



**AgEcon** SEARCH  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

# A Forecast of Internationalization Strategies for the Spanish Olive Oil Value Chain

Maria Bouhaddane, Samir Mili

*Institute of Economics, Geography and Demography (IEGD), Spanish National Research Council (CSIC), Albasanz 26-28, 28037 Madrid, Spain*

[maria.bouhaddane@hotmail.fr](mailto:maria.bouhaddane@hotmail.fr), [samir.mili@csic.es](mailto:samir.mili@csic.es)

## ABSTRACT

This study investigates key factors and future strategies for the internationalization of the Spanish olive oil from a value chain perspective. To this end, a two-round Delphi survey was conducted in 2017 involving the participation of a representative, highly qualified panel of experts in national and international olive oil markets. The study contributes to solve one of the most pressing concerns of the Spanish olive oil industry, namely the need to enhance internationalization in order to strengthen its competitive position in nontraditional markets where most of the recent growth in olive oil consumption is taking place. Results reveal, *inter alia*, that the achievement of a sustained competitive advantage in foreign markets will increasingly depend on the joint and coordinated efforts contributed by all the chain participants to implementing quality-driven policies starting from the upstream production stages and covering the whole value chain, accomplishing the necessary structural and organizational changes, as well as developing appropriate marketing and promotional strategies in concertation with public institutions.

*Keywords: Internationalization strategies, Delphi method, olive oil, value chain.*

## 1. Introduction

The increasing globalization and continuous socioeconomic and technological changes have shaped the agribusiness environment towards further diversification and intensified competition while opened up new opportunities worldwide. The olive oil industry is no exception to these developments. Recent market and institutional changes have significant implications in an increasingly exporting sector such as the Spanish olive oil. As world's leading producer and exporter, Spain needs to manage olive oil surpluses generated due to sustained growth in production and relative stagnation of domestic consumption.

In order to fully exploit the export potential of the Spanish olive oil sector, a special attention should be paid to nontraditional markets. Available data indicate the existence of huge potential of increasing olive oil consumption in these markets provided the key aspects related to quality and marketing are correctly addressed. A large number of Spanish olive oil firms currently are expanding their activities in foreign markets in order to gain growth, diversify risks, reduce their dependency on mature domestic market and take advantage from possibilities that international markets offer. However, in their internationalization process these firms are faced with numerous uncertainties and challenges and need to make strategic decisions to anticipate the likely effects of changes.

One pathway to tackle uncertainties and achieve a better understanding of the international strategies needed in the future is the use of economic forecasting. In this respect, the Delphi method enables reflection and consensus building leading to the identification of different prospective scenarios and strategies in highly volatile settings. The present study uses this technique to develop a medium and long-term forecast of the appropriate strategies that the Spanish olive oil export business will need in the upcoming years (horizon 2025), taking into account changes in the conditioning factors (macroeconomic, microeconomic, regulatory, technological and organizational) at national and international level. Specifically, the study aims to a) propose a conceptual framework to develop prospects for olive oil exports strategies, b) identify the contribution of different value chain members to successful internationalization, and c) define efficient strategic responses to internationalization challenges that value chain agents will be facing in the upcoming years. The ultimate aim of the forecasting process is to establish recommendations of policies and strategies that different agents of the Spanish olive oil value chain shall take into account when considering the internationalization of their activities. In order to tackle successfully complex challenges, our approach adopts a value chain perspective allowing the setting of common objectives and action plans based on specific roles of different chain participants.

It should be pointed out that while a substantial body of literature exists about olive oil production and technology, the international business strategies and more particularly market anticipation aspects have not received sufficient academic and research attention. As a result, there is a lack of underlying theory, conceptual foundations, and understanding of the role of these strategic issues in the olive oil value chain. Given the growing complexity and uncertainty about international markets conditions for the olive oil industry, greater understanding of this perspective is well justified.

The paper is organized as follows: section 2 overviews the current structure of the Spanish olive oil value chain. Section 3 sets the theoretical framework for this research through critical literature review of business internationalization and market entry methods and constraints. Section 4 describes the methodology employed including the conceptual model and the description of the Delphi process implemented to collect primary data. Section 5 presents and discusses the main results obtained. Section 6 highlights the main findings and draws conclusions and implications.

## **2. Overview of the Spanish olive oil value chain**

Spain is the world's leading producer of olive oil and its production has witnessed a sustained growth since the mid 1990's. In 2014, the area devoted to olive groves in Spain amounted to 2,605,252 ha, of which 2.45 million ha were intended for the olive oil production. It is also noteworthy that most of this area (1.8 million hectares) corresponded to rain-fed lands. The olive production is distributed in 35 of the 50 Spanish provinces, though most of the production is concentrated in Andalucía where 60% of the olive trees are planted and 80.6% of the olives destined for olive oil were produced on average between 2013/14 and 2015/16 (Mercasa, 2016).

Data provided by the International Olive Council (IOC, 2016) show that olive oil production in Spain has been increasing at an annual rate of 5.4% between 2005/06 and 2015/16, and reached a maximum of about 1.8 million tons in 2013/2014. With an average of 1.2 million tons over the aforementioned period, it represented 58.8% and 42.3% of the EU and world production, respectively. Overall consumption levels have been relatively stable in Spain, increasing only by 0.5% annually between 2005/06 and 2015/16, with an average of 524,600 tons of olive oil consumed that is 18% of the world consumption.

Production is expected to continue growing in the coming years (European Commission, 2012, 2016), while domestic consumption will probably stagnate, leading to an increase in the supply surplus that if maintained in time would cause a drop in prices in origin. Therefore, in order to avoid imbalances in the market in the near future, special attention should be paid to the strengthening of the export policies with the objective of expanding and diversifying exports outside traditional markets (Mili, 2006).

According to data from Exporters and Processors Association (ASOLIVA), the Spanish olive oil is exported to more than 180 countries in 5 continents. However, main markets vary according to whether it is exported in bulk or in containers of less than 5 liters destined for consumers, restaurants, establishments and gourmet stores. Italy is the major destination for the Spanish olive oil exported in bulk, followed by USA, Portugal, UK, Japan and France, while the main destinations for the packaged olive oil are the US, France, Portugal, UK, Australia and China.

The olive oil value chain basically consists of three stages: olive production, olive oil processing (mills, packing plants, refineries), and distribution (supermarkets, restaurants, small outlets...).

In Spain, there are about 2 million farms dedicated to the olive oil production, most of which are located in Andalucía. Many of these farms are small and medium sized and some are grouped in producer cooperatives (MERCASA, 2016). The olive growing sector is generally characterized by an excessive fragmentation and geographic dispersion. In fact, 54% of the holdings that grow olives for oil production are less than 5 ha, ranging between 0.12 and 2 ha depending on the Autonomous Community (MARM, 2010).

Olives are grown using one of the following systems: the traditional (extensive farming), the intensive farming or the superintensive farming system. The intensive and superintensive farming systems aim to decrease the cultivation and harvesting costs through mechanization and to raise yields. In addition, recent years have been marked by the rapid growth of alternatives production methods such as organic and integrated olive growing so as to reduce the environmental impact of agricultural practices (Mili *et al.*, 2017).

The harvested olives are delivered to 1,732 mills distributed in 13 Autonomous Communities (45% of which are in Andalucía) (MARM, 2010). Olive oil mills in Spain are either part of cooperatives or agricultural partnerships, which accounts for 55% of the total mills and 70% of the production, or privately owned (45% of the total mills and 30% of the oil produced). Some mills are equipped with the necessary facilities for packing virgin and extra virgin olive oil in situ for local farmers' own consumption and markets within a short radius. Otherwise, the olive oil produced is sold in bulk to bottling plants (virgin and extra virgin oils), refineries (lampante oil), and bulk merchants who act as intermediaries between oil mills and packing plants and refineries, in exchange for a fee based on the total amount of sales. Recent years have seen a gradual concentration of supply as cooperatives form second and third-tier cooperatives (cooperatives whose members are cooperatives), that often pack and sell extra virgin olive oil under their own brands.

As for the packing industry, there are 1,640 bottling plants, 40.7% of which are based in Andalucía. These plants operate at different stages of the value chain and some are independent and pack all types of oils, while others are either integrated into refineries which market the full range of olive oils, and are the most significant in packed volume terms, or belong to large mills or second/third-tier cooperatives, which pack only virgin olive oil. Also, there are more than 60 olive pomace extractors and 24 refineries (61.9% and 62.5% respectively are located in Andalucía) some of them belong to companies that also pack the oils (MARM, 2010).

One feature of the olive oil commercialization in Spain is its relatively high concentration, despite the large number of companies operating in the industry. The leading commercial group (Sovena) in the Spanish market for bottled olive oil, reached a sales volume of 100 million liters in 2015, while the second (Ybarra-Migasa) sold about 74 million liters and three other groups presented sales figures around 45 million liters (Alimarket, 2017). Sovena also is the first exporter of packaged olive oil in volume terms.

The modern distribution is the predominant channel for marketing olive oil either on the local market or in the export markets. It features large retail distribution groups with a high bargaining power gained by concentrating demand at the different points of sale, imposing constant quality, competitive prices, organizing the layout distribution and sharing promotion activities.

