Marketing channels for small wineries: a Means-End Chain approach

CRISTINA ESCOBAR* AND JOSÉ MARÍA GIL*

1. Introduction

Worldwide, Spain usually ranks as the third wine producing country after Italy and France. Furthermore, it has recently become the largest world exporter in volume, with 22.6 million hectoliters in 2014, which represented 21.8% of the world's wine exports (OIV, 2015).

Catalonia produces up to 7.53% of the Spanish wine, which is more than 3.2 million hectoliters (average 2011-15) (MAGRAMA, 2015). The wine sector in Catalonia accounts for an important fraction of the agriculture and the food industry of the country, while it contributes to the economy, to the territorial balance and to the maintenance of the landscape (Kallas *et al.,* 2012). Its main specialized areas are located in the provinces of Barcelona and Tarragona, which produce more than 90% of the Cava (sparkling wine) produced in Spain (P-DO Cava).

From a business perspective, the wine sector in Catalonia

Abstract

The wine sector in Catalonia (Spain) is clearly dual: there are some big companies that contrast with the many small wineries that face difficulties to remain profitable. For these wineries, gaining access to the markets is of paramount importance. Our work explores the distributor's main business motivations, and the possibilities to pursue them in their business relationships with the wineries. To tackle this issue, we carried out a vertical differentiation of the service "wine supply" resorting to the Means-End Chain approach. Results show that a trustful relationship with the winery is the main central issue for wine distributors, while wine quality is the winery's key attribute. Furthermore, the winery's own will to access the market and to develop marketing strategies is also of great importance for the wine distributor.

Key words: wine distributor, small wineries, marketing channels, Means-End Chain (MEC).

Résumé

En Catalogne, Espagne, la vitiviniculture est clairement un secteur à deux vitesses : d'une part, les grandes entreprises et, d'autre part, bon nombre de petits domaines qui peinent à maintenir leur rentabilité. Pour les petits producteurs, accéder aux marchés reste un objectif prioritaire. Notre travail explore les principales motivations commerciales des distributeurs et les possibilités de les atteindre dans les relations commerciales avec les établissements vinicoles. Pour aborder ce thème, nous avons réalisé une différenciation verticale du service "approvisionnement du vin" en utilisant la méthode chaînes moyens-fins. Les résultats montrent qu'une relation de confiance avec le producteur est le principal enjeu pour les distributeurs de vin alors que la qualité du vin est l'attribut clé pour le producteur. En outre, la détermination du producteur à accéder au marché et à développer ses propres stratégies de marketing est également très importante pour les distributeurs de vin.

Mots-clés: distributeur de vin, petits domaines vinicoles, circuits de commercialisation, chaînes moyens-fins (CMF).

is clearly dual: on one hand, there is a small group of large companies following differentiation strategies and enjoying economies of scale while, on the other hand, there are many small wineries who suffer a situation of economic losses at the end of the year. For the accounting year 2013, an economic analysis of the winery sector in Catalonia identified 188 wineries[1], from which the top 5 gathered 62% of the sales (Vine, Wine and Cava Observatory, 2015).

On the recent years, a vast majority of companies have recently increased their exposure to the international markets. However, small and medium wineries rely vastly on their sales in the local markets where either their brands or the PDOs in which they are located support their market penetration. Moreover, Spanish wineries have not been traditionally concerned about developing marketing strategies, while concentrating their efforts on producing grapes and wines of good technical quality (Castillo, 2015). This is also valid for Catalonia, where the sector has been defined (from the standpoint of marketing) as fairly uncoordinated (Costa-Font *et al*., 2009).

More specifically, Gil *et al.* (2009), in a survey of small and medium wineries in Catalonia[2], determined that their development of marketing strategies or market studies was inexistent. Regarding their sales, the local markets concentrated the highest share of their wines, while their marketing channels where mainly based on wine distributors. Table 1 pictures an extract from the survey that shows that most of the wineries rely on distributors – who are respon-

* CREDA – UPC – IRTA
Center for Agro-food Economy and Development, Castelldefels, Barcelona, Spain.
Corresponding author: cristina.escobar@upc.edu

[1] The companies were identified from SABI (Iberian Balance sheet Analysis System) database. The selection includes companies with a primary industrial classification "Manufacture of wine from grape", with a minimum of 2 workers and a 100,000⇔yearly operating revenues. The accounts included in the analysis only derived from the wine sector.
[2] 40 wineries were surveyed ranging from 375 hl. up to 37,500 hl. of yearly wine production.

sible for a big deal of their sales -, while the role of the big retailers is very small. This pattern is in accordance with Contó *et al.* (2013) that stated that distributors play a key role in production environments characterized by high fragmentation.

