



LJUBLJANA SUMMER SCHOOL 2015

Course title: **Business of Wine**

Bachelor course

ECTS credits: 6

Lecturers:

- James A. King, Instructor of marketing, management and project management courses at South Seattle Community College, Seattle, WA, USA
- Denis Rusjan, PhD, Associate Professor at of viticulture at the University of Ljubljana, Biotechnical Faculty

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Aims of the course:

A three week intensive course covering a variety of international marketing topics; prepares participants for success in wine-related occupations. The course provides a fun learning opportunity to expand marketing knowledge and skillsets.

This course focuses on the development of a marketing plan in the context of launching, exporting and building a wine brand in the United States. This course will provide students with expertise in the business, retail, marketing and export aspects of the growing wine industry. The course provides a basic and practical understanding of the wine industry and leverages several cases studies to allow application of marketing principles. This is augmented by including guest lecturers and field trips to wineries and restaurants.

Upon completing this course, students should be able to:

- Understand Marketing Management Process as it applies to the wine industry.
- Understand the Wine Value Chain: farming, production, distribution, retailing and consumption.
- Develop and present marketing plan launching, exporting and building wine brand in the United States.
- Wine Appreciation: learn to swirl, sniff and sip like a pro, while acquiring a true understanding of the tasting process.
- Build team dynamics through small group exercises; to apply to other work & professional situations.

Course syllabus:

This is an intermediate course that assumes some marketing principles knowledge and is open to both undergraduate and graduate students with little to no wine industry experience. This is aimed at anyone with an interest in broadening his or her view of wine to encompass some of the fascinating complexities of the business side of this international industry.

NO.	DAY	LECTURER	TOPIC/ASSIGNMENT
1.	Tue, July 7	James King and Denis Rusjan, Biotechnical Faculty, University of Ljubljana	Course overview and introduction; <i>Small Group Exercise: Two Truths and A Lie</i> The Basics of Wine Making Winemakers have important decisions to make during every step in the wine making process. These decisions can either favourably or unfavourably effect their final product.
2.	Wed, July 8	James King	Exploring Wine & Market Ecosystem This takes students on a journey around the world of wine. Topics covered include: history, grape varietals, viticulture, language and labelling, tastings; as well as an introduction to food and wine pairing, wine service and temperatures, and the wine-making process. This is an overview of the role and influence of wine in history and today's culture, a foundation for further wine education. Film Clip: <i>Bottle Shock</i> - 2008 American comedy-drama film based on the 1976 wine competition termed the "Judgment of Paris", when California wine defeated French wine in a blind taste test. https://www.youtube.com/watch?v=zGM0015lw5Q The Paris Wine Tasting of 1976 had a revolutionary impact on expanding the production and prestige of wine in the New World It also "gave the French a valuable incentive to review traditions that were sometimes more accumulations of habit and expediency, and to re-examine convictions that were little more than myths taken on trust.

3.	Thu, July 9	James King	<p style="text-align: center;">Importing and Distribution</p> <p>Alongside the more pleasurable aspects of traveling to picturesque regions and tasting wine to make portfolio selections, wine importing and distribution involves a comprehensive understanding of warehousing, budgeting, time management, marketing, branding, packaging, pricing, licensing, regulations, shipping, and working with wholesalers and retailers. In a crowded field you have to represent the right wines. More importantly, one has to transcend the wine by developing relationships with your customers that not only make the sale, but can mean the difference between success and failure. This class will introduce students to the resources and real world advice to create a strong business model and a portfolio to match. This class focuses on laying the foundation for an import and distribution business that reflects today's trends and market conditions. Students will explore many of the issues and complexities of the world wine market. You will learn about government regulations, import and export licensing, contracts for international sale, wine export dynamics, consumer behavioural analysis, strategic brand building in various markets, successful marketing strategies in wine consuming markets and, wine industry competitiveness</p> <p>Small Group Exercise: Drop the Ball (Champagne Cork)</p> <p>Materials needed: Champagne corks, straws, tape</p>
4.	Mon, July 13	James King	<p style="text-align: center;">Developing a Marketing Plan</p> <ol style="list-style-type: none"> 1. Marketing Defined 2. Difference between Sales and Marketing 3. Marketing Management Process <ul style="list-style-type: none"> ○ Market Research & Segmentation ○ Targeting and Positioning ○ Marketing Mix (look through the perspective of the customer; more consumer-oriented version of the four Ps <ul style="list-style-type: none"> ▪ Customer wants and needs ▪ Cost (total cost of ownership) ▪ Communication...any for mof communication between

