

How SMEs differentiate from others in the Swiss wine market with respect to their market orientation and entrepreneurial orientation

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Abstract

Being market oriented and entrepreneurial oriented in parallel is a potential remedy for small businesses engaged in saturated markets with high competition where products and services are easily replaceable and product variety is immense. Despite this relevance there is still a lack of knowledge on how small business managers can manage market orientation and entrepreneurial orientation in parallel to differentiate their offerings. This is especially prevalent in highly competitive environments. We investigate how market orientation and entrepreneurial orientation interact in saturated markets by concentrating on industries characterized by serious competition drawing on the example of the wine industry in Switzerland. Several contributions to extant literature are made.

Debating points for Rencontres de St-Gall 2014

1. To what extent, in your opinion, market orientation and entrepreneurial orientation are abundant when discussing how entrepreneurs differentiate from others?
2. Which are further possible reasons why competitor orientation is missing in the (Swiss) wine industry?
3. Creating customer emotions and customer delight through service excellence: Could this allow to bring in new “theoretical” aspects? The role of emotions/passions in entrepreneurship is a topical issue, but most research at the moment discusses this from the entrepreneur’s perspective.

Introduction

Small firms in diverse industries are forced to tackle the challenge of high competition through corresponding strategic actions (e.g. Man, Lau, & Chan, 2002). This is especially prevalent in regions and industries where markets are highly saturated, products and services are easily replaceable, product variety is immense and where a high quality of offerings is expected by the customers. Particularly small businesses are challenged by such markets due to their resource constraints comparing to their larger counterparts (e.g. Bierly & Daly, 2007).

Being market oriented, entrepreneurial oriented or even performing the two in parallel is a potential remedy for small businesses engaged in highly competitive markets. Small firms which are both entrepreneurial and market oriented perform better (Baker & Sinkula, 2009). Therefore, managing the interplay of different strategic orientations such as market and entrepreneurial orientation is important for firms’ success (Atuahene-Gima & Ko, 2001; Boso, Story & Cadogan, 2013; Drucker 1954). In competitive environments, Covin and Slevin (1989) have shown that firms experiencing entrepreneurial orientation and sensing industry trends are more successful than other firms.

Due to this finding, it is important to discuss how firms can manage several strategic orientations in parallel (e.g. Cadogan, 2012). Although there is distinct research of how small business owners can successfully survive in competitive environments (e.g. Chen & Hambrick 1995), we lack knowledge on how small business managers can manage market orientation and entrepreneurial orientation in parallel to differentiate their offerings especially in environments with high competition.

We thereby investigate the following research question:

How do market orientation and entrepreneurial orientation interact in saturated markets with high competition?

To address this research question, we concentrate on industries characterized by serious competition drawing on the example of the wine industry in Switzerland. With our study, we aim to make several contributions to extant literature. First, we advance scholarly understanding of the interplay of market orientation and entrepreneurial orientation in small businesses based on the findings of Baker and Sinkula (2009). Second, we concentrate on such effects in saturated markets where offerings are replaceable. Third, small business management is advanced by showing how less favourable conditions of smaller businesses influence a firm's market orientation and entrepreneurial orientation comparing to other firms in the same industry. The complexity of our research therefore lies in the manifold interdependencies between strategic considerations, internal processes, external influences and the particularities of the wine market that comprise an outstanding challenge for today's small business managers in the Swiss wine industry.

This article is structured as follows. First, we outline existing research about market orientation and entrepreneurial orientation. Second, we discuss the interplay of market orientation and entrepreneurial orientation. Third, we present the seven cases and the findings of our empirical analysis and identify several propositions. Finally, we conclude with a discussion and suggestion of future research.

Market orientation

The concept of market orientation emerged from the criticism of the emphasis on production and technological capabilities in the past. Especially the seminal work of Narver and Slater (1990) as well as Kohli and Jaworski (1990) have advanced this understanding more thoroughly in research. Market orientation mainly consists of three components (Narver & Slater, 1990). The first aspect is customer orientation¹ which relates to an understanding of target buyers and how to create value for them. The second aspect refers to competitor orientation which is defined as an understanding of the strengths and weaknesses of current and potential customers. Finally, inter-functional coordination² is a coordinated utilization of firm resources for creating value for target customers continuously.

