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M MESTRADO
Intercultural Studies for Business

Vinhogal, Exporting Portuguese culture through its wine culture

Liliana Catherine Molano Dimian

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Liliana Catherine Molano Dimian

Work project presented to Porto's Accounting and Business School, to obtain the degree of Master in Intercultural Studies for Business, under the guidance of Professor Marco Lamas

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Abstract:

The main purpose of this entrepreneurial project is to analyze the viability of exporting Portuguese culture through its wine culture to Colombia, as well as the different aspects to be considered when entering a new market, especially when the wine consumption is not that common. This analysis shows two different cultures and histories in order to see how Portuguese wine can be inserted into the Colombian market. On one hand, we have Colombia, a country whose wine consumption is low compared to other countries and does not have a lot of wine production due to the climate conditions, however, it has been facing some changes in its consumption, increasing in the last years, especially after the pandemic started. On the other hand, there is Portugal, a country where the wine industry plays a very important role, an aspect being part of its culture with different types of wine according to each region, which is influenced by its geography at the same time and making it recognized for the production of unique wines.

The methodology used in this analysis is based on a search carried out on the context of wine consumption in Colombia and Portugal, the Hofstede's model to compare both cultures and be able to see the similarities and differences. Then, a market study through a survey has been made in order to know better the opinion of Colombian people about the Portuguese culture and wine, to then, define which types of wine are more adapted to the Colombian wine market, that has been showing an increase in sales lately and how to distribute them, using the Business Model Canvas.

As a result, in Vinhogal's Business model, we identified two segments, the consumer and distributor market, with a relationship based on social media, direct contact, events and training courses. Employing direct sales, retailers and restaurants as distribution channels and whose value proposition is based on emotional and functional aspects as it offers not only a product but guidance during this discovering experience. The key activities are focused on relationship management, partnership creation, updated website, marketing and promotion and gain more visibility through entities related to wine, Portuguese associations or Colombian entities in charge of promoting other cultures.

Key words: Business Model Canvas, Culture, Internationalization, Wine

Resumo:

O objetivo principal deste projeto empresarial é analisar a viabilidade de exportar a cultura portuguesa através da sua cultura do vinho para a Colômbia, bem como os diferentes aspectos a ter em consideração ao entrar num novo mercado, especialmente quando o consumo de vinho não é tão comum. Esta análise mostra duas culturas e histórias diferentes para ver como o vinho português pode inserir-se no mercado colombiano. Por um lado, temos a Colômbia, um país cujo consumo de vinho é baixo comparado a outros países e não tem muita produção de vinho devido às condições climáticas, porém, tem enfrentado algumas mudanças no seu consumo, aumentando nos últimos anos, especialmente após o início da pandemia. Por outro lado, encontra-se Portugal, um país onde a vitivinicultura desempenha um papel muito importante, aspecto que faz parte da sua cultura com diferentes tipos de vinho consoante cada região, que é influenciada pela sua geografia ao mesmo tempo e pela reconhecida produção de vinhos únicos.

A metodologia utilizada nesta análise baseia-se numa pesquisa realizada no contexto do consumo de vinho na Colômbia e em Portugal, o modelo de Hofstede para comparar as duas culturas e poder perceber as semelhanças e diferenças. Em seguida, foi feito um estudo de mercado através de um survey com o objetivo de conhecer melhor a opinião dos colombianos sobre a cultura e o vinho portugueses, para então definir quais tipos de vinho são mais adaptados ao mercado vitivinícola colombiano, que tem vindo a mostrar um aumento das vendas ultimamente e como distribuí-las, utilizando o Business Model Canvas.

Como resultado, no modelo de Negócios da Vinohgal, identificamos dois segmentos, o mercado consumidor e distribuidor, com relacionamento baseado em mídias sociais, contato direto, eventos e treinamentos. Empregando vendas diretas, varejistas e restaurantes como canais de distribuição e cuja proposição de valor se baseia em aspectos emocionais e funcionais, pois oferece não só um produto, mas uma orientação durante essa experiência de descoberta. As principais atividades estão focadas na gestão do relacionamento, criação de parcerias, atualização do site, marketing e promoção e ganham maior visibilidade através de entidades vinculadas ao vinho, associações portuguesas ou entidades colombianas responsáveis pela promoção de outras culturas.

Palavras-chave: Business Model Canvas, Cultura, Internacionalização, Vinho

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Introduction

The concept of culture has become more important in this globalized world where there are almost no limits to move and transfer goods. Culture used to be a concept staying only in its original place, describing the behavior and beliefs of a determined group according to some specific characteristics such as location, country, etc. With time, and the internationalization of almost everything we realize the importance of taking culture into account within this process. In this case we are going to focus on the opportunity of exporting Portuguese culture through its wine culture to Colombia, a country with a lack of knowledge in wine culture. The idea of this project is to carry out an entrepreneurial project on the export of Portuguese culture to Colombia through its wine culture, to analyze the viability of the project, to understand the role of intercultural communication in the process of internationalization, especially between these two countries and to develop a business plan. We are going to see the viability of it and the different things to take into account and analyze before starting a new business.

This project contains seven chapters, the first one contains a literary review about two main concepts: internationalization, the reasons to go abroad and the entry modes and the importance of interculturality on this process, followed by the theoretical context of Colombian and Portugal respectively. The second chapter is focused on the wine culture in Colombia starting by the analysis of the wine industry and its context, the changes in the alcohol consumption, the type of wine Colombian people consume and the places where they consume it. In the chapter number three we have the wine culture in Portugal, based on the importance of wine in their culture, how is the culture in the different regions as well as the type of wine according to it and where to find it. In the fourth chapter, we have the structure of the project encompassing the problem, the solution, the mission, vision, objectives and an analysis of micro and macro variables such as PEST and SWOT analysis, plus the survey analysis. In the next chapter we have Vinhogal's Business Model based on the Canvas model, where we find customer segmentation, customer relationship, distribution channels, value proposition, key activities, key resources, key partners and revenue streams. Then, the chapter six contains the costs, revenue and funding and finally, in chapter seven we have the further opportunities.

Since this project involves international transfer, more precisely sending and selling a product from Portugal to a foreign country, in this case Colombia, a process more known as exporting, it is important to see how it works, what is the process, the things to take into consideration, etc. In internationalization, one of the most important things to have in mind, nowadays, is the intercultural aspect which we are going to see more in detail next. What exactly is it and why is it so important.

Chapter I - Interculturality and its role in internationalization

1.1 - Definition of interculturality

We are currently living in a globalized world where ideas, goods and services are spread around the world. Referring more specifically to the process by which businesses or organizations develop an international influence or start operating on an international scale (Oxford Languages, n.d.), promoting and increasing interactions between different regions and populations from all over the world (Youmatter, 2020). In this context we can see that different cultures start to coexist and it becomes an important aspect present in every instance of communication of daily life. In this way, it becomes very important to be able to recognize and respect the different cultures we can encounter, “their texts, their discourses, their practices, representations and structures of thoughts” (Sarmiento, 2019).

Which brings us to the intercultural concept, which appeared a few years ago. This refers to the action or process in which an equitable integration and interaction of different cultures takes place; here it is important that both sides enrich each other and get involved in the process, and that they are aware of their differences. This gives the opportunity to generate an interactive and dynamic cultural Exchange and share cultural expressions through dialogue and mutual respect. (Expressions, Convention on the Protection and Promotion of the Diversity of Cultural, Article 4.8). In this context, we have integrated societies that are equally related, allowing us to see that they are both equal despite their differences, how to live together enriching each other and trying to eliminate prejudice and stereotypes (Sarmiento, 2019).

It is also considered as a term advertising the relations existing in a society not only of culture but also elements such as ethnicity, language, religion, nationality. Hence, the empirical referent of these elements is considered to be highly contextual so in some societies the concept can be used with a “migration-induced diversity” approach, while in others it has an “applied to indigenous–settler interactions” approach. In wide terms, in anthropological and social science literature, interculturality is defined and classified according to three things: first, the difference between interculturality as a descriptive or as a prescriptive term. Secondly, the implicit assumption of a notion of culture as static or most likely dynamic. Thirdly, the use of the concept either to analyze the status quo of a society, or to identify conflicts and sources of social transformations.

Regarding the first axe, interculturality as descriptive is defined as the set of interrelationships that build a particular society in terms of culture, ethnicity, language, religious sect and nationality and with a bigger distinction between the own culture and the others, like an “us” versus “them”. These relations are usually asymmetric in relation to political and socioeconomic power, often showing entrenched ways to show or hide, to emphasize or deny diversity, to stigmatize and to discriminate against a specific group. Differing from interculturality as prescriptive, which is used more often, and is more related to the idea of making societies more aware about the diversities inside them, to generate a better relation between groups considered as privileged and those excluded, to be more inclusive with the minorities, thus creating a change in the origin of the relationship between these groups to empower some of them and to revise the existed perceptions in order to improve things.

As for the second axis, the concept of culture has been treated as static since the beginning, in this context the interaction happens between groups from different cultures through different elements, patterns, institutions that are specifically defining the characteristics of a specific group or culture. Concept that has changed and evolved with time allowing us to consider it more as a dynamic thing, that is not only about specific cultural traits, patterns or institutions but something that involves inter, intra and transcultural processes, something where the different features start to change and interact between each other.

Finally, regarding the third axe, there are also two opposite uses of the concept. On one hand, the idea of a functional definition where the idea is to soft things in order to have more tolerance and understand the others, this approach focuses more on identifying individual features such as lack of competences, communication, skills, human capital like the cause of discrimination or exclusion which will only give people or minorities the sources and knowledge to be able to compete with the other people in the labor market or communicating in cosmopolitan terms for example. On the other side, with a critical function, the idea is to question things and then be able to transform them and change them, to be able to deal with conflict. This approach differs because it focuses more on anti-discrimination, increase of awareness and solving problems strategies with the idea to change things from its

roots through new participation channels, new recognition frameworks and institutions (Walsh 2003; Dietz 2009).

This information is very important to be able to understand in a better way the importance of interculturality in the process of internationalization and the role it has, to have a better integration between the different places or cultures. So now we are going to see more in detail why interculturality is important for internationalization.

1.2 - Why is it important on internationalization

Internationalization is a term that has been used for centuries in political science and governmental relations, according to Herman Daly States:

“Internationalization refers to the increasing importance of international trade, international relations, treaties, alliances, etc. (...) the basic unit remains the nation, even as relations among nations become increasingly necessary and important.”

This process is not only about relations between diplomats or international organizations. In the traditional national diplomacy, civil servants and diplomats are important players involved in this process as they are in charge of implementing government external actions domestically. Business companies are also important agents of internationalization because they adapt global market strategies and engage with governments, institutions and societies around the world (United Nations University Institute, 2019). Culture in action, instead of culture as an object: that is the aim of intercultural competence (Abdallah-Preteuille, 2006).

The international business environment has undergone profound changes in recent years. This is a new paradigm for international trade, such as changes resulting in reductions in costs, rapid penetration of markets, improvement in product/service, access to wider range of suppliers, changes in internal processes of organization, quick and easy share of knowledge (within and across organizations) and widespread use of information and communication technologies. All these factors are reflected in the internationalization of firms (Oviatt & McDougall, 1997), consolidating a need for strategic expansion, either by

contagion from globalization and as a matter of survival in sectors where competition was intensified (Levitt, 1983; Yip, 1989).

Miguel Angel Otero explains in his book "Business Pocket" that through the internationalization process, companies gradually increase their commitment to International activities and businesses, meaning that they expand their activities beyond national borders. This change in the cross borders activities take different forms from those that are more traditional like export or import to those more committed and more enduring such as foreign investment through the creation of productive subsidiaries. As companies internationalize they have to engage with clients, suppliers, intermediaries, associates, employees, governments and institutions of other nationalities, which requires them to be able to handle and adapt to different legal regulations, trade barriers, cultural and economic differences, in order to carry out effective and satisfactory exchanges to their interests.

This also means making investments and facing different barriers and numerous risks. That is why internationalization is usually carried out gradually, especially in the case of small or medium-sized companies, who have less resources available that they can dedicate to face such changes. Nowadays no company is on the fringes of globalization, even those who do not intend to internationalize, who do not see clearly that this is an adequate way for their future development, are threatened in their own markets by an increasingly aggressive competition for imported products. For this reason, even to protect their position against the competition in the national market, internationalization is emerging as the best guarantee to ensure growth, improve competitiveness and the results of any company.

The road to internationalization begins when the entrepreneur considers the idea of internationalization as a suitable strategic alternative for the future development of the company. However, to carry out any action it is necessary to have a clear and precise motivation that leads us to act. It is very important to be convinced, motivated and committed with international development and that it is a good strategy for the company, a need to be able to evolve, otherwise it is very likely to drop the process when the first obstacles appear affecting the success of the project.

The growth-diversification matrix of Ansoff shows the different corporate strategies that a company can have, this one shows the different business in which a company is actually competing or those where it can evolve by mixing products, markets and chain value

activities. Among these strategies we find: penetration, product development, diversification and market development, in which we can place internationalization that is also the strategy that requires less resources. This is why it is very interesting for small and medium-sized companies that cannot allocate the same amount of resources as their bigger competitors in the product development, competitor's acquisition or to integrate their clients and suppliers activities. This is also good for big companies that have saturated the national market and where being able to catch new sales become harder, requiring a bigger investment that causes a decrease in the return on their shares, especially if they operate in mature markets where increasing the demand is hard. Undoubtedly, growth stands out as one of the main reasons for export.

However this is not the only reason to internationalize, there are many others, such as: Sales growth and profitability, extend the cycle life of the product, offset the growth of the competition, maintain business and diversify risks, compensate for the seasonality of demand and supply, achieve greater economies of scale, improvement of image and prestige, learning and experience, response to competitive pressures, find more details in annex 1.

Now that we understand the importance of internationalization, it is also important to keep in mind that there is a process that should be followed in order to make it right and have better results. The different stages of the process can be classified in five: it all starts as a national company, born linked to a certain geographical area and with an initial vocation to serve this market. Later, they begin their exit abroad, internationalizing its commercial activity through sporadic exports in response to specific opportunities. Over time, it manages to consolidate its export activities through the creation of a specific export structure to develop these new markets. As the international importance of markets increases, it is necessary, to understand them better, and move permanent resources abroad through the creation of branches and commercial subsidiaries, or production. Finally, internationalization is expanding to all activities and functions of the company. They don't only sell their products in different markets but also have production plants scattered around the world and are financed in various currencies and financial markets. National market is no longer the most important and turns into one more market among the many in which it operates, becoming a multinational company.

Etymologically, export means to “lead out”, “transport a good abroad”, that is to say to sell merchandise in foreign countries. An export company is one that develops its productive activity in its origin country and commercializes its products in at least one foreign market. Export is the most elemental and ancient form of international exchange existing since the dawn of mankind. As a matter of fact, it is not an easy job, to be successful is not enough to meet the occasional request that may arise abroad, it is necessary to achieve consolidation and maintain a continuous and growing flow of sales abroad, to assume this challenge, the company must have the necessary resources to carry out and maintain a remarkable effort for a while and additionally, to have managers with some particular qualities to be able to remain and succeed, it is important their languages skills, experiences and that have traveled abroad.

Having in mind what internationalization is, how the process works and what it involves, it is important to keep in mind the concept of interculturality in order to have better results. During this evolution of internationalization, we have seen some companies making big mistakes when going abroad, for not doing the right research on cultural and linguistic characteristics or meanings in the new country and assuming that the countries have similar culture and therefore customs and wishes or needs. For instance, we can see the case of Ford with their vehicle model: “Pinto ” that they introduced in Brazil, it did not work well as in Brazilian slang “pinto” means: “tiny male genitals”. Another case is with Parker pen, they wanted to target the ballpoint pen in Mexico whose slogan is “It won’t leak in your pocket and embarrass you”, when translating they used the word “embarazar” thinking it meant embarrass, but it actually means to be pregnant so in Spanish the slogan was “It won’t leak in your pocket and make you pregnant”.

But this can’t happen only with translation, it is also important to know how the relations are, among people of that culture, how gender relations is, here we have another example about this, and it was with a soap product from P&G and a Camay campaign that pitched the product as making women more attractive to men which is common in their advertising. They tried the same in Japan. The ad showed a Japanese man walking into the bathroom while his wife was taking shower. Japanese women felt offended because in their culture it is bad that the husband imposes himself on her privacy while bathing, the portrayals

of women are not the same everywhere. Fiat also tried to market a car to Spanish women by sending anonymous love notes which made them feel threatened.

With these examples we can see how important it is to pay attention to the culture, even though it looks like a similar country or culture, it is necessary to deepen into a culture that does not only involve language, but values, beliefs and customs. Interculturality allows one to look at one's interactions analytically, to interact with individuals in and from other contexts, to understand people, the culture and the society in general, to find and eliminate prejudice because in many cases we have some stereotypes and specific thoughts about a culture or group of people. And they have been there for so long that we take it like they were true and in many cases we act having those thoughts and ideas. It is important to interact with people from different backgrounds and in different places to learn and be more open-minded.

This leads us to a new concept related to internationalization that appears and is growing, it refers to Global born startups, whose characteristic is that when they start their business, they already have an international strategy included and virtual presence. Before, the idea of internationalization was more for big companies or a strategy to implement after the company was well established in its origin place and the business would have grown. However, this idea has changed as we can see through Global born startups, which in many cases are created to satisfy markets that already exist in other countries, so they will inevitably operate in new markets and different environments from national context (Cerqueira, Lamas, & Baranovskiy, 2021). This is the reason why interculturality is so important, it is important to understand the cultural reality of the destination countries (Bourbon, 2020), in order to avoid mistakes that can cost bad results or even the failure of the startup.

Nowadays, entrepreneurship and the creation of startups have an important role in the economy of a country as it promotes employment, creates new industries and increases innovation which leads to the development of organizations, institutions or even countries (Lamas, 2012). However, the successful rate of startups is still low due to the lack of knowledge and resources to develop a strong and well-structured plan. In order to overcome this and be able to help startups to grow and develop their activities, some companies offer entrepreneurial networks and accelerators programs, the UK startup ecosystem is one of the top leading in Europe. For example, we have the case of Eligent Club's virtual accelerator

program, it was created in 2019, with the idea of “building an international network of entrepreneurs and startups working on digital tech business with international scalability potential”. So their objective is to help startups to grow by providing network connections, support investment pitch day, mentorship and training programs mostly focused on culture to be able to get into an intercultural and global context of their startup activities (Cerqueira, Lamas, & Baranovskiy, 2021).

So intercultural competence and the capacity for dialogue are now a crucial component of every culture that wants to affirm itself as such. It is not possible to pretend that some things do not exist or like there are no differences, the idea is to know this and be able to work on that, that is why when dealing with interculturalism, language is the key factor, plus, there is linguistic diversity present within the limits of a national language “through intralinguistic social, regional and stylistic differences, as well as through variations in dialect and register, thus calling for an intracultural variety of intercultural competence.” (Sarmiento, 2016). Societies have never been statics, they have always been adapting to the stimuli received from other cultures, what is different now is the fact that today, exchanges and cultural contacts happen in a faster and international way. Finally, “The centrality of dialogue for a new ethics of the intercultural requires not only respect for other cultures, but also the understanding of how much they already have in common, how they have interacted, and how those similarities provide a basis for the development of new shared insights.”

Since this project is focused on two particular countries: Colombia and Portugal, it is important to have a theoretical review about their foreign trade and culture, now that we have analyzed the importance of internationalization and interculturality through this process. For this, we are going to see first about their foreign trade evolution, the different agreements implemented and the entities in charge. On the other hand, we will analyze their culture and for this, the Hofstede analysis will be used. Geert Hofstede was a Dutch academic and social psychologist that became the founder of comparative intercultural research, he was known for pioneering research on national and organizational cultures. His studies showed that there are regional and national cultural groups that influence the behavior of societies and organizations, and they are persistent over time. His most remarkable work was the development of the cultural dimension’s theory, this is a framework that helps to understand the cultural differences across countries and to identify the ways that business is done across

cultures. In other words, the objective of this analysis was to determine the dimensions in which cultures differ from each other/vary.

1.3 - Theoretical context in Colombia

In the 19th century, with an economic model of development based on exports, the country was integrated into the world market with the production and commercialization of gold, tobacco, cinchona and coffee. With this, muleteering, railways and river navigation were promoted, the formation of banks, the business colonization of wastelands, the founding of new towns and cities on commercial routes such as Manizales, Pereira and Barranquilla, which were connected with the old cities (Santafé, Honda, Mompox, Medellín, Rionegro and Popayán) and the arrival of British, German and French emigrants, whose commercial houses together with the Colombian ones, created the bases of the internal market and Colombian economic development.

The national commercial houses dedicated to the import of English and French merchandise, gave rise to the merchant specialized in traveling to Jamaica, for merchandise. From there they went to London, Manchester, Liverpool and Paris, and their shipments were backed by gold bars or gold powder sent from Colombia. The goods already in Bogotá, Rionegro, Medellín, Popayán or Honda, were delivered at retail to merchants and traffickers, who sent them directly to consumers. At that time, the merchant who traveled abroad ran many risks, for example, shipwrecks in the river or at sea, fevers while crossing the Magdalena or even the loss of gold at the hands of pirates in the Caribbean. Jewish and Turkish merchants also arrived, who innovated in the ways of giving credit and establishing relationships with low-income clients.

In the mid-twentieth century, in the fifties, with the government of President Rojas Pinilla, the archipelago of San Andrés became the first free port in the country, from where the entire country was supplied with foreign merchandise. In 1967, under the presidency of Carlos Lleras Restrepo, the Law 444 of 1967 was created in the country, called "*Import and Export Promotion Plan*" or "*Plan Vallejo*", which allows importing raw materials, supplies, parts, spare parts and capital goods with total or partial exemption of customs taxes, destined to be transformed in Colombia to later export them. Through this same law, the Banco de la

República is established as the only entity to exercise exchange control. With the presidency of Misael Pastrana, in the 1970's, the Tax Credit was created, as an incentive of the State, for exporters in tax payments.

During the presidency of Virgilio Barco, flexibility was applied to imported products: it went from 10% to 80% of freely imported products (without the approval of the government), from 30% to only 5% of products with import prohibited and tariff reductions were applied, which went from 80% and 120% to 5% and 20%. In 1991, during the presidency of César Gaviria, a great restructuring of foreign trade took place, creating new institutions such as a Ministry of Foreign Trade, the Foreign Trade Bank, DIAN, the Superior Council of Foreign Trade, and free possession and possession of foreign currency were established. The policy of openness was adopted, which faced the protectionist model that had dominated trade with other countries until that moment. As a result of protectionism, the domestic market was saturated with national products for which there was not enough demand and whose prices had increased over time, but not their quality. As a result of the economic opening of the early 1990's, the Colombian market was completely transformed, bringing with it some unwanted effects such as the fact that many national industries did not manage to survive the competition, with which entire production sectors disappeared. However, for consumers with purchasing power, the opening meant an increase in the variety of products at lower prices and of higher quality.

Starting in the 1960s, the government began a series of approaches with Colombia's geographic neighbors and its most important trading partners, with the aim of preparing the national economy for its development in a globalized world. These are the most important trade agreements of Colombia:

- Andean Community (CAN): this is the most important integration scheme for Colombia, giving freedom of commercial exchange with Bolivia, Ecuador and Peru.
- Free Trade Area of the Americas (FTAA): this agreement wanted to eliminate or decrease the various barriers imposed on international trade (tariffs, subsidies, safeguards) by the countries of the continent.
- Andean Tariff Preferences Law (ATPA): this is a unilateral program of tariff preferences granted in 1992 by the United States to the Andean countries (Colombia,

Bolivia, Ecuador, and Peru), by which the former allows duty-free entry to certain items grown, produced or manufactured in one of the beneficiary countries. It replaced the old ATPDEA program (Andean Tariff Preferences and Drug Eradication Law).

- Group of Three - TLC G-3: in 1995, the Free Trade Agreement between Colombia, Venezuela and Mexico came into force, with the objective of equalizing the tariffs of the three countries in the next 10 years.
- Free Trade Agreement (Colombia-United States): It is an agreement concluded between these two countries in order to eliminate obstacles to trade between them and improve the access conditions for their products. It came into force as of January 2007.
- Latin American Integration Association (ALADI): Allows the conclusion of partial scope agreements between the countries and areas of economic integration in Latin America.
- Caribbean Community (CARICOM): entered into force as of January 1 of 1995. It is a partial scope agreement for the liberalization of trade between the member countries of the agreement (Colombia, Trinidad and Tobago, Jamaica, Barbados, Guyana, Antigua and Barbuda, Belize, Dominica, Grenada, Monserrat, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines).
- MERCOSUR and Colombia Economic Complementation Agreement: it entered into force in April 2004. It is an agreement between Colombia, Venezuela and Ecuador, and Brazil, Argentina, Paraguay and Uruguay that seeks to promote the circulation of goods and services, as well as the elimination of tariff and non-tariff restrictions.

For the Foreign Trade process to be carried out successfully, there are a series of organizations that intervene in the previous exchange activities: Foreign Trade institutions, which are in charge of ensuring the interests of the nation, consumers and involved, promoting, participating, helping and executing Foreign Trade activities and related

activities. The entity that leads this process in Colombia is the Ministry of Commerce, Industry and Tourism, which aims to:

“formulate, adopt, direct and coordinate the general policies on economic and social development of the country, related to competitiveness, integration and development of the productive sectors of industry, micro, small and medium enterprises, foreign trade of goods, services and technology, the promotion of foreign investment, domestic trade and tourism; and execute the policies, general plans, programs and projects of foreign trade" (Ministerio de Comercio, Industria y Turismo, 2015).

To achieve these objectives, the ministry has made available different entities or agencies, which facilitate the achievement of this goal, among which we can relate to:

- PROCOLOMBIA: the entity in charge of promoting non-traditional exports in markets with potential, the attraction of foreign direct investment in Colombia and the positioning of the country as a world-class tourist destination.
- BANCOLDEX: is a second-tier bank* that seeks to promote business development, offering financial and non-financial products, in order to boost competitiveness, productivity, growth and development of micro, small, medium and large Colombian companies that want to be competitive in the national or foreign market through exports.
- FIDUCOLDEX: It is a subsidiary of BANCOLDEX, and its objective is to provide fiduciary services with an emphasis on foreign trade.
- DIAN (Directorate of National Taxes and Customs): this entity that aims to help to guarantee the fiscal security of the Colombian State and the protection of the national economic public order, through the administration and control of due compliance with tax and customs obligations, exchange, exploitation rights and administrative expenses on games of luck and chance exploited by public entities at the national level and the facilitation of foreign trade operations in conditions of equity, transparency and legality.

- POLFA (Customs Fiscal Police): It is an armed body that is part of the DIAN. It supports investigation and determinative actions in accordance with the control powers assigned by law to the DIAN, also exercising judicial police functions.
- VUCE (Single Window for Foreign Trade): It is a computer platform that enables foreign trade procedures to be carried out before 21 state entities* through a single channel. It guarantees the technological and legal security of the different procedures by integrating the digital signature. Allows electronic payments online.

