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SCHOOL OF BUSINESS, ECONOMICS AND LAW

Master Degree Project in International Business and Trade

The Role of Intermediaries in the International Wine Trade

The case of Spanish wines being imported to Sweden

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Abstract

Intermediaries are crucial in the international wine industry and previous studies have pointed out the lack of research regarding these types of intermediaries. This study aims to provide a deeper understanding of the matchmaking process between Spanish wine producers and buyers in the Swedish market, namely the hotel, restaurant and café (Ho.Re.Ca) segment and the alcohol retail monopoly Systembolaget. The investigation is based on a pilot study, seven interviews with intermediating wine agents and two interviews with Spanish wine producers. On the buyer side, one interview with a representative of the Ho.Re.Ca segment as well as an interview with the Swedish alcohol retail monopoly Systembolaget has been conducted. Based on existing research we have found that trust and commitment in business relationship are crucial for intermediaries in the wine industry together with reducing the uncertainty in the matchmaking process. The main outcomes of this study are, firstly, that the intermediating wine agents must take a proactive approach towards buyers and suppliers. Secondly, that the business relationships are largely impacted by laws and regulations in the highly complex international wine market. Lastly, the expertise of the intermediating wine agent is an important differentiator for successful intermediation in the wine industry alongside with the track record of the intermediating wine agent.

Key Words: Intermediating Wine Agents, Wine Producers, Systembolaget, Ho.Re.Ca, Business Relationships, Trust, Commitment, Value Creation, Information Asymmetries, and Opportunism

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Table of Contents

Abstract	2
Acknowledgments	3
1 Introduction	6
1.1 Background	6
1.2 Discussion of the Problem	7
1.3 Purpose & Research Question.....	10
1.4 Delimitations	10
1.5 Disposition	10
2 Contextual Background	12
2.1 Supply chain in the wine industry	12
2.2 Buyers	14
2.2.1 <i>The Alcohol Retail Monopoly and Systembolaget</i>	14
2.2.2 <i>Hotels, Restaurants and Cafés (Ho.Re.Ca)</i>	15
3 Theoretical Framework	16
3.1 Intermediaries.....	16
3.2 Intermediaries in the wine industry.....	17
3.3 Information Asymmetries, Opportunism, Quality Uncertainty and Risks.....	18
3.3.1 <i>Information Asymmetries and Opportunism</i>	18
3.3.2 <i>Quality Uncertainty</i>	20
3.3.3 <i>Buyer Risks</i>	21
3.4 Business relationships	22
3.4.1 <i>Trust, Commitment and other Success Factors in Business Relationships</i>	22
3.4.2 <i>Value Creation in Long- Term Business Relationships</i>	25
3.4.3 <i>Business Networks</i>	27
3.4.4 <i>Creating Business Relationships through Cellar Door Activities</i>	28
3.5 Summary of Theoretical Findings.....	31
4 Methodology	33
4.1 Research approach	33
4.2 Research Design.....	35
4.3 Data Collection	37
4.3.2 <i>Interview Process</i>	39
4.3.3 <i>Research units and sample</i>	40
4.3.4 <i>Analyzing the Data</i>	41
4.4 Reliability, validity and trustworthiness	41
5 Empirical Findings	43
5.1 Intermediaries - Bibendum.....	43
5.1.1 <i>Wine agents</i>	43
5.1.2 <i>Producers</i>	44
5.1.3 <i>Buyers</i>	45
5.2 Intermediaries - Enjoy Wine & Spirits	46
5.2.1 <i>Wine agents</i>	46
5.2.2 <i>Producers</i>	46
5.2.3 <i>Buyers</i>	48
5.3 Intermediaries - Golf y Vinos	49
5.3.1 <i>Wine agents</i>	49

5.3.2	<i>Producers</i>	49
5.3.3	<i>Buyers</i>	50
5.4	Intermediaries - Oenoforos.....	51
5.4.1	<i>Wine agents</i>	51
5.4.2	<i>Producers</i>	52
5.4.3	<i>Buyers</i>	52
5.5	Intermediaries - Primewine.....	53
5.5.1	<i>Wine agents</i>	53
5.5.2	<i>Producers</i>	53
5.5.3	<i>Buyers</i>	54
5.6	Intermediaries - Arvid Nordquist	54
5.6.1	<i>Wine agents</i>	54
5.6.2	<i>Producers</i>	54
5.6.3	<i>Buyers</i>	55
5.7	Intermediaries - NIGAB.....	55
5.7.1	<i>Wine Agents</i>	56
5.7.2	<i>Producers</i>	56
5.7.3	<i>Buyers</i>	57
5.8	Buyers	58
5.8.1	<i>Systembolaget</i>	58
5.8.2	<i>Ho.Re.Ca</i>	60
5.9	Producers.....	62
5.9.1	<i>Verde Marte</i>	62
5.9.2	<i>Celler Pasanau</i>	63
5.10	Summary of Empirical Case Findings	65
6	Analysis	66
6.1	Intermediating wine agents	66
6.2	Buyers	68
6.2.1	<i>The Alcohol Retail Monopoly and Systembolaget</i>	68
6.2.2	<i>Ho.Re.Ca</i>	71
6.3	Wine Producers.....	73
6.4	Business Relationships	74
7	Conclusion	78
7.1	Findings.....	78
7.2	Theoretical and Empirical Contributions	80
7.3	Suggested Future Research	81
8	References:	82

1 Introduction

The introduction chapter starts with a brief background of the global as well as Swedish market for wine. Thereafter the problem of this master thesis is discussed and the significance of the problem is being highlighted. Following the problem discussion is the formulation of the research question along with purpose of the thesis. At the end of this chapter the delimitations of the paper and disposition are stated.

1.1 Background

Wine is an international business and there are over one million producers of wine worldwide. According to Kierath and Wang (2013) these wine makers produce roughly 2.8 billion cases of wine each year. However, the global demand is at an almost 3 billion cases per year level and is continuing to grow. Besides a dip in the demand for wine that was seen between 2008- 2010 due to the financial crisis, the total growth of the wine industry has been on the rise for a long time. There has, nonetheless, been a shift in the structural shape of the global wine industry. The old and traditional wine making countries such as France, Italy and Spain are facing a lower demand than previously, mainly due to the new emerging wine producers as well as a change in consumer preference. As new markets are emerging outside of Europe in countries like China, the demand for new world wines has risen. This shift, however, develops at a slow pace and France, Italy and Spain are still the world's most significant source for wine production. In 2012 these three countries constituted for around half of the worlds total wine output (Kierath & Wang, 2013). In Sweden there are about 800 importing wine intermediaries. Amongst these intermediating wine agents there are around 30 operating on a large global scale. The largest of these Swedish wine intermediaries have had an annual turnover of close to SEK 10 billion combined annually in the last couple of years (Karlsson, 2014).

At a first glance, as Hall and Mitchell (2008) argue, the global market for wine might seem rather straightforward and easily understood. However, as the authors point out, the global industry and its wine supply chain is a minefield in which the actors face several choices that might make or break the actor depending on what they choose. Moreover, the authors highlight that the global wine industry is, and maybe more than any other

industry, an industry of intermediaries. As the intermediating wine agents play an outmost crucial role in the regulated Swedish alcohol retail monopoly market, the Swedish wine consumption is heavily dependent on them and that they continue to be the link between buying retail outlets and selling wine producers. A task that is complex and influenced by a great variety of causes.

1.2 Discussion of the Problem

As briefly described in the background, the global market for wine is very complex. In addition to the complexity, it is argued by Aubert, Baritoux, Montaigne and Rемаud (2006) that there is limited knowledge regarding the field of wine brokerage and that a deeper knowledge about wine brokerage would provide a better understanding of the wine marketing channels. In the Swedish context, where all purchases of wine from the largest buyer, Systembolaget, as well as from the actors in the Hotels, Restaurants and Café (Ho.Re.Ca) segment that lack import license, must be done through intermediating wine agents (Systembolaget, 2013; Tullverket, 2015), this becomes even more interesting.

Intermediating wine agents are matchmakers, meaning that they match buyers and sellers and assist in the facilitation of the transaction for which the intermediating wine agent takes a commission as put forth by Peng and Illinitch (1998). The matching is made more complicated as there are information asymmetries between buyers and sellers in the wine industry. The information asymmetries that arise in the matchmaking process create incentives for opportunistic behavior amongst the wine agents. Williamson (1975) defines opportunism as self-interest seeking with calculated efforts to mislead. This means that it is possible for wine agents to take advantage of their position at the expense of the wine producers or the buyers. One of the main tasks for intermediaries is to gather and manage information in order to be able to match potential buyers and suppliers as claimed by Etgar and Zusman (1982). Also, according to Spulber (1996), with non-standardized products, the matching process does not only imply basic matching of quantity and price. Aubert et al. (2006) points out that wine is not a standardized product

and the authors further claim that in terms of wine quality, the intermediating wine agent base the matching on testing different wine samples and thereafter assess them. The expertise and knowledge of the quality of the wine have been highlighted as factors that could potentially improve the matching of buyers and sellers. Against this background, depending on the knowledge and expertise of the wine agent, there is a quality uncertainty factor when trading wine that is much harder to measure than in matchmaking of standardized products where only price and quantities are of importance (Aubert et al., 2006). Given these market insights there are numerous of potential obstacles that the intermediating wine agents must overcome. It is, hence, of importance to research what obstacles that affect the way the wine agents conduct their business operations and understand in what way they affect the intermediating wine agents.

Elaborated on in this study is Systembolaget as well as the Ho.Re.Ca segment as the buyers, since these actors combined are responsible for more than 90 percent of the wine purchases in Sweden (Leifman & Trolldal, 2014). There are certain end-consumer risks, such as financial risk and time risk that need to be taken into account for both the intermediating wine agents and for the buyers. As the intermediating wine agents are heavily dependent on the buyers, these risks are important for the intermediating wine agents to consider. These risks have an impact on the landscape of the global wine trade since they according to Schiffman, Hansen, Kanuk and Schiffman (2008) can be limited if the brand is well-known and the information search related to finding new reliable wine producers can be decreased through long-term business relationships. Spekman (1988) stresses that as for most businesses in which intermediaries are acting, healthy and sound business relationships are essential for the establishment of long-term business relationships. Håkansson and Ford (2002) explain business networks as a large number of firms within manufacturing and service industries being tied together through transactions with each other. This is because the business networks allow the firms of the network to lower their costs as it allows for potential trade-offs between benefits and costs (Ford & Håkansson, 2013). As the wine industry is an industry in which relationships play a substantial role, one cannot underestimate the impact of business relationships when considering the underlying factors for the intermediating wine agents

businesses. Hall and Mitchell (2008) also state that intermediating wine agents hold considerable power in regards to the buyers and sellers in the matchmaking process, and that trust is of high importance in these business relationships. Chen, Yen, Rajkumar and Tomochko (2011) further claim that trust helps in reducing the risks associated with opportunistic behavior. Hall and Mitchell (2008) also point out the importance for wine producers to invite intermediating wine agents and other potential customers to the wineries and let them take part of their cellar door activities which include wine tasting and familiarization with the wine brand. As the intermediating wine agents would not fill a function without both the buyers and sellers, it is important for them to consider the relationship- making and maintaining in both directions.

In regards to intermediaries in the international wine trade, limited research has been done. The existing research conducted has taken a general approach in regards to intermediaries, brokerage and the matchmaking process. In terms of academic research on intermediating wine agents, Aubert et al. (2006) have, to our knowledge, paved the way for the few academic studies available on the topic and also laid the foundation for the work of Hall and Mitchell (2008) that gives theoretical insights to the global wine industry. Further, we have not found any academic studies investigating the matchmaking process of buyers and suppliers, constituted by Spanish wine producers and Swedish buyers. Moreover, to the best of our knowledge, no studies regarding intermediaries have focused on wine imports to an alcohol retail monopoly market. Therefore, a research gap in the literature has been identified and this master thesis aims to fill that research gap.

1.3 Purpose & Research Question

The purpose of this master thesis is to investigate the international trade of wine through the lens of intermediating wine agents in order to fill the research gap regarding the matchmaking process of Swedish buyers and Spanish suppliers of wine. To be able to do this the matchmaking process of buyers and suppliers will be analyzed. The findings and understandings will be used to create an in depth analysis of the underlying factors for the intermediating wine agents in their work and business relationships. Hence, this master thesis aims to answer the following research question:

What are the underlying factors that are impacting in the matchmaking process between buyers and suppliers in the wine industry?

1.4 Delimitations

The scope of the thesis has been narrowed down and a few delimitations have been made. The study has been limited to Spanish wine producers and the Swedish intermediating wine agents that purchase wine from Spanish producers. Moreover, this thesis will only consider the Swedish alcohol retail monopoly outlet Systembolaget as well as the Ho.Re.Ca segment as the buyers in the Swedish market.

1.5 Disposition

Contextual Background

After a brief introduction, the contextual background is explained where Systembolaget and the Ho.Re.Ca segment is at the core. Also included in the contextual background is a description of the global supply chain of the wine industry.

Theoretical Framework

After the contextual background, the theoretical framework is presented, which includes a theoretical discussion regarding theories of intermediaries in the wine industry, information asymmetries, opportunism as well as quality uncertainty. The theoretical framework is concluded with a theoretical discussion regarding business relationships.

Methodology

Following the contextual framework is the methodology chapter, where the utilized practices and strategies that have been a part of the thesis process are presented. Included in this chapter is a description of the research process followed by the research design. Moreover it is presented how the data was collected and analyzed and how the trustworthiness has been maintained throughout the process.

Empirical Findings

After the methodology chapter, the empirical findings are presented and consist of findings from the eleven interviews that have been conducted for this master thesis. The findings stem from seven interviews with Swedish intermediating wine agents as well as two interviews with Swedish buyers. The buyer side is represented by one interview with Systembolaget and one interview with the Ho.Re.Ca segment. The findings from the supplier side are from two interviews with Spanish wine producers.

Analysis

Subsequently, the empirical findings are compared with the theoretical framework and analyzed. The analysis is focused on the underlying factors that impact the matchmaking process of buyers and suppliers in the wine industry.

Conclusion

In the concluding chapter, the research question is answered and the findings of the study is summarized and presented together with suggestions for future research, which finalize the thesis.

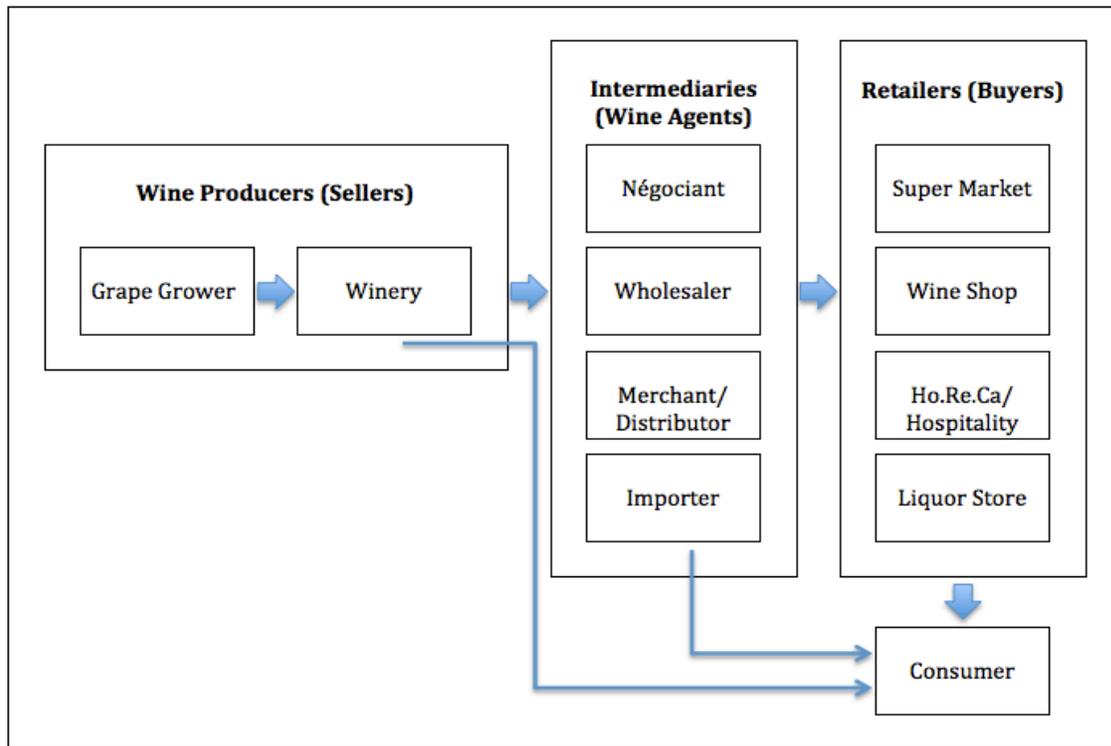
2 Contextual Background

The contextual background chapter provides a contextual framework that helps in understanding the theoretical and empirical findings. The contextual background chapter elaborates on the supply chain within the wine industry as well as the Swedish alcohol retail monopoly and the Ho.Re.Ca segment.

