



MASTER THESIS

URBAN APPELLATION: SERVING WINE BY THE GLASS AT THE CELLAR DOOR

ALBERTA COPPI

Internship developed at Chateau de Bellet
Nice, France

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June 1st, 2020

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Abstract

This Master Thesis is the result of the whole Wintour Master program and the internship started at Château de Bellet, Nice, France.

The first part of the paper has a geographical approach to contextualize the location of the winery, followed by the analysis of its specificity: the proximity to the city and to the seaside.

The urban and coastal areas are characterized by the evolution of tourism, and today Cote d'Azur represents one of the major tourist destinations in the world. This part confirms Château de Bellet located in an unique setting due to the urban appellation where an expansion in terms of vineyards is difficult.

The second part follows a marketing approach to analyse the current situation. The winery has a positive position and it is growing in terms of sales and visits, but it is still important to find ways to increase revenues. The author suggests to take advantage of the unique urban location and proposes to increase direct sales. Through a marketing mix study, the proposal is to sell wine by the glass, by opening a wine-bar on the hilltop terrace of the winery. The final part of the paper considers similar case studies to draw conclusions. The sale of wine by the glass results in increasing direct sales and guests satisfaction.

Keywords: Bellet AOC, rural-urban, PACA tourism, direct sales, wine-by-the-glass

List abbreviations

AOC: Appellation d'Origine Contrôlée - Protected Designation of Origin

FQP: Food Quality Preference

HORECA: Hotels, Restaurants, Cafés

PACA: Provence-Alpes-Côte d'Azur

SEO: Search Engine Optimization

SWOT: Strengths Weaknesses Opportunities Threats

WBG: Wine By the Glass

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1. Introduction

The thesis concerns Château de Bellet winery, located inside a deconsecrated church in the metropolitan area of Nice. It is based on an analysis of the territory, which is very urbanized and highly touristy. The winery is growing successfully, but has encountered difficulty in growing in terms of vineyards expansion. The proposal is to keep it growing by increasing direct sales in the form of single-serving wine glass. The purpose is to bring together the rural, urban and coastal elements to benefit the winery. The uniqueness dictated by the specificity of the place will be the basis for proposing the serving wine by the glass.

1.1 Description of the company: Château de Bellet

Château de Bellet is a winery located in the AOC Bellet in the city of Nice.

The Château de Bellet, historically family owned, has been bought in 2012 by an investment company called La Française Real Estate Partners. Château de Bellet's vineyard have been expanded and merged with the neighbouring property, to form a 12ha *domaine*.

The "new" Château, opened in 2015, includes the old chapel and a new cellar. The chapel, build in 1873 by the family, has been de-consecrated and renovated and it is now the boutique and tasting room. Additionally, there is a crypt used as a second tasting room. The project has been carried out by a renowned architect's studio (Bruno Legrand Architecture), which adds more value to the estate.

The wine cellar 800m² is totally new, taking advantage of the slope of the hill it has been constructed over two floors just below the chapel. The winemaking process follows gravity: on the first floor is the reception of the grapes, while on the bottom floor there are the vats and ageing room. The first floor is used for the first steps of winemaking during harvest period, then, at the end of the harvest it is freed from the machines. It becomes a large function room for weddings, private events and seminars; it is a wide space with big panoramic windows showing the beautiful landscape. Above the cellar, outside the Chapel there is a spacious terrace facing the vineyards, the Mediterranean sea and the Alps. Currently, the terrace is empty and there is no possibility to sit.

Château de Bellet produces 3 ranges of wines. At the basic level: white, rosé and red ranging from 22€ to 26€. The upper level produces three color wines with a cost of 29€ to 35€; and the top level, only in white and red which are priced 60€ (Appendix 2).

The white wines come from Rolle (also known as Vermentino) and Chardonnay varieties and they are the most produced (50% of production is white). The rosé are monovarietal using an autochthonous red variety - Braquet. The reds are produced with another local variety called

Folle Noire and blended with Grenache. All the whites and reds are aged in oak barrels. The oldest vintage on sale is the 2017. Moreover, the winery sells out everything and it is not interested in ageing the wines at the estate. The winery overall production accounts for around 25 000 bottles.

The staff of the winery includes: the manager, two full-time employees, one in wine-tourism department and another one in charge of the viticulture-winemaking (assisted by a seasonal team). The famous oenologist Eric Boissenot (Wine Spectator, 2013) works as a consultant twice a year. There is one intern in charge of communication and, during the high season, other interns -5 planned for this year- are putting into practice the wine tourism activities. The winery hosts special events such as weddings or private meetings by renting the facilities.

Château de Bellet, during the summer, is open all days of the week from 10.30 to 18.30. In terms of wine-tourism, it offers only one type of activity: the tour and tasting (3 wines of the basic range) lasting around 1 hour (30 min visit + 30 min tasting).

There are two possibilities:

- Public tours: 20€ p.p. max 20 pax. English or French, 4 tours a day at scheduled time (11am, 14pm, 15pm, 16pm.) based on the language, guests are grouped together.
- Private tours: 30€ p.p. English or French languages, free to choose the time

Besides that, if guests arrive when a tour is not scheduled they cannot be attended properly, however there is the possibility to taste some wines when interested to buy.

1.2 The appellation: Bellet AOC

Château de Bellet is situated in Bellet appellation: Bellet is the topographic name of the hill. Nice is the only city in France which has an AOC where all the production is located inside its metropolitan area and under a quality name.

Situated in the North-West part of the city, at only 10 km from the Mediterranean sea, the well known Côte d'Azur is delimited on the West side by the Var river and is now an important industrial valley. The climate is mild, it boasts 300 sunny days a year and a constant sea breeze through the Var valley and the Alps.

Historically, the vines were planted by the Greek in VI BC, and since then wine has always been produced, albeit with its ups and downs. In 1941 the AOC was established and today it covers 50ha. It is a 100% organic appellation and includes 9 wineries, pretty small in size and quite young (Appendix 1).

1.3 The French regulation: winery and wine serving

In France, in order to sell wine or any alcohol beverage below 18% v/v of alcohol, a specific permit is required, named "License 3". It might sound surprising, but this permit is not required to a winery offering only visits, tasting or sealed bottles.

When an enterprise offers alcohol for sale and is consumed on site must have a license. In other words: if wine is given for free there is no need of authorization; while the monetary exchange for alcoholic beverages requires a permit.

1.4 Introduction to wine-tourism in Nice, Provence-Alpes-Côte d'Azur

France is the most popular tourist destination in the world, with nearly 90 million visitors in 2018 (Eurostat, 2019). In addition to that, the country also ranks first in the world as wine producer in terms of value (OIV, 2019), thus it is essential to talk about wine-tourism in France.

Wine-tourism is a well developed sector with around 10 000 wineries open to public which welcome on average a total of 10 million of visitors (CNIV, 2019). Narrowing down to the metropolitan area of Nice where Bellet is located. The city of Nice has 340 000 inhabitants and it is in the department of the Alps Maritime, in the Provence-Alpes-Côte d'Azur (PACA) Region. The latter is the first touristic destination for French citizens and it is the second destination, after Paris, in terms of foreigners (Moustier and Rieutort, 2018). Reaching a total 34 million tourists received every year PACA has also the French record in terms of length of stay, boosting the highest number of nights in France (Profil Regional PACA, 2015). During the summer the population in the region grows by 60% more than during winter (Profil Regional PACA, 2015).

Nice and its surroundings, for its beauty and mild climate, attract national and foreigner elderly people to spend their retirement. Actually, the largest social category in the department is that of retired people, who represent 36.3% of households (Department Data, 2019). Côte d'Azur is well known for being a place for summerhouses, 27% of the houses in Nice are used only for short periods (Garibaldi, 2019). The French Riviera, due to the pressure coming from tourism and consequently the residential economy, has been exposed to urban sprawl (Robert, 2009). PACA is a perfectly established tourist destination because it offers multiple attractions all year around: sea and beaches, Alps and natural parks, cities like Nice, Cannes, Monte-Carlo and villages rich in history and heritages, diversification of activities, events and renowned cultural attractions (Moustier, 2006).

However, it is important to mention that wine-tourism activities are not the primary reason for holiday in PACA region. A study carried by Collectif (2009, *cit.* by Moustier and Rieutort, 2018) shows that in PACA the wine tourism activities rank third (3rd for foreigners and 11th for French people) as an attractiveness to the area, while for other French wine regions the visits to the wineries are the first driving factor. In spite of that, on average, the purchase of wine per visit amounts to 106€ in France and 110€ in PACA (Moustier and Rieutort, 2018) proving the fact that visitors may be more wealthy. The same authors go further and outline another fact proving the weight of affluent customers, the strong presence of retirees and foreigners, with an estimated share of direct sales at the winery of more than 14% -compared to 10% in the Rhône valley-. (Inter Rhône estimate, *cit.* by Moustier and Rieutort, 2018).

