

# Architecture as an instrument of wineries to differentiate from competitors

Juliane Ratz M.A. and Prof. Dr. Axel Dreyer



# Agenda

- Competitive situation for wineries
  - Influence factors and strategies
- Direct sales & architecture of wineries
- Study
  - Methodology
  - Findings
  - Limitations and Challenges
- Conclusion

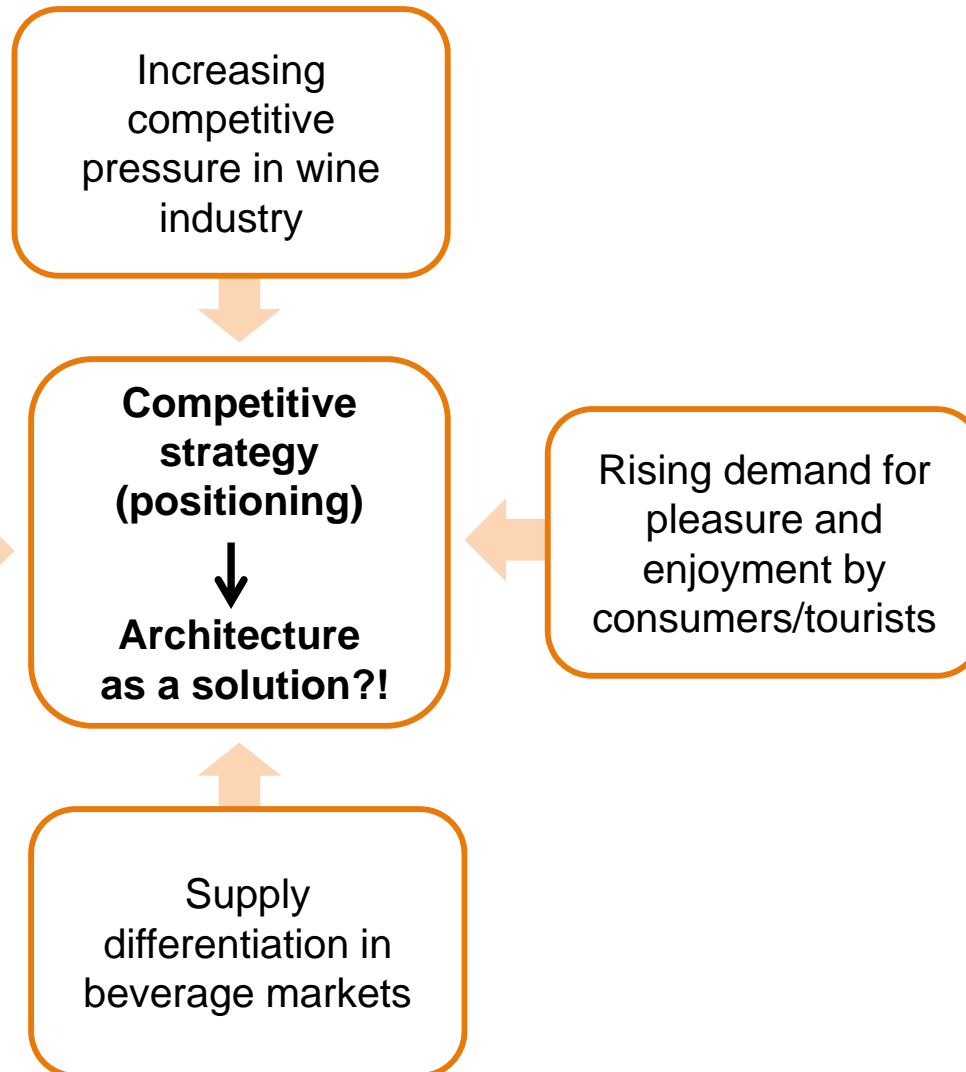
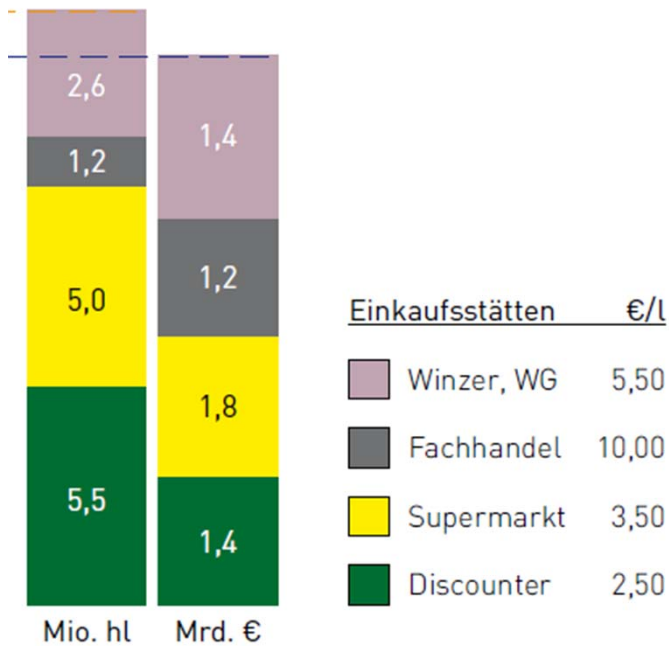
# Increasing competition in the wine industry