Table 1 - *Marketing channels for small and medium wineries in Catalonia. Distribution of the wine (%) allocated to each channel. Frequency of use for each marketing channel (%).*

Marketing channels	% of the wine allocated to each channel. Only non-export volume. Total 100%	% of wineries using each channel
Distributors	54.1 %	94.7
Sold in bulk for third parties	14.4 %	5.3
Direct sales	14.3 %	26.3
Specialized wine retailers	13.1 %	47.4
Big retailers	2.4 %	7.9
Bottled for third parties	1.4 %	5.3
Horeca	0.3 %	2.6

Source: Extracted from Gil J.M. et al. (2009).

Conversely, wine for consumption at-home is mainly purchased in supermarkets and self-service stores, which account for most of the total wine sales. If we add hypermarkets, the share increases up to 64.5% (MAGRAMA, 2015)[3]. Therefore, the wine sector depends highly on big retailers who are known to push their prices down because of their strong market power (PTV, 2012). Large retailers gain every time more market power, purchasing a great volume of goods at very low prices. For this reason, they prefer to deal with strong brands that have the common ability to pull, rather than push, product through the marketing chain (Lapsley and Moulton, 2001). Therefore, it is known that the big brands operate directly with the large retail sector while they tend to exclude too small suppliers (Pomarici *et al.,* 2012).

In addition, another characteristic of the Catalan wine sector is a relatively low market share of the Catalan PDO wines in the retailer channels and in the HORECA sector: The Catalan PDO wines only account up to 33.7% of all the quality wine consumed in Catalonia (INCAVI, 2014). This shows that the demand for Catalan quality wines in Catalonia is still low. This situation also contributes to the difficulty that some small Catalan wineries have to access into a market which is defined as highly saturated and competitive (Gil and Sánchez, 1997; Angulo *et al.*, 2000; Barrena and Sánchez, 2009; Bernabéu *et al.*, 2012).

From these data it can be concluded that the size of the winery greatly influences its marketing channels. Small and medium wineries' presence on the markets lies in the hands of other chain agents, especially of the distributors. Thus, smaller wineries need to establish good marketing channels

with wine distributors, who represent strategic agents to access the market.

Keeping in mind that the wine distributor is the winery's customer, it is of our interest to explore which are the distributor's main business motivations and which are the means to fulfill them through their business relationship with the wineries. To tackle this issue we carried out a vertical differentiation of the service provided by the wineries (wine supply) by means of the Means-End Chain (MEC) approach. This analysis identifies the linkages that the wine distributor establishes between the attributes of the service, the benefits they symbolize and the personal values they try to realize through them. Thus, the distributors will assess which are the most wanted winery's attributes in order to achieve their desired end states. In other words, the distributors will point out which winery's attributes provide a greater success in their relationship. Thus, our goal is to determine ways to develop stable relationships among stakeholders along the supply chain that can help small units in the wine sector in gaining competitive advantages in front of the wine distributor.

While research focused on wine distributors is relatively rare, there is an extensive body of literature on marketing channel relationships to form a basis for this research (Thach and Olsen, 2006). Besides, there is also few literature that approaches suppliers' choice structure in a business to business relationship, and this is one of the contributions of this study. Furthermore, the MEC approach is especially interesting to explore highly saturated markets for which achieving a proper distribution has an added difficulty.

The paper is structured as follows: section 2 examines our theoretical framework, which is subdivided into business relationships and the means-end chain theory. The methodology and the data collection are discussed in section 3. Results are discussed in Section 4 and, finally, some conclusions are outlined.

2. Theoretical Framework
2.1. Business relationships

The manufacturer and the distributor working partnership has been defined as "the extent to which there is mutual recognition and understanding that the success of each firm is in part dependent upon the other firm, and where because of this, each firm takes actions so as to provide a coordinated effort that is focused upon jointly satisfying the requirements of the customer marketplace" (Anderson and Narus, 1988).

