

## **An Institutional Approach to French Wine Strategies: the Cahors Case**

Jean-Guillaume Ditter<sup>a</sup>, Joëlle Brouard<sup>b</sup>

<sup>a</sup> Management Department, Groupe ESC Dijon Bourgogne, BP 50608 – 21006 Dijon cedex \*

<sup>b</sup> Marketing Department, Groupe ESC Dijon Bourgogne, BP 50608 – 21006 Dijon cedex

Received 01/07/09, accepted 08/07/09

\* auteur à qui envoyer la correspondance, corresponding author

---

### *Abstract*

*The AOC model, that has ensured the success of French wine for decades, has been challenged since the early 2000s with the emergence of the so-called "New World" wines. It is particularly criticized for its complexity, its lack of clarity and the confusion that it creates between "typicity" and "quality". Yet, not all AOCs are equally affected, while some new world wines seem to be drowning into crisis as well. We therefore believe that the problem does not lie in the model itself, but rather in the way it is regulated in different French vineyards. We propose here to consider the problem from an "institutional" standpoint and consider the following assumption: the performance of AOC classified vineyard is an outcome of its institutional features and more precisely of the relationship that the AOC as an institution creates between geographic terroir and the institutional territory. Our analysis draws from the example of the Cahors vineyard.*

### *Résumé*

*Le modèle des AOC, qui a fait le succès des vins français pendant des décennies, est remis en cause depuis le début des années 2000 avec l'émergence des vins dits du "Nouveau Monde". Il est en particulier été critiqué pour sa complexité, son manque de lisibilité et la confusion entre "typicité" et "qualité" du produit entretenue auprès du consommateur. Mais toutes les AOC ne sont pas touchées à l'identique, tandis que certains vins du nouveau monde semblent à leur tour entrer en crise, ainsi en Australie. Selon nous, ce n'est pas tant le modèle qui est remis en question que ses modalités d'application dans les différents vignobles français. Nous nous proposons ici d'envisager le problème dans une perspective dite "institutionnelle" et émettons l'hypothèse suivante : la performance d'un vignoble classé en AOC donné tient pour partie à ses caractéristiques institutionnelles et plus précisément à l'articulation que crée l'AOC, en tant qu'institution, entre le terroir physique et le territoire au sens institutionnel. Notre analyse se base sur le cas particulier du vignoble cadurcien.*

---

## **Introduction**

The reference to the origin of wine has long been seen as the best solution found by French grape growers and wine merchants in order to fight against fraud, enhance their products and distinguish them from the competition [Martin, 2004]. The strategy found its apogee in the 1930s with the introduction of the "denomination of registered origin" system (*appellations d'origine contrôlée* - AOC), which substituted a relationship to the territory of production of wine in its collective dimension to the relationship with individual producers or merchants.

This model has ensured the success of French wines for decades until the early 2000s, when the emergence of so-called "New World" wines, whose key reference is grape variety and brand rather than origin. The AOC model was then criticized for its complexity, its lack of clarity and the confusion generated between "typical" and "quality" of the product, whereas New World producers were favoring simplicity in order to answer market needs [Corade, 2008]. But current findings draw a more nuanced picture, as all AOC wines are not affected the same way, while some New World wines – e.g. in Australia – seem to be facing crisis.

We believe that if the AOC model itself is not to be questioned, the way it is enforced in different French vineyards, will determine their performance. We propose here to consider the problem from an "institutional"