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EVALUATING THE ROLE OF SUSTAINABLE WINE MERCHANDISING IN ENCREASING THE COMPETITIVENESS AND ATRACTIVENESS OF WINE TOURISM DESTINATION

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Abstract

This study explores the role of sustainable wine merchandising in enhancing the competitiveness and attractiveness of wine tourism destinations. It delves into sustainable merchandising techniques such as eco-friendly packaging, promotion of organic and biodynamic wines, local sourcing, and consumer education. The research underscores how these practices not only contribute to environmental, social, and economic sustainability, but also provide a competitive edge by differentiating offerings, enhancing brand reputation, and aligning with consumer demand for sustainable products. Furthermore, it highlights how sustainable merchandising can make viticultural destinations more attractive to tourists, enriching their experience and aligning with trends towards sustainable travel. The study concludes that as the demand for sustainable products continues to grow, sustainable merchandising will play an increasingly important role in the competitiveness and attractiveness of viticultural tourist destinations.

Keywords: *sustainable development, sustainable merchandising, wine industry, competitiveness, tourism sector.*

Introduction

Sustainable development, as defined by the Brundtland Commission in 1987, is the kind of development that meets the needs of the present without compromising the ability of future generations to meet their own needs. This concept has permeated various sectors, including merchandising, leading to the emergence of sustainable merchandising.

Sustainable merchandising refers to the practice of merchandising that takes into account not just the economic viability of the products but also their environmental and social impacts. It involves strategies such as using eco-friendly materials, minimizing waste, ensuring fair labor practices, and promoting products that contribute to a sustainable lifestyle.

In the context of the wine industry, sustainable merchandising takes on unique dimensions. The wine industry is deeply connected to its terroir - the natural environment where the wine is produced, including factors like soil, topography, and climate. Therefore, sustainable practices in wine merchandising often involve promoting wines that are produced in an environmentally friendly manner, such as organic or biodynamic wines. Moreover, sustainable merchandising in the wine industry can also involve practices like using lightweight and recycled materials for packaging, promoting local wines to reduce carbon footprint associated with transportation, and educating consumers about the importance of sustainability in wine production.

Importantly, sustainable merchandising contributes significantly to the competitiveness of the wine industry. By aligning with the growing consumer demand for sustainable products, wine producers can differentiate their offerings, attract a broader customer base, and command premium prices. Furthermore, sustainable merchandising practices can enhance the reputation of wine producers and the regions they represent, making them more attractive to tourists and further boosting their competitiveness. In the context of wine tourism, sustainable merchandising can enhance the attractiveness of viticultural destinations. Tourists are increasingly seeking authentic experiences and

products that align with their values, including sustainability. Wineries that adopt sustainable merchandising practices can offer a unique value proposition, attracting these conscientious tourists. This can lead to increased visitation, longer stays, and higher spending, all of which contribute to the economic vitality of the wine tourism destination.

Moreover, sustainable merchandising can contribute to the development of a strong and distinctive brand for a wine tourism destination. This can enhance its attractiveness and competitiveness, both domestically and internationally. For instance, a region known for its sustainable wine merchandising practices can attract tourists who are interested in sustainable travel, wine enthusiasts who value organic and biodynamic wines, and consumers who appreciate eco-friendly packaging.

In conclusion, sustainable merchandising is a crucial aspect of sustainable development. In the wine industry, it represents a commitment to producing and promoting wines in a way that respects the environment, supports the local economy, and contributes to a better future for all. As the demand for sustainable products continues to grow, sustainable merchandising is set to play an increasingly important role in the competitiveness and attractiveness of viticultural tourist destinations.

Overview of the concept

Sustainable development as a concept was defined for the first time by the World Commission on Environment and Development in the Brundtland Report, as "a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development; and institutional change are all in harmony and enhance both current and future potential to meet human needs and aspirations"[1]

In the present era, the notion of sustainability is broadly embraced in nearly all fields, also in merchandising. Thus, the new trend in merchandising is to become sustainable and use sustainable techniques and methods. The principles of sustainable merchandising have started to be implemented first in the retail sector, food and fashion sphere but also retrieved by such field as wine industry.

The concept of sustainable merchandising is a relatively new field and is continually evolving, making it difficult to attribute its definition to a single author or work. However, several researchers and practitioners have contributed significantly to its development.

For instance, Bo Wu, Xiufen Xie, Weicheng Ke, Huiying Bao, Zhilan Duan, Zhenyu Jin, Xiaoqun Dai, and Yan Hong conducted a systematic literature review on sustainable merchandising strategies, particularly in the apparel industry[2]. They discuss how brands can combine social responsibility with merchandising to develop and enjoy the profit space brought by merchandising while assuming and promoting their own brand responsibility.

