

The construction of new categories in uncertain markets

Case Study: Israeli wine market, 1980-2010

Diana Groisman

Advisor: Dr. Tamar Yogev, Haifa University

Players in financial markets, as in other social fields, must rely on structured categorical systems. These systems dictate the rules of the market, its boundaries and the various opportunities that the players should face. Financial markets include special processes in which economic categories are appeared. The concept of "Category" and the sociological process involved in the idea of "Categorization" are central and important in organizational theories.

Many scholars from the Organizational Sociology field of study claim that categorical identity has a significant impact on financial markets' players. The research of Organizational Sociology includes the Organizational Theory which is considered to be one of the prevalent theories in the study of categories.

The current study focuses on the research of the term "Category", as a tool for a further study of the changes that can be found in socio-economic markets. Relevant literature contains a broad reference to the study of existing categories, but a few, if any, reference to how new categories are being constructed.

This research focuses on the Israeli wine markets between the years 1980 to 2010. Israeli wine industry was characterized as a static market until the beginning of the 80's. The new era called "The Quality Revolution" began on the early 90's. This "revolution" became the basic platform for further developing of new categories, such as "Boutique wineries" and "Non-Kosher wineries".

Israeli wine market is characterized as an uncertain market. This might be the reason for the difficulty in defining new categories, such as "Boutique wine". Wine is perceived by society as an Hedonic luxury; by that wine is valued on the basis of its characteristics. This fact makes it difficult to reach any measurable and accurate parameters of wine products.

This study uses both quantitative and qualitative research methods. Quantitative method is used for text analysis from "Ha'aretz" newspaper printed in the years 1980-2010. Qualitative method is used for personal interviews with various people working in the Israeli wine industry. A pilot study based on ten interviews has already done as a part of an initial attempt to research the processes that are involved in constructing a new category.