## Why?

- The „new wine world“ is developing
  - Australia, New Zealand, South Africa, Chile etc.
  - ... also China and other new countries
- More and/or growing wine regions
  - e.g. Okanagan Valley (Canada), Long Island (New York – USA)
- Company takeovers lead to more „big players“

# Intensified competition on the wine market

Unterteilung  
Hauskonsum in  
Einkaufsstätten

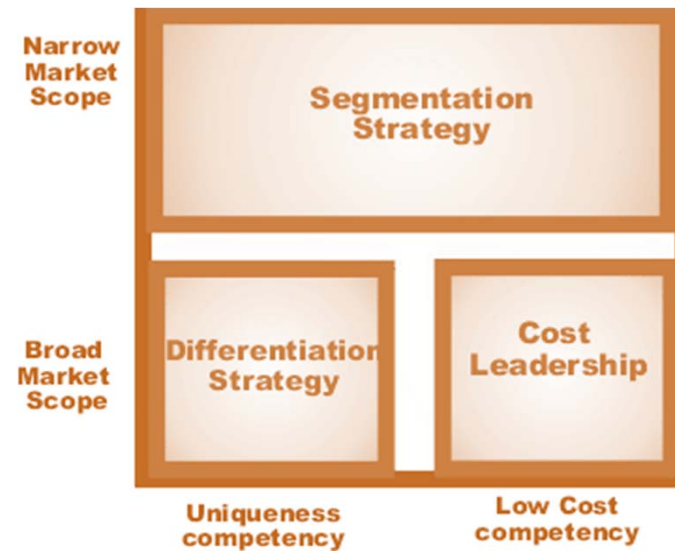




# How to confront the increasing competition

## Different strategic options

- Porters „Generic Strategies“ (2003) - see figure
- Freyers „Strategie-Box“ (2011), among other strategies e.g. Quality Leadership



Porter

<b>2. Konkurrenz-Strategien</b>				
Strategiestil	Kontra/Wettbewerbsorientiert	Mitläufer (Me-Too)	Kooperation	
Wettbewerbsverhalten	Qualitätsführerschaft	Agressive Preisführerschaft	Nischen-Strategie	Niedrig-Preis-Strategie

Freyer

# Options to differentiate

- Taste of wine
- Quality of wine
- Price strategy
- Product range
  - e.g. eco-wine/  
sustainable viticulture
- Service quality
- Customer groups
- Distribution channels
- Aesthetic considerations
  - e.g. wine bottle, etiquette and/or winery itself



