

Marketing-mix Standardization/Localization Strategy and Export Intensity: An Empirical Analysis Based on the Perceptions of Portuguese Wine Producers

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Abstract

This paper investigates the effect of marketing mix elements on export propensity in Portugal. It focuses on an issue that has not been addressed from the point of view of the producers of wine. The research objectives are: i) to assess the importance given by Portuguese wine producers to the different attributes of wine when they export; ii) identify the marketing mix elements that require adaptation in order to be aligned with the international consumer.

Results from a sample of Portuguese wine producers show that there are three main groups of factors that Portuguese producers of wine valued: the intrinsic attributes of wine (alcohol, color, certification and region of origin, quality, harvest year, and bottle closure system), market related factors (price, awards, recommendation, positioning, promotion, and context), and extrinsic attributes (brand image, packaging, and label design). Regarding the extent to which wine marketing mix elements should be adapted or not to international markets the results indicated that only intrinsic elements of the wine should remain standardized, while no definitive conclusions could be anticipated to extrinsic and marketing related elements due to lack of statistical significance.

Keywords: wine attributes; marketing mix elements; standardisation/adaptation strategy; wine producers' perspective.

JEL classification: M31, L10, L23

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1. Introduction

Portugal is one of the oldest countries in the world in wine production with a significant impact on the Portuguese economy (AICEP Portugal Global, 2018). The international recognition of Portuguese wines and the competitive position in the global markets in terms of exports have made of Portugal an international wine player (IVV, 2019). According to recent data from the International Organization

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of Vine and Wine (OIV, 2019) Portugal is uploading positions as a worldwide producer of wines.

However, Portugal faces a demanding challenge to upgrade the international perception of value of wine in the world markets, in order to compete with the bigger international groups and the new wine exporting countries (AICEP Portugal Global, 2018). As a small country, Portugal is composed mostly by family businesses and/or smaller and medium size firms that use more traditional production techniques. In general, these type of countries present a deficit of visibility and international promotion (Banks & Overton, 2010). Although, Portugal is a country of limited population and resources, which limits the wine industry in several aspects, the researchers believe that Portugal also has several competitive advantages for international differentiation, specifically a large number of native wine grape varieties that confers differentiation to the Portuguese wines regarding the rest of Europe and the world wines (IVV, 2019). In 2017, Portugal was the fourth exporting country in Europe, after Spain, Italy and France (Eurostat, 2019). The main destinations of its exports were to France, UK, USA, Germany, Netherlands, Belgium, Angola, Brazil, Canada and Switzerland (INE, 2019).

As an exporting country of wine it is important to know the perceptions of Portuguese wine producers about the degree of adaptation of the marketing mix elements to international markets. The old and ongoing debate about the adaptation/standardization of marketing strategy and the contingency approach that followed is the context for this research that has two main goals. The first one is to identify the most important attributes that Portuguese wine producers perceived as more relevant to the final consumer. The second is to identify the marketing mix elements that require adaptation in order to be aligned with the international consumer.

From the perspective of wine producers, it is useful to identify the elements of the marketing mix strategy and to evaluate the impact on export intensity. As underscored by Menghini (2015), in the world of wines is not the best wine producer that survives, but the most receptive to change, proactively following the market trends. Therefore, there is a need for wine companies to understand and predict the preferences of consumers and distributors (Pomarici, 2016). In this context, this study will help producers of wine to align their own perceptions about the importance of wine attributes with consumer preferences.

The study first presents a review on the ongoing debate about the standardization/adaptation marketing mix strategy followed by the empirical elements that seems to be more important for the Portuguese consumer of wine. The next sections present the methodology, discuss the results and conclude with the main findings of the study.

