

Wine Marketing

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Major Code:

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*A dissertation submitted in partial fulfillment
of the requirements for the degree of*

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University Information



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1.0 Introduction

1.1 Wine Events and Shows

Events and shows are important strategies of marketing products in specific target markets. Research in this field has realized a significant growth in the recent past given the fact these marketing strategies influence the growth of the economy. Businesses use events and shows as a means of regeneration and economic development not only to raise market awareness but also for reposition or position destination. This tool of marketing a brand allows entrepreneurs to get insight into consumer behavior, buying trends, and competitors' way of doing business (Huang, 2011). These occasions also facilitate interactions between businesses and new clients. In this era of globalization, most companies invest extensively on events, shows, and festivals not only to attract prospective clients but also to form networks that are essential in growing their brands.

In the wine industry, festivals and hosting events promote wine tourism which is essential in the marketing of the products. Wine festivals create opportunities for businesses to raise awareness about a particular product and its destination region (Kruger, Rootenberg & Ellis, 2013). For instance, wine festivals in Western, South Africa, and East Asia have encouraged an increase in the consumption of different wine products. Besides creating awareness, wine shows, events, and festivals have reduced the cost of product distribution due to the high demand for the goods. Business in the wine industry is booming as a result of these marketing strategies since they create internal and external market opportunities. The wine events and shows are also crucial for businesses and consumers because they build strong relationships between sellers and buyers which promote brand loyalty. Companies reap the benefits of these functions by ensuring that customers have satisfactory experience

during the visit by indulging them in a wide range of activities. The common events during such visits include purchasing of wine, getting the chance to learn about different types and brands of wine, and interacting with other consumers. Consumers who have a positive experience during the events and shows contribute to the growth of a brand in many ways. They create awareness through positive word-of-mouth; show loyalty and the intention for re-visits; and influence market success, long-term profitability for the company, reduced distribution cost due to direct sales, product sustainability, and an increase in the economic value (Kruger, Rootenberg & Ellis, 2013). It is, however, important to note that wine companies hold different kinds of events and shows for various reasons and they target specific consumers.

1.2 Service Quality of Events and Shows

The wine industry is a market that is going through structural changes in this era of globalization as indicated by the continuing trend towards an increase in the production of quality wine products in both the consumption and production patterns (Michel & Beal, 2014). Research indicates that most companies are shifting towards the production of expensive but quality wine rather than releasing to the bulky market wine which is relatively cheaper. Notably, an increase in income among the traditionally high-consumption nations of wine such as Italy, France, and Spain has caused a shift from a high demand for low-quality wine to a growing need for low volumes of high-quality products (Thorpe, 2009). The critical consumer markets such as the UK, China, Australia, the US, and Canada have also influenced the quality of wine by showing brand loyalty for companies that offer quality services and products. Research indicates that the popularity of wine has doubled in Asia over the years; China and Japan constituting 80 percent of the total wine imports. Precisely,

China's wine consumption rate increases at the rate of 10% annually and it influence the market because it concentrates in importing high-end products from countries such as Italy and Spain (Thorpe, 2009). Additionally, Lee, Madanoglu, and Ko's (2016) study revealed that China consumed over 1,500,000 liters of wine in 2014 and the number is amount was projected to increase in the subsequent years. Nonetheless, the success of winery does not only depend on the product quality but also on the services offered during shows and events.

In a research conducted by Huang (2011), many wineries depend on visitors who attend their shows and events to sale many of their products. 70 to 80 percent of winery sales in other geographical locations are as a result of tourism and cellar door sales while the rest of the percentage are sales made to restaurants. The study also reveals that it is through wine-related activities such as wine tasting, local cultural experiences, and vineyard tours that companies can interact with customers and build good relationships. Importantly, research reveals that the quality of service expectations varies depending on world regions due to cultural differences (Lee, Madanoglu & Ko, 2016). For instance, wineries that hold events in Asia have to understand the unique needs of their target markets to meet their expectations. Unlike consumers in the West, Asians tend to have high-quality service preferences and expectations. While the western countries prefer informal and friendly services, Asians put more emphasis on intangible service quality. For this reason, wineries have to put into perspective the different cultural backgrounds of different consumers before holding shows and events that attract visitors from different locations.

Wineries expand their size and niche through the quality of services they offer to consumers. According to Lee, Madanoglu, and Ko (2016), various intangible service qualities such as customer care services can influence the perception of consumers towards a particular

product. Consumers who interact with staff that demonstrate care and empathy during the wine shows and events are likely to praise the brand through word of mouth and show loyalty despite the quality of the product. On the contrary, companies with poor reception of visitors or those that are ignorant about regional cultural differences may affect the reputation of their brands due to the delivery of low-quality services. The interaction between clients and staff is very crucial in defining service quality given the fact that it facilitates the exchange of information regarding a particular product or brand. Visitors can also take notes of the most important bits of information provided for future studies and remembrance. Besides education, the activity of wine testing can also influence the client's attitude towards a given winery. Case in point, Lee, Madanoglu, and Ko (2016) explain that wineries increase the quality of services they offer to Chinese wine consumers by providing food, proving a wide range of wine products and paring them to enhance their testing experience. These interactive sessions during shows and events influence the client's attitude and perception towards a particular brand and the organization, hence, either building or destroying its reputation.

Research conducted by Huang (2011) reveals that despite the increasing attempt of wineries to offer high-end services to wine consumers as a strategy of increasing their size and market niches, numerous companies fail to meet consumer expectations. The study shows that many wineries attempt to offer quality services to visitors during shows and events with the aim of increasing sales through customer loyalty, but the industry lacks a consistent measure of service quality management because they use different criteria and indicators. Second, the industry has failed to determine the critical attributes of perceived quality of services because consumer perception varies based on their culture and personal preferences. It is, therefore, essential for wineries to establish the critical attributes of service

qualities as consumers perceive to promote customer loyalty and satisfaction. Lastly, a huge challenge experienced in the wine industry regarding service quality offering during shows and events is the failure to strike a balance between cost management and the gains from great services. In most occasions, companies have to incur extra costs to provide high-end products and services that will ensure customer satisfaction and loyalty. However, some firms use a lot of resources to ensure that their shows and events are as enjoyable, attractive, and educative as the customers may want but fail to meet their expectations (Huang, 2011). These challenges, therefore, contribute to the growth and expansion of wineries internationally.

1.3 Vinitaly Exhibition

Vinitaly is an International Wine and Spirits Exhibition established in 1967 (Vinitaly, 2015). Every year, numerous countries congregate in the Italian wine region of Verona to participate in the wine exposition and competition. The event is only attended by wine professionals who showcase an average of 3,000 wine varieties from different countries. During the competition, these wine products are categorized a sweet, dry, fortified, sparkling, sweet wine among other categories. As the professional showcase their products, a panel consisting of two international journalists, two Italian judges and a non-Italian judge evaluate the products based on their features, tastes among other spectrums to determine the winner (Vinitaly, 2015). At the end of the event, the judges announce the winners who go home with medals of gold, bronze, or silver.