The rest of the distribution is performed through the HORECA channel, e-commerce (2% of the Spanish domestic market for olive oil) and the traditional retail outlets, which are identified with traditional distribution and are small in terms of the number of points of sale, the number of employees and the size of the premises.

It is worth mentioning that distributor brands are very important in the Spanish market for olive oil since they account for 68.3% of all sales in volume and 62% in value (MERCASA, 2016). Moreover, the resistance of the distribution chains to reflect the increases in the prices in origin when they occur on the consumers' price has increased competition among bottlers, while concentrating the supply to that channel.

### **3. Theoretical framework**

#### *Purpose of the internationalization*

The internationalization of companies is the process by which a company projects its activities, totally or partially, into an international environment and generates flows of various types (commercial, financial and knowledge) between different countries. From a strategic point of view, it can be considered as the result of the adoption of strategies that take account of the resources and capabilities of the company as well as the opportunities and threats of the environment (Leandro, 2009).

According to Canals (1994), the purpose behind the internationalization of companies lies in the opening of new markets and the achievement of lower production costs as well as a more efficient production and distribution structure. However, international expansion is sometimes a necessity for the companies' survival, as it is the case for many agro-food firms. For that purpose, companies take advantage of international opportunities to improve their competitiveness especially in times of crisis and saturation of domestic markets. Opening up to new markets not only allows them to reduce the risk of operating and depending on a single market but also to overcome the challenges posed by the competition and the entry of foreign companies into local markets (Juliá *et al.*, 2012).

#### *Priority markets and entry mode selection*

One of the most important decisions for firms regarding the internationalization process refers to where and how, that is, the selection of foreign markets where the company will conduct its activities and the modes it uses to do so (Musso and Francioni, 2014). Several factors can influence the selection, propensity and method of foreign market entry (Westhead *et al.*, 2002), making these two decisions critical for a firm's success abroad.

According to Papadopoulos and Denis (1988), there are two main approaches used in the selection of target markets:

- A systematic approach, based on a formalized decision process including various statistical methods to analyze the potential of target markets; and
- A non-systematic approach, suggesting the use of "rules of thumbs", such as basing the foreign markets selection on the minimization of the perceived "psychic distance".

The systematic approach is characterized by a detailed market research that aims to identify foreign markets that are attractive for the company, make an assessment of the potential sales in these markets and, ultimately, reduce uncertainty, define solutions, and determine appropriate marketing strategies (Cavusgil, 1985). For that, Wood and Robertson (2000) suggest the use of economic and extra-economic criteria (size and potential growth of the market, its stability, accessibility, degree of openness as well as the country risk), and Paliwoda and Thomas (1998) state that the choice of country of destination should be based on its assessment from different perspectives (social and cultural environment, legal, economic, political and technological) in addition to other factors such as the country's currency or the competition.

Meanwhile, other researchers used statistical methods such as the cluster analysis of countries that allows grouping them in homogeneous categories (Alexandrides and Mochis, 1977), and the ranking system or "multi-criteria" proposed by Gupta and Govindarajan (2000), whereas Cavusgil *et al.* (2004) combined the clusters and multi-criteria methodology to obtain an index that values the attractiveness and market potential of almost 100 countries. The variables chosen by these authors are 29 grouped into five categories or factors: 1) infrastructure development, 2) economic development, 3) standard of living, 4) market size and 5) economic dynamism, resulting in a set of 10 country clusters. In addition, the consideration of seven large dimensions (market size, economic growth, consumption capacity, trade infrastructures and consumer access, trade openness, import receptivity and country risk), defined according to the selected variables, allows quantifying the attractiveness of each possible destination (Lanzas Molina and Moral Pajares, 2010).

In relation to market entry modes selection, nowadays firms are no longer restricted to exporting with respect to international expansion as they have access to a diverse portfolio of international expansion strategies, covering a complex array of different international modes of market entry (Figure 1).

According to Pan and Tse (2000), the first decision point consists in choosing between equity and non-equity modes. Non-equity mode groups exports and contractual agreements that reflect relatively smaller commitments to overseas markets, whereas equity modes refer to Joint-ventures and wholly owned subsidiaries, associated with relatively larger commitments that are harder to reverse.

Within the non-equity category, the firm can either expand through:

- Direct export: most basic mode of entry, capitalizing on economies of scale in production in the home country and affording control over distribution.
- Indirect export: exporting through domestically based export intermediaries.

Or choose to establish contractual agreements in the form of:

- Licensing/franchising: sale or lease of rights to intellectual property such as patents, trademarks and know-how to a licensee/franchisee.
- Turnkey project: clients pay the contractor to design and construct new facilities and train personnel.

- R&D contract: outsourcing agreements for R&D between firms.
- Co-marketing: efforts among a number of firms to jointly market their products and services.

As for the equity modes of entry, the company can select from the following modes of expansion:

- Joint venture: corporate entity formed and jointly owned by two or more parent-companies.
- Wholly-owned subsidiary: entity that is controlled through the ownership of shares in the subsidiary by the parent. It can be created from scratch by building new factories and offices (Green-field operation) or through direct foreign investment in an existing operation (acquisition).

The decision between exporting and producing abroad is based on a set of determining factors (Blandford, 2017): costs of production and distribution, current size of the target market and potential for future growth, product quality, political and economic risks in target market.

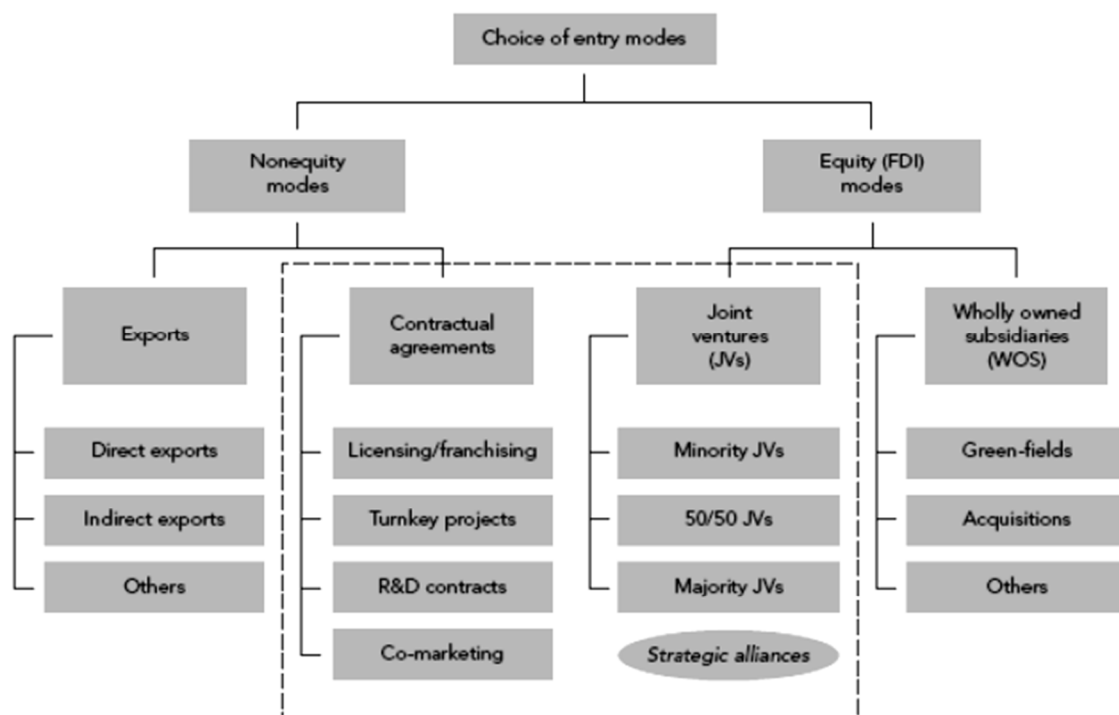


Figure 1. Entry modes in foreign markets. Source: Adapted from Pan and Tse (2000).

Moreover, as shown in Figure 2, each of these different international market entry modes implies varying degrees of complexity, commitment, risks and advantages that the company has to take into account in the decision-making process. Nevertheless, firms can utilize several of these approaches simultaneously and often in the same international market (Tuba Koc and Liu, 2014).

Besides, in terms of exports barriers, these can be divided into two types: external and internal, as suggested by Cavusgil and Zou (1994) and supported by several other scholars (Juliá *et al.*, 2012; Fayos and Calderón, 2013; Calderón *et al.*, 2013). This typology facilitates a comprehensive understanding of problems in internationalization and is useful for the formulation of appropriate marketing strategies and public support programs (Pinho and Martins, 2010). The external barriers reflect the challenges that companies face at the macro level. They are beyond the firm's control and are often categorized as

exogenous problems (Paul *et al.*, 2017). According to Leonidou (1995) and Tesfom and Lutz (2006), external barriers can exist both in the home and host environment within which the company operates. Leonidou (2004) classified these barriers into four categories: procedural, governmental, environmental, and "task barriers". As for the internal barriers, they are intrinsic to the firm and are associated with organizational resources/ capabilities and companies' approach to export business. The internal barriers can be classified into three groups: informational, functional, and marketing (Leonidou, 2004).