2.1 Supply chain in the wine industry

In order to be able to illustrate the complexity of the wine industry, a supply chain model showing the generalized global wine trade based on findings made by Hall and Mitchell (2008) is presented in Figure 1 below. Hall and Mitchell (2008) define the global wine supply chain as a minefield in which the actors face several choices that might make or break the actor depending on what they choose. According to the authors this goes for the more experienced actors in the supply chain as well. The complexity of the industry and how the actors are interlinked is hard to grasp for both existing actors and new entrants as the global wine industry is changing its form (Hall & Mitchell, 2008). Plattara, Raggi and Cichelli (2012) state that due to the relatively new and increased global wine production in the Americas, Australia and Asia, the wine industry is evolving and other countries are taking market shares from the traditional European wine producing countries such as France, Italy and Spain. This transition within the global wine industry is changing the dynamics of the industry as a whole (Plattara et al., 2012).

Figure 1: Global Supply Chain of the wine industry



Source: Compiled by authors based on Hall and Mitchell (2008).

The global wine supply chain in Figure 1 shows an overview of the segments and the actors of the global wine industry. It is divided into three larger areas where the first one represents the producers in the wine industry. The producers are responsible for not only producing the wine but also the branding and reputation of the wine. Secondly, the intermediating wine agents can take different forms and have different powers, functions and roles depending on what market they are operating in. Although the intermediating wine agents differ, not all types of intermediaries are suitable or permitted in all markets. Thirdly, the retailers differ from country to country depending on the domestic alcoholic laws and regulations as well as other market conditions. Important to be aware of is that there are complexities hidden within this model, such as that boundaries between the elements in the supply chain often are rather blurred (Hall & Mitchell, 2008). Additionally, Garcia, Marchetta, Camargo, Morel and Forradellas (2012) add that since the supply chain models for the wine industry are so generic it is hard to grasp all details and circumstances of every individual case. However, it gives an adequate overview of

the global wine industry and the actors working within it (Garcia et al., 2012). The case of the Swedish supply chain is, however, a bit special as there is an alcohol retail monopoly that dictates the rules over how wine is to be sold (Hall & Mitchell, 2008).

2.2 Buyers

2.2.1 *The Alcohol Retail Monopoly and Systembolaget*

Eklund (2007) defines a monopolistic market as a market of a good where there is only one company controlling the demand of the good. Moreover, the author states that monopolies lead to higher prices and lower quantities compared to in a free market (Eklund, 2007). Moreover, Her, Giesbrecht, Room and Rehm (1999) state that retail monopolies for sales of alcoholic beverages have been and are present in a number of countries. In most countries the alcohol retail monopolies have traditionally been in place as a measure to reduce excessive drinking. However, this approach has gradually shifted towards a more commercial and business oriented attitude. It is further claimed by the authors that an unregulated market for alcoholic beverages would extend the number of retail outlets as well as opening hours. It is also being argued that retail monopolies hinder the prices of wine and other alcoholic beverages to either increase or decrease based on commercial competition and demand (Her et al., 1999). Norström et al. (2010) argue along the lines of Her et al. (1999) and state that prices, retail outlet density and opening hours are affected by the alcoholic retail monopolies. Norström et al. (2010) further add that the Swedish alcoholic retail monopoly along with the Swedish alcoholic laws makes wine promotion and advertising hard. According to the authors it has been proven that advertisement spurs the consumption of alcohol (Norström et al., 2010).

As set forth by Holder et al. (2008), Systembolaget is regulated by Swedish laws and is a national retail sales monopoly on alcoholic beverages with an alcohol percentage above 2.25. The only exception to this is beer with an alcohol content of 3.5 percent, which can be sold in grocery and convenience stores. According to Systembolaget (2015), the retail sales monopoly for alcoholic beverages has been in place since 1995 as Sweden entered the European Union (EU). Prior to Sweden's entry to the EU, the national monopoly also

covered the rights for alcohol imports, alcohol exports, alcohol wholesales and alcoholic beverage production. Moreover, since 2007, purchasing alcoholic beverages online for private consumption is allowed in Sweden (Systembolaget, 2015). Hall and Mitchell (2008) also state the fact that Sweden has no large- scale wine manufacturing.

2.2.2 Hotels, Restaurants and Cafés (Ho.Re.Ca)

Lai, Cayicchi, Rickertsen, Corsi and Casini (2013) highlight the importance for wine agents to cultivate good and healthy relationships with bars and restaurants in order to be able to offer them the best wines to accompany their menus. In addition, it is important for the intermediating wine agents to find bars and restaurants that are not under long-term agreements with other wine agents or wholesalers. Furthermore, Pomarici, Boccia and Catapano (2012) emphasize the importance of the Ho.Re.Ca distribution channel for the intermediating wine agents, as the Ho.Re.Ca distribution channel stands for a significant portion of the wine purchases in most countries. However, as the jurisdictional circumstances and preferences differ in different nations and regions it is important for wine agents to be aware of these differences. For instance, in Sweden the Ho.Re.Ca segment only stands for roughly 10 percent of the total market for wine (Leifman and Trolldal, 2014). Also, as wine agents and wholesalers deliver the wine in the Ho.Re.Ca segment, this distribution channel is an important way for wine agents and wine producers to communicate and brand their product (Pomarici et al., 2012). Emphasized by Hall and Mitchell (2008), the Ho.Re.Ca channel cannot be undervalued as it is in this channel the primary function of wine is fulfilled, namely to accompany food. Furthermore, Bernetti, Casini and Marinelli (2006) state that as more and more of the wine consumption is taking place outside the home, especially in Western Europe, the Ho.Re.Ca distribution channels are growing of importance. This is mainly due to changes in consumer habits as more people are becoming interested in high quality wine (Bernetti et al., 2006)

3 Theoretical Framework

In the theoretical framework chapter the literature on intermediaries and business relationships within the wine industry is being outlined. The chapter starts by looking at the intermediaries' role in the wine trade. Then information asymmetries, opportunism, quality uncertainty and risks are studied. The chapter ends by looking at the literature regarding business relationships.

3.1 Intermediaries

It has been argued that in competitive markets where intermediaries act as brokers between demand and supply and are able to influence the ranking and sorting of products in categories. In these markets, the intermediaries play an important role in the stability of the market and how it functions (Burt 1999; Hirsch 1975; 1977). Amongst these actors there are independent actors that evaluate quality and features of the product, which has an impact on both consumption and production. These actors affect the perception of the consumers in regards to the different alternatives and also impact the perception of the producers in regards to how they are able to position their products (Odorici & Corrado 2004).

Over the past decade, several studies have highlighted how prevalent intermediaries are in the international trade as highlighted by Dasgupta and Mondria (2012) (e.g. Ahn, Khandelwal & Wei 2011; Akerman, 2012; Bernard, Jensen, Redding & Schott 2010; Bernard, Grazi & Tomasi, 2011; Blum, Claro & Horstmann 2009; and Feenstra and Hanson, 2004). The two main observations that are made in these studies are: Firstly, a substantial share of the international trade goes through intermediaries. Secondly, the mode of export differs systematically in regards to how the export is carried out, through intermediaries or by direct export. The differences are not solely by different firms within a specific industry but also in different destinations and industries. The intermediaries are responsible for a wide range of roles, which partly explains why there is no consensus in the specific role that the intermediaries perform (Dasgupta & Mondria, 2012). In the literature on wholesale intermediaries, two categories have been identified, namely “marketmakers” and “matchmakers” (Yavas, 1992). The marketmaker sets a bid price and an ask price and thereafter sells and buys on his own account. The matchmaker on

the other hand does not buy nor sell but simply match two parties, for example firms with workers or buyers with sellers (Yavas, 1992). In the wine industry, the intermediating wine agents are matchmakers (Aubert et al., 2006).

3.2 Intermediaries in the wine industry

The intermediating wine agents are independent, which allows them to be in contact with a number of buyers and sellers. Since the intermediaries are not connected to only one specific client, they can set up a network of prospects, which makes them able to use broader information (Aubert et al., 2006). Moreover, Fares (2009) argue that intermediaries in the wine industry match supply and demand through the reduction or elimination of uncertainty connected to a successful matchmaking of wine producers and buyers. It is further argued that intermediaries collect and provide buyers and sellers with information; this is done by finding the buyers needs and through regular sample tastings at the location of the producer (Fares, 2009). It has been shown that in markets where the amount of buyers and sellers are of high importance, the matching efficiency of the individual broker is increased with a larger network (Aubert et al., 2006). Moreover, Silverman Sengupta and Castaldi (2008) claim that the effectiveness of the intermediaries is connected to the export performance. If the exporter has effective relationships that are maintained, the chance of success is greater. Aubert et al. (2006) further state that an aspect of the intermediaries' efficiency is the expertise. One way of defining expertise is as the body of specific knowledge that a limited number of people possess and is used to perform a specific function. The expertise of the wine brokers is according to Aubert et al. (2006) based on the intermediary's specialization on a specific wine production area and on the knowledge of the clients network. It has further been argued that intermediaries build and maintain long-term relationships with merchants and wine growers (Aubert et al., 2006). Moreover, both merchants and intermediaries that operate internationally influence the competition on the wine market, which increases the competition throughout the value chain. The prices of the wines have further been described as related to the price of bulk wines, which is bought both by merchants and intermediaries (Coelho and Castillo-Girón, 2012).

According to Aubert et al. (2006) buyers and sellers have different interests; the negotiations between them are aimed towards accommodating the different interests. The negotiation costs are a result of meetings, visits and necessary discussions for achieving a satisfactory agreement for both buyer and seller. Bargaining is done not only on prices but also on volumes along with exchange modalities. There are, however, not only direct negotiation costs but also opportunity costs. These costs should be taken into consideration and depend on the length and cost of the negotiation stage. Furthermore, the costs have to be paid by the negotiators even if the negotiation fails (Aubert et al., 2006). To reduce negotiation costs, both direct and logistical costs connected to bargaining as well as hazards connected to information asymmetries are of importance. Therefore, with higher quality of the matching and by reducing information asymmetries, the intermediaries can reduce the risk of negotiation breakdown (Peng & Illinitch, 1998). In addition, uncertainty related to negotiations can be reduced with the help of a third-party intervention. Hence, the expertise of the brokers is an important aspect connected to the reduction of negotiation costs; another important aspect is the independent status of the intermediary (Peng & Illinitch, 1998). It has further been argued that the more the independence of the intermediary is recognized by the negotiation, the smoother the negotiation is. Moreover, the intermediary can also match buyers and sellers that would never have traded without the help of them (Aubert et al., 2006). Furthermore, in markets with intermediaries, information asymmetries can be present and it has been stated that information asymmetries exist in the wine industry (Corduas, Cinquanta & Ievoli, 2013).

3.3 Information Asymmetries, Opportunism, Quality Uncertainty and Risks

3.3.1 Information Asymmetries and Opportunism

When information asymmetries between sellers and buyers exist, there is a possibility for goods and services of high- and low quality to coexist in the market (Akerlof, 1970). Hence, buyers are required to determine the quality of the services or goods, given that information asymmetry is in place. This task is problematic and costly. The problems that stem from asymmetric information can be divided into either adverse selection or moral

hazard problems, which was highlighted by Akerlof (1970). Whether the problems are related to adverse selection or moral hazard depends on the information asymmetry that is present (Nayyar, 1990). It has been stated by Corduas et al. (2013) that there is information asymmetry in the wine market; purchasers and producers possess different information in regards to the quality. The producers aim towards objective quality, which is connected to sensory characteristics and wine production. The purchasers, on the other hand, judge the quality based on extrinsic qualities that may be judged through tastings. The judging by the purchasers is however done within certain limitations, given the involvement and experience from the first consumption evaluation (Corduas et al., 2013).

Sáenz-Navajas, Campo, Sutan, Ballester and Valentin (2013) further state that based on the abovementioned, the design, information and related bottle aspects are very important to the choice of wine. Due to the lack of complete information, opportunism may exist in the wine industry and can be of different types. One type of opportunism is passive opportunism, which can be exemplified as being when one party does not share critical information. Active opportunism, on the contrary, is when material facts are misrepresented, for example by twisting the rivals bids (Wathne & Heide, 2000). There is also a possibility of opportunism in ongoing relationships, there may be, for instance, contracts regarding distributions that hinder resellers to sell in a specific geographical area or to contact specific customers (Stern et al. 1996). Dealers are also occasionally prohibited by contract to have competing products within a particular product category; this is referred to as exclusive dealing contracts (Heide, Dutta & Bergen, 1998). The intermediaries will in most cases be able to lower the actual costs if they are able to ease the opportunism amongst the buyers and suppliers. Despite the fact that the wine agents are not commissioned by only either the buyer or supplier, they are paid to carry out a service. More particularly, there is a transaction between the wine agents and the buyers and suppliers. Since there is a risk of opportunistic behavior from the intermediaries, the services provided by the wine agents will only be used to reduce actual costs by the buyers and suppliers if monitoring the work of the wine agents is not too costly (Gromb & Martimort, 2004; Lizzeri, 1999). Opportunistic behavior by the intermediaries can, however, be avoided by buyers and suppliers by simply introducing competition amongst

the intermediaries. This will give the buyers and suppliers a more complete view, thus limiting asymmetric information (Aubert et al., 2006).

3.3.2 Quality Uncertainty

In regards to quality uncertainty, Akerlof (1970) argues that there are several markets where only a few characteristics are used to evaluate the quality of a product, which gives the sellers incentives to sell merchandise of poor quality since returns for good quality is primarily given to the entire group of sellers rather than the individual sellers. This is since the statistics on the market is based on the larger group rather than on the individual sellers (Akerlof, 1970). Quality uncertainty has been argued by Müller (2004) to be referring to asymmetric information, which was presented by Akerlof (1970). Moreover, it has been claimed that the degree of quality uncertainty is determined by when the evaluation is done and how the goods can be evaluated, i.e. before or after the purchase (Müller, 2004).

As argued by Hall and Mitchell (2008) the effectiveness of intermediating wine agents can be increased by refining the distribution channels through controlling the information flows. By not interfering with the physical distribution flows, the wine agent can increase the distribution flow efficiency. Since the wine agents are working independently, are matchmakers of buyers and sellers, together with not titling the goods of the distribution flow, they can be seen as the information link between the buyers and sellers. Hence, it can be argued that one of the main tasks for intermediaries such as intermediating wine agents is to gather and manage information in order to be able to match potential buyers and suppliers (Etgar & Zusman, 1982). As wine is not a standardized product, the matching process does not only imply basic matching of quantity and price. The process is more complex as the quality aspects are of high significance in the matching process. In terms of wine quality, the intermediaries base their matching on testing different wine samples and then assess them. The expertise and knowledge of the quality of the wine is crucial in the wine agents process of matching buyers and suppliers. Against this background, depending on the knowledge and expertise of the wine agent, there is a quality uncertainty factor when trading wine that is much harder to measure than in

matchmaking of standardized products where only price and quantities are of importance (Spulber, 1996; Aubert et al., 2006).

