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A resource-based view of the firm and micro and small Italian wine firms

Duarte Alonso, A and Bressan, A (2016) A resource-based view of the firm and micro and small Italian wine firms. International Journal of Wine Business Research, 28 (4). pp. 349-368. ISSN 1751-1062

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Abstract

Purpose: The purpose of this study is two-fold. First, the resource based view (RBV) of the firm is adopted to explore the most important resources among micro and small firms operating in Italy's wine industry. Second, the study incorporates a SWOT analysis to examine perceived strengths, weaknesses, opportunities and threats based on the perceptions of owners and managers of these firms.

Design/methodology/approach: An online questionnaire was designed to gather both quantitative and qualitative data from Italian wineries; a total of 211 firms participated in the study.

Findings: Product quality, managerial/staff capabilities, knowledge, reputation, service quality, and the territory/region emerge as most important resources, clearly aligning with the attributes of the RBV, namely, valuable, rare, imperfectly imitable, and non-substitutable resources. However, based on the RBV, the future sustained competitive advantage is threatened by, among other factors, the firm's finances, competition, red tape, and the complexity of increasing sales.

Originality/value: Fundamentally, the research contributes to micro and small enterprise literature, and to the limited number of studies that have used the RBV of the firm in the context of micro and small wineries. This theoretical framework is used among wineries of one of the world's leading wine producing nations. Some dimensions of this country's wine industry have received limited academic attention. In addition, the study provides practical value in identifying resources, limitations, and threats at a time when micro and small wineries are seeking to develop or increase their international presence.

Keywords: Micro and small wineries, owners, managers, perceptions, resource based view of the firm, Italy.

1. Introduction

The significance of small and medium enterprises (SMEs), as well as micro-businesses in contributing to a country's wealth, including by providing employment, is highlighted in industry reports and academic studies (European Commission, 2015a). Managing available resources, coupled with strategic planning skills, competence of managers/owners, and entrepreneurial orientation can be determinant factors in small firms' growth (Mazzarol, Reboud, and Soutar, 2009). Firm resources are characterised by heterogeneity, and include processes, assets, knowledge, and capabilities (Edelman, Brush, and Manalova, 2005), managerial ties and institutional capital (Lu, Zhou, Bruton, and Li, 2010).

Studies have presented the challenges and limitations of smaller businesses in acquiring or having access to resources, including finances (European Commission, 2015a), which has implications for firms' competitive advantage (Edelman et al., 2005). Indeed, in comparison to larger organisations, SMEs lack financial, as well as human resources (Grando and Belvedere, 2006). Further, smaller firms are often unable to prevent competitors from entering their business space, compromising their chances of exploiting their unique resources (Edelman et al., 2005). Research conducted among Italian firms (Russo and Tencati, 2009) also underlines shortcomings among micro, as well as SMEs in terms of environmental and ethical standards. These elements demand investments of time, financial, and competence-related resources, all of which "SMEs are not ready to provide" (Russo and Tencati, 2009, p. 340).

As Karjalainen and Kemppainen's (2008) work illustrates, gathering the perceptions of businesses and suppliers regarding existing or required resources could provide vital practical information and knowledge. However, many knowledge gaps concerning firms and their resources exist. For example, Fensterseifer and Rastoin (2013) recognise that ways in which cluster resources contribute to businesses' competitive advantage is a theme still under development, including in the wine industry. Similarly, limited research has explored perceived resources from winery operators' points of view; this knowledge gap is also obvious among micro and small wineries. This group of businesses is particularly significant in many nations and regions, including in the European Union. Indeed, combined, micro and small firms represent over 98% of this region's businesses (European Small Business Alliance, 2011). Identifying specific firms' resources could illuminate the industry and academic research regarding firms' potential or actual competitiveness, as well as their long-term sustainability.

Aligned with Karjalainen and Kemppainen's (2008) notion, the present study seeks to contribute to the micro and small enterprise literature, focusing on this group of businesses involved in Italy's wine industry. Despite Italy's important role in global wine production, research on some dimensions of this country's wine industry has been limited (Benfratello, Piacenza, and Sacchetto, 2009). First, the study examines perceived critical resources among winery owners and managers, and addresses the following research questions (RQs):

RQ1: What are participants' most important perceived resources as these pertain to their winery businesses?
RQ2: Are these resources perceived differently based on demographic characteristics of wineries/participants?

