



PORTS OF LUXURY

STRATEGIC MANAGEMENT BEHIND LUXURY PORT WINE

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ABSTRACT

Title Ports of Luxury: Strategic management behind Luxury Port Wine

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Douro Valley is the first demarcated wine region of the world. It undoubtedly provides a powerful foundation to build a luxury brand, through the legacy and tradition of Port wine. Given the recent market entrance of luxury Port wines and luxury strategy latest developments, the present dissertation will propose a Port wine luxury strategy – how to increase brand equity, to develop and to communicate a luxury Port wine.

Based upon theory and quantitative investigation, this research attempts to evaluate existent managerial practice and try to produce a set of recommendations, potentially beneficial to the industry in terms of managing the brand and the business of the called Ports of Luxury.

Findings attest the good practice in terms of luxury management in Port wine industry. Pricing and target appraisals obtained the best results although none parameter has had the maximum appraisal, meaning managerial practice could be improved. It is possible to further develop distribution, digital communication and packaging.

Título Portos de Luxo: A gestão estratégica por detrás de Vinho do Porto de Luxo

Autor Joana Tabita Mendes

O Douro é a primeira região vinícola demarcada do mundo. Tal fornece um robusto alicerce para a construção de uma marca de luxo, através do legado e tradição do vinho do Porto. Dada a recente introdução no mercado de vinhos do Porto de luxo e novos desenvolvimentos na gestão de marcas de luxo, a presente dissertação irá propor uma estratégia de vinho do Porto de luxo - como aumentar o valor da marca e como desenvolver e comunicar um vinho do Porto de luxo.

Com base na teoria e avaliação quantitativa, esta investigação procura analisar a prática de gestão existente e apresenta um conjunto de recomendações, potencialmente benéficas para a indústria em termos de gestão da marca e do negócio dos chamados Portos de Luxo.

Os resultados sustentam as boas práticas em termos de gestão de luxo na indústria do vinho do Porto. A avaliação do preço e do segmento-alvo apresenta os melhores resultados, embora nenhum parâmetro tenha obtido avaliação máxima, o que poderá denotar que a prática de gestão pode ser melhorada. Há possibilidade de aprimorar a estratégia de distribuição, a comunicação digital e a embalagem.

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The luxury strategy universe became one of my chosen fields in management in the 4th trimester of my master's degree with the course *Luxury and Design-Based Strategies*. Since the very beginning, it was clear the importance of this subject to Portugal, with its stunning handcrafted and worldwide notorious products, such as wine, cork, olive oil, shoes and so on. Right after finishing my exams, I have started to invest in my master's dissertation focus – I began to ask myself which of these Portuguese products I would like to study. It was my hometown the influencer of my decision: friends and family were working in the Douro and Port wine industry and Port wine was indeed a product which emerged in me a proud aura, regarding the North of Portugal, Douro Valley, Gaia and Porto.

I would like to demonstrate my deep gratitude to *Instituto dos Vinhos do Douro e do Porto*, through Bento Amaral, Director of Technical and Certification Services, and Carla Fonseca, Director of Marketing and Communication, who played an outstanding role of guidance and unconditional support, along with a strong belief that I could somehow enrich the industry. This belief has been crucial to develop the present dissertation.

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CHAPTER I • A FULL INTRODUCTION

"If a man begins with certainties, he shall end in doubts; but if he will be content to begin with doubts, he shall end in certainties." (Francis Bacon, 1561–1626)

CONTENTS

- **The Luxury Port since its morning**
The history of Luxury Port wine
- **Managerial Relevance**
Why studying it makes sense?
- **Problem Statement and Research Questions**
The dissertation aim and the sub-questions

LUXURY PORT SINCE ITS MORNING

Douro Valley was the first demarcated wine region of the world. However, it was not until 2010 that any company dared into the luxury Port wine business. Andresen and Taylor's of The Fladgate Partnership were its boundless pioneers. Andresen presented a delightful and exclusive vintage Port of 1910 in October. Taylor's presented its stunning and ultra-rare Scion in December.

It is worth mentioning the almost unknown existence of a Andresen 1900 launched in 2000, long before the Andresen 1910 in 2010. Andresen 1900 had appeared in 2000 to celebrate a century of existence and it was the first Port wine in Porto and Douro history to announce a €2.500 bottle. However, it seems the market was not ready to accept it. Only ten years later, Andresen 1910 and Scion achieved the reputation and recognition desired by Andresen 1900. Andresen 1900 and 1910 are still kept in barrel waiting for the next generation to come and Scion's no longer exist (at least at the eyes of the public). Scion's history takes us not only to a far and distant way of commerce and trading but also to a very important conjuncture of Douro region: the blocking law (*Lei do Bloqueio*).

The blocking law required each family of wine producers to keep (not selling) a specific part of their production in good years in order to face difficult ones, when the climatic conditions were not friendly to production. Due to these circumstances, it is very common to Taylor's wine maker, David Guimaraens, receiving old Douro families' requests to taste Port wines from pipes that have been kept in their cellars or wineries for generations. The only circumstance that is uncommon is to find one of them in faultless conditions because the temperature must be kept low and pipes and wines maintained regularly. Exceeding all expectations, two pipes of Scion, dating from a period before phylloxera arrived in Douro Valley and destroyed most of its vineyards, possibly 1855, were discovered in 2009, resulting from one of these requests. These two casks of this exclusive and historically wine were kept in a deep lodge of a distinguished Douro family, where the temperature was balanced in summer and winter. Nevertheless, it is hard to imagine how two pipes have survived all these years almost by chance, passing down from one generation to the next, testifying times and people and ending to be one of the most story teller alive (if we could say wine is a living substance).

Adrian Bridge, CEO of The Fladgate Partnership, which owns Taylor's, Fonseca and Croft, was "determined that this incredibly rich, vibrant and complex wine should be sold and marketed as a unique collectors' item. Just 1.400 numbered bottles were packaged in a specially designed decanter in a crafted wooden box that was modelled on a 19th century instrument case. It was then retailed right around the world at the very un-Port-like price of £2.500 a piece" (How to Spend It, 2013).

The wonders of these tawny luxurious Port wines, aged in wood, and holding more than a century of existence, have soon exceeded all expectations: their extreme quality, exclusivity and mysterious history. Other companies followed them. Wine & Soul launched 5G (five generations), a remarkable 120 years old tawny, which comes from Quinta da Manoella, inherited by Jorge and Sandra Borges. Quinta do Vallado soon released its Adelaide Tributa, harvested in 1866, a tribute to Mrs. Antónia Adelaide Ferreira, great-grandmother of the owners of Quinta do Vallado. Another extraordinarily rare and ancient tawny comes from Niepoort to celebrate the firm's 170th anniversary: Niepoort's VV.

In order to understand the mysticism of some of these wines, like the Vintage Nacional from Quinta do Noval, it is important to place the pre-phylloxera period in Douro Valley history. In the last quarter of the nineteenth century all vineyards of Europe, including the Douro Valley, were devastated by an insect called phylloxera, which was dependent on the vineyard plant and had infected and destroyed all plantations. The first rumor of disease had come in 1863 and the best alternative found to fight it was to place american grafted vines as a replacement. Nowadays, phylloxera still exists and part of the authenticity of Douro was lost with it. Some of these wines, such as Scion from 1855, were made before this period and are called pre-phylloxerious because never again they could be made.

Nonetheless, there is a two-hectare vineyard of ungrafted vines which survived over the years and is owned by Quinta do Noval. This vineyard was an experience of two of the owners of Quinta do Noval, António José da Silva and Luís Vasconcelos Porto, in a time when Douro was being severely attacked by phylloxera in 1894. They had chosen a part of the property and, instead of treating the plant, like everyone else, with sulfur, they had treated the soil with the same substance for years. In 1925 they had planted the first vineyards in this soil and its first wine was produced in 1931 and called Nacional, because it was the only wine which remained completely portuguese. In 1931, few producers had declared vintage, due to 1929's depression, and this fact magnified the declaration of Nacional 1931.

These ungrafted vines must be constantly replaced by new ones and it determines a production volume of about 2.000 bottles. The vines had six years by 1931 and there was the belief that the oldest vines are the ones which produce the best wines. "Not least because collectors have already shown a marked willingness to pay a premium for particular and exceptional Port rarities, whether ancient or modern. Just look at what they are prepared to shell out on Quinta do Noval's historic Nacional, whose tiny two-hectare vineyard, made up of ungrafted vines, produces some of the most desirable wines on the planet" (How to Spend It, 2013). In 1999, The Wine Spectator, the most famous wine magazine in the world, presented the 12 greatest wines of the 20th century and Nacional 1931 was one of them. No one knows if it still exists a 1931 bottle, and there is even a secrecy around it because its emotional value.

Financially, Nacional holds the record as the more expensive Port wine sold in auction (around \$5.500).

Along with Quinta do Noval, Ne Oublie from Graham's of Symington Family Estates was launched in 2014, a Port dating the arrival in Portugal of the great-grandfather Andrew James Symington in 1882. "Now 130 years later his direct descendants have bottled one of the remaining three barrels. The other two barrels have been entrusted to the next generation of the family and it is they who will decide their future, in 2025 at the earliest" (Ne Oublie website, 2014).

The last four years witnessed the launching of exquisite wines such as Andresen 1910, Scion, Nacional 1931 and Ne Oublie. Nonetheless, why are they worth studying?

MANAGERIAL RELEVANCE

History and family are the cornerstone of these mysterious Port wines. Douro Valley is the first demarcated wine region of the world and this undoubtedly provides a powerful foundation to build a luxury brand. Nowadays, the Port wine luxury managerial reality raises an important and interesting concern to the luxury Port wine companies and to their regulator, *Instituto dos Vinhos do Douro e Porto* (IVDP). "Something new is happening for the story of Port wine," says Manuel de Novaes Cabral, president of IVDP, "which is a 300-400 year old story" (Smith, 2014).

Luxury Port wine has appeared in the market in the last four years and its luxury management has never been studied before. "Total exports of wine [Portugal] for 2013 were roughly €720 million, of which 46% of that is Port," says Manuel de Novaes Cabral, "about two years ago, the curve of the commercialisation from the production volume stabilized, but the price of Port is going up. The value is going up. The *premiumisation* of the product is occurring" (Smith, 2014).

The present dissertation has the possibility to add value to the business world in the present moment. Main findings will lead to a set of recommendations and suggestions which will be potentially beneficial to the industry in terms of managing the brand and the business of the called Ports of Luxury.

PROBLEM STATEMENT AND RESEARCH QUESTIONS

The aim of this research is to propose a Port wine luxury strategy. It will explore the luxury business of Port wine, placed in the high-end market segment. The main problem will be divided in three luxury management fields: the brand, the product and the communication, creating the marketing mix of luxury, proposed by Kapferer and Bastien (2012).

ILLUSTRATION 1 PROBLEM PARCELLING



The problem statement and the research questions are:

PROBLEM STATEMENT: The aim of the research is to propose a Port wine luxury strategy.

RESEARCH QUESTION 1: How to increase the Port wine brand equity?

RESEARCH QUESTION 2: How to develop a luxury Port wine?

RESEARCH QUESTION 3: How to communicate a luxury Port wine?

The main goal is to make a valuable contribution to the Port wine industry in terms of understanding the best possible marketing and corporate decision making towards a luxury Port wine launching.

It will be used theory based on the luxury management science to evaluate its accordance with the present managerial practice.

CHAPTER II • RESEARCH METHODOLOGY

"In the nearest future, sooner than you may think, the largest capital will be information, and you will have to be prepared to manage uncertainty." (Transmitted by a management professor to Carlos Flores of Andresen, many years ago)

The present dissertation will be based on theory to evaluate practice, taking a deductive process of applying a theoretical framework in order to formulate hypothesis. It will lead to a set of recommendations to a possible improved managerial practice. It adopted a positivist perspective, meaning adopting an independent, unbiased and external positioning in evaluating managerial practice.

The research adopted a qualitative investigation, in order to categorize information and to organize and report results. The analysis of information were based on theory, theory practice, narratology and storytelling. The methods of inquiry for gathering information were analysis of documents and materials and semi-structured interviews, which will be further explained in the following paragraphs.

DOCUMENTARY RESEARCH

Research using documentary material was used to find similarities and disparities between the managerial luxury practice already implemented by the Port wine companies and the arguments of the leading writers in the field of luxury management. It was used academic paper databases and advisors' suggestion readings, and other frameworks relating with science and the industry itself.

It was used the research of Jean-Noël Kapferer and Vincent Bastien, in the book *The luxury strategy: break the rules of marketing to build luxury brands* (2012), and of Michael Beverland, in his research regarding authenticity in luxury wines around the world (2005-2006). Several academic papers, articles and case studies were analyzed related with the wine and spirits business.

SEMI-STRUCTURED RESEARCH

Finally, an exploratory research was taken, based on semi-structured. The research was conducted in an open way, in order to allow discovery and not to assume pre-determined information or to anticipate results.

Presently, there are seven distinguished companies owning and commercializing luxury Port wines: Graham's, Taylor's, Wine & Soul, Quinta do Vallado, Andresen, Nieveport and Quinta do Noval, presented in Table 1. Every one of them were contacted and a person responsible for its luxury product interviewed. This was accomplished through the partnership with *Instituto dos Vinhos do Douro e Porto*, which kindly identified the companies and provided their contact.

TABLE 1 INTERVIEWS AND OTHER INFORMATION

	Interviews and Other Information						
	Graham's	Taylor's	Wine & Soul	Quinta do Vallado	Andresen	Nieeport	Quinta do Noval
Person Interviewed	Adriana Cardoso	Ana Margarida Morgado	Vasco Cunha Coutinho	João Alvares Ribeiro	Carlos Flores	José Teles	Rute Monteiro
Company Position	Brand Manager	Public Relations	CFO and COO	Owner and Executive	Owner and CEO	General Manager	Sales Manager
Luxury Port wine	Ne Oublie	Scion	5G	Adelaide Tributa	Andresen 1910	VV	Vintage Nacional
Year of Origin	1882	1855	1892	1866	1910	1863	1931-2004
Trading Volume	656 units	1.650 units	300 units	1.300 units	120 units	999 units	2.000 units
Year of Launching	2014	2010	2013	2012	2010	2013	1931-2014
Price	€5.500	€3.000	€1.500	€3.000	€2.500	€1.000	Variable

It was formulated a script of the interview with questions from different areas. These areas were considered to be relevant to the present study. It was chosen open to semi-open questions in order to allow storytelling, life histories, personal opinions and reflexion about organizational culture. Only two questions were closed and the script can be consulted in Appendix 1.