Vinitaly has influenced the evolution of the wine system nationally and internationally. In its early years, the wine exhibition facilitated the advancements made in wine packaging today since the best-packaged wines were awarded. In early 2000, Vinitaly became a popular event globally as other countries such as China, Singapore, India joined in the exhibitions and

competitions (Vinality, 2015). Tours conducted in the US and other Western countries were a major contributing factor to the rise in Vinality popularity. By 2008, the event had become very influential given the fact that it promoted innovation, creativity, and e-commerce. The 2010 event had even a more significant impact on wine professionals than the previous years since the exhibition supported the direct web-based marketing, improved services for firms, and an increase in the number of companies that could showcase their products. The 2010 event was also a significant breakthrough for wineries producing quality products since Vinality allowed award-winning companies to acknowledge their success on bottle labels based on the quality attained which acted as a marketing tool. In 2014, Vinality spread to most parts of the world which led it to be rebranded as Vinality International (Vinality, 2015). The rebranding of the event encouraged the strengthening of institutional and commercial relationships in the wine industry.

In 2016, Veronafiere hosted one of the most prominent Vinality events which concluded its 50th editions. The four-day event took place in Verona hosting B2B meetings, training courses, and conferences. Veronafiere released an official figure detailing the Vinality attendance. A total of 130,000 visitors from 140 states participated in the festival. Notably, 4,100 exhibitors were present which made the event the world's biggest wine trade fair. The Italian wine industry realized significant growth in the global market after selling 23% more products than what was sold in 2015 during the show. Giovanni Mantovani (Veronafiere Director General) revealed that many buyers from across the world attended the 2016 Vinality show as compared to previous years. Notably, buyers from the US increased by 25%, France by 29%, China by 130%, Northern Europe by 8%, the United Kingdom by 21%, Japan by 21%, and Canada by 30% (Indian Wine Academy, 2016). A rise in the number

of international buyers interested in Italian wine was, therefore, an indication that Vinitaly had played a vital role in marketing the products across the world.

1.3.1 Reasons for Participation in Vinitaly

Vinitaly annual shows have promoted business growth for both the producers and buyers. The 2016 Vinitaly show report indicates that the platform helps to educate, promote, and communicate about Italian wine in the international markets (Indian Wine Academy, 2016). The wine professionals attending the show get the opportunity to mingle with each other, create professional networks and exchange ideas. Moreover, the shows bring together entrepreneurs, investors, and large-scale buyers who increase the sales of wine products in the host countries. At the end of these events, those who attended benefit a lot since they go back to their countries with more knowledge regarding wine production, different types of wine and the importance of quality wine service.

1.3.2 Challenges Experienced at Vinitaly

Similar to other international events, Vinitaly experiences numerous setbacks every year. One of these challenges is the inability of the host country, Italy, to cope with the fast-growing show. The 2016 Vinitaly report indicates that the city of Verona experienced difficulties hosting guests from over 100 countries due to logistics and management issues (Indian Wine Academy, 2016). The increase in the number of professionals from countries such as China, Canada, and Japan caused shortages in the sectors of accommodation, transportation and the reduction of quality of services that were offered. Nevertheless, event organizers have always set in place plans that cater for unexpected situations. For instance, in the 2016 event, they made several changes to ensure the success of the event such as linking with nearby hospitality firms to offer their visitors a great experience. However, the issue of

congestion is still unresolved since many participants have to queue for a longer duration before they can get into the showground. The organizers attempted to tame the congestion during the shows by increasing the tickets from only 50 euros to 80 euros, but that strategy was not as effective as they had expected since most of the people attending the events could still afford the new tickets. Veronafiere also attempted to decongest Vinitaly by encouraging participants to participate in other related events that were located in different parts of the city. The off-site visits entrance was as low as 12 euros while the admission to the fair was 80 euros. A majority of the people who attended the event found it easy to view the exhibits in the different places and also eat and wine, but they eventually went back to where the main event was hosted (Italian Wine Central, 2018). The event organizers are, therefore, expected to find a sustainable solution to the problem of congestion since the number of people attending Vinitaly is likely to increase in the future.

An increase in the number of participants always affects the quality of services offered in events. While the quality of wine remains the same, wine buyers have always experienced incidences of frustrations due to overselling by the wineries. They have to place their orders and wait longer to get their service. The staff attending to the visitors also experience challenges delivering their services due to the exceeding number of customers. In some incidences, they may have to attend to more than the standard figures either during education forums or wine serving, which compromises the quality of their work. For these reasons, some of the participants develop a negative attitude towards particular brand because of the quality of services, they receive. Event organizers have always put in place measures such as training their staff intensively on cultural diversity, communication skills, among other competent areas of knowledge to enable them to deliver satisfactory customer

experience. They also recruit the most qualified staff to minimize negative reviews and incidences of dissatisfaction in the areas of accommodation, catering, and transportation (Cavicchi & Santini, 2014). Vinitaly has experienced significant growth not only because of its strategic marketing capabilities but also the ability of organizers to implement changes.

1.4 Italian Wines

1.4.1 Italian Wine Production

Italy is a primary producer of a wide variety of wines available in the market. Wine producers are approximately one million, and there are over 500 varieties of wine grapes grown in the country (Smith, 2013). Additionally, wine grapes occupy vast tracks of Italian agricultural land. Historically, Italy spearheaded the planting of wine grapes during the rule of the Roman Empire, and it was maintained even after the fall of the Empire. At one point, Italy was faced with the phylloxera epidemic that affected most parts of Europe leading to massive destruction of the wine grape varieties that yielded high-quality wine production. Winemakers opted to replant the vineyards using cuttings that were resistant and quick to produce results causing a decline in the quality of wine production. Over the years, however, winemakers have focused on improving the quality of the wine.

Current research indicates that wine production in Italy has improved significantly. In 2015, the country produced approximately 4.7 billion liters which were 4 percent higher than the average of what had been produced the previous years and 13 percent more than 2014's production. The increased production was attributed to favorable weather condition. Wet winter influenced growth while dry and warm summer limited the spread of vine disease. Late summer rains also facilitated the ripening of the wine grapes. The production of Italian wine increased by 30% in Puglia, 15% in Veneto, Umbria, Lazio, and Romagna, 25% in

Sicilia, and 10% in Campania, and Venezia Giulia (Bettini & Sloop, 2015).