In regards to quality uncertainty and the intermediaries role in decreasing it, there have, to our knowledge only been two previous studies. The first study conducted by Tang and Zhang (2011) is developed around the concept of incomplete contracts. In the model constructed by the authors, there is a lower fixed cost when exporting through intermediaries. The second study conducted by Bardhan, Mookherjee and Tsumgari (2013) state that the intermediary's reputation concern can solve moral hazard related problems. The study is however focused on income distribution and how it is impacted by trade liberalization

3.3.3 Buyer Risks

It has been stated by Angulo, Gil, Gracia and Sánchez (2000) that wine is a highly differentiated product with prices that vary greatly over a very wide range. It has been argued that although the price is the most important determinant for purchasing decision for consumers, more and more wine is consumed based on other characteristics such as quality, prestige, origin, grade, taste and other characteristics. These characteristics together with the market price determine what wines the consumers choose. It has been shown that for Spanish wines, the most important determinant of price is the growing area. Another finding was that experts did not impact the medium priced wines, however for the more premium wines, experts have an impact on the consumers (Angulo et al., 2000). It has further been argued that the signal producer quality also has an impact on price that is significant (Schamel, 2006)

In regards to buyers, Schiffman et al. (2008) identified six types of buyer risks, these risks are: firstly, functional risk, which is the risk that the product, will not work in the way that is expected. The second risk is the physical risk, which is defined as the risk to others and to yourself that the product can lead to. The third risk is the financial risk; the financial risk is described as the risk that the product may not be worth whatever is paid for it. The fourth risk is the social risk and is explained as being the risk that the product

may lead to social embarrassment. The fifth risk is referred to as the psychological risk and is described as the risk the wrong choice may damage the ego of the consumer. The sixth and final risk is the time risk, the time risk is defined as the risk that the time spent on searching for the product may be in vain if the product does not live up to the expectations (Schiffman et al., 2008). The authors also highlight that the categories and the extent of the perceived risk is not solely based on external factors but also on the individual. Roselius (1971) identified 11 so called “risk relievers” with the consumer’s preference, based on what risk was perceived. The 11 “risk relievers” have since been focused down to six categories (Schiffman et al., 2008). These categories are: Information search, brand loyalty, buying a well-known brand, buying from a reputable retailer, price and lastly seeking reassurance, such as warranties and money-back guarantees.

3.4 Business relationships

3.4.1 Trust, Commitment and other Success Factors in Business Relationships

In the early research on the concept of trust in business relationships, Spekman (1988) points out trust as a cornerstone in successful collaborative long- term business relationships. Solomon (1992) further looks at the role of trust in business relationships and concludes that for almost all businesses working globally, the days of predatory competition are over. As the business environment as well as the business ethics has changed, the perception of competition and collaboration has changed as well. The author further claims that in order to compete, you must be able to collaborate. However, the extent of collaboration is determined by what type of relationship the actors have with one another (Solomon, 1992). Morgan and Hunt (1994) highlight the importance of trust in these collaborations in order for them to be successful. They define trust as when one party has confidence in their exchange partner’s reliability and integrity. Further, trust can be explained as the willingness of one party to rely on their exchange partner. The level of trust amongst the exchange partners stem from that they find each other trustworthy and possessing high integrity. Morgan and Hunt (1994) build their argument

on previous research in regards to trust that have shown that it is believed that qualities such as consistency, competence, honesty, fairness, responsibility and helpfulness will become a natural part of their exchange relationship (Altman & Taylor, 1973; Dwyer & LaGrace, 1986; Larzelere & Huston, 1980; Rotter, 1971).

Moreover, Morgan and Hunt (1994) define commitment as when an exchange partner believes that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it. Berry (1983) has also stressed the importance of commitment in business relationships but in the form of loyalty. Loyalty does not only mean repetitive buying. It is rather the attitude towards the brand being purchased that is the most important factor. Schurr and Ozanne (1985) add that trust will also lead to a higher level of loyalty and commitment amongst the exchange partners. Assael (1987) elaborates on the significance of loyalty in business relationships. The author states that brand loyalty is closely related to the commitment theory. On the production side, brand loyalty and commitment are seen as crucial for a good performance. The trustworthiness of the manufacturers business as well as a way promoting the firms values are also highlighted as important (Assael, 1987).

In more recent studies, Chen et al. (2011) also state that trust reduces the notion of risks associated with opportunistic behavior. Further the authors also state that it reduces the risk of, as well as diminishes, fear of information disclosure. Also, Su, Song and Dang (2008) argue that lack of trust in long- term business relationships is a leading cause in unsuccessful relationships. Fawcett (2004) states that an absence of trust amongst trading partners creates a business environment where every transaction must be scrutinized, hence increasing overall transaction costs. What more, Chen et al. (2011) claim along the lines with Morgan and Hunt (1994) that commitment and joint- actions are crucial for enduring business relationships. After all, the authors claim that firms build long- term business relationships as long as they perceive mutually beneficial outcomes from the relationship, stemming from the commitment they have for one another (Chen et al., 2011). Along these lines, Chenet and Sullivan (2010) stress the importance of delivering high quality products. By delivering products of high quality the loyalty for the producer increases amongst the buyers (Chenet & Sullivan, 2010).

Spekman (1988) and Morgan and Hunt (1994) have established that trust and commitment are regarded as cornerstones in most successful business relationships. Garbarino and Johnson (1999) develop the concept of how to achieve successful business relationships further. The authors state that the overall satisfaction of business relationships, for mainly the consumer, can further be measured by looking at the purchases and consumption of a product or service and how it has changed over time (Garbarino & Johnson, 1999). Leonidou, Katsikeas and Hadjimarcou (2002) further argue that building healthy, sustainable and enduring export business relationships does not occur by accident amongst producers. It takes lots of coordinating, involvement, operational- and relational work to reach a good business relationship. A business relationship in which the exporter and buyer can work in harmony as well as with an experienced staff helps establishing healthy relationships. The producing exporter should therefore pay attention to developing a sense of cross- cultural business knowledge and relationship building in order to optimize the potential trade. As research has proven, those producers choosing a nationalistic approach and only regard domestic buyer behaviors are more often less successful than the producers choosing to show greater interest in foreign buyer behaviors as well as domestic. These market changes can be explained by the increasing globalization and the increased global demand of customers. Hence, the importance of building positive, harmonious and committed business relationships cannot be emphasized enough (Leonidou et al., 2002). Additionally, Grönroos (2011) stresses the importance of implementing service logic in business relationships. This means providing support to customers' business needs and offering them support for their business activities and practices (Grönroos, 2011).

Hall and Mitchell (2008) claim that, in order to be successful in the wine industry, the internationalization aspects of the global wine market cannot be neglected. Although many wineries have previously only acted on a local basis, the wine industry has changed and acting and distributing wine globally has become a necessity for survival in this very competitive market landscape. Further, the authors state that due to these changes in the wine industry, it is important for all the actors in the market such as producers, intermediaries and retailers to nourish their existing relationships as well as strive to

establish the desired important relationships of each individual actor (Hall & Mitchell, 2008).

3.4.2 Value Creation in Long- Term Business Relationships

Wilson (1995) argues that business relationships between suppliers and buyers have existed ever since people started trading goods with one another. Over time, these business relationships often emerge and the suppliers and buyers develop trust and friendship with each other. Naturally, this is strengthened by good quality of the products and services being traded (Wilson, 1995).

To start with, as Spekman (1988) as well as Morgan and Hunt (1994) highlighted, trust and commitment are cornerstones in most successful long- term relationships. Further, Wilson (1995) and Morgan and Hunt (1994) state that cooperation amongst the buyers and suppliers is crucial in order for the business relationship to last. However, if the business relationship is to last, a preemptive cooperation approach must be taken. This means that the buyer and supplier must allow each other to interact and commit, to ensure that both parties will benefit from the cooperation. To be able to develop a relationship over time, the buyer and supplier must also set up mutual goals that will allow them both to feel incorporated in order to benefit from the business relationship (Morgan & Hunt, 1994; Wilson, 1995). Wilson (1995) continues by stating that two other variables are important in order to sustain long- term business relationships, namely; interdependence and power. The power of the buying or selling party in a business relationship is closely knitted to the interdependence of the partner. This power imbalance can be defined as one partner's ability to make the other party do something they normally would not do. Hence, one partner is more dependent on the other partner (Wilson, 1995). Han, Wilson and Dant (1993) point out that although power imbalance in business relationships is often present, research studies have shown that there is a need from both the buyer and the supplier side to increase the interdependence on the other party to sustain and make the business relationship better (Han et al., 1993).

According to Wilson (1995) the combination of the partners' strengths allow them to gain from one another and benefit from not working independently. The problematic issue with value created in business relationships is how to share it. The value can be in the form of technology, market access or information. However, value can also be seen as reduced costs on both the buyer and supplier side. Further, knowledge gained from the partner is created value as well. It is therefore a complex process to share the value created in a business relationships. If one of the partners is more powerful, it might hurt the trust and commitment in the business relationship and the value-sharing amongst the buyer and supplier will worsen. Hence, they must share the value jointly created. In terms of value creation, the benefits with a balanced business relationship are that both the supplier and buyer are willing to offer a fair share to the other. If they do not, the value creation diminishes for both parties. To increase the bonds and value creation between the buyer and seller even further, non-retrievable investments can be made by both parties. This can be in the form of early supplier involvement or by hiring people who work for both companies. This helps to create value as well as build and increase the structural bonds between the two firms (Wilson, 1995). Wagner, Eggert and Lindenmann (2010) conclude that building and sustaining business relationships is far more effective in creating value than working solely independent or just at a transactional level. Haas, Snehota and Corsaro (2012) add to the topic of value creation in business relationships that a few conditions are needed for creating value in business relationships. Firstly, there must be a strong linkage between the firms that goes beyond the solely transactional level. Secondly, the initiative to cooperate in the business relationship must be mutual and balanced in terms of power, knowledge and competence. Lastly, the unexpected value created through the business relationship must be sized and used by both parties (Haas et al., 2012).

According to Lai et al. (2013) it is important, and often the focus, for the wine agents to build long-term partnerships with other players in the wine business in order to stay updated on trends and to be able to monitor both the Ho.Re.Ca market channel and the alcohol retail monopoly market channel. Also, it helps the wine agents to ensure availability of the wine and that they are able to distribute to both of these market

channels all over the country (Lai et al., 2013). As noted by Lai et al. (2013), due to bans and restrictions of advertising for alcoholic beverages, other promotion strategies must be carried out in the countries affected by the producers and intermediaries. As Creutzer (2012) points out, the Swedish market is restricted in terms of how advertising of alcoholic beverages can be conducted. Lai et al. (2013) further state that the role of the press is crucial in these markets as the press publishes wine reviews, which affect the consumer preferences and demand. Hence also affecting the sales of wine.

Furthermore, Hall and Mitchell (2008) state that value and profits in the wine industry is determined by the products value to the customers, the competition amongst the wine producers as well as the relative bargaining power of the other actors in the distribution chain such as wine agents and wholesalers. Also, the authors stress the importance of the marketing of wine for producers and wine agents. Both present and future marketing is important to consider, as the wine must attract the lifestyle decisions of the consumers (Hall & Mitchell, 2008). Hall and Mitchell (2008) also point out the importance of trustworthiness amongst the intermediating wine agents as they hold a considerable power in the relationship- making between the buyers and sellers. The levels of trust are important between buyers, sellers and wine agents so that one party does not take advantage of one another (Hall & Mitchell, 2008). Although business relationships are specific to two parties usually, they are often part of a larger business network context (Håkansson & Ford, 2002).

3.4.3 Business Networks

Håkansson and Ford (2002) describe networks as a large amount of nodes tied together and related by strings. Hence, a business network is a large number of firms within manufacturing and the service sector as well as matchmakers tied together by different types of transactions with each other. All the nodes or firms have different specialties such as resources or knowledge that make them interesting and desirable trading partners for the other nodes or firms. However, Ford and Håkansson (2013) discuss business networking and argue that the firms within a business network always assess the potential

trade-offs between benefits and costs, mainly for themselves but also for the other firms in the business network. Further, the firms within a business network might adapt to the activities going on in the business network that they cannot directly control to be able to benefit or at least not fall behind the other actors (Ford & Håkansson, 2013).

Naturally, as Håkansson and Ford (2002) claim, there are not only benefits with being part of a business network. One of the foremost constraints is that a firm's counterpart might use their relationship to gain advantages in their pursuit of individual objectives. On the contrary, one of the main reasons for why firms get involved in business networks is because they want to gain advantages and control to fulfill their own agenda. However, it must be noted that the more powerful and controlling a firm in a business network becomes, the more ineffective and less innovative the business network becomes. Hence, there is a fine line of how much a firm can push the other firms in order for the business network to continue to develop and offer all actors benefits (Håkansson & Ford, 2002).

Hall and Mitchell (2008) elaborate on the importance of business networks within the wine industry. The authors argue that the business networks in the wine industry allow the different actors to access specialized services at lower costs. Other benefits include that the networks make it easier for the different actors in the wine industry to make it in the industry and develop new and more complex products; these networks are based on cooperation (Hall & Mitchell, 2008)

3.4.4 Creating Business Relationships through Cellar Door Activities

Hall and Mitchell (2008) claim that being a wine producer does not merely mean producing the wine if you are to become successful in the fierce competition in the global wine market. In order to increase sales, marketing and communication, wineries engage in what is known as cellar door activities. The cellar door activities are the activities taking place at the winery such as wine tastings, tours and brand showcasing. These activities have become increasingly more important as this is a way for the wineries to present themselves as well as to develop and maintain relationships with potential buyers

as well as already existing ones (Hall & Mitchell, 2008). Carlsen and Boksberger (2012) points out that unlike regular product marketing where the consumer value is created when the exchange takes place, the cellar door activities comprise of a number of encounters prior to, during and after the cellar door visit that create value to the consumer. O'Neill and Charters (2000) state that the cellar door is often the first contact with wineries and their wines for the customers. Therefore it is of importance for the wine producers to create a good first impression. Moreover the authors claim that it is at the cellar door that the wine producers have a unique opportunity to show off the profile and characteristics of both the wines and the winery. The levels of sophistication the wine producers show are also believed to have a great impact on the way the customers and potential customers perceive the wine producer (O'Neill & Charters, 2000).

There are other more specific benefits and also some disadvantages for the wineries when engaging in cellar door activities as stated by Hall and Mitchell (2008). On the advantage side, cellar door activities allow the wineries to educate the visitors and potential customers and raise awareness of their wine. Also, it is a networking opportunity both for the winery itself and the visitors where the winery often build up a database of potential customers that they keep informed of what is going on at the winery. Cellar door visits are further the easiest way for wineries to expose their product to the potential customers as they let them taste the wine and provide them with free samples and promotions. This is additionally a good opportunity to find out about the competitors through the visitors and this thus give the wine producers insights on what other wine brands the potential customers are looking at. However, there are some disadvantages and risks for the wine producers with cellar door activities. If the winery is unable to increase their sales as a result of the cellar door activities, they have often increased their costs substantially instead. To add to that, there is initially often a great deal of capital required to be able to host the cellar door activities, something which is often complicated as wine producing is a capital intensive business (Hall & Mitchell, 2008). Another positive aspect pointed out by Gill, Bysima and Ouschan (2007) is that the wine producers get to know the customers and potential customers as they visit their cellar doors. This is something that helps the wineries understand the demands and needs of the customers better (Gill et al., 2007).

Hall and Mitchell (2008) and Gill et al. (2007) also state that it is imperative for the wine producer to have effective cellar door activities. Hence, the producer must focus on both the sales skills of the employees as well as the social and empathetic skills of the employees. It is creating a loyal customer base that returns and buys larger quantities that is the main objective for the employees working at the cellar door, rather than just one-time sales. Therefore trust is of an extreme importance in the relationship- building and development phase for wine producers. Establishing a good reputation is also something that is of high value to the wine producers. Cellar door activities also help in establishing and developing long- term relationship with their customers as well as increase the interest in the winery. However, the wine producer must deliver an authentic experience for the potential customer visiting the winery. This means that in order for the wine producer to be perceived as authentic it should be able to provide those who visit them with an experience that feels genuine. The aim for wine producers is that as the customers and potential customers leave the winery they shall communicate forward to others of the good experience at the winery. It is important that the stories, people and places seen are perceived to be real and not just a well-polished façade (Hall and Mitchell, 2008; Gill et al., 2007). To add to this, O'Neill and Charters (2000) claim that staff members at the cellar door must be knowledgeable and service-minded, as it is believed that they influence the potential customers opinions and preferences about the brand.

Gill et al. (2007) further highlight the importance for wine producers to have well functioning cellar door activities as it helps in reinforcing the quality level of the producers' brand as well as image. According to Hall and Mitchell (2008), the visitors more often want to be enchanted than entertained and take part of the actual reality that the wine producer face. The authors also claim that it is important for wine producers to leave the visitors space to interpret the wine and the surroundings rather than lecturing them about it. In order to maintain these relationships, the wine producers can use their visitor and client database to produce newsletters and follow up personally with the customers that are the most meaningful. The relationship marketing and cellar door activities for the wine producer is an extension of the relationship that it has with other

players in the market for wine such as intermediaries, retailers and suppliers (Hall & Mitchell, 2008). Further, Hall and Mitchell (2008) highlight that it is also important for the wine producers to continuously work on improving and building their own brand and reputation. This allows the wine producers to become associated with real and genuine experiences as well as stories and people that are important for the wine producers. Moreover, the authors claim that the cellar door activities are also important as they allow influential media such as wine magazines to be invited to write about the winery and hence increase their status in their specific region. The key to establishing a successful and meaningful cellar door activities program therefore lies not only in the wine itself, but rather in what it is that defines the wine and give it its value (Hall & Mitchell, 2008).

