

SUPPLY CHAIN MANAGEMENT THE KEY FUTURE MARKET SUCCESS (REFEREED)

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Introduction

In 1990 Spawton wrote: (Spawton 1990) p6 issued a warning,

It is now being appreciated by the wine industry that the environment in which wine is made and consumed is changing and the industries will need to change if it is to survive as a viable industry into the future. But let us not forget the Armenians (who used to navigate the Euphrates River to trade wine with the Babylonians 4000 years ago). With their cargo of wine they also took a live ass. The Armenians had planned their mission meticulously; the live ass was their ticket back to Armenia after the wine was sold; Boats cannot sail upstream. Wine marketing can be considered as the equivalent of the live ass to the wine industry. It is indeed the ticket to future prosperity.

This prosperity promise did occur briefly during the mid to late 1990's, but as a result of regulatory inertia, misguided policies, lack of sound market information, myth, opportunism, blatant greed; most importantly a failure to adjust to the changes in the supply chain that were occurring the picture today is for many is one of survival for many producers, be they large corporations or boutique size operations in all the producing regions of the world.

The wine industry is now rowing upstream, the ass having suffered misuse having been largely ignored as a functional resource. The rowers are tiring; in the torrent of competition and stifling regulation (Moulton and Spawton 1997) and the boat is "taking water rapidly".

The prosperity of the 1990's created the general perception of an industry that was a dynamic, well managed and profitable. The optimism encouraged significant private investment by individuals and corporations in search of the "golden fleece" of commercial success and recognition. This paradigm of instant success was largely

supported by myth and a lack of understanding of the cyclical dynamics of the market place for wine.

The wine industry focus over the last 20 years, rather than build an industry based on focus of long term prosperity for all the “players” in the supply chain the focus has been one of intra- industry competition and market replacement with the more efficient parts of the industry gaining market share at the expense of less efficient. In the meantime the supply chain focus has moved from the vineyard to the supermarket shelf, and the restaurant table and future prosperity is where the management of the supply chain will determine future commercial success and producer viability.

This paper will present an overview of the changes in the governance of the supply chain for wine outlining the changes that have occurred over the last 20 year and giving pointers as to the way forward if the wine industry is to re- achieve its currently flagging marketing potential

The dynamics of market change and the supply chain

The global market for wine products is estimated at \$US120 billion and although there has been a general trend to higher price points in most markets in recent times, total RSP remains relatively stationary as price point movements have been negated by falling demand and the periodic discounting which is common to all sectors of retail. In contrast, supply has continued to outstrip demand in most consumer markets as market growth expectations have not been realised in the premium sector with coupled with impediments in the supply chain has made the “roads to market “for premium producers more and more difficult. As the retail and the hospitality industries consolidate, the once existing synergy of expectations between the wine and retailer supply chains is diminishing. There are now conflicting supply chain expectations and efficiency requirements, precluding a great proportion of premium wine brands that do not meet the expected brand salience and sales turnover requirements of the now dominant retailer supermarkets/ hypermarkets in particular, who are now the established channel captain.

The realisation that there are two parts to the in the wine category supply chain (beverage and premium) was identified by (Spawton 1990) as the basis for 2 separate marketing strategies to optimise performance in each. Spawton (p51) is quoted “Before any discussion on marketing can take place it should be noted that the major wine markets are characterised by 2 distinct industries- the premium industry (in the EU, Denominations of Origin) which is characterised by bottled fine wine and the wine beverage industry (non- Denomination of Origin in the EU) which is predominantly the mass production of wine which has much in common with beer, spirits and soft drinks (marketing). In the Beverage Sector Wine Marketing Strategies are those reminiscent of Fast Moving Consumer Good Product categories. These two separate marketing strategies are shown as Diagram 1.

Diagram 1 Here

The basis of the dual chain phenomenon.

During the 1980’s major changes in the consumption patterns for wine and its availability levels occurred. In the latter part of the twentieth century in the major producing country markets (Italy, Spain, France) of the EU consumption plummeted, the result of societal and social change (Spawton 2004). This residual wine found ready markets in the UK and US and other predominately Anglo/Saxon markets, where wine was being “discovered” by a new breed of young, upwardly mobile and predominantly female consumers. (A.L.Spawton 1990)

Retailers, supermarkets in particular, in these markets were quick to appreciate these consumption changes and as wine offered a new and profitable line of business, wine listings and the shelf space devoted to wine at retailers increased rapidly. Supermarket/hypermarkets were providing a new supply chain opportunity for winemakers, by improving availability to a growing and increasingly receptive consumer market and by demystifying of the wine purchase thus reducing purchase risk amongst low and high involved wine consumers alike(Spawton and Bourqui 1997). (Lockshin, Spawton et al. 1997).

