

## **Consumers Rate and Review - Something We Hate and Don't Look Into**

Towards understanding the wine industry's reactions to the consumer use of new  
media rating platforms

Student Name: Marie Isabel Schu

Student Number: 470931

Supervisor: Dr. J.H. (Jason) Pridmore

MA Media & Business

Erasmus School of History, Culture and Communication

Erasmus University Rotterdam

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### **Abstract**

**Purpose:** The purpose of this research is to add to the socio-scientific knowledge of the development and effects of new media on the wine industry and thereby to suggest implications for similar forms of consumption. It adds to the knowledge about changing consumer and producer practices in the mediated relationship with a good that cannot be fully experienced until bought. Using similar developments within the travel industry as a guide, contemporary consumer practices such as digital knowledge sharing through rating and reviewing of products hold great potential for consumer engagement. However, the wine industry differentiates itself significantly in its complexity. Therefore, this study aimed to understand how user-driven mobile technology with consumer-created wine reviews are perceived and responded to by this cultural consumption industry.

**Research Question:** How have the marketing practices and strategies of the wine industry responded to the use of consumer-driven mobile rating of wines?

**Methodological Approach:** This thesis draws on a qualitative research approach, explicitly using in-depth interviews. Data was gathered through 17 semi-structured expert interviews with participants directly working in the wine industry. They were recruited employing convenience and snowball sampling at an industry trade fair. The data were analyzed using the grounded theory coding approach.

**Findings:** The results of this study indicate that the wine industry is indeed changing. Herein, producers recognize changes in consumer practices with regards to consumer-generated recommendations and reviews and foresee the future impact they will have on the industry. However, while they mostly agree to the need for amending their marketing and communication strategies, they thus far have been reluctant to do so. That is, they reconstruct culturally inherited boundaries that segment the market, they prefer to apply marketing strategies with which they control reflection of authenticity, and they have limited resources in general. However, the fact that social media marketing in the broader sense is nonetheless invading this culture of resistance can be seen in industry-wide standardized marketing practices using networking tools for the promotion of their wines.

**KEYWORDS:** *Cultural industries, information technology, rating platforms, consumer engagement, cultural resistance*

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## 1 Introduction

Wine has been part of the human culture for more than 6,000 years and can be traced back further than written records exist. Until today, it remains a culturally valuable commodity, as it is often consumed as part of a group process, carrying a social meaning (Charters, 2006). Over the centuries wine has become an integral part of many and not just European cultures as it is, for example, often considered as the standard beverage consumed at lunch or dinner (Hussain, Cholette, & Castaldi, 2008). The specific cultural function of wine is though somewhat difficult to interpret, and the motivation of consumption has been found to vary from the pure joy of experiencing taste via increasing self-esteem to impressing others. According to Charters (2006), wine consumption depends on individual values. However, what has always been at the core of it is the principle of drinking and then evaluating the wine in the light of satisfying those values.

While its production still takes place on every continent and follows more or less the same viticulture techniques as that of ancient winemaking, the wine business itself has become more commercial and global in the last 20 years (Hussain et al., 2008). For example, the increase in low-priced wines is introducing a new generation to wine consumption, changing the global supply and demand. Furthermore, new markets including Chinese and Indian consumers have increased the demand for imported wines (Wine Institute, 2004; Hussain et al., 2008). Hussain et al. (2008) also note that the consequences of globalization are additionally exacerbated by driving forces as summarized in the following: a worldwide surplus of grapes, salient pricing pressures, the increased consolidation of wine producers, distributors, and retailers, and last but not least the shift of consumer behavior patterns. It is long known that the highly price-sensitive industry entails consumers reacting sharply to price increases (Benjamin, & Polodny, 1999). However, this price sensitivity is further enhanced with the provision of information, which in the pre-digital era was less accessible than it is today (Orth, Lockshin, & d'Hauteville, 2007). In the past, it has hence been a significant obstacle for average wine consumers to obtain reliable information on the quality of a particular wine as it was challenging to locate an appropriate information source.

Looking at the challenges of an average wine buyer further, Heslop, Cray, and Armenakyan (2010) indicate that consumers in response to the “high information need – low information provision” environment until recently used information cues (p. 288). Consisting of the brand name, the country-of-origin, or the price, these cues further demonstrate the difficulty in obtaining knowledge considering a bottle of wine. Until a decade ago, around 80% of US wine consumers alone, still considered themselves unknowledgeable of wine (Stallcup, 2005; Hussain et al., 2008). The lack of education on wine has been found to cause consumers often feeling intimidated by the specific

information provided on the back of wine labels. Further, they find it troublesome to remember which wines they bought or liked. This dilemma has been explicitly expressed by consumers stating that they want to “easily and consistently identify the wines they will enjoy without having to solicit personal assistance in the store” (Hussain et al., 2008, p.40).

Developers of mobile applications exploited these shortfalls of inexperienced wine drinkers feeling confused about their wine choice and filled the void with wine searching and rating applications such as Vivino, WineSearcher, WineRing or CellarTracker among many others (Higgins, Wolf, & Wolf, 2014). These applications with their specific label scanning technology allow users to find and rate wines, share experiences, consumption locations and any other information around a particular bottle of wine (Heslop et al., 2010). Recent studies showed that it is still a common practice to ask for advice on the purchase of an experiential good such as wine is, but consumers have been found to increasingly use social media search engines to seek expert consultation on their wine choice (Thach, & Chang, 2015). Therefore, these developments can be considered a reflection of contemporary practices in other fields such as, for instance, those of the tourism industry.

The tourism industry has become the epitome of new ways of information flows through forms of social media. Nowadays, users commonly rate hotels, destinations or tourist attractions on a wide range of platforms, including the widely used travel rating platform TripAdvisor. A significant number of social networking, media sharing, and personal blog sites provide space for travelers to share their individual experiences, which allow for many others to plan for the same type of journeys (Xiang, & Gretzel, 2010). These fit within modern consumer practices involving the searching, organizing, sharing, and annotating of travel stories. While such developments of information retrieval have changed consumer practices, on the supplier side, Leung, Law, Van Hoof, and Buhalis (2013) note that many tourism companies now exploit the opportunities to better understand and respond to consumer preferences. A study by Park and Allen (2013) investigated the rate and way in which hotels in the United States respond to online reviews on TripAdvisor. It showed that some hotels already employ dedicated online marketing managers who respond to, monitor and track reviews, and are given targets and guidelines to manage and engage customers online. This example makes it easy to believe that embedding customer reviews as part of a strategic approach to an ongoing relationship can put other companies who do not engage consumers online in a competitive disadvantage (Park, & Allen, 2013).

Social media platforms fostered the development of a digital information society, influencing the way we communicate in every domain of human activity (Meijer, 2012). Confirming the importance of social media and digitization also in the wine business, a data collection survey of March 2016 found that there are 58.5 million people in the world that drink wine at least once a month and search for global wine information online. The development of digital content is further underlined with approximately 21 million videos, 6.5

million images and 800 million pages on the topic of wine gathered and shared when researching through the search engine Google.com (Wine Intelligence, 2015; Iaia, Scorrano, Fait, & Cavallo, 2017). As Iaia et al. (2017) summarized, the data collection survey further states that 9 million videos on YouTube and more than 400,000 applications just on wine have been developed. In addition to just accessing wine content online, 51% of those wine drinkers have been found to “express their opinions through the web and contribute via word-of-mouth, thereby influencing other users” (Iaia et al., 2017, p. 2294). Therefore, though some argue it is still in its infancy, the wine industry can be seen as growing into the information era (Halstead, 2013; Higgins et al., 2014).

## **1.1 Research Problem**

Using the changes in the travel industry as a guide this research examines how the wine industry has begun to use and respond to changes in social media practices. While mobile technology acceptance by consumers appears to be on the increase, organizations are thought to expand the adoption of new and digital marketing strategies to enhance their customer engagement and commitment, too (Pelet et al., 2017). Such expectation are rooted in the fact that especially the younger wine drinking generation has grown up in a “media-saturated, brand conscious world, and is keeping advertisers on their toes” (Fernandez-Cruz, 2003, as cited in Nowak, Thach, & Olsen, 2006, p.1). However, the wine industry differentiates itself significantly in its complexity and high price sensitivity of products and is for that reason worth investigating on more specifically.

The primary objective of this research is therefore to analyze the intersection between wine buyers, wine producers and the technology itself. In doing so, it focuses on understanding the mediated relationship between wine buyers and wine producers in an era of increasingly important and relied upon forms of media. More precisely, it focuses on understanding how a user-driven mobile technology with consumer-created wine reviews has been responded to by wine producers. That is, this research examines how the wine industry reacts to changes in consumer practices with regards to consumer-generated recommendations and reviews.

Currently, this area of research remains mostly under-examined. Only news outlets have talked about the development of mobile applications in the wine industry at present. Additionally, the few studies on social media marketing published to date have mostly applied quantitative methods or case studies to investigate the advancement and adoption of technologies for marketing purposes in the wine industry. Given these concerns, this study targets the following research questions:



RQ: How have the marketing practices and strategies of the wine industry responded to the use of consumer-driven mobile rating of wines?

To be able to shed light on the research question, it is essential to focus on particular aspects of the study. First, the research needs to examine how wine producers view consumption patterns of consumers obtaining information about their wine. Analyzing consumption patterns from the perspective of wine producers anticipates understanding of what practices of users are perceived to have an impact on the strategic communication of a wine producer. Therefore, this research investigates the following sub-questions:

SQ1: How do wine producers perceive user-generated in-app reviews on their wines?

While this first sub-question focuses on wine producers' perceptions of these applications, it is additionally essential to understand how producers use this knowledge to adapt and change their practices. Taking this together leads on to the second sub-question for this research:

SQ2: How does the use of wine rating applications shift the engagement of wine producers with consumers?

This focus on shifts in the engagement of wine producers with consumers makes explicit the relationship between perception of application use and changes in business practices. Thereby, informative insights about how wine producers amend their communication and marketing strategies to new flows of information about their wines are brought to light.

## **1.2 Scientific & Social Relevance**

Previous research on the wine industry found a limited adoption rate of web 2.0 strategies, such as social networking, blogging, vlogging, and the use of interactive e-commerce platforms (Thach, 2009). It is, however, an almost decade-old study, which is in need of an update. The need for research in this field is further underlined by noting the recent tendency towards the increased use of social media platforms in the wine industry as exemplified earlier in this paper. However, studies with a focus on wine marketer's perceptions and the potential impacts on business practices, in particular, are limited to date. Therefore, this research extends the socio-scientific knowledge of the development and effects of new media on the wine industry and suggest implications for similar forms of consumption. The value of this research additionally lies in a qualitatively focused research method, which extends research on the relationship between wine marketing and rating

platforms and thereby brings useful insights for their users, wine producers, application developers, and marketers. Lastly, this study adds to the knowledge about changing consumer and producer practices in the mediated relationship with a good that cannot be fully experienced until bought (Higgins et al., 2014). In doing so, it helps marketers gain new insights about market behavior, potentially forcing them to reconstruct their views of market realities regarding the mediated relationship between wine producers and consumers. Finally, this research, therefore, functions as part of the puzzle of understanding the consequences of the new media evolution.

### **1.3 Outline**

This exploratory study is conducted using the qualitative research method of semi-structured in-depth interviews with experts of the wine industry. The 17 participants range from wine producers, over sommeliers, to distributors and resellers to critics' publishers. The technique of in-depth interviews provides data for a thorough investigation of the different aspects that play into certain perceptions and responses of wine producers to the new consumer behaviors. Thereby, market categorizations, underlying attitudes, and marketing strategies are uncovered that allow drawing conclusions that enable answering the research question.

The paper is structured such that it first outlines the theoretical background to this study. In doing so, it frames the complexities of wine as a cultural product including valuation, in other words, the cultural production and thereby of the wine drinking culture on the whole. It also addresses what differentiates new media platforms from social media platforms. After that, the concept of relationship marketing, as well as that of market segmentation, are theorized. Following that, the paper thoroughly explains and discusses in which ways the method was applied to conduct the research. After an outline of the qualitative research design, which enables understanding of why this method fits the study's aim, objectives, and scope, the data collection process is described. Here, insights into the applied sampling method of convenience and snowball sampling are provided, which leads into a discussion of how the interviews are conducted and a more detailed explanation of the recruited participants. At the end of the methodological chapter, this study's data analysis techniques including transcription, coding, and interpretation are explained. The structure of the paper then leads on to the key findings, as well as the discussion of these. Lastly, the conclusion of the thesis provides a summary of the research including a concise answer to the research question which is extended by mentioning limitations and directions for future research.

## **2 Theoretical Framework**

This study aims to explore how the marketing practices of the wine industry have responded to more and more consumers rating and reviewing wines within new media platforms. Therefore, this chapter reviews extant and relevant literature of wine as a cultural good, its common strategies for cultural production, the difference between new media platforms and social media platforms, as well as relationship marketing and market segmentation.

Firstly, to understand better the culture of the wine industry and the dynamics of a cultural good, the theoretical framework focuses on reviewing the key factors that constitute the complexity and price sensitivity of the market. By that, existing literature serves to sharpen the interpretations of findings of a market differing from most other commodities by being a cultural product market. Therefore, in the subsequent part, existing theory on cultural production will be audited through touching upon the concept of authenticity. It helps to put wine producer's perceptions of and reactions to consumer reviews and ratings on new media platforms into context. In the light of the analysis of changing consumer engagement by new forms of marketing, the concept of relationship marketing will be discussed in the third section of this chapter. Discussing this concept will allow for a better sense of how members of the wine industry manage, maintain and enhance customer relationships, both digitally and non-digitally. Lastly, the final part of the theoretical framework conceptualizes the idea of market segmentation, which will help to discern the response of wine producers through the adaption of marketing practices.

### **2.1 The culture of the wine industry**

The wine market is an exceptional case of a market for singularities, where no two bottles are exactly alike. While the production costs are reaching an averaged maximum of 10€ per bottle, selling prices of wine can vary between 1,99€ and far beyond 500€. It is the alleged quality difference of individual wines that determine and justify such irregularity of prices. The production cost, however, does not significantly differ respectively to the selling prices (Beckert, Schenk, & Rössel, 2017). In addition to the challenges and critical factors that drive repercussions of globalization mentioned earlier in this paper, the change of taste with each new vintage of a bottle of wine adds to the price uncertainty of the market. This ambiguity is also enhanced by the unpredictable results of aging of the wine. Furthermore, what makes the market on a whole so complex is the fact that the wine industry is composed of a wide range of actors including producers, sellers, experts, journalists, industry associations, marketing specialists, agencies, and consumers. All of which are positioned in relation to each other and all of which are participating in the construction of qualities of the product being sold (Beckert et al., 2017). In anticipation of understanding

how qualities of wines are constructed it appears that, like in many other consumer markets, the perceived quality – the value of the product – stems from symbolic meaning. Symbolic meaning, especially in affluent consumer societies, are often based on interpretations which resemble the type of valuation of works of art (Beckert et al., 2017).

### **2.1.1 Comparing wine with art**

Howard S. Becker (1984) significantly influenced the body of literature dealing with artistic and cultural worlds by questioning underlying conventions of artists. His work draws on many similarities between art and other forms of cultural work. Herein, he explains that art worlds consist of all the people whose activities are necessary to the production of the characteristic works which are in that world, and perhaps others as well, defined as art. Members of art worlds coordinate the activities by which work is produced by referring to a body of conventional understandings embodied in everyday practice and in frequently used artifacts. The same people often cooperate repeatedly, even routinely, in similar ways to produce similar works, so that we can think of an art world as an established network of cooperative links among participants. (p. 34)

Therefore, like the value of works of art, it can be conceived that the value of wine is not solely created by the artists, being the producer respectively, but by the multiplicity of actors of the industry (Bourdieu, 1996; Beckert et al., 2017). Furthermore, in art, the relevance is defined by conventions that create beauty, meaning, and emotion by manipulating the audience's expectations (Becker, 1984), which can arguably be compared to the job enacted by a sommelier or a wine journal.

Secondly, a so-called artistic logic can be associated with a limited production of wines which moves away from selling at the interest in economic profits. Pierre Bourdieu's study of taste and his theory advanced an understanding of this logic by explaining that herein the emphasis lies on producing for the sake of art and focusing on the symbolic value. Furthermore, the relationship between the producer and the consumer is highly relevant, as the consumer is co-creating value for the product itself (Bourdieu 1985; Voronov, & De Clercq, 2007). It is moreover observed under this logic that cultural products that have commercial success are devalued, but instead, those that appeal to other producers are favored (Bourdieu, 1984; Beckert et al., 2017). Beckert et al. (2017) outlined in their study on how wine is evaluated, that according to Bourdieu and his field theoretical perspective, producers even invest in symbolic profits to enhance their economic profits. They also found that winemakers similarly to artists use strategies of symbolic positioning by distancing themselves from industrial methods of production, but instead emphasizing the importance of the craft and natural or organic production of their wines. Moreover, they

“distance themselves from the general public, by emphasizing that it is difficult to “comprehend” their wine and that it takes time to understand them” and thereby separate oneself from a purely economic focus on sales (Schenk, & Rössel, 2012, as cited in Beckert et al., 2017, p. 210). This aspect refers to the cultural production through authenticity, which will be reviewed in more detail in the subsequent section of this chapter.