The script was given at the beginning of each interview in order to remind the main subjects and matters that needed to be covered. Still, the interviewee had freedom to conduct the answer in a flexible and sensible way.

It was essential to construct an index which decomposed the aim of the dissertation in parts. The following illustration presents it.

ILLUSTRATION 1 PROBLEM INDEX



CHAPTER III • LITERATURE REVIEW

“It was a fine cry—loud and long—but it had no bottom and it had no top, just circles and circles of sorrow.” (Toni Morrison, Sula)

CONTENTS

- **Luxury Science Framework**
Key arguments in the luxury field
- **Luxury in Wine**
What is luxury in wine?
- **The Luxury Wine Business Model**
The luxury business model applied to the wine industry

LUXURY SCIENCE FRAMEWORK

ROLE IN HISTORY AND SOCIETY

Luxury is a necessary function to reinvent social stratification. Kings, priests and nobility had to show their inherited rank because ostentatious spending was a social obligation for the aristocrats. Hereditary social stratification, social distance and royal rules preserved that the gentry and commoners were not allowed to dress like aristocrats or aristocrats like rich people. Back then strata was known and respected. Globalisation, eighteenth-century and philosophy contributed to the gradual disappearance of social stratification and of the traditions giving legitimacy to social structure. Each person in a democratic society has equal chances of succeeding through work. Nonetheless, social stratification is vital to man because he needs to know his place in society. Consequently, hierarchical codes were recreated, producing a demand for luxury brands by the richest and most powerful people (Kapferer and Bastien, 2008). Nowadays, luxury builds social hierarchy in countries where it did not previously exist (Kapferer, 2012). It places luxury brands in a superiority position with its client, which will have consequences in luxury brand management (Kapferer and Bastien, 2008). Luxury growth has been maintained over time due to a rising social aspiration and growing wealthier population with high salary (Vigneron and Johnson, 2004).

People are free, within their financial means, to use any component to define themselves socially and this process is called 'democratic luxury'. It also means that a luxury item is considered to be ordinary by extraordinary people, although the same product will be extraordinary to ordinary people (Kapferer and Bastien, 2008). The identity of luxury is the desire to belong to a superior class. Luxury naturally induces images of rich and powerful individual's lifestyles (Kapferer, 2012). High price of products is not sufficient to describe luxury goods, measuring only the wealth of the buyer and not the taste. For this reason, luxury brand must first encode social stratification (Kapferer and Bastien, 2008).

LUXURY DEFINITION

Luxury is defined by beauty because it is art applied to functional objects. It provides a reference of good taste, an extra pleasure and a multi-sensory experience. It is an appendage of the ruling classes and it should not hinge on customer hopes (Kapferer, 1997). *Luxury* word comes from the Latin word *luxus*, meaning enhancing senses, regardless of price (Nueno and Quelch, 1998). Nevertheless, luxury is a subjective notion. The brands compete on the aptitude to induce feelings of exclusiveness, identity, awareness and quality to the consumer (Phau and Prendergast, 2004).

Even though a brand may be perceived luxurious, consumers and researchers have noticed that not all brands are equally luxurious. The perception of what is and what is not luxury, and the degree of luxury a brand contains may rely on the situation and the people involved.

Psychological needs satisfied by luxury products are the main reason to distinguish non-luxury products or counterfeits. The same brand having a higher perceived luxury in a product category may have a lower perceived luxury in another (Vigneron and Johnson, 2004).

Conspicuousness, uniqueness, quality, hedonism and extended self are the five main motives, personal and interpersonal, explaining consumer's decision-making process towards a luxury good (Vigneron and Johnson, 1999). Nonetheless, it may well be considered additional elements such as price, belonging to a minority, exclusiveness, craftsman, beauty, excellence, creativity, sensuality, magic, long history, savoir fair and tradition, international reputation, creative genius and never out but never forefront of fashion (Kapferer, 1998). Additionally, other motives as elitist, differentiate from others, scarcity, not mass-produced, good taste, aesthetics and polysensuality, refined people, ancestral heritage, superfluous and non-functional and making a dream are similarly taken into account (Dubois, Laurent and Czellar, 2001). Complementary, they work on eight main attributes in order to be preserved as luxurious (The Blog of Superior Luxury Universe Program of IE Business School, 2014):

- Know-how, credibility and expertise, because the brand shows what it can do and that it is an expert;
- Momentum, meaning the vitality of the brand, constantly changing and evolving through time to keep interest and engagement;
- Differentiation through a recognizable signal, employed as a differential element and enabling it to stand out from the rest;
- Emotion, creating a meaning to the brand and an instinctive attraction going beyond rational arguments;
- Symbolism, which is enhanced by a secret language working on the intuitive part of the brain, as the product design, packaging, service, logotype, font, voice and music;
- Nexus, building strong connections from emotions to functionality;
- Alignment, placing consistency across all touch points and keeping the same look of the brand, message and emotion;
- Unity, through cohesive brand architecture, reinforcing hierarchy.

In addition, luxury should have a strong individual and hedonistic component, which takes priority over functionality, contrary to premium brands (Kapferer and Bastien, 2008). Luxury brands have a low ratio of functional and a high ratio of intangible (Nueno and Quelch, 1998).

Conspicuous consumption is a consumption based on craving for status, enhanced by material displays of wealth and reflecting signalling. It means that individuals consume highly prestige or status goods and services to evidence their wealth and enhancing their social status. Therefore, consumers exhibit a higher willingness to pay for the same functionally good, which

could be determined by social hierarchy. Individuals emulate the consumption patterns of other consumers situated higher in the hierarchy. The social rules governing such imitation change over time. There are two motivations for conspicuous consumption: a member of a higher class consumes to differentiate himself from members of a lower class, or a member of a lower class consumes so that he will be thought of as a member of a higher class, resulting from high costs to discourage imitation (Veblen, 1989).

LUXURY IN WINE

TERRITORIAL BRAND

A territorial brand in wine is a location-related designation which aggregates a group of proprietary brands under a definable territory. Therefore, the product is intrinsically linked to its place of origin, distinctive style and cannot be replicated elsewhere. Country, region, producers, distributors and retailers are engaged in promoting the territorial brand in wine (Charters, Mitchell, and Menival, 2006). Other researchers have given more prominence to the advantage gained by the consumer in having a territorial brand, as creating a positive lifestyle (Thode and Maskulka, 1998).

Producers are dedicated to a specific style of wine, which could only be produced in the *terroir* of the place. The *terroir* includes the climate, soil, topography and historical context (Charters, Mitchell, and Menival, 2006). *Terroir* may also propose more symbolic meaning around authenticity, and a genuine feeling rather than manufacturing wine. Although each region in Europe may have a different interpretation of *terroir*, the meaning of *terroir* is identity, through viticultural setting and culture (Charters, 2010).

TERRITORIAL BRAND MANAGER

Managing a territorial brand is a challenge. Each brand is part of a brand hierarchy and each level contributes to increase brand equity and consumer's attachment. A brand manager is territorial body, acting as an organization, and in each country and at each level there is opportunity to exist, although such an organisation may not necessarily exist. In a territorial system, with a brand manager body, no single proprietary brand is dominant, since it could be compromising the position of the territorial brand manager. Consequently, each actor is subjected to requirements and they are willing to cooperate and compete among each other in the same product. All of them realize their dependence: each one will only be lucrative if the territorial brand is successful (Charters, Mitchell, and Menival, 2006). In 1757, the creation of a Port wine brand manager was demanded by producers when counterfeit and poor-quality Port began to overflow the market. At the time, Britain turned to Portugal to find a substitute of enemy's merchandises. Prices of Port wine increased. With high demand, high prices, but low supplies, the producers requested to be protected. What is currently IVDP was established and Douro became the first demarcated wine region in the world (Erin Smith, 2014).

To be successful, a territorial brand manager must promote shared brand values. It is also its role to carefully develop a shared mythology, so that all producers feel they are benefiting from the success of their collective product and their individual efforts. Shared values and mythology will generate shared culture and heritage, connecting the territory players in a fraternity, with shared beliefs, attitudes and behaviours, resistant to change and external threats. However, the brand manager should have proper powers to enforce a brand collective outlook. Without them, it would not be possible to persuade producers to subsume their needs into the greatest need and it would weaken the territorial brand (Charters, Mitchell, and Menival, 2006). IVDP is responsible for controlling the quality and quantity of Port wines and for regulating the production process. It also protects Port designation, the origin and the geographical indication of Douro (Smith, 2014). In the case of champagne, the role of the CIVC is to manage the product with the syndicates of houses and growers. It is responsible for controlling the quality, protecting its intellectual property, caring out research and development, mediating conflicts and marketing the product worldwide (Charters, Mitchell, and Menival, 2006).

In summary, the requisites for the success of a territorial brand are collaboration, a shared mythology, local commitment and an active brand manager. Collaboration will generate a brand-place association, a clustering and a common activity to maintain with a preserved quality. Mythology will generate internal cohesion and external symbolic meaning. A local commitment will produce mutual economic engagement, community involvement and mutual local acceptance of the value of the brand (Charters, Mitchell, and Menival, 2006). An active territorial brand manager is responsible for the following management (Charters, Mitchell, and Menival, 2006):

- The production process (viticultural and oenological), to promote the overall reputation of the quality of the region and style;
- The production volume, meaning regulating the quantity of wine released onto the market and the reaction to market demand, mainly in vintage conditions. In Champagne, it is also made to avoid excesses;
- The marketing of the territorial brand;
- The marketing of proprietary brands, which may originate a conflict between the proprietary brand and the territorial brand;
- The worldwide region relationship.

CONSUMERS OF LUXURY WINES

Connoisseurs and aspirational buyers are expected consumers of luxury wines (Spawton, 1991). Connoisseurs are keen on the pleasure an item provides, putting less attention on price and more stress on quality, the item's attributes and performance. These purchasers

comprehend what they need and depend on own judgment, utilizing cost as a manual for quality when picking an item. Aspirational buyers view price as imperative, with a high cost being utilized as a marker of position and quality. They embrace collectible and limited supply items to show social status. They purchase to improve their thought toward oneself and others (Vigneron and Johnson, 1999). Aspirational consumers have the monetary assets to buy extravagance wines, especially when it is favourable to their social standing (Beverland, 2004).

THE LUXURY WINE BUSINESS MODEL

Profitable luxury brand management reveals that a luxury strategy implies very precise established rules, in all fields of their management, including human resources management. Controversy, no one launches a luxury brand. It can only be built progressively by managing precisely within obedience to principles. The luxury strategy means leaving behind some of the principles of classic marketing because both are fundamentally different. In order to transform small family companies into worldwide successes, luxury has had to discover its own marketing rules and understand them to be able to run the business (Kapferer and Bastien, 2008). In order to build a luxury wine brand, six basilar elements are needed: history, product integrity, culture, marketing, value driven emergence and endorsements (Beverland, 2004). Authenticity in the luxury wine business model is crucial to maintain core uniqueness and to reinforce status, charge a premium and move away competitors (Beverland, 2005). There are six attributes of authenticity in the luxury wine: heritage and pedigree, stylistic consistency, quality commitments, relationship to place, method of production and downplaying commercial considerations (Beverland, 2006). Nonetheless, managers need to manage dual pressures between acting authentic and bringing value to customers and shareholders (Beverland and Luxton, 2005).

In the luxury business model, average prices should always go up because newly rich consumers are appearing in the market to justify this strategy (Kapferer, 2012). Whisky makers are recognised for its handcrafted spirit and the price is driven by the way the whisky is made, which did not change in the last century. The price is also based on the product itself because it is special and rare (Jillian Eugenios, 2014).

Luxury is a rarity business. It highlights feeling of privilege and exclusivity. When demand overflows supply, price increases because the perceived value is higher when scarcity exists (Kapferer, 2012). A limited production will ensure exclusivity and will generate a customer waiting list (Nueno and Quelch, 1998). Qualitative rarity can be enacted through the production process if handwork demands time and effort. Additionally, rarity can be virtually induced, as, for example, regularly launch limited editions, which apprehend media attention and consumers' attractiveness to the brand (Kapferer, 2012). The whisky barley is malted in-

house, and distillery is only getting barley from the local farms around it, keeping quality controlled (Jillian Eugenios, 2014).

Luxury rarity is also built at the retail and communication level. To create the dream, luxury communicates far beyond its marketing target because many people should know the brand and few should be able to buy its products. The capitalization of celebrities spreads the luxury message through brand representatives. Nonetheless, only a selection are judged exquisite enough to represent the brand (Kapferer, 2012). In wine there are limited awareness brands, frequently managed by families and focused on a narrow product line and a niche market (Nuevo and Quelch, 1998).

Luxury is closer to arts and it has to be experiential and a multi-sensory compression (Kapferer and Bastien, 2008). Luxury was firstly found in religious places, as tributes to buy mercy through sacrifice of wealth (Kapferer, 2012). Luxury represents the lifestyle, meaning rigor, perfection, discretion, humility, self-control and nature. Furthermore, luxury would not exist without creativity (Campuzano, 2013). Being a social phenomenon, luxury, as a product or a service, must have a strong human content meaning having a human origin and being handmade. The service is also made by a human to another human, including an exclusive service with merits that call for personal honours (Kapferer and Bastien, 2008). To keep elite consumers, brands must produce supra-luxury goods, services and events (Kapferer, 2012). Many of the brands occupy the first rank of irresistible brands. They apply science in order to produce magic and understand the emotional position they want to accomplish in the mind of the consumer. It leads to growth and brand leadership (The Blog of Superior Luxury Universe Program of IE Business School, 2014).

