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**The journey of wine: from the Greek fields to the Bavarian
market. A strategic negotiation approach.**

by

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Abstract

This paper deals with the issue of commercial relations between Greek producers and the recipients of the Bavarian market. The perennial preference of Germans for the quality of Greek products has created a long-term trade in culinary products. Wine is one of the main products of these professions, as it has been a trademark of the Greeks since the archaic era. Producers, partners, intermediaries (wholesalers, retailers) and receivers are the main players of the game. The price, the volume of the order, the delivery times are the regulatory factors that the parties are required to negotiate and achieve terms as favorable as possible for their interests. The purpose of the thesis is to describe the influence of the supply chain in the wine industry environment and to explore how negotiation strategies have the potential to influence the outcome of negotiations between the parties. Through the use of data (historical and present), publications concerning the domestic, as well as the European market, to explore the perspectives of players according to their position in the wine supply chain environment and how negotiation strategies can determine the outcome of negotiations to the benefit of each side. The term negotiation strategy is not limited to the negotiation table, it requires preparation (defining positions, issues, proposals, alternatives and "limits", etc.) before the negotiation table. It is well known that the supply chain environment is characterized by complexity, the same applies to winemaking and this is because, from the beginning of the process (vineyard) to the final destination (consumer), there are many stages which are required to streamline process functionality, eliminate waste, minimize costs and maximize profits for contracting parties.

Keywords: Supply Chain Management, Greek Wine Industry, Bavaria wine market, Negotiation Strategies

Introduction

The supply chain is a demanding management environment, due to the fact that it is a multi-level and multi-faceted whole. The complexity of its nature challenges stakeholders to manage their operations in order to streamline their processes. The members that make up each supply chain strive to increase the efficiency levels of the organization they represent. Interventions differ from business to business, both according to the business environment they belong to and their position in the supply chain. The wine supply chain consists of players who are responsible for wine production, bottling, distribution, purchase, sale and promotion. Many of these processes are repetitive, such as buy-re-buy, sell-resell. In a trade environment, bilateral relations, constant buying and selling often bring the contracting parties into bargaining situations. Negotiations determine both the short-term and long-term future of the business. Negotiations and their strategies are the means used by the contracting parties to reach an agreement that will favor their interests.

The purpose of the work through the bibliographic review and then the research, an approach to the wine supply chain is carried out. More specifically, the role of negotiations during the stages of the processes before the final product reaches the consumer is investigated. In the first part, a description of the business situation of Greek wineries, its evolution with the passage of time and their export activity is attempted. It also describes the parts of the wine supply chain, their place in it and analyzes the role played by each one. The second part analyzes the German wine market and the position of Greek wines in it. Then, in the third part, the relationships that are created in trade between supplier and buyer are researched. Finally, in the fourth part, by using a questionnaire and examining its results, research is done on the role of negotiations that take place in the supply chain, their strategies and the issues that the contracting parties agree to settle.

1. Introduction in Wine Industry

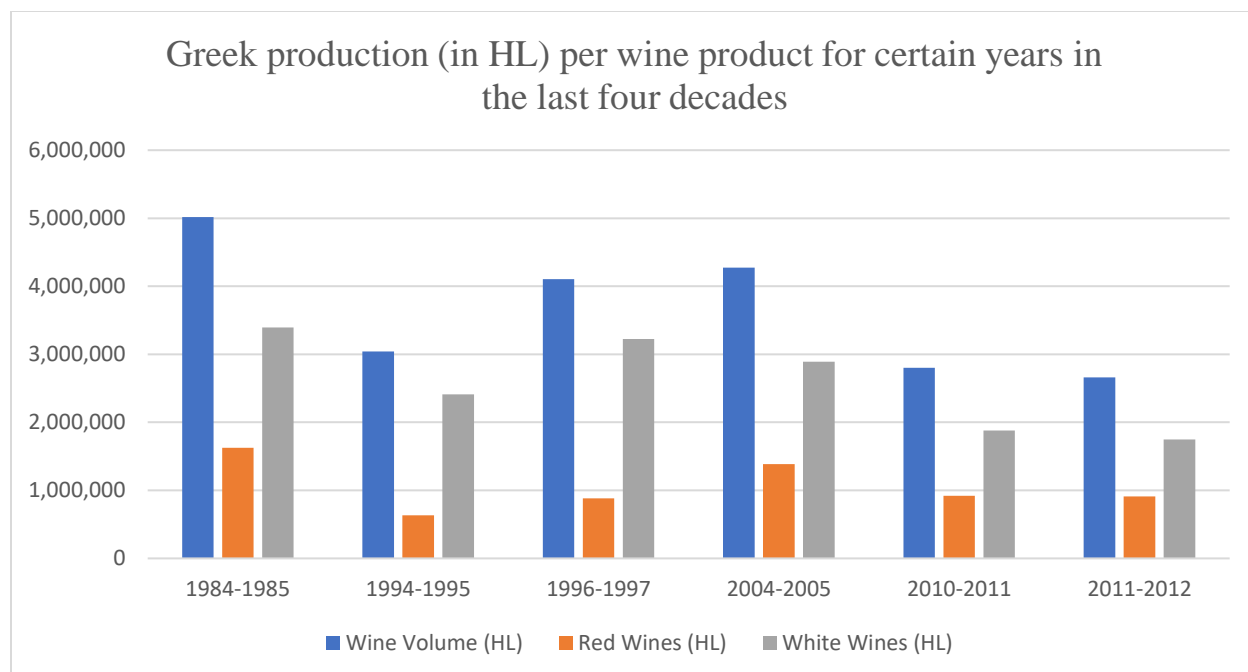
1.1 Description of Greek wine production and Greek wine as an export product.

Greece, mainly due to its climate and rich soil, is widely known for its ability to produce a wide variety of agricultural products. Wine is one of them. The condition of Greece's accession to the European Union was to be an important event for the flourishing of winemaking in the country, as Greece renewed its legislative framework for wines, this development was reinforced by the further mobilization of wine producers, causing the flourishing of winemaking, industry and improving the quality of its products. According to the Hellenic Statistical Authority (ELSTAT), the following table shows the data of the areas with vines by region:

Areas with Grapevines by Region

Grapevines			
Region/Year	2020	2015	Variation (%) 2020/2015
	Total	Total	Total
Sum of Country	644,088	633,262	1.7
East Macedonia, Thrace	22,274	21,133	5.4
Central Macedonia	47,352	45,839	3.3

Western Macedonia	26,364	24,388	8.1
Epirus	8,669	7,814	10.9
Thessalian	43,382	41,215	5.3
Central Greece	69,576	68,023	2.3
Ionian Islands	31,086	30,075	3.4
Western Greece	88,281	86,617	1.9
Peloponnese	100,087	101,317	-1.2
Attica	62,113	60,700	2.3
North Aegean	27,977	29,065	-3.7
South Aegean	39,311	39,574	-0.7
Crete	77,616	225,548	0.1



According to the Observatory of Economic Complexity, in 2021 Greece exported \$165M of Wine, ranking the 20th largest exporter of this product worldwide, also according to the Hellenic Statistical Authority, wine was the seventy-ninth most exported Greek product. The product's top destinations were Germany (\$66.6M), the United States (\$16.5M), Canada (\$14.2M), the United Kingdom (\$11.5M), and Cyprus (11.3M), according to with the Observatory of Economic Complexity. The last fifteen years have been a difficult period for Greek wineries, mainly due to the pandemic, weather conditions, climate changes, the economic crisis that shook the country and the implementation of capital controls reduced cash flows in many wineries, but also in general the conditions that prevailed in the countries at the global level led to the reduction of production at the national and global level respectively.



Source: ΕΛΣΤΑΤ

1.2 Types of wine business structures and the stages of operations.

As mentioned, the supply chain environment by its nature is characterized by complexity, as it includes decision-making stages, stakeholders, and interactions, also the vinification and commercialization of wine adds complexity to the supply chain system, as the variety of products and services (viticulture, winemaking) requires human and non-human resources, so that the product reaches its destination. A complex process to be efficient needs to be optimized, for this reason it is divided into levels and sub-levels, with the aim of organizing inputs, outputs and minimizing system waste. The first level is the class of raw materials which contains agricultural elements (fields, nurseries, pesticides, seeds and fertilizers), the necessary equipment (tools and machines). The second stage also consists of inputs related to primary and auxiliary processes of the sub-product such as services, cooperation of departments mainly in the internal environment to produce the wine. In the next stage, we meet the main processor of the system, more specifically the winery, where the results of the input process that took place in the first level end up. The production of packages and the bottling of the product take place in the winery. Finally, the finished product is channeled to the market through distributors. The recipient market consists of retailers, wholesalers, supermarkets, restaurants and hotels.

Today, in the wine industry, production and bottling consists of two main players. The first case is the case of the winegrowers, who undertake the cultivation of the vine, the varieties (red

and white grapes) that will be produced and the quality of the materials that will be used for the production of the grapes. Viticulture is the lifeblood of the wine chain, it requires knowledge of cultivation and environment, agronomy, cultivation techniques, knowledge of food technology and environmental protection measures. The viticulture industry must take into account variables that change over time (eg weather), as these are factors that are of vital importance to the industry. The reinforcement of the above theory comes from the statement of Melina Tassos (Founder of CO-Domaine Kikones), who in a recent statement pointed out "the diversity in the cultivation of a vineyard between France and Greece is great, due to the different climatic conditions. that prevail in the countries, the minimal presence of the sun and the frequent rains cause concern for the French winegrowers, while the opposite phenomenon worries the corresponding Greeks, the technical solution of which is the planting distance between the plants, as well as hunting or avoiding the sun respectively ». Generally speaking, the viticulture industry is defined by four factors that explain the variation in presence among the "players" of the wine chain. The degree of specialization in the aforementioned rules of viticulture is the first determining factor of the players (dominant and secondary). Afterwards, we find self-identified viticulture units, which according to their structure are classified either in professional viticulture units where or in small professional viticulture units. The characterized professional units of the sector usually consist of the following organizational structures: viticulture with employees, family business, self-managed viticulture and viticulture as semi-employment. The farms that constitute the second type of organizational structure, due to their small size, it is operationally impossible to produce enough production to cover the needs to qualify as a self-sustaining enterprise. These types of wineries are the main producers of both specials and unbottled wines.

The second stage of the winemaking environment is called vinification, i.e., the conversion of the produced grapes into wine. The winemaking operation can be described as a science, as it requires knowledge of both agriculture, agronomy and food technology. The variety/diversity of the wines confirms the above theory. The world of wine is particularly complex, grape varieties and their combination create many options: Cabernet Sauvignon, Merlot, Pinot Noir, Syrah, Chardonnay, Sauvignon Blanc, Reisling, are some of the most famous and marketable types of wine varieties, both white and red. Greeks prefer white and red wines are preferred in the foreign market, the production of white wine at the present time has reached twice that of red, while the total production has decreased quite a bit compared to previous years. It is common for the work

of the first two stages of viticulture and winemaking to be done jointly (vine grower & winemaker). More specifically, the winegrower has the possibility to integrate all the stages of the wine chain, through the vertical integration of the different levels of this chain. In order to achieve this goal, he should have a well-organized network of distribution and marketing of his grapes, or be able to process them alone or through a partnership, selling them either in the form of bags (bulk) or bottling, it should also have a sales department to support sales and customers, in this way it is possible to fully integrate the processes of the wine supply chain. This case is another key determining factor of the wine chain, which focuses mainly on the production of special wines. The Greek wine market consists of a small number of "professional trading companies" that carry out both the functions of viticulture and winemaking (Stage 1 and 2), but exerting, due to their size, the greatest influence on the wine market.

The largest Greek wineries, according to research conducted in 2016, are the following:

Company's Name	Locations
<i>Tsantalis S.A.</i>	<i>Thrace, Macedonia. Thessalian</i>
<i>Greek Cellars-D. Kourtakis S.A</i>	<i>Kefalonia, Attica</i>
<i>Malamatinas and Son S.A.</i>	<i>Macedonia</i>
<i>Cavino</i>	<i>Western Greece</i>
<i>Boutaris S.A.</i>	<i>Attica, Peloponnese, Central Greece, Santorini, Crete</i>
<i>EOSSAMOS</i>	<i>Samos</i>
<i>Tyrnavos</i>	<i>Central Greece</i>
<i>G.A. Koutsodimos</i>	<i>Peloponnese</i>
<i>G.A. Biblia Chora</i>	<i>Kavala</i>
<i>Chateau Julia-Kosta Lazaridi</i>	<i>Central Greece</i>

Source: EDOAO, 2015

The last factor is location, in the literal sense of the term. Nowadays, an important element of the evolution of the wine market is the fact that each region has established its own institutions. This registered name creates a collective reputation, builds a range of products and determines their prices. Through this process, the wine market is unified in a sense. In Greece, before 2012, a national Presidential Decree was needed for a wine to be included in the PDO list and then to be notified to the European Commission, bureaucracy was a stumbling block in this process. However, since 2011, all member states of the European Union, by extension Greece, have been

given the opportunity to include their PDO wines in the European approval process. 33 Greek wines produced in specific zones and under specific specifications are recognized as Designation of Origin Products (PDO).

