

# Market entry strategy and export destination in the Spanish wine industry

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## Electronic supplementary material

## APPENDIX I. SURVEY QUESTIONS

In developing the survey for the wineries, we considered previous studies by Spanos and Lioukas (2001); Ortega (2010); and Ferrer et al. (2018); surveys conducted by Wine Intelligence on consumers in various countries (Vinitrac: <https://www.wineintelligence.com/vinitrac/>), discussions of the survey content within the VINCI project (<http://vincisudoe.eu>), and interviews with executives from wineries across five different geographical indications. The project involved the universities of Bordeaux, Castilla-La Mancha, Trás-os-Montes e Alto Douro, and Zaragoza, as well as stakeholders from the wine industry. The wineries consulted were: Bodegas Langa (AOC Catalunya), Bodegas Sers (AOC Somontano), Enate (AOC Somontano), Grandes Vinos y Viñedos (AOC Cariñena), Bodegas Valonga (GI Valle del Cinca), and Cooperativa Santo Cristo de Magallón (AOC Borja).

### I. WINERIES

1. What type of wine do you produce, indicate the different types, 1) red; 2) rosé; 3) white; 4) sparkling-cava; 5) sweet wine; and/or 6) fortified wine
2. What kind of wine do you produce? Indicate the different types, 1) bulk; and/or 2) bottled.
3. What type of wine do you produce? Indicate the different types, 1) standard; 2) biodynamic; 3) organic; 4) sustainable; 5) fair trade; 6) vegan; and/or 7) other.
4. How would you rate the wines you produce in terms of retail price? Mark one option. 1) economic less than 8 euros; 2) Commercial-Premium, between 8 and 13 euros; 3) Premium. More than 13 euros
5. What type of wine do you make? 1) Varietal; 2) non-varietal
6. Differentiated quality, its wines belong to: 1) Denomination of Origin; 2) Geographical Indication; and/or 3) None.
7. To which PDO does your company belong?
8. With respect to where your company's wine is sold, indicate the approximate percentage of each of the following. 1) none; 2) between 0 and 25%; 3) between 25 and 50%; 4) between 50% and 75%; and 5) more than 75%.
  - Hotels, bars, restaurants.
  - Supermarket, hypermarket, big store, discounter, duty free, etc
  - In a wine shop
  - Internet
  - From the wine producer's cellar
  - Other
  - I do not know
9. Identify the five most important elements for which your wine is chosen
  - The country of origin (France, Spain, Portugal, ..)
  - Grape variety (cabernet, garnacha,..)
  - Promotional offer
  - A brand the are aware of
  - Recommendation by friend or family
  - The region of origin
  - Appel for the bottle and/or label design
  - Whether or not the wine has won a medal or award
  - Recommendations from shop staff or shop leaflets
  - Recommendation by wine critic or writer
  - Taste or wine style descriptions displayed on the shelves or no wine labels
  - Alcohol content
  - Wine matches or compliments food
  - Price
  - Other

10. What is the position of your company with respect to the competition, mark from 1 to 5. 1) much worse; 2) worse; 3) the same; 4) better; and 5) much better.

- Technological resources (state-of-the-art equipment and facilities, efficient production)
- Marketing resources (advertising, market knowledge, access to channels and competitors).
- Network resources (supplier agreements, distributors)
- Financial resources (access to credit)

11. Exports. Sales in euros as a percentage of total annual sales in euros. Indicate the percentage. 1) less than 5%; 2) between 5 and 10%; 3) between 10 and 15%; 4) between 15 and 25%; 5) between 25% and 35%; 6) between 35% and 45%; and 7) more than 45%.

## II. IMPORTERS

12. In which country do you carry out your activity as a wine importer? If you operate in more than one country, please fill out a survey for each country.

13. Wine consumption. What % of consumers have drunk the following beverages in the last 3 years? Has Consumption grown? You can choose more than one option. 1) No one; 2) between 0 and 25%; 3) between 25 and 50%; 4) between 50 and 75%; 5) more than 75%; and 6) Yes, it has grown.

- Red wine
- White wine
- Rosé wine
- Champagne
- Cava
- Other sparkling wine
- Port
- None of the above

14. Wine prices. What % of consumers pay these prices (average)? (in dollars). 1) No one; 2) between 0 and 25%; 3) between 25 and 50%; 4) between 50 and 75%; 5) more than 75%;

- Less than 5
- Between 5 and 10
- Between 10 and 15
- Between 15 and 25
- Between 25 and 35
- Between 35 and 45
- More than 45

15. Wine-buying channel usage. What % of consumers have purchased through the following channels. 1) No one; 2) between 0 and 25%; 3) between 25 and 50%; 4) between 50 and 75%; 5) more than 75%.