Thirdly, Becker (1984) outlines that artists need to distribute their work to reach people with the taste to appreciate it and to repay the producers so that more resources and cooperative activity are made available for the production to continue. He further mentions that in developed art worlds, distributions systems are made up of intermediaries that have an interest of doing business and thereby intend to rationalize the unstable production of cultural work. Most artists, according to Becker (1984), nonetheless, seek the advantages of distribution systems to deliver their products to new consumers and to increase their reputation. It can be assumed that the same holds true for the wine industry as what will not get distributed will not bring returns on investment and not increase reputation (Becker, 1984). That is, the economic logic is not a less critical determinate of what constitutes to market value in the wine industry. Within the economic logic, the cultural production serves pre-established markets by responding to market demands. In doing so, the success of a product under this logic is defined by immediate and quantifiable terms, making it a commercially oriented product (Voronov, & De Clercq, 2007). However, this logic contrasts with the artistic logic, as it is more associated with large-scale production, values exchange and cost efficiency (Beckert et al., 2017). Such a clash puts pressure on producers as they have to focus on preserving their perceived value to avoid coming across as too commercial, but at the same time remain focused on optimizing business efficiencies and focusing on the bottom line (Bourdieu, 1985; Beverland, 2005).

As a consequence of the pressure caused by a clash of logics, cultural workers apply what is known as boundary work to defend their artistic logic against the market's economic logic and thereby maintain their freedom to produce what conforms to their philosophy. Boundary work legitimates practices that cause inclusion and exclusion of different social classes, professions, and communities or ‘thought-worlds’. That is, the joint construction of the social reality within a network of actors such as the wine industry is consistent with the values and beliefs that individuals of that network are presumed to share. These values and beliefs are therefore socially constructed (Light, & Odden, 2017).

### ***2.1.2 Actors producing boundaries of taste***

Bourdieu sees the social construction of values and beliefs as an expression of the social status of producers and consumers. The valuation of wine according to this theoretical orientation is then related to the social context rather than a person's taste.

Bourdieu conceptualizes a general model of how symbolic valuation and price formations are influenced by differentiated social fields which can be helpful in explaining how the symbolic value of wine is derived to justify price differences. Also, it helps to explain the preferences of different consumers as they, depending on their class backgrounds, differ in tastes, the way and the quality of experience of the cultural consumption, respectively (Beckert et al., 2017). For the sake of this study, however, it helps better illuminate the complexity of how values and beliefs are shared within the wine industry and how to taste is therefore arguably not objective. The formulation of boundaries of taste, hence, provides ground to better relate to wine producer's perception and responses consumer ratings and reviews of wine, because these are founded on taste.

As it is difficult to determine the real value of a cultural product, people relate to their personal network or less personal sources like critics to help them in finding their way to the right choice. Critics can function as interpretive guides as well as cultural gatekeepers. By assigning identities and boundaries such as through the contemporary concept of influencers or by an industry actor's subjective experience they can define how and what buyers consume (Light, & Odden, 2017). Bourdieu has labeled this process as cultural consecration (1993; Light, & Odden, 2017). The way such gatekeepers construct boundaries around cultural products is commonly categorized into three distinct ways. They use specific language to classify categories summarizing their perspectives. Furthermore, they rate and review these categories by relating them to other cultural products and fields. Lastly, they overhaul the strategies with which they value cultural products to stay relevant. Rating and reviewing as such can, therefore, be considered as closely related to the value that is assigned to cultural products (Light, & Odden, 2017).

The view of Meyer (2000), which overlaps with that of Bourdieu, summarizes that the formation of taste involves a "collective interpretation of a symbol or artifact which results in a collectively shared evaluation" (p.36). In the wine industry, such forms of boundaries of taste are, for example, reflected on in the form of awards, prizes, and honors, which are particularly relevant to the premium wine industry (Allen, & Germov, 2011). Cultural production hence depends on defining value, which in turn depends on the formation of taste. The formation of taste develops from social relations, where critical organizations construct the boundaries of how cultural products are consumed (Bourdieu 1993; Light, & Odden, 2017). Becker, returning to his discussion of art worlds, also sees the critic as a key player defining cultural production as it enables producers and consumers guidance in evaluating the product. From this, it becomes clear that ratings and reviews are not just important for an individual wine producer or consumer, but more so to shape cultural consumption on the whole and thereby leverage an entire industry's preference of consuming specific cultural products over others. After identifying that taste is shaped by

social status and interplay of actors, the next section explains how cultural taste is produced more specifically.

### **2.1.3 Cultural Production through authenticity**

Building on the study of Beckert, Schenk, and Rössel (2017), there is an underlying idea among the wine industry that wine has an authentic quality to it. To understand better how winemakers distance themselves from the mainstream market, thereby become comparable to the world of art and express the underlying idea of authentic quality, the concept of authenticity needs to be reviewed. Especially in an increasingly saturated and global market of wine, marketers often authenticate the products being sold to create value, promote consumption and thereby meet consumer demands (Koontz, 2010). Also, because cultural products do not serve functional needs, but instead consumers' emotional needs it is important for them to remain authentic (Voronov, & De Clercq, 2007). A commonly adopted definition of authenticity describes a

sincere, innocent, original, genuine, and unaffected, distinct from strategic and pragmatic self-presentation. . . linked to moral authority of the creator and simultaneously to the fact that the object was made by hand, not mechanically produced with absence of cognitive understanding, creating an unmediated experience. (Fine, 2003, as cited in Beverland, & Luxton, 2005, p. 103)

Attributes such as experiential qualities, honesty, and an artisanal production are further related to the concept of authenticity. There is, however, an ongoing discussion as the term remains problematic due to the lack of a widely accepted definition (Beverland, 2005). Nonetheless, authenticity is long considered as a key element of successful branding as it allows to form a unique identity (Keller, 1993; Beverland, & Luxton, 2005). An authentic quality of products is constructed through specific processes that create value. In her study, Koontz (2010) summarized that there are two most predominant forms of authentication, which she coined 'otherizing' and 'traditionalizing'.

Under 'otherizing' she, for example, categorizes the authentication of products that are located outside of the mainstream culture either through a producer having an outsider status or by separating their own culture from that of the products traditional origin. Such construction of otherness results in producers adding to the uniqueness factor of the product. They do so by underlining their true, local and cultural representation that is not affected by any larger commercial forces. Within this concept, producers are seen to benefit from the collaboration of networks, which enable them legitimacy. More specifically, producers authenticate their products by regular and intensive face-to-face interactions with consumers, in which they underline their individual lifestyle and anticipation to maintain their

cultural tradition and thereby differentiate themselves from the consumers' and other unauthentic cultures (Koontz, 2010).

Under 'traditionalizing' Koontz (2010) summarizes that instead of placing the product outside the mainstream culture, marketers pay particular attention to creating a sense of connectedness through maintaining cultural heritage. This connectedness is emphasized by allowing consumers to experience and becoming part of the tradition through their cultural consumption. This involves constructing continuity with the past through some of the following aspects: (1) the ongoing application of traditional production methods, (2) relating to the historical influences on the location, (3) rebuilding an entire historical location, (4) constructing nostalgia for a seemingly abandoning lifestyle, and (5) reproducing originality. In doing so, producers make clear to consumers that their production embodies quality over quantity. In this way, the contrary of traditionalizing is the concept of globalization and the modernization of consumers' society. Using these reverse arguments to authenticate through traditionalizing in practice, for example, means contrasting the, in the marketers' opinions, untrustworthy modern times with the nostalgic view of the idealized past.

According to Beverland and Luxton (2005), authenticity, independent of which form, needs to be adapted and updated to be interesting for the actors of the network of the industry. Such notion implies another clash as a brand, on the one hand, needs to remain true to an authentic core but at the same time needs to remain relevant, while previous decisions undeniably guide the ongoing claims of authenticity (Keller, 2003; Beverland, & Luxton, 2005). Understanding the relationship between management action and organizational constraints is vital to learn to transform perceptions of the own identity. Hence, reviewing claims of authenticity by identifying with social worlds, adapting to them and going beyond the emplaced market structure is required to increase marketing and reputation of a product. Therefore, marketers are urged to continually review and reinterpret symbolic qualities in response to changing tastes of stakeholders of a network (Beverland, & Luxton, 2005).

#### ***2.1.4 The High-brow and Low-brow culture***

As briefly touched upon previously, Bourdieu's theory focuses on objective positions and the objective connections, which shape interactions between them. The positions according to him are defined by the endowment of capital, being either economic capital, cultural capital or symbolic capital. He describes that there is a "homology between the symbolic hierarchy of producers in a field and the social status hierarchy of consumers" (Bourdieu, 1996, as cited in Beckert et al., 2017, p. 211). So, producers in the more autonomous wine industry are said to cater more to an audience that is of a higher capital endowment. Consumers of the high capital endowment are differing mainly in their ability to



understand and consume cultural products. From that, it can be understood that culture and class are mutually reinforcing and so to say vertically ranked. That is, the culture of the highest class becomes the most distinguished one. While usually all consumers can understand and consume standardized and mass-produced goods, those goods of limited production or in other words artistic logic reflect on history and authenticity of the field, for which consumers require more preconditions to be able to understand correctly (Bourdieu, 1996; Beckert et al., 2017).

Erickson (1996) argues that rather than the high capital endowment culture being “innately superior” it is “really because it is the culture of those who rule” (p.217). Therefore, the legitimate, sophisticated and cultured tastes and practices of the society are presented by what is known as the high-brow culture, meaning that of the wealthy and highly educated members of the upper class. In the high-brow culture, members have the power to demarcate taste and “can use their familiarity and facility with these cultural forms to maintain and reinforce boundaries between themselves and others” (Veenstra, 2015, p.136). Highbrows, which is another term for members of the high-brow culture, are known to be elitists when it comes to the arts. They are also known to be contemptuous of middlebrows, who have aspirations to a high-brow status concerning the arts and intellectual life. In contrast, lowbrows or members of the low-brow culture are said to have no taste and lack refinement but are nonetheless significant consumers of the mass-mediated culture. They are mostly looked down on by highbrows and middlebrows (Swirski, & Vanhanen, 2017).

Consumption practices often appear to be clustered around these dominant forms of taste, which are also referred to as high-brow and popular. Van Eijck (2001; Lizardo, 2005) claims that the highbrow taste sees cultural products as a pipe for intellectual and emotional impression and expression that reflect on aesthetic values. In contrast, popular taste reflects upon hedonistic and more superficial motivations to engage with a cultural product. These include fun and pleasure as the primary goal of cultural consumption. Moreover, the high-brow aesthetic is commonly one that consists of the older, upper-class members that engage in more complex forms of consumption to express values to approach culture as cultivation. Bourdieu refers to this approach as aesthetic disposition, meaning that the consumption of cultural good requires effort, commitment and a “distance from necessity” so that it can be adequately appreciated (Bourdieu, 1984; Lizardo, 2005). From this classification of consumption practices, it can be derived that taste and valuation of wine forms and sustains only if those who are knowledgeable, and an influential player in the market set it out. This view becomes an essential basis to frame wine producer’s responses to consumer ratings in new media platforms.

To summarize thus far, in this section it has been identified that the wine industry in itself is a complex market due to the high price uncertainty of the cultural products, which

change from year to year. However, the complexity also stems from the many actors that contemplate what is defined as quality. To understand better how different actors define quality, wine can be seen as art. Taking the art world as described by Becker (1984) as a guide, it follows that there are several social clusters within the industry. The theory of Bourdieu, in turn, helps to understand better how taste is established as it relates to those social clusters. While his work has been criticized for ambiguity in his arguments (Goldthorpe, 2007), some of his logic works well for conceptualizing one way of describing how wine is valued from a social perspective. Following that, it appeared that due to the boundaries of taste that are executed by elitists and the forms of cultural production through authenticity arguably makes the culture of the wine industry a highbrow and lowbrow one.

Although having identified the complexities of the market in more detail, the following will look at more concepts to frame this study more extensively. That is, to first provide more clarity in which new media technology this study is precisely focused on, the differences between new media platforms and social media platforms are going to be outlined. Subsequently, the chapter will look at the marketing strategies that are becoming more and more important in recent works. In doing so, the extant literature on relationship marketing will be reviewed to discuss the transformations of dynamics of effective communication management to co-create business value and relational value within the relationships of producers and consumers. Finally, as a result of effective relationship management, market segmentation can be executed. Hence, this concept needs the review to enable understanding of what opportunities consumer engagement through integrating digital reviews and ratings into marketing practices hold and can bring.

## **2.2 New media platforms versus social media platforms**

As the aim of this study is to understand how the wine industry responds to consumers increasingly using mobile rating applications such as Vivino and others, it is essential to understand what role these applications play and where exactly they sit in the field of new media. The concept of new media is often not directly distinguishable from social media and moreover are the terms often used interchangeably. For the sake of clarity within this study, both concepts are defined in the following.

Both new media and social media facilitate access to and the speed of reaching individuals. Pridmore, Falk, and Sprenkels (2013) outlined in their work that although the apparent difference is somewhat challenging to identify, the implications when applied are more significantly divergent. New media, for instance, is commonly understood as the digitization of traditional media facilitating the digital distribution of all sorts of communications. Therefore, new media platforms are essentially nothing else than the development of traditional forms of communication and information into digital new modern

forms of media. That is, rather than information being distributed through traditional media such as newspaper, for example, they are now easily accessed and shared through computers, or other technologies such as, for instance, smartphones and applications. As part of that development, social media can be seen as specific forms of new media, which have a more interactive component to it. Social interaction entails commenting, responding, sharing, critiquing, changing and adding of information. Those communications are, however, not always as visible to the broader audience of all new media platforms (Pridmore et al., 2013). In this way, not all forms of new media are also social media. However, resulting from the emergence of new media, social media platforms were then developed. Social media platforms are also understood to fall under the concept of the so-called web 2.0. As this concept is where mobile applications are embedded in, it is helpful to outline this part of the new media development in more detail, too.

Web 2.0 is the umbrella term for platforms that enable rich interactivity and content co-production, on websites and mobile applications. An example of that is the earlier mentioned online travel rating platform TripAdvisor, which has the business model of engaging a customer base to gather and read information as well as rate and review travel products and attractions (Xiang, Magnini, & Fesenmaier, 2015). They thereby co-create content, which is different from other one-way content websites, where the companies themselves in most cases curate and manage content. In the decade following the invention of the so to say two-way content creation platforms, smartphones with their mobile computing systems were developed. These incorporate technologies ranging from communication tools, over GPS, photography, the Internet and other features that further added to the social interactivity. The social environment has ever since empowered users to control and share their experiences of many different kinds - including that of wine drinking - anytime and anywhere (Xiang, Magnini, & Fesenmaier, 2015). Consequently, discourse on the company, brand, product and consumer experience “are now instantly available to a much larger number of stakeholders, whose relationships may be highly important to the firm’s future success” (Payne, & Frow, 2017, p. 13). These specific developments are the social and new media platforms that are referred to in this paper.

In conclusion, the developments in digital, mobile and social technology are not only impacting the dynamics of the customer-firm relationships but also the other way around, being the firm’s relationship with all its stakeholders (Payne, & Frow, 2017). Therefore, the increasing complexity of markets requires the consideration of broader implications of the ecosystem in which a company operates. Lastly, this is also because the mentioned aspects of social media in general often cause companies to struggle in controlling the sharing of information and can result in the need for increased attention (Pridmore et al., 2013). Thus, understanding how wine producers have begun to translate traditional communications using information technology and more specifically how they have begun

to respond to the increased use of web 2.0 forms of social media could lead to insights into how business-consumer communications have changed within the entire industry resulting in a shift of consumer engagement. However, to discern a potential shift in consumer engagement, relationship marketing theory deserves consideration as it conceptualizes how value can be created through the company's interaction with consumers.

## **2.3 Relationship marketing**

This relatively new concept that has first been mentioned in the 1980s is a commonly reviewed marketing strategy in general services marketing literature. Only recently also marketing literature of cultural industries have started to pay more attention to the concept (Rentschler, Radbourne, Carr, & Rickard, 2002). Relationship marketing is only one component of holistic marketing in which other components such as integrated marketing, internal marketing, and social responsibility marketing matter just as much (Kotler, & Keller, 2006; Brito, 2010). For the focus of this study, however, only relationship marketing will be looked at in more detail.

While there are several extensions of the definition of relationship marketing, there is a consensus at the core of them all. Relationship marketing revolves around the notion that the establishment of relationships creates an added value for both the customer and the producer (Berry, 1983; Grönroos, 2004). Characterized by the co-creation of value, relationship marketing is mostly about attracting, maintaining and enhancing relationships within a network of actors of an industry. Interesting for the study of the wine industry is that one derivative of relationship marketing implies on interactions, relationships, and networks of all, the suppliers, distributors, and consumers or end users (Gummesson, 1999; Grönroos, 2004). Herein Gummesson states that "if marketing is to be successful, other suppliers, partners, distributors, financing institutions, the customers' customers, and sometimes even political decision makers may have to be included in the management of the relationship in a network of relationships" (1999, as cited in Grönroos, 2004, p.101).

