by the value perceived and the value identity, more complex but more in line with a more loyal and focused consumption. Today the high quality of Franciacorta or TrentoDoc is very much spread compared to 20 years ago. The purchase is influenced by labels details, factory name, purchasing power and personal choice.

\textsuperscript{66} OVSE: economic observatory of sparkling wines, founded by Giampietro Comolli in 1991
5 Strategic analysis

The aim of this dissertation is to investigate and to find out the reasons why Metodo Classico, despite its high quality, has lower price and then lower value perceived than Champagne. Champagne has a significant competitive advantage among all the other sparkling wines, especially over the Italian spumante Metodo Classico, which uses the same procedures of the French one. To analyse Champagne’s competitive advantage, it will be used Porter’s theory, referring to the drivers used by Champagne’s houses to differentiate from the other Italian sparkling wines makers. The most distinctive trait of Champagne is the premium price that customers are willing to pay to taste the iconic product despite the same quality provided, for instance, by the Italian Franciacorta or TrentoDoc. We will find out how Champagne houses manage to turning their product into the symbol of luxury all over the world and which drivers of differentiation they use.

Speaking of Champagne and Italian Metodo Classico we must refer to the luxury world with its specific target of customers that are willing to pay a premium price for a product that brings an aura of richness and hedonism. In this segment Champagne gained a significant iconic image over the years that nowadays provides an incomparable and unique competitive advantage. Starting with a brief overview of the luxury market and the environment around sparkling wines, we will analyse the purchasing behaviour of its customers and the positioning in this industry. Afterwards, we will investigate why Champagne has a significant competitive advantage using the drivers of the differentiation strategy provided by Porter. The analysis will be focused on three clusters: product, price and brand. Moreover, there will be a highlight on marketing and a final comparison between drivers used by the two different sparkling wines in order to introduce my conclusive recommendations.
5.1 Luxury market and consumers

“Sparkling wine is a beverage that has stopped being perceived as a commodity; it is now a way of expressing customer’s personality bringing to mind several thoughts about celebration, success, richness, love and romance. These pleasant associations refer to the luxury market. Luxury products can be defined as those whose ratio of functional utility to price is low while the ratio of intangible and situational utility is high.” These commodities present a very high involvement in decision-making and often people buy them especially for what they symbolise. For instance, speaking of sparkling wines, sellers are able to shape consumers’ preferences, but for most consumers, the inside of a bottle is less important than the outside. The attached emotional and aspirational values justify the premium price of these expensive goods (Dubois and Paternault, 1995).

It is important to understand how luxury is perceived, because understanding this kind of consumer is the key to understand the whole luxury market. When purchasing wine for an occasion, the first consideration is typically about the style, then the value and the wine character; these attributes may refer to more objective features such as production district, grape varieties, and the vintage year, or more subjective attributes (Halstead 2005). Wine’s quality perception is boldly linked to its price range and producer rating. “The main bases of wine choice are risk reduction and familiarity; factors indicating familiarity include previous tastings, type or style, price, brand and finally region. To create and shape a marketing strategy appropriate for the wine sector is fundamental to understand the consumer motivations.”

To figure out why consumers might be willing to pay more for wines such as Champagne, it is important to distinguish between hedonic and utilitarian products.

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68 Lockshin, L. *Consumer purchasing behaviour for wine*
Utilitarian products do not generate any pleasurable experience when consumers buy them. This kind of goods accomplish a specific task: convenience, variety, searching for quality of products and reasonable price rate.

An experience product such as sparkling wine creates an easily involvement respect a utilitarian characterized by its hedonic nature. Hedonic products are purchase by consumers for pleasure, in fact they satisfy emotional needs of individuals during an interesting buying experience.

