

# Assessing the introduction and development of a designation of origin from the firm's perspective: The case of the Ribera del Guadiana wine PDO

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## Abstract

Designations of origin are essential brands in the agro-food market to define marketing strategies. The establishment of designations of origin in Spain has taken place during the last two decades and agro-food products have been adapted to these protection forms. However, little is known about wineries manager's point of view during the introduction process. In this work, we have analyzed the introduction and development of a designation of origin of wine from the company point of view. To this end, we carried out a qualitative analysis of interviews conducted to winemakers of this form of protection of food products. In the period studied, the consideration of the winemakers interviewed towards their designation of origin increased to a clear commitment to this form of protection of agro-food products. The majority opinion among the winemakers about what the PDO should offer the market leaned more towards the product than the brand, reaching consumers with a quality product and from there to get it associated with its brand. This process has taken place during the period studied because while some winemakers still consider the product to be more important than the brand, others have already begun the process of promoting and strengthening their brands, aware that the consumer already perceives the product's quality. It can be concluded therefore that the origin attribute is very important for brands belonging to the agro-food sector, useful to create an origin-based marketing strategy.

**Additional key words:** agro-food; brand; qualitative analysis; quality.

## Resumen

**Análisis de la introducción y el desarrollo de una denominación de origen desde la perspectiva de la empresa: el caso de la DO de vino Ribera del Guadiana**

Las denominaciones de origen (DO) son marcas esenciales en el mercado agroalimentario para definir estrategias de marketing. En España se han establecido durante las dos últimas décadas y los productos agroalimentarios se han adaptado a estas formas de protección. Sin embargo, poco se conoce acerca del punto de vista de productores y empresarios durante el proceso de implantación. En este trabajo, hemos analizado la introducción y el desarrollo de una DO desde la perspectiva de la empresa, llevando a cabo un estudio cualitativo de las entrevistas realizadas a los empresarios que emplean esta forma de protección. En el periodo estudiado, la consideración de los empresarios entrevistados acerca de su DO se incrementó hacia un claro compromiso a esta forma de protección de productos agroalimentarios. La opinión mayoritaria entre los bodegueros sobre lo que la DO debería ofrecer al mercado se inclina más hacia el producto que la marca, convenciendo al consumidor con un producto de calidad y a partir de ahí conseguir que se asocie a la marca. Este proceso ha tenido lugar durante el periodo estudiado, porque mientras algunos bodegueros aun consideran que el producto es más importante que la marca, otros han comenzado ya el proceso de promoción y fortalecimiento de sus marcas, conscientes de que el consumidor ya percibe la calidad del producto. Se puede concluir, por tanto, que el origen es un atributo muy importante para marcas que pertenecen al sector agroalimentario, y muy útil para crear una estrategia de marketing basada en el origen.

**Palabras clave adicionales:** agroalimentario; análisis cualitativo; calidad; marca.

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## Introduction

The firms are strongly involved in the strategic management of the brand, allowing the product linked to the brand to achieve a higher sales volume or market share. Brand management is essential to create added value and provide solid competitive advantages that are differentiable and sustainable over the long term (Aaker, 1991).

Quality has gained in importance in the last two decades as a consequence of the increasing consumer demand, becoming an important strategic element of brand management to generate added value for a product. This attribute has a special relevance in the foodstuffs market since the quality of food has a strong social and health impact. The pursuit of quality has to be necessarily accompanied by various factors intrinsically related to agriculture, such as tradition, authenticity, and origin, and thus, it has become reflected in systems designed to protect food quality. The name of a territory that is strongly associated with a given product's quality leads us to consider one of its products to be of high quality even though actually it might not be, and in many cases these associations drive the consumer's purchasing decision (Skuras & Vakrou, 2002). The agro-food sector is therefore currently developing strategies of differentiation based on quality, encouraging consumers to identify and try these high quality products with a willingness to pay a higher price for them.

In Europe, much quality food is produced by small and medium-sized firms using traditional processing methods (Gilg & Battershill, 1998). Given the growing demand for quality products, this represents a good opportunity to maintain traditional ways of life in environments of the less developed areas of Europe. Insistence on quality can help local producers and small businesses survive and grow, and become less dependent on subsidies (Fotopoulos & Krystallis, 2003).

This commitment to quality appears to be one of the solidest opportunities for agro-food sectors to increase and strengthen their presence in domestic and foreign markets. Indeed, this can be regarded as the strategic orientation of EU (European Union) food policy aimed at promoting an agricultural model based more on qualitative valuations than on the traditional parameters of quantity (Sainz, 2002).