Below are some of very well-known Greek products of "Superior Quality Designation of Origin Wines" (Ο.Π.Α.Π.) or "Controlled Designation of Origin" (Ο.Π.Ε.):

- Aghialos, Roditis (at least 80%), savvatiano.
- Amyntaio, Xinomavro 100%
- Arhanes, mantilari
- Goumenissa, Xinomavro (at least 20%)
- Nemea, Agioritiko 100%
- Naousa, Xinomavro
- Samos, Moschato white 100%
- Santorini, white-dry, Asyrtiko (at least 75%)
- Mantinea Moschofilero (at least 85%)
- Mavrodafne Patrai

Source: ypaithros.gr

The above institutional function has high requirements for the production of these types of wines and their marketing as such, taking into account that this process is required to be carried out every year, is a complex process for the winemakers. The winemaker should report to the competent body about the quantity of this type of wine he is going to produce, as well as the quantities of grapes he has or has procured from the winegrowers he works with. In case he cannot meet the prerequisite specifications, he is given the possibility to commercialize the produced wine as "simple varietal wine". In the Greek market, three cases stand out, that of Nemea in the Peloponnese, it is the largest zone of "Protected Designation of Origin" and extends over 30,000 acres, also characteristic is that 38 wineries are located within it and 35 cooperatives, producing PDO Nemea wines. Next, we meet the Santorini wine OPAP, white wine, which has conquered the markets of the world, from America and New York to China, the exploitation of the arrival of tourists on the island (wine tourism), has helped significantly in spreading its reputation in all corners of the world. Finally, the Naoussa OPAP coming from Macedonia, an important feature of this wine is its durability over time, which wins along with its excellent quality the preference

of the trade, the zone of the area reaches 7,000 acres and the production size amounts to 2,500,000 liters of red, white and rosé wines, of which 30% to 40% is exported.

1.3 The evolution of wine businesses over the years.

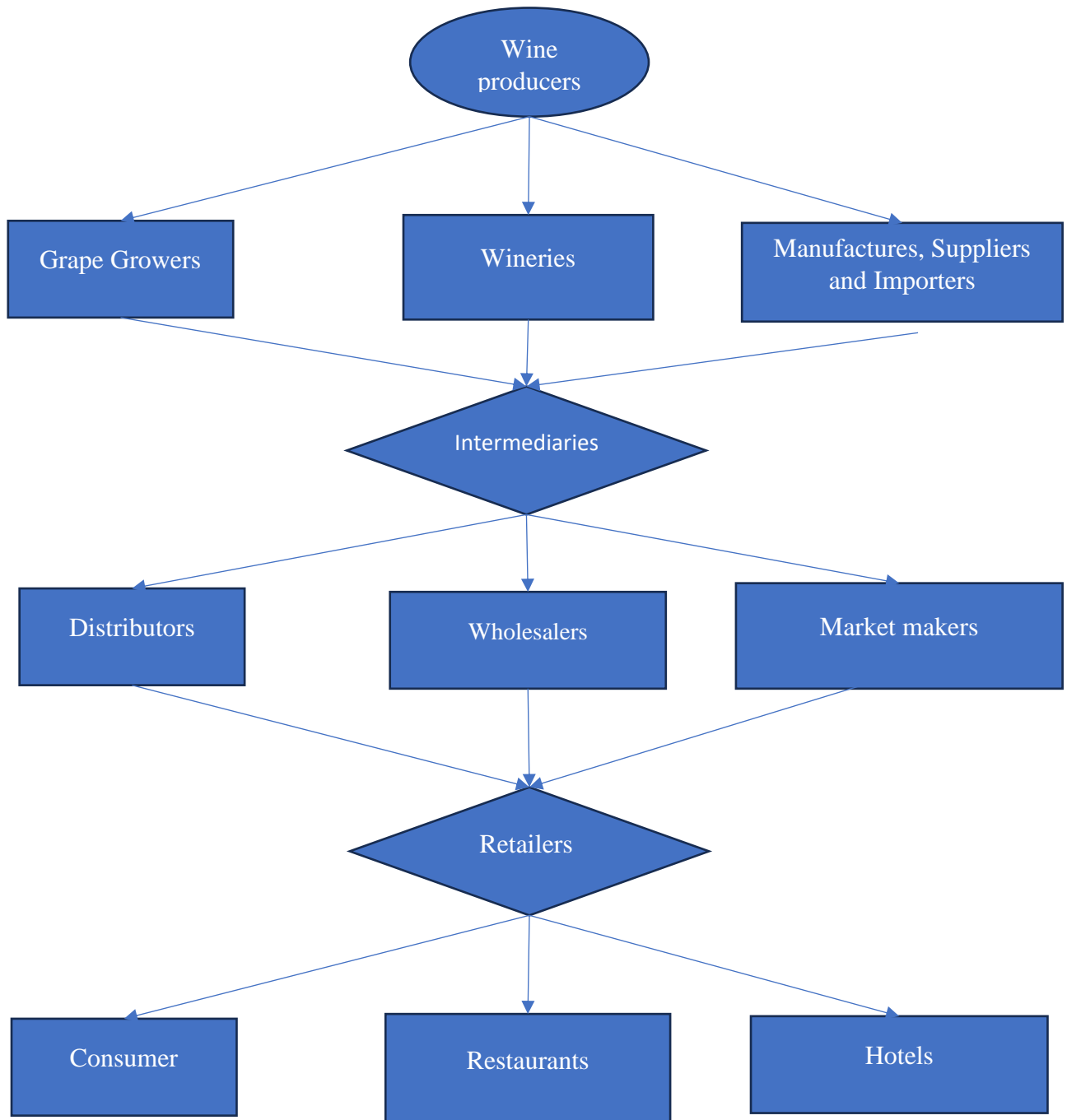
As mentioned above, wine is a primordial good, with a <<life>> of about 4,000 years. This does not only apply to Greece, other countries with a prominent history in the wine industry are: France, Italy, the United States of America, America, Argentina, Chile, etc. Despite the rich historical life, the first consortia appeared on the world map in the late 1860s in the United States and later in Europe. The reason for their establishment was the economic crisis that was plaguing the world map and the efforts of the farmers to resist it. The organizations were of a non-profit nature, their purpose was the sharing of production materials, bottling, storage and marketing, processing of produced products as well as other raw materials for the production process. The slogan for the cooperative was <<One man one voice>> and this because the democratic policy that prevailed within the organization gave equal rights to each member regardless of the size of the vine, the production, the amount of grapes or wine production. Cooperatives played an important role in the wine supply chain. In Greece, according to the data so far, it controls 50%-70% of the total volume of wines, the same is the case in countries such as Italy and Portugal. The emergence of coopetition in the supply chain has affected players at almost the entire organizational level of organizations. The continuous evolution of the industry over the centuries has occurred alongside the effects of technical, political and economic changes, while the life cycle of cooperatives can be divided into four stages: emergence, expansion, specialization and restructuring. The economic motivations of this collective effort cannot be understated, by strengthening their voice the wine cooperatives sought to have improved market power as they will be able to produce more and better quality goods. Financing was a vital tool for winemaking enterprises, winemaking depends on equipment, expertise, size of facilities, as well as harvesting and other facilities. Finally, they gave the opportunity to smaller winemakers, not only to survive, but to evolve, to become a main source of financing for their owners, thus showing their social face. However, over the years, due to strategic mergers or failures, the number of partnerships has decreased considerably. Nowadays, five different forms of co-operative groups can be distinguished:

1. In the province, and more specifically in smaller populated areas, we find smaller forms of cooperatives, which mainly due to lack of resources and due to successive adverse conditions tend to disappear. A notable feature of these forms of partnership is the production of quality wines achieving efficient performance. The use of distribution networks that are looking for quality products is rough. The sales of the manufactured products are "direct" in retail stores or in specialized exports. The pursuit of this form of cooperation is to find a balance between the quality selection of grapes and the development of the form.
2. The agro-industrial co-operative, in relation to wine, deals with its large number of products. This co-operative organization manages a wide range of activities: production volume, sales (domestic and foreign), wine variety, while its skills in expansion, resource availability, specialization and strategy are a prerequisite. The purpose of the venture is to create a brand, through the channeling of its products to the markets.
3. The third case of wine associations is more specialized. This is a partnership of the second or even third level, as it provides the entire production stage to external partners of the producers, while its strategy is characterized as aggressive and purely commercial.
4. Finally, the latter form is called "integrated". In the environment of this partnership there is a close bond with the trader. The vinification process is agreed with the wine merchant and the process takes place under his supervision. The goal is the production of quality wine, while the style and duration of the contracts are driven by the market.

At the top of the hierarchical pyramid and in terms of ownership, cooperatives issue shares whose value remains fixed. The acquisition of the shares is done exclusively by the partnership, without negotiations between its members. The next member after that of the board, are the managers, who are elected by the shareholders and the members of the partnership according to the rules that have been established and written in their articles of association. Their duties are performed selflessly. Their presence in the organizational structure is essential and their number must be at least two or three members to ensure the smooth functioning of the organization. As previously mentioned and as far as the election process is concerned, the members who win partnerships have equal rights, regardless of the shares they own. Due to the nature of the structure, some problems may arise in the cohabitation organization. The generation gap among members

can create problems regarding horizon and portfolio, differences among members regarding goals, demands and interests can cause turmoil within the organization. The non-tradability of a partnership's shares reinforces the horizon problem and leaves short-term goals as the only option. The continuous and timeless disagreement between the members carries the risk of complete non-identification with cooperation.

1.4 Illustration of the wine supply chain and the requirements of the processes.



Supply chains, mainly due to globalization, are becoming more and more complex. In the case of the wine supply chain, the levels of complexity increase due to the existence of various services, product diversity and many stakeholders at all stages of the supply chain. The creation of a flowchart due to the complexity becomes imperative, both because its correct depiction will help the understanding of the environment by external parties, and the parts that make up its internal environment, as it becomes easily transferable and accessible to people in every organization. The management of a supply chain is of vital importance to the contracting parties and mapping to visualize the chain helps in this direction. A map that depicts the direction of products from producer to consumer through suppliers, and the functions or processes that take place in the supply chain environment. All stakeholders are invited to fully address the aforementioned elements in order to achieve added value. Supply chain visualization can be useful for many reasons, such as understanding it, evaluating it, solving problems, providing information to identify potential risks, providing information on bottlenecks in the supply chain. In the first stage of the flow diagram of the supply chain environment we meet the wine producers, the wine producers depending on their capabilities and dynamics, but also with the available options that exist in their business cycle, are invited to establish their business strategy. As is reasonably obvious, the size of the business also determines its bargaining power, at least in the short term. The creation of a vineyard is not an easy task for many reasons concerning both its functionality and from a business point of view. One of the main issues that must be solved from the initial stage is the techniques to be used, the methods are determined by the location of the specific area and are applied using historical data from cases that have already been tested.

As mentioned above, the vineyard requires two completely different important levels of different knowledge. Obviously, it requires knowledge of viticulture, but this is not enough, as the creation of a vineyard is a process that takes years and evolves over them, thus requiring the building of this knowledge as the process progresses. The second part of knowledge that is required to be possessed is the field of entrepreneurship. It is a branch of entrepreneurship which in the first years of its creation is impossible to bring you income, the complete understanding of cash flows is of the utmost importance for the life of the organization. In the next step, the interested parties should choose the appropriate equipment according to the needs arising from the specifications of the vine, so as to proceed with the required capital expenditures. This equipment is used for

spraying, carrying loads, mowing or removing soil. Finally, equipment of smaller size machines is required to meet the needs of a vineyard.

Over the years companies have recognized the importance of adopting a supply chain strategy during the business planning process. The supply chain consists of processes, activities and entities that may contain producers, production sites, suppliers, intermediaries, distribution centers, retailers, wholesalers and consumers. In this environment, the existence of exchanges of materials and information is easily perceived.

Supply Chain Management has become imperative in the last 40 years mainly due to globalization, which has increased the levels of competition both nationally and internationally. Consumer preferences are not always stable, competitors make changes to increase their performance, and unexpected factors that directly or indirectly affect markets appear. The case of a deviation from the plan - even if it is small in time - can cause great costs for the organization. Companies tend to find suppliers that combine high quality with low cost, aiming to maximize their performance.

Production Strategic Plan	
Year 1	<ul style="list-style-type: none">• The objectives in the first year of the project concern the primary domain such as identifying and selecting resources that meet the specifications, preparation and technical support. Their time duration is short term.
Year 2	<ul style="list-style-type: none">• In the second year, the plan must continue in matters related to the procedures before. Their duration remains short-term.
Year 3 – 5	<ul style="list-style-type: none">• In this interval, the raw materials are prepared just before the start of production.
Year 6 and beyond	<ul style="list-style-type: none">• In the 6th year the first products are ready for harvest, while in terms of the process it enters a process of repetition so as to produce the next fruits.