Luxury likes to be associated with art because it is perceived as intemporal and positioned as genuine pieces of modern art. Thus, brands reemphasize craftsmanship, limit volume, high production time and effort. The less obvious and clear communication of advertising, the better, because it creates a distance while trying to mass communicate. Communication should be taken with the same exigency for style and attention to detail as the products (Kapferer, 2012).

Building a luxury brand takes time, as the making process must be coherent with standards of excellence. In order to present it to the market, the product or the service has to be memorable (Kapferer, 2012). In wine, it means presenting an exponential improvement in each vintage release (Navarro, 2014). There are three natures of brand associations: performance, imagery and consumer insight (Keller, Sternthal and Tybout, 2002). Production orientation increases the brand value through the enhancing of intrinsic product qualities, stylized references to craft production, timeless production methods, and limited volume (Beverland,

2006). Wine family companies have developed brands over time through a dedication to product integrity. The commitment to quality enabled them to build up a reputation (Nueno and Quelch, 1998).

The iconization of a specific luxury good in brand's portfolio, called iconic product, has the motivation to look intemporal and eternal. Whisky makers in Scotland fill up a cask and promise not to open it for 50 years (Jillian Eugenios, 2014). These products are permanently in the catalogue and are linked to some significant moment in the life of the brand's founder. The essence attached and the story endows the product and increases the spiritualization process, transforming iconic products as objects of cult (Kapferer, 2012).

Luxury includes a history, heritage, crafting details, exclusive events, inspired interviews, limited editions and glamour. Luxury brands also cultivate legendary stories about their foundation and maintain secrets. It likes to present itself as an inspiring social force like religion. New luxury brands acquire depth and prestige through inspiration, cultural references and having an ambassador of cultural excellence (Kapferer, 2012).

More than mere humans, the designers are leaders who take followers into art, creativeness, culture, taste and sensory, restricted to the elite. Modern fashion designers are an essential requisite to appeal to a larger audience (Kapferer, 2012). The larger the number of clients, the more prominent the name must be in order to keep the dream alive (Dubois and Paternault, 1994). Designers reveal depth and infinite creativity to the brand (Nueno and Quelch, 1998). A newly brand should have a close tie with society elites, cultural places and art, with a strong inclination for avant-garde (Kapferer, 2012).

Finally, it is important to continuously communicate a sincere story through commitments to traditions, craft and production. Sincerity involves using place as a reference, using history, culture, rituals and ceremonies (Beverland, 2005). Younger wine companies have little history and may place more weight on endorsements and product integrity (Nueno and Quelch, 1998).

CHAPTER IV • LUXURY STRATEGY ANALYSIS

“Luxury is the ordinary of the extraordinary people and the extraordinary of the ordinary.” (Jean-Noël Kapferer)

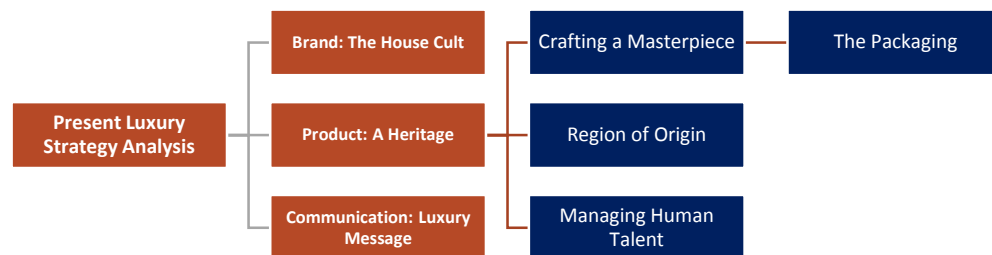
CONTENTS

- **Brand: The House Cult**
How to increase the Port wine brand equity?
- **Product: A Heritage**
How to develop a luxury Port wine?
- **Communication: Luxury Message**
How to communicate a luxury Port wine?

The present chapter will analyse the luxury strategy currently applied by Port wine companies placed in the luxury segment. The criteria was created by the author of the dissertation based on the luxury strategy presented by Jean-Noël Kapferer and Vincent Bastien, in the book *The luxury strategy: break the rules of marketing to build luxury brands* (2012), and by Michael Beverland, in his research regarding authenticity in luxury wines around the world (2005-2006).

The aim is to compare theory with managerial practice and produce results which will lead to a set of recommendations. It might help improving performance in the luxury segment. It will do so by increasing brand equity, developing a luxury product and communicating it according to its market positioning. These three pillars (brand, product and communication) compose the marketing mix of luxury (Kapferer and Bastian, 2012). Illustration 2 presents the chapter index.

ILLUSTRATION 2 PRESENT LUXURY STRATEGY ANALYSIS SCHEME



BRAND: THE HOUSE CULT

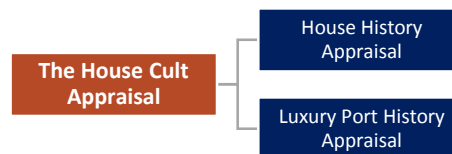
There is no luxury brand without storytelling (Kapferer and Bastian, 2012). Wineries' brand is built around its company history, including family, legacy and past elements (Beverland, 2006). Enoturism, the tourism of visiting and discovering some of these wineries, their vineyards, their estate and their production place, confirms the living presence of a brand's history as an endorsement (Beverland, 2006). Elements such as when and how the house was founded, founder's pioneering struggles in starting the firm, implementation of first-hand technologies or strategies or political actions and historic events are constantly used in promotion campaigns and tourism. The houses also highlight its age as an element to state their ability to produce potentially quality wines, as consumer's perception is that wineries with older vines produce higher quality ones. "Significant emotional value is derived from wines that continue to improve with age" (Beverland, 2006). Every one of the mentioned elements is introduced in a sincere way to increase customer's loyalty and trust, and create emotional bounds.

In some of the published history for each house, which is available to journalists, researchers and consumers, it will be explained how and when a great vintage was produced. In contrast, it will also be enlightened the right decision to abandon a vintage and not to make wine in poor

years. In this sense, tradition, winemaking expertise and even past regrets are placed as well in house history, in order to indicate a consistent commitment with high quality standards. “When a wine label was able to live up to its heritage of high quality production, it gained stature of pedigree” (Beverland, 2006). As a result, pedigree stature will allow a premium price and a higher expectation of performance. The capability to establish a reliable record of performance builds brand’s history value (Beverland, 2006).

The importance of house history to each of the interviewed companies was extraordinarily evident. During all interviews, the house history was told, even without asking. These stories were already assimilated into the organizational culture: a bridge from the past to the present (Beverland, 2004). The House Cult appraisal will be assessed by The House History (Table 2) and the Luxury Port History (Table 3). The following illustration presents its assessment.

ILLUSTRATION 3 THE HOUSE CULT APPRAISAL



In order to assess house history, it was developed criteria which were created by the author of the dissertation and based in the luxury brand management, and is the following:

- Age, because an old age confers consistency and expertise perceptions to a luxury brand;
- Charismatic Founders, which are seen as the brand ambassadors and allow people to relate with them through emotional feelings;
- Quality and Performance, because the perceptions of quality assurance allow a premium price, as a luxury management must;
- Innovative Ideas, as innovation and creative process are one of the key elements to a successful luxury management;
- Historic Events, which are crucial to place the brand as an icon through time;
- Prestige and Honours, to transmit a prestige image.

TABLE 2 HOUSE HISTORY APPRAISAL

	Graham's	Taylor's	House History				
			Wine & Soul	Quinta do Vallado	Andresen	Nieeport	Quinta do Noval
Associations to an Old Age	Present	Present	Not Present	Present	Present	Present	Present
Associations to Charismatic Founders	Present	Present	Present	Present	Present	Present	Present
Associations to Quality and Performance	Present	Present	Present	Present	Not Present	Not Present	Present
Associations to Innovative Ideas	Present	Present	Present	Present	Not Present	Not Present	Present
Associations to Historic Events	Present	Present	Not Present	Not Present	Present	Not Present	Present
Associations to Prestige and Honours	Present	Present	Present	Present	Present	Not Present	Not Present
Overall Appraisal	6 of 6	6 of 6	4 of 6	5 of 6	4 of 6	2 of 6	5 of 6

The House History appraisal informs that only 2 of the 7 companies had an optimal house history. The word “present” means that the association is present in the house history in books or in its website. All the houses have a corporate website.

An exceptional charismatic persona will mythologize the founder and make it a brand legend, since luxury has a strong human component (Kapferer and Bastian, 2012). Black and white images of past founders or activities and timelines with historic evolution also create a connection between the brand and its history, adding brand’s meaning.

Port wine caves are seen as the cathedral of the winery and as the house of Port. Said so, they produce fundamental multisensory brand universes which must be taken care of in order to be a source of value creation (Kapferer and Bastian, 2012).

On the one hand, there is the cult of the winery house by itself, and on the other, the cult behind its luxury Port wine. It was produced a second table assessing the history behind each of the luxury Port wines, hold by each winery (Table 3).

TABLE 3 LUXURY PORT HISTORY APPRAISAL

Luxury Port History						
Graham's	Taylor's	Wine & Soul	Quinta do Vallado	Andresen	Nieeport	Quinta do Noval
Ne Oublie	Scion	5G	Adelaide Tributa	Andresen 1910	VV	Vintage Nacional
Communicated	Communicated	Not Communicated	Communicated	Communicated	Not Communicated	Communicated
"It is more than a extraordinary, unique wine, is a legacy and a family history. It is linked to Symington family and its routs, the generations which have been taken care of the wine since its acquisition date." (Dr. Adriana Cardoso) Ne Oublie motto's is <i>Memories come in many forms... Ours just happen to be in wine.</i> (Ne Oublie website)	Scion Story, presented in Chapter 1		Adelaide Tributa is a tribute to D. Antónia Adelaide Ferreira. The word Tributa means homage in Latin. The wine was bottled in the year of her two hundred year anniversary.	"It is the reflection of my father's ambition to age a tawny wine in cask for a century." (Dr. Carlos Flores) The wine was produced in 1910 and a portion of 120 bottles were released to the market in 2010 to celebrate the Portuguese Republic Centenary. It was bottled in October 5, in order to coincide with the proper date.		Nacional Story, presented in Chapter 1

The majority of the wineries communicate their luxury port wine story. Their communication strategy will be analysed in the following chapters. The word “communicated” means that it was mentioned in the interview or in the luxury product website. It is important to refer that not all the houses have a website for its luxury product. Table 4 will present the final appraisal regarding the house cult, excluding the website evaluation (assessed in Table 8).

TABLE 4 THE HOUSE CULT APPRAISAL

	The House Cult						
	Graham's	Taylor's	Wine & Soul	Quinta do Vallado	Andresen	Nieeport	Quinta do Noval
House History Appraisal	6 of 6	6 of 6	4 of 6	5 of 6	4 of 6	2 of 6	5 of 6
Luxury Port History Appraisal	Communicated	Communicated	Not Communicated	Communicated	Communicated	Not Communicated	Communicated
Overall Appraisal	7 of 7	7 of 7	4 of 7	6 of 7	5 of 7	2 of 7	6 of 7
Overall Appraisal (%)	100%	100%	57%	86%	71%	29%	86%

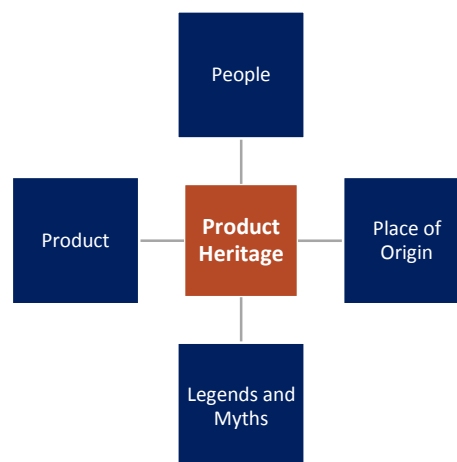
In conclusion, the house cult review confirms the existence of further improvements. On the one hand, the house history must have a story. On the other hand, each luxury Port wine should have a story, a legend or a myth to be communicated. Luxury lives from stories, legends or myths because it is truly inspired in art, religion, history and nature (Kapferer and Bastian, 2012). These transcendent components give identity to a product. Layers of memories and emotions embedded in each luxury product add a promise, which is consistently delivered (Kapferer and Bastian, 2012).

PRODUCT: A HERITAGE

Heritage reflects the alchemy of history, trades and people that distinguish places and brands (Kapferer and Bastian, 2012). Illustration 2 will present the four elements, which build a product heritage (Kapferer and Bastian, 2012):

- People, as the founder (studied in Brand: The House Cult sub-chapter) and the creative director (studied in Managing Human Talent sub-chapter)
- The expression of origin and rootedness (studied in Region of Origin sub-chapter);
- Stories, legends and myths (studied in Brand: The House Cult sub-chapter);
- A promise of quality and the production of masterpieces (studied in Crafting a Masterpiece sub-chapter).

ILLUSTRATION 4 PRODUCT HERITAGE



CRAFTING A MASTERPIECE

In wine, the commitments to quality come within the promise of making continually great wines and communicating them to the consumers (Beverland, 2006). One of the most important elements to excellence is weather conditions. It was placed an emphasis upon the capability of a vineyard to produce high-quality goods, regardless of seasonal weather settings (Beverland, 2006). The decision not to bottle any wine in a very poor year made by Quinta do Noval highlights their guarantee: “There is the commitment to declare Nacional only in exceptional years, and never again repeat the mistake in the 80’s. It was declared a wine which was not manifested as outstanding. One of the major risks of an exclusive brand is to underestimate quality and to bear the risk of destroying the positioning. The customer is demanding and has to be. The major challenge is to maintain quality because we are dependent of nature. Still right now we do not know what made the portion of property of Nacional immune to phylloxera, which still exists in Douro Valley” (Rute Monteiro, 2014). They are often attentive to detail regarding production, in a number of aspects believed to affect the final product as oak selection, transportation or grape sourcing (Beverland, 2006). Each winery sees this emphasis on quality as a source of credibility. Wineries refuse to release poor products under their own labels into the market or develop second labels with lower quality (Beverland, 2006). This practise re-emphasises the dedication to quality, through a greater selectivity in raw material (Beverland, 2006). Wineries are evaluated by its consumers in “the value of single vineyard wines, purity through the use of the winery’s own fruit, care in selecting fruit, intensity of care throughout the process, labour input, the use of oak, and time cellared before release” (Beverland, 2006). Small and special details about the production process or way of assessment confer magic and uniqueness to the brand (Kapferer and Bastian, 2012).