The potential of regional products differentiated for their quality has been recognized by the introduction of legislation governing Protected Geographical Indications (PGI) and Protected Designations of Origin (PDO). These certifications are intended to facilitate the consumer's recognition of the product and perception of superior quality (Van Ittersum *et al.*, 2003; Martínez & Jiménez, 2006). In addition, this has contributed to quality labelling becoming a source of competitive advantage (Martínez & Jiménez, 2006). EU Regulation N° 510 (OJ, 2006) laid out the norms of these protection systems in defence of agro-food products (Table 1). Additional regulation has been

**Table 1.** Agro-food product protection systems

Agro-food product protection systems <sup>1</sup>	
Protected Designation of Origin (PDO)	Designation of origin means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff: <ul style="list-style-type: none"> <li>– originating in that region, specific place or country,</li> <li>– the quality or characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors, and</li> <li>– the production, processing and preparation of which take place in the defined geographical area.</li> </ul>
Protected Geographical Indication (PGI)	Geographical indication means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff: <ul style="list-style-type: none"> <li>– originating in that region, specific place or country,</li> <li>– which possesses a specific quality, reputation or other characteristics attributable to that geographical origin, and</li> <li>– the production and/or processing and/or preparation of which take place in the defined geographical area.</li> </ul>

<sup>1</sup> According to European Union Regulation N° 510/2006 (OJ, 2006), N° 479/2008 (OJ, 2008) and N° 607/2009 (OJ, 2009). Web site: [http://europa.eu/documentation/legislation/index\\_es.htm](http://europa.eu/documentation/legislation/index_es.htm).

adopted to regulate the common market in wine: Council Regulation N° 479 (OJ, 2008), implemented by Council Regulation N° 607 (OJ, 2009). The use of PDO and PGI labelling by agro-food firms has come to be a marketing strategy similar to that of branding. Being subject to controls and regulations, PDO or PGI products acquire added value, and the quality label makes the product more readily acceptable by consumers. Its quality attributes are reliable, reducing the consumer's purchasing risk (Peri & Gaeta, 1999; Fotopoulos & Krystallis, 2003). In sum, one can say that agro-food firms, who are currently operating in a saturated and competitive market, are implementing mainly two types of marketing strategy — one based on the place or area of origin, and the other on quality. These strategies seek to achieve a competitive advantage over the competition. Thode & Maskulka (1998) studied how the country of origin and marketing strategies based on place of origin can help agricultural products compete in international markets by providing them with a differentiating attribute such as better taste, aroma, or other quality.

As wine is one of the most important products in the agro-food market, it has been the subject of intense study and research. Given the complex structure of supply in this market, with different types of wine, categories, labeling, etc., researchers have devoted much effort to determining how consumers choose wine. For example, Lockshin *et al.* (2006) have shown that consumers with little knowledge about wine tend more to use the price and industry awards to decide on their purchases than do wine connoisseurs. In a more recent study, Veale & Quester (2009) find that both price and country of origin contribute more than taste to the perception of a quality wine. Several studies have addressed the possibility of using the price as an indicator of quality. Specifically, Schnabel & Storchmann (2010) examine whether high quality and low levels of consumer information are associated with price. They find that the price signal responds positively to wine quality and negatively to any increase of information: the information effect therefore smothers the quality effect. Similarly, Brooks (1993) finds that the wine market is strongly affected by the country of origin, and that this effect can easily be taken advantage of to promote a wine. Felzensztein *et al.* (2004) also analyze the effect of the country or region of origin of agricultural production as an important source of competitive advantage. They find that for farm products with a long tradition, such as wine, the region of origin (considered

as a more specific area than the country of origin) can provide major market positioning opportunities of creating a sustainable competitive advantage. Dynamic competition among producers based on the place of origin encourages the development of superior quality farm products, and allows producers to actively evaluate whether or not they are making a superior product. It can also stimulate specialization to create a product differentiated by quality (Thode & Maskulka, 1998).

Spain is one of the world's leading wine producers and of all Spain's designations of origin, those of wine are the most important for the nation's economy (over 50% of PDO's). In Extremadura (Spain), a region of Europe, there are 12 PDO's or PGI's protecting various types of products: wine, ham, cheese, olive oil, condiments and spices, honey, fruit and meat. Since wine is one of the major subsectors of the agro-food market, we considered it opportune to select the Ribera del Guadiana wine PDO as the specific subject of study.