- Supermarket, hypermarket, big store, discounter, duty free, etc
- In a wine shop
- Internet
- From the wine producer's cellar
- Other
- They do not buy wine to drink at home

16. Wine consumption. Which channels are used (%) to reach consumers? 1) No one; 2) between 0 and 25%; 3) between 25 and 50%; 4) between 50 and 75%; 5) more than 75%.

- Restaurant, bar or pub
- Retail store, supermarket, internet, etc.

17. Wine-buying choices cues. What importance (%) do each of the attributes have for the consumer when they buy wine? 1) No one; 2) between 0 and 25%; 3) between 25 and 50%; 4) between 50 and 75%; 5) more than 75%.

- The country of origin (France, Spain, Portugal, ..)
- Grape variety (cabernet, garnacha,...)
- Promotional offer
- A brand the are aware of
- Recommendation by friend or family
- The region of origin
- Appel for the bottle and/or label design
- Whether or not the wine has won a medal or award
- Recommendations from shop staff or shop leaflets
- Recommendation by wine critic or writer
- Taste or wine style descriptions displayed on the shelves or no wine labels
- Alcohol content
- Wine matches or compliments food
- Price

18. Region of origin awareness among consumers. % of knowledge of wine producing region. 0) No one; 1) between 0 and 25%; 2) between 25 and 50%; 3) between 50 and 75%; 4) more than 75%.

- Aragón (Cariñena, Calatayud, Campo de Borja, Somontano)
- Castilla La Mancha (La Mancha, Valdepeñas, Jumilla, Mentrída, Manchuela, Ribera del Júcar, Ucles)
- Catalonia
- Cava
- Navarra
- Ribera del Duero
- Rioja
- Rueda

## APPENDIX 2. CONSTRUCTION OF THE VARIABLES

**Export** is equal to the value of exports of the company in euros to each of the 49 countries.

**Channel adjustment** corresponds to question 8 to the wineries and questions 15 and 16 to the importers. It is made up of six items with a response scale from 1 to 5. The maximum possible cases are 17199 (351 wineries × 49 destinations countries). If two responses coincide in terms of place and percentage, they generate a one, if they do not coincide, they generate a 0. The average number of coincidences is 1 043. In other words, a winery in an average market has an average number of coincidences of 21.3 (1 043/49) places of sale and percentage of sales of a possible 30 (6 places and 5 scales).

**Positioning adjustment** corresponds to question 9 to the wineries and question 17 to the importers. It is composed of a total of 14 items, with a response scale from 1 to 5. The maximum possible cases are 17 199 (351 wineries × 49 destination countries). If two responses coincide in terms of place and percentage, they generate a one, if they do not coincide, they generate a 0. The average number of coincidences is 16.3. In other words, a winery in an average market has an average number of coincidences of 0.33 (16.3/351) in the sales attributes of its wine and the attributes preferred in the destination market (14 items and 5 scales).

**Price adjustment** corresponds to question 4 to the wineries and question 17 to importers. It is made up of a total of 3 items, with a response scale from 1 to 5. The maximum possible cases are 17 199 (351 wineries × 49 destination countries). If two responses coincide in terms of place and percentage, they generate a one, if they do not coincide, they generate a 0. The average number of coincidences is 19.3. In other words, a winery in an average market has an average number of coincidences of 0.39 (19.3/49) between the price of its wine and the price of the wine preferred in the destination market (3 items and 5 scales).

**Knowledge adjustment** corresponds to question 7 to the wineries and question 18 to the importers. It is composed of one item, with a response scale from 1 to 5. The maximum possible cases are 17 199 (351 wineries ×

49 destination countries). If the PDO to which the winery belongs is not known, it generates a 0, if it is known by more than 75% of the consumers, it obtains a 4. The average number of coincidences is 1.72. In other words, a winery in an average market has an average number of coincidences of 0.035 (1.72/49) between the PDO to which it belongs and the level of awareness of its PDO in the country of origin (1 item and 5 scales).

**Techno resources** is the value of the response to question 10a<sup>a</sup> (position of technological resources with respect to the competition) with a response scale from 1 to 5, where 1 is much worse than the competition and 5 is much better than the competition.

**Marketing resources** is the response value to question 10b (position of marketing resources with respect to the competition) with a response scale of 1 to 5, where 1 is much worse than the competition and 5 is much better than the competition.

**Network resources** is the response value to question 10c (position of network resources with respect to the competition) with a response scale of 1 to 5, where 1 is much worse than the competition and 5 is much better than the competition.

**Financial resources** is the response value to question 10d (position of financial resources with respect to the competition) with a response scale of 1 to 5, where 1 is much worse than the competition and 5 is much better than the competition.