Broadly speaking, these are the entities that intervene in the entry or exit of products from the national customs territory. There are other entities that provide support in the exchange process with other countries, which issue approval of good views, registrations, export licenses and prior authorizations.

Now regarding the cultural dimension's theory of Hofstede, in the figure 1 below, we have the comparison between the two countries of each one of the dimensions. Hofstede identified six categories that can define culture: Power distance index, collectivism vs. individualism, uncertainty avoidance index, femininity vs masculinity, short-term and long-term orientation and restraint vs. indulgence. It gives each dimension a score classified among low and high where the highest is one hundred, so now we are going to see what the score is for each country to see how similar or different they are from each other.

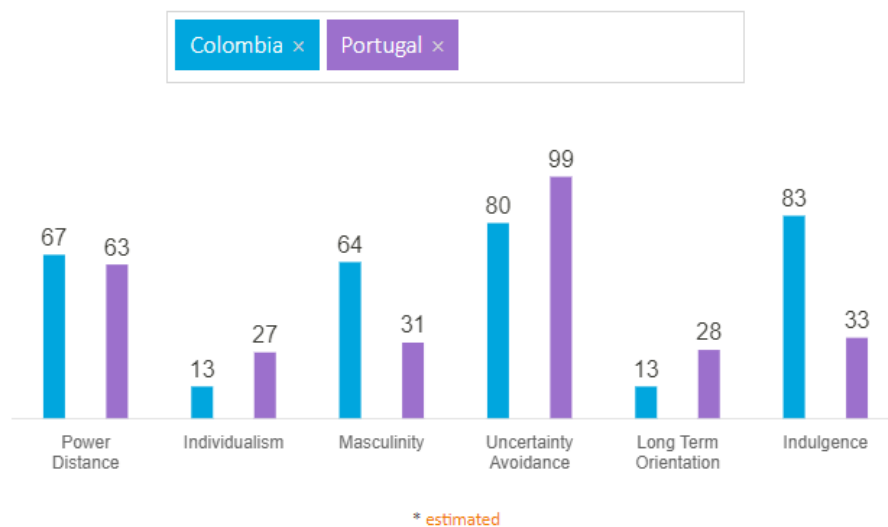


Figure 1. Comparison of Hofstede's Cultural Dimension between Portugal and Colombia. Source: (Hofstede Insights , n.d.)

The power distance index dimension refers to which extent inequality and power are tolerated, seen from the follower's point of view, meaning the lower level. As we know, in societies everyone is not equal, so this shows the attitude of the culture towards these inequalities on one side. On the other hand, power distance shows how the less powerful members of the institutions and organizations accept the fact that power is not equally distributed. Colombia has a high score of 67 in this scale, which means that this society thinks that these existent inequalities are just a fact of life. This inequality is accepted in the different layers of society, so a union leader will have more concentrated power than his management team, it would be the same in the case of business leaders and with the different high positions in government.

The collectivism vs. individualism, takes into consideration the level in which societies are integrated into groups, how their obligations are perceived and their interdependence on groups. More specifically, if people's self-image is seen in terms of "I", if they just think about them and their direct family or "We", see themselves as part of a group and take care of them. In this case the score is low representing 13, this is one of the lowest individualist scores, meaning that it is one of the most collectivistic cultures in the world. So belonging to a group and lining up with the group's opinion is important, this also means that their identities are strongly connected to class distinction. Loyalty for them is outstanding and people have privileges and benefits through "cooperative" groups, not founded in other cultures. Additionally, it is a culture that tends to avoid conflict to not disturb the group and maintain harmony and keep up appearances. Relationships are very important, when a group of people have an opinion on a matter, everyone who feels part of that group will join. Colombians will often do their best to help you if they see there is an interest in developing a relationship or if they perceive any kind of "in-group" connection. However, when they perceive people as "outsiders" they can be excluded or considered like "enemies", the communication style is rich in context meaning that written documents and public speeches are normally extensive and detailed.

The uncertainty avoidance index measures how much uncertainty and ambiguity is tolerated, how a society deals with the fact that the future cannot be known, with the unknown situations and unexpected events and what to do, if they should try to control the future or just let it happen. The thing is that this uncertainty comes with anxiety, so this also helps to

see how a culture deals with this and the beliefs and institutions they have created in order to avoid it. With a score of 80, we see it is a society that tries to find mechanisms to avoid ambiguity, emotions are expressed, there are a lot of rules for everything and social conservatism is present, it is possible to see it in religion that is respected and followed by many people. Although rules are not necessarily followed, it depends on the group's opinion, if they think these rules are applicable to their members and also, on the power decision of the holders, who make their own rules. Finally, in work terms there is usually a very detailed plan that is not necessarily followed in practice. So far, this high score on uncertainty avoidance combined with previous dimensions shows that it is hard to change the status quo, unless there is a leader or an authority figure being able to assemble a vast amount of people and guide them to a change.

Femininity vs. masculinity is related to toughness and tenderness, what society prefers for achievement, behavior, and attitude towards equality. With 64 as score, we see that Colombia is a masculine society meaning that society is moved by competition, achievement and success that is established by being the best or the winner in a field. This is a system that starts in school and keeps going through organizational life. Colombians are competitive and oriented to status but collectivists more than individualists so they are more competitive towards members of other groups but not those perceived to be from the same group. People look for belonging to a group that gives them status and reward due to performance, they will prefer to sacrifice free time for work as long as the group and the power holders agree.

The short-term and long-term orientation reviews the extent of time horizon a society has, the way a society keeps some links with its past while handling the challenges of the present and future because they prioritize these goals in a different way. In this dimension the score is low representing 13, meaning that Colombian has a culture categorized as normative. In this type of society there is a big concern about setting up the absolute truth, they tend to stick to norms, they have respect for tradition, with small prepositions to save for the future and with a focus on achieving quick results.

Finally, the restraint vs. indulgence dimension refers to how societies can control their impulses and desires, and considers what their tendency to achieve its desires is. With a score of 83, Colombia can be considered like a country with an indulgent society which means that

there is a willingness to realize their impulses and desires in relation to enjoying life and having fun, they tend to be very positive and have a good attitude, giving more importance to leisure time, acting as they want and spending money as they wish.

So we see that Colombia is a country where power distance and inequality is present in every stage of society, it is also a collectivist one where loyalty, relationships and belonging to a group is important and that they try to avoid conflict. They do not feel very comfortable with uncertainty, thus, rules are also very present in society, they are moved by competition and success but not to the point of being individualist, the short-term vision is predominant and traditional and where satisfaction is good.

1.4 - Theoretical context in Portugal

The weight of foreign trade in the economic activity in Portugal had a strong positive evolution which, mainly in the European context, corresponded decisively to the country's integration into the international economy. Portugal's degree of trade openness rose from around 11% at the beginning of the century, which represented a very low value for a small European economy, to around 30% at the end (Mendes, Duarte, & Simões, 2013). This evolution is even more remarkable when compared internationally, Portuguese trade openings approached and then surpassed in the 1980s the average of seven representative European countries. With regard to the world economy, (Maddison, 2001) presented estimates of around 8% of trade openness at the beginning of the century, and 17% at the end. In other words, while the weight of external trade will have doubled worldwide during the 20th century, in Portugal it almost tripled.

Of course, the increase in the weight of foreign trade corresponded to a greater importance of foreign trade in economic activity and an increased degree of exposure to the outside world, whether in advantageous situations or in vicissitudes. At the end of the century, exports, which initially represented little more than 10% of demand for goods and services produced in Portugal, were a fundamental component of that demand, only surpassed by private consumption. With regard to imports, the relevant comparison is with the demand made by residents in Portugal. The evolution was similar to exports, including the fact that it was clearly in the second half of the century that the dynamics increased. More

precisely, it is from the 1960s onwards that foreign trade accelerated in Portugal, since in the previous decade an import substitution policy was followed.

The self-sufficiency in consumption in the middle of the century was, however, only apparent, as imports of intermediate goods that were used, to a large extent, for the production of consumer goods, were not included. Although there are no statistics that allow it to be accurately quantified, it is certain that the import content of consumption in Portugal was much higher than 2.27%. It is true that the high weight of imports in the demand for investment goods may reveal the weaknesses in the supply of the Portuguese industry. But it was largely through the import of these goods, when coming from countries with leadership in industrial development, that technological advances could be incorporated and transmitted to the Portuguese economy, making it more productive.

The flows of foreign trade among themselves, verifying that imports generally exceed exports, with the exception of the years 1941-1943, when in the midst of World War II, the high prices of exports of tungsten and other raw materials made it possible for Portugal to take advantage, in this regard, of neutrality. These years were in fact a secular exception as only in the first years of the 19th century, Portugal had other episodes of external trade surpluses as well. In contrast to some abrupt variations observed previously in this period, there seemed to be some stability in the level of external trade coverage, with the exception of 1974-1982, when the severe increases in oil prices, in a context of strong dependence on the energy derived from this mineral, created enormous difficulties in the Portuguese external accounts. The stabilization of the degree of coverage of imports by exports, around 70%, indicated that, at least at the aggregate level, the significant increase in openness to the outside world in the second half of the 20th century did not cause additional imbalances in external trade.

Regarding the evolution of the composition of exports and imports between 1910 and 2000: on one hand, with regard to exports, the most striking feature was the change in position between food and non-food consumer goods that occurred after the industrialization with economic opening to the outside world in the 1960's (2/3 of merchandise exports), (Lains, 1995). Although a large part of these exports were wine (above 1/3 of the total), mainly Port wine (about 1/4 of the total), the fact that it was sold almost exclusively in bulk severely limited the potential added value.

Throughout the century, wine gradually lost expression, but it was mainly after the development and industrial diversification of the 1960's and the better export possibilities that certain products had for the EFTA markets, that the structure of exports begins to change significantly towards more diversified products with greater added value, as was the case of non-food consumer goods in relation to food. It is also visible how the results of industrialization began to be reflected in the increase in the weight of exports of investment goods, mainly from the late 1960s onwards, that is, with some (natural) lag in relation to the beginning of external opening. Export diversification was, however, a bit limited. Specialization in footwear and, mainly, clothing, reached, in the last quarter of the 20th century a relative dimension comparable to the one of port wine at the end of the previous century (around 1/4 of total exports).

Regarding the last quarter of the century, the country suffered some issues of high competition due not only by the liberalization of trade with EU member countries but also by adapting to the European Union's common foreign trade policy, which resulted in greater openness to products from non-member countries. In addition, at the end of the 20th century there was a significant increase in the weight of exports of durable consumer goods, in which the added value was potentially higher.

In the evolution of the composition of imports, the increase in the weight of imports of investment goods highlighted, almost immediately after the end of World War II. Despite the moderate protectionism prevailing in Portugal before joining the EFTA, the political objective of obtaining advantages in industries with potential economies of scale led to favorable treatment of imports of these goods (Courakis & Roque, 1991). This increase was essential to the start of the initial phase of industrialization, which was later fully developed from the 60s onwards. Also, the imports of food consumption goods were losing weight throughout the century, as Silva Lopes (1996, pag. 158) argued, the drop in the weight of these imports was mainly a result of the change in the composition of consumption expenditure as income increases, and not of replacement by domestic production. This non-substitution was confirmed when, in the 1980s, after the accession to the European Community and the implementation in Portugal of the large retail trade areas, food goods regained weight in imports.

Now, regarding the evolution of the geographical structure of foreign trade we see that the geographical structure of Portuguese international trade seems to be determined by the combination of three characteristics relating to external trading partners: the level of development, geographical proximity and political proximity. With the exception of the period during and immediately after World War II, Portuguese foreign trade is mostly with countries whose level of development is not only superior to Portugal, but also one of the highest in the world. The case of Portugal, which, vis-à-vis England, reached the height of concentration in the mid-nineteenth century (above 50% share), according to Lains (1995, chapters 3 and 4) is an example of that interconnection between political and economic factors.

England is the main supplier of manufactured products and an almost exclusive client of Port wine exports, partly because of its preponderance as the world leader in industrialization, but also as a legacy of Portuguese international policy in previous centuries. However, once the excessive dependence on the British market had been overcome, from the beginning of World War II onwards, undeniable positive aspects of geographic distribution stood out, with a preponderance for developed countries, both in terms of imports and exports, insofar as:

- goods imported from more developed countries are likely to incorporate greater technological knowledge
- The ability of goods exported by Portugal to successfully face competition from a more sophisticated demand is an indicator of efficiency, the greater the lesser the protectionism vis-à-vis third countries.

The evolution of the weight of Portugal's foreign trade with its colonies (later ex-colonies) was a clear manifestation of the importance of political determinants. On their own, levels of development and geographic distance would hardly have predicted the high shares of these territories throughout much of the 20th century, more as export customers than as export suppliers. This came to be confirmed, first in the 1960's with the beginning of economic integration in Europe and then, definitively, in the 1970's, once political dependence was removed, the motivation for trade with the former colonies also disappeared.

The effect of geographic proximity, which mainly as transport costs decrease in importance and may also reflect effects of cultural proximity, is clearly evident in the modest share that the United States of America has in Portuguese foreign trade, compared to the European countries. From the mid-1980's onwards, the political decision of full European integration was added to the geographical distance, in the institutional follow-up to the entry as a founding member of the EFTA in 1960 and the signing of the Free Trade Agreement with the European Community in 1972. In addition to having increased Portugal's external trade opening, accession to the European Community in 1986 generated a clear trade diversion in favor of continental European countries, with particularly pronounced repercussions on the share of imports from the USA (Moreira, 1998). The evolution of Spain's share in Portuguese foreign trade is perhaps the best example of the combination of development, geographic and political proximity factors

Now regarding the cultural dimension's theory of Hostetede of Portugal, as shown in the figure 1 and making the analysis in the same order we see that in the case of Portugal, it has a score of 63 on the lower dimension index reflecting that hierarchical distance is accepted and that people with powerful positions having privileges for this is accepted. In the case of management control, the boss compels information from subordinates who are waiting for their boss to control them. Negative feedback is also discomfort so providing signals are necessary so the other realizes about the problem.

As for collectivism vs. individualism, Portugal has a low score of 27, being considered as collectivist which is clear in close long-term commitment to the group either family, extended family or relationships. In this type of culture loyalty is really important, and usually will remove most of the social rules and regulations, and it is a society promoting strong relationships where they are all responsible for each other. Additionally, when hiring and promoting the decisions are made based on the group's membership and the management.

Regarding the uncertainty avoidance index, Portugal has a score of 99, this is the dimension that, according to the result of this analysis, is the one that defines the country better. It has a high index meaning that has rigid codes of belief and behavior and not very tolerant to unconventional ideas and behaviors, there is also a need for rules even if

sometimes they do not work, time is money, people have an inner desire to be busy and work hard, innovation might be hard and security is an important thing in the individual motivation.

Continuously, in the femininity vs. masculinity dimension the country has a score of 31, considered low which means that it is a culture more feminine where the values that control society are caring for others and quality of life, this is what they consider like a success, they think about working to live. Another important aspect in this type of culture is consensus, division or excessive competitiveness are not well seen, they also value things such as equality, solidarity at work, in this environment status is not shown but the focus is on well-being. Incentives like free time or flexibility are more appreciated and in the case of conflicts, they solve it by negotiating or compromising.

In the short-term and long-term orientation, Portugal has a score of 28, meaning that this culture prefers normative thoughts, they have a big concern with establishing the absolute truth, they show a lot of respect for traditions, small thinking on saving for the future and they are more focused on having fast results. It also implies delivering short-term success or gratification and has an emphasis on the present more than the future.

In the last dimension of restraint vs. indulgence, the score represents 33 defining this culture as restraint. This means that they tend to be pessimistic and incredulous, here they don't emphasize much on leisure time and they control the gratification of their desires, they feel that their actions are restrained by the social norms and feel that having whims is not correct.

We can see that in Portuguese culture the hierarchy is still very present and accepted, it is also a collectivist culture where belonging to a group is something important including loyalty, making that sometimes that becomes more important than the rules. This culture has low tolerance for uncertainty, ambiguity or taking risks and these things are minimized by strict rules, however this is a society where the main values are caring for others and having a good quality of life, the short-term orientation prevalent and lastly, they are more negative and restrained.

Finally, we identify that the two countries have overall a similar culture, there are just two dimensions in which they are the opposite: Colombia has a masculine culture, competition and being the first one is what they define as being successful, while Portugal has a feminine one, so these societies have a different point of view of what success is and

what they do to achieve it. The other dimension shows that Colombia has an indulgent culture, they tend to be positive, have fun and enjoy life, leisure is very important, while Portugal is a restraining culture, they feel bad if they do something they want to, and tend to be more negative.

We can see the importance of opening the trade borders and the possibility of export and import in a country's economy, both countries have been able to evolve and develop themselves thanks to this and the different agreements made with the neighbors. It not only shows the importance of geography but also that culture plays an important role and can help a lot. Now that we have an idea of what each culture looks like and how the export process works, we are going to deepen into the culture, how is the wine concept on each country, they type of wine they have and consume, in order to see what are the preferences of Colombian and how the Portuguese culture can fit into the Colombian market and culture.

Chapter II - Wine culture in Colombia

Colombia is located in the north-western side of South America, has an area of 2,070,408 km², including both its land and sea areas and has a population of 50,372,424 inhabitants. It has borders with different countries, to the east with Venezuela and Brazil, to the south with Ecuador and Peru and to the west with Panama, the Caribbean Sea and the Pacific Ocean, which we can see better in the figure 2. The country goes from the Caribbean coast into the jungles of the Amazon. Its territory is divided into 6 natural regions (one of them corresponds to the different islands) and each one of them presents unique characteristics making this country have a great ecological wealth. In addition, its population is multicultural, due to the miscegenation between the indigenous Americans of this region, Europeans and Africans.



Figure 2. Map of the different regions of Colombia. Source: (Socialhizo, n.d.)

- Andean Region or the Colombian Andes

The Andean region has a great natural diversity and the Andes mountain range passes through it. The climate of this region is very changeable since there are great variations in altitude, being able to find three types of climate: tropical, subtropical and temperate. As for

its biodiversity, it presents a unique fauna and flora: orchids, cinchona and purple are the most representative plant species and the hummingbird, condor and red fox are the animal species that represent the region

- Amazon or Colombian Amazon region

In the natural region of the Amazon of Colombia there are abundant equatorial rains and a warm climate with a temperature that varies between 22 C ° and 28 C °, which allows the development of the tropical forest and the existence of a fauna enriched with a large number of mammals and amphibians, in which the diversity of endemic reptile and bird species stands out. In this region we can find species such as macaws, toucans, jaguars, alligators and many more.

- Natural region of the Colombian Caribbean

Mainly, this region is characterized by a tropical climate. In most of the year they reach 30C°, although there are exceptions. The Caribbean region is the driest in all of Colombia, with an average of between 500 mm and 2000 mm of rainfall per year. As we have said, there are exceptions with respect to the climate, in La Guajira there is a desert climate in which it is very common to find cactus species adapted to high temperatures and water scarcity. And also in the Sierra Nevada de Santa Marta due to the high altitude that it presents, in this area all the thermal floors occur. Having temperatures of 0 ° in the peaks and 30 ° in the lower areas. In the Sierra Nevada, there are abundant rains in the autumn months, making it possible for up to 22 rivers to rise.

- Orinoquía

In the natural region of Orinoquía there is a warm and dry climate, in which savanna vegetation and natural pastures predominate, where there are plant species such as yellow guayacán, ceibas, epiphytes, grasses or moriche palms. There is also a very varied fauna in which species such as the red corocora, the black guio, the boa constrictor, the Orinoco caiman, the deer, the macaws, the tiger, the cotudo monkey, the anaconda, among others,

stand out. This region is located in a great plain that is crossed by the rivers that flow into the Orinoco and are characterized by the gallery forest that develop along them.

- Natural region of the Colombian Pacific

The climate of the natural region of the Pacific of Colombia is tropical with a monthly average temperature of approximately 24 ° C and high humidity. In its habitat there are abundant marine species such as sperm whales, humpback whales, sharks and crappies, shrimp and crabs. Also among the most important land animals are the anteater, wild boar, marmoset, sloth, freshwater caiman, harpy eagle, as well as small amphibians and reptiles. Regarding its flora, there are up to four species of mangroves due to the number of rivers that cross the region: white, black, red and piñuelo mangroves, with the piñuelo being the most abundant species. But not only do we find mangrove species, there are also plants such as palm trees, large-leaf mahogany, ash, fern, and mulberry. The peaceful natural region of Colombia has 8 national parks with the aim of conserving its biodiversity due to the danger it has of disappearing.

Now that we have the main information about the country, its geography and its different regions, conditions and climate, we are going to see a specific industry in its economy: the alcohol industry, more specifically the wine one. We will see about the history in this matter to better understand the actual situation regarding wine consumption.

2.1 - Context of wine consumption in Colombia

Even though Colombia has a tropical climate, it grows grapes and produces wine, the wines in the country are made from hybrid varieties, especially those adapting to the hot and humid climates that are present at tropical latitudes. There are some viniferous varieties like Cabernet Sauvignon and Chardonnay, etc. that are grown there but it is a minority, as it should be under specific conditions such as cooler and drier land. The problem has been the humid climate as these conditions tend to create fungal diseases and mold so they have had to implement specific vineyard-management techniques to be able to keep healthy vine. It is necessary to extract the leaves manually at least once a year to introduce the vine in a period

of dormancy as the vines need to shut down to recuperate and start the preparation for the next vintage and with these climate conditions, there can be several during the year.

The history of wine in Colombia started 400 years ago, when Jesuit missionaries brought wines, whose purpose was for religious ceremonies; some of the wild grapes survived and can be found in some areas of the Boyacá department. They were able to make some Colombian wines but they had to stop its production because the Spanish king prohibited it under death penalty. It was until 1982 that they started again with wine grapes cultivation for the first time after the Spanish crown. So the major force for wine production started in the 1980s and 1990s, there were high taxes implemented on wine imports coming from non-south American countries. These prices encouraged them to move towards Argentinian and Chilean wines instead of those from the USA. Additionally, Colombia started some winemaking initiatives that were able to satisfy a good quantity of the domestic demand by the mid-1990s. Now this is used in the production of fortified wines or is distilled in brandy. Colombian rum has probably a better profile than the wine, some liqueurs and few other spirits are seen in export markets as well.

Colombian wine is produced in small quantities in the departments of Boyacá, Antioquia, Valle del Cauca and Santander. It is still not common to find a lot of Colombian wine, as we have seen previously, due to its climatic factors, wine production can be hard, plus the cheap cost of importing Argentinian and Chilean wine. However, the quality has been improving but in general Colombia is not a big wine-drinking country.

The alcohol market in Colombia is divided into 3 main categories: beer, spirits and wine, with this order of preference. As we can see in the figure 3 below, Beer represents the biggest market within the alcoholic beverages market in the country with sales of 7.094€ millions and 2756 millions of liters consumed in 2019, according to Euromonitor. The growth between the period of 2014 and 2019 has been 68,5% in value, but 25,5% in volume which shows an increasing trend in the price. Continuously, spirits represent the second more consumed alcoholic drinks in Colombia with sales of 1.771€ millions and a consumption of 75.6 million of liters, however the sales have decreased in 22% of volume compared to 2014 but has increased in sales by 20%, meaning that these drinks are less consumed but people pay more for each bottle. Finally, we see that the sales of wine in 2019 represent 498€ million and 38.9 millions of liters in consumption. In value, compared to 2018, there has been an

increase of 10,5% and during the period of 2014-2019 an increase of 50,8%. For wine categories, the consumption is distributed in the following way: 71% to sales are still grape wine, 16% to sparkling wine, 9% to fruit wines and the 4% remaining to fortified wine.

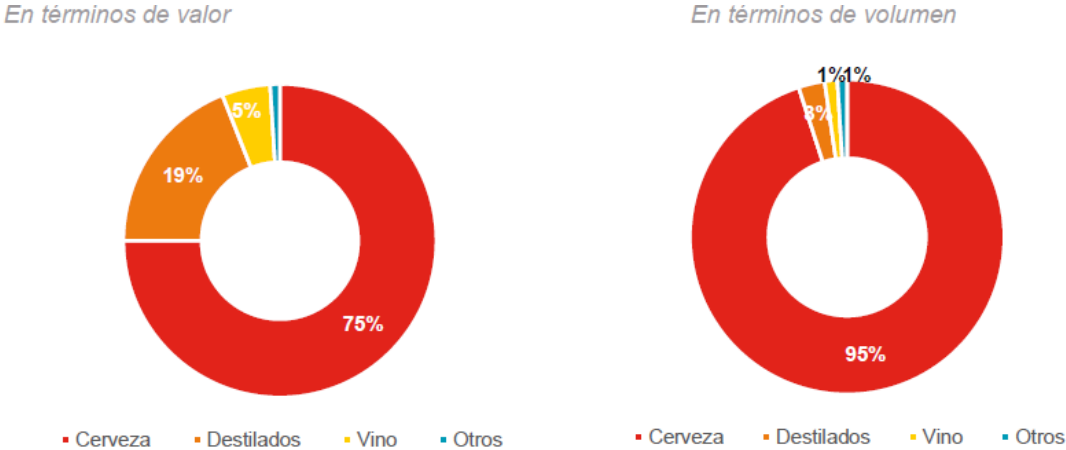


Figure 3. Consumption of alcoholic drinks in Colombia by category. Source: (ICEX, 2020)

The local production of alcoholic beverages in Colombia depends highly on the category: of the beer, 97,5% is locally produced, with a monopoly on the part of Bavaria, in the case of spirits the market is distributed between national production and imports according to the drink. Finally, regarding wine, most wine is imported as there is little national production. Looking at the alcoholic beverage of Colombian trade balance, we realize it is mostly deficit since alcoholic beverages are barely exported. However, the total imports of alcoholic beverages in 2019 represent \$235 million dollars from which 41% to spirits, 29% to beer and 27% to wine. As for wine import, they have grown by 10% since 2015 reaching \$63 million dollars in 2019. The main exporters are Chile by 46%, Argentina by 18% and Spain by 15%.

In 2019, alcoholic beverages exports of Spain were \$12 million dollars turning it into the 4th biggest exporter of alcoholic drinks to Colombia, from which \$9.4 million dollar corresponds to wine. This makes wine the product of the food and beverage sector more exported by Spain to Colombia, of Spanish wine export it should be noticed that in the last 5 years, Spain is the country that has increased its exports the most with a growth of 65% compared to 2015 and that each year is gaining more market share than Chile and Argentina. Compared to other Latin American markets, Colombia is already the fourth most important

market behind Mexico, Brazil and the Dominican Republic, and compared to these, the one that grew the most in 2019, by 35%.

The determinant factors in the demand of alcoholic beverages are mainly the Price and the brand, however it can vary by product, regarding the consumer profile and the consumption habits, wine is a product whose consumption is more widespread in the medium-high and high segment of the Colombian population, although it is growing more and more in the medium and low-medium. Plus, it is more reserved for special occasions. Then, analyzing the prices, the average price of wine is between 7€ and 10€ a bottle. Prices are high because even if there are no tariffs, there is a large tax burden made up of a specific tax and an ad valorem tax.

