Food and Agriculture Organization of the United nations

II INTERNATIONAL CONFERENCE

WORLDWIDE PERSPECTIVE ON GEOGRAPHICAL INDICATIONS

Rome, 18-21 February 2025

Università degli Studi di Palermo

SAAF
DEPARTMENT AGRICULTURAL FOOD FOREST SCIENCES

Rilanciare il settore del Marsala DOC.

Un percorso attraverso innovazione sostenibile, cooperazione e supporto normativo

Valeria Borsellino, Giuseppina Geraci, Claudio Mirabella, Antonino Galati, Emanuele Schimmenti

Marsala DOC

First Italian wine on the international market **since the 19th century** (Costacurta, 2021)

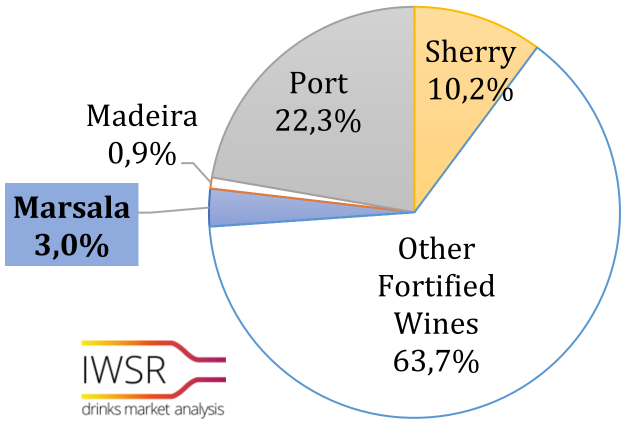
Historical decline from the First World War to recent years

Reason of decline

- Sales of poor-quality products exploiting the reputation gained
- Absence of regulations and norms

Marsala DOC represents 3% of global sales of fortified wines

(2023, volume)



IWSR drinks market analysis

1931: First regulation - 'Doc ante litteram'

Geographical delimitation of production' sites

'60s: Improvements

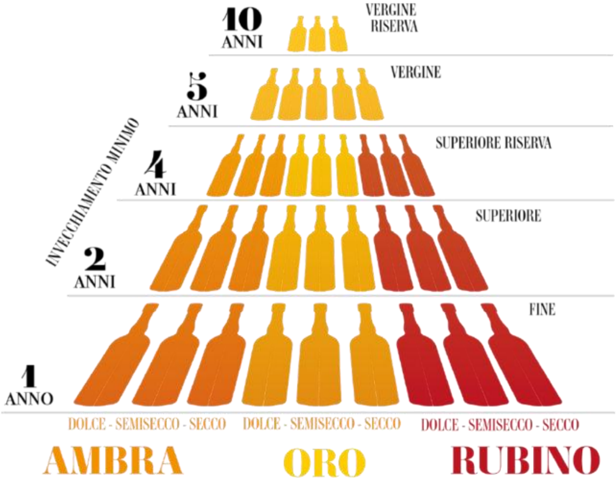
- Consorzio Volontario di Tutela del Vino Marsala (1963)
- Denominazione di Origine Controllata (1969)

- Production guidelines

Ageing period

Colour

Sugar content



Main challenges

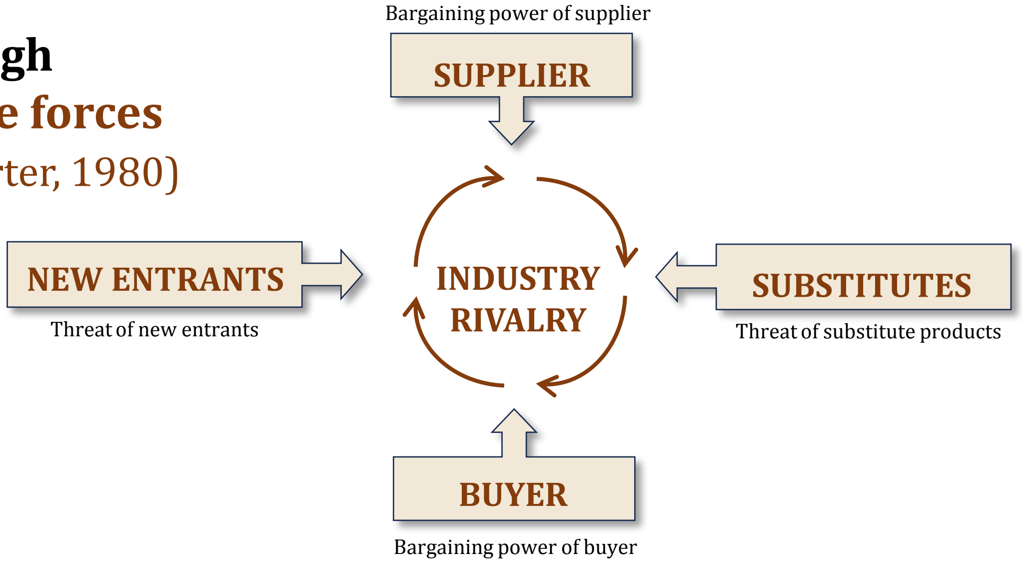
- **Niche market**: Fortified wines ~~ 1% global sales
- **Competition** from Port, Sherry and Madeira
- Productive **fragmentation** and **conflicts** between large and small producers
- **Absence** of the **Consortium** from 2016 to 2022
- **Poor knowledge** of the product by consumers