In this work, we analyze the introduction and development of a designation of origin in Extremadura. We selected the wine as a product of extended consumption and high tradition in this region. We used qualitative analysis applied to the opinions and comments from the managers of wineries. The previous studies performed in this field have focussed on consumer's point of view, as indicated above. But in the process of introduction and development of a designation of origin it is of particular relevance the point of view of the firms. Winemakers take the first decisions, develop strategies, and assume risks, in order to achieve a higher sales volume. Thus, we have focused the present work in the point of view of managers' wineries.

The chosen PDO is a good model because, on the one hand, it represents Extremadura's most important agriculture subsector, and, on the other, it is still very young with only 15 years on the market. This allows us to analyze how this PDO has become part of the producing structure, *i.e.*, how the region's firms have embraced the need to evolve towards membership of the PDO.

The study was conducted from the firm's perspective. In the literature, this has always been less frequent than taking the consumer's perspective. Information was collected through in-depth interviews with those responsible for the firms' or the cooperatives' marketing.

## Methodology

The use of qualitative methods is particularly appropriate for studies that are in their early stages of development. It allows hypotheses to be generated that can then be tested in subsequent studies, *e.g.*, in studies of consumer behaviour. In these circumstances, it is necessary to decide on a basic theoretical approach (Flint *et al.*, 2002) such as those being undertaken in other marketing-related research lines (Schouten, 1991; Celsi *et al.*, 1993).

The study design consisted of analyzing the comments and opinions of the interviewees about certain topics and issues. Interviews of this type constitute the preferred methodological tool for qualitative researchers (Ruiz, 1996), but they should not be used mechanically since the responses will depend strongly on the interviewer, the interviewee, and their context. Information was collected through in-depth interviews with those responsible for the firms' or the cooperatives' marketing. In this type of interview, known as semi-structured, the interviewer uses a script which lists the issues to be addressed, but the order in which the issues are presented and the time spent on each is left to the judgement of the interviewer during the course of the interview, as is recommended when the sample size is small (Grande, 1992; Grande & Abascal, 2000; Rabadán & Ato, 2003).

## Delimitation of the population and sample

The present qualitative study was conducted in the geographical area of Extremadura (South-West Spain). The study population were the wineries with the Ribera del Guadiana PDO. The firms and cooperatives comprising the population were determined from information provided by the Regulatory Board of the Ribera del Guadiana PDO.

In qualitative analyses, the sample is not probabilistic as in quantitative studies, but intentional (Sellitz, 1976). Qualitative analyses study just one or a few cases with the aim of examining some aspect in depth. In this type of sampling, there is no pre-selection of the number of units to study as would be the case with probabilistic sampling. The number of units may change over the course of the research process, with more units being selected if one wants to examine some aspect in greater depth, or interrupting the process if new data begins to be repetitive. The researcher can

use one of two methods to select the subjects or organizations: opinion-based sampling or theoretical sampling. The present study followed the latter method which is the better suited to the construction of theories. Thus, we selected for the sample firms which could provide us with the information most relevant to our study, applying a criterion of diversity in terms of size, geographical location in the different wine-producing areas, etc. The theoretical sampling procedure ends when one reaches a level of saturation at which there no longer appear new concepts and categories (Glaser & Strauss, 1967; Ruiz, 1996).

The characteristics of the wineries population in Extremadura belonging to the PDO are described. The number of firms in 2002 was 40 with a total number of 83 wine brands under the PDO. Half of the wineries possessed only one wine brand and the other half between 2 and 5 brands under the PDO. Wineries had in average a medium size with a few small and big wineries. The wineries dedicated to the culture of vine from 200 million in 2002 to 300 million squares meters in 2008. The qualified PDO wine was around 7-7.6 million liters. The production of red wine was in all cases more than 65%, being the white wine the second in importance; rosé wine had a production lower than 1-2%.

Of the 40 firms constituting the census in 2002, in-depth interviews were conducted in 11 of them following the above theoretical sampling method. The choice was made on the basis of their different sizes, and the different "comarcas" (county-sized areas) belonging to this PDO. We believe that the selected sample is significant enough to provide a thorough understanding of the behaviour of the firms and cooperatives firms conforming the Ribera del Guadiana PDO. We proceeded to make telephone contact with the selected firms and cooperatives to fix an interview with the person responsible for the firm's marketing. The interviews were conducted at each firm's registered office during the spring of 2002. Their average duration was about an hour, with their content being audio-recorded. After 6 years, in 2008, the same firms were again contacted, followed by a new interview with the same objectives. Of the 11 firms selected, 2 had left the Ribera del Guadiana PDO, and therefore no interview was carried out. The main reason for their leaving was that the reduced future prospects of these small-sized wineries did not justify membership in the PDO with the obligations entailed of, for them, excessive controls and only small added benefits.