3.5 Summary of Theoretical Findings

Intermediaries play an important role in the overall worldwide trade and a considerable amount of the worlds trade goes through intermediaries (Dasgupta & Mondria, 2012). In regards to intermediaries in the wine industry, the intermediating wine agents match wine producers with buyers globally. This is done through matching supply and demand through the reduction or elimination of uncertainty connected to a successful matchmaking of wine producers and buyers (Fares, 2009). Further, as Peng and Illinitch (1998) state, the uncertainty related to trade is reduced by the third- party intervention that the intermediating wine agents stand for. Furthermore, it should also be highlighted that in markets where intermediaries are present, information asymmetries often arises (Corduas et al., 2013). Moreover, Wathne and Heide (2000) claim that in markets that lack complete information, incentives for actors to act opportunistic occur. Also, it can be argued that one of the main tasks for intermediaries such as intermediating wine agents is to gather and manage information in order to be able to match potential buyers and suppliers (Etgar & Zusman, 1982)

In terms of business relationships Spekman (1988), Solomon (1992) and Morgan and Hunt (1994) stress the importance of trust and commitment in all forms of business relationships in order for them to be successful. Chen et al. (2011) add that trust within

business relationships reduces the risks that are associated with opportunistic behavior. Leonidou et al. (2002) further state that building positive and harmonious business relationships serves as an important factor for in all business relationships as well. Hall and Mitchell (2008) claim that, in order to be successful in the wine industry, the internationalization aspects of the global wine market must be considered. Even if many wineries have previously only acted on a local basis, the wine industry has changed and acting and distributing wine globally has become of an utmost importance for survival in today's wine market. Also, in terms of value creation in business relationships, building and sustaining relationships is far more effective than working only on a transactional level (Wagner, 2010). Further, Hall and Mitchell (2008) highlight that the value created in the wine industry stems from the value of the products to the customers as well as the competition amongst the wine producers and the bargaining power of the other actors in the distribution chain.

As for business networks, Håkansson and Ford (2002) point out that there are both pros and cons with being part of a business network. One of the cons is the chance of one party using the network to gain advantages and pursue individual objectives based on information attained from the business network. On the pro side the authors point out the potential gains from trade-offs between the firm and the other actors within the business network. Hall and Mitchell (2008) also highlight the importance for wine producers to engage in cellar door activities which allows them to invite both intermediating wine agents as well as potential buyers to their winery and let them familiarize with the brand, promote their wines, build a reputation and gain market information from the visiting actors.

4 Methodology

The methodology chapter deals with how the research was conducted and the methods that were used. This chapter further explicitly elaborates on how the empirical gatherings are structured and valid.

4.1 Research approach

This study aims to highlight the wine trade between Spanish wine producers and Swedish buyers through the viewpoint of intermediating Swedish wine agents. The study also focuses on the relationships that the intermediating firms have with their buyers and suppliers. Since there have been limited research done in the field, and in regards to Swedish intermediaries work with Spanish wine producers, there have to our knowledge been no previous research conducted on the specific topic. Hence this study adopts an exploratory approach from a Swedish wine agent perspective. It has been argued that when there are limited insights and in the early phase of exploration of a problem a qualitative approach is preferred (Ghuri & Gronhaug 2005). Moreover, the results of a qualitative and exploratory study are not defined from the start. The results can, however, be used as a more appropriate foundation for following research (Sreejesh, Mohapatra & Anusress, 2014).

In order to present the research approach, the framework is defined. As stated by Collis and Hussey (2009) the positivist paradigm is connected to a singular reality, with natural science and a reality that is objective and independent in regards to who is doing the research. Another paradigm, which fits better in this type of thesis is the interpretivism which accounts for certain biases that may occur when analyzing the empirical data. Positivism is more focused on measuring social phenomenon whereas interpretivism is more focused on the complexity of different social phenomenon to gain interpretive understanding (Collis & Hussey, 2009). Moreover, several actors are involved who have their own perception of the reality, which is the case in this study. However, the previously mentioned paradigms are rarely utilized in their extremes and may occasionally be combined in the research (Collis & Hussey, 2009). In accordance with Bryman and Bell (2011), research within interpretivism is generally qualitative, which is also the case for this study. In regards to the qualitative approach, Merriam (1998)

highlights the fact that the researcher is the central instrument when it comes to working with the data and the necessary fieldwork that has to be carried out. Fieldwork in qualitative studies means that the researchers visits respondents and sites themselves. As a result, the findings of the research carried out are primarily descriptive when comparing to a quantitative approach (Merriam, 1998). Considering the previously stated facts along with the focus of the study, which is on perception, rather than related to values and units, a qualitative method was chosen. There is, however, critique towards the qualitative method that should be noted. Bryman and Bell (2011) highlight that critique towards qualitative research is that the research can be too subjective. Other aspects of the qualitative research are that the studies are difficult to replicate and that there are problems related to generalization (Bryman & Bell, 2011). When bearing this in mind, there may be a greater possibility to remain objective.

It is also important to present and define the relationship between empirical data and theory (Collis & Hussey, 2009). In this master thesis a combination of an inductive and a deductive method was used, which makes the thesis of abductive nature. The abductive approach means that the data analysis and data generation is done through an iterative process where the interaction between theory and empirical findings was continuous (Dubois & Gadde, 2002). Moreover, the line of reasoning in an abductive approach goes back and forth between induction and deduction, by the adaptations of observations to theory and then evaluating the theory with the help of empirical findings (Morgan, 2007). Firstly, to define the problem area, extensive research was done which made us gain a pre-understanding of the area, which then was used to formulate questions, both a research question and an interview guide. The theoretical framework was then compared again with the deeper understanding that was gained with the help of the respondents. The literature framework was thereafter revisited and reworked with the newfound knowledge; hence the approach is abductive (Ghauri, 2004).

The abductive approach utilized is in line with hermeneutical reasoning regarding case studies. Hermeneutics is described as a method for interpretation that assists in discovering meanings and that reflects on the individuals' behavior. The process of hermeneutics is based on pre-understanding, and then understanding what comes up

through learning and lastly explaining the new knowledge that has arisen (Gummesson, 2003) It is argued that hermeneutics is well suited when studying real-life contexts in an international business setting (Piekkari and Welch, 2004; Lervik, 2011). With an abductive approach the theory is not only based on empirical findings but also simultaneously and continuously the findings are used in order to challenge the theoretical framework that was originally developed (Andersen & Kragh, 2011). Since the context and theory was revisited many times during the process as the “reality” changed when more empirical findings were gained, the abovementioned is highly applicable in this master thesis. The research process can be seen in the Figure 2 below.

Figure 2 The Research Process



Source: Compiled by authors.

4.2 Research Design

The research design gives a framework for the analyzing and collecting of data, hence the choice of research design is important and should be done carefully (Bryman & Bell, 2011). Out of the different research designs, case study was chosen as the most relevant. To justify this choice of research design, case studies are argued to be the preferred method when the researcher has limited control in regards to the events and when the focus is on a phenomenon of contemporary nature in a real-life setting (Yin, 2009). Moreover, case studies allow data gathering from different types of sources and from respondents with different opinions, which both broadens the perspective and increases the internal validity (Merriam, 1998). In addition, it has been argued that the case study method suits studies with data from cross-border and cross-cultural settings particularly well (Ghauri, 2004). Based on the previous information, the natural choice of this thesis fell on a case study approach. Moreover, a multiple-case study design was utilized in this study; this design is according to Yin (2003) preferable since the analytical strength as well as the generalizability is increased with more cases. Since we gained access to both

multiple cases as well as time, the choice fell on a multiple-case study. Furthermore, the study is conducted in an embedded case study manner since the focus of the study is on specific relationships and on specific markets rather than about the organizations as a whole (Yin, 2003).

Yin (2003) further highlights that in a multiple case study, replication logic is important; this means that the aim of the different cases is to redo the research in a different setting. The replication is aimed at strengthening the cases through different or similar results in the different cases that are predicted prior with the help of practical and theoretical implications. When conducting the study, the theoretical framework and the theoretical foundation included in the framework is of great importance to be able to conduct a multiple-case study that is replicable (Yin, 2003). The theoretical foundation in the current study was constructed and adapted constantly together with the data collection for the empirical findings. In the case of this study, this meant that we analyzed the different cases using the theoretical framework and after that, the different cases were analyzed on a cross-case basis to ensure that the replication was done properly.

A challenge in the multiple-case study that has been highlighted by Eisenhardt (1989) is to be able to compare the empirical findings with the theoretical framework. In order to minimize this challenge, the theoretical framework was shaped together with the empirical findings to allow more flexibility in regards to the data collection process through continuously evaluating the data and conclusions that may arise (Eisenhardt, 1989).

In this thesis, the multiple-cases consist of different Swedish wine importers, whom have the role of brand managers, product managers for Spanish wines or in two cases, the CEOs of the intermediating company. The different cases include the business relationships that the wine importers have, both with the wine producers but also with their buyers, both Systembolaget and the Ho.Re.Ca segment. Moreover, interviews have also been conducted with producers, Systembolaget and there has also been an interview with a representative of the Ho.Re.Ca segment since these actors are part of the context of the research problem that is tackled in this master thesis. The reason for interviewing

the Ho.Re.Ca segment and wine producers was to get their perspective on the business relationships and to investigate if there are major differences between the point of view of the intermediaries and the Ho.Re.Ca representative and wine producers. Moreover, the aim was also to see if new aspects regarding the business relationships arose from interviews with producers and the Ho.Re.Ca segment.

4.3 Data Collection

The primary sources of this thesis are interviews, which have been conducted with seven intermediating wine agents, two wine producers, one representative of the Ho.Re.Ca segment and one interview with Systembolaget. The interviews were semi-structured with an interview guide containing topics that were to be discussed while giving the respondent a fairly large share of freedom in regards to the covered topics in accordance with Bryman and Bell (2011). In the thesis there were two interviews conducted over the phone, although there is a loss of visual cues in accordance with Novick (2011), these respondents were considered crucial for the study and preferred to have the interview via phone therefore it was decided to include these interviews. There were also interviews that were conducted by e-mail due to the distance and also based on the respondents' preference. Email interviews can be advantageous since it eliminates the issues of distance and also allows the respondents to answer when and where it suits them best (Berg, 2009). The author further states that issues related to fatigue in face-to-face interviews can also be eliminated through email interviews. There are however also negative aspects of email interviews. Firstly, the lack of visual cues, both as a part of the interview which impacts the flow of the interview but also social markers such as, age, gender, how the person is dressed and so on. Another drawback is the fact that the possibility of changing to new interesting topics that was not planned in advance is hampered in email interviews (Berg, 2009). In this thesis the choice still fell on having email interviews as well, this was based on the knowledge and expertise of the respondents that wanted to answer via email, they were considered important for the study. Moreover, since the questions that were sent out were broad together with the possibility to send follow up questions still allowed new topics to be discovered in the

email conversations. Secondary data is data that exist prior to the conducted study that has been collected by an organization or another person for their own use (Sreejesh et al., 2014). The secondary sources that are used in this thesis consist of academic articles, books and Internet sources. In Figure 3 below is a full list of the conducted interviews for this master thesis project.

Figure 3 List of Interviews

Name	Role	Responsibility	Company	Location	Type of Interview	Date	Interview Length
Wine Agents							
Mats Abrahamsson	Senior Brand Manager	Wine Distribution	Bibendum	Gothenburg/ Stockholm	Telephone	1/4/15	45 minutes
Magnus Lansman	Brand Manager (Spain)	Wine Distribution	Enjoy Wine & Spirits	Gothenburg/ Stockholm	Email	10/3/15	-
Dan Olsson	CEO/ Owner	Wine Distribution	Golf y Vinos	Gothenburg	Face- to- Face	7/3/15	75 Minutes
Johan Lund	Brand Manager (Spain)	Wine Distribution	Oenoforos AB	Gothenburg/ Stockholm	Video Call	25/3/15	45 Minutes
Andréas Ståhl	CEO	Wine Distribution	Primewine	Gothenburg/ Stockholm	Email	9/4/15	-
Anette Wyrén	Product manager wine	Wine Distribution	Arvid Nordquist	Gothenburg/ Stockholm	Email	23/4/15	-
Karl Bengtsson	Product manager wine	Wine Distribution	NIGAB	Kungsbacka	Face-to-Face	21/4/15	60 minutes
Buyers							
Anders Barrén	Purchaser (Spanish Wines)	Wine Purchasing	Systembolaget	Gothenburg/ Stockholm	Telephone	18/3/15	40 Minutes
Michael Frie	Owner/ Sommelier	Wine Purchasing	Långedrag Vårdshus	Gothenburg	Face-to- Face	14/4/15	80 minutes
Wine Producers							
Mark O'Neill	Owner	Wine Production	Verde Marte	Gothenburg/ Valencia	Email	3/5/15	-
Albert Pasanau	Co-owner	Wine Production	Celler Pasanau	Gothenburg/ Tarragona	Email	5/5/15	-

Source: Compiled by authors.

4.3.2 Interview Process

In the beginning of the thesis, an extensive literature review was conducted and there were also an interview conducted with an expert on the area of Spanish wine import to Sweden as a pilot study. The questions posed were a small-scale version of the questions that was going to be a part of the interview guide in accordance with van Teijlingen and Hundley (2002) and also as further stated by the authors to assist in developing both research questions and a research plan.

The case-study approach together with the aim of the study requires detailed information about the work and situation of Swedish intermediating wine agents, both through the perspective of the wine agents, but also through the view of producers and Ho.Re.Ca representatives. In order to meet these conditions, a semi-structured interview was adopted. The semi-structured interview allows an interview path that is based on insights gained from the literature review while at the same time allowing for certain flexibility in the interviews, which makes it possible to cover topics and areas that are not previously anticipated (Bryman & Bell, 2011).

Prior to the interviews, a few key questions were sent out together with a brief explanation to allow the respondents to prepare and to limit the risk of conducting interviews with respondents that did not possess knowledge in the areas that were intended to be covered, since the key questions were regarding the specific topics that were to be discussed. Also related to the semi-structured interview, key topics were identified and then a few questions on each topic were developed. After the interviews, the questions involved in the interview were analyzed and when needed, questions were revised, either based on the questions being irrelevant or that new topics of interest were discovered.

The first part of the interviews consisted of general, open questions about the respondent and the respondents' area of expertise. As the interviews progressed, the questions were increasingly specific in order to lead the respondent in to the predefined topics that were of interest. Further, in accordance with semi-structured interviews, the different topics

that were discussed were flexible which allowed the investigation of the respondents' context-specific situation in accordance with Bryman and Bell (2011). The open-ended questions are according to Yin (1994) typical for case studies and the author further states that it allows the interviewer to pose questions about direct facts but also give the respondent the opportunity to speak more freely around the topic which can lead to more information about the respondents insights and the answers can also be used for further inquiries. The choice of respondents was done through snowball sampling in line with Bryman and Bell (2011) where our initial contacts suggested people and experts within the area of the study in order to find the best suitable respondents for the empirical data.

4.3.3 Research units and sample

The purpose of this master thesis is to investigate the international trade of wine through the lens of intermediating wine agents, to compare the different relationships; a multiple case study design was adopted. The respondents have been chosen on the basis that they are involved in the wine trade between Spain and Sweden and that they are responsible for the Spanish market at each respective company. Moreover, the respondents that have been chosen were either brand managers / product managers responsible for Spanish wines, purchasers or CEOs of their respective companies. Furthermore, the wine agents that have been chosen have with one exception been representatives of firms that are among the thirty largest importers of wine to Sweden (Karlsson, 2014) since these companies are responsible for a large share of the wine import. The one exception was an intermediating wine agent that imported a smaller volume to be able to compare and see differences in their relationships. On the buyer side, Systembolaget and the Ho.Re.Ca segment was chosen since 90% of all wine that is imported to Sweden is imported to these actors (Leifman & Trollidal, 2014) and the respondent that was chosen was the purchasing manager for Spanish wines at Systembolaget. Moreover, an interview was also conducted with an owner/sommelier of a restaurant; responsible for the wine purchase, with previous experience from wine purchasing for both hotels and cafés as a proxy for the Ho.Re.Ca segment in an attempt to see how the business relationships differed in the Ho.Re.Ca segment compared to Systembolaget.