Changes in the market environment over the past decade show many opportunities to build and enhance customer relationships through co-creation. Technological breakthroughs especially provide for options of closer relationships, as well as changes in industry logic and more importantly customer preferences. It thus is an essential factor why companies should start viewing customers as ends to engage in the process of co-creating value (Payne, & Frow, 2017). Within the concept of relationship marketing in service industries, the internal value generated from customer processes instead of from the product itself is at the core of being successful. While the wine industry is a product industry, and more precisely a cultural product industry, it does differ from other commodities through its valuation process as outlined previously. However, the concept of

relationship marketing is also applicable in this case. Rentschler et al. (2002) recognized the applicability of the concept, too and suggested the relationship marketing approach as a solution for bridging the gap of acquiring new customers and maintaining old ones in the performing arts industries. They draw on a report of government initiatives that “illustrates the shift from a strong emphasis on production to a focus on the factors which can make an industry successful in the marketplace” (p.120). It also emphasizes that cultural industries should strengthen the marketing and distribution links within the entire value chain to increase artistic gains. Having made the comparison of wine to the art industry as well as the drawing on the concept of artistic logic, relationship marketing theory shall be outlined in more detail to build on the study of Rentschler et al. (2002) for cultural industries. Also, research has shown that there are hints within this strategy that point to the importance of building customer databases and networks, as well as managing relationship-oriented integrated marketing communications (Duncan, & Moriarty, 1997; Grönroos, 2004). Therefore, while this chapter focuses on relationship marketing practices between producers, distributors, members, and consumer, it also addresses how technologies can play an active role in shaping and defining relationships within such networks.

### ***2.3.1 Key elements of relationship marketing***

Adapted from the literature on service industries and applied for the sake of this study, the key elements of relationship marketing are outlined as defined by Grönroos (2004). These are communication, dialogue, and value.

Firstly, the ways in which communications are managed have a strong influence on consumers as they can create or destroy the customer’s perceived value of the product (Heinonen, & Strandvik, 2005). Regardless of the source of the communication message, the integrated management of communication activities is therefore deeply embedded in the concept of relationship marketing (Grönroos, 2004). Developments in communication strategies have shown increased use of digital media as communication tools. The use of these for communication practices falls under integrated marketing strategies, which have gained significant attention over the last decade. Integrated marketing is considered to be a part of relationship marketing and emphasizes on applying consistent brand messages when communicating via multiple channels, non-digitally and digitally (Schultz et al., 1993; Grönroos, 2004). Research has shown that numerous scholars find that changing power dynamics in the online environments are pushing brands to manage their online communications in such a manner that it enables trust and gains credibility (Kaplan, & Haenlein, 2010; O’Connor, 2013; Kietzmann, Hermkens, McCarthy, & Silvestre, 2011). This corresponds to the idea that online environments, especially new media platforms, reflect social interactions for the sake of value creation. Thereby, it can be argued that for

companies to establish, retain and nurture new and existing customers, they should plan their online communication practices with a clear focus.

Secondly, Grönroos (2004) states that the element of dialogue in relationship marketing entails the fundamental process of interaction. It is the process by which “a service firm represented by people, technology and systems, and know-how interact with its customer represented by everything from a single consumer to a group of buyers, users and decision makers in a business relationship” (Grönroos, 2004, p. 103). Drawing on this statement, businesses are able to co-create value, if the entire business-consumer relationship, including the intermediaries, is carefully planned and managed. In doing so, an accumulative interaction process should involve communication management aiming at creating a ‘win-win’ situation for both the producer and the consumer. As the use of digital media continuously grows, it is arguable that information technologies are an important tool for interaction processes. This is lastly also due to the fact that the majority of digital marketing platforms are cost-effective tools that help to strengthen interactions and thereby relationships with customers, if managed properly (Kauppinen-Räsänen, & Grönroos, 2015)

Thirdly, the success of relationship marketing is expressed in the customers’ perception of value of a product, gained through personal interactions between the producer and client. This is defined as value-making process (Grönroos, 2000). While the author focuses mostly on the conceptualization of personal interactions, it lacks in explaining relevance of the ways in which businesses can facilitate and capture relational value through media-based communications. Later on, however, Heinonen and Strandvik (2005) argue that digital media have high potential of interactivity and high flexibility concerning when and where interaction can take place. That in turn can increase trust, loyalty and commitment which are essential factors of how value is co-created within the network. For the co-creation of value Saungweme, Naicker, and Chuma (2010) argue that customer engagement plays an essential role. Customer engagement means that customers are an engagement subject that either interact with the producer or an engagement object. Engagement on objects like social media are known to take forms of comments, likes, shares and tags. In the non-digital world, customer engagement can however also take place through unsolicited feedback provided by customers, as well as recommendations that are passed on to other customers. Within other social media platforms, the latter form of customer engagement can be seen as the interaction of input of customers with the output of producers on rating platforms, for example. According to Grönroos (2002), those interactions, too, can enable both the co-creation of relational value, like trust, loyalty and commitment as well as that of business value, like profits.

### **2.3.2 Digital relationship marketing**

When looking at the response to the increased use of general digital marketing tools by consumers of other industries, however, it can be seen that the adoption of new marketing practices often comes at a risk of a lack of control of return-on-investment (Pridmore, & Hämäläinen, 2017). Their observations might shed light on how wine producers manage and apply digital marketing adoptions and communications in general as opposed to other forms of marketing. Despite all, it is long argued that information technologies are changing the concept of relationship marketing (Kent, & Taylor, 1998). It is, however, questionable if information technologies such as new media and social media facilitate the creation of new relationships between consumers and businesses. Kent and Taylor (1998) state that “technology itself can neither create nor destroy relationships; it is how the technology is used that influences organization-public relationships” (p. 324). Thus, it can be argued that information technologies can, in fact, enable the establishment, maintenance, and enrichment of relationships, but it depends on how technologies are used and managed. The development of the full range of different information technologies has changed and expanded the array of possibilities of doing so. Independent of which technology, effective management is nonetheless crucial.

## **2.4 Market Segmentation**

In the light of executing practices of consumer engagement and therefore effectively managing relationships, it is necessary to understand the behavior of consumers. A longstanding fundamental tool to do so is the concept of market segmentation. Understanding segments of consumers within the market allows for more efficient and targeted communication of any kind. With a holistic approach to marketing, companies should, therefore, gather information about consumers and make use of that information along the entire production chain (Kotler, & Kettler, 2012; Bruwer, & Li, 2017).

Market segmentation means to divide the heterogeneous market into smaller, meaningful and more homogenous consumer segments, which in an ideal world builds the basis for any marketing strategy. Hunt and Arnett claim that “a strategy of targeting specific segments can lead to competitive advantages in the marketplace and, in turn, superior financial performance” (2004, as cited in Bruwer, & Li, 2017, p. 1554). When market segmentation is undertaken correctly, the offering, in this case, the wine, can cater in a way that it meets needs, wants, taste and preferences of the target customer and thereby enhances their buying behaviors. The study of Bruwer and Li (2017), for instance, investigated on market segments of the wine industry based on a lifestyle algorithm. It showed that the market consists of many different segments, which cannot be considered the same. The existence of such significant differences in market segments is not only

essential for the construction of marketing strategies but also underlines the importance of touching upon the concept for this study. A closer look at this theory as well as its' developments and challenges considering the continuous growth of the use of digital technologies allow for a better understanding of how wine producers have adapted their marketing strategies in the light of consumer use of mobile applications.

#### **2.4.1 Traditional market segmentation**

Market segmentation has become an almost universal practice for the planning of, marketing to and forecasting consumer behavior. The clustering of consumers can be based on the common sense of marketers, or on numerically defined attributes that are derived from data of consumers. These include demographics, psychographics, including motivations, preferences and expenditure patterns, as well as buyer behavior, and geography (Kannisto, 2016). Independent of which attributes are considered necessary for the sake of segmentation, strategic planning relies on the process of gathering information and analyzing it to predict future requirements. The variety of segmentation methods follow more or less the same sequence of steps. These are first the gathering of information of customers, followed by the determination of differences and similarities between consumers, and lastly clustering these into smaller groups according to their differences so that they build many segments of similar behavior. Traditionally, these steps entail the translation of specific attributes into binary variables to then calculate with these. Furthermore, some of the strategies consider prior knowledge of the consumers to be applied successfully (Murray, Agard, & Barajas, 2017).

Providing some understanding of market segmentation enables to understand that they shape market patterns, give them their distinctive characters and make them individually identifiable. Based on grouping identities, the valuation of products and how quality is constructed is thereby centrally addressed (Murray et al., 2017). This links back to the previous sections of this chapter and thereby shows the close interconnectedness of market segmentation, value creation and marketing strategies on the whole.

#### **2.4.2 Digital market segmentation**

Segmentation practices traditionally consist of identifying specific divisions of consumers through surveys, statistical analysis, and observations. While these practices still exist, through the advent of data mining practices they are nowadays increasingly automated. Data mining is essentially the analysis and evaluation of data coming from large databases. It breaks the conventions of exploring knowledge without preconceptions of the consumer (Murray et al., 2017). While the exact process of data mining is less important for this study, it is worth noting that new social media are said to provide the potential for



marketers to understand consumer segments in a much more comfortable and more efficient way. That is, through the provision of data and information in social media platforms, consumers are voluntarily segmenting themselves. In most industries, this significant increase of data being readily available through new information and communication technologies has intensified the focus on consumer segmentation as the basis for successful marketing practices (Pridmore, & Hämäläinen, 2017). According to Pridmore and Hämäläinen (2017), these moreover enhanced marketers to be more oriented towards the previously outlined strategies of relationship marketing, amongst a few others. However, they further state that such reorientation rests on the premises of also refocusing on the influence and consequences of segmentation in marketing. In their work, they made clear the limitations of making up consumer segments through the application of means of tracking and classifying consumers. Their research showed that although social media integration proves for high potential and promise of obtaining valuable and real-time data of consumers, businesses still struggle with the execution of segmentation practices through data mining. Pridmore and Hämäläinen (2017) argue that this is due to more than one reason, ranging from the increase of more personalized products to the increase of self-segmentation of consumers through the use of social media platforms (Canhoto, Clark, & Fennemore, 2013; Pridmore, & Hämäläinen, 2017). It might, however, also be because to date literature on best practices for data mining is limited so that for many companies it remains an experimental and iterative process of decision making of which input to consider. However, extracting knowledge from big data sets can only reflect exact consumer behaviors successfully if data processes are carefully considered (Murray et al., 2017). At the same time, reviewing literature on the limitations of digital market segmentation also showed that marketers and decision makers often easily jump on the train of a trending social media platform and neglect a careful assessment of the potential of the technology in regard of the data it can enable to provide access to (Dedehayir, & Steinert, 2016).

### **2.4.3 Technology Hype**

In the light of market formations, classifications, and segmentation, it is undeniable that social media has become crucial for how markets interact and thereby execute production and consumption practices. According to (Pridmore, & Hämäläinen, 2017), social media are now the central dimension of most market cultures and therefore will increase in importance and implications on marketing strategies in the future. However, at the moment it appears that despite the increased discourse on transformations of business practices through new media, the reality has proven to show rather slow actual changes. Collins (2010; Dedehayir, & Steinert, 2016) explains that often a transformational discovery

is overestimated in regard of its short-term impacts but underestimated in regard of the long-term effects. An overestimation of technology can be due to people's attractions to novelty, as well as social contagion and an open attitude when it comes to decision making. Additionally, media often enhances the overenthusiasm through publishing attention seeking facts and stories (Dedehayir, & Steinert, 2016). Thus, understanding that continuously growing development of technology does not necessarily mean more efficient means for market segmentation allows to be in a position of remaining open and reflective of contextualizing how the wine industry has reacted to the changes in consumer behaviors through new media platforms.

In conclusion of this section, market segmentation is not only a matured tool for understanding consumers better to increase value and differentiate the product offering, but it is also one that became more important in times of the Digital Age. Traditional market segmentation is not yet entirely overhauled by electronic and digital forms of data analysis. However, the developments are significant enough to pay close attention to the possibilities that self-segmentation of consumers bring through social media data gathering. Nonetheless, these possibilities are to be considered with caution. Data and data analysis practices should fit the company's aim and therefore be chosen deliberately (Dedehayir, & Steinert, 2016). By discussing aspects of market segmentation, this section provides a framework to conceptualize how wine producers approach and make sense of their customers. Thereby, it enables to better relate to how marketing practices have been amended and by that consumer engagement, on the whole, has shifted in a complex cultural product market.

The following chapter explains the way in which this research has been conducted, in detail.

### **3 Methodology**

This chapter outlines the research's methodological approach. In doing so, it covers the underlying assumptions and arguments for the use of the study's qualitative research design. Moreover, it explains the sampling method by which participants were recruited indicating the applied data collection method. Finally, the analysis techniques are defined with an additional outlook on limitations that arise from this type of research method.

#### **3.1 Research Design**

As the topic and research questions focuses on an exploratory area of research, this thesis draws on a qualitative research approach, explicitly using in-depth interviews. This method was seen as appropriate given the interest in how these informants constructed their own understandings of their work and world. Such starting point is helpful in unraveling and understanding the different perspectives of wine producers, as well as the shift in their business practices and the meaning they refer to the phenomenon under study (Flick, Von Kardorff, & Steinke, 2004). Through these in-depth interviews, I was able to obtain detailed information about thoughts and behaviors of wine producers, as this method is commonly used when research seeks to identify motivations, perceptions, and beliefs (King, & Horrocks, 2010). Uncovering richness of interaction with participants, the method, therefore, allowed me to discover this mostly unexplored area of research in depth.

To understand wine producer's perspectives and standpoints, I required access to experts in the wine industry. For that, I was fortunate to have had the opportunity to visit the business trade fair ProWein 2018 in Düsseldorf, Germany. ProWein is an internationally renowned and highly important trade fair for wine and spirits at which industry professionals from all over the world reconnect on an annual basis. Because of a personal relation to a registered visitor in the sector, I was able to attend this unique platform for two days in March 2018 to find possible participants for the study. During my time there, however, I did not only connect with participants but also conducted the first three face-to-face in-depth interviews, as detailed later in this chapter. At the event, I actively engaged with wine experts, ranging from marketers of wineries over wine producers themselves to sommeliers, magazine and critics publishers as well as other industry related contacts participating in the event. Therefore, most participants were chosen based on their approachability, availability, and openness to engage in this study. The next section of this chapter sees more explanation on the precise sampling methods that I used.

Understanding the scope, aim, and objectives of the study were key to be able to design the methodological approach effectively. As noted in the theoretical framework, the wine industry tends to be a somewhat traditional and culturally focused industry. Yet, it is one that is increasingly being affected by the development and integration of technology

and the use of social media, particularly concerning marketing practices. As such, this study anticipates adding to current knowledge regarding digital and new media marketing communications in the wine industry through experts of the field. This was done by addressing how wine marketing is currently understood and undertaken while interrogating on how new marketing technologies are perceived and applied to improve customer engagement and relations. It is lastly essential to highlight that this study did not investigate significant relationships between any two variables or to test any hypotheses. However, as noted previously about the tourism industry, it was expected to see similar changes in business practices at the forefront of marketing developments of the wine industry.

### **3.2 Data Collection**

To effectively identify and describe how wine producers responded to the increase in consumers using wine rating and reviewing platforms, it was important that in-depth interview participants were involved in any part of the wine business. Hence, participants were approached at the ProWein fair. With the aim of interviewing participants on or after the event in a face-to-face manner, I delightedly conducted three interviews in person on the second day of the event. Realizing, though, that the time pressure and busy environment of the fair causes limitations in the answers provided, I was happy that interviewees also agreed to mediated communication via Skype. My shift in tactics meant that I mainly introduced myself and my interest with the aim of collecting business cards of a wide range of possible participants. At the end of an event day, potential participants that I had spoken to and collected the contact details of were followed up on via mail. The mail provided another summary of my objectives and interest to remind the receivers of my request and asked for possible time slots to conduct skype or telephone interviews in the following days. In many cases, I received positive responses relatively shortly after and was able to set up interview meetings close in time. Following the initial contact with participants, I then conducted all 17 in-depth interviews in around two weeks following the fair.

Before I started with the actual interview, however, I informed all participants about their rights to withdraw their participation at any given time without explanation, asked for their agreement to record the conversation, and offered the option to withhold any information on their identity. As a few of the participants did not wish to reveal personal information for this study, I referred to all participants with pseudonyms and did not include the company names for which they are working. The interviews lasted on average around 35 min, ranging from 15 minutes to an hour and resulted in a total of around 600 recorded minutes. To build rapport and to personalize the conversation, I made myself appear knowledgeable of the field of interest regarding both, media and wine.

Each in-depth interview was recorded and transcribed, converting recorded files into text (King, & Horrocks, 2010). The availability of transcribed recordings aims at satisfying the demand for documentation of the applied procedures to minimize issues of validity and reliability (Silverman, 2001). While transcribing, I paid particular attention to noting crucial pauses, non-verbal expressions, and overlaps but an absence of a loss of body language translation through gestures and postures or tone, voice, breathing or intonations cannot be fully guaranteed. While my transcripts do not fully mirror the interview itself, they provide a good starting point for the analysis of findings (Kvale, & Brinkmann, 2009). Therefore, the transcripts were then coded and analyzed as described in one of the subsequent sections. Before doing so, however, the sampling method and a more detailed explanation of the participants of this study shall be provided.

### **3.3 Sampling method & participants**

To obtain data with an open-minded approach, the participants of the semi-structured in-depth interviews were chosen deliberately. This thought-out manner employed two sampling methods, being convenience sampling, and snowball sampling. As already explained above, I applied convenience sampling by choosing participants in a non-purposeful nor strategic way, which is central to this sampling method (Etikan, Musa, & Alkassim, 2016). It was mainly because of the participants' geographic proximity at the fair that I decided to approach any possible contact that came my way. In addition to that, I also applied snowball sampling. Sampling according to these principles encompassed actively asking an individual wine expert at the fair to refer me to an informative individual of the population. The population, in this case, referred to other wine experts at the event, but also non-present wine experts. As a result, I was put in touch with a few contacts via mail, which I did not meet in person before. Two of these persons agreed to participate in my study, nonetheless.