2. Literature Review

2.1 The standardization/adaptation marketing mix strategy

The main textbooks of marketing identify product, price, distribution and promotion as the marketing mix strategy (e.g. Kurtz, 2010; Kotler & Keller, 2016; Kerin & Hartley, 2017). In the context of international marketing there are three main approaches to the marketing-mix strategy, irrespective of the foreign market entry mode chosen (Vrontis & Thrassou, 2007; Vrontis, Thrassou & Lamprianou, 2009). The standardization strategy that view the globalization trends in the world as the driving force behind greater market similarity and higher convergence of consumer needs, tastes and preferences (Theodosiou & Leonidou, 2003; Vrontis, Thrassou & Lamprianou, 2009). The adaptation strategy stresses that differences between countries are still to great (e.g. consumer needs, use conditions, purchasing power, commercial infrastructure, culture, regulations) to not allow the adjustment of the firm's marketing strategy to the specificities of each foreign market (Theodosiou & Leonidou, 2003; Vrontis, Thrassou & Lamprianou, 2009). The contingency strategy claims that firms neither fully standardize nor adapt, but apply a combination of both (Vrontis & Thrassou, 2007; Vrontis, Thrassou & Lamprianou, 2009), despite the convergence of consumer behavior between international markets, fostered by the phenomenon of globalization (Holmes & Anderson, 2017; Lai, 2019). Then, in the formulation of the marketing strategy the importance given to the attributes and other elements of the marketing mix will largely depend on the set of circumstances that a firm is confronted by within a particular foreign market at a specific period of time (Theodosiou & Leonidou, 2003; Menghini, 2015; Pomarici, 2016).

In a review of twenty-one studies that have empirically measured the degree of marketing-mix standardization/adaptation strategy, Theodosiou & Leonidou (2003) found that product-related attributes exhibited the most standardization, specifically quality, design and features, while branding decisions were partly adjusted. Packaging was slightly more adapted, concentrating mainly on material, design and size, while information and language requirements were responsible for some labeling adaptation. Differences in product use conditions, competitors' practices and service facilities across countries also led to moderate adjustments in the provision of after-sales service and warranties (Walters & Toyne, 1989; Brei, D'Avila, Camargo & Engels, 2011).

Price-related elements were much more adapted as a result of differences in such factors as marketing objectives, cost structures, inflation rates, competitive policies and government controls. Distribution was the most adapted element due to differences in foreign markets (e.g. disposable incomes, purchasing habits and distribution infrastructure) and company-related reasons (e.g. variations in the level of involvement, product line and sales volume). (Theodosiou & Leonidou, 2003; Brei, D'Avila, Camargo & Engels, 2011; Alon, Jaffe, Prange & Vianelli, 2017).

Finally, promotion reveals a slightly above-average level of adaptation in foreign markets. The main adaptations on advertising are due to language differences, media availability, government regulations, economic differences and competitive actions. The sales promotions moderate adaptations are due to legal restrictions, cultural specific characteristics, competitive practices and retailers'

capabilities in foreign markets. The publicity/public relations moderate adjustments are dependent of the degree of company involvement, the nature and importance of publics and availability of public relations agencies abroad. The personal selling mild adaptations to international markets emerged from differences in the recruitment, training, motivation and control policies of the sales-force and the way the selling task is performed (Theodosiou & Leonidou, 2003; Brei, D'Avila, Camargo & Engels, 2011; Alon, Jaffe, Prange & Vianelli, 2017).

As a result of the previous synthesis of empirical evidence we can conclude that standardization versus adaptation decision is not an all-or nothing option, but a matter of degree. At one extreme of the spectrum, the heterogeneity among different countries does not allow full standardization of the marketing-mix. On the opposite side, the huge costs involved in the adjustments of the marketing-mix fail to allow adaptation to be used extensively (Vrontis & Thrassou, 2007). This conclusion seems to reinforce the aforementioned contingency approach.

2.2 Product and marketing related elements and consumer wine preferences

A product is a bundle of tangible and intangible attributes (Doole et al., 2006). The customer can be attracted by the physical product or by some of its intangible features such as: color, size, shape, style, country of origin, image, durability, performance, weight, quality, taste, smell, texture, design, label, service, warranty, packaging, brand name (Manu and Sriram, 1996; Vrontis and Vronti 2004; Doole et al., 2006; Pasquaolotto and Ugalde, 2010; Brei et al., 2011).