4.3.4 Analyzing the Data

According to Ghauri (2004), analyzing and interpreting qualitative data is complex in a case study setting. The author further states that the aim is to give an authentic understanding of the experiences that the different people involved in the study has through interpretation of the data and the contextual background of the case study. To limit the misinterpretation of the data, the analysis of the data and the collection should be tightly connected during the course of the research. Moreover, the data should be analyzed when it is “fresh” and not a long time after the collection (Ghauri, 2004)

In this study, the data analysis was conducted in a chronological manner where the interviews were recorded and written down directly after the interviews were conducted in accordance with Ghauri’s (2004) first step of data analysis. Furthermore, the interviews that were conducted with respondents that had the same role in the wine trade were compared to be able to highlight conflicting data and similarities. In order to present the data in a clear way, the choice fell on the chronological approach where each respondent is presented separately. Moreover, the theoretical framework was used to categorize the data into themes in accordance with Collis and Hussey (2009). The key concepts and themes were identified. The main themes that were identified were: Business relationships, intermediating wine agents, producers, and buyers. The identified themes were also connected to the theoretical framework and the categorization was done based on characteristics that were reoccurring. The analysis was focused on the point of view of the intermediaries.

4.4 Reliability, validity and trustworthiness

The terms reliability and validity are important concepts in regards to evaluating the quality of a study. However, reliability and validity can mainly be assessed in quantitative research where there is an absolute truth that is assumed (Bryman & Bell, 2011). Lincoln and Guba (1985) presented another framework that has a more naturalistic approach and allows qualitative studies to be more properly evaluated. In their

framework, trustworthiness is highlighted as one of the most important aspects. Trustworthiness is referring to if the study was conducted in a way that is ethically correct as well as competent (Lincoln & Guba, 1985). To ensure trustworthiness in this thesis, the gathered data was triangulated in the different interviews and key findings were kept and carried on to the next interviews to see if the information could be verified from different sources.

5 Empirical Findings

The empirical findings chapter puts emphasis on the findings from the interviews conducted for the study. Firstly, the findings from the seven interviews with wine agents are presented. Secondly, the interviews with the buyers, Systembolaget and Ho.Re.Ca are presented. Lastly, the findings from the interviews with the wine producers are presented.

5.1 Intermediaries - Bibendum

Bibendum is one of the companies that import the largest volumes of alcoholic beverages to Sweden, and Bibendum has been a part of the Altia Group since 2005. The Altia group consists of more than 15 companies located in the Nordic- and Baltic countries, and is the largest Nordic alcohol group. The interview was conducted with the Senior Brand Manager Mats Abrahamsson, responsible for Spanish wines (Bibendum, 2015).

5.1.1 Wine agents

The respondent stated that the largest challenges for wine agents differed when dealing with producers and buyers. In regards to producers, the first challenge is to find a producer that can deliver the quantity needed for the purpose, meaning that if the goal is to get the wine into the regular assortment of Systembolaget, a larger quantity is needed, compared to if the goal is to sell in the wine to a few niche restaurants. Moreover, finding wines of great quality was described as the biggest challenge, but it was also described as very beneficial if the producer was flexible with the packaging. The respondent stated that: *“It is highly advantageous if the producer is flexible in regards to the packaging and can offer screw caps or bag in box and is prepared to sell in bulk to tap the wine in to a box in another location”*. Also, a great challenge for the wine agents was described as being related to the end-consumer that generally had little knowledge about the different Spanish wine areas and regions as well as little knowledge about how good the wine is in certain regions. The respondent further stated that there had been certain attempts from Systembolagets side to bring in lesser-known Spanish wines, however, the success had according to the respondent been limited thus far.

The competition between wine agents was highlighted as being extremely tough and “*everyone is pitching to everyone*”. If there is a producer that has a listing on Systembolaget that producer constantly get contacted from other importers according to the respondent.

5.1.2 Producers

When choosing what producer to collaborate with there were many different aspects to bear in mind according to the respondent. There are many producers that just keep working in the same way they always have. They are in general very conservative in regards to packaging and bottle design and that is often not what the consumer of today is looking for. The respondent further stated that they had one Spanish producer with whom they had worked with more than 10 years but the other producers had “*come and gone*”. When trying to work long-term with the producers one-year contracts were occasionally signed but other than that the collaborations were most often characterized by “*gentlemen’s agreement*”, without written contracts according to the respondent. It was further argued that long-term collaborations were advantageous since it was possible to plan and build the brand during a long period of time. The disadvantage with larger producers was described as being that they did not allow collaborations with other producers in the same district or even in the same country on some occasions. With the producers that the respondents company imported from, Bibendum had a deal in which they were the only intermediating wine agent importing to Sweden from that producer aside from internet sales. Producers that worked with more than one importer who imported to Sweden was not considered an option for the respondent since Bibendum did not want to spend money on marketing that benefitted a competitor. It was added that large producers could, however, have different brands or products within the same category.

Personal connections were highlighted as being very important in regards to most producers of wine according to the respondent. It was further argued that the producers are not “*marketing people*”; they were described as often being families with long-traditions and pride looking for someone that can deliver and maintain that message.

There are a few very large producers with a business mindset with only businesspeople working for them according to the respondent.

5.1.3 *Buyers*

In the interview, it was stated that long-term work was of importance for the wine agents when trying to get the brand manager at Systembolaget to bring the wines they were selling into the launch plan of Systembolaget. Another way of working with Systembolaget was described as by bringing wines into the ordering assortment and “*push*” the wine into the regular assortment through marketing efforts. The problem with this approach was highlighted as being that it was difficult to get the producer to spend millions on marketing campaigns without being certain that it would result in a listing in the regular assortment. The respondent further stated that this approach often times needed a current listing that could finance the attempt of getting a new. When working with Systembolaget, the relationship was described as important together with the track record. Also, the respondent stated that if you only present “*trash*” to Systembolaget and score low at the tastings, then your chances of getting chosen for future tastings is lower and vice versa. However, the respondent also stated that they had lobbied for a certain wine that the Systembolaget made an offering for and then decided to choose another wine after the blind tasting. According to the respondent this really shows that “*anyone*” was able to get the listing as long as his or her wine performed well in the blind tasting.

In regards to the Ho.Re.Ca segment, the respondent stated that the price was more important, especially for so called “house wines” where the most important aspects were stated to be that: “*the price needs to be good and the wine has to look decent*”. Moreover, when selling to the Ho.Re.Ca segment, having a story behind the wine was stated as an advantage. The story was explained as for example being about the traditions of a family owned winery that had been around 100 something years. Stories like this sometimes make it easier to present the wine to the buyers. Furthermore, when selling to the Ho.Re.Ca segment, the respondent always focused on the end-consumer and the restaurants sommelier.

5.2 Intermediaries - Enjoy Wine & Spirits

Enjoy Wine & Spirits is one of the largest Swedish wine importers in terms of volume and has over 25 years of experience of wine trade. Enjoy Wine & Spirits is a part of Gruppo di Luca together with the sister company Di Luca & Di Luca that delivers food to all large Swedish wholesalers (Enjoy Wine & Spirits, 2015). The respondent at Enjoy Wine & Spirits was Magnus Lansman, who is the brand manager for Spanish wines at the company.

5.2.1 Wine agents

The respondent stated that the greatest challenge for importers of Spanish wines is to convince the end-consumer that the quality/price ratio for Spanish wines is great. It was further stated that since Systembolagets mission is to have the widest and most complete assortment as possible, the Spanish section would likely remain fairly large since the country has one of the largest productions of wine in the world.

The respondent further stated that there is a wide range of other factors that impact the work of wine agents and in the choice of producers, this was exemplified by that it could also be interesting for the company to buy “*spectacular, high quality wines*” in smaller volumes in order to strengthen the companies brand and image. It was also stated, to sell smaller quantities of high quality wines to restaurants or to have so-called exclusive listings at Systembolaget could be profitable as well. Moreover, personal aspects were also described as being of great importance along with the corporate culture and philosophy. The producers that Enjoy Wine & Spirits choose to collaborate with should have a similar philosophy as the company and the partnering firms should also have mutual goals for the collaboration to be successful according to the respondent.

5.2.2 Producers

The greatest challenge related to producers that the respondent perceived, was to make the producers understand the Swedish model with Systembolaget contributing to the vast majority of the sales of alcoholic beverages and with a small portion of sales coming from restaurants. It was further argued that many Spanish wine producers are very

traditional and often feel that the sales to restaurants are more important even though it is generally less profitable than selling to Systembolaget in Sweden.

When choosing producers, the respondent claimed that the quality of the wine was of great importance but there were also other factors that needed to be included in the choice, such as future potential of the products and the underlying goals and aims behind the collaboration. If the goal is to penetrate the Swedish monopoly market, then factors such as volume and how to market the product have to be included. Another factor that was highlighted was producers that produced ecological wines, which was an advantage since Systembolaget is demanding more and more ecological wines according to the respondent.

The respondent further stated that in regards to long-term collaborations, if the producer is large and has a large potential in the Swedish market, long-term collaborations are highly interesting for the company. Further, it was argued that the long-term collaborations with large producers increase the credibility towards Systembolaget, if consistent offerings were made with wines from the same producer. Moreover, it was stated that when there are listings in place at Systembolaget, long-term work is essential since the respondent's company invest time and money into a brand of someone else. Moreover, the respondent highlighted the fact that the producer owns the listing and if the producer wants to change to another importer, the producer is free to do so. The respondent further argued that this makes the importers market highly volatile and added that with some producer's they choose to have more of a tactical collaboration with and described these collaborations as being *"when Systembolaget is requesting something specific, we can contact a producer of wine that meets the specific criteria demanded by Systembolaget, and if the listing succeeds we can build up a more long-term collaboration, if it doesn't, the collaboration ends"*. The respondent further argued that there are many advantages with long-term relationships, one being that you get a good relationship, often personal and you are also being looked upon as a more credible importer, *"if the job is done well"*. It was further argued that a good relationship and being perceived as a credible importer makes the producer less likely to decide to change

to a new importer. Moreover, it was claimed that you get to know the capabilities of the producer and how they operate which then can be used when lobbying towards the purchasers at Systembolaget. The downsides that were highlighted by the interviewee was that the producers want to see a constant growth in their business which can be hard to accomplish every year for the importer and that may make the producers start looking for competing importers. Furthermore, the respondent highlighted personal relationships as being most important in the relationships with producers and not as important towards the clients, i.e. the Ho.Re.Ca segment and Systembolaget.

5.2.3 Buyers

In regards to Systembolaget, the respondent claimed that the purchasing process that Systembolaget uses is simple and transparent yet very complex, complex in the sense that the distribution and evaluation model for the assortment is complicated and dynamic. It was further argued that this leads to that; the importer's had to stay updated and knowledgeable about what Systembolaget demands and adapt to changes that Systembolaget makes. Moreover, it was highlighted that there are a few wholesalers in the market although the market for wholesalers is limited, in order to do business with these firms, good relationships with the purchasers or a large client base of restaurants is needed according to the respondent. The Ho.Re.Ca segment is operating in a different manner according to the respondent, some actors only base their purchasing decisions on a relationship basis and buys what the importer has to offer while other actors purchase wine based on different criterion such as, what grapes, quality, area, price. It was further stated that some actors based their choice on the available discount given by the wine agent.

On the topic of if it is advantageous to have previous listings on Systembolaget when offering a new wine, the respondent stated; *the offerings from Systembolaget are semi-public, semi in the sense that you need an importing license to send the specification on the wine and anyone with an importing license is free to send in their offering. After receiving offers from different importers, Systembolaget then decide what wines to choose.* The respondent perceived that if you had previously sent in offerings from a

producer that scored high, it was shown to Systembolaget that the producer was capable of producing high quality wines and could then stand a better chance of getting selected to the blind tasting which is the following step. The case is reversed for a producer that had consistently received low scores, then the chance of being rejected prior to the blind tasting was higher according to the respondent. However, even though previous listings could lead to a larger chance of being selected to the blind tastings, the wine still had to “deliver” on the tasting in order to be selected and the tasting was done blindly according to the respondent.

5.3 Intermediaries - Golf y Vinos

Golf y Vinos is an intermediary and retailer located in Southern Spain and is working with a large number of smaller producers and is selling both to the Spanish market but also through intermediaries to the Swedish market and has previously also sold directly to Systembolaget (Golf y Vinos, 2015). The respondent at Golf y Vinos was the owner and CEO, Dan Olsson.

5.3.1 Wine agents

The respondent stated that in regards to intermediating wine agents importing wine to Sweden, the competition was fierce. This was described as being mainly since there were a few large actors that dominated the market and it was perceived to be very difficult to win market shares from the large actors when selling to Systembolaget.

5.3.2 Producers

In regards to producers, the respondent worked mainly with small-scale producers and stated that there had been an overproduction of wine in Spain during the past few years making the producers fairly desperate of selling their wines and there were various producers that contacted the respondent to try to sell their wines. Moreover, it was stated that the producer’s operated differently depending on their size, it was stated that; *“Large producers sell their wine to anyone, but the smaller producers only do business with certain people and these people are generally responsible for certain geographic areas*

where they are the only sellers of the specific wine". In regards to marketing activities and long-term collaborations with producers, the respondent stated that the producers did not give any money for marketing activities nor discounts but gave wine bottles instead. The respondent further stated that small producers did not utilize contracts but the large producers did. It was further claimed that it was very much a *"buddy-business"* where the firms helped each other. It was also added that only having one or a few suppliers was considered very risky since Systembolaget could just stop buying if they were not satisfied. It was further stated that it was very risky for the producers if they had one buyer that bought large portions of their wines, since if they lost that buyer it would be very difficult to find many new buyers in a short time.

5.3.3 Buyers

In regards to buyers, the respondent argued that; *"The Ho.Re.Ca segment generally focuses only on price and just demand very cheap wines"*, and he further stated that if you are unable to get a listing at Systembolaget; *"It is better to divide the market into zones and focus on the Ho.Re.Ca segment in these zones"*. This was exemplified by having different zones around the three largest Swedish cities with different partners operating in these zones and working towards the Ho.Re.Ca segment. An advantage with this approach was argued to be that if a wine becomes very popular in the Ho.Re.Ca segment, that could lead to Systembolaget getting information about the wine and decide to include it into their assortment. Moreover, related to finding buyers the respondent utilized different webpages and magazines such as World Guide and the respondent also frequented different fairs to find buyers. It was also added that many buyers came through recommendations from other buyers, which was highlighted as an important aspect in finding buyers. In regards to what buyers preferred, different awards were considered important since the buyers, according to the respondent often looked at awards. Moreover, if the wines were mentioned in different wine- magazines and books it was also considered advantageous. Also, related to Swedish buyers, the respondent claimed that; *"The Swedish market is hard to enter for a smaller intermediating wine company, even to the Ho.Re.Ca segment since different wholesalers often lock in the restaurants"*. The respondent also added, that as a smaller importer of wine, one way of

getting listings at Systembolaget was through Swedish sommeliers and trying to “sneak” the wines in so that Systembolaget got them presented by sommeliers rather than the importer. The respondent also stated that he believed that Systembolaget had already made up their mind on what wine to choose prior to the blind tastings and just asked for different offerings since they “had to”. Further, the respondent argued that personal connections with the purchasers at Systembolaget was crucial for getting wines into the assortment. Another possibility for small producers was highlighted as being certain niche-wines that are not currently in the assortment since no comparison of price could be made.

5.4 Intermediaries - Oenoforos

Oenoforos AB is a part of the Oenoforos Group along with Carovin and Nordic Sea Winery, and is one of the leading importers of wine in Sweden, established in 1989 (Oenoforos, 2015). The respondent at Oenoforos was Johan Lund who is Brand Manager for Spanish wines. The respondent had previously had various functions within the wine industry and had previously also worked for Systembolaget.

5.4.1 Wine agents

The respondent stated that the biggest challenge for Swedish intermediating wine agents was to be able to get wines into Systembolagets regular assortment. This was claimed to be partially due to the fact that, according to the respondent, 75 percent of all wines that were sold in restaurants were so called house wines, and being able to convince the restaurants of having your wines as house wines was considered very difficult. Moreover, to get wines into Systembolagets regular assortment the respondent highlighted that it was important to have the right product, that fit the product portfolio of Systembolaget along with working proactively towards Systembolaget. If they had already tasted your wine as a part of lobbying work, the chance of your wine being chosen over others in a tasting was considered to be greater. Hence, having a good relationship with the purchasers at Systembolaget was highlighted as being crucial for being able to be a part of their portfolio.