Therefore, market orientation corresponds to a behavioral attitude within a firm (Cadogan & Diamantopoulos, 1995) referring to sensing customer needs, understanding the market

¹ Kohli and Jaworski (1990) call it market intelligence which pertains to current and future customer needs.

² Kohli and Jaworski (1990) divide this aspect in dissemination of market intelligence among the organization and responsiveness to this market intelligence.

participants, and employees exchanging about customer needs. To conclude, it refers to a thorough comprehension of the market. As a consequence, it “provides firm-wide norms and beliefs that guide organizational behavior” (Zhou, Brown, Dev & Agarwal, 2007, p. 304) towards creating value for customers.

Literature about service excellence more thoroughly addresses the creation of customer value being a component of customer orientation. Service excellence refers to the delivery of unexpected high services which leads to customer delight, thus exceeding customers' expectations (Horwitz & Neville, 1996; Schneider & Bowen, 1999). Johnson (2007) concretizes service excellence as delivering the promise, providing a personal touch, going the extra mile and dealing well with problems and queries. First, Johnson (2007) suggests that customer delight can be reached by doing what has been promised. Second, individual treatment as well as listening closely to customers' needs is expected to raise customer satisfaction. Third, small extra things which can be highly appreciated by customers but do not raise costs disproportionately correspond to “going the extra mile”. Finally, taking the customer perspective when dealing with problems and queries relates to customers feeling understood and potentially forgiving when things did not work as desired.

To conclude, firms being market oriented have knowledge about competitors as well as about customers and their needs. This is a fruitful ground for the development of new products and services which is based on the recognized customer needs. Service excellence relates to these needs, however, not only for new products and services, but also for every customer contact.

Entrepreneurial orientation

Hills and Sarin (2003) as well as Narver, Slater and MacLachlan (2004) state that solely recognizing customer needs is not sufficient to reach firm performance. An approach is needed to create new products and services to satisfy customer needs. “An innovative mindset helps firms extend their search for customer wants because of their openness to new concepts and creativity, to find new approaches, products, and services that customers are not able to visualize” (Brockman, Jones & Becherer, 2012, p. 434). In this respect, Lumpkin and Dess (1996) introduce entrepreneurial orientation which is “the methods, practices and decision-making styles managers use to act entrepreneurial. These include processes such as experimenting with promising new technologies, being willing to seize new product-market opportunities, and having a predisposition to undertake risky ventures” (p. 136). Entrepreneurial orientation thereby consists of three components such as innovativeness, proactiveness and risk-taking behavior (Miller, 1983).

1. Innovativeness in the context of entrepreneurial orientation refers to “a firm’s proclivity, receptivity, and inclination to adopt ideas that depart from usual way(s) of approaching business” (Menguc & Auh, 2006, p. 66). Innovativeness, thereby, is proactive. It is about developing new ideas and products which highly differ from established ones rather than merely focussing and exploiting current strengths (Menguc & Auh, 2006, p. 65). This is supported by Baker and Sinkula (2007) who distinguish between radical³ and incremental⁴ innovation. They claim that firms which merely engage in radical innovation are more likely to have new-product success as compared to firms that give priority to imitation or incremental innovation.

2. Proactiveness refers to the recognition of opportunities. A proactive opportunity-seeking enterprise is a firm that seizes initiative and acts opportunistically in order to shape the environment (Lumpkin & Dess, 1996). That is, it influences trends and perhaps even creates new demand. Not only does this shape the environment, but the firm is also subject to continuous transformation. Covin and Miles (1999) state that a proactive opportunity-focus leads to a continuous redefinition of the organization, either in the form of “sustained regeneration, organizational rejuvenation, strategic renewal, or domain redefinition” (p. 59).

3. Risk-taking is closely related to innovation. There is no substantial product innovation possible without taking risks, even if the amount of risk taken may vary among industries (Miller, Kets de Vries, & Toulouse, 1982, p. 240). Firms characterized by risk-taking behavior, such as incurring heavy debt or large resource commitments, aim to obtain high returns by seizing initiative in the marketplace and dedicating to constant innovation (Lumpkin & Dess, 1996).