*Be different or die!*

# Architecture as a chance to differentiate

## Exterior architecture

- Creates curiosity
- First impression for visitors



Marqués de Riscal, Spain

## Interior architecture

... in connection with decoration

- Put products in the limelight
- Atmosphere and orientation



Hentley, Australia

# Main goals of architecture in general

## For a region

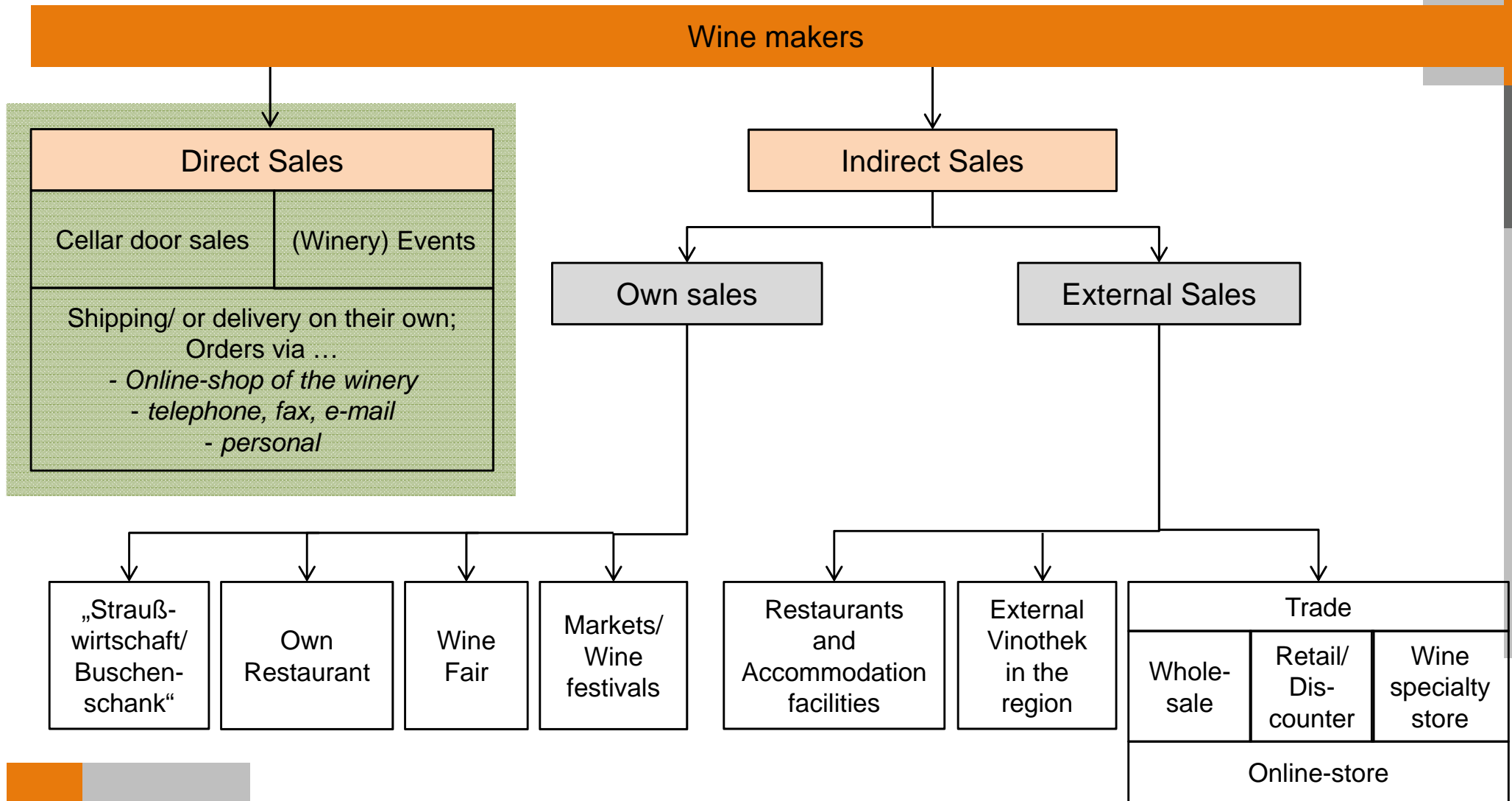
- Enhance the attractiveness of a region
- Embody vitality and quality of life
- New target groups
- ....

## For a winery

- Use in **marketing** – e.g. increased medial attention
- Upgrading of products caused by attractive (retail) environment
- Brand building for the winery
- Increasing **attraction for tourists** to visit the winery
  - e.g. bypassing tourists make a stop
- Inspiring visitors to buy (more) wine
  - Increasing direct sales! (economic potential)



# Distribution channels for bottled wine



# Reasons for increasing direct sales

- Increased profit margins (up to 50%)
- Direct customer contact
  - Brand awareness and loyalty
  - Feedback about products & service
  - Customer data – target group oriented marketing
  - Educational opportunities
- Quick response of market development & flexibility
  - Adaption on customer wishes (e.g. concerning product range)
  - Quality management etc.