The quality of the luxury wine of each house could not be assessed easily. All of them have been exposed to journalists, media, wine critics and IVDP standards. Said so, some patterns testify the excellence of these luxurious wines: Scion got 100/100 points in The Wine Spectator rating, putting tawnys as a desirable Port (since vintage were the most recognised one); Nacional 1931 was selected as one of the 12 most iconic wines of the 20th century; and James Suckling, a wine critic, gave 100/100 points to Ne Oublie, saying “It left me speechless, with electrifying richness and brightness as well as fabulous pureness and clarity”. These honours and recognitions prove the quality contract each one of these houses assure. It was decided not to produce an evaluation about product quality since it was not a differentiated factor. In order to evaluate it, the present research would have to deviate its purpose to the winemaking and wine critic expertise.

THE PACKAGING

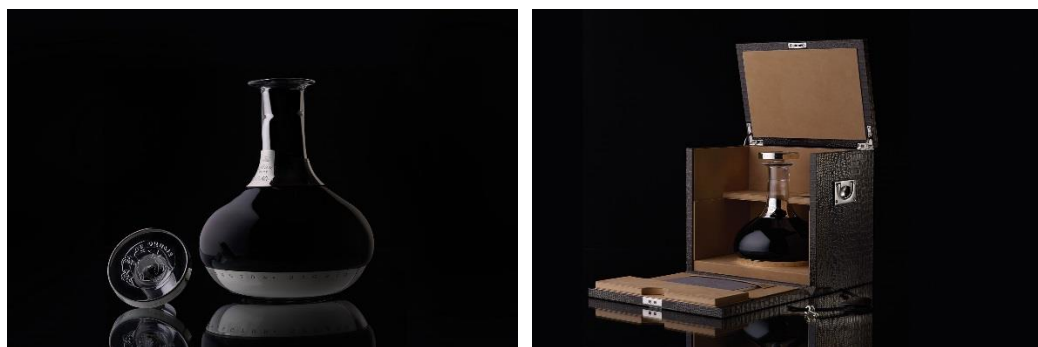
Every luxury good has a luxurious packaging. The functional value is built through attributes like performance, durability, craftsmanship and quality of materials (Kapferer and Bastian, 2012). The packaging created for each luxury wine will be evaluated in Table 5. The word “communicated” means that it was mentioned in the interview or in the website.

TABLE 5 THE PACKAGING QUALITY

	The Packaging Quality						
	Graham's	Taylor's	Wine & Soul	Quinta do Vallado	Andresen	Nieeport	Quinta do Noval
Attention to Detail	Communicated	Communicated	Communicated	Communicated	Communicated	Not Communicated	Communicated
Craftsmanship	Communicated	Not Communicated	Not Communicated	Not Communicated	Not Communicated	Not Communicated	Not Communicated
Quality of Materials	Communicated	Communicated	Communicated	Communicated	Not Communicated	Not Communicated	Not Communicated
Design and Creativity	Communicated	Communicated	Communicated	Communicated	Not Communicated	Not Communicated	Not Communicated
Booklet or Letter	Communicated	Communicated	Not Communicated	Communicated	Not Communicated	Not Communicated	Not Communicated
Overall Appraisal	5 of 5	4 of 5	3 of 5	4 of 5	1 of 5	0 of 5	1 of 5
Overall Appraisal (%)	100%	80%	60%	80%	20%	0%	20%

Regarding packaging, Ne Oublie is the *state of the art*, meaning it is the very best of the ideal package. Adriana Cardoso explains: “The crystal decanter from Ne Oublie is made by Atlantis [a high standard portuguese crystal manufacturer]. The silver is hand-engraved by Scottish goldsmith. The box is covered with leather and was developed conceptually by our designer, who also developed the decanter, and it was operationalized by Smythson. Smythson is a brand dedicated to leather materials, working in the luxury segment. The concept of this box is to be a jewellery box. Every part of the package is handmade and there is a care and knowledge also associated with this project. We have joined three different nations: the Portuguese crystal, the Scottish silver and the English leather. The Symington family also has three nations in its history: currently, part of the family lives in Portugal and other part in England, and it has Scottish ascendance. The wine comes with a booklet, which explains all this emotional burden, existing with the product. It also comes with a letter signed by hand by each of the elements who currently manage the Symington Family States. Only now are we able to deliver the first units, given all the care needed. Each piece is handmade and it is necessary to join the silver. All the packaging and bottling is done by hand, it does not pass through the assembly line. The concept is to be unique and extremely careful. It is not just a product, it is something special.” The Figure 1 presents Ne Oublie packaging.

FIGURE 1 NE OUBLIE PACKAGING





It is not enough to communicate symbolic value through house cult if the product does not have substance (Kapferer and Bastian, 2012). Packaging must be superb and beautiful and it could only be so if placed as an art object.

REGION OF ORIGIN

The use of origin emerges trust and confidence to the consumer. In order to be a luxury good, the product must have a strong identity and to have so, it could not be delocalized. The origin is the ambassador of the local culture (Kapferer and Bastian, 2012). The symbolic value comes with the country of origin and, in the wine industry, the place reference both determines roots and defines style. “Product integrity is more than an expression of a certain place, is also an expression of a house style” (Beverland, 2006).

Douro Valley is the first demarcated wine region of the world. As a result, communicating Port wine from Douro Valley belongs to the heritage contract and proves the authenticity and excellence of the product. Still, communicating its territory is part of communicating Douro *terroir*. A duty and a mission emerge with communicating it: do not produce wine for the consumer, make it a pure expression of Douro *terroir* (Beverland, 2006). In luxury, the product is not created for the consumer. “In marketing the client is king, in luxury the king is client” (Kapferer, 2009).

Every interviewed firm holds it in mind, and the interviewees confirmed proudly to work in Douro and to Douro. Hence, every luxury Port wine holds its country of origin and place as one of its main brand’s attributes (Beverland, 2006). “We want to strengthen our contingency to be a Douro producer, a region we love. 5G was a contribution to the category growth and quality

of the Douro and Port wine at the highest levels of quality and prestige.” (Vasco Cunha Coutinho, 2014)

MANAGING HUMAN TALENT

In luxury management, talent is a key element to generate the best outcome. Nonetheless, talent could come in many forms and it is extremely necessary to join people in a team with different attributes: the artists, the artisans and the managers (Kapferer and Bastian, 2012). Therefore, the human force in luxury must have at least one artist, a creator or a creative director, which envisions the entire brand universe and leads the creativity process (Kapferer and Bastian, 2012). These artists will be responsible for communicating to the exterior one of the main drives of luxury: innovation, through product development (Kapferer and Bastian, 2012). On the other hand, product development needs handmade and specialized work, and here is where the artisans are aligned (Kapferer and Bastian, 2012). They execute the artists’ vision with extreme attention to detail and sensitivity in many different crafts (Kapferer and Bastian, 2012). Along with artists and artisans, managers must be capable of using their imaginative side in order to work with artists, allowing their own fluid concepts (Kapferer and Bastian, 2012). It is difficult to manage the financial consequences of innovation and handcraft to the overall luxury business but they are the living talents which could maintain a luxury brand.

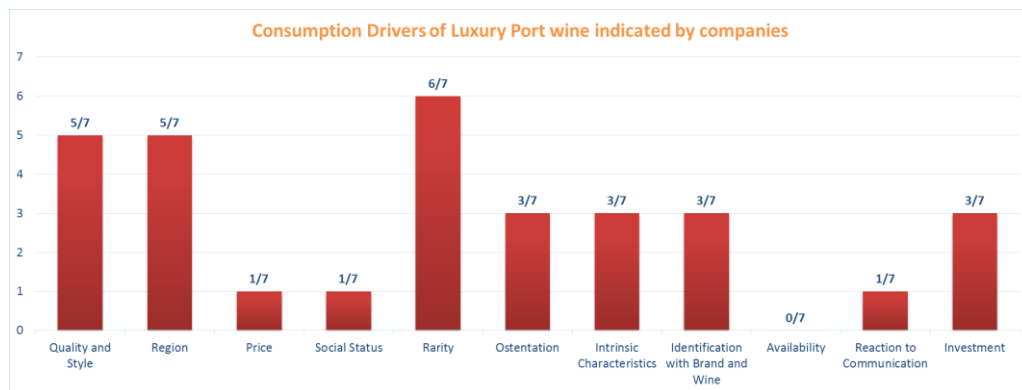
In comparison, the presence of a designer in the wine luxury business is tremendously important (Kapferer and Bastian, 2012). Every wine company knows it. The designer must assume a continuous role of designing the labels, the bottles and the packing. Being responsible for creating the communication of the brand and somehow leading the brand identity. As a result, they must work side by side with the winemakers and wine specialists. In the wine business, designers and winemakers are artists, artisans are the craftsmen, and marketers and salespersons are the managers. “This type of projects live from the winemaker’s image because in wine fairs people want to know who the winemakers are.” (Vasco Cunha Coutinho, 2014) The head wine maker is seen as the directive creator, the person who leads the special process and he/she is the most important talent to manage.

COMMUNICATION: LUXURY MESSAGE

The called luxury *equation* explains that with high awareness companies must restrict access (Kapferer and Bastian, 2012). Looking commercial decreases wine brand's value (Beverland, 2006). In luxury business, scarcity has value (Kapferer and Bastian, 2012). Those wines which are difficult to find are the most desired because they are assembled in small batches (Beverland, 2006).

In order to handle successful niche brands, companies must adopt an anti-image based advertising (Kapferer and Bastian, 2012). In order to point out each Port wine attributes to promote, it was asked to every company which were the recent consumption drivers valued by their luxury segment consumers (Graphic 1).

GRAPH 1 CONSUMPTION DRIVERS OF LUXURY PORT WINE INDICATED BY COMPANIES



In line with the previous graphic, the attributes which must be promoted are rarity, quality, style and region. Being rarity the most valued by consumers the volume of luxury Port wine must be severely controlled each year (the other Port wine volume is already controlled by IVDP), the places of distribution must be carefully selected, meaning not every cellaret, importer or market must receive it or have access to it, and finally, the restricted access is applied as well to the consumer.

From the raw material to the retail experience, luxury could only be delivered if the brand has total control. It is imperative to maintain full control of distribution, in order to provide an exclusive experience where individualized service should take place. The distribution strategy according to the previous criteria will be evaluated in Table 6. The word "established" means that it was mentioned in the interview.

TABLE 6 DISTRIBUTION STRATEGY

	Distribution Strategy						
	Graham's Ne Oublie	Taylor's Scion	Wine & Soul 5G	Quinta do Vallado Adelaide Tributa	Andresen Andresen 1910	Nieeport VV	Quinta do Noval Vintage Nacional
	656 units	1.650 units	300 units	1.300 units	120 units	999 units	2.000 units
Selected Places of Distribution	Established	Not Established	Established	Not Established	Not Established	Not Established	Established
Restricted Access to the Consumer	Established	Not Established	Not Established	Not Established	Not Established	Not Established	Established
Overall Appraisal	2 of 2	0 of 2	1 of 2	0 of 2	0 of 2	0 of 2	2 of 2
Overall Appraisal (%)	100%	0%	50%	0%	0%	0%	100%

Adriana Cardoso said, regarding Ne Oublie distribution strategy: “Graham's brand is an international brand, present in more than 60 markets. Ne Oublie will not be placed in 60 markets, but is a completely international wine and the goal is to be present in key markets in this segment. The strategy of selection of markets and locations will be the segment to which it is addressed. Right now we are launching in several countries, it is available worldwide in places suitable for this segment and we are choosing them very carefully.” Luxury managers create brand awareness without reducing the perceived quality or positioning, by increasing scarcity. If management is overwhelmed to increase sales or shareholder returns they may lose their positioning (Kapferer and Bastian, 2012).

“Luxury is in distribution” (Kapferer and Bastian, 2012). It means distribution should promote a multisensory experience. Each point of contact should be carefully taken care in order to dominate the client. Since luxury has a strong human component, based on personal relationships, it needs highly qualified salespeople. Service is intrinsically linked to the product in luxury (Kapferer and Bastian, 2012). In the wine industry, it means working with the best importers and having total control of distribution and communication in each market (Beverland, 2006). Luxury means treating all clients as important persons, with a personalized service, ideally in limited stores that embody the dream (Kapferer, 2012).

Additionally, a record or a registry is a *must have* in the luxury business distribution, since it lists each client and the respective numbered bottle he owns. Assessing the post-sale satisfaction or assisting in maintaining the product are extremely important. One remarkable practice in the industry is Quinta do Noval: “This product should allow us a much closer relationship with the end customer. Current bottles come with an identification number, allowing the exclusive digitally access to the Nacional Club 1931. Today we can monitor each person who buys a bottle” (Rute Monteiro, 2014). The existence of a registry with numbered units will be evaluated in Table 7.

TABLE 7 LUXURY PORT WINE REGISTRY

	Luxury Port wine Registry						
	Graham's	Taylor's	Wine & Soul	Quinta do Vallado	Andresen	Nieeport	Quinta do Noval
Numbered Individually	Yes	Partially	Yes	Yes	Yes	Yes	Yes
Client's Record	Yes	No	Yes	Yes	No	No	Yes
Overall Appraisal	2 of 2	0,5 of 2	2 of 2	2 of 2	1 of 2	1 of 2	2 of 2
Overall Appraisal (%)	100%	25%	100%	100%	50%	50%	100%

As seen above, region of origin, quality and style, also through product integrity, and sincerity will increase the authenticity of the luxury Port wine (Beverland, 2006). Companies looking to build identity and authenticity need to deliver genuine and honest messages to consumers. A truthful story needs to be developed and communicated.