The research procedures were conformed to the directives and recommendations regarding professional ethics set out in the International Code ICC/ESOMAR (International Chamber of Commerce/European Society for Opinion and Marketing Research) as posted on the AEDEMO Website ([www.aedemo.es](http://www.aedemo.es)) for the practice of social and market research. Particular care was taken to comply with the norms in the Code in its Article 6 on recording techniques, and Article 7 on data protection and confidentiality. Thus, all respondents were informed in advance about the use of recording systems and gave their explicit authorization for such use. Also, opinions were not collected in which the interviewee explicitly stated that they should not be. Table 2 presents the study's technical data sheet.

### Interview structure

The interview was conducted on the basis of a semi-structured script (standardized questions and free responses). Open questions were presented, requesting the respondent to provide comprehensive information about them. The aim with the script was not to collect in the strict sense just information considered essential to the objectives of the research, but also to leave open the possibility of the interviewer's introducing new questions, or for explanatory comments to be added by either the interviewer or the interviewee. Care was taken for the wording of the questions to be straightforward and clear to avoid errors due to any difficulty of comprehension or to misunderstanding the questions.

The semi-structured interview consisted of seven distinct parts addressing the following aspects: (i) general data about the firm; (ii) product policy, brand strategy, and packaging and brand names; (iii) the identity of the PDO and its brand image, the importance of the geographical origin, requirements and benefits of belonging to the PDO, and the influence on the consumer or the attributes of the PDO brand name; (iv) marketing policy, and advertising; (v) the price of the wine and distribution channels; (vi) the consumer; and (vii) the competition, and the business environment.

The qualitative analysis of the interviews was performed using the software package ATLAS/ti Version 4.2, designed for this type of analysis on data in the form of large blocks of text. Its use involves two distinct phases. In the first, called the Textual Level, the text is processed, including its segmentation, selection of quotes, coding, and annotations and comments. In the second, the Conceptual Level, relationships are established between selected elements, and charts are produced showing the proposed model. The two phases are not independent, and neither are they performed sequentially, passing from one to the other repeatedly throughout the analysis process.

As primary documents for the analysis, we used the 11 interviews with the winery managers in 2002 and the 9 interviews in 2008. The text of the interviews is in MSWord format, but to be read by the program ATLAS/ti the primary documents must be in ASCII format. Once the file has been opened in the program, it is processed to recognize those aspects of the interview that are suited to qualitative analysis. The re-

**Table 2.** The study's technical data sheet

	Initial study (2002)	Final study (2008)
Universe	Firms with brands belonging to the Ribera del Guadiana wine PDO (40)	Firms with brands belonging to the Ribera del Guadiana wine PDO (46)
Method of information collection	Semi-structured in-depth interview	Semi-structured in-depth interview
Sample composition	11 managers of wineries covered by the PDO	9* managers of wineries covered by the PDO
Sampling procedure	Theoretical intentional sampling based on the typological diversity of the firms. Contact by telephone to set up an appointment. Semi-structured interview recorded in audio.	Theoretical intentional sampling based on the typological diversity of the firms. Contact by telephone to set up an appointment. Semi-structured interview recorded in audio.
Date of fieldwork	April-May 2002	January-February 2008

\* Between 2002 and 2008, 2 of the 11 firms interviewed in the first year left the PDO.



sponses to the interview questions are in the form of opinions, explanations, clarifications, etc. The first stage of reduction of the raw data is the selection of quotes. In total we selected 148 quotes from the 2002 interviews and 112 from the 2008 interviews.

The second stage is transformation of the text. The selected quotes are described and categorized by means of codes. The relationship does not necessarily have to be one-to-one, *i.e.*, various codes can be assigned to a single quote (the actual number depended on the content of the quote, but was never more than three), and conversely, the same code can be assigned to more than one quote (indeed, there were more quotations in total than codes). In addition, there may be free codes that are not related to any quotation, but instead to the topic of the study. A total of 34 codes were selected from interviews in 2002 and 27 in 2008. In any case, since this is an initial data reduction, it is possible, and indeed it was the case, that not all quotes or codes are used in the analysis. The codes are grouped logically, and graphically linked to the quotes by lines and to each other by means of symbols. The result is the construction of a network to which annotations are then added, as will be illustrated below.

