

# Internationalizing a young Spanish winery: Theoretical and empirical frameworks for a successful marketing analysis.

Case Study: Winery "Bodegas Ribera de Pelazas"

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**KTH Industrial Engineering  
and Management**

Master of Science Thesis  
Stockholm, Sweden 2016



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2016:86



Master of Science Thesis INDEK 2016:86  
KTH Industrial Engineering and Management  
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## **Abstract**

*Few different goods or beverages are as particular as wine in History of humanity, even being the main symbol of luxury and status from days of Rome. Its particular intoxicating effects together its complex and long-term elaboration makes wine one of the biggest attractions for food and beverages lovers.*

*Unfortunately, being one of the most famous beverages in History does not provide wine to be a competitive good without proper commercial strategies. Due the big local offer and costs reduction, markets are saturated and the competitiveness versus other wines and other kind of drinks make more difficult to survive in a diverse and constantly evolving sector. Therefore, internationalization and marketing strategies become the key of success for small and medium size wineries to survive in this business ecosystem.*

*The following thesis explores different marketing strategies developed on different wine markets, taking a small Spanish winery as a case study. In order to give an insight of the current strategies carried out by the company, the author interviews the main direction of the winery and analyse the data collected versus the theoretical framework developed. In addition, two other interviews on different levels of the wine market will be added to reinforce the empirical framework: from a wine import company and form a public institution for the promotion of the Spanish companies.*

**Key-words:** Wine, Marketing strategies, Winery, Wine Market, Internationalization, Consumer Behavior, Purchasing Decision

## **Acknowledgements**

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*Firstly, I would like to thank my supervisor Serdar Temiz for his support and guidelines during this journey. Without his personal advice and his academic guidance I would have not started this thesis. Therefore, without his motivation this thesis would have never been published.*

*I also would like to thank all the colleagues and friends who supported me during this process. Again, they proved that our personal circles are the real key of added value on everything we do.*

*Secondly, I would remember on these acknowledgement all those loved people who will never see this thesis finished. They, especially all my grandparents, are and were the engine that allows me to continue working and enjoying everything I do as the first day.*

*Lastly, thank you to my father and my mother for everything: yesterday, today and tomorrow. This master thesis and the effort which carries is as mine as theirs.*

## ***Abbreviations***

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<i>BRDP</i>	Bodegas Ribera de Pelazas
<i>WOW</i>	World of Wine
<i>DO</i>	Designation of Origin
<i>ICEX</i>	Commercial Office for the Internationalization of the Spanish Companies
<i>B2B</i>	Business to Business
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*The chapter below provides the background of the thesis from general purpose to specific purpose, the research motivation and purpose for the case study and the research question are proposed in this thesis.*

## 1.1 Background

Even before the arrival of the modern sodas and the commercial drinks, there was an alcoholic beverage that was popular enough to have its own god in the ancient Rome: wine. Its name comes from the Latin word *vinum*, is one of the most famous beverages in the history of the human being and a wide common alcoholic drink all over the world. It can be found almost all over both Eastern and Western populations. It is a drink made from the natural fermentation of the grapes, without the addition of any other nutrients such as sugar or acids. Yeasts are in charge of this natural fermentation, playing a very important role turning the sugar of the grapes in ethanol and carbon dioxide. From the biochemical and genetic point of view, we can find hundreds of different and unique wines, which come from singular and distinguished regions. All these different and genuine kind of wines can be produced from different varieties of grapes (all of them are properly catalogued from different institutions and recognized national and internationally), and are also influenced by the type of fermentation and processes carried out by the winemakers.

Some other agents have a special role on the development of the grapes as the biochemical process of the growth and the specific *terroir* (which summarizes the different genetic of the vines, the specific geology of the region, how the wine is growth, and the different types of climate which affects directly to the condition and quality of the grapes) [Johnson, 2016].

One of the facts that makes wine itself so popular and at the same time, very interesting from the research point of view, is the large period of time that the wine was elaborated. The earliest evidence about wine dates from 8000 years ago when some ancient wine jars were found in Georgia [Keys, 2016]. There are also ancient evidences from countries as Armenia with the first known winery (6100 years old) [Owen, 2016], some wine jars found in Iran (7000 years old) [Ellsworth, 2016], and other evidences in Greece, the ancient Roma and even in China [Gill, 2016]. This beverage has been an object of desire for generations due to its giving social status and its intoxicating effects which are produced when drinking several normal servings [Groce, 2016].

Nowadays, wine is a beverage which is spread in almost all the cultures and all levels in society around the globe and in all continents, within a market which is highly overloaded and very mature for most of the different business models around the world of wine (WOW). At the same time, market research and business models generation had been developed all over the globe focusing on different ways to make business around wine, either with the wine itself or with different kinds of wine-derived products. The grape varieties, the different denominations of origin and countries, the wines made from different kind fruits, or the wide wine tourism as it is: the attraction that supposes the vineyards, the interest around the wine spas or wine therapies, the wine hotels and any kind of accommodation business, the cultural impact of the wine over the landscape and the local economies and moreover, all the wine gastronomy elaborated with wine, designed to enjoy with wine and created to taste around the WOW.

The case study for this thesis is based on a small winery from West Spain in Salamanca, Bodegas Ribera de Pelazas (BRDP), owned by two families which started this business venture 19 years ago. The business idea came from two friends and partners who worked long together on the finance sector. Their passion for the WOW offered them the opportunity to meet different personalities within the wine sector such as sommeliers, winemakers, distributors, researchers and journalists. This fact, together with the recent boom of the Spanish wineries on the international market, and the rising investment on new wine projects during the 90s in Spain, encouraged them to look for new business opportunities and a different kind of investment for their life savings.

Helped by their new wine network, they knew about one particular region to growth vines, which hid singular and centenary vines that were forgotten from the wine reviews and magazines. That area was still unknown for the majority of the market, the Natural Park Arribes del Duero, a particular area that is a privileged place for wines made from both traditional local varieties (Juan García, Bruñal) and typical Spanish varieties (Malvasía, Tempranillo, Garnacha, Mencía) with centenary vineyards having more than 100 years [DO Arribes, 2016]. This protected area is surrounded by spectacular landscapes, with over a hundred miles filled with cliffs, waterfalls, and banks... with a deep wine history and traditions, where BRDP is located since its foundation [Bodegas Ribera de Pelazas, 2016].

This project started as an project that researched and rescued two indigenous grape varieties: Juan García and the endangered Bruñal, together with an R&D project elaborated by the University of León in North Spain. The winery aimed to elaborate premium wines with these

two unique and special varieties having the potential to age and to become on very well balanced wines. These particular types of wines are elaborated with handicraft viticulture without herbicides, vivifying the wines naturally with indigenous yeasts. The harvest is carried out by hand and the wines are fermented with a malolactic fermentation that takes place naturally, following a traditional harvesting process [Bodegas Ribera de Pelazas, 2016].

The company started an external trade strategy seven years ago and has distributors for its wines in all the 5 continents, with important markets outside Spain as UK or China, and with a high interest in all the EU countries, where the winery made some business in countries as Germany, Belgium, France, Sweden, Netherlands, Switzerland, Sweden or Austria. Currently there is a partnership with an Argentinian marketing company, leader on the marketing wine sector, to develop a global marketing strategy in order to reach all the business goals and connect with users and distributors during the next 3-10 years.

## ***1.2 Motivation & Purpose***

This research on the marketing field is firstly motivated in the wake of the experience accumulated working on international sales during more than one year for the Spanish winery Ribera de Pelazas. My business oriented background and experience on sales motivated me to join this family project beyond the personal interest as a shareholder or as a wine consumer.

During that period of time getting knowledge on the WOW, the know-how of the winery and experience internationalizing a consumer product in a mature market, several business opportunities appeared. These business opportunities showed the potential to develop different ventures that could have innovation as a differentiator. The market I learnt about was getting more complex than I expected in a first sight and some success keys were diffuse. I felt that something was missing on the equation and some needs on the market were not perfectly yet identified.

