



Chapter 1

The Export Intensity of Spain's Autonomous Communities in Terms of the Marketing of Wine and Their Geographical Destinations

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ABSTRACT

Spain is in a privileged position in the production and marketing of wine, being the world leader in terms of volume of wine exported. It is also the country where exports have grown the most since 1990, as companies have been pushed to increase their foreign exposure by the decline in domestic consumption and more recently by the financial crisis. The present research contributes to the literature on the international wine trade, given that, to the authors' knowledge, no previous research has so recently addressed the export intensity of Spanish wines by autonomous communities, as well as the geographical destinations of these exports. The results show a clear heterogeneity in value and volume between the different Spanish territories when it comes to marketing wine, revealing two competitive models in

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the Spanish wine industry: cost leadership (focused on volume) and differentiation (focused on quality).

INTRODUCTION

Spain is in a privileged position in the production and marketing of wine, being the world leader in terms of volume of wine exported. It is also the country where exports have grown the most since 1990, as companies have been pushed to increase their foreign exposure by the decline in domestic consumption and more recently by the financial crisis. In recent years, Spanish wineries have shown that they know how to take advantage of the opportunities of an increasingly globalized environment to position their products abroad, thus compensating for the weakening of domestic consumption and making exports their main growth driver (AFI, 2020).

Indications of origin, such as Protected Designations of Origin (PDO) or Protected Geographical Indications (PGI), are particularly present in this sector and have been used both to guarantee consumers a more or less constant level of quality and to try to differentiate themselves. In addition, these figures encourage the organization of the production sector and facilitate producers' access to national and international markets. However, in Spain only approximately half of the wine produced belongs to one of these figures, the rest of the wine produced does not have any type of indication of origin.

The winemaking process is a complex process that involves different actors and consists of several stages starting with the harvesting of the grapes in the vineyards. In Spain, this takes place in the months of September and October. Once the grapes are transferred to the wineries, the destemming process begins to separate the grapes from the bunches and the grapes are crushed to extract the must. With the must and the remains of the grapes, the first fermentation and maceration begins for 6-10 days during which the sugar in the must is converted into alcohol, the remains of the grapes are then discarded and the wine is transferred to another tank for a second fermentation for 10-20 days to remove acidity from the wine. Additionally, in some wines, after the racking, clarification and filtration processes (used to clean and improve the quality of the wine), an ageing or maturing process may begin in the barrel for subsequent bottling.

Throughout history, the wealth of the wine-growing areas is reflected in palaces and stately homes, in churches and monasteries, in literature, sculpture and painting, in the architecture of the wineries themselves, and in the development of ancillary trades and businesses such as coopers, tanners, nurseries, etc., as well as in the development of the wine-making trades, sculpture and painting, in the architecture of the wineries themselves, as well as in the development of auxiliary trades and

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