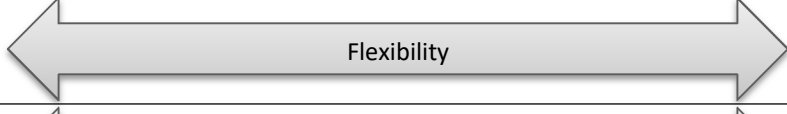
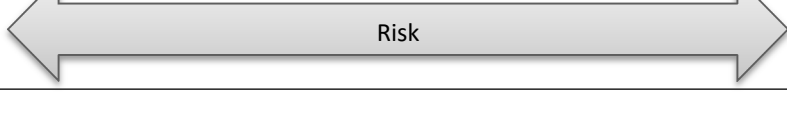
Low-control		Moderate-control			High-control	
Exporting and countertrade	Global sourcing	Licensing, franchising and other contractual strategies	Project-based collaborative ventures	Minority-owned equity joint venture	Majority-owned equity joint venture	Wholly owned subsidiary (FDI)
Minimum						Maximum
Limited						Substantial
Maximum						Minimum
Low						High

Figure 2. Foreign market entry strategies based on levels of control, resource commitment, flexibility and risk. Source: Cavusgil *et al.* (2014).

Following this scheme and based on earlier studies (Andrés, 2008; Fayos *et al.*, 2009; Fayos and Calderón, 2013; Calderón and Kolbe, 2016), Table 1 summarizes the most challenging barriers to internationalization of the Spanish agro-food companies.

#### 4. Research methodology

##### *Conceptual model*

A conceptual model (Figure 3) was constructed on the basis of the assessment of the recent trends in the olive oil market along with the theoretical background and challenges conducted in sections 2 and 3. The model somehow represents a preliminary solution to the problem addressed in the Delphi study. It places the Spanish olive oil expansion prospects into foreign markets as the central, dependent variable and captures key factors conditioning the internationalization process and their interactions. Factors can be classified into two categories: internal and external. The internal factors encompass the obstacles that the Spanish olive oil exporting firms will face at the micro level in terms of business capacity, management capabilities and strategic marketing configuration as well as other challenges that arise at the value chain level and are inherent to the olive oil sector. Meanwhile, the external factors are



macroeconomic in nature and include variables that will shape the environment in which these companies will be operating.

Table 1. External and internal barriers to the internationalization of Spanish agro-food firms.

External Barriers	
Procedural Barriers	Unfamiliar exporting procedures/paperwork
Task Barriers	Market saturation
	Competitiveness and competition of third countries
	Different foreign consumers' habits
Environmental Barriers	Changes in consumer purchasing behavior
	Food safety standards and environmental regulations
Governmental barriers	Barriers to trade
	Low institutional support
Internal Barriers	
Informational Barriers	Inability to access information on foreign markets
Operating Barriers	Business size
	Limited financial resources
	Lack of leadership (management skills) and entrepreneurial vision
	Poorly qualified human resources
Marketing Barriers	Management of the external distribution
	Concentration of clients
	Logistical and transportation problems
	Low investment in R&D
	Lack of corporate image or brand
Barriers of the agri-food sector	Discontinuity of supply
	Price volatility
	Inconstant product quality
	Concentration of the distribution sector
	Commoditization of the product

Source: Own elaboration.

#### *Delphi survey implementation*

The Delphi method is a structuring technique of a group communication process that is effective in allowing a group of individuals, as a whole, to deal with a complex problem (Linstone and Turoff, 1975). This procedure consists in a multi-stage survey process where a selected group of experts are asked their opinion on matters relating to future events. It focuses on opinion building, usually consensus among experts, although according to Dajani *et al.* (1979), the absence of consensus is, from the data interpretation point of view, equally important as its existence.

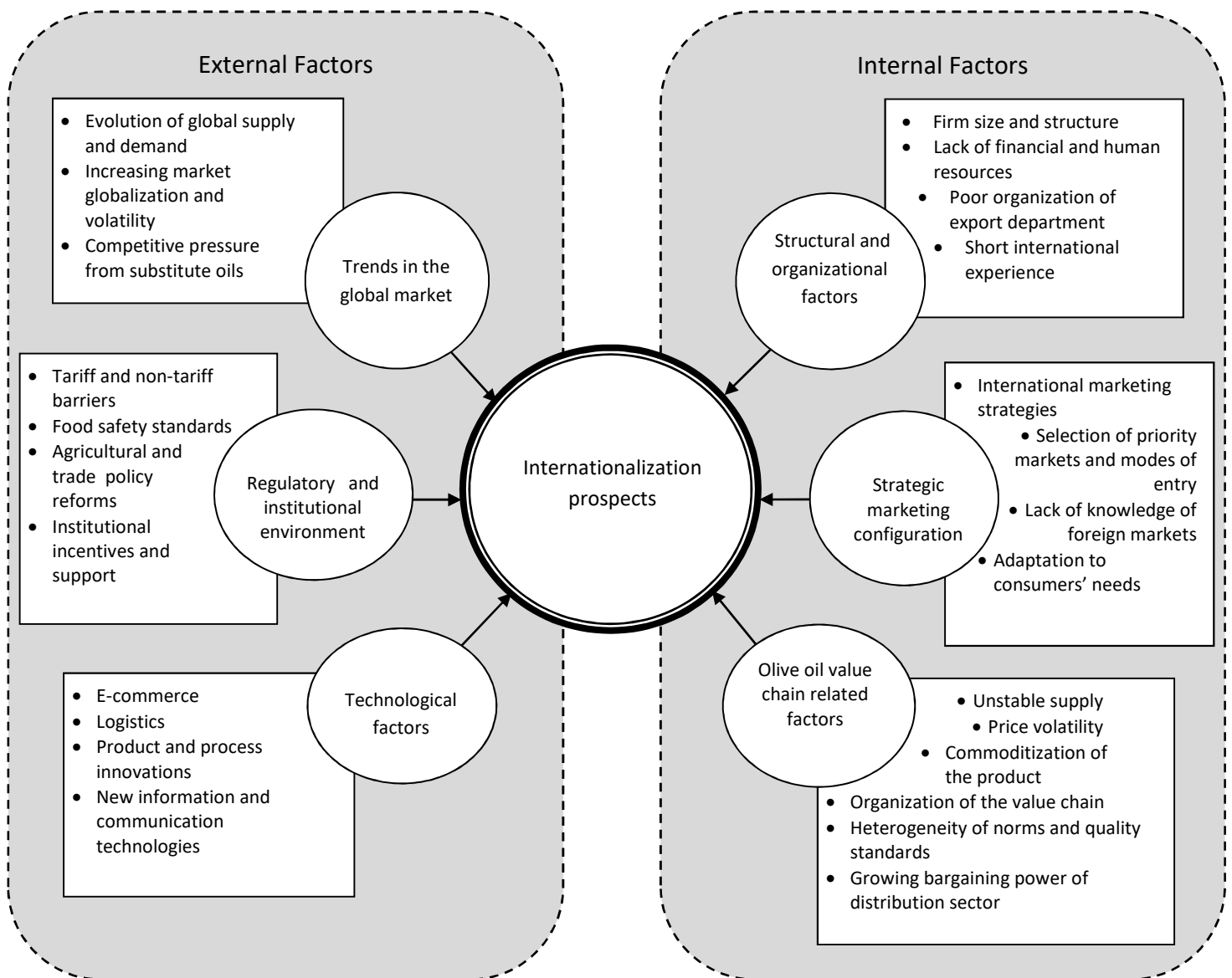


Figure 3: Conceptual model. Source: Own elaboration.

The main characteristics of the Delphi method are:

- Anonymity of the participants in order to avoid the persuasive effect of dominant members of the group (Fischer, 1978).
- Iterative process: Delphi runs in a series of rounds therefore the experts who take part in the process should give their opinion more than once. Generally, the process is repeated until the stability of the responses is achieved, but not necessarily when a consensus is reached, which is often confounded by the end-of-process criteria (Linstone and Turoff, 2011).
- Controlled Feedback: After each round the estimates provided by the respondents are analyzed statistically and are summarized by the coordinating group and provided as feedback to the experts. It is called controlled because the moderator decides the type of feedback and its provision (von der Gracht, 2012). This communication control aims to avoid the transmission of information that is redundant or irrelevant for the purpose of the study to the experts (Landeta, 1999).

- Group statistical response: which can be presented either numerically or graphically and usually comprises measures of central tendency (median, mean), dispersion (interquartile range, standard deviation, coefficient of variation) and frequency distribution (von der Gracht, 2012). This ensures that the contributions or opinions of all members are present in the group response.

Considering the fact that the agro-food sector has always been prone to rapid changes which often result to be difficult to quantify, it seems to be an adequate field for qualitative studies such as the ones applying the Delphi technique. Indeed, the Delphi method has been widely used in agro-food related studies and proved to be a useful tool in the development of agro-food policy (Fearne, 1989; Frewer *et al.*, 2011) or the determination of the impact of modern biotechnology on the EU agro-food sector (Menrad *et al.*, 1999), to name a few.

As a relatively flexible methodological framework, the Delphi method can be applied to various objects of study and allows modifications of the usual dynamics as long as the aforementioned characteristics of the method are maintained, given the fact that they mark its identity and differentiate it from the other techniques (Landeta, 1999).

