GLOBALIZATION AND WINEMAKING INDUSTRY

Globalization is not something new to the winemaking industry but its influence the last years has increased vividly. Almost all industries are affected by the latest upsurge of globalization, even though the term means different things to different people. A significant feature of it is the undertaking of know-how and vital inputs from well-known to new zones of application. What is really noteworthy is the degree to which wine companies are turning into multinational in terms of their production and distribution and are forming alliances with foreign entities to recap economies of scope, particularly with retail chains and distributors. As an example while Western European firms are investing in Eastern Europe, South America, Australia, New Zealand and China, Australian firms are investing in North America and Europe and US firms are investing in France and South America.

STRATEGIC MARKETING PLANNING IN THE WINEMAKING SECTOR

As stated above the atmosphere in which winemaking companies function is turning into an enormously multifaceted one. The globe wine sector is competitive, vulnerable and in unceasing alteration (Bouzdine-Chameeva, T., 2006). For that reason the precise strategic marketing planning is required. Strategic marketing planning is widely documented to be not only elementary but vigorous for the thriving development of an organization (Wee, T.T.T., 2001). A rational setting up standard has become forcefully spellbound (Sinha, D., 1990). Lehmann, D. and Weiner, R. (1994), observed the planning procedure as nonstop with no beginning or end and most recently it has been contended, in fields of prompt change such as technology, that strategic planning is not always appropriate due to the pace of expansion in those sectors (Minner, A. and Moorman, C., 1998). As an outcome strategic marketing planning is motionless whereas the actual advantage of systematic planning is its evolutionary flexibility which ties the likely necessities of the dynamic atmosphere. The on-going discuss about the ins and outs of marketing planning are a main standard of marketing management. These values of marketing planning are finally functioned by practitioners as Rossiter, J. (2001), said and consequently should mirror the external environment.

 Nowadays, wine can be described as an everyday consumer good which is favored by a more and more stylish, broader socio-economic variety of consumers (Economist, 1999). From being a market attractive to predominately men consumers, women now take a more active awareness in the consumption and acquisition of wine. Supermarkets in various countries have endorsed the purchase of wine with the weekly shop which has enlarged the amount of wine consumers (Quinton, S. and Harridge-March, S., 2003). Furthermore, the amplification of attention in food, and home entertainment has had a crash on the varieties of wine purchased. This rising group of wine consumers has led in a habitually spreading sequence of distribution channels as an effect to the needs and demands of the consumer body and the reachable technology; for example grocery retailers and wine clubs.

A lot of bricks and mortar retailers offer chances to buy online as well as the specialist, online sites. Increase in the use of the internet as a marketing tool, is an expression of the broader use of technology all the way through organizations for both inter and intra-customers communication over the past years. On the other hand a number of “traditional wine dealers have built prosperous businesses though the word of mouth and know-how promotion.

A proper marketing plan is the way for winemakers to enter new markets and also to remain strong in the existing markets where they traditionally used to be. Putting just labels on wine bottles is just an easy way of marketing something you don’t understand, the proper way is to analyze the whole global environment, the needs and differences of each consumer and following those to proceed with the correct plan accordingly.

CREATING BRAND EQUITY FOR WINES

After choosing the correct strategic marketing plan each winemaking company shall invest time and money to build up and create strong brand equity. This is what will offer sustainability to business. Wood, L. (2000), noted that the term “brand equity” was shaped by the need to outline the association among customers and brands produced in the marketing literature. The concept of brand equity has been both in marketing and accounting literatures and has emphasized the prominence of having a long-term focus within brand management.
A brand is an extraordinary concept of an idea that a product possesses within the mind of the belvedere. It often comes in the form of a name, term, design or symbol, sign or a mixture of them and is planned to identify the service of one seller or group of sellers and to distinguish them from the rest of the competitors (Keller K. L., 2003). It is widely accepted that the flourishing seller must enclose his product with a bunch of value satisfaction. The seller shall offer a full plan; the content of which surpasses what comes out of the production line. Branding is mostly noteworthy as “people choose the brands in the same way they choose friends” as Vrontis, D. and Papasolomou, I. (2007), noted.

