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Evaluation of branding of regional products in Chile with the focus on small wine producers

Diploma Thesis

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Abstract

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The aim of the thesis is to find out what are the customers preferences when they buy a bottle of wine in terms of wine packaging and labels and if there is a need of branding for small wine producers as part of their marketing strategy. The regional products have started to be more demanded from Chilean customers and there was a need to find out if regional products can be connected to branding. There was analysed literature review, corresponding researches and studies. There was also created the pilot online survey about the Chilean customer´s preferences. The pilot online survey is limited with the sample size and hence the sample is not representative. Therefore, the main focus is to find out how the consumers understand the questions and what should be the main improvements for the future research to avoid misunderstanding. The survey fulfilled 80 respondents and there was found out that 71,25 % of respondents decide to buy bottle of wine according to brand or name of the winery. The main attributes such as brand, name of winery, year and origin place was found out as the most important attributes for respondents. There was applied recommendation for future research to apply also qualitative research in form of in-depth interview or focus groups as there can be easily misunderstood the visual meaning. According to gathered data there was proposed a brand strategy as a guideline for small producers of wine. The thesis is written for a project Vitrina Campesina supported by Chilean government.

Key words: small producers of wine, branding, customer preferences, Chilean wine market, marketing, communication

Abstrakt

Cílem diplomové práce je zjistit, jaké jsou preference zákazníků při nákupu vína v Chile, konkrétně na základě balení a vinařské etikety a zda malí producenti vína potřebují zahrnout branding do marketingové strategie. Regionální produkt začal být za poslední dobu v Chile poptávaným zbožím, proto bylo zkoumáno, zda také regionální produkty mohou být spojeny s brandigem. V diplomové práci byla analyzována literatura s korespondujícími průzkumy a studiemi. V praktické části byl použit dotazník na pilotní bázi, který zkoumal preference zákazníků při výběru láhve vína. Výsledek je však limitován, a to z důvodu nerepresentativního vzorku, který nemůže být zobecněn na populaci. Na základě výsledků pilotního dotazníku bylo možné zjistit, jak respondenti rozumí otázkám a kde je možné provést kroky k lepšímu porozumění otázek při dalším průzkumu. Dotazník vyplnilo 80 respondentů. Výsledky ukázaly, že 71,25 % respondentů se rozhodlo koupit láhev vína na základě značky (brandu) nebo jména vinařství. Dále respondenti označili jako nejdůležitější prvky na vinné etiketě značku, jméno vinařství, rok a místo původu. Na základě výsledků dotazníku byl předložen návrh doporučení pro další průzkum, a to ve formě rozhovoru a focus groups. Největším problémem je vizuální představa respondentů, která může být lehce zaměněna a výsledky mohou být zkresleny. Na základě dat byla navrhnuta strategie brandu jako návod pro malé vinaře. Tato diplomová práce je zpracovaná pro chilský projekt Vitrina Campesina a výsledky budou použity pro jeho účely.

Klíčová slova: malá vinařství, branding, značka, preference zákazníků, chilský trh vína, marketing, komunikace

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I would like to give thanks to my supervisor of my diploma thesis, Mgr. Nataša Pomazalová, Ph. D. and also to Chilean project Vitrina Campesina, which gave me a possibility to participate in the project and write my diploma thesis related to the same topic of interest. Not forget to mention I would like to thank to all respondents for participating in my online pilot survey.

I declare this diploma thesis is entirely my own composition with introduction of quotations specified in the addendum.

In Brno, May 20th, 2015

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Signature

Contents

1. INTRODUCTION

Chile belongs to a group of countries which produce the biggest amount of wine in the world. The natural conditions such as climate, location and landscape character make Chile one of the best places for growing grapes and subsequently the wine production. The landscape is dominated by the mountains Andes from the east and it is bounded by the Pacific Ocean from the west side. The untypical conditions are visible not just from geographically point of view but also expressed through climate character. Chile's vineyards are possible to find along nearly 1300 km stretch of land from Atacama region to the Bio-Bio region in the south.

The great conditions for producing wine therefore create an opportunity for many people to start business in wine sector and for many locals it is the one of the main sources of income. On that account the situation on the wine market can be overwhelmed by too many choices for customers and at the same time the big competition occurs on the Chilean wine market. That is why the building brand in wine business can be very important to differentiate producers from each other. Many marketing activities and tools can be used in order to find out what is demanded at the market. Through them the company can meet the consumer´s wishes and needs and afterwards use the right marketing strategy.

The understanding of consumer desire is one of the key factors to be successful on the market. Also branding is crucial in many industries including wine area. Unfortunately, people in wine business usually do not understand the need of building a brand. This can be the future problem for small and mid-size wineries (Westling, 2001).

In these days the wine sector can be characterized as a global business. The mass production has a leading position on the market and the local regional products have difficulty to compete. At the same time there is less space on Chilean market which makes the situation more difficult. Wine can be also marked as a typical example of regional product. On the other hand the market is changing and also the customers desire more quality products with regional or national brand. The traditional and regional values do not have to be repressed by mass production which mainly competes with high volume, lower price and strong representation in distribution channels.

Many governmental organisations notify this fact and try to support local producers to be more competitive and promote their business.

I chose the topic due to a personal visit of Chile and subsequently I wrote the project proposal „Strengthening the ability of small wine producers from Maule Region to compete on Chilean market“ for small wine producers within the Chilean project Vitrina Campesina.

I was analysing the current situation and creating ideas how the small Chilean wine producers can compete and sustain on the Chilean market. The project I did through an academic internship in Chile organized under the program called Scholarly Improvement of Professional Competences of Students in International Development Studies as a part of the Internship in Developing Countries scheme was financed by the European Union. It has been organized and provided by the Faculty of Regional Development and International Studies in Brno.

During the stay in Maule region in Chile I could observe and study local situation of small producers and collected data for my diploma thesis. The diploma thesis is extended in terms of detailed literature review, analysing more secondary data and make own research with a topic focused on brand building and its importance in marketing and consumer behaviour.

2. THEORETICAL BACKROUND BASED ON LITERATURE REVIEW

2.1 Introduction to marketing

The American Marketing Association defines marketing as „an organisational function and set of processes for creating, communicating, and delivering value to customers and for managing customers relationship in way that benefit the organisation and its stakeholders. The authors Dibb, Simkin, Pride and Ferrel (2006) mentions that marketing indicates mainly those areas such as satisfying customers, identifying and maximising marketing opportunities, targeting the right customers, facilitating exchange relationships, staying ahead in dynamic environments, endeavouring to beat competitors, utilising resources, increasing market share, enhancing profitability and income and satisfying the organisation's stakeholders.

Marketing concept belongs to the young entrepreneur philosophy. It works on the assumption that the company can achieve the set goals if the company can assume the wishes and needs and satisfy them better then competition. So in other words marketing is customer oriented with specific target (Jakubíková, 2013). The marketing conception is divided into three parts:

- Consumer oriented marketing approach – it is oriented toward the needs of market and the production possibilities of firm which has to satisfy the needs.
- Company goals oriented marketing approach – it is focus on to fill up the main goals of companies such as profit, the determination of percentage share on the market, turnover etc.
- Integrated marketing approach – coordination of these activities which are connected with production of products or services which includes the product development, the research, production, finance, marketing, controls and so on (Jakubíková,2013). Marketing process authors identify as „analyses of market conditions, the creations of an appropriate marketing strategy, the development of marketing programmes designed to action the agreed strategy and the implementation and control of marketing strategy and its associated marketing programmes"(Dibb, Simkin, Pride and Ferrel, 2006).

The marketing process can be described in following graph, see Figure 1.

Figure 1: The structure of marketing process

Source: Adapted from Dibb, Simkin, Pride and Ferrel, 2006, p.16 (own version).

2.2 Marketing segmentation, targeting and positioning

Segmentation is the traditional technique in marketing to understand consumers (Jakubíková, 2013). The marketing segmentation is connected to marketing communication in terms to who the firm or organisation will communicate. According to Walker (1996, p. 124) it is „a process of placing the buyers in a segment display similar responsiveness to a particular marketing positioning strategy. The aim is to find out sub - groups of buyers within the market“. In other words we can say it is a process of dividing consumers into homogeneous groups which differ by needs characteristic and consumer behaviour. The subgroups have similar preferences and towards specific product attributes. At the same time they react similarly to marketing communication efforts. According to evaluation and selection of right one or more segment there is set up appropriate market targeting.

The whole process graphically depicted Kotler and Armstrong (2004) in the following figure, see Figure 2:

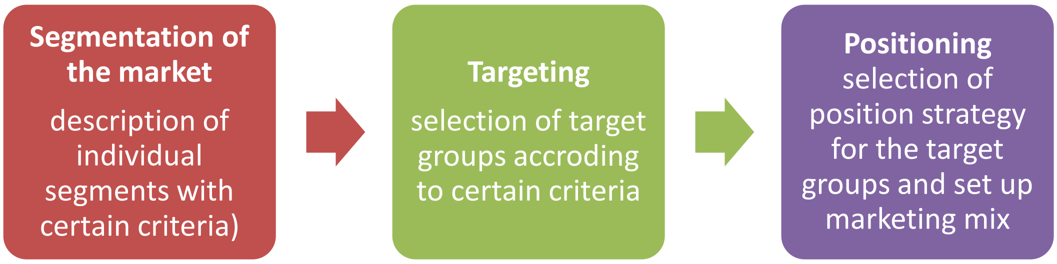

Figure 2: The process of segmentation

Source: Kotler, Armstrong, 2004, p.326.

In market segmentation there exist four main variables: geographic, demographic, psychological and behavioural. Firstly the geographic segments such as continent, climate, nation or region can determine different consumer´s behaviour and buying patterns which are underline with culture differences. Therefore in different places there has to modify marketing mix. The geographic criteria are usually combined with other criteria. (Pelsmacker, Geuens, Van den Bergh, 2004). Secondly the demographic segmentations include variable such as sex, age, family size, religion, birthplace, education level, income or social class. These variables compare to other variables are less difficult to measure than the others. The authors also point out that "besides differences between younger and older consumers, one can also distinguish between generations or age groups born in particular period. This makes their buying responses needs and interest different from those people of the same age, living in the different time period." (Pelsmacker, Geuens, Van den Bergh, 2004, p. 110). They also mention the study of Herbig, Koehler, Day (1993) which characterized each generation, Baby boomers and generation X, and their values. The baby boomers were born in the years immediately after Second World War. Today they have between 50-70 years old prefer quality products with luxury features, they are less critical of marketing techniques and advertising. The other generation is called generation X. This group is characterized by high spending, they are more materialistic, ambitious and show greater need for individualism and need to have the own identity in society. They have more marketing knowledge and can more deeply see the marketing principles and advertising. Therefore they might be more critical to advertising (Pelsmacker, Geuens, Van den Bergh, 2004).

From this research also passed the time and there is necessary to identify another generation which is called generation Y or sometimes called millennial generation. The researchers Nowak, Thach and Olsen (2006) studied this millennial group which were born between 1977 and 1999 and now represent high segment. They grew up in media saturated and brand conscious world. The brand is important for them and it is one of the leading factor which influence they purchases. Those who are in age of 20-35 have begun to adopt wine in increasing number. That is why the wine industry should be interested in this group. According to the Wine Market council (2003) the “millenians” consume large quantities of wine compare to previous generation X. The buying behaviour is also influenced by technologies. According to Procházka (2014) the internet is the main source of information and also trusted media channel. The people of this generation also concern more about environmental issues and social responsibility. They might boycott brands which are against these values. Lancaster and Stillman (2002) classified generation Y as very optimist who believes they can make the world better place and make the difference. They don’t like owing money, and sometimes are identify as financially savvy. They often seek for brands which provide quality but at fair price. They usually believe in work- life balance and that the life should be enjoyable. They find challenges in life and also in job. According to Harris (2001) this generation is looking for an adequate balance mixture of mind and heart. This characteristic of each generation segment should be also used in marketing strategies. Neubournes (1999, p. 4) warns that “marketers who do not bother to learn the interest and obsessions of generation Y are on the best way to run up against brick wall of distrust and cynism”.

The psychological segmentation was developed as the traditional demographic segmentation has a limitation. Lifestyle describes more how people organise their time and how much money they spend. The measurement is based on activities, interest and opinions (Pelsmacker, Geuens, Van den Bergh, 2004).

The fourth behavioural segment refers more to product and brand preferences. Consumers can be segmented on the base of occasion in which they buy the product. For example there can be consumers belonging to segment which drink orange juice at breakfast, but then there is also another segment which use orange juice in cocktails in the evening (Pelsmacker, Geuens, Van den Bergh, 2004).

The authors also mention the segmentation of customer loyalty. The customers are loyal to one brand, more brands and they can be brand switcher

This type of segmentation is important due to implication of promotional mix. The loyal- brand customers are resistant to sales promotions. On the other hand brand switchers can be easily influenced. Consumers which are loyal have to be approached by mixture of communication tools. (Pelsmacker, Geuens, Van den Bergh, 2004).

The last group which the authors Pelsmacker, Geuens, Van den Bergh (2004) point out is user status segmentation. An individual can be classified as non-user, a potential user, a first time user, a regular user or ex-user. The non- users should be completely excluded from communication plan and on the other hand the ex-user should be targeted for researches of customer satisfaction. The potential user has to be convinced to get into group first time user. Advertising, building brand awareness, marketing communication and campaign can be persuading tools. The regular user can be approached thanks to advertising and promotional tactics.

The users can be also divided as heavy and light users according to frequency of consumption. Cranves (1997) summarizes the various segmentation variables differently in following structure. See table 1.

Cathegory of variable	Consumer markets
Characteristics of people	• Age, gender, race • Income • Family size • Life-cycle stage • Geographical location • Lifestyle
Use situation	• Occasion • Importance of purchase • Prior experience with product • User status
Buyer´s needs	• Brand Loyalty status • Brand preference • Benefits sought • Quality • Proneness to make a deal
Purchase behaviour	• Size of purchase • Frequency of purchase

Table 1: Illustrative Segmentation Variables

Source: Cranves, 1997, p.133.

Bárta (2013) also add additional variable which is the interest about product and divided the target groups concretely with the interest about wine into three groups. The division of the target groups is enclosed in appendix 1. According to the author Bárta the price is important factor of decision but also the situation of the customer and the status. The group A with low interest of wine represent almost all size of market. They do not want to develop any effort about gaining information about wine, they usually just compare. Usually the customer chooses according to familiar brand. The other factors of decision are simple information, logo, and colour combination of the package or slogan. The second group B usually buy the wine due to occasion or as a gift. The decision making factor is usually assurance and security. It can be purchased according to personal or someone experience connected to reliable brand or the recommendation of wine expert. In this case it is also important packaging of wine. They also usually prefer rather than producer the variety of wine. The main successful communication channel is during the purchasing of wine, otherwise the customers are quite resistant. The group C with high interest at wine are minority on the market and it is absolutely the contrary to the group A and B.

They are interested about wine and invest time and money into purchase. They buy special magazines. About wine and perceive the wine advertising, their search for valuable information. This target group usually buy the premium classes wine and represent important group of customer for wine producers. Therefore for the first group A author recommends the communication through etiquettes, special packaging, posters or displays at the shop. The information about wine has to be very simple such as variety, place of origin, and brand with unique and emotional style. It must be communicate in contrast to other competition products, consistency to keep style and clarity with short and clear message. For the second group B is recommended to concentrate to communication directly during purchasing and etiquette with content value. This can purchasing factor can be supported by increase price of wine with unique features. The third group C should apply the selective type of communication. The message can appear at lifestyle magazines, special magazines about wine, special internet sources about wine. This group is waiting for more detailed information and emotional drive. The awards, loyalty brand and comments of experts can be the main decision making factor. (Bárta, 2013).

Spawton (1990) point out that the most wine market segmentations are based on psychological variables and identified four consumer segments:

- Connoisseurs – the knowledgeable segment, they consume often and the consumers in this segments like to experiment with new wines
- Aspirational drinkers – buy fashionable brands, seek professional advice, connected to their self-image
- Beverage wine consumers – consume often but do not experiment
- New wine drinkers – new to wine, drink mostly on premises (Palma, Cornejo, Rizzi, Casaboun, 2014, p.2)

Hall and Winchester (2000) proved also Spawton four division of segmentation and add another group focused on enjoyment-oriented segment.

Consumers do not behave in the same way in different occasion and the same rules are valid for wine topic. The purchasing differs while buying the bottle as gift, taking it to party, to combine with meal or to buy the wine just for themselves

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Dubow (1992) found out five segments associated with occasion based approach:

- Social – drinks to share with others
- Introspective – drinks to improve mood
- Qenophilic – drinks light wine
- Enhancement – drinks to enhance food

The Dubow´s segmentation is common and recommended to use if the consumers are not loyal to the specific wine brand. The other author Tienhoven (2008) selected segments according to price in the wine industry. The customers focus on brand in three sections: popular premium, premium and super premium, the division see in table 2.

Category	**Consumer Price p. Bottle**	**Features**
Icon	> 150 €	Long term image, high scores, complexity, prestige
Ultra-Premium	14 -150 €	*Varietal* or *blend*, reasonably high scores, character, origin, image
Super-Premium	7-14€	Brand, recognizable, origin, structure, *varietal* or *blend*
Premium	5-7€	Brand, origin, recognizable, accessibility
Popular-Premium	3-5€	*Varietal*, fruity, accessibility, brand
Basic	<3€	Low price and traditional, often bulk

Table 2: Consumer segment in the wine industry according to price

Source: Tienhoven, 2008: Heijbroek, 2003, p.63.

The segmentation is useful when it is measurable, accessible, the size is big enough, possible to differentiate and lead to action. When we choose the segment there must be clear the size, purchasing power and profiles and has to be measurable. There must be accessible in term of communication channels and available to contact them in terms of advertising, PR or direct selling. The segment have to big enough to earn business profit and differentiable to use different marketing mixes. After communication with certain segment there should be visible the action and reactions of the company (Kotler, Armstrong, 2014)

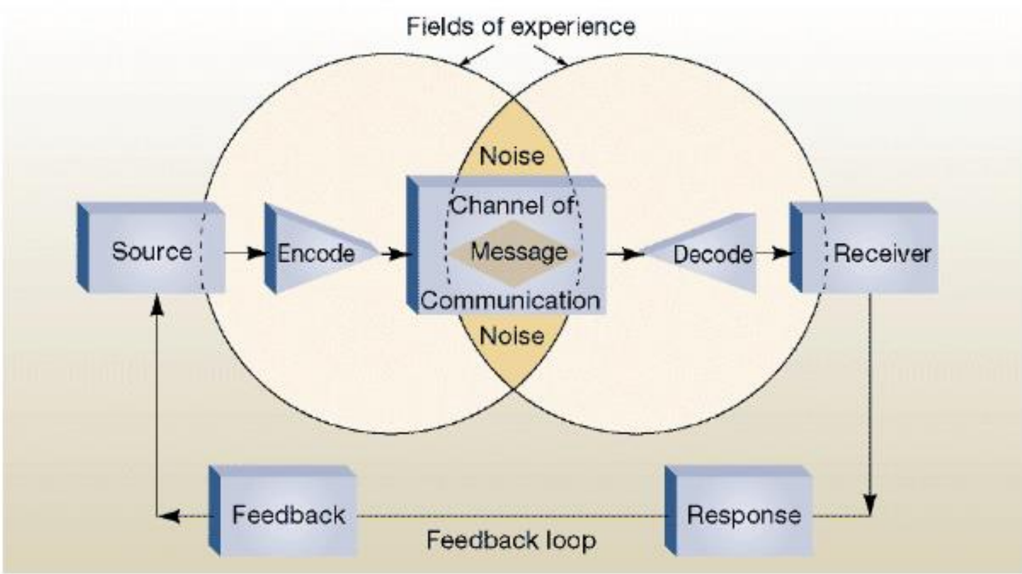
When the company divided customers into segment there is next stage targeting with basic questions, how many segments will company target and which segments are most attractive. Market differentiations and also the division people into segments need different style of promotion and advertising. Pelsmacker, Geuens, Van den Bergh, 2004 set up five targeting strategies.