Hence, we applied the Delphi methodology in such a way that maximizes not only the degree of response but also the quality of the answers that are sought to be viable and useful. The Delphi process was conducted in four steps. First, the research objectives were formulated. Then the rigorous selection of the experts who would participate in the investigation was performed. Subsequently, the Delphi survey was executed in two rounds. Finally, results were analyzed and conclusions were drawn.

In order to get opinions from different perspectives and achieve a comprehensive view of the topic under scrutiny, we focused on both quality and variety in the selection of participants. Therefore, the panel formed consisted of experts at the highest level of responsibility and pertaining to different professional areas. The panelists were selected on the basis of their solid expertise, knowledge and understanding of the aspects covered in the study as well as their prestige and experience in the olive oil sector. This selection was also made in such a way that ensures the most balanced representation possible between the following expert groups:

- (1) Industry experts and representatives of business associations (including viewpoints of large as well as small and medium producers and exporters).
- (2) Representatives of the national and international public administration.
- (3) Representatives of academia and research.

Since the Delphi questionnaire is the central piece of the Delphi study, a special attention was paid to this step. The questionnaire was carefully elaborated to cover the different aspects compiled in the conceptual model presented earlier. The content of the questionnaire was properly structured in two sections following a logical succession of questions.<sup>1</sup>

Authors like Landeta (1999) recommend beginning the Delphi study, whenever possible, with open questions in order to extract the items and questions on which the rest of the work will be based, in such way that diminishes the influence of researchers. However, the process of answering open questions results tedious and causes boredom and tiredness for the participants. Therefore, we decided to use semi-open questions from the first questionnaire considering the fact that, compared to the open-ended questions, they require a reduced amount of time to respond thereby making the task easier for the experts and allowing the maximization of the rate of response.

---

<sup>1</sup> In this paper we focus on the issues surveyed in section 2 of the questionnaire. Section 1 addresses likely future trends and patterns in the global supply and demand for olive oil and will be object of a separate contribution.

In order to investigate the opinions of the experts on the different aspects addressed in the questionnaire, and in line with the Delphi studies realized in the agricultural field, a Likert scale was used. In fact, according to Corbetta (2007) it is the most commonly used scale for the study of continuous properties (especially of attitudes), due to the simplicity of its theoretical structure that is traditionally represented by a series of individual statements on which the individual has to answer whether or not s/he agrees and to what extent. In this case, the Likert scale was used to assess, as appropriate, the degree of importance, impact or suitability that the experts assign to each item and was valued from 1 (minimum valuation) to 5 (maximum valuation).

To allow the experts to give feedback on the content of the questionnaire, each question featured the possibility to incorporate additional items (in the “others” section) on aspects that might have gone unnoticed. Also, a comments section has been included in each question for any observation deemed useful for the analysis.

After having elaborated and reviewed the first questionnaire, it was sent by e-mail to a panel of 13 experts, of which 9 have responded (Table 2). It was considered a fair number since it exceeded the minimum of 7 experts (knowing that the error reduces notably for each expert added until reaching a certain number of members) (Landeta, 1999). Okoli and Pawlowski (2004) recommend a panel of 10 to 18 experts, whereas Turoff and Hiltz (1996) reported that Delphi studies were commonly applied to groups of 30 to 100 individuals. Thus, there is no established optimal number of experts in Delphi studies and according to Powell (2003) the representativeness of the panel is based on the quality rather than the number of participants.

Given the high degree of consensus reached in that first round, the structure and content of the questionnaire were kept the same in the second iteration, except that it only featured the items that have shown a certain degree of divergence in the responses, expressed in terms of mean values with coefficients of variation higher than 0.3 (see below). Moreover, in order to enhance the strength of the consensus achieved, it was decided to extend the panel of participants by incorporating additional experts while keeping the representation among the different professional backgrounds as balanced as possible. This is made possible by the flexibility of the Delphi method mentioned earlier, which allows direct intervention both on the content of the questionnaire and on the panel of experts by means of new incorporations over successive rounds.

Table 2. Overall response rates in the two Delphi rounds.

Expert group	Round 1		Round 2	
	Questionnaires sent	Responses received	Questionnaires sent	Responses received
(1) Industry experts and representatives of business associations	3	1	21	6
(2) Representatives of public administration	3	2	4	4
(3) Representatives of academia	7	6	7	7
Total	13	9	32	17
Overall response rate (%)	69.2		53.1	

Therefore, the participants who took part of the first round were informed of the average position obtained, and asked to either confirm or adjust their response with respect to the average opinion, whereas the newly incorporated experts received the initial questionnaire. The total number of questionnaires sent in the second round amounted to 32, of which 17 were returned.

#### *Data analysis*

The analysis of the results features a quantitative analysis of the distribution of the responses as well as a qualitative analysis integrating the comments provided by the experts and the own perceptions of the researchers. The quantitative analysis, as it is the case in many Delphi studies, consists in the use of descriptive statistics to determine the position of the answers and to quantify the consensus degree. In line with other Delphi studies such as the ones conducted by Mili and Rodríguez-Zuñiga (2001), Karray and Kanoun (2013) and Toppinen *et al.* (2017), we opted for the mean as a measure of the central tendency of responses.

According to Saldanha and Gray (2002), consensus, which can be either agreement or disagreement on a statement, is defined as a percentage higher than the average percentage of majority opinion (above 50%). To test the level of agreement of the participants, a standardized measure of dispersion was used. The coefficient of variation (CV), that is, the ratio of the standard deviation to the corresponding mean, was calculated for each statement. Consensus is reached if the CV is less than a predetermined value and the statements that do not reach consensus are included in the next round for re-evaluation. In Delphi literature, it is conventionally accepted that a CV at or below 0.5 is a reasonable indicator of internal agreement. Authors such as English and Keran (1976), Mili and Rodríguez-Zuñiga (2001) as well as Zinn *et al.* (2001) used it as a consensus criterion.

In the present study we chose to qualify the degree of consensus according to the following scale:

- $CV \leq 0.3$ : Very high degree of consensus
- $0.3 < CV \leq 0.5$ : High degree of consensus
- $0.5 < CV \leq 0.7$ : Low degree of consensus
- $0.7 < CV \leq 1$ : Very low degree of consensus

The cut-off point for the first round was set at or below 0.3 in order to build a stronger consensus, and in the second round at or below 0.5.

Moreover, in order to test the stability of responses we checked for changes in the relative coefficient of variation between successive rounds, as suggested by Dajani *et al.* (1979).

Overall, the responses obtained in the second Delphi round can be considered satisfactory given that, when examined individually, they showed a fair degree of internal coherence. Moreover, a robust consensus was achieved, as the degree of dispersion expressed in terms of the coefficient of variation was at or below 0.5 for all the items in the questionnaire, of which the majority was less than 0.3. In addition, as mentioned before, no substantial differences were observed in the coefficient of variation between the first and the second round with the majority of items displaying a change in CV lower than 15%, which complies with the stability criterion suggested by Dajani *et al.* (1979) and Scheibe *et al.* (1975) and thus allows the termination of the process.

## **5. Results and discussion**

In this section a summary of the main findings of the study is discussed. Overall, a strong consensus was reached among the participants on the different aspects covered in the questionnaire. The differences

across the three participating groups were verified by comparing their respective means. In general, no significant differences were noted in the opinions expressed by the experts, and the few perceived exceptions are highlighted hereafter. It is worth mentioning that the responses obtained portray the opinion of actors at the highest level of responsibility in the olive oil sector, among which figure the presidents and CEOs of some of the most important Spanish olive oil exporting companies, and thus can be fairly representative of the reality of the sector. The arising views were divided into two subsections: the first deals with the role of the value chain members in the success of the international activities, while the second focuses on the internationalization strategies that will be best suited for the Spanish olive oil companies in the future.

***a. Prospective contribution of the Spanish olive oil value chain participants in the internationalization process***

*Role of chain players in the success of the export activity*

The companies' internationalization is the result of the combined efforts and actions of the different players intervening at each stage of the value chain. Therefore it is safe to assume that the activities carried out by these actors are of great relevance to the companies' global performance on foreign markets. In order to ponder to what extent this applies to the Spanish olive oil chain, the experts were asked to assess the importance of the main activities executed by the value chain agents, in terms of their contribution to the success of the export activity.

The results obtained in this respect (Table 3) implicitly highlight the focus that is being placed on quality, as a crucial factor for the successful marketing of olive oil especially in non-traditional markets. In China, for instance, demand was seen to be greater for extra virgin olive oil (accounting for 67% of consumption in 2009) than for virgin olive oil (27%) and olive-pomace oil (5%), which demonstrates that Chinese consumers, particularly those with high purchasing power, are increasingly demanding high quality olive oil (Lazzeri, 2011). In that sense, the experts strongly agreed on the importance of implementing good harvesting practices and appropriate transportation conditions of the olives from the groves to the mill, given that the duration between harvesting and pressing the olives and the conditions of their transport are determining factors in the quality of the finished product (Niklis *et al.*, 2014). At the processing stage, the adoption of good practices of olive oil extraction and packaging along with adequate storage conditions, are equally important in order to preserve the quality of the product throughout the value chain.