In the case of wine, Orth & Krska (2002) identify the core product (color analytics and sensories), the packaging (e.g. bottle, can, tetra brick), and the labeling (grape variety, vineyard, location, village, region of origin, country, production method, awards, producer, wine type, year bottled, taste). Outside the product itself the authors include the service, presentation, store and price (Orth & Krska, 2002). These attributes can be designed by the producers/retailers according to its specific marketing strategies. Due to the complexity and variety of wine attributes the consumer usually relies on a few criteria for build their preferences.

The decisions of the consumer to purchase a wine are influenced by several factors (Gunay & Baker, 2011; Contini, et al. 2015). Two of the most important attributes that are systematically highlighted by the empirical evidence are: (i) wine region of origin, especially for consumers more informed and involved with the product (Hollebeek et al, 2007; Kalicharan, 2014; King et al. 2012; Lockshin et al, 2006; Mueller & Szolnoki, 2010; Patrick, Ladipo & Agada 2016; Verdonk, et al., 2017) and regional certification (controlled/protected designation of origin) (Caracciolo, Cembalo & Pomarici, 2013). The other relevant attribute is (ii) the price of wine (Chan, 2018; Mueller et al., 2010a; Preszler & Schmit, 2009; Ritchie et al., 2010; Stanciu & Neagu, 2014; Williamson, et al. 2016).

Nonetheless, there are several studies that pinpoint other factors equally important for the decision to buy wine. For instance, King et al. (2012) add harvest

and alcohol level. Lockshin et al. (2006) and Corsi, Mueller & Lockshin (2012) stress that awards increase the likelihood of choice. Preszler & Schmit (2009) mention the reputation of the region where wines are produced as well as the reputation of the grape variety. Casini, et al. (2009) and Dobele, Greenacre & Fry (2018) emphasize the personal or expert recommendations as important factors, while Mueller et al. (2010a) sustain that packaging influence consumer choice, especially in premium wines (Cembalo, Caracciolo & Pomarici, 2014).

Moreover, Barber & Taylor (2013) suggest that some pricing policies are misaligned with the target market, since the strategy of product positioning is focused on consumers with high levels of purchase intent, positive attitudes, and positive values.

Mueller et al. (2010b) analyzed the influence of the labels in the choice of wine and conclude that the history of the winery and the detailed description of the tastes are a positive influence in the selection of wine. Conversely, Pabst, Szolnoki & Loose (2019) found that the information about nutrition included in the label presumably will not affect consumers' wine choices.

The concept of the wine brand is not always clearly perceived by the consumer (Viot & Passebois-Ducros, 2010). Indeed, Chadee & Miller, K. (2008) clarify that informed consumers are more influenced by the brand, than the aspiring consumer, while the less informed consumer is more influenced by the label and its design.

Barber (2012) identified the existence of a segment of environmentally conscious consumers who are willing to buy wines with eco-friendly designations, while Tsourgiannis, et al. (2015) add that consumers aware of organic wines perceived more quality. Pabst, Szolnoki & Loose (2019) argue that the use of fewer ingredients (more ecological) may represent a niche of differentiation for some wine producers.

King et al. (2012) states that more informed consumers were interested in factors such as region, harvest and alcohol level in the purchase of wine, especially in white wines. Corsi, Mueller & Lockshin (2012) argue that grape varieties, awards obtained by a wine in trade fairs and its price are key choice drivers, while wine color is mentioned by Onofri et al. (2015).

Stanciu & Neagu (2014) reveal that the main reasons for buying wine are the quality and price, but the author also adds the packaging and the information displayed on the label. With regard to quality, Chan (2018) says that quality is more valued by informed and demanding customers. Kelley, Hyde & Bruwer (2015) argue that information about harmonization of the wine with food on the wine bottle labels has a higher impact than the basic wine information. Lecat, Le Fur & Outreville (2016) confirm that the screw-caps are associated with wines of low quality and low value, while the wines stoppers are considered of better quality.