In regards to competition, the respondent claimed that the competition was fierce and that there are around 20 large firms that generate about 80 percent of the trade and the competition is mainly among these firms in regards to submitting offers although it was stated that anyone could send an offer to Systembolaget as long as the person had a computer and telephone, the rest could be purchased.

5.4.2 Producers

In regards to producers and how the interviewee described that Oenoforos works with finding Spanish producers is through a proactive approach, where they attempt to find “*the next large producers*”. In addition, speaking to their clients about their views on future development and also conduct research about the type of producers that are considered of importance. Moreover, the respondent highlighted that relationships in the international wine trade are crucial, both with producers and buyers. Although it was stated that Oenoforos aim at having long-term relationships with their producers, the firm occasionally felt the need to swap to new producers. Furthermore, the agreements with the producers differed, they tried to have contractual agreements with their large, important producers but for the smaller producers agreements on a “*handshake basis*” are not uncommon. Moreover, also related to the choice of producers was that producers could be chosen based on their brand being well established, since it was described as being hard to sell a product that was unknown to the end-consumers. Another aspect that was highlighted by the respondent was that the different intermediating wine agents had different product portfolios and that they were not competing with the same wines on the same markets.

5.4.3 Buyers

As previously mentioned, Systembolaget is the most important buyer for Oenoforos according to the respondent and working proactively towards Systembolaget through inviting them to tastings of wines and consulting the purchasers about their views on upcoming trends within the wine industry was highlighted as important. Moreover, it was stated that it was a lot more difficult to get wines into the regular assortment of Systembolaget without having personal relationships with the purchasers. The respondent

also stated that he believed that it was advantageous for a distributor to be well-known and established in regards to getting new wine brands into Systembolagets regular assortment, however, the respondent added that he did not perceive that Oenoforos had any advantages based on their size but rather based on their experience in working with Systembolaget.

5.5 Intermediaries - Primewine

Primewine is one of the largest importers of wines to Sweden and the largest company in the Primewine group (Primewine, 2015). The respondent was Andréas Ståhl who is CEO and partner of the company.

5.5.1 Wine agents

Personal relationships were described as very important for the wine agents, mainly in regards to producers. The personal relationships were according to the respondent built at the location of the producer, which resulted in it being important for the wine agents to travel and to have face-to-face meetings with the producers.

5.5.2 Producers

The greatest challenge related to producers was described by the respondent as being to get the producers to understand Systembolagets purchasing process and the quality control included in the process. In regards to what producers to purchase from, the respondent stated that the producer first and foremost had to be able to meet the requirements of Systembolaget in terms of quality and quantity and also being able to offer the packaging needed to supply the volume, whether it was bag-in-box or a regular bottle. Moreover, consistent quality is also needed from the producer in order to pass Systembolagets quality controls. Furthermore, the respondent stated that they worked on a long-term basis with their producers. One reason that was highlighted was that these producers have gained a deep understanding of the monopoly market in Sweden. The downside to long-term collaborations was highlighted in the interview to be that the offerings from Systembolaget nowadays were considered very narrow, which their producers couldn't always meet, related to for example what grapes that were demanded.

5.5.3 Buyers

In regards to buyers in the Ho.Re.Ca segment, the respondent highlighted that the greatest challenge was to offer wine that fit well with the menu of the specific restaurant. In regards to Systembolaget, the respondent did not perceive that there were any advantages with having a previous listing at Systembolaget other than being aware of their quality demands.

5.6 Intermediaries - Arvid Nordquist

Arvid Nordquist HAB is a coffee producer and a Nordic sales and marketing firm for their own and others brands within product areas of coffee, wine, beer and groceries (Arvid Nordquist, 2015). The respondent at Arvid Nordquist was Anette Wyrén who is the brand manager for Spanish wines. She has been working within the wine industry for 20 years and started at Systembolaget.

5.6.1 Wine agents

The respondent stated that for wine agents, she perceived that the biggest challenge in regards to producers is to make them understand the Swedish market and how Systembolaget operates. One example of this is how the demand of ecological wines is increasing. Moreover, it was also highlighted as greatly challenging to present the diversity of Spanish wines to the buyers.

5.6.2 Producers

When choosing what producers to work with the respondent claimed that there are various factors that impact the choice of producers. Two different types of producers, namely volume- and prestige producers were used to exemplify this. When they were searching for volume producers, the factors that they looked for were, quality/price ratio. Both in terms of quality, style, packaging, size and design. In regards to the prestige producers, the factors that Arvid Nordquist looked for according to the respondent were quality/price ratio, image and international demand. It was further added that the international demand was based on international rankings and awards. Moreover, when looking for a new producer, it was also highlighted in the interview that the wine needed

to fit the portfolio and supplement the other products to avoid cannibalization and conflicts with existing producers.

On the topic of long-term collaborations with producers, the respondent stated that the advantages were that the producers get to learn the Swedish market in order to be able to better adapt to it. It was also added that in long-term collaborations, Arvid Nordquist was able to reap the benefits of long-term marketing investments. The respondent did not see any negative aspects of long-term collaborations and highlighted the importance of personal relationships with the producers.

5.6.3 Buyers

To find buyers of wine, the interviewee said that they used fairs, “wine days”, advertising and their own consumer magazine “SMAKA”. Moreover, regarding differences when selling to the Ho.Re.Ca segment and Systembolaget, the main difference that was pointed out was the difference in volume. The fact that Systembolaget demanded significantly larger volumes along with that the Ho.Re.Ca segment, according to the respondent: “*Only demands cheap Spanish house wines*”. Further, related to Systembolaget, it was added that the volumes of Systembolaget result in better prices and is more cost effective since larger volumes are distributed for every order. Moreover, the administrative costs were also pointed out as being lower when having one buyer rather than many Ho.Re.Ca customers along with more secure payments.

5.7 Intermediaries - NIGAB

NIGAB is one of the largest distributors of spirits and wine to the Swedish market as well as to the Nordic duty free market. With a portfolio of many well-known wine and spirit brands, NIGAB has developed a strong retail and marketing organization since the start in 1983. Today, NIGAB is a part of the Hans Just group present in all of the Nordic countries. The interview was conducted with the product manager for wine Karl Bengtsson at NIGABs office in Kungsbacka, Sweden.

5.7.1 Wine Agents

According to the respondent at NIGAB, the largest challenge to intermediating wine agents is to gain a regular assortment listing at Systembolaget. It is further the most important challenge that must be addressed. As Systembolaget does not change their procedures in the purchasing process, it is a constant working process to inform wine producers about how Systembolaget wants it in order to be in the race for a regular assortment listing. On the contrary, the respondent stated that in the other direction you must work with familiarizing your wine brands with the purchasers at Systembolaget. This is a hard, time-consuming and at times frustrating task according to the interviewee. However, there is another way to get your wine brands in to Systembolagets regular assortments, which is easier but more costly, namely getting the wine brands into the ordering assortment at Systembolaget. The interviewee refers to this as that you have to “*force the wines into the regular assortment at Systembolaget with the means that are necessary for almost all markets, that is, marketing investments*”. However, the respondent states, that it is almost without exceptions only the larger intermediating wine agents that have the funds to cope with these marketing investments. Moreover, it is a challenging task for NIGAB to assure the wine producers to invest in marketing as they usually only are interested in short- term returns. The interviewee therefore states that it is important to work proactively towards both the producers and the purchasers at Systembolaget. In regards to Systembolaget, NIGAB tries to give their inputs on how they think the launch plan should look like. In regards to the wine producers, NIGAB tries to make the producers make smaller adjustments to better fit the launch plan of Systembolaget. These changes can be in the shape of bottle and label design or the grape mixture.

5.7.2 Producers

According to the respondent at NIGAB, it is imperative for them to work on a long- term business relational level with their wine producers. NIGAB have worked with all of their wine producers for a long time and that is something that eases the business as they have gotten to know the needs and culture of each other. The main challenge for NIGAB, however, lies in keeping these relationships alive during periods where they are not doing

any business with one another. But, since the market for wine is a market of gentlemen's agreements this is usually not a problem according to the respondent. *"No written agreement will ever help you anyways, if you cannot get along with the wine producer"* the respondent claimed. Neither do NIGAB go after and try to pick up their opponents wine producers. It is more important to find the right fit where it is possible to work alongside each other. The relationships are also becoming more professional in the sense that today the wine producers do not make the intermediaries buy other products when purchasing the desired wine, which had been done in the past according to the respondent. Something that was very usual previously when trading with Spanish wine producers the interviewee says. Moreover, this is beneficial for NIGAB as it is not possible for the firm to put their low- demand wine volumes on sale or in any other form campaign to push the wine out on the market. Moreover, the Spanish wine producers have according to the respondent a very conservative view of wine production and changes as well as adaptations are often initiated by NIGAB. Although NIGAB are not very large on selling wine to the Ho.Re.Ca segment, the respondent points out the general importance of storytelling and giving discounts when selling to Ho.Re.Ca. Usually, storytelling is a selling strategy that the smaller intermediating wine actors use more frequently.

5.7.3 Buyers

To NIGAB, Systembolaget is the by far largest purchaser of Spanish wines. The respondent states that when working towards Systembolaget they do not care if your wines have gained a listing at Systembolaget before when introducing a new wine. The interviewee also states that it is not a risk of "putting all eggs in one basket" when only selling to Systembolaget as the market for wine has become so flexible that the problems with volumes are close to zero. If you are missing something, you can usually just buy it from someone somewhere else the respondent argued. Since Systembolaget choose wines based on blind tasting it is not possible to have an impact on that particular process. However, working proactively and making the purchasers at Systembolaget familiarized with the brands of NIGAB and establishing a relationship with the purchasers is of importance. Naturally the chance of having a wine selected is larger if the purchasers at

Systembolaget have tried it prior to the blind testing, the respondent claims.

5.8 Buyers

5.8.1 *Systembolaget*

Systembolaget is a large actor in the purchase of beverages. When new products are being brought in, a launch plan dictates what Systembolaget will demand in the following few years. For each new launch, an offering request is sent out to the suppliers of the specific product. After that, based on the offerings, samples are requested and are then tested blindly, without information about the brand, supplier or producer. In addition, the quality is then compared to the specification in the offering request. The scent, the flavor and style need to match the request. Systembolaget can receive more than a hundred different samples and then the product/products that scores the highest are purchased. The product is then tested both prior to and after the launch to ensure the quality (Systembolaget, 2013).

The respondent Anders Barrén, purchasing manager of Spanish wines at Systembolaget, has extensive experience in the wine industry and is a sommelier that started in a Systembolaget store and worked his way up. The interviewee's view on the Swedish market for wine, through the point of view of Systembolaget, was that due to the retail monopoly there are several regulations in place and there is a strict purchasing process. The respondent further stated that there were always written contracts between Systembolaget and their partners although it was the respondent's belief that the case was not the same for the wine agents and their relationships with wine producers. Moreover, a negative trend of Spanish wine imports could be seen according to the respondent. One of the main reasons was the law related to not allowing Rioja wines to be sold in bag-in-box, which has a significant share of the sales at Systembolaget. It was further stated that Systembolaget's choice of producers was done through blind tastings, which is preceded by offers from different Swedish importers. The blind tasting was then followed by a launch plan. After the launch plan, the situation is evaluated and Systembolaget then

searches for a good deal while taking current trends into account and the potential market impact is evaluated.

Although Systembolaget is not allowed to purchase directly from the producers there are still certain interaction between the two parties according to the respondent. These interactions take place at different wine fairs and wine tastings but also at trips to different vineyards and trips to producers. This is done to gain information and to learn before deciding what to include in the launch plan but also to speak about Systembolaget, its role and how the market in Sweden works the respondent stated.

In regards to the wine agents, the interviewee stated that when sending out their requests for wines the number of responses from importers varied between a “*handful*” and 150. The offerings that does not meet every criteria is eliminated and then the remaining are considered through a market – and competition point of view, based on prior knowledge about the wine. A sample of some wines are not requested if Systembolaget already knows that the wines are of poorer quality than the others. The previous knowledge matters for the selection of the wines for the blind tasting according to the respondent. It was further claimed that every choice of wine and the reasons for why not choosing a certain wine had to be explained. According to the respondent, every importer believed that their specific wine was best suited for the listing and thus often wanted an explanation for not being chosen. On the topic of the role of wine agents, the respondent stated that without having the wine agents, certain parts of Systembolagets operation could be optimized. This is since information occasionally gets misinterpreted when dealing with several external parties. However, the respondent added that without the Swedish wine agents the logistics would be more difficult and the demands on Systembolaget would increase and more time and resources would have been needed for research, related to trends, new producers and so forth. In regards to long-term collaboration with the wine agents, the interviewee argued that Systembolaget collaborates with any importer that can supply the quantity and quality of wine that is demanded and added that the wine agents were important since they provided a lot of information about the different wine markets. It was further argued that one importer

couldn't keep track on what is happening in a whole country by themselves and the importer act as Systembolaget's eyes and ears in the different countries they are operating in. Systembolaget often gain suggestions on new launches by the wine agents who possess a lot of knowledge according to the respondent. The respondent also highlighted that the wine agents are not gaining any advantages when Systembolaget choose what wine they are deciding upon, since that is done through blind tastings.

On the topic of Systembolaget's size and how the wine agents adapt to their demands, the respondent stated that the wine agents have to live up to Systembolaget's demands and their requested offerings.

In regards to the producers, the respondent claimed that the large producers adapt to the needs of Systembolaget, this was exemplified with the sales of ecological wines where several producers have changed their production to meet the requirements of Systembolaget. Moreover, it was highlighted that Systembolaget is the second largest purchaser of alcoholic beverages in the world behind Tesco, which makes them a very important buyer for the Spanish producers.

5.8.2 Ho.Re.Ca

The interview in the Ho.Re.Ca segment was done at Långedrag Vårdshus, which is a restaurant located in Gothenburg, Sweden (Långedrag Vårdshus, 2015). The respondent at Långedrag Vårdshus was Michael Frie, who is the owner and responsible for wine purchasing. According to the respondent, Långedrag Vårdshus works with several wine agents, both small and large. The respondent has 30 years of experience from purchasing in the Ho.Re.Ca segment.

The respondent stated that the choice of wine agent was based on the current need of the restaurant, i.e. the current menu and what type of larger arrangements such as weddings that was to take place in the near future. It was further stated that there were many different wine agents specialized in different price segments and wine agents specialized in different geographical areas, although most wine agents were able to supply wine from

all the different large wine producing regions. When choosing what wine agent to collaborate with, it was highlighted as being important that the wine agents portfolio was fairly large. This is since the respondent wanted to be able to buy different wines from the same wine agent and reduce the costs related to delivery. This was described as being due to wine agents having a minimum quantity needed for free delivery that the respondent always wanted to reach to avoid extra costs. Negotiations were done both on price but also on money that was paid out by the wine agents for marketing costs according to the respondent. It was also added that the personal relationship with the wine agent was very important.

In regards to long-term collaborations, it was added that the respondent preferred to have long-term relationships with the wine agents, although the wine agents had to be: *“proactive and respond to trends and present news and ideas regularly”*. Moreover, it was also highlighted that the wine had to fit well with the food and that if the food menu was changed it was likely that the wine menu had to be changed as well. Wine agents could also be changed if the restaurant decided to specialize on a specific wine region. To find wine agents, the respondent frequented different wine fairs and tastings and highlighted the importance of the wine agent and added that they had previously followed a wine agent when that person changed company and started to work for a competing firm. In regards to contracts, the respondent stated that there were occasionally contracts in place for one year if it was an *“exceptional deal”* for the restaurant. The contracts often included certain bonuses or marketing money that was paid out after one year if certain volumes were met. The respondent added that the bonuses/marketing contributions were essentially like a discount. Other activities that made certain wine agents more attractive was that they occasionally arranged trips to wine producers, wine tastings and other events. Having a wine agent that was present and active was argued to be crucial for a successful collaboration. The respondent stated that having a wine agent located geographically close was important, both to be able to have face-to-face meetings but also to be able to contact the wine agent in *“emergency situations”*. The respondent claimed that if they had forgot to buy wine for a large arrangement, the respondent needed to know that the wine agent would deliver the missing wine on a short notice and

this was described as being a part of the important personal relationship with the wine agent. The respondent further added that having knowledge of wine was very important as a buyer and stated that smaller restaurants that are not niche restaurants generally have a limited knowledge about wine and generally only focuses on the price.