Second, and related to RQ1, winery operators' perceived strengths, weaknesses, opportunities, and threats (SWOT) as these relate to their winery business are also investigated. To this end, the study gathers participants' perceptions of internal and external factors related to their wineries, or those factors incorporated in a SWOT analysis (Dyson, 2004; Valentin, 2001), namely:

RQ3.1: What are participants' perceived strengths?
RQ3.2: Weaknesses?
RQ3.3: Opportunities|?
RQ3.4: Threats?

By addressing these questions and issues, the study makes various contributions. From a practical perspective, participants' perceived resources could contribute to extended knowledge of micro and small businesses of wineries. Moreover, and as previously suggested, perceived resources could identify areas of competitiveness, as well as gaps to be addressed in order to maximise opportunities to achieve competitive advantage. Similarly, the application of a SWOT analysis could make a contribution, potentially identifying areas of improvement, such as perceived business opportunities, as well as increasing awareness of threats and challenges. From a theoretical perspective, the adoption of the RBV (Barney, 1991;

Wernerfelt, 1984) in the studied industry identifies a further contribution in terms of facilitating further understanding and knowledge regarding the above themes. Finally, the study contributes to the limited existing literature adopting the RBV of the firm in the context of wine business research.

2. Literature Review

2.1 The RBV of the firm

Many contributions have identified the usefulness of the RBV of the firm. For instance, according to Borch and Forsman (2001), the RBV helps deepen the understanding of ways in which resources can be combined or applied, "and what makes competitive advantage sustainable" (p. 36).

Barney's (1991) seminal work developing the RBV of the firm offers various key insights. First, he presents the four key attributes of a SWOT analysis in two parts, one (strengths, weaknesses) identifying a resources based model, and the other (opportunities, threats) suggesting environmental models of competitive advantage. In drawing from the work of Daft (1983), Barney (1991) broadly defines firm resources to include capabilities, firm attributes, knowledge, organisational processes, all assets, and information. Wernerfelt (1984) also identifies resources as technological skills, brand names, trade contacts, capital, efficient procedures, or employment of skilled personnel.

Second, Barney's (1991) research underlines resource heterogeneity and immobility as key concepts enhancing firms' sustainable competitive advantage. Heterogeneity denotes competitiveness as a common feature among firms exhibiting different capabilities, and it may reveal the existence of superior productive factors that are also in limited supply (Peteraf, 1993). Moreover, if competing firms control identical resources (homogeneity), then even 'first-movers' would be unable to gain competitive advantage; hence, the condition of heterogeneity is vital (Barney, 1991). However, even when homogeneity occurs among firms in a particular industry, should mobility or entry barriers be strong, those firms may gain a sustained competitive advantage over other firms that are not operating in their industry (Barney, 1991). Regarding the significance of immobility, Barney (1991) argues that, when "firm resources are perfectly mobile" (p. 105), any resources allowing firms to apply strategies protected by mobility or entry barriers could be easily obtained by those firms pursuing entry into the industry or group.

Third, Barney (1991), presents four key indicators or attributes contributing to sustained competitive advantage; these indicators are discussed in the context of the present research:

Valuable: The notion that firm resources must exploit opportunities and/or neutralise threats in the environment the firm is operating (Barney, 1991). Arguably, the quality of the wine product, and wineries' innovative practices represent resources enhancing such opportunities among micro and small wineries, while at the same time helping wineries minimise the effects of competition. Moreover, resources that are controlled by firms enable them to execute strategies to improve their effectiveness and efficiency (Barney, 1991). Aligned with this notion, products and resources "are two sides of the same coin. Most products require the services of several sources and most resources can be used in several products" (Wernerfelt, 1984, p. 171). However, because other firms may already possess valuable resources, exploiting these is insufficient to achieve competitive advantage (Kozlenkova, Samaha, and Palmatier, 2014).

Rare: The principle that a firm implementing a value-creating strategy based on possessing a valuable resource can enjoy a competitive advantage, as long as such strategy is not implemented by many other firms at the same time (Barney, 1991). The opposite, many firms possessing the same valuable firm resource, allows every firm to exploit that resource in a very similar way, thus, resulting in no firm achieving competitive advantage (Barney, 1991). Bloodgood (2014) goes a step further, indicating that possessing both rare and valuable resources does not fully explain gaining competitive advantage. In this research, winery operators' accumulated knowledge, with clear implications for the execution of business-related strategies, could be categorised as rare and crucial elements contributing to competitive advantage.