During the time I performed the Entrepreneurship and Innovation Management master, I had the opportunity to perform the course Advanced Industrial Marketing with Serdar Temiz. This experience exponentially motivated my interest on marketing strategies. After performing several case studies and digging more on the topic, several marketing challenges were pointed on the wine sector. These challenges properly faced could strength the marketing knowledge

on the Spanish wine sector and help other small wineries to develop their own international projects.

Therefore, the purpose of this case study is to research on the importance of marketing in the WOW, specially adding value with strategies to successfully market Spanish wines abroad. Learning how innovative marketing influences consumer behavior or how it influences the perception that the customer has about the product. Added to that, it aims to answer how a small winery can successfully introduce its product in the competitive international market.

This research search to identify the main marketing strategies and barriers once a small Spanish winery, BRDP, starts an external trade strategy. Through a case study conducted within BRDP and presented on this thesis, the research will explore the influence and importance of the marketing in the wine sector, which are the current and most common strategies carried out on the international markets and how accurate are the current strategies of BRDP. The research will provide with suggestions and potential actions for a more complex and specialized marketing plan that might support both the image of the winery and its business model.

### **1.3 Research Question**

*How can a small Spanish winery, BRDP, be successful marketing its wines internationally?*

Quality product, a good distribution channel and innovative sales tools, all of them are necessary to successfully introduce a product in an international market. They are necessary but not determinate to achieve the entrepreneurial goals without the proper marketing strategies.

The research problem faces a national Spanish market with a decreasing internal demand and the biggest volume production of grape juice in the world. Despite having the right product, sales seem complicated to most of the small and medium size wineries. Why?

As a case study, this research question searches for the proper marketing strategies to successfully sell and market Spanish wine abroad. How?

Results will be based on a theoretical framework developed with different references, the experience accumulated by BRDP, and other agents specialized on import/export of Spanish wines.

*In any academic paper or scientific publication, a research methodology is always required in order to ensure the research is properly conducted according the methodology proposed. This master thesis is carried by a theoretical framework based on literature review. Then it is conducted by data provided by several interviews from different levels of the wine market.*

### **2.1 Case Study Design**

The thesis will investigate on which are the current and most common strategies carried out by the Spanish wine sector and other potential competitors which are consider as big wine producers. It will also analyze on how accurate are the current strategies of the case study company, BRDP, providing with suggestions and potential actions for a more specialized marketing plan, that might support both the image of the winery and it business model.

The case study can be divided into two defined parts. The first part will consist on a theoretical framework based on the strategies and knowledge collected from an extensive literature review, and hence, quantitative data. This theoretical framework will establish the different actions and strategies carried out by the Spanish wine market and several international organizations for a successful marketing plan during external trades or internationalizing different wines outside the borders of the local markets.

The second part of this case study is an empirical framework based on data collection through four interviews of different levels on the wine sector (qualitative data): two interviews to the Asia Export Manager and the Finance Director of the winery BRDP, one interview to the manager of a Spanish wine import company, and another interview to a manager of the Commercial Office for the Internationalization of the Spanish Companies (ICEX). Both interviewees from BRDP will provide with knowledge developed during the commercial missions carried out the last 7 years. Importer and ICEX interviews will provide with “the vision from the other side” in order to measure the impact and success of the strategies and knowledge from the winery, all related with the theoretical framework.

Despite that case study could be based on any mix of quantitative and qualitative data [Yin, 2013], this thesis research will be mainly considered as qualitative due the data collection is based on 4 interviews that include detailed observations as a source of evidence.

Finally it is important to mention some weaknesses of case study methodology. During the research, research questions can change and get other orientations due the appearance of different evidences. Case studies also can reach abstract levels avoiding clear measure of data.

## **2.2 Literature Review**

After introduction on the topic research, the theoretical data source for this study will be a literature review based on different journals, books and other kind of publications as website publications. This review aims to provide the reader within a deeper knowledge on the wine sector and its marketing strategies. Therefore, publications regarding wine marketing strategies, different business models, the Spanish wine market, and all the potential aspects considered of interest on the market will be analyzed. The outcome of this literature review will be a theoretical framework that provides with knowledge to formulate the research question.

## **2.3 Interviews**

This case study is based on a theoretical framework, formed through quantitative literature review, and an empirical framework, developed through a deductive process on qualitative interviews. Four interviews will be performed in total with the winery, a Spanish import company the USA and the ICEX. Both frameworks are analyze and contrasted to answer the research question of the case study, which can be formulated as “how” and “why”. This case study is an explanatory research on which the question is made over a contemporary set of events which cannot be controlled by the author [Yin, 2013].

Data collection from the company BRDP will be performed through: two interviews to both high executive and Asia Export Manager of the company. This data from the winery will support the case study to support BRDP strategies in developing and commercializing it wines. Moreover, two interviews more will add information about the current market situation from an importer point of view and from the Commercial Office for the Internationalization of the Spanish Companies.

## **2.4 Ethical Considerations**

All the interviews are done voluntarily and procedures for the interviews were clearly explained in a written format before the interviews were carried out. Interviewees agreed on

having the interviews via Skype and mail, even when other alternatives were offered [University of Glasgow, 2002].

Regarding confidentiality, all the interviewees requested not to be named on the thesis, just their job positions and their roles at the company.

The interviewees gave their permission in a written form for the interview publication.

## ***2.5 Delimitations***

The current research has some delimitation considered necessary for the right performance and accuracy of this master thesis.

On one hand even having an international scope, due the nature of the research, this case study is primarily focused on the Spanish wine market and the small winery BRDP.

On the other hand the interviews are performed and delimited to few specific countries as China, USA and the Nordic Countries. All the three different business levels have specific beliefs and thoughts based on the markets where they operate. Therefore, all the information collected through this thesis depends on the willingness of the people interviewed, which is a natural fact due to the nature of the data collected.

## ***2.6 Limitations***

During the research process some limitations were encountered, which defined the study process.

The main limitation is the difficulty to generalize results to all wine cases in all the countries, together with the social consideration that different countries have on their products. Then any other extrapolation of these results to another market different than the Spanish could not be considered due to lack of reliability and accuracy.

Another limitation encountered is the wide amount of researches and publications on marketing as a main topic. Due the large amount of marketing theories to explore this research is lacks to be a marketing guideline except for the specific delimited scope.

## ***2.7 Future Research***

Marketing and wine sector are wide topics to research with due the fast evolution of the different trends of the market. Fore future research is recommend to dig on the different theoretical subtopics and characteristics, depending on the different aimed countries, and further data collection from different players of the market as producers (wineries), traders, public organizations, wine marketing companies, wine club associations and importers.



### 3 THEORETICAL FRAMEWORK

*The following reference frame is a summary of the existing knowledge and a former research of the case study. This chapter presents the theoretical framework that is necessary for the performed research and its design.*

The European and most significantly the Spanish wine markets are experiencing an important challenge. European wines are facing a rising growth of the supply with countries like Spain being ahead on this matter. In the specific case of Spain, as shown in Figure 1, the problem is aggravated as it is the largest world wine producer in terms of grape/liters as well as the country with the largest planted area [ICEX, 2016].

<b>El viñedo en el mundo</b>								
Fuente: Datos OIV; elaboración OeMv								
<b>Datos</b>						<b>Prov.</b>	<b>Prev.</b>	
<b>(miles Ha)</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>% s/ total</b>
España	1.165	1.113	1.082	1.032	1.017	1.021	1.021	13,52%
Francia	858	836	818	796	792	793	792	10,48%
Italia	825	812	795	720	712	705	690	9,13%
Portugal	246	244	244	236	233	229	224	2,97%
Rumania	207	206	204	191	192	192	192	2,54%
Otros UE	491	479	474	461	483	478	480	6,35%
<b>Total UE</b>	<b>3.792</b>	<b>3.692</b>	<b>3.654</b>	<b>3.468</b>	<b>3.429</b>	<b>3.418</b>	<b>3.399</b>	<b>45,00%</b>
EEUU	402	403	404	413	412	424	425	5,63%
Turquía	518	515	514	508	497	504	502	6,65%
China	480	518	539	633	709	760	799	10,58%
Argentina	226	229	217	219	222	224	227	3,01%
Chile	198	199	200	206	206	208	211	2,79%
Sudáfrica	132	132	132	133	135	133	132	1,75%
Australia	173	176	171	170	162	157	152	2,01%
<b>Total no UE</b>	<b>3.945</b>	<b>4.009</b>	<b>3.933</b>	<b>3.324</b>	<b>3.386</b>	<b>3.443</b>	<b>3.525</b>	<b>46,66%</b>
<b>TOTAL MUNDO</b>	<b>7.737</b>	<b>7.702</b>	<b>7.672</b>	<b>7.497</b>	<b>7.498</b>	<b>7.546</b>	<b>7.554</b>	<b>100,00%</b>

<sup>1</sup> Organización Internacional de la Viña y del Vino.