The Italian Wine Classification System does not necessarily classify wine according to the region of production or the grape variety. In most cases, some winemakers brand their products either depending on its area of production or grape variety. Currently, Italian wines are found under four categories. *Vino Da Tavola* wine is of low quality and is made under the least regulation. This drink is acidic, thin and weak. *Indicazione Geografica Tipica* is also an average quality wine that is produced under less strict laws. *Denominazione di Origine Controllata* is a high-quality wine that is only produced in specific environments to preserve the old-fashioned wine-making practices. The winery also ensures the products are well branded by stating the vineyard that the grapes are harvested to avoid confusion. An example of the wine category is *Baroro*. Lastly, *Denominazione di Origine Controllata e Garantita* is of the highest quality Italian wines available in the market. Winemakers have to observe the strict rules, and they must excel in an evaluation that the testing committee conducts for them to hold a certificate of wine production. Winemakers who demonstrate their ability to produce wines of the best quality and abide by the set regulations are allowed to conduct businesses both locally and internationally. Italian wines are also made from different grape varieties. The common types used for the production of red wine include *Barbera*, *Montepulciano*, and *Merlot*. On the other hand, wineries use *Tocai*, *Pinot Grigio*, *Chardonnay*, and *Prosecco* for the production of white wine (Bettini & Sloop, 2015). Up to date, Italy holds its reputation for the mass production of a wide wine variety in the world.

A significant challenge encountered at the production stage is the introduction of many European grape varieties in the market. Most Italian producers have not been able to handle the change, unlike France which utilized the opportunity to improve the quality of the

wine (Corsi, Marinelli & Sottini, 2013). Italy is yet to use the many varieties of grapes to position itself in the international market as producers of high-quality wine.

1.4.2 Italian Wine Consumption

The local consumption of wine in Italy has declined for decades due to an increase in campaigns against alcohol consumption, lifestyle changes, and a shift in tastes. Wine consumption per capita was at 36 liters in 2015 as opposed to 110 liters in the 70s. Consumer surveys also reveal consumers prefer Italian wine because of their origin, but they are also pushing winemakers to produce high-quality drinks at a modest price range (Bettini & Sloop, 2015). Wine consumption is not only influenced by quality but also a cultural identity. Italian wine is consumed locally and internationally because consumers link it with the broader desire for authentic experience. Customers also purchase the products as appreciation for their culture, heritage, tradition, ethnic diversity, and the identity of a specific place (Vrontis, Bresciani & Giacosa, 2016). These factors, therefore, determine the growth of the wine industry in Italy.

The wine market is changing terms of its consumption. Wine consumption has declined in traditional producers such as France and Italy due to changes in policies, tastes, and lifestyles. Wine producers have shifted to international markets where the need for the goods are growing such as in Asia and the United States. The selling of Italian wine in the global markets depend on consumer's attitude towards the brand. Often, wine buyers associate a brand with taste, quality, services offered, and performance (Bettini & Sloop, 2015). The pattern of Italian wine continues to form in developing countries as consumers associate wine-drinking with luxurious activities.

As the consumption level of Italian wine reduces in Italy and France, winemakers are

targeting foreign markets with high consumption rates such as South Korea, Japan, China, and India. Statistically, Japan and China constitute 90 percent of the wine imported in Asia. India is also a target market for wine consumption given that it is among the countries with the highest growth margins. Singapore is one of the countries that the traditional wine producers are targeting to tailor the role of “Asian Wine Hub” (Corsi, Marinelli, & Sottini, 2013). Wine consumption in foreign countries has grown due to effective marketing strategies which aim at advocating for wine consumption for good health. Since 2004, China has increased its rate of wine intake as indicated by the 5.4 percent growth rate per year. Between 2004 and 2008, red wine consumption in China accounted for 72 percent of the total wine imported in the country while the percentage of white wine was 23 and rose wine was 5. The increase in the rate of wine intake in China is as a result of high revenues in big cities such as Shanghai, Beijing, and Shenzhen (Corsi, Marinelli, & Sottini, 2013).

Regarding wine exportation, France led to the exportation of its wine products to China in 2008. It was then followed by Italy and Chile. Nonetheless, Italy has since shown significant progress over the years in the exportation of its wine products through strategic marketing (Corsi, Marinelli, & Sottini, 2013). The widespread supply of wine products to foreign markets have not been achieved due to the issue of quality but also the marketing strategies used to influence consumers’ perception and behavior.

1.4.3 Promotion of Italian Wine

A total of 102.3 million euros was used to promote Italian wine both locally and internationally as compared to 82 million euros invested in 2012. The financial resources are chiefly used to organize trade shows such as Vinitaly, workshops, and wine tasting events. Importantly, Italian wineries target countries with the highest level of consumption and deep

understanding of wine varieties to market their products. The US, Canada, United Kingdom, Russia, Hong Kong, China, Japan, and Switzerland are among the targeted nations for Italian wine promotion (Corsi, Marinelli, & Sottini, 2013). Vinitaly is an example of a successful trade show that Italy holds annually to promote a wide range of wine products to local and international wine professionals. The high investment in marketing Italian wine has yielded results as indicated by an increase in the number of countries participating in Vinitaly.

Besides, the shows, events, workshops and other engaging activities, Italian wine producers have influenced the behavior and attitude of consumers through effective marketing strategies. For instance, most brands associate moderate consumption of wine with good health. Samoggia's (2016) study reveals that wine producers are using the health benefits of wine consumption as a strategy to increase sales in local and international markets. The study, however, affirms the idea that moderate consumption prevents cardiovascular diseases, longevity, and neurological disorders. Despite the fact that Italian wine producers market their products due to its naturalness, aroma, flavor, cultural, and environmental perspective, they also increase sales by convincing consumers on the health benefits of moderate consumption of wine.

Italian wine has become popular globally due to the wine producers' efforts to market the products effectively through banding, labeling, designing and promotions (Barisan, Boatto, Rossetto & Salmaso, 2015). The attractiveness of the bottle designs influences consumers' behavior while promotional campaigns targeting specific countries create awareness among consumers. A promotional strategy such as offering discounted deals in specific seasons has proven to be effective in influencing consumers' purchasing behaviors and promoting customer loyalty. The media has also played a crucial role in marketing Italian wine products. For instance, television programs such as documentaries detailing planting of wine grapes, and

wine production create awareness on specific wine brands hence increasing their demands in the market. In conclusion, Italian wine consumption has increased internationally even after the decrease locally due to the effective marketing strategies employed to raise its awareness.

Vinitaly is an example of an event that has influenced the popularity of Italian wine by attracting visitors to Italy.

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2.0 Literature Review

2.1 The Importance of Exhibition

Different studies reveal the pivotal role that exhibition plays in the promotion of a business and its brand awareness. According to Vlachvei et al. (2012), a brand refers to a name, symbol, design, term or a mixture of all these, which helps to identify the products and services of a company and distinguish them from what its competitors offer. More specifically, wine branding refers to how a customer perceives a wine product, as well as its name (Vlachvei et al., 2012). Having a well-established brand is crucial in the wine sector where consumers have numerous options, which can overwhelm them. A brand is a highly valuable element that determines whether a consumer will purchase a wine product or not (Saftić, Težak & Luk, 2012). For this reason, to avoid overwhelming customers, wine companies undertake various branding strategies, such as the use of exhibition.

