

# ORGANIZATIONAL DIVERSITY IN U.S. EMERGING WINE REGIONS

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## **ABSTRACT**

This dissertation analyzes the institutional structure of production in U.S. emerging wine regions. More specifically, it scrutinizes the grape procurement strategies of firms from five states – Illinois, Michigan, Missouri, New York, and Vermont. After proposing a research agenda for investigating “make-or-buy” decisions in nascent clusters in Chapter II, I assess the determinants of the extent of vertical integration among the small wineries in the sample. Finally, Chapter IV discusses the drivers of adoption of concurrent sourcing and the simultaneous use of diverse governance mechanisms within the same transaction. The results point out to the importance of informal ties in the governance of the studied grape exchanges. In particular, trust is an essential supporting mechanism in less coordinated transactions, reflecting the constraints faced by many firms to devise long-term formal arrangements. On the other hand, the ability to evaluate the objective attributes of grapes produced by independent growers appears to exert a limited influence on the procurement choices of several firms, suggesting heterogeneous measurement capabilities among the surveyed organizations. Finally, concurrent sourcing appears to relate to grape varieties with a higher differentiation potential. The outcome possibly illustrates the intense learning effort carried out in U.S. emerging areas, as well as the progressive convergence of the varieties grown in each region.