## Results

Following the qualitative analysis of the interviews, we studied in the first place the attributes of the PDO brand from the point of view of winery managers. This is an important aspect about the PDO concerning its overall role in the region's wine sector. With the first year's interviews, the analysis corresponded to a moment when the PDO had only been in existence six years. With the second year's data, the PDO had now been available for 12 years, *i.e.*, twice as long, with it having undergone some major changes in that time.

The analysis carried out about the attributes of the PDO brand in the period of study, 2002 and 2008, retrieves coincident results in both years and they are summarized in Fig. 1. Winery managers consider that main attributes of a PDO brand are quality, confidence

and control. As indicated in Methodology, we have selected from the text of the interviews quotes that reflects this attributes well (quotes<sup>1</sup> 1:22, 2:7, 4:9, Fig. 1A). After the analysis we can conclude that quality and confidence are a consequence of the control. These codes (quality and confidence) in turn are linked to the code control having an arrow-type linkage (meaning that they are cause of). This general idea is reflected in the network with the annotation "PDO brand involves a control that gives food quality and confidence", linked to the three quotes.

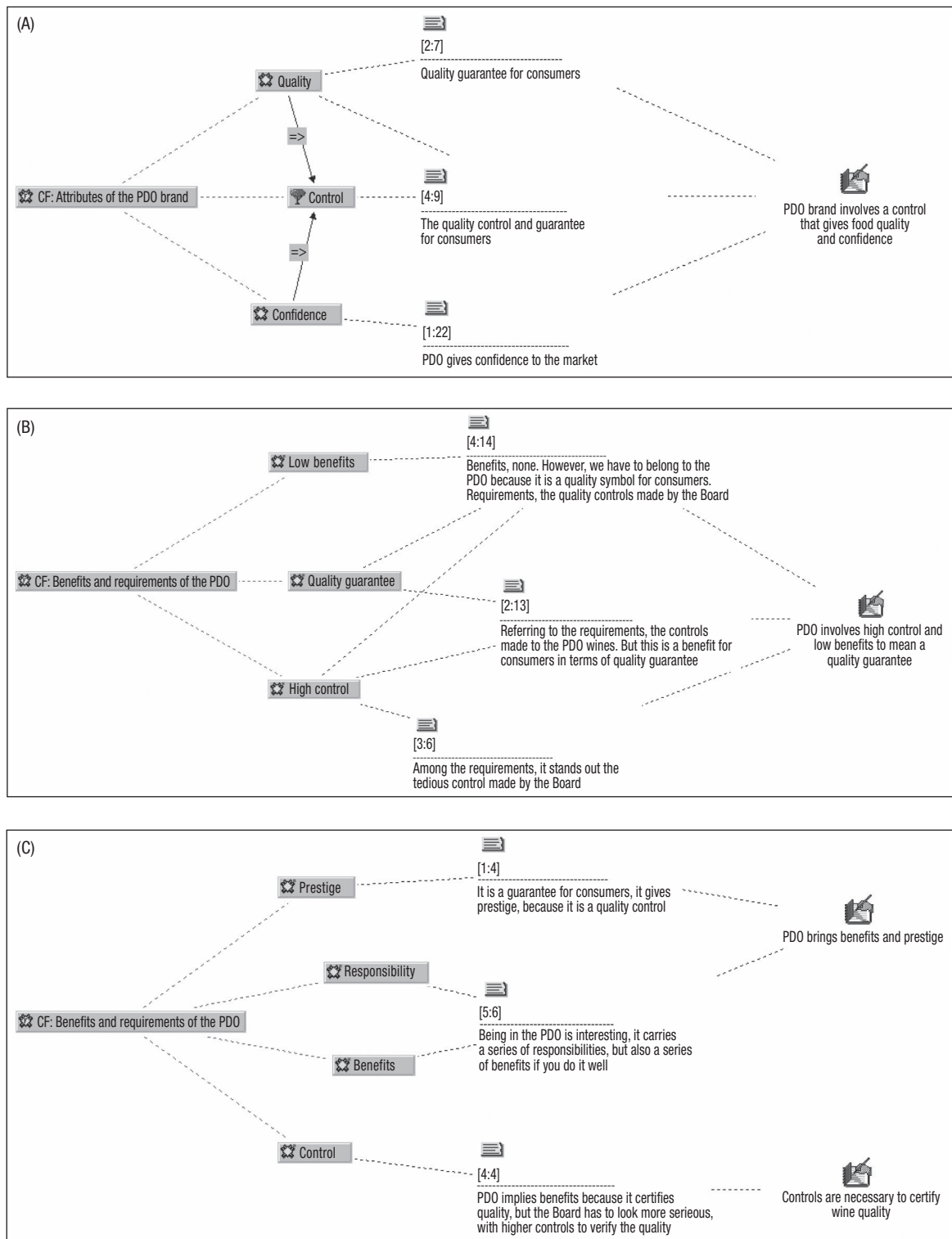
A second point of study is the analysis of the benefits and requirements of the PDO brand. As indicated above, the analysis of attributes of the PDO brand did not change in the period of study, but this is not the case when the benefits and requirements are analyzed. We found important differences between the answers of winery managers in 2002 and 2008. The analysis of the first year is shown in Fig. 1B. The PDO implies a quality guarantee. This is a point clearly stated and we have selected two quotes<sup>2</sup> (4:14 and 2:13) that reflect that idea. But it is also indicated by the winery managers that, in that moment of the study (2002), the PDO generated low benefits and they were subject to a high control made by the Board of the PDO brand. Actually, one of the managers indicated that the controls were "tedious" (quote<sup>2</sup> 3:6, Fig. 1B). We have included in the network the annotation that summarizes this idea: "PDO involves high control and low benefits to mean a quality guarantee".