Challenge: lure customers to the winery



# Sattui Winery, Napa Valley





# How to manage increased direct sales

- Cooperation with other sectors: Wine Tourism
  - More visitors because of cooperation with tourism
- Further attraction/Supplementary offer
- Free wine tasting
- Price quotes
- Easy online-buying afterwards
- PR-promotion/Marketing cooperations
- Wine clubs
- High customer loyalty

In general

- Clear Positioning
- Enhance attractiveness of the winery





# The role of architecture...

High number of building projects especially in the last 20 years

- e.g. Austria: 60 new winery buildings in the last 5 years (2008)
- Is it still differentiation?

## Main research questions:

- What are reasons for architectural (re)design?
- Is architecture an opportunity to differentiate from competitors in today's world?
- What are further experiences of winery operators concerning the effects of architecture?
- Can architecture enhance direct sales?



# Study – Expert interviews

## Methodology

### Preparation of the study:

- Identification of experts in the German-speaking area
- Research and listing of relevant projects
  - In architectural guides (concerning wine)
  - Written surveys of experts of superordinate institutions of wine industry (Deutsches Weininstitut, Österreich Wein Marketing GmbH, Branchenverband Deutschschweizer Wein, Konsortium Südtiroler Wein)

24 projects in  
Germany

99 projects in  
Austria

11 projects in  
Switzerland

11 projects in  
South Tirol

### Selection criteria:

1. Number of mentions
2. New buildings are preferred (not changes in building)
3. Time of completion – recent buildings are favoured

➔ Selection of 11 projects

# Research objects



Weingut am Stein (D)  
Completion 2005/06  
3 mentions



Weingut Lubentiushof (D)  
Completion 2007  
3 mentions



Winzerhof Gierer (D)  
Completion 2007  
3 mentions



Weingut Brennfleck (D)  
Completion 2007  
3 mentions



Weingut Loimer (A)  
Completion 2000  
6 mentions



Weingut Hillinger (A)  
Completion 2004  
6 mentions



Weingut Esterházy (A)  
Completion 2006  
4 mentions



Weingut Adank (CH)  
Completion 2009  
3 mentions



Weingut Manincor(I)  
Completion 2004  
6 mentions



Kellerei Tramin (I)  
Completion 2010  
4 mentions

# Study – Expert interviews

## Methodology

### Implementation of the study:

- 10 partly-standardized interviews (mainly with owners and operators)
- Topics:
  - Importance of direct sales
  - Customer structure
  - Architecture
  - Buying behavior
  - Connection of architecture and direct sales/cellar door sales



Findings

# EXPECTATIONS OF THE EXPERTS BEFORE ...

# Expectations related to architectural redesign

Motives	Weingut Lubentiusshof	Weingut am Stein	Winzerhof Gierer	Weingut Brennfleck	Weingut Esterházy	Weingut Hillinger	Weingut Fred Loimer	Weingut Adank	Weingut Manincor	Kellerei Tramin	Ø
Improvement of operational figures	3	2	2	3	1	3	-	1	4	4	2,56
Differentiation from competition	4	1	2	1	1	2	-	2	4	4	2,33
Attractiveness for new/other target groups	-	4	1	2	1	2	-	2	4	4	2,5
Implementation of higher prices	4	2	3	2	3	4	-	2	4	4	3,11
Optimization of operational processes	-	2	1	1	2	1	-	1	1	1	1,25
Personal interest in architecture	1	1	1	1	1	1	-	3	1	3	1,44

1 – very important  
 2 – important  
 3 – less important  
 4 – not important

- Differentiation from competitors is one, but not the main reason
- Various reasons for redesign
  - **one similarity: lack of space**
  - Further: new cellar equipment; new salesrooms; redesign of etiquettes and bottles

Findings

# REFLECTIONS OF THE EXPERTS AFTERWARDS

## Perception of changes since architectural redesign

	<b>Results expert interviews (Wineries)</b>	<b>Results Pla'tou study (tourism companies)</b>
Investment in remarkable architecture was all in all profitable	All experts agreed	88% Agreement
Improvement of operational figures	8 of 10 experts agreed	51% of interviewed people stated figures above the industry average
Differentiation from competitors	9 of 10 experts agreed	97% Agreement
Attractiveness for new/other target groups	All experts agreed	95% Agreement
Contemporary Architecture is an important Marketing and Image factor	6 of 10 experts agreed; 3 more agreed only partly	80% Agreement
Optimization of operational processes in the company caused by architectural (re)design	All experts agreed	/