Market orientation and entrepreneurial orientation

Market orientation and entrepreneurial orientation can complement each other. For small businesses, Baker and Sinkula (2009) found that the pursuit of both orientations lead to an increased quality and quantity of firms’ innovations as well as to a boost of profitability. Despite research showing this complemented effect (Atuahene-Gima & Ko, 2001; Boso, Story & Cadogan, 2013; Bhuian, Menguc & Bell, 2005; Hakala, 2011; Li, Zhao, Tan, & Liu, 2008), other authors argue for an insurmountable contradiction between the two concepts (e.g. Berthon, Hulbert & Pitt, 1999; Hult, Ketchen & Slater, 2005), and others argue in favor of two separate concepts (Slater and Mohr, 2006). In line with most studies in this field, we

³ Radical innovation “relates to lead-the-customer new product initiatives”. It is prerequisite to the type of disruptive innovations that create or redefine new product categories and lines (Baker & Sinkula, 2007, p. 316-317).

⁴ Incremental innovation is more common and is needed to extend and update already existing product and brand lines (Baker & Sinkula, 2007, p. 316).

argue for a complemented effect as sensing customer needs (one aspect of market orientation) defines the requirements for entrepreneurial actions to fulfill.

Competition, market orientation and entrepreneurial orientation

Markets with high competition experience fierce rivalry among industry actors in which offerings are rapidly imitated by competitors (Auh & Menguc, 2005; Levinthal & March, 1993). In such markets, “customers have many alternative options to satisfy their needs and wants” (Jaworski & Kohli, 1993, p. 57). Correspondingly, customers have little preference for specific firm’s products and services owing to the homogeneity of offerings within the market (Kohli & Jaworski, 1990). Furthermore, such contexts are often defined by a high variety of products, sometimes in the firm’s hope that customers are not able to compare these products adequately.

In such competitive environments, market orientation and entrepreneurial orientation become important. Customers expect that firms increase the product and service quality continuously and incrementally to the customers’ desired end state. Additionally, firms invest in countering competitive behavior (Auh & Menguc, 2005). Successful offerings of competitors are copied in order to defend their own market share. Finally, competition can be enhanced due to resource-constraints of certain actors. Either these firms have not the financial or personal resources to compete nor they do not have adequate infrastructure to produce similar quality than their better endowed counterparts.

Besides these expressed customer needs, the satisfaction of latent needs is often characterized by harder challenges. It is often based on risk-taking, innovativeness and proactiveness which are the basis of entrepreneurial orientation. Small business owners experiment in order to find solutions to latent customer needs which they sensed, for example, through their daily operative activities. Thus, such product or service innovation is based on market orientation as it brings information about customer needs and thus, about what customers require (Lechner & Gudmundsson, 2012). Firms “explore new markets, find novel ways to compete, and examine how [to] differentiate [...] from competitors” (Zahra, 1993: 325).

Empirical Findings

Methodology

We used case study methodology (Eisenhardt, 1989) as qualitative studies often follow how-questions (Edmondson & McManus, 2007) which are also applicable in here. Sampling in qualitative research is theory based (Eisenhardt & Graebner, 2007). Thus, we selected an industry with high competitive intensity, the Swiss wine market. The Swiss wine market producing 84 million litres in 2013 (16.3% less than in 2012) on an acreage of 14'882 hectares (ha; Bundesamt für Landwirtschaft [BLW], 2013) can be characterized as a saturated market which is comparable to a zero-sum game where additional gains of one market participant can only be realized to the detriment of another (Catry, 2009, p. 10). Under these market conditions it becomes more and more difficult to prevail, especially because of stagnant wine consumption in Switzerland for almost 20 years. In 1995, the consumption was about 291.5 million litres (BLW, 1995, p. 7), compared to only 267.0 million litres in 2012 and 272.5 million litres in 2013 (BLW, 2013, p. 25; NZZ, 2014). The share of foreign wine (60%) consumed has been stable over time (BLW, 1995, p. 7; BLW, 2013, p. 25).