Vlachvei et al. (2012) note that a wine exhibition is essential for a business promotion and brand awareness since it simplifies the shopping process for consumers. Secondly, the exhibition method is necessary as it cuts down on the time and effort that wineries use to sell their products. Thirdly, this strategy is vital as it enhances the image of the wineries. Fourthly, exhibition helps improve differentiation in the customers' minds as it helps them attach symbolic, emotional and intangible meanings to the brand. Finally, the exhibition method increases the success of wine products by a firm by combining all the necessary components, namely, price, quality, promotion, and packaging, of the wine appealingly (Vlachvei et al., 2012). Similarly, according to Saftić et al. (2012), wine exhibitions/shows are essential to business promotion as they lead to the growth in the number of global visitors. In other words, because of exhibitions, more people are becoming interested in wine and the purchase of wine

products. Consequently, the popularity of wine brands is increasing, while the wine business is also improving.

Wine exhibitions are also growing in numbers. Zoltán, Anikó, & Zsuzsanna (2014) posit that these events are beneficial as they emphasize the wine-drinking culture. This author states that wine exhibitions are part of significant cultural activities, particularly in regions that are traditionally wine-producing areas. For example, wine exhibitions not only play a role in creating sustainable development but also help improve the connection between buyer and seller. Exhibitions also serve as a primary information source, which consumers can rely on when purchasing wine (Zoltán et al., 2014). Therefore, wine companies that use the exhibition approach as part of their marketing strategy are more likely to provide customers with necessary information, which will increase brand loyalty among the consumers and subsequently, improve brand awareness as well as the business status. As Zoltán et al. (2014) reveal, exhibitions offer consumers the opportunity to become loyal to a wine firm and brand, which is vital in enhancing brand awareness and business.

Demei (2014) also notes that wine exhibitions help promote the wine business by reducing the dependence of wine companies on group purchase, in addition to assisting these firms explore and understand the consumer market. Wine exhibitions provide these business institutions with real-life tests about their products. Once they pass these examinations, they can promote their business and improve their brand. For example, Demei (2014) reveals that wine exhibitions provide crucial opportunities for wine producers to meet and interact with different essential stakeholders in the wine sector, such as distributors, and consumers (potential and regular ones). After interacting with them, the companies can form healthy relations that will help their business or reach out to more customers. Further, Demei (2014) claims that exhibitions

are the best for raising brand awareness since they provide a platform for companies to introduce new products or announce relevant information about their products. For instance, during the 2014 Pro Wine China, companies got an opportunity to showcase their products and brands during the exhibition (Demei, 2014).

Nonetheless, most of these authors reveal that while the exhibition strategy is crucial to business promotion and brand awareness, it is not often that easy to apply it since the wine industry consists of numerous brands and labels, which make brand promotion difficult (Vlachvei et al., 2012). Exhibitions are a form of wine tourism, which attracts consumers based on the wine tasting experience. Notably, this type of wine tourism aims at offering customers the best experience (Saftić et al., 2012). As a result, through these events, customers get more familiar with a variety of wine brands and often end up choosing their more preferable ones.

There is also sufficient literature which indicates that besides connecting wine businesses and customers, exhibitions also enhance business-to-business (B2B) transactions. According to Zoltán et al. (2014), wine exhibitions are types of event marketing, which have desirable features that enhance the position of one firm with regards to other businesses. Some of these features include interaction, innovation, immersion, integrity, involvement, individuality and intensity, which improve the level of experience for both consumers and businesses. These authors cite previous works like those of Paul Garrison, Emma Wood, as well as Nigel Pope and Kevin Voges to support their claim. As a result of these features, wine firms get an opportunity to interact with other companies and understand the messages in the events. Zoltán et al. (2014) therefore believe that wine exhibitions are influential in the communication process among businesses.

Bouzdine-Chameeva and Durrieu (2011) also argue that wine exhibitions provide companies with a platform for B2B transactions, but in a slightly different way. These scholars state that exhibits offer businesses a sense of place. A place in this context implies specific features, which can support the operations and meet the goals of all visitors, including companies that are showcasing their products. For instance, Lee (2016a) states that Vinexpo (a popular wine exhibition in Hong Kong) provides a sense of place for wine producers as it represents a mix of professionalism, quality, and seriousness. Unlike other wine exhibitions like Vinitaly, Vinexpo offers an avenue where professionals can conduct business efficiently (Lee, 2016a). Bouzdine-Chameeva and Durrieu (2011) further note that exhibits bring companies together and enable them to interact while displaying their wine products, thereby creating a bond. This bond then provides the firms with a suitable avenue to make additional deals.

Demei (2014) supports Bouzdine-Chameeva and Durrieu (2011) perspective by arguing that wine exhibitions are essential for B2B transactions as they bring numerous trade people together. Such gatherings offer companies the best opportunity to interact with other firms or producers. For instance, as this author posits, exhibitions can best serve as avenues where wine businesses come to research about different aspects of the market, including their competitors, as well as top performing firms. Notably, during the 2014 Pro Wine China, companies had a chance to work with other firms in various forums, like wine investment in China, wine tasting, food and wine matching, and describing wine via Chinese terms (Demei, 2014).

2.2 Measuring Business-to-Business Service Quality and Its Implications

Different mechanisms help to measure business-to-business (B2B) service quality, particularly in the wine industry. Raychaudhuri and Farooqi (2013) define service quality as the attitude of consumers toward the performance of a service. It relates to the interaction of a

product, a company's employees or any aspect that enhances the value of a service in the customers' eyes. Service quality is thus a precursor of client satisfaction. Furthermore, Raychaudhuri and Farooqi (2013) state that the service industry has various and distinct dimensions. Service quality dimensions are different from one another regarding their significance to individual consumers. Therefore, for an accurate measurement of service quality, these dimensions should be broken down to sub-dimensions, which should be evaluated separately. The most common strategies are the use of models or scales. According to Lee (2011), measuring B2B service quality is possible through the SERVQUAL (service quality) or INDSERV (industrial service quality) scale. On the one hand, Lee (2011) notes that scholars have often questioned and modified the SERVQUAL scale. In most cases, the researchers have realized that context, particularly with regards to industry and geography, has an influential role. Consequently, they have tuned the SERVQUAL scale to fit the context of most consumers.

On the other hand, this author states that considering the shortfalls of SERVQUAL, the INDSERV scale is the most effective mechanism for measuring B2B service quality. Unlike SERVQUAL, which is not broad enough to include all B2B contexts, mainly, the industry context, INDSERV is well-detailed (Lee, 2011). Equally, Tey et al. (2014) maintain that the SERVQUAL approach is more popular in measuring B2C service quality than B2B service quality. Ho et al. (2015) also contribute to this discussion by holding that despite SERVQUAL's popularity, this model is no longer useful as a standalone measurement tool. SERVQUAL now represents a foundation for measuring B2B service quality. It is an essential starting point, but not the ultimate solution (Ho et al., 2015). Raychaudhuri and Farooqi (2013) also find out that the SERVQUAL approach is no longer a universal model, which can be used across the service sector. As a result, researchers now use the SERVQUAL model in combination with other

frameworks like INDSERV, AUDITQUAL, and PSQ, among others, to assess service quality. Irrespective of this, there have been some instances where the SERVQUAL model has worked successfully, but not as effective as INDSERV (Tey et al., 2014). These scales have been both necessary and essential in different sectors, including the wine industry.