Figure 1 - Vines in the World in miles of hectares [ICEX, 2016]

Together with this rising supply, there are other complicated situations as the decreasing Domestic demand. The market in Spain is facing a 15% decline of the wine consume during the last 12 years (years 2000-2012). Besides, new alcohol regulations for alcoholic beverages, plus the economic crisis in 2008, pushed Spain to low consumption records as 19.9 liters consumed per person and per year. This amount is very far from other big wine producers as France, Portugal and Italy, which double that consumption amount, as illustrated in Figure 2. This situation is especially problematic in the youth market (from 20 to 40 years old), where Spain has some of the lowest rates, evidenced by the low effect of the marketing campaigns during the last twelve years [Guia Peñin, 2016]. All this problems, together with a lower

support from public institutions and the rising of the New World Markets, are the main struggles for the European wine sector.

<b>Consumo mundial de vino (miles de hl)</b>					
Fuente: Datos OIV; elaboración OeMv					
<b>País</b>	<b>2012</b>	<b>Prov. 2013</b>	<b>Prev. 2014</b>	<b>Var% 2014/13</b>	<b>% s/ total</b>
Francia	30.269	28.700	27.850	-2,96%	11,60%
Italia	22.633	21.795	20.395	-6,42%	8,50%
Alemania	20.000	20.400	20.200	-0,98%	8,42%
Reino Unido	12.801	12.700	12.600	-0,79%	5,25%
España	9.300	9.800	10.000	2,04%	4,17%
Resto UE 27	27.130	25.791	28.955	12,27%	12,06%
<b>Total UE</b>	<b>122.133</b>	<b>119.186</b>	<b>120.000</b>	<b>0,68%</b>	<b>50,00%</b>
EEUU	29.000	30.200	30.700	1,66%	12,79%
China	17.477	17.000	15.800	-7,06%	6,58%
Argentina	10.051	10.400	9.900	-4,81%	4,13%
Australia	5.375	5.400	5.400	0,00%	2,25%
Resto no UE	60.230	56.186	58.200	3,58%	
<b>Total no UE</b>	<b>122.133</b>	<b>119.186</b>	<b>120.000</b>	<b>0,68%</b>	<b>50,00%</b>
<b>TOTAL MUNDO</b>	<b>243.000</b>	<b>242.000</b>	<b>240.000</b>	<b>-0,8%</b>	<b>100,00%</b>

Figure 2 - World consumption of wine [ICEX, 2016]

Facing this wine competitiveness situation will need of investment and development of new production and processes, together with different innovations especially on the marketing and sales strategies, which had been proof better results and a higher accurate effects. During the recent years, different publications and journals researched the current and future developments from a marketing and strategic point of view, particularly on the external trade outside the local borders [Bardají & Mili, 2009].

One of these particular marketing tools to internationalize wines is the internet. Both websites and social media are under research due to the important impact they have on society, measuring the impact these strategies have over business results and over wine branding.

Nowadays, wine is a beverage not intended only to high social classes and available in the market for most of customers. Therefore, websites have to be properly presented in order to reach all the niches of the market despite the nature of the final customer. Figure 3 shows the potential benefits that web marketing can offer to small wineries.

A recent research article conducted a test to measure the impact of brand wine websites readability [Mills & Pitt, 2012]. This test was carried out on websites from small, medium and big wineries. It concluded that most of the studied websites failed in their purpose and

increased the confusion that potential customers have on the wine brands, more than providing with any branding value [Mills & Pitt, 2012].

In parallel with this research, a tool to evaluate the effectiveness of different winery websites was developed in contrast to traditional rating based tools. This new tool was tested in a sample of almost twenty small American winery websites and showed that most of them were similar to electronic catalogues or info databases, rather than real dynamic marketing instruments [Yuan & Morriosn & Linton & Fen & Jeon, 2015].

Cost savings	<ul style="list-style-type: none"> <li>• Cheaper to establish and maintain than other forms of advertising</li> <li>• May save on brochure and postal costs</li> </ul>
Accessibility	<ul style="list-style-type: none"> <li>• Provides instant access to a wider market of potential visitors</li> <li>• Allows visitors to have the most updated information</li> <li>• Potential consumers can access the information at any time</li> <li>• Attracts visitors from other regions</li> <li>• Positions the business in the international marketplace through global accessibility</li> </ul>
Niche marketing	<ul style="list-style-type: none"> <li>• People with special interests (i.e., wine and wine tourism) often search the Web</li> <li>• Internet users are better educated and more affluent; this is compatible with winery goers</li> <li>• Provides interactions with interested customers and visitors</li> <li>• Educates winery visitors and wine lovers</li> </ul>
Partnership	<ul style="list-style-type: none"> <li>• Winery is able to build alliances with other wine tourism stakeholders by establishing reciprocal links</li> <li>• Establishes informal business promotion network</li> <li>• Promotes 'total' wine tourism experience in a collaborative manner</li> </ul>

Figure 3 - Benefits of Web Marketing for Small Wineries [Yuan & Morriosn & Linton & Fen & Jeon, 2015]

Several research studies digged on the importance of the brand wine websites and its web-stores as a tool to connect and interact with customers. One of these empirical studies analyzed how small and medium size wineries from five different countries develop customer relationships and facilitate information and online purchase in both national and international markets. Most of the analyzed websites were shown to facilitate a range of services from payment to shipping as well as providing with all the information and customer care, as illustrated on Figure 4. This demonstrates that websites has become a crucial tool for marketing and sales in the wine sector [Neilson & Madill & Haines, 2010].

Use of websites to encourage community and relationship development					
Utilisation by winery	% of Wineries				
	Canada	Australia	California	France	Chile
Website facilitates relationship and community building***	52.5	52.6	76.0	29.8	70.8
Website invites visitor to join wine club#, ***	51.6	50.0	82.6	8.1	5.9
Winery has an online or e-mail newsletter#, ***	80.6	55.0	63.0	29.7	27.1
Website offers a 'feedback form' to facilitate visitor to company info flow#, ***	51.6	38.3	31.5	51.4	72.9
Website facilitates visitor to visitor interaction#, *	3.2	5.0	13.2	10.8	1.2
Assessment of community building#	Mean assessment on 5 point scale				
How well does the website support online community?***	1.61	2.2	2.34	1.73	2.21

#Includes only those wineries with some community facilitation capacity.  
 \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .  
 NS: Not Significant.

Figure 4 - Use of websites to encourage community and relationship development [Neilson & Madill & Haines, 2010]

Another important aspect of the website marketing for the wine sector is its potential to attract visitors to the wineries and through other channels as mobile platforms. The wineries studied belonged to countries as USA, Canada, Chile, France and Australia and the effectiveness of these marketing strategies attracted individuals from both national and international environment. This fact is mainly important for small wineries or those having limited resources, due to the importance that the wine tourism has in these groups, in order to attract winery visitors and increase the cellar door sales [Neilson & Madill, 2014].