Small Swiss wineries are not only challenged by cheaper foreign wine, but also by large companies due to their higher market power and budget.⁵ Furthermore, there is a high amount of product differentiation, offerings are replaceable and customers expect a high quality standard among Swiss wines. The quality of Swiss wines also depends on the quality of grapes, the terrain, the insulation, the weather conditions and the treatment, which is heterogeneous among Swiss regions. Traditionally well-established regions for vineyards such as Ticino or the Valais have other challenges than firms possessing less favourably treated ground. Therefore, we were interested in selecting cases with better conditions (Ticino, Valais) and some with less ideal ones (Grisons, Lucerne).

Seven different wineries in the major parts of Switzerland were selected (see Table 1 below). The seven interviews were held with small business managers as key informants over a period of three weeks in order to ensure that all respondents face the same market conditions. Since we were interested in entrepreneurs' personal perspectives, individual, semi-standardized interviews seemed to be appropriate for our purpose. They allow some flexibility according to the entrepreneurial and, above all, regional particularities to grasp the context specificity of the Swiss wine industry. According to Ritchie (2003, p. 36-37),

⁵ In Switzerland, there exist 2'200 wineries and 33'300 winegrowers (Pauli, 2014). Most of them are micro firms with less than 10 employees.

interviews are particularly well suited when deep focus and detailed understanding of complex phenomena is needed.

The interviews were conducted in 4 different regions of Switzerland (Valais, Ticino, Grisons, and Lucerne). The size of the enterprises varied from 5 to 50 employees. The interviews followed the stages according to Legard, Keegan and Ward (2003, p. 144-145) and the questions asked were derived from Narver and Slater (1990), Kohli and Jaworski (1990) as well as Lumpkin and Dess (1996). At the end of the interview, the interviewer could mostly visit the cellar and took pictures. Furthermore, additional illustrative material about the respective winery was collected. Alternative communication like homepages, films, press releases and media contributions were considered as well. The interview was recorded and then transcribed verbatim. Next, the interviews and all documents of the cases were analysed and coded according to the theoretical derived categories.

Results

Overview

The results and identified propositions are structured by the outlined theory in the preceding chapters. As Swiss wineries are less competitive compared to foreign ones with respect to price levels and topographical conditions, they are forced by the market to differentiate themselves by creating better value for customers (for details see Table 1 below). Only one winery out of the chosen seven wineries has a growth strategy for the next years. All the others invest their cash flow in product- and process-innovation, in increasing the quality level, in differentiation through customer focus (service excellence), social media, autarchy from electricity market, and infrastructure.

Market orientation

Customers are mainly private ones through direct selling. Only a small part of sales comes from restaurants, hotels and wine specialist stores. Customer orientation in the first stage of the value chain – the vineyard – is quite difficult since growing a new parcel takes three or even four years. Therefore, considering every market trend is not an option. Most wineries are well aware of the demand they face, but many natural restrictions limit their field of action. Before considering customer demand in decision-making, a series of other questions arise: Is this grape type cultivable in this region (climate, soil etc.)? Is the parcel accessible for machines or do we have to do all by manual labour? How does the new parcel fit the rest

of our vineyard? It does not make sense to buy a new parcel being far away from the rest of the vineyard. Therefore, customer orientation with respect to product innovation is quite difficult at this stage of the value chain due to longer development time.

However, with respect to marketing measures, we find in some cases that small business managers seek personal customer contact by inviting customers to visit the cellar and by visiting the customers and end customers at different fairs. Furthermore, they organize special events for customers such as open air events, barbecues, wine tasting workshops or hiking tours. Finally, they assess customer satisfaction regularly by corresponding surveys.

Proposition 1: In early stages of the value chain, customer orientation can be challenging due to market particularities (e.g. time needed for growing a new parcel). In later stages, however, customer orientation can be more pronounced.

Small business managers try to achieve service excellence by creating customer emotions and delight. One respondent said: "We already have a top quality wine; creating additional value with respect to quality is therefore difficult. What we have to do is creating additional value through emotions." In this regard, small and medium enterprises exhibit a comparative advantage. The small size and the often informal organizational structure enable small business managers to stay in direct contact with customers and to recognize their needs. They, for example, presented wines to customers in their cellars, by giving workshops not only due to sales reasons but also to observe their reactions to wine degustation. Furthermore, customers are interested in the art of wine making relying to a personal touch. Thus, they visit different cellars to grasp the wine culture and to taste the wine which tastes best. In this regard, a good amount of different wine products is presented. Finally, all respondents outlined the policy of immediate change of wine bottles when quality is not as desired.

