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Barriers to the Export of Greek Wine

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Abstract

Although Greek wine is a high quality product, it is not well known in the international marketplace and it has not a recognised brand name. The aim of the current research is to examine the barriers to the export of Greek wine. In-depth Personal interviews were undertaken with producers, managers and people involved in the Greek wine industry. Participants provided information about the current situation and their projections about future. This research is based on qualitative methods. According to the results of the research the barriers could be separated into three basic categories, logistic and financial barriers, marketing and promotion barriers and policy barriers. This research offers Greek wine export managers and people involved in wine industry in general a possible mean of evaluating the marketing potentials of Greek wine in the international marketplace. It also helps Greek wine export managers to identify and recognise the problems that their product face in the international market, in order to improve its image, to conduct a brand building strategy and as a result to increase the exports.

Keywords Greek wine, Marketing, Barriers, Exports

Introduction

For many years, Greek wine producers retained the characteristics of wine from the very early times while they integrated more and more ideas about distillation, bottling, and growing old. Viniculture is one of the most vital cultivations of the Greek agricultural sector. In 2000, 7,000 hectares of land were cultivated by different varieties of wine grapes. The total capacity of the country was 355,800 tones and the gross income for that year was 146.7 million Euros^[26].

Although the land that is used for the cultivation of grapes is being continuously decreased over the last 40 years, for many reasons, the production of wine increased. The most crucial factors are the concentration on the cultivation of the most productive varieties, the improvement of the technical methods, the re-cultivation of old vineyards and the replacement of the dead vines, the wider use of watering systems and the use of chemical therapies and fertilizers.

There are many disadvantages coming as a result of the small size of the Greek farms and land fragmentation. The lack of high revenues, small investments, inability to adopt new technologies could be mentioned as the most important ones. Another problem, which marketers must think hard about, is that most of the names of the local varieties are difficult to be pronounced by foreigners.

The globalization of the industrial environment and the marketplace in general increases the competition and exports are the most simple and common way of the internationalisation of the enterprises^[21]. In our days of increasing globalization of the world economy, global marketing is a necessity for the survival of all organisations, big or small^[27]. For instance, changes of the international marketplace, such as the entrance of 10 new countries in the EU (Poland, Czech Republic, Hungary, Slovakia, Latvia, Slovenia, Estonia, Cyprus and Malta) are expected to influence not only the international but also the local market of wine.

Literature review

It is believed that winemaking began in the Neolithic Period (8500-4000 BC). Around 6000 BC is dated the first evidence of pottery used for wine storage. *Vitis Vinifera*, the wild grape, is native to coastal areas of Asia Minor, the Black Sea, the Caucasus, the southern coast of the Caspian Sea and much of the Mediterranean, including Greece. (Nick Cobb, Greekwinemakers.com)

Viniculture in Greece seems to be as old as Greek History^[42]. The arrival of winemaking in ancient Greece is undocumented. It is believed that wine was firstly introduced in Greece around 4000 BC. It was brought to Crete by Phoenician traders. Artefacts from the Minoan and Mycenaean civilizations confirm that wine was known. Wine in Ancient Greece was regarded as a gift from the gods. Dionysus, a creature with the mind of man and the instincts of a beast, was the god of wine and happiness.

In many cities there was particular legislation to protect the quality of wine and the local producers from imports. For instance, according to the relative legislation of Thasos Island, ships which carried wine from other areas were not allowed to approach the port of the island^[12]. Ancient Greeks used to exchange wine and olive oil with cereals and gold from Egypt and from the area around the Black Sea, with copper from Syria and Cyprus and with ivory from Africa^[14]. From 750 to 550 BC Greek colonists transferred the cultivation of vines in Europe.

During the early Roman times grape viticulture was introduced to Sicily and South Italy by Greeks (<http://www.thegreekwine.com/history.html>). The change from pottery to wooden barrels was the most important innovation done by Romans (Nick Cobb, Greekwinemakers.com). The use of wooden barrels started in the seventh century P.C. in Greece^[26].

In the early Byzantine period many people abandoned traditional vineyard areas for safer environments and local wine traditions were kept only in Monasteries (Nick Cobb, Greekwinemakers.com).

By the thirteenth century, Franks and Venetians occupied many Greek Islands and Peloponnesus. Venetians exported Malvasia (Malmsey) from Greece, which is a sweet wine. During the Ottoman Empire the viniculture was decreased and only the trade of Malvasia continued throughout the Ottoman period. Wines produced in Samos island were also been traded (Nick Cobb, Greekwinemakers.com).