This trend to supermarket distribution has necessitated a new paradigm to be developed in the supply chain management of the wine industry. The locus of the wine supply chain generally has moved dramatically and quickly from the vineyard and the winery to the supermarket shelf. The new paradigm has moved from an emphasis of growing the grapes and making the wine to making the sale (saleability) and the cultivating of the “virtual winery” (no vineyards, no production facilities, just brands).

The issue for grape growers increasingly is not one of site selection, but selecting a site which will economically support a selected grape variety that will gain and retain consumer popularity for 5 – 25 years into the future. In addition, the continued utilization and improvement of enabling technologies¹ where the ancient craft of wine making can be retained while at the same time be seen to be delivering supply chain efficiencies that can enhance saleability². There is an increasing need to development of brand salience³, the key factor in the consumers’ decision making process at the shelf.

Adaptation of the supply chain to these new requirements were more readily embraced by new world, rather than those producers in the traditional wine making areas of Europe, thus allowing the new world wine producers to gain a competitive advantage that the old world producing countries have to date, been unable to claw back (Spawton 1997).

As supermarkets continue to dominate (60%+ of sales in most European Markets) and with purchase decisions increasingly made at the shelf, the more relevant brand salience becomes as the basis for brand choice. (e.g. Tesco stocks and merchandises 600+brands in its supermarkets from a total market of 1000’s of brands).

¹ Enabling technologies are those which may be innovative to one industry but are common to others. These technologies are not designed to replace current technologies but to improve their efficacy and efficiency. Examples are the use of refrigeration / heating in the fermentation process, irrigation to reduce heat stress of the vines

² Saleability is defined by the Author as “the preparation of a product in such a way that it requires little or no reseller maintenance, has low consumer risk at the point of sale, no product defects, little requirement personalised sales and merchandising support, and a “sale and return” compensatory arrangement of unsaleable or defective stock.

³ Brand Salience is the propensity of a brand to be noticed or thought of in a buying situation

The relationship environments within the wine category supply chain

The Supply Chain for wine, similar to many agricultural products is one of a combative approach to negotiation in the relationships between producers, négociants, and suppliers and with government. This combative environment is often or in part the result of the uncertainty of participant expectations in the supply chain and between various buyers and sellers.

The EU experience of supply chain evolution

In the EU there is a traditional and well established system of regulation which defines the conditions of production for Denominations of Origin and for country wines (Vin de Pays). The system is hierarchically constructed and institutionally administered. (Montaigne and Sidlovits 2003).

This sector was the basis for the marketing system for premium wines and was quickly adopted as a model by the growing premium segments of the new world emergent producers. The marketing system was considered very efficient as historically it had allowed producers to reap superior financial returns (Spawton 2001). In regions such as Bordeaux for example 90% of the production is classified AOC. Historically, long term stable and established domestic and export markets, allowed AOC participants to reap superior returns for the producers - the envy of other new and other old world producers alike.

The achievement of a Denomination of Origin designation historically brought considerable marketing benefit to producers as a result of:-

- the boundaries of the designation were defined and production quantities were limited at each designated quality level of the classification
- the intrinsic attributes (specificity) was also defined by regulation to a limitation both on the grape varieties, yields and output,
- the IP was protected as is the trade mark within the scope of the selling activity,
- the perceived quality was re-established by custom and ritual at the beginning of each vintage,

- the notions of scarcity, intrinsic value, market position, meant that “hedonic” pricing became the norm providing above average returns to producer/négociant the alike.

The Denomination of Origin sector failed to fully utilize these marketing factors effectively. They, driven by avarice and fraud failed to maintain a benchmark position for superior quality, with the resultant loss in perceived quality⁴. In addition and coupled to the failure to adjust to the evolution of the Supply Chain, has meant their competitive advantage is undermined. The result is that both retailer and consumer confidence has been lost resulting in the inevitable loss in market share. The major key weakness of the Denomination of Origin system was that it became complacent by believing that their marketing advantage was unassailable and that repatriation of IP would reinstate and maintain market sustainability.