- Concentration on one segment – the company choose one segment and for the segment choose one product within one market and develop marketing mix
- Selective specialization – company chooses more segments which are attractive, there are not interconnection between those segments, for each segment is different marketing mix and promotional mix
- Product specialization –company choose one product and target to more market segments
- Market specialization – company pay attention to one segment and sells different products
- Full market coverage – company tries to target all customer groups with all products which they produce (Pelsmacker, Geuens, Van den Bergh, 2004, p. 122.).

2.3 Marketing communication

The all marketing is based on communication with customers (Foret, 2006). Communication is “an act of giving, receiving or exchanging information, ideas and opinions so that the message is completely understood by both parties. There must be a sender who speaks or sends a message, and a receiver who listens or receives the message“(Taylor, 2000, p.2).

To communicate effectively it necessary to know how communication works. In the communication process there are two important parties, the sender and receiver and two important communication tools, the message and the media. In the communication process there also four basic communication function: encoding, decoding, response and feedback. There is also included the noise effect which is also the part of the system (Luca, Penso, 2006). See the model of communication process in picture 1.



Picture 1: Model of communication process

Source: Kotler, 2005.

Foret (2006) propose that successful communication needs to have following attributes:

- Credibility – communication need the trust and knowledge of the partners
- The right choice of time and place where the communication is set
- Understandable content - the receiver must understand the message and the sender should express the message with certain values
- Clarity – the message must be send with simple symbols, concept and idea
- Systematic concept – the communication is never ending process which must be repeated and continuously developed.
- Time proven channels – they must be continuously developed and well maintained
- The knowledge of receiver – to understand how the receiver perceives the message and also his needs, wishes and values.

Marketing communication is defined as strategic concept of information and persuading of target groups which helps to companies and organisation to achieve their goals (Karlíček, Král, 2011). Fouda (2015) find out the main communication attributes which are connected to wine are wine product, branding of wine, packaging of wine, labelling of wine, pricing of wine, wine availability.

Founda (2015), Kotler and Armstrong (2008) concluded that the product attributes can be used as the message to the consumer, the receiver. The promotional tools are not only way how to send the message, the product attributes can be used as well, for instance through label. See the Table 3.

Wine product	Can be a grocery product (low to average price), shopping product (average to high price), or specialty products (exceptional price)
Branding of wine	Memorable brand name, Brand association (e.g. COO, endorsements, meaning)
Packaging of wine	Innovative packaging and quick customer identification
Labeling of wine	Informative, emotional message, clear and distinct
Pricing of wine	Price is indicator of quality or an external "quality sign"
Wine availability	Product must easily be accessible

Table 3: Communication through wine product attributes according to Kotler and Armstrong

Source: Fouda, 2015, p. 12.

The marketing communication based on several activities allows companies to connect their brands to experiences, people, places, feelings and objects. According to Keller (2002, p.823), "marketing communications represents the voice of a brand and the means by which companies can establish a dialogue with consumers concerning their product offerings". The general role is to communicate the essence of brand characteristics and create relationship and partnership between the brand and consumer. This process of marketing communication is called brand building. (Pelsmacker, Geuens, Van den Bergh, 2004).

2.4 Marketing mix

Since the company cannot satisfy all customer´s needs it must gather an effort into specific groups and target market.

Having selected target market consumers then there should be selected right marketing mix. The marketing mix includes product, price, promotion and people and sometimes it is called 4P. It is combination of elements which connect with customer needs and creates for customer value.

Marketing mix together with marketing segment and target market creates marketing strategy of the company. (Jakubíková, 2013) mentions that Robins (1994) critics the classical model of marketing mix so called 4P – product, price, place and people.

He says that the concept is based on the company and it excluding customer needs and wants. He proposed to use also strategic marketing mix which consists of customers, competitors, capabilities and company characteristics.

Pelsmacker, Geuens and Van den Bergh (2004) divided into table how the marketing mix´s tools can be divided. See Table 4.

Product	**Price**	**Place**	**Promotion**
Benefits Features Options Quality Design Branding Packaging Services Warranties	List price Discounts Credit terms Payment periods Incentives	Channels Logistics Inventory Transport Assortments Locations	Advertising Public relations Sponsorship Sales promotion Direct marketing Point- of-purchase Exhibitions and trade fairs Personal selling Internet

Table 4: Instruments of marketing mix

Source: Pelsmacker, Geuens and Van den Bergh, 2004, p. 3.

From marketing point of view the product is anything what is offered by company to potential customers to satisfy their needs and wants. It includes quality levels, styling, design, packaging, possibilities of different sizes, brand image and so on.

Concretely the wine product is beverage product focused on branding, packaging and labelling, price and availability and benefits as it is illustrated in following figure

(Founda, 2015). These attributes serves to evaluate the product and also decision making process.

The communication is also connected with the visual attributes of product and tries to differentiate from the competitors with several benefits, again based on the product attributes (Kotler & Armstrong, 2008). Wine as a product represents the most complex products and it is for consumers very difficult to choose the wine and not to be confused. (Orth et al., 2007). The brands of wine help customers to make easier decision making process. See the main attributes of wine product in figure 3.

Figure 3: The main attributes of wine product

Source: Founda, 2015.

The prices determined the revenues that will be generated for the company. They are set by interaction forces at the market. Markets define prices usually according to the costs of production, competitor´s prices and what the customers are willing to pay (Belch,2009)

The promotion is used by companies to reflect benefits of the product to the target group (customers). This part of marketing mix includes advertising, personal selling, public relations, sales promotions and direct marketing methods.

The concept of the promotion is usually based on what kind of message is used, which media, right timing, the budget of the campaign and the evaluation principles (Belch, 2009).

2.5 Brand

According to American Marketing Association (AMA) a brand is „a name, term, sign, symbol or design, or combination of these characteristics, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of the competition“(Keller, 2002). In the other words we can mark brands as products and services that have added value. They represented and distinguish product, services or company from their competitors (Belch,2009). From this point of view we can set a brand as an equation brand=product + additional value (Bárta, 2013).

Therefore the successful brand is defined as „ an identifiable product, service, person or place, augmented in a way that the buyer or user perceives relevant unique added value that match their needs most closely.“ (Vrontis, Papasolomou, 2007, p.161). Pelsmacker, Geuens and Van den Bergh (2004) clarify that successful brand, doesn´t mean to create brand name. It is necessary to meet many conditions. Firstly the brand must be differentiated with unique benefit and being different from the competition. Secondly the brands must be positioned on quality and added value. Thirdly the successful brands innovate and orient on the customer and his needs. The managers, employees and other internal stakeholders are important factor which helps to achieve success of brand. But what is most important, brands cannot be successful without long-term, regular communication, making customers aware of the uniqueness and keep the value of brand trustworthy. The key determinants are depicted in following figure 4.

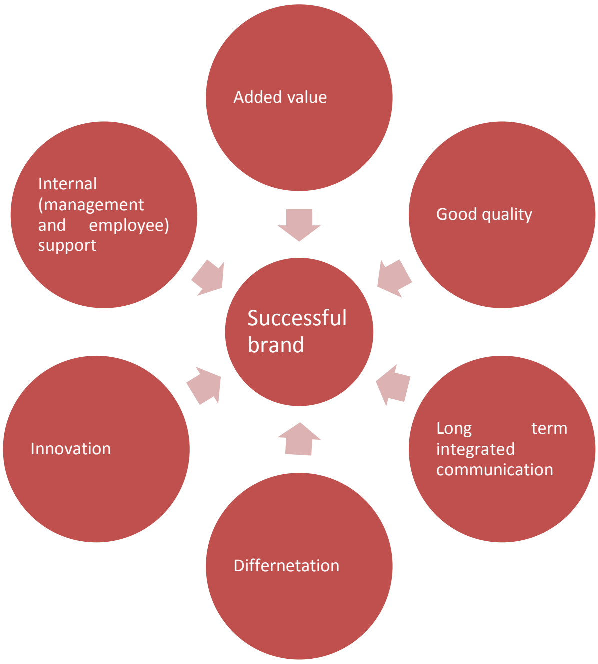


Figure 4: Determinants of successful brand

Source: Pelsmacker , Geuens and Van den Bergh, 2004, p. 41.

Based on this definition we can say that the brand helps customers to create several attributes or feelings which lead to competitive advantage on the market. Vysekalová (2004) mentions that also important part of brand is its positioning. Brand positioning is the creation of desirable, distinctive and plausible image for a brand in the minds of target customers.

Dibb, Simkin, Pride, Ferrel (2006) claim that it represents the basic concept of marketing and it should answer to the customers about credibility, specify comparability of the product and determine position on the market with competition. Many authors such as Kotler (1998), Přibová (2000) and Fellows Rodler (1998) see the brand as part of integration to the complex marketing strategy including product, price, and distribution and communication strategy.

The value of the brand is called brand equity. It is related to „ the degree of brand name recognition, perceived brand quality, strong mental and emotional associations, and other assets such as patents, trademarks, and channel relationship (Aaker, 2011). According to Kotler (2000), high brand equity provides a number of competitive advantages:

- A company will enjoy reduced marketing costs because of consumer brand awareness and loyalty,
- A company will have more trade leverage in bargaining with distribution and retailers because consumers expect them to carry the brand,
- A company can charge a higher price than its competitors because the brand is perceived as of higher quality,
- A company can more easily launch extensions because the brand name carries high credibility,
- The brand offers the company some defence against price competition (Kotler, 2000, p.406).

Baines, Fill, Page (2013) claim that brands give the opportunity for both customers and organization to buy or sell product and services easily, more efficiently, and relatively quickly. Consumers like brand because of:

- Help people to identify their preferred products
- Reduce levels of perceived risks and in doing so, improve the quality of the shopping experience
- Help people to gauge the level of product quality
- Reduce amount of time spent making product – based decision and decrease the time spent with shopping
- Provide psychological reassurance or reward, especially for products bought on an occasional basis
- Inform consumers about the source of a product (country or company) (Baines, Fill, Page, 2013, p.220.).

On the other hand producers, manufactures and retailers enjoy brands because of:

- Enable premium pricing,
- Help to differentiate the product from competitive offering,
- Encourage cross- selling to other brands owned by the manufacturer,
- Develop customer loyalty and repeat purchase buyer behaviour,
- Assist the development and use of integrated marketing communications,
- Contribute to corporate identity programmes, and
- Provide some legal protection (Baines, Fill, Page, 2013, p.220.).

There are two main type of brand, intrinsic and extrinsic. The first intrinsic type refers to the functional characteristics of a product such as its shape, performance and physical capacity. If one variable change it would directly influence product. On the other hand there is the second extrinsic attribute and define those elements which directly do not influence the material performance or functioning of the product. This attributes are brand name, marketing communication, packaging, price and other variables which form associations to customers about the brand. This type usually buyers use when the product is not unique, for example bottle of water, and the decision making process is based on extrinsic attribute (Machková et spol., 2010). Particulrly the first type is before tasting a product, and the second after tasting it (Grunert, 2005). The most typical example of intrinsic stage can be colour, taste or aroma. On the other hand the characteristics of extrinsic stage can be price, label design, grape variety, packaging, advertising and the other similar attributes. The other attributes can be taken in account. For instance the process of development and existence of brand is characterized by two basic factors which influence the brand, macro and micro environment.

According to the American Marketing Association (AMA) the brand consist of two important part, brand mark and brand name. Brand mark is „ the part of brand which appears in the form of symbol, design or distinctive colour or lettering (for example logo). Brand names consist of words, letters, and numbers and can be vocalized“(Westling, 2001).

Baines, Fill, Page (2013) define a brand name as „information about content, taste, durability, quality, price and performance, without requiring the buyer to undertake time consuming comparison tests with similar offering or other risk reduction approaches to purchase decision.“ (Baines, Fill, Page, 2013, p.218.).

Vysekalová (2004) introduces the brand as concept of total product. The main message of this term is that also the brand can be comprehended as the product with specific characters.

They show their concept also graphically, see figure 5.

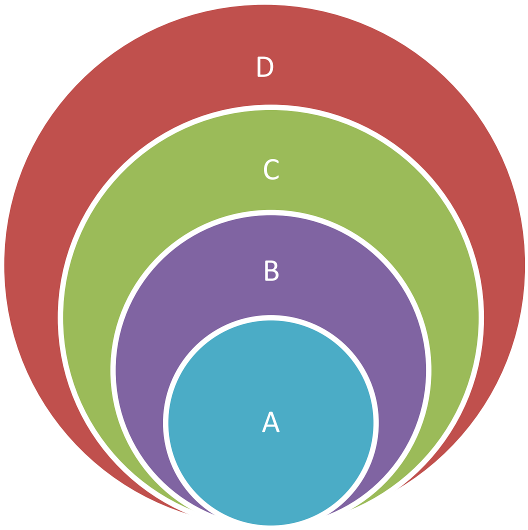


Figure 5: The brand as a concept of total product

Source: Vysekalová, 2004.

The concept is divided in four layers. First A contains the core of the brand with specific function. The second layer B determines name and logo of brand, the style, shape, colours and so on. In this section we can identify the brand and makes the brand available to recognize. The third layer C deals mainly with competition with other brands. It has more widened function and represents what extra benefits the brand brings to customer such as specific guarantee, security, and emotions and so on. The last layer D acquaints the image of the brand in terms of prestige.

The term branding is „a process by which manufactures and retailers help to customers to differentiate between various offering in a market. " (Baines, Fill, Page, 2013, p.218.). Branding also create trust developed through relationships. It is important because it establishes consumers' confidence during purchase. It also differentiates the brands in crowded markets.

The concrete example can be that through branding is also possible to set premium prices. The prices are therefore higher and allow reinvesting in brand development and remaining easily competitive. Not forget to mention that branding lead not to automatic success.

Westling (2001) mentions that the consideration of creation new brand are from two reasons. Firstly there is market for new brand, or change structure of old brand including image, target group, segmentation or other criteria.

Vysekalová (2004) explains that firstly it is necessary to analyse the market, identify segments and target groups. Then it is necessary to define the aims of the brand with the position on the market. Before the brand is created there should be verified (for example by positing map) if the purpose of the brand leads the right direction. The creation of brand has two options – firstly to create absolutely new brand or re-brand according to certain situation on the market. The development of the brand has very similar process as the development of the product. After the development of the brand there is necessary manage the brand on the market and make the consumers perceive the characteristic of the brand. The brand management underline also brand strategy. The last part of the process is evaluation including feedback and it should be find out how the brand is perceived by customers, how the brand is successful on the market and it should focused on the all layers of the brand concept which was mentioned above.

The position of brand is necessary monitor all the time. The analyses which studied brand equity can use several methodologies such as survey, in-depth interview, focused groups and so on. The monitor's areas are:

- Attitudes and habits of products and service use in defined category,
- Attitudes to brand and its knowledge, perception and preference,
- Associations related to brand
- Price premium,
- Knowledge and perception of promotion and advertising,
- Other marketing information and its evaluation,
- Company/Organisational image.

According to Westling (2001) branding development should be applied on the all organisation or the company – from the people that harvest the grapes, through people who sale the wine, to the person who manage the company.

The development of brand of wine can be divided into three sections: creating, strengthening and evaluating a brand. The first part creating can include knowledge about company including production and promotion with vision, mission, goals, and the objectives of the winery. The goals of the wineries provide space for future evaluation of the brand. The goals can be understood as a achieving a certain level of brand loyalty, brand name awareness, perceived quality and so one.

The benchmark can be used as tool to value this position and achieving of certain level of goal. Next step is to differentiate and set up a certain position. Differentiate is very important because if the wine is not differentiate there is no space for business. Differentiators that may give a wine a unique position include:

- A unique feature of the winery (oldest, smallest etc.)
- A unique feature of the winery´s geography (hillsides, place of origin etc.)
- A unique benefit
- A unique application (best when you consume with fish, best for the certain occasion etc.)
- A unique consumer (generation X, baby boomers, alternative lifestyle etc.)
- A category leader (environmentalist)
- A winery may also target the same market as a stronger winery but differentiate itself by focusing on weakness of the stronger competitor (Westling, 2001).

Successful wine selling companies are based on strong brand that can be building up through advertising and knowing better consumer behaviour (Kunc, 2007). The lack of many wineries is offer of more than one position for a single brand on the market. The brand message is then vague for the customers and equity will not achieve the full potential (Westling, 2001).The wineries should not priories the quality of wine as main point of differentiation; we can say it is very ambitious. It can use for example in the situation of special premium and ultra-premium wine segments. But for differentiation of the brand it should not be the main variable (Westling, 2001).

2.6 Consumer behaviour

The purpose of marketing and the marketing activities is to find out what are the customer´s needs and wishes and satisfy them. To achieve this goal there is necessary to find out the consumer requirements, opinion and behaviour. Simply put determinants when, where, why and how the consumers decide to buy certain product. A consumer is an individual who buy the products and take part of decision making process (Foret, 2008). He identifies five decision making steps before purchasing a product by customer.

- Identification of problem
- Collecting of information about the market supply

- Evaluation of collected information
- The decision about the purchase
- The post – evaluation process (feedback)

The following figure 6 which was proposed by Hawkins (1995) shows many influences that affect consumer purchase decision process.

Figure 6: Influences on the consumer purchase decision process

Source: Hawkins, 1995, p. 118.

The concept is connected with marketing mix theory which was mentioned in previous subchapter and influence significantly the purchase behaviour. The factors of sociocultural influences can be counted personal influence, reference groups, family, social class, culture or subculture. The situational influences contain purchase task, social surrounding, physical surrounding, temporal effects and antecedent states. The psychological influences attributes are motivation, personality, perception, learning, values, believes, attitude and lifestyle. In many literature there is mentioned the Hierarchy of needs created by Maslow. Needs motivate people to act and understanding how buyers satisfy their needs are a guideline for marketing additional steps (Walker, 1996). The individual needs are boundless and have five stages: psychological need, safety needs social needs, personal needs and self- realization needs.

Cranves (1997) also used four type of buyer behaviour based on amount of involvement and the decision making situation. The model can provide a way to compare buying situation. He clarifies that consumer behaviour depends on how much the buyer is involved into decision and whether it is a decision making process or action based on habit (Walker, 1997). See Table 5.

	High involvement	**Low involvement**
Decision making	Complex decision making (car,financial planning services)	Impulse purchasing (cerals, snacks)
Habit	Brand Loyalty (Brand of parfume, car, clothes, beverages)	Inertia (bulb, soap, toillet paper)

Table 5: Four Types of Buyer Behaviour,

Source: Walker, 1997, p. 132.

According to the research of Hawkins (1996) which provide insights into the psychology and buying purchasing process the buyer behaviour process consist of inputs such as price, quality, service and social settings. Then they interact with a person´s attitudes and motives and existing choice criteria. Customers satisfaction the authors Dibb, Simkin, Pride, Ferrel (2006, p. 62) define as „a state that results when an exchange meets the needs and expectation of the buyer“. Baines, Fill and Page (2013, p. 67) create the consumer acquisition process. The model consists of six stages and shows the importance and distinctiveness of selection and re-evaluation phases in the process. The buying process is iterative because each stage can lead the consumer back to previous stage and move forward to next stage in the process. See figure 7.