Proposition 2: Service excellence is mainly achieved by giving a personal touch and by going the extra mile.

Surprisingly, competitor orientation seemed not to be a big issue at first. None of the respondents declared to explicitly include competitor information into their decision-making process. Most of them declared that they focus on their own business and that they are not interested in what the others are doing. By asking about market conditions and the source of inspiration, respondents disclosed some competitor orientation. Respondents seem not to be aware of their competitor orientation even though it exists. They consider competitors in their decisions unconsciously.

Concerning inter-functional coordination, the main challenge of firm communication refers to employee motivation. Employees in the vineyard usually just want to earn their money whereas the oenologist and the executives are concerned about efficiency and quality. An often mentioned concern is that, without constant control, carelessness tends to increase. In our sample, bigger enterprises seem to have more concerns with this issue than smaller ones. Furthermore, many employees do not have direct contact to customers. Thus, they only partly contribute to the communication about customer needs.

Entrepreneurial orientation

Innovativeness in the vineyard is mostly technology driven. New machines guarantee a more careful handling of wine and grapes, new chemicals do less harm to nature, new irrigation techniques constantly water the plants when needed etc. Innovativeness is not restricted to machines, advances in biology show a major contribution to more natural production: new soil analysing techniques, greening plants etc. One respondent said that today a “vigneron”⁶ is not just a wine-grower, but a biologist too. In this regard it is worth mentioning that it is only about natural production which is not to be confused with biological and biodynamic production techniques. Concerning biological and biodynamic production, our respondents commonly agree that for the moment this is no option for the Swiss wine market, mainly for two reasons. First, climate and soil in Switzerland are not suitable to produce biodynamic products in an economically efficient way. Second, the law and limitations for biological and biodynamic production are ambiguous. On one hand, many chemicals are forbidden. On the other hand, limits for copper and sulphur are particularly high, much higher than for normal production⁷.

The vineyard is the most labour-intensive part of the wineries' value chain. Wineries in Switzerland usually follow a mixed strategy of buying grapes from local vigneronns and growing them by themselves. The amount of grapes bought in our sample varied between 10% and 70%. The general tendency is towards in-house production rather than outsourcing. In this context, we specifically asked for risks since the effect of harvests shortfalls (freezing, illnesses and hail) could be dampened through buying additional grapes from local vigneronns. In fact, the opposite was the case. The entrepreneurs did not seem to be risk-averse for two reasons. First, harvest shortfalls do rarely affect only one winery. Rather, grapes are missing in a whole region and buying additional grapes is almost impossible. Second, grapes are only substitutable in a limited way since customers expect a certain

⁶ The „vigneron“ is the manager of the winery.

⁷ Normal production stands for «integrated production», the most common production method in Switzerland that is enforced by law.

quality and a wine with a particular character. It can be said that risks taken at this level of the value chain are comparatively high.

The level of proactiveness differs considerably between wineries. The reason for this is that regional particularities and strategic orientation strongly influence opportunities and proactiveness. There are two main strategic decisions to be made according to the vineyard: First, which parcel do I want to buy? Second, which wine shall I plant? This, of course, depends on whether the winery follows a growth strategy or not. A firm seeking new parcels will be looking for new opportunities of buying some land. A firm seeking new wine will be looking for opportunities of buying new types of wine. Markets for buying new land can highly differ from region to region.

Risks at the stage of vinification and products are easier to assess and to handle. First of all, there is more control over the production process in the cellar and you are not dependent on exogenous factors like the weather. Second, most of the respondents declared that new technologies and analysing methods helped to compensate for previous mistakes or bad quality of grapes to a certain extend. Moreover, when producing new wines and products, most small business managers said that they usually start with a small quantity in order to minimise the risk. If a certain wine is not selling well there also exists the possibility of using it for a Cuvée or an Assemblage.⁸ Therefore, risk taking at this stage is negligible. Nevertheless, even if risks are comparatively low, this does not imply that the entrepreneurs were risk averse. In fact, all respondents, without any exception, answered to be willing to take high risks if necessary.