			<p>organization and consumer.</p> <ul style="list-style-type: none"> ▪ Convenience...should know how the customer prefers to buy <p>4. Implementation...deliver a consistent message</p> <p>5. Control</p>
5.	Tue, July 14	James King	<p>Sensory Evaluation of Wine</p> <p>Learn how to taste wine like a professional. This course will teach you how to objectively evaluate a wine by sight, smell and taste. You will learn the building blocks of blind tasting, or how to use sensory information to help determine the quality, origin, age, and varietal composition of a wine. The definitions for common tasting jargon will be provided so that you can effectively join the conversation</p> <ol style="list-style-type: none"> 1. Analyse the typical aromatic and flavour characteristics of major international grape varieties. 2. Pair food and wine successfully. 3. Explain the validity of wine ranking systems. <p>Small Group Exercise: Salt and Pepper (Wine Varietals)</p> <p>Film Clip: Sideways - a 2004 comedy-drama film...it is much more about wine, but the effect it had on two wine varieties cannot be denied. It has been ten years of Pinot Noir glory since the movie focused on the greatness of a well-made Pinot Noir, especially from the Santa Barbara wine country.</p> <p>https://www.youtube.com/watch?v=XKXCZhA328A</p>
6.	Wed, July 15	James King	<p>Marketing Wine: From Global to Local</p> <p>Provides a foundation in the sales and marketing of wine. The markets and sources are global but you need local knowledge to be successful. It also covers the size, scope and trends of worldwide production and consumption, and the different cultures and practices.. And while the internet is a useful tool, there are more failures than successes, as in any line of business. Class topics include the world wine market, sales and marketing, and the impact of new media.</p> <p>You will learn how to initiate the marketing process as well as target marketing opportunities. You will also learn how to satisfy marketing opportunities by positioning products and services successfully in the market.</p> <ul style="list-style-type: none"> • Explain how to develop successful marketing strategies

			<ul style="list-style-type: none"> • Identify ways to target marketing opportunities • Explain how to manage the marketing process. <p>Film Clip: "60 Minutes" French Paradox red wine - In November 1991, the U.S. news program <i>60 Minutes</i> aired a broadcast on the so-called "French Paradox". Featuring the research work of Bordeaux scientist Serge Renaud, the broadcast dealt with the seemingly paradoxical relationship between the high fat/high dairy diets of French people and the low occurrence of cardiovascular disease among them. The broadcast drew parallels to the American and British diets which also contained high levels of fat and dairy but which featured high incidences of heart disease. One of the theories proposed by Renaud in the broadcast was that moderate consumption of red wine was a risk-reducing factor for the French and that wine could have more positive health benefits yet to be studied. Following the <i>60 Minutes</i> broadcast, sales of red wine in the United States jumped 44% over previous years.</p> <p>https://www.youtube.com/watch?v=njm1LkXP2sq</p> <p>Reading in preparation for class: Five Examples of Social Media ROI in the Wine Industry –</p> <p>http://www.winebusiness.com/news/?go=getArticle&dataid=124400</p>
7.	Thu, July 16	James King Field Trip	<p style="text-align: center;">Wine Making behind the Scenes</p> <p>This will give true insight into the way wine is made by visiting a local winery. Learn the "from grape to table" philosophy as well as manufacturing, and operations of the wine business. Basic knowledge of regulations will be examined as well as discussion focusing on how climate, soil, and perception relate to profit.</p> <p style="text-align: center;">Wine Tourism and Tasting Room Management</p> <p>Wine tourism provides the opportunity for wine related experiences as a significant component or reason for travel to a particular destination. You will examine strategies to create compelling, high-quality experiences for visitors, examine the market opportunities in wine-related tourism, and explore image development and destination positioning to gain competitive advantages in the tourism marketplace.</p> <ol style="list-style-type: none"> 1. Discuss the history of wine tourism