In a recent study about sparkling wine purchasing preferences, Verdonk, et al. (2017) found that wine region of origin is a very important factor, but other factors were also considered to be revealing, such as brand image, reputation and

symbolism, recommendations and expert analyzes and consumption occasion. Silva, et al. (2016) highlights the context of consumption (where, when and with whom) as a differentiating factor in the choice of wine.

Regarding price, Verdonk, et al. (2017) mention that high price may be a barrier for some consumers, while others consumers might associate low price to low quality. For instance, Williamson, et al. (2016) argue that wine is a complex product with several attributes or characteristics, so consumers tend to reduce the risk of poor choice by relying on higher quality attributes such as higher prices.

Finally, Woo-Hyuk, Jeong-Lan & Kyung-Sook (2019) reveal that there is a positive relationship between wine promotion and customer satisfaction. The promotion actions can improve the consumer's awareness or the reputation of wines (Barisan, et al. 2015) and may be implemented either individually or in partnership with distributors or retailers (Santiago & Sykuta, 2016). Barisan et al. (2015) refer that joint promotions may have more impact on sales.

Table 5 summarizes the main wine attributes that determine the purchasing decisions of consumers.

Table 1. Main marketing mix elements for wine

Marketing Mix Elements	References
Alcohol Level	King et al. (2012)
Awards	Corsi, Mueller & Lockshin (2012); Lockshin et al. (2006)
Brand Image	Chadee & Miller, K. (2008); Verdonk, et al. (2017)
Color	Onofri et al. (2015)
Context of Consumption (where, when and with whom)	Silva, et al. (2016); Verdonk, et al. (2017)
DOC/DOP Certification	Caracciolo, Cembalo & Pomarici (2013)
Harvest	King et al. (2012); Preszler & Schmit (2009)
Label Information	Chadee & Miller, K. (2008); Kelley, Hyde & Bruwer (2015); Mueller et al. (2010b); Pabst, Szolnoki & Loose (2019).
Label Design	Pabst, Szolnoki & Loose (2019)
Packaging	Cembalo, Caracciolo & Pomarici (2014); Mueller et al. (2010a); Mueller & Szolnoki (2010); Stanciu & Neagu (2014).
Price	Chan (2018); Mueller et al. (2010a); Preszler & Schmit (2009); Ritchie et al. (2010); Stanciu & Neagu (2014); Williamson, et al. (2016).
Product Positioning	Barber & Taylor (2013)
Promotion	Woo-Hyuk, Jeong-Lan & Kyung-Sook (2019)
Quality	Chan, 2018; Kelley, Hyde & Bruwer (2015); Stanciu & Neagu (2014); Tsourgiannis, et al. (2015)
Recommendations	Casini, et al. (2009)
Reputation of Wines	Dobele, Greenacre & Fry (2018); Preszler & Schmit (2009); Verdonk, et al. (2017)
Bottle Closure	Lecat, Le Fur & Outreville (2016)

Marketing Mix Elements	References
Wine Ingredients	Barber (2012); Tsourgiannis, et al. (2015); Pabst, Szolnoki & Loose (2019)
Region of Origin	Hollebeek et al (2007); Kalicharan (2014); King et al. (2012); Lockshin et al (2006); Mueller & Szolnoki (2010); Patrick, Ladipo & Agada (2016); Verdonk, et al. (2017).

Source: Own elaboration

3. Methodology

The present study has a quantitative nature, and aims to explore, from the point of view of the producers of wine, the perceptions about the marketing mix elements that are more important to achieve superior export intensity.

To attain that goal a structured questionnaire was constructed to collect data from wine producers. The questionnaire includes three parts. The first part identifies the wine region(s) of the respondent companies. The second part, asked producers to rate the 19 attributes of wine which they consider important about consumer purchasing decisions. A 5-point numeric scale was used to rank the importance of each attribute, where 1 was “not important” and 5 was “extremely important”. The third and last part of the questionnaire includes a question that aim to characterize the respondent company in relation to total sales volume, the country destination of exports and the share of exports on total sales volume.

