

LINKING INTERNATIONAL TRADE AND ENVIRONMENTAL SUSTAINABILITY, DIFFERENTIATION OF WINE BRANDS AND COMPANIES IN EXTERNAL MARKETS

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ABSTRACT

With the retraction verified in Europe, especially in Southern European, internal markets such as Portugal, the wine sector is increasingly dependent on their exports to growth. In this highly competitive sector, tools to differentiate companies and brands are often a requirement to penetrate new markets. This study crossed data from European Union public opinion surveys and international trade of wine. When verifying the Willingness to Pay (WTP) of the European consumers for products of environmental friendly companies, we verified that there is a positive correlation of about 50% between WTP and the European wine importers ranking (Spearman $R=0,496$; $p<0,01$) supporting that communication of an environmental friendly conduct may be a viable tool for positive market differentiation within European Union (EU). Furthermore, other Business Intelligence indicates that the willingness to pay on rapid developing economies may be greater than in EU. Examples of environmental marketing options, good practices and a case study are also discussed.

KeyWords: International Trade; Environmental Sustainability; Wine Sector; Green Marketing; Biodiversity;

1- INTRODUCTION

The European Wine Market is the biggest worldwide, along with the United States, Canada and China, and concomitantly has a huge importance for its internal economies (UNCTAD, 2010). With the recent bailout/austerity and reciprocal contraction of the Southern European economies (e.g. Portugal, Spain and Italy), several wine producing companies in these economies found exports as the only way to keep growing, or simply to keep in business. In this highly competitive sector, where companies tackle with emerging Wine Regions, often competitive in price, as well as with established Wine Regions, product differentiation is a critical requirement to successfully penetrate in new markets.

At least since the early 90s of the 20th century, business has identified a new consumer segment (or trait) with strong environmental awareness, the *green* consumer, therefore creating products and services suited to these consumer needs and expectations (Jay 1990; Laroche M *et al* 2001; Barber *et al.* 2009). Targeting consumers who are willing to pay more for environmental friendly “signals” may therefore constitute an important differentiation method in external markets, benefiting fragile economies, while at the same time benefiting the environment and planet sustainability (Conrad 2005). There are innate