Imperfectly imitable: While both valuable and rare resources can potentially be sources of competitive advantage, such potential is only possible when firms that do not possess such resources cannot acquire them (Barney, 1991). Jensen, Cobbs, and Turner (2016) apply this attribute in the context of exclusivity of sponsorships at the Olympic Games. Further, to be considered imperfectly imitable, Barney draws from the work of Dierickx and Cool (1989) to underline three fundamental reasons: firm resources should be "dependent upon unique historical conditions" (Barney, 1991, p. 107), the links between firms' sustained competitive advantage and their resources should be 'causally ambiguous', and resources creating firms' advantage should be 'socially complex'. Partly aligned with Jensen et al. (2016), wineries' exclusivity in terms of history, reputation, or even by developing niche brands appear to fit within this attribute.

Non-substitutable: Substitutability can be illustrated in two ways. Firstly, while a firm may be unable to imitate other firms' resources, such firm may nevertheless be able to replace a related resource (a management team), which may allow the implementation of similar strategies (Barney, 1991). Secondly, "very different firm resources can also be strategic substitutes" (Barney, 1991, p. 111); for example, a firm's resources in the form of a formal planning system and a charismatic leader, while not exactly the same, "may be strategically equivalent" (p. 111), and therefore substitute each other. In complementing Barney's research, Wernerfelt (1984) refers to 'attractive resources' as well as 'classes of resources', including technological leads, production experience, customer loyalty, and machine capacity, to emphasise the importance of building "resource position barriers" (p. 173). Among wineries, substitutability could be represented by the territory/region; similarly, product/service quality, while to some extent imitable, may not be fully substitutable.

2.2 The RBV of the firm, micro and small businesses and the winery industry

Numerous contributors adopted the RBV of the firm at various levels when they study micro and small firms. Such is the case of Kelliher and Reinl's (2009), whose literature review identified internal resource limitations, such as time, increased pressure on employees to be multi-tasked, and access to finances. These limitations can also have implications in the acquisition of external resources, particularly knowledge, resulting in information shortfalls (Kelliher and Reinl, 2009). Thus, in order to ensure long-term survival, it is critical for firms "to embed their valuable resource in their core business strategy" (Kelliher and Reinl, 2009, p. 521).

Another study examining micro slow and rapid born-global and traditional firms (Hermel and Khayat, 2011) emphasised the usefulness of the RBV to help explain internationalisation processes. Importantly, in order to facilitate acquiring new external resources (industrial networks), micro firm managers need to gain awareness “of the importance of developing internal resources” (Hermel and Khayat, 2011, p. 298), including innovation, new product concept and managerial abilities.

In contrast, contributions adopting the RBV of the firm in the wine entrepreneurship literature are very limited. Among the few contributions, de Oliveira Wilk and Fensterseifer (2003 adopted the theory in combination with cognitive mapping techniques when searching for capabilities and strategic resources conducive to sustainability in a wine cluster in Southern Brazil. In referring to the work of Peteraf (1993), they acknowledged the usefulness of the RBV framework, in enhancing understanding of the relationships “between firm-level resources… and the collective, systemic, and sector-wide resources of the industrial organisation tradition” (p. 1008). de Oliveira Wilk and Fensterseifer (2003) also underlined the importance of history, as well as how the cumulative upgrading of capabilities and resources “can shape the future strategic options of a cluster” (p. 1008).

Within the same geographic region, Fensterseifer and Rastoin (2013) incorporated the RBV to explore how cluster-specific resources contribute to the competitive advantage among clustered firms (i.e. through value creation). They recognised the value of RBV in providing an integrating element of various concepts associated with firms’ value creation and cluster-level resources, as well as in helping evaluate their role in building competitive advantage. Finally, Williamson et al. (2012) adopted the theory to evaluate, with certain confidence, the nature of relationships between wineries’ vertical business strategies, and that of business coursework that managers/owners of wineries would prefer “to have offered by a hypothetical wine industry-specific educational institution” (p. 20).

This review identifies that, overall, a clear knowledge gap concerning the adoption of the RBV of the firm and the wine industry exists, including among micro and small wineries. Extending from the research by Fensterseifer and Rastoin (2013), and de Oliveira Wilk and Fensterseifer (2003), the present study contributes to the contemporary literature on micro and small businesses, examining the perceptions of owners/managers involved in Italy’s wine industry regarding their firm’s resources through the lens of the RBV of the firm. To complement this investigation, a SWOT analysis is used to identify participants’ perceptions of internal and external factors affecting their firms.

3. Methods

3.1 The context of the study

By adopting the RBV of the firm as a theoretical framework, the present study focuses on perceptions of owners/managers of micro and small wineries regarding the importance of their firms’ resources. In addition, and aligned with Barney’s research (1991), the study also incorporates a SWOT analysis to identify both internal and external factors potentially affecting participants’ wineries.