In addition, the producers' contribution to the reduction of olive oil production costs is also considered an important role in the value chain, especially since they tend to be relatively high in the olive sector and are an important determinant of production trends and competitiveness in the global market (U.S. International Trade Commission, 2013). These costs can be reduced by achieving higher productivity and regular yields, through the introduction of genetic innovations and improved production techniques. However, some technologies remain inaccessible for smaller farms and on slopes steeper than 15 degrees and the lack of mechanization in these farms substantially increases labor costs (Niklis *et al.*, 2014).

Interestingly, of all the listed activities, the adoption of sustainable forms of production (organic, integrated production) as a mean of product differentiation was granted the least degree of importance by the respondents. Apparently, it is less obvious for the consumers to appreciate the organic quality of the virgin or extra virgin olive oil, in comparison with other agro-food products, since it is simply the juice obtained by mechanically pressing the olives.

Table 3. Role of the value chain players in the success of the export activity.

	Industry experts and representatives of business associations	Representatives of public administration	Representatives of academia	Overall mean and (coefficient of variation)
<i>Producers</i>				
Use of phytosanitary treatments accepted in importing countries	4.50	4.75	3.71	4.24 (0.18)
Product differentiation through the adoption of sustainable forms of production (organic, integrated production)	3.50	3.75	4.29	3.88 (0.18)
Adoption of good harvesting and transport practices of olives	4.00	4.50	4.43	4.29 (0.16)
Reduction of production costs	3.83	4.25	4.14	4.06 (0.20)
<i>Processors</i>				
Implementation of quality management and traceability systems and compliance with environmental requirements	4.17	4.75	4.57	4.47 (0.12)
Adoption of good practices for the extraction and packaging of olive oil	4.00	4.75	4.57	4.41 (0.14)
Storage and conservation of the oil under suitable conditions	4.50	4.75	4.57	4.59 (0.11)
Development of strong brands	4.50	3.75	4.57	4.35 (0.16)
<i>Exporters</i>				
Implementation of new communication technologies and improved logistics	4.17	4.00	4.29	4.18 (0.15)
Leading the realization of campaigns of joint promotion in destination	4.33	4.00	4.57	4.35 (0.18)
Improving the positioning of olive oil in priority markets	4.83	4.25	4.71	4.65 (0.11)
Developing strategies for entering new markets	4.67	4.75	4.43	4.59 (0.11)



Another aspect worth mentioning is the increasing weight of the non-tariff barriers on the agro-food products trade in recent years, and the olive oil is no exception. This is clearly reflected in the participants' responses, as great consideration was given to the use of phytosanitary treatments accepted in importing countries by the olive growers along with the implementation of quality management and traceability systems by the industrials. Meeting these two requirements is a major concern for the exporters when requested to prove the compliance of their product with the quality and environmental standards applicable in the country of destination. This portrays perfectly how closely connected are the different actors of the value chain and how the success of the export activity often depends on the earlier stages of production.

Regarding the exporters, as one would expect, the experts view their role in the olive oil marketing on the target markets to be of great relevance, in order to achieve a successful international performance. This role mainly consists in improving the positioning of olive oil in priority markets and leading the realization of joint promotion campaigns in destination. On a strategic level, they are expected to develop effective strategies for entering new markets, together with the industrials, whose contribution is not to be neglected, as they are in charge of developing strong brands. This is particularly important in markets such as the British where most consumers purchase olive oil under private label (García Martínez *et al.*, 2002) and Spanish brands have a weak presence (ICEX, 2016).

Moreover, the exporters are required to implement new communication technologies and improved logistics, which is especially pertinent when dealing with large distributors. That explains why the restructuring of logistical processes is becoming increasingly relevant in business strategies as a way of reducing costs and becoming more efficient and competitive on the market (Mili, 2006).

#### *Structural and organizational changes in the value chain*

When asked to point out the necessary changes in the structure and organization of the Spanish olive oil value chain to respond to the internationalization challenges, the experts reported the need for collaboration between the different agents of the chain around common objectives as the major concern, followed by the necessity to reduce the power imbalance between producers and distributors in the value chain (Table 4). The emphasis placed on these aspects makes perfect sense, since the Spanish olive oil sector frequently witnesses the emergence of conflicts of interest between the actors involved in the production stage (olive growers, oil mills and producing cooperatives) and those pertaining to the commercial part of the chain (packers and exporters). These confrontations make cooperation difficult in matters of common interest such as generic promotion, support to exports, or the handling of imports regulation (Mili, 2009). In this context, one of the experts stated that:

*“A wider role should be given to the sector’s interprofessional so that the various links in the chain identify the common challenges and agree on the means to implement”*

Anania and Pupo D’Andrea (2011) are equally convinced that the future developments in the global olive oil market will be determined by the structural changes in the industry. That is because the increasing concentration and multinationalization of the bottling industry, together with the growing bargain power of the retail sector and the increasing market share of olive oil sold under retailers' own private labels, will make the market structure even more imperfectly competitive, with the olive producers being the weakest link due to their limited management capacity and negotiation power.

Table 4. Structural and organizational changes in the Spanish olive oil value chain.

	Industry experts and representatives of business associations	Representatives of public administration	Representatives of academia	Overall mean and (coefficient of variation)
Collaboration between different agents of the chain around common objectives	4.17	4.50	4.71	4.47 (0.18)
Integration of production and marketing activities	3.50	3.78	3.81	3.69 (0.20)
Concentration of supply at origin	<u>3.33</u>	3.75	<u>4.43</u>	3.88 (0.26)
Improvement of management capacities of producing cooperatives	<u>3.17</u>	4.00	<u>4.29</u>	3.82 (0.27)
Reduction of e power imbalance between producers and distributors	3.50	4.00	4.29	3.94 (0.26)
Improvement of transparency through dissemination and exchange of relevant information between the different stages in the chain	3.67	3.75	3.86	3.76 (0.18)

The obvious way to improve the producers' negotiation power is to concentrate the supply at source, for that purpose a process of horizontal integration, led by cooperatives, has been initiated in recent years in Spain. Another way would be to focus on providing a more differentiated product with specific quality characteristics and to promote more effectively the protection schemes for geographical indications. Such measures would help the producers capture a fairer share of the retail price of the oil produced and increase their sales.

In this regard, the overall mean derived from the experts' responses suggests that the concentration of supply at origin together with the improvement of management capacities of the producing cooperatives, are seen as necessary changes in the Spanish olive oil value chain. Nevertheless, when comparing the means across the groups of participants, it appears that these aspects were qualified as being quite important by the representatives of the academia whereas in the opinion of the industry experts and business associations' representatives they are less relevant.

#### ***b. Internationalization strategies for the Spanish olive oil companies***

##### *Selection of priority markets and modes of entry*

When considering the internationalization of their activities, companies are faced with two important strategic decisions: the first one consists in the selection of the target market(s), and the second is related to the choice of the mode of entry they will be adopting to expand their business.

With respect to the former, the experts underlined that when deciding on its priority markets, a company should be on the lookout for countries with high imports dynamics of olive oil and high income growth (Table 5). These are markets with considerable potential for the Spanish olive oil companies as most of the growth in demand for olive oil in recent years was registered in high-income, industrialized countries and is expected to continue increasing in the future. Other important selection criteria would be the presence of previously established channels for the commercialization of other products, especially specialty and gourmet products in the prospected market and the absence of non-tariff barriers (i.e. quality standards or requirements) imposed by the country of destination on the Spanish imports. In addition, countries where there is a tradition of consumption of olive oil are obviously a safe bet for the Spanish olive oil companies, since the consumers are already familiar with the product and sales prospects are favorable. But also, as one of the experts put it: *“It is important to look for countries with a high rate of immigration from producing countries.”*

Table 5. Selection criteria of priority markets.

	Industry experts and representative s of business associations	Representatives of public administration	Representatives of academia	Overall mean and (coefficient of variation)
Countries in which the Spanish company has a high market share	3.83	3.25	4.00	3.76 (0.24)
Countries with high import dynamics of olive oil	4.50	4.50	4.71	4.59 (0.11)
Countries with high income growth	4.50	4.50	4.43	4.47 (0.14)
Countries where there is a tradition of consumption of olive oil that favors its sale	4.33	3.50	4.29	4.12 (0.23)
Existence of preferential bilateral trade agreements between Spain and the country	4.17	3.25	4.14	3.94 (0.25)
Absence of non-tariff barriers	4.33	4.25	3.86	4.12 (0.15)
Presence of channels or networks previously established for the marketing of other products	4.00	4.25	4.17	4.13 (0.12)

Factors such as the existence of preferential bilateral trade agreements between Spain and the country of destination and the possession of a high market share by the Spanish companies in the targeted country, were given the lowest score.

The choice of the foreign entry mode is a critical decision for a company and exerts a major impact on its future business performance since it determines the degree of control and risk of the international operations it will be conducting. If the selection is done appropriately, it can allow the company to gain a competitive advantage, otherwise such decision is difficult to change especially when long-term contracts are established or large resources are engaged (Osland *et al.*, 2001).