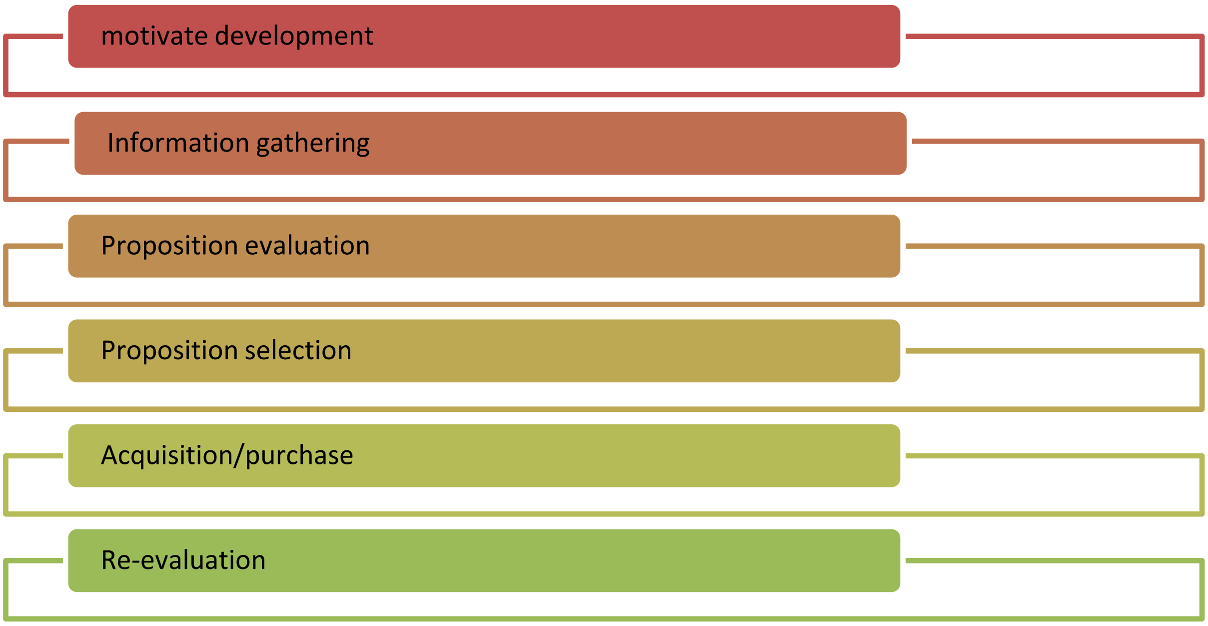


Figure 7: The consumer acquisition process

Source: Baines, Fill, Page, 2013, p. 67

The wine company has to know who the consumers of their products are. The information can be find through interaction between employees and customers, surveys, focus groups, interviews, observation of wine competitors, observation of consumption and purchasing behaviour of consumers and market analyses and research. The creating of brand name and marks should be based according to consumers. The wine producer's should also interact with consumers through winery tours, tasting events, print and broadcast advertising, online marketing and so on (Westling, 2001).

Behind every powerful brand stand a group of loyal consumers which can be defined as brand loyalty. There exist many levels of loyalty. The division of loyalty levels see in figure 8.

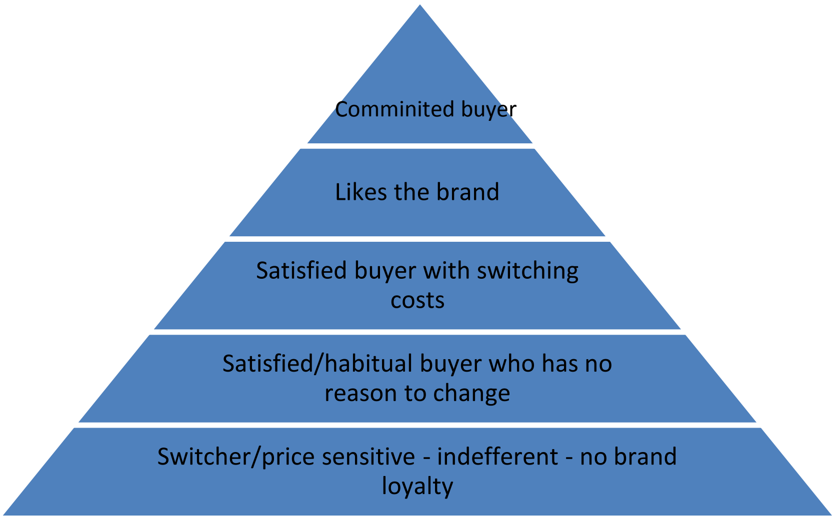


Figure 8: The division of loyalty levels

Source: Pelsmacker, Geuens and Van den Bergh, 2004, p. 55.

Wine is one of the products which are represented by many regional and global brands. The consumer behaviour during wine purchase is very individual and depends on the involment and interest. The wine is typical product when the consumer can feel uncertainty because there are so many factors: rapid increases of wine regions in the world, increasing number of brands, many types of wines connected to grape variety, changing practices in wine production (such as organic and fair trade techniques), wine tourism experience, factors which influence wine quality evaluation and rating, variability of price-quality relationship, not understanding intrinsic characteristics of wine. For those reasons the wine is quite complicated products for many people (Barber et al., 2006).

Therefore the consumers due to uncertainty, diminishing of risks and difficulty to access information often measures the quality according to brand name, place of origin and price (Heslop, Cray, 2009). Also other indicators helps to make easier decision making process for consumer which includes advertising, mix of wine in store, packaging, the building of winery, the country of origin, information on label (Gluckman, 1990). The authors Shaw (1999), Tustin and Lockshin (2001), Thomas and Pickering (2003) claim that even though those mentioned indicators were detected, the importance of packaging and wine label cannot overstated. The shape of bottle, colour and information on wine label simplify the process of decision making process and therefore the selection of wine (Spawton, 1991).

The Heslop and Cray (2009) conclude that that the wine label and its information is a direct communication channel between wine makers and customers or potential customers, and tells about uniqueness, the history of winery, suggestion for consumption, information about grape variety, year of production, brand name and place of origin.

The development of the label helps to develop perception of the wine and it can strongly affect the consumer decision making process. Chaney (2000) explains that also the consumer get information from other sources such as impersonal style in form of mass media advertising, personal market dominated sources such as store managers, impersonal independent sources through friends or own experience. She investigated that wine decision making process is based on sixteen types of information and the label information was the main point - of - sale factor. It can be defined according to theory that consumers evaluate products according to visible accessible information attributes such as label and then the evaluation of taste, colour and aroma. But this second evaluation is after purchase process. This concludes extrinsic (more visible) attributes leads more to purchase the wine. Shamel (2006) also reported that consumers have usually little time to pay attention to all information. He assumes that consumer will buy wine with higher price for reputable wines from well know producer or region to decrease uncertainty about quality. The effects of brand name and its evaluation are also related with level of motivation (Maheswaran, 1992).

The brand name is probably less important to occasional buyers with little expertise than skilled buyers who are willing to pay more for the brand they like (Gluckman,1990).

Other authors Thomas (2000) and Thomas and Pickering (2003) found out that brand name along with grape variety and price was the most important informational items used in evaluation before purchase. Barber (2006) and Boudreaux and Palmer (2007) also observed the importance of label before the consumer purchase the wine.

The researches about consumer behaviour and marketing tactics of small producers of wine Palma, Cornejo, Rizzi and Casaboun (2014) made a research what is motivation of drinking wine with Chilean respondents, both wine experts and classical consumers. In-depth qualitative methods and sample of Chilean premium wine were used and they found out four drinking motivation of wine.

The motivation is because of social cohesion, sophistication, self-indulgence and tradition. The result is that different motivation can occur by the same consumer which depends on the occasion. Motivation is more important than the consuming occasion itself. The other study shows that the reason why the wine consumers buy bottle of wine depends on different occasion with different motivation. The another study measured preferences according to non- sensory attributes and found out that grape variety, alcohol level, label design, product recommendations, price and discounts are main purchasing factors.

The study was made with 274 wine consumers with high income belonging among 20% richest Chilean population. Firstly they interviewed wine experts, then they elaborate literature and finally they asked the chosen segment. The results varied and for the chosen sample the grape variety was measured as the leading factor among this segment. The study took 4 years and will be more developed to focus on intrinsic attributes (Rizzi, Casaboun, 2013). The wine packaging is according to Luca and Penco (2006) other important attribute for communication and decision making process of consumer. In the research found out that there are some gaps between sender and receiver within communication process. Seller try to highlight on the label the brand and value of the bottle of wine, on the other hand consumers prefers information to using product better, for instance which food is good to serve with the purchased bottle of wine. Orth, Wofl and Dodd (2005) studied also how the place of origin can affect the consumer preferences. They suggest that six motivational factors for consumption of wine are based on wine region equity.

Those factors are: quality, price, and social acceptance, emotional, human and environmental value. We can see this that the marketing strategy of wine from Old World focused mainly on the origin place rather than grape varieties. The authors also claim that no other products have such a huge recognition of place as wine has, using this for marketing purposes. Therefore Orth, Wolf and Dood (2005) suggest six stage marketing strategy with focus on place branding:

1. To identify place different characteristics
2. To describe place with competitive advantages
3. Use lifestyle segmentation within the consumer market
4. If there occur any other variables which should be assed, add them
5. Selection of target market
6. Communicate the place differences and benefits to the selected target group

Wine is brand is very dependent on the marketing tactics and skill in terms of developing brand name rather than developing and improving skills in terms of quality of wine. The study of Duhan (2006) about customer preferences proved that mostly the brand recognition and evaluation is based of brand awareness. They conclude that even for small wineries it is necessary to develop the brand which will be recognized within the certain area. In many cases the customers are locals so it is necessary to build the long term relationship. They emphasized that in whatever situation the producers should continue developing brand with marketing activities.

2.7 Small producers of wine

In general small producers are understood as those producers that are not structurally dependent on permanent hired labour and that are managing their farm mainly with their own and their family's labour. With all of the following are considered as small producers:

- Not exceeding the indicators for the region-specific production area and number of permanent hired labour
- The small producer's major income is from agricultural activities;
- The small producer is involved in the work on the farm including physical work, administration, procurement, logistics or organization of the farm. (Fairtrade, 2014).

According to Trebeck (2003), these terms can be defined quantitatively or they can be defined by market focus. He created also the table where the micro, small, medium and large wine producers are divided, see the table 6.

Category	Production		Market focus
	(tonnes)	('000 cases)	
Micro	<20	<1.5	cellar door, mailing list, friends
Small	20-250	1.5-17.5	as micro, plus direct-to-restaurants, possibly selective exports
Medium	250-1000	17.5-75	as small, plus national distributor, systematic exports
Large	>1000	>75	as medium; domestic focus national retailers; increasingly export dependent

Table 6: Division of wine producers according to volume of production and market focus
Source: Trebeck, 2003.

Bárta (2013) claims that small winery can be consider with production up to 50 000 -70 000 litres of wine acquired from own grapes (vineyards). Wine production involves not only the use of raw materials like grapes but also the industrial process of wine making and it relates to production such as the manufacture of bottles, corks, and labels. Furthermore, wine production requires the expert knowledge of enologists, grape growers, and marketing specialists, who apply their experience to every aspect of the production process. Therefore the burden for small producers is very high and need help to sustain on the market and be able to get over the high burden.

3. Methodology and material

The aim of the thesis is to find out if the branding is important for small wine producers and what the Chilean customer's preferences are when they buy a bottle of wine in terms of wine packaging and label information. Primary data was gathered by quantitative research through online pilot survey. The results of other researches were collected by reviewing the literature about brand, marketing, communication, customer behaviour and preferences. Those topics were discussed in books, academic journals, information databases, government publication and Internet websites. The secondary data was used for gathering primary data and creation of own survey, which is a part of my own work. To gain primary data there was a quantitative method used with technique of online survey. According to Foret (2008) the quantitative method is more extended and it should achieve bigger and representative sample whether it is possible. The quantitative research tries to find out the standardized behaviour of people. On the other hand the quantitative methods can include and can be also initiated with small sample pilot studies. The pilot study means the mini version of full study and sometimes it is called as pretesting of certain research technique such as questionnaire or interview. It is a crucial part of study for design of future research. The main advantage about the pilot studies and surveys is the warning in advance about the gaps where the main research could fail and about which methods the researches should follow in order to avoid these failures. The sample for the pilot study is not representative and it is applied for small amount of sample size (Řezánková, 2010). In the case of this thesis the online survey is in form of pilot research and focuses more on how the customers understand questions and how the survey can be improved to be able to gain data about the standardized behaviour of Chilean wine consumer in the future. The online pilot survey has several limitations in terms of representativeness and its size of sample. Hence the results cannot be generalized for all population. The non-representative sample includes respondents who are connected to project of Vitrina Campesina and in past were in contact with small producers; therefore we can talk about intentional sample. Intentional sampling methods are non-probabilistic procedures. There is made a selection of group of individuals for a sample with the purpose to meet specific prescribed criteria.

Intentional sampling methods are designed for exploratory research or pilot studies where tight budget limits traditional randomized representative sampling (Punch, 2006). In the thesis there are used the analyses of literature review and other academic studies as deduction method comes out from theory. The thesis seeks for the answers of two research questions:

1. Is branding important and necessary for small wine producers in Chile?
2. What kind of attributes is important for Chilean wine consumers when they buy a bottle of wine in terms of wine packaging and label?

The survey is used for project Vitrina Campesina and it is a pilot study for the future research. There were distributed 145 online questionnaires and 80 of them were fulfilled. The respondents were contacted through online communication channels because during the research the researcher was not present in Chile. Hence the response rate is 55,11%. For gathering data was used Google Forms. There were 21 questions set, both closed and semi-closed. After gathering the data there it was checked whether the respondents answered all questions. Then the data was analysed and there were applied descriptive statistics. The statistics link the relationship between variables (Surynek et spol., 2001). The absolute and relative frequencies were calculated. There were also calculated mean, mode, median and standard deviation by the question 10 and 11 as the questions are based on ordinal measurement. There was also applied Spearman´s rank correlation coefficient, which measures the dependency between two variables. It also determines not only the size of dependency, but also the direction of the relationship, if it is directly or inversely related (Foret, 2008).

The thesis is a follow up to my previous project „Strengthening the ability of small wine producers from Maule Region to compete on Chilean market" created for Chilean project Vitrina Campesina under the program called Scholarly Improvement of Professional Competences of Students in International Development Studies as a part of the Internship in Developing Countries scheme financed by the European Union. It has been organized and provided by the Faculty of Regional Development and International Studies in Brno. The methodology of the previous project was based on personal interviews and SWOT analyses method.

The SWOT analysis is also included in the part of results. SWOT analyses the micro and macro environment of the market and it is a basic concept for every marketing strategy. (Přikrylová, 2010)

Diploma thesis is processed for the project Vitrina Campesina, which also focuses on the issues related to the topic of thesis and confirmation is applied in Appendix 1.

Around 200 small producers in different levels belong to Maule region (INDAP, 2012). In the past years there was an increase of demand for typical regional products by national domestic consumers and also by international market. However, the smaller producers usually do not know how to target those potential customers as there is lack information, no marketing knowledge, high transaction costs and other important criteria which the small producers could reach. There is a complete lack of visibility and knowledge about online world. The project Vitrina Campesina helps small producers in Maule region to make them visible through digital platform and provide e-courses with marketing and brand background. The idea is to create platform where the small producers will access information, will be more visible online; will learn about marketing and their customers.

The structure of cooperation with the project is depicted in following Figure 9. For the Vitrina Campesina an online pilot survey is created which finds out how the Chilean customers understand the questions about their preferences while they purchase the wine. After the analyses of the findings there will be following steps recommended for future research and also brand strategy created in form of advice how the small producers should start building their brand strategy. Those recommendations are provided for project Vitrina Campesina which they might use in the future for the further development of the project. The results are limited as there is no representative sample of population and so it mainly focuses on the proper understanding of the questions.

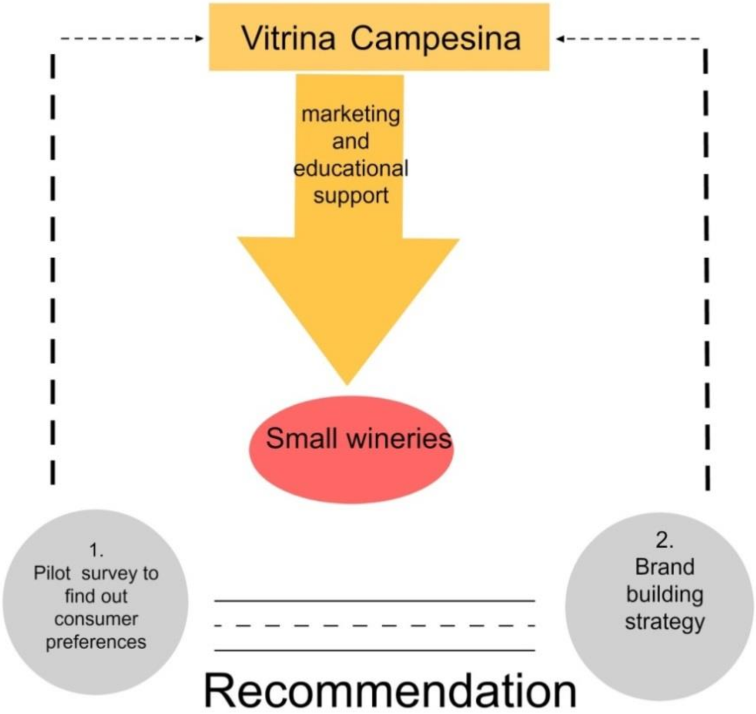


Figure 9: The structure of cooperation with the project Vitrina Campesina

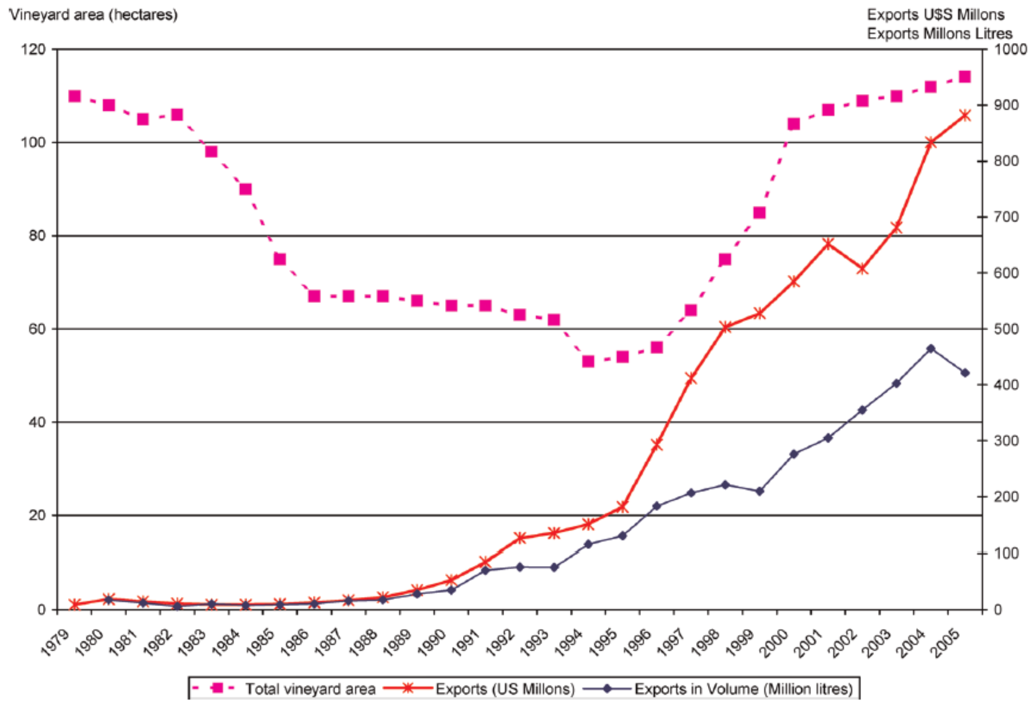
Source: Own version, 2015.

4. Results

This part of thesis concerns use the results of other researches about Chilean wine industry gathered usually from annul reports and studies. The analyses relate to Chilean wine production, export and consumption. There is also described a current situation of small wine producers, including case study of the small winery Vino Lautaro. The Maule region and its market situation are depicted in SWOT. Then there are analysed the results from online pilot survey.

4.1 Chilean wine industry

Chile belongs to one of the biggest producers of wine in the world and on the market there are several big wine companies such as Concha y Toro, Santa Rita and San Pedro. Chilean wine history started in 19th century (Tienhoven, 2008) but the world position on the market the Chilean wine industry gain after huge development during past 30 years. It was supported by technological renovation during 1980s, followed by the export boom in 1990s and new terroir development during next decade 2000. See Graph 1.



Graph 1: Development and growth of wine industry in Chile from 1979-2005

Source: Kunc, 2007, p.114.

These occasions make for wine producers and viticulturist big opportunity to get on the global market. (Felzensztein, 2011) Chile is world´s globalized wine industry with 70 per cent of export of its wine production.

4.2 Chilean wine production

The production of wine in Chile rapidly increased within past twenty years. In the year 1996 the total amount of produced wine was 242.033.172 litres compared with the last year 2014 when the production was 1.060.041.567 litres. The main influencing factors which lead to the increase of production are technology, suitable condition for growing wine and orientation on the global market. Unusual frost in most production areas and drought which affected the production areas for many years affected total yields of grapes for wine measuring as abnormal weather conditions (USDA Foreign Agriculture service, Report of Chilean annual of wine production, 2015.)