The foremost capital of many businesses is their brand. The concept that a brand has neutrality that outdoes its conservative asset value was built-up by financial specialists. The upsurge of a new product or development costs, and they haughtily rate of new product letdown, has directed producers to involve in brand extension as Tauber (1998), mentioned about Aaker, D.A. (1991), offers a more comprehensive description of brand equity as “a set of brand assets and liabilities linked to a brand, its name and symbol that adds to or detracts from the value provided by a product or service to a firm and to the firm’s customers”.

In worldwide markets, the standing of branding in wine industry is at an increasing pace. It is thus no surprise that marketing budgets in the type of brand building are mounting significantly. It is more than essential for the winemaking companies to focus on developing and nourishing reminiscent and recognizable brands. The power of branding in wines is the one which will turn the wine to be the most known and acquired on the shelf, where prices don’t have to be reformed when competitors make changes to their own prices, where distributors bend over regressive for a chance to distribute that precise strongly branded wine and where customer perceives it exactly the way the wine producer wish them to. Even during the recession in the economy, that affects also the wine industry, the wineries with the strong brand names enjoy robust growth.

Building brand equity in the wine industry is predominantly hard yet essential. By building equity a brand will stand out from its competitors. In making a brand recognizable, and developing a relationship with consumers, the decision making process for wine purchases becomes simpler and more direct for the consumer, who can pick a “one” from the plethora of wines without having to ponder over the many topics that can and should be addressed to make a brand stand out from the rest around the world.

DIFFERENTIATION: A KEY TO SUCCESS

For the wine brand to increase worldwide market share and uphold its position over time, it must have firm quality and flavor, however grapes encompass, the key component in wine making, have a diverse flavor depending on the region in which they are grown. An international wine label will ultimately import source grapes and spread over many areas.

However, regulations of the industry limit producers of wine from drawing grapes and bulk wine from numerous areas for use in a solitary brand. The wine industry is extremely disjointed and has uncountable brands, which leads to an issue in distinguishing brands and makes the sales process an enormously complex issue (Andrew, 2002). Merging of the wine industry has aided to get better confines and increase the sales of the leading wine companies. Nevertheless, it has also augmented the number of brands that have to be controlled. It is markedly harder for a sales team to push a big number of various brands into the distribution network than few of them (Wine Business Monthly, 2002).

For the above, it’s easy to understand that it is quite essential for the brand of a wine to differentiate from the rest, otherwise there’s no real reason for a winery to be in business. To distinguish that doesn’t mean essential to be in a really trendy and fancy bottle or to hold the most amazing and shocking taste. A brand is a concept, an idea that is detained in the mind of the consumers. If a really exclusive idea like that can be built into the awareness of the view, and this exclusive position is esteemed by the prospect, the wine can be then successfully branded.

There are various differentiators that they may place the wine in a unique place in the worldwide market among competitors. The winery might take advantage of its special geography for example such as grapes grown on hillsides or a good climate of the country where it’s being produced. Another factor may be a unique feature of the wine such as the age of the wine if it is old. Another nice way for creating this time a differentiator is to place the wine by creating one bellow the line one, such as that the wine won’t give you a hangover. Moreover, another differentiator is if the winemaking company tries to focus on a unique application of its wine, for example that this specific wine is the perfect one to accompany a meal with fish or pasta. As realized from the above there are a number of differentiators that may boost a wine and create a strong brand for it. Of course on the other hand it shall be noted that a common mistake is to focus on more than one unique position for the brand message and through that brand equity will not reach satisfactory results.

DEALING WITH COMPETITION IN A GLOBAL LEVEL

Emphasis on front-end superiority has distorted the very definition of competition. Zairi, M. (1996), uphold that benchmarking is the key to competitive strategies that build on speed and customer focus. An energetic enquiry needs to be asked regularly by every organization stimulating in the present business situation. Specifically, what does it take to compete in nowadays? Several rational variables settle on competitive accomplishment, and new features are up-and-coming and interrelating non-stop. Expression such as “market-driven strategies”, “customer-based competitiveness” and “time-to-market” coherent a sense of importance and a business attitude where winning strategies are based on a blend of standards which focus more on the market and the end user, and less in products, operations, services and technology.