1.5 The internship: duties and activities

During the short experience of the internship (16 days) I was in charge of:

- Phone and email correspondence and reservation bookings
- Stock management, refill the shelves and storage/warehouse managing the stock
- Welcoming clients and direct sales
- Guided tour of the winery
- Tastings for English speakers guest
- Translation of informative material from French to English

2. Proposal

The aim of this Master Thesis is to create innovative ways to encourage direct sales, with the final intention to increase revenues and guest satisfaction.

The paper is set in a broader theoretical framework of “urban appellation”; with highlights on the rural-urban relationship. It is going to be discussed how the proximity to the city can be source of opportunities but at the same time can involve challenges and drawbacks.

Moreover, the winery is situated in a consolidated tourist area of international reputation; throughout this text the author aims to find out if it is possible to profit from this position.

3. Methodological approach

This study was initially planned to be developed during the practical internship and it should have been based on a mix of research on the field and bibliographic research. Due to the restriction imposed by Covid-19 this thesis is mostly based on secondary data, following an

explorative approach which aims to delve into the main aspects of an under-researched issue: wine-tourism in an urban area.

The data are predominantly qualitative and have been used following analytical methods.

Some primary data used in this text come from author's personal experience and observation during the internship; these data are mostly qualitative (generally used to describe, contextualize, and gaining in-depth insight into specific concepts or phenomena).

Besides that, a literature review, a netnography (research on the web), a comparison to other similar case studies have been used to gather secondary data and information.

The literature review helps to situate the research in an existing bibliography, and to evaluate the specificity of Château de Bellet within a broad research topic.

Through the comparison to other case studies (such as Alella AOC) it has been possible to gain an in-depth understanding of the concept of urban farming/wineries in other countries. This decision is due to the lack of enough resources for a large study in South of France. Moreover, by the same comparative approach it has been possible to collect the data from other cases of wine-bars assessing their viability at Château de Bellet and drawing some conclusions.

This paper proceeds as follow: first, a situational macro analysis of the appellation and its urban position explained also by the growth of tourism in Cote d'Azur. This is followed by a study of the wine-tourism sector and the wine-tourism activities at Château de Bellet.

In order to examine the micro environment of the winery, a SWOT analysis has been done. Based on this analysis several aspects have been discussed, and it has been possible to draw the UPS and the differentiation points. Through a market research, few significant competitors have been found. The marketing activities and the target segmentation have been outlined, in order to contextualize the current situation of the winery. Before proposing to open a wine-bar, the risks have been assessed and then the feasibility of the project has been analyzed. Afterwards, to implement the wine-bar the author followed the marketing mix approach (4Ps - Product, Price, Place, Promotion), which serves as a tool to explain and plan the launch of a new service. Finally, in order to draw the results, due to limited studies in this field, other similar cases have been taken into consideration. Towards the conclusion the author sums together all the factors which characterize Château de Bellet and the benefits by serving the wine by the glass.

In terms of collection the secondary data, governmental statistics have been retrieved from PACA region, which includes Provence, Alps and Côte d'Azur, grouped, in 2018, under the

acronym PACA. Côte d'Azur is the name of the “touristic destination”, but is not a political entity thus there are not specific database and statistics regarding this area.

4. Discussion

4.1 Winery inside a church and urban winery... Unique settings?

The idea to convert a deconsecrated church into a wine related space is not a new concept: during the last decades there have been some cases. Among others, in Paris a wine shop set in the old church of Saint-Christophe, while, in Italy there are the Barolo chapel and the Barbaresco official wine shop in an old church - both near Cuneo.

Also the concept of urban winery is already well established. It started in US in the 70s and today there are over 200 urban wineries worldwide (like London, New York, Hong Kong). According to VornDick (2014) “an urban winery is a premise in which wine is produced for consumption or sale within a defined territory or area of more than 2,500 people” (p. 2). But, this definition does not take in consideration viticulture and the origin of the grapes. Frequently the urban wineries buy grapes from winegrowers which are significantly distant, sometimes even from different continents. In this sense it is inappropriate to define Château de Bellet as an urban winery. Château de Bellet sources all its grapes locally, without buying them.

On the other side, more rarely, there are urban vineyards (Venice, Paris, Los Angeles...) which grow the grapes in an urban area but these are vinified in wineries set outside the city. Château de Bellet, as the other 8 wineries of Bellet AOC, is unique in the world because all the production - from grape growing to vinification and bottling - take place inside its metropolitan area. To conclude, in this case it is more appropriate to talk about an “urban appellation” than an urban winery (Annex 3).

4.2 The tourism industry and the urbanisation of Bellet

With the arrival of phylloxera in 1863, the agricultural land surrounding Nice started to be deeply transformed. Up to this time, winemaking was a common practice, mostly for family consumption. During the post-phylloxera period, many winegrowers decided to not re-plant vines and to shift to more lucrative business such as other crops in greenhouses.

In parallel, during the beginning of the XIX century, Nice starts to witness the origin of tourism. Nice and the Côte d'Azur became one of the main destination of the Grand Tour, attracting North-European people, mostly British and Russian. At that time, the length of stay was long and often associated to health reason due to the mild climate.

The French Riviera gave an image of leisure and aristocracy, which is still showcasing today. The hills surrounding Nice are still envied for their image and the type of inhabitants attracting; during the XIX there have been built castles and villas for millionaires and aristocrats. The land started to become fenced and visibly privatized.

In 1941 Bellet vineyards obtained the AOC certification and winemaking was no more produced for domestic consumption but it started to become a niche drink. This fact created distance between the local producers and the final consumers (Gabay, 2015). The other agricultural crops disappeared because of lack of economic viability. Generally, only one sector was appealing: the tertiary economy.

During the 60s, a very strong process of urbanisation started. Alongside, during those years, tourism has had a huge boost in all Europe and with the increase of tourism demand, the hills become more urbanised. Summerhouses, luxury houses and villas, second houses for foreigners, but also for nicoise people deciding to move out of the city as a lifestyle choice proliferated. The pressure of the urbanisation has completely modified the landscape, especially by reducing the vineyards into smaller and smaller plots. Vineyards with better exposure, facing the sea, have nearly disappeared. A study, carried out in the peri-urban area of Nice, including Bellet, claims there is a strong correlation between hills with sea view and cement (Robert, 2009).

Bellet has changed its face, it is still an area predominantly green, but from “land of production” is turned to “land to live in”¹ (Perron and Beesau 2013, *cit.* by Moustier and Rieutort, 2018), from a land of agricultural work into a place to live as a lifestyle choice.

This transaction threatens the authenticity of the place. As evidenced by the national statistics, the city of Nice has 27 663 second homes (INSEE, 2008). Another consequence is that the new residents do not have a history of emotional affiliation with the place and its identity, neither an agricultural background, which leads to further challenges; in fact, in 2018 the number of people employed in the agriculture accounted for only the 0.2% (Department Data, 2019). Vineyards, as all agriculture in general, are no more a place of work but a place to be enjoyed and consumed as visitors.

The oldest and biggest wineries of Bellet (Château de Bellet and Cremant) are owned by big corporations. All the other wineries are family-run and have been in existence for less than 30 years (Appendix 1). In some cases, through a direct research, it has been found that the

¹ Des « territoires de pratiques » aux « territoires à vivre »

winery owners have a different main job and the winery is not their primary business. In other cases, the author assumes that, because of the cost of the bottles and the size of the estate (very small) is not possible for a family to live out of it (Appendix 1).

Bellet AOC shows many similarities with another appellation in Spain: Alella AOC, which is set in a peri-urban area near Barcelona.

Alella AOC has been studied by academics (Recasens *et al.*, 2016) and can serve to give some insights to Bellet. The choice of Alella is explained by the presence of many features in common with Bellet: in Alella AOC the wineries are close to Barcelona and close to the seaside, both important touristic destinations. The area, due to the tourism growth and the demand for houses are suffering from urbanisation too. The appellation is historically connected with wine production and is rich in wine heritage. However, as the wineries in Bellet, the wineries in Alella are relatively young too. The research by Recasens *et al.*, (2016) studying Alella AOC goes further and analyzes the type and the driving factor to open a winery in a peri-urban area. In Alella the owners are “newcomers” like AOC Bellet, meaning that they don’t have a deep affiliation neither an historical linkage with the place. It is interesting to note the the study in AOC Alella outlines that the main purposes to open a winery have been: leisure, welfare and the maintenance of cultivated land, of course beyond commercial purpose (Recasens *et al.*, 2016). Moreover, a significant part are owners without experience in the wine or agriculture sectors. It is likely that the same factors can be applied to Bellet AOC.