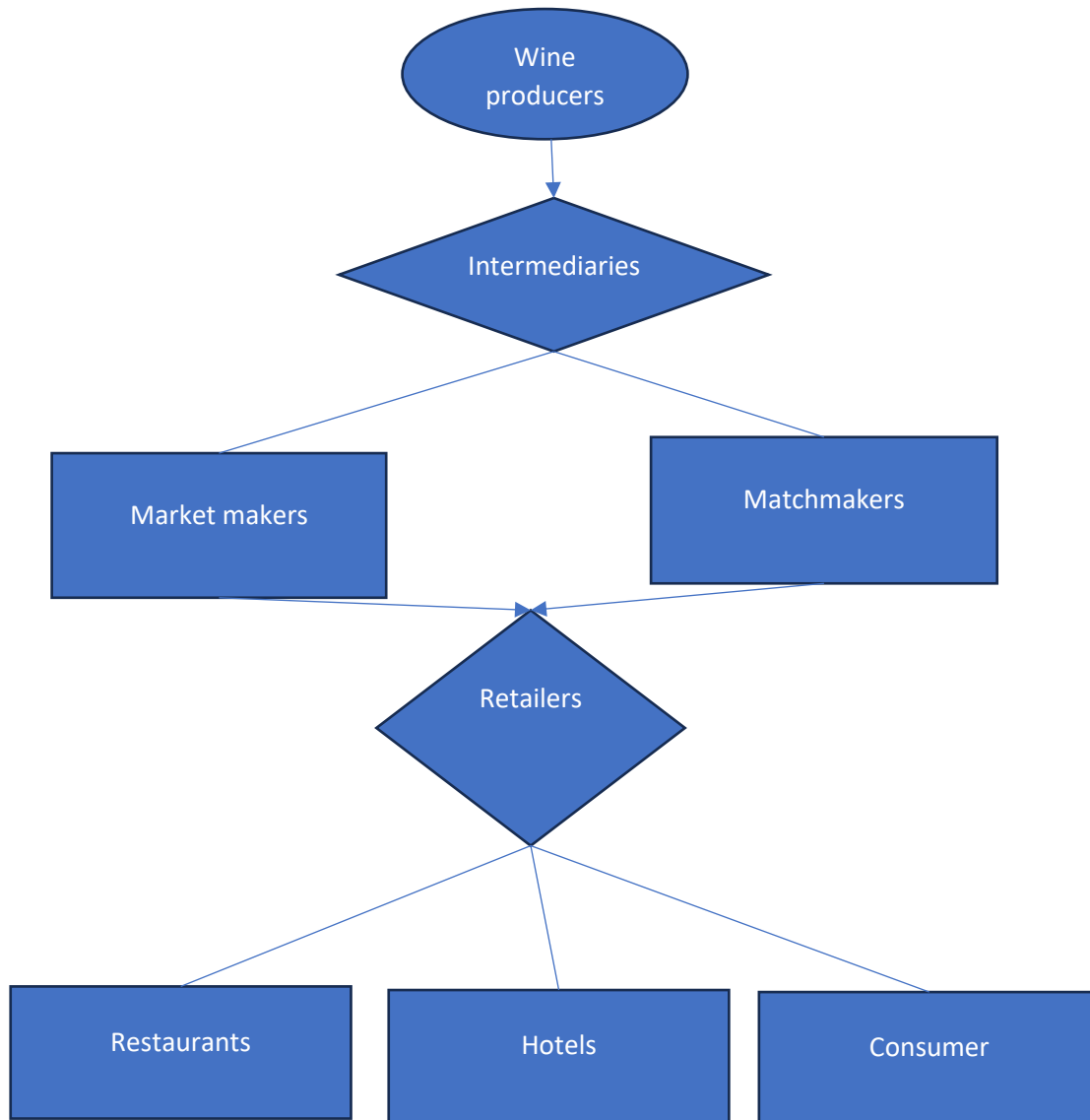
The supply chain is an operations environment, these operations take place in all its lengths and concern all the contracting parties, both of its internal and external environment. These operations are often interrelated, with the result that the operation of one affects the efficiency of the other. Managing all of these is paramount to supply chain performance. A management plan is

a major step in the right direction for the future of the organization. A wine business needs to implement a strategy, but that alone is not enough. It also has to manage affairs such as product and service design, facilities and inventory management, operations coordination, analyze and design processes, coordinate logistics, distribution and transportation, forecasting and finance, sales and operations planning, planning and scheduling, as well as plans for required materials. According to research the owner-responsible of the vineyard-winery is the main operator of the environment of the supply chain. He is responsible for overseeing the operations and that the process evolves based on the plan. It provides guidelines according to the requirements of the treaties. He is also responsible for the finances, which must be at the right levels in case needs that may arise during the procedures have to be covered. It defines the short and long-term strategies concerning the vineyard, has a leading role in the negotiation of contracts and agreements, is present in the day-to-day operations at all stages of production and offers guidelines for the work of the staff.

2. Intermediaries in Wine Supply Chain: Market makers vs wine brokers

At the next level of the wine supply chain are the middlemen, they are the part of the chain responsible for distributing the wine to retailers and consumers. This sector is the link between the wine producers and the market. The variety of players offers a plethora of marketing channels that products can follow to reach the end consumer. This sector can include wholesalers, distributors and wine brokers. However, these general definitions do not fully reflect the levels of complexity of wholesale and the wide variety of types of intermediaries. The business dealings they develop with parties in the wine supply chain are determined by how they have chosen to do legitimate business. More specifically, and as shown in the relevant flow diagram, the difference between the two categories concerns the way ownership flows during the transfer of products and the way intermediaries are paid. Marketing channels are mainly operated by two players with different professional entrepreneurship. Intermediaries' clientele in the hospitality sector includes wine shops, restaurants and bars and increasing their capacity can be helped by building relationships with industry experts and wine critics. The distribution systems used to transport products in the wine supply chain are no different from those that provide products for consumption. Both the markets for cheap and expensive wines (where matchmakers and market makers are active) are

based on two large systems, one concerning volume and logistics and the other specialized positions. It is worth noting that there are several variations in the inner part of these channels.



2.1 Market makers

The entities that belong to the category of market makers are wholesalers, distributors and importers or exporters. The differences between wholesalers and distributors are small, more specifically the wholesaler can purchase a variety of products from suppliers without exclusivity restrictions, while distributors acquire/purchase products from producers and act as the winery's sole seller in a specific area and specific operations. Importers and exporters are market makers, who can also act as distributors. Traders take ownership of products from producers to resell to interested parties and are compensated by the relationship between supply and demand. This category may include wholesalers, distributors and importer-importers. Wholesalers, as mentioned above, by their business nature, buy a variety of products. Their business activity in the wine supply chain is determined when developing the business plan. Many wholesale companies invest in a specialized entity, called a sommelier or wine expert. These players should have both product knowledge and market information. They are also responsible both for the input part, which requires finding wineries and wines, and for the output part and finding or maintaining the already existing clientele. The products required to be found should meet the specifications of the requirements established according to the business strategy. The clientele of wholesalers is varied, many wholesalers have the function of delivery to the place of customers, on-site purchase, as well as the activity of retail trade (supermarket). This multifaceted activity offers a clientele with different preferences and requirements. The variety of products required to meet the demands of the clientele is about quality and price. Regarding the output part, those responsible for finding new customers or for maintaining the supply of the already existing clientele. The wholesale companies' clientele includes catering establishments such as restaurants and bars, hotels or retail customers. As is particularly noticeable, the products should be aligned with the needs, requirements and wishes of the customers. Acquiring/purchasing a product from the supplier whose characteristics are outside the trend of the clientele, can cause the collapse of the entire supply chain, affecting all the contracting parties found in the previous stages. The sensitive nature of the products and the market, requires a well-informed organization about the data and the trend, which will provide it with the appropriate orientation to achieve the short-term goals, but also the immediate adaptation to the market changes.

2.2 Wine Brokers

The second category includes wine brokers, who do not participate in the flow of ownership, "simply" bring buyers and sellers together and help them transact. This type of brokerage is compensated with a commission that is divided into revenue at the completion of each process. The type of intermediaries in this category are distinguished according to the type of relationships they have with the other parties. This type of brokerage may include representatives of a contracting party or may remain completely independent. Thus, we distinguish between agents, who are commissioned to buy or sell goods on behalf of a principal, who remain independent and do not carry out any transaction in their own name or in the name of a party. Wine brokerage is truly unknown, yet its existence plays a key role in the evolution of the wine supply chain. In this category belong the French wine brokers where their activity is more intense than in the rest of the countries, these brokers act as intermediaries in the exchange of bulk wine between wine producers and traders, they are also characterized by the non-right of legalization vis-à-vis other contracting parties of the wine supply chain. Nevertheless, they hold about 70% of wine exchanges or transactions in the French wine trade channels. In this business profession, brokers are the export intermediaries, which makes them the upstream part of the supply chain, in addition, they are independent third parties in the transactions that help the parties from the initiation to the enforcement of exchanges. They intervene in stages of the exchange-search process by providing the contracting parties with the terms of the transaction, gathering information about the state of the market, negotiating and monitoring the performance, participate in the governance of the transactions. The information flowing through the specific trade channels is divided into two categories: those concerning the transactions and information concerning the products, their characteristics, prices, volumes and the practices used to produce them. Trading relationships are governed by brokers. The reason for the use of wine brokers by producers or stakeholders is mainly the desire of the contracting parties to reduce transaction costs, which makes them decisive factors in the process:

- Information and search costs

The wine market is a bilateral search market. It is a market where "two parts, such as buyers and sellers, look themselves for each other" ~Yavas, 1994, p. 406). This type of shopping is made up

of information regarding issues such as consumer preferences and product quality. The search for this information can be expensive and time-consuming (~McGarry, 1951), and its sensitive nature can cause a negative impact on the contracting parties. The more detailed a piece of information is about products or market trends, the stronger the position at the negotiating table will be. studies such as (Balderston, 1958) (Baligh and Richartz ~1967), and Etgar and Zusman ~1982) showed that by managing the flow of information, intermediaries were able to increase efficiency, without interfering with the natural flow of products. This showed how important information management is in this environment.

- Cost of negotiation

The relationship between brokers and negotiation is analogous, that is, the more important and delicate the issue of negotiations, the more necessary their existence becomes. The negotiation cost is divided into operational costs such as transportation, communication, etc. and opportunity costs, which appear in case of failure of the negotiation. At the negotiation table, the mediator acts as a mediator, as a second, independent, third party, whose role is to facilitate negotiations, find solutions, propose solutions and alternatives, and provide information to interested members. The cost of negotiation increases as the stage becomes more "fragile".

- Monitoring and enforcement costs

The relationship between brokers and monitoring and enforcement costs is the same as the relationship my broker has with trading. As mentioned before, the broker's image is the priority. The characteristics that complete the image of them are trustworthiness, solvency and reputation. The above is particularly important at this point in the process, as these types of costs appear at a later stage or in case of renegotiation. Despite the independent nature of their positions, the position of mediators is exposed and any unwelcome move by the contracting parties can have a negative impact even if they have no direct or indirect relation to the decision.

As previously mentioned, their intervention in the wine trade channels, their contribution can help to facilitate the reduction of the above costs. In addition, they have the role of adviser trying to unify the interests of the two sides, which can often be divergent. Their independent position gives them an objectivity in the execution of the procedures, as they reduce the risk through the control of the contracting parties and their commitments. Their reputation is their priority, as it is

their most important weapon for their position in the market, also their adaptation to the evolution helps the long-term plans of the contracting parties. Their position is sensitive since they are the face and connecting link of each party, the percentage of transactions they hold in the market is proof of their necessity and the essential role they play.

2.3 Representation of a Winery

If we want to use knowledge and information to create value, we must recognize that while no value is created until the end consumer makes a purchase (Svensson 2003). The wine supply chain is a complex environment, decisions made at earlier stages have an impact when the product reaches the consumer. Consumers choose wine for different occasions and from different places. The distributor is asked to choose which wine to source and market based on characteristics such as grape, style and region. The decision-making strategy can make him a well-read player, who will take into account other information/reports besides the consumer's preferences. Also, supply chain members must align their goals with their upstream and downstream partners (Lundin & Norrman 2010), the lack of the above knowledge guarantees supply chain risks. The selection criteria by an intermediary for which winery to choose to represent are very important for the economic and not only future of the contracting parties of this business environment. Wine selection involves a perceived risk (Hollebeck & Brodie 2009), both for consumers and business customers. A wine distributor regardless of business strategy must/can have a certain number of clientele from wineries it represents. Trust between mediator and client is essential. The obvious, criterion which is at the top of the list is <<Brand Name>> and the reasons are several. Firstly, they offer all contracting parties a minimization of risk, they do not require special knowledge, their name is widely known among consumers, therefore it is the safest choice for business players. Then, origin/region can substitute for brand as a quality indicator (Atkin & Johnson 2010; Johnson & Bruwer 2007; Thode & Maskulka 1998; Veale & Quester 2009). In some cases we have seen the region become the brand (Papadopoulos & Heslop 2002). The specific preference and trend comes from the most demanding and knowledgeable consumers in the area. From the distribution side, in this specific field actions are mainly undertaken by intermediaries with a smaller number of customers but higher sales prices. A third factor has more business characteristics than taste, they concern the cases of consumers who are oriented by prices. Also in this industry, the human

factor and the relationships built between the contracting parties play a role. In the wine supply chain, along with the products, information is also transferred, some of which is open to the wider interested public, but some of which concerns the contracting parties is prohibited by law from being made public on the other side of the chain, so a long-term successful business relationship is a strong criterion for the continuation of the cooperation. The wine supply chain is characterized by the taste, literally, this is the direction and orientation of the consumers and based on the trend and the needs of the market, the contracting parties are called to draw up strategies with the aim of profitability but also adaptation to the evolution.