Taking some of above as a guide to the overall weaknesses of the Denomination of Origin system (Spawton 1997), the new world producers used their prowess in marketing of simple beverage wines to grow new market segments of consumers with an alternative product offering based on a varietal system of designation, specifically targeted at the new but low involved consumers.

Conversely, the Denomination of Origin with their regional designations had also abdicated marketing and supply chain management to regionally based and specialist négociants. These specialist négociants tended to focus only on the luxury wine category of the appellations and thus they were ignorant of the major changes that were occurring in non- denomination category of consumer markets. The result was that as the non – denominational segment grew, the relevance of the Denomination of Origin fell with producers and négociants alike becoming more and more isolated from the marketplace and the changes in the supply chain that were occurring. This outcome of this isolation is illustrated in a supply chain analysis of Bordeaux using the Michigan State University model of World Class Logistics (WCL)(Estampe and Chandès 2003). The table below shows the scores computed by the authors in brackets () illustrating that few Logistic Factors included in the model record positive scores.

⁴ Perceived quality: the quality experienced by the consumer to incorporate product specificity, organoleptic judgements and the visual appearance of the packaged product.

Diagram 2 here

Even though the appellation systems in the new and old world show poor supply chain efficiencies and the failure to claim or reclaim quality benchmark positions, the desire of winemakers to achieve appellation like classifications is “**lemming like**” in its intensity, resulting in an **over supply of premium product wines**.

In essence there are too many super premium and ultra premium brands wine brands chasing too few customers.

Oversupply of premium wine has spawned the phenomenon of super value brands such as Charles Shaw® as in the US and the evolution of “clean skins’ or un - branded wines in Australia or the sale of ultra premium wines into the bag- in – box segment by New Zealand and Australian producers as a mechanism to maintain cash flow. In the EU this premium wine surplus has entered the distillation stream of the CAP.(Beaujolais in 2003 Bordeaux in 2004). (DailyNewsLinks@winebusiness.com)

The New World Experience of Supply Chain development

Cyclical instability of the supply chain in the new world and especially in Australia and California had occurred a decade earlier in the beverage segment of the market. The reasons were similar, with the removal of legislated prices for grapes in Australia creating an open market. This “open market” was not supported by strategic information between producer and buyer thus the environment for suspicion grew as did combative behaviours. This situation was changed by:-

- the amalgamation of grower and producer representation to form the Winemakers Federation of Australia.
- amalgamation by takeover of winemaker organisations (private and cooperative) to build greater economies of scale needed to build an export industry.
- the universal development and adoption of grape grower performance contract arrangements with winemakers. This meant some medium term price stability thus allowing investment incentives for grape growers while providing long term price

stability for winemakers in their dealings with distributors and retail clients both domestically and internationally.

- the establishment of industry Visions – initially “ One Billion Dollars by the year 2000” followed by Strategy 2025 which has become a template for other industries world wide.
- the utilisation of the principles of marketing to wine at all levels of the industry.

The beverage sector, once owned by FMCG companies (e.g. Heinz, Philip Morris) established a culture where Supply Chain flexibility was developed as a result of the marketing of Bag –in -Box wine brands.

The bag in box caused of a transformation along the total supply chain far removed form the supply chain dogma of the traditional supply chain for wine:-

- The package was not the traditional bottle and required different methods of filling, handling and packaging.
- The bag- in- box spigot allows oxygen ingress thus making a shelf life caution necessary and the use of packed on and use by for instructions to retailers and consumers.
- The packaging process demands “clean room” facilities in the packaging areas to ensure sanitary packaging and that food safety laws were complied with.
- Bag-in -box demands stock rotation at the winery, warehouse and retail shelf to ensure saleability.
- Bag- in - box was a very fragile package (i.e. stacking height of 1 pallet) thus requiring racking to be installed at wineries and in retail warehouses
- Wines as a matter of necessity were made “ready to drink” and maturation/ flavouring processes were introduced (Wood Chips and Micro filtration)

- Winemaking/ packaging/ shipment became a continuous process to meet consumer demand. This improved winery efficiency and utilisation levels of capital equipment (especially bottling was in continuous use). This encouraged further supply chain efficiency of automatic cartoning, palletisation, picking etc. When Australia became a major exporter these production and packaging efficiencies were seamlessly transferable to the export supply chain. (Bag – in – Box still represents 50%+ of volume of all wines sold in Australia).
- The Practice of JIT was not a strategy, it was essential for success for both supplier and winemaker alike.