Bellet’s agricultural land is suffering the pressure of the tertiary economy such as tourism, construction and other profitable business at the expense of the cultivated land. Furthermore, Bellet hill looks over the Var valley, an industrial valley with highway, train station, industries, shopping malls, stadium... All the vineyards of the AOC have the organic certification and the Var valley promotes itself as an ‘eco-valley’. How can construction and industrial development combine with ecosystem preservation and organic agriculture?

Officially the AOC covers an area of 650 ha, today only 50ha are under vine (except some vineyards maintained by amateur gardeners and located within the walls of some villas). There’s still around 20 hectares defined as "plantable" but with significant slope and in need of terracing, therefore requiring major work and resources. Moreover, the land value is constantly increasing, thus undermining the commercial sustainability of the vineyards. The price of the land (in term of vineyard) is among the highest in France: 245 000€ per 1ha

(Storchmann, 2017). Indeed, today the vineyards cover small plots of an area, in average of 1ha each, all scattered and sparse (Annex 4).

To sum up, Bellet' vineyards are suffering and loosing their heritage. The possibility to purchase new vineyards is very limited and often it comes from capital outside the agriculture. It is therefore clear that it is difficult for a winery to expand its vineyards.

Many of these factors are explained by the 'positive' growth of tourism. It is possible to conclude that tourism has two faces: it is a source of opportunities for Bellet wineries but at the same time is threatening their status. The next chapter will analyse in depth the urban position of Château de Bellet.

4.3 What about a winery situated in the rural-urban fringe?

According to McKinsey (2008), urban wineries may be uniquely positioned to better capture the economic benefits because of their location and the closer proximity to the urban customers than their rural, isolated counterparts. In the touristic view, the proximity to the target market is deemed crucial for the success. In this case Château de Bellet has an advantage over other wineries located in rural and less accessible places.

Moreover, in terms of wine-tourism the fact of being in a famous seaside and urban destination contributes to attract different sets of tourists than those attracted by a pure wine region. In this sense the outputs are visible at Château de Bellet where many customers are totally new to wine and beginners in visiting a winery. This observation at Château de Bellet confirms what Barber *et al.* (2008) argue: the fact that most consumers visit a winery due to its proximity to other sightseeing, rather than the winery itself. Getz (2000) suggests the concept of "country experience" as motivation factor to visit a winery, enjoying peace, tranquility, picturesque rural setting. Even if Bellet is on the border of being rural, for many urban citizens it can be already considered as so.

Wineries in this urban-rural fringe should develop different strategies to prosper: such as not competing on prices or global reputation but focusing on the local market (including the tourists) as a Km0' product, promoting themselves as a local product in place. Today there is a growing demand in short wine-distribution chain. Wineries such as Château de Bellet have already applied this strategy and thus the urban location is an advantage.

In addition to that, today wine tourism is far away from a simple visit to a wine production facility. Tourists are looking for more than that: they want to feel emotions, to feel enriched culturally and to discover something new: a five senses experience (Wagner *et al.*, 2019). The vineyards are no longer experienced as a workplace but as an holiday setting. Gerbal (2019) underlines the difference from vineyards and *winescape*. Tourists and visitors are

looking for a *winescape*; hence Château de Bellet has adapted to meet the expectations of the wine-tourist. As an example, up to 2012 there were few vineyards next to the cellar but the new owner decided to plant vineyards all around the winery exactly to meet the visitors idea. The vineyards as well as the cellar itself become the attraction with enhancement of a traditional viticulture, the discourse oscillating from pedagogy to folklore with the visit. According to Getz and Brown (2006) there is a shift from an emphasis on wine production and related facilities to more aesthetic and experiential dimensions: also in this case, Château de Bellet has an advantageous position, being set in a XIX church.

The winery itself has been renovated with tourist in mind. The Bruno Legrand Architect studio is specialised in wineries and wine-tourism projects (<https://bla.fr/>). The winery itself is a wine state destination, it becomes like a monument to taste and sophistication. The line between production and attraction becomes blurred in favour of art, living history, museum, up to be a retail outlet.

In an appellation where the rurality is already endangered the risk is to become too much tourist centered, involving a kind of 'disneyization' of the winemaking processes. It is fundamental to keep in mind that the most important ingredient that tourists are looking for is the authenticity.

Château de Bellet should take even more advantages of its unique location.

In a similar case, near Barcelona, Alella AOC, leisure activities related to agriculture have contributed to the preservation of farming near the cities. It is also possible to oppose the alienation from the nature through educational and recreational activities. These are opportunities that Château de Bellet can develop and by doing so it can accentuate the concept of authenticity.

A very important challenge to face is to safeguard agriculture. In order to reduce the pressure on the agricultural sector, mostly due to the services economy, a mitigation, paradoxically, could be the tourism itself.

Tourism is one of the causes of this phenomenon but wine-tourism could become a solution because it is part of the tertiary economy which generates higher economic turnover than agriculture. Wine-tourism can be a path to increase revenue in a sector with low monetary income (agriculture itself) by adding value to vines and achieving a higher preservation and valorisation of the vineyards. This concept stresses the importance of the development of wine tourism in a sustainable way.

5. The actual situation of Château de Bellet

Preface: the owner, La Française, already owns 30 *domaines* in Bordeaux, Burgundy, Loire and the Rhône. Château de Bellet is another asset to differentiate its investment because it fits the profile of the high quality vineyards they are adding to their portfolio. It is important to mention this fact to explain that today and in the near future La Française has no interest making further investments at Château de Bellet. Generally, new projects are welcomed and can be implemented but now the liquidity is very limited or absent. In fact, the proposal to sell wine by the glass has been welcomed in a positive way but it has not been financed.

5.1 SWOT Analysis

The SWOT analysis is a tool to assess internal and external factors, and its positive and negative components. It shows the current position of the company and helps to develop strategic future planning.

As a result of the SWOT analysis the main objective has been found in opening the wine-bar, which is going to be discussed later on. However, some other minor and secondary proposals have been found in need of improvements, and they are going to be briefly discussed in the next chapter. Table 1 displays the SWOT analysis divided in subgroups.

Table 1: SWOT Analysis

Strength	Weakness
ONLINE • Good SEO • Many positive feedbacks • Same name as the appellation (easy to be found, is the 1st on Google) WINE • Producing high quality wines • Expert and well-known winemaker • Organic production • Local varieties • Served at important meeting /events • Consistency in product quality LOCATION • Near the city • Proximity to Côte d'Azur beaches (10km) • Accessibility: public transport (urban bus) + train station at 5km • Large parking • Receiving wine beginners	WINE TOURISM ACTIVITIES • Limited choice: only Tour+tasting • Limited customization • Standing during the tasting • Walk in the vineyards abandoned • Petanque abandoned • Lack of a story, lack of a philosophy • Poor-weak identity • No food service • Impossibility to meet the winemaker • No wine club / loyalty programs • Lack of activities for children INTERNAL FACTORS • Lack of financial asset • Distance between owner and CEO • Not inherence of the winery from the historical owner Baron of Bellet • Shortages in employees • Majority of interns • Little knowledge about customers

• Beautiful view, terrace • Spacious area for rent • Private events + weddings • Church as unique setting WINERY • High reputation- prestige • New equipment and technology • Wealthy clientele • Growth in number of visits • Part of Bellet wine route • BLA architects and new buildings • Brand new cellar • Open 7/7 during the summer	(no updated database of visitors) WINERY • Limited space indoor - no place to sit • Subject to weather conditions • Standing during the tasting • No wine by the glass • Lack of stock availability • Impossibility to buy older vintages • Vague product offerings • Closing time too early • Only still wines, not sparkling wines.
Opportunities	Threats
NICE & CÔTE D'AZUR • Many cultural events in the area • Low / Off season attraction • Airport at 14 km / city centre at 10km PARTNERSHIP • Increase advertisement by chefs on international airline • Seaside promote fish dishes + white • Support local 'green' initiatives to send a message/philosophy NEW PRODUCTS • Bottle of wine as a status= gift and present, packaging • Olive trees and other provencal aromatic herbs TARGET • Increasing luxury demand worldwide (focus on Russia and Asia) • Wine beginners • Yacht owners • Typology of inhabitants	BELLET AOC • Risk increase traffic - windy and narrow streets • Difficult access (for big buses) • Urban pressure to the vineyards • Artificialization of the nature • Domesticated rural attraction COMPETITORS • 8 wineries in the AOC • Château de Cremant • Competitors with older vintages • Restaurants serving WBG DIRECT EXTERNAL FACTOR • No direct control by the owner • Revocation of license 3 • Governmental restriction WORLDWIDE • Tourist expectations regarding taste pallet • French wines losing market share

5.1.1 Analysis' considerations

Through the SWOT analysis, several aspects have been found in need of improvement. Some weakness apparently look different but in order to be solved they can be grouped under the same topics. In the author's view, the key topics are: the need of authenticity and an environment friendly look.