# Is architecture a factor of success for direct sale?

*I think so.*

*"Ich glaube schon."*

Weingut Manincor,  
Mr. Graf Goëss-Enzenberg

*I think so.*

*"Ich glaube schon."*

Weingut Adank, Mr. Adank

*I can clearly say yes. We never regret to take this step and we would do it again.*

"Kann ich mit einem ganz eindeutigen Ja beurteilen. Wir haben den Schritt, den wir gegangen sind zu keiner Minute bereut, wir würden es sofort wieder tun."

Winzerhof Gierer, Mr. Gierer

*I think it is an important component.*

*"Ich denke schon, dass es schon ein wichtiger Baustein ist."*

Weingut Leo Hillinger, Mr. Hillinger

*Yes.*

*"Ja."*

Weingut am Stein, Mr. Knoll

## Is architecture a factor of success for direct sale?

*Yes. Only one, never the single success factor.*

*"Ja. Nur einer, nie der Erfolgsfaktor."*

Weingut Lubentiushof, Mrs. Barth

*Yes, absolutly. But not the only one.*

*"Ja, absolut. Einer, aber nicht der."*  
Kellerei Tramin, Mr. Klotz

*At the present time, yes.*

*"In der heutigen Zeit schon."*

Weingut Brennfleck, Mr. Brennfleck

## Is architecture a factor of success for direct sale?

*Not implicitly. (...)  
The location is obviously  
more important.*  
*"Nicht unbedingt. (...) Die  
Lage ist deutlich wichtiger."*;  
Weingut Loimer, Mr. Loimer

*In lesser intent yes. But it's difficult  
just to build on this factor.*  
*"In geringem Umfeld ja. Aber nur  
darauf zu bauen wird schwierig."*  
Weingut Esterházy, Mr. Rouschal

# Architecture and visitation of wineries

- Architecture gets more important as a visiting reason for wineries
  - It is a sign of novelty and communicate quality
  - Experts opinion: it is more important that people visit winery due to the wine → because of ...
    - ... Differences between wine- and architecture-interested people
- High media presence because of new architecture  
→ higher number of visitors





## Our experiences...

# Limitations and Challenges

- Partly no or incomplete survey of sales figures
- Results from expert interviews are strongly subjective and demonstrate mostly feelings of the experts
- Wineries use different distribution channels → different significance of architecture
- Selection of study objects should be adapted
  - Concerning similarities of wineries

# Conclusion

- Architecture is a chance to differentiate from competitors  
... but nobody knows how big the success exactly is
- Effect decrease is possible because of variety of building projects
  - Economic effects are not the major reasons for architectural redesign



# Thank you for your attention!



# Contact



**Prof. Dr. Axel Dreyer**

*adreyer@hs-harz.de*

Professor for Tourism Management at University of Applied Sciences Harz and Professor for Sportmanagement at the University Göttingen



**Juliane Ratz B.A.**

*jratz@hs-harz.de*

Research assistant at Competence Center for information and communication technologies, tourism and services,  
University of Applied Sciences Harz

Hochschule Harz  
Friedrichstr. 57-59  
38855 Wernigerode  
[www.hs-harz.de/tourismus](http://www.hs-harz.de/tourismus)  
phone: 03943-659833 // fax: 03943-6595833