5.9 Producers

5.9.1 Verde Marte

Verde Marte is a wine producer as well as wine marketing and branding expert. The interviewee Mark O' Neill is the owner of Verde Marte as well as the representative for several Spanish wines in the regions of Valencia, Somontano and Utiel- Requena as well as some other locations in Spain. Further, Mark O' Neill has been working towards the Swedish market for over 20 years.

The respondent at Verde Marte states that there has been an overall change in the Swedish preference for Spanish wines. Some twenty years ago Spanish wines dominated the Swedish market but over the last decade the imports of Spanish wines to Sweden have decreased. The respondent believes that the reason for this is due to that the Spanish wines are considered old fashioned today along with that Spanish wine producers have not responded to the changes in the global wine market. Also, according to the interviewee, the Spanish wines are of the best quality and price in the world but as the conservative Spanish wine producers are not particularly interested in developing and learning from the competition. This makes it hard to improve the brand image in regards to cellar door activities, new producing techniques and marketing for many Spanish wine producers. Hence as not much improvement is being made, it will be hard for Spanish wine producers to grow in the Swedish market as *“the younger Swedish wine consumers do not want to drink what their parents used to drink”* according to the respondent.

As the Swedish market is of high importance for Verde Marte, the respondent highlights the significance of working on a long- term basis with the intermediating wine agents. In

Sweden Verde Marte has worked with NIGAB for over twenty years. The interviewee stated that *“personal relationships are the most important thing in business”* and since the firm always got well on with NIGAB there has not been any reason to change. It is further argued that working with serious and solid wine importers with a varied portfolio is crucial in the wine industry. Moreover, the interviewee states that they want to collaborate with intermediating wine agents that know the preferences of Systembolaget and are *“solid”*. The respondent appreciates the fact that when he is pitching ideas with the intermediating wine agent they know about the chances of gaining a listing at Systembolaget with the specific wine that is being pitched. The interviewee also stated that the wine agents, NIGAB in this case, are good at providing the wine producer with feedback on how to become more attractive to Systembolaget in terms of how they should brand themselves in regards to stories and labels. Although the respondent does not have any direct contact with Systembolaget it is not uncommon that certain changes and adaptations are made in order to meet the requirements and preferences of Systembolaget. An example of this is adding residual sugar to the Spanish wines as this has become a trend in other parts of the world and it is most importantly something that Systembolaget is looking for according to the respondent.

5.9.2 Celler Pasanau

Celler Pasanau is a wine producer located in the village La Morera de Montsant in Priorat and was founded in 1995. The Pasanau family has however produced wine for hundreds of years and the current owner Richard Pasanau is currently working on gaining ecological certifications (Göteborgs Vinhus, 2015). The respondent was Albert Pasanau, the brother of Richard Pasanau and co-owner of Celler Pasanau.

The respondent stated that Celler Pasanau is a small producer and therefore have limited resources of travelling to different countries in the search for wine importers. It was further added that different Swedish intermediating wine agents had over the years contacted the respondent, regarding offerings from Systembolaget, these contacts have, however, never become a long- term relationship. Celler Pasanau now only works with

one Swedish importer where the owner had visited the vineyard and they had spent several hours of getting to know each other and presenting the wines. This was highlighted as a *“very good way of establishing a relationship”*. Moreover, the respondent argued that face-to-face meetings was the way that they always established their business relationships since the budget didn't allow to *“contact new customers all the time”* and further added that 90 percent of their customers are long-term.

Moreover, the respondent stated that they had never adjusted their production to any customer, although it was argued, *“If Systembolaget was my biggest customer, I would think about it”*.

5.10 Summary of Empirical Case Findings

Intermediaries	Wine Agents	Producers	Buyers
Bibendum	Greatest challenges are finding quality/quantity for the purpose and flexible producers.	Mainly short-term collaborations, a few long-term although long-term were considered advantageous. Want producers to be flexible.	Long-term work with Systembolaget, relationship and track record described as important. Lobbying towards Systembolaget. Towards Ho.Re.Ca segment, mainly price focus, having a story is advantageous.
Enjoy Wine & Spirits	Greatest challenge is to convince the end-consumer of the great quality/price ratio for Spanish wines. Different quality/quantity depending on purpose	Greatest challenge to get producers to understand the Swedish model. Mutual goals with producers and share philosophy. Long-term relationships advantageous. Personal relationships are crucial.	Track record advantageous pre-blind tasting. Systembolagets assortment complicated and dynamic. Ho.Re.Ca segment purchases based on personal relationships, discounts or wine quality.
Golf y Vinos	Fierce competition, hard to take market shares from the large actors	Small producers rarely utilize contracts, larger producers often do. Considered risky for producers to only have a few suppliers.	Ho.Re.Ca segment generally only focus on price. Having wines that are popular in the Ho.Re.Ca segment can lead into the assortment of Systembolaget. Personal relationship with Systembolagets buyers is crucial for getting listings.
Oenoforos	Greatest challenge is to get wines into Systembolagets regular assortment. Fierce competition among wine agents.	Proactive approach regarding producers. Aim to have long-term relationships. No contracts for smaller producers	Mainly house wines in the Ho.Re.Ca segment, difficult to enter. Proactive work towards Systembolaget is important. Personal relationships with Systembolaget's buyers are crucial.
Primewine	Personal relationships are crucial. Face-to-face meetings are important.	Greatest challenge was to get the producers to understand the Swedish model. Want producers that are flexible and deliver consistent quality. Working with producers on a long-term basis.	Greatest challenge toward the Ho.Re.Ca segment is to offer wine that suits the menu. Only advantage from previous listings at Systembolaget is to be aware of their quality demands.
Arvid Nordquist	Challenging to present the diversity of Spanish wines to the buyers. Need to find wines that fit the existing portfolio.	Greatest challenge in regards to producers is to make them understand the Swedish model. Choice of producers depends on purpose, volume or prestige producers.	Main difference between Systembolaget and Ho.Re.Ca is volume. Ho.Re.Ca segment only demanded cheap Spanish house wines.
NIGAB	Greatest challenge is to gain a listing at Systembolaget. Working with making Systembolaget familiarized with their brands. Gentlemen's agreement towards producers.	Constantly inform producers regarding Systembolagets demands. Proactive work is important. Imperative with long-term work towards producers. Spanish producers are conservative.	Working proactively towards Systembolaget is described as important. Storytelling important for the Ho.Re.Ca segment. No advantage of previous listings on Systembolaget. If Systembolaget is familiar with the wine the chance of gaining a listing is greater

6 Analysis

The analysis chapter returns to the theoretical framework and compares the theoretical framework with the empirical findings. These comparisons make up the analysis of the underlying factors that impacts the matchmaking process between buyers and suppliers in the wine industry.

6.1 Intermediating wine agents

The multiple case studies confirm what Aubert et al. (2006) state that the intermediaries in the wine industry are independent and are not connected to one specific client. This is evident in the different cases that have been studied, where it was shown that for all the intermediating wine agents, there were several relationships with different producers and buyers. However, all but one respondent had agreements with producers that made them the exclusive importer of certain wines to Sweden. This shows that, although they do not work for one specific client, there are still measures taken to lock in producers for long-term agreements. Moreover, Aubert et al. (2006) highlight that the matching efficiency is increased with a larger network. This was also confirmed in the case studies, mainly related to be able to respond to Systembolagets offerings, which were described as occasionally being very narrow and detailed. In order to be able to respond to the narrow offerings, a broad network of producers is needed for the intermediating wine agents. As stated by Peng and Illinitch (1998), higher quality of the matching and with the reduction of information asymmetries, the risk of negotiation breakdown can be minimized. In the case studies of Oenoforos, Enjoy Wine & Spirits and Bibendum the respondents highlighted the importance of working with lobbying towards Systembolaget in order to stand a bigger chance of being chosen for Systembolagets blind tasting. Further it was highlighted by these respondents that a proactive approach of the wine agents along with lobbying efforts aimed at the purchaser at Systembolaget was also conducted to gain better knowledge about what Systembolaget demanded and how the trends in the wine industry were perceived by them.

Furthermore, as stated by Aubert et al. (2006), intermediating wine agents can match buyers and suppliers that would never have traded with one another otherwise. It has been shown in the study that this is the case, especially for Systembolaget, since

Systembolaget is regulated by law and may not purchase directly from the producer but have to rely on the intermediating wine agents. According to Systembolagets respondent the intermediating wine agents are to a large extent their source of information in the different wine producing regions in Spain. This gives Systembolaget information about what is going on within the Spanish wine market and information about trends in the different regions. However, as Corduas et al. (2013) state, there are information asymmetries in the wine industry. To tackle the potential information asymmetry problems, it was shown in the case study with Systembolaget that there are various measures taken to limit the information asymmetry. Firstly, there are blind tastings with similar wines conducted to test the quality in order to decide what wines to include in the launch plan for Systembolaget. Secondly, the quality also has to be delivered with consistency and be up to par and is measured at a regular basis, which was highlighted in the case study of Primewine. As stated by Stern, El-Ansary and Coughlan (1998), there is a possibility for opportunism in ongoing relationships that hinders sales to specific regions. However, no empirical evidence was found in the case studies of this being the case of neither passive nor active opportunism as explained by Wathne and Heide (2000), and none of the respondents stated that opportunism was present in their relationships. A partial explanation to this could be that the majority of the responding wine agents stressed the importance of personal relationships and informal agreements in the form of a “handshake” rather than written contracts with the producers. In the wine agents relationships with Systembolaget these types of agreements are not possible as Systembolaget have written and regulated contracts for all of their purchases.

According to Etgar and Zusman (1982), one of the main tasks for intermediaries such as wine agents is to gather and manage information in order to be able to match potential buyers and suppliers. This coincides with the empirical evidence gathered from the case study of Systembolaget. However, the respondents of Oenoforos, Enjoy Wine & Spirits and Bibendum further state that it is also of high importance and a main task to promote their existing product portfolio and simply not just attempt to find new wines but rather push for their existing brands in their respective portfolios to gain a listing in Systembolagets regular assortment. Moreover, the respondent at Golf y Vinos argued that

for the smaller wine agents it is important to consider the Ho.Re.Ca segment as a gateway into the regular assortment into Systembolaget. The respondent further argued that if a wine is popular in restaurants, the chance of Systembolaget gaining interest in the wine is greater. Although it is argued by Aubert et al. (2006), that the quality of the wine is of great importance for the matching. It was also shown in the case studies that other aspects, such as trends and popularity of the wine was also important. This can be exemplified by the case study of Bibendum where a way of getting the wine into the regular assortment of Systembolaget was described as being to bring the wine into the ordering assortment and then spend substantial amounts of money on marketing efforts to promote the wine to increase the likelihood of Systembolaget bringing the wine into the regular assortment.

6.2 Buyers

6.2.1 *The Alcohol Retail Monopoly and Systembolaget*

It was shown in the case studies that the size of Systembolaget and the large quantities imported had a significant impact on the wine agents and their choice of producers. The view on Systembolaget through the lens of the interviewed intermediating wine agents are similar on many issues but also different on several others. It was shown in the case study with Bibendum that they were looking for producers that were flexible in regards to packaging and quantity. This is in line with the claim by Ford and Håkansson (2013) that firms within a business network may adapt to activities they cannot directly control in the business relationship. Since Systembolaget demands large quantities for listings in the regular assortment, producers that were able to meet these needs and cope with the quantities demanded were needed. On the contrary, the respondent at NIGAB claimed that this problem is becoming less significant as even the wine producers these days can buy the excess needed from other producers and then in their turn export as the global market for wine has become much more globalized.

As stated by Wilson (1995) and Morgan and Hunt (1994), cooperation between the buyer and supplier is crucial and a proactive approach is needed. In the case studies with Enjoy

Wine & Spirits and Oenoforos it was shown that work was needed to educate and get the producers to understand the Swedish model with the retail monopoly and a market where a relatively small share of sales is going to the Ho.Re.Ca segment. This is a time-consuming process for the wine producers that cannot only be explained in words, it must rather be experienced, according to the empirical findings of the cases with Enjoy Wine and Spirits and NIGAB. This indicates that working with wine producers on a long-term basis makes it much easier as both the wine agent and the wine producer knows what can be expected from each other. Moreover, there are no misunderstandings on the way Systembolagets formal purchasing procedure works in the long-term collaborations. The choice of producers was further influenced by what the goal of the listing was which was found in the case study of Arvid Nordquist. It was argued by the respondent, that the process of choosing producer differed if the goal was to focus on volume or if the producer was chosen for a prestigious wine where the volume was substantially smaller and the reputation was more important.

Morgan and Hunt (1994) and Wilson (1995) argue that the buyer and supplier should have mutual goals to be able to both gain benefits from the business relationship.

The largest and most significant challenge for wine agents according to Oenoforos is to have a wide portfolio that matches the needs of Systembolaget and thus fits well in the product portfolio of Systembolaget. The respondent at NIGAB stated that they also try to influence Systembolaget in regards to their launch plan. The Enjoy Wine & Spirits representative further claimed that those wine producers that have received high scores in the past on previous blind tastings at Systembolaget have a larger chance of making it to the blind testing. Therefore it becomes easier for the wine agents when they work with established producers with a good track record. Constantly working towards being informed on the latest trends in the market for wine was also highlighted as important in regards to becoming more attractive for Systembolagets launching plan. This means that, as a wine producer one must work at constantly knowing what is going to be demanded by Systembolaget in their launching plan. This goes along the lines with what the respondent of Systembolaget said about the wine producers being the eyes and ears on

site. This indicates that Systembolaget are open to listening to the wine producers about what is going on and their launching plan can thus be influenced that way.

In regards to buyers and what factors that impact the purchasing decision, the study shows that in accordance with Angulo et al. (2000), wine is a highly differentiated product and price is a highly important determinant, together with the growing area.

However, it was also shown in the case studies of Bibendum and Primewine that there were other determinants that were considered important for the purchasing decision, these factors were related to packaging and if the producer was flexible in regards to packaging. Those producers who are not flexible in regards to packaging have a smaller chance of getting into the regular assortment of Systembolaget according to the empirical findings. As Systembolagets respondent mentioned that they are the by far largest buyer of wine in Sweden, constituting for about 80 percent of the total Swedish market for wine, this indicates that Systembolaget is of an extreme importance for the wine agents. Further this also implies that if you are not willing to change your packaging as a producer, potential market shares might be forgone as Systembolaget only acts after their own agenda and do not compromise with their offerings as stated by the representative from Systembolaget. Moreover, there are also trends that are of great importance in the wine trade to Sweden. One trend that was highlighted by a majority of the respondents was the trend of ecological wines. Producers that were able to produce ecological wines were considered of high interest both for the intermediating wine agents and for Systembolaget.

The case studies dealt with the buyer risks presented by Schiffman et al. (2008) and some could be confirmed whereas others seem to be of less importance to consider for the intermediating wine agents. Oenoforos, Enjoy Wine & Spirits and Bibendum all worked with lobbying towards Systembolaget and the time risk is evident since if the listings do not succeed, the money and time may be spent in vain. Moreover, since the market is characterized by quality uncertainty, the financial risk is evident, also connected to the money spent on lobbying.

6.2.2 *Ho.Re.Ca*

Pomarici et al. (2012) claimed that the Ho.Re.Ca distribution channel is of significant importance to the intermediating wine agents. However, as the case study with Systembolaget showed that Systembolaget constitutes for around 80 percent of the Swedish wine imports, the Ho.Re.Ca segment is relatively small in Sweden. Although most of the interviewed intermediating wine agents touches upon the subject, Arvid Nordquist and Enjoy and Wine and Spirits state that it is a difficult task to get the Spanish wine producers to fully understand the Swedish market for wine. The complexities lie in that in most free markets outside of Sweden, the Ho.Re.Ca segment is highly important (Hall & Mitchell, 2008). In Sweden, due to the alcohol retail monopoly and laws, the Ho.Re.Ca segment is characterized by fierce competition amongst the actors according to NIGAB. Furthermore it was shown in the case studies that it is difficult to make the Spanish wine producers understand the regulated purchasing process of Systembolaget which is in line with Hall and Mitchell's (2008) arguments about educating the producers and intermediating wine agents. Moreover, the respondent at NIGAB stated that within the Ho.Re.Ca segment in Sweden the sales margins for wine are low as a result of the stiff competition in a relatively small market. Furthermore, Bibendum, Oenoforos, Golf y Vinos and Arvid Nordquist all point out that the Ho.Re.Ca segment mainly focuses on price, more than Systembolaget where other factors, such as the wine being ecological, packaging and design is considered more important than towards the Ho.Re.Ca segment. This also contributes to the margins being relatively small in the segment. In addition to this, the Ho.Re.Ca representative expected the wine agents to offer discounts, which arguably lowers the margins even further. However, the case study with Golf y Vinos pointed towards that for smaller wine agents, the Ho.Re.Ca segment was very important due to the difficulty for small producers to gain listings at Systembolaget in the regular assortment. There seem to be a difference in priorities between the larger wine agents such as Oenoforos, Primewine Enjoy Wine & Spirits and Bibendum and the relatively small Golf y Vinos in regards to tackling the trend presented by Bernetti (2006) of a growing wine consumption in the Ho.Re.Ca market channel in Western Europe including Sweden. Although the larger wine agents mentioned above does not neglect the Ho.Re.Ca segment, their prioritization is notable.