The production of wine is divided into four groups:

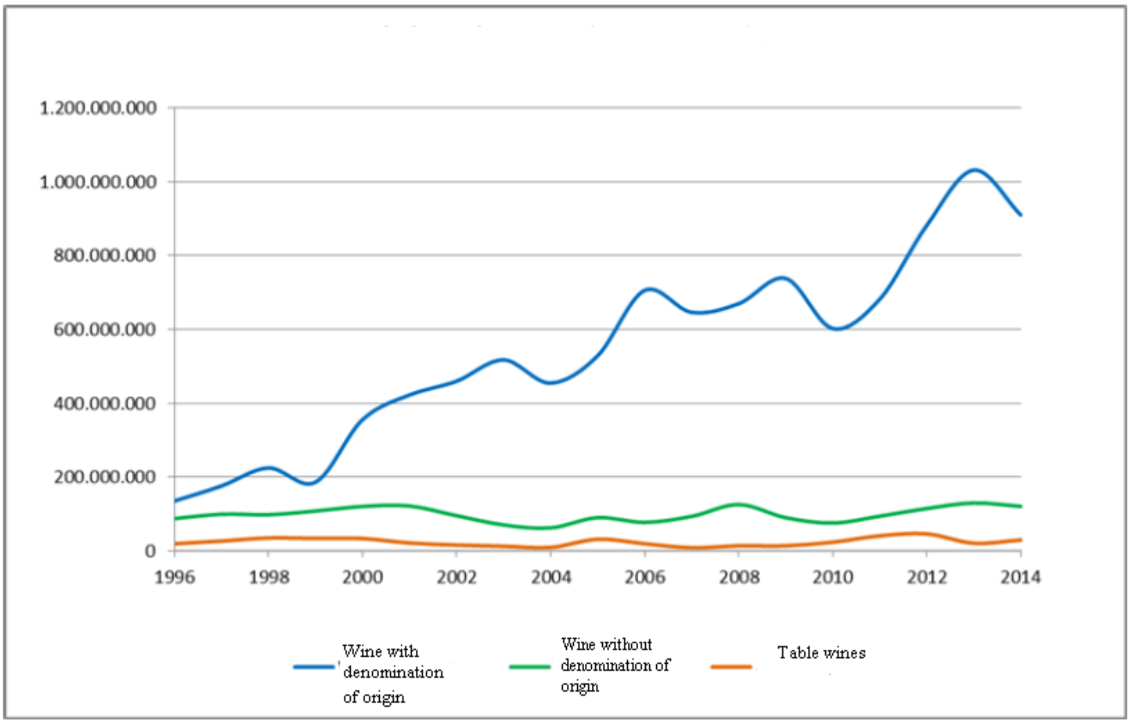
- Wine with denomination of origin - they are from one of the wine-growing regions listed in Article 1 of Decree No. 464, made from varieties listed in the letter b) of Article No. 3 of this decree and meet others requirements for this category.
- Wines without denomination of origin - they are made from grapes produced in any region of the country, belonging to the varieties listed in point b) of Article No. 3 of the same decree or other traditional grape varieties not included in this payroll
- Table wines - they are obtained from table grapes
- Pisco wine- this type of wine is produced in the III and IV regions, from wine varieties listed in Decree No. 521, planted in these regions and aimed at the development of pisco. It is depicted in table 8 and in some cases it is not included in calculation of wine production, so sometimes might be not included (Servicio agricola y ganadero, División Protección Agrícola y Forestalm, 2014).

Year	Wine with denomination of origin	Wines without denomination of origin	Table wine	TOTAL
1996	135.169.804	87.519.228	19.344.140	**242.033.172**
1997	175.671.044	99.355.647	26.687.277	**301.713.968**
1998	224.729.831	98.068.500	34.887.532	**357.685.863**
1999	186.035.029	107.976.074	33.667.102	**327.678.205**
2000	355.207.662	120.440.370	33.393.302	**509.041.334**
2001	422.117.624	121.706.615	21.364.383	**565.188.622**
2002	459.598.864	95.384.544	15.798.762	**570.782.170**
2003	517.275.967	70.183.358	12.671.888	**600.131.213**
2004	454.557.377	62.161.175	9.399.397	**526.117.949**
2005	528.219.123	90.100.557	31.587.725	**649.907.405**
2006	705.624.359	77.142.381	19.420.713	**802.187.453**
2007	645.935.956	93.428.473	8.710.391	**748.074.820**
2008	669.596.858	125.498.308	13.688.181	**808.783.347**
2009	737.925.912	89.957.614	13.810.176	**841.693.702**
2010	602.142.263	75.437.320	23.542.006	**701.121.589**
2011	681.916.797	94.052.153	40.696.383	**816.665.333**
2012	881.764.871	114.940.176	45.930.007	**1.042.635.054**
2013	1.031.461.850	129.767.391	20.783.176	**1.182.012.417**

Table 7: The volume of wine production in Chile between 1996-2014 (in litres)

Source: Servicio agricola y ganadero, División Protección Agrícola y Forestalm, 2014.

The historical development of wine production is also depicted in graph 2. The first case of wine with denomination of origin has strongly increased in from 1996 till the year 2013 as weather conditions in most wine areas were convenient. In the 2014 there was slight decrease by 10,3% due to weather condition disfavour during spring and affected most growing area. The graph shows the strong increase of wine with denomination of origin. The other types of wine defined in the law such as wines without denomination of origin and table wines did not experience such a huge grow compare to wine with denomination of origin. The wines with denomination of origin increased because of market needs and export business, as there is need to present the Chilean name on the global market.



Graph 2: The volume of wine production in Chile between 1996-2014 in graphical illustration

Source: Servicio agricola y ganadero, División Protección Agrícola y Forestalm, 2014.

In the last year 2014 total amount of wine reached 1,079,183,037 litres, including wine for pisco. The wine for pisco has special procedure and it is produced in one region called Coquimbo. As the wine for pisco is very special type it can be assume the wine production discounting wine for pisco with 1,060,041,567 litres, of which 909,784,707 litres correspond to wines with denomination of origin with 85.8 %, 120,607,285 litres of wines without denomination of origin, with 11.4% and 29,654,575 litres of wine from grapes, equivalent to 2.8%. The most productive region is region Maule followed by region O´Higgins. The total amount of produced wine in Maule region is 470.919.327 litres and in O´Higgins 361.185.458 litres. The lowest amount of wine production is produced in the desert of Atacama region with total amount of 75.338 litres as there are more difficult conditions for production of wine. The division of production of wine according to region, see in table 8.

Region	Wine with denomination of origin	Wines without denomination of origin	Table wine	Pisco wine	Total
DE ATACAMA		75.338			**75.338**
DE COQUIMBO	16.154.888	3.768.667	87.000	19.141.470	**39.152.025**
DE VALPARAISO	23.654.263	756.574	5.223		**24.416.060**
METROPOLITANA	147.939.337	12.797.580	3.867.274		**164.604.191**
DEL L.G.B.O'HIGGINS	327.706.682	22.239.645	11.239.131		**361.185.458**
DEL MAULE	389.787.827	66.680.553	14.450.947		**470.919.327**
DEL BIO BIO	4.541.710	14.288.928			**18.830.638**
DE LA ARAUCANIA					
Total	**909.784.707**	**120.607.285**	**29.649.575**	**19.141.470**	**1.079.183.037**

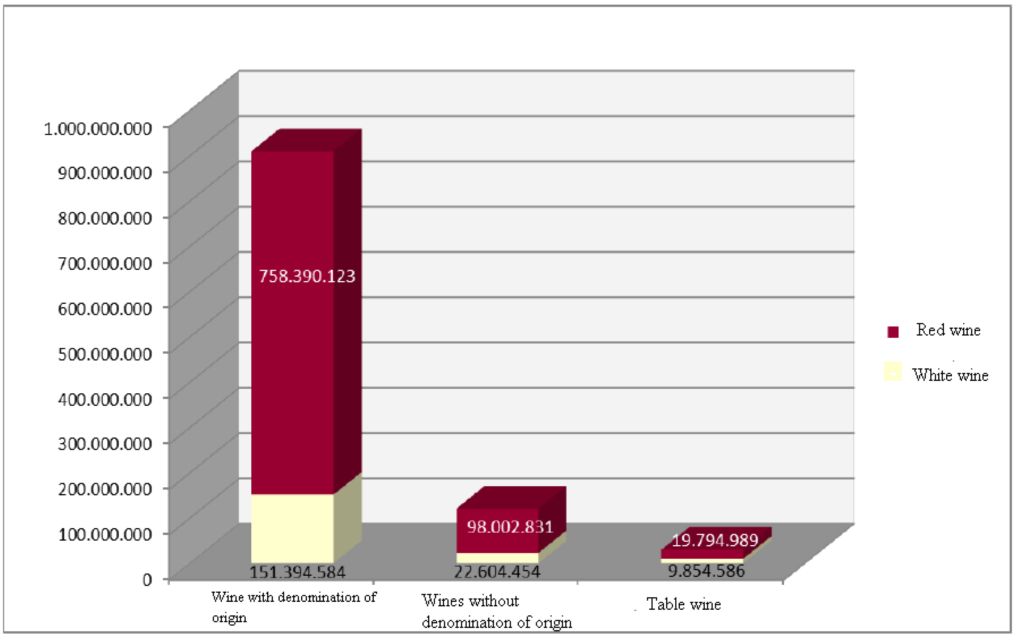
Table 8: The production of wine in Chile measured according to region

Source: Servicio agricola y ganadero, División Protección Agrícola y Forestalm, 2014.

According to report about Chilean wine production created by Global Agriculture Information network (2015) farmers have continued to increase their planted area but compare to past years the rate slowed down. It is due to replanting old vineyards to varieties which are more demanded so there is not so much need of a new land. According to the Chilean Ministry of Agriculture statistical service (2015), the total planted area of wine reached 130,000 hectars in 2015.

Over 46 per cent of wine storage containers are stainless steel in the Chilean wine. This fact shows an improvement of technological development for the wine industry. Additionally, there are used 39 per cent of oak barrels, concretely French or American, generally in average for 3 to 5 years. From the following graph 3, the production of red wine exceeds the production of white wine. It is due to the weather and natural condition which the climate and soil provide in Chilean territory. The growing of wine in Chile is influenced also hugely by the position of ocean and the mountains. In the last year 2014 in Chile was produced 758.390.123 litres of red wine with proportion of 83,3 per cent and 151.394.584 litres of white wine with 16.7 per cent in the group of wine with denomination of origin.

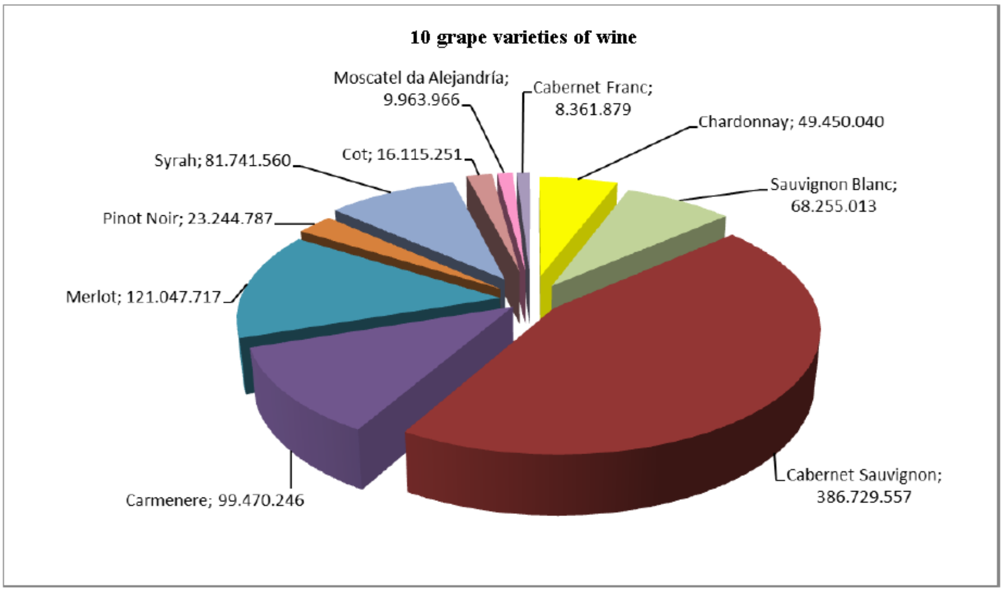
In the case of wine without origin it was for red wine 98.002.831 litres and for white wine 22.604.454 litres. In the last case table wine the red wine represented 19.794.989 litres and 9.854.586 litres of white wine. See graph 3.



Graph 3: The wine production according to type of wine in 2014

Source: Servicio agricola z ganadero, División Protección Agrícola y Forestalm, 2014

When analysing figures relating to grape varieties, the Cabernet Sauvignon reached in percentage measures 42.5% of the total stock of this category, followed by Merlot with 13.3%, with 10.9% Carmenere, Syrah with 8, 9%, Sauvignon Blanc with 7.5%, and the Chardonnay variety with 5.4% (2014). See graph 4.



Graph 4: The wine production according to grape variety in 2014

Source: Servicio agricola y ganadero, División Protección Agrícola y Forestalm, 2014.

4.3 Export of Chilean wine

Chile belongs to the group which is called New World, including wine producers from countries such as Chile, New Zealand, South Africa, Argentina, Australia and United States. Contrary there is other wine group so called Old World representing countries with given tradition such as France, Italy, Spain, Germany, and partly Portugal. Several changes with increasing production of new wine producers with wider variety of wine completely changed the wine market possibilities. Compare to other countries the Chilean wine exports create important part for economic and social policy with employment and professional development. (Wines of Chile, 2010). Tienhoven (2008) mentions that Chile is very different compare to the other countries of New World in terms of marketing and branding. He points out the lack of country image is not just in case of wine but also including other products for exports. From the following table 9 it is possible to see the position of Chile in global context. Between the year 1990-99 the export growth was 25 per cent and compare to other countries, it was the biggest increase in export growth. Now Chile is the fourth biggest wine exporter in the world.

Organisation of Vine and Wine (OIV) announced that Chile replaced Australia and become the fourth leading exporter from New World. The first place still belongs to France, the second to Italy and the third to Spain. The governmental organisation ProChile stated that the main reason of this position is because continuous effort to make better brand of Chilean wine. In 2010 the professor Felzensztein (2001, p.1) based in Santiago claims that "Chile is the world´s eighth largest wine producer and fifth largest exporter, reaching market share by 8 per cent in terms of volume of the global international wine market in 2010." From this comparism it is obvious that the leading position for exporting can change in few years and thanks to good trade tactics, harvesting and brand building the Chile can achieve more in the future. See table 9 and 10 to see data about wine export.

Evolution of Exports

	VOLUME (THOUSANDS OF LITERS)										
	FRANCE	BORDEAUX	BURGUNDY	ITALY	SPAIN	AUSTRALIA	CHILE	UNITED STATES	SOUTH AFRICA	NEW ZEALAND	ARGENTINA
1989						39	28	83		4	
1990						38	43	110		4	45
1991						54	65	125		6	28
1992						79	74	147		7	23
1993						103	87	132		9	25
1994						125	110	133		8	23
1995					675	114	129	147		8	197
1996					720	130	184	180		11	112
1997					973	154	216	227	110	13	120
1998					1,150	192	231	272	117	15	109
1999					972	216	234	291	128	17	88
2000				1,764	902	285	267	294	141	19	84
2001				1,586	1,054	338	311	304	177	19	88
2002	1,554	220	69	1,579	1,037	418	349	282	217	23	123
2003	1,502	202	64	1,328	1,281	519	395	349	238	27	185
2004	1,425	178	60	1,427	1,469	584	468	461	268	31	155
2005	1,383	172	64	1,609	1,450	670	418	388	281	51	215
2006	1,472	182	70	1,830	1,434	722	474	405	272	58	293
2007	1,515	193	79	1,883	1,558	787	610	455	313	76	360
2008	1,370	179	66	1,751	1,690	715	589	491	412	89	414
2009	1,251	155	56	1,900	1,440	752	694	418	430	113	283
GROWTH RATE											
1990–1999					11%	20%	25%	14%	8%	16%	72%
2000–2009	-3%	-5%	-2%	1%	5%	14%	12%	5%	13%	22%	16%

Table 9: The evolution of wine volume export in global context

Source: Strategic plan Wines of Chile, 2010.

Country	Wine exports volume (ML)	% change from 2012	Wine exports value (Million €)	% change from 2012
Italy	2,088	-5.6	4,874	7.2
Spain	1,730	-23.0	2,410	3.0
France	1,492	2.2	7,863	3.0
Chile	862	20.4	1,440	8.6
Australia	717	-2.6	1,485	0.9
South Africa	495	27.5	607	10.0
Germany	401	-1.7	993	1.7
United States	397	-1.2	1,101	10.1
Portugal	331	1.5	715	4.8
Argentina	324	-9.5	691	4.3
New Zealand	170	-5.0	769	9.0
World Total	**9,807**	**-3.6**	**25,610**	**4.7**

Table 10: The main wine exporters (exporting countries)

Source: OIV Global Economic Vitiviniculture Data, 2013.

Castaldi (2006) studied competitive positions of the main exporting countries including Old World and New World. He found out that there is no difference between those two categories, but within New World selection yes. The following table shows the score evaluation domestic market position, domestic market potential, cost structure benefits, adaptability of industry change, potential to attract the foreign investment, which conclude with overall competitive advantages. In case of Chile the domestic market is not seen as very attractive, and even it is not expect it from the near future. On the other hand cost for production in Chile is lower, makes the position stronger and therefore attractive for foreign investors. See table 11 to compare the Chilean position on the world market.

	Existing Domestic Market position	Domestic Market Growth Potential	Econ of Scale/Cost structure benefits	Adaptability to Industry Change	Potential to attract Foreign Investment	Overall Competitive Advantage
NW						
USA	Strong	Strong	Moderate	Strong	Strong	**Strong**
Australia	Weak	Weak	Strong	Strong	Strong	**Strong**
Chile	*Weak*	*Weak*	*Strong*	*Strong*	*Strong*	***Strong***
Argentina	Moderate	Moderate	Moderate	Strong	Moderate	**Moderate**
S – Africa	Weak	Weak	Moderate	Strong	Moderate	**Moderate**
OW						
Italy	Strong	Weak	Weak	Moderate	Moderate	**Moderate**
Spain	Moderate	Weak	Weak	Moderate	Moderate	**Moderate**
France	Strong	Weak	Weak	Weak	Moderate	**Weak**
Germany	Strong	Moderate	Weak	Weak	Weak	**Weak**

Table 11: The competitive position of dominant wine exporters divided into New World and Old World

Source: Tienhoven, 2008, p. 17.

Chile exports both bottled and bulk wine. Many producers of wine try to increase export the production of premium wine. The Chile exports sparkling, bottled and bulk wine. The main category for export is representing in bottled wine followed by bulk wine. The volume for export is increasing every year, with the exception of bulk wine. In the 2014 there was the production of bulk wine lower compare to previous year. The highest production appeared in 2013 with 885.264 litres which is around 11 per cent more compare with the year 2014. See table 12.

Table - Wine Export Volumes (Thous liters)			
Kind / Year	**2012**	**2013**	**2014**
Sparkling	4,001	3,485	4,090
Bottled	452,431	462,606	464,314
Bulk	297,617	419,173	329,417
TOTAL	754,049	885,264	797,822

Table 12: The volume of wine export by Chilean wineries

Source: USDA Foreign Agriculture service: Report of Chilean annual of wine production, 2015.

In these days more than 70 Chilean wineries export to the global market with more than 60 per cent of total production supplying more than 150 countries. The main selling market is US market, followed by EU (primarily in United Kingdom), now focusing also to Asia market, concretely to China and Japan. The other major countries which should be mentioned are Germany, Canada, Netherlands, Denmark and Brazil. See table 13.

Table - Wine Exports by Country of Destination						
	Quantity (1000 Liters)			**Value (Thousand US dollars)**		
	2012	**2013**	**2014**	**2012**	**2013**	**2014**
U.S.	156,032	152,036	147,441	300,599	287,234	262,225
U.K.	101,744	111,708	104,274	228,072	237,929	228,867
China	64,091	83,079	88,211	144,808	149,824	148,825
Japan	48,478	61,532	67,049	127,190	156,547	157,453
Germany	34,785	58,368	44,009	63,256	78,023	70,206
Canada	24,066	31,419	40,225	93,129	92,181	94,581
Netherlands	34,338	35,185	37,094	95,289	97,599	105,907
Brazil	31,107	28,764	34,423	95,252	93,305	110,738
Denmark	20,967	24,546	23,037	52,911	59,009	59,316
Others	193,712	212,470	212,059	580,203	595,801	638,780
TOTAL	754,049	885,243	797,822	1,807,754	1,896,521	1,840,898

Table 13: The main destination where Chile exports wine

Source: USDA Foreign Agriculture service: Report of Chilean annual of wine production, 2015.