A link to the questionnaire was sent by e-mail to 1264 companies included in the database and the questionnaires were displayed to the respondents with the help of an online platform, between March and April 2019. The database include several entities related to the wine industry, such as the IVV - Instituto do Vinho e da Vinha and the respective Regional Wine Commissions. The respondent pool was limited to CEOs, owners, marketing director or sales director. The final sample includes 208 firms that were analyzed using a statistical package (SPSS, version 20).

3.1 Sample characteristics

According to the IVV data (accessed March 2019) there are 2524 Portuguese producers of wine and the database used in the study contained 1264 active companies, which corresponds to 50.08% of the population. From this database 208 companies responded, corresponding to a response rate of 16.5% compared to the database and 8.2% compared to the population. Overall, the sample is quite similar to the population in terms of geographic distribution by region where the wine is produced.

The total sales volume of the respondent companies (Table 2), reveal that almost 30% of them are small (less than €100,000), more than 30% of the companies have a medium size (between €100,000 - €500,000) and the remaining 40% have total sales of more than €500,000.

Table 2. Companies size (Total sales volume)

Total sales	N	%
0€ - 100.000€	58	27,9
€100.001 - €250.000	31	14,9
€250.001 - €500.000	31	14,9
€500.001 - €1.000.000	27	13,0
€1.000.001 - €2.500.000	23	11,1
€2.500.001 - €5.000.000	14	6,7
+ €5.000.000	24	11,5
Total	208	100,0

Source: Own elaboration.

The percentage of firms in the sample that exports (Table 3) accounts for more than 90% of the wine companies that claim to doing businesses in foreign countries. Additionally, 6,3% of the firms have only domestic sales, while more than a quarter of the companies (28,4%) have more than 50% of its business from international markets.

Table 3 Share of Exports on Total Sales

Levels	N	%
0%	13	6,3
0% - 10%	39	18,8
11% - 25%	50	24,0
26% - 50%	47	22,6
+ 50%	59	28,4
TOTAL	208	100,0

Source: Own elaboration

4. Results and Analysis

Descriptive analysis of the attributes perceived by wine producers as most relevant are presented in table 4.

The most valued attributes were quality of the wine (M=4.32), a general concept that encompasses many of the wine characteristics and that was perceived by many wine producers as important (107 of the 208 producers of the sample [51,4%] gave 5 points). Close to this attribute appears also the reputation of the wine (M=4.25), the brand image (M=4.24) and the price (M=4.21). Reputation and brand image are important information cues for the consumer that faces more difficulties is choosing the right wine. The price is also an important element for the consumer that seeks to obtain a good value for the money. The least important elements of the wine for the producers are the wine ingredients (M=2.99) and the related alcohol level (M=3.11) that seems to be more as a prerequisite for the existence of a competitive wine than a differentiation element. In the upper level (Means between 3.90 and 3.50) appear other elements related with the marketing

mix that include product positioning, recommendations, context of consumption or promotion. In the lower level (Means between 3.29 e 3.40) we can find awards, year of the harvest, label information and bottle closure.

Table 4. Means, Standard Deviations, Maximum and Minimum

Marketing Mix Elements	Mean	SD	Max	Min
Alcohol Level (ALC)	3,11	0,947	1	5
Awards (AWA)	3,39	1,094	1	5
Brand Image (BIM)	4,24	0,805	1	5
Color (COL)	3,50	0,993	1	5
Context of Consumption (where, when and with whom) (COC)	3,79	0,924	1	5
DOC/DOP Certification (DOC)	3,70	1,071	1	5
Harvest (HAR)	3,40	0,928	1	5
Label Information (LIN)	3,39	0,977	1	5
Label Design (LDS)	4,00	0,846	1	5
Packaging (PACK)	3,90	0,837	1	5
Price (PRIC)	4,21	0,879	1	5
Product Positioning (PPO)	3,82	0,860	1	5
Promotion (PRO)	3,71	1,028	1	5
Quality (QUAL)	4,32	0,849	1	5
Recommendations (REC)	3,84	0,968	1	5
Reputation of Wines (ROW)	4,25	0,853	1	5
Bottle Closure (BCL)	3,29	1,119	1	5
Wine Ingredients (WING)	2,99	1,210	1	5
Region of Origin (ROO)	4,02	0,834	2	5