As the following summarised PESTLE analysis (Basu, 2004) illustrates, the significance of Italy’s wine industry in various areas justifies its consideration in the present research.

Political/Legal: The clear demarcation of wine regions, various levels of designations of origin, and/or oenologist associations, including the Italian Association of Oenologists

(Assoenologi), with specific prescribed rules, laws, and/or quality standards (Giuliani, Lorenzoni, and Visentin, 2015).
Economic: According to the Wine Institute (2015) Italy is the world's second largest wine producer after France and ahead of Spain. This significance, coupled with the thousands of existing wineries across the nation, suggests job creation/retention, as well as the subsistence of family firms.
Social: In terms of Italy's wine tradition and image as a 'wine country.' Although also related to economic impacts, wine guides and fairs have significantly contributed to the development of a 'new' Italian wine industry, especially since the late 1980s (Giuliani et al., 2015).
Technological/technical: One illustration is the movement among oenologists in supporting innovation (Giuliani et al., 2015).
Environmental: For example, the 1986's methanol crisis sparked profound changes- and improvements- within the industry (Giuliani et al., 2015).

3.2 The questionnaire development
Given existing logistical, time, and resource limitations to contact and gather data from thousands of wineries scattered across Italy, and in line with previous wine research (Johnson and Bruwer, 2007; McCutcheon, Bruwer and Li, 2009), a decision was made to gather data via an online questionnaire. The RBV literature (Barney, 1991; Wernerfelt, 1984) defining and discussing firm resources, including information, knowledge, capabilities, firm attributes, technological skills, and efficient procedures, was incorporated in the process of designing the items of the questionnaire (Table 2). Research investigating wineries' resources and capabilities, including managerial practices, as well as perceived business challenges was also useful in designing the questionnaire tool. For example, the work of Kunc (2007) addresses issues from the perspective of wineries, particularly regarding product quality, innovation in terms of production technology, or supply dependability. Other wine research contributions discussing potential or existing resources such as different forms of firm innovation (Doloreux, Chamberlin, and Ben-Amor, 2013; Duarte Alonso and Bressan, 2014) were considered and incorporated.

Aligned with previous research (Préfontaine and Bourgault, 2002), the SWOT analysis was also chosen to carry out a "basic scanning of a situation" (Duarte, Ettkin, Helms, and Anderson, 2006, p. 233). As with other measurements and analyses, the SWOT analysis has received criticism from different authors. For example, Valentine's (2001) review identifies that "SWOT checklists… are laden with catchall questions that lack coherent theoretical underpinnings, slight contextual complexities… and leave in doubt how listed issues are to be examined" (p. 55). Despite these acknowledged shortcomings, the SWOT analysis "provides the foundation for realization of the desired alignment of organizational variables or issues" (Helms and Nixon, 2010, p. 216). Importantly, the SWOT analysis has also been complemented by the RBV of the firm (Dyson, 2004), or by a resource-based SWOT analysis (Valentin, 2001).

Finally, wine research exploring opportunities and challenges for wineries (Corsi, Marinelli, and Sottini, 2013; Fensterseifer, 2007) was considered and adopted. One section of the questionnaire included various questions pertaining to demographic characteristics of both participants and wineries. Another section studied participants' level of importance of a list of resources for their winery (Table 2), while a third, open-ended section gathered information pertaining to the SWOT analysis. Thus, the questionnaire provided both a quantitative and a qualitative component. Further sections of the questionnaire examined additional themes that are not part of the scope of the present research and might be discussed in future studies.

3.3 The data collection process

Different websites from Italian wine associations across the country were used in the process of compiling 2,150 email addresses. In May of 2015, a message was sent to all these addresses, informing recipients of the objectives of the study, and inviting them to participate by following a URL link included in the message, which directed them to the online questionnaire. Upon sending the email messages, 152 (7.1%) were returned undelivered. Three reminders were sent to the valid 1,998 addresses within the first three weeks; in total, 214 responses were obtained. The large majority of the participants indicated their number of employees as being less than 50, which falls under the category of small or micro firms (European Commission, 2015b), and three responses were from wineries with more than 50 employees. A decision was made to not consider the three additional responses in further analysis. Thus, in total, 211 usable responses were obtained, a 10.7% response rate (211/1998). Despite this modest response rate, based on the themes under examination, the study's findings provide valuable insights to both academics and practitioners. The questionnaire, originally written in English, was translated into Italian by the authors, who are bilingual; similarly, once the responses were obtained, the comments and responses were translated back into English.