Currently, there is a project called “el Consortium of the sun of Gold” that has more than 70 families from 16 municipalities of Boyaca which have a high quality territorial aptitude for winemaking. Another project for the cultivation and production of quality wines is the Aim Karim vineyard, located in Boyacá municipality of Sutamarchan, strains of Chardonnay, Cabernet Sauvignon and Sauvignon Blanc are grown there, which are brought from France. The vineyard is located in one of the driest regions of the Cundiboyacense highlands, starting the production of wines since 1998. It currently has more than 38.000 plants that produce 5,000 liters each harvest. Thanks to the excellent performance and collaboration of the Aim Karim vineyard, several professionals have developed degree projects in said vineyard together with the technological collaboration of European countries (Gennari & Estrella, 2015).

These regions of the country are particularly special for vine growing due to two essential factors: the altitude and the amount of rainfall, with an approximate altitude of 2,600 meters, these regions are in a situation at sea level similar to the wine regions of France and Spain. On the other hand, with consolidated rainfall ranging between 820 and 850 millimeters of rain per year, the conditions achieve a certain similarity with French lands (Portafolio, 2013).

With this overview about the context of the wine consumption in Colombia and its history, we can see the different factors that can explain the lack of wine culture in the country and its low consumption, especially due to the lack of climate conditions. However, a change

in alcoholic drink consumption, including wine has been remarked among the population and this is what we are going to see more in detail in the next section.

2.2 - Change in the alcohol consumption in Colombia

Despite the fact that the wine consumption is lower compared to the other alcoholic beverages, there have been some changes in the last few years. According to the information provided by the president of Grupo Exito, Carlos Mario Giraldo, in Colombia the consumption of wine per capita increased from 400 to 750 milliliters in the last 5 years. Therefore, despite the fact that this figure is lower than the world average, the growth potential of this category is evident. (Guevara, 2017). This increase shows a progress of the wine sector that can be explained due to factors such as the variety of prices, increase of specialized stores, promotions of retail companies, etc. This increase in the alcoholic beverage consumption with the change in the consumer preferences show a good opportunity in the Colombian market.

Additionally, according to Euromonitor, wine had a total volume sales growth in 2020. This category registered a big sales decline due to the COVID-19 pandemic, which led to closures of restaurants. Even when the restrictions were relaxed in September, alcoholic drinks consumption was only allowed with meals. However, there was a particularly fast growth in e-commerce sales of the alcoholic drinks sector, while in 2019 online sales were equal to 7%, in 2020 they were equal to 14%. This increased as it was the best channel to acquire things without having contact with other people or places, and thus the risk of viral transmission through social contact was reduced, plus the convenience of ordering from home. Wine had a dynamic rise, by retailer websites like Exito, Jumbo, Olimpica and also, by delivery applications such as Rappi, Cornershop. Etc.

Another change caused by this event is the reinforcement of the downtrading trend. Down-trending refers to reducing the number of attributes or the quality of a product to match the price selling asked by its customers. Which also means that the customer is choosing products with lower prices with less characteristics. In 2016, there was a tax reform that affected wines with higher prices, making consumers look for brands that were more affordable. We can see that the COVID-19 pandemic reinforced the trending changes in

consumer's behavior in the wine sector that were already occurring before it happened. This is an event that has changed the way things used to work and the lifestyle of people everywhere around the world, which also caused a big impact in the economy of every country and it is an important factor to take into account from now on. It changed trends, behaviors, thoughts, which we can see more specifically in the wine sector in Colombia, an attractive market for the wine industry.

According to Nielsen, wine had a variation in units of 9,8% and sales of 16,8% so far in 2020 compared to the same period of 2019. The Exito Group has performed better, growing 13,5% in volume and 22,1% in sales, mainly leveraged by new moments of consumption in the modern channel since the beginning of the lockdown. In this same Nielsen report, says that the wine consumption reached in April, June and July 20.3% growth in the general market, while the Exito Group managed to grow 12 points over this figure representing 32%.

For Carlos Mario Giraldo, the president of the Group, this increase is based on new consumption patterns, going from being a drink to socializing in meetings to being a companion for meals. Another interesting fact is that in the modern channel (retail, physical and virtual), the wine category occupies the second position in the sales ranking with a share of 14,1%, after beer representing 48,8% and surpassing whiskey with 13,2% and brandy with 8,6%.

Finally, 63% of wine sold in the country in the modern channel corresponds to Bogota and Medellin with 45% and 18% respectively and both cities are growing above 20%. As of September, the Group has sold \$ 113 billion in wine represented by 3.8 million bottles, with a 22% growth in sales compared to the same period in 2019. Grupo Éxito's wine buyers have spent an average of \$ 133,598.

So we can see that the interest on wine has been growing over the last years in Colombia, being reflected on its consumption, a phenomenon that was already increasing before the pandemic of COVID-19, but when it started, the consumption increased even more. Now we are going to deepen into this fact and analyze this consumption to see what the type of wine they consume and prefer is.

2.3 - What kind of wine do Colombian people consume?

The main importers of wine in the country are Chile, Argentina, Spain, Italy and France. In 2016, the sales of Chilean wine registered a value of US\$28,3 million with a participation in the national market of 56%, a figure that increased by 3 % compared to 2015. The second provider was Argentina with 19,1% and in the third place Spain with 12,7%. The report highlights a significant increase in the consumption of Chilean Cabernet Sauvignon wines that increased consumption by 82%, carménère by 112% and Merlot by 42%. Among the wine strains preferred by Colombians are carménère, merlot and sauvignon Blanc and more recently the increase in the consumption of sparkling wines and Rose stands out. Colombia, for its part, is the third destination for Chilean wines in Latin America, after Brazil and Mexico.



Figure 4. Evolution of the consumption of wine by type. Source: (La República, 2020)

One of the new trends has been the increase of white wine consumption that in 2016 represented by 20%, increasing to 28% in 2019 and during the year it had a total increase of 24%. According to Oscar Montaña, co-owner of Premium Fincas, with wineries in Riojam Ribera del Duero and Rias Baixas this is a normal phenomenon happening because of the maturity of the market. He said that 10 years ago, Rosé was very desirable and today its consumption has decreased, whereas the whites are growing a lot and the reds have recovered, passing from 64% in 2016 to 55% in 2019 and increasing again to 61% during 2020. As for the latter, the trend used to be towards more fruity and sweet flavors and today what is sought are drier and complex. Which depends on the maturity of the market and an example he always give about an American friend is that he says that 10 years ago when he

was invited for dinner, he would always bring the most expensive bottle but now, a person who thinks is “in” into the world of wine must bring the cheapest, highest quality bottle possible, it is how trends change.

This is also reflected in the fact that in the Expovinos 2020 of the Grupo Exito, the most important fair of the product that is made in Colombia, it was included in its award, in addition to the best wines by vine or country, the best according to their price. Ervigio Adán, expert winemaker for Grupo Exito explained that within these categories they look for the best quality-price, so that not only the best wins but also, to appreciate brands that are doing well.

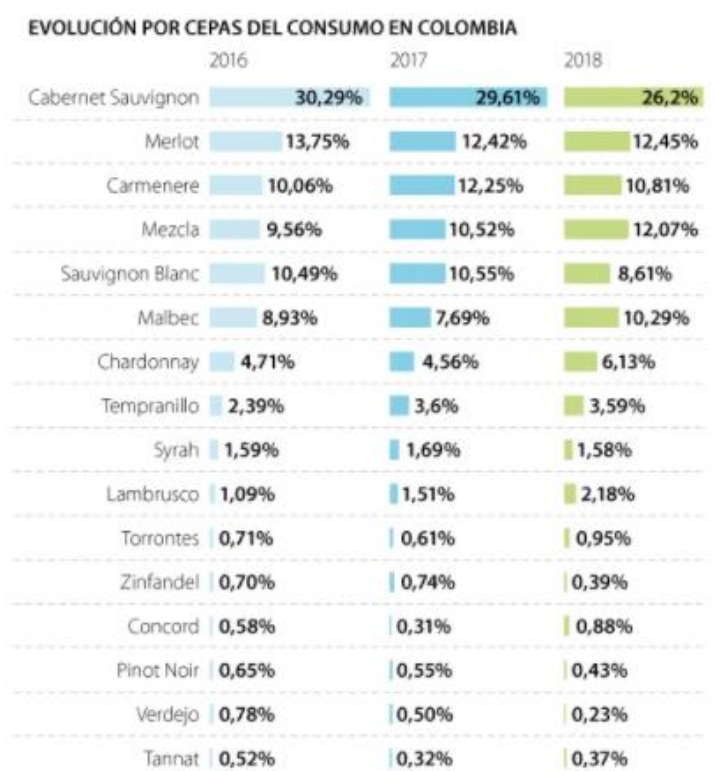


Figure 5. Evolution by strains of the consumption in Colombia. Source: (La República, 2020)

Regarding strains, we see in the figure 5 that the one growing the most was Chardonnay with an increase of 1.42 percentage points (pps) passing from 4,71% in 2016 to 6,13% in 2018; followed by Malbec with 1.36 pps and Tempranillo with 1.20 pps. These increases, apart from the higher consumption, are also due to the entry of more competitors and brands. For example, in Exito that sells \$64.5 of every \$100 sold in the modern channel (retail both in the physical and virtual world), reaches 290 references of white wines, 158 sparkling wines, 800 red, 105 rosé and 50 of sweet wine. On the other side, the strains

decreasing the most was Cabernet of 4.09 pps passing from 30.29% in 2016 to 26.2% in 2018; followed by Sauvignon Blanc with 1.88pps less and Merlot with 1.3 pps less.

The cities where the wine is more consumed are: Bogotá representing 66,2%, then Cali with 54,5% and Medellín representing 46,9%. The Colombian Association of Importers of Liquors and Wines (Acodil), says that of the total of 1,922,487 boxes of imported liquors and wines, 1,139,046 are of wine, of which 592.000 come from Chile and 270.000 from Argentina.



Figure 6. Wine consumption by origin. Source: (La República, 2020)

Grupo Exito customers, so far in 2020, opted for red representing 60%, followed by whites with 24%, sparkling wines and champagne with 10% and rosés with 7%. Finally, regarding the origin of the wines sold, in the figure 6 above we can see that Chilean wines represent almost 60% of sales in 2020, followed by Spanish wines with 14%, Argentinians with 12% and French and Italian each with 5%. We see an increase in the wines from Chile and Italy even though it is not that much and a decrease in the case of Spain and Argentina, the biggest one.

2.4 - Where are they consuming?

The distribution of wine in Colombia is done in four main places, the first one is the supermarket channel that currently represents 60% of wine sales, a concentration that becomes greater if we take into account that two supermarkets: Almacenes Éxito and Jumbo have 40% and 19% of the market, respectively. That gives them a clear advantage in the negotiation conditions compared to importers. The relationship between the importer and supermarkets is similar to what is seen in other countries and includes, for example, a 'confidential' discount that ranges between 15% and 20%, together with support in

promotional activities, in which the discount on products is assumed, on the one hand, by the supermarket and, on the other, by the importer.

After the supermarkets channel, according to the importers consulted, the Horeca channel, referring to the consumption carried out in Colombian in hotels and restaurants, as well as in social clubs, since a great majority of quality wines are consumed in these establishments, and specialized stores which together account for 25% of the total sales they make and, likewise, institutional sales stood out as an interesting item. Finally, a small residual percentage is sold in the neighborhood stores of the big cities and towns, but the volume of sales in these establishments is really small.

The distribution channels of wine in Colombia have undergone an important change in recent years. Until 2-3 years ago, the large Colombian distribution chains bought wine from distributors-importers who imported the products from other countries. However, as of 2001, most chains import directly the manufacturer's product like Carrefour, Almacenes Éxito or Cacharrería la 14, thus eliminating the figure of the wholesaler-importer in the distribution chain.

Additionally, recently there has been an increase in the at-home consumption and online buys due the Covid-19 measures imposed, e-commerce has become an appreciated channel for buying wines, mostly because of the convenience and contactless delivery. Finally, there are some events taking place in order to promote wine, for example, the Expovinos Fair is the most important event in this sector in Colombia. Its 10th edition, held in 2015 in Bogotá, was attended by more than 30,000 visitors and the presence of 80 international exhibitors.

We have seen that Colombia due to its climate is not a big wine producer, even though there are few places in the country with specific conditions where wine can be produced but not in such big quantities, thus being responsible for a lack of knowledge in the matter and its consumption. Which we can see in the places where they consume more, most of the sales are done in big supermarkets and less in hotels, restaurants, etc. However, in the last years there has been a change in alcohol consumption, even if most people continue to consume other alcoholic beverages more than wine, there has been a remarkable increase on its consumption creating an opportunity to enter into this market. Now we are going to see the case of Portugal.

Chapter III - Wine culture in Portugal

According to the International Wine Organization (OIV), Portugal is the fifth largest producer of wine in the European Union and the eleventh largest in the world. The grapes wine area in Portugal is the fourth largest in the European Union after Spain, Italy and France. In 2019, the planted area was equal to 192,743 hectares, a decrease of 9% compared to the last ten-year average. The main producing regions of Portuguese wine are Douro-Porto, Lisboa and Alentejo.

Eurostacom data reports that there are 909 companies in Portugal working in the wine industry (CAE 1102). This database shows that most of the companies operating in Portugal are micro-companies, representing 74.15%. These companies have a traditional character as most of them have been consolidated more than 10 years ago and they are located mainly in the north of the country, on the Riviera of the Duero River. Regarding the red wine production, it has been decreasing compared to the period of 2014-2015, obtaining a difference of 62.107 hectoliters in the region of Terras do Dão, which has also been the case in Lisbon and the region of Alentejo obtaining 275.2 and 969.8 thousand of hectoliter less than the previous season.

Concerning the wine imports, in 2018 they reached 152,9 million euros which meant an increase of 14% from 2017. However, regarding the trends of the last years, from 2015 to 2018, wine imports have increased by 34% which is due to the fact that from 2016 to 2017 wine imports increased by 24%, especially to the contribution of bulk wine purchases, mostly Spanish.

The country from which Portugal imports the most is Spain, with a figure of 77% of imports, reaching 120,2 millions of euros in 2018. The leadership of these Spanish products has been maintained for the last few years. Since 2015, Portugal has increased its imports of Spanish products by 44%, followed by the French wine that represented an import of 18,9 millions of euros.

As we have seen, Portugal is one of the largest wine exporters in the world, its main destinations to export are: France, United States, United Kingdom, Brazil and Germany. Portuguese wine exports grew by 3,6% in value and the average price increased by 3,9% in 2019, compared to 2018, reaching 580 million euros, according to Institute of Vine and Wine (IVV). A remarkable fact is the growth in export value compared to last year. In the case of the United States the increase was by 7,9%, with the United Kingdom by 22,4% and Germany

by 2,5%. As Jorge Monteiro, the CEO of ViniPortugal said, it is a small country but a major player in international trade, competing worldwide with the best regardless of the challenges and difficulties present in this sector.

Portuguese wine production is mostly conducted by three types of producers: small producers and individual entrepreneurs, medium and large producers and cooperatives, representing only 5% of the total entities in the sector but its contribution in wine productions is about 42%, taking into account the number of farmers covered by their activity (Organisation Internationale de la Vigne et du Vin, 2012). However, this has been decreasing as a result of some unit's closure, especially the small ones in the north of the country. Nevertheless, Portugal is considered to be one of the most fragmented exporters with 50% of its sales scattered across six markets with different characteristics, despite quality, the wine is sold at a low price, lower than the imported wine equivalent and still very focused on the domestic market (Monitor Group, 2003).

3.1 - Importance of wine in Portugal

The wine sector is one of the most important of the Portuguese economy, and a relevant sector to conserve rural areas because it gives employment, economic stability, investments and environmental sustainability. Wine growing has always had a crucial role in the agriculture of the country as its role is very important in the national economy. Wine production is like an old tradition and has been a priority of the Portuguese state for the development of the national economy (Martins, 1998). This wine growing extends all over the Portuguese territory and is divided in different regions where it is grown, each producing a different kind of wine in a natural way.

Drinking wine in Portugal can be a characteristic of the social, cultural and religious environment, as the most popular religion in Portugal is Catholicism, the wine plays an important role in the Catholic Church and religious rituals. In the different regions where wine is grown, its production is related to some aspects such as history, physical, cultural, biological and sociological development. It can even be considered as a “*source of nutrition and a healthy lifestyle*” for the population.

The history of Portugal has been permanently connected to the wine trades and exports, since the fifteenth century, the period of the discoveries. In the beginning of the

second half of the twentieth century, the country was governed by Antonio de Oliveira Salazar, who was implementing an authoritarian regime that was known as the New State. The wine sector was a strategy for the development of the country, which we can see thanks to his quote “*drinking wine helps to feed one million Portuguese inhabitants*”.

Actually, earlier in 1933, the government restructured the organization of the wine sector in federations of winemakers (*Federações Dos Vinicultores*) that had to supervise the production of the wine and made the “Guild of Wine Exports” (*Grémio do Comércio da Exportação de Vinho*) with the purpose of finding new foreign markets for the Portuguese wine. So in the Porto Region the government developed an Institute specifically of this region due to the particular characteristics of the Port wine, called *Instituto do Vinho do Porto* (IVP), which is still the most important organization in charge of monitoring the wine sector there. The *Casa do Douro* was also created, considered as a secondary entity as it was managing the activity of 30.000 producers in the region. Moreover, in 1937 the National Wine Board (*Junta Nacional do Vinho- JNV*) whose head office was in Lisbon became the most important Institutions of the national wine sector. Ever since, the production of wine has had to follow a bureaucratic process to be able to get the “Stamps of Guarantee ” (*Selos de Garantia*) that have only been given to wines meeting the requirements of the JNV or the federations of winemakers.

Continuously, wine producers associated with the first Adegas Cooperativas (association of wine growers and producers) emerged in 1931 to be able to face the bad weather conditions and the plagues. Nevertheless, it was until the aftermath of the Second World War that these associations were more diffused thanks to the plan of the Ministry of Finance, Ulisses Cortes that wanted to get two thousand hectoliters of wine production. During this world, Portugal increased its exports, mainly to the countries participating in the war, the major exports were wolfram, food and wine. During this time, the Guedes family, having a company called Sogrape, launched a Rosé wine called Mateus Rosé, it was firstly exported to Brazil, this was created due to the need of having a fresh wine so the company took advantage of this, in order to fulfill customer’s needs and tastes, which allow them to increase the exports, representing an increase in sales as well.

Then, in 1960, Portugal integrated the European Free Trade Association (EFTA) as a founding member, and changed the growth strategy by giving more importance to trade

openness. Indeed, during this decade, the country's foreign trade increased, as well as the emigration flow. In April of 1974, there was a big political regime change due to a bloodless coup by some military, this is known as the Carnation Revolution that brought down Marcello Caetano replacing Salazar since 1968 when he got sick, this caused a change among the entities created by Salazar, some of them were reorganized, some others were eliminated like Casa do Douro. Continuously, in the 1980s, during the preparation of the country to enter in the European Economic Community (EEC), there were some other changes within the entities that were in charge of the wine sector due to the increasing of the trade openness towards the ECC and the need to homogenize concepts and rules with the other European countries. For example, the JNV changed the name to Institute of the Vine and Wine (Instituto da Vinha e do Vinho - IVV).

With the intention to have a better standardization of the different designations for wine, related to the other European countries, there were settle four categories of Portuguese wine: Denomination of Controlled Origin (Denominação de Origem Controlada: DOC), Indication Of Regulated Provenance (in Portuguese, Indicação de Proveniência Regulada - IPR), Regional Wine and Table Wine.

In the late twentieth century, Portugal had 238,000 hectares of vineyards in total, divided between 300,000 farms. This capacity of production helped the country to be the tenth largest wine producer in the world and the sixth in the European Union by the end of the 1990s according to data from Mayson (2005). In terms of export volume, the major markets of Portuguese wine were Angola, France, the UK; Germany and the USA, meanwhile, in case of sales value, the major country is the UK.

Regarding consumption, Portugal has always had high levels of national consumption. Domestic consumption was equal to 52 liters per capita per year at the end of the twentieth century, making Portugal the 4th country in the world with the highest consumption of alcohol, after Luxembourg, France and Italy. Nevertheless, the consumption per capita decreased since 1965 due to a change in people's mentality and a bigger concern about the quality of life, which also brought the slogan of "drink less but better".

Lately, the country had to implement a new way to manage the wine sector by encouraging important improvements in the quality of wine production and paying more attention to the image and its marketing. Commitment to quality can also be seen through the

increase of the winemakers, an increase in the expenditures on technological development and research of the vineyard and the bottling processes and wine treatment. Some companies worked on their business management processes to make it better as well.

Tourism is also an important sector in the Portuguese economy, that now has wine tourism as one of the “*fastest growing economic exponents and an enhancer of sustainable local development*” (Maduro, Guerreiro, & de Oliveira, 2015), so the country is starting to consider it as an activity that can help the economy of the country and at the same time boost the progress in regions with more socio economic importance. Its culture of producing wine made it a symbol of the country around the world and is now recognized by UNESCO as a world cultural and Natural Heritage. Portugal is one of the first regions in the world producing wine, with a heritage region in the Douro Valley Wine Region and Pico Island Wine Region (Charzynski, Łyszkiewicz, & Musiał, 2017).

Wine is also an important product in Portugal as it encourages the tourism sector as well, in recent years there has been a new activity: wine tourism, due to the wide wine diversity existing in Portugal according to the different regions, it has become an interesting attraction for tourists, representing a good opportunity to grow. In some of the wine regions, the dependence of tourism is more evident, who's funding and financial benefits are concentrated in certain areas of the country due to the long-established tradition that those regions have within the tourism sector. These areas absorb a considerable number of support infrastructures, hence increasing the visibility and attractiveness of such destinations in the domestic and international markets (Carvalho, Soutinho, Paiva, & Leal, 2018).

We see that the wine sector in Portugal is a cluster capable of boosting the presence of the country in the world and also encouraging an increase of the level of the global competitiveness of the country. Wine tourism become also a very important thing in the country and its economy, attracting more people and generating improvements in the wine production processes and sector as well. We can also see that Portugal has different regions having an impact on wine's identity and production, for this we are going to see the different regions and its culture and then, the types of wine according to each one to have a better understanding.

3.2 - How is the culture in the different regions of Portugal

The Nomenclature of Territorial Units for Statistics (NUTS) of Portugal is used for statistical purposes at the level of the European Union. These codes divide it into three levels: in the first level there are 3 divisions, the mainland Portugal, the Autonomous Region of the Azores and the Autonomous Region of Madeira. In the second level we find 7 regions, besides the Autonomous Region of Azores and Madeira, we find the North, the center, the metropolitan area of Lisbon, Alentejo and Algarve, belonging to the mainland of Portugal. Finally, the third level is established by the Portuguese sub regions with the status of administrative units, they are equal to 23 inter-municipal entities in Continental Portugal and they do not coincide with the Portuguese districts since a sub region can be made up of municipalities belonging to different districts.



Figure 7. Regions of Portugal. Source: (xrei, n.d.)

In the figure 7, we can see in a clearer way the division of the 7 regions in Portugal and its districts. Now we are going to see more in detail in each one of the regions, its location, weather, gastronomy, celebrations and traditions, music, arts, etc. to see how similar or different they can be.

- NORTH REGION

The North Region includes the districts of Viana do Castelo, Braga, Oporto, Vila Real and Braganca and in the north of Aveiro's district, Guarda and Viseu. Limits to the north and

east with Spain, to the south with the central region and the west with the Atlantic Ocean. The region has a predominant mild Mediterranean summer climate on the coast and a warm summer Mediterranean climate along the Douro Valley. The northwest of Portugal has temperate summers and mild winters, influenced by the Atlantic Ocean and the variation in daytime temperature rarely reaches 10°C. While in the interior, the northeast of Portugal has hot summers and long cold winters.

Galicia and the North of Portugal have been promoting the official application for recognition of the Intangible Cultural Heritage of Humanity by UNESCO, for the enhancement of urban, historical and natural areas with a strong potential for internationalization and tourist demand. The wealth of this region extends to the different cultural and sporting spaces, as well as to its people who, in the most diverse areas, have internationalized and taken the name of the North Region, but also of Portugal, beyond its borders. This region allows people to visit either for nature or religion tourism as it is full of mountains and natural parks dotted with castles, making it easy to have fun in contact with nature and have places like Braga, a city full of sanctuaries, churches, sacred places and museums that together with Fátima, is one of the main scenarios of religious tourism in the country.

The north of Portugal, the cradle of the country, is known for the authentic and frank character of their people, and for their traditional hospitality. Among its attributes are a rich gastronomy, accompanied by the excellent wines of the region. The regional gastronomy takes advantage of its natural resources, which is why the green soup is appreciated throughout the country. It is a cabbage soup that owes its origins to the fertile green fields of the region. In the western part, delimited by the sea, the freshness and quality of the fish occupy a prominent place. Pork is also present with regional varieties not only in quality sausages, but also in dishes such as rojões (fried meat) and sarrabulho (meat cooked with blood). Grilled sardines are also important in this region, and in Minho, the traditional wine is vinho verde, a young wine made from grapes grown in arbors that often serve as property markers.

Finally, this is a region with centuries of history where immemorial traditions are kept alive and renewed in a territory full of churches, sanctuaries, convents, chapels and monasteries and places of worship available throughout the year. In the small towns, villages

and cities of the North, customs and traditions never end. In all experiences, rituals are made to the Virgin, to the patron saints or in the June festivities, to the popular saints, a season in which its inhabitants dedicate body and soul to their festivals, and pilgrimages. The cult, but also the popular festival attract believing pilgrims looking for miracles and fulfilling promises, but also tourists, moved by the echo of traditions, curious about the places of culture and heritage in the North, where millions of people come.

- CENTER REGION

Center Region, limited to the north by the north region, the east by Spain, to the south by Alentejo, to the south ouest by the region of Lisbon and Valle del Tajo and to the ouest by the Atlantic Ocean. The region has predominantly a non-coastal Mediterranean climate and a mild Mediterranean climate non-coastal in higher areas, the lower temperatures are present in the mountains in the inland part in winter, where they can fall below -10°C or on rare occasions below -15°C .

The Central Region of Portugal, represents 25.7% of Portuguese territory and 16.8% of its population, enjoys a situation of geographic centrality in the national context: it ensures the articulation of Portuguese territory and its urban system, through the connection of the structuring mobility corridors between the major metropolitan areas of Lisbon and Oporto; it also ensures access from Portugal to the north and the center of Europe, through the continental transport corridors; and being a region with an Atlantic façade where the medium-sized ports exist, it also ensures articulation with Europe and the rest of the world through maritime transport

The Region also holds historical and cultural heritages from different times and civilizations like Lusitanians, Romans, Visigoths and Arabs, the tourist resources are relevant in the Central Region of Portugal, we find buildings and urban and natural areas classified as a heritage of humanity by UNESCO. This offer includes rural tourism, with differentiating products from the region itself, such as the networks of river beaches, historic villages or villages of pizarra. Furthermore, the region presents good rates of education in the population and conditions for the development of scientific research activities, specifically in the areas of health, material engineering, electronics, biotechnology and information and communication technologies.