# Sources

- Architektenkammer Baden-Württemberg (o.J.): Gebäudeplanung als Baustein zum Unternehmenserfolg, Broschüre der Architektenkammer Baden-Württemberg, Stuttgart
- Architektenkammer Wien (Hrsg.) (2008): WeinArchitektur. Vom Keller zum Kult, Publikation anlässlich der Ausstellung WeinArchitektur des Architekturzentrums Wien vom 22.09.2005 bis 06.02.2006, 3. Auflage, Hatje Cantz Verlag, Ostfildern
- Bieger, T. (2005): Management von Destinationen, 6. Auflage, Oldenbourg Verlag, München, Wien
- Bracklow, A. (2004): Markenarchitektur in der Konsumwelt – Branding zur Distinktion, Deutscher Universitätsverlag, Wiesbaden
- Bundeskanzleramt (2013): Empfohlene Publikationen zu EU-Themen, URL: <http://www.zukunfteuropa.at/site/6171/default.aspx>, Download 12.04.2013
- Deutsches Weininstitut GmbH (Hrsg.)(2013): Deutscher Wein Statistik 2012/2013, URL: <http://www.deutscheweine.de/icc/internet-de/med/68a/68a3098f-c19f-0931-7124-5cc6f135e25d,11111111-1111-1111-1111-111111111111.pdf>, Download 07.02.2013
- Dreyer, A./Ratz, J. (2013): Weinverkauf an Touristen – Das Angebot von einheimischen Weinen durch regionale Gastronomie- und Beherbergungsbetriebe, in: Scherhag, K. (Hrsg.) Weintourismus und Marketing, Köln
- Foscht, T./Swoboda, B. (2005): Käuferverhalten – Grundlagen, Perspektiven, Anwendungen, 2. Auflage, Gabler Verlag, Wiesbaden.
- Freyer, W. (2011): Tourismus – Einführung in die Fremdenverkehrsökonomie, OldenbourgVerlag, Frankfurt
- Geißler, R. (2008): Weininteressierte und ihr Reiseverhalten, Chancen für den Weintourismus am Beispiel Österreich, VDP Verlag, Saarbrücken.
- Getz, D. (2000): Explore Wine Tourism – Management, Development & Destinations, Cognizant Communication Corporation, New York, Sydney, Tokyo.
- Göbel, R. (2012): Persönlichkeitsorientierte Architektur und Weinmarketing - Authentizität als Grundlage für Nachhaltigkeit und Erfolg, Verlag Gebrüder Kornmayer, Dreieich
- Hall, C. M./Mitchell, R. (2007): Wine Marketing – a practical guide, Elsevier, Hungary.
- Hempel, A. G. (2010): Architektur & Wein – Ausgezeichnete Weinarchitektur in Deutschland, Österreich, der Schweiz und Südtirol, Callwey Verlag, München
- Hempel, A. G. (2008): Architektur in Südtirol, Callwey Verlag, München



# Sources

- Herrmann, K. (2013): Gute Nachrichten für die Weinbranche, in: Wein Markt 05/2013, S. 34-36
- Jelinek, R. (2008): Tourismus und Architektur, Mafo-News 18/08, URL: [http://www.oberoesterreich-tourismus.at/sixcms/media.php/2022/Architektur\\_170908.pdf](http://www.oberoesterreich-tourismus.at/sixcms/media.php/2022/Architektur_170908.pdf), Download 15.11.2012
- Khachaturian, A./Rice, E. (2008): Professional Wine Sales, in: Thach, L./Matz, T. (Ed.): Wine – A Global Business, 2. Edition, Miranda Press, New York, p. 197-218.
- Kolesch, H. (o.J.): Reisen zum Wein – Die Architektur des Weins im Kontext des Tourismus, URL: [http://www.lwg.bayern.de/weinbau/weintourismus/18600/linkurl\\_0\\_1\\_0\\_4.pdf](http://www.lwg.bayern.de/weinbau/weintourismus/18600/linkurl_0_1_0_4.pdf), Download 21.03.2013
- Lasansky, D. M.; MaLaren, B. (Ed.) (2004): Architecture and Tourism – perception, performance and place, Berg, Oxford, New York
- Landesbank Baden-Württemberg (2009): Weinbau. Made in Germany. Der deutsche Weinmarkt im Blickfeld, URL: [http://www.rlp-bank.de/imperia/md/content/rlp/pdf/studien/2009/RPB\\_Weinbau\\_2009.pdf](http://www.rlp-bank.de/imperia/md/content/rlp/pdf/studien/2009/RPB_Weinbau_2009.pdf), Download 13.03.2013.
- Lörcher, F. (2010): Wein, Architektur und Tourismus, landinfo 6/2010, URL: [http://www.landwirtschaft-mlr.baden-wuerttemberg.de/servlet/PB/show/1311711/landinfo\\_%20Wein,%20Architektur%20und%20Tourismus%20-%20Friedrich%20L%F6rcher,%20LVWO%20Weinsberg.pdf](http://www.landwirtschaft-mlr.baden-wuerttemberg.de/servlet/PB/show/1311711/landinfo_%20Wein,%20Architektur%20und%20Tourismus%20-%20Friedrich%20L%F6rcher,%20LVWO%20Weinsberg.pdf), Download 15.11.2012
- Matzig, K. (2010): Kaltern in Südtirol – Ein Ort für alle Sinne, Süddeutsche Zeitung vom 17.05.2010, URL: <http://www.sueddeutsche.de/reise/kaltern-in-suedtirol-ein-ort-fuer-alle-sinne-1.343039>, Download 22.03.2013
- Messedat, J. (2005): Corporate Architecture – Development, Concepts, Strategies, avedition GmbH, Ludwigsburg
- Olsen, J./Hermsmeyer, J. (2008): Direct Wine Sales and Wine 2.0, in: Thach, L./Matz, T. (Ed.): Wine – A Global Business, 2. Edition, Miranda Press, New York, p. 219-234.
- Rechenberg, N. (Hrsg.) (2013): Weininstitut vergibt Preise für Weingut-Architektur, Pressemitteilung vom 14.03.2013, URL: [http://www.nikos-weinwelten.de/beitrag/weininstitut\\_vergibt\\_preise\\_fuer\\_weingut\\_architektur/](http://www.nikos-weinwelten.de/beitrag/weininstitut_vergibt_preise_fuer_weingut_architektur/), Download 12.05.2013
- Menk, D. (2008): Vertriebsmöglichkeiten von Wein in Hamburg - Eine empirische Analyse der indirekten Absatzkanäle, Grin Verlag, Norderstedt.
- Müller, R.A.E./Bürgelt, D. (2006): Weine aus der Neuen Welt in den Regalen der Alten Welt, URL: [http://www.agric-econ.uni-kiel.de/Abteilungen/II/PDFs/Neue\\_Welt\\_Weine.pdf](http://www.agric-econ.uni-kiel.de/Abteilungen/II/PDFs/Neue_Welt_Weine.pdf), Download 12.03.2013.
- Müller, B. (2007): Porters Konzept generischer Wettbewerbsstrategien: Präzisierung und empirische Überprüfung, Dissertation Universität Bern, Deutscher Universitäts-Verlag, Wiesbaden.