Champagne is a hedonic product and it is perceived as the great success story of wine. Its status as the celebratory sparkling wine is undisputed (Lowe 2006). It is often seen as being closer to a luxury commodity than a wine and has arguably one of the strongest ever unique selling points. Consumers not usually compare Champagne to other wines in terms of value and money spent to buy it, because they have been taught that the French sparkling wine is the only drink for certain special occasions. Champagne let people give an impression of wealth without having too much of it in terms of money: compared to other luxury items such as a Ferrari sports cars, Champagne is cheaper but it is however a synonym of wealth and richness.
5.1.2 Positioning

“Through positioning, a company decides which place its product occupies in the mind of the consumers relatively to the competitive products.” Positioning is made by choosing among the competitive advantages the output would promote in the targeted segment. Positioning strategy is linked with the product, and to what the company can do with it to best position against groups of consumers inside the market. Customers expectations reflect the price and position that companies manage to achieve. This analysis is here performed according to the price and the quality. These specific characteristics are chosen to investigate where the product is positioned in the consumer’s mind. If a product is exactly like another product on the market, consumers would have no reason to buy it. The aim is to create a distinctive place in the market for the company and its products.

Diagram: Perceptual Map Sparkling Wine Types

http://www.flashcardmachine.com
In the diagram above is shown the perceptual map related to the sparkling wines’ industry, here are highlighted the Champagne’s position and the two Italian way of production concerning spumante, the Metodo Classico and the Metodo Charmat. This analysis is performed according to the price, located along the horizontal axe, and to the quality located along the vertical axe. Thus, the two axes represent where the quality and the price of the sparkling wine are placed in the mind of the customer.

Metodo Charmat, represented by the green circle, in the consumer’s mind is the cheapest one and the one with lower quality. Lower price is generally linked to a lower quality of the product.

Metodo Classico, the red hoop, is perceived as the one characterized by medium-high quality but unfortunately not so high price perceived. The fact that people are willing to pay more for a product that simply convey a more valuable image and not absolute better quality, is the reason why Metodo Classico has lower price and lack of premium price compared to Champagne.

Champagne, represented by the blue circle, has the highest quality and highest price perceived in the whole sparkling wines’ industry.

“Sparkling wines houses use a marketing strategy that aims to make their brand occupy a distinct position, relative to competing brands, in the mind of the customer. Companies apply this strategy by emphasizing the distinguishing features of their brand, such as the quality, or they create a suitable image, such as the premium price related to the luxury their products bring.”

Once a brand is positioned, it is very difficult to reposition it without destroying its credibility. This is a reason why all the Metodo Classico makers encounter difficulties in promoting their valued product through high quality and higher price. In consumers’ mind Metodo Classico has too low value perceived thus the price competition with Champagne is bound to fail because of the power gained by the Champagne’s status symbol.

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http://www.garrisoneverest.com
5.2 Competitive advantage

“Competitive advantage stands for attributes that allow an organization to outperform its competitors. This is an ability, gained through features and resources, to perform at a higher level than others in the same industry or market by offering clients better and greater value.”

“Target markets recognise these unique products or services: this is the reason behind brand loyalty, why customers prefer that particular product or service. In order to gain a long term competitive advantage, the company has at its disposal all the tools of the competitive and marketing strategies. Most important moves are firstly being better with a superior quality or service; secondly being faster anticipating the others and responding promptly to customers needs; and finally being closer, that means establishing close long-term relationship with clients.”

In Porter's view, strategic management should be concerned with building and sustaining competitive advantage making a businesses products or services different to similar competitors. Michael Porter defined the two types of strategies, which bring a company to gain a competitive advantage against its rivals: lower cost or differentiation.

http://www.referenceforbusiness.com

Customer Value Proposition: Cost of Differentiation

Cost Leadership
- Lower costs
- Fewer extras
- Efficiency
- Scale economics
- Budget appeal

Differentiation
- Higher prices
- More extras
- Quality features
- Service
- Status appeal

A differentiation strategy means a way of generating profits from higher consumer willingness to pay; command price premium for unique features, high quality, service and prestige. The key of this strategy is the creation and delivering of value for customers. Differentiation could be tangible relating to observable product characteristics (size/colour/material; performance; packaging; complementary services) or intangible relating to unobservable and subjective characteristics (image; status; exclusively; identity). Differentiation is not just about the product but also the relationship between the supplier and the customer. Differentiation means how a firm competes within a market and if it is able to succeed in making its starting strengths a real competitive advantage in the end.