The development of Greek wine industry started progressively after the Independence of Greece in 1821. During this period, French viniculture suffered from Phylloxera, a pest of commercial grapevines. In Greece, this disease was not so harmful for the grapes. Thus some producers and exporters from Greece met the desperate demand for blending wines in European markets. In 1934 the new government of Greece's established a prototype appellation and cooperative for the island of Samos and, in 1937, the Greek Wine Institute of the Ministry of Agriculture (Nick Cobb, Greekwinemakers.com).

The sixties and seventies launched a small group of large producers come to dominate the market that continues until these days. The 1960's were also the decade when Greek wineries adopted modern technology and the legislation helped to create local system of controlled production called Quality Wines Produced In Registered Areas (V.Q.P.R.D.). The result was the production of a wide variety of high-quality wines. (<http://www.thegreekwine.com/history.html>)

The first Cabernet Sauvignon vines in Greece were planted in Metsovo in 1963 by Evangelos Averof. In 1966 Domaine Carras, a large vineyard and winery in Halkidiki, was founded and after this, small, serious ventures began appearing.

The demand for wine decreased during the last 15 years in Greece, but after 1999 it seems to be stabilised. In 1995 wine consumption was 3.2 million HL, a bit higher than it was in 1991/1992. Wine consumption represents 20% of total alcoholic drink consumption. The average per capita consumption of wine in Greece is approximately 30 litres annually. The EU average is 37 litres^[31].

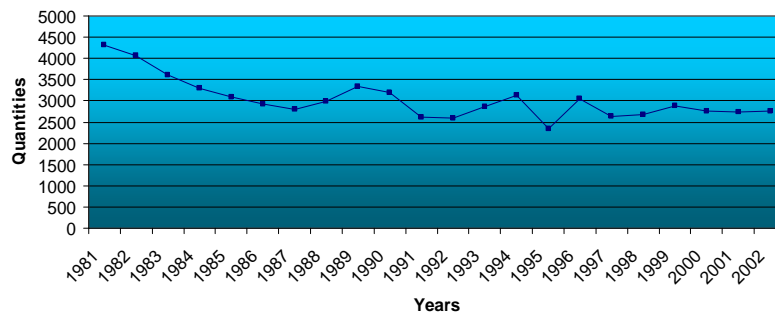


Figure 1: Wine consumption in Greece (1981-2002)
Source: Europa

90% of total wine consumption is table-wine. The demand for traditional retsina¹ is declining. White wine is increasing its share to 75-80% of the total market, while rose wine losing ground (10% of the market). Demand for red wine is 15% of the total market. Consumer preferences have been shifted towards quality wines (Domain, Chateau, etc.), produced mainly by small vineyards or in limited quantities. However, house wines are also very highly demanded^[31].

The following diagram (Figure 2) shows the evolution of wine supply, which followed the decreasing demand. 1980s was a flourish period for the wine industry of Greece but it was followed by a shakeout. After 2000 it seems that the production started increasing.

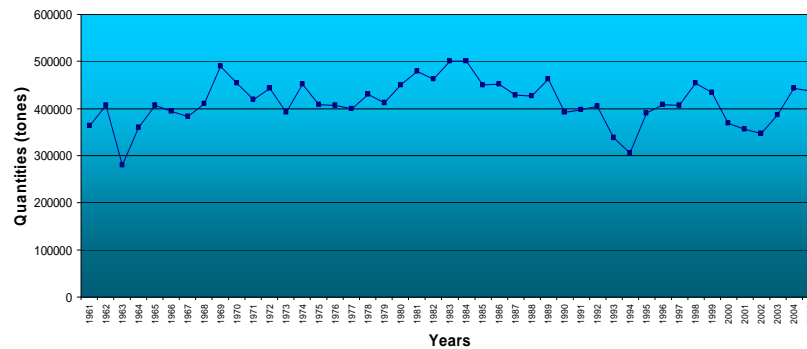


Figure 2: Produced quantities of wine in Greece (1961-2005)
Source: FAO

The wine sector in Greece is highly fragmented, mostly in small size firms. The majority of private enterprises are small or medium sized, with limited production and distribution capabilities for their products. Co-operatives mainly produce and sell wine in bulk. Unfortunately problems in management and finance are frequent for most of them. Within the private sector there is a small number of big size traditional producers with large output, well organized distribution and high levels of exports (TSANTALI, BOUTARI, ACHAIA CLAUSS, KOURTAKIS, etc.). In the left hand side of Table 1 we can see that when retsina¹ is included, the wineries with the highest market share (Kourtakis and Malamatinas) are the ones, which produce retsina as a basic product. On the other hand, things are changing when we talk about wine only (excluding retsina) (right hand side).