In the same way as the wineries' websites, social media also has an important role in the wine business as a marketing tool to reach both retail consumers and wine stores. As Leyland Pitt et. al. suggests on his article "*Luxury wine brand visibility in social media an exploratory study*", social media has higher influence than conventional medias [Reyneke & Pitt & Berthon, 2011]. This might generate some positive opportunities over the marketing strategies but also some drawbacks to brand managers once they try to properly manage and control their marketing campaigns. In [Reyneke & Pitt & Berthon, 2011] the authors evaluate the visibility that luxury wine brands (Bordeaux wineries) have on social media, as shown in Figure 5. The data was gathered throw the *howsociable.com* website in order to compare between different brands. Results showed that these luxury brands did not have clear

marketing strategies for social media. Therefore, the authors conclude that there are marketing opportunities for these brands in social media which are yet to be exploited.

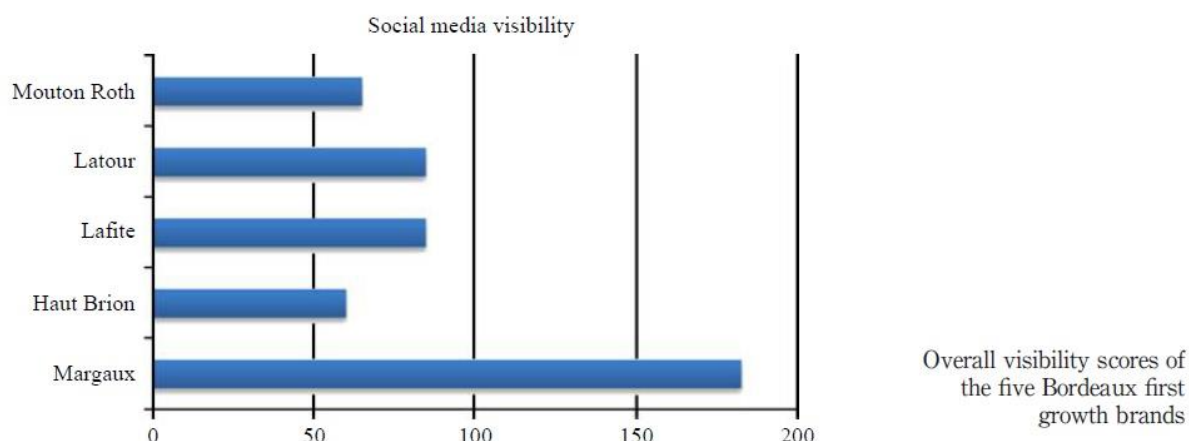


Figure 5 - Visibility of Bordeaux wineries on social media [Reyneke & Pitt & Berthon, 2011]

Following the same research line on the influence of consumer behavior in marketing strategies, other research articles had been carried out in a more generic manner. One of these articles shows the results of a market analysis, specifically on the Spanish market. The author researches on the market trends for wine consumption in Spain and shows that some niche markets have an increasing demand in contrast with the general decreasing demand of the Spanish wine market [Mtimet & Albisu, 2006]. The outcomes of this research were based in a model that takes into account DO, prices, wine aging, and grape variety and found out that DO wines have an increasing demand despite the decreasing wine demand every year. An alcoholic and non-alcoholic beverage consumption comparison in Spain is shown in Figure 6, which offers view of the current consumption of wine in Spain. That proves that every different wine market has its own unique characteristics which need to be identified in order to apply the proper marketing strategies.



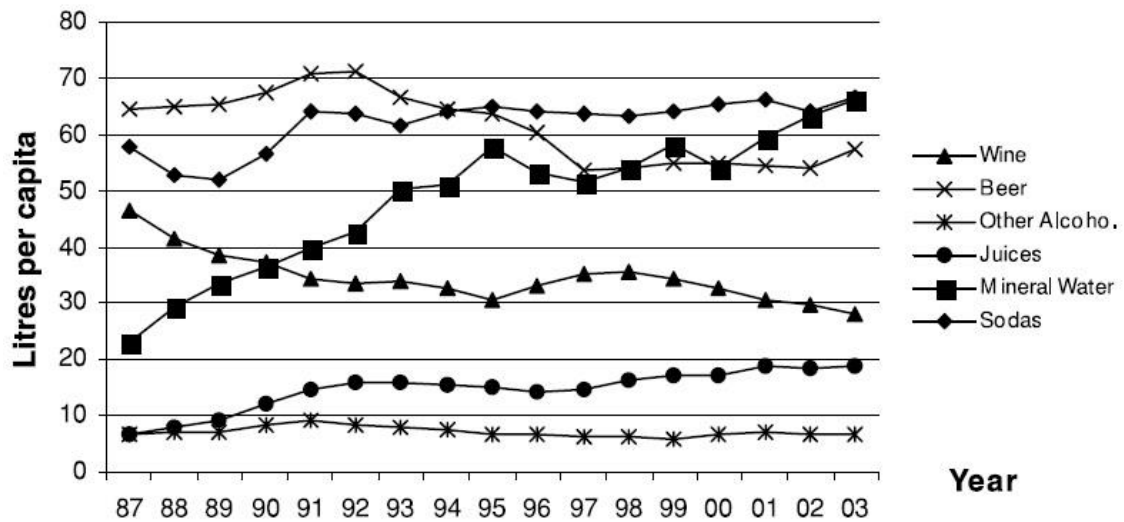


Figure 6 - Alcoholic and non-alcoholic Spanish beverage consumption trends [Mtimet & Albu, 2006]

Making a deeper and specific research on wine marketing strategies we have talk about consumer behavior. There are some publications regarding the wine packaging and wine bundles investigating on this matter. One of these publications is the case study performed by Benedetto Rocchi and Gianluca Stefani (2006): “*Consumers’ perception of wine packaging: a case study*”. Authors dig on the market with a research about how influent is the wine packaging on the retail customer’s buying decision and its perception of the wine. A selection of eleven different wines was presented to thirty volunteers who shared their perceptions on the different bottle. The research’s outcome showed that attributes and labels of the bottles were the main purchasing decision factor, what makes wine packaging the main decision key in wine purchasing for the retail customer [Rocchi & Stefani, 2006].

Following the previous research line, several similar publications have its main focus on wine packaging as “*Analyzing Consumer Preference for Wine Product Bundles: Implications for the Retail and Wine Industry*”. The article researches on the marketing technique known as “bundling”, used by wine makers to get access to retail stores in both national and international markets. Some influence factors on the wine perception such as age are shown in Figure 7. The study examined the Australian consumer’s perception on wine labels and bottles, having as a main outcome that this is the main market segment together deals from the marketing strategy point of view [Matthews & Somogyi & Zanten, 2014].

Question	Element	Number of Respondents	<i>M</i>	Statistical Significance
Convenience	Under 55	204	3.60	.000
	Over 55	58	2.71	
Offers a discount	Under 55	204	3.72	.000
	Over 55	58	3.10	
Value for money	Under 55	204	3.72	.000
	Over 55	58	3.16	
Intention to purchase	Under 55	204	2.36	.004
	Over 55	58	1.95	

Figure 7 - The Influence of Age on Perceptions and Behavior in Relation to Wine Bundle

[Matthews & Somogyi & Zanten, 2014]

Consumer behavior offers a wide range of studies on the wine markets sector, due the implications of the emotions that brands and wine characteristics provoke on the purchasing decision. As we studied on the wine packaging strategies, retail customers are sensitive to all those actions and strategies of marketing that try to connect emotions with wine. These emotion-wine connections are deeply studied on *“Representations of the emotions associated with a wine purchasing or consumption experience”*. Pierre Mora and Jean Moscarola (2014) describe the importance of the consumer emotions during the purchase, the consumption and experience share of wine, supporting the wine as a product with differentiated cultural and symbolic sensations from luxury to reputation. The article also researches the links between emotions and wine brands, together with how brands develop strategies towards to strength these perceptions of their products [Mora & Moscarola, 2014].

Some of the latest marketing strategies that appeared on the wine market during the last years are the organic and ecologic trends. A study made by Rosa Misso and Giovanna Catullo (2012) researched on the purchasing behavior over organic products, specifically on organic wines. The study aimed to understand which consumption factors promote this kind of wines. The methodology carried out a survey on 200 Italian consumers in order to know their concerns on organic wines and to qualitatively improve the production and marketing strategies of the wineries. The results showed that the majority of the consumers were biased towards organic products [Misso & Catullo, 2012].