There is the lack of a philosophy which results in the lack of a storytelling, transmitting values and emotions affecting positively the customer's attention. The importance of transmitting values and giving an emotional touch in order to remain in the minds of customers, has also

a second effect: to add unique values to differentiate Château de Bellet from the other competitors. Opting for an enviable and harmonious philosophy will make the difference when customers have to choose between different wineries. The importance of a story comes from the fact that consumers are more likely engaged when they receive the value proposition from the company in a narrative way. Our brain is far more engaged with stories than with hard cold facts. Moreover, emotions influence what we remember; in fact Château de Bellet should focus on displaying a general sense of humanity and care for the environment.

As the winery is set in a metropolitan area, Château de Bellet could overturn this disadvantage (being a bit too much anthropized) and promote itself as a rural island inside the urbanised territory. Through the use of communication and storytelling, Château de Bellet should give emphasis to the organic production and the eco-friendly side. By giving the message of environment friendly it can promote itself as a winery preserving the landscape. Just as an example: the vineyards around the winery have been planted with some weeds rich in little colourful flowers and at the edge of the vineyards there are some secular olive trees (at the moment not yet mentioned neither promoted). For townspeople (people living in cities) the hill of Bellet can already be considered as an idyllic countryside place. Even if it is a domesticated countryside Château de Bellet can promote itself as a green, advanced in biodiversity and conservation company.

The other weakness outlined are: the lack of diversification of the activities, among them the absence of activities for families and children.

The Pétanque² is a typical provençal game, part of the heritage of the region; it could become an additional element showcasing a sense of tradition and authenticity. Its renovation will add more choice to the diversification to the activities. It will result in an activity for families and it can contribute to the land valorisation. Nonetheless, it makes tangible the “countryside” experience and it will let guests to have an active and 5 senses experience, surrounded by vineyards.

The same values can be applied to the walk through the vineyards in need of restoration. The walk in the vineyard is known as a cheap and easy project, and it is defined by Gerbal (2019) as one of the first activity a winery can implement when the budget is limited. By restoring the walk in the vineyards and the Petanque, the green philosophy can become a tangible element: the green and natural values can become experienced by the guest.

The walk and the petanque will allow to improve the *winescape* perception. They do not require staff, allowing people to spend more time at Château de Bellet. As stated by Wagner

² Pétanque: a typical Provençal boules game

et al. (2019), when people spend more time at the estate are more likely to spend more money. It is very important to focus on authenticity and 'green', because this is what people are looking for visiting a winery.

Other aspects outlined in the SWOT suggest to increase the customization and tailor made services, in the meanwhile facing the excessive reliance on interns. The wine-bar allows more customization and flexibility to attend clients at any time too. In the meanwhile, this will relieve the pressure on the interns. During the 30 min tasting, clients can have different interests, from a deep engagement about winemaking, tasting notes details.... to an 'holiday mood', guests enjoying a glass of wine without asking detailed explanations. Thanks to the wine-bar it is the customer choice to decide the level of involvement. With customers very interested in knowing the oenological aspects and any other curiosity, the staff will be available to explain at their own pace. On the other hand, the guests can feel free to decide to have a more recreational approach, free to enjoy the hilltop terrace and the *winescape* without having to listen to a guide. In both cases, the wine-bar will reduce the reliance on the interns, because a member of staff can attend multiples tables/group at the same time. Perhaps in future, staff qualification is an issue to face.

During the last decades, there has been a growing popularity and interest in wine. As it is going to be analyzed later on, in the target segmentation, a significant part of the clientele comes from non-wine producing countries (Annex 6), where, traditionally, wine is associated with something extraordinary, uncommon or elitary. For many wine beginners wine could be perceived as an intimidating difficult drink. In China near Beijing and in Spain near Barcelona it has been found that urban farms and wineries located close to cities give significant importance to play an educational role (Yang *et al.*, 2010; Recasens *et al.*, 2016). At Château de Bellet, the wine-bar can remove the mystique about wine, promoting it as a friendly drink, an experience in a relax way, by changing consumers' perceptions and enhancing the knowledge of consumer who are already familiar.

Finally, other weakness are present, such as: lack of places to sit, the impossibility to serve wine by the glass (WBG), the shortage in activities and vague touristic offers...These weaknesses are going to be discussed through the paper, in order to confirm the wine-bar proposal as a mitigation to all this deficiencies.

5.1.2 Unique Selling Proposition (USP)

The USP is a set of unique aspects that Château de Bellet can exhibit and the others competitors cannot offer in the market. The winery can propose something unique to convince customer to choose Château de Bellet among other wineries or other tourist attractions. USP can be something that customer values and that gives a separate and individualistic identity as compared to other competitors. Thanks to the strengths outlined in the SWOT analysis it is possible to draw the USP. Château de Bellet has an unique setting because is inside a church, and it will offer the wine by the glass, a service that no other wineries can give.

The proximity to the city and seaside being in the meanwhile in a rural location could be identified as an USP for the AOC Bellet in general but not unique for the Château de Bellet. However, already AOC Bellet promotes itself with the USP: 'urban appellation'; no other appellation can boast this aspect.

5.2 Marketing activities

To promote itself, Château de Bellet uses different strategies:

The digital marketing tools used by the winery are: social media such as Facebook and Instagram, both with positive numbers. It also has a good position on TripAdvisor, with a score of 4 ½ out of 5; it is suggested as the n°43 out of 197 among the thing to do in Nice. Château de Bellet is also part of "Rue des Vignerons" (French wine route) and "Routes des Vins de Provence" and "Route des Vins de Bellet". In terms of weddings is part of Mariage.net and 10001salles.com. Château de Bellet has also a very good Search Engine Optimization (SEO) because of its name: when the term 'Bellet' is searched on Google (Google Maps too), the first result concerns Château de Bellet and not the appellation of Bellet. In addition to that, over the last few months, Château de Bellet is focusing on some influencers as a way to improve its visibility. Château de Bellet is improving significantly its position and quality of the promotional material, by hiring an intern exclusively for communication.

Other means to attract new customers and to build brand awareness are participating at two wine fairs and several open doors activities. Also, to attract tourist, Château de Bellet spreads flyers at hotels (3 + stars) and Tourism offices in the Côte d'Azur region. In addition to that, there is a deeper collaboration, with some important hotels, such as Negresco, with the concierge advising personally the tourist to visit Château de Bellet. The Restaurants too, where Château de Bellet wines are served, invite customer to visit the *domaine*.

Indirect marketing: On the flights Delta airlines from US to Nice, the advertising of a famous chef appears on the screens with the video presenting food-pairings with Château de Bellet wines.

Château de Bellet has been served at important meetings such as: G7 in Versailles Summit Head of State 1982, European Summit in Nice 2000, NATO Summit 2005, Royal Wedding Prince Albert of Monaco with Princess Charlene 2011.

5.3 Target

In order to successfully address the marketing strategies, is fundamental to identify the right target market. This means to divide a market into relatively small, similar and identifiable segments of people. The theory is to have homogeneity within the segment and heterogeneity among the segments (Kotler, 1980). During the process of target segmentation, Château de Bellet should look at its own strengths. In the meanwhile, also the external environment, resulting from an analysis of the population and the tourist patterns, has to be considered.

The winery attracts more foreigners (72%) than French (28%). Regarding the foreigners, generally they arrive from countries where wine is not part of the culture - except US.

Glibova (2019, p.10) in reference to Château de Bellet guests argues: “people from the countries where viticulture is not a traditional activity are more willing to come and learn about local winemaking and wines”.

In the author's experience, during the short internship, the majority of visitors were not familiar with wine and the reason to visit Château de Bellet was because they were in France, the most well known country for wine. Wine is part of the French culture and tourist from no-wine countries are willing to try this new experience. Several studies show that the country of production is a quality attribution of high importance for wine-beginners; and the origin is one of the most important criteria for consumers' choice (Johnson and Bruwer, 2007; Kolyesnikova *et al.*, 2008; Lockshin *et al.*, 2006; Angulo *et al.*, 2000; Thomas, 2000; Thomas and Pickering, 2003; Papadopoulos and Heslop, 2002, *cit.* by Risius *et al.*, 2019). The fact of being on holiday in France can justify tourist's decision to visit a winery for the first time. Low-involvement buyers need a famous geographical site of production. In this case the French location is already a quality attribution of importance to beginner's wine consumers (Risius *et al.*, 2019).

Besides, the winery attracts people looking for an holiday pleasant experience: image seeker, tourist looking for something different, foreigners looking for a relaxing and interesting experience in an unusual place.

On the other hand, drawing the target segmentation from an external approach, there are three aspects of the inhabitants of the department which are perfectly in line with Château de Bellet target.

Firstly, according to the statistics, the typical '*persona*' inhabitant is a married woman without children, between 40 and 54 years old; among them, 50% has an income higher than the French average (PACA Data, 2019). Another significant segment of the population which match with Château de Bellet target are the retired people -which account for 36% of the population- (Department Data (2019). Retired people includes French but also foreigners choosing to spend their retirement in the French Riviera.