This is also the ideal place for nature lovers who travel individually with mountains to hike. Along the sea, fishing villages and cosmopolitan beaches in which the nautical sports set the pace of the day. And everywhere, the millenary heritage shows with pride the history of the region. To comfort the stomach there are flavors for all palates. Cheeses are more common due to grazing in the Serra da Estrela and fish, including octopus, squid and eel, are abundant. The wines of the demarcated regions raise the spirit with distinction. It is a product of the flavors of these people, authentic and welcoming, that the visitor receives with the best thing they have.

Finally, some of the celebrations taking place here are: Medieval market, a fair that is organized for two weeks in the village of Óbidos, it occurs during the final days of July and the first days of August, proposing a trip to medieval times including actors and artists. Another of the most beautiful and oldest festivals in Portugal are the ones known as Festas dos Tabuleiros, in Tomar, it is only celebrated every four years during the months of June or July. The main attraction of this tradition is being able to see the women of the city carrying spectacular trays up to 2 meters high on their heads, an act of strength that the women of the city celebrate with pride. Lastly, there is Queima das Fitas in Coimbra, in May the bonfire of the ribbons is celebrated, a centuries-old academic tradition, ribbons of different colors are publicly burned and includes parades, dances and serenades surround the streets of the city in a collective pyrotechnic party.

- METROPOLITAN AREA OF LISBON

Lisbon and Valle del tajo, limited to the north with the central region, to the east and south by Alentejo region and to the south ouest by the Atlantic Ocean. Here is where everything happens in the country: important events, congresses, international shows, political decisions, etc. Lisbon is the administrative headquarters of Portugal and it is also home to important national and international companies and is chosen as a destination to live in Portugal, mainly for those looking for a job or studying at one of its universities.

In a city that has received many different cultures from far away over time, a rustic atmosphere is still felt in each historic neighborhood. We can walk the grid of streets of the Baixa pombalina that opens to the Tagus in Praça do Comércio and, following the river, get to know some of the most beautiful places in the city: the monumental area of Belém with

World Heritage monuments, medieval neighborhoods and also, more recent or contemporary leisure areas, such as the Parque de las Naciones. The best known Portuguese musical genre in the world is Fado, which dates back to the 19th century and original from here, characterized by a melancholic tone. In addition, in Portugal there are also other typical musical instruments such as the bass drum, the 12-string guitar, various types of viola, the cavaquinho and the bagpipe of foles.

A sardinha assada is eaten all over the country, but in Lisbon there is a special tradition for the festivities of the Popular Saints, in June, especially in summer, it is a mandatory dish in a typical restaurant or beach terrace, with roasted peppers, tempered with excellent Portuguese azeite. Therefore, the boats that provide the region's fishing ports (Ericeira, Cascais, Sesimbra or Setúbal) provide many other fish and shellfish of succulent fish soups or simple grilled fish. Plus, the *pasteis de nata* from Belém, a very important sweet.

Finally, some of their celebrations are: the Feast of Saint Anthony, for which the month of June became one of the most representative for the city. During these dates a return to traditions is made, the streets are decorated with many colored ornaments and multiple shops and improvised stalls begin to offer the public a great variety of products, including the typical sardine, which became the most precious food during those days.

- ALENTEJO

A deep and rich culture is present in this region, it is possible to see it through the first prehistoric prints of man's primitive art in the open air art galleries. More recent medieval castles and fortified villages are present in the landscape with amazing cathedrals, convents and museums showing and telling the story of this interesting region. Alentejo is the place where European ancestors built their cromlechs, their cave paintings, their Neolithic spiritual places and their home.

Cereals and mining resources left in direction to the entire Roman Empire and in return they spread their agricultural and mining advances throughout the region, their villas that dominated large estates, their cities with temples, roads, aqueducts and theaters, and most important of all: a culture that is in the foundations of the way of living in the region. Today, Roman remains are scattered throughout Alentejo. It is the least populated region of the country, and has the oldest population with 22% being over 65 years old (while the national

average is 17,5%) and continues to decline. Locals are said to migrate from villages to cities in Portugal and from there to cities abroad so part of the immigration is from northern Europeans.

Some of their activities are the Alentejo sing, declared Intangible Cultural Heritage of Humanity by Unesco, is a choral song in which a solo point and a chorus alternate. The other activity is the cork production, Portugal is one of the largest cork producers in the world. This product has always been of importance in the history of Portugal, this culture and tradition that exists around its production can be seen in different ethnographic museums. In Alentejo there is no concept of luxury, they prefer to speak exclusively of authenticity, which is ultimately what differentiates them and makes them unique. In this immense region it is possible to live for a few days on a boat in the largest artificial lake in Europe, the Alqueva; enjoy a wonderful stay in an old convent transformed into an exquisite hotel with the Luxury Collection seal, the Convento do Espinheiro; enjoy contemporary design at the São Lourenço do Barrocal, a new five-star hotel; where one runs the delicious risk of meeting some famous people.

Finally, the famous dish is Pork a la alentejana. It is a native dish from Alentejo, it is a recipe that combines pork, an animal that is raised in this area, and seafood, specifically the clam. The meat is cut into pieces and marinated before frying with paprika, bay leaf, garlic, coriander, parsley, vinegar, white wine and also seasoned with oregano, salt and pepper. The coriander is also added later in abundant quantities, along with the clams.

- ALGARVE

Algarve Region, the most southern region with Faro as its capital. Much more than magnificent beaches and a blessed climate, the Algarve has to offer a rich ethnographic heritage that is well worth sharing with the pleasures of the Sun and the Sea. From such particular ways of celebrating festive occasions (such as Easter, Christmas or spring) to built-up testimonies of ancient and recent times, passing, of course, to the irresistible delicacies that make up the gastronomy of the region, the Algarve has left, over the centuries, a legacy so precious that it is necessary to know intimately.

From here the Portuguese began the epic in the 15th century that led them to meet other people and cultures, they really enjoy welcoming people, something that is evident even

in the climate, mild and with lots of sun throughout the year, one of the sunniest and warmest region in the country, with a sunlight annual duration of 2700 hours per year and also with excellent quality of the beaches. Endless sandy beaches, limited by golden cliffs, almost deserted islands that mark the border between Ria Formosa and the sea, or small bays, sheltered by rocks.

The Mediterranean diet in the Algarve is one of the most fascinating and liveliest components of the entire culture of the region. Natural, fresh and mostly locally produced products, the use of pure olive oil as the preferred fat, the constant presence of fresh fish, the low percentage of red meats, the role of fruits, legumes and vegetables, even moderate consumption of wines with natural antioxidants. The transmission from generation to generation of knowledge and preparation processes, as well as the rituals of socializing and socialization, means that, more than just food, these are elements of the identity of families, communities and the whole Algarve. The awareness of this wealth, an essential condition for its preservation, is another ingredient that coexists in perfect harmony.

Continuously, within some of their celebrations we find the biggest Carnival corsairs in the country, at the time when the almond trees are in bloom, they bring floats and parades to almost the entire Algarve. On Easter Sunday and two weeks later they have some religious celebrations like, the Festa Pequena and the Festa Grande, leading to processions that marks the Resurrection of Christ, etc. There are festivals and dances in various districts of the cities and in the villages you can eat sardines and roasted febras, drink red wine, dance and jump over rosemary bonfires. Additionally, some sings done by group's chorus and fishers.

Now, regarding some symbols, the most striking one of traditional Algarve architecture is the chimney, the hipped roofs, or scissors, are typical of aristocratic cities, and denote a strong oriental aesthetic influence, which traveled along with silks and spices.

Finally, all over the Algarve, there are still artisans who produce blankets, carpets, towels, fine linens and rugs, using traditional techniques and materials. As well as pottery and ceramics, tiles, pieces in wood, copper and wrought iron and the magnificent decorative lace, with its utilitarian uses being transferred to decorative values. Discovering the Algarve's handicrafts means discovering its past, feeling its traditions and customs, and getting in touch with its ancestral values where many peoples and influences intersect

- MADEIRA

The Autonomous Region of Madeira known as Madeira, with an area of 741km² is an archipelago composed by four Islands: Madeira, Porto Santo, Desertas and Salvajes located in the Atlantic Ocean about 500km from the African coast and 1,000km from the European Continent between 30 and 33 degrees north latitude, in front of Morocco.

The islands have historical monuments, landscaped streets and squares and small typical villages. The traditional thatched roof house is a tourist attraction in the town of Santana. There are about 2,200 km of them forming a network of trails, which provide the hiker with a relaxing experience in beautiful places in the interior of the island. Others, however, run by dangerous cliffs. Funchal offers other attractions, such as its network of museums, its archaeological garden displays tombstones, Manueline windows (made of basalt stone), and various coats of arms.

Regarding its gastronomy, typical dishes include: sable fish combined with banana, tomato and onion soup, fish soup, atum steak with fried corn, sour pork with garlic, meat skewered on a bay leaf and cooked over hot coals), honey cake and, to accompany the meals, the bolo do caco, a wheat bread cooked on an iron plate, over hot coals, eaten with garlic butter and parsley. The island is a paradise for wine lovers. There are four varieties depending on the altitude where the vines are planted which we will see later in more detail.

Now, regarding the celebrations like Madeira wine festival, multiple activities are carried out, in relation to wine. Secondly, the Colombo Festival, dedicated to the travels of Christopher Columbus and his steps through the Madeira region and the Flower Festival, where Funchal becomes an immense garden full of tropical flowers, which is usually celebrated with the streets decorated with medieval motifs and exhibitions, sale of handicrafts, musical shows, dance, traditional gastronomic offers

- AZORES

The Autonomous Region of Azores, known as Acores is archipelago with an area of 2.355 km² composed by nine Islands: Sao Miguel, Terceira, Graciosa, Sao Jorge, Pico, Faial, Flores and Corvo located in the northeast Atlantic between the European and North American continent. This archipelago was formed by volcanic activity that started around 8,1 millions of years ago. The archipelago extends between the parallels that pass through Lisbon enjoys a subtropical oceanic climate softened by humidity and the Warm Gulf Stream. It registers

average temperatures of between 13 ° C in winter and 24 ° C in summer. Its vegetation is not typical of the Mediterranean areas, but rather has humid subtropical characteristics. The Gulf Stream, which passes relatively close, maintains the sea at an average temperature of between 16°C and 25°C.

The various traditional recipes of the Azores cuisine delight lovers of good food. Fish and shellfish abound there and, therefore, for those who like to savor delicious fish fresh from the sea, the Azores is paradise. Grilled, stewed or in soup, the fish comes in a wide variety of ways. But do not miss out on trying the tuna, which in these waters is pink, with a mild flavor and texture, slightly salty. Or the octopus, which is mostly eaten here stewed in cheiro wine. The Azores have seafood that cannot be found anywhere else, such as limpets, cracas or cavaco, a kind of tender and tasty lobster that it is almost a sin not to try. The Azores also have typical dishes made with meat. The lêvedo cake, originally from Furnas, is also quite popular and can appear in any meal, alone or with butter or compote. Or with honey from the Azores, whose diversity and richness of flora contribute to obtaining a high-quality product with a Protected Designation of Origin.

As for their celebrations, we find the arrival of June heralding one of its most anticipated festivals: the Sanjoaninas. These festivals of pagan origin take place in the Azores area and their origin dates back to the 16th century. From the beginning of the celebration, different cultural, recreational and sporting events take place that invite both residents and visitors to participate. One of the most anticipated events is the Bullfighting Fair with the participation of bullfighters, unleashing bulls in the squares. The taverns prepare tastings to savor some of the best specialties of Portuguese gastronomy and the nights are enlivened with the participation of academic tunas or musical groups and end with fireworks.

Portuguese culture can be considered one of the most attractive cultures of Europe. We can see that it has been strongly influenced by the catholic tradition and this link to religion has largely shaped their celebrations, social values and customs. Portugal has a fairly homogeneous society and does not have a great multiplicity of ethnicities within its territory. Their language is Portuguese, a language of Latin origin, which was declared official by King Dinis or Dionysius I of Portugal. Other types of dialects within Portugal are not frequent, however, there might be communities that speak other languages, especially those near the borders with Spain.

As for celebrations, within the country holidays are moments dedicated to joy and sharing. Many of the celebrations are linked to religious reasons and within them typical elements of the country such as food or music are exhibited. For its part, gastronomy in Portugal is one of the most relevant aspects. The Portuguese pay special attention to cooking and meal times. They enjoy holding banquets and they have admiration for their traditional dishes. Many times they combine flavors of sea and land and among some of the outstanding ingredients of their culinary culture, is the cod. In addition, Portugal is a place that tends to relive the past and honor the characters of history. The saints are highly celebrated and the time of explorations and discoveries are remembered within their customs. Now that we have a better idea of the different regions existing in Portugal and the culture around them, which is similar overall, we are going to see what the types of wine produced in each region are.

3.3 - Types of wine according to each region

We have seen that in Portugal there are 7 regions and 5 of them belong to the mainland. However, when it comes to wine production, the country is divided into 14 main regions producing wine. In the figure 8 below, we can see that from the north to the south these 14 regions are: Vinho verde, Trás-os-montes, Porto e Douro, Bairrada, Dão, Beira Interior, Tejo, Lisboa, Península de Setúbal, Alentejo, Algarve, Açores and Madeira. Now we are going to see more in detail about each region, the specific grape varieties grown in each one of them as well as the type of wine produced.



Figure 8. Wine Portuguese Regions. Source: (Wines of Portugal, n.d.)

- Vinho Verde

This is one of the most original and particular regions of the country that has a big influence on the Atlantic, with a humid and green landscape, refreshing temperatures and a lot of rain. It is the largest area with 24,000 hectares taking a big part of the north west of continental Portugal with ownership divided into thousands of small plots, sometimes bigger than small backyards. This region is located in the extreme north of Portugal limited to the north by the Minho River, going along the coast of the Atlantic until the city of Porto and to the south until the banks of the Vouga River.

Their vineyards are mainly along the valleys of the main rivers. The soils are homogeneous and granite, from fertile to very fertile and a lot of acidity. The main characteristic of the Vinho verde is the uncommon techniques of vineyard management, from

the exclusive layout of “eforcado vine”* with vines interlaced in the trees to the pergola system known as “latada”, passing through the “cruzeta” to the more usual cordon system.

The major varieties of white grapes are Alvarinho, Arinto, Avesso, Azal, Loureiro and Trajadura, which are characterized by the aromatic, the clarity and being refreshing, which at the same time seem good for sparkling wine. The red varieties are Borraçal, Brancelho, Espadeiro and Vinhão. There are two possible reasons for its “green” denomination, one is its acidity and freshness of the wine, remembering the lack of the fruit maturity. Another explanation is that the wine is produced in a region full of vegetation and then, it is very green even during winter. More specifically, there are two main types of wines made here, the first one is Branco Vinho Verde, a light-bodied white wine which usually has a bit of spritz and fruity flavor like lemonade with melon, gooseberry and a pale texture. The other one is Rosado Vinho Verde, a Rosé offering a red fruit flavor with some acidity like lemonade, these red and rose of Vinho Verde are mostly found in the southern part of Minho, in Amarante and Paiva.

- Trás-os-montes

This region is in the faraway part of the northeast of Portugal, detached from the coast by mountains where Marao is. It has a high altitude and rough weather with long summers followed by long and cold winters. The soils are granite, poor and not that productive and with some shale. This region is divided into 3 sub-regions: Chaves, Valpaços and Planalto Mirandês along the valleys of the rivers that cross them. The first two are located in the center of the region and with Planalto Mirandês on the plateau of the Serra do Mogadouro, to the southwest of the region.

The main varieties of the white grapes are: Códéga do Larinho, Fernão Pires, Gouveio, Malvasia Fina, Rabigato, Síria and Viosinho, and the red grapes are: Bastardo, Marufo, Tinta Roriz, Touriga Franca, Touriga Nacional and Trincadeira. In this region, growing vine is secular, there are some things that show that there was wine production when the Romans occupied the region. The wines are known for their great quality, but this region is not only famous for its wine, but also for its thermal waters.

- Porto and Douro

Douro is one of the wildest and most scabrous regions in Portugal, engraved by the Douro river valley and the absence of flaky soils. There are thousands of terraces dispersed all over the region, with the steep slopes where the vines are planted. Thanks to its beauty and dimension, the region was recognized as a “World Heritage Site” by UNESCO. The region goes through the River Douro axis, extending from the Spanish border to around 90 kilometers from Porto. Extremely mountainous, the Serra do Marão protects the region from the influence of the Atlantic. The weather tends to be dry, with cold winters and very hot summers, going from moderate rains in the west to the dryness of almost deserted land close to the border.

This region has a huge and unique grape variety, and a large area of old vines that sometimes are planted with dozens of varieties mixed together. Between this big amounts of varieties, there are five red varieties that highlight, these are: Tinta Barroca, Tinta Roriz, Tinto Cão, Touriga Franca and Touriga Nacional that are chosen for their excellence in the Port Wine production. From the white varieties, the most important are Gouveio, Malvasia Fina, Moscatel, Rabigato and Viosinho, and the red varieties Sousão and Tinta Amarela (Trincadeira) are also important.

It is here where Port Wine was born, the most famous Portuguese wine, in the two last decades it has been supported by the still wines of the Douros that have become more important and independent, showing themselves as a source of spotlight of the region. We find four main types of wine: Port wine, sweet and fortified wine, white Port and Pink Port, created with the uncommon white wine varieties, Red Douro, a full-bodied red wine, tannic, age-worthy red wines, and White Douro, light-bodied white wines. They are white, fresh and mineral wines with minimal fruity flavor, with slight salinity and high acidity, these are a bit harder to find.

- Dão and Lafões

This region is surrounded by mountains, it has poor granite soils, has its vineyard distributed between pine forests at diverse altitudes, going from 1000 meters in the Serra da Estrela to 200 meters in the lower zones. The vineyards are little and discontinuous, divided in different plots that have properties with insignificant areas. The mountains regulate the

weather of the region covering the vines from the continental and maritime influence and with poor soils that are mainly granite. The main varieties of white grapes are Bical, Cercial, Malvasia Fina, Rabo de Ovelha and Verdelho, in addition to Encruzado. Concerning the varieties of red grapes are Touriga Nacional, Alfrocheiro, Jaen and Tinta Roriz highlights, like the little valued Baga, Bastardo and Tinta Pinheira.

There are four types of wine produced here, the first one is Dão Alfrocheiro, a medium-bodied red wine red berry flavor, and a licorice and spice touch. The second one is Dão Jaen, a full-bodied red wine, with raspberry and black cherry flavors with a high but moderate acidity and tannin that dries. The third one is Dão Touriga Nacional, a full-bodied wine with strong black fruit flavors with chocolate and mocha with tannis and a bit of acidity. The last one is Terras do Dão and Terras de Lafões, a type of wine having the most experimentation and mix including international varieties like Indi blends, for example.

- Bairrada

It is a flat, seaside region that goes along a maritime coastal strip with the influence of the Atlantic, with a lot of precipitation and mild temperatures. The soils are divided between clay-limestone and sandy strips, dedicating different types according to the predominance of each element, the property is divided into a lot of small plots.

This region was one of the first that adopted and explored sparkling wines, a style that is still appreciated in the region. The cool and humid weather helps the development of this type of wine, as it provides grapes of high acidity and few alcoholic content. There are two different philosophies that coexist in the region, on one hand, the wines of classic style based on the variety of Baga grapes next to the new wines bairradino based in a national and international grape variety among which we find the international ones: Chardonnay, Cabernet Sauvignon, Merlot, Pinot Noir and Syrah.

The main white grape variety is Fernão Pires (known as Maria Gomes in the region), followed by Arinto, Bical, Cercial and Rabo de Ovelha. As for the main red grapes variety, we have Baga followed by Alfrocheiro, Tinta Pinheira and Touriga Nacional varieties. More precisely, there are three types of wines, the first one is Red Bairrada, elaborated from Baga and going from dense and high acidity to soft red fruits with tannins, fine texture and able to age. The second one is the White Bairrada, made from Fernão Pires, Bical and Arinto. The

last one is Sparkling Brut Bairrada, tasty sparkling wine based on beeswax elaborated with Baga, Fernão Pires, etc. picked early.

- Beira Interior

This is the most mountainous region of the country encompassing some of the highest mountains of Portugal. The climate is really affected by the continental influence, having a lot of temperature variations with short, hot and dry summers and on the other side, long winters that are really cold. The soils are mainly granite, with small patches, sometimes sandy patches and schist. Beira is divided into 3 sub-regions: Castelo Rodrigo, Pinhel that even though are separated by mountains, are very similar and Cova da Beira, that is different, going from the foothills of Serra da Estrela to the Tejo Valley, south of Castelo Branco.

The main varieties of the white grapes are Arinto, Fonte Cal, Malvasia Fina, Rabo de Ovelha and Síría, in the case of red grapes varieties we find Bastardo, Marufo, Rufete, Tinta Roriz and Touriga Nacional, with the presence of very old vines. The beginning of the vine culture in this region reverts to the Roman times, there are some wine presses carved on granite rocks that were used to produce wine.

Here we find two types of wine, on one side we have Red Beira, red fruit wine of Murufo, Bastardo, Alfrocheiro, Trincadeira and Touriga nacional. On the other side, there is White Beira, thin and pale white wines of Síría, Arinto and Malvasia.

- Lisbon

The hills going along the Atlantic coast to the north of Lisbon contain some of the most productive and heterogeneous areas of Portugal. The vineyards located close to the coast suffer from a big Atlantic influence while the vineyards located in the inside part, protected by the different mountain systems are safe from the maritime influence and also benefit from a transitional Mediterranean weather. The wines from the coastal zone have a very low percentage of alcohol with a light comparison to Miño's wines. The soils are split into clayey-calcareous and sandy-clayey areas.

The major white grape varieties are Arinto, Fernão Pires, Malvasia, Seara-Nova and Vital. Regarding the red grapes variety carries Alicante Bouschet, Aragonez, Castelão, Tinta

Miúda, Touriga Franca, Touriga Nacional and Trincadeira, as well as international varieties like Chardonnay, Cabernet Sauvignon and Syrah.

In this region we find six types of wine: the first one is Alenquer, red wines concentrated with high content of tannins elaborated with Castelão, Alfrocheiro, Aragonês (Tempranillo) y Touriga Nacional. The second one is Bucelas, light-bodied white wines, citric and from beeswax, age worthy, elaborated with Arinto, usually pretty fine 4+ years of age. The third one is Arruda, full bodied red wines that usually include varieties with international grapes such as Cabernet Sauvignon and Syrah. The fourth one is Colares, a rare type, white wines with golden color, full-bodied and with an oxidative style elaborated with Malvasia Fina which is cultivated on the beach cliffs. The fifth one is Óbidos and Lourinhã, aromatic White wines, light-bodied mostly with Fernão Pires. Finally, Torres Vedras, with fresh wine, simple and with a small alcohol amount.

- Tejo

Tejo is located in the heart of the country, close to Lisbon, the capital city. With a rich heritage, it holds a lot of historical treasures going from Roman ruins and Gothic castles to manueline monasteries and medieval towns in the hills. It is known for its vineyard, olive groves, cork forest land, the Mertolengo herd and the famous Lusitanos horses.

It is considered one of the oldest wine producing regions in the country and viniculture has deep roots here. The vineyards have been along the Tajo river side since Roman times and the influence of past winegrowing cultures are obvious, they can be seen through the architectural relics in the landscape. Tejo wines are focused on quality and balance, being some of the most throbbing and affordable wines produced in Portugal today, and offering a wide style range being attractive to every taste and budget. Tejo's native red grapes encompass the bold Touriga Nacional (the most famous variety of Portugal) as well as Trincadeira, Castelão and Aragonês. The aromatic Fernão Pires and festive Arinto produce some of the most refreshing wines of the region. These grapes grow with a warm weather and the complex soils of the region, at the same time, conserve a big natural acidity, to produce equilibrated wines with fruity and bright characteristics.

Some of the unique and special traditions of the region are foot-treading (crushing and stepping into the grapes), communitary harvest (local women picking up mature fruits

while singing traditional folk songs) and the use of traditional cork plugs (using portuguese cork, natural and sustainable from the 30.000 trees of the region).

The terroir of the region is determined by the nature of the Tajo River, whose amplitude and strength influence the soil and climate of the region, creating 3 different wine producing areas: Bairro, in the north of the Tajo River, composed of hills and wide plains; Charneca, in the south of Tejo, a dry and flat zone; and Campo, on the border of the Tajo river banks that creates a more maritime weather, restraining temperatures and contributing to fruitiness, acidity and freshness of the wines. There are two types of wines, the first one is Red Indi Blends, which blends with Cabernet Sauvignon, Syrah, Touriga Nacional, and Trincadeira and Castalão. On the other side, we have White Indi Blends, Blends with Fernão Pires (an aromatic white wine), Arinto, and Sauvignon Blanc and Chardonnay.

- Península de Setúbal

This region varies between flat and sandy areas and the more mountainous landscape of the Serra da Arrábida. The soils are also heterogeneous, changing between the thin, deep sand of the plains and the limestone and calcareous soils. This is where Moscatel de Setúbal was born, one of the most famous wines of Portugal. The weather is completely Mediterranean, having hot and dry summers, rainy winters although not so cold and a lot of humidity, only the Serra benefits from the Atlantic weather thanks to its altitude and closeness to the sea.

It is divided into two sub-regions: Palmela and Setúbal, this last one is reserved for the wines of Moscatel de Setúbal and Moscatel Toxo. The red wines of “Palmela” are based on the variety of Castelão grape, a variety offering the best of the warm and sandy soils of Palmela, acquiring a complexity and depth that is not common to have in another region.

The two main varieties of white grapes are Arinto, Fernão Pires and Moscatel de Alexandria, mostly used in the region of fortified wines. Regarding the red varieties we find Alfrocheiro and Trincadeira. In the 19th century, the biggest continuous vineyard of the world was located in this region, corresponding to 4000 vineyard hectares belonging to one producer and today the area corresponds to 8000 hectares.

- Alentejo

Alentejo has a soft and flat landscape that extends to almost a third of the continental territory of Portugal, it is a region full of hilly plains. Only to the north, the Serra de São Mamede is different from the rest. The soils vary between schist, clay, marble, limestone and granite, the weather is Mediterranean, warm and dry with a high continental influence.

The landscape is composed of some old vine's plots, seeded hillside of the mountains, contributing to a unique microclimate that gives freshness and complexity. Borba, Évora, Redondo, and Reguengos illustrate the identity of Alentejo, a land of harmony and balance, having a nice mix between fruit, energy and softness. The sub-regions of Granja-Amareleja, Moura and Vidigueira, in the south of the zone, have softer and warmer wines, with poor and dry land where the vines are affected by this.