3. Retail and German Wine Market

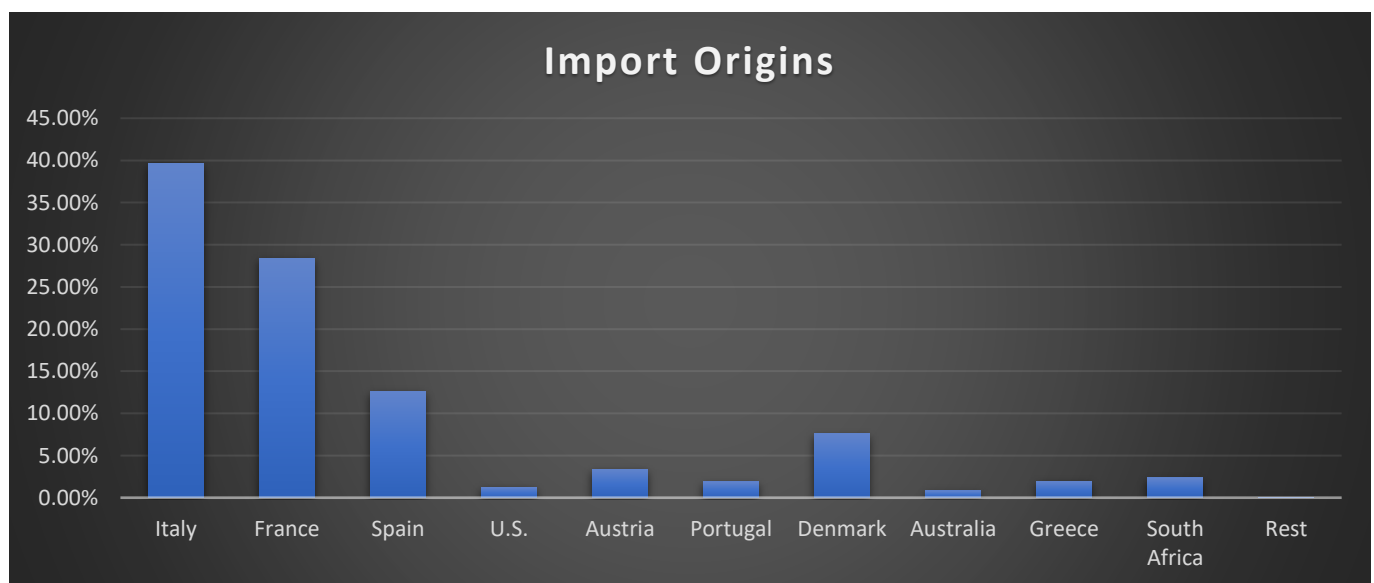
The wine market has grown significantly over the last two decades. Now both the consumers and the contracting parties of the process before them express the desire for further knowledge and development. This phenomenon causes continuous changes in the chain of wine aromatization in all its stages, in production, distribution and sale. Now consumers have access to a wide range of products with various marketing channels, such as direct sales from the producer to the customer, supermarkets, hypermarkets, online and physical wine stores, etc. The variety of commercial channels enables products to be exposed to prospective consumers more easily and with greater speed than in the past. In many supermarkets and hypermarkets, part of the shelf is dedicated to high-end wines, products previously available in specialist retail and wineries, but now available in modern distribution (Soressi, 2011). This phenomenon is due to the tendency of consumers to further investigate the market and also to globalization. The wine space is complex and companies are required to invest in departments that will provide customer support and service, offer quality service and treat consumers with professionalism. The retail space has evolved drastically compared to the past, but the industry is made up of much more active and proactive players.

German Wine Market				
Non-sparkling wine 84%				Sparkling wine 16%
Off -premises 85%				On-premises 15%
Direct sales 16%	Wine stores 7%	Retail 27%	Discounter 35%	Hospitality 15%

Wine market distribution: reaching consumers [55,72,160,174,180,181]

In the German market, its product is in first place in the category of consumption and without causing any impression is beer, which according to researches holds 80% of the share of the consumption of alcoholic beverages, while wine corresponds to 18%. Wine in the German market is characterized as a product of pleasure and elegant alcohol consumption [151]. Germany is a massive wine market. The criteria on the basis of which consumers choose the products concern the variety, origin, price and trade name of the wine. German wine consumers also associate products according to origin. They categorize them according to their type, quality and characteristics. As mentioned above, the German market is a massive consumer environment. The consumer environment and consumer behavior is shaped according to the type, age, behavior and intensity of consumption. Another characteristic of the purchase of the product is the reason why the consumer proceeds with its purchase. More specifically, consumers' preferences differ depending on the occasion, consumers prefer certain wines for consumption at home than in a restaurant or as a gift, moreover, consumers prefer different wines in different seasons. The trend of wine consumption in the German market is confusing. In areas where wine is produced, consumers choose to support the local market, however in areas where no wine is produced, consumers turn their attention to imported products. In Bavaria, consumers are targeting specialist wine shops and a greater variety. According to studies [55,72,87,160,180,223,224], direct sales from producers to consumers hold over 15% of the market share. In this particular marketing

channel, we meet consumers with an increased level of taste knowledge, demands, who prefer quality over price. Direct contact with customers and a long-term relationship with them are important relationships for the German market. During the year events and presentations of wines take part, festivals which give the possibility of direct contact with customers, the maintenance of professional relations, but also the increase of the clientele. In the case of the indirect distribution channel, intermediaries are the bridge between producers and consumers. This sector is made up of retailers and wholesalers, supermarkets, specialized stores. The flexibility and larger customer base from the producers gives them the ability to increase their market share over time. A trend that has appeared in recent years and goes hand in hand with technological development are online wine stores. More and more consumers are rushing to that particular marketing channel to satisfy their needs. The main players that make up the specific sales channel are the wine producers or specialized sellers, this product is their only trade. According to studies, despite all the growth, this particular marketing channel has a minimum share of 6% of the market. The results of a survey of the German wine market provided information that is important for understanding the wine supply chain. It showed that producers consider immediate service and satisfaction of customer needs to be of utmost importance. In restaurants and in general in the catering sector, the objectives concern the volume of merchandise orders, but also a means of promoting the brand to customers. The specialized wine trade tends to distribute mainly because of high quality wines.



Source: M. Dressler. (2018). The German wine market: a comprehensive strategic and economic analysis. Beverages.

Using historical data, in 2021 Germany imported wine worth \$3.38B (<https://oec.world/>), more detailed: Italy 1.34B, France \$959M, Spain 425M, Austria \$114M and South Africa \$79.5M. Germany in 2021 imported \$6.09B from Greece, but wine accounted for only 1.09% of all products. The poor presence of wine in the imported goods from Greece on the German market is due to the low levels of familiarity of German consumers with Greek wines. Interviewees in the area report that Greek wines can look in the eyes of the big wine producers like France and Italy in terms of quality. As previously mentioned, the supply chain market has seen great growth in the last 20 years, new players are emerging in the field while the existing ones are trying to adapt and satisfy the constant changes in consumer preferences. Growth also increases levels of competition. In a previous paragraph of the work, reference was made to the necessity and importance of having a business plan, strategy and the utilization or acquisition of information. According to experts in the field, Greek wine production has lagged behind in matters related to business activity related to trade. That is, the quality of the wines produced is disproportionate to the business activities. The pricing policy is a key feature of the phenomenon, as they do not exploit or research the market before pricing, with the result that prices rarely coincide with those of markets. The lack of acquisition of resources to improve their position in the trade market brings them the possibility of flexibility and the absence of foresight puts them in a difficult position against competitors. Wine tourism is a branch that is flourishing nowadays in the Greek market. However, the different pricing, for example a wine in Greece can be sold up to 40% more expensive than in Germany, prevents Germans from trying a wine in Greece. Also, the merchants of the area argue that tourism is not used to the fullest in order to promote Greek wines. Finally, a means that can be used for publicity with the purpose of promotion and familiarization is the reference to ancient Greece, a combination with the modern marketing could perhaps bring about an increase in the consumption of Greek wine. Overall, the scope for improving the position of Greek wine exists and the quality of the products is undeniable. But the players who make up the wine supply chain and trade channels before the products reach their final destination need to improve their positions on matters related to business activity. The areas they need to focus on are business strategy, marketing, finance, planning, acquiring and exploiting information that has the potential to shape the future of wine. The study of advanced countries in the environment of wine entrepreneurship can give the possibility of Greek wines to improve their position in the market, and why not to keep up with

the forces of the area. The exploitation of tourism, which is the number one source of revenue for the state and is a means for the promotion of Greek wine products, but not the only one. The development of activities such as wine festivals and events, samples and the search for distributor channels, business development are elements that will contribute to the development of the sector Supply chain management.

4. Supply Chain Management: Negotiations

The term supply chain management started to be studied about 40 years ago. A general definition defines supply chain management as a joint effort to exploit potential benefits arising from the integration of business channels located at the stages of purchasing, production, distribution and sales, these networks belong to the so-called "internal environment" of the supply chain. The parties through this integration try to increase the business efficiency of their organization. According to C. M. Harland (March 1996) there are four main uses of the term "supply chain management". Firstly, the aforementioned internal supply chain, which includes all business functions involving the flows of materials and information at the inbound and outbound ends of an organization. Then, for the smooth functioning of the chain, the necessity of managing the bilateral relations between the direct players is expressed. Thirdly, the management of a supply chain is demanding, as it is complex, this is mainly due to the existence of many persons at different stages. The fourth main use according to C. M. Harland (March 1996) is the management of a network of associated enterprises taking place in the final stages of the supply chain. In the supply chain there is an increasing trend towards dependence on suppliers, in some sectors long-term and closer relationships are sought. In addition, another trend that can be observed concerning suppliers is that of their reduction, companies are trying to move away from a network with multiple suppliers and are trying to develop single or even dual sourcing, while at the same time seeking to increase the intensity of the development of the remaining suppliers'.

4.1 Relationships in Supply Chain Management

The term supply chain management started to be studied about 40 years ago. A general definition defines supply chain management as a joint effort to exploit potential benefits arising from the integration of business channels located at the stages of purchasing, production, distribution and sales, these networks belong to the so-called "internal environment" of the supply chain. The parties through this integration try to increase the business efficiency of their organization. According to C. M. Harland (March 1996) there are four main uses of the term "supply chain management". Firstly, the aforementioned internal supply chain, which includes all business functions involving the flows of materials and information at the inbound and outbound ends of an organization. Then, for the smooth functioning of the chain, the necessity of managing the bilateral relations between the direct players is expressed. Thirdly, the management of a supply chain is demanding, as it is complex, this is mainly due to the existence of many persons at different stages. The fourth main use according to C. M. Harland (March 1996) is the management of a network of associated enterprises taking place in the final stages of the supply chain. In the supply chain there is an increasing trend towards dependence on suppliers, in some sectors long-term and closer relationships are sought. In addition, another trend that can be observed concerning suppliers is that of their reduction, companies are trying to move away from a network with multiple suppliers and are trying to develop single or even dual sourcing, while at the same time seeking to increase the intensity of the development of the remaining suppliers'.

4.2 Negotiations in Supply Chain

Negotiations in the supply chain can affect factors related to cost reduction, value creation or increase, efficiency improvement, problems, agreements, quality, efficiency as well as the normalization of the relations of the contracting parties in case of disagreement. The business scope of the interactants determines the negotiation strategies. The stages that make up the negotiation process are:

- I. The beginning is half of everything, the most crucial point is the first step, the preparation. The negotiation process begins long before the two interested parties sit down at the negotiating table. Thorough research, setting goals, understanding the limit of concessions, finding alternatives, are the factors that will help the player to reach the desired result.

- II. The next important step occurs at the start of trading and concerns the process of opening their positions and the desired outcome after the end of negotiation.
- III. Understanding the player on the other side of the table is a very important element for the outcome of the negotiation. Listening skills and the ability to read body language can give an advantage in a negotiation process to anyone who possesses them.
- IV. The next stage takes place around the middle of the process and concerns the proposals of the interested parties.
- V. An equally important step is to bargain in the midst of negotiations. This happens when a member offers to sacrifice something (usually marketable) in order to gain something else that is more important. If he gives up something without anything in return, this is called a concession.
- VI. At the end of the process and after a successful round of negotiations, the parties are invited to agree in a formal way so that it is valid.
- VII. The final stage is closure. At this stage, the content of the agreement accompanied by the necessary documents is included. Undocumented agreement can have different interpretations.
- VIII. In the part of the player who has an active role in the negotiations, he is asked to be prepared, calm, confident, listen and observe, influence, be persuasive and that what he offers is the desire of the other negotiator.