Nevertheless, there is limited research that shows the implications of service quality, especially in B2B transactions (Raychaudhuri & Farooqi, 2013). Tey et al. (2014) state that there is minimal information about the role that service quality plays in B2B transactions. These authors cite different studies, such as research by Gunderson et al. (2009) and Ng (2010), which show almost no evidence that service quality is influential in B2B. Likewise, Ho, Sharma, and Peter (2015) claim that in spite of emerging studies in the quality of B2B services, most research focuses on the B2C (business-to-consumer) sectors like the hospitality, banking, airline and fast food industries. Ho et al. (2015) further reveal that the minimal studies that deal with B2B service quality pay significant attention to the consumers' viewpoint, without reflecting on the workers' perspective. Similarly, according to Raychaudhuri and Farooqi (2013), studies on service quality in a B2B context are fragmented. Most of these studies are an extension of research by Gronroos (1986) and Parasuraman et al. (1988). Notably, research focusing on service quality from various standpoints is scarce (Raychaudhuri & Farooqi, 2013). For this reason, there are numerous research gaps, which this study must fill.

Notwithstanding this, Tey et al. (2014) note that service quality may contribute to an increase in commitment in B2B transactions. That is, service quality may improve the commitment of companies to continue conducting business with their suppliers, but only to a small extent. For example, these authors find out that service quality slightly influences the Malaysian hotel, restaurant, and catering firms to remain with their present suppliers. The

primary determinants of this B2B relationship are financial aspects like prices, credit options, and discounts. Therefore, according to the Tey et al. (2014) survey, service quality has inconsequential effects on B2B services.

On the other hand, unlike Tey et al. (2014), Stanworth (2012) service quality in B2B interactions results in different kinds of commitment. This author holds that service quality either leads to calculative or affective commitment. These types of commitment both point to a healthy relationship between companies and their suppliers. Stanworth (2012) additionally posits that calculative commitment arises from the cost-benefit calculation, while affective commitment is a product of a stable partnership between two or more businesses. Furthermore, according to Ho et al. (2015), service quality, especially its measurement is essential since it can assist companies like wine businesses to meet the needs of their clients and enhance their productivity and profitability.

Research by Raychaudhuri and Farooqi (2013) also indicates the significance of service quality in the B2B context. According to this study, measuring service quality helps to differentiate various service firms that offer similar products. This role of service quality is particularly important for businesses since firms prioritize more on the service features of products they purchase than typical customers. Besides that, Raychaudhuri and Farooqi (2013) state that service quality enhances consumer satisfaction among organizational buyers.

Chaipooiruttana (2018) also state that the level of service quality is essential in the wine industry as it improves the business relationships between the wine companies and the supporting companies. It is, therefore, crucial to maintain high standards of quality with the objective of enhancing business performance amongst the business organizations in the national and the global wine sector. Top service quality improves the financial performance of wine

companies. As a result, the wine companies record an increase in profits. Customers prefer to purchase the wine products that are of high quality and thus enhance the sales revenues of the company. Suppliers that offer high-quality raw materials, ingredients, and supplies are effective in improving the quality of the final wine product resulting in an increase in the demand level by the customers and hence improving the sales revenues (Chaipoopiruttana, 2018). Therefore, high service quality improves the B2B transactions as it enhances the demand for wine products and incomes of wine companies.

Excellent quality service improves the business loyalty levels in the wine industry. For example, a wine company will maintain active and long-term business relationship with a financial institution that offers sound financial solutions. The financial institution should be able to provide financing solutions for the business at affordable interest rates to improve the business relationships (Yarimoglu, 2014). Also, the wine company maintains long-term business relationships with the suppliers who offer high-quality and affordable raw materials and input services. Proper inputs are critical in ensuring the production of superior wine varieties. The information system vendor must ensure that the communication network is effective in enhancing communication between the wine business and the stakeholders, and also improves the security and privacy of the company information. Loyalty in the B2B transactions can only be achieved through the provision of high-quality products and services to the business clients and at an affordable cost.

The desire for an increase in the quality of service enhances research and innovation in the wine industry. The key wine stakeholders strive to find new ways of improving the wine business. Also, they aim at finding solutions to the challenges in the present business environment. Therefore, research and innovation are essential in improving the performance of

the wine business in the B2B transactions (Uzialko, 2017). Research ensures that the company gets high-quality inputs from the suppliers. It is good to identify the organization that offers the right supplies for the production of high-quality wine products. Market research enables the wine company to determine the businesses that provide high-quality inputs at affordable costs.

Innovation enables the firms in the wine industry to enhance production and customer satisfaction levels. For example, adoption of new technology improves the output of the wine companies as there is the production of additional products to satisfy the increasing interests of the corporate clients.

2.3 Models of Service Quality

Significant studies have identified a variety of models that are important in the development, use, and comparison of service quality. According to research by Lee (2011), one of the most useful models is the INDSERV scale, a framework that Gounaris introduced and developed at the start of the 21st century. INDSERV is an extension of what Isabelle Szmigin and J van Bochove proposed in the 20th century as a measurement of B2B service quality. Lee (2011) notes that the INDSERV scale measures B2B service quality in four dimensions.

The first one is potential quality (PQ) that assesses a priori components, which must exist for customers to receive proper services like sufficient staffing and equipment from a supplier.

The second dimension is hard process quality (HPQ) that implies goal and job-oriented matters, such as meeting deadlines and budgets, in a B2B context. This dimension is essential in

determining the delivery process of service and the subsequent measurements of quality. Thirdly, is soft process quality (SPQ), which entails issues in B2B relations that are people,

communication and relationship-oriented. For example, paying close attention to what a

customer has to say. Lastly, is output quality (OQ), which is a secondary factor in the B2B

setting. Case in point, it implies the relative effect a supplier's services pose to consumers and their capacity to function or make profits (Lee, 2011). Lee (2011) additionally cites Gounaris to present a significant finding that a combination of all these dimensions is useful as one variable that determines the final service quality aspect. In other words, one has to combine all these dimensions to assess the quality of B2B service.

Lee (2011) further introduces another model, which is the SERVQUAL scale. This researcher reveals that while INDSERV tends to be more effective than SERVQUAL, the SERVQUAL model is still applicable and useful in assessing service quality in B2B. Tey et al. (2014) add to Lee (2011) point and hold that SERVQUAL is helpful since it is flexible in its application. Ho et al. (2015) also have the same perspective as Tey et al. (2014) and Lee (2011) by maintaining that SERVQUAL can now measure service quality in different sectors as it has undergone numerous revisions since its inception.