Lastly, another important aspect of the target are the second houses owners, 27% of the houses in Nice fits this category (Garibaldi, 2019). Second houses owners are particularly important because they are people with high incomes who can be interested in local wine for daily consumption and who can present it to their friends and relatives. This target is likely to buy more wine than the tourists who are usually restrained by luggage limitations. Also Glibova (2019) gives significant importance to those people having summerhouses in Côte d'Azur and, according to this author, they cannot be placed either as local inhabitants neither as tourists. Moreover, Glibova (2019) divides the target into three broad categories, following their interests: wine-lover, experience seeker and summer houses owner. (Annex 5)

5.4 Visits and sales

In terms of visitors, the numbers are steadily growing: 5 000 visited Château de Bellet during the last year (Figure 1). However, this database records only people who have purchased the Tour + Tasting activity, meanwhile the number of people coming to the winery is higher, but there is not track of it. In terms of nationality, the majority are foreigners (72%), among them US and Scandinavian are the most common nationalities. The typology of tourist attracted by PACA region and at the winery shows different patterns. Château de Bellet attracts different types of nationalities than those attracted to PACA; as the study carried out by Glibova (2019) shows, there is a correlation between people coming from non-wine producer countries and the winery' guests (Annex 6).



Figure 1: Number of Visitors

At the moment Château de Bellet sells 50% of its wines through direct sales, on site. While, 30% of the sales is represented by professionals: restaurants and wine-shops, all of them located in PACA region. Only 10 % of the wine is exported (the main countries are Belgium, US, Japan, South Korea and Italy) (A6X). Finally, 10% is sold in other occasions such as during events or through corporate connections.

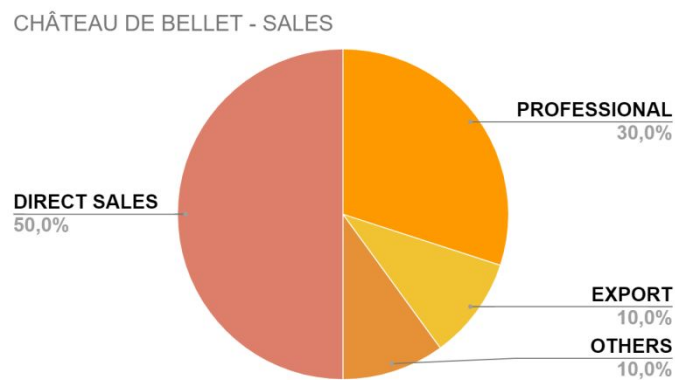


Figure 2: Percentages of sales in 2019

5.5 Direct-to-Consumer Sales

Even if the figure 2 shows that direct sales already plays a significant part, Château de Bellet main purpose is to increase the revenues by direct sales. There are several explanations for this choice, regarding different elements. Starting from the point that the amount of bottles is limited and the expansion of vineyards is very difficult due to the urban reality; the increase of direct sales will have several economic benefits.

Firstly, cellar door sales are particularly lucrative given that wineries charge full retail price and avoid intermediates costs; the added distribution costs (Barber *et al.*, 2008) but allows the control over the prices. In addition, by selling to retailers and distributors (professional) the price made to them is around 30% cheaper than to a direct client.

Secondly, direct sales allow to build brand awareness and loyalty with customers, connecting with them and leaving positive memories in customers' minds. Hopefully, they will remember and work as brand ambassadors inviting friends to repeat the experience. The word-of-mouth is a powerful marketing tool: it is more credible and accepted; it has no direct cost for the company and it generally spreads within the same target markets.

Direct to consumer sales can play an educational role too. More information and details to curious guests work as an added value. Storytelling too stresses the values of the winery as well an emotionally touching will result in a more memorable experience. By knowing in

depth a wine-brand, its values and story will bring more appreciation for the wine and the brand.

On the other side, direct sales will internally benefit the winery. It will allow to keep trace of the guests, but in order to achieve this, it is necessary to create a database with the visitors details. In return, future marketing strategies can be better addressed to the specificity of the clientele. The database can further develop in a email-list and a loyalty program (solving another weakness outlined in the SWOT analysis). Last but not least, direct sales allow to have a direct feedback on the services and the wines.

To sum up, direct sales will bring many benefits and they allow to have a complete control about messages, margins, marketing, pricing.

However, on the other side, direct sale emphasises the importance of high quality staff. Château de Bellet relies significantly on interns, increasing the uncertainty and the risk. The company must be sure the trainees are professionally prepared. Direct sales will work against the winery with negative word-of-mouth and a negative chain difficult to be interrupted, if the experience does not meet the expectation of the clientele.

5.6 Marketing: why a wine-bar?

French wine industry has been traditionally oriented to production rather than to marketing (Gamble and Taddei, 2007; Terblanche *et al.*, 2008). American authors refer that the wine industry has been dominated by the mentality of quality wine production, but in their view, today good quality wine is produced nearly everywhere, and it cannot be a way of differentiation in the market (Wagner *et al.*, 2019). Nowadays, marketing plays a crucial role. Marketing is cited as the second most important factor for success, after production know-how, amongst wine industry managers (Charters *et al.*, 2008). One of the goals of the marketing is to define the needs of the customers and to satisfy them better than the competitors. In order to do so it is necessary to understand the market and the consumer to enhance the value of the brand. Wagner *et al.*, (2019) simplifies this idea with the concept: it is crucial to offer and to sell something that guest wants to buy.

5.6.1 A latent demand

How do we know what customers want?

A latent demand, as quoted in the Cambridge Dictionary, is a “demand for a product or service that a consumer cannot satisfy [...] because the product or service is not available”.

Customers have asked for a glass of wine countless times; but it was impossible to meet this demand because the lack of the authorization needed to serve alcoholic beverages. It has

been noted that often, after a visit, guests ask to have drink by themselves, or after a tasting (50ml) the guests would like to have some more wine. Other times, they asked to benefit of the beauty of the terrace by having a drink there. Or, when guests arrive without booking and cannot be attended, usually remain unserved and leave Château de Bellet.

To put it simply, currently, Château de Bellet cannot satisfy that demand; there is a potential demand and the winery is aware of this. The inadequacy of meeting the customer demand has two main drawbacks: losing an opportunity to increase revenues but, most importantly, it results in unsatisfied and disappointed customer. Serving wine by the glass would satisfy and meet this latent demand. The license 3 have been recently obtained, and now it is possible to match customers' demand.

5.6.2 Differentiation

Differentiation is one of the crucial point that a company has to develop. Differentiation in this case can include two steps: a direct differentiation from the other competitors (bars, wineries, restaurants) and an indirect one, being the consume of wine at home. In order to be different from home consumption the key is to be appealing. As the cost of the bottle is cheaper than the equivalent amount of wine in a wine-bar, the location must attract customers to consume their wine at the estate instead of bringing bottles home.

5.6.2.1 The importance of the location

Several studies show the importance of setting and landscape in quality perception (Acebron and Dopico, 2000; Bredahl, 2004; Grunert, 1997; Ittersum *et al.*, 2003; Rao and Monroe, 1989 *cit.* by Tempesta *et al.*, 2010) The study carried out by Tempesta *et al.* (2010) shows the importance of an attractive landscape in the perception of a finer quality of wines. This study was carried out on inexperienced wine drinkers, and a higher quality perception was found. This summarizes the fact that an idyllic landscape encourages a higher preference for the tasted wine (Acebron and Dopico, 2000; Bredahl, 2004; Grunert, 1997; Ittersum *et al.*, 2003; Rao and Monroe, 1989 *cit.* by Tempesta *et al.*, 2010). Studies go further into the intention to purchase, presenting a positive correlation between beauty of setting/landscape and willingness to buy (Carneiro *et al.*, 2005; Schnettler *et al.*, 2009 *cit.* by Tempesta *et al.*, 2010). A different study, carried out by Hannum *et al.*, (2019), upon people who frequently consume wine and define themselves as wine lovers (but not experts), has evaluated the difference between tasting in sensory booths (used for Food Quality Preference - FQP), and an actual wine-bar. The results show that hedonic ratings are higher in the actual condition compared to the traditional booths. The effect of context on wine liking is significant. During a product

evaluation, the place plays a crucial role and enhances subject engagement. Wines in immersive real environments receive higher liking ratings compared to the traditional booths. This is explained by the halo effects associated with the positive effect and greater enjoyment coming from these environments and landscapes.

Furthermore, when subjects were asked about ordering the wine and to estimate the price, the beauty of the location resulted in a higher willingness to pay a higher price. This latter finding is not surprising. As others have noted, the addition of pleasant context tends to increase positive disposition to pay more for the same product (Hersleth *et.al.*, 2003).