According to research that started to deal with the relationship between suppliers and buyers, they take part since the 80s. According to them, the relations between the two contracting parties concerned the achievement of goals related to operations such as quality, cost, deliveries, stocks, and speeds. Over the years and after it was observed that through integration the levels of efficiency increase, the contracting parties tried to expand the process of integration to other operational and non-functional stages. Over time suppliers and buyers have shown interest in integration processes. More specifically, they looked at the possibilities of improving collaboration in order to improve process times, problem solving, information sharing and risk management that would affect operational performance. The mechanisms improved or developed by the buyer were related to Just In Time implementation, power and dependency, assessment, selection, certification, training and development of suppliers. The supplier's capabilities related to its supply capability, continuous improvement and environmental capabilities. Integration was achieved

through communication, information sharing, knowledge sharing and trust. The elements that formed the basis of integration concerned improved collaboration, risk reduction, coordination of activities, and acquisition and dissemination of knowledge. As mentioned above the operational performance that was improved related to quality, deliveries, speed and time of deliveries, while flexibility and agility were added. Beneficial financial outcomes for the buyer included increased profits and margins, return on assets and investments, market share, and net present value. The conclusion from the project of integration for the contracting parties is efficient in the short term as well as in the long term, this result helps to build a strong and long-term professional relationship, which affects strongly or not all the other members of the supply chain. It is worth mentioning that the process of integration differs according to the business environment in which it takes place, the characteristics of the buyer and the characteristics of the products. Negotiation strategies when making decisions. This stage is critical, as it allows the buyer to determine effective negotiation strategies and to research alternative efficient suppliers. Practically, the question that is answered is what price must the buyer pay in order to obtain higher levels of performance from the supplier's outputs. The case for the buyer to negotiate with an inefficient supplier is considered when the desired performance levels are achieved by making changes to the supplier's processes and operations. These models are used to facilitate the negotiation process between buyers and suppliers, through effective scenario planning.

Taking into consideration that the discipline of SCM often stresses a differentiated approach to supplier management consisting of arm's length and partnership relationships (Lambert and Cooper, 2000) and that researchers stress the need for an exploration of the impact of negotiation approaches on the negotiation setting, it seems fairly qualified, relevant and non-provocative to state that research in this area could contribute to an improved understanding of the nature of supply chains and importantly how to negotiate, manage and optimize them. Supply chain negotiations between buyers and suppliers are defined by the impact of different information systems on communication (Karkkainen et al., 2007), trust issues (Zaheer et al., 1998), personality factors of buyers (Rinehart and Closs, 1991), the influence of power (McHugh et al., 2003), the use of partnership philosophies (Tang, 1999) in specific situations and negotiation strategies (Krause et al., 2006) and the use of contracts (Lassar and Zinn, 1995). The strategies used during the negotiation process are of two types. It is also emphasized that the two strategies in case of combination involve risks of information disclosure, and therefore they are treated as separate and

one or the other strategy is chosen. The distributive negotiation strategy is chosen by the players who consider, believe or know that the interests of the other side are completely opposite. It is believed that in this type of negotiation strategy the approach that should be adopted is aggressive, intensive, with arguments, in order to achieve the goals that have been established, such as for example the reduction of prices or delivery times. The outcome of this strategy is considered by negotiators as a win-lose situation. On the contrary, the integrated approach as a negotiation strategy presupposes trust, understanding on both sides, transparency and empathy. This type of negotiation strategy tries to reconcile the differences between the interests of the two sides and to emphasize the common interests and hence, the integrated approach is considered as a win-win. Based on the preferences of negotiators, there is a tendency to consider a more distributive versus integrative approach to be a better choice of strategic negotiation, but this has not been proven to be the case. The research reports that the players both on the suppliers' side and on the buyers' side during the implementation of a distribution strategy for a commercial coverage relationship, considered this to be a logical development of the negotiation process. More specifically, in trade relations, distribution is applied as a negotiation strategy, as the price factor is more dominant than the others, so in the event that one party to the negotiation submits a proposal or demands a price that has a large deviation from that of the market, then the counterparty will exit the negotiation and search for new partners. It is a plausible scenario for the implementation of distributive negotiation strategy, as players seek price levels according to their interest. (Suppliers ↑ - Buyers ↓). The application of an integrated approach as a negotiation strategy in this particular relationship is disputed. The case of one party being exploited by the other is high, there is risk involved as this strategy requires open positions, trust and information sharing. From the research it is made clear that the application of the distribution strategy by the member with valid power in the negotiation game results in the optimization of the supply chain in the stages of which the company operates. Also, the weak members of the process would not have made the corrective moves if the other party's strategy was not distributive. The conclusion of Ramsay's (2004) research is that the contracting parties expressed fears and reluctance to a more open approach, which would result in the disclosure of strategic information, as the purpose of the negotiation concerns the optimization of supplier-buyer relationships.

4.3 Negotiation in Wine Supply Chain Management

In the wine supply chain industry, transaction activity is observed at two relationship points. The first concerns the relationship between producers/suppliers and intermediaries/buyers. At this particular stage, the issues that need to be resolved through the negotiations concern the quantity of the products, the quality of the wines, the price, the delivery times and of course the necessary official documents such as e.g. contracts. In the field of negotiations, as understood by industry executives, power is defined as the ability of a party trying to reach an agreement, using this privilege to make interests or decisions prevail over other parties. From the suppliers' side, the criteria that must be met mainly concern the market. The uniqueness of the factor required by the company, known as monopoly and the existence of a disproportionate relationship between supply and demand, that is, the available input resources are much less than the needs of buyers. Also, an important role is played by the quality of the products produced and the case of the supplier being able to develop his creations in such a way that it will differentiate the structure and transform into a competitor. Accordingly, from the side of the buyers, they gain bargaining power when the number of prospective buyers is clearly smaller than the number of suppliers. When the quantity of the buyers' supply is large and even larger when it comes from a specific supplier. Also, the possibility to procure similar quality products from other suppliers. Through bargaining power, the buyer is given the possibility of competitive advantage over competitors, financial well-being in the organization and the opportunity to optimize the operations of its business structure. According to people in the field in case of low bargaining power they showed a tendency to look more in the direction of their business structure. More specifically, they claimed that they would try to find ways to increase their sales, research the market for new customers to increase the customer base and gain a larger share of it, improve cash flow in terms of payments to improve their reliability. In addition, they talked about the existence of a risk if the supplier is changed in the event of a disagreement at the negotiating table. In such a scenario, they confirmed that a new relationship with an alternative supplier would need a time frame of two to three years in order for there to be a return on investment. Subsequently and in agreement with what was mentioned above in this work for the field of the wine supply chain, the professionals in the field in a negotiation process consider that the Brand Name of each player plays a prominent role. In the wine market the reputation and visibility among the people of the area, be it consumers or professionals, the dynamics that a company or a production area or a business operating in the wine market can have

is the key qualification. In addition, they consider the market situation and more specifically the relationship between supply and demand to be very important. Situational awareness, information acquisition, constant monitoring of trends and preferences are some of the elements that will help in preparation, adaptation and prevention. Another factor mentioned is first contact. The manner and professionalism with which newly arrived counterparties will approach the negotiation process will create first impressions, which are considered very important. Finally, but equally important is the presence of the prospective teammate in the field, they consider it very important as an experienced player is considered at the same time as an expert. The experts in the field described with great enthusiasm the development that the wine market has shown and pointed out that the market expresses the constant trend to search for new products. They also emphasize that the quality of Greek wine products can be considered to be a very worthy competitor in the market, however, as was made clear in previous reports in the work, this did not happen in the past nor in the present. The wine industry has undergone many changes and there will be others which are part of the evolution. A typical example is the fact that the dependence of the winemaker on the winemaker is decreasing, as the winegrowers begin to change the operating structures by assimilating many of the functions of the winemakers as part of their own business development. Industry experts observe major problems in the pricing policy adopted and implemented by Greek producers. The lack of information and information, the failure to keep up with the trends of the sector, lead themselves out of competition. In addition, reference is made to the absence of a plan and strategies, many believe that the reasons this is happening are due to the low strength, mainly financial, that Greek businesses have, these reasons do not give them the opportunity or it is considered a high risk to make investments in order to develop the operations in their business structures.

5. Analytical Research Part

The process of negotiation in the wine supply chain is a complex and demanding process which requires a set of specialized knowledge and skills. In particular, sufficiently developed knowledge and skills are required both regarding the imported flows in wine businesses and its marketing.

Given the demanding and complex environment of the wine supply chain, researches have focused their attention on analyzing the environment, processes, players and evolution of the industry over the years. Focusing on the factor of negotiation and its strategy selection is imperative, as it highlights the necessity of players to manage both their functions and their relations with the contracting parties in such a way that will bring about the expected results, faster and with optimized way.

Based on the above, the aim of the research was to investigate the environment of the wine supply chain and the effect of the negotiations between the contracting parties was also investigated.

5.1 Methodology

5.1.1 Research approach

In order to achieve the purpose of the research, the quantitative method was chosen as the most appropriate approach to the research questions and to achieve the broader established goal. By using this method it is possible to examine a large number of cases while balancing the peculiarities of individual cases and, therefore, the collection of multiple data that can be analyzed and interpreted through statistical programs, the possibility of extracting reliable and valid conclusions which can in turn be perceived as real and subsequently valid for the wider population. The variables are specific and can be measured through tools that will provide a set of numerous quantitative data. (Tsorbatzoudis, 2016).

5.1.2 Data collection

A questionnaire was administered to collect the data, a tool that is among the scientifically based evaluation methods, suitable for the proposed research. It is a tool that was used by an extensive and representative sample of the population. More specifically, questions related to the ideal characteristics of the contracting parties, the burning issues of the negotiations, the trust between

the researched population, their priorities in view of negotiations and the importance of each of them compared to the rest were given. The players' view of counterparty dynamics, their knowledge of market data, alternative solutions in case of negotiation failure, short-term and long-term business plans were also examined.

5.1.3 Sample

The research sample consists of 50 professionals in the field. For the selection of the sample, random sampling will be used from a list of wine producers and intermediaries who are active in the trade sector between Germany and Greece. This will ensure that every member of the population required for the survey has an equal chance of being included in the sample and avoid any attempt to bias the results. At the same time, since this sampling method allows the application of statistical analysis for the population from the responses of the sample, a representative sample will be ensured which will make it possible to generalize the results of the research, preventing possible errors. In fact, the selection of the sample size also contributes to avoiding errors, as the larger the sample, the more the chances of possible errors during generalization are minimized. The sample received the questionnaire via e-mail. The implementation of the questionnaire was carried out through the google.forms tool. The analysis of the data collected through the measurements was carried out with the spreadsheet program. This program is used by google and provides a descriptive analysis of the results from the questionnaire survey.

5.1.4 Issues of validity and reliability – Ethics

Every research process is called upon to satisfy a certain amount of criteria related to terms concerning validity, objectivity, the sample on the other hand must be representative and objective, in order for its conclusions to become generalizable, as well as to achieve compliance them with the rules of ethics and morality. Regarding the issue of validity-ethics, it has been achieved as the selection of the sample and the tool has been based on the aforementioned criteria. Regarding the adoption of ethics, the involved group was informed about the issues of confidentiality and anonymity. The data collected was used exclusively in the context of the research and without any reference to sensitive and personal information. The survey is risk-free, and participation is not mandatory.

5. 2 Results

After the completion of the research thesis, objective, reliable and valid quantitative data were collected which, during the analysis, led to important findings regarding the opinions of the experts in the field on issues related to the players' capabilities, the issues of the negotiations, the importance of each issue, their priorities, and the priorities of each business entity.

More specifically, in the question addressed to wine producers and related to the ideal profile of the broker, the majority preferred the profile of the specialist. The criteria that characterize a broker as a specialist concern his knowledge of the product and his experience in the field. The specialist has a deep understanding of the specific business area, is constantly updated and develops in his field. His knowledge and experiences are a valuable element for the development, improvement, and achievement of goals, while in many cases he also acts as a consultant for the development of strategies or plans. The wine broker, who has a larger clientele, is in second place in the preferences of wine drinkers. Working with a wine broker of such characteristics helps the company to develop its clientele, with the aim of increasing sales. Wine companies that choose to work with this type of broker usually have a strong production force in terms of varieties and quantity, so that they can meet the demands.

Then, from the point of view of wine brokers, the characteristics of the ideal wine producer are quality, small variety and high price. Brokers move based on market trends and wine is a product of taste. The clientele should be made up of wine connoisseurs, the target market has the corresponding preferences and capabilities, so that there are sales sufficient to cover the costs. In the second place of preference comes the choice of a wine producer with variety, large quantities and an affordable price. This category is preferred by intermediaries in cases where they need to fill a gap in their stocks. Finally, it is worth mentioning that the choices of brokers are not exclusive, several times they choose to work with wine producers depending on the circumstances and the needs of the business.

The next question of the questionnaire was about the main negotiation issues. The two players responded that the main issue is price, versus quantity and delivery time, with the price issue receiving 89%. The wine chain is no different from other retail chains. The relationship between buyer and seller differs only in the characteristics of the products and businesses they

represent. As is the case in almost all commercial relationships, so also between wine producers and wine brokers the main subject of negotiation is price, while the remaining percentage was divided into issues related to quantity, delivery times and consistency.