With all Mercosur member countries the Chilean exports have a zero tariff since 2011. The free trade entrance has also with Canada, Mexico and European Union. Newly since 2015 the zero tariffs is also with China. With Japan it is 15 per cent. This agreement with Japan was signed for 12 years phase from this year 2015.

The Agriculture and Livestock Service (SAG) of the Ministry of Agriculture make for the wine production special regulation and certification, so the all domestic and export wine produced in Chile is sampled by SAG. The certification also includes the wine origin and quality.

There are no direct governmental subsidies which are focused on export. However Chile has a promotional campaign which is called „Taste of Chile" including wine products. It is shield by organisation Wine of Chile, which promotes and managed this exporting campaign. It is funded by wine producers association Vinos de Chile and Chilevid. This fund is used for marketing promotion. As there was mentioned before government doesn´t provide direct subsidies. However to this campaign it contributes 15 per cent of the whole amount of total finance, through the promotion agency called ProChile. The organisation Wines of Chile focuses mainly promotion on Canadian, UK, German and US market. One of the activities is campaign „Taste of Chile". The main aim is to promote fruits and wine from Chile. This campaign is built on the natural beauty of Chile and focus on quality of the products. Second activity which can be also mentioned is „Wine Show and Tasting". This event usually happens once a year and the Chilean organisation organises seminars and wine tasting. Pro Chile help with logistics and market information and the wineries pay the cost. The strategy of the Chilean wineries is promoted also in other countries: Russia, Netherlands, Denmark, Sweden, Czech Republic, Brazil, Mexico, Venezuela, Taiwan and Hong Kong.

4.4 Wine consumption in Chile

The consumption of wine by Chilean consumers is relatively stagnant. From the table 14 we can see that the average consumption per capacity has increased slightly from 13 litres in 1994 to 17 litres last year 2014. Compare to beer consumption there is nearly no change, while in beer case there was increase by 65 per cent during last 10 years. The beer consumption exceeds 40 litres per capacity during measuring the same period. According to other studies Chile has the lowest wine consumption per capacity in terms of combination of wine production and export. Terheijden (2005) in his study mentions that in 60s till 80s the consumption in Chile was 53 litres, and then it falls to 15 litres in 90s. He supposes that the consumption of beer doubled and it is the reason why the wine consumption decreased and also that the lifestyle of Chilean society changed.

Table - Wine Production, Consumption and Exports					
				Exports	
	Area Planted (Th. Has)	Production (Mill. Liter)	Per Capita Consumption	Mill. Liter	Mill. US$
1982	105	603	52	8	11
1992	62	370	17	74	119
1994	53	411	13	111	143
1996	56	481	16	185	294
1998	75	547	17	251	540
2000	104	679	15	276	585
2002	109	574	15	356	610
2004	112	655	16	474	845
2006	115	845	15	520	965
2008	118	869	16	591	1,384
2010	117	915	16	733	1,554
2012	129	1,255	17	747	1,808
2013	129	1,282	17	885	1,897
2014	129	1,003	17	798	1,841
2015 1/	130	1,180	17	848	1,956

Table 14: Wine production, consumption and export in Chile between 1982 - 2015

Source: National Agriculture Society (SNA) and Central Bank, 2015.

From the table 15 comparing the global wine consumption according to countries, there is decrease in consumption during years 2008 and 2009 which might be caused due to economic crisis in Europe. The wine consumption compare to other nations is in Chile very low. The average wine consumption according to countries is possible to see in following table 15.

Country	2003	2006	2007	2008	2009	2010	2011	% change from 2003
France	56.6	53.8	52.1	49.6	48.4	46.6	46.4	-17.9
Portugal	51.1	45.3	42.5	42.5	42.4	44.0	43.8	-14.2
Italy	50.4	46.5	45.0	43.9	38.2	40.7	37.9	-24.8
Slovenia	33.0	26.8	34.2	27.5	37.1	37.5	37.3	13.2
Switzerland	40.3	37.5	38.9	38.6	37.9	36.6	35.5	-12.0
Croatia	38.7	29.2	33.7	31.4	34.1	35.4	34.5	-10.8
Denmark	33.8	31.7	32.7	33.8	34.2	34.1	32.9	-2.5
Austria	29.0	29.4	29.5	28.8	28.7	28.6	30.3	4.3
Belgium	25.2	27.7	27.5	28.2	26.7	25.8	27.1	7.6
Greece	27.8	28.8	29.7	28.7	26.7	28.6	25.0	-9.9
Argentina	32.5	28.4	28.3	26.8	25.8	24.1	24.1	-26.0
Germany	23.9	24.5	25.2	25.2	24.5	24.5	24.0	0.4
Australia	21.1	22.3	22.9	23.3	23.4	24.0	23.3	10.4
The Netherlands	22.0	21.4	21.6	22.7	20.9	23.1	22.7	3.1
Georgia	6.8	19.6	31.4	22.8	21.7	21.9	21.4	213.5
Spain	32.8	30.8	29.7	27.3	24.7	23.6	21.3	-35.1
Hungary	30.8	29.8	26.9	27.9	26.1	18.1	21.3	-30.9
Sweden	16.8	16.1	19.3	21.7	21.6	21.4	21.2	25.8
United Kingdom	19.3	20.9	22.4	21.9	20.5	20.7	20.5	6.3

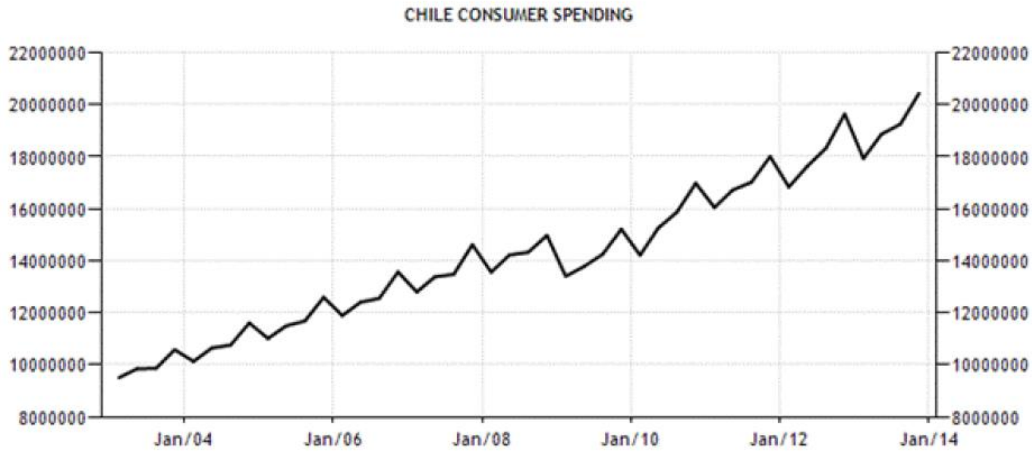
Table 15: The world consumption of wine according to countries

Source: OIV Global Economic Vitiviniculture Data, 2013.

It is also necessary mentioned that even though the consumption of wine compared to other countries is low, the demand for more quality and regional products in Chile is increasing. The Czech Embassy (2014) launched the study about branding. The research made Chilean company GFK Adimark.

This company focuses generally on customer´s behaviour and how brands influence the customers and what impact the brands have.

Last year they published Chile 3D report showing that Chilean demand is increasing in all segments, see graph 5. It shows that customers have higher expectancy about branded product and search more regional Chilean products (Czech Embassy, 2014)



Graph 5: The spending of Chilean consumer in 2014

Source: Czech Embassy, 2014.

4.5 Small wine producers in Chile

Kunc (2007) affirms that Chilean wine industry in terms of export and development achieved huge success. Highest impact was also determined by local entrepreneurs who were successful and concentrated on premium and ultra-premium wines in foreign markets, for instance Vina Montes (Echocopar et al.,2004). This motivate other producers to imitate the process and established small and medium wineries which we can called “vina boutique” created by individual entrepreneurs, traditional families connected with agriculture industry and Chilean business groups. He studied also success of small and medium wineries and their managerial skills and achievements. The research was based on qualitative interviews with owners of the industries followed by quantitative survey. The results showed that small wineries emphasise on association with right distributor and the creation of business relationship was key factor for future survival and growth. The responses are also in line with Beverland (2000) and Corkindale and Welsh (2003) who also said that distribution channels have been important factor of success in wine trade of export market. Foster (2002) proved that supply dependability and product quality are main attributes for competitive advantage. Small to medium Chilean wineries confirmed that they have orientation toward the product rather than market. Kunc (2007) highlights that the small and medium wineries will face in future the challenges in terms of distribution, marketing, consumer behaviour and cost management. Wineries usually don´t think about where their products will be sold. They rather focus on the quantity but they avoid the understanding of consumer’s preferences, which they could find in the surveys.

He concludes that even though the wineries will have quantity of results in numbers, the image in the mind of consumers will be very low. This requires the challenge to perceive the wine as a complex product. From this Kunc´s research (2007) is possible to conclude that Chilean small and medium industries need to develop and interconnect:

- Marketing
- Distribution channel management
- Brand management
- Consumer behaviour

Tienhoven (2008) also verifies that there are a number of smaller Chilean wineries which are focused on higher quality exports to be able to compete and survive. The author studied why the small wineries struggling and how this can be connected to brand and marketing corresponding on the lack of country image and how the small wineries could be more successful.

4.5.1 The problem and description of current situation

The large wine companies usually buy the grapes from small producers for lower price compare to the real market price. Last year the price for grapes per kilo was around 100 pesos, which is cca 0, 16 US dollars (2014). The price also depends on the grape variety, but the average value is around 100 pesos per kilo. The grapes are usually sold to big wine companies, or to countries producing wine such as France, Germany, China and UK. The price for raw grapes is low compare to other countries. The income from selling grapes is low compare to income wine producing families. The small producers usually do not own proper wine technology and they have a lack of knowledge about the current market information, marketing and educational entrepreneurial background. (Dvořáková, 2014) The possibility how to improve the current situation is to help farmers become producers of wine or create joint venture association. The case study about Joint Venture Company is described in following chapter. The small producers are supported by Chilean governmental organisation El Instituto de Desarrollo Agropecuario (INDAP). The main problem which the small producers have is the lacks of education in marketing area and to able compete on crowded Chilean wine market (Dvořáková, 2014). The small producers run as any other business, and the competing is dynamic and complex, the entrepreneur must have clear understanding of the objectives and methods to be able achieve (Tienhoven, 2013).

The small wine producers in Chile often do have a business strategy, including vision, mission, targets groups, budgets and other action plans. The marketing and branding strategy is missing (Wickramasekera et spol., 2013). Tienhoven (2013) mentions that the small wineries have problem with

- a lack of capital
- a lack of marketing & branding
- a lack of cooperation among wineries and public organizations
- problems to find the right distributors

The problem also claims Chilean professor Von Bennewitz and Quiñones (2014), who started project Vitrina Campesina. The professors work at Catolic University in Talca and they have an experience with agriculture producers and they are aware about the Maule region and its current situation. The main problem that small producers do not know is the marketing background. The agriculture producers do not know who are their customers, what are the customers preferences, if they should have their own brand, how to make branding strategy, how to promote the products and so on. The group of small producers have big influence on the socioeconomic development and they are important to impact the quality of the life in the region. In Maule there are about 200 entrepreneurs who are considered as small producers in different levels. (INDAP, 2012). There is also an increase in international and national demand for typical regional products which reflects cultural values and rural features. However the small producers have a difficulty to start proper business because of gaps such as limited access to information, ability to decide properly, high transaction costs to reach the open market and no communication with potential customers (Dvořáková, 2014).

In Chile there are several amounts of small farmers. The market is dominated by a few large companies which were founded in the second half 19^{th} century (Tienhoven, 2008). In the 60s these wine companies became almost wine monopoly on the wine market, in terms of production and distribution. Although they had own vineyards they bought additional wine grapes for lower price from small farmers, because of their lack of knowledge and information about the other possibilities.

In the many situations there is no contract between producers of grape and grape broker, who demanded the wine grapes for large companies. The contract allows reducing the uncertainty regarding the sale of the harvest of the marginal wine producer.

The grape is a fragile and perishable raw material that needs to be processed quickly. With the contract the grape broker is committed to buy at least 80 per cent of the production from wine producer. However the situation of the wine producers without contract is very different. It is frequently seen the case that marginal wine producer live in uncertain situation without knowing if he will be able to sell the grapes , or if the earnings will be covered the production costs.

A contractual collaboration also enables to enhance the quality of the production of the wine producer. Grape broker is committed to obtain quality raw material for large wine company and he needs to ensure the technical assistance through the year. The grape producer without contract does not have benefit from the assistance of an agriculture technician or oenologist, despite the fact that there is a government program that subsidizes 70 per cent of the costs. In fact, the majority of marginal wine growers cannot even pay the remaining expenses. Because they do not have access to training and technical advice about the care of vineyard, they can hardly harvest the demanded quality grapes. For these reasons there is difficult to get a contract with grape broker. Without the contract, the price is lower than average market price. The additional benefit is cash paid in advance from the large private company. The payment serves to undertake the harvest. For wine grape producer without contract all the expenses have to be paid individually. All the family therefore works in field and harvests grapes without a certainty if they sell the grapes or not. Even though the wine company purchasing grape (giving contract) the price is never set up in advance. Usually the price is set by the market price. Large companies with this procedure try to reduce purchasing price to be able better compete with other large wine companies. The small farmers are usually poorly informed about the real information of the price on the market and usually they sell the grapes with lower price, with the fear not to sell the grapes at all. Against this situation were set up collective company for instance Sagrada Familia or El Corazon in the region Maule, where is the biggest production of wine grapes. Those three mentioned join venture companies try to sell grapes with contracts.

In case of Sagrada Familia, the small farmers also created the own wine brand called Vino Lautaro (Dvořáková, 2014). The case of Sagrada Familia is described more in following subchapter.

4.5.2 Sagrada Familia and Vino Lautaro

The joint venture company of small producers of wine Sagrada Familia has a position at alternative market of wine which was established in January 1997. It was created with the support of Oxfam-Wereldwinkels, supporting also Los Robles (other company gathering small producers of wine). The goal was to increase the visibility of small farmers and made a stand against big private wine companies. This joint venture joined 16 farmers and created the field of fair wine.

The situation was not easy because in the past there was a bad reputation of the joint venture and there was a rejection of small producers, who had known personally corporate failure.

Management structure and administration Sagrada Familia belongs to the 16 small farmers. Decision-making process in the company is followed by the democratic rule of equal members and the number of shares is distributed to identically among the owners. Moreover, the shares are not traded on the stock market. The management structure consists of five elected members: three officers (president, vice president and secretary) and two other elected leaders. The structure of management includes a manager supported by a secretary.

Sagrada Familia mostly benefits from the financial support of Oxfam-Wereldwinkels by average price of a policy which aims to cover the production, social and environmental costs. Technical support is needed for each producer's including information for a high quality harvest. In Chile, a technical advisory service is funded by 70per cent by a government program, leaving producers remaining payment liability. Besides Sagrada Familia organizes training sessions and meetings with an experienced winemaker who informs and advises the members and also teach them about new techniques for the vineyards. The price for small producers is based on work performed and the quality of the grapes produced. Such measures are aimed at improving the grapes in order to obtain a wine allowing access to a larger market and better paid. As in Los Robles,

grape production will be classified into three categories (A, B, C) according to a leader board and determination of the agreed price. The vineyard of the 16 wine producers of the owners of Sagrada Familia is 93 hectares.

The objective is to reduce the workload of farmers and their families. Sagrada Familia also coordinates the transport of the grapes to the intermediteriary to make vinification. This joint venture company uses a small private company for procedure of wine making as they do not own the infrastructure.

The amount of around 40% of the wine sold by Sagrada Familia is bottled and labelled as a brand Lautaro and the rest is sold as a wholesale. All bottled or bulk wine, is exported to Brazil and six European countries: Belgium, Holland, Denmark, Switzerland and Spain. In the international market, Sagrada Familia is represented mainly through Oxfam-Wereldwinkels which assures the distribution of the wine.

For example, in 2001, the production of wine (bottled and bulk) was about 1 million litres, representing nearly 15,000 kilograms of grapes per wine producer. The wine produced is stored in tanks and usually sold to larger size companies who use it to increase the volume of its own production.

Thanks to this joint venture Sagrada Familia the small farmers are better informed about the reality of prices. They are, therefore, in a better position to negotiate and usually get better price.

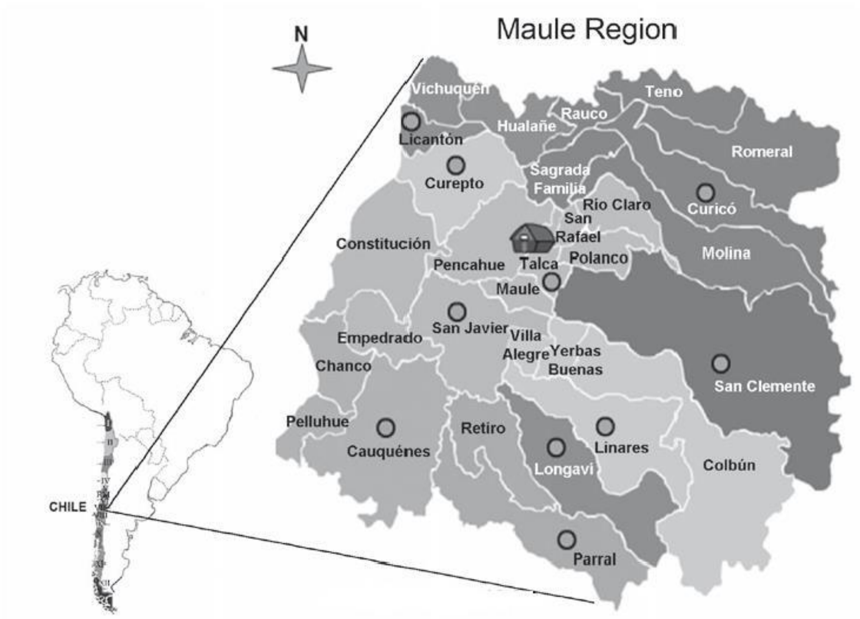
Fair trade also has supported the creation of a new joint venture controlled by small producers. „The Magasins du monde" shops are main distribution channels for the company Sagrada Familia selling wine Lautaro at fair international market. However, this association brings a high level of dependence fair markets, as in the traditional market the actual quality of wine would not report the same price. Since the demand for quality is getting bigger in the market wine, the priority is to improve the production quality of the associated growers. The main effort is to limit chemicals. Sagrada Familia has developed concrete measures to improve the quality of its grapes. The Trade of the association seems as independent, but Sagrada Familia is still highly dependent on grape brokers, who need the transformation of grapes into wine. The participation and involvement of the members are intense.

The homogeneity of the group seems facilitate active democracy. Relations between partners are friendly. Moreover, improvement of their living conditions, ranging from a better income to the acquisition of new knowledge contributes to both individual and collective independency. This type of viticulture provides a new source of pride and fight in terms of gathering small farmers against large wine companies.

4.6 Analyses of Maule region

Maule belongs to the biggest wine region in Chile and the capital city of the region is Talca. The name of the region is called according to river Maule, which runs from Andes. This area is also interesting from historical point of view because until this area the Inca Empire was extended.

The main wine production are from grapes of Carignan, Cabarnet Savignon,. Malbec, Merlot, Cabernet Franc and Carmenere. In the region Maule lives mainly the population with rural background which reflects a stratum for development, bigger competitiveness and innovation. (Rojas et spol, 2012).



Picture 2: Map of region Maule in Chile

Source: Rojas et spol, 2012

In Maule region the vineyards have 51,613, 27 hectares (SAG, 2012). In the following Table 16 there is possible to see the wine production by each Chilean region. Maule region represents the biggest wine region in Chile and have a crucial dominant position. The total amount of production in region Maule was 470 919 327 litres in 2014 (Servicio agricola y ganadero, División Protección Agrícola y Forestalm, 2014).