The white varieties encompass Antão Vaz, Arinto and Roupeiro just like those that are now underestimated: Diagalves, Manteúdo, Perrum and Rabo de Ovelha. On the other side, in the red varieties we find Alfrocheiro, Alicante Bouschet, Aragonez, Castelão and Trincadeira and those underrated like Moreto, Tinta Caiada and Tinta Grossa.

The region has three main types of wine: the first one is Red Alentejo, red wines, full-bodied typically mixed with Aragonês (Tempranillo), Trincadeira, Castelão, Alfrocheiro and Alicante Bouschet. The second one is White Alentejo, white, light-bodied and full-bodied wines elaborated with Arinto that has a more complete style, as well as Antão Vaz Roupeiro and Fernão Pires (white aromatic variety. The last one is Alentejano, the regional wine, a full-bodied red and white wine from a larger region that can have non-indigenous varieties of grapes, Viognier and Syrah becoming more interesting.

- Algarve

Located in the south of Portugal, separated from the Alentejo plain by a mountain almost uninterrupted going from the border of Spain to the Atlantic coast. The Mediterranean climate changes between the east coast of Faro, the Sotavento being warmer and having a big Mediterranean influence, and on the other side, the ouest of Faro, the Barlavento being fresher, humid and mild. The soils in this region are heterogenous, varying between sandy, limestone, sandstone, clayey and lipolytic areas and unusual schistous zones on the hillside of the mountains.

Most of white grape varieties are Arinto, Malvasia Fina, Manteúdo and Síria and those of red grape varieties are Castelão and Negra Mole. During the time of Muslim occupation of Algarve, vines were planted in big quantities, but since the religion had an alcohol restriction, wine was used as a currency of exchange to acquire other products.

- Madeira

The wine of Madeira is a fortified wine with an almost limitless capacity of storage, being able to survive for more than two centuries. The vines grow lined up on small elevated terraces in a very mountainous region full of elevated hillside and deep valleys. Located in the north of the Atlantic, at the same latitude as Casablanca, Madeira has mild weather with soft temperatures over the year.

The soils have a volcanic origin, they are fertile, rich in organic matter and acid, that combined with humid climate, the national system of wines cultivation in pergolas with the hard grapes physiological maturation and their high performance, compromise the maturity of the grapes, creating wine with a lot of acidity, which is an attribute of the wines of Madeira. The four varieties of noble grape are Sercial, Verdelho, Boal and Malvasia, all of them white and vinified to be able to have different levels of sweetness which is commercialized in a dry, semi dry, semi-sweet and sweet style, respectively. However, the grape variety most cultivated on the island is Tinta Negra, representing more than 80% of the total harvest. This is a variety of red grape easily adaptable, being able to adapt to all of the four different levels of sweetness, although there are other wines produced here.

Madeira was exported to England, France, Flanders and the United States. Francisco I (1708- 1765) said that this wine was the most delicious and rich to European wine, thus, the most important families from Boston, Charleston, New York and Philadelphia tend to fight among them to have the best Madeira wines.

- Azores

This archipelago located in the Atlantic Ocean is composed of nine islands. The maritime influence can be seen through the quantity of rain throughout the year and its mild temperatures. The poor soils have a volcanic origin. The Azores are formed by three sub-regions: Graciosa, Biscoitos in Terceira Island and Pico. Historically, the vines were settled

inside corrals protected from the outdoors by volcanic stone walls that helped to warm the vines at night by liberating the heat that was accumulated during the day and protecting them from the wild maritime winds as well.

The main grape varieties in Graciosa are Arinto, Boal, Fernão Pires, Terrantez and Verdelho. In the Biscoitos and Pico areas, the main varieties are Arinto, Terrantez and Verdelho. The latter is one of the most famous and more grown varieties of grapes in the region, it seems that they are originally from Sicily or Cyprus and were brought by the Franciscan Friars. The fortified wines of Azores, born in extreme conditions, have a noticeable freshness and acidity

We have seen that the regions of Portugal are not the same in terms of wine production, thus there are more regions producing wine. We have seen the different grape varieties that are grown in each region and the types of wine made according to that which is influenced at the same time by its geography and climate. Most of the varieties are red and white, however we also have sparkling and green wine. Now we are going to see the distribution channel of the wine throughout the country and where people tend to consume it more.

3.4 - Where to find the wine

The HORECA channel managed to obtain 31% of sales by volume of wine in Portugal in 2017. The Portuguese winemaking tradition, the custom of eating out and tourism make this sales channel have a large share, in relation to other countries of the European Union. On the other hand, if the value of sales is taken into account, the HORECA channel presents a better performance, precisely because of the margins with which it works, obtaining 59% of sales in value.

Places for direct sales to the final consumer, such as restaurants, wine cellars and bars, were important, not as having greater visibility, but as one of the most relevant in the sector. In the last decade, these were the ones who worked hardest to achieve a privileged position in the minds of consumers. "People, when they want a good wine, don't go to the hypermarket to look for it. First, because it probably doesn't exist, and second, because in these places the culture of service and sensitivity to the topic is different." Among the retail sales locations,

the HORECA channel and especially the restaurants, appear as particularly important and determinant locations in the success of a wine.

The importance of catering is recognized by the other members of the HORECA channel, as the search made in bars and wineries is most often caused by a first contact made in a restaurant, although the opposite also happens. Bars and wine cellars have known how to foster their growth with adaptations and combined offers, which are examples of complementary information about the product delivered at the time of purchase in the case of wine cellars (pamphlets) and/or the offer of complementary products during consumption (many bars already offer the food supplement of sausages, cheeses and others). The combined offers also involve the association of brands with travel agents/experiences, seeking to be present in the greatest number of magazines and websites of promoters of events such as wine tasting, romantic weekends, among others.

The attempt to associate their products with festive seasons such as Christmas and Easter were already common for some of the owners of these sales locations, and nowadays there is a concern to take care of the packaging so that it becomes attractive as an offer. There is a new way of associating wine with commemorative days of a different nature, such as Father's Day and Valentine's Day, in which packaging is worked to meet the reasons for celebration. Examples are combined gifts of cigars for Father's Day, and a romantic message on the label on Valentine's Day. These places are starting to worry about offering another type of comfort in their own facilities. Placing sofas and heating in a bar for sale with a glass of wine and/or a wine cellar is an invitation made to the customer to delay, to consume additional goods. The concern is to offer an experience instead of a product. This form of action can become, in the medium/long term, the main business card of the establishment. These and other initiatives encourage sales and broaden the horizons of consumers, who start to see the product not only as a consumer good, but start to associate it with offers and moments of socialization.

According to a market study done by Carlos Miguel Pereira (Pereira, 2013), the place of choice for buying wine is hypermarkets, with the most given answer and the third quartile of answers located in the answer option equivalent to very often, related to the frequency of purchase in the different places presented. The supermarkets with the highest response and the third quartile of responses are also highlighted, corresponding to a value of four

(frequently). After these, restaurants appear as a place to purchase and consume wine, which, although the most frequently given answer is never, the third quartile of answers is frequently located in the option. For cooperatives, wine cellars, specialty stores and wineries, the most given answer is also equal to never and the third quartile of answers is three, the intermediate value of the possible answer interval (1-5). Less significant than these is the purchase in bars and pubs and finally the internet is not used to make wine purchases.

Regarding consumption occasions, of the situations presented, those in which wine consumption was most frequently associated were at home and in restaurants, in both situations with family and friends, as well as at parties, resulting in five situations where wine consumption is more frequent. The consumption of wine associated with business or in situations where the individual is alone has little or no expression. Consistent with the above data, the situations associated with the consumption of wine are at home and in restaurants, with family and friends and at parties, being in all of the situations more associated with red wine consumption. On the other occasions, the most common answer is non-consumption, although it can be seen that at home on business, in restaurants alone and in bars with family, the first quartile of answers corresponds to Vinho Verde. Similarly, at home alone, in business restaurants, in bars with friends, there is the first quartile of responses corresponding to red wine, while in business bars the first quartile is in fortified/generous wine. In bars alone, there is no association between consumption of any type of wine.

Now that we have a better idea of what the wine industry represents for Portugal, an aspect implanted in their culture along its history and now even taking advantage of it in the tourism sector as well, we have seen the different regions and types of wine among them, as well as the different distribution channels and consumption places. Now with this better idea about both countries, we are going to deepen into the project and see its structure to implement it.

Chapter IV - Structure to implement the Project

4.1 – Introduction

Through the previous analysis we have seen that the small wine consumption in Colombia represents an opportunity for the Portuguese wine as in Portugal, there are a lot of varieties not present in the Colombian market but that adjust very well to their wine preferences, consumption that has been increasing lately. This is what this project is about, to see the viability of exporting Portuguese wine, for this, a deeper analysis is very important, not only about the inside aspects of the idea, but also the external factors having also an important role. This is why we are going to better define the project through the mission, vision, the objectives, and approach about the product that would be more appropriate in this case and the market. Additionally, a micro and macro analysis will be made, about the market, the external panorama based on Political, economic, social and technological mostly known as PEST analysis and then the SWOT analysis.

4.2 – Problem

The problem found was the lack of wine culture in Colombia, especially Portuguese wine. People usually drink wine only during special occasions like a celebration, it is not common to drink wine at lunch, hanging out with friends or on a daily basis. People would drink more beer or the typical Colombian alcohol called aguardiente. Although the alcohol consumption habits in Colombian have been changing lately, with an increase in wine consumption.

4.3 – Solution

Since there is a change in the beverages consumption among Colombian people, there is an opportunity to bring a new idea and concept of wine consumption and what better way than the Portuguese one, since it is a great producer and has really good wine that can adapt to different occasions and regions thanks to its diversity and uniqueness.

4.4 – Positioning

Market positioning refers to the position that a product or service of a given company occupies in the minds of consumers. Always taking as a reference the competitors, both direct and indirect. In other words, is the position, advantageous or not, in which a product or

service is in relation to its competitors. We do not only talk about goods and services, but also about a company. It tries to evaluate if the position that a company, good or service occupies is correct, as well as if it could be better. In this way, when there is a greater market positioning, the consumer's perception of the brand is better, and advantageous, than the one of its competitors. It is said that there is a good market position when the goods or services stand out from its competitors, both direct and indirect.

Reaching a good market position does not only imply choosing a single route to achieve it, there are numerous ways to achieve a good market position. In this sense, there are five main ways by which it is possible to achieve a good market positioning: the first one is, strategic positioning that is usually linked to the prestige and status of the consumers who choose this route. The second one is the differentiation, this refers to a positioning produced by a series of characteristics that make a good or service unique and different from the rest. The third one is competitive positioning, where innovation is the key. The fourth one is the benefit, a way in which it is committed to the added value offered by the product, an additional benefit that the use of this good or service entails. Finally, we find the Market niche that consists of finding a gap in the market, offering a good or a service that, as in differentiation, does not previously exist. However, this is born to satisfy certain needs.

Reaching a good market position is not easy, especially when we talk about positioning a company, a good or service in an increasingly globalized world full of competition. Thus, there are some stages that can help to do it in the right way. Some of these steps are: to make an internal and external analysis of the market to which we refer, to define the positioning sought and pursued, to define the product or service to offer, to choose the positioning we would like to achieve, to select the best positioning strategy that we want to follow and develop a marketing mix strategy.

4.4.1 Mission

To bring a new and completely different wine experience to Colombian people and people living there through the Portuguese wine which has a very rich and special wine culture. Our purpose is to educate people and merge them into the wine world and showing them a different and unique type of wine that Portugal has, and so they understand that wine is not just a drink but has a history and culture with it.

4.4.2 Vision

To be the leading channel of Portuguese wine in Colombia, always seeking leadership in the sector by providing awareness and knowledge to create and develop a wine culture in the country, committing ourselves to our clients, being regionally recognized as the best for our quality and uniqueness.

4.4.3 Objectives

- To be able to merge people into the wine world/culture (teaching them the different types according to each component, flavors, etc.)
- To be present in more than 3 cities of Colombia
- To increase knowledge about Portuguese culture
- To create interest and take pleasure for Portuguese wine
- To offer a new wine experience through the uniqueness of Portuguese wine
- To Achieve a 20% margin

4.5 – Product

The product offered is bottled wine of different brands, varieties, strains and diverse price ranges. A personalized treatment is offered in terms of customer advice therefore sellers must know the products, history and everything related to wine culture in order to guide customers throughout the purchase process. We find five different types of wine: white, Rosé, red, sparkling and Port wine, each one with different components, vines and thus, with different characteristics making it more appropriate to consume in different situations, we are going to see each one of them to have a better idea.

The first one is the White wine, which is divided into two categories: those who are light and fresh, smooth and aromatic wines, where floral and fruity notes predominate and usually provided with a firm acidity and a low alcohol content. They are ideal partners for the summer, although they can and should be consumed throughout the year, as appetizers, with salads and fish and seafood dishes. They also go well with South Asian cuisine. The second category encompasses the full-bodied white wines, with higher level of alcohol and richer in texture, born in vineyards under a blazing sun and hot summers, smooth and rich

when they are born in Alentejo, intense and mineral from the Douro and full-bodied if they come from Trás-os-Montes.

The second one is the Rosé Wine, typically rosé wines have a light acidity, low alcohol content and a light body, especially when grown in colder places with maritime influence or high altitude. Portugal is a country of rosés, as shown by so many brands with a strong international presence, universal symbols such as Mateus and Lancers. There is no Portuguese region where a Rosé wine does not grow. Rosés are a fresh and fruity alternative to dry whites. Most of them go well with any food and can be a good, low-alcohol way to accompany a summer barbecue. Dry, fruity rosés are great with a variety of lightly spiced food, including sushi, vegetables and salad dishes, thanks to its smooth sweetness (even if consciously imperceptible).

The third one is Red Wine, which is divided into 4 categories: the first category refers to the light-bodied, smooth and aromatic red wines. These are light, aromatic and usually contain around 11% alcohol. This Red Vinho Verde goes well with grilled sardines, fatty meats and traditional charcuterie. Normally, the wine is sold in a bottle equal to the white Vinho Verde. The second category encompasses full-bodied red wines, the hot summers in Alentejo help the grapes to ripen and, if the sweet grapes are sweet these wines can be cheap, expensive or very expensive, even more expensive, denser and aged in Madeira, but still with a certain opulence and charm. Hunting, lightly or heavily seasoned red meats, and charcuterie can work well with this style of wine.

The third category is the one of robust red wines, flavors resulting from the mixture of various varieties, they age well: with time the tannins become smoother and the fruit more ripe, the higher the price, the more they are likely to evolve with age. This type of wine does well in summer with games and meat. The tannins of robust young wines seem to go better with stewed meats, especially when red wine is on the ingredient list. Both the Douro, Trás-os-Montes and Bairrada wines (from the Baga variety) are good pairs for certain cheeses, both are surprisingly delicious with goat cheese. And the last category refers to Elegant Reds, these are very versatile wines that can be consumed all year round and harmonize perfectly with a wide variety of food, from poultry, red meats and cheeses.

Finally, we have the Port Wine which can be divided into three categories: White, Tawny and Ruby. The first is made from white varieties and the remaining two from red

varieties, it has colors that can vary between pale white and amber tones. The first one: White Port wine varies according to the degree of sweetness and aging period. In terms of sweetness, it can be divided into Extra Dry, Dry, Doce and Lágrima. Younger Ports are usually consumed as an aperitif, while those that undergo a longer aging period have a more intense flavor and should be consumed after meals. The second one: Tawnys can be shades between amber and brown, its flavor resembles dried nuts and figs thanks to years of slow and controlled oxidation in large barrels or vats. The higher the age indication, the higher the alcohol level and depending on the age they can be better for aperitifs or meat or with cheeses. The last one: Ruby Port, where Vintage is the top of the scale category, are full of color and slightly sweeter and more fruity than Tawny. Vintage has to be kept for years so that its astringent tannins become softer and can be drunk.

After the previous analysis based on the wine preferences and consumption in Colombia showing their preference for red wine, but also an increase in the white wine consumption, plus the lack of Green, Red and Porto wine, represent a good opportunity to innovate, which is going to be explained more in detail in the next section through the market analysis.

4.6 – Market

Regarding the Portuguese wine market in Colombia, it is hard to find them in the supermarkets, there are only two where we can find and it, one of them only has 1 type: red wine Santa Vitoria and the other one has a total of 3 different wine: 2 red wines Támara and Terras do Pó and one white Eira dos Mouros. Then, there have been 6 main companies selling Portuguese wine identified, from which 4 of them offer wine from different countries, not only Portugal and whose variety is mostly from these places. The first one is called “*La vineria*”, an importing and distributing company of wines that is born from the wide experience and knowledge of the wine market in Colombia; they represent wineries from the new and old world of wine: Chile with Tierra del Fuego and J. Bouchón, Argentina with Domaine Bousquet y Cameleón and Spain with Bodegas Valduero (Ribera del Duero), Solar Viejo (Rioja Alavesa) y Cava Segura Viudas and Portuguese wine is new among their products. The types they propose are white, red and rosé from Sao Sebastiao and Milha Velha, one of each, from the Lisbon Region. Additionally, they offer other types of services

such as advice, organization and coordination of events related to oenological and gastronomic issues at the national level, directing tastings, dinners and in general special events related to the world of wine. They also have product customization: designing labels with the logo of a company, product or promotional program, a “Turnkey” consulting program for the organization of events: that besides wine tasting and design of special booklets also offer recommendation and reservation of restaurants or clubs that best suit the needs of the event. Their prices are between \$46,342 and \$59,456 which is around 10,34€ and 13,26€.

The second one is “*Colombia vinos*”, a registered brand of Promix Colombia S.A, a family business with a tradition of more than 20 years in the Colombian wine and spirits market. They are dedicated to the import and distribution of wines and the teaching of their consumption through the training of Sommeliers. This company was born under the concept of generating a space that addresses the treatment of wine from a cultural perspective, focused on the final consumer with a philosophy in which pedagogical aspects, the shopping experience and respect for wine coexist. They also offer other types of beverages such as beers, rum, tequila, vodka, etc. Regarding the wine, they have wine from different countries with a wide wine variety per country such as Argentina with 25 different types of wine, Chile with 32, Spain with 30, the United States with 6, France with 27, Italy with 16, Portugal with 7 and South Africa with only one type. As we can see, Portugal is one of the countries variety with less offer representing 7 different types of wine. The Portuguese wine they have is Green wine from Casal Garcia, two white wines from Gazela and Mina Velha, two rosés from Casal Garcia and Mateus and two red wines forms Grao Vasco and Mina Velha. Additionally, they have a sommelier school founded in 2007 associated with the Argentinian Sommelier School, they offer different types of courses, short or long, careers and diplomats, about the history of wine in some countries, wine, beer and liquor tasting as well. The prices of Portuguese wine they manage are between 8,66€ and 10,44€, their prices are cheaper than the previous company.

The third company is “Cia Luso Colombiana” also known as “Clc alimentos gourmet”, the company started in 2009, with the idea of trading wines, ports and gourmet foods from the most important winery in Douro, Portugal and in turn exporting chontaduro, (a typical Colombian fruit) to the old continent. But it was only until 2011 that the first import

arrived. In 2013, the distribution at the national level began through a commercial partner and a year later the wines were already part of the offer of the most important restaurants in the city. In 2016, the company's management managed to overcome the crisis due to the tax burden on wines and spirits, positioning the Quinta do Crasto brand as the most important winery in the Portuguese wine market. They sell two types of Portuguese wine, on one hand, red wine from Quinta do Castro: nine different wines from which three of them can be classified as very exclusive due to their prices: Honore Douro, Quinta do Crasto Vinha da Ponto and Quinta do Crasto Vinha Maria Teresa. The other ones are Tinta Roriz, Touriga Nacional, Reserva Vinhas Velhas, Late Bottled Vintage, Crasto Tinto and Flor de Crasto Blanco. On the other hand, they have the Green wine from Ponte da Barca including five different wines: White sparkling Loureiro Bruto, Ponte da Barca Grande Escolha, Ponte da Barca Loureiro&Alvarinho, Ponte da Barca Adamado Meio Seco and Ponte da Barca Rosé. Additionally, they sell food like charcuterie and offer various options such as: tastings, events, pairing dinners, etc. Regarding the price, it differs from the red wine of Quinta do Castro that can be classified in two ranges of 14,50€ to 52,42€ and from 1,182€ to 1,182€ in the case of those more exclusive and regarding the green wine, the prices they manage go from 12,27€ to 15,18€.

The fourth company is as “the wine store”, they are the largest specialized wine and spirits store in Colombia, carrying out more than 10 wine tasting per month, selling wines, whiskey, vodka, pisco, rum, Gin, Nac weapons, Calvados, among Ros liquors; they also sell cold cuts, cheeses, oils, vinegars, sauces, Colombian and imported coffees and many other products. They sell online but they also have a store in Bogota that works as a bar where people can go to taste the different types of drinks they offer. In their catalogue we find wines from sixteen different countries, Portugal included with 24 different types of wine, some of them are immediately available and others that are possible to get only by previous order/purchase. They offer 8 different Red, 7 types of Rosé, 7 different White wine and 2 Green Portuguese wine from brands like Flor de Crasto, Mil Caminhos, Seixoso, Rosario, Convento da Vila, Castelo do Sulco, Flor de la Mar, Casa de Vila, Mina Velha, Quinta do Portal, Crasto do Douro, Santa Vitoria and S. Sebastiao. The prices they manage go from 9,13€ and 15,14€.

The fifth company is “Vinal Colombia”, this is focused mostly on Portuguese wine. It is a Colombo Portuguese company born in 2014 with the objective of bringing the two countries closer through the richness and quality of their product as they say it on their website, they are focused on wine and olive oil. They want to bring wine closer to people so they have the opportunity to see this part of Portugal. They offer four types of wine: red, white, rosé and Port wine, with a catalogue, first, of 12 different red wines from which two are from Sol de Chile (Carmenere and Cabernet Sauvignon), three of them are from Santa Vitória (National Tourigna, Big Reserve, Red Reserve), one Versátil red, one from Quinta de S. Sebastiao Reserve, two from S. Sebastiao (Red Reserve and Red), one from Mil Caminhos Tinto and two from Mina Velha (Red Selection and Red); Secondly, 9 white wines: Sol de Chile, Ponte de Lima Loureiro, Santa Vitória, Versátil, Quinta de S. Sebastiao, Mil Caminho, Mina Velha and Casal Garcia. Continuously, 8 different Rosé wine: Sol de Chile, Santa Vitória, Versátil, Quinta de S. Sebastiao, S. Sebastiao, Mil Caminhos, Mina Velha and Casal Garcia. And finally, 3 types of Port Wine: Pocas Porto Blanco, Pocas Porto Ruby and Pocas Porto Tawny. At the moment they do not offer any other type of services like the other companies, besides selling olive oil as well. The manage prices from 6€ to 15,62€ and from 6,80€ to 30,34€ in the case of red wines.

There are some other websites where it is possible to find Portuguese wine such as “Vinos el Kiosko ”, this is an online wine store with shipments nationwide and the idea of the creator was to offer a space for lovers of this product. They have wines from all over, Spain, France, Chile, Argentina, the United States, Australia, Italy and Portugal, from which only White, Red and Port wine is offered with a total offer of 7 different wines and brands like Adega Mae Dory, Graham’s 10 years old Tawny Port, Porto fine Ruby and Tawny Vista Alegre. Additionally, among their catalogue we can also find other type of drink such as rum, vodka, Whiskey, etc., they also offer recipes, reviews about the different wines, a blog about the different types of wine as well, and a section about flavor profiler where they help people to see which type of wine they would prefer by making a test. The prices they manage go from 14,98€ to 53,37€.

Another website is “Mercado Libre”, an Argentine company dedicated to electronic commerce. It has operations in Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru,

the Dominican Republic, Uruguay and Venezuela. Users can sell and buy both new and used products at a fixed or variable price, plus private services are offered. MercadoLibre also has a service called MercadoPago, a payment platform for buyers and payments and credits to sellers. In this website we can find 14 different types of Portuguese White, Red, Rosé and Port wine, from brands like Porto Cruz, Terras do Minho, Seixoso, Flor de la Mar, Rosario, Quinta da Lia, Casa Ermelinda. The prices on the website go from 5,57€ to 17,32€. Finally, it is possible to find Portuguese wine on the website of a very known supermarket in the country, however the offer is very limited with just one red wine from Santa Vitória with a price of 32,39€.

We can see that there are few options and places of Portuguese wine, in most of the supermarkets most of their options and offer are wines from Argentina, Chile, Spain, France, etc. In the specialized online stores, it is possible to find few Portuguese wine but most of them are more focused on wines from other countries or other types of drinks and regarding the companies completely focused on Portuguese wine, there are not many and do not offer all of these Portuguese wine varieties. Which creates a good opportunity to enter into this market with innovative products, and for this it is important to also make an analysis about the micro and macro variables, to determine more precisely the viability of the project.

4.7 - Analysis of micro and macro variables

4.7.1 - PESTEL analysis

PEST analysis is a very useful and simple tool that is used to study the external panorama of an organization or company and it is based on four factors: Political, economic, social and technological. This tool is very useful for the execution of proposals, strategy, positioning, management, marketing of an organization. This is why it is advisable to carry out this analysis before any internal analysis procedure whose purpose is to evaluate the condition of an organization in a specific market.

First, the political factors include variables related to fiscal policy, the labor code, trade restrictions and environmental responsibility laws, referring to the intervention of the state in the economy, more specifically in a sector. Secondly, the economic factors refer to the different factors that influence the economic behavior of a sector such as rates, exchange

rates, and inflation rate and investment level. Then, the social factors referring to cultural, demographic, preferences and consumer behavior elements in a specific sector. Finally, the technological factors include elements related to research and development of new technologies, implementation of new processes and innovation in a market. This factor allows there to be an improvement in the preparation and delivery of products or services to the consumer.

Thanks to the environmental analysis, a full exploration, surveillance and forecasting of the environment can be carried out, helping to detect key factors of the past, present and future of the market. It is important to understand that the PEST analysis varies depending on the city or country in which the target market is determined.

- Political Factors

In the case of the wine industry in Colombia we can see that although there is a policy of liberalization of the economy after decades of protectionism, the Colombian economy is as closed as it was in the 1990s as a result of pressure from certain sectors that were being affected by such situation (Echavarría, Giraldo, & Jaramillo, 2019), causing a negative impact because there are high taxes on imported alcoholic beverages.

Due to having to give priority to other aspects, the Colombian government has not been able to forcefully address a foreign trade policy to diversify and liberalize the economy. As a result, there is a complex procedure for imported products in Colombia, which, like wine, must submit at least eight forms, in processes of up to 15 days (Forbes, 2020). In this way, the number of wine importers shows low levels.

The Multiparty Trade Agreement between the European Union, Colombia, Peru and Ecuador entered into provisional force from August 1, 2013, through Decree 1513 of July 18, 2013, having a positive impact on the project as thanks to this Trade agreement Portugal do not ask for a tax on exported products. On the other hand, there is no government policy to promote the development of the wine sector in Colombia, which at first can be a problem as there could be more financial help on this matter, but can also represent a good opportunity to innovate.