The SERVQUAL framework comprises five dimensions (Tey et al., 2014). The first one consists of tangibles, which are the staff's physical equipment, amenities, as well as appearance. Secondly, is reliability, which entails the capability to provide the promised services dependably and accurately. The third dimension is responsiveness that consists of the inclination to assist consumers and provide them with fast services. Fourthly, is assurance, which is the description of the workers' knowledge and courtesy, as well as their capacity to promote confidence and trust in customers. The fifth measurement refers to empathy. Empathy means the care and attention that an organization offers to its consumers (Tey et al., 2014; Jain & Aggarwal, 2015). Consequently, according to these authors' work, service quality is a multi-dimensional element.

Significant research present SERVPERF as another service quality model. Case in point, according to Raychaudhuri and Farooqi (2013), SERVPERF is a modification of SERVQUAL.

These researchers cite research by Cronin and Taylor (1994), which indicates that there needed to be a replacement of SERVQUAL since this model was not transferable to all service sectors. Consequently, Cronin and Taylor (1994) developed SERVPERF because they held that it was a better mechanism for evaluating service quality as the attitude of consumers. Therefore, SERVPERF measures service quality with regards to perceptions rather than expectations. It is a hard measure of service quality (Raychaudhuri & Farooqi, 2013). Nonetheless, Raychaudhuri and Farooqi (2013) note that while SERVPERF is useful in measuring service quality, it fails to form a quantitative link that connects service quality to client fulfilment.

The three-component model is an additional measurement approach. Raychaudhuri and Farooqi (2013) state that this framework consists of three service quality scopes, which are technical, functional and image. Technical quality is the by-product of interactions between consumers and service providers, functional quality creates technical quality, while image comprises the other two classes (technical and functional), but also other aspects such as beliefs, price-setting, and customs (Jain & Aggarwal, 2015). Yarimoglu (2014) extends the research by Jain and Aggarwal (2015) by stating that technical quality is essential in customer reviews about service, whereas functional and image quality has an impact on consumer perceptions. In other words, technical quality deals with what the service provider delivers, while functional and image quality is concerned with how the service provider offers (Yarimoglu, 2014). Gronroos introduced and developed this model in 1984, which implies that perceived service quality is the effort that a company makes to align the expected and perceived service to satisfy customers. However, Raychaudhuri and Farooqi (2013) claim that this model fails to assess technical and functional quality. They note that the three-component framework does not present a distinct mechanism to measure service gaps at various phases.

Jain and Aggarwal (2015) introduce an additional, but different three-component model based on the work by Lehtinen in 1982. This framework entails physical, interactive and corporate quality. The first one (physical) refers to the real aspect of a service, the second (interactive) is the interactions that a consumer and a service firm have, whereas the third one (corporate) serves as the perception that all customers have of a service provider (Jain & Aggarwal, 2015).

Another model is the Nordic model, which Polyakova and Mirza (2015) hold that it model is essential in determining the perceived level of quality during the evaluation process. The client analyzes the quality context and expectations with the experienced or actual quality level. The frameworks and expectations of the quality are unique to the wine company, and not the entire wine industry. For example, customers prefer a wine company that offers unique and personalized services; for example, online purchase and home-delivery of the wine products. Also, the customers prefer companies that provide sales discounts to ensure affordability of the wine products and reward for loyal customers. The experienced quality illustrates the actual level of satisfaction that a customer derives when using a product. High customer loyalty level is achieved when the customer is happy about quality standards of the wine product. For example, the taste level of the sweet wine variety should appeal to the interests of the consumer. The quality evaluation process entails the comparison of the expected and the experienced quality levels (Polyakova and Mirza, 2015). The customer achieves high satisfaction level if the experienced quality is equal to or higher than the expected quality. Therefore, the wine businesses must aim at improving the experience of the customers to have high customer satisfaction and loyalty levels.

Ho et al. (2015) also present another measurement model, the PSQ framework that entails six dimensions. The PSQ is vital in enhancing the quality of products and services in the national and global wine sector of the economy. It enables the management of the wine company to set the benchmark or the appropriate level of quality based on the expected needs and demands of the customers. The company aims to achieve and exceed the desires and needs of the customer to have high satisfaction levels (Chaipooiruttana, 2018). The wine companies have several wine varieties to appeal to the unique interests of each segment of the market. For example, most female clients prefer the sweet wine varieties. However, the male customers consume the spirit products in high quantities. The wine companies must use the demand and supply forecasting techniques to determine the unique needs of each segment of the market. Also, marketing research is an effective strategy for assessing the needs of the customers in the market. The achievement of the demands is necessary for improving the sales revenues due to the effects of high levels of customer loyalty (Martínez-Argüelles & Batalla-Busquets, 2016). The wine companies should make good use of the current and emerging Information Technology (IT) platforms to improve the customer experience. Increasingly, the customers prefer to purchase products online. The wine companies must thus adopt effective inventory management practices that ensure home delivery of the wine products to enhance the comfort levels of the customers.

According to Ho et al. (2015), another framework that is useful in measuring service quality in B2B interactions is AUDITQUAL, a model that applies to audit companies. Ho et al. (2015) propose that this multilevel scale should include a maximum of seven dimensions, namely, capability, knowledge, empathy, responsiveness, reputation, client service and non-audit services, to make it more applicable and practical for scholars and managers. Their proposal

merges expertise and experience into one dimension (knowledge), as well as reputation and independence into a single measurement (reputation).

The next service quality framework is GAP. According to Yarimoglu (2014), this model first comprised five dimensions/gaps, but was later revised to include six aspects. These dimensions are the knowledge, policy, delivery, communications and service quality gap. Thereafter, service delivery and perceived service were introduced as the sixth measurement. The GAP framework is a product of different studies, first by Parasuraman et al. in 1985, Saat in 1999, Lovelock in 1944, and most recently, Lovelock and Wirtz in 2011. Yarimoglu (2014) additionally posits that this model is useful in evaluating service quality as it measures customers' perceived service performance based on what they expect. The GAP approach contains ten determinants, namely, reliability, responsiveness, access, competence, credibility, tangibles, security, courtesy, understanding and communication, which are useful in measuring service quality.

Other models are the Return on Quality (ROQ) and the synthesized frameworks. The ROQ approach is structured around the business process in which any effort to improve service quality will significantly affect consumer satisfaction and loyalty. This model was first used in the US hospitality sector, but Raychaudhuri and Farooqi (2013) hold that it needs to be applicable in diverse industries. On the other hand, the synthesized approach entails planning, implementation, and maintenance as the core dimensions of service quality. From the perspective of Raychaudhuri and Farooqi (2013), this framework defines service quality as what consumers expect, as well as how they anticipate the services on offer. However, these authors maintain that for the synthesized approach to be practical, it should undergo empirical validation with regards to how to combine human and physical resources.