Region	Wine with denomination of origin	Wines without denomination of origin	Table wine	Pisco wine	Total
DE ATACAMA		75.338			**75.338**
DE COQUIMBO	16.154.888	3.768.667	87.000	19.141.470	**39.152.025**
DE VALPARAISO	23.654.263	756.574	5.223		**24.416.060**
METROPOLITANA	147.939.337	12.797.580	3.867.274		**164.604.191**
DEL L.G.B.O'HIGGINS	327.706.682	22.239.645	11.239.131		**361.185.458**
DEL MAULE	389.787.827	66.680.553	14.450.947		**470.919.327**
DEL BIO BIO	4.541.710	14.288.928			**18.830.638**
DE LA ARAUCANIA					
Total	**909.784.707**	**120.607.285**	**29.649.575**	**19.141.470**	**1.079.183.037**

Table 16: Production of wine in Chilean regions including Maule region

Source: Servicio agricola y ganadero, División Protección Agrícola y Forestalm, 2014.

In the previous project „Strengthening the ability of small wine producers from Maule Region to compete on Chilean market" there were also determined strengths, weaknesses, opportunities and threats about the region and possibilities for small producers and applied SWOT analyses. See the SWOT analyse in table 17.

Strengths	Weaknesses
• Regional products with regional values which can differ from other wine products • No massive production, limited editions of wine offer due to traditional way of products • Position of the location – condition for producing wine and close to capital city Santiago where is high demand • Some of wineries organic wine approach, possible to target specific segment	• Lack of knowledge about marketing and promotion • No brand strategies • Expensive production, therefore higher price of product • No cooperation between small wineries
Opportunities	**Threats**
• Create brand label with regional values • Support of Vitrina Campesina • Support of one the biggest distributor in Chile – Mundo del vino • Online sales and online communication through the platform Vitrina Campesina • In future there is possible to diversify products	• Lack of participation and collaboration • Natural disasters • Change of legislation for small wineries • No interest of customers • Big competition with big wineries

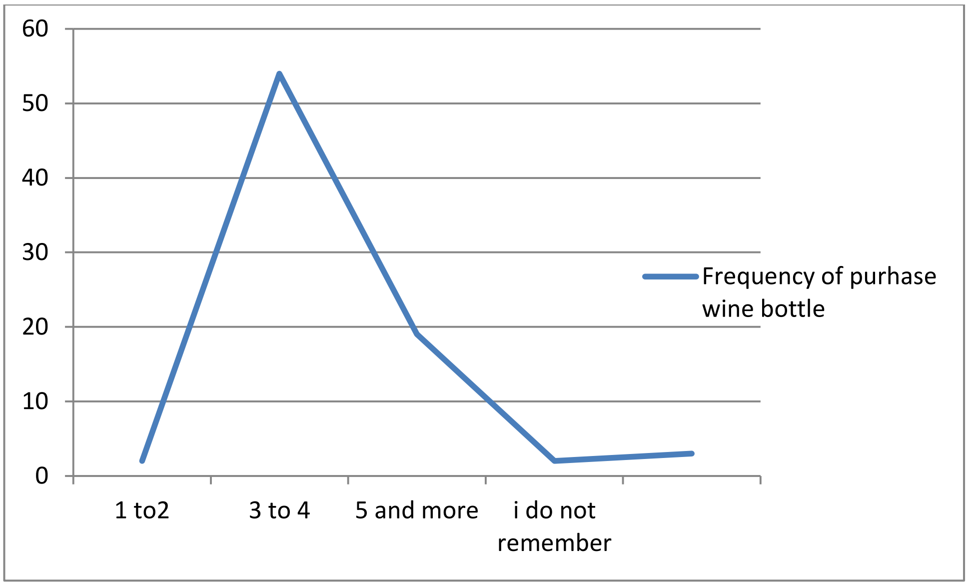
Table 17: Swot analyse of the situation of small producers of wine and their products in Maule region

Source: own version

4.7 The findings from survey

From survey there are evaluated only the findings which are directly connected to research questions connected to branding and packaging attributes. The survey was quite extensive and the other results are attached in the part of appendix 4. Concretely the thesis is stressed about the dependency about branding and packaging and what visual attributes are important for respondents. The online pilot survey joined 80 respondents.

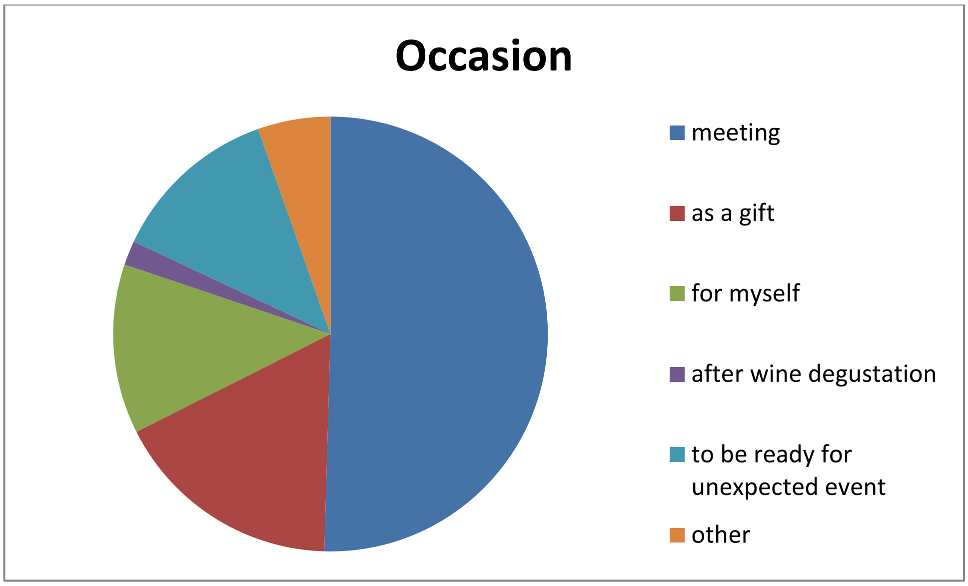
In the first graph it is possible to see that the respondents of the survey bought mainly bottle of wine one or two times during March and April (2015). The relative frequency of the answers 1-2 times is 67, 5 %, see in graph 5.



Graph 5: Frequency of purchase of the wine bottle

Source: Own work

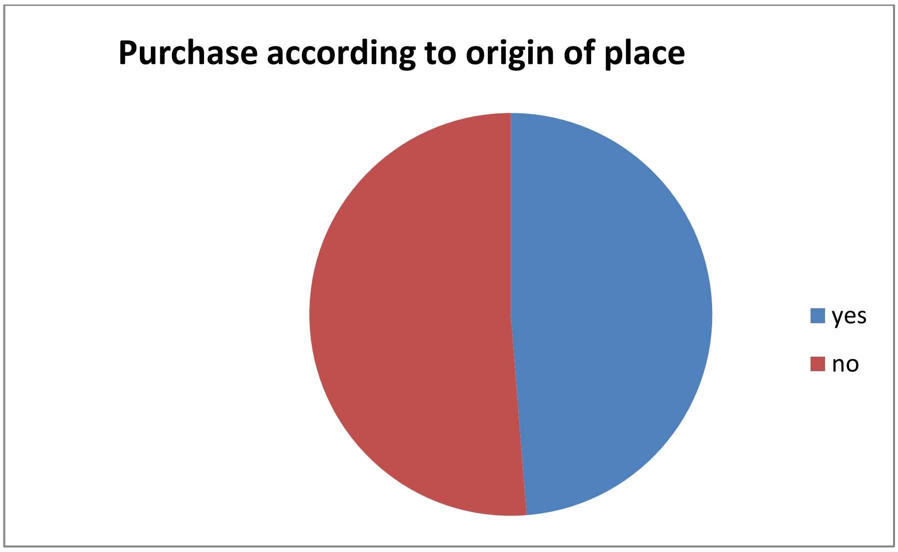
The graph 6 answers the question for what occasion the respondents bought the bottle of wine. The respondents could choose more options. The first reason why they bought bottle of wine was for meeting with family and friends and achieved 56 answers. Then 19 respondents answered they bought the bottle of wine as a gift for another person. 14 respondents bought the bottle of wine to be ready for unexpected events which might occur and also 14 respondents answered that they bought the bottle of wine for themselves. The other reason why they bought wine was for instance cooking, sharing with partner.



Graph 6: Occasion why respondents buy the bottle of wine

Source: Own work

Another question from the survey asked if the respondent bought the bottle of wine according to country of origin. The results are in the middle. The relative frequency for saying yes is 48, 75% and for saying no 51, 25%. The results are almost equal. See graph 7.

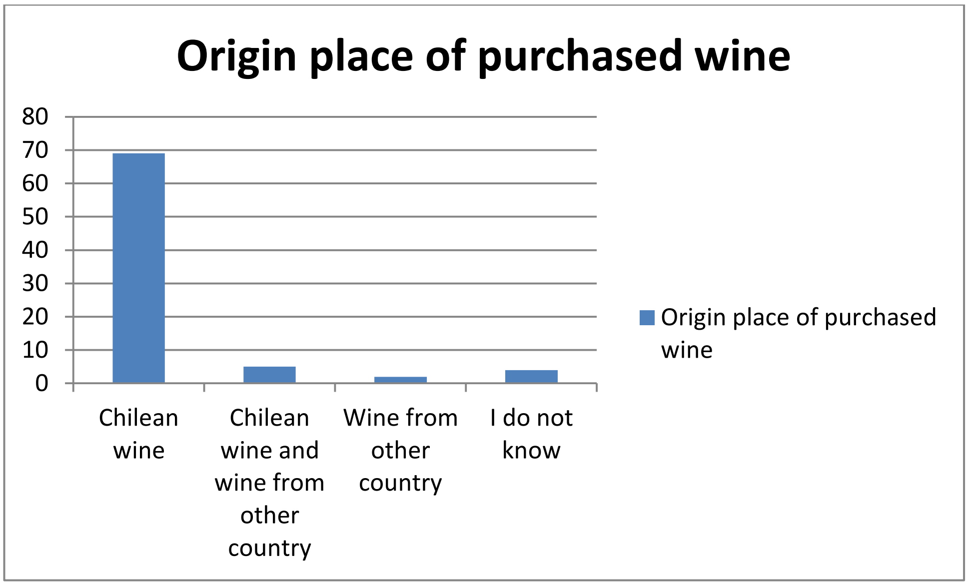


Graph 7: Purchase of the wine bottle according to origin place

Source: Own work

The following question asked if the respondents bought Chilean wine or wine from other country.

Mostly the respondents bought Chilean wine; concretely the relative frequency is 86, 25%. Only 2, 25% bought wine from other country. See graph 8.



Graph 8: The purchase of Chilean and foreign bottle of wine

Source: Own work

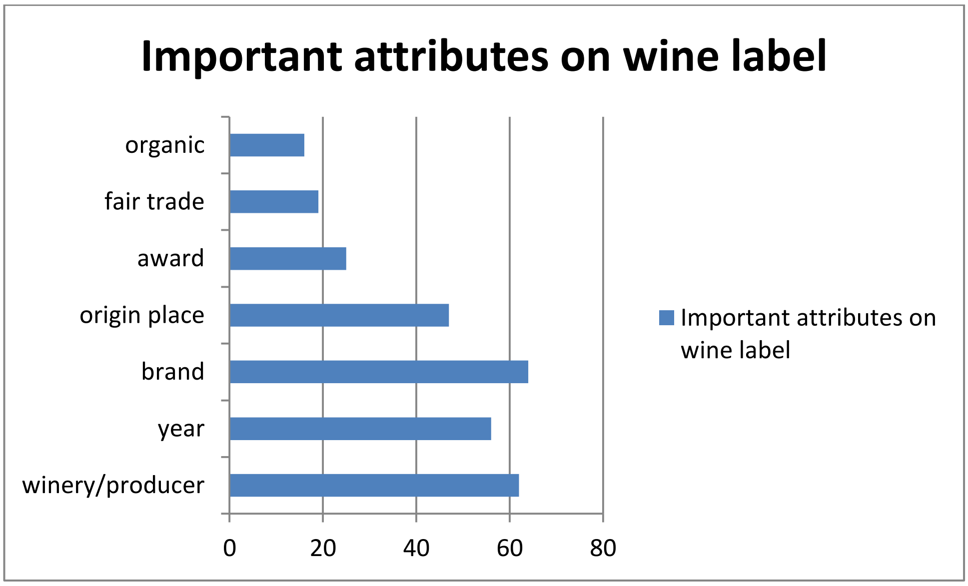
The other findings are about if the respondents bought the wine bottle according to brand or name of wine producers.

Majority of answers with relative frequency 71, 25% answered yes, that they bought the wine according to brand or name of the wine producer. The rest with relative frequency 28,75% did not buy the bottle according to brand or name of winery. See graph 9.

Graph 9: Purchase of wine bottle according to brand or name of wine producer

Source: Own work

In following question the purpose was to find out what the most important attributes are on wine label for reposndents. The question was divided into subquestions with each attribute where the respondent had to choose the answer yes or no. The respondents could choose more than one option. The most important attributes are brand, name of winery or producer , year and origin place. 64 respondents answered that the brand is important for them, 62 respondents answered that name of winery or producer is important. The attribute year chose 56 respondents and 47 respondents ticked the origin place as an important information to know on the wine label. See graph 10.



Graph 10: Important attributes on wine label for respondents

Source: Own work

The following questions with ordinal scale where respondents had to choose which attributes on label and wine packaging are important for them. They rank from 1-5, where one means the less important and the 5 most important. In the following two tables are expressed relative frequencies of answers of the respondents. Subsequently there were made statistical calculation, which measures the respondent´s preference and what is important for them. See tables 18 and 19.

Question 10: When you look at the label which criteria of label are important for you?						
Values	**1 (less important)**	**2**	**3**	**4**	**5 (most important)**	**Total**
Homemade appearance	21,25%	25%	22,50%	20,00%	11,25%	100%
Classic attributes	7,5%	7,5%	16,25%	28,75%	40%	100%
A certificate as organic wine	28%	25%	17%	5%	5%	100%
Award and prizes	28,75%	28,75%	18,75%	12,50%	11,25%	100%
Sophisticated appereance	33,75%	13,75%	25,00%	22,50%	5%	100%

Table 18: Relative frequencies of answers about label attributes

Source: Own work

Question 11: How important are the following aspects of the design of the wine package						
Values	**1 (less important)**	**2**	**3**	**4**	**5 (most important)**	**Total**
Traditional	10%	17,50%	12,50%	27,50%	32,50%	100%
Creative	15%	23%	25%	25%	11,25	100%
A gift included	56,25%	13,75%	11,25%	8,75%	10%	100%
Special wine box	37,50%	21,25%	11,25%	17,50%	12,50%	100%
It reflects regional values	15,50%	16,25%	22,50%	20,50%	26,25%	100%

Table 19: Relative frequencies of answers about wine packaging

Source: Own work

From statistical calculation there is measured the mean, mode, standard deviation and median and how the labels and wine packaging is perceived by respondents.

The mean expresses the central orientation of the scale. The highest mean 3, 86 got label with classic information. The lowest mean received label with organic certificate and it significates less important value for respondents. The mode is the mostly appeared value in data and again the highest mode 5 got label with classic information. Standard deviation measures the quantity of variation and dispersion of the data scale. If the number is closer to zero, data are closer to mean, while high standard deviation means spread and wider range of values, and data are more heterogeneous. In the case of measuring label preferences the all data are in range 1, 17 – 1, 33, so the variability is quite high. Median observes the lowest value and highest value and picks the middle one.

It can be called also as mean of middle values. The highest median was calculated by classic label with number 4 and lowest by organic certificate and awards and prizes. See table 20.

Label with	Mean	Mode	Standart deviation	Median
Home made appereance (A1)	2,75	2	1,31	3
Classic (A2)	3,86	5	1,24	4
Organic certificate (A3)	2,17	1	1,17	2
Awards and prizes (A4)	2,46	1,2	1,33	2
Sophisticated apperenace (A5)	2,51	1	1,3	3

Table 20: Descriptive statistical measures with label data

Source: Own work

The statistical measures are also applied for wine packaging. The most important attributes of wine packaging are traditional aspects such as shape of bottle, label, and cork. The regional values reflect the cultural, geographical and traditional features and they are also important for respondents. The mean for regional values is 3, 26. The lowest mean is measured by option gift included. The highest appeared value showed up again by the traditional wine packaging and packing reflecting regional values. Again standard deviation measures that the data are heterogeneous and variability is high. The highest standard deviation was calculated by option special wine box and the lowest by creative features of wine bottle. The highest median is by option with traditional wine package, the lowest median where the gift is included. See table 21.

Wine package	Mean	Mode	Standart deviation	Median
Traditional (B1)	3,55	5	1,37	4
Creative (B2)	2,94	3.4	1,25	3
Gift included (B3)	2,02	1	1,4	1
Special wine box (B4)	2,46	1	1,46	2
Reflects regional values (B5)	3,26	5	1,4	3

Table 21: Descriptive statistical measures of wine package

Source: Own work

In the following calculation there were measured the dependency between the variables of labels and wine packaging. For the correlation there was used Spearman´s rank correlation coefficient. The highest dependency was found out by three pair of variables. Concretely by variables A3R – A4R, this represents organic certificate and award and prizes with 0, 511324. Secondly the high dependency was also found out by homemade appearance label A1R and creative wine packaging (B2R) with 0,489722. Thirdly between wines packaging where the gift is included (B3) and special wine box (B4) with correlation value of 0,576536 .The relationship between those dependencies is moderate. In most of the case there is the positive dependency. The negative dependency occurs by variables of labels with homemade appearance (A1) and labels with price and awards (A4) with value - 0, 03849 . Secondly negative dependency was measured between traditional wine packaging (B1) and creative wine packaging (B2) with correlation value - 0,02211. Thirdly the negative dependencies was found out between traditional wine packaging (B1) and special wine box (B4) with value - 0,08824. See table 22.

correlation coefficients										
	A1...R	A2...R	A3...R	A4...R	A5...R	B1...R	B2...R	B3...R	B4...R	B5...R
A1 - R	1	0,155423	0,159716	-0,03849	0,285491	0,061965	0,489722	0,14737	0,218679	0,259101
A2 - R	0,155423	1	0,269571	0,332216	0,238645	0,406838	0,311535	0,218457	0,108678	0,151604
A3 - R	0,159716	0,269571	1	0,511324	0,374976	0,16538	0,195935	0,368033	0,314944	0,379581
A4 - R	-0,03849	0,332216	0,511324	1	0,386484	0,20321	0,214889	0,279144	0,17071	0,311677
A5 - R	0,285491	0,238645	0,374976	0,386484	1	0,21654	0,485453	0,26326	0,343341	0,337704
B1 - R	0,061965	0,406838	0,16538	0,20321	0,21654	1	-0,02211	0,027823	-0,08824	0,246169
B2 - R	0,489722	0,311535	0,195935	0,214889	0,485453	-0,02211	1	0,226669	0,28513	0,154286
B3 - R	0,14737	0,218457	0,368033	0,279144	0,26326	0,027823	0,226669	1	0,576536	0,137883
B4 - R	0,218679	0,108678	0,314944	0,17071	0,343341	-0,08824	0,28513	0,576536	1	0,263502
B5 - R	0,259101	0,151604	0,379581	0,311677	0,337704	0,246169	0,154286	0,137883	0,263502	1

Table 22: Correlation coefficients of wine label and wine packaging variables by Spearman´s rank

Source: Own work

The following table 23 shows the significance of the results expresses by p-h values. They are marked with red colour. Statistically the values are important because it determines each relationship between answers. In this case there is a compare of variables within wine label and wine packaging. The chosen red spots determine the level of importance which suggests if there is statistical relationship or not. The importance is set as 5% (p= 0,05). See table 23.

p-values	A1...R	A2...R	A3...R	A4...R	A5...R	B1...R	B2...R	B3...R	B4...R	B5...R
A1 - R	0	0,168622	0,15702	0,734663	0,010259	0,585045	4,02E-06	0,192062	0,051319	0,020298
A2 - R	0,168622	0	0,015601	0,002607	0,033022	0,00018	0,004909	0,051562	0,337258	0,17946
A3 - R	0,15702	0,015601	0	1,25E-06	0,00061	0,142638	0,081536	0,000783	0,004435	0,000515
A4 - R	0,734663	0,002607	1,25E-06	0	0,000399	0,070626	0,055595	0,012159	0,13003	0,004888
A5 - R	0,010259	0,033022	0,00061	0,000399	0	0,053697	5,02E-06	0,018305	0,001821	0,002188
B1 - R	0,585045	0,00018	0,142638	0,070626	0,053697	0	0,845668	0,806465	0,436392	0,027726
B2 - R	4,02E-06	0,004909	0,081536	0,055595	5,02E-06	0,845668	0	0,043189	0,010359	0,171797
B3 - R	0,192062	0,051562	0,000783	0,012159	0,018305	0,806465	0,043189	0	2,19E-08	0,222581
B4 - R	0,051319	0,337258	0,004435	0,13003	0,001821	0,436392	0,010359	2,19E-08	0	0,018194
B5 - R	0,020298	0,17946	0,000515	0,004888	0,002188	0,027726	0,171797	0,222581	0,018194	0

Table 23: Measurement of p-values between label and wine packaging variables by Spearman´s rank.