The numerical data were exported into SPSS, version 22. To test for potential inter-group differences, independent samples t-test and ANOVA (Scheffé post hoc) were used. The qualitative data were exported into Microsoft Excel, and then managed using NVivo version 9. Content analysis (Weber, 1990) and word association (Roininen, Arvola, and Lähteenmäki, 2006) were adopted methods in the process of analysing the qualitative data. Verbatim comments presented in the following sections are abbreviated as P1 (Participant 1), P2 (Participant 2), and so on.

Table 1 Here

4. Results

4.1 Demographic characteristics

Winery owners represent the main participant group, with nearly 50% (Table 1); however, the owner and owner/wine maker groups represent the majority (64%). As much as 77.8% of wineries are micro firms, or those employing less than 10 people (European Commission, 2015a). Also, most wineries (59.2%) produce less than 100,000 bottles of wine, and 56.4% are at least 31 years old. A clear gender unbalance is noticed, with males being the predominant group; further, 68.7% of participants have worked at the winery for at least 11 years, and 42.2% for over 20 years, illustrating significant experience in their industry. Finally, almost all wineries are involved in international trade, and are open to the public, demonstrating a clear intention to maximise revenues by marketing their wines directly to the end consumer, particularly in the second case.

4.2 RQ1 - *Participants' most important p*erceived resources

A Likert-type scale designed for participants to indicate their perceived level of importance included nine different items representing resources wineries possess (Table 2). In measuring the reliability of the scales, a Cronbach's Alpha of .77 was achieved. Participants' perceived importance regarding all nine items is clear, with the perceived quality of the wines being the most valued resource. Defining the concept of quality may be complicated (Jackson and Lombard, 1993) and can be interpreted in various ways. Further, external and/or internal factors, including climatic conditions (Jones and Davis, 2000) may affect wines' quality. Thus, quality may be better referred to as a 'fluctuating' resource, though earlier research (Jackson and Lombard, 1993) suggests that confusion still exists concerning the actual effects of viticultural practices, growing sites, or climates on wine quality.

Research conducted among wine experts and consumers (Hopfer and Heymann, 2014) found that 'hedonic liking' among members of these two groups was highly correlated to perceived quality. Similarly, Jackson and Lombard (1993) posit that wine quality is often reflected in the price paid for a particular wine; at the same time, they also caution that price is not a reliable indicator. Overall, quality is a critical element for wine consumers (Charters and Pettigrew, 2006), and participants appear to be well aware.

Managerial/staff capabilities was the following item participants agreed with the most. The significance of this finding is reflected in research conducted in Brazil's wine industry (Alves, Zen, and Padula, 2011), where production, research and development, and marketing were the most important capabilities in the innovation process. Participants' level of agreement was also high concerning resources in the form of managerial/staff knowledge. Related to this finding, Gil and Carrillo's (2014) study of knowledge transfer and learning processes among Spanish wineries found improvements in this area, with an increase in human capital in the Rioja region.

Table 2 Here

A similar level of agreement was noticed with regard to the reputation of the winery's wines. Evidence from an earlier survey conducted among wine producers (Benfratello et al., 2009) indicates that reputation, and 'current quality' are perceived as key influencing factors determining consumers' willingness to pay for wines. Perceived quality service was also considered an important resource wineries possessed, and is also aligned with contemporary wine research. First, a study among winery visitors (Shapiro and Gómez, 2014) isolated five drivers of customer satisfaction, with service and ambience being the strongest. Second, in a survey of wine consumers across the United States, Johnson and Bruwer (2007) found associations between perceived quality and regional brand image. Indeed, the authors identified a wine region's brand image as the strongest predictor of perceived quality of wines, a finding which is also associated with that regarding the reputation of the wines (Table 2).

This research finding is also associated with the perceived importance of the territory/region where the winery's vineyards are located (mean=4.43). Research by McCutcheon et al. (2009) provides additional evidence supporting the significance of this and other resources above. Moreover, it is concluded that five key factors influence consumers' decision to buy wines, namely, quality, price, grape variety, wine style and region of origin (McCutcheon et al., 2009). Finally, participants also agree, though to a lesser extent, with the importance of the history of the wines, execution of business strategies, and continuous innovations. Regarding some of these elements, P1 stated: *"We are a family business dating nearly one hundred years… and produce selected wines… obviously, the internet is essential in promoting the* company, or in contacting European clients. For the care of the vineyards, we use mechanisation; however, various activities, such as pruning, tying up the vines, harvesting *must be done manually. One's hands are irreplaceable…"*

4.2: RQ2 - Differences in perceptions based on demographic characteristics

In comparing the scaled items (Table 2) against all demographic characteristics provided in the questionnaire tool, several statistically significant inter-group differences emerged. The main differences occurred between genders (Table 3), with female participants clearly agreeing more than males in six of the nine items. In particular, female participants perceive 'The territory/region where the vineyards are located' much more importantly than their male counterparts. While the research focused on the 'supply side' (winery owners/managers), this finding is partly supported by previous research of wine consumers. In fact, McCutcheon et al. (2009) noticed that, when it comes to purchasing wines, "females place a higher degree of importance on region of origin…" (p. 222).