It is important to refer that not all the houses have a website for its luxury product. Table 8 will present the houses which have a website exclusively to its luxury product and if it is a multisensory experience.

TABLE 8 LUXURY PORT WINE WEBSITE

	Luxury Port wine Website						
	Graham's Ne Oublie	Taylor's Scion	Wine & Soul 5G	Quinta do Vallado Adelaide Tributa	Andresen Andresen 1910	Nieeport VV	Quinta do Noval Vintage Nacional
Product Website Existance	Yes	Yes	No	Yes	No	Yes	No
Website Multisensory Experience	Yes	Yes	-	Yes	-	No	-
Overall Appraisal	2 of 2	2 of 2	0 of 2	2 of 2	0 of 2	1 of 2	0 of 2
Overall Appraisal (%)	100%	100%	0%	100%	0%	50%	0%

Only 3 of the 7 companies have a multisensory website experience. According to the luxury science, luxury is a sensory experience at all contact points. Digital in luxury is one of the main sources to increase brand value, since it could give a direct access to develop brand identity and awareness (Kapferer and Bastian, 2012). In order to do so, it is extremely important to take into account some guidelines (Kapferer and Bastian, 2012):

- Use and abuse of storytelling;
- Restrict access by using rarity-based actions;
- Manage price according to luxury principles;
- Connect in a “face to face” communication;
- Excel on service, enhancing the experience.

Luxury communication has a single goal of nurturing the dream and recharge the brand’s value (Kapferer and Bastian, 2012). It does not have the objective to sell, contrary to what is expected by marketing (Kapferer and Bastian, 2012). Communication is also a creation, crafted with utmost attention to detail (Kapferer and Bastian, 2012). It must be sufficiently vague, intended for many people to identify and each one find their personal intake, artistic and highly code, sourced from the brand’s soul, keep up with time without losing its style, never direct, highly allusive and reactivate legends and launch new icons (Kapferer and Bastian, 2012). In luxury, the communication is experiential, mostly non-verbal, but visual and sensory, applied to logotypes, aesthetic signatures, visual symbol, repeated visual motif, brand colour and favourite materials (Kapferer and Bastian, 2012). It appeals to brand’s identity, emotions and increases desire, since every image needs to nurture the brand’s universe, keeping in mind the brand’s consistency and stability (Kapferer and Bastian, 2012).

In order to assess the communication strategy of the referred companies, it was needed a full marketing analysis, each would compromise the present research. Additionally, all the interviewees had listed the same communication actions: a face to face communication, presentation of the luxury product to the press and to the importers and the launching of special events.

These companies had run special events so that guests, like critics and journalists, could taste their wines. Only Graham's had communicated the use of special personas in Ne Oublie launching events through the world. It is certainly true that luxury communication management should base itself not on celebrity advertising, but instead on brand testimonials or brand ambassadors, enhancing status and power of the brand and putting the luxury brand above celebrity stars (Kapferer and Bastian, 2012). It is not clear the non-existence of these special guests in other launching events. It was decided not to include communication strategy in luxury management company evaluation, since it was not conclusive and differentiating. A communication based on top prestigious events is the excellence communication to these type of products (Beverland, 2006).

Graham's had also launched a campaign promoting handcraft, realising a 30-second video per week, celebrating each one of the arts behind the concept of Ne Oublie: Cooperage, Douro Valley, Crystal, Silver and Leather. Adriana Cardoso explains: "We are talking about a dialogue handed from generation to generation in the Symington family and in the people who work with Symington. Even not belonging to the family, the employees belong to the company and have been taking care of this legacy over time. Ne Oublie intended to point out all the art and knowledge which are part of it. The first one is cooperage. The coopers team take care of the wood so that it preserves the wine and helps to age the wine. We are currently the only Port wine company with an internal coopers team (Adriana Cardoso, 2014). In the formal launching, they presented a sensorial 6-minute video.

Most wineries had a good awareness of who their target consumers were. Table 9 will present the target segment evaluation.

TABLE 9 TARGET SEGMENT

	Target Segment						
	Graham's	Taylor's	Wine & Soul	Quinta do Vallado	Andresen	Nieeport	Quinta do Noval
Recognise a Superior Segment	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Identify Connoisseurs	Yes	Yes	Yes	Yes	No	No	Yes
Identify Collectors	Yes	Yes	Yes	Yes	Yes	No	Yes
Overall Appraisal	3 of 3	3 of 3	3 of 3	3 of 3	2 of 3	1 of 3	3 of 3
Overall Appraisal (%)	100%	100%	100%	100%	67%	33%	100%

The recognition of a superior segment was common to all. The majority of them identified the connoisseurs and the collectors as their main luxury Port wine clients. Ana Margarida Morgado, from Taylor's, explained: "There are two segments: the wine connoisseurs, who enjoy the quality of the wine and have available budget to buy it. These are knowledgeable and appreciative. Alongside these are the people who are not connoisseurs but are people who like to have rare and unique things, and have money. These two niche markets are the niches we try to achieve with this wine."

The pricing strategy in luxury is a sensitive subject because luxury management does not talk about money (Kapferer and Bastian, 2012). Even so, it was necessary to assess the pricing strategy and it is present in Table 10.

TABLE 10 PRICING STRATEGY

	Pricing Strategy						
	Graham's	Taylor's	Wine & Soul	Quinta do Vallado	Andresen	Nieeport	Quinta do Noval
	Ne Oublie	Scion	5G	Adelaide Tributa	Andresen 1910	VV	Vintage Nacional
	5.500 Euros	3.000 Euros	1.500 Euros	3.000 Euros	2.500 Euros	1.000 Euros	Variable
Most Expensive Product of Portfolio	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Positioning based Price	Yes	Yes	No	No	Yes	Yes	Yes
Overall Appraisal	2 of 2	2 of 2	1 of 2	1 of 2	2 of 2	2 of 2	2 of 2
Overall Appraisal (%)	100%	100%	50%	50%	100%	100%	100%

In price luxury strategy, there is several elements to take into account. Firstly, the price is sold to the client and the product is bought (Kapferer and Bastian, 2012). It means the price is not publically advertised (even on the Internet) and is not visible at the eyes of the client. The price should not be announced publically, or have any discounts or savings (Kapferer and Bastian, 2012). Secondly, salesperson are not there to sell (Kapferer and Bastian, 2012). Their mission is to share the mystery, to display the distinguished details and to make the client understand the brand's art, quality and mystic, in order to convey the idea that the price is lower than expected (Kapferer and Bastian, 2012).

These luxurious Port wines must be the most expensive product on these companies' portfolio. In setting the price of a luxury product, it is important to understand the direct competitive universe, even if luxury is not comparative (Kapferer and Bastian, 2012). "Given that the price of a luxury product should always increase the most effective way of setting it is to begin at the bottom of the zone of price legitimacy, and then progressively increase the price" (Kapferer and Bastian, 2012). Other aspect is that price could not be based on costs, it has to be based on positioning (Beverland, 2006). "In setting the price, two factors came into consideration, in addition to the concern about what was happening in the market: to call attention and to communicate the intrinsic uniqueness, and to become not so accessible" (Carlos Flores, 2014).

CHAPTER V • DISCUSSION

“O homem é do tamanho do seu sonho. [Man is the size of his dream.]”

(Fernando Pessoa)

CONTENTS

- **Findings and Recommendations**
Presenting the assessment and the interpretation of final results
- **Principles and Guidelines**
Luxury wine principles in guidelines
- **Limitations and Future Research**
The research constraints and what could be next

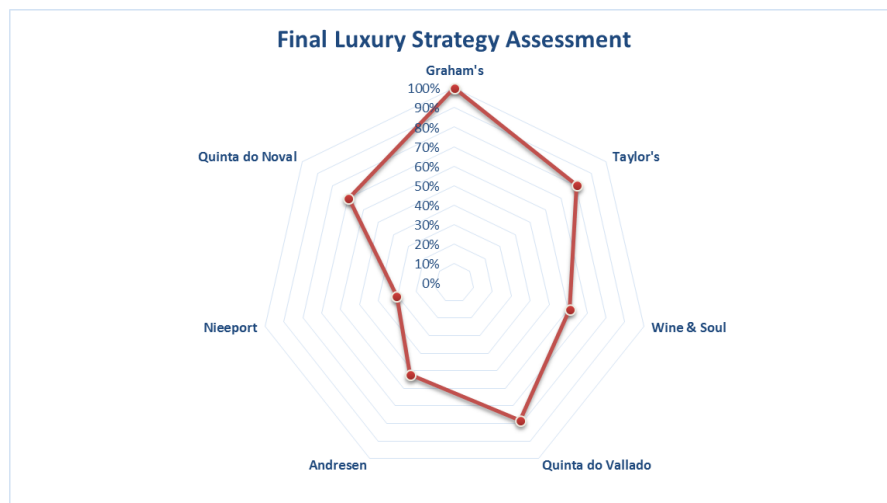
FINDINGS AND RECOMMENDATIONS

The final luxury strategy assessment is presented in Table 11 and in Graphic 2.

TABLE 11 LUXURY PORT WINE STRATEGY FINAL ASSESSMENT

	Luxury Port wine Strategy Assessment						
	Graham's	Taylor's	Wine & Soul	Quinta do Vallado	Andresen	Nieeport	Quinta do Noval
House Cult Appraisal	7 of 7	7 of 7	4 of 7	6 of 7	5 of 7	2 of 7	6 of 7
Packaging Appraisal	5 of 5	4 of 5	3 of 5	4 of 5	1 of 5	0 of 5	1 of 5
Website Appraisal	2 of 2	2 of 2	0 of 2	2 of 2	0 of 2	1 of 2	0 of 2
Distribution Appraisal	2 of 2	0 of 2	1 of 2	0 of 2	0 of 2	0 of 2	2 of 2
Registry Appraisal	2 of 2	0,5 of 2	2 of 2	2 of 2	1 of 2	1 of 2	2 of 2
Target Appraisal	3 of 3	3 of 3	3 of 3	3 of 3	2 of 3	1 of 3	3 of 3
Pricing Appraisal	2 of 2	2 of 2	1 of 2	1 of 2	2 of 2	2 of 2	2 of 2
Evaluation	23	18,5	14	18	12	7	16
Overall Appraisal	23 of 23	18,5 of 23	14 of 23	18 of 23	12 of 23	7 of 23	16 of 23
Overall Appraisal (%)	100%	80%	61%	78%	52%	30%	70%

GRAPH 2 LUXURY PORT WINE STRATEGY FINAL ASSESSMENT

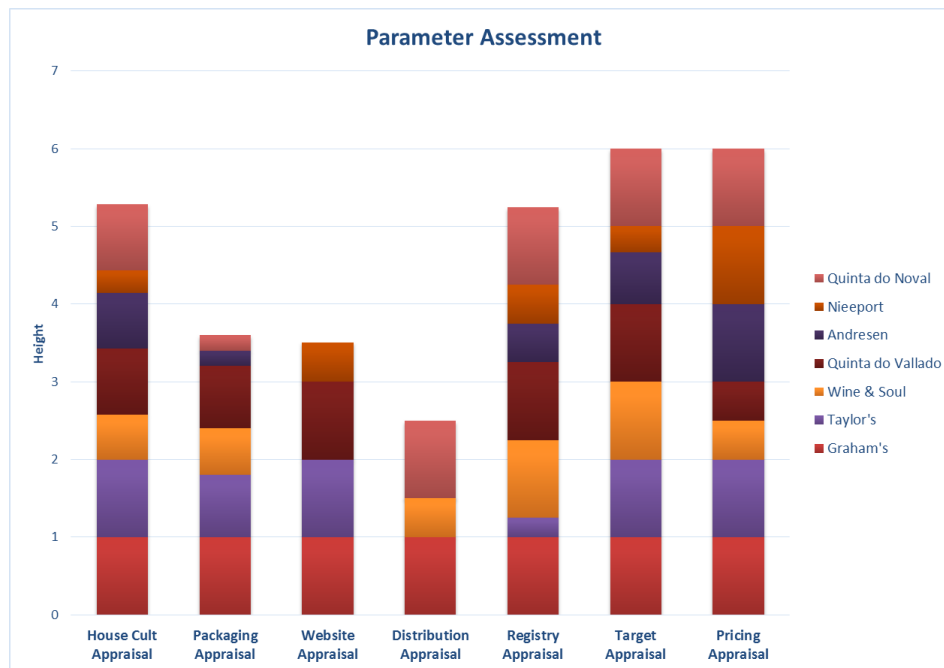


Findings attest the good practice in terms of luxury management in Port wine industry. In Graphic 2, the inner region defined by the red perimeter has a large area, presenting the good managerial practice.

The first luxury Port wine product was released four years ago and it is worthy to mention the continuous effort being made to build, produce and communicate its product in the best way possible. In Graphic 2, the outer region defined by the red perimeter presents the potential good managerial practice which has been mislaid by the industry in the luxury segment. The objective of the assessment is not to compare companies *per se*. On the contrary, the aim is to propose a luxury Port wine luxury strategy. This was done presenting the theory basis, finding suitable criteria to evaluate practice and discovering some areas of improvement.

Taking the aim into consideration, a parameter analysis to the overall industry was conducted and presented in Graphic 3.

GRAPH 3 PARAMETER ASSESSMENT



Pricing and target appraisals obtained the best results although none parameter has had the maximum appraisal. It also exposes the possibility to further develop distribution, digital and packaging, since these parameters obtained values equal or inferior to 50% of appraisal.

Only 3 of the 7 companies have a multisensory website experience. It is very important to create a digital reference to a luxury Port wine. More than the remaining wines, it must have a website, exclusively dedicated to communicate its uniqueness and mysticism in a multisensory way, because luxury is all sensory.