- Economic factors

The sustained economic development of the country in recent years brought with it a change in consumption habits, from which the corresponding to wine has been experiencing significant growth, although it is still far from reaching the numbers of other countries in the region (La República, 2020), which has a good impact on the project to be able to fill these new needs.

The European Union is Colombia's second largest trading partner after the United States. Bilateral trade in goods has been growing in recent years, in 2020 there were exports for USD 3,976 million (14% of the total exports) and imports for USD 6,258 million (15% of the total imports) (Legis, 2021).

In Colombia, it is paid for wine more than most of other Latin American countries, as described by The Economist according to a review of the country's foreign trade policy, the associated bureaucracy, and the expensive journey that a bottle of this drink has to pass to reach a table in Bogotá, where the majority of consumers are (Forbes, 2020). As we have seen previously, this has a negative impact.

According to Semana (2015), the economic development opportunity associated with wine in Colombia is not directly related to local production, but to the marketing of the product. Giving us another good opportunity to innovate by creating some interesting marketing strategies.

Additionally, the average salary is around \$4,690,000 COP per month. They vary from \$1,190,000 COP (lowest average) to \$20,900,000 COP (highest average), which in euros correspond to 1074,79€ as average salary and a range between 272,71€ and 4789,58€. This is the average monthly salary with housing, transport, and other benefits included. Also, they can drastically change between different careers. Studies from the recent submitted salaries and reports in Colombia show that wages are increasing, they have raised in 2019 by 2% compared to 2018. “The trend postulates a steady increase in pay in 2020 and in future years” (Kovachek, 2020). So this has a positive impact as people have the sources to buy Portuguese wine and they will have more with time while the business is developing and growing.

- Social factors

Hand in hand with the change in consumption habits associated with greater economic development, per capita consumption of wine in Colombia has risen to 78% in the

last three years and despite the fact that Cabernet continues to be the leader, Chardonnay is the one that adds the most bottles (La República, 2020). This is a positive thing and also helps us to know more about their preferences and what to bring them.

Similarly, after the arrival of Covid-19, several of the behaviors have undergone significant changes, including the consumption of liquor, in which according to the most recent figures on the behavior of the alcoholic beverages industry, wine, gin and the bitters gained space in the house of Colombian people (Infobae, 2021).

The permanence in the homes, of a great part of the family members. Home work that allows employees to add a few drops of liquor to coffee. The anxieties, due to the uncertainty that many citizens have presented. All these are realities related to the increase in wine consumption registered in Colombia (Semana, 2020). This can be good in the way that shows people different environments and occasions where they can consume, not only in special moments as it is used to be done.

- Technological factors

The same situation of the pandemic has led to sales not only taking place through traditional channels, which were fundamentally supermarkets and alcoholic beverage distribution stores, but there was an increase in the participation of electronic commerce in the supply of this product in Colombian homes. This is a very positive aspect because it allows to decrease costs and also to reach more people and markets in other cities, it allows to expand in a cheaper, faster and easiest way.

Greater availability of temperature control systems and equipment facilitate the storage of wine in homes in order to guarantee its existence to meet people's tastes, representing a positive impact on the project.

- Environmental factors

Wine production in Colombia is hampered due to climatic changes and the high level of imports of the product (Semana, 2015). This has a negative impact on one side because it makes the process a bit harder and longer as people are not very familiar with it, but on the other side, allow us to start developing it and create a good base and image.

- Legal factors

The legal restrictions established due to the pandemic regarding the mobility of people and the closure of establishments for the sale and consumption of beverages have promoted a greater consumption of alcoholic beverages at home. The same happens with the regulations that seek to prevent the movement of people in a state of drunkenness driving motor vehicles. This can be negative in the way that consumption is not as big as it could be but has a good impact on society and responsibility, the idea of consuming wine is not to get drunk and cause damages, but to enjoy it.

The existence of regulations regarding taxes and duties also ends up having a significant impact on the costs associated with their importation and sale. This has a negative impact because the idea would be to have better prices so more people can have access to it.

4.7.2 - Benchmarking

Benchmarking is a continuous process by which the products, services or work processes of leading companies are taken as a reference, to compare them with those of your own company and later make improvements and implement them.

It is not about copying what the competition is doing, but about learning what leaders are doing to implement it in the company by adding improvements. If we take as a reference to those who stand out in the area we want to improve and study their strategies, methods and techniques to later improve and adapt them to our company, we will achieve a high level of competitiveness (Roberto Espinosa, 2019).

There are different types of benchmarking: competitive, internal and functional, whose common goal is to help managers to look outside their departments, their organizations, their competition, or other industries where there are best-in-class companies.

Firstly, the competitive benchmarking seeks to measure the products, services, processes and functions of the main competitors to make a comparison with our company and be able to detect and carry out improvements that exceed those of our competitors.

Secondly, the internal benchmarking is carried out within the same company. It is usually carried out in large companies that have different departments or also with business groups that are made up of several companies. In the process, a department or area is identified that is an example to follow due to its good results in order to carry out a benchmark with the other internal departments of the company.

Thirdly, functional benchmarking identifies the best practices of a company that is excellent in the area that it wants to improve. It is not necessary that this company is a competitor or even that it belongs to the same sector. It is normally very productive, given that since they are not organizations that are not direct competitors, there is no confidentiality problem and the information necessary for the study is usually offered.

In this case the Benchmarking is performed between the main competitors of Vinhogal, where aspects such as location, types of wines, Portuguese brands, price ranges, services offered, among others highlight. This in order to characterize each of the competitors and in this way identify their main strengths and weaknesses.

Annex 2 has been elaborated from the previous market analysis in the section 4.6, in order to summarize the information of the competitors and make the benchmarking analysis. As we have seen there are 7 companies selling Portuguese wine, however, 5 of them sell wines from other countries and only 2 are focused on Portuguese wine. Now it is important to check the strengths and weaknesses of each one of them to have a better idea of the things to improve and the existing opportunities.

- *Exito*: as we can see this is a supermarket so its main activity is not the wine sale, which is really good because it is not a real competitor at the moment. Additionally, they only have 1 type of Portuguese wine, next to a big offer of wines from other countries such as Chile, Argentina, Italy, France, Spain, etc. and with a high price OF 32€ compared to the other companies.
- *La Vineria*: They offer wine from the most known countries in the Colombian wine market such as Argentinian, Chilean and Spanish. Among their strengths we find the fact that they deliver wine to any city of the country and they offer other types of services like event organization, wine tasting and product customization. However, Portuguese wine is quite new and their offer is still limited, and their prices are a bit higher than the rest of the competitors within a range of 10,34€ - 13,26€.
- *Colombia Vinos*: this is one of the companies with the widest wine offer with a lot of different wines from countries such as Argentina, Chile, Spain, France, and Italy. While, besides South Africa with only one type of wine, Portugal is the country with less options available. One of their strengths is the fact that they propose good brands

of Portuguese wine and they manage good prices with a range of 8,66€ - 10,44€, the cheapest among the rest of the competitors. Additionally, they have a school of Sommelier and have the option to pick it up in the store, to save the delivery cost. However, they only deliver wine in Bogotá.

- *Clc Alimentos Gourmet*: this is one of the companies focused on Portuguese wine, selling some charcuterie and cheese as well. One of the advantages of this company is that they offer delivery to the entire country. However, they only offer green and red wine and have a huge variety of the last which can be a problem because the consumer might feel lost among so many options of only one type or wine, especially in a country where the wine culture is developing and there are other countries producing wine more known. Thus, since they have some more red wines, the prices are higher, even for green wine compared to the rest of the competitors.
- *Vinal Colombia*: this is the other company that sells only Portuguese wine, and olive oil. Their strengths are the brands of the wine they offer, they are some of the best, so they have good variety and manage good prices with a range of 6€ to 15,62€, sometimes more when it comes to the red ones. On the other hand, the problem is that they only have these two products with delivery only in Bogotá.
- *The Wine Store*: this company has a catalogue full of wine from many different countries and a big variety from each country, even from countries not that common. One of the best things they have is a bar where people can go to taste all the different wines they have, so they can get to know them and eventually buy bottles online, becoming easier. The problem they have is that not all of the wines they offer are available immediately, some of them should be ordered in advance, some others do not have the price and it is necessary to contact them first to have an invoice, and they only have delivery in Bogotá, finally, their website do not work properly, it is not possible to buy online even though they have an online shopping page but at the end there is not car purchase nor a way to continue to pay.
- *Vinos el Kiosko*: They are not focused only on Portuguese wine either, they offer wine from different countries and other drinks. Their advantage is that they deliver to the

entire country, however, they do not have a big offer of Portuguese wine, the brands they offer are expensive so the prices are higher compared to the other competitors which is not that good even the goal is to make them get to know the product, most of consumers won't spend that much in something they do not know, they might prefer what they know or have heard most about.

- *Mercado Libre*: this website is an e-commerce company so it is possible to find wine but their main goal is not the Portuguese wine distribution. Their advantage is that they cover everything that a person would need and they offer this service in different countries of Latin America, so they will always help consumers to find whatever they need.

Through this analysis we can see that it is important to have stock and products available, be very careful at this. It is also important to have different types of wine but not a big variety of each at the beginning so it would be easier for the consumers to start trying and tasting them. Eventually once they know more, they might feel more interested in trying new things and it can be easier to introduce other types of wine. Another remark that can be a good opportunity, is to deliver and distribute Portuguese wine in at least 2 or 3 other main cities of the country such as Medellin, Bucaramanga, Cali, as due to the climate difference between the cities, some of them might be more appropriate to be consumed there than in Portugal so sales could increase more. Finally, to pay attention to the website and social media, in case it is needed and the information provided there, it should match with the idea and facilitate things for the customers. Additionally, it is a good idea to offer other types of services creating spaces and experiences for people to be able to taste the different wines, to increase their interest.

4.7.3 - SWOT analysis

This analysis consists of the diagnosis of the business and the environment, making it possible to establish the strengths, weaknesses, threats and opportunities of the company or business. So it helps to understand the decision-making process in any environment, since it provides a broad vision of the scenario, the situation and the competitors. It involves, on one hand, an analysis of the internal environment to detect the strong points that show the

competitive advantage and weak points showing what puts the company at a disadvantage. On the other hand, an external analysis to identify the market opportunities that shows the spaces on the market that have not been considered and can represent bigger utilities in the future and the market threats that are the factors determined by market fluctuations, government regulations, customers perception, technological context. (Dyson, 2004).

Based on the external and internal analysis of Vinhogal the main opportunities, threats, strengths and weaknesses were identified which are summarized in the matrix that follows. This matrix allows us to identify the strategies required to take advantage of opportunities and minimize the threats present in the environment.

Table 1. SWOT Analysis. Source: own elaboration

<p style="text-align: center;">STRENGTHS</p> <ul style="list-style-type: none"> • Wide range of Portuguese wine • Knowledge of the company • Strategic distribution • Service experience offered to the client 	<p style="text-align: center;">WEAKNESSES</p> <ul style="list-style-type: none"> • Ignorance of the product in the local market • To not have a client portfolio • Foreign currency fluctuation
<p style="text-align: center;">OPPORTUNITIES</p> <ul style="list-style-type: none"> • Massification of wine culture • Wine market growing • Distribution limited • Perspective change • Benefits for health 	<p style="text-align: center;">THREATS</p> <ul style="list-style-type: none"> • The appearance of new competitors • The distance and ease of transport between Portugal and Colombia compared to America.

- **Strengths (S)**

- Wide range of Portuguese wine, offering varietal wines: the idea is to offer all of the different types of wines (red, white, green and Port). As we have seen they all have different characteristics and they can be more appropriate to be consumed in certain climates and with certain food and conditions, which is the good thing in Colombia. Thanks to its diversified climate along the country, we find different types of weather and therefore different types of food, this helps to expand consumption possibilities.

- Knowledge to provide the client with comprehensive and personalized advice: the idea is to introduce a new point of view of wine consumption by transferring the knowledge about the Portuguese wine world, highlighting the unique and particular attributes of each specific origin and type.
- Strategic distribution, easily accessible for target customers: we have identified that most of the competitors only have delivery in Bogotá, the idea is to distribute Portuguese wine in at least 3 other main cities of Colombia where the climate is different to the one in Bogotá, which is good due to the diversification of Portuguese wine.
- The wine buying process will become a service experience for the Customer: the offer of a different perspective on wine consumption showing the Portuguese Wine culture and that wine can be consumed at any moment, not only in special occasions. That it is possible to enjoy its flavor and components and show them how much we can learn from them, from the place where they are produced, their wines which is an amazing thing to know about and learn from. Exclusive product offering more than just wine, but the taste of a culture and a story.
- Focus only in Portuguese wine: most of the competitors offer wine from different countries with a lot of different types of wine, they additionally offer another type of drinks and liquors which can distract the owner from trying Portuguese wine as it is still not very known, therefore, the consumer might prefer another drink that they already know. So the fact that we focus only on these types of wines, can help us to really show its essence.

- **Weaknesses (W)**

- Lack of knowledge of the product in the local market, which can imply a high investment in promotion: since people do not know much about Portuguese wine and there are wines from other countries present in the market for long time, it is important and necessary to implement activities and promotion which can involve more resources that can be hard to have at the beginning.

- Not having a wide portfolio of clients as it is a new business: which is normal since it is the beginning so it makes the process harder and takes longer but this does not mean it is impossible.
- Fluctuations in foreign currency, since money is handled in currencies other than the euro: here the products will be bought in Portugal where the currency used is the euro, however in Colombia the currency is Colombian pesos which is lower than the euro so it can affect the unit cost of the product due to the constant change, sometimes it has more value, sometimes less so it could affect the costs and prices.

- **Opportunities (O)**

- The wine market in the country is in a growth stage, since there is a greater consumption of wine in the last years: there is an interest in wine growing among Colombian people which represents a good opportunity to show them the Portuguese wine, this new product with a different meaning.
- Once the massification of wine culture occurs, this will result in higher volumes of consumption: this will become more common and natural in the culture, the interest would have grown so the consumption would increase as well, it won't be seen as a product to consume only on special occasions but on a daily basis.
- Few companies focused on Portuguese wine: this will allow us to become a very good reference to the product and to obtain a better image among the customers and therefore acquire a very important recognition in the industry.
- Distribution of Portuguese wine mostly only in one city, Bogotá: this is good because the distribution is not that big yet, which represents a great opportunity to introduce the product in other main cities of the country increasing the possibility of obtaining more benefits.
- The benefits for health that the moderate consumption of red wine brings will attract more people to consume this drink, even if they never have: nowadays people are more into healthy things, some studies have revealed that moderate wine consumption

can be good for health which can motivate people to consume the product as we have always had the idea that alcohol consumption is not good special with drinks like beers, now the perspective change.

- **Threats (T)**

- Appearance of new competitors given the Innovative product: at the moment there are few competitors because it is still a new product in the Colombian market, however it is just a matter of time for new competitors to arrive if they discover the opportunity that this product have in the country and once it starts to become more recognized and appreciated.
- Substitute products have very high consumption levels: as we have seen, the consumption of other alcoholic beverages such as liquors or beer is very high among Colombian people compared to wine, so it could continue to be if there are more incentives for it.
- The ease of transporting the products and all the process due to the distance between Portugal and Colombia compared to Chile, Argentina and Colombia.

After these micro and macro analysis, we can realize the different factors and aspects that are involved in a market, we cannot stay just with the analyze of the competition, there are many other aspects to take into account before opening a new business, such as political, economic, social, technological, environmental and legal situation of the country and these are aspects influencing its economy and thus, the way the market and consumers behave. It is also important to determine the elements providing strengths, weaknesses, opportunities or representing a threat to the company in order be prepared for this and overcome it. Additionally, it is necessary to have a closer approach with people about the business idea to be able to better identify the target and their preferences, which in this case corresponds to a survey elaborated and applied with people in Colombia, which we will see more in detail in the next section.

4.8 – Survey Analysis

A survey has been applied to Colombian people living there, to analyze the wine consumption in Colombia and their knowledge in Portuguese culture and wine to see how to bring some of the Portuguese culture through its wine culture. It was applied in August 2021, a link to the online form was sent to people, known and unknown through whatsapp groups, it was also asked to people to share it with their friends and family. 221 people answered this survey from different cities of the country, and from which we obtained the following information:

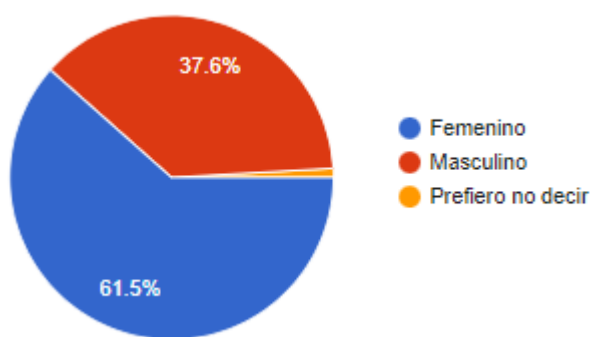


Figure 9. Gender results. Source: Own elaboration

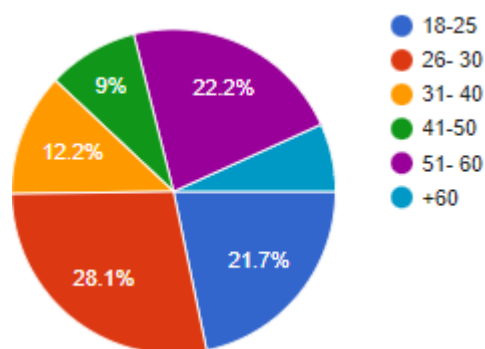


Figure 10. Age results. Source: Own elaboration

The first aspect to check was the demographic information, in the figure 9 and 10 we can see that we obtained that most of people that answered were women, most of them were between 26-30 years old (28,1%), followed by people between 51-60 years old (22,2%), then people between 18-25 years old (21,7%), followed by people aged between 31-40 (12,2%), 41-50 years old (9%) and less of people were over 60 years old (6,8%).

Regarding the place where they live, they have been organized in departments as there were different cities named from the same zone. Most of them are in Bogota or cities next by such as Chia or Cajica, Cundinamarca being the department (57,47%). Followed by Quindío and Risaralda close to each other with cities such as Pereira and Armenia (7,24%), then we have the coast with the main cities like Cartagena, Barranquilla and Santa Marta (5,88%), continuously we have Santander with Bucaramanga and San Gil (4,07%), followed by Valle del Cauca with Cali and Palmira that is also very close to Quindío and Risaralda (3,62%), then we have Boyaca with Villa de Leyva and Tunja (3,62%), then we have Tolima (2,71%),

followed by Antioquia with Medellin and Rionegro (2,26%) and Finally, Villavicencia but this represented only 1,80%.

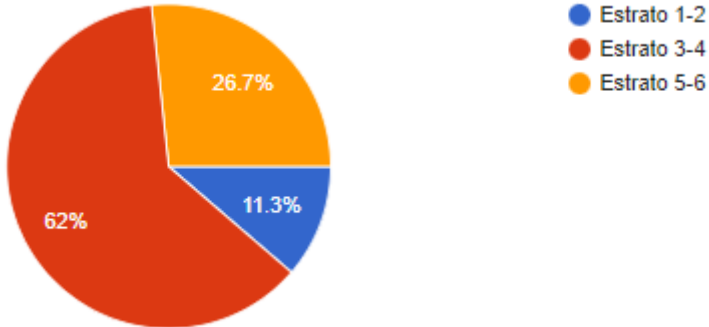


Figure 11. Socioeconomic level results. Source: Own elaboration

In Colombia, the socioeconomic level is very important and common. It is determined according to the classification of residential properties and is carried out to collect household public services, allowing them to assign subsidies and collect contributions in this area. In this way, those with more economic capacity pay more for public services and contribute so that the lower strata can pay their bills, so more or less it shows the acquisition capacity. In this case, it is divided into three main levels: 1-2 which represent those with less capacity, 3-4 that is the medium and 5-6 representing people with more capacity. In the survey, in the figure 11 we have that 62% belong to the 3-4 level, 26,7% represent people that belong to the 5-6 level and 11,3% belong to the 1-2 level. Additionally, we have 40,7% of people who are employees, 26,2% are independent, 15,4% are students and 7,2% are business people, there are also 2,3% for housewives.

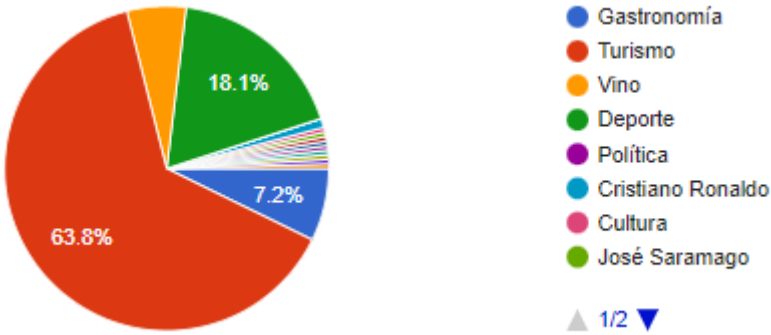


Figure 12. Results of the question about what people think first when they think about Portugal

There were some questions focused on Portuguese culture and people's knowledge on this, which was the second aspect to analyze. From which, in the figure 12 we can see that we obtained that most of them think about tourism first when Portugal is mentioned (63,8%), followed by sports (18,1%), then gastronomy (7,2%) and less people mentioned wine (5,9%). The next question was more specifically about their knowledge in the culture, most of them do not know anything about it or know just few things (62%), followed by people that had more knowledge (29,86%), they mentioned things such as Cristiano Ronaldo, Language and History, similar culture to the Spanish one, also the religious culture, the most folkloric European country, its safety, the kindness of people, festivities and carnival, architecture, very few people knew about wine. Finally, the rest representing the less figure have basic knowledge from papers they have read or learned in Brazil (6,8%).

Another question quite similar was asked with the idea of knowing if there was any Portuguese stereotype they knew or have heard about it but most of them have not, 77,37% do not know any stereotype, the rest mentioned their kindness, Cristiano Ronaldo, hard workers, fit, cold people, politically weak, they have good food, there are almost no kids, passion about seafood.

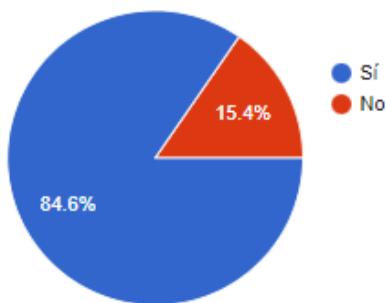


Figure 14. Results of whether they like wine or not. Source: Own elaboration

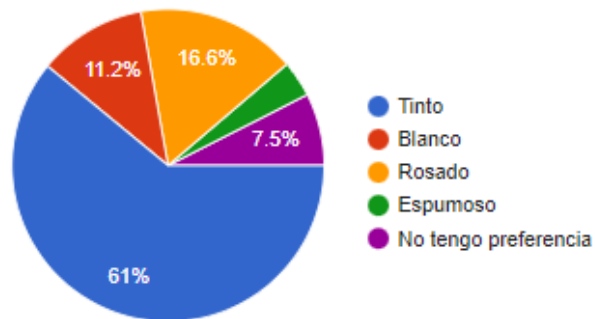


Figure 13. Results about their wine preference. Source: Own elaboration

The third aspect to study was the wine consumption that we can see in the figure 14: 84,6% do like wine and 15,4% do not like it due to the taste, others because they do not drink alcohol or they do not know anything about it. For those who like wine, as mentioned in the figure 13, we obtained that most of them prefer red wine (61%), followed by rosé (16,6%) and white wine (11,2%) and the minority said there was no preference (7,5%). Most of them drink wine once a week (44,9%), followed by people that drink 2-4 times a week (8,6%), and finally, those who drink once a month (4,3%). When they consume, most of them drink only

one glass of wine (41,2%), while the minority drink more than one bottle (3,2%) and the rest drink less than a bottle but more than one glass (31%) and one bottle (24,6%). Regarding the situation or occasion when they drink we obtained that most of them drink in social gathering referring to meetings with friends (62,6%), followed by drinking at family events such as Christmas, new year (49,7%), then special occasions such as weddings, celebrations (45,5%), they also like to drink it at home to relax, read a book for example (44,9%) and at lunch or dinner (38,5%).

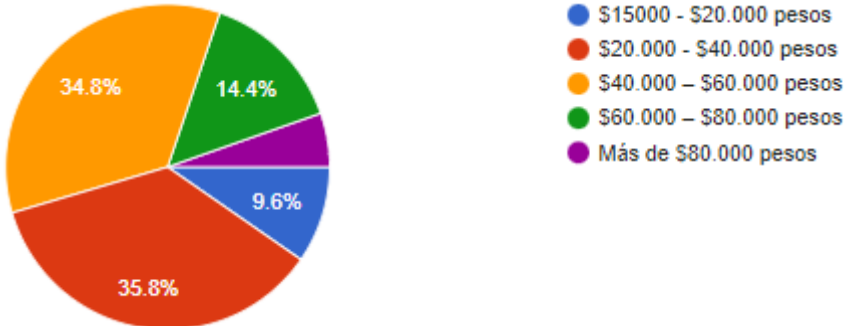


Figure 15. Results about how much they usually spend on wine

Regarding the prices they usually pay for wine, in the figure 15 we have that 35,8% pay between \$20,000 - \$40,000 COP (4,54€- 9,08€), followed by people that usually pay between \$40,000 - \$60,000 COP (9,08€- 13,63€), then we have those who pay between \$60,000- \$80,000 COP (13,63€-18,17€), followed by people that pay between \$15,000- \$20,000 COP (3,41€ - 4,54€) and finally, the minority that usually pays more than \$80,000 COP (18,17€). Continuously, there was a question about the attributes of the product in order to see what they care more about, the five attributes are: the price, the brand, the origin, the presentation and the type of wine, from which we realized that people care more (represented by 5 points, the highest) about the type of wine, followed by the price and the brand and presentation with equal attributes for which they medium level is the price important but not the result and the care more in a which means it is main factor.

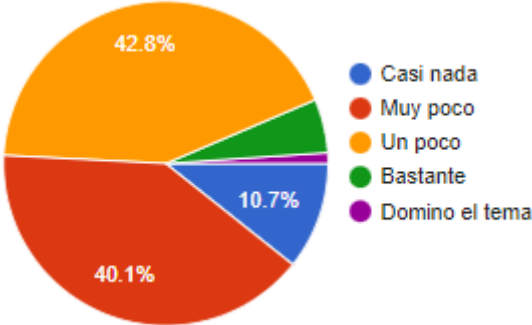


Figure 16. Results about their knowledge in wine. Source: Results of the survey

The fourth aspect we wanted to see was their knowledge on wine, presented in the figure 16. We obtained that most of them know a little, very little and do not know anything about wine, 42,8%, 40,1% and 10,7% respectively. Followed by only 5,3% and 1,1% knowing a lot and feeling like an expert respectively.