Several steps are essential in differentiation starting with the determination of who the real buyer is and its value chain and the firm’s impact on it; the individuation of buyer’s purchasing criteria; the analysis of the existing and potential sources of uniqueness in the firm’s value chain; the identification of the cost of existing and potential sources of differentiation; the choice of the right configuration of value activities that creates the most valuable differentiation for the buyer relative to cost of differentiating; the test of the chosen differentiation
strategy for sustainability; finally the reduction of cost in activities that do not affect the chosen forms of differentiation. 73

Differentiation regards the provision of uniqueness; such uniqueness is rewarded by superior prices to the average. The company’s aim is to be unique in its own industrial sector choosing one or more characteristic that are perceived valuable by many clients, and puts itself in the conditions of satisfying those needs in matchless way. “According to Michael Porter this strategy includes delivering high quality to customers. If customers perceive a product different from others, they are willing to pay more to receive these benefits. Along with this, the business needs very effective marketing and advertising campaigns to let consumers understand how this good will benefit them. If the business has a strong idea but weak marketing, consumers won’t know the advantage of this specific item in comparison to competing ones.” 74

Champagne’s competitive advantage is clearly made up by a differentiation strategy that allows to charge the premium price, because the value perceived by consumers is higher than other sparkling wines. Champagne houses impose this premium price for its product superior at the costs supported to differentiate it, providing characteristics that have more value added for clients beyond the simple offer of a lower price. “The region of Champagne has achieved enormous success in the wine industry. Most of the brands are synonym of luxury consumption. This success story can be summarized in a simple sentence: ‘a delicate balance between value creation and value appropriation’. This delicate balance, which evolved from learning processes between the social and economic actors in the region, recognises the complexity of managing social systems and the capability to sustain a competitive advantage in the wine industry over 200 years.” 75

74 http://www.revolvy.com
Champagne generates more value than other wine regions in France and worldwide. It is the synonym of luxury and this perception is translated into an average price higher than the rest of the sparkling wines industry.

“To identify the factors behind the success of Champagne in terms of value creation and value appreciation, in the case of a differentiation strategy, a company needs to identify its uniqueness drivers that will allow them to understand why a value activity is unique.”

Each value activity is determined by a series of drivers and now we proceed with the analysis of the ones used by the Champagne houses to gain their competitive advantage over the others, especially over the Metodo Classico producers.

Some factors are responsible for the creation of value in Champagne such as its history, its undisputed quality, the creativity, the innovation and the essential international recognition.

Factors, related to the appropriation of the value created, are the controlled origin appellation and the premium price.

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76 Porter, 1985
5.2.1 Drivers

Companies realize a differentiation strategy through some drivers that help in reaching a competitive advantage.\(^{77}\)
In regard to Champagne houses, differentiation is based on the main drivers related to product, price and brand.

As far as the product is concerned, the drivers used by Champagne houses are:
Better quality of purchased inputs (raw materials)
Improved product appearance
Increased product quality and reliability (quality control throughout the value chain)
Skill and experience of employees
The degree of vertical integration (firm’s ability to control input)

As far as the price is concerned, the driver used by Champagne houses is:
Premium pricing (with high quality and unique products) by making products more expensive than competitors’ (with purpose to signal the superior value of what they offer)

As far as the brand is concerned, the drivers used by Champagne houses are:
Create unique selling propositions (USPs) to establish a unique emotional proposition
Consistency of message and association of a brand with ideas that are already held strongly with the customers’ mind
By establishing a reputation for good quality and reliability
Intensity of marketing

\(^{77}\) [http://strategy-models.blogspot.it](http://strategy-models.blogspot.it)
Drivers of a Differentiation Strategy

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>PRICE</th>
<th>BRAND</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Better quality of purchased inputs (raw materials)</td>
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<td></td>
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</tr>
<tr>
<td>• Skill and experience of employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• The degree of vertical integration (firm’s ability to control input)</td>
<td></td>
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</tr>
</tbody>
</table>

Source: USI slides
Product

The intrinsic and incomparable quality of the product is guaranteed by the tradition existing in the region and the unique terroir and also by the Champenois, the Champagne craftsmen, responsible for the production.