Also, craftsmanship in the packaging is rarely communicated to the exterior by the companies and it is a distinguishing point. In luxury, packaging should be luxurious. Being handmade consigns an emotional value to the product: it is no longer considered to be only a wine. Rather, it is a preciousness, cared by everyone, including the final consumer. A booklet or a letter must be also included to increase the human component and to dominate consumer's emotions. Do not forget to dominate clients, respecting them (Kapferer and Bastian, 2012).

Places of distribution must be carefully selected, meaning not every cellaret, importer or market must receive it or have access to it. Having control over distribution means to set high standards to importers and agents. Additionally, it means to assess the beauty of the shops, the quality of their salesforce and to give concrete indications about where, how and when to show it to a consumer. Price could not be placed obviously and it could not be bought by every consumer which is interested. The wine houses must base their distribution strategy in luxury principles. If not, they risk to lose product attractiveness and exclusivity.

When a company defines a luxury strategy, it should take into consideration in which level of luxury it wants to position itself. There are three levels of luxury: inaccessible, intermedium and accessible. Inaccessible luxury is defined by what is rare, expensive and has a very selective communication and careful distribution. Intermedium luxury will be defined by limited series, high price and both selective communication and distribution. Finally, accessible will be dependent on abundance, price-quality relationship, vast distribution and mass media (Allerès, 1990). It was notorious the different positioning of each Port wine company according to these presented degrees of luxury. Nonetheless, to organize Port wine companies per level of luxury might be a controversial subject since the goal is to analyse the industry and not the performance of each individual company.

PRINCIPLES AND GUIDELINES

The research questions were explored during the analysis, through the sub-chapters Brand: The House Cult, Product: A Heritage and Communication: Luxury Message. Even so, the present chapter will answer them in order to establish principles and guidelines which may be easily memorized.

To increase the Port wine brand equity, companies should:

- Work on brand's identity;
- Make clients *breathe* brand's history, through cave's visits, website, videos, etc.;
- Create a great storytelling, enhancing the emotional value of the product and stimulating marketing buzz.

To develop a luxury Port wine, companies may:

- Focus on quality, handcraft and innovation above all things, not looking for consensus, customers' wishes or for the product seducing many people;
- Packaging is also a piece of art: there is no luxury without a luxurious packaging;
- The place of origin is proof of authenticity, exclusivity and style: there is no Port without Douro;
- Choose a cohesive group of designers, artisans and managers to express the brand's essence;

To communicate a luxury Port wine, companies could:

- Control the service through an experience of excellence delivered by distribution;
- Make it difficult to buy, keeping product out of reach, as a so precious product that could not be accessed;
- Communicate to dream, not to sell, increasing price to increase demand;
- Communication is non-verbal, is visual and is beyond the target;

- Be cautious with celebrities, find several ambassadors;
- “It is not the price that creates luxury. It is luxury that creates the price” (Kapferer and Bastian, 2012);

LIMITATIONS AND FUTURE RESEARCH

The findings raise several questions. The evaluation was based on interviews and on the websites. Both sources are concrete since they are written and documented. Nonetheless, it could happen that a company followed a specific good practise without communicating it in the interview or in the website. If it had done so, this good practice was not assessed or assessed negatively according to reality. Additionally, the evaluation is subjective, resulting from a qualitative investigation, meaning it depends on the author’s interpretation of what was said both on interviews and website.

A luxury strategy has several elements which cannot be straightforwardly analysed. Firstly, the companies, through interviewees, had limited the access to managerial information. They had done it in order to protect themselves from competitors or other privacy issues regarding the product itself. Secondly, a luxury strategy is not as objective as presented and evaluated. A strategy is a complex subject, composed by numerous specific and controlled actions intended to generate a specific result. Therefore, evaluating strategy could not be done simply with criteria or 1-hour interviews. It must be assessed regularly in an everyday basis. On the other hand, the luxury business has far more elements than the ones exposed. Luxury is a concept of business. Being so, it produces several consequences to the managerial practice which could only be presented with experience in the field. Based on the luxury science, price and quantity should be accessed as well. Nonetheless, it was not found any criteria which could support a minimum or a maximum value to access price and quantity.

Other good practices were communicated in interviews and were not accessed. They were not specific to luxury management although they contribute to a sustainable position in the market. There are few management authors in the wine and spirits industry and it could be confirmed by the non-existence of wine management theory in literature. This reality could be furthermore investigated since some Port wine companies have several centuries of existence. Their business authenticity and perseverance could be explored to produce managerial implications to other industries. The present research could be also reproduced to other notorious portuguese industries, such as cork, olive oil or shoes.

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APPENDIXES

APPENDIX 1

Guião das Entrevistas

(X = vinho do Porto de luxo da empresa)

- 1) Qual é modelo de negócio da empresa?
- 2) Quem é o responsável pelas vendas, gestão da marca e/ou comunicação do X?
Existe uma equipa responsável?
- 3) O que vos levou a lançar o X?
- 4) Qual a história e mitos do vinho X?
- 5) Quais as suas características de envelhecimento e vinificação?
- 6) Qual é o posicionamento do X?
- 7) Quais os seus principais mercados geográficos?
- 8) Qual o segmento-alvo que o X pretende atingir?
- 9) Na sua opinião, quais são os dois factores que os consumidores mais valorizam quando escolhem o vinho X?
 - Qualidade e Estilo;
 - Região;
 - Preço;
 - Estatuto social;
 - Raridade;
 - Ostentação;
 - Características intrínsecas;
 - Identificação com marca e/ou com vinho;
 - Disponibilidade;
 - Reacção à comunicação;
 - Investimento.
- 10) Quais os seus principais concorrentes de Vinho do Porto? Quais os seus principais concorrentes internacionais?
- 11) Como o X se distingue dos restantes vinhos do Porto de luxo no mercado?
- 12) Identifique as principais dificuldades encontradas no vinho X no mercado.
- 13) Antes de avançarem com o seu lançamento, fizeram algum estudo de mercado?
- 14) Foi definida uma estratégia de comunicação da marca? Qual foi a estratégia adotada? É a atual? Quais foram as ações de comunicação do produto aquando do seu lançamento?
- 15) Houve uma adesão imediata ao produto, ou consideram que foi preciso tempo para que as pessoas se adaptassem ao conceito?

- 16) Existe um registo de cada garrafa vendida e do seu respetivo cliente?
- 17) Quais os fatores que influenciaram a definição do preço, para além dos seus custos diretos (custo de fabrico, armazenamento e distribuição)?
- 18) Em média, quantas garrafas vendem por ano?
- 19) Como antecipa a venda da marca X em 2014/2015?
 - Baixar;
 - Manter;
 - Crescer 0%-5%;
 - Crescer 5%-10%;
 - Crescer mais do que 10%.
- 20) Atualmente, quais são os principais desafios na gestão da marca X?

APPENDIX 2

Porto: a wine with a history

“For almost two millennia, a unique viticultural landscape rose on the schistous hillsides along the Douro River valley and that has produced an exceptional wine. More than a gift of Nature, Port Wine is at heart the expression of this history, a collective cultural heritage of work and experience, know-how and art, that has built up from generation to generation. Port Wine was, and is, a key product for the national economy and even more, a symbolic asset that represents Portugal throughout the world.

The history of vineyards in the Upper Douro is a long and ancient one. There is no lack of archeological discoveries and documented references to witness the cultural persistence of viticulture from past eras.

Remains of stone treading tanks and casks dating back at least to the 3rd and 4th centuries can be found throughout the region. The designation Port Wine, however, only appears during the second half of the 17th century at a time of the expansion of Douro viticulture and rapid growth in wine exports.

During the last third of the 17th century, at a time of great rivalry between the maritime empires in the North, the Flemish and the British increased their demand for Iberian wines, to the detriment of wines from Bordeaux and other regions of France. England imported increasing quantities of Port Wine. In 1703, the Treaty of Methuen put the diplomatic seal of approval on this trade by exchanging privileges for British textiles on the Portuguese markets.

Production of Douro wines, stimulated by the rising British demand and very high prices, tried to adapt itself to the new requirements of the market. However, as it has occurred with all great wines, active trading instigated rivalries that often gave rise to fraud and infractions.

It then happened that, as of the middle of the 18th century, exports stagnated although production continued to grow. Prices dropped like a stone and the British decided not to buy any more wine as they accused the farmers of doctoring their wines.

Consequently, the great Douro farmers, desirous of protecting their interests, petitioned the government of the future Marquis of Pombal to create the Companhia Geral dos Vinhos do Alto Douro. This new institution, established by Royal Charter on 10 September 1756, was directed at ensuring the quality of the product, avoiding fraud, balancing production and trade, and stabilising prices. The first "demarcation of the mountains" was implemented. The borders of the winemaking region were delimited by 335 stone markers bearing the Feitoria designation which indicated the best quality wine, the only one that could be exported to England, commonly known as fine wine. The concept of a register of vines was defined.

During the second half of the 19th century, a series of factors came together to mark the turning point from the Douro of the time of the Marquis of Pombal to the Douro of today. The destruction caused by oidium during the 1850's was followed, a decade later, by the ravages of the phylloxera that destroyed most of the vineyards in the demarcated region. In 1865, the new trading freedom regime that was extended to the region led to the opening of the line of demarcation, thus enabling vineyards to expand rapidly to the area of the Upper Douro where the effects of the phylloxera appeared later and less violently.

This was followed by new methods for preparing the land, new planting techniques for vines, the selection of the best regional species of vines for grafting, the rational use of fertilisers and pest control, the perfecting of winemaking procedures.

By the end of the century, the impact of the phylloxera was clearly evident in the manner by which the land was forced to become reorganised.

At the end of the 1880's, whilst the vineyards were slowly being rebuilt and spreading over a wider area than before, the Douro was faced with another crisis, one that would prove more destructive than the diseases of the vine, fraud. Imitations of Port Wine were invading our main markets where such as French Ports, Hamburg Ports and Tarragona Ports were being sold at prices far below those of authentic Port Wine. And the market suffered.

Trade was declining, farmers were destitute, the Douro was a picture of misery.

The Portuguese dictator, João Franco, upon assuming office on 10 May 1907, signed a decree that was to regulate the production, sale, export and control of Port Wine, based on the principles applied by the Marquis of Pombal 150 years earlier in defence of the name. New lines of demarcation were drawn around the area of production which now included the Upper Douro. Once again, exports of Port Wine had to be shipped across the bar of the Douro River or from the harbour at Leixões and the Porto denomination of origin was reserved exclusively for fortified wines from the Douro region that contained a minimum of 16.5% of alcohol. Responsibility for defending and controlling the denomination of origin was given to the Viticultural Committee for the Douro Region.

On the other hand, the decree of 27 June of the same year that regulated the brandy trade prohibited the distillation of Douro wines and forced producers to buy the spirits they needed for fortifying their wines, from other winemaking regions, a measure that was violently contested. The excessive enlargement of the demarcated region was also the subject of heated debates, so much so, that the following year Admiral Ferreira do Amaral's government (Decree of 27 November) preferred a demarcation by parishes which resulted in a total area similar to the one that exists today (Decree-Law of 26 June 1986) which, in turn, corresponds to the one established by decree on 10 December 1921.

Exports rose at a totally unexpected rate to more than one hundred thousand pipes in 1924/1925, a volume of trade that would only be surpassed at the end of the 1970's.

In spite of all the above, however, the situation in the Douro villages suffered little improvements. Poverty and hunger worsened as taxes and the cost of products rose at the end of the monarchy and during the First Republic. The political and social unrest of the first quarter of the 20th century proved to be one of the most turbulent periods in the history of the Douro, with violent demonstrations, political meetings, riots, the burning of trains carrying brandy from the South of the country, attacks on City Halls and Public Offices.

The new regime that was born with the military uprising of 28 May 1926 enforced new changes to the organization of the Port Wine trade and to Douro agriculture and brought about stricter government control.

In 1926, the government created the Bonded Area, or *Entrepoto*, in Vila Nova de Gaia, an area that was to act as an extension of the demarcated region. All companies connected to the Port Wine trade were forced to build lodges within this area if they wished to age their wines. In practice, this was the end of all trade direct from the Douro.

In 1932, the associative regime created the Farmers' Guilds, consisting of owners of land who were heads-of-households, on which local trade unions held a seat. The Guilds that were formed on a county level then associated themselves to the Syndicated Federation of Farmers of the Douro Region - the *Casa do Douro*, the entity responsible for protecting and disciplining production. Later regulations (Decree of 30 April 1940) granted this entity the power to prepare and maintain the register of vineyards, to apportion the licenses for fortified wine among producers, to supply grape brandy to winemakers, to supervise the wine made in the demarcated region and to issue the documents that had to accompany all wine transported to the Gaia *Entrepoto*.

The Port Wine Shippers' Guild was created in 1933 as a sectorial association that would endeavour to discipline the trade.

The activities of the *Casa do Douro* and of the Port Wine Shippers' Guild were coordinated by the Port Wine Institute, an entity created that same year with a mandate to study and promote the quality, control and dissemination of the product.

The register of vineyards was updated. Each year, according to the location, the nature of the soil, the varieties and age of the vines, the *Casa do Douro* apportions licences amongst all the registered farmers to produce a set amount of fortified wine, according to their classification (from A, the best, to F) for a set price. This is the *benefício* system.

The associative, or cooperative, movement began to gain strength in the 1950's and by the beginning of the next decade represented about 10% of all growers and all regional production.

This form of organization was extinguished following the 1974 Revolution, although the Casa do Douro and the Port Wine Institute retained their basic responsibilities for defending the quality of the denomination. In turn, the Port Wine Shippers' Guild became the Port Wine Shippers' Association and, more recently, the Association of Port Wine Companies.

Most Port Wine shippers have joined to form groups of companies. At the same time, some of these larger companies have invested heavily in production by purchasing their own estates and vineyards and in replanting. On the other hand, some farmers have, since 1978, decided to enter the commercial sector to sell their own production directly, thus returning to a custom that ended in 1926. 1986 saw the birth of the Association of Producers-Bottlers of Port Wine, directed namely at the sale of this wine directly from the Douro estates and under the respective farmers' own labels.