Maintaining a good working relationship between the suppliers and the distributors is critical for success in almost any industry, as so it is for the wine industry. A good partnership with the right distributor will help to achieve a better profitability, by helping out promoting a brand (Prichard, 2004) and, in the long term, by a better understanding and servicing of the customer's needs (Kalwani and Narayandas, 1995).

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[3] The data is related to the Spanish market, however, for the Catalan market similar proportions may be assumed.
[4] HORECA is the acronym for Hotels, Restaurants and Cafeterias.

The wine sector faces highly competitive marketing challenges and, for this reason, it is critical that wineries focus on effective marketing strategies (Felzensztein *et al.*, 2004). A crucial aspect for building and sustaining a good working relationship is to be cognizant of providing its partner firm with some advantage relative to the alternative and the potential partners (Anderson and Narus, 1988). A firm pursuing a relationship marketing strategy will attempt to create more value for its customers than that which is provided by the core product itself (Batt and Wilson, 2000).

Building trust between suppliers and distributors is the key to develop successful long-term relationships (Anderson and Narus, 1990; Beaujanot *et. al.*, 2005; among others). However, there are other important points for a successful partnership, such as profit. Gronroos (1994) defines the marketing relationship as a way of establishing, maintaining and enhancing a relationship with a customer at a profit, so that the objectives of the parties involved in the relationship are met. According to Thach and Olsen (2006), profit can be met with better prices, and fewer shortages and delivery delays. Another issue that arises from the literature is that in a business relationship one party will desire some degree of exclusivity from the other (Fein and Anderson, 1997).

Nevertheless, as a first step, and to start a relationship between a winery and a distributor, a wine has to be included in the distributor's portfolio. The main factors determining whether to include a wine in a distributor's portfolio are: wine quality, dependability of the producer, price and personal relationship. Furthermore, portfolio fit is also relevant, which means that a wine has to stand out from the wines already included in the portfolio. Moreover, wine prestige is also considered when the portfolio includes a wide range of wines (Thach and Olsen, 2006).

Some of the abovementioned characteristics are also potential determinants of partnership advantage (Anderson and Narus, 1988). It is noteworthy that while the price is identified as a relevant factor, the offering of discounts and bonuses is not. A good personal relationship is also of great importance in business relationships (Contó *et al.*, 2013). Furthermore, the wine distributor expects the winery's support, which will also be provided by having a positive and fun attitude (Thach and Olsen, 2006).

A closer relationship and an understanding of how to satisfy the needs of the customer can develop into greater customer loyalty and higher sales (Evans and Laskin, 1994). Moreover, it has to be considered that although the acquisition of new customers is important, keeping existing customers is important too (Beaujanot *et al.*, 2005). Another characteristic that helps sustaining business to business re-

lationships is a high standard of professionalism (Pomarici *et al.* 2012).

Furthermore, offering support to channel members is a basic facet to encourage and motivate the distribution channel to do a more effective selling job for the manufacturer (Rosenbloom, 1978). Field and promotional support provided to the distributor enhances his/her performance in the customer marketplace (Anderson and Narus, 1988). In the U.S. wine sector, moreover, the distributor expects that the winery will have a customer service available and, that it will offer sales support. In this line, the winery must be willing to regularly train the distributor's sales staff about the wine, accompany the staff on visit to retail accounts, and conduct tastings and other trade events (Thach and Olsen, 2006).

The assistance to the distributor can be fulfilled by the winery's implementation of other marketing strategies. For instance, the power of telling the personal story of the wine and the winery cannot be over-emphasized. It will help out building the brand in the consumer's mind and remembering what is unique about the wine (Thach and Olsen, 2006). Participating in wine fairs (Kovacic and Randman, 2003), inviting the distributors to visit the winery and providing wine samples (Thach and Olsen, 2006) are also other examples of marketing strategies that can be developed.

2.2. The Means-End Chain (MEC) theory

Consumers do not buy a product for the product' sake, but for what the product can do for them (ter Hofstede *et al.*, 1998). The main premise of the Means-End Chain (MEC) theory is that consumers learn to select those products (or services) that feature the attributes that allow them to achieve their desired consequences (Gutman, 1982; Reynolds and Gutman, 1988; ter Hofstede *et al.*, 1998).