“Champagne can be produced only inside the delimited area of the Champagne province under the denomination Appellation d’Origine Contrôlée (AOC) as defined by the Institut National des Appellations d’Origine (INAO). In the case of champagne, there is a key legal barrier determined by the AOC laws that control a wine’s content and linkage with a delimited territory and the best indicator of success in the appropriation of value is the price obtained for champagne. There is only one sparkling wine that can be named “champagne”.

The strict appellation law was imposed to provide quality control for the production of champagne and to protect consumers from confusing this unique product with other sparkling wines claiming to be champagne. Raw materials make certain the essence and the character of the French sparkling wine.”

Throughout the years, cellar masters, responsible for the assemblage of the three different grape varieties, transmit their heritage and know-how only by apprenticeship. Another special feature is the assemblage, each year, of the new wine with the reserved one from previous years, sometimes even seven years, to maintain the uniqueness of each house’s sparkling wine.

Champagne was a result of innovation and it maintains this traditional approach even today. Ongoing R&D with traditional know how where the cellar master is a key value creator. Real creativity coupled with genuine innovation are important drivers for the success of the French sparkling wine.

Vertical integration could be a way of controlling and save money for Champagne houses, since today the grape prices is set by the government. Several firms that

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79 http://www.champagne.fr
have successfully harnessed vertical integration such as Veuve Clicquot and Louis Roederer.  

**Price**

The premium price is the most important driver that makes Champagne different from the Metodo Classico.

By making products more expensive than competitors, Champagne houses succeeded in creating a competitive advantage in the sparkling wine industry. It has been essential for the champagne producers to maintain the perceived value of their brands with the consumer over the years. On average, the price of a bottle of champagne is $20, probably more than any other drinks brand, champagne has a very real perceived value to consumers that has been cultivated over centuries. French sparkling wines produced in the region of Champagne, on average, are sold for around three times the price of other sparkling wines. This is due to the great brand control by this specific region, which leads the market of sparkling wines in terms of consumer quality perception.

The data in the second part of this dissertation shows that price does not always mean quality, but once you hit a certain price level in the luxury segment, you should expect a high quality bottle. Just having the name “Champagne” on a bottle, it is guaranteed an elevated price for that wine.

Metodo Classico houses must pay attention to the price imposed by retailers. There is nothing that can destroy a brand as quickly as low price and 

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80 [https://www.kpmg.com](https://www.kpmg.com)
81 [http://www.bloomberg.com](http://www.bloomberg.com)
discounting. Allowing retailers to use a brand in a price war through discounts and promotions could damage that label, it is toxic to a luxury brand.\(^\text{82}\)

**Brand**

"History and heritage helps in familiarity among customers; rich ancestry and tradition give the brand deep mystique. Most of the champagne houses were created in the 18th century when luxury prestige wines became part of the culture and national consciousness of France and, as the centre of the new bourgeois, to the whole world. Champagne was used to delineate social boundaries and its consumption became a basic ritual for membership within certain social groups."\(^\text{83}\) This is an important differentiating factor with current sparkling wine competitors and one of the most important generators of value perception in consumers' mind. Champagne value emerged as part of the new mass consumer culture generated at the end of the 19th century.\(^\text{84}\)

The international recognition is supported by expensive marketing budget campaigns. The Champagne industry invests about 400 million of euro in marketing in order to sustain their wine brands. Names like Moët & Chandon, Pommery, and Mumm are globally recognized as luxury wines and their global recognition is portrayed by a strong position in the mind of the consumers, as we have seen in the previous positioning analysis with the help of the perceptual map.\(^\text{85}\)