As shown in Table 6, the experts strongly agreed that the ideal entry mode into new markets for Spanish olive oil companies is through the establishment of cooperation agreements with companies in destination (joint-ventures, strategic alliances...). Interestingly enough, a similar result was obtained in the Delphi study carried out by Mili and Rodríguez Zúñiga (2001). Indeed, it is an option that many enterprises in the sector have opted for. The cooperative DCOOP, for instance, has recently formed an alliance with the American Pompeian, leader in the marketing of extra virgin olive oil in the US, for the purpose of strengthening its position on the American market. Likewise, motivated by the expansion of its business in the US, Acesur has acquired together with familia De Prado, the US distributor Tee Pee Olives through the joint venture "Acesur de Prado Internacional" (Alimarket, 2016).

Table 6. Modes of entry into foreign markets.

	Industry experts and representatives of business associations	Representatives of public administration	Representatives of academia	Overall mean and (coefficient of variation)
Through e-commerce platforms (E-marketplaces)	3.33	4.00	3.86	3.71 (0.21)
Through private networks developed by EDI (electronic data interchange)	3.50	3.33	3.71	3.56 (0.25)
Through commercial subsidiaries at destination	4.33	4.00	4.14	4.18 (0.19)
Having a sales representative at destination	4.67	4.00	4.71	4.53 (0.14)
Through a trading company	4.00	3.67	3.86	3.88 (0.13)
Cooperation agreements with companies in the country of destination (joint-ventures)	4.50	4.75	4.71	4.65 (0.11)
Export Consortia	3.50	4.00	3.86	3.76 (0.26)
Acquisition of companies with well-positioned brands in foreign markets	4.00	4.25	4.43	4.24 (0.16)
Direct investment in packaging and marketing centers at destination	3.50	4.25	4.14	3.94 (0.23)
Production in the country of destination by establishing a production subsidiary	3.33	3.25	4.00	3.59 (0.22)

Other appropriate choices would be the possession of a sales representative in the country of destination, the acquisition of companies with well-positioned brands in foreign markets and the creation of commercial subsidiaries at the destination, whereas options like the creation of packing and marketing facilities on the destination market, marketing through a trading company and through export consortia were less favored.

Others forms of market penetration such as producing in the country of destination by establishing a production subsidiary and marketing through e-commerce platforms and private networks developed by EDI (electronic data interchange) were seen as even less suitable by the experts. Nevertheless, e-commerce represents incredible marketing opportunities for the international trade since consumers in developed countries such as France, Germany and the UK are increasingly relying on the online platforms for the realization of their purchases. In fact, some Spanish oil producers and wholesalers are launching online projects so that they make international shipments directly to the consumer. Although this modality has been of little relevance until the moment, the predictions point to a great development of this channel in the next years (ICEX, 2016).

#### *Internationalization challenges posed to the companies in terms of business capabilities*

When venturing into international markets, some of the most important challenges companies are faced with are actually intrinsic to the firms and are associated with their tangible and intangible resources and capabilities.

Table 7 shows that the most salient obstacles raised by the experts were the lack of specialized human resources in international trade, the absence of an adequate business structure and the low international positioning of the company brand. The lack of knowledge and resources is known to be the main challenge to internationalization, but it is an obstacle that gradually subsides through gained experience on international markets and how to operate abroad (Pla and León, 2006).

Furthermore, the participants granted a high degree of importance to challenges that are posed to the SMEs, namely the insufficient production volume and the lack of business size. For instance, firm size is a determining factor in how trade barriers are perceived (Kahiya and Dean, 2016; Kahiya *et al.*, 2014) and dealt with, as it is easier for well-endowed large firms to respond to these barriers than it is for SMEs, and consequently have a greater chance at being competitive in international markets (Beamish, 1990; Piercy *et al.*, 1999; Paul and Gupta, 2014; Wolff and Pett, 2000). In fact, large firms that have developed resources and capabilities such as managerial know-how and export departments are more likely to overcome the exporting challenges than the smaller ones (Paul *et al.*, 2017).

The factors relating to the access to financing and the low level of innovation or adoption of new technologies are deemed to be less challenging to Spanish olive oil companies. However, the lack of financial resources is sometimes a barrier that derives from the business size (Calderón and Fayos, 2013).

Table 7. Internationalization challenges posed to companies in terms of business capabilities.

	Industry experts and representatives of business associations	Representatives of public administration	Representatives of academia	Overall mean and (coefficient of variation)
Insufficient production volume in case of SMEs	3.50	4.00	4.43	4.00 (0.22)
Absence of adequate business structure	4.00	4.00	4.67	4.25 (0.14)
Lack of business size	3.83	3.75	4.14	3.94 (0.21)
Problems of access to financing	3.83	4.00	3.71	3.82 (0.19)
Lack of specialized human resources in international trade	4.33	4.35	4.23	4.29 (0.19)
Little innovation or adoption of new technologies	4.17	3.16	3.65	3.72 (0.20)
Low international positioning of the company's brand	4.50	3.25	4.57	4.24 (0.20)

#### *Institutional support to the export activity*

The experts pointed out in this area, as one of the relevant measures to be carried out by the supporting institutions, the realization of communication campaigns in new markets in order to boost demand and raise consumers' awareness about the different attributes and uses of the olive oil (Table 8). They also emphasized the importance of the actions undertaken by the institutions to promote the positioning of olive oil as a differentiated and high value product, but also to provide lines of support for R&D on quality improvement, new product presentations, nutritional and health benefits studies and to conduct researches on consumer behavior in emerging markets, including the importance of price on demand.

Another aspect that came across strongly is the role played by these institutions in the quality standards enforcement, which allows preventing fraud and therefore ensures the best interests of the consumers. Moreover, they can contribute in a positive way in the internationalization process of companies.

What is more, their role in promoting the incorporation of new producer and consumer countries into the IOC and fostering actions at the international level for the unification and harmonization of trade and quality regulations is of great relevance to the olive oil sector. Whereas, their participation in generic promotion campaigns for olive oil in mature markets is viewed as less important.

Table 8. Institutional support to the export activity.

	Industry experts and representatives of business associations	Representatives of public administration	Representatives of academia	Overall mean and (coefficient of variation)
Generic promotion campaigns in mature markets	4.00	3.25	4.14	3.88 (0.22)
Communication campaigns in new markets to boost demand and raise awareness about different attributes and uses of the olive oil	4.83	4.75	4.71	4.76 (0.09)
Support to companies in the internationalization process	4.33	4.50	4.33	4.38 (0.11)
Promoting the positioning of olive oil as a differentiated and high valued product	4.83	4.25	4.57	4.59 (0.11)
Lines of support for R&D for quality improvement, new product presentations, and studies on nutritional and health benefits	4.50	4.50	4.71	4.59 (0.11)
Fostering actions for the unification and harmonization of trade and quality regulations at international level	4.33	4.00	4.43	4.29 (0.16)
Research on consumer behavior in emerging markets, including the impact of price on demand	4.33	4.25	4.86	4.53 (0.11)
Enforcing compliance with quality standards to prevent fraud	4.67	4.50	4.29	4.47 (0.14)
Promoting the incorporation of new producer and consumer countries into the IOC	4.67	4.00	4.29	4.35 (0.16)

## 6. Conclusions

This study contributes to solve one of the most pressing concerns of the Spanish olive oil industry, namely the need to enhance internationalization in order to strengthen its competitive position in nontraditional markets where most of the recent growth in olive oil consumption is taking place. The success of international activities will depend on the development of appropriate marketing strategies in the foreign markets as well as an adequate organization along the value chain. In this context, the present study tried to outline the most suitable responses to internationalization challenges and the future strategies to be adopted by the Spanish olive oil companies.

The main actors of the value chain and the public institutions all will be playing an important role in the international performance of the Spanish olive oil companies. The results obtained in this respect highlight the role of the producers as well as the industrials in providing a high quality product and preserving it throughout the chain, since quality is a determinant factor for a competitive presence in international markets. Moreover, they are expected to use adequate phytosanitary and ensure the implementation of quality management and traceability systems, in order to overcome the non-tariff barriers imposed by the importing countries. Exporters are required to implement new communication technologies and improved logistics to be able to deal with the demanding large distributors. Also, they are in charge of leading the realization of joint promotion campaigns in destination to raise awareness of the product, a task in which the support from public institutions will be much needed. In addition, these institutions will play an extremely important part in the improvement of the positioning of the olive oil by promoting it as a differentiated and high value product.

Some changes are deemed necessary in the structure and organization of the Spanish olive oil value chain in order to respond to the future internationalization challenges in a more efficient way. The two major necessities reside in the collaboration between the different agents of the chain around common goals and the reduction of the power imbalance between producers and distributors in the value chain. The former serves the best interest of all actors involved and aims to tackle the conflicts of interest that can arise between two different parties (olive growers, oil mills and producing cooperatives on one side, packers and exporters on the other) in order to unify their efforts and increase the performance of the value chain as a whole. The latter is an issue that has gained importance in the recent years as it has radically transformed the global agro-food markets in general, and the olive oil market in particular. Large distribution companies now control a great share of the commercialization of olive oil, and their private labels have a strong presence in both national and international markets.