The studies summarized above relate to inexperienced wine beginners and *amateurs* to, as the target of Château de Bellet; probably the result will not apply to oenologists or wine professionals.

5.7 Competitors Analysis

The 8 wineries part of Bellet AOC do not have the License 3. So, there are no other wineries nearby serving wine by the glass (WBG). All the wineries nearby cannot be considered as threatening competitors due to their small size and different target. Only Château de Cremant could be a threatening competitor. It is a neo-Tuscan style historic castle, with very similar product offert (events, wedding, arts exhibitors) and same target as Château de Bellet, but it doesn't have the License 3 for serving wine by the glass.

However, restaurants or bars could be possible competitors. The Hill of Bellet is mostly residential and has a very limited number of business.

Among them a local bar-cafeteria has a totally different target and it could be considered as a low threat. Two restaurants, both with terrace and view and both serving WBG are open only at lunch and dinner time. Obviously the proximity to the city means proximity to a large array of wine business. But the location in the peri-urban area is an element of differentiation which reduces the competitors in this field.

5.8 Cost analysis and feasibility

Using a feasibility approach helps to determine if the initiative of a wine-bar would generate adequate cash-flow and profits while withstanding the risks of this type of venture.

The strengths of having an unexploited terrace, a growing number of visitors, a latent demand and, most of all, an already running wine business, result in having already most of the features needed. The risk index is limited, there is no requirement of any economic investments and the cost are moderates.

The main cost concerns the license 3 which costs between 600€ -700€. Other costs regard the purchase of an additional fridge and the utensils to serve the wine as some vacuum pump to preserve the bottles and some ice pockets to serve white-rosé during the summer.

Another incurring cost is for sun-umbrella and outdoor furnitures except tables and chairs already available because bought for weddings and events.

A possible additional expense could be the wine spoilage due to a lack of frequent demand. This problem can be solved by serving those same wines during the tour+visit when customers have no choice over the wines. Another solution could be to purchase an Enomatic Wine system which avoid the wine spoilage but which will significantly increase the initial cost.

The winery has already enough glasses but the ISO standard for wine tasting are not the most adequate. The wine-glasses play a crucial role that can drive further cash flow.

For this choice a variety of factors have to be considered:

- ❖ Glasses can become an additional merchandise object, they must have an appealing design and shape with the brand logo printed on it
- ❖ Glasses signed with brand logo will have higher publicity. In this case, the aim is to have an 'User-Generated Content' type of promotions created by guests posting photos on social media
- ❖ The size of the wine-glass can influence the perception of the quantity poured and this can influence consumption. The larger glasses increase consumption and Clarke *et al.*, (2019) argues that more wine is purchased when served in larger glasses
- ❖ The design has to match the bar's style and it should be suitable for all the types of wine served
- ❖ To avoid incurring costs, it is better to refrain from very thin glass: they will easily break.

6. Wine-bar implementation: 4P marketing mix

It is important to specify the concept of 'wine-bar'. The term refers to the possibility to order wine by the glass beyond the other activities offered at Château de Bellet. wine-bar is not an independent venture, and it should not become the driving factor of the winery. According to the manager, the main activity must remain the tour (visit +tasting). The wine-bar is an extra, complementary feature.

In order to implement this project it will follow the 4P marketing mix analysis. This analysis serves as a tool to plan the launch of a new service: the wine by the glass (WBG). Below, in details the characteristic of each 'P': Product, Place, Promotion, Price.

6.1 Product

Wine by the glass: quantity poured: 125ml. The wine list includes 7 different style/cuveé. Tap-water available and possibility to serve various flavours of syrups for children or non-wine drinkers. No other drinks/food will be served.

6.2 Place

In order to analyse the place two dimensions are needed: Macro and Micro.

Macro: Located in a well developed tourist destination. The wine-bar is easy to access due to the peri-urban position. Proximity to the city means closeness to the customer: only few km driving and well connected with public transport.

The neighbourhood around the winery is in line with the concept and the image of Château de Bellet: quite exclusive and high living standard of the Bellet hill matches Château de Bellet style.

Micro: Set on the hilltop terrace with panoramic view. Around 30/36 seats made up of 6 tables for max 6 people each. Accessibility for disabled people, toilet and wheelchair access; parking on site. The wine-bar is totally outdoor therefore is subject weather conditions. The French Riviera is known for its 300 sunny days a year, it will be open all season and it will be at customers' discretion to decide to order or not the wine.

6.3 Promotion

Promotion need to be directed to the right segmentation of the market. The target market is this: local people especially women and retired people, summerhouses owners, and tourists with high education level and high income.

The wine-bar is not planned to be the main attraction to the winery; but an extra service. The promotion of the wine-bar is going to be very limited and low-key because the aim is to avoid too many people arriving only for the sake of drinking. The wine-bar is not going to have a specific advertisement but it will be a complementary feature for the winery. The promotion will be carried out by the intern specialising in communication, using the same marketing channels. The wine-bar aims to increase the brand awareness and it aims to build recommendations and word-of-mouth marketing in order to maintain the same target.

The promotion will be carried out on site too, direct to the consumer. Inviting, after the tour, to visit the shop and to consume wine on site. As a study states: reaching a new customer in the tourism industry is five times more expensive than retaining a current customer (Reid and Reid, 1993).

6.4 Price

As consequence of the market segmentation and the winery location, the prices will be in the medium-high range. Several diverse factors can explain the choice of these prices applied at Château de Bellet:

- Consumer prefers organic products because associated with superior quality and better taste (Fotopoulos *et al.*, 2003, *cit.* Fanasch and Frick 2020), which, in turn, is often associated with higher prices (Fanasch and Frick 2020).
- The reference to important events (political summits / royal weddings) creates, in the consumer mind, the feeling of tasting extraordinary product and thus the acceptance to pay a higher price for such a value (Glibova, 2019).
- The designation of an AOC is a valuable label, and a price premium can be charged (Terblanche *et al.*, 2008 *cit.* Thomas *et al.*, 2013).
- The limited production, which means availability only to a niche market, explains the price (Thomas *et al.*, 2013).
- The price is one of the hints that consumers generally use to assess the quality of wines (Tempesta *et al.*, 2010).
- Customers are happy to pay a small fee to enjoy wines in a relaxing lounge type setting (Maida, 2010).
- Wines too cheap will seem not serious and at the same time too expensive wines will be perceived as a risk (Wagner *et al.*, 2019).
- Young generation on vacation is more willing to pay the price more than 10 euros per unusual bottles on authentic site rather than buying the same bottle at the same price at home (Glibova, 2019).

The price range is between 6.50€ and 17€ for a glass of 125ml of wine (Appendix 2). The wine by the glass costs between 165% and 205% more than the same amount by the bottle. Château de Bellet will also offer to sell wine by the bottle from the shop with the possibility to consume it on the terrace. This choice has a surcharge of 10€ per bottle including glasses and ice-pocket. The fixed surcharge, not in proportion of the cost of the bottle, will indirectly promote the sales of more expensive wine.

7. Results

The discussion was initially planned about 'real' results of the wine-bar at Château de Bellet. The Covid-19 emergency has postponed this project. It is impossible to discuss about the

results obtained, it is only possible to draw some considerations. These can be done by analysis of similar cases and other researches that serve to deduce the results.

The analysis in the academic field of WBG consumption trend is very limited. Up to 2010, the WBG phenomenon remained unexplored (Jaeger *et al.*, 2010 *cit.* by Acuti *et al.*, 2019). A more recent study on WBG consumption states that there are only two academic studies (ie Bruwer and Cohen, 2019; Bruwer *et al.*, 2017) and "studies investigating this phenomenon are still scant" (Acuti *et al.*, 2019 p.4). Despite the relevance of this new approach to consumption, literature has paid little attention to this new trend (Bruwer *et al.*, 2017 *cit.* by Acuti *et al.*, 2019).

7.1 Final considerations: Wine serving

In France, a study about WBG consumption in HORECA shows that 64% of French respondents said they prefer WBG, compared to 27% for more traditional consumption in bottles. The main explanations are: it is cheaper, it is more responsible, it gives the chance to taste different vintages and discover new wines and finally it allows to drink in small quantities but a quality wine. An article on 'Le Parisien' reveals that between 2012 and 2013 orders of WBG increased by 39% (Le Parisien 2 June 2014, *cit.* Advineo, 2015). This confirms the viability of the proposal at Château de Bellet.

In Germany, the study carried out by Dressler and Paunovic (2019) outlines that wine-bars are opened in wineries in order to expand the offer and to attract more tourists; in similar vein to Château de Bellet strategy. The same authors have studied, in a German UNESCO site, wine-bar preferences among tourists. It has been found that wine-bars visitors make wine-buying decisions primarily based on service satisfaction, not on wine quality (Dressler and Paunovic, 2019). This behaviour stresses the importance of high quality staff at Château de Bellet. Moreover, the visitors' expectation from a wine-bar are these: to be attended by professional staff (11.5%), to receive a food offer (9%) (a hint for further development) and to find an appealing architecture (7.4%) (Dressler and Paunovic, 2019). Regarding the latter finding, Château de Bellet has already adapted to this demand by the renovation of the church.