\(^{82}\) [https://hbr.org](https://hbr.org)  
\(^{84}\) Martin Kunc, Assistant Professor, Warwick Business School, Coventry, UK. Charters, S. (Ed.). (2012). *The Business of Champagne: A Delicate Balance*  
\(^{85}\) [http://www.europeanbusinessreview.com](http://www.europeanbusinessreview.com)
The idea of the brand is important for the majority of consumer's mind; it could all taste the same and people would still be brand-loyal. That is possible thanks to the brand awareness. Differentiation is important and it could be done thanks to the brand identity; it means giving a name to the product, and the name chosen has to be remarkable and it must illustrate the company’s values. “Brands that have strong, and unique associations are better differentiated from competing brands. The image and identity of the wine should be carried by the brand; it is the most important aspect for marketing when emotional and experiential aspects of the purchase are strong, and when the experiences are transferred from one costumer to another.”

The luxury market, and in particular the one of sparkling wines, is different from the others because of the massive differentiation in its business models and brands. France has a reputation of high quality and luxury goods and its Champagne is exported worldwide as a symbol of luxury and richness. Perceived quality is not accidental, it is the result of high intention, high craftsmanship and aesthetics, sincere effort and skilful execution. Luxury implies a premium price; price helps generate the luxury authority in consumers’ minds. In order to maintain the perceived value and quality, price must be set higher than the consumers’ expectation and willingness to pay. Outstanding high brand awareness and valuable perceived quality, consumers confer high social status and prestige to a specific luxury brand or product. This is the case of the Champagne.

The most important difference between Champagne and Metodo Classico is the lack of the value perceived and the consequently absence of the status symbol of the Italian sparkling wines. The French sparkling wine is an icon, a symbol of richness and elegance; people are willing to pay more to drink and show an emblem instead of a good quality but not recognizable wine. Brand and image are more important than quality in people’s mind. Champagne represents a way of living, an attempt to imitate the life of the wealthy and high-up people.

86 http://ita.hse.fi
87 Luxury brand management, SlideShare
The French sparkling wine is a luxury product that brings a wealthy status, such as a Ferrari sport car, even though it is affordable and not so exclusive in terms of price.

The large Champagne houses owns skilled and qualified brand managers. “It has taken a lot of hard work to get Champagne positioned the way it is now, occupying an elevated space in the wine world, and much of the work has been done by the marketing departments of the Grand Marques. This work has also created a brand equity around Champagne itself.” 88

There seems to be a fine balance between high brand awareness and the image of exclusivity. Visual branding, through packaging and channels, determines the consumer’s perception of the label. Brand awareness is also seen as crucial for consumers being a vehicle of familiarity, a social class prompt and an indicator of wealth and status quo. In addition to the intrinsic quality, integrity and consistency are important to create and maintain a reputation. Consistency refers to the positioning as a luxury brand, avoiding the brand-damaging discounting and over-exposure in the wrong channels. A good long term strategy also targets the future generation of consumers, in addition to the current followers. 89

“Marketing is the key for brand recognition of a prestigious Champagne and the company has to invest on marketing in order to achieve visibility because image is everything. The product quality must be good but, once a certain level of quality is reached, relatively few consumers will be able to tell the difference between one Champagne and another sparkling wine.” 90

Public relations are a sophisticated branding machine that plays an important role in image proliferation and influencing public opinion in a positive way. People prefer Champagne instead of an Italian Metodo Classico because it has famous testimonials that help the fashionable image of exclusiveness. As the

88 http://www.wineanorak.com
90 http://www.wineanorak.com
other luxury brands, it needs the collaboration of public figureheads: movie stars, musicians, sports personalities, royal families, TV personalities, fashion models and designer that reap the attention and impact at special events and award shows. This product placements and subtle endorsements from celebrities positively affect brand perceptions.