An important factor for marketing success on the wine business is the attention enhancement that wineries have when they host many visitors. At the same time, this is a big economic source and a booster of the wineries' image when consumers buy wine at “cellar door”. In [Riscinto-Kozub & Childs, 2012] the authors aimed to distinguish between the customers

preferences of those who visit the winery and those who do not. The study researched on the potentially available strategies to attract those non-visitors and get their attention to visit the wineries. The study concluded that reputation and fame are two of the main attributes that would convert non-visitors in potential visitors [Riscinto-Kozub & Childs, 2012].

Following this line, a recent study showed the lack of research of tourism influence in the Spanish wineries. That was the driving argument for the research shown by [Molina & Gómez & González-Díaz & Esteban, 2015]. The main purpose of the study is to identify the different wine tourist segmentation for the Spanish market. The study was carried out by interviewing 598 tourists who visited the five biggest regions in terms of production. Results showed four different kinds of tourist segmentation regarding subjective and objective variables, which can be of interest for both wine makers and institutional organizations, as instruments to enhance their strategic decisions with wine tourism purposes [Molina & Gómez & González-Díaz & Esteban, 2015].



*In this chapter the working process is described. Data Collection and Data Analysis will be developed for the understanding of the interested reader.*

### **4.1 Data Collection – Interviews**

BRDP has experience in the wine market for more than 19 years. It reached emerging and old markets and is being present, despite its low production, in five continents. Nevertheless BRDP is still willing to get access to new different markets in Europe, Asia and both North and South America, thank you to the current projects in which they are involved during the next 3-5 years.

Data collected from the interviews aims to provide high value to the current research in order to analyze key points of the company strategies. It also aims to research on key facts importing and promoting Spanish wines internationally. All of these data will be analyzed and contrasted with the theoretical framework developed in chapter 3.

#### **Interviewee 1 – Asia Export Manager of BRDP**

The Asia Export Manager is the main responsible of the winery on sales in the Chinese and Japanese markets. This position was created five-six years ago due to the opportunity created by some contacts of the BRDP shareholders. The expertise developed during all this period has become the success key for the Chinese market and one of the most important for the winery. Interests for wine and import/export business are the main interests of the person in this position.

#### **Interviewee 2 – High Executive and Co-Founder of BRDP**

The high executive is the main responsible of the winery and head of national and internationally sales. The person in charge is also one of the co-founders of the winery, after working in the finance sector for more than 25 years. The main interest of the person on this position is to elaborate unique and premium wines together with developing the local and rural economies of the region where BRDP operates.

#### **Interviewee 3 – Manager of the Spanish Import Company**

Any specific market has different points of view depending on the side where you look for the information. That is the reason to interview one importer of Spanish wines, specifically in the USA, a big country with a big offer of different wines from the whole world. Despite being a

wine producer country, USA is one of the biggest markets for international wines due its large population and the big business developed around the WOW. This import company has experience importing different wines especially Spanish, fact that will provide with alternative data to reinforce or dismiss some key assumptions.

#### Interviewee 4 – With the ICEX Sweden

As middle level on the business to business channel, there are several organizations or companies which help wineries and importers to achieve the best business results. Commercial Office for the Internationalization of the Spanish Companies, known as ICEX, is an institution depending from the Spanish government which has goals as the promotion and internationalization of the Spanish companies. ICEX has an important role on the promotion of the wine sector due the importance of this industry in Spain. Therefore, ICEX Sweden has a wide experience working in Nordic countries and a deep knowledge on the Nordic markets as market analysis researches, statistics, portfolio contacts and other tools. This interview with ICEX Sweden will provide with important information from an agency that accumulated experience and data on promoting Spanish wines for years. This data will reinforce or dismiss some of the potential assumptions established within the theoretical and empirical framework analysis.

## **4.2 Data Analysis**

In this section the research will analyze the interviews made to both the high executive and the Asia Export Manager from BRDP. Same interview structure was presented to them in order to later compare their answer and to extract conclusions.

In parallel, two other interviews will be analyzed from: an intermediate level, as it is the Spanish governmental organization ICEX and end-level of the market, as a Spanish wine import company in the USA. These interviews will have a different structure depending on the role of the interviewed and the country where they operate.

On one hand, we have several indicators from BRDP that the Spanish market is saturated. That fact has been stated by both of the interviewees and makes the international sales more needed by the sector. The Spanish domestic market seems to have a fierce competition due to mass market production and the necessity of differentiation is mandatory. On the other hand, the attributes of Spanish wines are well appreciated internationally which is an open

opportunity to be exploded by BRDP. Therefore, the Spanish market seems not to be the main target for this business in the short term.

Nowadays, BRDP is selling mainly abroad with most of sales focused in Asia, specifically China. In the short term, BRDP is intended to open to new markets as U.S, Norway, Perú or Qatar, with an average of one new market almost every year.

All the marketing strategy policies seems not to be clear as both of the interviewees answered contradictory. However, both agreed that BRDP has specific marketing strategies for the Chinese market.

BRDP has a website where they show information related to the winery history, wine attributes, pictures and publications regarding the natural park. Although BRDP has a website, it is not regularly updated showing therefore outdated information. In this manner, social media appears in background due the short investment of resources on these channels.

Although BRDP has a website and a Facebook account, its website doesn't offer the possibility to purchase their products online. One of the arguments they provided was the lack of resources for these kind of ventures together with the extra cost that working with small orders entails.

On the target customer's questions, both of interviewers were short and clear with their responses, showing that the average age of the customers corresponds to a middle age 40 to 60 person. Wines offered by BRDP are not intended to youth customers and no wine tourism strategies were described, what seems to be a pending business for the winery.

Regarding organic and ecologic wines, BRDP doesn't have an ecologic certification due the restricted regulations. However, their intentions are to reach this niche market in the long term. On the other hand, the winery works mainly with DO wines, characteristic that gives an added value to the winery and reputation for its products.

Both of the interviewees agreed that they only use different brands in the Chinese market, where the wine packaging takes a relevant place from the marketing point of view. Average relevance of the wine packaging is high in China from both of the interviewees, but less relevant in other markets where the labels and presentation take a background.

Finally, we find that BDRP has luxury products whose marketing strategies are mainly under development. However, some insights are provided such as new packaging, new brands, new boxes and explanatory videos for these products.

On the other hand of the research, we have two interviews on middle and end levels of the Business to Business (B2B) channel. Due the experience accumulated by these interviewees, info contrasted with the BRDP insight can be the key to reinforce the potential assumptions on the thesis results.

The import company in the USA establishes the importance and good health of the Spanish wines in the American market, considered locally as exotic products. Some of the strengths of the Spanish wines are specific taste, good quality and bargain prices assumed by the general market as a national wine brand. The demand is being stable during the last 5-10 years, but no signs of a bigger demand had been sighted. That is probably influenced by the competitiveness between the Spanish wines abroad, instead on cooperating together to compete against other countries with a higher status on the market. Regarding the promotion on the internet, social media seems to have a more important role than websites, due most of consumers check wine review websites before the winery website. These kinds of websites are more important for the importers, from the B2B point of view, and even more to promote a European/Spanish wine tourism, that has a big unexploded potential in the USA. Finally the interviewed emphasized on the importance of organic and ecologic wines together with the different grape varieties. DO can be good brand signals, but they can overshadow the grape varieties. DO can be identified with the grape varieties and reduce the impact of the grape variety on the retail consumer.

Lastly, an interview to ICEX Sweden was made in order to provide feasible data from an expertise organization that works intermediating between Spanish wineries and importers. In this specific case, the data collected is from Nordic markets, due the disparity of information depending on the different offices and countries where ICEX Spain operates.

Nordic markets are complex due their small size and moreover due the alcohol monopolies that operate on each country. In that particular area, Spanish wines have a good consideration, but they are still below the French and Italian wines, which have higher status for the regular customers. Despite this situation, Spanish wines have a very good quality-price ratio and good considerations from most of the market. Monopoles as Systembolaget work mainly with trends, internal demands and journal influences, what makes more difficult to access the market for small wineries.