¹ Retsina is a kind of Greek wine that is produced by the addition of resin from pine trees into the white wine

Table 1: Market shares of wine in Greece (2006)

Wine (including retsina)		Wine (excluding retsina)	
Winery	%	Winery	%
Kourtakis	20	Kourtakis	13
Malamatinas	10	Boutaris	10
Boutaris	8	Tsantalis	10
Tsantalis	7	Cambas	7
Cambas	5	Achaia Clauss	4
Achaia Clauss	4	Hadjimichalis	3
Tirnavos coop.	3	Premium small wineries	16
Georgiadis	2	Coop.	12
Hadjimichalis	1	Other	25
Small wineries	10		100%
Coop.	10		
Other	20		
	100%		

Source: Data from the research

Most wine producers have their own vineyards, or they co-operate with particular cultivators, in order to control the quality and cost of grapes. Raw material is equal to almost 50% of the total production cost, whereas packaging is 35%^[31].

Additionally, the eradication policy of the EU decreased the viniculture in Greece. Subsidies from the Greek government are not expected in the near future. Thus Greek wine producers must find ways to promote their product. Exports seem to be the ideal solution for the future of the Greek wine industry. Today, almost 20% of the total production is exported and 90% of it is absorbed by EU countries (<http://www.thegreekwine.com/history.html>). Sales in America during the last decade show that Greek wine could have a high market share there (Nick Cobb, greekwinemakers.com). Russia could also offer many opportunities for producers, who want to export Greek wine. 80,000,000 litres of wine are consumed annually in Russia^[37].

Exports are highly concentrated in two markets, Germany and France (68% of total volume). Generally speaking, wine imports are relatively low (1%-2% of total consumption)^[31].

In the following table (Table 1) we can see the quantities produced by country in 2005. It must be mentioned that China, which is in the 6th position with 1,300,000 tonnes, produces wine not only from grapes but also from other fruits. Greece was the 15th country and produced 437,178 tonnes (FAO).

Table 2: Wine production by country (2005)

Rank	Country	Production (tonnes)
1	France	5,329,449
2	Italy	5,056,648
3	Spain	3,934,140
4	USA	2,232,000
5	Argentina	1,564,000
6	China	1,300,000
7	Australia	1,274,000
8	South Africa	1,157,895
9	Germany	1,014,700
10	Chile	788,551
11	Portugal	576,500
12	Romania	575,000

13	Russia	512,000
14	Hungary	485,000
15	Greece	437,178
16	Brazil	320,000
17	Austria	258,000
18	Ukraine	240,000
19	Moldavia	230,000
20	Croatia	180,000

Source: FAO

Over the last decade, wine industry has faced unprecedented competitive marketing challenges. Country of origin usually affects the demand of agricultural products. Wine is a product, for which the growing country and region are regarded as maybe the most important factors for differential advantage^[15]. From a marketing perspective, this fact is widely used. For instance, in labels of wines which are not produced in France, marketers try to turn consumers' attention to the French name of the variety of grapes instead of the country where it was produced.

Authenticity is a crucial factor that influences the demand of wine. It is a wide term that includes different attributes. Beverland^[3] identifies six attributes: heritage and pedigree, stylistic consistency, quality commitments, relationship to place, method of production, and downplaying commercial motives.

Heritage and pedigree refers to a winery's history and the link between the brand and its past. Stylistic consistency underlines the need to be 'fashionable'. Quality commitments include everything that could be used by the consumer as a confirmation of quality. The use of region of origin is traditionally used in the wine trade and it is considered. Relationship to place is expressed by the word usually "terroir". Consumers pay also attention to the method of production of the wine. Downplaying commercial considerations are evaluated negatively by consumers, who believe that they detract the value of a wine^[3].

Although wine market is conservative, marketers of wine try to find ways to target new consumers, develop and launch new products, and change the market's performance. Marketing, innovation and improved labelling system are often regarded as the keys to the success of these new wines^[2].

Globalization has an impact on the wine industry. International markets are growing rapidly. New World wines are competitive on international markets, and Old World rivals must be adapted to New World competition^[6]. According to Guibert^[18] "Only those who have taken into account the legitimacy issue and have deployed mechanisms to govern it effectively will survive the current internationalisation processes and avoid market decline".

Wine tourism is a new trend over the last years. In many countries, such as Australia, which developed a national wine tourism strategy, or France this sector is developing rapidly. Wine tourism is "a form of consumer behaviour, a strategy by which destinations develop and market wine-related attractions and imagery, and a marketing opportunity for wineries to educate, and to sell their products, directly to consumers"^[17].