The respondent population was then asked to answer a question about their acquaintance with the contracting parties. All businesspeople answered that they know the contracting parties well to very well. The sample answers reveal the business links that exist in the wine supply chain. Long-term relationships and partnerships are governed by trust. A business with known parts offers opportunities to grow, improve and save on operations, which will help grow both sides.

Subsequently, the respondents in the next two questions were asked to answer in case of negotiation how important they consider the issues of order quantity and delivery times. To the question concerning the quantity, the majority of the sample (40%) answered very important, important, moderate and a little important in order. It may seem like a less serious issue compared to price, but it is still important. Satisfying customer requirements and meeting business needs are very important factors for their position in the market or even for their existence. The concerned members seem to have recognized this and therefore consider it the second most important negotiation issue after price. The majority of respondents on the issue of delivery time considered it important (45%), but not as much as quantity is considered. The wine market is growing, bringing in new players and increasing competition. Businesses active in the wine market are asked to improve the quality of their services. A main feature of the services concerns the delivery times, which the contracting parties are required to resolve in order to be consistent with the needs of the consumers. Furthermore, when asked about delivery times, the majority of the sample answered that the average delivery time is two to three weeks, while the minority one week. The conclusion drawn is that wine producers, in relation to players in other supply chains, have the agility, mainly due to the characteristics of the product, to respond quickly to the needs of their customers.

In addition, respondents were asked to answer how important they consider the issues of price and quality. Responses to both questions with similar percentages were narrowed down to very important and important. More specifically, the two answers received a percentage of 80% for price and 85% for quality, respectively. Wine is a product whose reputation is its main advertisement. As mentioned above, wine is a product of taste, its quality and characteristics are what lead consumers to buy it, which ranks quality as a prominent criterion. As for the issue of price, as in any commercial relationship, it is also considered important in the wine supply chain.

An eventual prevailing of a better price for the contracting parties may allow them to invest in functions that will improve their business processes.

Subsequently, the next questions asked to the sample concerned the bargaining power, the alternatives in cases of negotiation failure, but also the alternatives that they think the contracting parties have. Regarding the bargaining power, the majority of respondents (40%) consider that there is equality in this issue, followed by an equally large percentage (35%) who consider that the contracting parties have greater bargaining power than him, in third place (20%) the reverse follows, while one respondent declared ignorance about of the subject. The conclusions drawn from this specific question are useful as it captures the parties' view of their position at the negotiating table, but also their view of the other players, which is a product of information, information and data examination. Regarding the questions about the alternatives and their opinion about the alternatives of the counterparties, the vast majority consider that in the event of a negotiation deadlock, there are many alternatives available in the market, while on the contrary in the case of the counterparties they do not think the same, this view gathers a clear but at the same time weak percentage compared to the opposite view. The reasons that lead the sample to consider that it outperforms or underperforms the counterparty, or that the counterparty outperforms or underperforms respectively, has to do with factors such as the size of the respective company, its dynamics and knowledge of the market.

In addition, the questionnaire asked questions about the factors that the parties consider to increase or decrease their bargaining power. In the case of increasing bargaining power, the most important factor is Brand Name and reliability (75%), followed by the alternatives of sellers and buyers respectively (15%), uncertainty (5%) and market alternatives (5%). As mentioned above, reputation is the number one advertisement for the wine environment. When the organization leaves good impressions about its product and its professionalism, all parts of the market, consumers and prospective partners, appreciate it in practice. The main factors that the members consider to reduce their bargaining power are, in order of preference, the size of the company (45%) mainly and almost proportionally uncertainty (30%) and high competition (25%). The bottom line is that players believe that the market can provide options that will put them in a difficult position as their options are limited due to their size, while they consider the uncertainty due to the bad times that characterize the market to be almost as important. but also the competition, which is a product of the development and opening of the market.

A question was then asked about the long-term future of the entities and their business plans. Most of respondents (60%) indicated their intention to open their customer base to other markets, followed by a percentage (35%) that wishes to increase the levels of product quality and in the third row follows the increase in capacity (15%), while none of the respondents chose the cost reduction option. The conclusions drawn for the future business plans show that the respondents follow the trend of the market development and try to grow in parallel, while quality continues to be a more important factor than the rest of the business functions or financing.

In addition, participants were asked to answer whether the recent pandemic affected consumer preferences. As in the rest of the markets, in the wine market as well, according to the answers of many of the respondents (65%), consumer preferences were significantly affected, while an equally large percentage considered the degree to which they were affected to be moderate, while two respondents answered somewhat and very significantly respectively.

The respondents then answered the question about the situation prevailing in the Greek Wine industry during the period between the two crises, the economic (2011) and the health (2019). All respondents except one who said they had no opinion believe that there has been a boom in the industry. This fact confirms the image of the development of the sector in global markets, as well as proving the potential of Greek wine as a product, as despite the adverse conditions that prevailed in the country at an economic and social level, Greek producers and other professionals in the field contributed the maximum so that the Greek wine increases its dynamics. Afterwards, the question asked to the participants was about how the health crisis affected their bargaining power vis-à-vis the counterparties, the vast majority considered how it increased, except for one. A fact that confirms the theory that claims that difficult situations can be an opportunity for organizations that are prepared for any scenario that may arise.

In conclusion, the respondents answered about the negotiating power of Greek companies in the German market. Most of the participants (55%) consider it thin, the next one average (40%), while only one member of the sample considers it strong. A fact that reveals the weakness of Greek businesses is in matters related to business processes. Finally, the respondents consider the price driver to be demand versus supply. This particular answer was chosen by all but one of the sample, who considered the offer (see appendix).

6. Conclusion

In conclusion, the research focused on the Greek Wine Industry, its commercial connection with the German market and the impact of negotiations along the supply chain. Therefore, the study approached Greek entrepreneurship in the wine sector, the contracting parties with which Greek wine producers interact before the final product reaches the consumer. Subsequently, it was sought to follow up on previous studies and proposals that investigated issues related to the evolution of the Greek and global wine industries from the past to the present, the business forms, the changes over time. The study of the German wine market was approached in order to draw conclusions about the preferences of Germans in relation to Greek wine products, but also of the business operators who share the German wine market. In addition, the German wine market was studied. An in-depth understanding of the markets is a prerequisite for success. For this reason, they collected data and information in order to capture the image of the prevailing conditions in this consumer entity. The German market is a stable and large wine market, which combined with the curiosity of German citizens and their constant search for wine products, creates an attractive and at the same time competitive side. The conclusions obtained are very important and facilitate the taking of strategic business decisions. In addition, the levels of Greek wine products in the German market were investigated. Data and information using historical data lead to are very important for the depiction of Greek business activity in the German wine market. The importance of the company's structure for its present and future, the necessity of business plans and strategies, so that the business line is clear both within the organization and to the contracting parties, was also mentioned. In addition, the knowledge of such an important role of entities that operate between producers and consumers, is the product of long-term research, in different countries and various business environments. The theoretical approaches that have been synthesized constitute a guideline for understanding the way of thinking and acting of intermediaries in the wine supply chain. More specifically, their business forms, their role, their characteristics that depend on the way they approach the market, their specificities, the business processes they intervene in, as well as their professional relationships mainly with producers, were studied. In the review of the relevant literature, a sparse and scattered literature on the study of negotiations in the wine supply chain was observed, but also an approach to the wine supply chains of European countries. In addition, the lack of literature in the area of negotiation has also been demonstrated in discussions and research in areas related to trade, supply chain, while on

the contrary in other industries and areas of daily life it is mentioned and commented on strongly. Afterwards, the negotiation processes and their strategies were explored. More specifically, the main issues concerning trade negotiations and wine trade in particular, the approaches of the contracting parties, the choice of negotiation strategies and the criteria that base their choices were studied, in order to form the best possible, most reliable, objective picture of the impact of negotiations on the wine supply chain. Negotiations involve individuals specialized in the field, the approaches and choices of negotiation strategies are based on their position in the wine supply chain. Negotiations affect operational and non-operational processes of the business environment of the wine supply chain, mainly in matters such as price, delivery times and quantity. The bargaining power is determined by the capabilities of each company, while the margins of the levels of increase or decrease are determined by factors concerning the market, its trends, size and dynamics, the utilization of available resources and the willingness or ability of the interested party to the development. Also, they give the possibility to draw an objective conclusion based on business interests and based on the result to research alternative solutions in case of non-acceptance of proposed terms.

7. Suggestions for Further Research

To our knowledge, the paper is the first to examine the issue of negotiations in the wine supply chain. It aims at understanding the wine businesses, the structures, the plans during the evolution of the production and marketing processes. The framework aimed to identify the determinants of the intervention of intermediaries in the supply chain, the characteristics of the parties in the wine trade and their roles. In addition, it captured the business activity of Greek wine companies in the German market and the scope for its development in it. Through the thesis, interesting avenues that need further research were highlighted. One is the research of the study on oenological enterprises conducted in the Greek wine industry, which use distribution channels addressed to intermediaries in order to channel the wine to the German market. It would be very interesting to study more precisely the business functions of this entity and its comparison with corresponding wine industries in European countries. Another area of research is the detailed analysis of wine brokers and market makers. The independent role of intermediaries in establishing relationships or maintaining long-term relationships between winegrowers and traders. More specifically, it was

clarified through work where and how brokers intervene, even in long-term relationships. Therefore, it seems to be very important and interesting to analyze it in more detail, so that the functions of the intermediary in the wine supply chain become clear.

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Wine in Greece | OEC - The Observatory of Economic Complexity

PPT - Production and Operations Management Systems PowerPoint Presentation - ID:5593212

(slideserve.com)

3 Tiers of the Wine Supply Chain (thomasnet.com)

Wine in Germany | The Observatory of Economic Complexity (oec.world)

<https://www.cips.org/>

Appendix

We ask for your participation in the questionnaire prepared as part of a diploma thesis of the Department of Supply Chain Management of the School of the Hellenic Open University, entitled "The journey of wine, a strategic negotiation approach". The thesis is prepared by the postgraduate student of the Palladinos Angelis program under the supervision of Professor Konstantinos Papadopoulos.

Please take 2-3 minutes of your time to fill out the questionnaire at the link below:

<https://forms.gle/uM5HRy521q17jJPz7>

Thank you in advance for your time and your valuable participation in the research, which attempts to describe the environment and the role of players in the supply chain of wine. from Greek vineyards to the German market.

The journey of wine, a strategic negotiation approach

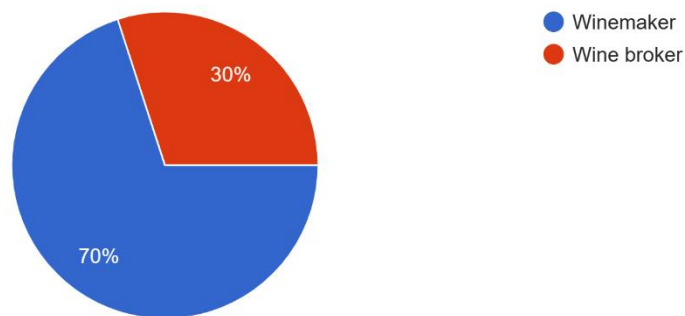
This questionnaire will be used for work in the Hellenic Open University's supply chain management master's program. The purpose of the paper is to collect information regarding the negotiation of the wine sector the wine. By completing this questionnaire, you consent to the following: The data will be used in a research project at the Hellenic Open University. Your participation in the questionnaire will be anonymous and it will be take 2-3 minutes.

