Marketing channels in the wine sector: Wine distributors in Catalonia as a case study

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1. INTRODUCTION

SPAIN > 35 millions Hectoliters de vi (OIV; 2011)

CATALONIA: 3,8 millions Hectoliters (DAAM; 2011)

- ECONOMICAL Contribution *
- SOCIAL IDENTITY and LANDSCAPE

*Wine making in Catalonia contributes up to the 6,6% of the Gross Value Added of the Agro food sector.

It is considered one of the most important sector for Catalonia’s Internationalization.
1. INTRODUCTION

In Catalonia there are 12 Designations of Origin (DO), including the DO Cava

Grape SURFACE registered under a DO is HIGHER THAN 90% of the TOTAL
Grape Surface in Catalonia ➔ ESPECIALIZATION in Quality Wines (QWpsr)

The DO Cava produces exclusively cava, a quality sparkling wine produced by the Traditional method, also known as
Champenoise method, although the use of this terminology was outlawed in 1994.

1. INTRODUCTION

Consumption diminishes

The market share of Catalan DO is small

DIFFICULTIES for
Catalan wines to
ACCESS a market
defined as highly
saturated and competitive

MARKETING CHANNELS in the wine sector:

1. Exportation 35%
2. Domestic supermarket distribution 30%
3. Restaurants 25%
4. Wine stores 10%

UNCOORDINATED
COOPERATIVES
LACK OF MARKETING CONTRACTS
1. INTRODUCTION

CHANNELS OF DISTRIBUTION ARE CRITICAL FOR SUCCESS

ACHIEVING GOOD PARTNERSHIP WITH THE RIGHT DISTRIBUTOR CAN HAVE A SIGNIFICANT EFFECT ON PROFITABILITY, BY HELPING OUT PROMOTING A BRAND (PRICHARD, 2004).

→ WINE WHOLESALER DISTRIBUTOR AS A KEY ELEMENT

1. INTRODUCTION: Objectives

Our study aims at exploring which are the main MOTIVATIONS of the wine distributors in their business and which winery ATTRIBUTES can provide GREATER SUCCESS in their relationship.

We aim at communicate to wineries what wine distributors are looking for in order TO BE MORE APPEALING for their business.

2. THEORETICAL FRAMEWORK: THE MEANS-END CHAIN (MEC) THEORY

- Consumers learn to select those products (or services) that feature the attributes that allow them TO ACHIEVE their desired consequences
- The MEC theory is based on the VERTICAL DIFFERENTIATION of a product or a service
- The theory proposes that consumers’ knowledge of a product is organized hierarchically in different levels of abstraction: ATTRIBUTES, CONSEQUENCES AND VALUES

2. THEORETICAL FRAMEWORK: THE MEANS-END CHAIN (MEC) THEORY

Means-End Chain is usually measured by means of a QUALITATIVE INTERVIEW called laddering.

The laddering is a personal in-depth semi-structured interview. Its purpose is to obtain the associations amongst attributes – consequences – values that consumers establish about a product or service.

2 independent MATRIX were proposed: (1) attributes – consequences matrix, and (2) consequences – values matrix.

The selected items (attributes, consequences and values) were determined from a literature review and focus group with experts (wine sector agents).
2. THEORETICAL FRAMEWORK: THE MEANS-END CHAIN (MEC) THEORY

For the analysis, the linkages between ACV are entered on an implication matrix from which a Hierarchical Value Map (HVM) is then constructed.

One of the main issues to be considered when working with HVMs is the determination of the cut-off point, which marks the number of linkages to be allowed on the map.

A high cut-off level (showing only high-frequency linkages) simplifies the map by reducing the number of linkages, but it may lead to the loss of important information.

A low cut-off level (showing also low-frequency linkages) results in a complicated map that is more difficult to interpret.

3. STUDY CASE

DATA was collected in Catalonia (Spain) by means of a personal survey of a 51 WINE WHOLESALER DISTRIBUTORS, from a total universe of 353 (Camerd ata).

This size of sample is consistent with those observed in most of the previous research in which this technique has been employed.

Interviewing was conducted face to face. Each of them took from 40 to 60 minutes.

MECANALYST PLUS 1.0.8. Software was used in the data analysis.

3. STUDY CASE

<table>
<thead>
<tr>
<th>Winery's Attributes</th>
<th>Consequences</th>
<th>Distributor’s Emotional Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tradition in the sector</td>
<td>Large range of customers</td>
<td>Financial security and stability</td>
</tr>
<tr>
<td>Wide range of Catalan wines</td>
<td>I can be more competitive</td>
<td>Maximize profits</td>
</tr>
<tr>
<td>Exclusivity as a distributor</td>
<td>Win loyal customers</td>
<td>Professional fulfillment</td>
</tr>
<tr>
<td>Discounts</td>
<td>Higher margins</td>
<td>Respect from my clients</td>
</tr>
<tr>
<td>Believe in their wine</td>
<td>Provides trust</td>
<td>Acknowledgement as a winery</td>
</tr>
<tr>
<td>Wide range of Spanish wines</td>
<td>Expand my clients' portfolio</td>
<td>Success and prestige</td>
</tr>
<tr>
<td>Wines at reasonable prices</td>
<td>Offer quality</td>
<td></td>
</tr>
<tr>
<td>Friendly dealing</td>
<td>Satisfy my clients' taste</td>
<td></td>
</tr>
<tr>
<td>Present in trade fairs and events</td>
<td>Great variety of purchase options</td>
<td></td>
</tr>
<tr>
<td>Offering tours for my clients</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wines of excellent quality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professionalism fulfilling what is agreed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good image as a winery (facilities, portfolio, history...)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wine volume is enough to meet my requests</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. RESULTS

Hierarchical Value Map for wine wholesalers. Cut-off point= 14 (71.6% variance explained).

Retains 71.6% of the variance in the original data.

2,053 ladders

17 content codes from the 29 that were available (14 attributes + 9 consequences + 6 values)