

Abstract:

The motivation for choosing this topic for the thesis sprung from my personal curiosity and slight frustration from feeling as though I did not have enough access to easy and user-friendly tools to verify a bottle of wine before purchasing one, especially for more expensive bottles. And it just made me wonder why this is not yet widely implemented in the wine industry; especially in this modern era where industry after industry is being transformed and disrupted by technology. What made the wine industry so immune?

I've lived most of my life in Asia, where counterfeit activities of all varieties have been more visible and having spent more time exposed to them, I have naturally built a suspicious disposition but I realized I was, holding onto possible misconceptions around the subject of counterfeit wines, especially after reading about the counterfeit Sassicaia bust in 2020 in Tuscany, right after my D3 exam in Rust, which came to me as a big surprise. I've always had this ingrained idea that counterfeit wine operations happen in places in Asia. Never did I consider nor imagine counterfeiters existed in the same country of origin as the original producer of the wine, especially within a heavily regulated market such as the EU. This was the trigger that propelled me to choose to investigate further.

The biggest challenges to completing this thesis was trying to find data on counterfeit cases as there are no consolidated information nor value on the complete scale and scope of counterfeit activities and a lot of information lay fragmented on various unofficial websites and testimonies and academic studies rather than on an official and public record. There were some discouraging times when I came upon information about how some studies around the topic of counterfeit wines were deliberately boycotted or snuffed by government bodies from being released to the public out of fear of damaging their export business interests. Shortly after I started to notice the differing attitudes and stances different governments took against combating counterfeits. The old-world producers seemed more inclined to brush things under the carpet whereas some new-world regions, notably Australia, were much more public and proactive about the tools and strategies individual producers as well as from government levels were taking and were proactively public about addressing the problems and empowering their customers. The research process was quite difficult as there was a big volume of scattered information and it was challenging to try to filter and piece together the information, I needed to write this thesis.

As this is quite a current and on-going subject, there weren't many published books by MWs or scholars to refer to unlike for other traditional subjects. So, I had to focus on using digital platforms to piece together the information, mostly the internet, social media, LinkedIn Premium to request interviews from industry professionals to even approaching my social networks in Facebook, LinkedIn and Instagram to gather consumer data. I've also used YouTube and other web-based video channels to find relevant content and interviews on the subject of counterfeit wines and the latest technologies and tools being adopted.

I've been fortunate enough to have had interviewed several people in the trade from fine wine merchants, traders, importers, sommeliers, restaurant managers, winemakers to a recent victim of counterfeit wine who shared with me the frustrations of getting to the bottom of the issue and the dead-end communications with the producer, much to my surprise, as we both imagined the producer would react with more vigour.

The thesis aims to assess the growing importance of wine authentication amidst the growing cases of counterfeit wines that are now no longer limited to premium wines. The thesis will provide clarification on the definition of wine using the EU framework and labelling laws and concurrently define what defines a counterfeit wine as the foundation for further investigation.

In order to understand the severity of counterfeit activities, a comparison will be made between the size of the legitimate wine industry versus the size and value of the counterfeit activities using IP infringement values and loss of tax revenue as measures. The figures and case studies for assessment will be limited to the EU in order to keep the analysis concise.

The thesis also aims to examine the severity of concern counterfeit activities pose to producers, sellers of wine as well as to the end consumer by assessing the current weaknesses in the supply chain which are being exploited by counterfeiters and further review some recent cases to reveal what the motivations, benefits and risks modern counterfeiters face. This will be later compared with the potential damages and impact on legitimate businesses to measure possible urgency and demand for anti-counterfeit tools. We will also assess what the current barriers are for adoption for producers. Further insights have been gathered through verbal interviews with producers and some sellers of modern technology for additional parameters to consider. This comparative study aims to also reveal and assess the new market dynamics and challenges created by ecommerce to the industry and its impacts on the traditional supply chain.

A consumer survey was conducted digitally in order to better understand the level of consumer awareness on counterfeit issues as well as to better understand the degree of effectiveness and sufficiency of the current methods used by producers. The survey will try to determine just how much importance consumers place on authentication tools, their influence on purchase behaviours, who consumers would hold most accountable in the event of purchasing counterfeit wines and whether consumers care enough to pay for additional authentication tools in the end. Further insights were gathered through real-live cases and interviews with recent victims of counterfeit wine.

Finally, as the problems have been identified and investigated, the final part of this thesis will delve into the solutions available; comparing the strengths and weaknesses of both low-tech and high-tech methods to combat counterfeiters and present successful case studies of producers who have taken proactive and strategic stance against counterfeit activities.

By the end, the thesis will be able to provide an answer to the question posed, whether authentication tools have any real potential to become important in the future for the industry and the potential opportunities and advantages the modern tools may provide to producers and sellers who would choose to adopt them.