Proposition 3: With respect to entrepreneurial orientation, risk taking is the most important factor in saturated markets with high competition.

Market orientation and entrepreneurial orientation

As outlined above, small business managers are both market oriented and entrepreneurial oriented allowing them to differentiate from others in saturated markets with high competition. Among others, they organize events and go the extra mile for their customers and are willing to take high risks.

Proposition 4: Market orientation and entrepreneurial orientation can be complementary when attempting to differentiate from others.

⁸ "Assemblage" refers to a wine-making technique by blending the component parts (see, e.g., <http://www.wineanorak.com/glossary/glossary>).

Over the past 10 to 15 years, most wineries have engaged in product differentiation strategies. In the wine market, two kinds of product differentiation exist. First, differentiation through different types of wine: Switzerland is one of the countries with the biggest variety of wines, showing that wineries produce more than one type of wine. Second, wineries differentiate from others through complementary products (grape juice, balsamic vinegar, grappa and other distillates, cosmetic products made of wine etc.). The trend towards further differentiation has nevertheless turned. The small business managers interviewed mentioned that a big range of wines has the drawback of causing comparatively high costs and that the corresponding production process becomes more and more complex. Whereas some wineries still want to expand, others stay stable and create additional value through speciality wines and/or oak. Another option of differentiation is the offering of in and out products that are only available during a limited period of time and that are usually attached to certain events (wine for European and World Championships, wine made for the anniversary of the director etc.).

Insert Table 1 about here

Conclusion

Market orientation can be regarded differently according to the stage of the value chain and enterprise. In the vineyard, customer orientation is challenging due to the particularities of the market. In later stages, customer orientation is more pronounced than at the stage of vineyard. Service excellence is achieved by giving a personal touch, by providing a wide range of products or by educating customers about the art of wine making. Competitor orientation seems to be missing, but unconsciously it is integrated into the decision-making process. Inter-functional coordination seems to be challenging which is often due to incompatible expectations of motivation of executives and employees. With respect to entrepreneurial orientation, risk taking is the most important factor in the wine market. Innovativeness is mainly technologically driven. Altogether, both market orientation and entrepreneurial orientation can be observed in the Swiss wine industry allowing small business managers to differentiate from others.

The article makes different contributions to extant literature. First, we show that market orientation and entrepreneurial orientation can be complementary. Sensing customer needs with respect to service excellence and experimenting with new products can go hand in hand. Second, we observe that small business managers are not inactive in saturated

markets. Although being difficult, they try different strategies to enhance competitive advantage. Finally, we show that resource constraints with respect to less favourable natural conditions do not restrict small business managers in taking risks and being entrepreneurial.

Future research

The seven interviews conducted cannot claim to be representative for the Swiss winery market. Nevertheless, we tried to differentiate according to regions and size of enterprises with the aim to represent different market conditions. In addition, the concepts used can only explain a selective aspect of the entrepreneurial activities and interdependencies. In this regard, we only chose the concept's aspects which seemed to contribute to our discussion. Our study, therefore, is work in progress. In a next step we more deeply analyse the survey about market orientation and entrepreneurial orientation as well as other aspects, which we asked the seven interviewees to fill out, in order to find patterns with the interview data presented here. Furthermore, we suggest other scholars analysing this research question in other saturated and highly competitive markets in order to grasp more aspects about the interplay of market and entrepreneurial orientation. Finally, we encourage further research to quantitatively test our findings with a larger sample size and in other contexts such as the developing world.

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Table 1: Overview of the cases