Consequently, from the aforementioned literature, the different mechanisms of measuring service quality in B2B transactions, uniquely assess quality.

2.5 Service Quality Measurements in Different Industries

The health sector uses the PQM to enhance the quality of services. All patients have the desire to recover from various health conditions. It is the responsibility of the health professionals to ensure the achievement of the needs of the patients through proper diagnosis, treatment, and care. The health professionals have the competencies in identifying the health gaps in the society. Therefore, they develop effective health campaigns to improve the preventive knowledge of the members of the public. The achievement of the need and the treatment of the health condition are effective in achieving the quality standards that improve the satisfaction and the health outcomes of the patients. In the financial sector, the banks use the SERVQUAL scale to determine the quality of the financial solutions that they offer. The customer surveys are essential in providing data for deciding the SERVQUAL scale. A high scale implies that the bank is providing excellent services and, therefore, the customers have high satisfaction levels (Ghotbabadi, Feiz, and Baharun, 2015). There is an excellent example of the achievement of the needs of the customers in the banking sector. A corporate customer can desire to expand business operations globally. It is the responsibility of the bank to analyze the financial statement of the company and offer long-term financing to enable the corporate client to achieve its corporate expansion projects.

The hospitality sector utilizes the Nordic model to enhance the quality of products and services. They identify the needs and desires of the customers and then strive to offer effective solutions. Achievement of the needs of the customers improves the results and the outcomes of the business organizations in the hospitality sector (Chaipooiruttana, 2018). For example, the

hotels strive to offer conference facilities for the clients who are on business travels or visits. The transport sector uses the Return on Quality (ROQ) to improve the satisfaction of the passengers. The management of airlines improves the quality of service with the objective of enhancing the satisfaction of the clients. For example, there are Wi-Fi services that enable the passengers to access various entertainment platforms when traveling. The education sector uses the GAP model to measure the achievement of the learning outcomes, the knowledge level of the learners is determined using a series of tests and examinations. Achieving high scores in the tests implies that the quality of education given to the learners is effective (Expert Program Management, 2018). The determinants of the model are applicable in the learning environment. For example, the learning process must enhance the competency of the students. They should be able to set and achieve important learning goals. Also, the education process improves the communication effectiveness of the learners. Therefore, the students acquire important oral, written, online, and non-verbal communication skills that improve the current and future abilities to communicate ideas and information with other people effectively and efficiently. There are various methods of measuring service quality in the school environment. The completion rate is one measure. A school with a high completion rate has quality education services. Also, a school with high admission rates has quality education due to the high demand for learning opportunities.

2.6 Vinitaly as a Leading Italian Wine Show

Vinitaly is the largest and most important wine exposition in the world. Visitors from different countries attend the event to trade and showcase their wine products. However, little research has been conducted to investigate the reason Vinitaly has become famous internationally and its impact on the local and international market. The available literature on Vinitaly is mainly primary sources and a few secondary sources of information such as books

and periodicals. According to Fodor's Italy (2014) travel guide, Vinitaly is a global wine fair that takes place in April. The show is conducted in Verona, an attractive city in Italy. Berman's (2018) book also offers a detailed description of the event and Verona. He describes the show as the most significant wine trade that takes place in over 1,000,000 square feet of exhibition space. He further explains that the event is held in a big complex that comprises of 16 or more buildings. The people attending the exhibition are over 4,000, and high and low-quality Italian wines are always available. Winemakers from other countries are always present to showcase their products. Fodor's Italy (2014) travel guide, on the other hand, shows that the show ensures wine professionals get the best experience by opening at 9.00 am and closing at 6.30 pm. However, only wine professionals are allowed to attend the event.

Vinitaly is a show that also promotes wine tourism in Italy. According to Romano and Natilli (2009), Italy received an increase in the number of visitors in the last decade. A majority of these visitors were interested in trying local products such as food and wine. Vinitaly is a popular show that not only puts Italian wine products on the international map but also gives a chance for visitors to sample out its cuisine. Romano and Natilli (2009) also explain that wine tourism has been heightened in Italy as a result of the coordination approach adopted by the wineries, regional planners, and communities to ensure that their wine products are marketed to other countries, and they attract visitors. The numerous local events held every year which include Vinitaly. Open Cellars have contributed significantly to the increase in wine sales across Italy and other countries. Notably, Vinitaly offers wine tourists an opportunity to taste different kinds of wine and learn where different types of wine products are made and the production methods employed. This event also exposes wine tourists to the way of life in Italy and the

culture associated with winemaking. Vinitaly is, therefore, a significant event in Italy because wine tourism is a source of income for Italy.

Romano and Natilli (2009), however, note that research on wine tourism is limited and it is emerging slowly despite the impact it has on the economy. There is the need for researchers to conduct empirical studies that will determine the economic impact of wine tourism on a country. This achievement can only be realized if researchers profile Italian wine tourists by determining the volume of visitors who can be attracted to the country solely to view wineries and taste the products. A popular wine event such as Vinitaly can form the backbone of wine tourism research.

A review of an interview conducted between Smith (2013) and Stevie Kim (the managing director of Vinitaly International) reveals that Vinitaly is becoming influential in other countries because of social media campaigns. Kim argues that this marketing strategy is essential in increasing the consumption of Italian wine in other countries since its local intake has declined drastically. He goes further to explain that the Vinitaly Wine Club, an online educational platform, was launched for the Italian markets. The interested persons can use the platform to learn more about Italian wine varieties. Kim stated that such as online marketing strategy has played a vital role in enticing the target population and influencing consumer behavior. Besides Vinitaly's rise in popularity due to effective online marketing strategies, Kim stated that the show is famous for its ability to provide a wide variety of wine products. Italian wines are produced from over 500 grape varieties which are fascinating and enticing to many wine professionals who attend Vinitaly. Noteworthy, Kim argues that many participants of Vinitaly are attracted with the idea of feasting which is still a factor that has made the event a global

phenomenon (Smith, 2013). The event organizers, therefore, improve the experience annually by offering other services such as eateries.

Cavicchi and Santini (2014) analyzed the food and wine events that occur across Europe using a stakeholder approach. In this book, they include the work of Capitello et al. who conducted a quality assessment of b2b service in professional wine events using Vinitaly as a case study. The research aimed at analyzing Vinitaly as an event that is used as a marketing strategy to popularize a brand, create awareness about quality and features of a particular product to consumers, encourage wine tourism, and enhance origin value. Theoretically, b2b relationships are essential to wineries during a wine fair because they facilitate contact with the media, promote relationships with operators, encourage information sharing, and support networking among businesses (Cavicchi & Santini, 2014). Thus, wine fairs and expositions are effective marketing strategies that promote direct commercial contacts with new consumer nations.