The lessons learned in the 1980's of how to manage the bag-in-box supply chain was responsible for making Australia the most efficient in supply chain manager in the export market, a fundamental factor leading to Australia's export success in the 1990's and up to the present day.

Bag-in-Box wines were sold as a FMCG, and the marketing practice of FMCG marketing became endemic to the marketing of all wines utilising the "push" strategies of cooperative advertising and display allowances to ensure floor and shelf space allocation at the retail level, supported by periodic discounting. Consumers became conditioned to buy within a repertoire of similar bag –in- box brands based on their experience and preferences (safe brands), knowing that within the discounting regime, their favourite brand would be discounted on a regular basis.

The Role of Information in the supply chain environment

Often where combative relationships occur it is as a result of the dearth of reliable market information against which reasoned business judgements can be made at any level of the supply chain. Official statistics are limited as wine is still considered as a commodity with product classifications based on alcohol levels, packaging or bulk, wine in the stage of production (fermenting juice, and grape juice or concentrate) and whether sourced from red or white grape varieties. Similarly the taxation system (where tax is levied) is either based on alcohol levels (excise), or ad Valorem (based on sales value-VAT).

This production information is usually dated and often unreliable due to the fragmentation of the industry. Higher levels of accuracy would mean significant additional costs for data collection and analysis.

Market analysis is not commonly available and where market data is collected the outputs are often cost prohibitive to most grape grower and producer groups. Most market practitioners (suppliers and contractors) do have market information (collected as a part of their own logistic or professional requirements), but this is often used as a bargaining mechanism rather than one where information can be used to improve efficiency (backwards or forwards) within the supply chain generally.

Winemakers and négociants often operate in an market information vacuum or similarly where information is available to use, this information is used to gain market and negotiation advantage (Montaigne and Sidlovits 2003), rather than encouraging the development of a cooperative culture of information sharing with producers with the aim of improving overall supply chain efficiencies.

The changing structure of the supply chain for wine and the relationship implications

As comparatively a small agricultural industry (global RSP of approximately \$US 120 billion), the wine industry employs some 250,000 persons. The supply chain (to include

the supporting supplier and supply industries) dependant on the wine industry, takes the total number of persons directly or indirectly employed in the wine industry to some 750,000 persons world wide. (Segal, Quince et al. 1996).

The flow of product through the market in order to make it available for sale is shown in Diagram 3

Place Diagram 3 here

The traditional three tiered structure producer/ merchant/ retailer is gradually being broken down as winemakers and retailers deal directly with each other, thus shortening the supply chain and allowing for improved margins by gaining supply chain efficiencies such as single destination unitization of shipments.(trailer, container, railcar)

This change in trading is most common in the table wine sector where volume sales allow for aggregation and optimum unitization. In light of the high stock turn requirements of supermarkets, IT linkages are essential to ensure that stock depletions and stock ordering are IT synchronised on a JIT basis to avoid “stockouts” resulting in loss of sales and the underutilization of shelf display space. Prolonged stockouts can mean loss of listings and or preclusion from the supermarket trading.

The supply chain relationship is one of logistic interface and channel management at all levels. These dyadic relationships range across both buyer and seller organisations with specific functional interfaces along the supply chain to ensure efficient information, technical details and traceability information exchange.

This logistic interface is shown in Diagram 4, illustrating the change that has occurred from the traditional buyer seller relationship where all communication and instruction (open to buy/ sales order) was focussed through the buyer/ sales offices to an IT linked series of interfaces across the whole organisation, a necessary requirement for JIT trading thus ensuring a linked traceability system of stock control.

Diagram 4

Smaller wineries did not have the necessity for a Integrated Logistics Interface, but wine industry services such as contract bottlers and specialist freight forwarders are increasingly offering logistics services to small and medium winemakers by enhancing the traditional négociant functions in order to optimise unitization benefits and to allow them to compete in supermarket/ hypermarket trading.

Where small and medium sized winemakers do provide a logistics interface with the retailer then the more traditional sales/ order system is still operating as illustrated in Diagram 5. There is increasing pressure however for small and medium winemakers move to greater supply chain integration with IT support in order to ensure their continuance as a viable retail supplier.

