Branding Wines In A Flat World

by

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Intro
• Nowadays the world we do live, is flat.
• Globalization has its good and its bad side and winemaking sector has been affected from that.
• Winemakers are trying to market their products in that international and challenging global market.
• Homogenization of the market is another result, with the same bottle of wine in any table of every corner restaurant around the world.
• While globalization does promote contact and exchange between cultures, it also tends to make them similar to one another.
• In long term the wines need to build a strong brand in order to exist in the global market and become a lasting choice for all the consumers.

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.

Question to be examined
• The question which I am examining here through the international literature, which is limited up to now, is how does the globalization affects the winemaking industry and how does wines may establish their position through that global dynamic environment over time, via branding.
Strategic Marketing Planning in the Winemaking Sector

- The globe wine sector is competitive, vulnerable and in unceasing alteration (Bouzidine-Chameeva, T., 2006) and for that reason the precise strategic marketing planning is required.
- A rational setting up standard has become forcefully spellbound (Sinha, D., 1990). As it has been observed (Lehmann, D. and Weiner, R., 1994) the planning procedure is 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 (Miner, A. and Moorman, C., 1998).

Nowadays, wine can be described as 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 it.

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 its 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.

Wine Marketing Mix

- From a winery’s point of view the marketing mix encompasses how a specific wine or bunch of wines will be settled, assessed, marketed and distributed.
- The expansion of the marketing mix is reliant on the target market.
- It may be useful to observe the marketing mix from the consumer's viewpoint, such as cost to the customer, customer value, convenience and communication to the customer.
- The heart of wine expansion from a marketing perception shall be to distinguish the wine in the attention of the target market from the rivalry.
- It is important if the wine is differentiated when the customer choose it over another, particularly if it is offered at a first-class price.
- Rudiments of the product that can be taken into account in marketing wine comprises quality of wine, product variety, brand name, design, features, services, packaging, sizes and return policies.

In terms of pricing the impartial is to give the consumer a sense of value.

Many corporations in the wine sector price goods according to how much it costs the company to produce the wine plus a markup.

Others will price the wine following the assessed amount the consumer will pay for it. They don’t charge that amount but a bit less.

Allowances, discounts, credit terms and generous payment periods are decent approaches of assigning value.

The communication of the wine is the most involved percentage of the marketing mix and what many misinterpret as to what marketing is.

The basics of endorsing a product are mentioned to as promotional mix.

Advertising, sales promotion, public relations, sales force and direct marketing are the comprehensive fundamentals of it.
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 as this is what will offer sustainability to business.
- It has been noted (Wood, L. 2000) that the term “brand equity” was shaped by the need to outline the association among customers and brands produced in the marketing literature.
- A brand is an extraordinary concept of an idea that a product possesses within the mid of the belvedere.
- 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” (Vrontis, D. and Papasolomou, I. 2007).

Creating Brand Equity for Wines

- Building brand equity in the wine industry is predominantly hard yet essential.
- 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.
- To attempt to break free from the plethora of wines in the industry there are many topics that can and should be addressed to make a brand stand out from the rest around the world.
- The branding intent to be taken on by the whole organization, from the people that crop the grapes, to the person that pours the wine in the tasting area, to the trade show link, to salespeople, to every individual in every purposeful section in the organization.
- The brand is a replication of the winery that produced it, and every exertion that is taken to produce and endorse it should be done with the mission, vision, objectives and goals of the winery in mind.

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 impose an enormous supply of grapes 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.
- 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).

Differentiation: a key to success

- It is quite essential for the brand of a wine to differentiate from the rest, otherwise there is no really a 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.
- If a really exclusive idea 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.
Dealing with Competition in a Global Level

- Nowadays, a new diffident 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 (Campbell, G. and Guibert, N. 2006).
- 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.

Dealing with Competition in a Global Level

- It has been stated (Gill and Sanchez, 1997) that consumer decision making, concerning food and wine, is a procedure of four stages: need recognition, search for information, evaluation of alternatives and choice.
- 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.
- Furthermore it has been examined (Gill and Sanchez, 1997) at the a comparatively analysis of wine characteristics preferences within and between two different areas of Spain.
- Origin, price, and grape era year were the three traits which has been used in that research.
- Outcomes indicated that wine buyers from both places had different behaviors.
- Different marketing plans required to be designed in order for these specific consumer criteria to be fulfilled.

Global Wine Model

- To conclude results it is required a global model of grape and wine that differ based on the country of origin and at the same time between premium and non-premium segments of each marketplace and each joint trade stream.
- An original applicable model for that function was reported as the Global Wine Model firstly formed by Berger and Anderson in 1999 and later on expanded more by Anderson and Wittwer in 2001.
- The main outcome that is coming up from the model in the question where the prices might be in a few years time, is that it depends on.
- But the global wine model is capable to give a suggestion of the comparative meaning of dissimilar causative factors.
- It shows that the wine which will be lasting over year is the premium wine.

Conclusions

- Premium may be defined based on its quality but also branding is the way to move it through that level in front of the eyes of the consumers.
- Wine has been traded globally since ancient times and we passed through various stages from the Greek ancient amphorae to the modern winemaking ways of production.
- 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 globalized world that we are living nowadays.
Thank you for your attention