In 1982, Gutman introduced the MEC theory into the field of marketing and consumer research. Based on the vertical differentiation of a product or a service, the MEC theory seeks to determine the cognitive structures that relate the knowledge of the product (or service), with consumer's personal knowledge. The theory proposes that consumers' knowledge of a product is organized hierarchically[5] in different levels of abstraction: attributes, consequences and values (ter Hofstede *et al.*, 1998; Leppard *et al.*, 2004; among others).

According to ter Hofstede *et al.* (1998), attributes are the concrete, tangible characteristics of the product (or service), while consequences refer to what the product does or provides to the consumer at the functional or psychosocial level. Values are intangible, higher-order outcomes or ends, being cognitive representations of consumers' most basic and fundamental needs and goals.

In the consumer's mind, a product attribute will start up a chain that will establish a sequence of links with personal values through the consumer's perceptions of the consequences or benefits to be derived from certain attributes of the product, service or behavior (Barrena and Sánchez,

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[5] Note that although most of the literature assumes the hierarchical structure of the MEC theory, this has been challenged by some authors such as Van Rekom and Wierenga (2007). Our study assumes the hierarchical structure as it is the most widely accepted.

2010). A detailing and a subsequent understanding of these higher level distinctions provides a perspective on how the product information is processed from what could be called a motivational perspective, into the underlying reasons that define why an attribute or a consequence is important (Reynolds and Gutman, 1988).

The Means-End Chain methodology has been used in many studies that pursue to understand consumer behavior. Most of these studies aim to determine consumer's choice structure for goods (ter Hofstede *et al.*, 1998; Chen and Wei, 2012; Poppy *et al.*, 2014; among others). However, the Means-End Chain has also been employed to ascertain consumer's choice structure for services. Some examples are the identification of the motives behind E-consumers loyalty (Koo, 2006), consumer satisfaction for hotel services (Orsingher C. and Marzocchi, 2003); student value and quality in education (Veludo-de-Oliveira and Akemi-Ikeda, 2004; Bolat *et al.* 2015) and, motivation-based values for museum visitors (Thyne, 2001), amongst others. Another application of the Means-End chain methodology is related to consumer's choice structure for environmental services, like the citizen's valuation of peri-urban green spaces (López-Mosquera and Sánchez, 2011), consumer recycling goals (Bagozzi and Dabholkar, 1994) and recreational cyclist's motivations (Ho *et al.* 2015). In the field of animal welfare there are also examples of the application of the MEC methodology, as pictured in Hansson and Lagerkvist (2015). However, there is few literature that approaches suppliers' choice structure in a business to business relationship, and this is one of the contributions of this study.

3. Methodology

3.1. The Laddering interview

The MEC is usually measured by means of a qualitative interviewing technique known as *Laddering* (Reynolds and Gutman, 1988; ter Hofstede, 1994; among others). Laddering refers to an in-depth, one-on-one interview technique, aimed at detecting the consumers' associations from a product (or a service) attribute with respect to themselves, while following the Means-End Chain theory (Reynolds and Gutman, 1988).

Laddering involves a tailored interviewing format using primarily a series of directed probes, typified by the "Why is that important to you?" question. The express purpose of the interviewing process is to elicit the reasons, in terms of the associated consequences and values, for their selection of perceived relevant attributes. In other words, to elicit ACV (Attributes – Consequences – Values) associations, networks or ladders (Reynolds and Gutman, 1988).

In order to obtain consumer's choice structure, the laddering data is firstly summarized by its key elements, following a standard content-analysis procedure (Reynolds and Gutman, 1988). Once the concepts (or contents) are identified, the linkages between them can be entered on an implication matrix from which a Hierarchical Value Map

(HVM) can be then constructed (ter Hofstede *et al.,* 1998). The HVM is structural in nature and shows the main relationships (or ladders) among all elements identified (Reynolds and Gutman, 1988). This approach is also known as soft laddering. Soft laddering respects the respondent's natural flow of discourse throughout the interview and the ACV associations have to be reconstructed afterwards. It is recommended when respondent's cognitive structures are very weak or very elaborate, according to respondent's level of knowledge about a product (Grunert and Grunert, 1995). The use of soft laddering may be also advisable when the researched area is not well known and when problems in the reconstruction of meanings could arise (Veludo-de-Oliveira and Akemi-Ikeda, 2004).