Interestingly, and also displaying similarities with the present study, McCutcheon et al.'s (2009) findings identified that, in general, female participants' responses in all scaled items indicated "having a greater influence on their wine purchasing decision" (p. 223). Thus, in regards to the perceived importance of territory/region, there appears to be a clear gender divide, both in the supply and demand sides. McCutcheon et al.'s (2009) finding suggest that, in the context of the Australian wine market, female wine consumers, as well as others strongly interested in wine "should be targeted with regional branding" (p. 30). The evidence presented above (Table 3), and supported by McCutcheon et al.'s (2009) research suggests that female wine owners/managers' higher perceived importance may have important implications for the design and development of regional branding, with further implications for wine consumers, including female consumers.

Table 3 Here

In addition, and although unsurprising, running Scheffé post hoc identified that the older the winery, the higher the perceived importance of 'The history of our wines.' Indeed, participants working at wineries that are over 30 years old considered this element much more important (mean=4.29) than those working at wineries that are between 11-30 years old (mean=3.90), and 10 or less years old (mean=3.90) ($p<0.05$). Thus, winery owners/managers working at older, more traditional wineries may use this resource as an advantage in their efforts to develop marketing, branding, exports, and other strategies. In support of this finding, research conducted among winery operators in emerging wine regions of Western Australia (Duarte Alonso and Northcote, 2009) noticed the perceived importance of this potentially valuable resource.

4.2 RQ3 - Perceived strengths, weaknesses, opportunities and threats

A final area of investigation focusing on a SWOT analysis used content analysis and word association to identify key issues affecting wineries (Table 4). With regard to strengths, three related elements emerged, all of them related to quality, and clearly led by the quality of the wines. This result is in agreement with recent research focusing on significant Asian export markets for Italy's wine industry (Corsi et al., 2013), where the high quality of the wines was a key strength identified. Selected comments reinforce quality as well as other aspects, underlining both critical tangible and intangible resources.

> P2: A limited number of [produced] bottles; native vines; handcrafted, quality wine products; promotion of the winery via wine tours (vineyards, cellar door); cooking school on-site with food and wine pairings; strong emphasis on the territory.
> P3: Quality products, innovation, both in the vineyards and at the winery. Making customers feel comfortable when they reach the point of sale through professionalism and competence.

Lack of financial resources, followed by limited sales, and the small size of the winery business represent the main perceived weaknesses. Clearly, as the following participants recognise, the need to acquire financial resources is critical for wineries, especially in undertaking vital investments:

> P4: Lack of [financial] resources to invest in new equipment, research, and new outlets abroad.
> P5: Having more financial resources would allow us to further investments and promotional activities.

The concerns voiced in these comments are in alignment with Corsi et al.'s (2013) research, where the authors acknowledge that promotion is one of the main concerns for Italian wines. Another comment (P6) pointed at more basic infrastructural issues, also based on limited financial resources and the winery's size: *"*Difficulties in expanding the winery due to the high costs of land. Also, the limited dimensions render it impossible to be equipped with some *services (administrative, commercial)."*

Table 4 Here

Increased involvement in exports is the most obvious perceived opportunity among participants (Table 4). Related to exports, growing the business, for instance, in both production and sales is also perceived as an opportunity. In addition, and as demonstrated in the following selected comments, the increasing importance of gastronomy, tourism, and the stronger awareness of local products among some consumer segments are perceived as critical opportunities:

> P7: ...the consumer market is moving towards recognising the territory; therefore, we need to move in this direction.
> P8: There is a favourable trend for products with a clear regional identity, that *are sustainable…* there will also be good opportunities from sales into emerging wine consumer markets.
> P9: *...for our winery, gastronomy*-wine tourism represents the most stimulating *and important opportunity, and is continuously growing…*

Associated with these comments, in the last decade, a body of literature has emerged discussing the strategic importance of exports, wine tourism, and gastronomy for wineries (Bruwer and Alant, 2009; Sinha and Akoorie, 2013). Additionally, the perceived growing wine culture, the improvement of wines' quality, the increased focus on niche markets, or even growing grapes using more environmentally or ecologically-sound practices are perceived as the foundation for future opportunities.

