

Strategies and financial performance of French wine co-ops

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French wine co-ops are major operators in the wine sector, representing 40% of the average national output. However, over the last 30 years, more than 40% of them have disappeared, essentially by merger, leading to a huge decrease of production. Taking into account the specificities of agricultural co-ops, we examined to what extent French wine co-op strategic trajectories (growth, quality differentiation, partnerships and alliances) can affect their financial performance.

Wine co-ops presented a wide range of strategies, from small village co-ops and “niche” wine co-ops to agro-industrial or partnership-oriented ones (Touzard et al., 2008). They conducted vertical or horizontal integration strategies, differentiation and internationalization to cope with market (Coelho & Giron, 2017). Agricultural co-op performance measurement is complex, namely because of the user-owner principle, and requires a multi-dimensional approach (Franken and Cook, 2015). Indeed, wine co-op performance can be seen as a fragile balance between members’ satisfaction and firm’s profitability (Saisset and Rivière-Giordano, 2015). The impact of the size on wine co-op performance was studied (Fanasch and Frick, 2018) and had very contrasted effects. In fact, better performance is a consequence of the interaction of several variables and is linked to sustainability (Mozas-Moral et al., 2021).

We studied the main part of the 600 French wine co-ops, thanks to exhaustive databases at firm level, over 6 years. Using panel econometric analysis, we tested the association between strategic orientation and financial performance. We characterized co-op strategy by their productive orientation and their strategic alliances (namely previous mergers). We also designed and adapted performance indicators. We observed that PDO specialization and alliances strategies have positive impacts on financial performance. This result partly depends on the indicators we used. It proved that co-op performance measurement is a complex task that paved the way for researches in different contexts.

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