Source: Own elaboration.

To improve the conceptual clarity of the marketing mix elements the responses regarding the 19 marketing mix elements were factor analyzed using principal component factor analysis with varimax rotation (Table 5).

A final three factor model was estimated with 16 items, as three items (label information, reputation of the wine and wine ingredients) present high partial correlations (Hair et al., 1995). The factor solution accounted for approximately 48.7% of the total variance explained, with all eigenvalues greater than one. Also, to assess the appropriateness of factor analysis to the data, the Kaiser-Meyer-Olkin (KMO) test and Bartlett's test of sphericity were computed. The KMO value was 0.820, and Bartlett's test was significant at the 0.00 level. Both results demonstrate the factorability of the matrices being considered (Hair et al., 1995).

Table 5. Principal Component Analysis with Varimax rotation (n= 208)

Variables	F1 Loadings	F2 Loadings	F3 Loadings
Alcohol Level (ALC)	0.423	0.021	0.239
Awards (AWA)	0.046	0.541	0.208
Brand Image (BIM)	0.152	0.425	0.570
Color (COL)	0.510	0.124	0.274
Context of Consumption (where, when and with whom) (COC)	0.393	0.514	0.344
DOC/DOP Certification (DOC)	0.627	0.107	0.252
Harvest (HAR)	0.701	0.290	0.075
Label Design (LDS)	0.325	0.344	0.606
Packaging (PACK)	0.286	0.202	0.719
Price (PRIC)	0.040	0.661	0.305
Product Positioning (PPO)	0.148	0.685	0.189
Promotion (PRO)	0.102	0.751	0.180
Quality (QUAL)	0.620	0.002	0.040
Recommendations (REC)	0.432	0.630	0.042
Bottle Closure	0.665	0.140	0.065
Region of Origin (ROO)	0.494	0.122	0.196
Measures			
Cronbach Alfa	0.726	0.738	0.780
Eigenvalue	2.983	2.909	1.904
Explained variance (%)	29.664	11.381	7.678
Cumulative variance (%)	29.664	41.045	48.723

Notes: Items measured on a 5-point Likert scale. Kaiser-Meyer-Olkin measure of sampling adequacy – 0,820; Bartlett’s test of sphericity (significance $p < 0,000$).

An examination of the factor loadings suggests that factor 1 was related to the intrinsic attributes of wine measured by alcohol level, color, DOC/DOP certification, quality of wine, region of origin of wine, harvest, and closure system (cork). Factor 2 concerns the marketing factors of wine that deal with awards obtained by the producer, price, positioning, promotions, context of consumption, and recommendations given by the wine critics. Factor 3 measured the extrinsic attributes of wines, and includes brand image, packaging and the label design.

Considering the internal consistency of the items within each dimension measured by examining the Cronbach reliability alphas, these show a high level for factors 1 (0.726), factors 2 (0,738) and factor 3 (0.780) suggesting higher reliability. In fact, Nunnaly (1978) indicates that reliability alphas close to 0.70 indicate a high level of internal consistency between the individual scale items and the related factors. Consequently, all the three dimensions found to be reliable and viable.