Nevertheless, soft laddering has its limitations. The in-depth interviews are time-consuming, costly and require highly trained interviewers. Consequently, it is difficult – if not impossible – to use them to obtain large-scale representative samples (ter Hofstede *et al.*, 1998). In order to overcome these limitations several techniques can be applied to modify the laddering interview into what is labeled as hard laddering. Such techniques can embrace computerized data collection and self-administered questionnaires (paper-and-pencil version) (Veludo-de-Oliveira and Akemi-Ikeda, 2004). According to the Means-End Chain theory, the subjects are required to generate or verify associations between elements on individual ladders in sequences showing increasing levels of abstraction (Barrena and Sánchez, 2010). It is, thus, a variation of the laddering technique with greater structuring in data collection, which allows the application in large-scale samples. Therefore, it demands less skill of the researcher during the interview and minimizes his/her influence on the responses (ter Hofstede *et al.*, 1998).

A very widely used alternative when applying hard laddering is the Association Pattern Technique (ATP), introduced by ter Hofstede *et al.* (1998). The APT uses a fix format, and measures the links between attributes and consequences and the links between consequences and values separately. Therefore, in the APT an AC-matrix (Attributes – Consequences) and a CV-matrix (Consequences – Values) are distinguished. The technique is much cheaper and faster than laddering, can be used in mail questionnaires, and allows the researcher to collect data among a representative sample of consumers (ter Hofstede *et al.*, 1998).

Once the linkages are identified, they can be entered on an implication matrix, which depicts the number of times each attribute (consequence) leads to each consequence (value). From the implication matrix a HVM (Hierarchical Value Map) can be then constructed (ter Hofstede *et al.,* 1998). When showing a HVM, however, a cut-off point needs to be determined. Leppard *et al.* (2004) defined the cut-off point as the number of linkages to be allowed on the map and proposed the "top-down ranking" method in order to determine it. This method is based on the notion that the most important linkage is that associated with the largest

entry in the implication matrix. The approach begins obtaining a HVM at the largest cut-off level, which will create a simple HVM although losing a great deal of the information. Successively, other HVM are created by use of smaller cut-off levels (Leppard *et al.*, 2004), which will complicate the map interpretation while adding information.

In our work, soft laddering was used as a pilot study in order to elicit ACV of the service. Results from the in-depth interviews together with an extended literature review, helped us out to build an AC-matrix and CV-matrix in order to apply the APT for our survey. The APT was considered to be the easiest and least time-consuming method for eliciting ladders from wine distributors; taking into account that larger methodologies would have been difficultly fulfilled because of respondents' nature.

3.2. Data collection

Data were collected in Catalonia (Spain) by means of a personal survey of a 50 wine distributors, from a total universe of 353 (Camerdata, 2009). This size of sample is consistent with those observed in most of the previous research in which this technique has been employed[3]. Interviewing was conducted face to face. Each of them took an average of 60 minutes. Table 1 shows the sampling technical details.

Table 2 - *Sampling technical details.*

Universe Frame	Wine wholesalers distributors in Catalonia
Scope	Catalonia
Sample size	50 questionnaires
Sample error	± 12.9%
Confidence level	95,5% (k=1,96)
Sample size	Stratified by areas of interest (Barcelona city, Metropolitan area of Barcelona, and the provinces of Girona, Lleida and Tarragona) and by company size (according to total number of workers), with proportional affixation in each strata.
Control measurements	Pilot survey (5 in-depth interviews)
Field date	November 2009

This study used a three-part questionnaire. The first section questioned was addressed to elicit respondents' business characteristics (location, size…). The second section was focused on business strategies, especially those related to their wine purchase behavior. The final section contained the laddering interview to elicit the MECs produced by the respondents. Data collection for the laddering interview was obtained by means of the APT (Association Pattern Technique). Tables 2 and 3 show the Attributes – Consequences matrix and the Consequences – Values matrix that

were used in our empirical application. The order of the items was randomly modified to avoid an order effect in the responses.