The manager interviewed at ICEX commented that Spanish wineries have a good letter of presentation on the internet, but mainly as information catalogues more than other kind of services. On this matter, the ICEX Nordic helps to promote different wineries every year through different channels as social media, events and competitions, trying to position Spanish wines on different guides and magazines, which are the main focus in Sweden and Nordic countries. DOs are also a good letter of presentation on this market, but still not enough due to the importance of grape varieties as market segmentation.

One of the pending tasks of the Spanish wineries in Sweden is supplying the big demand on organic and ecologic wines, which is still developing in Spain due to the lack of investment and infrastructures. In addition, ICEX remarks the internal competition between Spanish wines instead of collaborating together for the promotion of their national brand. In this matter, wine packaging is an important pending task with a 50% of the demand on bag in box, which is still short supplied by Spain. On the other side, the growth of luxury wines can be an opportunity for Spain to relocate its status on the market.

## 5 RESULTS AND CONCLUSIONS

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*A discussion of the results and the conclusions that the authors have drawn during the Master of Science thesis are presented in this chapter. The conclusions are based from the analysis with the intention to answer the formulation of questions that is presented in Chapter 1.*

### **5.1 Discussion of Results**

In this section we are going to compare the empirical findings with the theoretical framework from chapter three in order to assess BRDP's weaknesses and strengths in their marketing strategies. The comparison is based on the following marketing aspects: customer behavior, packaging/bundling, Designation of Origin, wine tourism, organic and ecologic wines, consumer's age and use of social media and websites/webstores.

One of the main points on the literature is the importance of DO wines in both Spain and international markets. BRDP passed this test with a big portfolio of wines most of them belonging to the DO Arribes, which is also reinforced by its unique environment, the natural park "Arribes del Duero", and the unique grapes used to elaborate BRDP's wines. According to the empirical findings the DO has contributed to expand BRDP business internationally, which perfectly matches with the literature review outcomes on this topic. Nowadays, this is the main marketing focus of the winery on which most of the business strategies and success are based. However, the empirical findings do not totally match with what Riscinto-Kozub & Childs, (2012), Misso & Catullo (2012) and Neilson & Madill (2014) claim. One of them is the organic and ecologic trend, on which the research gives big value to marketing strategies and new opening market actions. Although BRDP is not working on this field yet, the company aims to take an approach on these kinds of wines in the middle term.

Another field on which BRDP interviewees do not agree with the literature is the wine tourism business and youth market. The winery is losing big sales capacity by not to promoting the wine tourism, losing a big market share of "cellar door" sales where BRDP as a small winery should focus on. On the same line, youth market is missing in BRDP marketing strategies. Although this is an important market to corner, BRDP does not have a short term marketing plan regarding this aspect.

On the consumer preferences and packaging strategies, this winery has an exclusive packaging strategy in for the Chinese market, which should be extended to other countries in order to exploit benefits as increasing market share and influencing the customer purchasing decision.

To finalize, internet and social media are studied as one of the main strategies to consider in the wine business. Despite that BRDP has a presence with its website and Facebook accounts, the winery only offer a short view of its business with a brochure web-type website and the absence of a webstore undermines its potential business growth.

## **5.2 Conclusions**

*How can a small Spanish winery, BRDP, be successful marketing its wines internationally?*

On this research the guidelines for the successful internationalization of a winery business have been stated and evaluated. After comparing the theoretical framework and the empirical findings, some discrepancies as well as strengths have been found.

DO and regional brands are one of the most important values for Spanish wines abroad. Most of customers perceive higher quality on those Spanish wines which can be recognized by DO, same specific regions and grape varieties, which directly influence sales in most of markets. It should be remarked the importance of grape variety as market segmentation before others, due the purchase influence on retail customers.

Customer's purchasing decision is also highly influenced by the different wine bundles and packaging on each region, meaning that different brands and the right packaging are also the key for sales growth. Luxury and price range are also some valuable strategies to consider for a successful internationalization, but winery tourism and youth market promotion are more relevant for small wineries. This is because tourism at the winery enhances customer loyalty and generates sales on "cellar door" which have bigger margins to the winemakers.

All these strategies can be combined with organic or ecologic wine production, which is proved to attract customers who have healthy, eco-friendly and pesticides free interests. Most

of the markets show an increasing demand on these kinds of products which is already big in some of them as Sweden. Being late on the organic-ecologic race could be critical for the future of some wineries and a big share of the Spanish wine sector.

Finally, websites, web stores and social media appear as crucial marketing tools for wine marketing, and hence, more sales share. In this matter magazines and wine reviews get the main attention of the retail market: customers have as main source the different social media and expert valuation before any promotion from the winery websites or its web stores.

Therefore, we can affirm the application of the marketing strategies mentioned above might boost the winery sales if applied consistently. That application would support any small-medium Spanish winery to be successful marketing its wines internationally.

Due the case study research is focused on the winery BRDP, the following direct conclusions are defined to improve its current international marketing strategies, and hence, to enhance marketing its wine internationally:

- 1- Reinforce its DO Arribes and unique grape varieties brands, Juan García and Bruñal, as main differentiation on the market. For that purpose different marketing actions should be applied on wine packaging and branding, as a proper wine packaging that enhances the grape varieties even before the DO, avoiding any possibility to confuse between them.
- 2- Develop a medium-long term strategy based on luxury brands and wine tourism. The rare varieties and DO together the situation of the winery in a natural park can be the key to situate BRDP as an international reference and attract high quality tourism that enhance business incomes.
- 3- Join the organic-ecologic market as soon as possible due the high disposition of factors to become an essential segmentation in a medium-long term. Being out or late of this market segmentation could damage permanently the image of the winery in the long term and reduce drastically their business activity.
- 4- Integrate social media as its main marketing channel: Instagram, wine apps (as Vivino), reinforce their presence on distinguished magazines and events. That online promotion is the main sales boost for the retail market in most of the international markets.



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## APPENDIX A: SUPPLEMENTARY INFORMATION

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*The appendix or appendices is the natural place for detailed or supplementary information that would make the thesis less easy to read if they were given in the previous chapter.*

### Interviews

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#### Interview with the Asia Export Manager of BRDP

- 1- Which is in your opinion the current situation of the wine Spanish market?

I think the domestic market is saturated because of the huge offer. It is time for new products, more design, younger wines...it is necessary to offer something special to grow in the domestic market nowadays.

On the other side, I think the Spanish wine is living a golden era out of our border. Asia and Europe know our wines and really appreciates the quality.

- 2- Which are the main current markets of BRDP?

The main market (terms of volume) is China.

- 3- Where does the winery sell nowadays?

Besides Spain, the winery sells in China, Japan, Kenya, Sweden, France, UK, Colombia, USA and some small orders also in Belgium and Holland.

- 4- Is the winery planning to reach new markets in a short time?

Yes, the winery is working to open new markets as Singapur, India, Peru and Qatar. Every year we try to open at least one new market.

- 5- Does BRDP use specific marketing strategies/plans for each wine market?

Of course. Before start working in a new market, we study all the specialties of that country. We pay close attention to labels (we design special ones for each country if necessary), also to the consumer target. Because of our extensive catalogue, we study the pricing characteristics to offer just the wines that fit that market.

- 6- Does BRDP use a website to promote its image and wine?

Yes, we have our own website that includes all the wines, history of the winery, pictures, etc. so consumer can use the website to know more about BRDP.

And social media?

Yes, we use Facebook.

- 7- Does BRDP work with wine tourism today?

No very much. Consumer can go and visit the winery and the round area but we are not really promoting this kind of tourism.

If not, is it expected to do it for the future?

Yes, we want to improve in this area.

If yes, which is the volume of visitors per year?

Less than 100.

8- Which are the main age customers?

Between 40-60.

Do you expect to increase promoting between the youth?

We are working on a new image for our wine in domestic market and one of the reasons for this change is to make the wine nicer for youth people.

9- Does the winery produce ecologic or organic products?