A successful wine tourism strategy requires the collaboration of marketing and management organizations, the wine and tourism industries, cultural and other recreational suppliers. Wine is a very complicated product to produce and refine. "In marketing wine tourism it is the specific experiential benefits that must be stressed, and carefully targeted"^[17]. Wineries are the main attraction, but cannot stand alone. In Greece, most of the big vineyards have information centres, with interactive and multimedia facilities, where a visitor can taste wine and get further information about wine from specialists.

The European Union occupies a leading position on the world wine market. EU countries exports of wine are 70 % of the total world wine exports. 45 % of wine-growing areas are in countries members of the EU. 65 % of the production of wine and 57 % of global consumption is in Europe (http://ec.europa.eu/agriculture/markets/wine/index_en.htm).

According to Fischer Boel^[16], the new wine policy of the E.U. must be concentrated on the quality and competitiveness of wine sector, according to the needs of the market and the expectations of the consumers. Thus the aims should be:

1. The competitiveness of the wine producers, the reputation of European quality wines as the best in the world, to gain market shares in the new countries of the E.U. and in the rest of the World.
2. The introduction of simple, clear and effective rules for all the E.U. countries which will insure the balance between supply and demand
3. The introduction of a “status quo” which will protect the European wine-production traditions and will underline the social and environmental role of the wine production in many agricultural areas

Methodology

Research questions

- To identify managers and producers’ perceptions about the wine production and international trade.
- To investigate the barriers to export of Greek wine.
- To look at possible ways to overcome those barriers.
- To examine the effects EU and Greek policy on the wine production and exports.

This research is based on qualitative methods and the purpose is to capture the personal views of the interviewee. It was worked out in five stages: Data collection, Discussion guide design, The choice of the sample, In-depth interviews and Data analysis. Each stage is presented in detail below:

Data collection: In the first stage, a deep study of the existing literature was done in order to collect information about the history of Greek wine, the current situation of the Greek wine industry and wine marketing and trade.

Discussion guide design: A not strictly-structured questionnaire was designed, based on the literature review and according to the needs and the aims of the research. The discussion guide that used consists of thirteen general open questions separated in six different parts. The questions of the first part were about wine production and supply in general. The second part was related to the wine distribution. Advertising and competition was the topic of the third part. The fourth part was about consumption (demand) of wine. In the fifth part, interviewees were asked to criticise the way of production of Greek wine, its price and finally if it is or it could be competitive in the international markets. In the last part (sixth) the collected information was about the future plans of each company, their goals and the way the will try to achieve them.

Additionally, at this stage initial interviews with one oenologist and retailer and three wine producers took place in order to test how this discussion guide works in practice (pilot study). They all accepted to participate in personal interviews that lasted 50 minutes. The findings of these initial interviews were used for the improvement of the questions and the structure of the guide that used in the final interviews. The discussion guide was used just as a tool that putted in an order all the information that each interviewee gave during the open interviews.

The choice of the sample: In such cases there are two basic methods of sampling, convenience sampling and snowballing^[40]. In this study both methods were used. Thirteen people involved in the

Greek wine industry were asked through telephone or e-mail to arrange a meeting for an in-depth personal interview. All of them accepted kindly to participate in this research.

In-depth interviews: The interviewees were two wine retailers and oenologists, one from the United Kingdom and one from Greece, three wine producers and eight export managers of wineries. The in-depth interviews lasted approximately from 50 to 70 minutes each. All interviews were tape-recorded so as to avoid complexity and confusion during the interviews and make the analysis of data that took place in the next stage easier. Sim^[41] recommends tape-recording, because it allows verbatim analysis and it keeps researcher's attention free to engage with what the interviewee says. Written notes were also taken during the interviews. Krueger^[25] recommends that written notes should be taken even when a tape-recorder is employed not only because this protects against the effects of machine failure, but also it provides a means whereby non-verbal interaction takes place such as emotional movements.

Data analysis: Data from the in-depth interviews were presented, commented, compared and contrasted according to the existing literature.

Results

Participants' anonymity was protected by a simple "coding" system. In Table 3, the interviewees are presented synoptically.