Finally, external factors such as competition in the wine market (Campbell and Guibert, 2006) represents a clear perceived threat, which may be aggravated by the small size of the business, and the often limited financial resources available. As the following comment demonstrates, bureaucracy/red tape also constitutes a serious threat (P10): Too much bureaucracy, making *us lose very valuable time, which we cannot devote to other things…"* The dilemma of increasing market share/sales, and the 'globalisation of the wine market', arguably related to the complexities of competition, and to the need to develop international trade, are additional perceived threats (P11): *"A radical change in mentality is needed by the wine producer, who* now needs to update the business, starting from the winery facilities, to the last worker, who has to understand that quality must be part of even the most insignificant things.*"*

5. Discussion

In agreement with previous wine research (de Oliveira Wilk and Fensterseifer, 2003; Fensterseifer and Rastoin, 2013), the usefulness of adopting the RBV of the firm was demonstrated in the findings. While the wine industry appears to be homogeneous in that wineries may control the same resources (Barney, 1991), or plant the same prescribed or optional grape varietals, the modest size and significant fragmentation of micro and small wineries provide two elements of heterogeneity. In this case, heterogeneity could emerge in the form of micro/small wineries producing and servicing for a niche wine consumer market. Moreover, the findings (Table 2) underline the perceived importance of resources, and also have strong links with Barney's (1991) suggested attributes. Indeed, valuable (product/service quality, innovative practices), rare (knowledge, executing business-related strategies), imperfectly imitable (reputation), and non-substitutable resources (wine territory/region) can, for instance, significantly help differentiate firms from others within their industry, and from national or international competitors.

This differentiation or heterogeneity is also associated with immobility. Indeed, even when entering the industry may be arguably a relatively straightforward process, the above indicated resources and attributes represent strong entry or mobility barriers, as they are often based on time. Moreover, the reputation of the wines/winery, which is gained through consistent performance over the years, the quality of the product and service, that are based on trial and error and continuous learning, the history of the region/winery, or the strategies (exports) developed after significant investments are clear indications of immobility (Barney, 1991). In addition, conducting the SWOT analysis, for instance, identified various key resources that conform to Barney's (1991) prescribed attributes (Figure 1).

Figure 1 Here

However, while the perceived resources, strengths, and opportunities denote alignment with the RBV of the firm, many micro and small winery firms are also very vulnerable to both internal and external factors. Such vulnerability, which also threatens firms' future sustained competitive advantage, is demonstrated in participants' perceived weaknesses and threats. Fundamentally, lack of financial resources, an aspect that emerges in academic research (Grando and Belvedere, 2006; Kroon, Van de Voorde, and Timmers, 2013) is both a critical weakness and a threat, with serious implications for wineries' future. According to Barney (1991) the cost of implementing strategies, coupled with the creation of "imperfectly competitive product markets" (p. 1231) are key aspects in the economic performance of a firm. Such costs clearly and directly relate to financial resources, which can then have an impact on promotional and export initiatives, and much-needed improvements, such as purchasing new equipment/technology, or updating the winery facilities. This last aspect is particularly significant, and supported by many responses identifying opportunities through the emergence of culinary and wine tourism, and increased interest for local products, with potential implications for winery visitation.

Finally, the threat of competition, followed by red tape, and concerns associated with the urgency to increase market share, the globalisation of the wine 'map,' or developing new markets underline the need for strategies for micro and small wineries to address those issues. However, as suggested by several responses (Table 4), increasing investment on the winery business in view of the lack of financial resources is a fundamental challenge, which could severely threaten wineries' efforts to achieve sustained competitive advantage or even their survival.

6. Conclusions

Academic studies emphasise the importance of resources for firms (Barney, 1991), including competence, entrepreneurial orientation, and strategic planning skills (Mazzarol et al., 2009). However, knowledge gaps continue to exists concerning resources, including in the wine industry (Fensterseifer and Rastoin, 2013), and from the perspective of micro and small winery operators. In adopting the RBV of the firm, supported by a SWOT analysis, the present study investigated a group of 211 micro and small Italian wine operators. The study primarily focussed on a) the perceived valuable resources wineries possess, a) identifying inter-group differences based on demographic characteristics, and c) the attributes represented by a SWOT analysis.