Diagram 5 Here

The supply chain expectations of the retail sector relationships

From the early 1980's the supply chain for wine has experienced the confluence of a changing consumer base and a change in the locus of the distribution channels. The impact of these changes had a dramatic impact on the supply chain. The early supply chain for wine was characterised by localised trading where wines were sold within 50 kilometres from where they were vinified. The wine sales to négociants and merchants

were direct from the producer/ cooperative with the négociant or wine broker organising the on-sale of the wine to the wine merchant. The relationship between the négociant and the wine merchant was longstanding with Brand Sharing⁵ being a feature of the trade. The system was supported by a marketing plan of “renewal of the product offer” after each harvest and where the quality/ price system was renegotiated annually with much ritualistic pomp and ceremony between the producers/ négociants and reseller merchants in the various markets.

The various harvests were classified by experts and publicists, based on the perceived intrinsic quality of the harvest, thus enhancing the perceived value of the wines and therefore the price to be paid by the consumer. At the producer level these price levels were hierarchically based on the AOC classification of the individual terroir based which was again based on the historically consistently high wine quality specificities and their established superiorities. This system depended on the continued acceptance by the consumer of the superiority and traditional attributes of the appellation system.

The new wine consumer was however more driven by hedonic motives and had little regard for either dogma or tradition. The traditional wine consumer was being rapidly replaced by an urbane, upwardly mobile consumer who was “brand focussed”. The wine brand, like all other brands in other hedonic based categories, delivered the satisfaction of pleasure, an aspirational lifestyle, and peer group status and an eclectic taste in foods. The wine category was considered to be able to deliver all these consumer expectations.

Shopping was also changing from the “high street” to the shopping mall. The proportion of the female population in the work force increased and shopping effort (time and search) was reduced thus making brand salience a key brand requirement for brand choice made at the shelf. Wine shopping behaviours began mirroring those of other FMCG categories, with brand preference predominating. Lifestyle magazines and television and wine education improved consumer knowledge and know-how, and at

⁵ Brand Sharing was a common practice where wine merchants supported their quality and prestige by association with well known négociants and the chateaux they represented. These relationships were maintained by a scarcity and allocation system where the chateaux were able to maintain their market position via the image reciprocity of this shared branding approach

same time repositioning wines as a major part of gastronomy, both as an ingredient and an accompaniment. – Wine the accessory to good food.

The wine industry reaction was one of initial exploitation of the new consumer phenomenon believing that the new consumer could be educated to the traditional wine styles and utilising the marketing methods of a previous generation.

Concurrent to these changes in the wine category, the concentration of retailing was producing a critical mass requirement for a winemaker to be able to effectively access and trade in the retail supply chain. This in turn has caused takeovers/ amalgamations/ joint ventures or strategic alliances in the wine industry as a defensive strategy to meet these necessary critical mass requirements (Appendix1). In the marketplace, rather than there being a guaranteed and specialist category channel, wine was now a part of a series of lifestyle foodstuffs categories that burgeoned during the period.

With the loss of the category channel, wine like other product categories needed to follow the same market access requirements of other lifestyle products. The institutionally administered Denominations of Origin system was gridlocked to adapt; trapped into traditional marketing practices irrespective of market change. .

The expansive table wine (non- denomination) category had greater marketing orientation but were poor in its execution. There was an attempt to combine the two generic category strategies suggested by Spawton(Spawton 1990) with dire consequences. The ensuing consumer dissonance caused a catalogue of brand failures as the basic principles of separate wine marketing strategies for the two distinct wine categories or were ignored or manipulated to capitalise on the changed consumer expectations.

These practices spanned the beverage category with the resultant “revolving” door of brand and marketing managers and ultimately CEO’s in public corporation that were held responsible for these marketing failures. Marketers brought into the wine category from other beverage industries preformed equally poorly when it came to developing and implementing workable brand strategies. The industry still viewed price as the only marketing component and where price became the referent for quality. Often this “making to a price point” was often accompanied by poorly made product, supporting by

a misguided or a poor or a “me too” branding strategy and the use of sub- standard or gaudy packaging. There was usually an absence of a communications strategy designed to build brand salience.

The major marketing error being made was the assumption that consumers were segmented along both social class which determined appreciation guidelines. The traditional notion of social class discrimination (Phillips 2000) was that it was rich, urbane, aristocrats that drank fine wine and the indiscriminating poor were beverage drinkers who had little concern for quality, as in earlier times they diluted their wine with water and where quality wine was a refinement and of little consequence as they could not afford it anyway.