We haven't got any certificate of organic or ecologic products but we could get it because the winery can fit the requirements.

If not, are you intending to include it in your portfolio?

Maybe in the future but not now.

10- Does the winery work with DO wines?

Yes, DO Arribes.

Do they make a better image of the winery?

Yes.

Why?

All the clients ask for DO as a quality point. If you don't provide DO, the client thinks that the winery has low quality.

Could it be negative for some niche markets?

I think it is not negative but it is true that this wine doesn't fit in some niche markets because of the price, but not because of the DO itself.

11- Does the winery have a webstore?

No.

Why?

We haven't the necessary structure to do it.

Which are the main advantages and disadvantages of having a webstore?

The main advantage of having a webstore is the volume of potential consumer.

Everybody around the world can buy a bottle so the possibilities of volume are more than working just offline. For us, the disadvantage is that you need workers to prepare the orders and maybe many of these orders are really small.

12- How important is the winery website for the company?

It is important to open new markets and to get new clients because all of them check the website always before starting cooperation.

Which kind of services does the website offer?

Just provide information and contact.

Are those services enough for the customers?

Maybe it is not enough but customer can contact us through the website to get more information or to order.

13- Which are the strong points of BRDP wines?

Unique grapes that are impossible to find worldwide; the location of the winery, that is a Natural Park; the centenarian vines.

How important are the marketing strategies on them?

We focus almost all the strategy on these points.

Which are the main consumer preferences of BRDP customers?

They want something different: special DO, special grapes and something natural.

14- How often does BRDP change its brands?

In domestic market we don't change brands.

Does it have an impact on the business results?

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15- Which is the packaging philosophy of BRDP?

In domestic market we tried to be traditional but now we are trying to change it for something more actual. In other markets we fit consumer preferences.

Do you use different packaging for each different market?

Yes

From 1 to 10, how important is the packaging image for the company?

7

16- Does the winery have luxury brands?

Yes

Which are the marketing strategies for those products?

We are currently working on this strategy so we cannot define right now.

17- Does BRDP consider the different consumer behaviors?

Not really

## **Interview with the High Executive and Co-Founder of BRDP**

1- Which is in your opinion the current situation of the wine Spanish market?

The wine Spanish market is extremely competitive and heavily dependent on the outbound sales. Overall within the country, we have regions that focus on mass market production that are putting constant downward pressure on prices and regions that focus on quality. The mass market regions position the Spanish wine as cheap is most of the markets, forcing the players outside those areas to devote extra efforts to differentiate the products in terms of quality and not price. The main point of differentiation comes from belonging to a major Designation of Origen, such as Rioja or Ribera del Duero, creating an umbrella for all their producers that belong to the DO and guaranteeing a minimum standard of quality

2- Which are the main current markets of BRDP?

China, UK and Spain

3- Where does the winery sell nowadays?

China, Japan, UK, Germany, Holland, Colombia, Kenya, Sweden, France, Switzerland

4- Is the winery planning to reach new markets in a short time?

Yes, U.S., Norway and other emerging markets (India, Philippines, etc.)

5- Does BRDP use specific marketing strategies/plans for each wine market?

Not for each of the markets. The only strategy that has been adjusted is for china market.

6- Does BRDP use a website to promote its image and wine?

Yes, but it is not updated on a regular basis

And social media?

No

7- Does BRDP work with wine tourism today?

No

If not, is it expected to do it for the future?

Yes, it is something expected for the short term since it is a good promotion for the winery

If yes, which is the volume of visitors per year?

300 visitors per year to start with

8- Which are the main age customers?

Over 45 years old

Do you expect to increase promoting between the youth?

Not for now since it requires marketing strategies that we are unable to afford right now or are not well understood by some shareholders

9- Does the winery produce ecologic or organic products?

No

If not, are you intending to include it in your portfolio?

Yes. We are close to producing ecologic wines, however the regulation is very strict and we do not comply all the requirements at the moment

10- Does the winery work with DO wines?

Yes, Arribes

Do they make a better image of the winery?

Yes

Why?

It positions the winery within a specific range of quality

Could it be negative for some niche markets?

Definitely

11- Does the winery have a webstore?

No

Why?

To avoid losing clients that have their own pricing strategy

Which are the main advantages and disadvantages of having a webstore?

Direct sales, higher margins, more information about customers. But requires negotiation power to determine prices throughout the value chain and also higher labor costs to process small orders instead of bulk orders

12- How important is the winery website for the company?

Not extremely relevant

Which kind of services does the website offer?

General information about the products, the winery, the region, the awards, news, contact details

Are those services enough for the customers?

No

13- Which are the strong points of BRDP wines?

Exclusive grapes grown in a very natural and traditional environment

How important are the marketing strategies on them?

Low

Which are the main consumer preferences of BRDP customers?

Taste



14- How often does BRDP change its brands?

Never. Only in China

Does it have an impact on the business results?

Not conclusive evidence but seems brand is outdated

15- Which is the packaging philosophy of BRDP?

Neat packaging that outstands due to its simplicity

Do you use different packaging for each different market?

No, only different packaging for china

From 1 to 10, how important is the packaging image for the company?

5 in general 9 for China

16- Does the winery have luxury brands?

Developing one at the moment

Which are the marketing strategies for those products?

New brand, new packaging, new website, new boxes, create videos. Reposition the product through pricing, market it through exclusive channels instead of mass market distributors

17- Does BRDP consider the different consumer behaviors?

No

### **Interview with the Manager of the Spanish Import Company**

1- How is in your opinion about the image of the Spanish wines internationally?

Spanish wines have a high quality image internationally. They are seen as good products for a reasonable price

2- Which kind of Spanish wineries export nowadays to USA?

a. All types of wineries export nowadays. From large to very small.

3- Is there a decreasing or increasing demand of the Spanish wines in the USA?

Is there any specific reason?

The Demand has been fairly stable over the past 10 years for Spanish wine in the USA.

4- From your experience, how relevant are the Spanish wines on the current American wine market compared with their competitors?

a. Unfortunately, Spanish wines compete with each other

5- Is it easy to export wine to USA for a small Spanish winery? Why?

a. Yes, the alcohol market fairly free in USA, so the main hinder is getting the small wineries to believe that it is easy, and unfortunately, the language. I handle all logistical arrangements.

6- Does your company use specific marketing strategies/actions for the promotion of the Spanish wines?

a. Yes we market several wines as exclusive and use various wine review websites to highlight especially good wines. This is even more effective when combined with a good price! In the case of an especially attractive wine, we offer wine tastings to vendors and restaurants in the community as a tool to sell it in.

7- In your opinion, do the Spanish wineries use a website to promote its image and wines?

a. Most small Spanish wineries do not have a developed English website. The majority are geared towards the Spanish market, which makes it rather difficult for international customers who don't speak the language.

Do they do it properly?

The large successful wineries do it properly, but the smaller do not.

8- Nowadays there is an important growth of wine tourism internationally.

How important are for the Spanish wineries in the American market?

The majority of US citizens do not realize how accessible Spain is to them. Domestic wine tours have been surging in popularity, but to most Americans Europe is a whole world away. Additionally, a normal working American doesn't have as much vacation as a working European. European tourism in general is a rather unexploited market in the US. In order to push it, it would almost require a paradigm shift with travel companies.

Are there any specific actions to promote this kind of tourism?

Rich pensioners are the bread and butter for any type of Wine Tourism, but in order for me personally to promote this I would need some sort of incentive.

9- About the market segmentation in the USA, which are the main age customers for the Spanish wines?

Successful individuals aged from 30-45

Do they have any specific segmentation on price, status, Designation of Origin, grape varieties?

Most go from a review from a popular website or their own particular tastes when as described on the description. Those that find a wine they enjoy from a particular region are often keen to try additional wines from that region

10- How important are ecologic and organic wines in the USA?

Very unimportant in USA. The taste of the wine and value is paramount above all else.

Are the Spanish wineries taking the right actions over this market segmentation?

Yes since the market is still quite niche in USA

11- How important are Designation of Origin wines in USA?