Other cases of WBG consumption are found in Italy, which represents a clear case of a country where the wine culture is deeply rooted. Therefore it may differ from the majority of Château de Bellet' guests, but it could be representative for the 30% of French guests.

In Italy it has been found that WBG purchase intentions increase because the WBG option simplifies the wine selection process. The same study provides evidence that there is an increasing demand for WBG, showing variety seeking as the key mechanism (Acuti *et al.*, 2019). In addition to that, single-serve WBG is more and more popular among consumers and represents a significant new category in the overall wine market (Unione Italiana Vini, n.d). In terms of opening new wine related business, it has been found that “the diffusion of WBG consumption can attract consumers to new wine-consuming places” (Acuti *et al.*, 2019). This is actually one of the objectives set by Château de Bellet.

A question may arise: Does the WBG threatens the sales of bottles?

The general concern for Château de Bellet is if the wine-bar could become a threat and decline in the bottles sale.

Studies in US, answering this question show the opposite. Adopting a WBG strategy does not diminish the 750 ml bottle sales, but it increase the total sales (Clarke *et al.*, 2019).

The research carried out by Wansink *et al.* (2006) in Texas (US) in two restaurants shows a significant correlation between the scenario of buying a smaller quantity of wine before buying a 750ml bottle. Moreover, this study assesses the WBG promotion with some written recommendations on table tents. Wine tastings increased wine sales by 48 percent. It is interesting to remark that 13 to 31 percent of the increase come from customers who would have otherwise ordered liquor, beer, and nonalcoholic drinks (Wansink *et al.*, 2006).

As already mentioned, the winery will benefit higher margins because the customer will pay more for smaller quantities of wine. By selling the WBG the profit margins are up to 205% more than the same amount of wine by the bottle (A2X). Moreover, in comparison to selling the wine to professionals (who buy the bottles with a reduced price by 30%) the margins are even higher.

In US, Bruwer *et al.*, (2017) outlined that consumer with little knowledge in wine could feel intimidated by the choice of wine; in this studies there are many risks associated to buy a bottle of wine. These perceived risks are: physical (do not like the taste of that wine), financial (having to spend a high amount for an unknown wine) and social risk (having to share the bottle with other people / feeling the responsibility for the choice). Wine by the glass can mitigate most of these risks.

Bruwer *et al.*, (2017) found a positive correlation between serving WBG and people more willing to try new labels. Drinking WBG without depending on other people to share a full 750ml bottle reduces the ‘social risk’. Drinking wine in smaller quantities allows people to

have a more individualistic approach; it is possible to use this learning process to get to know other products and to experiment other wines. Spending less money per transaction (financial risk) helps people to feel more confident and reduces their risk. At the same time WBG could encourage them to try new products, confirming the strong correlation between trying new wines and buying more expensive wines (Bruwer *et al.*, 2017).

Yoon and Stacy (2015) summarize the benefits of single serving in a wine-bar as a powerful intersection of business: higher margins, incremental sales for the winery and increase consumer benefits due to more customisation and more choices. For businesses, this is a huge opportunity for growth and according to the estimation done by Yoon and Stacy (2015) “the single-serve revolution could grow the wine category by several billion dollars”.

7.2 Final considerations: Consumer profile

Bruwer *et al.*, (2017) studied the profile of the WBG consumer in US. The 35–44 year-old Generation-X group has the highest engagement with WBG. They are mostly female (58%), with a high education level (74% have a postsecondary qualification), an above national median household income level, are single (44%) or married/cohabiting (48%), and living in a small household of 2,8 persons.

It is important to delve deeper into the topic because, as shown by the statistics of the PACA region shows: the typical inhabitant is a married woman without children between 40 and 54 years old; among them, 50% has an income higher than the French average (PACA Data, 2019).

The WBG profile in US perfectly matches the WBG consumer in Nice - maybe the age range slightly differs but overall is in line with the target segmentation. Moreover, the majority of guests at Château de Bellet are Americans, so the study carried out by Bruwer *et al.* (2017) perfectly confirms the idea of serving wine by the glass. Moreover, the same study outlines that in US Adult customers might consume less wine -with age maturity- but seek better quality and they are willing to pay for it in the form of WBG. Furthermore, US females drink prevalently white wine (Bruwer and Johnson, 2005 *cit.* by Bruwer *et al.*, 2017). And Château de Bellet is known for its whites wines, as demonstrated by 50% of the production. Additionally, females purchase significantly more (+25%) wine in volume than male, when wine is served by the glass.

All these studies help to validate the idea of opening a wine-bar. Moreover, these data, can be useful in the future to Château de Bellet in order to meet the clientele demand and to design specific marketing strategies and promotions to the right segmentation.

7.3 Final considerations: Urban location

In China, according to Yang *et al.*, (2010) leisure activities related to agriculture contribute to the preservation of urban farming. Indeed, Château de Bellet contributes to support the maintenance of primary economic, agriculture and existing vineyards and cultural heritage. Moreover, the winery benefits from the proximity to urban area which results in higher number of day trip visitors and, as a consequence, the number of repeat visitors is also high. Soontiens *et.al.*, (2018) found that wine-regions near cities have high incidences in repeat visits, the examples are reported for a range of wine tourism areas: in Canada (Niagara Peninsula), Israel (Shomron), New Zealand (Marlborough) and Australia (Barossa Valley). The visit to the wine destination is perceived as an easy trip due to closeness to a metropolitan area (Soontiens *et.al.*, 2018).

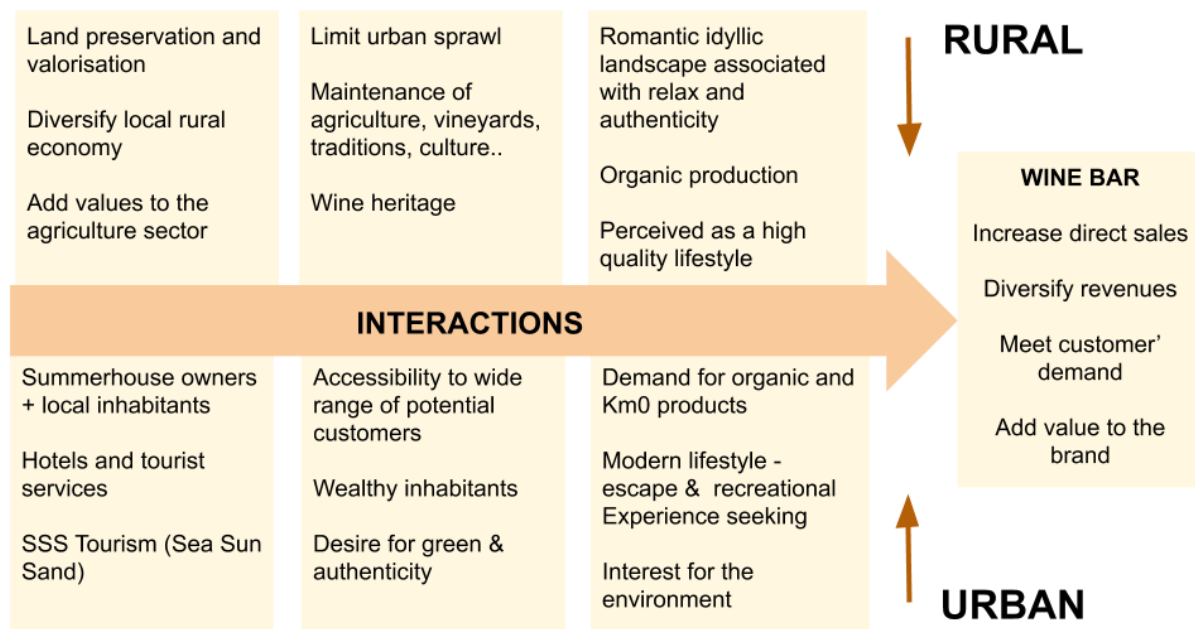
However, the proximity to the city can also end up with negative results. In a study carried out in the Swan valley wine region, in Western Australia, the proximity to Perth was deemed negative by many wineries (Soontiens *et.al.*, 2018).

The authors found that day visitors spend less money than a vacationer, because the holiday mood is generally translated in a more impulsive consumption behaviour (Tiefenbacher *et al.*, 2000 *cit.* by Soontiens *et.al.*, 2018). Besides the economic aspect, wineries in Swan valley are facing the problem of over-accessibility and trying to avoid certain types of visitors.