The emerging Denomination of Origin category in the new world set out to emulate that of the old world by making the same mistakes. The belief that consumers were concerned with tradition and terroir was equally misguided. For the modern consumer this is furthest from the truth and relevant to only a very small portion of wine consumption/purchase occasions and only when they fall into the consumers' lifestyle or status seeking ambit.

The perpetuation of marketing myths was rampant and like the beverage sector the fine wine sector was also being beset by poor marketing decision-making. Some of these misguided myths were:-

These myths are:-

1. Consumers would remain brand loyal and would not substitute for other products when exposed to a broader range of products offerings and with differing specificity characteristics.
2. As incomes increased then the future of the Denomination of Origin system was assured as consumers would expend the same proportion of their disposable income on wine, (drinking less but drinking better wine). There is no product category where this has occurred.
3. Luxury brand equity (icon) is achievable just based on the location of the producer in the first vintage of a start up producer. (a new world phenomenon).

- Quality is based on the superlative expression of luxury wines that have gained their reputation over decades of building brand equity.
4. Publicist “beautiful stories” has great influence on the general consuming public.
 5. That regulation is a shield from market competition and a guarantee of sustainability and survival.
 6. That product enhancement via packaging and presentation are not influential in the purchase process – whereas in reality and at the shelf, “the package makes the first sale – the producer the subsequent sales”.
 7. That consumer and customer relationships are reclusive and that the “the world will beat a path to the winery door”.
 8. That a stability of wine styles based on a single terroir can maintain universal attractiveness, just by educating the consumer to accept the style as the norm.

The new supply chain alternatives – direct mail and internet trading.

The realisation that market access would be more difficult for wineries without a critical mass for retail distribution spawned the concepts of direct mail initially based on capturing visitors to the winery which with the development of the internet as a communication vehicle an alternative distribution source was being established.

From the outset this new source was seen as a threat by both the distributor and retailer and a surfeit of brand names were developed in which were only available from direct and internet mailing sources. Commercial sites were established in most markets but few survived as the consumer need for risk reduction strategies at the POS meant that unrecognised brands were not usually supported and Branded products which were already part of the consumer’s repertoire were better supported. The linkage with wine tourism promised much, but few wineries appreciated the need for the establishment of brand equity and an integrated logistics chain linking the winery and the consumer to be successful. (Lockshin and Spawton 2001)

In the US this new trade ran foul of the 21st Amendment, precipitated by disgruntled distributors, who saw their legislated distribution monopolies threatened. Resolution of this impasse is still with the Courts in the US.

Conclusion

The supply chain for wine starts with the grape vine; the first of many marketing decisions that need to be made in order to build brand salience, perceived quality and ultimately the **quality of saleability** to meet the market access requirements (Appendix 1) of the supply chain, necessary to ensure both availability and retention. This can only be achieved by careful and efficient assembly and governance of the complex supply chain for wine (Appendix 2) in a manner that **delivers value to the consumer** (Spawton 2002).

Finally, this rescue package will need to be undertaken in an environment of cooperation and goodwill with historical combative differences put aside.

Future research

The paper identifies a number of issues which require future research and analysis:-

1. The need for “scenario” planning needs to be a key mechanism to understand the mechanics of the “boom /bust cycle” of the industry. The characteristics seem to be both over reaction at both ends of the supply chain cycle (excess plantings at the top of the cycle and excessive vine extraction in reaction to the bottom of the cycle). The need to develop a comprehensive and timely compendium of production and market data against which the predictions of future supply and demand can be made.
2. The need to be able to predict the role and effect of taste changes in an increasingly eclectic consumer market and where traditional tastes are being marginalised and the effects of these changes on the dynamics of the supply chain.
3. The need to be able to quantify in each market the relative importance of the varying “ roads to market “ and the implications on changes that must occur in the supply chain to accommodate these changes.
4. The development, marketing and management of brand portfolios as large corporations and denominations of origin are in fact “brand portfolios” under a

corporate or administrative umbrella. This work need to encompass measurement of supply chain practice such the effects of price discounting, the consequent effects on perceived quality, inter and intra-brand cannibalisation.

5. The role and cost of regulation of the supply chain both as a generator of development and that of an inhibitor to growth.
6. To continue to measure supply chain efficiency by having industry commitment to change supply chain practices for the benefit of all supply chain participants.

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Appendix 1

Market Access and Brand Retention factors of the Retail Supply Chain

Appendix 2