If someone likes wine from a specific region it can be important, but I think grape designation is more important

Do they make a better image of the winery?

Yes, as long as the grape is also at the forefront. Label appeal is also very important, especially for less informed clients.

Could it be negative for some niche markets or some specific countries?

Potentially, if it overshadows the grape itself. Some customers think the region is the grape.

12- How important are winery websites to sell in the USA?

Not terribly important to end-customers as most do their research on wine review websites. For importers it is more important.

13- Which are the strong points of Spanish wines in the USA?

They have generally well-developed and complex flavors and are full bodied. It's seen as an affordable luxury.

14- Which perception do American customers have of the Spanish wines?

Generally good. They are seen as a little more luxurious and exotic than for example, California wines. But there are many who are reluctant to try the first glass. This could be a result of the marketing for American wine Tourism in Napa valley for example.

15- How often change the Spanish wineries their brands in the USA? Rarely

## Interview with the ICEX Sweden

1- How is in your opinion the image of the Spanish wines internationally?

I would say that we still being behind Italy or France, but Spanish wines are recognized as good quality – price wines.

2- Which kind of Spanish wineries export nowadays to Nordic countries?

I would say that it is easier to find wineries with a high production and competitive prices, but we also see many wineries with medium – high prices ratio.

3- Is there a decreasing or increasing demand of the Spanish wines in Nordic countries?

Is there any specific reason?

If we look 10 years back, Spanish wines represented the 30% of the market share, and nowadays just 10%, so the demand is decreasing.

One of the reasons is that the Nordic markets are very particular because of the existence of the monopolies, and the other one I would say that is the entrance of wines of the new world as Chile, Australia, South Africa or New Zealand.

4- Do you find bigger demand to import to Nordic countries or to export from Spanish wineries?

As I told before the Nordic markets are very particular because of the Monopolies, that makes that a demand is mostly created by the them, with the information they receive from the market, influencers, consumers, importers... so I would say that is a bigger demand to import to Nordic countries. And also we have to take in account that the Nordic countries are not very big markets if we compare with Germany, Great Britain, USA or China for example.

5- Is it easy to export wine to Sweden for a small Spanish winery? Explain, please

No. Around 80% of the turnover of the importers comes from their sales to the Monopolies, where we will mostly find wineries with competitive prices and high production. So the way for small wineries to enter to the market is investing a lot of money (maybe around 50.000 €) and efforts in marketing.

6- Does your organization use specific marketing strategies/actions for the promotion of the wineries or wines?

Yes, our aim is to promote the Spanish wines in general, and for that we are active in Social Media channels as Twitter or Facebook and we make some actions along the year. Some examples are:

-Spanska vindagen: 20 – 25 importers present their wines both for the professionals (journalists, Systembolaget, sommeliers and Horeca) and for the general public. It is all the years around September.

-SM I Spansk Vinkunskap: It is a competition that we celebrate every year, normally in October, about knowledge of Spanish wines. It used to be 5 – 6 teams (Systembolaget, Sommeliers, Students, Journalists, Importers and Munkänkarna) and they have to taste 12 wines (sparkling, white and red) and answer some questions.

-Master classes in different formats.

-Advertisement in the principal magazines of the sector.

7- In your opinion, do the wineries use a website to promote its image and wines?

Do they do it properly?

Nowadays I think almost all the wineries have their webpage, and in general I think they do it properly, because they show their history, old vineyards... what makes the wine more interesting for the consumers.

8- Nowadays there is an important growth of wine tourism internationally.

How important is for the Spanish market?

In Spain we find already many of these wine trips, but I think it still being a lot of work to make in this sector.

It is interesting because the people that visit the Spanish wineries will first become a little bit more experts and secondly, they will work as prescribers for others.

Are there any specific actions to promote it nationally or internationally?

There are many different channels. From the institutions, in Sweden the Tourism office makes 4 newsletters per year where they promote a specific region and they allow us to write about the wine tourism in the area.

Other interesting way, is to support the importers or wine clubs as Munkänkarna in the case of Sweden, because then you focus in people that are really interested in wines.

9- About the market segmentation in Sweden, which are the main age customers for the Spanish wines?

30 to 45

Do they have any specific segmentation on price, status, DO, grape varieties?

The traditional DO Rioja and Ribera del Duero still being the most popular, and it makes that Tempranillo can be the most common grape. But the Garnacha is becoming very known, being very popular the Garnacha wines of Priorat.

About the price range I would say that from 100 to 200 sek we find the mayor of the sales.

10- How important are ecologic and organic wines in Nordic countries and specifically in Sweden?

One of the objectives of the Systembolaget is to increase the offer of organic wines and the Swedish consumers demand them, so yes, it is very important.

Which is the role of the Spanish wineries on this?

It is hard for Spanish wineries because there is not so much tradition in Spain for that and most of the times the investments and risk do not compensate, and there are many wineries that complain because of the low prices later in the market.

Are the Spanish wineries taking the right actions over this market segmentation?

Some of them are investing in ecological vineyards, but we have to take in account the risks that they run, so I would say that it is not easy to answer if they are doing it right or not.

11- How important are DO wines in Nordic countries?

Do they make a better image of the winery?

Why?

It is difficult to find an author wine in the monopolies, and as we said, the Horeca channel represents a low percentage of the sales, so it is much easier to enter under the umbrella of a DO.

Could it be negative for some niche markets or some specific countries?

Of course it affects. I can put the example of the wines of Sierra de Gredos, where we find really good garnacha wines, but they do not have an own DO and can be DO Madrid, DO Mendrida or Vinos de la Tierra de Castilla y Leon... what confuse the consumers and limit the possibilities of the wineries.

12- How important are winery websites to sell abroad for the Spanish wineries?

Which kind of services usually offered on these websites?

Are those services enough for the customers?

The websites helps, but I would say that the paper of prescribers as Parker or Peñin, magazines of the sector and the apps of wine that are appearing for example, are really important and helps much more.

13- How often have the Spanish wineries a web store?

And, how important are the wine/winery web stores in Nordic countries?

It is becoming quite common to find wineries with a web store, but I think the consumers prefer to buy through some of the market places that we can find in internet, because in this way you can compare with similar wines.

I think that nowadays it is not very popular but that it will be more and more common in the next years.

14- Which are the strong points of Spanish wines internationally?

The variety, we find a lot of different grapes and 69 DO, but the most important I would say that is our quality – price ratio.

How are perceived by customers in Nordic countries?

As quality wines, but they still having the concept of “cheap” wines... they would pay much more for a French or Italian wine with the same characteristics.

And, how important are the marketing strategies for each specific country?

It is really important because there is not just a competition between other Spanish wines... there is a global competition so you have to find the way to differentiate your wine from the rest.

15- How often change the Spanish wineries their brands?

It is more often with low quality wines, but we can also find some wineries that change the brand to sell through bag in box, because not all the DO in Spain allow the wineries to sell under the DO brand in bag in box.

Does it have an impact on the business results?

In most of the cases it helps the wineries to achieve cash, being their only way to survive.

16- Which is the packaging philosophy of the Spanish wineries at Nordic markets?

In the Swedish market the bag in box for example represents the 50% of the sales, and in Spain there still being many wineries and even DO as I told before, that do not sell in this format.

Is the packaging strategy as important as it is for the competitor countries?

I would say that France, Italy and Spain depends less about the packaging than the countries of the new world that has less tradition and have to make a bigger effort to sell, but it still being an important issue if you want to sell.

17- How important are luxury brands in Nordic countries?

From your experience in Nordic countries, which are the main marketing strategies carried out by Spanish wineries on luxury brands?

It is a good market for luxury brands basically for 2 reasons, there are rich countries and the citizen consumes a lot and have no problem to pay for quality.

18- From your experience, which are the main marketing keys to market Spanish wines abroad?

Are the Spanish wineries taking the right actions on it?

If not, which are your/your organization marketing strategies proposal?

As Sweden does not have a wine culture, a good strategy marketing is to be visible in magazines, blogs and for any prescriber.

From the Spanish Commercial Office we work a lot in this way for example.