Being competitive necessitates a supreme set of astounding strengths. First of all, the dynamics of the market and more jumbled where there is correspondence in terms of product/service technological ability and thrilling competition in less tangible, soft features, such as receptiveness and customer service quality. Market dynamics indicate more precipitance. Tsu, S. (1963), said, “As water has no constant form, there are in war no constant conditions”. Likewise, success comes through innovation, uniqueness, diversity, teaching rather than following, a culture of never-ending upgrading and learning. When those criteria are contented, benchmarking can be a key means for defining the indispensable gap of dominance and achievement.

Nowadays, a new different state in the winemaking industry is formed by globalization. Even though Old World winemaking countries such as France and Italy, have taken their place as top producers of wine, they have been more and more concerned by a flared gap among domestic consumption and production of wines as Campbell, G. and Guibert, N. (2006), mention. Past research on this subject generates a debate of whether if the products as well as the method of the international companies, conferring to consumers of different countries should be adapted to local markets or to be homogeneous. It has been discovered that there is a number of factors that will play a significant role in this decision, as the consumer behavior; preferences of the consumers; physical environment; legal political reasons; demographic; technological progress in each country; current competition and financial factors. Different countries are demanding or expecting dissimilar features in their products.

Gill and Sanchez (1997) stated that consumer decision making, concerning food and wine, is a procedure of four stages: need recognition, search for information, evaluation of alternatives and choice. The assessment of substitute stage in which preferences of consumers play an immense role plays a main role in wine consumer decision as this subject appears to have a superior customer value. An overall well understanding of wine consumers’ choices, needs, attitudes and buying behavior is really significant in order to spot market segments and to try to sustain business profitability for the present and the future.

Zimmitra-Kalogianni, I., Papadaki-Klavdianou, A., Alexaki, A. and Tsakiridou, E. (1999), avowed one of the latest efforts commenced by winemaking companies which have been the making of wines with an area of origin guarantee. This try designed at increasing consumption of wine and exporting and promoting wine in foreign marketplaces. Buyer preferences according to own region product quality can be main factor in understanding this marketing strategy. A number of research papers have been conducted relative to consumer preferences and attitudes about wine. Gill and Sanchez (1997) examined at the past and prepared comparatively analysis of wine characteristics preferences within and between two different areas of Spain. Origin, price, and grape era year were the three traits they used in their research. Outcomes indicated that wine buyers from both places had different behaviors. For that reason, different marketing plans required to be designed in order for these specific consumer criteria to be fulfilled as stated also.
above. Coldsmith, R.E. and Hautevill, F. (1998), tried to make clear which are the characteristics of consumption of wine by categorizing consumers regarding their regularity of wine consumption by the product, light or occasional users and users who are drinking a lot. It is easy to identify that there are a number of parameters when dealing in a global level and for that reason the winemakers shall take into consideration all the above highlighted facts.

CONCLUSIONS

Wine has been traded internationally since ancient times and we passed through different level from the Greek ancient amphoras to the modern winemaking techniques. From the past years, Greeks, Phoenicians and Romans all brought grapes to new homes. That makes globalization not something new at all to the wine markets as they are dealing with it from the early beginning of the sector. Even though as the last years this situation is significantly growing the winemaking industry shall work out solutions that will offer sustainability to the wines among the global challenging competition. That can be succeeded by creating a strong brand which may be recognizable and respected within the flat world that we are living nowadays. Kofi Annan, one of the great personalities of the 21st century who was the seventh Secretary-General of the United Nations stated that “arguing against globalization is like arguing against gravity”. The winemaking sector shall see straightforward the whole situation and try to get the maximum out of it with the proper branding plan as the benefits of such procedure are offering really long term benefits for the wines of each country.

REFERENCES