Table 3: Interviewees and size of the wineries of the sample of the research

Code name	Occupation	Location	Capacity (bottles per year)	Size
R/O.1	Wine Retailer & Oenologist	London/Edinburgh	-	-
R/O.2	Wine Retailer & Oenologist	Thessaloniki	-	-
P1	Wine Producer	Crete	180,000	Small/Medium
P2	Wine Producer	Aminteo	25,000	Small
P3	Wine Producer	Goumenissa	75,000	Small
E.M. 1	Export Manager	Drama/Kavala	700,000	Medium
E.M. 2	Export Manager	Crete/Thessaloniki	800,000	Medium
E.M. 3	Export Manager	Thessaloniki	2,900,000	Large
E.M. 4	Export Manager	Thessaloniki	2,000,000	Large
E.M. 5	Export Manager	Drama	1,500,000	Large
E.M. 6	Export Manager	Naousa/Aminteo	400,000	Medium
E.M. 7	Export Manager	Thessaloniki	250,000	Small/Medium
E.M. 8	Export Manager	Athens	200,000	Small/Medium

Source: Data from the research

Wine production

Compared to other countries, Greek wineries are relatively small enterprises. Generally speaking, vineyards, which produce less than 100,000 bottles per year, are considered as small, from 100,000 to 1,000,000 bottles as medium ones and more than 1,000,000 as big enterprises^[1]. The participants of the in-depth interviews represent wineries of different size as shown in Table 3.

Local Greek varieties are one of the most crucial elements that differentiate Greek wine in the international markets. Today all the attempts from both the public and the private sector of Greece are oriented to the local varieties of grapes. In addition, the Mediterranean climate of the country is ideal for those varieties and makes them more productive. E.M.1 explains: “20 years ago in Greece, only 1/10 of the wineries of today were producing wine. The wineries that produced quality wines then were using only French varieties”. The most common Greek and foreign grape varieties used by Greek wine producers are presented in Table 4.

Table 4: Greek and non Greek wine grapes varieties

	Greek varieties	Non Greek varieties (mainly French)
White wine varieties	Assyrtiko, Arhiri, Dafni, Malagousia, Malvasia, Moschofilero, Muschat, Plyto, Roditis, Savvatiano, Villana,	Cabernet Blanc, Chardonnay, Gewürztraminer, Sauvignon vert, Sauvignon Blanc, Sémillon
Red wine varieties	Agiorgitiko, Kotsifali, Krasato, Limnio, Mandilaria, Negoska, Stavroto, Xynomavro	Cabernet Sauvignon, Merlot, Syrah

Source: Data from the research

About the dilemma of Greek or international varieties, R/O.2 stated: “*Firstly, there was a thought to bring people from other countries closer to Greek wine by cultivating international varieties. This way, they could be able to compare straightforward Greek wine with wines produced in foreign countries, in varieties that already knew and they would realize that the quality of our wines is high. The second step was the combination (blending) of international varieties with Greek ones. Finally, in the third step, some of the red Greek varieties such as Xinomavro and Agiorgitiko are easily recognised by foreigners. Asirtiko, Athiri, Moschofilero and Malagousia are the most popular white Greek varieties. Asirtiko and Sauvignon Blanc is the perfect combination*”.

P1 stated: “*We have revitalised 2 white wine varieties, which were about to disappear, Dafni and Plyto. Of course, we produce wines from foreign (French) varieties. We also produce blended wines from Greek and French varieties, such as Kotsifali with Syrah*”. Although that the company which E.M.1 represents uses almost only French varieties, he underlines the need of the use of Greek varieties: “*Especially today, when the New World produces wines in a very low cost, the use of Greek varieties is the only way for the differentiation of our product. Our company is going to use Greek varieties*”.

About the varieties that his company uses E.M.2 claims: “*We pay attention on the traditional Cretan varieties such as Villana for the white wines and the combination Kotsifali-Mandilari for the red wines. One of our products is a blend of Kotsifali, Syrah and Cabernet Sauvignon. Another one consist of Kotsifali and Syrah and a third of 80% Villana and 20% Sauvignon Blanc*”.

Wine distribution

In this part interviewees answered questions about their sales and exports. P1’s exports in Europe and North America represent 15% of his total sales. E.M.2’s company sells only bottled wine to cellars and supermarkets almost everywhere in Greece. It also exports to 22 countries. The most important are United Kingdom, Germany, Netherlands, Belgium, Canada, USA, Finland, Poland, France, Spain, Italy, Czech Republic, Austria and Switzerland. “*The UK is our main importer, although for most of the companies of our sector the main importer is Germany*”, E.M.1 said.

About the UK wine market E.M.6 claimed that: “*It is the most important and difficult for wine. Many Greek wine producers try to enter this market but they can not. The UK wine market is considered as the ticket to German and other international markets. The last years, there is an attempt to approach the UK market. For the British market, Greek wine producers say ‘If you do it there, you’ll do it everywhere’. British know only retsina as Greek wine. It is a market that requires high discounts. We sell there with a 40% discount*”

E.M.6 continues: *“In the USA there is the highest development and interest. The USA is the country where even expensive Greek wines are sold. Americans can see Greek wine as a luxury product. Nowadays, there are many high quality Greek restaurants in the USA from Greek immigrants of 4th or 5th generation”*. According to R/O.2 America is the future of the exports of Greek wine: *“The USA has a developing wine culture. They usually consumed beers or heavy alcohol beverages and they knew nothing about the Mediterranean nutrition, that wine is one of its main ingredients. The last years this situation has changed. They have wine clubs, magazines, television programmes that promote the benefits of wine in health. The USA is a huge and powerful market”*.