<table>
<thead>
<tr>
<th>BRAND</th>
<th>SPONSORED EVENTS</th>
<th>FASHION/ART COLLABORATION</th>
<th>OTHER ASSOCIATION COLLABORATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moët &amp; Chandon</td>
<td>London Fashion Week</td>
<td>Mattew Williamson</td>
<td>Swarovski</td>
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<tr>
<td>Dom Pérignon</td>
<td>National Portrait Gallery</td>
<td>Karl Lagerfeld</td>
<td>James Bond</td>
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<tr>
<td>Veuve Clicquot</td>
<td>Gold Cup</td>
<td>Emilio Pucci</td>
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<td>Glorious Goodwood</td>
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<td>The Big Chill</td>
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<td>Sex and the City</td>
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<td>Perrier Jouët</td>
<td>Zoo Art Fair</td>
<td>Emile Gallé</td>
<td>Art nouveau period</td>
</tr>
<tr>
<td>Pommery</td>
<td>The Royal Windsor Cup</td>
<td>Takahiro Okawa</td>
<td>Seasonal</td>
</tr>
</tbody>
</table>

Source: The Drink Business
Linking brands to other entities through partnerships is seen as a good way to give a strong visibility to a product. A compatible customer lifestyle and a similar level of luxury is crucial for a successful brand partnership. Consumers tend to correlate the distribution channel to the brand, but also events such as product launch parties or event sponsorships are an effective way of promoting a brand. Sponsoring events is exclusively about creating awareness among a selected audience, but the party for the launch of a product can also improve relationships with existing customers. 91 Carefully selected sponsorships can even enhance the brand’s quality perception. It is important for Champagne brands to be associated with the right events, personalities and places. Be placed in the right restaurants and clubs is essential. Distribution needs to be carefully controlled. 92

“"It is very important to understand customers’ needs and to capture changes in their preferences. Thus, nowadays, it is important the role of social networks that are externally directed to detect the needs of customers in some circumstances. The social position of the champagne houses in different social networks in diverse countries and social classes allow them to differentiate and customize their offer."”93

The use of the family name is even more important than the appellation “Champagne” as a form of personal assurance of the quality and uniqueness of the product within a distinctive bottle. External prompts such as packaging are very important, as Champagne is becoming more popular as a gift. Veuve Clicquot herself, for instance, showed exemplary branding sense when Madame Cliquot patented the orange colour used in her Champagne labels; nowadays after 200 years, anything in Champagne with bright orange is automatically connected to the brand. 94

91 http://www.forbes.com
92 http://www.europeanbusinessreview.com
94 http://www.veuvecliquotponsardin.com
5.3 The challenge of Metodo Classico

Metodo Classico has to face a real challenge. It has to compete with the prodigy: The Champagne.
As far as the quality concerns, it has the same level of Champagne, independently from personal taste. The production method is the same and also are the climatic conditions and the grapes employed. However, in Italy wine production is concentrated into mainly small and usually family-owned houses, which often do not have a precise marketing and competitive strategy. In addition, scarce economies of scale, complex labelling practises, difficulties in affording advertising and the inability to leverage new production could make it challenging for wine houses to emerge and be attractive in the international market competition. Moreover, Italian sparkling wines category misses a clear distinction in the common consumer’s mind: can happen that drinkers make confusion in the distinction of this two completely different way of producing sparkling wine. Metodo Classico falls short of the popularity and the price convenience of the Prosecco phenomenon outside the Italian boundaries. It is known inside Italy but outside it has to be illustrated and explained in order to promote its quality and value.  

Nevertheless, Metodo Classico has many challenges starting from the volume sold that, as we have seen in the second part of this dissertation, it is in general higher than Champagne regarding sparkling wines (only when considering also the Metodo Charmat production with its strong suit represented by Prosecco and its extraordinary growth). However, considering only data about Metodo Classico, the scenario is completely different and the volume of Champagne results unreachable.
The main challenge faced by Metodo Classico is the average price that is extremely lower to the French one. This issue in the price competition, causes a less value perception over the consumers. If a product is not charged with a premium price that costumers are willing to pay, this outcome does not deserve a higher value perceived.

