
Editorial

Julien Granata, Beysül Aytaç* and David Roubaud

Montpellier Business School,
Montpellier Research in Management,
2300 Avenue des Moulins,
34185 Montpellier Cedex 4, France
Email: j.granata@montpellier-bs.com
Email: b.aytac@montpellier-bs.com
Email: d.roubaud@montpellier-bs.com
*Corresponding author

1 Introduction

It is a great pleasure for us to present this special issue on ‘Innovation in the wine industry’. As the guest editors, we would first like to thank the Editor-in-Chief of the *International Journal of Entrepreneurship and Small Business*, Professor Léo Paul Dana (Montpellier Business School, France) for giving us the opportunity to coordinate this issue. We also thank the editorial team of Inderscience Publishers for their administrative and technical assistance throughout the entire reviewing and publication process. We are very grateful to all the reviewers who accepted to read and provide valuable comments on the papers. Finally, we thank all the authors who contributed to this special issue for their fine research and careful revisions during the reviewing process. In this editorial note, we would like to present to our readers a brief introduction to the concept of innovation before presenting the six papers that contribute to this special issue.

In 1942, Schumpeter transcended innovation with the paradox of creative destruction. Innovation gives rise to both creation and progress while bringing about substitutions. Due to this, the sum of the technical advances, social progress and new skills created through innovation would always be greater than that of the job losses and obsolete products resulting from it. A company that invests in innovation can generate a sustainable competitive advantage which, via the patent, will allow it to see great returns before the competition starts to catch up and copy it. Schumpeter thus places the patent at the centre of the process dynamic. Ultimately, innovation could lead to a rupture that would radically change the structure of an industry or even herald its last days.

There are a multitude of definitions and typologies to describe the concept of innovation. Generally, we distinguish between innovation of procedures, which is the improvement of the internal efficiency of organisational procedures and processes, and product innovation, which responds to a market (Aberthany and Utterback, 1978). Depending on the degree of change brought about, the innovation can also be classified as radical, in the case of inventing a product, or as incremental if it modifies an existing product or procedure (Ettlie et al., 1984; Dewar and Dutton, 1986; Nord and Tucker,

1987). But, as stated by Damanpour et al. (2009), innovation can be defined simply as something new for the organisation which adopts it. The newness of the organisational method is essential for it to be defined as an innovation (OECD, 2005).

This special issue presents the concept of innovation in the wine sector according to its different forms.

2 Articles in this special issue on innovation in the wine industry

The Workshop on Innovation in the Wine Industry, which has been held on the 21–22 January 2016, at Montpellier Business School, France, has been welcomed.

Thirty researchers from different nationalities attended with more than 15 presentations in four parallel sessions. Looking at all these contributions as a whole brings us to our first observation. The wine industry, which is considered traditional, is not exempt from innovations. Our aim, in this special number of the *International Journal of Entrepreneurship and Small Business (IJESB)* journal, is to give a frank overview of the different types of innovation that affect the wine industry. To do this, we have selected diverse contributions offering a broad panorama on how innovation is applied in the industry. All of the papers presented in this special issue help to shed some light on innovation in the world of wine. The submitted papers were presented to the workshop and then extended and blind reviewed by three reviewers following *IJESB* review procedure. The call for papers invited submissions on a broad range of contributions within the area wine innovation. In the context of globalisation and continuous technological progresses, innovation is considered the best way to ensure perpetuity and growth. In order to respond to changes in demand and supply, wineries need to innovate and adapt to a globalised market as well as to global warming (climate change). Furthermore, innovation can be important in the collaboration with customers, competitors or other stakeholders. Innovations can also be related to a change in viticulture, oenology, production, management, strategy, packaging, marketing and distribution, and financing of wineries.

Submissions came from many different countries, demonstrating that wine sector has spread from Europe to the rest of the world. Several rounds of revision resulted in six papers that will appear in this *IJESB* special issue.