1. Are you a winemaker or wine broker?

- Winemaker
- Wine broker
- Other

1. Are you a winemaker or wine broker?

20 απαντήσεις

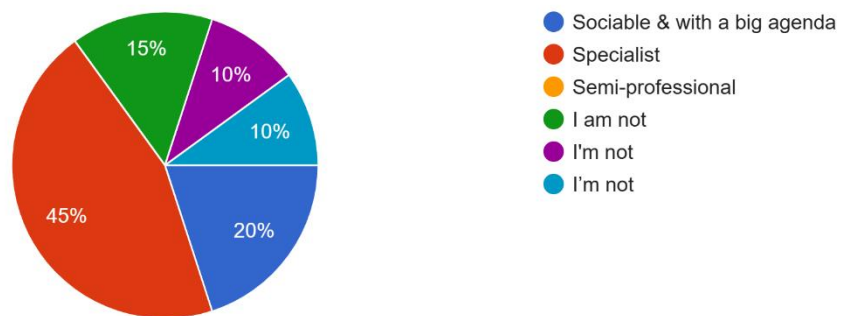


2. In case you are a winemaker, what characteristics of a wine broker suit your requirements?

- Sociable & with a big agenda
- Specialist
- Semi-professional
- Other

2. In case you are a winemaker, what characteristics of a wine broker suit your requirements?

20 απαντήσεις

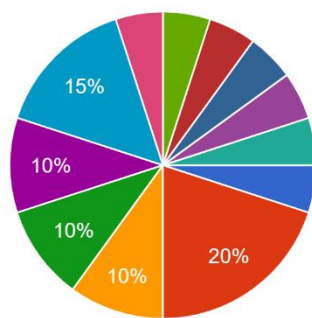


3. If you are a wine broker, who is the ideal winemaker in your opinion?

- Variety, large quantities & attractive price
- Quality, small range & high price
- Other

3. If you are a wine broker, who is the ideal winemaker in your opinion?

20 απαντήσεις



- Variety, large quantities & attractive price
- Quality, small range & high price
- A combination of the above
- I am not
- I'm not
- Between two answers
- I am not a wine broker

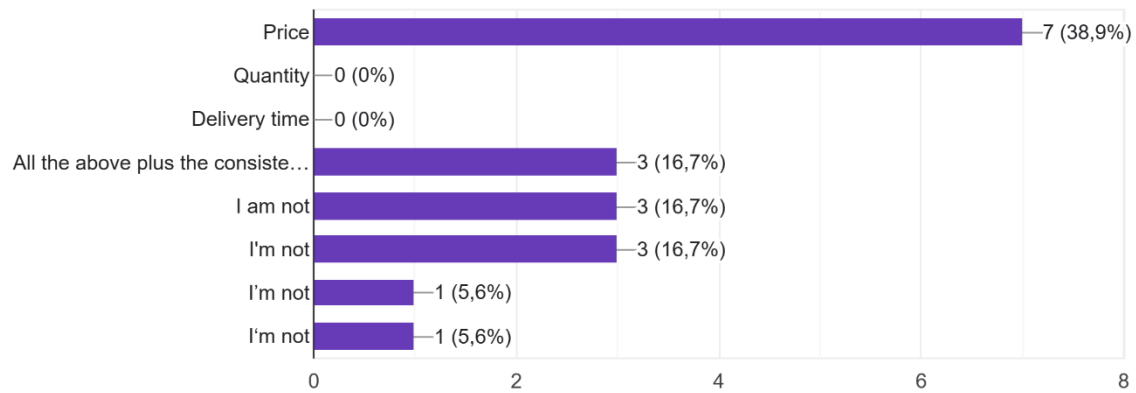
▲ 1/2 ▼

4. What are the main issues that you negotiate if you are a buyer?

- Price
- Quantity
- Delivery times
- Other

4. What are the main issues that you negotiate if you are a buyer?

18 απαντήσεις

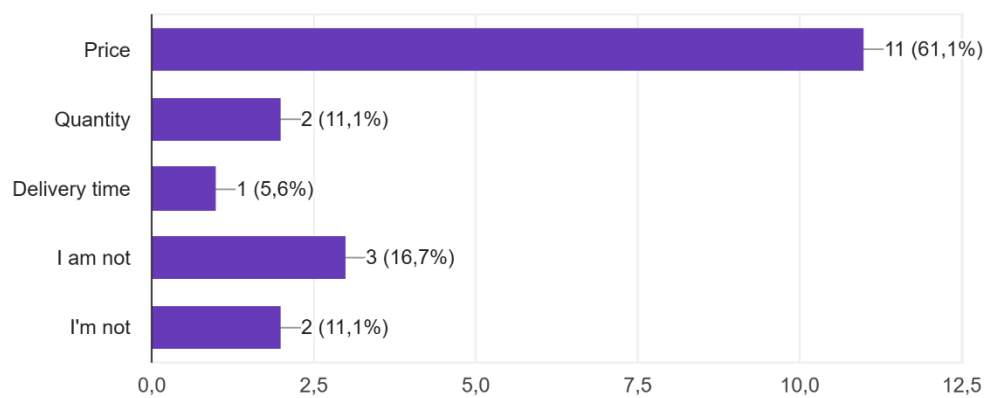


5. What are the main issues that you negotiate if you are a seller?

- Price
- Quantity
- Delivery times
- Other

5. What are the main issues that you negotiate if you are a seller?

18 απαντήσεις

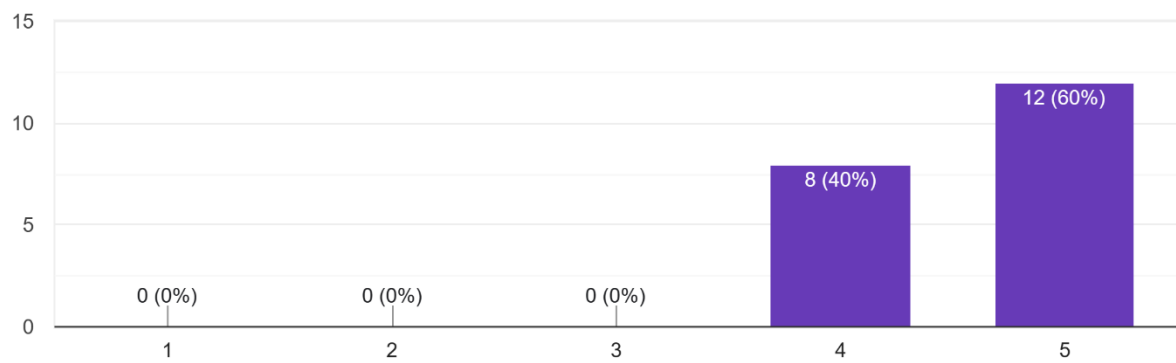


6. How well do you know your contracting parties?

- Not well
- Extremely well

6. How well do you know your contracting parties?

20 απαντήσεις

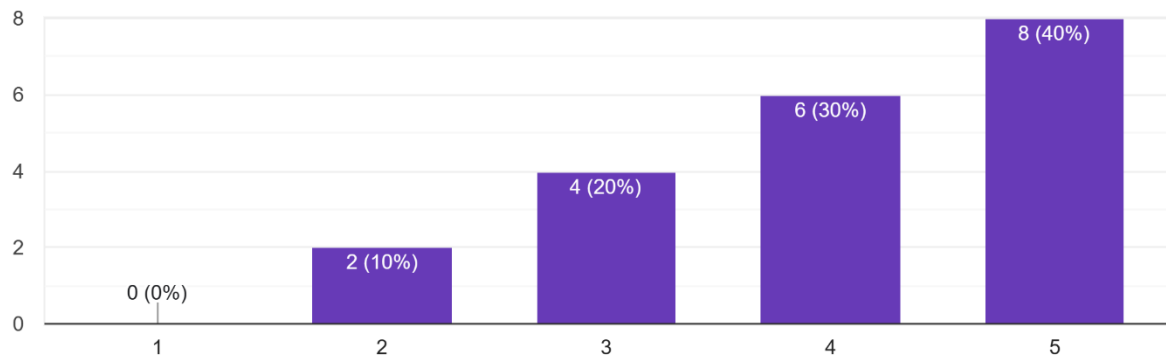


7. On a scale of 1 to 5 how important is the order quantity?

- Least important
- More important

7. On a scale of 1 to 5 how important is the order quantity?

20 απαντήσεις

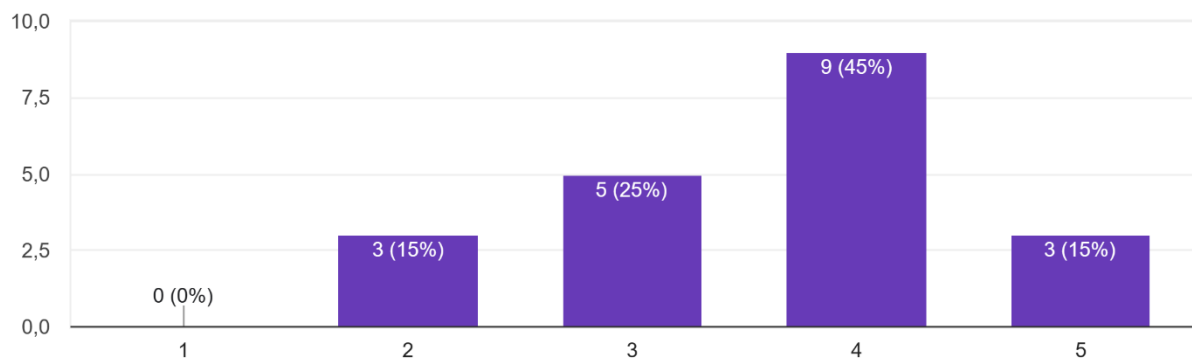


8. On a scale of 1 to 5 how important is the delivery time?

- Least important
- More important

8. On a scale of 1 to 5 how important is the delivery time?

20 απαντήσεις

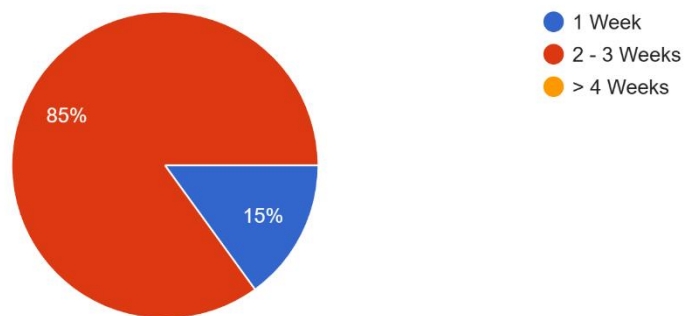


9. What is the average delivery time from the moment of the order?

- 1 week
- 2 – 3 weeks
- > 4 weeks

9. What is the average delivery time from the moment of the order?

20 απαντήσεις

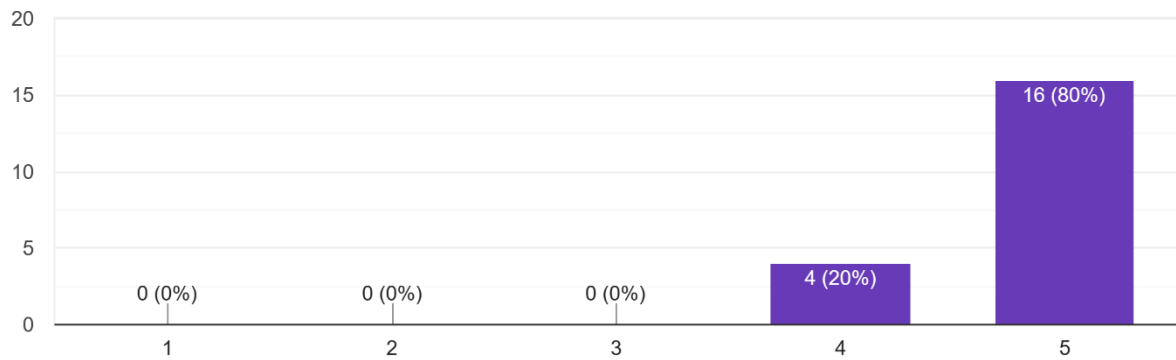


10. On a scale of 1 to 5 how important is price?

- Not important
- Extremely important

10. On a scale of 1 to 5 how important is price?

20 απαντήσεις

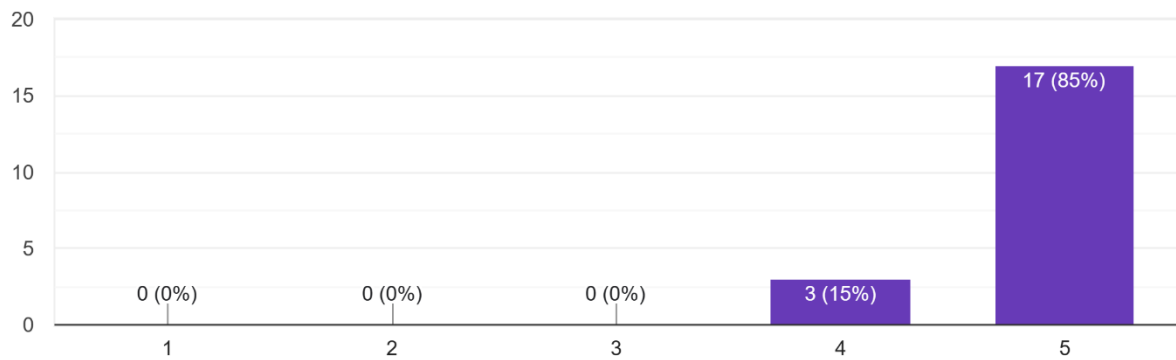


11. On a scale of 1 to 5 how important is quality?

- Not important
- Extremely important

11. On a scale of 1 to 5 how important is quality?

20 απαντήσεις

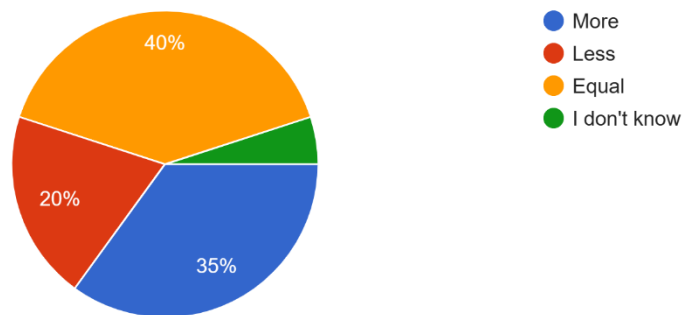


12. If we define negotiation power as the power of one party of the negotiation to choose or set the conditions of an agreement, then do you believe the other party you negotiate with has more, less, or equal power than you?

- More
- Less
- Equal
- I don't know

12. If we define negotiation power as the power of one party of the negotiation to choose or set the conditions of an agreement, then do you believe the...ate with has more, less, or equal power than you?