Aiming at providing somewhat more generalizable findings, I sought diversity in the responses by selecting a wide range of participants. As such, I sought to conduct interviews with participants that differed in nationality, gender, role in the wine industry and level of involvement in marketing practices. A summary of the interviewee profiles is provided in Table 1 below.

**Table 1** *Overview of Participants*

<i>Participant Name</i>	<i>Gender</i>	<i>Nationality</i>	<i>Participant Role</i>
Sammy	Male	Austrian	Sommelier
Michael	Male	German	Head of Editorial
Harold	Male	Danish / American	CEO & Founder
Tobias	Male	German	Owner, Winemaker & Marketing Manager
William	Male	German	Wine Journalist
Patrick	Male	Swiss-Italian	Wine Maker, Merchant and Consultant
Sofia	Female	German	Marketing Manager
Emil	Male	French	Sommelier
Marcel	Male	Italian	Sales Manager
Nathan	Male	French	Producer Relations Manager
Fred	Male	Austrian	Owner, Winemaker & Marketing Manager
George	Male	German	Sales Manager

Olivia	Female	Austrian / Australian	Owner, Sales & Marketing Manager
Max	Male	German	Marketing Manager
Oscar	Male	Dutch	Sales Manager
Paul	Male	French	Wine Maker & Merchant
Dominic	Male	German	Journalist & Wine Critic

The table shows that there is a mix of participants of 8 wine producers and of 9 industry professionals that occupy a mediating role between wine producers and wine consumers in different ways. These roles include sommeliers, of which 4 were interviewed, wine distributors (1 participant), media publishers (2 participants) and rating platform developers (2 participants).

### 3.4 Operationalization

Applying the method of in-depth interviews provided greater freedom and flexibility in my conversations with participants. Nonetheless, to ensure that the conversation took the anticipated direction, the interviews were structured by covering specific topics reflected in my theoretical framework. These topics were translated into several open-ended questions as can be seen in Appendix A. However, to provide some sense of how questions and fundamental concepts were related to the theoretical framework the specific relations are shown in the following Table 2.

**Table 2** Overview of Operationalization

<i>Sub Question</i>	<i>Related Key Concepts</i>	<i>Topic List</i>
<i>How do wine producers perceive user-generated in-app reviews on their wines?</i>	<ul style="list-style-type: none"><li>➤ Boundaries of taste</li><li>➤ Authenticity</li><li>➤ Customer engagement</li></ul>	<ul style="list-style-type: none"><li>➤ General market descriptions</li><li>➤ Perceptions of changes in information flow</li><li>➤ Consequences of the viewpoints</li><li>➤ Consumer engagement</li></ul>
<i>How does the use of wine rating applications shift the engagement of wine producers with consumers?</i>	<ul style="list-style-type: none"><li>➤ Relationship marketing</li><li>➤ Market segmentation</li></ul>	<ul style="list-style-type: none"><li>➤ Wine marketing</li><li>➤ Consumer engagement</li><li>➤ Consequences of the views</li></ul>

The interview guide has been amended in the process of conducting the interviews. Thus, preliminary topics were extended by adding more specific questions step by step. However, to begin with, each concept was addressed by one or two primary questions. Finally, due to the nature of a qualitative approach, the questions posed under each topic list provided answers that are not exclusively addressing only one concept. Therefore, the table above should be considered as a guide to understanding how I have approached the construction of an interview guide, but it does not adequately reflect the correlations of all concepts, topic lists, questions and answers provided as these are somewhat overlapping.

### **3.5 Data Analysis**

One of the systematic methods for constructing a theoretical analysis that is based on specific strategies for analyzing data is known as grounded theory approach. Both in-depth interviews, as well as the grounded theory approach, are emergent methods which combine a certain degree of flexibility with a certain degree of control. That makes in-depth qualitative interviewing a particularly good fit for grounded theory methods and vice versa. On the one hand, open-ended, in-depth interview questions provided data which was conceived from both my own as well as my interviewee's experiences and detailed explorative insights (Charmaz, & Belgrave, 2012). The approach of grounded theory



analysis, on the other hand, facilitated seeing and understanding the phenomenon under study in an interpretive way (Clarke, 2003). Grounded theory coding enabled me to develop an explanation and understanding of the everyday practices and meanings of my respondents and their work in the wine industry and its intersection with technology in a systematically inductive way.

In more detail, grounded theory is the process of an inductive approach to theory building, where data guides theoretical insights. By that, this area of research can be approached with an open mind and allows for the theory to emerge from the data, while using literature to sharpen but not precept the interpretations (Närvänen, & Goulding, 2016). Since 1967, when Glaser and Strauss constructed this method for studying emergent processes, it has become more generalized by researchers adopting it in altered forms (Charmaz, & Belgrave, 2012). The main difference in the way I applied the method as opposed to how it has been intended to be applied in the early versions lies in both the coding process and theory building. Rather than a paradigmatic four-stage model of coding as suggested by Strauss and Corbin (1990), I applied only three stages of coding such as suggested by Glaser. This made me use a more flexible and open approach to theorizing the research problem, which comes closer to the original idea of grounded theory (Urquhart, 2012). Secondly, the aim of applying this method was not to build theory but rather to obtain an understanding of the phenomenon under study and expand or further develop existing theories and understandings of technology in particular fields of practice.

To understand this analysis process, it is important to outline several points. That is, the analysis of data was commenced simultaneous with the process of data collection. I reviewed the interview guides after the first interview was conducted in order to constantly compare and analyze emerging themes. This allowed me to employ an iterative process of participants sharing their experiences and explore the meaning they give to ideas more focused from case to case. Known as theoretical sampling, I then was able to derive concepts from data during the analysis and refined the next round of data collection with more specific questions about those concepts (Corbin, & Strauss, 2008). This was helpful for the open-minded and free exploration of this uncovered research field, which was as already mentioned not guided by significant theory. The first three interviews that I conducted at the fair lasted only around 20 minutes. It appeared that the questions I had prepared were answered quickly by the participants. Further, several related topics were brought to light by the answers provided, which had raised my interest. I therefore amended the interview guides to include questions on those topics and made sure I probed those and new topics to obtain even more exhaustive responses. As a result, the following interviews were not just respectively longer in time, but also enabled new insights to varying aspects. After 15 interviews had been conducted it appeared that no new categories or themes of basic social processes were emerging at first sight. According to Boeije (2010) this means

that saturation was reached as the new data overlapped with previously gathered data and was “consistent with the descriptions thus far” (p. 118). To challenge this, I executed two more interviews, reaching a total of 17, but either way successfully reached saturation. However, reaching saturation can be seen as connected to my belief that my findings are sufficient for the purpose of my research. Yet, there are of course some limitations to the research that are discussed in the last section of this chapter.

### **3.6 Coding**

To construct and refine the inductive categories that emerged from the collected data I applied the grounded theory coding process. This process means putting labels on data sections to extract and compare them to each other so that an answer to the research question can be synthesized and explained (Bryant, 2017).

In doing so, I first open coded elements by attaching initial labels to fragments of the interview data. This stage began while I was still conducting interviews, which allowed me to adjust, test, and compare categories. For the process of open coding, I mostly used so-called in vivo codes. These are short descriptive labels that I derived from keywords, phrases or terminology as expressed by the participants themselves. For a better overview, later on, I printed the transcripts and started reading through them carefully to be able to identify what a person is trying to tell or mean with specific expressions (Boeije, 2010).

According to their diverse aspects, the vast number of open codes were subsequently grouped into larger codes moving away from an initial position towards relating them to each other. These so-called axial codes helped to identify first emerging patterns in a free and open manner (Urquhart, 2012). I described the labels here according to a higher degree of abstraction and conceptualization of what the initial codes translated into (Bryant, 2017). As a result, the data started to condense and reduce the number of many open codes into larger more overarching axial codes that define properties of the emerging categories.

In the final stage, I grouped the previously formed and more interpretive codes into so-called selective codes, which was where definite themes emerged. These codes served as the basis for the construction of categories as they interpret axial codes to explain and answer the research question (Boeije, 2010). By this process, my analysis took a form of a few central ideas which are made up of some underlying themes, which in turn are represented by words and properties. I avoided spotting specific concepts early on by taking the steps from seeing the obvious to explaining it in more abstract and overarching terms. The coding process has been carried out with the help of the tool ATLAS.ti, with which I coded all interview transcripts. An overview of the final code tree is shown in Appendix B. The tabular code tree shows the 159 open codes that have been grouped into

the overarching axial codes and the final categories of selective codes. To get to this stage and to make data more accessible to handle and to oversee, a fourth step of clustering codes within the axial code groups has been applied and labeled as seen in the table.

The somewhat flexible process of relating codes to each other followed the constructivist notion of grounded theory. In other words, this means that I applied this method as means rather than an end in itself as it serves as a useful tool for learning about the perceptions and practices of wine experts. As will be explained in the following sections, the data and findings reflect upon time, place and culture, as well as social, epistemological context and research locations. Therefore, the findings did not only emerge from the data itself but also from my standpoints, experiences and external influences (Charmaz, & Belgrave, 2012).

### **3.7 Methodological Limitations**

Given the fact that this research is conducted through qualitative methods, there are limits to the validity and reliability of the research. However, some means to check or measure the accuracy of the research is always required to sustain trustworthiness (Golafshani, 2003). To begin with, it is, therefore, necessary to point out that there are some disadvantages to the method of convenience sampling that may have affected the results of this study. That is, the method is commonly criticized for the sample not being representative because of an assumed homogeneity of participants. Severe hidden biases regarding the population traits as well as the effect of outliers who do not consider themselves as belonging to the data make this sampling method one that has to be used with caution (Etikan et al., 2016). I considered this flaw by carefully reflecting on the findings in the final part of this paper.

Moreover, considering the use of in-depth interview, several points require attention for the credibility of this research. The truth or validity of a respondent's answers cannot be judged which is why the value of responses lies in their meanings and in the manner in which these meanings were constructed (Faircloth, 2012). In regard of the mediated manner of in-depth interviews, however, visual cues such as a, for this study, meaningful body language may have been lost through the majority of telephone conversations. Further, the commonly increased pace of the conversation via the telephone may have led to a decrease in thoughtful responses. On the other hand, although disturbing factors in the environment of participants by means of mediated interviews are less controllable, this interview-style at least offered aspect of convenience as interviewees remained in their familiar environment (Kazmer, & Xie, 2008). Further, I want to point out that gender incongruence in the interviewer-interviewee relationship appeared due to the male-dominated market. This potentially led to limitations in the dynamics of the conversation as "the power brought by interviewee's 'maleness' usurps the power of the female researcher"

(Broom, Hand, & Tovey, 2009, p.54). Concerning the process of asking questions in in-depth interviews, bias may have been initiated through the significant researcher interaction, which can impact on participant responses. Because of that, I ensured to carefully manage questions and responses to avoid leading questions that cause interviewees to feel the pressure of answering in a way that conforms to what they think could be expected of them. For that, my interview guide and the iterative process of amending questions helped as a foundation to remain as unbiased as possible. However, it is known that a certain degree of researcher bias is inevitable in a qualitative study (King, & Horrocks, 2010).

In regard of the data analysis method, as already briefly touched upon in the previous section, one of the most significant constraints are that my interpretations of the findings are limited by my cultural perspective, my system class, and my ethnicity and gender. Also, the prior knowledge of the subject under investigation, as well as my skills to discern and to be conscious of subtle aspects of the data have limited the quality of this study. Being aware of such limitations, I anticipated raising my self-awareness throughout the process by merely practicing the continuous information gathering of the emerging theory with each interview. Nonetheless, due to these factors of limitation as mentioned above it is very plausible that essential meanings and contextual elements have been ignored in the interpretation of findings (Bryant, & Charmaz, 2007). I therefore continually reviewed and reflected on the findings in the light of their plausibility, reflexivity, and applicability as described in the final chapter of this paper.

## **4 Results**

This study aims to determine and conceptualize how the wine industry perceives the use of mobile rating applications and how they have begun to respond to such developments in consumer practices. With some experts in the wine industry believing that the increased use of such information sources will change the entire system over the next couple of years, the growing role of rating platforms has already been recognized in some studies (Iaia et al., 2017). Sufficient research has not yet been done, however, to understand how members of the wine industry typically perceive consumer-driven mobile rating applications and how they have acted upon those developments.

The following chapter showcases and discusses the findings of this study in anticipation of filling such gap of knowledge. In doing so, it identifies that an answer to the research question cannot merely be synthesized and generalized. Instead, a thorough understanding of the pertinent structures, relationships and behaviors are required to draw specific conclusions that discern how the wine industry deals with modern media marketing practices.

### **4.1 Contextual Complexity**

The careful analysis of the in-depth interviews brought to light the complexity of the wine industry and a lack of uniformity within the practice. More specifically, the interviews with 17 participants who are directly working in this area show a diverse and complex arrangement of actors, whose views have been expressed in a somewhat conflicting but diverse way. To illustrate these comprehensively, the market, as represented by participants, is going to be described in the first part of this chapter.

#### ***4.1.1 Description of market segmentation***

Many participants, through their explanation of the values and beliefs of different actors, constituted what Light and Odden (2017) describe as a 'social reality' of this industry. In this light, it became apparent that the wine industry is segregated into two specific cultures formed through the collective construction of its members. It is essential to understand these industry constructions to put into context participants' perceptions and reactions to consumer rating and reviewing wines. Therefore, the following showcases how the social reality of both differentiated cultures has been expressed by participants assigning evident characteristics to both producers and consumers of each segment. Such industry overview enables understanding of how wine moves along from the producer to the consumer, in both segments respectively. Understanding the segment-specific routes that wine takes to reach a consumer, in turn, enables to visualize mentally the location at which consumer-driven mobile application have come into effect.

#### 4.1.1.1 Producer segmentation

At the outset, Sofia, marketing manager of a privately-owned winery implies that producer types are divided into specific segments as she explains that the winery she is employed by focuses on the premium wine section and distances itself from catering to a consumer that is interested in low prices.

I can only speak for the premium wine sector at the moment, but the main wine consumer buys [their] wine at the supermarket. Then a different marketing or a different consumer contact is important. So, the average price of a [bottle of] wine in Germany is I think 2,80€ or 2,90€, which is definitely not our price range. But, yes, it shows the consumer structure in Germany. (Sofia, marketing manager, April 5, 2018)

While she addresses a particular consumer structure, she also signifies that there are cheap wines and expensive wines offered in the market which seem to be sold in different places. She further hints at the fact that high-end producers cater to consumers willing to pay higher prices, meaning to those that have a high financial capital endowment (Lizardo, 2005). Emil, head sommelier and prospective Master of Wine takes Sofia's indication towards segmentation in types of producers a step further and distinctly differentiates between two categories. He outlines that they differentiate themselves through price levels, which are linked to the level of quality, respectively.

You have some people doing quality over quantity, which is great but then the price is up. But then you have other people doing quantity before quality and the prices are down and the quality is shit. (Emil, sommelier, March 24, 2018)

Emil seems to indicate here the price structures of the market, meaning that the low-end segment entails low-priced and average quality wines, whereas higher quality will cost more. However, this price and quality segmentation is not the only feature that categorizes the producers of the market. As can be noted in Sofia's explanation of the producer-consumer structure, both segments also differ in the way marketing is applied for the promotion of wines. Patrick, an award-winning sommelier, pinpoints Sofia's observation by remarking that producers are focusing on quality usually focus less on marketing.

You have some wines that follow marketing and you have some wines that follow the right route and then the marketing has to follow the quality. So, you have two different kinds of wines. (Patrick, sommelier, March 19, 2018)

Emil then again expands upon what Patrick said by outlining that the higher the focus on a quantitative production is, the higher the financial terms for marketing efforts. This observation according to him reflects in the amount of marketing seen in supermarkets.

When you have a lot of production then you can actually just invest a lot more [money] into the marketing process. At the Aldi, which is the biggest wine retailer in Germany, [marketing] is just bombarding us because they have the money for it. (Emil, sommelier, March 24, 2018)

Based on these descriptions, these producers can be categorized as winemakers that have their focus on producing high-quality levels, at rather low production levels. Their wines are priced above the average. The opposite holds true for wines that are considered to cater to the low-end market segment. This observation is further elaborated on by George, who is head of sales for a collective of wine producers. He explains that marketing for the mass market requires certain aesthetic aspects, while that of the high-end market requires more anecdotal aspects.

If you want to sell a lot of wines, you have to do easy drinking wines or a good etiquette and good marketing, and if you want to sell high-end wines, you have to make story wines. And these story wines have to be told to sommeliers and top gastronomy. (George, head of sales, March 28, 2018)

In this way, producers in the high-end segment may move away from the purely economic interests as part of mass marketing, and more towards fulfilling consumer's emotional needs by providing 'authentic' background information about the wine. As such, at least some of the respondents for this research see visual marketing efforts as less prominent in the production of high-end wines than in that of low-end wine production. This suggests visual marketing practices matter more significantly to the low-end market segment and less for that of the high-end wine producers. That is, the high-end producer focuses on storytelling as the core principle of marketing. However what is interesting here is that wine is most often not directly sold from the producer to the consumer – regardless of which market segment the wine circulates in, it is sold to distributors, who then sell to intermediaries who have become increasingly crucial in this industry.

#### 4.1.1.2 Distributors and intermediaries

Sitting in between the identified segments of high end wine consumers and average supermarket wine buyers, Max, the marketing manager of a wine and champagne distribution company, provides another part of the puzzle in reconstructing the industry arrangements. He notes that the distribution company caters to both segments through gastronomy and through high-end wine shops and low-end wholesales, respectively.