The attributes, consequences and values were drawn from the reviewed literature, the in-depth interviews performed for the pilot survey, and the consultation with experts from the wine sector. This resulted in 14 attributes, 10 consequences and 6 values which are listed in tables 2 and 3. The values were primarily taken from the List of Values (LOV) proposed by Kahle *et al.* (1986), and later modified according to the results of the pilot survey and adapted to a business situation (Table 3).

Some of the attributes included in the survey exemplify marketing strategies to support the distributor's work. These are the winery's believe in its wines, providing tours for clients, being present in trade fairs and events and a good image as a winery (Table 2). This latter attribute was portrayed by a well taken care portfolio, well taken care facilities, and illustrating to the public the winery's own story.

As it was previously stated, the market share of Catalan wine in Catalonia is relatively small (INCAVI, 2014). Therefore, the Catalan origin of the wine was also added among the winery's attributes. In order to compare the Catalan wines to the rest of the Spanish wines, the Spanish origin was also considered[7].

Furthermore, the winery's size (or volume) was also introduced as one of the attributes to be taken into account by the distributor. The measurement of this attribute will help to detect the distributors' preference towards wineries that are capable of delivering big wine volumes or not.

Table 3 - *Attribute. Consequences matrix.*

Winery's Attributes	Consequences for the distributor derived from the attributes								
	To trust the winery	To offer quality	I can be more competitive	To satisfy my clients' taste	To win loyal customers	To get higher margins	A large range of customers	To expand my portfolio	A great variety of options
Excellent quality of their wine									
Friendly dealing									
Tradition in the sector									
Exclusivity									
Professionalism fulfilling what is agreed upon									
Reasonable prices									
Discounts									
Wine volume is enough to meet my requests									
Wide range of Catalan wines									
Wide range of Spanish wines									
A believe in their wine									
A good image as a winery (facilities, portfolio, history…)									
Tours for my clients									
Present in trade fairs and events									

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[6] Although APT (Association Pattern Technique) was designed for use with large samples, it is approved for samples of 50+. Some examples of published works in which this methodology has been used with relatively small samples include Russell *et al.* (2004), where the APT technique is applied to a sample of 45; Ter Hofstede *et al.* (1998), where a sample of 50 subjects are surveyed for their attitudes towards olive oil and vegetable oil using this hard laddering technique.

[7] Spanish wines are the main competitors of the Catalan wines in Catalonia (INCAVI, 2014)

Table 4 - *Consequences. Values matrix.*

Consequences for the distributor derived from the attributes	Distributor's Personal Values					
	Financial security & stability	Maximize profit	Professional fulfillment	Respect from my clients	Acknowledgement	Success & prestige
To trust the winery						
To offer quality						
I can be more competitive						
To satisfy my clients' taste						
To win loyal customers						
To get higher margins						
A large range of customers						
To expand my portfolio						
A great variety of options						

4. Results and discussion

The most important descriptive statistics of the sample are defined on Table 4. Most of the distributors do not belong to any business group and are operating in the market for a considerable period of time (an average of 29.4 years). The average annual turnover and the total amount of workers are within the consideration of SMEs (Small and Medium Enterprises), according to European Commission Recommendation 2003/361/EC of 6 May 2003, concerning the definition of micro, small and medium-sized enterprises[8]. Furthermore, the proportion of the annual turnover provided by the wine sales is high (82.8%), which shows a great specialization in the business. This is also shown by the amount of wine references displayed in the portfolio (188.4), which is considerably large for such small companies.

Table 5 - *Sample descriptive statistics.*

	Average (std.dev)
% that belongs to a Business Group / Holding company	12.0
Years of operation	29.4 (27.4)
Annual turnover (EUR million)	1.13 (2.79)
Fraction of annual turnover obtained by wine sales (%)	82.8 (27.1)
Total number of workers	8.3 (16.2)
Total number of wine salespersons	2.1 (2.1)
Number of wine references in the portfolio	188.4 (375.4)

Table 5 shows the importance given to several wine attributes in order to include a specific wine into the distributor's portfolio. This was measured on a Likert scale ranging from 0 to 10. Results show that the price is the most important attribute, followed by achieving exclusivity for the wine distribution. The third most important wine character-

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[8] Respondents can be classified as small enterprises. However, many of them could belong to the category of microenterprise, which are defined as enterprises which employ fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.