The overall findings illustrate associations with the RBV, confirming its usefulness, as well as that of the SWOT analysis as a complementary tool. In particular, the quality of the wines, winery operators' capabilities and knowledge emerged as key resources, and suggest alignment with the attribute of 'valuable resources' (Barney, 1991). Winery operators and staff's accumulated knowledge and execution of business-related strategies provide support for the attribute of 'rare' resources', while history and reputation relate to the 'imperfectly imitable' resource attribute. Finally, the territory/region, and product/service quality conform the attribute of non-substitutability. At the other end, internal issues, such as lacking financial resources, or external, in the form of competition, red tape and the uncertainty, concern, and perceived challenges in opening new markets and increasing sales are main threats potentially preventing growth and 'sustained competitive advantage' (Barney, 1991).

6.1 Implications

The research provides both practical and theoretical implications. From a practical perspective, identifying the most important perceived resources, as well as strengths in the context of micro and small firms involved in wine industry illustrates entrepreneurs' awareness of the potential of their businesses. These resources and strengths, with quality (product/service), the importance of the region and history being common areas of perceived importance and strengths, could be used by development agencies, including the European Union, and local governments to further foment wine regions, and support the contribution of micro and small businesses in various forms of development, including economic, social, and community improvements. Several statistically significant differences illustrate similar yet different ways of perceiving the winery's resources. In particular, female participants clearly agree more with the importance of the wine region, and thereby align with earlier wine consumer research (McCutcheon et al., 2009). This finding identifies an important connection between the supply/demand sides, whereby female winery entrepreneurs' higher perceived value of the region/territory may facilitate the development of branding strategies among female consumers.

Equally important was the identification of weaknesses and threats that could be used constructively by the wine industry in Italy and elsewhere, or again, by institutions and development agencies to nurture the long-term sustainability of micro and small firms. Moreover, the financial element, which appears to be preventing or limiting this group of businesses from further development, or from addressing mounting challenges in a globalised wine business environment, could be used by wine and government stakeholders to find ways to sustain the further development of this group of businesses.

From a theoretical perspective, and as outlined in the discussion section, a key implication emerges, with the RBV contributing to a more thorough understanding of the findings in the context of micro and small firms in the wine industry. An associated implication is that such contribution also suggests the potential usefulness of the RBV to study micro and small firms in other industries. For example, a fit was noticed between the findings and the elements of heterogeneity, and immobility, underlining the importance of physical as well as strategic resources. According to Barney (1991), heterogeneity and immobility are two key elements for firms to fend off competitors or new entrants, and move towards sustained competitive advantage. This notion is further reinforced through the validity of the attributes 'valuable', 'rare,' 'imperfectly imitable,' and 'non-substitutable' (Barney, 1991) in the context of the findings. Indeed, the identification of valuable resources, which can greatly assist firms to exploit opportunities and minimise threats, could be considered and/or operationalised by business operators outside the wine industry, including in the food, manufacturing, or service industries. Moreover, an argument was made regarding the association between product/service quality and the attribute of non-substitutability (Barney, 1991), whereby a distinct element of quality could be a differentiating factor for micro/small firms in the wine or other industries.

The adoption of the SWOT analysis helped complement the usefulness of the RBV of the firm, and extended the findings to identify clear gaps or needs. Thus, another important theoretical implication of the findings is that, through the combined use of the RBV and the SWOT analysis, more details related to firms' resources, as well as weaknesses and threats may emerge, potentially providing more analytical rigour to the data, and overall contributing to further theory development.

6.2 Limitations and Future Research

Given the thousands of wineries operating in Italy, collecting 211 responses represents one fundamental limitation; therefore, this number does not allow for making generalisations of the findings, in Italy, or elsewhere. As a result of this modest number, no geographic comparisons were possible, which highlights another limitation. Further, the data were collected during the late spring of 2015, and therefore no comparisons between seasons could be made. However, all these limitations provide opportunities for future research. For example, future investigations could increase the number of participants, focusing on specific (Italian) regions, or by including in-depth interviews as a sole or complementary data collection method. Future research could also include wineries of larger size (medium/large), not only to allow for comparisons against medium or smaller wineries regarding the studied themes, but also to learn more about these firms. The further adoption of the RBV of the firm in future studies could enhance knowledge and allow for identifying associations between the findings and the theory, potentially helping further develop the theory. Finally, these suggested research paths could be replicated outside Italy, for instance, in neighbouring European, or even in 'New World' wine countries. Doing so could provide valuable practical and theoretical comparisons, insights, knowledge, and again, potentially contributing to theory development.

7. References

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