Source: Own work

Another questions finding out if the respondents were influenced during the purchase by marketing channels such as advertising, promotional activities, recommendation of seller, social network, wine experts or personal recommendation so called word of mouth. The respondents could choose more options. The finding shows that the people are influenced mainly by personal recommendation, where 53 respondents chose this option. 21 respondents were influenced by promotional offers and 18 respondents by wine experts

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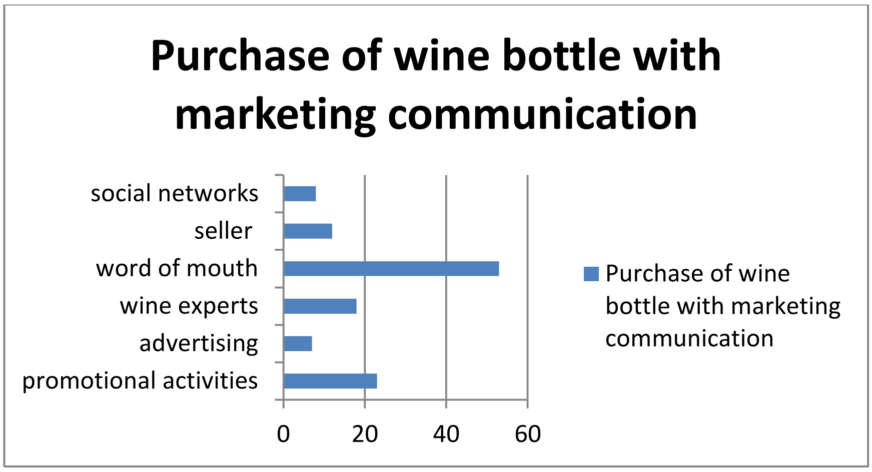

Graph 11: Purchase wine bottle influenced by marketing communication

Source: Own work

In following question respondents have to answer where they bought the bottle of wine and they could choose more options. The main place where the respondents purchased the bottle of wine is in the supermarket with 75 answers. The second place received special wine store, but with huge difference compare to supermarket. In special wine store bought the bottle of wine 11 respondents. See graph 12.

Graph 12: Place where respondents purchase the bottle of wine

Source: Own work

5. Discussion

In this part of thesis there will be discussed the findings of the survey and compare with other previous results of other studies. Nevertheless the research is considered as online pilot survey for required future development, there was found some facts which need to be commented. The Chilean market does not have big wine consumption compare to other countries. This was possible to see in Table 14 about wine consumption. The consumption of wine was 17 litres per person during last year 2014 (National Agriculture Society (SNA) and Central Bank, 2015). Therefore I suggest that this can be one reason why Chilean respondents bought mainly 1-2 bottles of wine during the months March and April 2015. The main reason why the respondents bough the bottle of wine was because of the family or friends meeting. Dubow (1992) stated that the segmentation can be also divided according to drinking occasion and he found out five segments associated with occasion based approach: social – drinks to share with others, introspective – drinks to improve mood, qenophilic – drinks light wine, enhancement – drinks to enhance food. This research sample we could join to the first group of segmentation social occasion.

The other questions were given about the purchase of bottle of wine according to origin place. The respondent´s answers were half to half, concretely relative frequency for saying yes is 48, 75% and for saying no 51, 25%. However in following question where the respondents were asked to answer what is important to see on the wine label the origin place was included as a significant attribute. So we might assume that origin place is important to know for customers but it is not the main leading factor to decide if the respondent will the buy the bottle of wine or not. On the other hand even more significant decisive factors were brand and name of the wine producer as the 71, 25% respondents answered that they decide to purchase the bottle of wine mainly according to those brand and name attributes. The 86, 25% respondents bought the domestic Chilean wine rather than from other country. This is very positive findings for small producer of wine as the respondents mostly chose the Chilean wine. This fact also proves other study depicted in graph 5 that the demand for branded and regional products is increasing. (Czech Embassy in Chile, 2014, GFK Adimark company, 2014).

Fouda (2015) finds out the main communication attributes which are connected to wine are wine product, branding of wine, packaging of wine, labelling of wine, pricing of wine, wine availability. Those attributes can be used as the message to the consumer, the receiver. The label and wine packaging was also more studied in the pilot study.
The part of importance (questions 10, 11) was measured on ordinal scale. The respondent had to select if the certain attributes are less or more important on the scale 1-5. The highest mean 3, 86 was measured by the label with classic attributes which means name, brands, year, grape variety, origin of place, alcohol percentage. The highest mean 3, 55 measured by wine packaging received traditional one with classical shape of bottle, cork, and basic information on the labels.
Then there was measured the dependency between the variables of wine label and wine packaging. There was found out that the positive dependency with the moderate relationship have organic label and prize awareness. We can assume those respondents who look for certificate will look for both organic and prize certificates. The other dependency was found between variables of wine packaging when the gift is included and special wine box. The other dependency was found out by creative wine packaging and homemade appearance of wine label. All correlation are in category 0,4 – 0,5 so the relationship is not strong enough to do make final conclusions. The slight negative correlation was found out between homemade appearance and prize and award certificate with -0,03849, traditional wine packaging and creative wine packaging with -0,02211 and traditional wine packaging and special wine box as part of packaging. The 88% of respondent bought the wine in supermarket which is challenging for small producer due to difficulty to get distribution in supermarket due to strict supermarket politics in Chile (Von Bennewitz and Quiñones, 2014).

Ultimately there are the founded answers to the research questions which were set in the beginning of the thesis. The research questions were:

1. Do small Chilean wine producers need branding?
2. What attributes of visual aspects on the bottle of wine are important for Chilean consumers?

The branding is important for any kind of business including small producers of wine. This proved the deep analyses of literature review, then the analyses of previous researches about the branding and consumer behaviour.

Wine brand is very dependent on the marketing tactics and skill in terms of developing brand name rather than developing and improving skills in terms of quality of wine.

The information on the wine bottle often measures the quality according to brand name, place of origin and price (Heslop, Cray, 2009).

Barber (2006) and Boudreaux and Palmer (2007) also observed the importance of label before the consumer purchase the wine. Other authors Thomas (2000) and Thomas and Pickering (2003) also found out that brand name along with grape variety and price was the most important informational items used in evaluation before purchase. Also the pilot survey proved that most of the respondents choose the bottle of wine according the brand or name of the wine producers. Concretely 71,25 % of respondents decide buy the bottle of wine according to brand or name of wine producers and it is important attribute to see on the wine label for them. The Heslop and Cray (2009) conclude that that the wine label and its information is a direct communication channel between wine makers and customers or potential customers, and tells about uniqueness, the history of winery, suggestion for consumption, information about grape variety, year of production, brand name and place of origin. The another study of Palma, Cornejo, Rizzi and Casaboun (2014) measured preferences according to non- sensory attributes and found out that grape variety, alcohol level, label design, product recommendations, price and discounts are main purchasing factors. Shamel (2006) also reported that consumers have usually little time to pay attention to all information, therefore there is necessary to catch customer´s attention immediately through wine packaging and label features. Gluckman (1990) also point out that the decision is related to the motivation to buy the wine. The brand is less important for occasional buyer. Palma, Cornejo, Rizzi and Casaboun (2014) also proved that main drinking motivation is because of social cohesion, sophistication, self-indulgence and tradition.

Answering the second research questions what attributes are important for Chilean consumers in terms of wine packaging and label the results are following. According to online pilot survey brand, name of the winery, year and origin of place are the most important attributes on the bottle of wine. The wine packaging provider easier decision for customers what type of bottle to buy and it definitely should not be overstated. (Thomas and Pickering, 2003). The wine label provides certain information about the product and it serves as communication tool between seller and customer, especially when the seller is not there in presence. Chaney (2000) found out 16 driving types of information and label is one of the most important them.

Founda (2015) also agrees that main communication attributes which are connected to wine are wine product, branding of wine, packaging of wine, labelling of wine, pricing of wine, wine availability. Founda (2015), Kotler and Armstrong (2008) conclude that the product attributes can be used as the message to the consumer, the receiver.

The promotional tools are not only way how to send the message. Also attributes on label can be used as a good promotional tool. Therefore online pilot survey helped to find out what kind of information is important for Chilean wine consumer.

The branding and regional values have started to be more important for Chilean customers in terms of wine packaging and also as important part of product. The 86,25 % respondents purchased domestic Chilean wine. The traditional wine packaging and packaging reflecting regional values were designated as the most important attributes of wine packaging. This also proves the already mentioned study published by Czech Embassy (2014), depicted in graph 5.

Those all mentioned features should be applied in the brand strategy. There was also recommended the future development of survey for Vitrina Campesina, which would need time and financial support. The current survey based as the online pilot survey is very limited as it was mentioned in methodology part; however thanks to the online pilot survey the researches become aware that there is important also qualitative research through in-depth interviews and focused groups. Nevertheless without the small producers of wine need to build their branding strategy, to be more aware on Chilean market. This might be achieved through project Vitrina Campesina with its professional support in terms of distribution, promotional and educational courses.

6. Recommendations

The recommendation is divided into two parts. Firstly there is recommended what should be improved for the following research which will be applied for larger segment with representative sample and secondly there are proposed and described the steps for creating brand strategy for small producers of wine. The recommendations are applied from own findings, analysed literature and other case studies, researches and personal observation.

6.1 The development of the research about wine customer´s preferences in Chile

The main aim of the online pilot survey was to find out which attributes are important for the customers when they buy a bottle of wine based on extrinsic values. There were also included other additional questions for instance wine tourism, occasion for drinking wine or frequency of consumption which should be analysed in following research. This type of questions should be included as well as there can be potential correlation aspects between those variables. The pilot survey is quite extensive and the information about the visual aspects is not exact. The question about visual aspects can be for respondents confusing. During the research the respondents answered all questions, however as the finding are based on visual context, the imagination of each respondent can vary and be different. Therefore for following research I would recommend to combine quantitative research with qualitative research methods based on represented selected labels and observing what the respondents like and dislike.

The finding about the labels and bottles are not in any scale dominant, only with one exception where the respondents were asked not for visual opinion but for information attributes (what the label should contain for information). The respondents prefer when the label have a traditional information such as name of producer, brand name, grape variety, year, place of origin. The Chilean customers seem to buy products according to brand name which should be in following survey studied more. The following research should also find out the position of wine brands on Chilean market. I would also recommend dividing the survey into smaller parts with more methods of observation, focusing also on in-depth interviews with more segments.

The attention should be also pay for online e-commerce. As the online pilot survey found out most of the respondents bought the wine in supermarkets and the platform Vitrina Campesina tries to focus on online selling.

6.2 Proposal of brand building strategy

The brand building strategy is suggested according to previous researches, analyses and studies applied also for small wine producers situated in Maule region, participating program Vitrina Campesina. In the strategy there are also reflected results of my online pilot survey. In my previous study "Strengthening the ability of small wine producers from Maule region to compete on Chilean market" (2014) I have already set the key objectives with the main aim to increase competitive ability for small wine producers. The specific objectives necessary to strength position of small wineries are:

1. Increase the visibility of small producers of wine in Chile within promotional and distributional channels

2. Increase marketing knowledge of small wine producer to be able compete with big companies

3. Increase cohesiveness of small Chilean wineries through project Vitrina Campesina where their products and services will be presented

4. Improve brand strategy and branding of wine products and services

5. Increase products sales of regional products within project Vitrina Campesina to improve economic situation of the region (Dvořáková, 2014)

The development of brand building strategy is suggested to be part of e-learning system of Vitrina Campesina, which is part of the program and the main aim is to teach small producers of marketing, promotional and branding techniques. The courses will be provided online and there will be possible to meet and consult the materials with marketing and brand experts. This recommended proposal serves as a guideline for small producers which help to create brand for small wineries. The guideline is divided into ten parts and describes step by step, what actions are necessary to create. The steps are following:

1. Identify the target audience

The main important question is who the main customers of the small wine producers are. The small producers of wine should divide their customers into segments according to geographic, demographic, psychological, behavioural, user status and price variables. It means the producers should study the location where the main customers come from, their age, sex, educational level, income, lifestyle, interest, occasion for they buy the wine, if they are first time, regular, ex buyers, and which price category the customers buy. According to my finding the criteria for customers in Chile are different, mostly they come from Santiago de Chile 78,3 % of respondents, where the demand is stronger. Also most of the respondents have a university degree represented by 71,1%.

2. Understand the customers

The important part about customers is the in-depth understanding and what are the main motivation and preferences when they buy the bottle of wine, what they like and dislike and according to what attributes they make their choices. The findings showed that most of the respondents nearly 70% buy the bottle of wine because of social gathering for family or friends meeting. Also the reason for buying the wine as a gift for other person appeared by 26,5 % of respondents.

The other findings are possible through observation, survey and research based on primary and secondary data. The pilot study was applied in the thesis with future recommendation to develop the survey, however it is necessary to create own internal overview about the customers. The survey can be done during online purchase, send through email or asked directly in person. The producer should have always overview about their customers and know their needs and wants.

1. **Identify market and its trends**

The small producers of wine should also know the market demand and follow the market trends. The applied studies (Chile 3D, 2014) showed us that there is an increase of demand or regional products representing local values.

This also prove the online pilot survey as 71, 25% of respondents decided to buy wine according to the brand or name of wine producer.

Also for respondents evaluate the traditional wine packaging reflecting regional values as the most important part during the purchasing process.

The mean for traditional wine packaging achieved the value 3,55 and the regional features achieved mean 3,26. The other example of market trend can be organic wine, eco-friendly packaging or level of consumption.

The general overview is very important because of future prediction. The important is also political, economic, environmental and technological situation which influences the market. The analyses about the current situation for small producers in Maule region are described in Table 17. In Chile the consumption of wine is quite low with 17 litres per person during a year (2014), see table 14. On the other hand the small producers are supported by government with the aim to increase economical level of the region.

2. **Identify competitors and determine position on the market**

The main important question is, who is the main competitor on the market, and analyse their products, target groups, communication style, and visual style. According to this analyses there can be identified competitors and determine the position on the market. The useful tools to analyse strengths, weaknesses, opportunities and threats is SWOT analyses, see Table 17. According to this analyse the producers can focuses on their strengths and use their opportunities. At the same time improve their weaknesses and be aware of the threats.

3. **Define the wine product**

The product which is dominant for small wineries is a bottle of wine. The main part is to define the uniqueness, values and what makes different the product from the other wine products. The product should highlight regional and national Chilean values. The wine products should be well described with right expressing words. The inspiration can be used in the attached table 23. In the example there is used Oliver Winery based in USA. The task was to identify main values for winery. The highlighted word resonated strongly with stakeholders. In the future the producers can consider to wide their portfolio which should be based on the same values.

Approachable	**Down-to-earth**	Genuine	Trustworthy
Affordable	Dynamic	Human	Thoughtful
Authentic	**Engaging**	Hospitable	Real
Believable	Exciting	**Honest**	Responsible
Beautiful	Expert	Inclusive	Responsive
Caring	Familiar	Innovative	Sincere
Classic	Fresh	Proven	**Smart**
Delicious	Friendly	Practical	Social
Dependable	**Fun**	**Quality-driven**	**Warm**

Table 23: Possibilities to defined product through words

Source: Oliver Winery, 2015

4. **Develop visual style of the brand attributes**

The one of most important part is to create name, logo, set right colour, lettering and right slogan. The name of winery can be used according to family name or location. It is recommended to use traditional names as the Chilean society is in this way quite conservative.

The logo should express the values and uniqueness of the product, for instance the location, special family symbol or other values which winery wants to present. The colours and lettering are important as the eye catching reason to attract customer through visual aspects. The slogan should represent short messages which might associate with winery values. The part of project are also students studying design and therefore they might consider also this features for developing right visual style for small producers of wine. There was already designed logo for the project Vitrina Campesina which also part of the brand. It is included in Appendix 6.

5. **Develop visual style of representing label**

The label represents communication between seller and customer who wants to buy the product. The label is very important because it should persuade the customers to purchase the bottle because of valuable information and attractive design. According to the online pilot survey the name, brand, origin place, year, grape variety are important information for consumers when they buying the wine. According to survey Chilean customers prefer the traditional wine packaging with label reflecting regional values.

Again there is shown that the brand and producer is very important attribute for consumers while they know what to expect and it is necessary to build the relationship and trust. The example can be Vino Lautaro, see Appendix 5.

6. Develop communication with customers

The communication with customers is very important part of brand. There is necessary to set a voice how the producers should communicate with customers. For example the Oliver winery applies strong copywriting. The small winery should also represent the information about products online through website. There will be also showroom of products through Vitrina Campesina, however from the long term point of view the small producers should be searchable online and be recognizable by their brand names. The proposal of structure of website is included in appendix 5. They should attend the wine festivals and events such as Vendimia or Chileninad, as they can also represent their product to public. The social media and advertising is the issue for discussion, because it was not proved that consumers are influenced through social media or advertising. The biggest help for small producers is word of mouth recommendation as it stated 65,1% of respondents, so again there must a created the good relationship with customers on the long term bases.

Picture 3: Communication with customers through words in Oliver winery

Source: Oliver winery, 2015.

7. Find the right distributor

The distributors play important promotional role. They usually have a better knowledge about consumers and how to target them. For small wineries can be difficult to target the customers directly. Most of respondents replied that they purchased the bottle of wine in supermarket, representing concretely 88% answers of respondents.

This is for small producers a challenge to achieve distribution in supermarkets because of local strict conditions. There exists large or small distributors, both having advantages and disadvantages. According to my last personal meeting with one of the largest distributor Vino del Mundo there was shown interest to cooperate with small wineries through Vitrina Campesina in future.

8. **Build your name on the market**

The last important step is to create good relationship not just with customers, but also with other stakeholders such as local restaurants, local shops, journalists, distributors and other companies providing materials. The brand should be represented in all occasion with the main aim to receive the brand awareness and loyalty.

7. Conclusion

The thesis is written for Chilean project Vitrina Campesina. The aim of the thesis was to find out what were the customers preferences when they buy a bottle of wine in terms of wine packaging and labels and if there was a need of branding for small wine producers as part of their marketing strategy. In the thesis there was analysed the literature review corresponding the topics such as marketing, branding, communication and consumer behaviour. There were also analysed the previous studies focusing on consumer behaviour and branding. According to the literature review and studies there was found out that branding is a significant part of the business, including small wineries. As part of practical work there were analysed the secondary data about wine production, export and consumption of Chilean market. There was also analysed the Maule region and applied SWOT analyses to find out the strengths, weaknesses, opportunities and threats for small wine producers in Maule region. There was also used the online pilot survey which was fulfilled by 80 respondents and there was found out that 71, 25 % of respondents decide to buy bottle of wine according to brand or name of the winery. The main attributes such as brand, name of winery, year and place of origin were considered as the most important attributes for respondents. The research of the thesis is limited as the online pilot survey is in the form of pilot research and focuses more how the customers understand questions and how the survey can be improved to be able to gain data about the standardized behaviour of Chilean wine consumer in the future. The research has several limitations in terms of representativeness and its sample size. There was chosen intentional sample. Hence the results cannot be generalized for a whole population. The non-representative sample includes respondents who are connected to project of Vitrina Campesina and in past were in contact with small producers. There is recommendation suggested for the future research to apply also qualitative research in form of in-depth interview or focus groups as the visual meaning can be easily misunderstood. According to gathered data there was proposed a brand strategy as a guideline for small producers of wine.