At that moment of the study, the winemakers felt that the Ribera del Guadiana PDO was still young, and that there is much work to do to catch up with other PDO's. This could explain that there was little commitment to devoting any major amount of wine production to this end. Most wineries (approximately 90%) allocated less than 10% or even less than 1% of their production to the PDO, with the proportion reaching some 40% for the few others. The youthfulness of the Ribera del Guadiana PDO, which in 2002 had only 6 years of existence (it was created in 1996), may explain this lack of confidence in it.

Nevertheless, winemakers consider the PDO essential to channel the development of their sector,

<sup>1</sup> 1:22, "PDO gives confidence to the market"; 2:7, "Quality guarantee for consumers"; 4:9, "The quality control and guarantee for consumers".

<sup>2</sup> 4:14, "Benefits, none. However, we have to belong to the PDO because it is a quality symbol for consumers. Requirements, the quality controls made by the Board"; 2:13, "Referring to the requirements, the controls made to the PDO wines. But this is a benefit for consumer in terms of quality guarantee"; 3:6, "Among the requirements it stands out the tedious control made by the board".



**Figure 1.** (A): Attributes of the Protected Designation of Origin (PDO) brand -The quotes are taken from the original interview after the question: “In your opinion, which are the attributes of the PDO brand?” (B and C): Benefits and requirements of the PDO brand in 2002 and 2008, respectively -The quotes are taken from the original interview after the question: “Which are the benefits and requirements of the PDO brand?” The first number of the quotes refers to the number of the interview (numbered from 1 to 11) and the second one is the number of the quote selected from that interview. CF: codes family.

especially since the market's orientation has shifted to one of quality, and the PDO is a promising avenue with which to present their products' quality to the market.

However, from 2002 to 2008 there occurred major changes in the sector. In the second year studied (2008), the winemakers had a more favourable attitude towards the PDO. This more positive position was reflected in various aspects. Unlike in 2002, in 2008 they felt that there was a need for a strong commitment to the PDO, and that some of the necessary steps had been taken in this direction, although further action was required for the final outcome to be satisfactory.

In particular, the analysis of the benefits and requirements of the PDO in 2008 reflects this new attitude. The results of qualitative analysis are shown in Fig. 1C. For managers, the benefits are now a consequence of a serious work assuming the responsibilities linked to the PDO (quote<sup>3</sup> 5:6, Fig. 1C). The quality guarantee as also linked to a prestige (quote<sup>3</sup> 1:4, Fig. 1C). Additionally, the controls made by the Board of the PDO are now seen as highly necessary, and even they demand higher controls to verify the quality (quote<sup>3</sup> 4:4, Fig. 1C). We have included in the network two annotations that summarize the new attitude: "PDO brings benefits and prestige" and "Controls are necessary to certify wine quality".

A further reflection of this new attitude towards the PDO was found in the major change in the percentage production allocated to the PDO in 2008. This was more than 10% in almost all the wineries, with values of 20%, 30%, 40%, and even 70% in the largest cooperative. The only exceptions were the two smallest wineries with PDO percentages below 10% (1.5% and 7%).

Fig. 2 summarizes the main ideas obtained from the analysis performed during the period of study, that is, between 2002 and 2008. In the centre of the Figure both designation of origin and quality are associated (== linkage). This idea is present all along the study and wineries' managers are fully conscious. But the consequences of that association are different in the two years analyzed. In 2002, high control and low benefits are the codes associated (== linkage) and are considered cause of the designation of origin (=> linkage). These codes denote a negative position about the designation of origin.