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istic is a Catalan origin. Therefore, small wine distributors in Catalonia show a preference for distributing Catalan wines. It is also noteworthy that these distributors do not take into account the size of the winery. This shows that small wine distributors do not require particular volumes in order to operate, which could be explained by their own small size. Portfolio fit is not a key element for the wine distributor. The great amount of references included in their portfolios, which determines a great variability of wines, could therefore make portfolio fit a difficult issue to be required.

Table 6 - *Criteria to include a wine in the product portfolio. Likert scale from 0 (not important) to 10 (very important).*

	Average (st.dev)
Price	8.2 (2.6)
Exclusivity	8.0 (2.6)
Catalan wine	7.5 (2.6)
Specific wine (difficult to obtain)	6.8 (3.1)
Portfolio fit (not competing)	6.5 (3.7)
Awards and prizes	6.5 (3.3)
From a small winery	6.3 (3.1)

From the 50 personal interviews, a total of 2,053 ladders representing attribute-consequence links or consequence-value links were revealed. Graph 1 represents the Hierarchical Value Map (HVM), which shows the ladders created by the distributors. The selected cut-off level equals 14, which provides an interpretable map and retains 71.6% of the variance in the original data. This level of variance remains above the recommended 70% by Gengler and Reynolds (1995). The map includes 17 content codes from the 29 that were available (14 attributes + 9 consequences + 6 values). The percentage of the subjects that mentioned each code is also represented in the HVM.

Results show that "To trust the winery" is the main central issue for the distributors, being mentioned by almost the whole sample (96% of the participants). The importance of trust in the business relationship is in accordance with the results obtained from the literature. The distributor strongly associates the trust in the winery with "Respect from my clients". This personal value is the most selected across respondents (82% of the participants). "To trust the winery" is also related to the distributor's "Professional fulfillment" and "Acknowledgment" (selected by 70% and 68% of the participants, respectively). These are the three most important personal values selected by the wine distributors.

The main winery's attribute that generates a trustful relationship is the "Excellent quality of the wine". This is the key attribute that the winery has to offer, as it is the most selected across respondents (70% of the participants). According to Thach and Olsen (2006), the taste quality of the wine is a must for the distributors' selection of wines.

Furthermore, a trustful relationship can also be achieved by the winery when offering a "Friendly dealing" and,

when showing "Professionalism fulfilling what it is agreed upon" (timings, contract conditions, availability, etc.). These results are in agreement with Thach and Olsen (2006).

Other winery's attributes that lead to a trustful relationship are related to the distributors' support. As it was previously mentioned, this was portrayed in the questionnaire by the following winery's attributes: 1) A believe in their wine; and 2) A good image as a winery. This latter attribute was characterized by having well taken care facilities, by a well taken care portfolio, and by illustrating to the public the winery's own story. As it was previously stated, the power of communicating the personal story of the wine and the winery cannot be over-emphasized (Thach and Olsen, 2006). Therefore, the winery's determination to access the market, which would be part of the distribution support, is a very important attribute in the eyes of the wine distributor. In this sense, small wineries could benefit from the fact of being small by presenting themselves in a personal story that enhances this fact for its uniqueness.
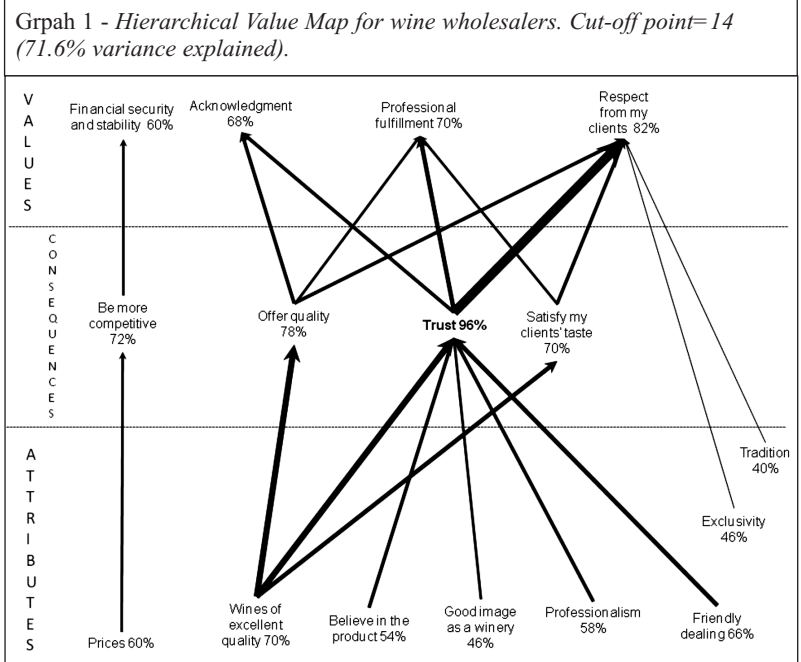
A consequence that also occupies a central positioning in the Hierarchical Value Map (HVM) is "To offer quality". Wine distributors associate this consequence to the most important personal values: "Respect from my clients", "Professional fulfillment" and "Acknowledgment". In order to offer quality, wine distributors will naturally seek for wineries that can offer them a quality product. This shows again that an "Excellent quality of the wine" is the paramount attribute to be offered. When a winery offers a quality product, the distributors also relate it to "Satisfy my clients' taste" which, in turn, is related to "Respect from my clients" and "Professional fulfillment".