Aim

Assessing the competitive scenario of Marsala DOC

Identifying strategies that can promote its revitalization

Through
Porter's five forces analysis (Porter, 1980)



Surveys to **two Marsala DOC wineries**

~15% of global sales (2023, hl) (IWSR, 2024)

Florio

Founded in 1833
Pioneer of Marsala DOC

Marsala DOC in 2023: 7.950 hl

- Superiore riserva: 97,0%
- Vergine riserva: 3,0%

Pellegrino

Founded in 1880
Called "The Admiral"

Marsala DOC in 2023: 11.230 hl

- Fine: 69,9%
- Superiore: 29,3%
- Superiore riserva: 0,6%
- Vergine riserva: 0,2%

For each force

Identification of critical variables influencing intensity

Evaluation by adjusting

Dobbs' template (2012)

Score

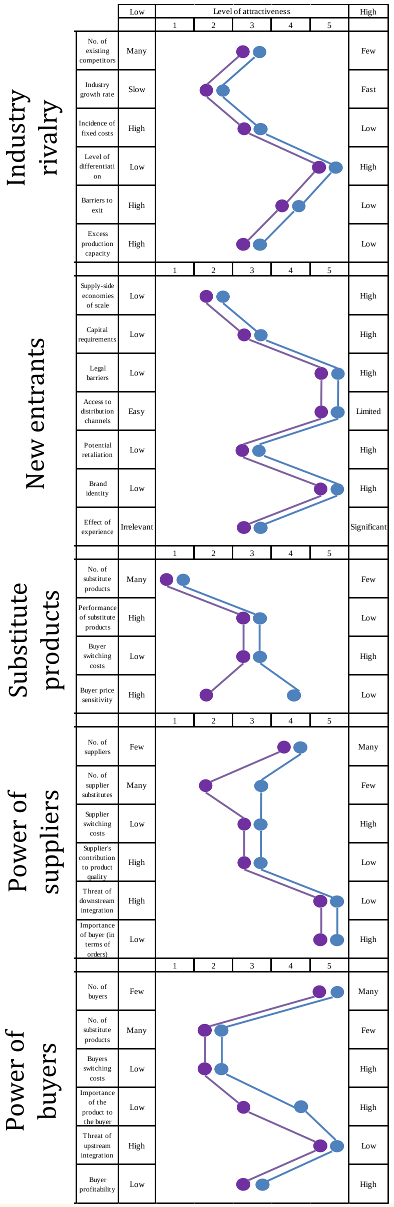
from 1 = *no attractiveness*

***to* 5** = *high attractiveness*

Illustrated by two broken lines: **current and future scenario**

Pairwise comparison method (Saaty, 1980)