			<p>2. Understand the economic impact of wine tourism.</p> <p>3. Explain the components of wine tourism.</p> <p>4. Profile a Wine Tourist.</p> <p>5. Present effective strategies to create, develop and promote destination tourism</p> <p>Case Study: Experience-Wine.Com: <i>The Monte Lauro Vineyards Story</i></p>
8.	Mon, July 20	James King	<p>Wine Business Practices...</p> <p>Investigate and compare some of the strategic choices made by small wine firms from two different new wine producing countries - Australia and New Zealand and from one traditional wine producing region of France.</p> <p>Case Study: <i>Global Wine War 2009: New World versus Old</i></p>
9.	Tue, July 21	James King	Marketing Plan Presentations
10.	Wed, July 22	James King	Marketing Plan Presentation
10.	Thu, July 23	James King	Final Grades
12.	Fri, July 24	James King	Office Hours End of Summer School

**The tentative course structure and order of topics is subject to change.*

Bibliography:

Cases:

Global Wine War 2009: New World versus Old

The case contrasts the tradition-bound Old World wine industry with the market-oriented New World producers, the battle for the US market, the most desirable export target in 2009 due to its large, fast-growing, high priced market segments. The case allows analysis of the way in which newcomers can change the rules of competitive engagement in a global industry. It also poses the question of how incumbents can respond, especially when constrained by regulation, tradition, and different capabilities than those demanded by changing consumer tastes and market structures. Publication Date: August 13, 2009 Product #: 910405-PDF-ENG

<https://hbr.org/product/global-wine-war-2009-new-world-versus-old/910405-PDF-ENG>

Experience-Wine.com: The Monte Lauro Vineyards Story

The case describes an innovative business model offering wine and a French cultural experience to North American markets. Students are given an opportunity to learn about the challenges of reviving a 1,000 year old chateau, farmhouse and vineyard while building a viable wine export and travel experience business. The case refers to an online, 15-minute video that includes an interview with the entrepreneur, pictures of the Montlaur estate and

excerpts about Guédelon Castle, a medieval construction project. Publication Date: January 24, 2012 Product #: W11769-PDF-ENG
<https://hbr.org/product/experience-wine-com-the-monte-lauro-vineyards-story/W11769-PDF-ENG>

Teaching methods:

Cases, presentations

Prerequisites:

While there are no specific prerequisites for this course a basic background in international business/ marketing, as well as familiarity with key concepts related to American culture and cross-culture issues will be extremely helpful to students taking this course. Students are expected to cover several assigned readings for the classes and come prepared to actively discuss them in class. There is also a team project: developing a marketing plan.

This course requires an extra 50 EUR/person surcharge to cover the additional costs of the field trip, wine tasting, and all necessary stemware!

Examination methods:

- Class Participation: up to 20% of the final grade
- Case Questions Assignments: up to 20% of final grade
- Wine Blind Taste Test: up to 6% in bonus points toward final grade
- Business Idea Paper: up to 10% of final grade
- Marketing Plan: up to 20% of final grade
- Marketing Plan Presentation: up to 30% of final grade

Note: This course is officially accredited at the Faculty of Economics, University of Ljubljana as the course Retailing Management (ECTS: 6).