This dissertation provides an empirical linkage between New Institutional Economics and the United States alcohol industry, with a specific look at the wine industry. Using an institutional economics framework, it analyzes the motivations for the industry’s current regulatory environment, examines the impact of a changing institutional environment on contractual relations between parties in the wine value chain, and explores the criteria that wineries use to choose among alternate organizational forms. The analyses directly contribute to three sets of literature, literature on the impact of institutions, literature on general organizational design and governance, and specific literature on wineries’ organizational designs. The first two literatures are mostly academic, while the last is of direct importance to the wine industry. The overarching theme of the dissertation is that institutions matter— they matter to the ways that firms structure their businesses and the ways that firms facilitate their transactions.