The results indicate that wine producers give a similar importance to the attributes of wine than consumers. In what concerns Factor 1, the intrinsic attributes such as wine origin is clearly detached as previous studies confirms

(Hollebeek et al, 2007; Kalicharan, 2014; King et al. 2012; Lockshin et al, 2006; Mueller & Szolnoki, 2010; Patrick, Ladipo & Agada 2016; Verdonk, et al., 2017). However, companies should note that in terms of wine quality, according to Chan (2018), this attribute is more valued by informed and demanding customers. On the other hand, wine reputation requires a communication strategy (Barisan, et al. 2015), involving more investment, and cooperation with agents and distributors (Santiago & Sykuta, 2016). Also, alcohol level and harvest year are mentioned by King et al. (2012) that alert for a group of consumers of wines, who are generally older and highly knowledgeable of wines, who appreciate the origin, the alcohol level and the harvest year as attributes that influenced the choice of the wine. The bottle closure is noted by Lecat, Le Fur & Outreville (2016) suggesting that cork closures are considered of better quality, while the screw-caps are associated with wines of low quality and low value. Finally, wine ingredients are mentioned by Barber (2012), Tsourgiannis, et al. (2015) and Pabst, Szolnoki & Loose (2019) alerting that there is a niche market that is sensitive to the ingredients of wines. This niche market is composed of ecologically informed and environmentally conscious consumers. These consumers are growing and there is also a strong worldwide campaign for ethically, ecologically responsible products (Long & Murray, 2014).

The factor 2 suggests that producers of wine are market oriented. Price is valued in the same way by consumers and producers and are effectively a critical variable in the purchasing of wine (Chan, 2018; Mueller et al., 2010a; Preszler & Schmit, 2009; Ritchie et al., 2010; Stanciu & Neagu, 2014; Williamson, et al. 2016). Related with price we found awards that confer credibility to the wine and are an additional element of competitive advantage for the producer as increases the quality of the wine in the eyes of the consumer. The recommendations of wine critics have a similar effect on the consumer. Price is also an important variable for positioning the wine in different target markets and attracts different segments of consumers. Promotions have an effect frequently temporary on consumer but with indirect or direct impact on price. The context of consumption relates with the place where the wine is consumed (inside or outside the house), the occasion (time of the day) or the persons that drink the wine (family, friends).

Factor 3 includes extrinsic attributes. In terms of brand image, Chadee & Miller (2008) mentions that is an attribute highly valued by informed and knowledgeable wine consumers. But we must not forget the less informed consumers who are a significant share of the market. As Williamson et al. (2016) put out wine is a complex product and therefore many consumers reduce their choice based on simpler attributes of analysis, for example price. Regarding label design, according to Chadee & Miller (2008) this factor is more sensitive to less informed consumers. In addition, Elliot & Barth (2012) alert that the perception of the label differs among the various generations of consumers, for example the Millennials are more influenced by the packaging and design of the label, than other generations.

The major aim of this study is to determine the extent to which wine marketing mix elements are adapted as company's export intensity increases. This objective was accomplished with multiple regression analyses, which were widely used in export research (Leonidou & Katsikeas, 1996). In each model the set of elements relating to a factor is analyzed and evaluated according to their statistical significance and sign. A lack of statistical significance means that the element is not adapted as the export intensity of the company increases. Statistical significance with a positive sign means that the element is important for exporting companies to adapt and a negative sign means that the adaptation is undesirable.

Since there is no uniform definition of export intensity we refer to the company's manifest outcome behavior as represented by whether or not it currently exports its products (Atuahene-Gima, 1995). Therefore, the dependent variable is export intensity (EXPINT) and is measured by the level of exports as mentioned by the respondents in a scale between 1 (no exports) and 5 (more than 50% of exports on total sales). The independent variables are the three factors obtained through the factor analyses presented in table 5. Factor one corresponds to intrinsic attributes of wine, factor two to the marketing elements, and factor 3 to the extrinsic elements of wine.

The results of the regression analyses are reported in table 6.

Table 6 Regression Results

Variables	Beta Standardized
Constant	3.478***
Intrinsic Attributes	-0.165**
Marketing Elements	0.079
Extrinsic Attributes	0.028
R ²	0.034
F value	2.407*

Note: (***) p<0.01; (**) p<0.05; (*) p<0.10.