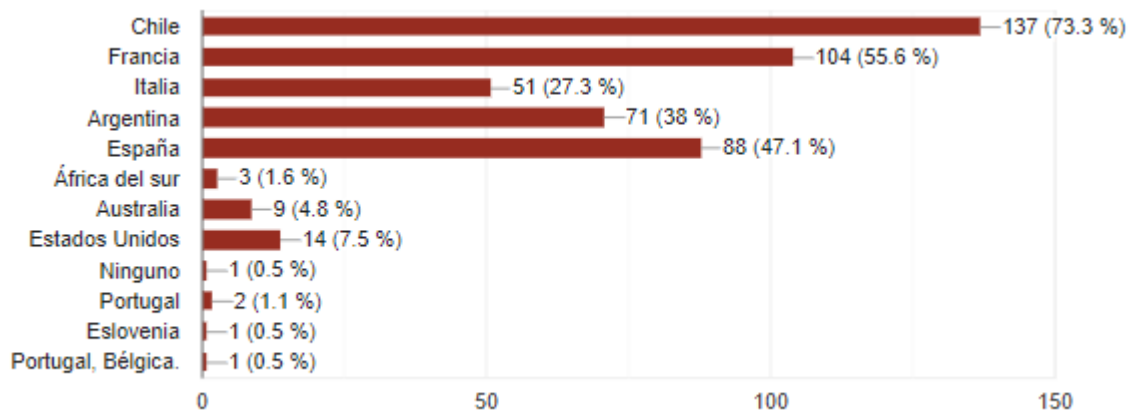
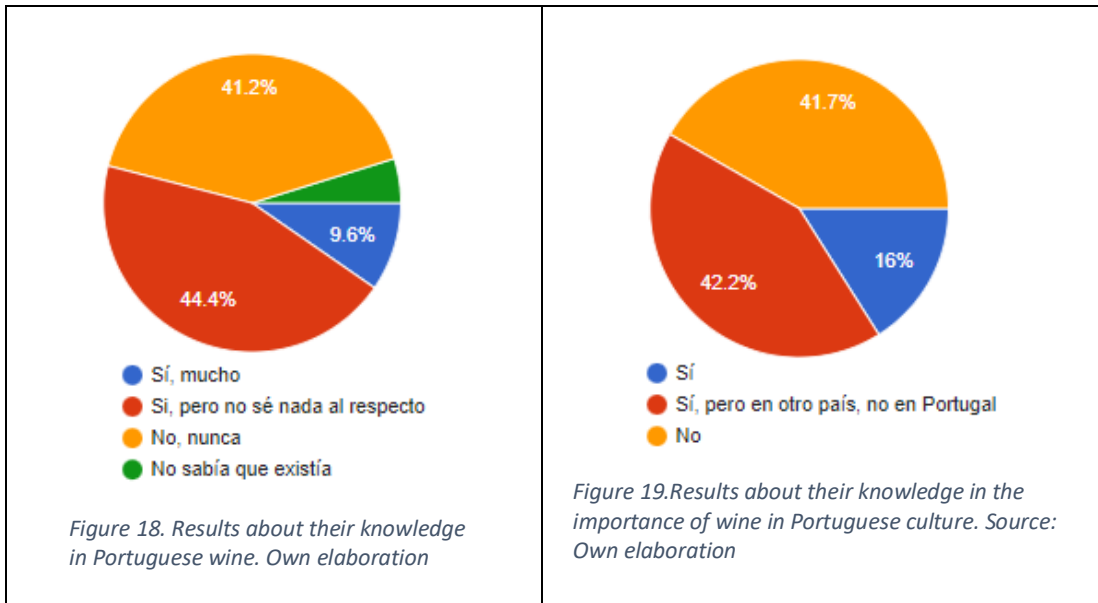


Figure 17. Results about their perception on the country with best wine quality. Source: Own elaboration

Continuously, they were asked about which country they think have the best quality of wine as we can see in the figure 17, 73,3% think that the country with the best wine quality is Chile, followed by France with 55,%, then Spain represented by 47,1%, followed by Argentina and Italy with 38% and 27,3% respectively. Additionally, 54% would buy wine in a supermarket, 24,6% would buy it in a specialized store, 19,3% would buy it in all of the options mentioned and only 16% would buy it online.



The fifth aspect is focused specifically on Portuguese wine and wine culture, figure 18 shows that 44,4% have heard about Portuguese wine but do not know anything about it, while 41,2% have never heard about Portuguese wine, 4,8% did not know it existed and only 9,6% know a lot about Portuguese wine. Regarding the importance it has in Portuguese culture, figure 19 shows that 69,5% did not know the importance it has in the culture, only 30,5% knew about it. Continuously, 42,2% have heard about wine tourism but in another country, not Portugal, on the contrary, 41,2% did not know about wine tourism at all and only 16% knew that it existed in Portugal. Then, the vindima tradition was mentioned and explained and 84% would like to experience something like this, only 16% said they would not be interested. Port and Green wine were mentioned, 44,44% have heard about Port wine only, 2,1% have heard about green wine, only 12,8% have heard about both of them and 40,6% have never heard about any of them.



Figure 20. Results about their interest in learning more about Portuguese wine. Source: Own elaboration

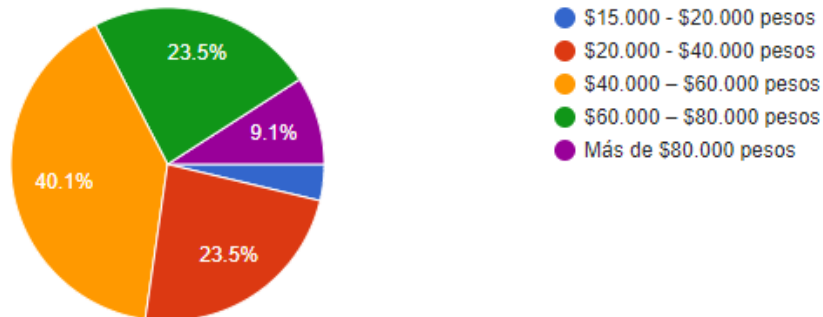


Figure 21. Results about what they are willing to pay for Portuguese wine. Source: Own elaboration

Furthermore, most of them would be interested in trying Portuguese wine (85%), followed by those who might be interested (14,4%) and only 0,5% would not be interested as we are able to see in figure 20

Most of them, 40,1% would be willing to pay \$40,000- \$60,000 COP (9,08€- 13,63€), followed by those willing to pay between \$60,000- \$80,000 COP (13,63€-18,17€) represented by 23,5% and those willing to pay \$20,000 - \$40,000 COP (4,54€- 9,08€) representing also 23,5% and finally, 9,1% willing to pay more than \$80,000 COP (18,17€) so we can see that according to figure 21, for Portuguese wine they are willing to pay more than what they usually pay for the other types of wines.

We can conclude that there is little knowledge on wine, especially Portuguese wine and culture, most of them did not know Portugal was a wine producer and the importance it has in its culture. Additionally, they do not know much about Portugal, most of them recognize it because of Cristiano Ronaldo and sports, and as a tourist place. Even though people are not very aware about wine culture and Portuguese wine, they feel very interested in the product. They were able to discover and learn different things from the survey, that was some of their feedback after answering it, they also asked when they would be able to try it and that they felt really excited. Which is good, it created an interest and curiosity about the product and the idea and they are willing to try it and learn about it. Through the information they also received about some wine cultural things present in Portugal, they could see its importance and feel motivated to try it, we can see that people would like to

learn about the wine culture, especially Portuguese wine. Additionally, regarding the prices, they are willing to pay more than what they usually pay for the existing wines in the market from other countries.

After all these different analysis, we have the information required to proceed with the business model, which in this case, is the Canvas model structure. In the next chapter, we will present it more in detail.

Chapter V - Business model

5.1- Customer Segmentation

In the previous analysis we could identify that due to economic factors like the greater economic development and Covid-19 generated new habits on people leading to a consumption increase of wine, we were also able to see that there is an opportunity to innovate with Portuguese wine as its presence in the Colombian market is weak, through the survey we were also able to see that people really liked the idea and would like to learn more about wine and taste it.

So in this case we identify two types of targets: the first one is the consumer market and the distributor market but at the moment we will focused on one, the other will be included in further opportunities:

- Consumer market: this market includes people over 18 but mostly over 25 due to their higher acquisition power, from the 3-4 and 5-6 socioeconomic level in the main cities like Bogotá, Armenia, Cali, and Bucaramanga, who are wine lovers or that like and would like to learn more about it. This involves both current consumers and those who could potentially join and represent the main and primary customer segment

5.2- Customer relationship

The relationship with the customers is one of the most important things, so we need to know the type of relationship we want to establish with each segment of our customers. These relationships can be personal or automated, it all depends on the focus of the company and it is also important to offer something with good quality and be consistent.

To reach our customers, first of all, we would use social media as we know nowadays is the best way to get to people and be in contact with them, most of people are on different social medias platforms and that's even where they go to look for information about a company or a specific product, it is important to be connected to them and make them feel close.

- Consumer Market: in the first place to get to people, we would use social media: Facebook that is more used by people from older generations, Instagram the most used one among younger generations, especially for recommendations and cool thing to post on instagram, even older generations are using this application and

Whatsapp which makes people feel closer and with a more personalized service as they can ask anything they want and usually a fast answer will be received.

The idea is to have a direct relationship and make them feel that we are there with them during the process of learning about wine, so we would have some facilitators to help people, to answer their questions and guide them through the different options. Additionally, to develop a program with some courses and wine tasting to coach/inform them about the different types of wine, so they can feel closer to the Portuguese wine culture and merge into this. Also, a fidelization program where they buy purchases they do, they obtain points that can be redeemed later, etc.

5.3 - Distribution channels

Regarding the distribution channels, Vinhogal relies on 4 different channels: the first one is through direct sales, the company can have a closer view of the customer. The second one is retailers, especially supermarkets. We have seen through the survey that most of them think about supermarkets when they want to buy wine. Additionally, neighborhood shops are very common as well as specialized stores. Finally, we have restaurants that could be interested in proposing these newest products, it can represent an added value as well and can have a higher trade margin. The third one is through a website, which is very important to be able to propose the product and deliver it to people, as well as social media, the fourth channel. To promote it by giving all the information of where they can acquire the product and the different attributes and characteristics of it.

5.4 - Value Proposition

The value proposition is the following:

- Emotional: to provide an environment where they don't feel ashamed or embarrassed about not knowing much about wine, creating a place where they feel they can learn. So provide the customer with a good service experience during the purchase process, through which they feel accompanied and guided by someone that knows and can teach and show them about wine culture and at the same time, help them to make the best choice of the product.

- Functional: they will find a variety of products while receiving advice about wine culture, in a set place dedicated exclusively to the sale of wines, so that the client feels immersed in the wine world. Since Vinhogal only offers wines, this will make the process and the attention easier.

5.5 - Key activities

- Relationship management: create events to promote the product among people, create spaces where they can taste and spend time getting to know the product and having a closer approach to the Portuguese wine through wine tastings, workshops about wine culture, for people who wish to broaden their knowledge of wine culture or who are just starting out in this culture and may not have enough time while doing the purchase. Additionally, offer the services of being present in events, celebrations, etc.
- Creation of partnerships with Portuguese companies in Colombia, participate in international events that take place in the country to exhibit wine from around the world such as Expovinos. Try to create spaces in the supermarkets to explain to people and try to show and guide them so they feel interested about Portuguese wine, at least at the beginning while the product and campaign is launched.
- Website: to have a very nice and organized website where people can find all the information easily and that they do not get lost nor confused, where they can also buy the products and find a very clear catalogue. Use software to have a good control about the customers and the evolution of the business.
- Marketing and promotion of the product: to be constantly sharing useful and important information always related to the product, it can be articles or posts about history, conditions, attributes about wine, fun facts, information about wine and Portuguese culture, and consulting services. Also, frequent check the reviews to make sure that we are providing a good service.

5.6 - Key resources

- Human: people with the right knowledge about the winemaking, history, facts, information about the product that can guide people and help them with their choice and anything they can need. It is required: people in charge of receiving the exported product to distribute it, people in charge of social media (creating content, posting and answer to messages of people), someone in charge of sales and public relations to manage the organization of events, creation of partnerships, etc.
- Financial: Initial Investment to develop the project and start operations and be able to pay the costs involved.
- Marketing: The marketing is responsible for all communication to go out in the market regarding the service. The nature of this communication varies from press releases to online product reviews and advertisements. We are going to outsource that service.
- Intellectual: to be able to build a strong brand to which people relate to we need intellectual resources to create the website, the social media accounts, design, customer databases, a catalogue, algorithms and eventually to create an application.
- Technological: A computer and a cell phone.

5.5 - Key partners

We have different types of partners:

- Our suppliers: the wine companies of the different types of wine that we are going to bring to the Colombian market.
- The investors: people or organizations interested in allocating capital to develop the business.

- The distributors companies: supermarkets, specialized stores, neighborhood shops and restaurants as they have more capacity, market and sources to distribute it to more places.
- Entities related to wine or about advertising: websites, magazines, pages, etc. that could help us share information and promote the product.
- Portuguese associations in Colombia: the Portuguese Embassy in Colombia, the luso-colombian chamber of commerce and industry that promote their culture and realize events and activities.
- Colombian entities in charge of promoting other cultures and traditions from other countries: Procolombia: the entity in charge of promoting Tourism, Foreign Investment in the country, non-mining energy Exports and the image of the country, offering support and advice to clients, facilitating the design and execution of its internationalization strategy, which seeks to generate, develop and close business opportunities, etc. (Procolombia, s.f.)

5.5 - Revenue streams

The way to earn money in this case is through the sales of the different types of wine, and the revenues received from the different events organized and courses given. Which is going to be analyzed and explained more in detail next.

5.6 – Further Opportunities

There are still a lot of opportunities for Vinhogal. In the future, it would be nice to expand the services to other cities in the country, but not only that, also expanding the services offered by implementing new ideas and strategies to improve customers' satisfaction as well as creating more wine culture through population. Some of the possible further opportunities can be done in short term and others in long term:

- *Short term Opportunities*

Regarding the short-term opportunities, the creation of a mobile application can be implemented. An application where they have information about the different types of wines and the different strains and grapes, about the different components of each wine and for which occasion each one can fit better. Also to have information about the different places where they can find it and buy and the different services offered and current news or information about wine, fun facts, etc. Additionally, to have a loyal customer program where they can have advantages according to their consumption and people they refer us to.

- *Long term opportunities*

Regarding the long-term opportunities, there are two main ideas, the first one is to create a bar focused on wine, with a bit of traditional Portuguese decoration, where people can taste the different types of wines, the idea would be to have more wine diversity, implement also food services and offer tapas or small dishes of traditional Portuguese food so people can merge more into this culture and experience it in a more realistic way. The other idea would be to implement these services in more cities and places of the country, not only in Bogota and 2 other cities, but to be able to reach more parts of the country.

So we can see that there are still a lot of opportunities to continue developing the idea and to be able to share and show people in Colombia more about Portugal, not only their types of wine and wine culture, but also to be able to see it in a more “realistic” way, and also get to know about their gastronomy and see how wine is not only a drink but something that contains many other things and tells a story of a country as a whole.

Chapter VI – Costs, Revenue, Funding

In the case of export there are more things that should be considered. The costs to take into account are those included in the origin countries, those of transit and those of the destination country. More in detail we need to consider the costs of the logistic operator, the custom agent, the international and national transport, for this we have the International Physical Distribution (IPD), the logistic process to place a product on the international market, following with the negotiation terms between the seller and the buyer. Its purpose is to reduce the time, the cost and the risk that could appear during the travel from the departure point to the delivery destination point.

To summarize the export process, first of all in Portugal a registration for the exercise of activity in the wine sector must be carried out in the appropriate form, to be provided by the Instituto da Vinha e do Vinho (IVV), who has 60 days from the date of registration to confirm it. This registration must be carried out for activities that the natural and legal person, or groups intend to carry out, in the wine sector, in accordance with the provisions of article 2 of the Decree-Law 178/99, of 21 May. Then the expedition of some documents are required such as: an Invoice (a document that must accompany all shipments destined for a country outside the EU, containing declaration of contents), a Transport guide Document (all basic shipping information should be detailed in this document), the Single Administrative Document (DUA) (a form used to harmonize and simplify the flow of information between different customs authorities), Certificate of Origin (document demonstrating that the imported goods belong to an “Generalized System of Preferences” country) and the EUR1 Certificate (The EU has preferential trade agreements with some countries, which allow certain products to have a reduction or elimination of customs duties on imports). After this, it is possible to send any shipment to the destination country.

Then in Colombia, there is a 15% tax on alcoholic beverages that should be pay and additionally there is the 19% of the value-added Tax. In this case, since there is not a specific business client in the destination country, all of the different costs have to be taken in charge by us. With DHL is possible to send a container with the different bottles of wine by seaway, taking 24 days to arrive with a service of door-to-door. Now we are going to see more in detail the cost structure, revenues and investment.

It is also important to mention that in this case we will work with two different currencies: the euros and the Colombian currency corresponding to Colombian pesos for which the conversion rate is equal to: 1€ = \$4410, 50 COP.

For the first year of operation it is expected: 88.940, 34€ of costs and 74.855€ of revenue. To start operations, there will be needed 700€ of initial investments (this amount has correspond to cost converted to euros from Colombian currency) and financing of 75.000€.

- Costs

The costs are composed by the salaries, the local costs, other costs including the transport of the product, and Marketing costs being a total of 88.940, 34€. Payroll comprehends a total of six team members (one manager, one marketer, one IT responsible or developer, one accountant, one sales responsible, and one sales assistant), for these last two, the salaries from Colombia have been taken into account as they would be there). Local costs includes a rental place, including the bills, and Wi-Fi and phone line. Then, as for the other costs, we have legal services, insurance and export transport costs. Finally, we have the Marketing costs that encompasses the social media campaign and the outsourcing of catering for the events to realize.

- Revenue

The revenue streams are composed by two different things: on one hand, the product itself which is composed by 6 different types of wine, 2 types of white wine, 2 of Rosé, 2 of Port Wine, 1 of Green and 1 of Red wine. On the other hand, we have the other activities offered such as the wine tasting, the organization of events and wine consulting or workshops of a total of 74.855€ of income. Assuming that 350 bottles of wine are sold each month, that we have 30 people for wine tasting, 20 people for the workshop and 5 events.

- Investment and funding

The expected financing is mainly composed by Business Angels representing 47%, Bank financing representing 33% and finally equity representing 20%.

Conclusions

It is possible to understand in a better way the impact that the different factors of a country have on its population and their behavior. Due to some economic factors such as the greater economic development of the country, generating an increase on the populations' wage, and the Covid-19 pandemic, there was a change on people behavior. In a country where wine used to be one of the less alcoholic drinks consumed and representing something to be consumed only to celebrate or only really special occasions, there was a representative rise on its consumption. This new trend combined with the lack of knowledge on wine in general represents a good opportunity to innovate in this market, especially where there is a lack of Portuguese wine besides the wine culture.

After the different micro and macro variables analysis, we can notice that bringing Portuguese wine to Colombia represents a good entrepreneurship. The interest on wine is growing among Colombian people and what a better way to instruct them into this world than through Portuguese wine that represents more than just a drink, it brings with it a culture, not only Portuguese culture but wine culture that is anyways a big part of their culture. Thanks to the survey applied to people in Colombia and in different cities, we can conclude that they are really interested in Portuguese wine, not only because of the product and its good quality, but also because Portugal has a different perception of wine and have different traditions which they liked and would like to experience one day and it was possible to see the desire they have to learn more about these type of wine and try it.

We can also conclude that the objectives of the project have been achieved, an entrepreneurial project has been developed showing its viability, it also allowed us to understand better the impact and importance of interculturality when going abroad, there are no limits for this, nowadays it is possible to go international since the beginning having more sources and support available online, to be able to succeed. In this case we analyzed Colombian and Portuguese culture and we realized that they have a lot of similarities although it will never be exactly the same but it helps to have a better idea of how to relate to people and we conceived that Colombian people are willing to learn about the Portuguese one. Vinhogal's Business Model has been developed as well, giving us all the necessary tools to implement the project in Colombia.

However, some constrains were found on the way, the concept of interculturality is still not that developed so it is that easy to find literary review about it. Continuously, there

is huge lack of information in the wine sector in Colombia due to the fact that it is a phenomenon that started to develop few years ago, so it was hard to find exact information and numbers about their consumption in sales or volume and more detailed information about who buy it and consume it, where they buy or consume it, when they consume it, etc. This is a trend growing and with a lot of potential, it becomes necessary to make studies and obtain more information about wine consumption in the country. Additionally, there were some problems with the export costs calculation, it is also complicated to find examples or information about how to calculate them in a more realistic way and specific information about taxes and duties.

Although it was not easy, we can conclude that Vinhogal represents a good opportunity to export some of the Portuguese culture, at the beginning only through wine, but in long term, it represents an opportunity to bring Colombian people more than that, to give them a more Portuguese experience with some of their decoration and food and not only in few cities, but many others.

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Annexes

Anexx I – [Other reasons to internationalize: Own elaboration]

1. Sales growth and profitability: export implies targeting markets with greater potential for sales or benefit due to being smaller in size, less competitive or because their customers have a higher disposable income
2. Extend the cycle life of the product: exporting to less developed countries can also allow us to maintain, and even increase sales of products that in the current/national market are obsolete and in decline.
3. Offset the growth of the competition: the entry of new competitors tends to reduce market share and company profits. Exporting can allow us to act in less competitive markets and maintain and increase sales and benefits.
4. Maintain business and diversify risks: In case of economic crisis, exports allow surpluses that the national market is not capable of absorbing, since there are always markets whose economic cycles differ from ours.
5. Compensate for the seasonality of demand and supply: in sectors where there is a marked seasonality of demand or supply, operating in international markets can help us to avoid or reduce the fluctuations that this produces in sales and profits of the company.
6. Achieve greater economies of scale: to the extent that the export activity is successful, sales will be increased and with them, the economies of scale which the company benefits, thus reducing its costs.
7. Obtain location savings: by relocating some of its activities, the company may have access to resources or activities that it could not obtain in its country under such advantageous and competitive conditions.
8. Improvement of image and prestige: exporting is an example that gives prestige and contributes to improving the image that the company projects before its clients, suppliers, banks and institutions.
9. Learning and experience: It also makes it possible to acquire new experiences and knowledge by learning from the performance of foreign competitors and the demands of consumers in foreign markets.

10. Response to competitive pressures: the threat of competitors can lead the company to seek markets where these are not present, or sometimes even to locate itself in the competitor's market of origin in order to respond to their attacks.

Annex II – [Benchmarking Comparison: Own elaboration]

Company	Origin Countries of wine	Type of wine	Brand of Portuguese wine	Services offered	Prices	Places where it is distributed
Exito	Different countries, Portugal (1)	Red wine	Santa Vitoria	supermarket	32,39€	Delivery to the entire country
<i>La Vineria</i>	Chile, Argentina, Spain, Portugal (new)	Red, White, Rosé	Sao Sebastiao and Milha Velha	advice, organization and coordination of events related to oenological and gastronomic, product customization	10,34€ - 13,26€	Delivery to the entire country
<i>Colombia vinos</i>	Argentina (25), Chile (32), Spain (30), the USA (6), France (27), Italy (16), Portugal (7), South Africa (1)	Green, White, Rosé, Red	Casal Garcia, Gazela, Mina Velha, Mateus and Grao Vasco	other types of beverages such as beers, rum, tequila, vodka + sommelier school	8,66€ - 10,44€	Bogotá
<i>Clic Alimentos Gourmet</i>	Portugal (14)	Red, Green	Quinta do Castro (9: Honore Douro, Quinta do Crasto Vinha da Ponto, Quinta do Crasto Vinha Maria Teresa, Tinta Roriz, Touriga Nacional, Reserva Vinhas Velhas, Late Bottled Vintage, Crasto Tinto and Flor de Crasto Branco) and Ponte da Barca (5: White sparkling Loureiro Bruto, Ponte da Barca Grande Escolha, Ponte da Barca Loureiro & Alvarinho, Ponte da Barca Adamado Meio Seco and Ponte da Barca Rosé)	Other type of products: charcuterie + wine tastings, events, pairing dinners	14,50€ - 52,42€ and 1,182€ - 1,182€ (Red wine) and 12,27€ to 15,18€ (Green Wine)	Delivery to the entire country
<i>Vinal Colombia</i>	Portugal (32)	Red, White, Rosé and Port wine	Sol de Chile, Santa Vitória, Versatil, Quinta de S. Sebastiao, Mil Caminhos, Mina Velha, Ponte de Lima Loureiro, Casal Garcia, Pocas Porto Branco, Pocas Porto Ruby and Pocas Porto Tawny	No other type of services, just sell wine and olive oil	6€ to 15,62€ and 6,80€ to 30,34€ (Red Wine)	Bogotá

Company	Origin Countries of wine	Type of wine	Brand of Portuguese wine	Services offered	Prices	Places where it is distributed
<i>The wine store</i>	Argentina (24), New Zealand (12), Uruguay (7), France (24), Australia (21), Luxembourg (7), Austria (14), the USA (24), Germany (5), Chile (28), Armenia (1), Spain (24), Italy (24), South Africa (7), Israel (2), Brazil (3) and Portugal (23)	Red, Rosé, White and Green	Flor de Crasto, Mil Caminhos, Seixoso, Rosario, Convento da Vila, Castelo do Sulco, Flor de la Mar, Casa de Vila, Mina Velha, Quinta do Portal, Crasto do Douro, Santa Vitoria and S. Sebastiao	Other types of drinks: whiskey, vodka, pisco, rum, Gin, Nac weapons, Calvados, among Ros liquors, also cold cuts, cheeses, oils, vinegars, sauces, Colombian and imported coffees and many other products	9,13€ and 15,14€	Bogotá
<i>Vinos el Kiosko</i>	Spain, France, Chile, Argentina, the USA, Australia, Italy and Portugal (7)	White, Red and Port wine	Adega Mae Dory, Graham's 10 years old Tawny Port, Porto fine Ruby and Tawny Vista Alegre	Other type of drinks: rum, vodka, Whiskey, etc., they offer recipes, reviews about wine, a blog, flavor profiler	14,98€ to 53,37€	Delivery to the entire country
<i>Mercado Libre</i>	Different countries, Portugal (14)	White, Red, Rosé and Port wine	Porto Cruz, Terras do Minho, Seixoso, Flor de la Mar, Rosario, Quinta da Lia, Casa Ermelinda	E-commerce platform	5,57€ to 17,32€	Delivery to the entire country

Annex III – [Questions and answers of the Survey: Own elaboration]

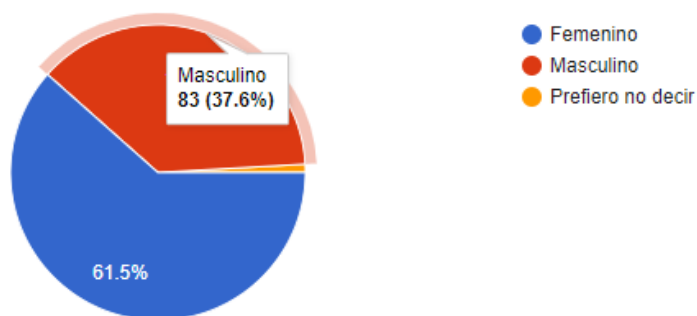
Within the scope of the Master's Final project in Intercultural studies for Business at the Instituto Superior de Contabilidade e Administração do Porto, I am conducting a survey on the consumption of wine in Colombia and their knowledge in Portuguese wine to see how to bring some of the Portuguese culture through their wine culture. In this sense, your collaboration is essential.

