GSBGEN 356

Dynamics of the Global Wine Industry

Exploring the World of Wine with Historical, Geo-Political, Environmental, Regulatory, and Economic Marketplace Dynamics in Mind

“Wine is one of the most civilized things in the world and one of the most natural things of the world that has been brought to the greatest perfection, and it offers a greater range for enjoyment and appreciation than, possibly, any other purely sensory thing.” – Ernest Hemingway

This course will examine the world of wine with a fresh and contemporary lens. It will explore the market dynamics of this fascinating global industry. The goal of the course is to provide insight into the branding, marketing, and distribution dynamics that shape what consumers can buy and consume with a focus on the strategies of some of the world’s leading wine brands. Attention will also be paid to the legal, regulatory, and market dynamics that define the U.S. wine industry as well as to issues of contested authenticity in the world of wine.

The course will be led by Alyssa Rapp, GSB 2005, principal at AJR Venture while she incubates her next entrepreneurial venture, and previously the founder & CEO of Bottlenotes, Inc. (2005-2015) and author of Bottlenotes’ Guide to Wine: Around the World in 80 Sips®. Alyssa was named one of Inc.com’s “30 Under 30 Coolest Entrepreneurs in America” and the recipient of the People’s Choice Award and Best Advertising and Marketing Company at the Empact Showcase held at the United Nations, featuring the top 100 companies with founders under 35. Alyssa is a frequent contributor to national publications and television networks on the topics of trends in the U.S. wine industry and entrepreneurship in general.

Course Requirements

Class participation (50%)
In-class (25%)
Written (25%) via class forum
>2 Posts per week (Post can be a reaction to the reading and/or a reaction to a speaker or classmate’s comments)
Mid-Term Paper and Final Projects (50%)

- **Mid-Term Paper** (20%): two-person group research paper articulating why a particular emerging wine region will rise to prominence in the next five-ten years (10-15 pages).
- **Final Group Project** (30%): 1 group project (up to four team members). Create a concept for a new wine brand or wine distribution channel, discuss issues of sourcing (grow versus buy), the flavor profile, label design, pricing, positioning, marketing and distribution strategy for it. Present it to the class and give us copies of slides and supporting materials. More details will be discussed in class.

**Attendance:** attendance is required at all nineteen classes. If you must miss a class, please inform us ahead of time (by e-mail) with an explanation. Absences diminish class participation, more so if unexcused.

**Books to Buy**


Useful references on the wine industry as a whole:

Lawrence Osborne, *The Accidental Connoisseur*. North Point Press, paperback (available at the Stanford Bookstore or Amazon.com; there is a Kindle version for $8.99)

**Course Schedule**

**Jan 4: Overview of the Economics of the Global Wine Industry--Consumer/Market Trends**


**Jan 8: The Fundamentals of Wine Appreciation**

*Product Overview* (“Wine 101: How to Taste”) -- Most Common Grape Varieties, Global Economic Trends

*Assigned Reading:* Alyssa Rapp, *Bottlenotes Guide to Wine: Around the World in 80 Sips®*

Guest Speaker: Tempe Reichardt, Gabriel Glas
Jan. 11: The Product & Vineyard Management


Guest Speaker: Thibaut Scholasch, PhD, Founder, Fruition Sciences: the science and economics of grape growing and vineyard management. Fruition Sciences works with 100+ California customers, and global clients in France, Argentina, and soon Portugal.

Jan. 15: Family Brand Management and Stewardship

Guest Speaker: Pete Mondavi, Jr., Charles Krug Winery (GSB 1993)

Case: Mondavi Winery, HBS 9-104-056

Relevant Links:
http://napavalley.com/
http://visitnapavalley.com
http://www.napavintners.com/
www.charleskrug.com

Jan. 20: Sources of Sustainable Competitive Advantage in the Global Wine Industry

Guest Speaker: Christine Wente Von Metsch, Wente Family Vineyards (GSB 2004)
Case: Domaines Barons de Rothschild (Lafite): Plus ça Change … HBS 9-913-402

Jan. 22: U.S. Supply Chain Dynamics

Guest Speaker: Katie Hoertkorn, Former CEO, New Vine Logistics

Case: New Vine Logistics: Revolutionizing Supply Chain Management in the U.S. Wine Industry (Case: GS45 Stanford GSB)

Jan. 25: Future of U.S. Supply Chain Dynamics: the 21st Amendment vs. Commerce Clause
Guest Speakers: Tracy Genesen, Attorney who argued Granholm v Heald in the U.S. Supreme Court, Lecturer, Stanford Law School; Lori Ajax, Associate Director, California Alcohol Bureau of Control

Assigned Reading:

“NYSLA Sues New York Retailer for Out of State Shipping” (Sept. 2014) http://www.winespectator.com/webfeature/show/id/50586

California Alcohol Industry Advisory (2011); https://www.abc.ca.gov/trade/IA%20Third%20Party%20Providers.pdf


Rapp-Genesen Opinion Letter (2012) on Canvas

January 29: Category Dynamics in Wine Markets

Guest Lecturer: StrataCom Professor of Management Emeritus, Michael Hannan


February 1: Authenticity in Modern Wine Markets

Guest Lecturer: StrataCom Professor of Management Emeritus, Michael Hannan

Assigned Reading: Lawrence Osborne, The Accidental Connoisseur, Pages 1-19, 29-42, 65-70, 76-82, 108-119


February 5: MIDTERM PERIOD/NO CLASS
February 8: Category Development

Guest Speaker: Courtney Kingston, Kingston Family Vineyards (GSB 1999)

Case: Inniskillin and the Globalization of Icewine (HBS 805129)

February 12: Mini-Presentations of Mid-Term Papers

February 17: Issues in Corporate Strategy

Guest Speaker: Doug Tomlinson, Founder & CEO, Vino Volo

Case: WinelnStyle (GSB E-401)
Assigned Reading: Thornton, American Wine Economics Ch. 9-10
Themes: national vs. global expansion, physical storefronts vs. e-commerce, etc.

February 19: Launching a Global Wine Brand in the 21st Century/Leveraging Social & Digital Media in Brand Development

Guest speaker(s): Terry Wheatley, President, Vintage Wine Estates

Assigned reading:


February 22: The Role of the Critic

Guest Speakers: Alder Yarrow (Stanford alum), founder, Vinography.com; Mark Oldman, MarkOldman.com

Assigned Reading:

Tyler Colman, Wine Politics: How Governments, Environmentalists, Mobsters, and Critics Influence the Wines We Drink, and Colman’s blog, www.drvino.com
Assigned Documentary Film: Escaping Robert Parker

February 26: Consumer Preferences and the Challenges of Choice

Guest Lecturer: Former GSB Professor Michaela Draganska
Assigned Reading:


Douglas Zucker, “Drowning in the Wine Lake: Does Choice Overload Exist in Wine Retail”, AAWE working paper No. 175

Tasting: Sparkling Wines from Around the World (Champagne, prosecco, cava, etc.)

**February 29: Organic and Biodynamic Farming and Winemaking**

Guest Speaker: Ivo Jeramaz, Vineyard Manager, Grgich Hills

Assigned Reading:


**March 4: Authenticity in Whiskey Making and Marketing**

*Case: Coppersea: Emergence of the Microdistillery Movement*, GSB Case SM-233

Guest Speaker: Martin, Daraz, Macallan Brand Ambassador

**March 7 & March 11: Group Presentations**

*Note: Extended time 3:00-5:00*