Before venturing into international markets, companies need to assess their readiness in terms of the available resources and capabilities. In this respect, the intangible resources are deemed to be more challenging than the tangible ones and the main obstacles were associated with the lack of specialized human resources in international trade, the poor organizational business structure as well as the low international positioning of the company brand. In fact, the lack of knowledge both objective and experiential, is known to be one of the main challenges to internationalization as it puts the company in a weak position vis-à-vis the local competitors in the foreign markets. However, this difficulty gradually subsides through gained experience on international markets and can even be overcome more swiftly through networking with other firms, economic or social entities, and individuals. Tangible aspects such as the lack of business size and the insufficient production volume are also fairly important challenges, especially in the case of the SMEs. Firm size is a key element for competitiveness, as it determines the ability of the company to deal with external obstacles (trade barriers, requirements of international clients in terms of food safety certification and traceability...), and can be a restricting factor for the access to new technologies as well as financing, whereas the low production volume impedes the establishment of contracts with large retailers and therefore limits the firms' client portfolio.

Once resolved to internationalizing their activities, Spanish olive oil companies will be faced with two strategic decisions, namely the selection of their target market(s) and the choice of the mode of entry. With regards to the foreign market selection, these companies should prioritize the countries with high imports dynamics of olive oil and high income growth. The high-income countries are particularly attractive to exporters because they hold a high potential for demand growth, as the rise in disposable incomes encourages the consumers to try new products and allows for greater expenditures on high-value food products. Other important selection criteria would be the presence of previously established channels for the commercialization of other products, especially specialty and gourmet products in the prospected market, and the absence of non-tariff barriers imposed by the country of destination. In



addition to that, countries where there is a tradition of consumption of olive oil are obviously a safe bet for the Spanish olive oil companies, since the consumers are already familiar with the product and sales prospects are favorable.

As for the choice of the mode of entry in foreign markets, the ideal option for Spanish olive oil companies would be the establishment of cooperation agreements with companies at the destination (joint-ventures, strategic alliances...). This strategy entails a relatively lower-risk for the company while providing it with a moderate-control over the foreign operations. Other appropriate choices would be the possession of a sales representative in the country of destination, the acquisition of companies with well-positioned brands in foreign markets and the creation of commercial subsidiaries at the destination, whereas options like the creation of packing and marketing facilities or producing in the country of destination by establishing a production subsidiary were less favored. Although marketing through e-commerce platforms and private networks developed by EDI (electronic data interchange) was not particularly favored, it should still be implemented as a complementary commercialization channel, especially since the future prospects for online purchasing point towards a sustained growth that implies extensive marketing opportunities for the olive oil international trade.

Finally, further development of the Spanish olive oil sector and the achievement of a sustained competitiveness in foreign markets will depend upon a combination of efforts deployed both on the production and the commercial stages of the value chain. Being relatively more expensive than other edible vegetable oils and fats, and subject to strong competition on the market, olive oil marketing faces more difficult challenges. In times when consumers are increasingly more difficult to convince, and even more so if the product is one they are not familiar with, marketing strategies should be adapted according to the expected market trends and focus on both intrinsic and extrinsic attributes of the product. Advantage should be taken of the increasing popularity of the Mediterranean diet in educating non-traditional consumers on the health benefits of the olive oil, and the focus should be on presenting them with diversified and innovative products that pique their interest, in practical and functional formats that best suit their needs.

In the upcoming decade, Spanish olive oil companies should not rely solely on the traditional ways of promotion, and will be required to be more creative in their advertising activities by making use of the advantages and opportunities offered by the digital world. An obvious example would be the use of the social media to promote their brands and get closer to the consumers, by engaging them in special contests and encouraging them to give their feedback on the product. Also, in order to reach broader and diverse segments of the market, firms can partner with public figures and “influencers” by sponsoring them to advertise their product and inspire their audience with the different ways of using it.

A recommendation for future lines of research would be to carry out an internet-based Delphi, with a panel composed of olive oil experts from different countries, including the new-world producers. This would allow for a general overview of the sector based on a wider range of opinions and from different perspectives, in order to draw attention to aspects that hinder the development of the global olive oil sector, such as the competitive pressure from the other types of oils and fats, and outline possible areas of collaboration to tackle these challenges. Such study would call for strenuous efforts and an international network to assure the cooperation of the experts. To take it one step further, a Real-time Delphi can be conducted to make the process more interactive and engaging.

## **References**

- Alexandrides, C.G. and Mochis, G.P. (1977). *Export marketing management*. New York: Praeger.  
Alimarket (2016). *Informe 2016 del sector de aceites*. Madrid.  
Alimarket (2017). *Alimarket Gran consumo*. Madrid.

- Anania, G. and Pupo D'Andrea, M.R. (2011). Olive oil in the Mediterranean area: production, consumption and trade. *CIHEAM Watch letter*, 16, pp. 1-6.
- Andersen, O. (1993). On the internationalization process of firms: a critical analysis. *Journal of International Business Studies*, 2<sup>nd</sup> quarter, pp. 209-231.
- Andrés, S. (2008). Estrategias de internacionalización y procesos cooperativos en la industria alimentaria: el caso de la región valenciana española. *Agroalimentaria*, 26, pp. 73-87.
- Beamish, P. W. (1990). The internationalisation process of smaller Ontario firms: A research agenda. In: *Research in global strategic management* (Rugman, A. M., Ed.), pp. 77–92. Greenwich, CT: JAI Press.
- Blandford, D. (2017). Modes of market entry. In: *How to reach international food markets: Experiences from the United States and Europe*. CIHEAM-IAMZ, Zaragoza.
- Boccherini, J.A. (2009). La deslocalización: ¿Riesgo u oportunidad para la cadena agroalimentaria? *Mediterráneo Económico*, 15, pp. 277-298.
- Calderón, H., and Kolbe, D. (2016). Capacidades dinámicas en el proceso de internacionalización de las empresas de distribución de productos agroalimentarios. *Economía Agraria y Recursos Naturales*, 16(2), pp. 5-32.
- Calderón, H., Fayos, T. and Mir, J.B. (2013). La internacionalización de las cooperativas agroalimentarias: Necesidad y problemática. *Mediterráneo Económico*, 24, pp. 61-76.
- Canals, J. (1994). *La internacionalización de la empresa*. Madrid: McGraw-Hill.
- Cavusgil, S. T., Kiyak, T. and Yenyurt, S. (2004). Complementary approaches to preliminary foreign market opportunity assessment: country clustering and country ranking. *Industrial Marketing Management*, 33, pp. 607-617.
- Cavusgil, S.T. and Zou, S. (1994). Marketing strategy-performance relationship: An investigation of the empirical link in export market ventures. *The Journal of Marketing*, 58(1), pp. 1-21.
- Cavusgil, S.T., Knight, G.A. and Riesenberger, J.R. (2014). *International Business: The New Realities*. Boston: Pearson Prentice Hall.
- Corbetta, P. (2007). *Metodología y técnicas de investigación social*. Madrid: McGraw-Hill.
- Dajani, S.L., Sincoff, M.Z. and Talley, W.K. (1979). Stability and agreement criteria for the termination of Delphi Studies. *Technological Forecasting and Social Change*, 13, pp. 83-90.
- English, G.M. and Keran, G.L. (1976). The prediction of air travel and aircraft technology to the year 2000 using the Delphi method. *Transp. Res.* 10, pp. 1–8.
- European Commission (2012). *Prospects for the Olive Sector in Spain, Italy and Greece*. Agricultural Markets Brief 2 – July 2012. DG Agriculture and Rural Development, Brussels.
- European Commission (2016). *EU Agricultural Outlook. Prospect for the EU agricultural markets and income 2016-2026 – December 2016*. DG Agriculture and Rural Development, Brussels.
- Fayos, T. and Calderón, H. (2013). Principales problemas de internacionalización de las cooperativas agroalimentarias españolas. *REVESCO, Revista de Estudios Cooperativos*, 111, pp. 32-59.
- Fayos, T., Calderón, H. and Mir, J.B. (2009). Eficiencia, competitividad y políticas de promoción empresarial: Estudio del sector agroalimentario en España. *Economía Industrial*, 373, pp. 111-122.
- Fearne, A. (1989). The CAP in 1995 – a qualitative approach to policy forecasting. *European Review of Agricultural Economics*, 16, pp. 113-127.
- Fischer, R.G. (1978). The Delphi method: a description. *Rev. Critic. Journal of Academic Librarianship* 4, pp. 64-70.
- Frewer, L.J., Fischer, A.R.H., Wentholt, M.T.A., Marvin, H.J.P., Ooms, B.W., Coles, D. and Rowe, G. (2011). The use of Delphi methodology in agrifood policy development: Some lessons learned. *Technological Forecasting and Social Change*, 78, pp. 1514-1525.
- García Martínez, M., Aragonés, Z. and Poole, N. (2002). A Repositioning Strategy for Olive Oil in the UK Market. *Agribusiness*, 18 (2), pp. 163-180.
- Gupta, A. K. and Govindarajan, V. (2000). Managing global expansion: a conceptual framework. *Business Horizons*, 43(2), pp. 45-54.
- ICEX (2016). *Estudio de mercado: El mercado del aceite de oliva en Reino Unido 2016*.
- International Olive Oil Council, 2016. *World olive oil figures (November 2016)*. Available at: [www.internationaloliveoil.org](http://www.internationaloliveoil.org)
- Julia, J., Melia, E. and García, G. (2012). Strategies developed by leading EU agrifood cooperatives in their growth models. *Service Business*, 6(1), pp. 27-46.