The first paper of Granata, Aytaç and Roubaud first defines innovation and presents an overview of innovation in the wine industry since antique world until Californian cluster that symbolises new world country production based from wineries and coepetition. Then the authors analyse the wine sector specificities by focusing on product and organisational innovations.

The paper of Darroman, Gurău and Mandou presents the company Diam, which is one of the leaders on the market for wine bottle closures, both in France and internationally. The strategic approach to the market realities, expressed through the specific needs of wine producers, retailers and customers in terms of permeability, neutrality and sustainability, is characterised by a deeply embedded integration and complementarity between the market and the innovation orientation of the firm. The capacity of the firm to develop and apply new technological improvements, supported by a strong policy of intellectual property protection, and an active strategy of marketing communications, represents an illustration of the successful application of various levers

of managerial actions to enhance the performance and the market reputation of both the product offering and of the firm as a whole.

The paper by Garcia, Aurier and Rodhain presents a case study on a wine that was co-created in collaboration between a wine-grower in the South of France and participating consumers, professional clients as well as bloggers. From this dyadic approach, both from the point of view of the participants and that of the wine-grower, this work shows that it is possible to involve the customers in the upstream design phases for a traditional product such as wine. By conducting an in-depth study of this unique case of wine co-creation, this research breaks down, describes and analyses the different phases of this process while identifying the dimensions of the value co-created by the various role players. This work, however, underlines the limits of implementing such a process and insists on the need to manage the co-creation process. In connection with the specific context of wine, this research work shows that innovation does not so much lie in the co-created product but rather in the relationship between the wine-grower and the participants.

The paper of Challita, Aurier and Sentis studies the relationship between ownership structure (cooperative versus investor owned) the branding strategies adopted and their impact on financial performance and risk in the case of French wine firms. The specificity of wine cooperatives is the identity of their owners, the producers with democratic governance. It starts with a normative framework to understand the incentives and constraints of each ownership structure to invest in branding or labelling. This framework can also be applied on investments in innovation within these firms. The second part of the paper consists on a confrontation of some of the normative results with data from a survey of 207 firms combined with financial reports.

McCorkle, Dudensing, Hanselka and Hellman focus on the labour and cost-intensive nature of wine grape production. They investigate the role of robotic technology to improve production tasks. The analysis is based on a grower panel process including the development of five wine grape vineyard budgets in the states of Washington, New York, Oregon and Texas. Their results demonstrate the importance of the new technology development to improve the financial conditions of the most growing areas analysed in this paper.

In the final article, Nigam, Mbarek and Benetti, analyse how crowdfunding platforms have opened up new channels of innovation in wine industry, in meeting financing needs and in promoting consumer-winemaker engagement. The paper presents platforms from the USA, France and the UK that have helped foster innovations in winemaking. Crowdfunding can be a viable means to bridge the financing obstacle, which exists for bootstrapped projects or those that were unable to obtain support from traditional financing sources such as banks.

References

- Aberthanhly, W.J. and Utterback, J.M. (1978) 'Patterns of industrial innovation', *Technology Review*, Vol. 80, pp.40–47.
- Damanpour, F. and Evan, W.M. (1984) 'Organizational innovation and performance: the problem of 'organizational lag'', *Administrative Science Quarterly*, Vol. 29, No. 3, pp.392–409.
- Dewar, R.D. and Dutton, J.E. (1986) 'The adoption of radical and incremental innovations: an empirical analysis', *Management Science*, Vol. 32, pp.1422–1433.

- Ettlie, J.E., Bridges, W.P. and O'Keefe, R.D. (1984) 'Organization strategy and structural difference for radical versus incremental innovation', *Management Science*, Vol. 30, pp.682–695.
- Nord, W.R. and Tucker, S. (1987) *Implementing Routine and Radical Innovations*, Lexington Books, Lexington, MA.
- OCDE (2005) *Principes directeurs proposés pour le recueil et l'interprétation des données sur l'innovation technologique*, Manuel d'Oslo.
- Schumpeter, J. (1942) *Capitalism, Socialism, and Democracy*, Harper & Row, New York.