

## Abstract

### Challenges and opportunities for Swiss wine production

Shlyakhova Sofiya

#### **Motivation for choosing this topic**

Switzerland is well-known for its high quality financial, service, gastronomy and leisure sector.

However, it's extremely rare when we see the Swiss wines outside its borders. As someone living in Geneva, the region with a strong winemaking tradition and producing almost 10% of the total country's volume, I am curious in understanding why despite high quality and largest diversity of local wines they miss global recognition.

**Objective.** The objective of my thesis is to evaluate the current state of the industry, by assessing the difficulties which it faces like: limited country's wine image, climate change, low export, high prices for the wine itself, market competition, trading barriers. Based on analysis the goal is to create the recommendations how Swiss wine producers can adapt in elevated competition world's wine market.

#### **Methodology**

There are quite limited quantity of the wine books related to Swiss wine industry, the recent ones that were published was studied and used for the thesis. The main resources used were online, including official web pages from the Swiss governmental agricultural sector and OIV to understand the main statistics. As well, one personal interview with a director of a local winery was conducted. Marketing models used for the thesis are: SWOT analysis and 5P marketing mix.

#### **Content**

The thesis contains 4 sections. The first section is aimed to assess the current situation for Swiss wine industry by analysing statistics of wine production, export, import figures and wine consumption.

The second section is focused on an overview of main grapes, regions, brief history, climate, geography and wine producers.

The third sections covers the challenges and opportunities for wine industry, using SWOT model.

**Strengths:** Strong domestic market; indigenous grape varieties; multicultural wine regions with different traditions of winemaking; established wine regulations leading to high quality wine production; unique terroir;

**Weaknesses:** Limited production; High production costs & price competitiveness; Strict wine regulations; Country is surrounded by large wine producing countries; Limited of marketing and lack of branding.

Opportunities: Growing tourism in Switzerland; Internet and digital marketing trading; Fine wines aren't exist as a category;

Treats/challenges: Low global awareness (presence); Distribution and market access; Climate change; Ageing population in Switzerland and new generation tend to drink different beverages; Expensive export;

And in the last fourth section the recommendations of improving Swiss wine production according to climate change, economical factors, branding (marketing) are written.

## **Conclusion**

Switzerland's wine industry possesses numerous advantages that enable it to compete effectively in international markets. All the strengths could be developed into strategy for positioning on the market – niche, exclusive wines based on quality.

The weaknesses are manageable with the relevant supervision and further financial investment into the vineyard management, resolving the problems with the lack of image and marketing strategy for the country.

As all the challenges, that industry faces have to be managed with a financial investment, the main potential issue will be even higher cost of production, making Swiss wines a real «treasure» for an average consumer.

However, as the global trend for rare, limited wines is growing, the Swiss wines, will found their consumer, who appreciate quality, artisanal approach, unique alpine terroir. With time they can gain appreciation of wine connoisseurs of the world.