In 1995, the Demarcated Region of the Douro was once again re-organised from an institutional point of view. It has been endowed with an interprofessional entity - the Interprofessional Commission for the Demarcated Region of the Douro (CIRDD) - on which farmers and producers had equal representation and a joint goal: to discipline and control the production and sale of wines from the region entitled to the denomination of origin. Changes introduced did, however, respect the historical, cultural and social heritage and traditions of the region and followed the guidelines set forth in the framework legislation for demarcated winemaking regions. Two specialised sub-committees, one for the Porto denomination or origin and the other for the remaining quality wines of the region, the VQPRD, made up the CIRDD Board of Directors which was responsible for setting the regulations that applied, under law, to each of these two sectors.

This organisational model was altered in 2003, when the CIRDD was replaced by an Interprofessional Council which is a part of the Douro and Port Wine Institute." (Pereira, 2012)

APPENDIX 3

Port Wine Cellars

“The Association of Port Wine Companies - AEVP - is a private non-profit organization, established since January 1975, with headquarters in Vila Nova de Gaia - Portugal. The main purpose of AEVP is to represent and protect the interests of its Members and the promotion and protection of the industry and trade of the Port and Douro wines and other wine products from the Demarcated Douro Region Throughout the national and foreign territory.

With Port Wine Cellars, the AEVP coordinates and develops a work of certification, to ensure a professional and a high level service, to those who want to have a deeper knowledge about Port Wine history and its genuine value.

The certification of Port Wine Cellars by AEVP gives to the visitor the credibility of the information, recognizing codes of a professional behaviour and social responsibility. Visit a Certified Port Wine Cellars and enjoy the moment!

The Port Wine Cellars are a Portuguese ex-libris and document an unusual history of temperance and courage. Open for visits all year, knowing them is to deepen knowledge about the Port wine, the Douro region and the cities of Oporto and Vila Nova de Gaia.” (ivdp.pt)

There are 14 cellars of Port wine:

1. A. Cálem
2. Ramos Pinto
3. Burmester
4. Churchill's
5. Cockburn's Port
6. Ferreira
7. Offley Forrester
8. Real Companhia Velha
9. Rozès
10. Sandeman
11. W. & J. Graham
12. C.N. Kopke (Loja)
13. Qta. Do Noval Vinhos (Loja)
14. Espaço Porto Cruz (Centro Multimédia)

APPENDIX 4

Industry Data

	2011			2012			2013		
	Litros	€	€/l	Litros	€	€/l	Litros	€	€/l
Total de Vendas Mundial	81.438.233	353.294.316	4,34	81.531.289	356.591.724	4,37	78.594.729	365.019.794	4,64
Número de Produtores	34			34			38		

Source: ivdp.pt

COMERCIALIZAÇÃO DE VINHO DO PORTO

JANEIRO/OUTUBRO 2014

Quantidade (caixas de 9 litros)
Peso dos mercados no Total (%)
Variações em relação ao ano anterior (Δ%)

PRINCIPAIS MERCADOS	MERCADOS %	ENGARRAFADO		S/ DES. ESP.		CAT. ESPECIAIS		
		cxs 9 l	Δ %	cxs 9 l	Δ %	cxs 9 l	Δ %	%
7° ALEMANHA	3,8	263.505	-6,1	222.249	-9,0	41.255	13,3	15,7
20° AUSTRIA	0,2	14.644	27,5	12.130	25,3	2.514	39,4	17,2
4° BÉLGICA	11,5	793.623	4,8	747.402	6,9	46.221	-20,7	5,8
11° BRASIL	1,2	81.779	2,0	72.272	1,5	9.508	5,6	11,6
8° CANADÁ	1,9	128.710	-10,7	37.257	-6,2	91.453	-12,4	71,1
10° DINAMARCA	1,7	115.223	25,8	62.265	4,8	52.958	64,6	46,0
6° E.U.A.	4,9	339.596	2,2	142.997	3,6	196.599	1,2	57,9
9° ESPANHA	1,7	119.948	18,2	111.767	19,4	8.181	3,9	6,8
23° FINLÂNDIA	0,2	11.908	-4,8	5.597	-14,9	6.311	6,3	53,0
1° FRANÇA	29,2	1.931.207	1,4	1.773.032	1,6	158.175	-0,6	7,9
3° HOLANDA	13,4	927.155	-5,3	835.583	-6,8	91.572	10,6	9,9
17° IRLANDA	0,3	19.621	12,9	12.895	7,6	6.726	24,8	34,3
13° ITÁLIA	0,8	53.969	-1,4	50.470	-2,2	3.499	11,4	6,5
19° JAPÃO	0,2	17.063	-11,6	16.152	-11,5	911	-13,5	5,3
18° LUXEMBURGO	0,3	18.576	0,5	16.427	-0,2	2.149	6,5	11,6
25° MÉXICO	0,1	9.128	-41,5	6.858	-51,3	2.270	48,2	24,9
22° NORUEGA	0,2	13.475	22,1	3.689	13,8	9.786	25,6	72,6
21° NOVA ZELÂNDIA	0,2	13.723	25,2	9.167	68,9	4.556	-17,6	33,2
12° POLÓNIA	0,9	60.057	-11,8	58.690	3,0	1.367	-87,7	2,3
2° PORTUGAL	13,8	951.494	6,9	797.693	5,5	153.801	15,0	16,2
5° REINO UNIDO	9,9	671.041	-9,2	265.797	-14,6	405.245	-5,3	59,4
24° REP. CHECA	0,1	9.388	-22,7	7.421	-30,3	1.968	31,2	21,0
15° RÚSSIA	0,5	37.185	9,6	31.646	20,3	5.539	-27,3	14,9
16° SUÍCIA	0,3	23.792	-6,5	15.568	-4,3	8.223	-10,3	34,6
14° SUÍÇA	0,6	43.973	-7,5	38.558	-6,4	5.415	-14,7	12,3
RESTANTES	1,9	134.505	10,0	92.766	14,6	41.738	0,9	31,0
TOTAIS	100,0	6.804.287	0,3	5.446.348	0,4	1.357.939	0,0	19,7

No período em análise foram também comercializados
850.020 litros de vinho modificado elaborado a partir de Vinho do Porto

Source: ivdp.pt

COMERCIALIZAÇÃO DE VINHO DO PORTO

JANEIRO/OUTUBRO 2014

Volume de negócios (euros)

Peso dos mercados no Total (%)

Variações em relação ao ano anterior (Δ%)

PRINCIPAIS MERCADOS	MERCADOS %	ENGARRAFADO		S/ DES. ESP.		CAT. ESPECIAIS	
		euros	Δ %	euros	Δ %	euros	Δ %
8º ALEMANHA	3,3	9.472.236	-4,0	6.478.772	-11,1	2.993.465	16,1
22º AUSTRIA	0,3	813.276	30,9	508.686	29,5	304.589	33,5
5º BÉLGICA	9,9	28.435.522	5,2	24.213.113	7,8	4.222.410	-7,8
11º BRASIL	1,2	3.340.038	1,4	2.517.386	1,0	822.652	2,5
7º CANADÁ	3,6	10.471.127	-15,5	1.874.806	-9,9	8.596.322	-16,6
9º DINAMARCA	2,6	7.413.105	46,4	2.043.801	8,0	5.369.304	69,4
6º E.U.A.	8,7	24.919.484	0,2	5.699.860	5,4	19.219.624	-1,3
10º ESPANHA	1,6	4.508.076	17,9	3.895.817	20,7	612.259	2,8
23º FINLÂNDIA	0,3	775.041	-8,9	251.441	-18,0	523.600	-3,7
1º FRANÇA	22,7	63.273.202	2,6	53.118.207	4,5	10.154.995	-6,0
3º HOLANDA	11,1	31.875.044	-0,8	24.295.158	-4,5	7.579.886	13,0
17º IRLANDA	0,4	1.184.532	12,5	696.944	7,3	487.588	21,0
13º ITÁLIA	0,8	2.358.577	1,2	2.004.231	0,9	354.346	2,7
18º JAPÃO	0,4	1.121.294	-14,3	962.891	-17,0	158.403	5,9
21º LUXEMBURGO	0,3	841.687	5,8	608.019	2,2	233.668	16,3
24º MÉXICO	0,2	572.028	-29,0	263.799	-51,6	308.229	18,2
19º NORUEGA	0,3	1.001.104	15,2	196.117	15,6	804.987	15,1
20º NOVA ZELÂNDIA	0,3	867.919	28,5	432.020	72,5	435.899	2,6
16º POLÓNIA	0,6	1.742.522	-12,7	1.600.691	8,5	141.831	-72,7
2º PORTUGAL	15,0	42.969.594	4,7	26.171.240	2,9	16.798.354	7,6
4º REINO UNIDO	10,9	31.112.670	-9,6	8.337.312	-10,3	22.775.359	-9,3
25º REP. CHECA	0,2	513.905	-6,4	293.634	-21,3	220.271	25,3
15º RÚSSIA	0,6	1.807.290	-7,3	1.136.042	15,6	671.248	-30,6
14º SUÉCIA	0,7	2.056.775	-4,5	602.349	-4,3	1.454.426	-4,6
12º SUÍÇA	0,9	2.626.058	-0,1	1.646.996	2,2	979.062	-3,6
RESTANTES	3,2	9.124.813	-6,5	3.771.266	15,9	5.353.547	-17,7
TOTAIS	100,0	285.196.920	0,4	173.620.597	2,0	111.576.323	-1,9

No período em análise registou-se também um volume de negócios de 2.147.052 euros relativo à comercialização de vinho modificado elaborado a partir de Vinho do Porto

Source: ivdp.pt

COMERCIALIZAÇÃO DE VINHO DO PORTO

JANEIRO/OUTUBRO 2014

Preços médios (euros/litro)

Variações em relação ao ano anterior (Δ%)

PRINCIPAIS MERCADOS	ENGARRAFADO		S/ DES. ESP.		CAT. ESPECIAIS	
	euros/litro	Δ %	euros/litro	Δ %	euros/litro	Δ %
ALEMANHA	3,99	2,3	3,24	-2,3	8,06	2,4
AUSTRIA	6,17	2,7	4,66	3,3	13,46	-4,3
BÉLGICA	3,98	0,3	3,60	0,8	10,15	16,3
BRASIL	4,54	-0,6	3,87	-0,5	9,61	-2,9
CANADÁ	9,04	-5,4	5,59	-4,0	10,44	-4,9
DINAMARCA	7,15	16,4	3,65	3,1	11,27	2,9
E.U.A.	8,15	-2,0	4,43	1,8	10,86	-2,5
ESPANHA	4,18	-0,2	3,87	1,1	8,32	-1,1
FINLÂNDIA	7,23	-4,3	4,99	-3,8	9,22	-9,4
FRANÇA	3,64	1,2	3,33	2,9	7,13	-5,4
HOLANDA	3,82	4,8	3,23	2,5	9,20	2,2
IRLANDA	6,71	-0,4	6,01	-0,3	8,05	-3,1
ITÁLIA	4,86	2,6	4,41	3,1	11,25	-7,8
JAPÃO	7,30	-3,1	6,62	-6,2	19,33	22,5
LUXEMBURGO	5,03	5,2	4,11	2,4	12,08	9,2
MÉXICO	6,96	21,5	4,27	-0,6	15,08	-20,2
NORUEGA	8,25	-5,6	5,91	1,6	9,14	-8,3
NOVA ZELÂNDIA	7,03	2,6	5,24	2,1	10,63	24,6
POLÓNIA	3,22	-1,0	3,03	5,4	11,53	121,3
PORTUGAL	5,02	-2,1	3,65	-2,5	12,14	-6,5
REINO UNIDO	5,15	-0,4	3,49	5,0	6,24	-4,2
REP. CHECA	6,08	21,1	4,40	12,9	12,44	-4,5
RÚSSIA	5,40	-15,5	3,99	-3,9	13,46	-4,6
SUÉCIA	9,61	2,1	4,30	0,0	19,65	6,3
SUÍÇA	6,64	8,0	4,75	9,1	20,09	13,0
RESTANTES	7,54	-15,0	4,52	1,2	14,25	-18,5
TOTAIS	4,66	0,1	3,54	1,6	9,13	-1,9