We have two main groups: hospitality and restaurants, and the other group is wholesalers or special shops. Like even normal stores like Edeka, Rewe and co... So, these are the two main areas we are working

in, and it is important to get the key buyer or the key person to do the execution [of wine buying]. (Max, marketing manager, March 27, 2018)

The fact that the distribution company ensures that wines are delivered from the wine producer to restaurants or shops that are located in specific market segments indicates, in line with Becker's (1984) discussion of art worlds, that intermediaries are necessary for the cultural product to reach the right consumer. Similar to Becker's description of art practices, intermediaries are necessary for the *valuation* of wine. This is highlighted by Paul, a French winemaker, and merchant. He explains that awards are seen as essential vehicles to derive value helping to overcome the challenges of marketing wine. Obtaining certification on the quality, according to him, directs the consumer's attention through other intermediaries such as the media, which raises demand for the product.

How to make your products known? It is just introducing them to the market and introducing them to some recognized competitions so that you can make the difference in-between other producers and try to get some attention of journalists. If you get good attention, then they will talk about you. If they talk about you, then the market will suddenly ask for your wine. (Paul, winemaker, April 16, 2018)

From the perspective of wine producers as it is described above, for instance, it can be said that awards act as gatekeepers based on which collective decisions are made. These collective decisions define which wine is an insider and which one an outsider in a specific market segment. Thereby, award ceremonies are central techniques for social stratification as these "construct prestige hierarchies that both enable and constrain actors' abilities to form relationships with others in a field" (Anand, & Watson, 2004, as cited in Cattani, Ferriani, & Allison, 2014, p.76). Awards, which function as gatekeepers for cultural production take a specific form of an intermediary that shapes the industry. However, award competitions seem to be only one way for producers to increase the value of their wines. Another way to reach the desired consumer is the passing on of recommendations through the strategic network, such as explained by Marcel, sales and marketing manager of a winery located in South Tyrol.

I think the best marketing always and especially for small brands is to have amazing quality wines and have them in the right places, like restaurants. And from there that is I think the best marketing if the sommelier or the owners of restaurants recommend that you drink that wine and people get enthusiastic about it, and then they get in touch with us. (Marcel, sales & marketing manager, March 23, 2018)

Therefore, although visual marketing efforts might not be the most important at first sight, participants clearly show that to promote wine, producers depend on the network that has the power to increase consumer's awareness on a specific wine. In this way, they apply



word-of-mouth marketing and revert to practices of relationship marketing (Grönroos, 2004). Marketing in the high-end segment is thus no less essential but takes somewhat different forms than in the low-end market segment. Tobias, a winemaker at a French winery, like Marcel, underlines this observation as he recognizes that word of mouth is the most efficient way to promote wines.

Our strategy is to look for very good partners, very good wine shops, with very good clients seeking high-quality wine and the same in the restaurant business. Working with the best restaurants and then counting on the sommeliers who recommend our wine... (Tobias, winemaker, April 4, 2018)

Tobias, Marcel, Paul, and Max, therefore, illustrate from different angles how the industry relies on gatekeepers that can take various forms while sharing the authority to attach symbolic value to wine. Gatekeepers and gatekeeping practices may be seen as 'agents of consecration' and take an important role in this study as they have the capabilities to put producers, but also consumers into a specific position by influencing consumer's choice (Bourdieu, 1993). Sammy, a sommelier, underlines this practice of shaping producer-consumer relationships by explaining that through them the wine industry obtains its' structure.

Because it is also our job to develop the wine scene and the wine world as the sommeliers. (Sammy, sommelier, March 31, 2018)

Altogether, the aspects of the wine industry examined above reveal that intermediaries are highly influential in how wine is evaluated, which is essential for defining the location in which a bottle of wine is promoted and sold. The agents of consecration include such a diversity of people and practices such as awards, sommeliers, distributors, and wine critics, all constituting what Beckert defines as the production of cultural goods (Beckert et al., 2017). The multiplicity and arrangement of actors in the wine industry are not just required for the industry structure, but shape consumer's and producer's perceptions of the products traded in the marketplace. Understanding the importance of intermediaries and them shaping the industry will be necessary to, later on, contextualize participant's perceptions of the consumer rating and reviewing of wine. However, further looking at this market structure, it appears that consumers themselves are segmented into categories.

#### 4.1.1.3 Consumer segmentation

When consumers are to have a bottle of wine on the table, they are seemingly dependent upon differing wine distribution routes – whether that table is at a Michelin rated restaurant or the dining room table. William, a freelance sommelier and wine journalist, for instance, explains that there are two distinct types of consumers. On the one hand, there is an average consumer, who buys wine in the supermarket with more hedonistic motivations

for consuming wine. On the other hand, the more interested wine consumer, who seeks for a higher return than the joy of pure consumption and buys the wine elsewhere.

You come from the office, go to the shelf [in the supermarket], grab the wine and consume it within one hour. Maybe supermarkets tend to buy fridges to offer chilled wine, so you don't have to cool it at home... [We are] talking discount. I mean, if you know your winemakers and everything, you won't buy it there. So, we have two different markets: the one is the interested drinker, who needs the story and the other one is just the consumer. (William, sommelier & journalist, March 20, 2018)

Michael, chief editor and head of tasting for an online wine critics platform refines the way an average consumer buys a bottle of wine in the supermarket by pointing out that consumer choice is often based on visual cues, low prices and simplistic taste orientations as opposed to quality parameters. However, he, more importantly, provides an insight into the proportion of how the market is divided into different consumer clusters. His quote shows that the average consumers' characteristics apply to the majority of wine drinkers, whereas only a small section of the market is concerned with quality and expert information.

Especially, in Germany it is... a matter of price. Most of the people love easy drinking wines, [they] are influenced by the label of the wine, by the name of the producer or by a medal on the bottle. They are influenced by just more or less dryness or fruitiness in the wine... These people I am writing for... they know the wines that are of good quality because they are reading wine critics. [But] I am writing for a very, very small part of the wine market. Maybe 5-10% of all consumers of wine are reading wine magazines or wine guides. (Michael, chief editor, March 27, 2018)

Both of these interviewees hence suggest a split in the market segmentation concerning the consumer. Understanding that, for instance, high-end wine does not get sold in shops that the average consumer accesses and average wines are less likely to be sold in a high-end restaurant and therefore mostly drunk by the average consumer only, indicates a division in the market with little points of overlap. Therefore, the construction of this industry entails a niche and high-end oriented market segment, as well as a mass and low-end oriented market segment. According to Van Eijck (2001; Lizardo, 2005), the high-end consumer is interested in the intellectual and emotional impact that wine consumption has on them. Hence, Michael, in the previous quote, suggests that in each segment consumers have different information requirements. This division of information needs, in response, is also highlighted by Harold, founder of a consumer-driven mobile rating application. He adds that the average consumer – the target of this application – in contrast only seeks to obtain information to help their buying decision in the wholesale.

Our most important user is whom we call the casual drinker. So, like normal wine drinkers that love drinking wine but are not making it into a

big hobby or a science...They are in a supermarket or somewhere else and need to find out if that is a good or bad wine. (Harold, founder of rating application, March 15, 2018)

In Harold's following statement, he also clearly distinguishes the wine critical user of such rating platforms from the very prestigious and renowned wine critics. In doing so, he seems to not only distinguish between information sources as present in each segment. Moreover, like Michael illustrates, he demonstrates that assigning value usually happens only in a tiny and distinguished segment of the market. The broad mass of wine seemingly remains untouched when it comes defining their quality.

And I don't think, you know, we have the wine spectators or Parkers of the world... But they really don't have any coverage, right?! They really only rate the 10-15% of what is available. (Harold, founder of rating application, March 15, 2018)

Both Michael and Harold evidently differentiate between information sources that are respectively located in each consumer segment. Overall, it can be seen that the low-end comprises the majority of average consumers, which until now based their buying decision on convenience and appearance because of a lack in intermediaries that evaluate and categorize the wines for them. The invention of the mobile rating application, however, as described by Harold, intends to help in facilitating the process of choice in the mass-oriented market segment. This seems to become one form of an intermediary that helps to structure the low-end market similar to how agents of consecration do this in the high-end market.

Concluding the first description of the industry, the division of market segments as well as the associated characteristics and attributes is clearly what Bourdieu's (1984) model of the social distribution of lifestyle properties describes. Precisely, the model consists of three key components. Social space, being one of the key components, is constructed by the system of relationships between different social positions. The interactions between those actors being producers, consumers, intermediaries, and distributors are enacted by the dissemination of forms of capital, which make up the second key component. The different kinds of capital are essential as they define the distributions of the powers that each of the actors has. Symbolic capital, for instance, is often called reputation or prestige. A wine producer aiming to increase his reputation is therefore interested in investing in symbolic capital. On the consumer side, for instance, cultural capital is seen in knowledge and taste, and economic capital is seen in their financial power. The social field, being the wine industry, is hence a multi-dimensional space of positions of the many different actors that are defined by their capital endowment (Beckert et al., 2017). Herein, those actors occupying similar positions can be grouped into classes, in which market segmentation is

rooted. The third key component depicts cultural practices and lifestyles of actors. The different motivators for consumption by consumers, for instance, as outlined above can be referred to as specific cultural practices. In this way, cultural practices and lifestyles according to Bourdieu (2013) are linked to specific forms of capital, which are directly linked to social space. In other words, there is a homology between social space and symbolic space. In the case of the wine industry, this homology can be seen since characteristics and attributes of positions of actors, as described by the interviewees thus far, conform to distinct behaviors of a low-brow and high-brow culture. Herein, consumers that are primarily concerned with quality links to Bourdieu's idea of 'aesthetic disposition'. Namely, consumers of the high-end segment can habitually see regular features of the cultural product independent of its function and content (Lizardo, & Skiles, 2008). Such market segmentation and the according to cultural practices showcase a clear split in needs and practices of specific producer and consumer groups.

The importance of intermediaries acting as agents of consecration or cultural gatekeepers, the connection between social space and symbolic space and the concept of aesthetic disposition frame the context for the realization of specific perceptions and reactions by interviewees as described later on. Before outlining their views on contemporary consumer practices, however, their views on general changes in the market deserve attention as they guide the way into understanding better why the interviewees act in specific ways.

#### ***4.1.2 Changing Industry Dynamics***

After explaining the particular consumer and producer characteristics of the identified segments, several participants mentioned that they observe current shifts in consumer behavior, but also in that of intermediaries and producers. These changes appear somewhat conflicting with the previous classifications of the industry as depicted thus far.

##### ***4.1.2.1 Shift in consumer behavior***

Concerning the changing needs of the consumer, Tobias noticed that they are increasingly drawn to visual aspects. Consequently, he pinpoints that, in contrast to previous explanations, high marketing efforts to fulfill those needs are nowadays reflected in low-quality wines being sold at increased prices.

Unfortunately, today it is more and more the appearance that makes a winery, or the wine area seem good, quality wise. It is more and more that the society is about the appearance and less and less about the wine itself. Much, much wine is sold of very mediocre quality for relatively high prices just by good marketing. (Tobias, winemaker, April 4, 2018)

It also shows that aside from word-of-mouth marketing, other forms of marketing are becoming more critical, as well. Sammy shares Tobias' view and takes the stand that marketing in an ideal world is a crucial element of the production of high-quality wines to fulfil consumer's needs.

The customers have a lot of opportunities to get information about the wines of the world and if it is your goal to be one of the best ... it should also be your goal to have one of the best marketing strategies for your wine. (Sammy, sommelier, March 31, 2018)

Therefore, while traditionally it appeared that marketing was seen more important for the mass-produced and economic profit-oriented wines, it is now also crucial for wines seeking symbolic value and therefore for the investment in symbolic profits as consumer's interests are shifting (Voronov, & De Clercq, 2007). An essential observation here is that marketing traditionally is related to commercial success, as Emil and Patrick also made clear earlier. Commercial success, however, decreases the cultural product's value according to an artistic logic (Bourdieu, 1984; Beckert et al., 2017). Sammy and Tobias in contrast outline that marketing today, appears to become increasingly important even in the creation of symbolic value. Hence, nowadays marketing in general no longer seems to mean a decrease in the cultural product's value but can increase artistic gains. Also, Nathan, relations manager at an e-commerce platform, acknowledges what Sammy and Tobias observe. He indicates above all that because of marketing becoming increasingly influential consumers wish more and more to decide autonomously rather than being guided into a buying decision.

They are really aware of this age of marketing and so if they do not feel that they have decided on their choice they can feel too tight and get away... (Nathan, relations manager, March 29, 2018)

Marcel agrees with Nathan by explaining that consumers are relying less on recognized sources that certify quality – agents of consecration – but more so on their own opinions.

Interesting is that nowadays all these awards and points do not have importance anymore like once upon a time. So, if we had high points by some high critics... ten years ago... people went crazy for that wine. Nowadays it changed. People want to make their own opinions on different wines. (Marcel, sales & marketing manager, March 23, 2018)

Therefore, it can be seen that while traditionally intermediaries influenced and shaped consumer's choice, there seems to be a trend towards consumers autonomously shaping their perceived value of a bottle of wine. Max underlines this change in industry dynamics as he explains that the low-end consumer becomes more holistically interested. So, in contrast to how they have been previously characterized, low-end consumers are not just interested in prices anymore, but more so in quality levels.

The consumer knows more about the product, and it is not only about the price... You see it on the range and the stock in normal supermarkets. There is really high quality sometimes. (Max, marketing manager, March 27, 2018)

What Max and the others describe is the result of a struggle between established and emerging actors that fight against each other for the right to produce the symbolic distinction of wine (Cattani et al., 2014). It is not precisely stated thus far which marketing practices exactly are seen as the emergence of actors that cause observed changes in consumer behavior. Nonetheless, with the understanding that it is usually the established actors that have the required resources to enforce the standards used in evaluating cultural goods, it appears that emerging actors are changing the norms. For example, the social media marketing influencer that Emil describes can be seen as such emerging actor that is changing the norm. He explains, begrudgingly, that nowadays everyone can take a role of creating symbolic value through the power of social media. He further perceives that a high social media reach today is sufficient to serve as a subjective rule for wine producers to trust in the creation of symbolism.

Anyone can write a blog. Anyone can be a connoisseur. And I am talking about a guy in Düsseldorf. This guy has no experience in winemaking, however, he has 65.000 followers [on Instagram]. Why or how nobody knows. However, that makes him successful, and that makes the wineries trust him because it makes him powerful. (Emil, sommelier, March 24, 2018)

This view is shared by Max, who also sees this relatively recent shift to new marketing practices in the industry.

It just started in Germany two years ago that you can tell who a kind of wine influencer and stuff like that is. It is a kind of time shift there, I would say. (Max, marketing manager, March 27, 2018)

#### 4.1.2.2 Shift in availability of information sources

Indeed, this movement away from one principal judge producing prestigious hierarchies of the cultural goods is further highlighted by Marcel, indicating how impactful emerging actors already are. He explains that there was a shift from only one particular wine critic to a market of surplus information sources. In the light of the argument that awards and points given to rate wines are less critical, he reinforces that there was a shift from one established 'agent of consecration' having the capacity to constitute to symbolic value to many of them competing to do the same.

Once there were just one or two critics, and now there are hundreds of critics. Normally, they all went for plus or minus the same style of wine

and gave high awards or higher points for a certain style of wine... Today, it is almost too much information from too many critics. (Marcel, sales & marketing manager, March 23, 2018)

Harold, in response to Marcel, explains that according to his opinion it is specifically the digital consumer ratings and reviews that caused the formerly revered wine critic to become less important.

I think the life is changing here for the wine critique. [It] being the one and only is over. In the old days, they were trying to get two critics and eight bloggers to write about them, but now they have thousands of people doing reviews, and they get there fast. (Harold, founder of rating application, March 15, 2018)

As a consequence, many critical organizations constructing the boundaries of how cultural products are consumed are nowadays influencing the market and therefore allow for a more democratic creation of value and omnipresent access to it. Such critical organizations can be seen as social media enabled entities that enable differentiated forms of interaction within the market and new media marketing practices. For instance, the social media influencer using Instagram or consumer ratings in mobile applications are therefore part of the contemporary critical organizations.

However, differing from what has been understood thus far was a statement made by Max. He stated that contemporary digital information sources, such as mobile rating applications are not just used by the low-end consumer segment, but also by mediators that are considered part of the high-end market segment.

And Vivino, [for instance], is also used by key persons in hospitality – the noble buyers in drug stores, in wholesales or specialized shops. It will change the whole system. (Max, marketing manager, March 27, 2018)

Key persons, as Max calls them are the actors of the industry that have been understood to be agents of consecration. They are reverted to and relied on when consumers and producers of a cultural good aim at evaluating the product (Becker, 1984). However, it appears that those actors having the power to shape the market through their position in the market nowadays also turn to consumer-written reviews and ratings to obtain information. The above, therefore, implies a significant change in roles and characteristics of the market that seem to be pushing on the boundaries segmenting the market. In this way, Patrick explains that winemakers also change their practices.

#### 4.1.2.3 Shift in practices of wine producers

He outlines that winemakers nowadays tend to produce less quality-oriented wines so that they are more accessible for the consumer.

I think they also change the practice of wine making. So, there is a tendency to try to produce more simple wine, easy to understand, immediate wine. (Patrick, sommelier, March 19, 2018)

From that, it can be interpreted that producers are becoming less snobby about their cultural production.