The difference of consumer behaviour towards Greek wine among countries is commented by E.M.1: *“Germans are more hesitant to try something new or something unknown than Americans. Americans are more open because of their culture. On the other hand, the competition is stronger and more complicated in American markets. Wines from California and from the New World in general are much more there than in the European markets”*.

About the market of Germany it seems that there is a disagreement. E.M.6 believes that: *“Germany is a big market with culture and a long tradition on dining. Germans are interested in expensive wines but they can not find good gourmet Greek restaurants in their country”*. On the other hand, E.M.1 claims: *“Germany is in another stage. There are many new high-quality Greek restaurants that are something totally different from the cheap taverns of the past. Of course we and consumers need time to be adopted in this change from low to high quality”*.

According to E.M.6 Eastern European and Asian countries are not interesting markets for Greek wine producers. He also believes that in ten years China will be the leader wine-producing country. In contrast, E.M.2 and R/O.2 have a different opinion. E.M.2 said that: *“It is observed that in Russia the demand of wine has increased and in China and Japan there is a new social class of wealthy people who are interested about wine”*. R/O.2 believes that: *“Russia is an upcoming market with wealthy people but owing to the fact that they closed their borders with the surrounding countries, they look for alcohol from other countries. Greece and Russia are two countries with traditionally good relations. China is a big market, but alcohol is not in their culture”*.

Advertisement and competition

Generally speaking, wine advertisements are very rare in Greece. Wine advertisements can be found on radio, in magazines and in newspapers. E.M.7 and E.M.8, who represented companies that produce mainly retsina told that retsina is advertised more than wine. E.M.1 said that: *“When we want to advertise our products, we choose wine magazines or lifestyle magazines for men”*. E.M.2’s company belongs to the owner of one of the most popular television channels in Greece. So his company is the winery with the highest advertising expenditure, because apart from the magazines, newspapers and radio, it has television advertisements.

All the wineries of our sample participate in international wine exhibitions. According to R/O.1: *“The presence of Greek wineries in the international exhibitions is some years satisfactory. Other years it is very poor, characterised by the cheap decoration and the absence of educated stuff. There is not cooperation in such exhibitions among Greek producers”*.

The Greek Organization of Wine and Beverages, with the cooperation of 20 producers promotes Greek wine to countries that are far away from Greece, such as the USA, Canada and China. There is also another three-year-lasting program with a budget of 3,000,000 € for the promotion of Greek wine in non-EU countries. E.M.6 underlines that: *“At the same time, Germany spends much more money for the promotion of wine, although it is not its main agricultural product”*. As said by R/O.2: *“All about Greek wine” is an action in America that aims to educate restaurant owners and inform journalists about Greek wines*. “Kerasma” is another similar action that aims to promote Greek cuisine and beverages (<http://www.kerasma.gr/pages.asp?pageID=2&langID=2>).

According to E.M.2: *“Tourism is also a kind of international advertisement, but usually a bad one. The wines in tourist packages are cheap and they are not served in the appropriate temperature or glass. Wine tourism is also not well-organised”*. R/O.2 is more optimistic: *“We have to erase the*

negative image of the past. Tourist services have improved, people are more friendly and they speak English. Similar services in foreign countries are more expensive”.

All the people who are involved in the Greek wine industry agree that the main competitors are the countries of the “New World” (New Zealand, Argentina, California, Australia, South Africa and Chile) which sell wine in extremely low prices.

Wine consumption

All interviewees agree that the first thing that the consumer sees when he or she buys wine is price. Variety and country of origin are secondary criteria for the choice of a particular wine. Additionally, knowledge, previous experience and other’s opinion could influence consumer behaviour, but after purchasing.

The position of Greek wine in the international markets

For the aims of the research the barriers were separated in three basic categories. Thus, the first category is logistic and financial barriers, the second includes marketing and promotion barriers and the third policy barriers. Logistic and financial barriers include all the financial issues in every stage of the supply chain. Transportation costs are also included in this category. Branding, labeling, product differentiation, repositioning and competition could be mentioned as marketing barriers. Finally, possible quotas and other political and commercial limits are considered as policy barriers. Table 5 summarises what interviewees answered when they were asked to list the barriers to the export of Greek wine.