The first factor assesses the intrinsic attributes of wine and was regressed against the intensity of exports. The results show that the intrinsic attributes of wine are statistical significant (p<0.05) and the signal is negative. Therefore, the alcohol level, the type of wine (red, white, rosé), the certification and origin of wine given by the terroir where the wine is produced, the indication of the harvest year, the closure system of the bottle (cork) and the overall quality of the wine are important attributes for the wine producers, must remain without adaptation as some interference from the producers of wine could have a negative impact on the exports of wine.

The second factor is specifically concerned with the marketing related factors. The results show that the factor composed by price, promotion, positioning, awards, recommendations and context of consumption is positively

linked to the way the wine is sold in external markets. However, there is no statistical significance, which means that adaptation although desirable, is not supported by the results.

The third factor refers to the extrinsic attributes of wine that includes the way the consumer sees the wine producer (brand image), the package and the label of the wine. The results show no statistical significance, but a positive sign which means that the adaptation strategy is not supported by the empirical evidence.

Overall, the results are according to the expectations of previous studies. Regarding intrinsic attributes, Theodosiou & Leonidou (2003) found that product-related attributes exhibited the most standardization, specifically quality and features. In the analyses we conclude by the undesirability of adapt the core of the wine product (e.g. level of alcohol, color, quality, region of origin). However, at a second level of the product that integrates the extrinsic attributes, Theodosiou & Leonidou (2003) state that branding and packaging decisions could be more adapted than the intrinsic product. Specifically, the package should focus mainly on material, design and size, and the label requires attention on information and language. Concerning the other elements of the marketing mix different authors (Theodosiou & Leonidou, 2003; Brei, D'Avila, Camargo & Engels, 2011; Alon, Jaffe, Prange & Vianelli, 2017) have suggested that price, distribution and promotion related elements were the most adapted of the marketing mix strategy as a result of legal, cultural, economic, social, political and technological differences between countries. The results of our study, although without statistical significance present the correct sign that means the interest of the company to adapt these elements of the marketing mix strategy.

5. Conclusion

The aim of the study was to: i) assess the importance given by Portuguese wine producers to the different attributes of wine when they export. ii) determine the marketing mix elements that require adaptation in order to be aligned with the international consumer.

The results found indicate that there are three main groups of factors that Portuguese producers of wine valued: the intrinsic attributes of wine (alcohol, color, certification and region of origin, quality, harvest year, and bottle closure system), market related factors (price, awards, recommendation, positioning, promotion, and context), and extrinsic attributes (brand image, packaging, and label design).

The three factors suggest that producers of wine emphasize: i) the intrinsic variables directly related to the processing, manufacturing and producing of wine; ii) the variables that deal with market factors, most of all price, the management of the marketing - mix (positioning, promotions) and opinion leaders (awards obtained in contests and recommendations from critics); the extrinsic variables that can be changed without changing the product (brand image, package, label). Therefore, we can say that there is a tendency of producers to focus on these three

groups of factors which are unique and might allow differentiation between producers and the attainment of competitive advantages (Cater & Cater, 2009).

Another important aim of the study was to determine the extent to which wine marketing mix elements were adapted to international markets. The results showed that only intrinsic elements of the wine should remain standardized, while no definitive conclusions could be anticipated due to lack of statistical significance.

The wine is a complex product with several attributes or characteristics (Williamson, et al., 2016), as many factors influence the purchase decision of wine. These results may be useful to understand the strategy of Portuguese producers and their efforts to align with the preferences of consumers. The exploratory nature of the study and the size of the sample suggest some caution to extrapolate the results. On the other hand, the study has focused only on the opinion of the producers regarding the wine attributes that they perceived to be the most important, but not validated by the consumer. As such, it would be important to deepen the study and relate these results to the greatest difficulties experienced by Portuguese producers in the international markets, as well as to compare these results with the purchasing decision factors manifested by national and international consumers.

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