Hence, comparing such observations to what has been described previously, especially the incremental changes in consumer behavior indicate that boundaries segregating the market are moving to a more centrally focused divide, de-differentiating the lifestyles of the assigned social classes. It looks like the low-end segment becomes more qualitative oriented and the high-end segment becomes less snobbish. The homology between the fields of production and the field of distribution and discourse through consumers and technological developments, therefore, appear to be affected by changes in actor roles and characteristics. Such movement in market boundaries can be linked to what Peterson (1992; Warde, Wright, & Gayo-Cal, 2007) calls cultural omnivorousness. His formulation connects to but differs from that of Bourdieu as it describes an openness of the high-brow culture to appreciate and somewhat embrace lowbrow forms. Omnivores are regarded to bestride the symbolic boundaries, where practices are cutting across the categories of the high-brow and low-brow culture. However, while Petersen's idea of the omnivorous culture describes this shift in the market culture astutely, the combination of "snobbishness and openness is problematic because it conflates social actors' orientations towards different types of goods on the one hand and their evaluations and classifications of the tastes and preferences of other consumers on the other" (Lahire, 2008; Jarness, 2015, p. 67). Because of that, the possibility of the same goods being perceived and appreciated in different ways by the same actors is obscured. Moreover, because of a lack of clearly demonstrated high-brow practices taking lowbrow forms, the idea that the wine industry is becoming a culture of omnivores is deniable. Therefore, such observation reinforces that it is the same goods being perceived and appreciated in different ways through the emergence of new actors that create new market characteristics and behaviors.

As a result, the market is changing, affecting practices and characteristics of all actors, which is showcased by all participants in the in-depth interviews recognizing these developments. Herein, also the recognition of developments in marketing technology concerning consumer communication specifically have been expressed in multiple forms by all participants.

## **4.2 Technology acceptance & expectation**

Having identified that participants of this research categorize the market as one of a high-brow and low-brow culture, it follows that interviewees express a general attitude that



is condescending towards the low-brow practices and does not acknowledge them (Swirski, & Vanhanen, 2017). However, looking closer, the thorough investigation of respondent's answers in this regard, in contrast, highlights that the majority of all participants not only seem to understand the technological developments with regards to marketing but also instead positively foresee future impacts that the new social media practices could bring.

#### **4.2.1 Recognition of technological developments**

Most participants appear to be accepting the technological developments to the extent that they can see the benefits that rating platforms have for the consumer.

##### 4.2.1.1 Benefits for consumers

William, for instance, explains that those types of applications can be helpful to recall the consumed wines. He further touches on the facilitated buying process that is possible in some applications and how it can be associated with positive emotions.

It is like an external drive, a hard drive. When you cannot remember those French names on the label you take a photo ... This keeps the good mood and the good memory of it. And you can see where you can buy it, maybe you can instantly just click it, and the next day the postman brings six bottles... [and] you are happy. (William, sommelier & journalist, March 20, 2018)

In response to William, Max additionally points out that mobile rating applications increase the value of information and learning on wine on the whole. According to him, that is not only a benefit for the consumer but also for the intermediary actors of the industry.

The benefit is for sure that you will get a better overview [of] quality and prices...[So,] the plus is for sure better information about the wine and also about the product itself and the producing process and at the end knowledge about the product. But also, for agencies, it is always better to sell a product when you know more about the process. (Max, marketing manager, March 27, 2018)

Fred, a winemaker at an Austrian winery, like Max sees the value for consumers in being able to organize the supply of wines digitally. He also adds that the recommendations that are provided to consumers based on previous ratings offer the advantage of obtaining fast access to expertise on wine.

If you say, "Ok, I want a white or a red, or a light or a heavy, fruity or oaky" and all that stuff that you can rate, and from that origin, you can get the wine filtered and then you have recommendations within seconds. Where otherwise you would have to attend seminars for several months to come to this knowledge that you have here within seconds. (Fred, winemaker, March 23, 2018)

This view is shared by many of the participants, such as Marcel. He further mentions that the way wines are described in applications gets very close to the real consumption experience, which aids to understand the wine better before actually consuming it.

You get information in seconds. Now you take your phone, take a picture – tack – you have a rating... actually you have tasting notes. It seems like you are almost drinking the wine when you read about it in just seconds. (Marcel, sales & marketing manager, March 23, 2018)

It has, therefore, been established that participants realize that the development of new media rating platforms enhances a rapid information provision for consumers, who as a consequence become more knowledgeable of the field. Sofia, however, additionally points out that especially for the unknowledgeable consumer, which based on previous observations refers to the low-end market segment, mobile rating applications boost interest through the mutual influence.

It might also be helpful for other people who do not know the wine, to grow interested in tasting these wines and it is not only one person or one expert rating the wine, but the whole public. (Sofia, marketing manager, April 5, 2018)

The observations on consumer benefits reflect on the intentions of the application developer, Harold. He explains that the platform is now sufficiently able to enhance a more self-assured average consumer.

It takes me back to my knowledge when I started, saying I do not want to feel stupid and pick whatever wine and spend money... I want to be confident when I buy. [We] definitely weren't doing it in the beginning, but now we have a product that is so good that we have all these ratings and people feel a lot more confident. (Harold, founder of rating application, March 15, 2018)

This development ought to bring great potential for better consumer engagement, as the improved relationship between the producer and the consumer is vital for the value co-creation through the consumer (Grönroos, 2004). Indeed, participants seem to acknowledge advantages on the producer side, too.

#### 4.2.1.2 Benefits for producers

For instance, Patrick explains that a more interested and involved consumer means a shift in demand from another product to wines.

The benefit is that maybe these applications are a way to communicate and can bring some new consumers. I make an example: maybe consumers now are beer drinkers, but the world of wine interests them through this application. (Patrick, sommelier, March 19, 2018)

Such likely increase in consumers has been recognized to an extent, that Fred is already able to identify direct impacts in his revenue figures. He also observed a shift from a more physical point of contact with consumers to a boost in online purchases of wine, meaning a more digital point of contact with consumers. This change according to him stems from the fact that at least digital platforms, in general, allow for a new way of direct business.

It is definitely the accelerator for sales and people are not coming that often anymore to the winery. But the shipment and the online order has increased for that, and these are the impacts that we recognized. From my point of view, it is a positive way to increase and also to establish [the] direct business, not just opinion gathering. (Fred, winemaker, March 23, 2018)

Lastly, George regards consumers rating and reviewing wines in applications as a source for market research. Although he is the only one making such comment, he does, in fact, appear to understand the possibility of digital market segmentation through the use of data mining (Pridmore, & Hämäläinen, 2017). He showcases this by noting the possibility to analyze best sellers within the diverse range of platforms that according to him are the future marketplace.

For me, as a wine producer, I can see which wines are selling a lot. So, I can... not copy the wines, but I can drink it and learn from other winemakers... They are very, very important because in the future you don't ask Google, you ask your mobile phone what you have to cook... And if you are not in these applications, you have no market. (George, head of sales, March 28, 2018)

He refers to using contemporary consumer practices as a tool to help understanding consumers better and to check the competition. Learning from those behaviors indeed could mean a better understanding and influence on the valuation of their wines instead of leaving it to market actors (Murray et al., 2017).

In conclusion, consumers that use mobile rating applications can increase their overall involvement, making them more interested and develop their understanding of higher quality wines. All of this, in turn, seems to bring producers the advantage of increasing demand in the market, in general. The outlined advantages demonstrate how information technologies could potentially provide the possibility for wine producers to maintain and enrich their relationship with customers, who through the use of rating applications show increased interest and engagement with the product (Grönroos, 2004). Beyond recognizing those advantages, participants also agreed on the actuality of the developments and the resulting need to deal with them by amending marketing practices.

#### **4.2.2 Recognition of the need to adapt**

As the advantages outlined in the previous are clear for the vast majority of all interview participants, the need to adapt also seems evident to most participants as Tobias showcases.

It is an emerging part of communication and even sales that is absolute to be taken seriously. (Tobias, winemaker, April 4, 2018)

Max agrees with Tobias and speaks of climax in forthcoming market transformations in the close future.

It will be a kind of a force, I would say, in the next 5 or 6 years. This is kind of a turning point for the whole industry, I would say... (Max, marketing manager, March 27, 2018)

Paul, in addition to Max, describes this form of digital communication as already fully integrated into the contemporary being, seeing the obligation on producer's behalf to deal with such new consumer activities. He is even sure of what the next steps should be to amend marketing practices, knowing that consumer engagement can be increased, and data can be analyzed for the sake of more efficient communication and marketing.

It is part of our life. So, we need to adapt. No choice. It is here. The work is for us to communicate with the customers and that is something that is part of the trade today... The next steps are to hire people who are only doing this. And then you communicate better with your customers, and then you know better who your customers are. (Paul, winemaker, April 16, 2018)

Participants understanding the need to adapt their marketing strategies to the latest standards of consumer practices can be seen to arise in the presence of pressure derived from the underlying economic logic (Bourdieu, 1985; Beverland, 2005). They intend to move away from focusing on economic profits as identified earlier on, but the need to optimize business efficiencies and achieve returns required for their continuous wine production nonetheless hold great importance. Disclosing this observation, Sammy expands upon Paul's point by indicating an immediate urgency to broaden industry actors' horizons concerning wine. He perceives high pressure facing both intermediaries and wine producers to keep the capabilities of representing the symbolic value of their products. He showcases it by his metaphorical comparison from which it is clear that the consumer is taking over ownership of knowledge, and consequently also decision making when it comes to choosing wine.

There is now really a pressure to the waiters, gastronomy, and employers to get [an] education, to know about their product because the guests are sometimes in the position of having more knowledge than the waiter... these applications are really for the customer a great opportunity to know the details about a wine. You are like a Bambi, staying behind the guest

and they are shooting you... [But] I think the most pressure is to the winemakers. Because most winemakers are older generations and they are not big fans of these modern times. (Sammy, sommelier, March 31, 2018)

Analyzing these positive perceptions of the technological developments for marketing and seeing a consent in producers need to change practices in the future raises the interest in understanding how the wine industry has begun to adapt to practices at present. Seeing that Kent and Taylor (1998) explained that for possibilities of effective digital relationship marketing to become actual practices and by that to allow for digital market segmentation, the right steps need to be taken. The majority of participants, however, did not mention that they have already adapted to what they perceive as useful and advantageous. Only Max mentions that the distribution company he is working for has set up a partnership to better market product offerings, but that it is not flourishing as of yet.

You could use Vivino as a partner to get information or ... to sell Vivino wine. We do that already. Vivino got an own newsletter marketing. So, we work with them together. But at the end, it is not that impact that it could have. (Max, marketing manager, March 27, 2018)

Therefore, the question that remains is why other interviewees avoided to work with applications or make use of consumer reviews. Interestingly, participants frequently spoke of potential changes in business practices rather than changes occurring in the present. At present, it, therefore, seems consumer practices are changing in correlation to those of the producer. However, they remain passive. Indeed, an exciting tension can be identified that showcases that the developments of consumers sharing knowledge online are arguably happening against the producer's will. Sammy, in his last quote, mentioned that especially the older group of producers expresses skepticism towards the contemporary developments. There hence seems to be some form of disapproval or reluctance by some actors in the industry. In fact, even though they explain positive future impacts, the majority of the interviewees are distancing themselves from contemporary consumer practices. Drawing on comparisons to rating platform of the travel industry, which they see as without merit, they appear to be in denial about the value of contemporary consumer rating practices. Paul, for example repellently describes consumers pretending to be as knowledgeable as haute cuisine chefs when they rate meals on TripAdvisor. He tops this expression of the, in his opinion, useless ratings off by questioning their legitimacy.

It is like people rating the restaurants on TripAdvisor or whatever it is... if you only have 6 opinions... what is the truth of 6 opinions? There is no truth in that. It could be 6 people who want to kill the restaurants, they maybe have never even been there, but they are poom poom poom... so that's very dangerous I think. [They are] thinking they can be the 3

Michelin stars of tomorrow and they think they can be the new wine critiques or food critiques of the world. (Paul, winemaker, April 16, 2018)

Although the quote mentioned above is already strong in itself, other participants shared this view even more directly. Patrick expresses his very negative opinion on TripAdvisor, by disapproving of the value of consumer-driven ratings and reviews in general.

It is like TripAdvisor, but like TripAdvisor, comments are stupid things, absolutely stupid things, nonsense. (Patrick, sommelier, March 19, 2018)

Emil agrees with Patrick's view but acknowledges that it is a standard consumer practice that is taking over in the wine industry.

TripAdvisor is bullshit as well. But I know a lot of people are actually checking all these ratings and are reading as much blogs as possible to know and to find the new things of this and that. And this is how it works for hotels, for touristic places. So, for wine, it is no different. (Emil, sommelier, March 24, 2018)

Such explicit expressions reinforce the view that the wine industry appears to be forced into the changing social media marketing practices of the modern times. Nonetheless, pressured by the need to also conform to the economic logic, members of the wine industry cannot ignore the markets changing needs. However, the previous quotes also convey that participants must have specific attitudes that deserve more focused attention to fully understand their twisted perceptions of the latest social media marketing developments. That is, using reverse arguments that express pessimism about the modern consumer practices, is a form of authentication (Koontz, 2010). By that, participants draw lines that differentiate them from others in the market which puts them in a position of not acting upon social media marketing developments. Although they understand and foresee those changes, such boundaries let it seem as if the developments are not directly concerning this group of industry members, which causes their reluctance to adapt their marketing strategies.

### **4.3 Reluctance to adapt marketing strategies**

Thus far, it seems like the start of the eroding boundaries between the artistic and the economic or seen differently, between high-brow and low-brow culture, are the result of processes of commodification (Prior, 2005). New agents have emerged through consumer ratings in mobile rating applications, which give rise to a less dichotomized way of segmenting the culture of the wine industry. However, as seen in the previously shared opinions on TripAdvisor, participants protest those new agents and that such protest can be seen as a form of what is known as boundary work. In doing so, participants reposition

themselves according to their traditional social constructions as demonstrated in the following (Light, & Odden, 2017).

#### **4.3.1 Active reconstruction of boundaries**

The ongoing reconstruction of market boundaries also entails experts distancing themselves from the general public by explaining that they are not producing mass good. Paul exemplifies this when he draws a line between wine and another generic good as seen below.

We do not make Coke; we do not make Fanta, we do not make Orangina or Pepsi. We make wine. (Paul, winemaker, April 16, 2018)

By that, Paul shows how producers are carving out a distinctive and profitable niche, which requires the application of distinct strategies. For those distinct strategies to be fruitful, the particular good requires a unique audience, though (Dalgic, & Leeuw, 2006). Sofia expresses that this unique audience should seek similar ideals and therefore associate themselves with the ideology of the uniqueness of wine and high-quality wine in particular.

We are looking for people who share this thought of luxury, of premium, of nature...we always call them advanced wine drinkers, who know the product wine, who can identify with natural products and the whole process we produce... (Sofia, marketing manager, April 5, 2018)

Both, Paul and Sofia hint at a separation from an economic focus on sales, clearly restoring the focus on the symbolic value. Adding to this indication of an interest in symbolic profits, Michael also distinguishes between classes by making clear that high-end wine is more difficult to understand. Because of the alleged distinction in consumer capabilities, he believes that consumer ratings of wines from the high-end market are not valuable.

Consumer ratings always mean that you have, how can I say, that you have just average wines in front. Because, as I said, special wines, high-quality wines...most of the people do not like it, or they do not understand it. (Michael, chief editor, March 27, 2018)

This indicates a superiority of knowledge in the high-end consumer compared to the average consumer, which deserves special consideration. For instance, it was revealed that tasting wine can be compared to learning a virtue as Olivia, a seemingly younger and one of the only two female winemakers points out.

Taste can be trained. We do a lot of blind tastings and taste is definitely something that you can train over months and years. (Olivia, winemaker, March 27, 2018)

While she remains neutral in her judgment, Patrick in contrast to her hints again at the complexity of understanding wine because of the amount of training required and thereby puts the wine segment he is representing in a higher position of capabilities.

Wine is a very difficult beverage to understand...To understand quality, it takes years of hard work. Because tasting wine is like a discipline, like playing music. Ok, you can play music because you are a genius, but you have to study it. And tasting is the same thing. You have to study tasting. (Patrick, sommelier, March 19, 2018)

He draws the comparison of tasting the wine to studying to play music but Oscar, sales manager at an Australian winery, for instance, gives the need for training the palate even more importance. He draws on a comparison to the learning to walk.

The great thing about wine is that we all started with a really awful wine that was really sweet and like easy to party with and when you grow up, you learn to appreciate all the depth and layers of wine and it's like life, drinking wine. You start with trying to walk and run and then enjoy and lay back. (Oscar, sales manager, March 19, 2018)

Interviewees indicate that training taste is a vital need to be able to understand and therefore also rate wine. Describing the capacity of being able to perceive and classify cultural products, participants link taste to 'aesthetic disposition' (Bourdieu, 2013). That means that social conditions such as class locations shape capacities to taste. Based on the finding that the low-end consumer segment especially uses mobile rating applications, Bourdieu's concept hence helps to explain why participants share these expressed views. Participants of the in-depth interviews appear to see themselves as being part of the high-end segment, and thereby in the position of having the capacity to perceive and classify cultural products. It can be interpreted that they doubt that everyone who consumes their wine is in the same position. Therefore, although none of the participants actually mentions it specifically, it can be concluded that, in their eyes, consumers of the low-end segment do not have the required capabilities to judge based on their taste, as they lack the refinement to do so and therefore cannot rate and review wines appropriately (Bourdieu, 2013). Taste, therefore, depends on knowledge and knowledge depends on qualitative information, which based on previous descriptions has not been a characteristic of the low-end segment in the past. Per Bourdieu's field theory (2013), participants are therefore indeed alluding to consumer's alleged lower socio-capital endowment of knowledge and taste. Although the language they are using to describe the aversion is not disrespectful towards the others, the consequences of these views cause symbolic boundaries and the formation of specific groups. This observation is underlined by Patrick, being a staunch defender of the high-end market segment, who outlines that it is not the technological development itself, but the source of consumer reviews that he questions.