To determine the weight of each force and each critical variable

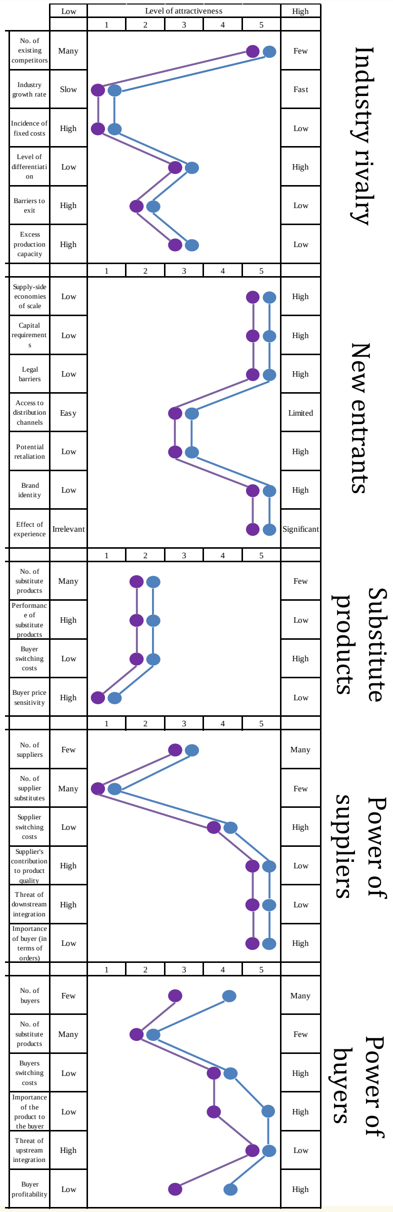


Florio

Current scenario

Future scenario

Pellegrino



Main challenges

Substitute products

Bitters, sweet and dessert wines, liqueurs

Competition from other fortified wines

Port, Sherry, Madeira, etc.

Lack of consumer knowledge

The five competitive forces are **not expected to change significantly in the near future** (light improvement)

Florio

Forces and variables	Weight (a)	Current scenario Score (b)	Current scenario Weighted score (a*b)	Future scenario Score (c)	Future scenario Weighted score (a*c)
Industry rivalry	**19.0%**		**0.636**		**0.636**
Fixed costs incidence	7.9%	3	0.236	3	0.236
New entrants	**3.5%**		**0.143**		**0.143**
Substitute products	**60.5%**		**0.998**		**1.366**
No. of substitute products	31.6%	1	0.316	1	0.316
Buyer price sensitivity	18.4%	2	0.368	4	0.736
Power of supplier	**7.2%**		**0.234**		**0.262**
Availability of substitute products	2.8%	**2**	**0.0554**	**3**	**0.0831**
Power of buyer	**9.8%**		**0.270**		**0.277**
No. of substitute products	5.1%	2	0.102	2	0.102
Importance of the product to the buyer	0.7%	3	0.0201	4	0.0268
Sum of the 5 forces			**2.282**		**2.684**

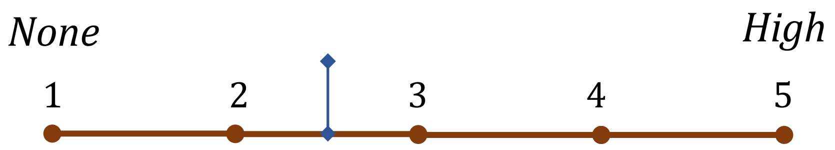
Pellegrino

Forces and variables	Weight (a)	Current scenario Score (b)	Current scenario Weighted score (a*b)	Future scenario Score (c)	Future scenario Weighted score (a*c)
Industry rivalry	**25.7%**		**0.548**		**0.548**
Fixed costs incidence	10.1%	1	0.101	1	0.101
Barriers to exit	7.8%	2	0.155	2	0.155
New entrants	**2.7%**		**0,125**		**0.125**
Brand identity	1.5%	5	0.073	5	0.073
Substitute products	**51.0%**		**0.966**		**0.966**
Substitute products performance	29.0%	2	0.579	2	0.579
Price of substitutes	14.5%	2	0.290	2	0.290
Power of supplier	**15.5%**		**0.665**		**0.665**
Supplier's contribution to product quality	4.1%	5	0.205	5	0.205
Importance of the buyer	7.1%	5	0.353	5	0.353
Power of buyer	**5.0%**		**0.176**		**0.215**
Number of buyers	0.7%	3	0.021	4	0.028
Importance of the product to the buyer	2.1%	4	0.082	5	0.100
Buyer profitability	1.2%	3	0.035	4	0.050
Sum of the 5 forces			**2.480**		**2.519**

Sector attractiveness

Sum of the 5 forces

	Current		*Future*	
Florio	**2.282**	→	**2.684**	+
Pellegrino	**2.480**	→	**2.519**	+



Mediocre attractiveness

As a result, the sector's attractiveness is likely to remain **average** with little **improvement**.

Improve consumers awareness → **Marketing, Storytelling** and **Modern communication channels**

Product innovation → **Versatility** (new Food & Wine pairing, Mixology/cocktails) and **Sustainability** (e.g., precision agriculture)

Strengthening the Consortium → **Collaborative strategies, Expanding the sales network abroad, Training stakeholders, Combatting counterfeiting**

Updating production regulation → **Set restrictions** (increase the alcohol content of the base wine, reduce the number of communes and types of Marsala doc wine) and **Strengthen the link with the territory** (Additional Geographical Unit)

Opportunities

Growing demand for fortified wines (Pereira et al., 2019; Skyquest, 2024)

Limits

- Niche market
- Small sample size

Future studies

- Expanded sample size
- Extend the analysis outside the corporate domain *(es. PESTEL analysis)*

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