The wine-region has become synonymous with destination for parties looking for mere wine consumption. In the study the winery owners claimed that undesirable visitors have damaged the reputation of the Swan Valley through anti-social behaviour. People were looking for weekends' social gathering place and Swan Valley has become famous for its bachelor parties; today wineries banned the organization of events (Soontiens *et.al.*, 2018). Probably a promotion aimed at a undefined target group has led to the saturation of the wine destination.

After all these considerations, it has been possible to draw the table 2 which summarizes how the interaction between rural and urban can benefit Château de Bellet' new project: the-wine bar.

Table 2: Wine-bar benefits from rural-urban elements



8. Limitations and challenges

One of the main drawbacks, in the author's opinion, is the opening hours. The winery closes at 18.30, the hour correspond to time when it is more likely to consume a drink because of the aperitif time. Nonetheless the terrace faces the sunset, but it cannot be enjoyed due to early closing-time. Probably, during the hot summers, tourists prefer to spend the day by the sea, and later on moving inland for a pleasant experience in a winery. This limitation can be discharged in the future, if the project is successful, by extending the opening time, but in this case more staff will be required. This will lead to another challenge: the necessity of permanent seasonal staff.

A wine-bar can be expose to receive undesirable clientele with anti-social behaviour like the case in the Swan Valley. This risk stresses the facts to promote the winery as a whole and to not promote the wine-bar as a venue for mere drinking; especially by giving particular importance to the target segmentation.

Finally, a challenge common to all the wineries is launched by the current health emergency Covid-19. By having received the permit to serve wine to the table set outside, this fact may alleviate the problem, because open air venues are surely preferred.

9. Conclusions

To sum up, Château de Bellet has adapted its production to the urban setting and societal demand, by taking advantage of its location. The wine-bar will be an added value, which in the long run will increase the estimation of the company, the revenues as well as customers satisfaction. The fact that the number of visitors is steadily increasing and the city of Nice is a large pool of tourists with appealing target characteristics, means that there is lot of room for keep growing.

This Master Thesis outlines some theoretical and practical implications. First, it presents insights about the rural-urban reality in Côte d'Azur, secondly it advances knowledge on the WBG literature. This paper investigates the role of a wine-bar in a well-developed tourist destination and the winery wine involvement on WBG purchase intentions. The contribution of the research is that it highlights how proximity to an urban and seaside market can be a major challenge, as well as an opportunity and a strength, for a sector based on agri-business in a rural environment. Future research could investigate if WBG consumption can be considered a good strategy to improve visibility in rural and less accessible places.

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Appendix 1: Wineries in AOC Bellet- Château de Bellet's competitors

	Ha	Established	Type of business	Price range bottle direct sale in €	Additional information
Château de Bellet	13	18th century (bought 2012)	Corporation	22 - 60	Events, weddings
Chateau de Cremant	9	1906 (bought 2017)	Corporation	20 - (?)	Events, weddings
Domaine de Toasc	8	1993	Family-run	17 - 24	New boutique, olive oil production
Clos Saint Vincent	6	1993	Family-run	19.90-29.60	Biodynamic viticulture, olive oil and spirits
Domaine de la Source	5	1991	Family-run	16.50 - 20	Olive oil production
Collet de Bovis	4	1974	Family-run	14 - 25	Accommodation, art exhibitions
Via Julia Augusta	2	1995	Family-run	14 - 25	
Domaine Saint Jean	2	2007	Family-run	18 - 29	
Domaine de Vinceline	0.8	2007	Family-run	24	

Appendix 2: Price List

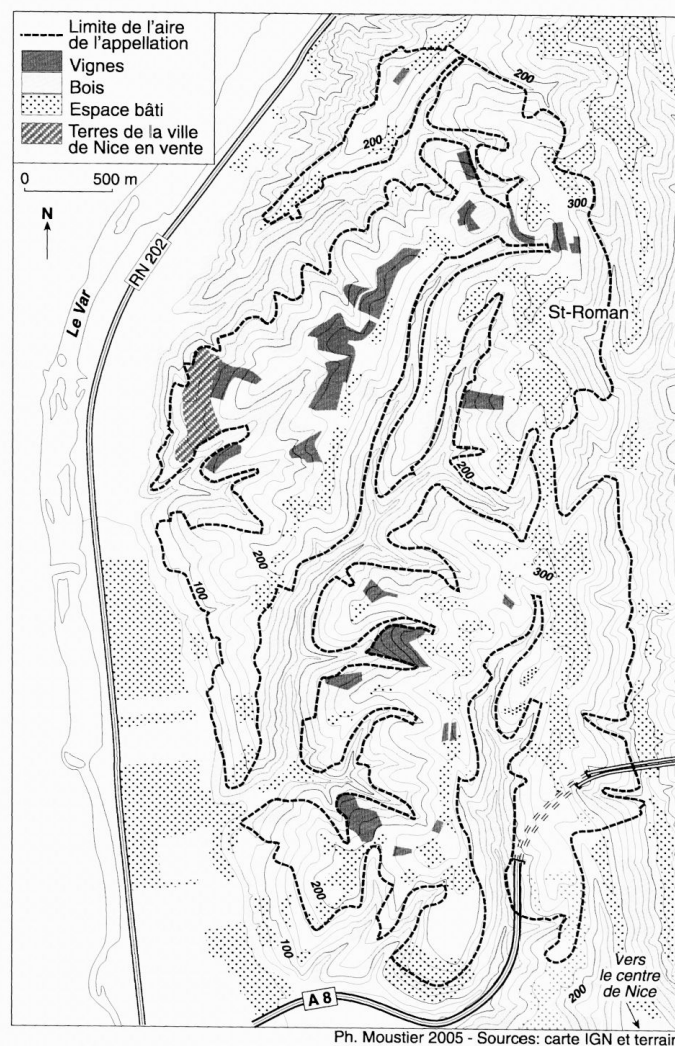
Type of wine / wine label	Wine glass (125 ml)	Bottle (750ml)	Surcharge
Château Classic cuvée White	7.00€	22€	190%
Château Classic cuvée Rosé	6.50€	19€	205%
Château Classic cuvée Red	7.50€	26€	173%
Chapelle Superior cuvée White	9.50€	32€	178%
Chapelle Superior cuvée Rosé	8.00€	29€	165%
Chapelle Superior cuvée Red	11.00€	36€	183%
Agnes Exceptional cuvée Red	17.00€	60€	170%
+ 10€ charge on bottle prices when consumed on the terrace - Corkage fee			

Appendix 3: Château de Bellet Location (Google Earth, 2020)

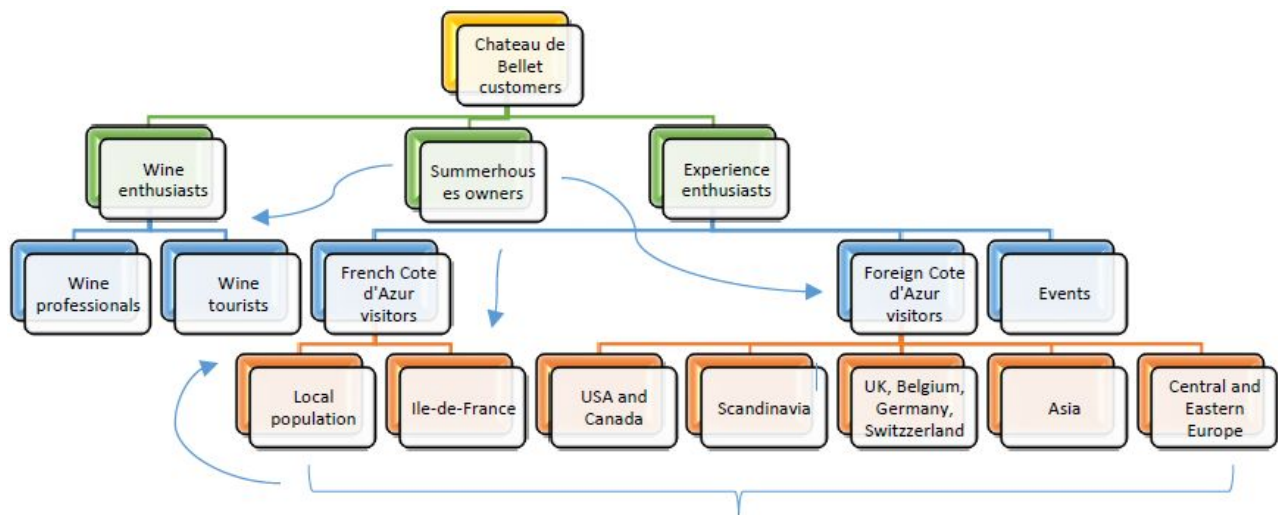


Annex 4: AOC Bellet vineyards

(Moustier, 2006)



Annex 5: Target Market (Glibova, 2019)



Annex 6: Countries of origin (Château de Bellet and Côte d'Azur) (Glibova, 2019)