Source: ivdp.pt

QUADRO 2
COMERCIALIZAÇÃO DE VINHO DO PORTO

PRINCIPAIS MERCADOS	2011			2010			2009			2008			2007		
	10 ⁶ €	10 ³ cxs 9 /	€/litro	10 ⁶ €	10 ³ cxs 9 /	€/litro	10 ⁶ €	10 ³ cxs 9 /	€/litro	10 ⁶ €	10 ³ cxs 9 /	€/litro	10 ⁶ €	10 ³ cxs 9 /	€/litro
FRANÇA	82.000	2.631	3,46	86.248	2.733	3,51	86.947	2.743	3,52	88.253	2.781	3,53	89.369	2.857	3,48
PORTUGAL	50.321	1.185	4,72	55.327	1.343	4,58	51.876	1.224	4,71	59.578	1.390	4,76	61.704	1.427	4,80
HOLANDA	43.041	1.341	3,57	43.507	1.363	3,55	39.646	1.250	3,52	48.050	1.510	3,54	50.757	1.636	3,45
REINO UNIDO	41.917	1.001	4,65	42.280	993	4,73	41.602	1.018	4,54	39.661	1.009	4,37	49.826	1.150	4,81
BÉLGICA	35.454	1.067	3,69	39.228	1.197	3,64	38.384	1.165	3,66	40.096	1.215	3,67	41.690	1.288	3,60
E.U.A.	26.577	404	7,31	23.934	374	7,11	21.823	350	6,93	24.683	412	6,65	29.437	443	7,38
CANADÁ	14.846	178	9,26	16.007	202	8,82	13.862	194	7,94	15.034	205	8,15	18.241	239	8,49
ALEMANHA	11.947	350	3,79	12.918	382	3,76	15.864	490	3,60	16.453	478	3,83	13.655	414	3,67
DINAMARCA	8.782	157	6,22	13.522	199	7,53	7.449	134	6,18	6.046	123	5,46	7.535	153	5,47
BRASIL	5.366	131	4,55	5.022	121	4,59	4.162	93	4,96	4.408	116	4,21	4.074	106	4,28
ESPAÑHA	5.217	130	4,45	5.240	129	4,52	5.482	134	4,54	5.355	129	4,63	6.917	168	4,57
SUÍÇA	3.802	74	5,70	5.534	74	5,32	3.499	71	5,47	4.186	88	5,31	4.331	89	5,40
ITÁLIA	2.738	65	4,65	2.982	71	4,69	2.839	67	4,69	3.279	77	4,75	3.930	85	5,16
IRLÂNDIA	2.112	36	6,58	2.065	35	6,62	1.870	32	6,40	2.246	36	6,91	2.166	36	6,72
SUÉCIA	1.874	37	5,63	1.985	41	5,44	1.931	39	5,56	1.915	36	5,84	2.124	43	5,53
JAPÃO	1.863	23	8,86	1.519	20	8,53	1.541	23	7,58	1.664	26	7,05	1.854	28	7,25
POLÓNIA	1.672	58	3,22	1.169	39	3,34	795	26	3,34	936	27	3,81	946	30	3,54
RÚSSIA	1.484	25	6,50	1.064	17	6,92	655	11	6,55	830	12	7,44	1.299	16	8,86
REP.CHECA	1.270	32	4,47	1.477	37	4,47	1.365	32	4,75	1.589	35	4,99	1.689	39	4,86
NORUEGA	1.099	16	7,54	982	15	7,25	1.356	19	7,83	1.043	15	7,66	1.292	17	8,20
FINLÂNDIA	1.035	17	6,89	920	15	6,61	942	17	6,27	988	15	7,09	993	14	7,75
LUXEMBURGO	934	23	4,50	1.151	27	4,70	909	21	4,92	958	21	5,10	945	21	4,99
AUSTRIA	889	18	5,58	809	16	5,63	722	14	5,59	831	17	5,57	759	15	5,60
MÉXICO	665	13	5,91	727	13	6,13	531	10	6,04	731	16	5,03	714	13	6,22
NOVA ZELÂNDIA	522	9	6,26	810	14	6,64	466	7	7,26	433	7	6,80	989	17	6,60
RESTANTES	8.485	148	6,38	6.374	114	6,20	5.585	106	5,87	6.557	116	6,28	7.019	127	6,12
TOTAL	355.912	9.169	4,31	370.801	9.583	4,30	352.103	9.290	4,21	375.800	9.913	4,21	404.254	10.472	4,29

Source: ivdp.pt

QUADRO 4
EVOLUÇÃO DA COMERCIALIZAÇÃO DE VINHO DO PORTO
Comparação com o ano anterior em %

PRINCIPAIS MERCADOS	2011			2010			2009			2008			2007		
	volume de negócios	quantidade	preço médio	volume de negócios	quantidade	preço médio	volume de negócios	quantidade	preço médio	volume de negócios	quantidade	preço médio	volume de negócios	quantidade	preço médio
FRANÇA	-4,9	-3,7	-1,2	-0,8	-0,4	-0,5	-1,5	-1,4	-0,1	-1,2	-2,7	1,4	2,4	-0,3	2,7
PORTUGAL	-9,0	-11,8	3,2	6,7	9,8	-2,8	-12,9	-11,9	-1,2	-3,4	-2,6	-0,8	-3,9	-1,9	-2,1
HOLANDA	-1,1	-1,6	0,5	9,7	9,0	0,7	-17,5	-17,2	-0,3	-5,3	-7,7	2,6	6,2	4,9	1,2
REINO UNIDO	-0,9	0,8	-1,7	1,6	-2,5	4,2	4,9	0,9	3,9	-20,4	-12,3	-9,2	0,3	1,2	-0,9
BÉLGICA	-9,6	-10,9	1,4	2,2	2,8	-0,6	-4,3	-4,1	-0,1	-3,8	-5,7	2,0	2,6	2,6	-0,1
E.U.A.	11,0	8,1	2,8	9,7	6,8	2,6	-11,6	-15,1	4,2	-16,1	-7,0	-9,8	-14,5	-5,5	-9,5
CANADÁ	-7,3	-11,7	5,0	15,5	3,9	11,2	-7,8	-5,3	-2,6	-17,6	-14,1	-4,1	8,7	8,2	0,5
ALEMANHA	-7,5	-8,2	0,7	-18,6	-22,1	4,5	-3,6	2,5	-6,0	20,5	15,5	4,3	29,1	38,3	-6,6
DINAMARCA	-35,1	-21,3	-17,5	81,5	49,0	21,8	23,2	8,9	13,1	-19,8	-19,7	-0,1	7,7	2,4	5,2
BRASIL	6,8	7,9	-1,0	20,7	30,3	-7,4	-5,6	-19,8	17,7	8,2	9,8	-1,4	18,7	17,8	0,7
ESPAÑHA	-0,4	1,1	-1,5	-4,4	-4,1	-0,4	2,4	4,4	-1,9	-22,6	-23,5	1,2	18,0	19,1	-0,9
SUÍÇA	7,6	0,4	7,1	1,0	3,8	-2,7	-16,4	-18,8	2,9	-3,3	-1,7	-7,9	5,5	4,1	1,3
ITÁLIA	-8,2	-7,5	-0,7	5,0	5,1	-0,1	-13,4	-12,3	-1,3	-16,6	-9,4	-7,9	-2,2	-10,0	8,7
IRLÂNDIA	2,3	2,9	-0,6	10,4	6,7	3,5	-16,7	-10,0	-7,4	3,7	0,8	2,9	-21,5	-20,6	-1,2
SUÉCIA	-5,6	-8,7	3,4	2,8	5,0	-2,1	0,8	5,9	-4,8	-9,9	-14,6	5,6	9,3	8,6	0,6
JAPÃO	22,7	18,1	3,8	-1,4	-12,3	12,5	-7,4	-14,0	7,6	-10,2	-7,7	-2,8	13,3	29,9	-12,8
POLÓNIA	43,0	48,3	-3,6	47,0	46,9	0,1	-15,0	-3,0	-12,4	-1,1	-8,2	7,7	63,2	76,1	-7,3
RÚSSIA	39,5	48,4	-6,0	62,4	53,8	5,6	-21,1	-10,4	-11,9	-36,1	-23,9	-16,0	69,0	48,2	14,0
REP.CHECA	-14,0	-14,0	0,0	8,3	15,1	-6,0	-14,1	-9,9	-4,7	-6,0	-8,3	2,6	48,7	66,4	-10,7
NORUEGA	11,9	7,6	4,0	-27,6	-21,7	-7,4	30,0	27,1	2,3	-19,3	-13,5	-6,6	20,7	11,5	8,2
FINLÂNDIA	12,5	8,1	4,1	-2,3	-7,4	5,5	-4,7	7,9	-11,6	-0,6	8,7	-8,5	12,3	6,3	5,7
LUXEMBURGO	-18,9	-15,3	-4,3	26,7	32,7	-4,5	-5,2	-1,7	-3,6	1,4	-0,9	2,3	-18,0	-14,3	-4,4
AUSTRIA	9,9	10,8	-0,9	12,1	11,4	0,6	-13,1	-13,4	0,3	9,5	9,9	-0,4	13,6	13,5	0,0
MÉXICO	-8,5	-5,1	-3,6	37,1	35,1	1,4	-27,4	-39,5	20,1	2,4	26,6	-19,1	-25,8	-17,1	-10,6
NOVA ZELÂNDIA	-35,6	-31,7	-5,7	73,7	90,0	-8,6	7,7	0,9	6,8	-56,2	-57,5	3,0	57,1	63,1	-3,7
RESTANTES	33,1	29,5	2,8	14,1	8,0	5,6	-14,8	-9,0	-6,4	-6,6	-8,9	2,5	18,6	15,8	2,4
TOTAL	-4,0	-4,3	0,3	5,3	3,2	2,1	-6,3	-6,3	0,0	-7,0	-5,3	-1,8	2,1	2,9	-0,7

Source: ivdp.pt

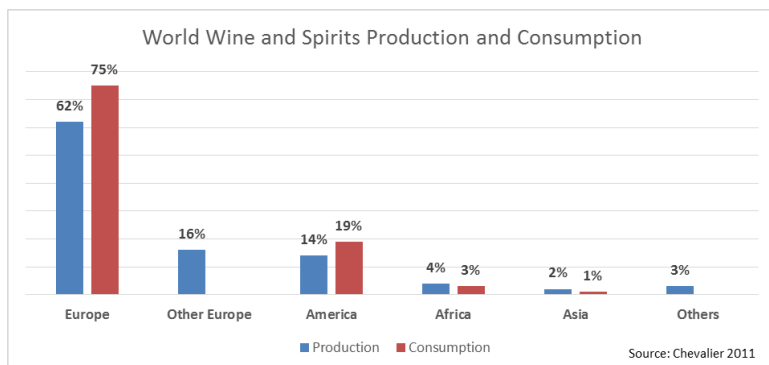
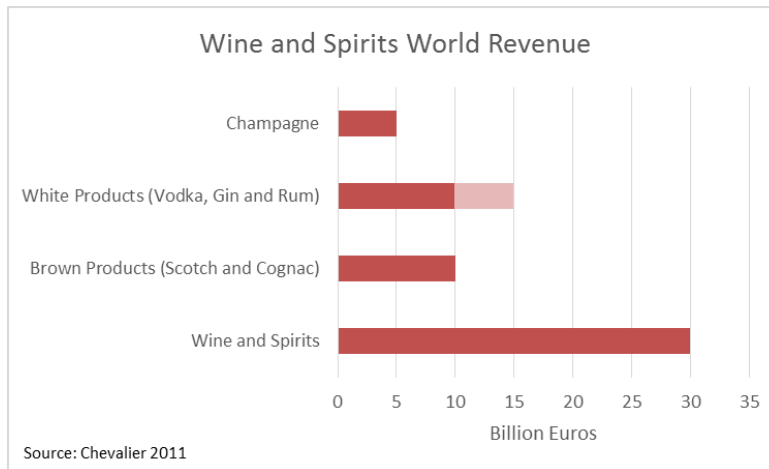
QUADRO 3
ESTRUTURA DA COMERCIALIZAÇÃO DE VINHO DO PORTO (%) POR MERCADOS

PRINCIPAIS MERCADOS	2011		2010		2009		2008		2007	
	volume de negócios	quantidade	volume de negócios	quantidade	volume de negócios	quantidade	volume de negócios	quantidade	volume de negócios	quantidade
FRANCA	23,04	28,69	23,26	28,52	24,69	29,53	23,48	28,06	22,11	27,28
PORTUGAL	14,14	12,92	14,92	14,02	14,73	13,18	15,85	14,02	15,26	13,63
HOLANDA	12,09	14,62	11,73	14,22	11,26	13,45	12,79	15,23	12,56	15,63
REINO UNIDO	11,78	10,92	11,40	10,36	11,82	10,96	10,55	10,18	12,33	10,99
BÉLGICA	9,96	11,64	10,58	12,49	10,90	12,54	10,67	12,26	10,31	12,30
E.U.A.	7,47	4,41	6,45	3,90	6,20	3,77	6,57	4,16	7,28	4,23
CANADÁ	4,17	1,94	4,32	2,10	3,94	2,09	4,00	2,07	4,51	2,28
ALEMANHA	3,36	3,82	3,48	3,98	4,51	5,28	4,38	4,82	3,38	3,95
DINAMARCA	2,47	1,71	3,65	2,08	2,12	1,44	1,61	1,24	1,86	1,46
BRASIL	1,51	1,43	1,35	1,27	1,18	1,00	1,17	1,17	1,01	1,01
ESPAÑA	1,47	1,42	1,41	1,34	1,56	1,45	1,42	1,30	1,71	1,60
SUÍÇA	1,07	0,81	0,95	0,77	0,99	0,77	1,11	0,88	1,07	0,85
ITÁLIA	0,77	0,71	0,80	0,74	0,81	0,72	0,87	0,77	0,97	0,81
IRLÂNDIA	0,59	0,39	0,56	0,36	0,53	0,35	0,60	0,36	0,54	0,34
SUÉCIA	0,53	0,40	0,54	0,42	0,55	0,42	0,51	0,37	0,53	0,41
JAPÃO	0,52	0,25	0,41	0,21	0,44	0,24	0,44	0,26	0,46	0,27
POLÓNIA	0,47	0,63	0,32	0,41	0,23	0,28	0,25	0,28	0,23	0,28
RÚSSIA	0,42	0,28	0,29	0,18	0,19	0,12	0,22	0,13	0,32	0,16
REP. CHECA	0,36	0,34	0,40	0,38	0,39	0,34	0,42	0,36	0,42	0,37
NORUEGA	0,31	0,18	0,26	0,16	0,39	0,21	0,28	0,15	0,32	0,17
FINLÂNDIA	0,29	0,18	0,25	0,16	0,27	0,18	0,26	0,16	0,25	0,14
LUXEMBURGO	0,26	0,25	0,31	0,28	0,26	0,22	0,26	0,21	0,23	0,20
AUSTRIA	0,25	0,19	0,22	0,17	0,20	0,15	0,22	0,17	0,19	0,14
MÉXICO	0,19	0,14	0,20	0,14	0,15	0,11	0,19	0,16	0,18	0,12
NOVA ZELÂNDIA	0,15	0,10	0,22	0,14	0,13	0,08	0,12	0,07	0,24	0,16
RESTANTES	2,38	1,61	1,72	1,19	1,59	1,14	1,74	1,17	1,74	1,22
TOTAL	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00

Source: ivdp.pt

APPENDIX 5

International Market Data



APPENDIX 6

Assessment per Company