- Kahiya, E. T. and Dean, D. L. (2016). Export stages and export barriers: Revisiting traditional export development. *Thunderbird - International Business Review*, 58 (1), pp. 75–89.
- Kahiya, E. T., Dean, D. L. and Heyle, J. (2014). Export barriers in a changing institutional environment: A quasi-longitudinal study of New Zealand's manufacturing exporters. *Journal of International Entrepreneurship*, 12(4), pp. 331–364
- Karray, B. and Kanoun, F. (2013). Forces, faiblesses, opportunités et menaces de la filière oléicole en Tunisie. *New Medit*, 4, pp. 35-45.
- Landeta, J. (1999). El método Delphi: Una técnica de previsión para la incertidumbre. Barcelona: Ariel.
- Lanzas Molina, J.R. and Moral Pajares, E. (2010). Mercados estratégicos para la promoción del aceite de oliva virgen español. *Revista de Estudios Empresariales, Segunda época*, 1, pp. 85-102.
- Lazzeri, Y. (2011). China: An Emerging Market with High Potential. *CIHEAM Watch Letter*, 16, pp. 8-10.
- Leandro, A.A. (2009). El proceso de internacionalización de empresas. *TEC empresarial*, 3(3), pp. 18-25.
- Leonidou, L.C. (1995). Empirical research on export barriers: review, assessment, and synthesis. *Journal of international marketing*, 3(1), pp. 29-43.
- Leonidou, L.C. (2004). An analysis of the barriers hindering small business export development. *Journal of Small Business Management*, 42 (3), pp. 279-302.
- Linstone, H.A. and Turoff, M. (1975). Introduction. In: *The Delphi method - techniques and application* (Linstone, H.A. and Turoff, M., Eds). Reading: Addison-Wesley.
- Linstone, H.A. and Turoff, M. (2011). Delphi: a brief look backward and forward. *Technological Forecasting and Social Change*, 78, pp. 1712-1719.
- Markridakis, S., Wheelwright, S. and McGee V. (1983). *Forecasting: Methods and Applications* (2nd ed.). New York: Wiley.
- MARM (2010). The Value Chain and Price Formation in the Spanish Olive Oil Industry. Available at: [www.internationaloliveoil.org/estaticos/view/307-the-olive-oil-value-chain-in-spain](http://www.internationaloliveoil.org/estaticos/view/307-the-olive-oil-value-chain-in-spain)
- Menrad, K., Agrafiotis, D., Enzing, C.M., Lemkow, L. and Terragni, F. (1999). Future impacts of biotechnology on agriculture, food production and food processing: A Delphi survey. Berlin: Springer-Verlag GmbH.
- MERCASA (2016). Alimentación en España 2016 - Producción, Industria, Distribución, Consumo. Available at: [www.mercasaediciones.es/alimentacion\\_2016/pdfs/Alimentacion\\_en\\_Espana\\_web\\_2016\\_150px.pdf](http://www.mercasaediciones.es/alimentacion_2016/pdfs/Alimentacion_en_Espana_web_2016_150px.pdf)
- Mili S., Judez L. and de Andres R. (2017). Investigating the impacts of EU CAP reform 2014-20 and developments in sustainable olive farming systems. *New Medit*, 16(3), pp. 2-10.
- Mili, S. (2006). Olive Oil Marketing on Non-traditional Markets: Prospects and Strategies. *New Medit*, 5(1), pp. 27-37.
- Mili, S. (2009). Market Dynamics and Policy Reforms in the Olive Oil Sector: A European Perspective. In: *Traditional Food Production and Rural Sustainable Development. A European Challenge* (T. Noronha, P. Nijkamp and J.L. Rastoin, Eds), pp. 215-238. Surrey (UK): Ashgate Publishing.
- Mili, S. and Rodríguez-Zuñiga, M. (2001). Exploring future developments in international olive oil trade and marketing: A Spanish perspective. *Agribusiness: An International Journal*, 17(3), pp. 397-415.
- Musso, F. and Francioni, B. (2014). International strategy for SMEs: criteria for foreign markets and entry modes selection. *Journal of Small Business and Enterprise Development*, 21(2), pp. 301-312.
- Niklis, D., Baourakis, G., Thabet, B. and Manthoulis, G. (2014). Trade and Logistics: The Case of the Olive Oil Sector. In: *MEDITERRA 2014: Logistics and Agro-food Trade. A Challenge for the Mediterranean*, pp. 203-226. Paris: Presses de Sciences Po.
- Okoli, C.H. and Pawlowski, S.D. (2004). The Delphi method as a research tool: an example, design considerations and applications. *Information et Management*, 42, pp. 15-29.
- Osland, G.E., Taylor, C.R. and Zou, S. (2001). Selecting international modes of entry and expansion. *Marketing Intelligence and Planning*, 19 (3), pp. 153-161.
- Paliwoda, S. and Thomas, M. (1998). *International Marketing - 3<sup>rd</sup> edition*. Oxford: Butterworth-Heinemann.
- Pan, Y. and Tse, D.K. (2000). The Hierarchical Model of Market Entry Modes. *Journal of International Business Studies*, 31(4), pp. 535-554.
- Papadopoulos, N. and Denis, J. (1988). Inventory, taxonomy and assessment of methods for international market selection. *International Marketing Review*, 5(3), pp. 38-51.
- Paul, J. and Gupta, P. (2014). Process and intensity of internationalization of IT firms– Evidence from India. *International Business Review*, 23(3), pp. 594–603.

- Paul, J., Parthasarathy, S. and Gupta, P. (2017). Exporting challenges of SMEs: A review and future research agenda. *Journal of World Business*, 52, pp. 327-342.
- Piercy, N. F., Kaleka, A. and Katsikeas, C. S. (1999). Sources of competitive advantage in high performing exporting companies. *Journal of World Business*, 33(4), pp. 378–393.
- Pinho, J.C. and Martins, L. (2010). Exporting barriers: insights from Portuguese small- and medium-sized exporters and non-exporters. *Journal of International Entrepreneurship*, 8, pp. 254-272.
- Pla, J and Leon F. (2006). *Dirección de Empresas Internacionales*. Madrid: Pearson Educación.
- Powell, C. (2003). The Delphi technique: myths and realities. *Journal of Advanced Nursing*, 41(4), pp. 376-382.
- Saldanha, J. and Gray, R. (2002). The potential for British coastal shipping in a multimodal chain. *Marit. Policy Manag*, 29, pp. 77–92.
- Scheibe, M., Skutsch, M. and Schofer, J. (1975). Experiments in Delphi methodology. In: *The Delphi Method — Techniques and Applications* (Linstone, H.A. and Turoff, M., Eds.) , pp. 262–287. Reading: Addison-Wesley.
- Tesfom, G. and Lutz, C.A. (2006). Classification of export marketing problems of small and medium-sized manufacturing firms in developing countries. *International Journal of Emerging Marketing*, 13, pp. 262-281.
- Toppinen, A., Pätäri, S., Tuppura, A. and Jantunen, A. (2017). The European pulp and paper industry in transition to a bio-economy: A Delphi study. *Futures*, 88, pp. 1–14.
- Tuba Koc, O. and Liu, J. (2014). Evolution of the export marketing literature through Cavusgil's seminal writings. In: *Research handbook on export marketing* (Craig C. Julian, Ed), pp. 334-353. Cheltenham (UK) and Northampton (MA): Edward Elgar.
- Turoff, M. and Hiltz, S.R. (1996). Computer-based Delphi process. In: *Gazing into the oracle: The Delphi method and its application to social policy and public health* (Alder, M. and Ziglio, E., Eds.), pp. 56-58. London and Bristol (PA): Jessica Kingsley.
- U.S. International Trade Commission (2013). *Olive Oil: Conditions of Competition between U.S. and Major Foreign Supplier Industries*. USITC Publication 4419 (August 2013). Available at: <https://www.usitc.gov/publications/332/pub4419.pdf>
- Vilar, J. and Cardenas, R. (2016). *El sector internacional de elaboración de aceite de oliva: Un estudio descriptivo de los distintos países productores*. Jaen: Gea.
- von der Gracht, H.A. (2012). Consensus measurement in Delphi studies. Review and implications for future quality assurance. *Technological Forecasting and Social Change*, 79, pp. 1525-1536.
- Westhead, P., Wright, M. and Ucbasaran, D. (2002). International market selection strategies selected by 'micro' and 'small' firms. *Omega*, 30(1), pp. 51-68.
- Wolff, J. A. and Pett, T. L. (2000). Internationalization of small firms: An examination of export competitive patterns, firm size, and export performance. *Journal of Small Business Management*, 38(2), pp. 34–47.
- Wood, V.R. and Robertson, K.R. (2000). Evaluating international markets. The importance of information by industry, by country of destination, and by type of export transaction. *International Marketing Review*, 17(1), pp. 34-55.
- Zinn, J., Zalokowski, A. and Hunter, L. (2001). Identifying indicators of laboratory management performance: a multiple constituency approach. *Health Care Management Rev.* 26, pp. 40-53.