On the contrary, in 2008, this negative position turns to a positive attitude. Now the codes associated are benefits, control and responsibility (== linkage), and both quality and confidence are considered cause of the control (=> linkage). These data are important to address the question of the product's quality. To achieve differentiation by quality involves enormous technical and human effort for a good product to be appreciated by the consumer. The respondents already recognized the need to provide a quality product in 2002. Indeed, the majority opinion among the winemakers about what the PDO should offer the market leaned more towards the product than the brand, the thinking being that first one needed to reach consumers with a quality product and from there to get it associated with its brand. This process indeed seems to have taken place during the period studied because while some winemakers still consider the product to be more important than the brand, others have already begun the process of promoting and strengthening their brands, aware that the consumer already perceives the product's quality.

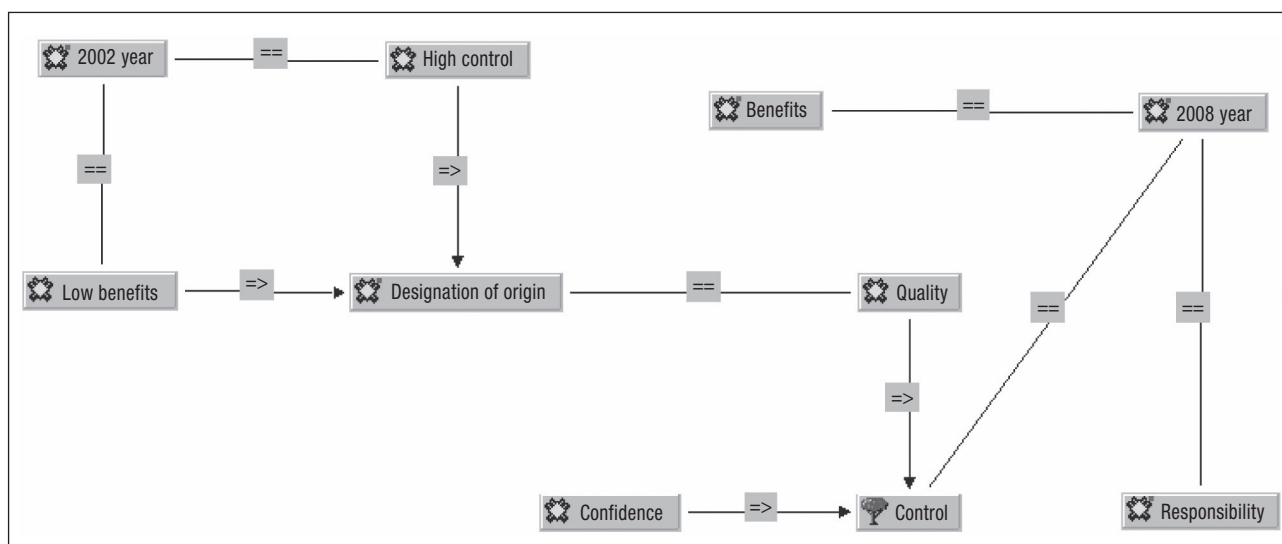
## Discussion

Certain theoretical aspects of the PDO and its function as a brand should be borne in mind. The brand is one of a firm's principal assets; its appropriate management creates value and enables the firm to achieve a sustained competitive advantage. In addition, consumers are increasingly exigent, demanding not just quality in itself but a guarantee of that quality. The quality agro-food market has a strong social and health impact. Thus quality together with other associations such as origin and tradition have led to the creation of PDO's as labels which have become widely used in this economic sector over the last decade, coexisting with the brand name in the agro-food sector as a further indicator of quality.

Since PDO's are based on the association with the place of origin, they create a unique differentiation that cannot be imitated since the attribute of geographical origin cannot be duplicated (Bello & Gómez, 1996; Jiménez & Gómez, 1997). They have become a form of differentiation that can enable firms to gain competitive advantages in marketing their food products

<sup>3</sup> 1:4, "It is a guarantee for consumer, it gives prestige, because it is a quality control"; 5:6, "Being in the PDO is interesting, it carries a series of responsibilities, but also a series of benefits if you do it well."; 4:4, "PDO implies benefits because it certifies quality, but the board has to look more serious, with higher controls to verify the quality."





**Figure 2.** Summary of analysis about designation of origin in the period of study.

on the basis of origin. These means of marketing protection are intended to make it easier for the consumer to recognize the product and to perceive a superior degree of quality and differentiation. Therefore, quality and origin have to be the two main elements underpinning the marketing strategies of firms operating under the PDO.