95 http://winefolly.com
The brand recognition is penalized by the defect of the iconic status symbol, the lack of the first mover's advantage, the shortage of an ancient heritage and the marketing actions; all features owned by Champagne. As we saw before, Champagne can boast of a status symbol, it is an icon and people use to drink it not only for the inside of the bottle, but also for it confers with its value. Champagne was the first in this industry and it can exploit this advantage because of its history and heritage. As observed before the French sparkling wine has many ways of communicate its image; each brand through different marketing campaigns, events, partnerships and testimonials has become a symbol of luxury across the world.

However, something is moving also from the side of Metodo Classico, especially speaking of the house Ferrari Trento. Ferrari is the most recognizable Metodo Classico brand across our country. It is the official partner of two of the most important airline companies: Alitalia and Etihad. Its famous spumante is the celebrative official drink of Juventus Football Club; Samsung Galaxy S7; Ski World Cup Championship; the 67th Emmy Awards edition; Expo Milano 2015. It also cooperates with automakers Maserati, Porsche and Mercedes and has an important partnership with the National Chamber of Italian Fashion. Franciacorta, in fact, will be the official wine at the man and woman fashion shows in Milan for next years. Ferrari won the title of “Sparkling Wine Producer of the Year” at the international competition The Champagne and Sparkling Wine World Championships 2015, prevailing in the final round over two renowned Champagne producers: Charles Heidsieck and Luis Roederer. The other sparkling wine houses have a lot to learn from Ferrari’s strategy.

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[^96]: [http://www.ferraritrento.it/the-house/awards](http://www.ferraritrento.it/the-house/awards)
Looking for a competitive advantage strategy and for some focused actions, the producers of Metodo Classico should move following some of these lines.

It is essential that producers collaborate with the distribution channels in educating the consumer about the speciality and the benefits of trading up to communicate their value. Champagne has been so successful in the past in doing this, the Italian producer should do the same to make themselves comparable to the French.

It is also basic to tailor the offering to consumers’ values. Luxury customers seek different values from consuming hedonic products, thus it is important for the producers to understand who their customer is, and how value can be communicated to costumers, both in terms of the brand and in terms of product offering.

Speaking about the label, Metodo Classico houses should brand the mid-sector. It is important to build a strong brand name in this market to create a clear visual image that communicates the value through a superior quality and prestige. It is also necessary to send a consistent message through marketing communications in order to create a clear visual image and to build a strong label in the long term. Consistency in pricing can enhance the perceptions of prestige and quality; consistency in distribution channels avoids over-exposure and the loss of an exclusive image; and consistency in the product line means distinguishing the core product line from the add-on products. These will help avoid customer confusion when more added-value styles are promoted.

97 https://hbr.org
Conclusions

The aim of this dissertation was to demonstrate the theory that, despite the same quality level, Champagne and spumante Metodo Classico have two different images and thus distinct value perceived in the consumers' mind.

Starting from a general overview of the two sparkling wines, with the help of the market values in terms of consumption and export, we arrived at the analysis of the strategies used by them. The focus was on the successful strategy of Champagne that, with accurate adjustments, could be applied by the Italian Metodo Classico houses. Image is everything and make the own product a status symbol is the way for the immortality in the market. Marketing is the most useful tool in order to reach a better position in the perceptual map of the costumer’s mind.

The findings of this research concern the reasons why Metodo Classico has a lower value perceived than Champagne. These reasons could be found in the lack of communication about the real quality heritage of the Italian products, the lower price and consequent absence of a premium price that consumers are willing to pay for a Metodo Classico bottle instead of a Champagne bottle and the impressive need of brand awareness supported by strong marketing campaigns and brand recognition actions.
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*Il Corriere Vinicolo*, Unione Italiana Vini (year 89 n°13, April 2016)

USI slides:
- competitive advantage
- corporate strategy

Other information available on:

- [http://www.adoreichampagne.com](http://www.adoreichampagne.com)
- [https://www.agilience.com](https://www.agilience.com)
- [http://www.altalangadocg.com](http://www.altalangadocg.com)
http://www.wineanorak.com
http://www.Winebynnumbers.com
http://winefolly.com
http://www.winegrowers.com
http://www.Wine-searcher.com