Table 5: Categories of barriers to the export of Greek wine

Logistic & Financial barriers	Marketing & Promotion barriers	Policy barriers
Requirement of high investments	Competition (New World)	Bureaucracy
High transportation costs	Bad past	Lack of cooperation
High production costs	Absence of marketing	Prohibition of cheap production methods that are used in the New World
Expensive land	Lack of interest about exports	Fragmentation of land
High prices	Confusion between retsina and Greek wine	Lack of organised system for the certification of clones of grapes
Not enough produced quantities		Anachronistic legislation

Source: Data from the research

High prices are the most important barrier, which comes as a result of high production and logistic costs, the high price and fragmentation of agricultural land in Greece and the requirement of high investments if somebody wants to enter the industry. Labour is also relatively expensive.

There are many reasons why Greek wine is relatively expensive. For instance, E.M.2 stated: *“Bottles are cheaper for the Italian wineries because they are produced in their country. In Greece we have to import them”.*

According to E.M.2 the produced quantities are enough: *“Greece and Europe in general have backlogs of wine”.* On the other hand, R/O.2 said: *“In some cases, such as the UK market, quantities*

are a barrier. This market is controlled by big chains of retailers, which require big quantities. Most of Greek wineries are small in size and they can not satisfy this kind of supply”.

About price E.M.1 claims that: *“The reduction of prices is impossible. We usually sell in a lower price to retailers from other countries than to Greek ones, although the local market covers 90% of our sales”*. All the interviewees agree that there is a balanced relationship between price and quality. E.M. 6 supports that: *“In the price of 10€, a Greek wine has a higher quality than a French or an Italian”*.

The most important marketing and promotion barrier seems to be the bad image of the Greek wine of the past. E.M.2 said: *“Until ten years ago our quality was not good. We became famous for low quality wines, such as retsina or sweet wines, which generated a bad image. Many people believe that the only Greek wine is retsina. We are not organised enough and we do not have enough money to change this image yet. We have done some steps but they are slow”*. E.M.6 believes that: *“It is difficult to make Greek wine mainstream. Spanish wine is in the American market for twenty years and only the last two has become mainstream”*.

Competition of the New World is the other crucial marketing barrier. E.M.2 complains that it is unfair competition: *“They use cheaper production methods which are not allowed in the EU and we import their wines in our markets. Flavouring, for instance, is done by the addition of wooden scrap (oak chips) and not by the traditional process of maturation in barrels, which are expensive. A barrel costs 700-1000€ and it is used only for 3 or 4 years”*. There is not a special regulation to protect the EU wines from this “unfair competition” so it is also a policy barrier.

Moreover, R/O.2 mentioned the absence of well-organised marketing research in Greek wine industry and E.M.2 the fact that some producers are satisfied with their sales in the local market and they are not interested in exports.

As additional policy barriers, the participants of the current research mentioned bureaucracy, anachronistic legislation and lack of cooperation among producers and between wine producers and the Ministry of Rural Development and Food. E.M.6 mentioned the lack of an organised system for the certification of the clones of grapes.

Discussion

This study obtains information by using in-depth interviews with people, who are involved in the wine industry. Interviewing aims to observe personal views of the interviewees^[36]. The use of open questions gives the researcher the opportunity to observe in-depth the topic, although there are many difficulties in the classification and the codification of the answers^[40]. Additionally, qualitative research provides the opportunity to see the pluralisation of the observed topic^[30].

Patton^[36] underlines the strength of the qualitative methods to investigate issues in depth. The qualitative researcher considers interviewee’s views as valuable and respects “how the participant frames and structures the responses”^[29]. The four analytical strengths of qualitative methods are: complexity, depth, context and dynamics^[32]. Most marketing research organizations prefer qualitative methods, especially focus groups^[28].

Denzin and Yvonna^[11] claim that compared to quantitative research, qualitative research is able to record the subject’s perspective and capture the individual’s point of view in a more effective way. Mason^[30] supports that qualitative research enables the investigator to appreciate “how things work in a particular contexts”. According to Denzin and Lincoln^[10] “qualitative researchers study things in their natural setting” and interpret the everyday social world.

On the other hand, quantitative methods limit responses and are not flexible to follow information in every direction owing to the use of standardized questions^[36]. Quantitative researchers use statistical tables and graphs in order to measure “causal relationships between variables, not processes”^[10]. Morse^[34], supports that “the laboratory of the qualitative researcher is everyday life”.

The marketing of wine has been under some scrutiny in relation to targeting new consumers, developing and launching new products, and the impact of changing market conditions on performance^[2]. The highly competitive environment of marketing of wine is changing. The entrance of the countries of the New World in the international markets is a threat for the most of the traditional wine-making EU countries. Despite the ancient tradition of Greece in the production of wine, there have been long periods where Greek wine had been lacking in quality, although Greece was the country where the first VQPRD was produced^[19].