Case Number	1	2	3	4	5	6	7
Region	Unterwallis1	Luzern	Mittelwallis1	Unterwallis2	Tessin	Nordbünden	Mittelwallis2
Climate*	very good	high humidity, cold autumn	very good	very good	wet autumn	cold spring	very good
Quality of terrain*	very good	Medium	very good	very good	good	medium	very good
Acreage in hectare	50 ha	7 ha	12 ha	12.5 ha	20 ha	5 ha	30 ha
Output in hectolitres	12500 hl	1400 hl	2000 hl	2250 hl	6000 hl	550 hl	7500 hl
Other figures of output	7500 hl purchased	7000 hl from other vineyards	800 hl purchased	1000 hl purchased	dealing in wines, 4000 hl purchased	-	4500 hl
Growth target**	high growth in quantity not in expansion of product range	keep steady	Shrinkage	keep steady	keep steady	keep steady	keep steady
Customers	Coop (retailer, supermarket), private	private, restaurants, specialized shops	private, restaurants, specialized shops	private, specialized shops	private, restaurants, shops (integrated)	private, restaurants, hotels	private
Obvious kind of differentiation	focus on high quality, wide range of products, awards from competitions (important for retailers), passion, anticyclical behavior in growing new grape types	high quality, new grape types, events, distillation, chateau, sponsorship	payment supplier, sustainability, anticyclical behavior in growing new grape types, family (trendsetter), biodynamic wines, relationships, competitions, iPhone-app, fairs, local costumers as salespersons during fairs	sparkling wines, transborder wines (Rhonetal Jane Masters), art (infrastructure, packaging), street art, online platform (youtube), events	sparkling wines (charme), distillates, balsamic vinegar, technological (grape press), philosophy (epikureer lifestyle), etiquette, infrastructure (barrique cellar, tasting rooms)	wooden barrel, barrique, customer relations (letters, events), diversification, white wines in barrique, competition, name enderlin, etiquette	events at the cellar door, personal relationship with costumers, special wine editions according to certain events (anniversary of the executive, world cup etc.), fairs
Future plans for differentiation	Assemblage, growing to 80 ha	focus on events	autochthonous/organic shops	solar energy, museums (trailer through europe), selling through internet and specialized stores	Asian market, quality	n/a	new wine editions/ centralizing production
Hidden, latent differentiation (good feeling for the customer, not always obvious for the entrepreneur)	charming the customers, quality-control only by his wife and himself, keeping the promise, customer complaints are given top priority	use of new technology (revers osmosis, Seigné), personal atmosphere, history (official wine cellar of the canton)	passion, personal atmosphere (family), no discrimination of costumers, events, social entrepreneurship	community of artists, humor, positive and open character of the entrepreneur, family background	prestigious barrique cellar, production almost autarkic (solar energy)	personal atmosphere, combination of wine production and agriculture, mountain view, very open, friendly and modest personality	philosophy (cellarmaster is like an artist), wine carrying the personality and character of the cellar and the cellarmaster
Dark side of differentiation / leadership	focus on the entrepreneur in all decisions	no resources, no employees, very high work load in everyday business	segmentation in leadership	too much trust in supplier	focus on entrepreneur in all decisions, hierarchical structure, centralized responsibility	few resources	different production sites (fragmented production) which lead to complicated production processes and high costs
Entrepreneurial Orientation							
(1) Innovativeness	etiquette, walls in the vineyard, turnaround situation six years before – now on good track	distillates, process innovation	biodynamic, sustainability, use of modern communication technology, outstanding communication capacity in social media	connecting wine and art, myfinbec (subtle play on words)	diversification with distillates and balsamic vinegar	high diversification, vineyard around the cellar, brand "Enderlin", not common in the region to use the family's name	Wine editions and new events as well as integration of new production techniques

(2) Proactiveness	-	-	Trendsetter				
(3) Risk behavior / taking	high risk / strong immediate decision making	high risk	high risk	high risk	very high risk	high risk	high risk
Market Orientation							
(1) Customer orientation	seeing the company through the costumers' eye, empathy, customer friendly environment (tasting rooms etc.)	personal touch due to the small size of the winery, knowing costumers by name	customers personally buy wine at family Mounir (not at the cellar)	connecting wine with lifestyle, customer-oriented architecture of the whole infrastructure	process innovation (fermentation technique for sparkling wines)	knowing costumers name, personal touch	focus on costumer's well-being (compares its service to sales of a shoe)
(2) Competitor orientation	yes, especially critique of government support for some companies, denies support for himself	No	horizontal colaboration (common projects Grand Cru, Pure)	no, consciously following his own track and is not really interested in what the others are doing	critique of wholesalers and retailers, critique of foreign competition	no	horizontal colaboration (common projects Grand Cru, Pure)
(3) Coordinated utilization of firm resources	Yes	-	Yes	very high	n/a	yes	yes

* very good / good / medium / difficult

** high growth / growth / keep steady / shrinkage