# Sources

- Pepels, W. (2007): Vertriebsmanagement in Theorie und Praxis, Oldenbourg Verlag, München.
- Pieper, O. (2008): Erlebnisqualität im Einzelhandel – Die Freude am Einkaufen und ihre Auswirkungen auf das Konsumverhalten, Peter Lang Verlag, Frankfurt u.a.
- pla'tou – plattform für architektur im Tourismus (2007): Grundlagenstudie „Architektur macht Gäste“ – über den Zusammenhang zwischen Architektur und Wirtschaftlichkeit im Tourismus, URL: [http://platou.dirk-linke.de/portal3/images/stories/symp\\_pdf/platoustudie.pdf](http://platou.dirk-linke.de/portal3/images/stories/symp_pdf/platoustudie.pdf), Download 22.03.2013
- Porter, M. E. (1985): Wettbewerbsstrategie (Competitive Strategy) – Methoden zur Analyse von Branchen und Konkurrenten, Campus Verlag, Frankfurt
- Saaler, K.; Jacobi-Ewerth, M.; Hoffmann, B. (2007): Weinmarketing – Leitfaden für direktvermarktende Weingüter, Meiningen Verlag GmbH, Neustadt/Weinstraße
- Sams, H. (2009): Wein & Bau – Österreichs innovativste Weingüter, Unikum Verlag, Graz
- Stanwick, S.; Fowlow, L. (2010): Wine by Design, 2. Auflage, Wiley Verlag, o. O.
- Thach, L. (2007): Trends in Wine Tourism – Discover the motivations of wine tourists and the challenges, benefits and trends in wine tourism, URL: <http://www.winebusiness.com/wbm/?go=getArticleSignIn&dataId=50125>, Download 08.12.2008
- Weißhäupl, M. (2003): Strategien zur Erreichung von Wettbewerbsvorteilen, EUL Verlag, Köln
- Wirthgen, B./Maurer, O. (2000): Direktvermarktung: Verarbeitung, Absatz, Rentabilität, Recht, 2., Neubearb. u. erw. Auflage, Ulmer Verlag, Stuttgart.
- Woschek, H.-G.; Duhme, D.; Friederichs, K. (2011): Wein und Architektur, Detail – Institut für internationale Architektur-Dokumentation, München