Based on previous studies ^{[7], [23], [20], [39], [44], [4], [8]}, Karelakis^[21] separated the barriers on export of Greek wine in four basic categories. Thus, barriers were separated into external, functional, internal and informational barriers. This distinction is more general, it refers to all kinds of industries and it is based on the classic economic theory.

External barriers refer to long-term periods. They could be financial barriers, such as currency deflation, lack of governmental support, legal problems or bureaucracy. Functional barriers are usually short term. Some of them are complicated requirements of the export documentation process, delays on payments and structural problems in the internal environment of the company. Internal export barriers are controlled from the company. They could be packaging problems, the disability to satisfy the quality standards of the importing country, poorly organized export departments without educated personnel and lack of information about international markets. Informational barriers refer on the difficulties to the access to the information recourses. Difficulties on the communication with the retailers of the other countries are also informational export barriers.

The world wine market is undergoing fundamental changes. New trends are emerging, affecting the competitiveness of wine companies. Changes are most profound in areas of distribution (through the shift towards retail consolidation), technology (in grape growing, winemaking and distribution logistics), marketing (the need for strong brands through the adoption of a marketing orientation and increased competition), and consumer lifestyles^[5].

Karelakis et al.^[22] classified Greek wine firms according to their perceptions of the frequency of export problems into three clusters. Morgan and Katsikeas^[33] distinct export barriers and problems. Export barriers refer to factors that prevent non-exporting firms from engaging in exports, while export problems concern impediments encountered by firms already involved in export activities. They also examined what kind of problems are most frequently encountered by wine firms of different firm sizes, export experience and export performance. The export problems they investigate were the following: strong international competition, lack of competitive prices, ineffective communication with overseas distributors, inadequate product promotion, lack of export marketing research, payment delays from overseas distributors, and lack of government assistance in overcoming export problems. After the implementation of Factor Analysis, they identified six factors:

1. socio-cultural complications
2. insufficient marketing organization
3. inadequate product promotion
4. national export policy
5. distribution limitations
6. transport difficulties

In the current research, the interviewees mentioned the obstacles which they face when they try to export their product. According to the findings of this study, the barriers to the exports of Greek wine were separated into three categories:

1. logistic and financial barriers
2. marketing and promotion barriers
3. policy barriers

Wine is increasingly becomes a lifestyle beverage and more acceptable and desired by a wider spectrum of consumers^[5]. This is a real challenge but, at the same time, competition becomes much harder. The image of the Greek wine of past must be changed. This is not very easy. It requires efforts and money. Wine tourism is a way to promote wine in Greece. According to Getz and Brown^[17], wine tourism demand increased the last years. In the last years the biggest wineries build modern information centers in their vineyards, in order to attract people who are interested to learn more about wine. The relationship between cuisine, place and experiences is increasingly important for tourism^[19].

Wine clubs, exhibitions and festivals could also be used as ways of promoting and advertising the product. The “roads of wine” in Greece is a good start. People have the chance to visit wineries and collect information about the production of wine. They can also taste wines.

Culture and product’s country of origin are two factors that influence consumer behaviour. Every organised promotion strategy must take under consideration these two crucial factors. Cultural differences are expressed by different consumption habits and purchase behaviour^[27]. Country-of-origin effects are a complex phenomenon. Consumers infer judgments of product quality from the image of the country of origin. The economy of a particular country, workforce, culture and more general characteristic influence consumer behaviour and, in many cases, cause wrong believes^[43].

The higher the level of marketing globalization, the greater the potential significance of country of origin images in influencing consumer behaviour^[35]. Many brands have foreign sounding names^[13]. English speaking people find it difficult to pronounce and remember the names of the varieties of grapes or the name of locations. On the other hand, branding is the real spirit of the wines of the New World^[24]. They use a simple labeling system, which easy to remember.

Conclusions

To sum up, Greek wine is ready to obtain a good position in international markets. Its quality is for sure high, but this is not enough. A well-organised methodology is required in order to design and apply an effective promotion strategy. Greek wine producers should better concentrate on local varieties of grapes, because they have competitive advantage. International varieties are cultivated by the countries of New World in lower prices and very big quantities. Wine producers in Greece should also try to produce standardised high quality.

All the people that are involved in the wine industry, vine-growers, workers, wine producers, restaurant owners and sommeliers must have a more active role and be educated. Moreover, a wine producing country like Greece should pass through three different stages: to achieve the right quality, to make this quality known to people involved in wine industry from other countries and to the friends of wine worldwide and finally to sell.

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