One may conclude therefore that the origin attribute is very important for brands belonging to the agro-food sector. Creating an origin-based marketing strategy to gain a competitive advantage implies that producers must: (i) demonstrate the superiority of their product range, (ii) show the relationship between this superiority and their unique geographic factors, and (iii) persuade customers to pay a premium price for this unique product (Jiménez, 2002).

Marketing based on place of origin has to be associated with a demonstrably superior product in terms of quality, *i.e.*, one has to connect the superior quality with the geographic factors of the place of origin, and convince the market that it is worth paying a higher price for this unique product.

There have been a wide variety of studies that have examined using the place of origin as a marketing strategy (Martínez & Jiménez, 2006). Studies that have focused on wine, considered the most clearly differentiated agricultural product, have shown that marketing strategies based on place of origin can help the products compete in the markets by providing them with distinct attributes which cannot easily be duplicated, such as better taste, bouquet, or some other quality associated

with their origin. Other studies have found that the region of origin may represent a good opportunity to position the product and create a sustainable competitive advantage, even allowing the product to be sold at higher prices.

A PDO adds value to an agro-food product. Regional products are usually prepared and packaged by small producers, and for them a PDO provides competitive advantages similar to those of well-known national brands. This form of protection can thus promote the economic development of regions with a less developed industrial base. A PDO in this sense is comparable with a brand that acquires value as its reputation increases, consolidating a strong and favourable brand image that has the added advantage of being inimitable.

Extremadura's PDO's constitute a key element for the future of the region's agro-food sector. The Ribera del Guadiana wine PDO is a representative of the largest subsector of Extremadura's crop and livestock farming. Currently, the production and marketing data of this PDO are modest compared with other PDO's in Spain. It has, however, only been 15 years in operation — a short time compared with other more solidly consolidated PDO's — and the process of building brand value has to be considered over the long term.

The general question we examined in the present study was how the PDO is established and developed by agro-food firms in Extremadura. The producer's perspective has received little attention in the literature compared with consumer studies. Thus, the basic objec-

tive of the present study was to determine how wineries approach the decision of the selling wine with a PDO, conducting a qualitative analysis on the basis of in-depth interviews carried out at two moments in time (2002 and 2008) with managers of the firms operating under this PDO. Since we performed the study on the Ribera del Guadiana Designation of Origin in 2002-2008, just a few years after its establishment and at the beginning of its development, the information is especially useful for understanding how this period of implementation and consolidation of the PDO affects decisions of wineries.

In the period studied (2002-2008), the attitude of the winemakers interviewed towards their PDO moved from one of scepticism to one that was clearly positive with a clear commitment to this form of protection of agro-food products. Their scepticism in 2002 was based on the excessive controls they were subject and the low benefits they gets. Nonetheless, despite the positive changes in the Extremaduran wine sector that have taken place in recent years, the Ribera del Guadiana wine PDO continues to be a commitment to the future. For it to progress, it must convince, on the one hand, the greatest number of winemakers possible to strongly involve themselves with the project and, on the other, consumers to perceive the distinguishing quality of its wines so that they will be more than willing to pay a premium price.

The results presented in this paper suggest that winemakers give a great importance to designation of origin as an effective label to their products. Due to the high demand of quality by the consumers, they have to persuade them to improve the association between PDO label and quality, creating differentiation. Besides the changes produced in the designation of origin during these years, as the increase of wines quality and promotion of the brands under the PDO, winemakers consider that some deficiencies have to be corrected. In particular, the Board of the PDO brand has to be more implicated, playing a notable role in order to make promotion of the PDO and creating social wine culture.

Several limitations of the current research should be noted. First, our conclusions are based on the qualitative analysis of interviews performed to managers of the wineries from which it is supposed a complete sincerity in their responses. The system of the interview based in standardized questions and free responses may help to this, but we cannot be completely certain. Also, a limitation very common in

qualitative studies is the bias of the researcher, as the analysis is based in selection of texts from the responses of the interviews. This selection is determined by the researcher and the focus of the analysis may be different. On the contrary, from our point of view, the number of wineries of the sample compared to the total population (11 out of 40) is not a limitation of the study, because when the interviews were conducted, we observed repetitive answers to different aspects treated.

The conclusions of the study reflect the opinion from the firm's perspective, but the main objective of the development of a designation of origin is the increase of sales of the products protected under this label. Futures studies have to be performed to know the acceptance of these products by consumers.

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