All data collected is anonymous and confidential, and data processing and storage will be carried out in accordance with the Legal Data Protection Regime.

Filling in the questionnaire takes an average of X minutes. I appreciate your attention and thank you so much for your collaboration!

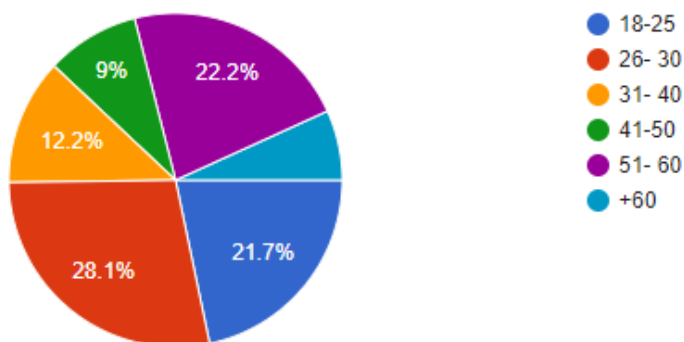
1. What is your gender?

- Female
- Male
- Prefer not to say



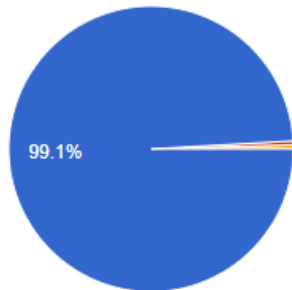
2. Age

- 18-25
- 26- 30
- 31- 40
- 41-50
- 51- 60
- +60



3. Are you Colombian?

- Yes
- No
- Where from



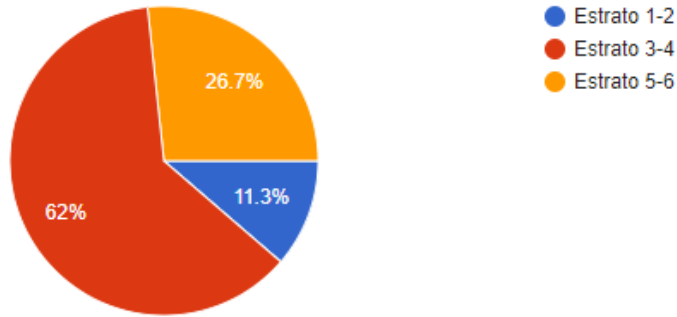
- Sí
- No
- Mexicana

4. Where do you live?

Bogotá
Bogotá
Bogota
Bogota
Bucaramanga
Armenia
Bucaramanga
San Gil
Cali

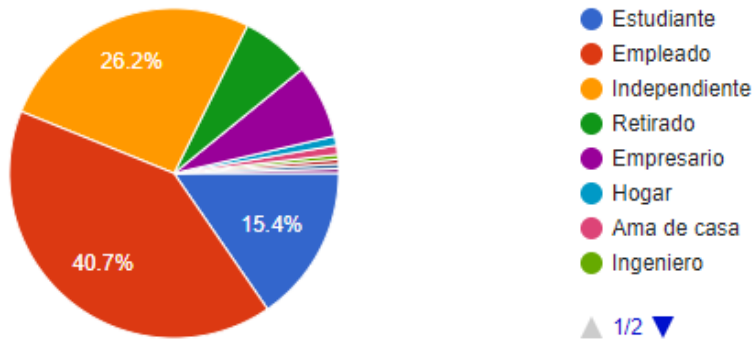
5. What is your socio economic status?

- Estrato 1-2
- Estrato 3-4
- Estrato 5-6

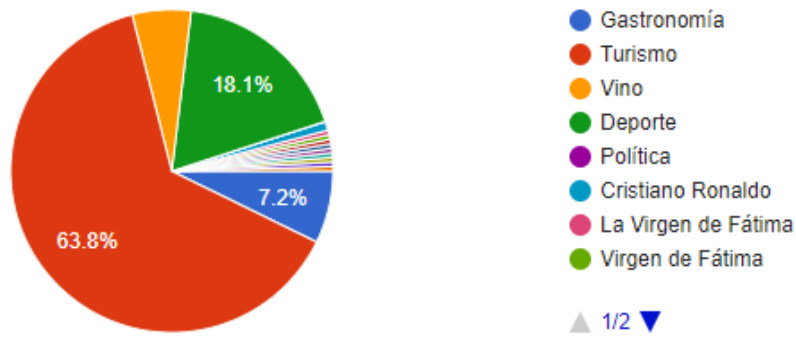


6. What is your occupation?

- Student
- Employee
- Independent
- Retired
- Employer/businessman



7. What comes into your mind when you think about Portugal?



8. What knowledge do you have about Portuguese Culture?

Ninguna

Ninguno

Muy poco

Ninguna

No mucho

Poca

Ninguno

Muy poca

Poco

9. Is there any stereotype about Portuguese people that you have heard of or know about?

- No
- Yes, which one?

Cristiano Ronaldo, los vinos

son muy fogosos

No conozco ningún estereotipo

no ninguno

Campesino

Son muy sociales

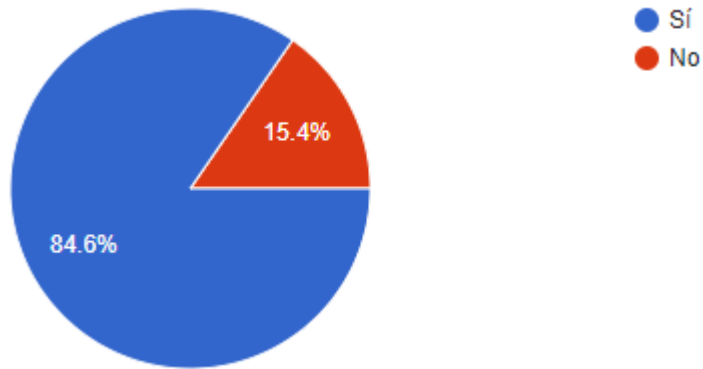
Que se ríen así: KKKKKK

Personas intelectuales y cultas en general

Si

10. Do you like wine?

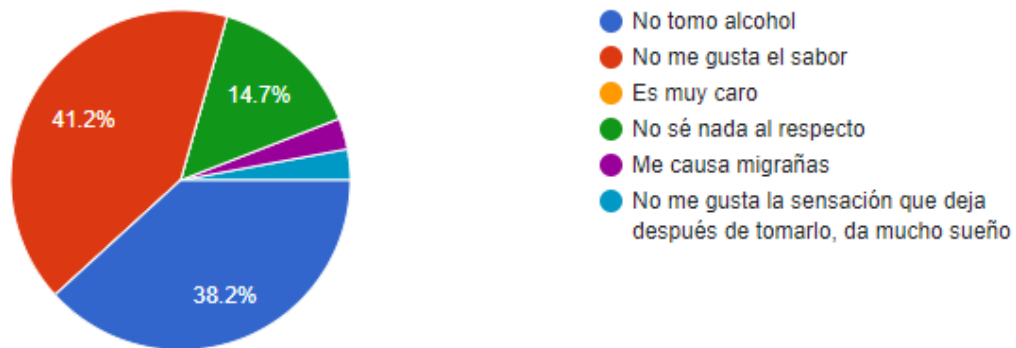
- Yes
- No



If the answer is no:

Why you don't drink wine?

- I don't drink alcohol
- I don't like the taste
- It is too expensive
- I don't know anything about it
- Other:

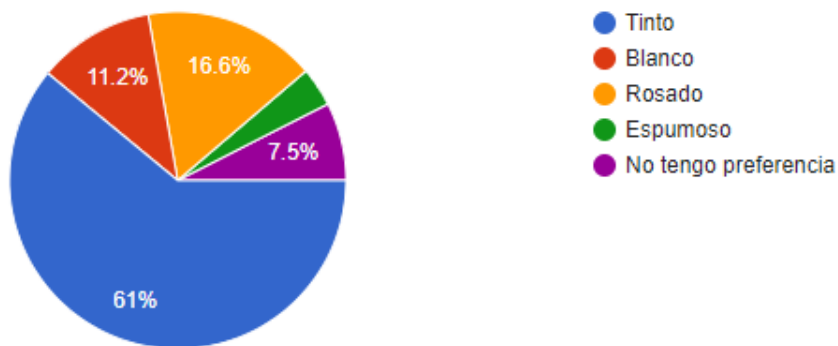


And then, thank them for their participation

If the answer is yes:

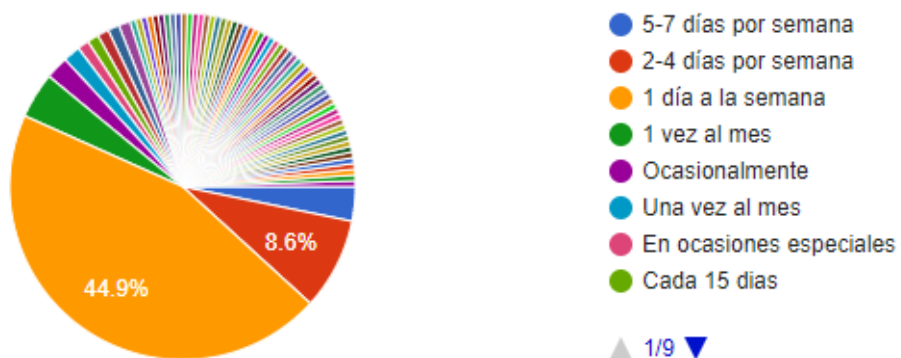
11. What type of wine do you prefer?

- Red
- White
- Rose
- Sparkling
- None



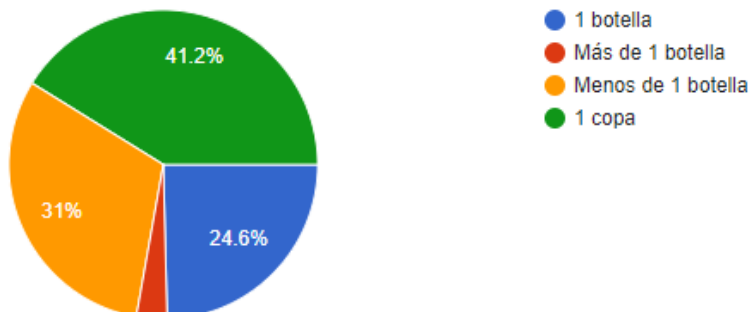
12. How often do you drink wine?

- Every day
- 2-4 times per week
- 1 per month
- occasionally
- Almost never
- Never



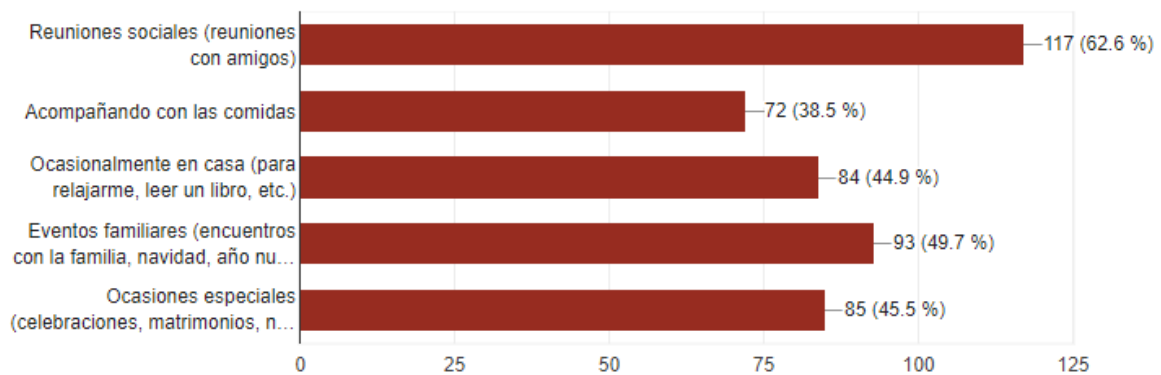
13. When you consume wine, in which quantity do you do it?

- 1 bottle
- More than 1 bottle
- Less than 1 bottle
- 1 glass of wine



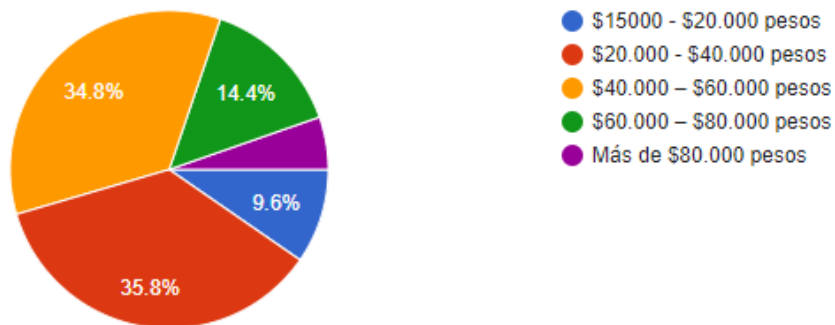
14. In which occasions do you drink wine?

- Social gatherings
- In a bar
- Every day with meals
- To relax
- Occasionally at home
- Family events
- Having dinner at a restaurant
- Couple dinner
- Special occasions
- With friends at home
- Other:



15. How much do you usually pay for a bottle of wine?

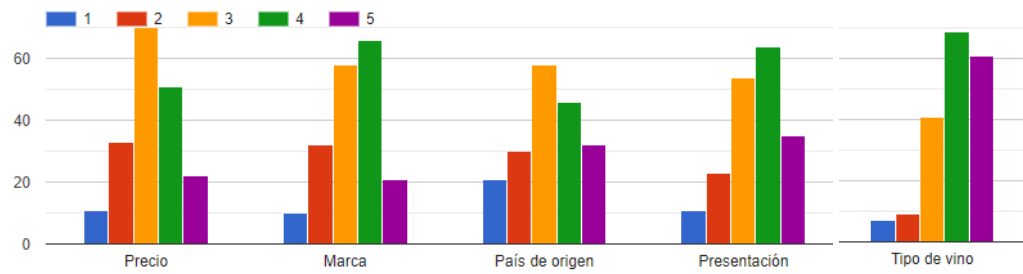
- 15000 - 20.000 (COP)
- 20.000 - 40.000 (COP)
- 40.000 – 60.000 (COP)
- 60.000 – 80.000 (COP)
- More than 80.000 (COP)



16. When you buy wine, how important is for you each of the following things (5 being the most important and 1 being the less important)

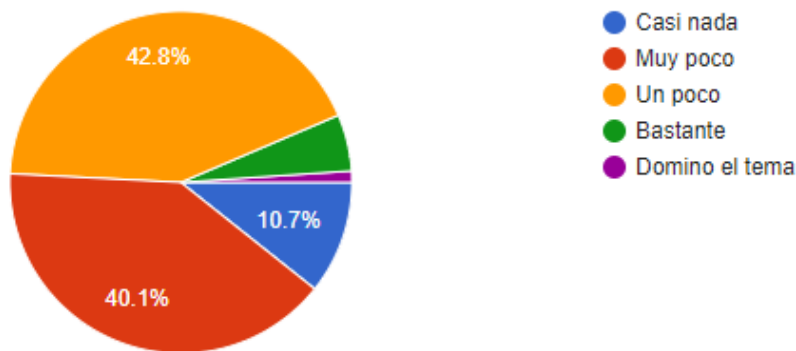
- Price
- Brand
- Origin

- Presentation
- Type of wine



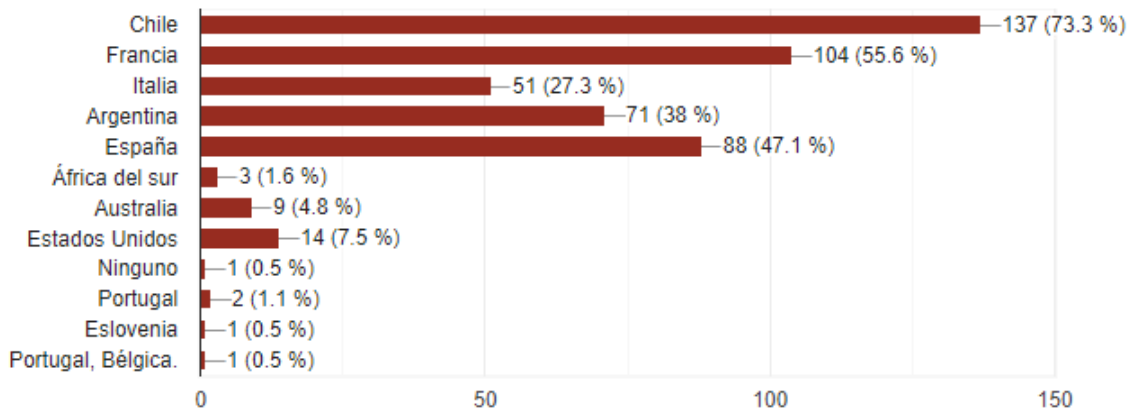
17. How much do you know about wine?

- Almost nothing
- Very few
- A little bit
- A lot
- I'm an expert



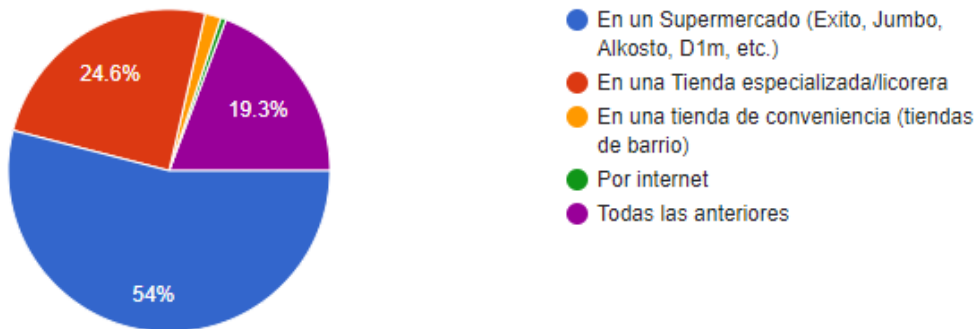
18. Which countries do you think have wine with better quality?

- Chile
- France
- Italy
- Argentina
- Spain
- South Africa
- Australia
- United States
- None



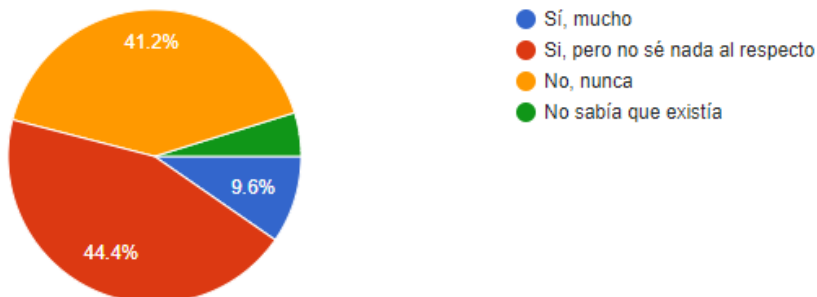
19. If you want to buy a bottle of wine, where would that be?

- Supermarket
- Specialty store
- Convenience store
- Online
- All of the above



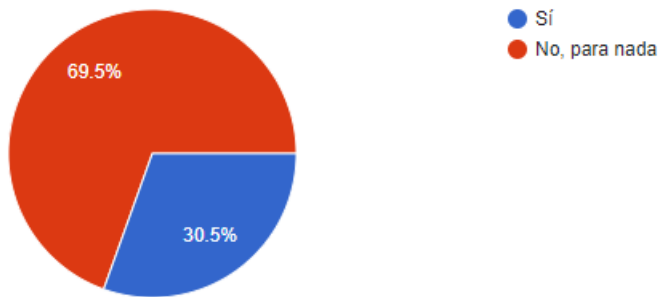
20. Have you ever heard about Portuguese wine?

- Yes, a lot
- Yes, but don't know anything about it
- No, never
- I did not know it exists



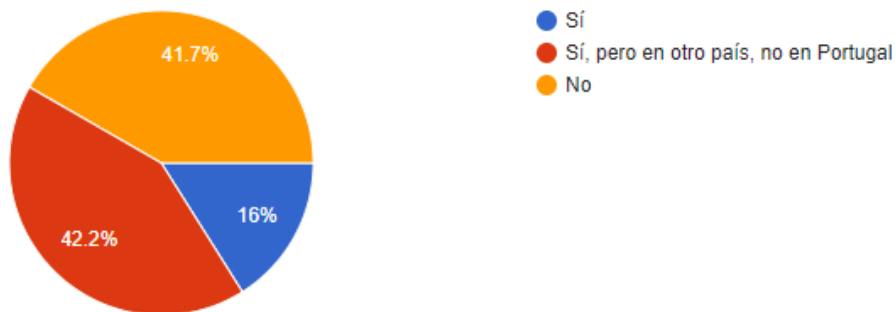
21. Did you know that wine is a very important aspect of the Portuguese culture?

- Yes
- Not at all



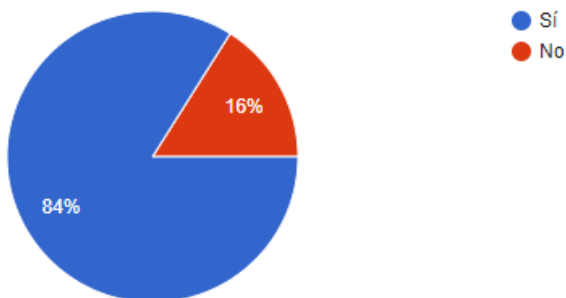
22. It is so important that each region has its own wine production and variety, turning this into a touristic attraction more known as “wine tourism”, have you ever heard of this?

- Yes
- Yes, but in another country
- No



23. They have a tradition called “Vindimas” consisting on singing while stepping into the grapes and eating food, is this an activity that you would be interested on experiencing?

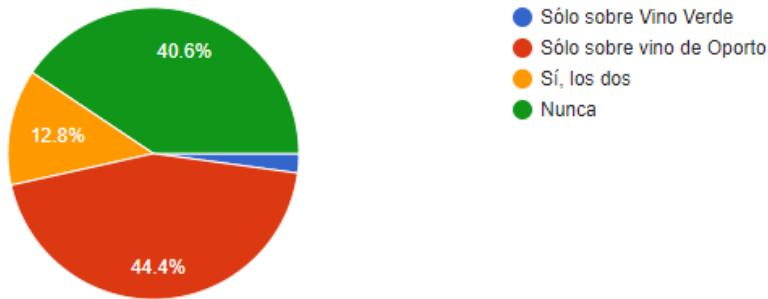
- Yes
- No



24. Have you ever heard about green wine or port wine?

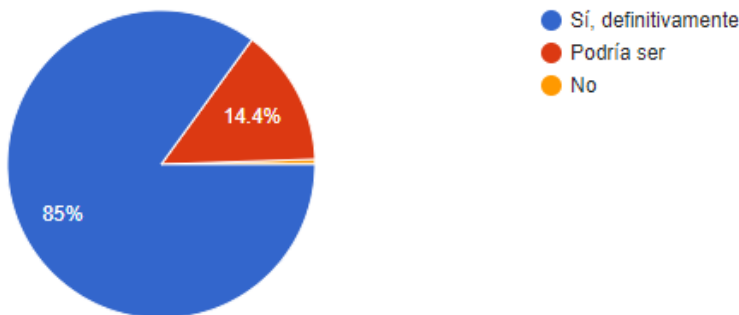
- Only about green wine
- Only about port wine

- Yes, both
- No, never



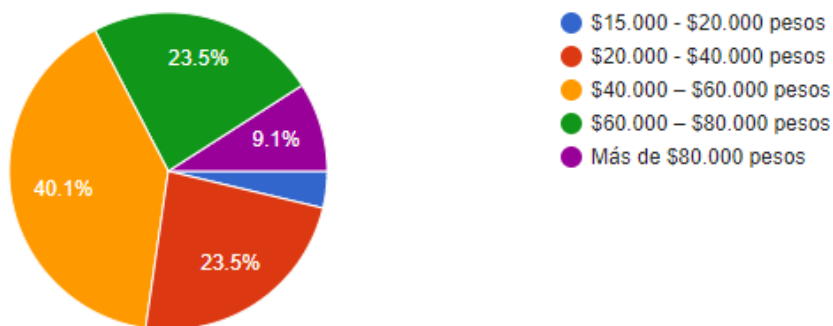
25. Knowing that Portugal is one of the biggest wine producers of Europe, having a wide variety, would you like to try it?

- Definitely
- Why not
- Not really



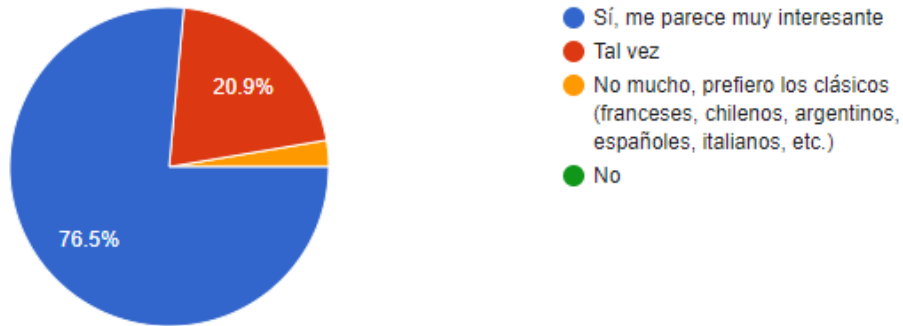
26. How much would you be willing to pay for a bottle of Portuguese wine?

- 15000 - 20.000 (COP)
- 20.000 - 40.000 (COP)
- 40.000 – 60.000 (COP)
- 60.000 – 80.000 (COP)
- More than 80.000 (COP)



27. Would you like to learn more about wine, especially the Portuguese one?

- Yes, it is very interesting
- Maybe
- Not really, I prefer the classic ones
- No



28. Do you have any suggestion or recommendation about the development of this idea?

Crear experiencias sensitivas con el producto

Sería muy interesante conocer y aprender del vino portugués por medio de nativos traídos a Colombia.

Información sobre lugares para conseguir este tipo de vino en Colombia

Más información al respecto

se podría considerar en ofrecer tablas de quesos y si tienen punto físico implementar una ambientación de la cultura portuguesa moderna combinaciones en madera.

La importancia del vino dentro de la cultura me parece sumamente interesante

Siento que lo más importante es darlo a conocer dentro del Conectó al que se quiere ir. Si es Colombia, educar sobre el vino de Portugal pero dentro de la cultura colombiana.

No conozco mayor información acerca del tema.