Service and product quality are also contributing factors to the rise in popularity of the Vinitaly show. Cavicchi and Santini (2014) explain that Vinitaly wine exhibitors have different perceptions of service quality based on dimensions of the outcome, service environment, and interaction qualities. Regarding interaction quality at Vinitaly, the attitude, level of expertise, and behavior of the staff hugely influence the exhibitors' perception of service quality. The event organizers ensure their employees undergo rigorous training before they interact with the visitors who come from different cultural backgrounds. Second, the service environment quality depends on the ambient conditions, social factors, and designs presented during Vinitaly. This dimension of quality has been realized in Vinitaly since the event occurs in Verona, a tourist attraction center, and in buildings with beautiful architectural designs. The area has great ambiance which

is attractive to the participants. Thirdly, the outcome dimension of quality is determined by participants' satisfaction level and experience. Research on the perception of service quality by exhibitors attending Vinitaly revealed that most of them appreciate the huge crowd of people attending the exhibitions. However, the interviewed exhibitors complained of the difficulties encountered during the event organization due to excessive events and insufficient human resources. These constraints cause poor communication and create uncertainty about the results of the fair. Some of the exhibitors also complained that the staff members were too professional, thus, limiting their ability to mingle with them freely and establish a closer working relationship. Notably, the exhibitors complained of an increase in the number of non-visitors who were mainly interested in tasting and feasting. Inefficiencies in logistics such as an increase in transportation costs, lack of parking, poor public transport systems, and traffic problems were a major setback for wine professionals attending Vinitaly (Cavicchi & Santini, 2014). A combination of these challenges affects the perception of exhibitors' outcome quality since the show fails to meet their expectations.

2.7 The Italian Wine Export on the Chinese Market: Challenges and Opportunities

Numerous studies have focused on Italy as a leading wine market. Wine production is a crucial activity in Italy, which has spread all over the nation. While some parts of the country produce high wine volumes, others produce low amounts (Santeramo et al., 2017). According to these authors, Italy leads globally in exporting wine by volume and is after France in shipping this product by value. Through its wine export activities, this nation makes more than 5 billion Euros, which represents 15% of Italy's food export value. Out of this 5 billion, Protected Denomination of Origin (PDO) wines contribute to 2.6 billion, while Protected Geographical Indication (PGI) wines amount to 1.5 billion. Xinhua (2018) presents a similar figure by stating

that the value of Italian wine exports in 2017 was 6 billion Euros, which was an all-time high. However, Lee (2016b) claims that Italian wine has fallen in China and is now the fifth most imported wine in the country, behind French, Australian, American, Chilean and Spanish wines.

Germany is the primary importer of the Italian wine by volume (30%), while the US, Germany and the UK are the leading importers of the wine by value (amounting to a total of 52%). Other top importers of this wine are Canada, Switzerland, and Japan, among other regions (Santeramo et al., 2017). However, Corsi et al. (2013) state that China is an emerging wine market and is an excellent destination for Italian wine. China is one of the most promising nations in the Asian region as it in conjunction with Japan consume approximately 90% of all the wine entering Asia (Corsi et al., 2013).

Considering all this data, particularly with regards to the Chinese export market Italian wine has some challenges and numerous opportunities. Xinhua (2018) presents one problem that faces Italian wine in the Chinese market by noting that while Italian wine exports have increased recently, the importers have to work harder and smarter to at least maintain these high levels of exports. For example, Italian exporters must coordinate and advance their efforts to promote Italian wine in the ever-shifting Chinese market, whose members appear not to have long-term loyalty to brands (Xinhua, 2018). Italy's government, as well as trade unions and wine producers also have to increase and improve their coordination efforts (Xinhua, 2018). Furthermore, according to Xinhua (2018), there needs to be a combination of different promotions that connect Italian wine with areas, such as art, fashion, design, and food, in which Italy is a global leader. Corsi et al. (2013) share the same viewpoint as Xinhua (2018) as they hold that Italian wine producers have to assess and understand the Chinese market's dynamics to at least protect their market share in China before thinking of expanding.

These authors (Corsi et al., 2013) present additional challenges that Italian wine faces in China. First, they note that the Chinese market does not openly welcome Italian wine since unlike food, beer, and types of wine, grape wine is considered to be foreign. For instance, the Chinese people prefer Italian dairy products to Italian wine. Therefore, while Italian wine is gradually penetrating this market, it still faces some resistance by the Chinese people. Second, Corsi et al. (2013) realize that Italian wine producers, exporters, and firms lack a proper understanding of the Chinese system. For this reason, Italian wine is not supported by enough promotional strategies and events that can increase its popularity in this market.

Lee (2016b) presents a similar viewpoint as Corsi et al. (2013) by arguing that Italian wine faces a significant challenge in the Chinese market since it is mostly served in Italian restaurants, which are only a small portion of restaurants in China. For example, in Hong Kong, one can most likely find Italian wine in Italian restaurants, such as Grissini and Otto e Mezzo, but not other restaurants. This situation exists because people have come to understand that Italian wines are only meant for Italian restaurants. While such a perspective may be beneficial to some people, it is generally bad for Italian wine producers since it reduces the scope of their products. In other words, Lee (2016b) concludes that Italian wine does not move fast in China due to this.

On the other hand, Santeramo et al. (2017) and Qing and Hu (2016) note some of the core opportunities that Italian wine has in this market. These researchers find out that grape growing is a crucial activity in Italy, which has improved the diversity of wine production to include wines that are different with regards to terroir, cultural, historical and sensorial features, as well as the variety of vineyard landscapes. In other words, Italian grape farmers increasingly prioritize on the preservation of various vineyard landscapes, such as Monferrato and Langhe-Roero in the

Piemonte region (Santeramo et al., 2017). Consequently, this increases the potential of Italy to produce more wine to meet the different needs of the Chinese. It presents excellent prospects since the Chinese prioritize on variety.

Furthermore, Xinhua (2018) and Corsi et al. (2013) note that Italian wine has another great opportunity since the Chinese market is expanding. Notably, in 2017, exports of Italian wine increased by 25%, while China remains a strategically valuable destination for this product. Similarly, according to sales forecasts by Statista (2018), Italian red wine in China will rise to 2.8 billion liters by 2020. Besides that, Italian white wine and rose wine will also both increase by 34.2% in 2020 (Statista, 2018). Such forecasts represent great prospects that Italian wine will become dominant in the ever-changing Chinese market.

Another opportunity is the changing attitude of the Chinese people toward foreign goods like grape wine (Qing & Hu, 2016). Additionally, as Lee (2016b) maintains, Italian restaurants are some of the most popular eating joints for the Chinese in urban centers like Shanghai, Beijing, Hong Kong and Guangzhou. This popularity presents a smooth channel for the introduction, promotion, and expansion of existing, as well as new Italian wines in the Chinese market. As a result, Italian wine has considerable potential of overtaking French and Spanish wine in China. Corsi et al. (2013) further state that additional opportunities are in the form of the growing per-capita income in China and efforts by wine producers and importers to educate the Chinese public on the health benefits of wine. China has also reduced its tariff barriers, thereby opening the door for products like Italian wine to enter its market (Corsi et al., 2013).

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