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9. List of tables, figures, graphs , pictures and abbreviation

List of tables

List of figures

List of graphs

List of pictures

List of abbreviations

INDAP- Instituto de Desarrollo Agropecuario

OIV - Organisation of Vine and Wine

10. Appendixes

Appendix 1

Mendelova univerzita v Brně

UNIVERSIDAD CATOLICA DEL MAULE

VITRINA CAMPESINA

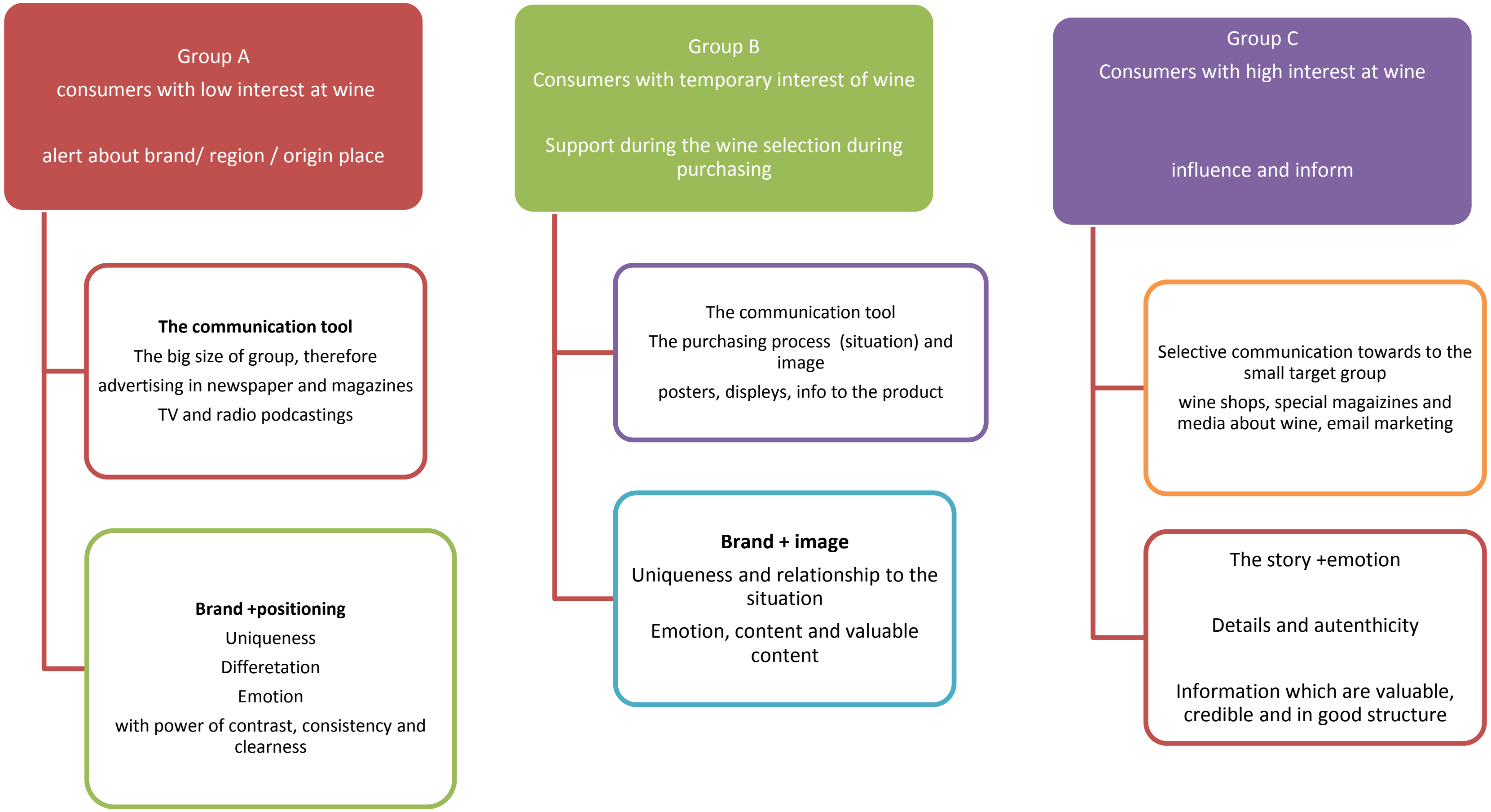
I confirm, that the thesis of a student Bc. Gabriela Dvořáková is written for a project Vitrina Campesina. The organisation can use the information and the pilot research for their needs.

Sincerely

....

Mgr. Eduardo Von Bennewitz Ph.D., the project manager of the project Vitrina Campesina

In Curico 7.5.2015


Group A
consumers with low interest at wine
alert about brand/ region / origin place
The communication tool
The big size of group, therefore
advertising in newspaper and magazines
TV and radio podcastings
Brand +positioning
Uniqueness
Differetation
Emotion
with power of contrast, consistency and clearness
Group B
Consumers with temporary interest of wine
Support during the wine selection during purchasing
The communication tool
The purchasing process (situation) and image
posters, displeys, info to the product
Brand + image
Uniqueness and relationship to the situation
Emotion, content and valuable content
Group C
Consumers with high interest at wine
influence and inform
Selective communication towards to the small target group
wine shops, special magazines and media about wine, email marketing
The story +emotion
Details and autenthicity
Information which are valuable, credible and in good structure

Appendix 2

Appendex 3

Dear respondents/ customers, (zjistím, co používají za výraz ve španělštině v dotaznících)

The survey is part part of my master thesis and the aim of this research is to find out what are the main attributes which influence people during the purchase of wine and how we can help the small producers of wine in Maule region to better compete with large wineries and improve their promotion tools. I believe those small producers are important part of local economy and should be supported. I would like to kindly ask you to fullfill the following survey as there is important to know your opinion and attitude according to what kind of factors you decide to buy a bottle of wine.

The survey contains 21 questions and it will take you 5 minutes. The survey is online, so follow the instruction by the each question and tick the best answer according to your opinion. Usually you can choose only one answer and in some cases you can answer by your words.

To accomplish the survey it is necessary to go through each question and in the end of the survey click on the button “Send”. The survey is completely anonymous.

Please fulfil the survey online until 27.4.2015. The results of the research within master thesis will be available according to request on 23nd May 2015. If you want to ask any questions or would like to request the research results you can contact me any time to gabi.dvorakova.work@gmail.com.

I very appreciate your participation and thank you very much for your time.

Best regards,

Bc.Gabriela Dvořáková

Faculty of Regional Development and Territorial Studies

Mendel University in Brno

Czech Republic

gabi.dvorakova.work@gmaill.com

1. Did you buy the bottle of wine last month?

yes /no

2. How many times did you buy wine bottle last month?

a. *None*
b. *1-2 times*
c. *3-4 times*
d. *5- more times*
e. *I do not remember*

3. For what occasion did you buy the bottle of wine last month?

a. *family/ friend meeting*
b. *as a gift*
c. *for myself*
d. *after degustation at wine festival*
e. *to have some bottles at home if there will be unexpected event*
f. *other:_________________*

4. Did you choose the bottle of wine according to the place of origin (nationality) last month?

y/n

5. Did you buy the bottle of wine from Chile or from other country last month?

1. *Chilean wine*
2. *wine from other country*
3. *I do not know*

6. Did you buy the bottle of wine according to wine producer or brand last month?

yes/no

7. What kind of wine did you buy mostly last month?

a. *red*
b. *white*
c. *rose*
d. *I do not remember*

8. What kind of grape variety did you buy last month?

a. *merlot*
b. *syrah*
c. *cabernet savignon*
d. *carmenere*
e. *I do not know*

9.When you look at the label on the bottle of wine is important for you to see on the label

a. *winery/producer y/n*
b. *year y/n*
c. *brand y/n*
d. *place of origin (region) y/n*
e. *awards y/n*
f. *fair trade sign y/n*
g. *organic wine sign y/n*

10. When you look at the label which criteria of label are important for you? (being 5 the most important.1 the less important) mark with an x

	1	2	3	4	5
Homemade appearance label made by small producer of wine					
Classic attributes (name, origin place, year, grape variety, possible picture or logo)					
A certificate as organic wine					
A certificate by experts (prizes for wine - gold/silver stamp)					
Sophisticated appearance					

11. How important are the following aspects of the design of the wine package (being 5 the most important.1 the less important) mark with an X.

	1	*2*	*3*	*4*	*5*
Traditional (classical glass wine, with cork, label, basic information)					
Creative (can be special shape of bottle, untypical etiquette)					
Has a gift included (wine opener, glass etc.)					
Is in special wine box					
It reflects regional values (map of the region, poem of the local artist, the colours according to regional flag etc.)					

12. Were you influenced to buy a bottle of wine by these type of marketing style of communication during last purchase?

Factors which influence you	Options
Promotional activities (an offer 2x1)	*yes/no*
Advertising (TV, radio, newspaper, internet)	*yes/no*
Wine publication/ expert´s critiques (in magazines, blog)	*yes/no*
Word of mouth	*yes/no*
Recommendation from seller	*yes/no*
Social media add	*yes/no*

13. In which price range did you buy the bottle of wine last month (prices in Chilean pesos)?

- *a. 1000 -2000*
- *b. 2001-3000*
- *c. 3000-5000*
- *d. 5001-8000*
- *e. 8001-12000*
- *f. 12001- more*

14. Where did you buy the bottle of wine mostly last month?

- *a. directly by the wine producer*
- *b. supermarket*
- *c. special wine store*
- *d. internet*
- *e. wine festival with degustations*
- *f. other:*

15. Did you visit wineries with degustation tour within wine trails in last year?

yes/no

16. Are you male or female?

- *a. Male*
- *b. Female*

17. How old are you?

- *a. 18-30*
- *b. 31-40*
- *c. 41-50*
- *d. 51-60*
- *e. 61 – more*

18 What is your achieved education level?

- *a. secondary level or less*
- *b. bachelor degree*
- *c. postgraduate degree*

19. What is your monthly income (the income is measured in Chilean pesos)?

a. $0-$300.000

b. $301.000 - $600.000

c. $601.000 - $900.000

d. $901.000 - $1.200.000

e. $1.201.000 - and more.

20. From which region do you come from? (you were born)

a . Santiago- metropolian region

b. Maule region

*c. other:*_____________

21. Where do you live at the moment? (the place of current residence)

a. Santiago

b. Maule region

other_________________________

Appendix 4

Question 1: Did you buy a bottle of wine last month?		
Value	Absolute Frequency	Relative Frequency
Yes	74	92,5%
No	6	7.5%
Total	80	100%

Question 2: . *How many times did you buy wine bottle last month?*				
Label	Value	Absolute Frequency	Relative Frequency	Cumulative frequency
None	1	2	2,5%	2,5%
1-2 times	2	54	67,5%	70%
3-4 times	3	19	23,7%	93,7%
5 and more times	4	2	2,5%	96.25%
I do not remember	5	3	3,7%	100%
	Total	80	100%	

Question 3: *For what occasion did you buy the bottle of wine last month?*			
Label	Value	Absolute Frequency	Relative Frequency
Meeting	yes	56	70%
	no	24	30%
As a gift	yes	19	23,75%
	no	61	76,25%
For myself	yes	14	17,50%
	no	66	82,50%
After degustation	yes	2	2,50%
	no	78	97,50%
Unexpected event	yes	14	17,50%
	no	66	82,50%
Other	yes	6	7,50%
	no	74	92,50%

Question 4: Did you choose the bottle of wine according to the place of origin (nationality) last month?		
Value	Absolute Frequency	Relative frequency
yes	39	48,75%
no	41	51,25%
Total	100	100%

Question 5: Did you buy the bottle of wine from Chile or from other country last month?		
Value	Absolute Frequency	Relative frequency
Chilean wine	69	86,25%
Chilean wine and wine from other country	5	6,25 %
Wine from other country	2	2,5%
I do not know	4	5,0%
Total	100	100%

Question 6: Did you buy the bottle of wine according to wine producer or brand last month?		
Value	Absolute Frequency	Relative frequency
Yes	57	71,25%
No	23	28,25%
Total	100	100%

Question 7: What kind of wine did you buy mostly last month?			
Label	Value	Absolute Frequency	Relative Frequency
Red	yes	71	88,75%
	no	9	11,25%
White	yes	18	22,50%
	no	62	77,50%
Rose	yes	2	2,5%
	no	78	97,5%
I do not remember	yes	78	97,5%
	no	2	2,5%

Question 8: What kind of grape variety did you buy last month?			
Label	Value	Absolute Frequency	Relative Frequency
Merlot	yes	36	45%
	no	44	55%
Syrah	yes	14	17,50%
	no	66	82,50%
Cabernet Savinog	yes	39	48,75%
	no	41	51,25%
Other	yes	3	3,75%
	no	77	96,25%
I do not remember	yes	12	15,00%
	no	68	85%

Question 9: When you look at the label on the bottle of wine is important for you to see on the label...			
Label	Value	Absolute Frequency	Relative Frequency
Winery/producer	yes	62	77,50%
	no	18	22,5%
year	yes	56	70,00%
	no	24	30,00%
Brands	yes	64	80,00%
	no	16	20,00%
Origin place	yes	47	58,75%
	no	33	41,25%
Awards	yes	25	31,25%
	no	55	68,75%
Fair Trade	yes	19	23,75%
	no	61	76,25%
Organic	yes	16	20,00%
	no	64	80,00%

Question 10: When you look at the label which criteria of label are important for you?						
Values	1 (less important)	2	3	4	5 (most important)	Total
Homemade appearance label made by small producer of wine	21,25%	25%	22,50	20,00%	11,25%	100%
Classic attributes (name, origin place, year, grape variety, possible picture or logo)	7,5%	7,5%	16,25	28,75%	40%	100%
A certificate as organic wine	28%	25%	17%	5%	5%	100%
Sophisticated appereance	33,75%	13,75%	25,00%	22,50%	5%	100%

Question 11: How important are the following aspects of the design of the wine package						
Values	1 (less important)	2	3	4	5 (most important)	Total
Traditional	10%	17,50%	12,50%	27,50%	32,50%	100%
Creative	15%	23%	25%	25%	11,25	100%
A gift included	56,25%	13,75%	11,25%	8,75%	10%	100%
Special wine box	37,50%	21,25%	11,25%	17,50%	12,50%	100%
It reflects regional values	15,50%	16,25%	22,50%	20,50%	26,25%	100%

Question 12: Were you influenced to buy a bottle of wine by these type of marketing style of communication during last purchase?			
Label	Value	Absolute Frequency	Relative Frequency
Promotional activities	yes	59	73,75
	no	21	26,25
Advertising	yes	7	8,75%
	no	73	91,25%
Wine experts	yes	18	22,50%
	no	62	77,50%
Word of mouth	yes	53	66,25%
	no	27	33,75%
Seller	yes	12	15,00%
	no	68	85,00%
Social Networks	yes	8	10,00%
	no	72	90,00%

Question 13: Where did you buy the bottle of wine mostly last month?			
Label	Value	Absolute Frequency	Relative Frequency
Directly producer	yes	5	6,25%
	no	75	93,75%
Supermarket	yes	69	87,25%
	no	11	13,75%
Special wine store	yes	11	13,75%
	no	69	86,25%
Internet	yes	3	3,75%
	no	77	96,25%
Wine festival	yes	2	2,5%
	no	78	97,5%
Other	yes	5	93,75%
	no	75	6,25%

Question 15: Did you visit wineries with degustation tour within wine trails in last year?		
Value	Absolute Frequency	Relative frequency
Yes	65	81,25%
No	15	18,75%
Total	100	100%

Question 16: Are you male or female?		
Value	Absolute Frequency	Relative frequency
Male	40	50%
Female	40	50%
Total	100	100%

Question 17. How old are you?		
Value	Absolute Frequency	Relative frequency
18-30	42	52,50%
31-40	17	21,25%
41-50	7	8,75%
51-60	11	13,75%
61 and more	3	3,75%
Total	100	100%

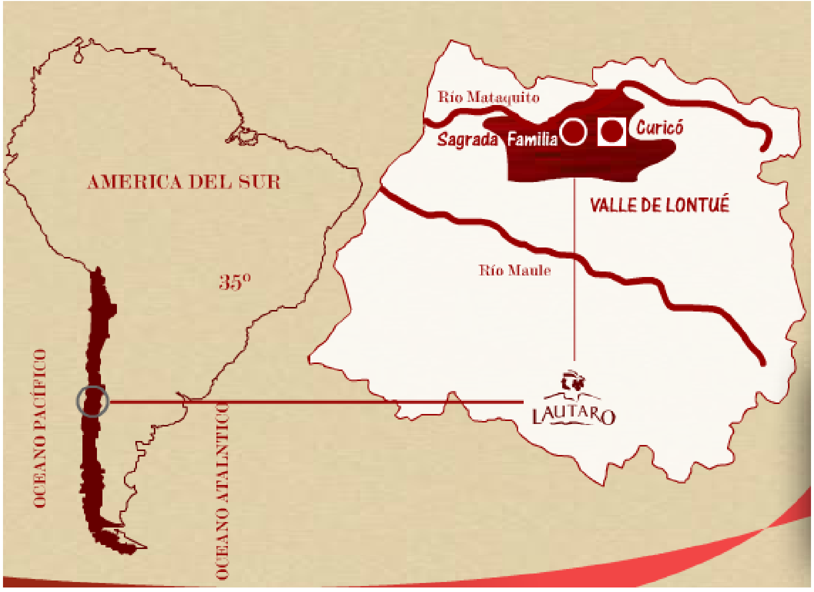
Question 18: What is your achieved education level?		
Value	Absolute Frequency	Relative frequency
Secondary level or less	14	17,50%
Bachelor degree	10	12,50%
Postgraduate degree	56	70%
Total	100	100%

Question 19: What is your monthly income (the income is measured in Chilean pesos)?		
Value	Absolute Frequency	Relative frequency
$0-$300.000	33	41,25%
$301.000 - $600.000	6	7,50%
$601.000 - $900.000	11	13,75%
$901.000 - $1.200.000	12	15,00%
$1.201.000 - and more.	18	22,50%
Total	100	100%

Question 20. From which region do you come from? (you were born)		
Value	Absolute Frequency	Relative frequency
Santiago- metropolian region	55	68,75%
Maule region	8	10%
Other	17	21,25%
Total	100	100%

Question 21. Where do you live at the moment? (the place of current residence)		
Value	Absolute Frequency	Relative frequency
Santiago- metropolian region	63	78,5%
Maule region	6	7,5 %
Other	11	14%
Total	100	100%

Apendex 5


Río Mataquito
Sagrada Familia
Curicó
AMERICA DEL SUR
VALLE DE LONTUÉ
35º
Río Maule
OCEANO PACÍFICO
OCEANO ATALNTICO
LAUTARO


Cabernet Sauvignon Carmènere
Combinación de dos celajes 85% y 15% uno aporta el cuerpo y la estructura y el otro notas de frutas maduras y beterraja dulce con leves aromas a cuero.
Vino único, artístico basados en vinos típicos del valle de Lontué.
Propio para carnes de cerdo, cordero sin salsa y quesos cremosos. Temperatura de servicio 16º - 18 º C
Capacidad 750cc / 500cc
Altura 293mm
Peso 400gr
Lautaro

General Features of the Websites
An URL that is clear and easy to remember
Updated website
Contact information (email, phone, social networks, address….)
Legible fonts
Wine tourism
Pictures
Images or animations with added value
Tasting room
Winery or wineyard tour
Food items offered
Calendar of events
Gift shop and / or souvenir items
Information on wine production facilities
Maps and / or driving directions towards the winery
Opening hours of the winery
Wider regional information (e.g. attractions, activities)
Links to wine-related websites
Links to websites of wine and/or grape industry associations
Information and/or links to local tourism-related business
Direct marketing
FAQ
E-mail newsletter sign-up
On-line wine club
Social networks
List of available wines with description and prices
On-line store
Photo gallery about the products and/or the winery
Awards given to wines
Newspaper articles
Testimonials & feedback from customers
Educational
History and/or stories about the winery
Profile of the winemaker(s) provide
Information on grape growing, grape varieties, wine making, etc.
Food recipes pairing with the wines offered
Tips on wine drinking, tasting, health-related issues….

Appendex 6

VITRINA

CAMPESINA