I do not care about the application... It is like an internet site. The most important thing is who is behind the internet site. Do you have some serious person, yes or no? For example, Vivino, very successful application, but who writes on Vivino? Some consumer. People without any knowledge of wine. (Patrick, sommelier, March 19, 2018)

Oscar puts it in other terms, but essentially says the same when explaining that only after a sort of verification of information he would make use of consumer reviews and ratings.

Well, all information is welcome. And, we first need to check if it is good information. If it is good information we might use it or not. (Oscar, sales manager, March 19, 2018)

Interestingly, Olivia, who, as noted earlier stands out from the rest of the participants due being one of the two female participants and her assumed age, generally does not seem to be so critical in the way wine needs to be understood. However, it might be due to her age that she seems to be more aware of the marketing age and the possible challenges it entails. Her expertise becomes evident as she critiques the validity of reviews of wines because of the possibility of fake reviews that are intentionally created or even initiated by monetary deals set up to promote a competitors' wine.

Because we all know that often reviews are written by someone that is paid to write them. So, on the one hand, reviews are great, on the other hand, you should be careful. Because you do not know 100% if they are for real or if they are written by someone... (Olivia, winemaker, March 27, 2018)

Such form of internet reputation management, for instance, is commonly seen in the tourism industry, where new companies have been founded to offer social media insiders that leave favorable ratings for a specific hotel (Smyth, Wu, & Greene, 2010). Though this particular aspect is not essential to this study, it diversifies the views expressed by participants. The views overall, allow concluding that what interviewees find challenging with consumers' rating and reviewing wines is the fact that in their eyes such reviews are unqualified and unverified sources of information. They, in the eyes of participants, are no real actors of consecration, even though these also do not do anything else than using language to express their perspectives, and thereby rate and review the cultural products in the same way as consumers do on rating platforms (Light, & Odden, 2017).

To challenge their skepticism Bourdieu's field theory explains that the specific location of a consumer within a social space could be identified if actors analyze the person's lifestyle and consumption behavior. The capabilities required to understand the complexity and therefore judge taste accordingly could then be identified with more certainty. However, none of the participants explained that they have thoroughly analyzed or understood the behavior of the consumers that rate and review their wines in digital

platforms, meaning that they make generalizations on the consumer. Therefore clearly, interviewees proved that the wine industry is not at all becoming less snobbish, but in contrast actively defends the symbolic hierarchy to uphold taste as an exclusionary resource.

Their aversive views on consumer ratings can be explained with the fact that blurring boundaries could mean a loss of control of valuation and shaping of identity through authentic actors that are specifically required in the worlds of arts (Becker, 1984). Indeed, the extent to which a company can design its' brand's meaning can be controlled, is limited. Not only intermediaries filter those representations beyond the wine producer's control. Decades of research have shown that also consumers adapt brands, interpreting and "authoring" cultural meanings within localized orders of specific cultures. Such activities can enhance brand meanings positively but also negatively by reversing the original meaning as emphasized on by the winemaker (Rokka, & Canniford, 2016). The perspective of seeing brands as an assemblage, which is what such feared loss of control presumes, entails that brands are constructed of several components. Material components are seen as consumers, media spaces, physical products, whereas expressive components are seen as communications, aesthetics, or signal features and other attributes that count into shaping the stable brand. Looking at it from this perspective, rating platforms are media spaces that allow for consumer-brand interactions that destabilize or reconstruct the brand's meaning (Cova, & Pace, 2005; Fournier, & Avery, 2011; Gurrieri, & Cherrier, 2013; McQuarrie et al., 2013; Rokka & Canniford, 2016). This context clarifies why the need to control the expression of a personal vision and style has been depicted by Paul, as seen in the following quote.

We need to control everything. If you have someone drinking our bottle of wine in a certain kind of circumstance and maybe it is not the vision that we want to emphasize, then we delete that [picture on Instagram]. (Paul, winemaker, April 16, 2018)

The disadvantageous loss of control of the producer's ideology has also been presented as a negative experience by Fred, who draws on a comparison to unpredictable magic.

Otherwise, you give your idea into someone else's hands and then it might be like The Pupil in Magic... you put everything [into the market place] and then you do not have control of it anymore. (Fred, winemaker, March 23, 2018)

Concluding, one of the main reasons why participants are reluctant to adapt to new media marketing practices, even though they understand the benefits of the new consumer practices and the need to do so, can be explained through the boundaries of taste that the alleged members of the high-end segment enact. Boundaries are traditionally shaped by verified sources - agents of consecration - which are seemingly feared to disappear with

more and more consumers rating and reviewing wines. Such a loss of boundaries can mean a loss of control of brand ownership, and in turn, democratize the symbolic value. The democratization of symbolism in this context essentially means that the process of valuation of a bottle of wine and therefore cultural production would no longer be in the hands of agents of consecration but the hands of the consumer (Rokka, & Canniford, 2016).

However, why have participants then explained their positive perception and a general openness to the impacts that these consumer practices could bring in the future when they are not fond of the developments because it attacks their symbolic positioning and hierarchy in the market? Such conflict in attitudes can be explained with what constitutes Bourdieu's 'strategy of condescension'. This strategy sees participants as agents occupying a higher position in one of the hierarchies of objective space that symbolically deny the social distance which does not thereby cease to exist, thus ensuring they gain profits of recognition accorded to a purely symbolic negotiation of distance (Bourdieu, 1990, p.27).

Participants perceiving consumer rating applications as beneficial can be seen as a form of downplaying differences in social confrontations. On the other hand, though, their snobby views of why these are not of value to them, as well as the continuous non-egalitarian self-presentation they reconstruct the legitimization of cultural distinction.

The cultural disposition of the wine industry, however, is not the only reason why participants did not yet start to work with the new marketing practices of focus. They, for instance, also expressed that it is essential for them to transmit and share their values with intermediaries. As this looks at the usefulness of integrating consumer reviews into marketing strategies from a different perspective, the indicated needs as expressed in respondents' answers are going to be outlined in the following.

#### ***4.3.2 Need to communicate values in person***

In regard of the challenges of marketing of the high-end market segment, participants implied that it is essential for them to be able to apply marketing practices so that they can differentiate themselves from others in the market. In doing so, they seek to transmit their emotion, passion, and philosophy of the winemaking process to form their unique identity. Fred explains that this combination is what resonates most with consumers in their opinion.

It is very important to transport emotion and information. And that you also transport the idea, the philosophy, so that people know what you are standing for, what your wine is standing for. And with this mix of information and emotion - this is where the consumer gets [something] out of it. (Fred, winemaker, March 23, 2018)

Sofia agrees with Fred's view and explains that it is primarily the artisan and hard work that should be reflected on in the way the wine is being communicated so that consumers can feel engaged with the unique production processes of the extraordinary good.

[Marketing practices] should show the work that we do day by day in the steep vineyards. It should show our work in the cellar, [and] it should show images from the wine storage and also from fairs. (Sofia, marketing manager, April 5, 2018)

In the context of wine marketing, producers draw on authenticity to create evidence of quality and differentiation for consumers, for instance, through emphasizing laborious work and the distancing from mass products. Through the emphasis on sharing their values as described in the previous quotes, consumer's feeling and imagination of a brand's behavioral consistency is enhanced (Fritz, Schoenmueller, & Bruhn, 2017). In the light of members of the high-end market segment being concerned with the maintenance of boundaries of taste, forms of authenticity are the investment into symbolic profits, which allow producers to locate themselves outside the mainstream culture (Beckert et al., 2017). Reverse arguments that express mistrusting contemporary consumer practices, for instance, are a form of 'traditionalizing' which is one specific form of authenticity (Koontz, 2010). That is why also their aversion to TripAdvisor mentioned earlier on is another form of making boundaries.

Here, however, it appears that there is a gap in understanding the opportunities that social media marketing practices can bring, as interviewees do not seem to see how to transmit the mentioned values through the integration of consumer ratings and reviews. In fact, the only way how they currently believe this can be done is through personal meetings, relationships, and face-to-face interactions or social media networking tools at most, or in other words through 'otherizing' (Koontz, 2010). Max, for instance, shared that the direct contact is the best and most common way to market wine to the business partner or end consumers.

A good way is always to do it via degustation or a fair or a good dinner. Maybe this is the best way to transfer the emotions and also the knowledge from the grape growers to our customers at the end. (Max, marketing manager, March 27, 2018)

Even Olivia finds that being present is the best marketing tool.

When I fly to Belgium for example in two weeks' time and have a tasting, and I am going to the restaurant with the sales team, I see that sales go up, immediately. So, that's still for us, the wine producers, one of the most important sales, yes, marketing tools. What we have or give is ourselves. (Olivia, winemaker, March 27, 2018)

This practice can be seen in the business to consumer market, but likewise in the business to business market, like Marcel outlines in response to Olivia.

We have a personal contact with almost every consumer, every client, especially in Italy where we serve restaurants directly. So, we [also] visit the importers who bring us to the restaurants. (Marcel, sales & marketing manager, March 23, 2018)

According to interviewees the personal contact with the consumer changes the value of the product and the likelihood of the product to stand out from the mass. Paul showcases how the recognition factor increases because of everlasting memories.

They meet you, [and] they know how you work and how you proceed, what you feel and then they may have people at the back of the label ... And then suddenly the relation of the product [becomes] personal. It is much more intimate. (Paul, winemaker, April 16, 2018)

It appears that the lack of perceived usefulness of consumer rating and reviewing hinders the integration of new marketing practices by producers. That is, participants, do not see the value of adapting marketing practices as they cannot see how the entire wine drinking experience, including the personal contact with the winemaker, can be digitized and how they are therefore to share their values through such digital platforms. Nonetheless, they have a precise idea of how to manage their communications so that they engage the consumer and create value. It is their strong emphasis on personal interaction that underlines the significant focus on the value-making process of a product (Grönroos, 2004). However, participants draw on practices of relationship marketing to increase the consumer's perception of the value so that it enhances the reconstruction of the boundaries of taste. Unfortunately, they seem to ignore that to increase symbolic value, changing tastes of the network need to be taken into consideration (Beverland, & Luxton, 2005) Hence, it appears that they have not understood that the change in consumer practices through technological developments can enable rich opportunities for digital relationship management (Heinonen, & Strandvik, 2005). However, the limited adoption of digital relationship marketing practices also appears to be caused to some extent by the rigidity and inflexibility that stems from the production process of wine.

#### ***4.3.3 Limited resources and uncertainty***

Many interviewees claimed that their hands are tied to adapt business practices derived from consumer reviews because of their limited time, capacities and the focus on time consumed and effort required in growing wine. Olivia also outlines that many wineries do not have a marketing manager to focus on the required tasks.

We need a lot of time in the vineyard, we need a lot of time in the cellar, and not a lot of people have one person only for marketing in their winery. And that's the problem. (Olivia, winemaker, March 27, 2018)

Fred in response to Olivia hints at a limited flexibility in amending the production to the consumer preferences because of the rigid and enduring growth of plants and other winemaking steps.

And we can't increase our production area with a click in the fingers. (Fred, winemaker, March 23, 2018)

Further, Paul mentions financial restrictions that cause producers to a trade-off between quality and marketing. He, like many of the other participants, prioritizes a quality focused production, which means to them that time and money is invested into the growth and exploitation of the plants, rather than into marketing efforts.

Maybe we should [focus more on marketing] but it takes too much time to do everything, so I cannot be everywhere...It is time and money. I prefer to spend my money today on my vineyard and on my companies to recruit people to sell wines and meet the customer directly, instead of social media. (Paul, winemaker, April 16, 2018)

On a final note, their hesitation can, however, also be explained by the matter of practice. That is, required tasks have not been fully understood yet and are therefore creating uncertainty. Tobias, for instance, expresses that it is understood that consumer feedback, or in other words engaging the consumer, is essential for continuous marketing and branding (Saungweme, Naicker, & Chuma, 2010). He, however, also demonstrates an uncertainty of how to deal with it in the most efficient ways.

I mean usually, the feedback is very important. We are happy about good feedback. But I don't know how to, let's say, how to handle it in a special way. It is [also] important that our clients get good feedback, that they continue to trust in the brand and that they continue to buy and to spread the wines to their clients. (Tobias, winemaker, April 4, 2018)

He thereby showcases that indeed consumer engagement means co-creating relational value (Grönroos, 2002). However, the yet to be installed capabilities on these practices can be seen as a reason for wine producers to stick to their known marketing and communication strategies rather than adopting new ones (Pridmore, & Hämäläinen, 2017).

Summarizing, the reasons why participants appear reluctant in adapting their ways of doing business in a way that they integrate consumer reviews into their marketing practices stem from three main reasons. The active reconstruction of boundaries for self-expression, the lack of perceived usefulness of new media rating platforms to digitize their relationship management and lastly, their restriction through limited resources and uncertainty. From the analysis of findings, it becomes therefore evident that the wine market to date has been a

product-centric market, in which producers do not embrace consumer needs but more so concentrate on the artistic production of a cultural good. However, while the interviewed members of the wine industry seem to be holding on to their traditional practices and only unwillingly accept modern consumer practices, the encroachment of new media marketing and the resulting technological developments for communication is undeniable.

## **4.4 Technology Encroachment**

Not only are participants speaking of digital marketing practices such as influencer marketing that has become a familiar strategy for wine promotion in the industry. They also demonstrate that technology developments are encroaching by exemplifying an industry that is digitally divided.

### **4.4.1 Digital Divide**

Sammy, for instance, contrasts a digital form of information sharing through specific QR codes that are placed on the back of a bottle, with the most simplistic internet presence of a renowned winery. He thereby showcases how, on the one hand, new marketing practices through modern forms of information technology are very advanced, while, on the other hand, some wine producers have not even understood the full potential of a website.

There is a big difference of the wineries, when you have a young winery you have a lot of, you know, QR codes and digital [features] that help to get information. But [for] some other wineries...you will find just a black homepage, [the name] Egon Müller, phone number and [the] address, you know. (Sammy, sommelier, March 31, 2018)

Information technology has arrived in the industry, but it is the diversity of the actors and the according to cultural differences that exacerbates a uniformity in practices. The evidence of a digital divide becomes blatant through George, who informs about the fact that the, by now somewhat ancient, fax machine is still being used next to contemporary digital communication tools.

I started 15 years ago in the wine business, and...we had no E-mails... We had a fax machine. And today we are not communicating any fax number, but we receive more orders over the fax machine than over E-Mail and WhatsApp and Facebook. (George, head of sales, March 28, 2018)

The industry's communication practices hence seem to be conflicting. The tension between their reluctance to adapt to new practices and the overtaking of information technology is, however, even more apparent in the light of the fact that the majority of participants uses social media networking tools for the promotion of their products.

#### **4.4.2 Social Media Use**

Fred, for instance, makes clear that his particular focus on the social media network, Facebook, is one of the key marketing practices.

Currently we are focused on Facebook for several years already, and now we also launched an Instagram account. (Fred, winemaker, March 23, 2018)

Even Patrick who through his previous statements proved to be very traditionally oriented has a presence on social media networks.

I have one account on Facebook, one on Twitter and one on Instagram. (Patrick, sommelier, March 19, 2018)

The invasion of social media networking as a form of modern media marketing technology has gone so far already, that one Sofia, though being the only one among the participants, mentions that her winery hired an employee who only focuses on the management of these.

We introduced somebody new to the company who is now responsible for social media accounts. So, we are trying to put the focus a bit more on Instagram or on Facebook and Twitter to connect with all lovers or consumers around the world. (Sofia, marketing manager, April 5, 2018)

It also appears that a few participants have understood that consumer engagement can be increased through these types of digital networks (Kietzmann et al., 2011). Max, for instance, describes the use of social media in order to maintain relationships.

It is just a communication channel to keep in touch or information, transfer some knowledge or an image about wineries and the producers but in the end, it's a good way to stay in contact ... (Max, marketing manager, March 27, 2018)

Indeed, the integration of social media can enhance and facilitate practices of relationship management but also enable the potential to obtain insights into consumers behaviors, data and other information (Pridmore, & Hämäläinen, 2017). However, as Pridmore and Hämäläinen (2017) also found, companies still struggle with the implementation of best practices to reach the full potential. It, therefore, seems that with mobile applications being one of the latest digital and social media developments in the wine industry, it has only recognized but not begun to make use of the way consumers engage with their products on platforms, yet. However, that modern media technology is at the forefront of marketing developments, is demonstrated by the uniformity in the use of social media networks. Such observation overhauls Tach's (2009) study as the findings of this research show that the adoption rate of web 2.0 practices, at least in regard of social networking, blogging and the use of interactive e-commerce platforms is no longer limited, but sufficiently standardized.

While this study proves that social media networking practices are the norm for the industry, it identifies at the same time the industry's reluctance to maximize digital



marketing potential. Such conflict can be seen to arise from the fact that submission and resistance are paradoxically linked (Bourdieu, 1990). It is no news that social media tools have become the dominating form of digital communication (Higgins et al., 2014), thereby forcing wine producers to amend their marketing practices. According to this logic and understanding that consumer rating practices are only at the outset of digital marketing, they are arguably not dominating the market yet. Therefore, the industry's resistance is not because of its' members' lack of control of their marketing practices that they thus far remained passive. Instead, it is because of the complex relationships between social space and symbolic space, which makes them not so easily fooled by the initial hype around mobile rating applications (Bourdieu, 1990).