It is also noteworthy the association of providing "Exclusivity" and "Tradition in the sector" with the achievement of "Respect from my clients". As it was noticed, exclusivity is also of the distributor's interest when deciding for a wine to include in their portfolio (Table 4).

The HVM shows another relevant ladder that reveals that the distributor also values his/her "Financial security and stability" in the business. This is achieved by the purchase of wines at "Reasonable prices", which yield into "I can be more competitive". However, the desired end states of the small distributors in Catalonia show that the respondents are not mainly business driven. The survey included other business-oriented values, such as "Maximize profit" and "Success and Prestige" as distributors, which do not appear on the HVM. This is an important finding for small wineries that cannot compete in the market with low(er) prices. In the same line, a "Reasonable price" is not the most prioritized attribute, while "Offering discounts" does not appear on the HVM, which is in agreement with Anderson and Narus (1988).

Regarding the origin of the wine (Catalan and/or Span-

ish), the distributors do not show any particular preference when they build their linkages for their desired end state. The Catalan wines are preferred by the distributor when deciding for a wine to include in their portfolio (Table 4). However, once the distribution job is on the run, the origin of the wine seems not to play a role anymore for the distributor's business goals. This is easily understood when taking into consideration that Spanish wines are the most consumed in Catalonia, especially those from La Rioja. Another issue that is not taken into account is that the winery can provide "a volume enough to meet my requests". The size of the winery was also shown not to be relevant when introducing a wine in their portfolio, which could be related to their own small size as distributors.

Grpah 1 - *Hierarchical Value Map for wine wholesalers. Cut-off point=14 (71.6% variance explained).*

5. Conclusions

The wine sector in Catalonia (Spain) is clearly dual: there are some big companies that contrast with the many small wineries that face difficulties to remain profitable. For these wineries, gaining access to the markets is of paramount importance. Therefore, a winery that can draw the distributor's attention will increase its business opportunities. Taking this into consideration, our work explores the distributor's business motivations, and the possibilities to pursue these in their business relationships with the wineries. To tackle this issue we carried out a vertical differentiation of the service provided by the wineries (wine supply), by means of the Means-End Chain approach.

Results show that, while wine quality is the key attribute that the winery has to offer, a trustful relationship with the winery is the main central issue for wine distributors. Furthermore, the most important personal values for the distributors are not business driven. This is an important finding for small wineries that cannot compete in the market

with low(er) prices. Thus, small wineries have non-economic ways to draw the distributor's interest, such as a friendly dealing, professionalism in fulfilling what it is agreed upon, and a strong profiling in the creation of their identity and/or image.

The winery's sales support to the distributor is of great importance for the wine distributor. Our findings report that the winery can show its support by their own will to access the market and to develop marketing strategies. An example would be promoting their smallness as a personal choice instead of as a circumstantial factor. This and similar strategies would emphasize the contrast between wines from big and notorious wineries and those produced by the smaller ones, using their particular uniqueness as a marketing tool.

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