20 απαντήσεις

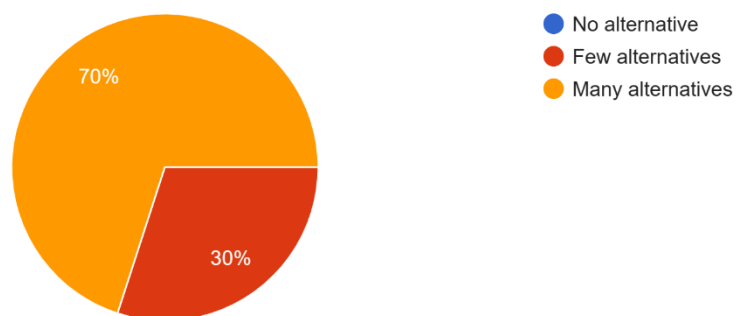


13. What alternatives do you have if your supplier/seller or client/buyer won't accept your proposal?

- No alternative
- Few alternatives
- Many alternatives

13. What alternatives do you have if your supplier/seller or client/buyer won't accept your proposal?

20 απαντήσεις

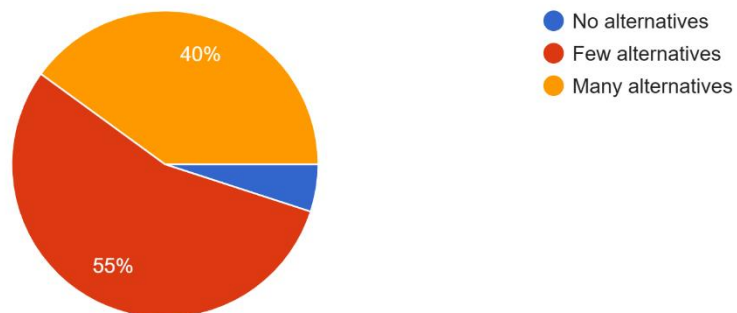


14. What alternatives does your supplier/seller or client/buyer have if you don't agree with them?

- No alternative
- Few alternatives
- Many alternatives

14. What alternatives does your supplier/seller or client/buyer have if you don't agree with them?

20 απαντήσεις

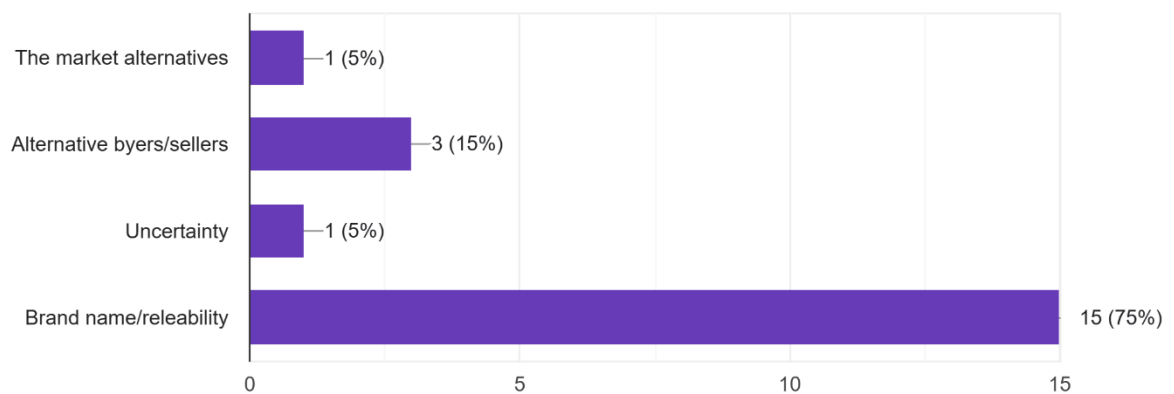


15. What are the factors that could increase your negotiation power towards the other party?

- The market alternatives
- Alternative buyers/sellers
- Uncertainty
- Brand name/reliability
- Other

15. What are the factors that could increase your negotiation power towards the other party?

20 απαντήσεις

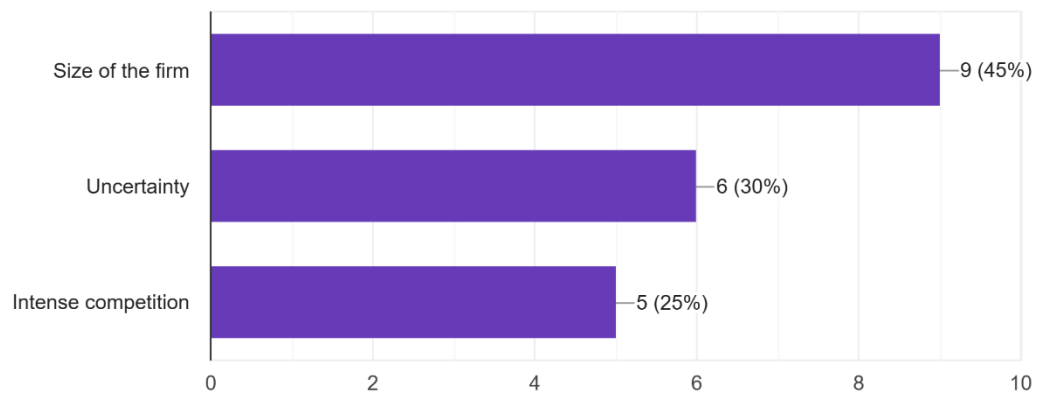


16. What are the factors that could decrease the negotiation power of the other party?

- Size of the firm
- Uncertainty
- Intense competition
- Other

16. What are the factors that could decrease the negotiation power of the other party?

20 απαντήσεις

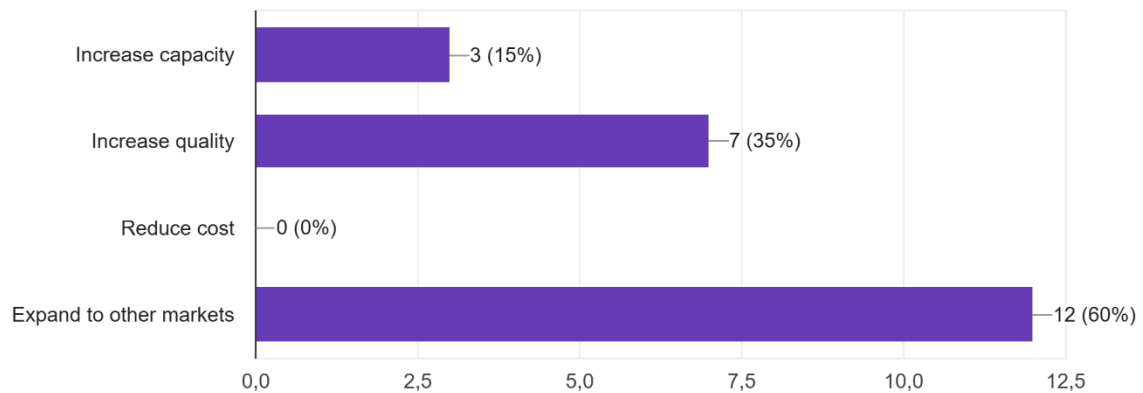


17. In the long term, what are the strategies you may use to build and improve your negotiation power?

- Increase capacity
- Increase quality
- Reduce cost
- Expand to other markets
- Other

17. In the long term, what are the strategies you may use to build and improve your negotiation power?

20 απαντήσεις

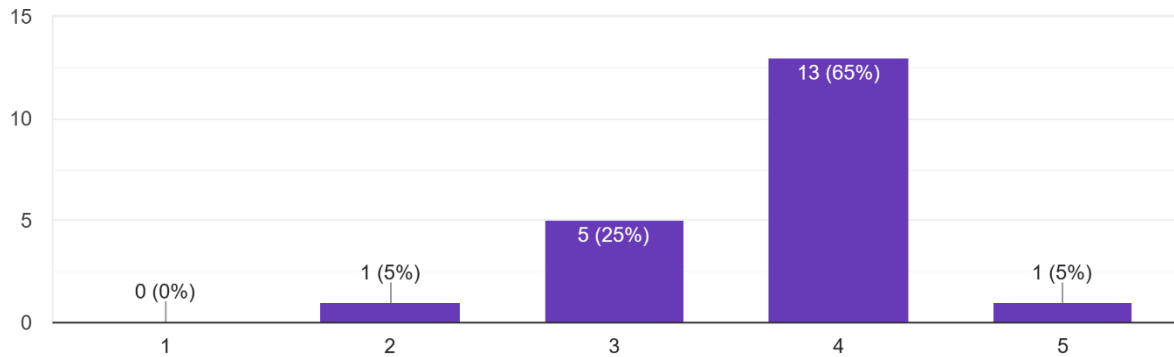


18. Do you think that consumer preferences about wine were affected due to the pandemic?

- Not at all
- Very much

18. Do you think that consumer preferences about wine were affected due to the pandemic

20 απαντήσεις

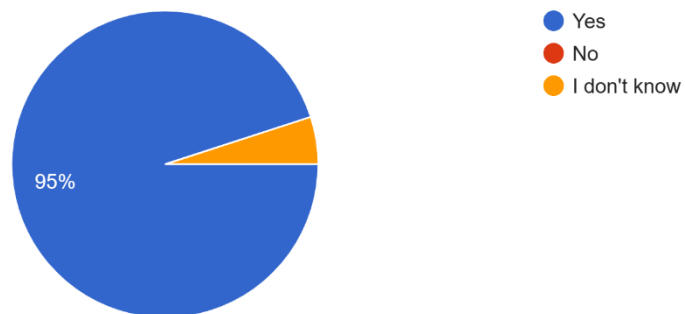


19. Given that the Greek market was affected by two crises: the financial one that appeared in 2011 and the pandemic crisis in 2019 which, among other things, greatly affected the supply chain. Do you think there was any growth in the Greek wine industry in the mean time of the two crises?

- Yes
- No
- I don't know

19. Given that the Greek market was affected by two crises: the financial one that appeared in 2011 and the pandemic crisis in 2019 which, among other...wine industry in the mean time of the two crises?

20 απαντήσεις

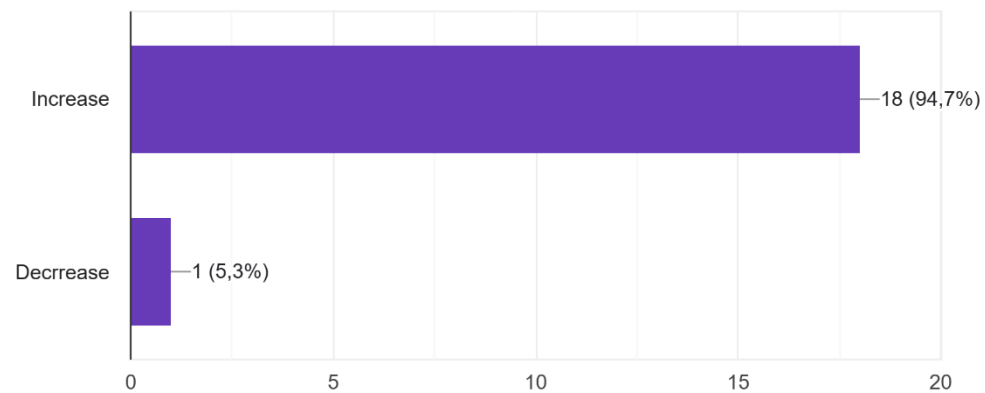


20. Do you think that pandemic crises has increase or decrease your negotiation power towards your other party?

- Increase
- Decrease

20. Do you think that pandemic crises has increase or decrease your negotiation power towards your other party?

19 απαντήσεις

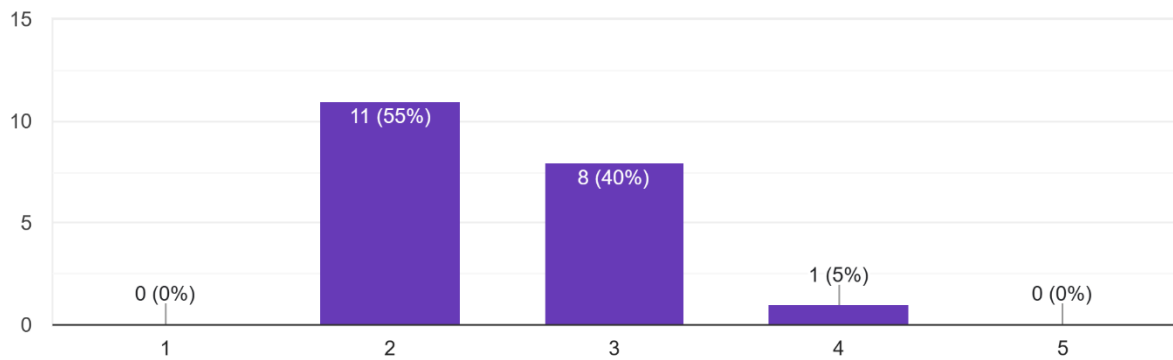


21. On a scale from 1 to 5, how strong is the negotiation power of Greek negotiators in the German market?

- Weak
- Very strong

21. On a scale from 1 to 5, how strong is the negotiation power of Greek negotiators in the German market?

20 απαντήσεις



22. What is the main price driver?

- Demand of wine
- Supply of wine

22. What is the main price driver?

20 απαντήσεις