It has been shown in the case studies, both with the Ho.Re.Ca segment and in other case studies, such as with Primewine that in accordance with Lai et al. (2013) a good and healthy relationship is needed with the Ho.Re.Ca segment to be able to offer them wines that suits their menus well. Moreover, the empirical evidence points towards personal relationships being very important with the Ho.Re.Ca segment along with face-to-face meetings and continuous information regarding trends and being able to adapt to changes in the restaurant menus. Personal relationships in the Ho.Re.Ca segment seems to be particularly important according to Golf y Vinos since there are more importers that are able to supply the limited quantities requested by the restaurants when comparing to a regular listing at Systembolaget which demands a lot larger quantities that not all wine importers are able to supply.

Additionally to personal relationships, it is important that there is a “story” behind the wine that can be presented to the buyer. Hall and Mitchell (2008) state that the branding of the wine is extremely important. By coming from a well-established wine producer and having an interesting background, the wine increases its chances of being more frequently sold. As indicated in the case study of Bibendum, having a story about the wine to present to the purchaser in the Ho.Re.Ca segment is considered advantageous in regards to convincing the purchaser of buying the wine. This indicates, that other factors than the quality, price and taste of the wine are also crucial for the Ho.Re.Ca segment.

Another topic that was brought up in the case studies was related to “exclusive dealing contracts” as stated by Heide et al. (1998). These agreements made the Swedish wine agent the only importer of the specific wine. Both Bibendum, Golf y Vinos and Enjoy Wine and Spirits, pointed out the importance of these agreements. An example was Bibendum who argued for the necessity of these agreements since they did not want to spend marketing money that would benefit a competitor. Long-term benefits of marketing efforts were also argued to be desirable by Arvid Nordquist.

6.3 Wine Producers

From the producer's point of view, it was argued in the case study with Verde Marte that cellar door activities as explained by Hall and Mitchell (2008) was a difficult outlet for improving the brand image. These activities and improvements amongst wine producers in the Spanish wine industry were described as slow and few according to the representative from Verde Marte. However, long-term relationships with intermediaries was described as very important for the producers, both by Verde Marte and Celler Pasanau, but the findings do not show the great importance of maintaining long-term relationships through cellar door activities as claimed by Hall and Mitchell (2008). Moreover, Hall and Mitchell (2008) highlights that the producers can educate and increase awareness of their wines through face-to-face meetings. It was shown in the case study with Verde Marte that the intermediaries also educated the producers and provided information about what Systembolaget demanded and if a particular wine had a small or large chance of getting a listing at Systembolaget. Hence the education aspect seems to go both ways and personal relationships was highlighted as the most important aspect in the international wine industry by Verde Marte. Celler Pasanau also highlighted the personal relationships as crucial for establishing long-term business relationships, which was claimed to be very important, especially for smaller producers with limited resources.

Moreover, it was found in the case study with Verde Marte that from the producer's perspective, the intermediaries create value through suggestions on labels and stories. The intermediaries are also utilized as market experts and are expected to know what the buyers demand and what will sell which is in line with arguments by Gill et al. (2007) about value creation. Furthermore, it was also explained in the case study with Verde Marte that adaptations and changes were done to adapt to the Swedish market and more specifically to meet the needs of Systembolaget, hence showing the importance of Systembolaget as a major player. It was also shown that it was of great importance that the intermediating wine agent was perceived as serious and "solid" and had a varied portfolio which is in line with arguments by Hall and Mitchell (2008) and Gill et al. (2007) about trust and reputation. However, for Celler Pasanau, no adaptations were

made which they explained as being due to the fact that they are small-scale producers. They would however consider adaptation if the buyer contributed to a substantial amount of the total sales.

6.4 Business Relationships

As indicated by all the responding wine producers, intermediating wine agents, Systembolaget and the Ho.Re.Ca segment, and more elaborated on in the buyers section of the analysis, trust and commitment are essential in the business relationships of global wine industry. All of the respondents regardless of role have also highlighted the importance of strong and sound business relationships for the wine industry to function. Long-term relationships with producers is of importance to all intermediating wine agents, although to different degrees depending on the wine agent, as stated by Bibendum, Enjoy Wine and Spirits, Oenoforos, Primewine, Arvid Nordquist and NIGAB. By working on a long-term basis with the wine producers it allows the wine agents to spend money on long-term marketing initiatives and to be able to fully teach the producers about how the Swedish market operates. However, as added by Primewine, long-term relationships are not always advantageous since, in accordance with the respondent, Systembolagets offerings are very narrow and if your current producers can't meet the needs, collaboration with a new producer may be needed.

Hall and Mitchell (2008) state that the wine industry is becoming more globalized and the internationalization aspects and relationships in the market for wine must be regarded by all actors on all levels and evaluated. Strikingly, however, is that it seems as the Spanish market for wine has somewhat neglected these trends in the global wine trade. The respondent at Bibendum stated that the Spanish wine producers were still carrying out their business in the same manner as they always had, although it was not very modern. Enjoy Wine and Spirits claimed that the wine producers in Spain were extremely traditional and NIGAB stated that the Spanish wine producers were in general very conservative and that the initiatives for innovation was often driven by the wine agents. Even the Verde Marta wine producer stated that the Spanish wine production was outdated and conservative although they themselves tried to be more up to date.

Furthermore, Systembolaget claimed that the strict regulations and the prohibiting of bag-in-box wines in some regions made it hard for Spanish wines to meet their demands. This also means that in the competitive landscape of the worldwide wine trade the Spanish wine producers have fallen behind in the development in regards to new innovations and techniques. As a result of this, and as indicated in the empirical findings there is a negative trend in Spanish exports of wine to Sweden. This in its turn indicates that it is becoming increasingly hard for intermediating wine agents to sell and promote the Spanish wines in the Swedish market due to the timeworn Spanish wine production. As Hall and Mitchell (2008) claim that it is important to nourish the existing business relationships, the case may be that Swedish intermediating wine agents should evaluate how their relationship with the wine producers can be improved and how they can modernize the production to meet the global demand and standards.

Leonidou et al. (2002) state that good and healthy business relationships do not occur by accident and Morgan and Hunt (1994) state that in order for value to be created from a business relationship, both the wine producers and the intermediating wine agents must benefit from it. Wilson (1995) added to this by stating that value can be in form of market access, technology or information. In regards to assuring the quality of the wine, NIGAB, Bibendum, Enjoy Wine and Spirits, Primewine, Arvid Nordquist and Systembolaget highlighted it as one of the largest challenges related to producers of wine. Being able to deliver consistent quality was considered particularly important and there were rigorous testing done, both prior to the listing of the wine but also continuous testing was conducted to make sure that the wine had the same quality. In accordance with Etgar & Zusman (1982), intermediaries such as intermediating wine agents can be seen as the information link between buyers and sellers. Therefore the wine agents should make sure that the buyer gets the intended quality of wine, and also inform the producer of what the buyer demands in terms of quality. As claimed by Aubert et al. (2006), the wine agents base the matching of buyers and sellers on samples that are assessed. However, as highlighted in the interview with Systembolaget, Systembolaget does a thorough job in testing and there are blind tastings and ongoing testing's of all the wines in the regular assortment in addition to the wine agents quality tests.

Moreover, Haas et al. (2012) state that the business relationship must be beyond the solely transactional level. In accordance with this, Systembolaget pointed out that they form their business relationships with mainly the intermediating wine agents but also with the wine producers whom receive information about what is going on in the Swedish market. Hence, as the nature of intermediating wine agents is to grant market access, value is being created in the business relationships between wine agents and wine producers as well. This creates incentives for all actors within the wine industry to establish business relationships with a long- term focus. In the midst of this the interviewed wine agents view on long- term business relationship varied to some extent. Primewine, Arvid Nordquist and NIGAB had a very positive attitude towards working on a long- term basis with the wine producers and even regarded it as imperative. Oenoforos stated that they always aim to develop long- term business relationships, but also added that they felt that it was a good thing to swap wine producers from time to time. Bibendum only worked on a long- term basis with a few wine producers and on a come-and- go basis with the others. Enjoy Wine and Spirits were mainly interested in working and collaborating on a long- term basis with large wine producers with potential to gain a listing at Systembolaget or with wine producers with wines sold at Systembolaget.

Important to consider in regards to long- term relationships in international business is the importance of trust and commitment as put forth by Spekman (1988), Morgan and Hunt (1994), Su et al. (2008) and Chen et al. (2011). As Spekman (1988) claimed that trust and commitment were cornerstones in all business relationships. As Chen et al. (2011) state, another reason for engaging in long- term relationships is since it helps in reducing information disclosure risks. Also, Su et al. (2008) argue that lack of trust in relationships is the main cause for failed business relationships. This reasoning goes along the lines with Enjoy Wines and Spirits beliefs that they must share the value base and strive for the same collaborative goals.

As indicated by Håkansson and Ford (2002:2013) there are not only benefits with business networks. The biggest pronounced danger according to the authors is the chance

of one part setting up an individual agenda to pursue their own goals on behalf of the other parties. The majority of the respondents have emphasized on that long- term business relationships and personal relationships that goes beyond the purely transactional basis are important in the wine industry. Oenoforos said that their relationships with the wine producers are often on a handshake basis and that this works well since they have worked together for a long time and know each other personally. Both Bibendum and NIGAB highlighted that the wine industry is an industry of gentlemen's agreements and that the business networks and relationships often constitute of long- term personal relationships. NIGAB adds to this that, when working with wine producers it either works or it doesn't. If it doesn't work, no written contract will be able to solve the issues. Also, Arvid Nordquist pointed out that in order to get the best result out of the business- relationship and network, personal relationships were needed with the producers. Hence, it is the chemistry and cooperation between the intermediating wine agent and the wine producer that plays an important role in the business relationships rather than only price and quantities. Even when working towards Systembolaget, business relationships as well as personal relationships are of importance for the intermediating wine agents as indicated by empirical evidence from NIGAB, Bibendum and Arvid Nordquist. Although Systembolaget do not engage in contracts on a handshake basis according to their respondent, much of their information is gathered from the wine producers. Hence, naturally Systembolaget have developed personal relationships with the wine agents. This points towards that personal relationships are important for intermediating wine agents in both directions of the supply chain.

7 Conclusion

The concluding chapter answers the research question proposed in the introduction chapter. Based on our empirical findings and analysis, conclusions are drawn in order to present our findings. Thereafter our theoretical and empirical contributions are presented along with our suggestions for future research.

7.1 Findings

The findings of this master thesis have provided and helped in creating a more detailed picture of what the underlying factors that impact the matchmaking process between buyers and suppliers in the wine industry are. Furthermore, the findings emphasize and elaborate on business relationships more than previous studies in the field of intermediating wine agents.

Firstly, as our empirical findings suggests, Swedish intermediating wine agents as the middle man must work proactively against both the Spanish wine producers as well as Systembolaget and the Ho.Re.Ca segment on the buyer side. By working proactively, in the form of lobbying towards Systembolaget, the wine agents allow themselves to influence the demand on the buyer side rather than only responding to it. This is done through extensive trips and meetings with not only producers but also with potential buyers, such as brand managers at Systembolaget. The proactive work can for example be related to packaging and design of the bottles, but also related to taste and ecological production. As the market for wine is highly driven by trends it is also imperative for the intermediating wine agents to work with discovering future trends as well as impacting the demand in the direction they feel can benefit them the most. This is why it is so important to be able to work in a constructive manner with the producers and build personal relationships with the producers to be able to adapt to trends and Systembolaget in order to influence the trends. After all, Systembolaget sees the intermediating wine agents as their eyes and ears on site.

Secondly, the results of this study confirms the studies that argues for the complexity of the wine industry and also highlights the impact of laws and regulations and the great

influence they can have on the international wine trade. This has an impact on the matchmaking between buyers and sellers and contributes to the finding that business relationships are crucial in the wine industry. As the market for wine is an industry of relationships, the importance of personal relationships for the intermediating wine agents cannot be stressed enough. It has been shown in the study that personal relationships are highly important towards the Ho.Re.Ca segment where it has been confirmed that trust and commitment is at the core of the success of the business relationships. Furthermore, it has also been shown that personal relationships are important when working with Systembolaget as well since it is perceived that the chance of getting selected to blind tastings increases and it is also possible for the intermediating wine agents to impact what wines that will be included in the upcoming launch plan. This finding suggests that since the competition is fierce among the producers, the intermediating wine agent and their personal relationships play a crucial role in assisting wine producers in selling their products to new customers.

Lastly, we have through our theoretical and empirical findings observed that the track record of the intermediating wine agent matters as an important factor influencing the matchmaking process between the buyer and supplier of wine. As the larger wine agents usually have performed well in the eyes of Systembolaget and have the financial strength to market their brands, they have an advantage when it comes to being selected for the blind tastings over their smaller competitors. It is also shown that the matching efficiency of the intermediating wine agent is increased with larger network of producers since it increases the likelihood of being able to meet Systembolagets narrow specifications. Our findings propose that it becomes more difficult for smaller intermediating wine agents to be selected for the blind tastings of Systembolaget although the empirical findings suggest that the purchasing process of Systembolaget is highly transparent during and after the blind tasting. Hence, the perceived expertise of the intermediating wine agent has an impact on the buyers' willingness to purchase wines from their portfolio.

7.2 Theoretical and Empirical Contributions

As stated in previous research by Aubert et al. (2006), wine intermediation is poorly known and more knowledge is needed to be able to fully understand the wine marketing channels, hence our thesis helps in filling parts of this literature gap.

Firstly, this master thesis explains the underlying factors impacting the matchmaking process in the wine industry, in the Swedish context. Therefore this thesis project contributes, on a general basis, to a detailed picture of the Swedish market for wine, whereas previous studies have had a more global perspective or been focused on France when studying intermediaries in the wine industry. In the Swedish context, there have been vast contributions to a deeper knowledge of the Swedish intermediating wine agents and their business relationships with Spanish wine producers. This multiple case study further contributes to providing a clearer picture of the Swedish supply chain within the wine industry

Secondly, on a more specific level, this study contributes to the theory regarding opportunism by showing that in markets where the competition between wine agents is fierce, no evidence of opportunistic behavior has been found, which relates to the claim by Aubert et al. (2006) who states that opportunism can be avoided through competition between wine agents. This master thesis also contributes to the theory of information asymmetry as previously elaborated on by Akerlof (1970) and Corduas et al. (2013). Both Akerlof (1970) and Corduas et al. (2013) confirm that information asymmetries do exist in the wine industry and this thesis contributes empirically on how problems related to information asymmetry are tackled. It is also shown that in contrast to previous studies, no evidence of opportunistic behavior is found, indicating that in the Swedish context there is no widespread opportunism. This thesis also contributes to theory regarding quality uncertainty and how issues related to quality are addressed in practice in a retail monopoly context.

Lastly, this thesis contributes to theory regarding the intermediaries in the wine industry by adding the aspect of lobbying and working proactively as an important factor that

impacts the matching between buyers and sellers in the wine industry. This study also contributes to the literature on intermediaries operating in a regulated retail monopoly market rather than in a non- monopoly market. Hence, this master thesis contributes to the theory on the functions and factors relevant to matchmaker intermediaries. Also, this master thesis contributes to the literature on business and personal relationships for matchmakers in the wine industry.

7.3 Suggested Future Research

This study presents a clear view of wine intermediation in the Swedish context and our suggestions for future research is related to studying other countries and making cross-country comparisons with wine intermediation in different contexts. Furthermore, it would be interesting to develop the context and put Systembolaget in focus and study how they use the information provided to them by intermediating wine agents and what factors it might be that are the most important in that context. Also, on the opposite side of the supply chain, it would be interesting to study wine producers and see to what extent they adapt to the Swedish market and to what extent Systembolaget and the intermediating Swedish wine agents influence them as this master thesis focuses on the point of view of the intermediaries.

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