## 5 Conclusion

Researchers have coined the term “TripAdvisor Effect” to describe an increased level of services offered by hotels in response to an increased awareness of the reputation articulated on the rating platform of the travel industry (Smyth, Wu, & Greene, 2010). That the wine industry does not embrace a similar effect regarding mobile rating applications which could be coined as the “Vivino Effect”, undoubtedly is due to the nature of the product and its production process. Increasing the quality of the wine offered does not come with the same flexibility and short-term changes in practices as seen in restaurants or hotels. On the basis of their expressed reluctance in adapting business practices, it might have appeared evident from the beginning that the wine industry, therefore, has not responded to consumer reviews. However, the reasons for a limited reaction to contemporary consumer practices of digital knowledge sharing are in fact rooted in much more complex tensions of a market trying to come to grips with modern marketing practices.

The findings showed that the involvement of new media technology in modern communication and marketing practices has only been established incrementally and so that they digitally reflect the unique beliefs and positions of a self-constructed exclusive group of people. Having interviewed experts that defined themselves to be distant from a mass-produced market, this research’s findings mainly present the high-end segment of the industry being compelled to evolve its’ marketing strategies in line with the contemporary technological marketing developments. This specific market segment recognizes the benefits of and needs to adapt to consumer rating and reviewing their wines. At the same time, though, participants were not at the forefront on the engagement of marketing practices of the mass market because of an existing sensitivity to market these as best showcased through Patrick’s attitude, for instance. However, with the indisputable encroachment of technological advancements for the sake of marketing and communication, the clash between artistic logic and economic logic as described by Bourdieu (1985) appears to be bigger than many participants can see. That is, participants, try to retain the artistic logic that entails the focus on symbolic value through the creation of boundaries. However, they have also already begun to adapt to social media marketing demonstrated by the uniformity in using social media networking tools. Therefore, the economic logic that entails executing marketing practices for the sake of selling products is undoubtedly in the spotlight, too.

Despite the alleged hype around mobile application developments and the increased use of such by consumers, it appears that digital marketing practices involving two-way content creation platforms with its full potential at the moment remain primarily uninstalled in the wine industry. Let alone the possibility of extracting consumer data for better segmentation and targeted marketing that the new forms of social media platforms

allow (Pridmore, & Hämäläinen, 2017). For the majority of participants, the traditional high-brow and low-brow culture matter more than the contemporary culture that seemingly moves towards a digital democratization of assessing value. Therefore, besides the yet to be installed capabilities to integrate marketing practices conforming to the economic logic, the strong focus on the artistic logic articulated by the majority of the interviewed members of the industry unravels their cultural resistance.

Seen that the high-brow and low-brow categorization of the market is defined to be a social construction that mirrors only the interests of members that benefit from it, their cultural resistance to change from an outsider perspective is somewhat irrational (Becker, 1984). The need for change, however, is not just rational but also clearly justifiable. Therefore, once there is sufficient authority granted to the consumer reviewing and rating, which could happen through even more intermediary and high-end actors of the industry using and relying on information from digital rating platforms, the industry's resistance to contemporary marketing practices arguably might be eased. In the context of wine comparing to art, the economic, the aesthetic and the technological cannot be separated from each other (Becker, 1984). With this in mind and at least the seemingly younger participant being less critical towards the digital rating of wines done by consumers, it is only a matter of time before it becomes clear which culture will be the dominating one in the future. That entails how soon the wine industry will comply to rethink their marketing strategies to strengthen the entire value chain for the increase of artistic gains (Rentschler et al., 2002).

In retrospect, digital information sharing has been at the forefront of the latest marketing developments and has been investigated by a variety of researchers. However, consumer rating and reviewing through mobile applications is a relatively recent development within digital information sharing, which was thought to impact the industry significantly, as evidenced by the tourism industry. This specific focus of consumer-driven mobile ratings of a cultural product, however, has not been researched sufficiently. Therefore, this study aimed at understanding how the marketing practices and strategies of the wine industry have responded to the use of consumer-driven mobile rating of wines. In light of answering this research question, the scope was narrowed to focus on two particular aspects. That is, it shed light on how members of the wine industry perceive contemporary consumer practices and as a consequence how they have begun to make use of consumer ratings of their wines. For that, 17 semi-structured in-depth interviews were conducted with a mix of participants directly working in the field of interest. Following that, the interviews were transcribed to mirror the conversation as much as possible. For the systematic analysis of data, the coding process of the grounded theory approach was applied, leading to a variety of findings which have been thoroughly explained and discussed in the previous chapter. Arriving at the concluding inferences of this study, however, involved several

occasions which suggested specific connections that have not been directly pointed out but may have affected the decisions made to come to a result. For the sake of validity and reliability, these are going to be explained in the following section.

## **5.1 Implications and limitations**

To begin with, it needs to be highlighted again that the chosen research method brings with it several limitations as touched upon earlier in the paper. That is, the technique of convenience sampling at an industry trade fair has resulted in the by Etikan et al. (2016) outlined homogeneity of participants. It can be seen in the majority of participants considering themselves to be part of the high-end market segment. The findings, therefore, conceptualize the truth from the perspective of an exclusive group of people. Furthermore, most of the interviewees are German, and only a few are of other European origins. Hence, the data appears to be somewhat limited in describing reactions of the global wine industry.

Another constraint of this study lies in the risk factor that comes from the potential researcher bias'. As mentioned in the methodological limitation section the value of responses lies in how the meaning of answers are constructed (Faircloth, 2012). As the researcher is the only tool for the collection and interpretation of data, the objectivity of findings becomes less tenable. Furthermore, because of the specified gender congruence, it is necessary to acknowledge the power relations that have been enacted between the female researcher and the majority of male participants (Broom et al., 2009). In some cases, remaining confident was required not to let the male interviewee become too self-assured and therefore to ensure the provision of comprehensive and elaborated responses.

Moreover, further limitations in the sample size have caused implications in the interpretation of the data. Precisely, the data obtained through in-depth interviews achieved much more information than anticipated. Restricted experience in qualitative research affected choosing the right data to keep the balance of most relevant and conflicting findings. The lack of experience also affected the way the interviews were guided (Qu, & Dumay, 2011). For instance, it often appeared that participants were not experts in marketing and technology, which resulted in answers that did not address the topics that are the focus of this study. It was then somewhat challenging to guide those participants to provide relevant insights while keeping the risk of forcing the required data low (Flick, 2013). On the other hand, although a high amount of data has been yielded with this sample, the research's validity would have been increased with an even higher number of participants (Qu, & Dumay, 2011). Nonetheless, because of the diversity of the sample nuanced results were provided so that this study proves as a good starting point towards understanding the wine industry's reactions to the use of new media rating platforms.

## 5.2 Future Research

As has been outlined, the literature on new social media marketing practices such as consumers rating and reviewing wines in mobile applications does not exist. Therefore, it is recommended to investigate this undiscovered research area from multiple perspectives.

First of all, it would be interesting to research how consumers, as opposed to this study's focus on the producer side, respond to the development of consumer-driven mobile rating applications. A complementary study should identify how consumers perceive the usefulness of mobile rating application and how the use of them have impacted on their daily practices. Additionally, it would be interesting to analyze user knowledge of wine and the alleged capabilities required to rate and review wines so that the viability of the producer's perspectives is tested. Furthermore, in a somewhat broader sense, future research should investigate the relationship between the use of digital rating platforms and changing industry dynamics to identify actual shifts in the structure of the culture and test the concept of omnivores. Aside from that, it would be interesting to understand how producers and marketers of the low-end market segment perceive and react to contemporary consumer practices. Following what has been learned from this study, it can be assumed that low-end producers perceive the rating and reviewing of their wines as a marketing tool, which they potentially have begun to integrate into their daily business due to the focus on selling high quantities of wine. However, it is questionable if low-end producers would consider themselves as such and therefore if a clear distinction in the way they have begun to make use of the new practice would be seen.

To obtain a richer understanding of varying perceptions and reactions, future research could investigate specific age groups of both producers and consumers. Such demographic segmentation would also be interesting regarding nationality.

As this study was conducted at a time when producers have only begun to recognize the potential these findings have for increasing the value of their business strategies, it would be informative to see what results would be yielded from conducting the same research in a few years' time to assess the impact of the continued adaption of business practices in the industry.

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## Appendix A – Interview Guide

### General market descriptions:

- Could you describe your role within the company and how that fits into the organization?
  - Could you describe the winery itself a little more, too, please?
- How would you categorize types of wines in general?
- Where do you sell your wines?

### Wine Marketing:

- What is the relationship between wine and marketing?
- What are the challenges of marketing wine to the consumer?
  - a. What makes you think that way?
- I have had conversations already in which it was made very clear to me that the wine market is oversaturated, and it is therefore important to be smarter than other in terms of marketing independent of how good the wine is. Do you agree?
- How do you perceive the role of human interaction and relationship building to market wine?
- How is information on wines searched for by consumers?
  - a. How do you come to that knowledge?
- What are the messages you intend to convey through marketing?
- In what ways do you integrate new technology or communication channels for the marketing of your wine (Social Media, Blogs, E-Mails, Mobile Applications)?
  - a. Why do you do that / why not?
- What people are you most interested in targeting your wine to?
- How much marketing does your wine need?

### Consumer engagement:

- How do you make use of consumer's opinions on your wines?
  - Why?
- In which ways have you ever reacted to a negative feedback on your wine?
  - Why?
- How do you currently receive feedback from your consumers?
- Who has the most important say when it comes to critiquing your wine or specific operations?
  - Why?

### **Perception of changes in information flow**

- How do you think information provided by wine producers affects consumer's perceptions on wines?
- I have been told that wine is about making up own opinions. How do you feel about that?
- What do you think of mobile wine rating applications like Vivino and others?
  - a. Why do you perceive it as negative if it also brings positive feedback?
- How do you think the availability of user generated reviews impacts on consumers?
- How does it impact on the general relationship to drinking wines?
  - a. In which ways do you think the mobile application itself plays a role here?
- What perceived benefits do you think are there for consumers?
- How could these benefits impact on your organization?

### **Consequences of the viewpoints**

- How has new technology and communication changes altered your organizational practices?
- In what ways do you think it could be helpful to be connected to a consumer to interact on a platform on which they review and rate your wine?
- What is your main goal of using technology to market your wine?
- At the moment, mobile applications are working together with merchants mostly. How can you imagine setting up a partnership which enables to sell your wine directly through the platform?
- What do you see as the future between technology, marketing and consumers?



## Appendix B – Overview of final codes

Selective Codes	Axial Codes	Open Codes
<b>Contextual Complexity</b>	Description of Market Segmentation <ul style="list-style-type: none"> <li>- Producer segmentation</li> <li>- Distributors &amp; Intermediaries</li> <li>- Consumer segmentation</li> </ul>	<ul style="list-style-type: none"> <li>○ average wine in supermarket</li> <li>○ average wine not about information</li> <li>○ buy online</li> <li>○ buy wine a wine shop</li> <li>○ casual drinker</li> <li>○ challenges of average consumer</li> <li>○ characteristics of low-end market</li> <li>○ cheaper prices</li> <li>○ comparing to other luxury brands</li> <li>○ dedicated about relational side</li> <li>○ distancing from mass</li> <li>○ family owned business</li> <li>○ high end wine critics</li> <li>○ high information on product</li> <li>○ high quality, higher prices</li> <li>○ high quality, less marketing</li> <li>○ higher prices for restricted consumer group</li> <li>○ interested drinker needs story</li> <li>○ interested in eco production</li> <li>○ involved drinker is older</li> <li>○ labeling important in supermarkets</li> <li>○ largest private owned wineries</li> <li>○ less focused on consumer</li> <li>○ less knowledge</li> <li>○ marketing-oriented wines</li> <li>○ more involved drinker more interested</li> <li>○ more marketing, more mass</li> <li>○ more quantity, more marketing budgets</li> <li>○ need for serious wines</li> <li>○ negative comparison to TripAdvisor</li> <li>○ new generation has less time</li> <li>○ new generation more into new media</li> <li>○ no personal relation in discount wines</li> </ul>

	<p>Changing Industry Dynamics</p>	<ul style="list-style-type: none"> <li>○ normal consumer</li> <li>○ passionate about wine</li> <li>○ premium style wines</li> <li>○ print media for info</li> <li>○ production for supermarket more flexible</li> <li>○ quality oriented wines</li> <li>○ quantity over quality</li> <li>○ sell in restaurants and wine shops</li> <li>○ share luxury values</li> <li>○ small percentage</li> <li>○ some wine is for pleasure</li> <li>○ supermarket is biggest wine trader</li> <li>○ supermarket consumer</li> <li>○ uninterested in tastings</li> <li>○ unknowledgeable consumer uses app more</li> <li>○ wine lover remains open</li>   <li>○ apparent independent of internet</li> <li>○ appearance more important</li> <li>○ consumers trust less</li> <li>○ desire to decide alone</li> <li>○ development of database on wine</li> <li>○ distancing from marketing</li> <li>○ drinking image rather than wine</li> <li>○ everyone does it</li> <li>○ focus on production</li> <li>○ impact is obvious</li> <li>○ increasing demand for quality</li> <li>○ influencer marketing</li> <li>○ keeping wine language simple</li> <li>○ key person in hospitality use apps</li> <li>○ less focused on consumer</li> <li>○ many wine critics today</li> <li>○ marketing to remember wine</li> <li>○ more intellectual average consumers</li> </ul>
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		<ul style="list-style-type: none"> <li>○ online orders in hospitality</li> <li>○ opinions easily preconceived</li> <li>○ shift to new information source</li> <li>○ shift to online buying</li> <li>○ short sighted view</li> <li>○ some feedback, no change</li> <li>○ technology to track information</li> <li>○ tendency to produce easier wines</li> <li>○ use cases of mobile applications</li> <li>○ using data points of app</li> <li>○ usually print, now social media</li> <li>○ wine critics less important</li> </ul>
<b>Technology acceptance and expectation</b>	<p>Recognition of technological developments</p> <p>Recognition of need to adapt</p> <p>Technology Encroachment</p>	<ul style="list-style-type: none"> <li>○ benefits of mobile applications for consumers</li> <li>○ benefits of mobile applications for producers</li> <li>○ take seriously</li> <li>○ professionalism is required</li> <li>○ possible new practices</li> <li>○ need to change marketing practices</li> <li>○ need for technology for marketing</li> <li>○ market moving quick</li> <li>○ marketing most important</li> <li>○ industry backlog</li> <li>○ can't ignore development</li> <li>○ change progressively and smartly</li> <li>○ active on social media</li> <li>○ dealing with feedback on social media</li> <li>○ E-Mail and Website commonly used</li> <li>○ internet standard</li> </ul>
<b>Reluctance to adapt marketing strategies</b>	Active reconstruction of boundaries	<ul style="list-style-type: none"> <li>○ appearance more important</li> <li>○ authentic production</li> <li>○ become a recognizable brand</li> </ul>

		<ul style="list-style-type: none"> <li>○ boundary making</li> <li>○ can't handle critique</li> <li>○ classic structures of market</li> <li>○ complexity of understanding wine</li> <li>○ define target</li> <li>○ development of understanding wine</li> <li>○ discounting reduces brand image</li> <li>○ distinguishing between sophistication of taste</li> <li>○ find unique selling point</li> <li>○ focus on business partners</li> <li>○ harder to reach customer</li> <li>○ high time investments</li> <li>○ increased transparency</li> <li>○ like learning to walk</li> <li>○ marketing is time consuming</li> <li>○ opinions easily preconceived</li> <li>○ price wars through online environments</li> <li>○ private customer very important</li> <li>○ respect for individual opinions</li> <li>○ restricted production leads increase value</li> <li>○ right to give opinions</li> <li>○ risk of marketing against quality</li> <li>○ sommeliers help</li> <li>○ strategic B2B network</li> <li>○ taste can be trained</li> <li>○ taste is universal</li> <li>○ technology disoriented attitude</li> <li>○ tell story in short form</li> <li>○ they think they know</li> <li>○ uncertainty about authenticity of review</li> <li>○ Uncertainty about impact of technology</li> <li>○ uncertainty about value of digital info</li> <li>○ verification of knowledge required</li> <li>○ wine has wider meaning</li> <li>○ wine is a commodity</li> </ul>
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	<p>Need to communicate values in person</p> <p>Limited time and uncertainty</p>	<ul style="list-style-type: none"> <li>○ wine merchant does marketing</li> <li>○ wine needs to be tasted first</li>   <li>○ dealing with feedback for positive dynamics</li> <li>○ feedback through personal relations</li> <li>○ people's business</li> <li>○ personal contact for B2B</li> <li>○ personal contact increases value</li> <li>○ personal contact through social media</li> <li>○ personal contact with network</li> <li>○ personal contacts to maintain relationships</li> <li>○ personal discovery and relationship</li> <li>○ personal recommendation important</li> <li>○ personal relations of merchant</li> <li>○ personal relations to build trust</li> <li>○ communicating emotions</li> <li>○ control brand ownership</li> <li>○ tradition and quality</li> <li>○ transmit philosophy</li> <li>○ transport emotion</li>   <li>○ limited flexibility</li> <li>○ little experience in apps</li> <li>○ no time to deal with critics</li> <li>○ reject extra work for marketing</li> <li>○ reluctance to additional work</li> <li>○ small winemaker less budgets</li> <li>○ uncertainty about the right actions</li> </ul>
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