Making an analysis of the concepts about sustainable merchandising the author can conclude that, sustainable merchandising is the strategic approach of promoting and selling products or services that not only meet the needs of consumers but also uphold the principles of environmental, social, and economic sustainability. It involves the conscious selection, sourcing, packaging, and marketing of products in a manner that minimizes negative environmental impact, supports fair labor practices, and contributes to a circular economy. In essence, sustainable merchandising is about creating a balance between business success and the well-being of our planet and society.

The principles of sustainable merchandising

Merchandising is based on the rule of 5 Rs (Fig. 1)

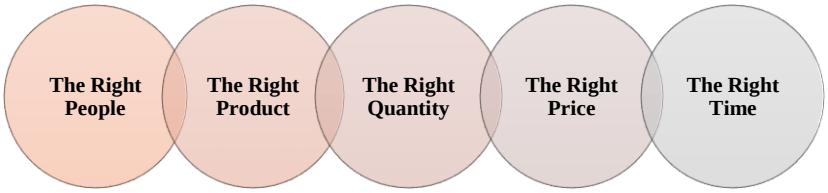


Fig. 1 The rule of 5 Rs of Merchandising

Still, we are interested in determining what are the peculiarities of sustainable merchandising, as a direct contributor to the competitiveness in wine sector.

Fig. 2 shows the author's opinion concerning the principles of sustainable merchandising versus usual/standard/normal merchandising.

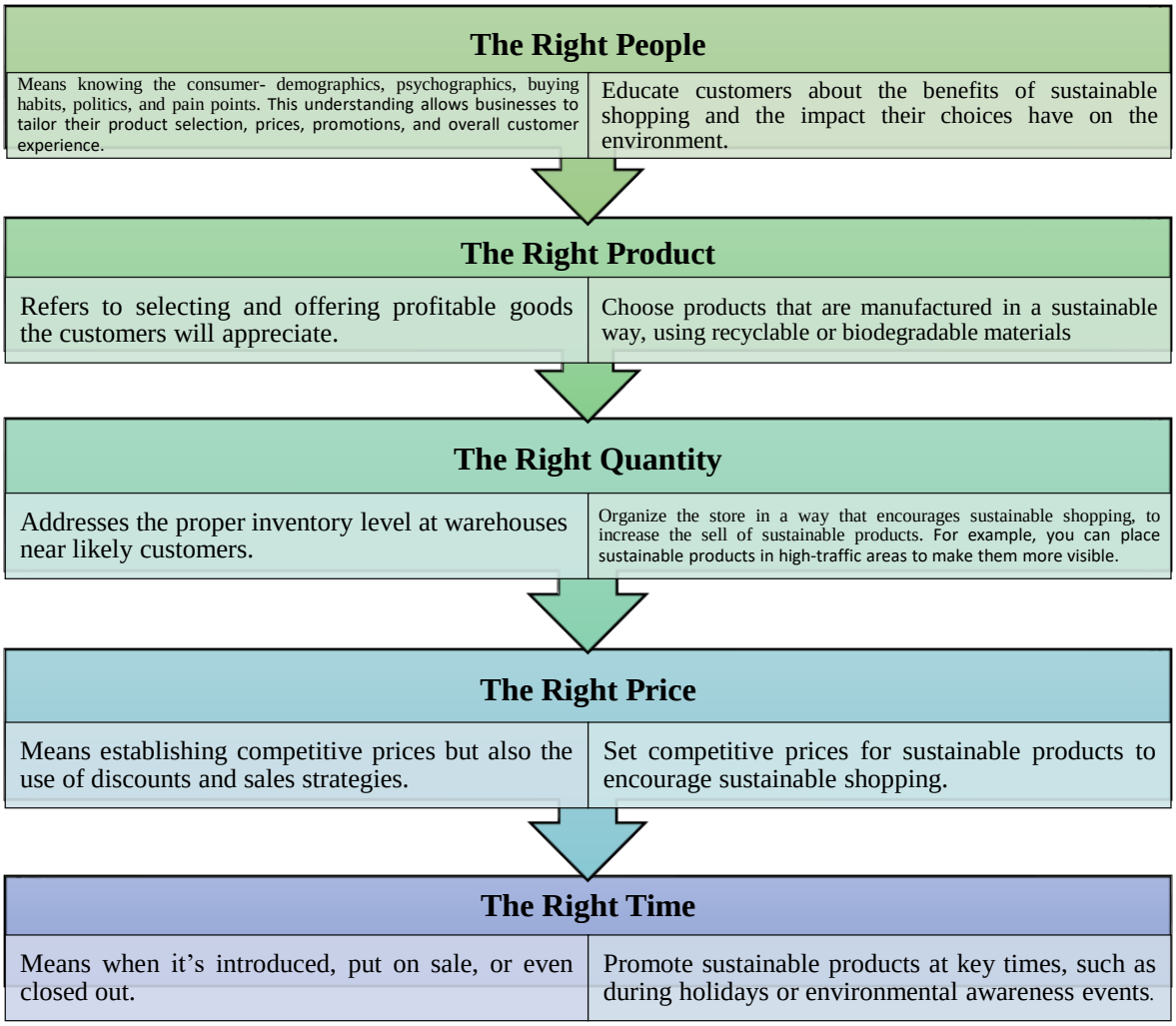


Fig. 2 The principles of sustainable versus simple merchandising

Source: author's development

Sustainable merchandising refers to the practice of applying sustainability principles to the selection, sourcing, and marketing of products. Here are some key aspects:

Product Selection: Sustainable merchandising involves choosing products that are made in an environmentally friendly manner, using materials that are recyclable or biodegradable.

Sourcing: It considers the full lifecycle of a product, from the sourcing of materials to the end-user experience. This includes using eco-friendly packaging materials and collaborating with suppliers on their merchandising strategy.

Marketing: Sustainable merchandising strategies also involve educating customers about the benefits of sustainable shopping and the impact of their choices on the environment.

Demand: There is a growing demand for sustainable products. Studies have found that a significant percentage of consumers are willing to pay more for sustainable goods.

Benefits: Companies that adopt sustainable practices not only contribute to environmental conservation but also see gains in their stock returns.

The impact of sustainable merchandising on the wine industry.

Sustainable merchandising in the wine industry is a practice that aims to promote wines produced in an ecologically, socially, and economically responsible manner, with respect for the environment, biodiversity, cultural heritage, and local communities. Sustainable wine merchandising aims to increase the quality and competitiveness of products, meet the demands of consumers and international markets, as well as contribute to the sustainable development of the wine sector and wine tourism.

The sustainable merchandising uses different types of merchandising techniques like the following:

Visual merchandising: this technique involves the use of graphic elements, colors, lights, shapes, and materials that draw attention to sustainable wines and convey a clear and coherent message about their values and benefits. For example, you can use ecological labels and packaging, which reflect the characteristics of organic wines and highlight the sustainability seal "Sustainable Moldavian Wine". You can also use posters, banners, leaflets, or other promotional materials that showcase the authentic stories and experiences of sustainable wine producers.

Auditory merchandising: this technique involves the use of sounds, melodies, voices or other sound effects that create a pleasant and relaxing atmosphere in the store or in the winery, stimulating the interest and curiosity of customers for sustainable wines. For example, you can use traditional Moldovan music that evokes the region's wine culture and tradition, or you can use audio recordings that present information about the production process and the sustainability certification of the wines3.

Olfactory merchandising: this technique involves the use of aromas, perfumes, essences or other smells that stimulate the olfactory sense of customers and awaken their appetite and desire to taste sustainable wines. For example, you can use aromas of fruits, flowers, herbs or spices to match the displayed wines, or you can use natural scents of grapes, wood or earth to suggest the freshness and quality of the wines.

Tactile merchandising: this technique involves the use of materials, textures, shapes or other elements that stimulate customers' sense of touch and give them a full sensory experience of sustainable wines. For example, you can use bottles, corks, labels or packaging that have a pleasant texture to the touch, or you can use natural elements such as leaves, branches, grapes or other fruits to decorate the display space and create a visual contrast and tactile with the wines.

These techniques could be seconded with other useful methods described in Table 1.

Table 1. Methods of sustainable merchandising used in the wine industry.

Eco-friendly Packaging	This involves using packaging materials that are lightweight, recycled, or recyclable. Lightweight packaging reduces the carbon emissions associated with transportation, while recycled and recyclable materials reduce waste. Some wineries are also exploring the use of biodegradable materials for packaging. Additionally, the design of the packaging can be optimized to minimize material use.
Organic and Biodynamic Wines	Organic wines are produced without the use of synthetic pesticides and fertilizers, which can harm the environment and biodiversity. Biodynamic wines take this a step further by following a holistic, ecological, and ethical approach to farming, gardening, food, and nutrition. Promoting these wines not only appeals to environmentally conscious consumers but also helps protect the terroir, the natural environment where the wine is produced.
Local Sourcing	Promoting local wines helps reduce the carbon footprint associated with transportation. It also supports local economies and communities by keeping money within the local area and creating jobs. Furthermore, local wines often reflect the unique characteristics of the region’s terroir, offering a unique product that can’t be found elsewhere.
Education	Educating consumers about the importance of sustainability in wine production can influence purchasing decisions and promote sustainable consumption. This can be done through various means, such as information on labels, winery tours,

	tastings, and workshops. Education helps consumers understand the value of sustainable wines and the effort that goes into producing them.
Reducing Vineyard Inputs	This involves strategies to reduce the use of pesticides in the vineyard as well as improve energy efficiency and resource management. Techniques such as integrated pest management, precision viticulture, and the use of renewable energy sources can significantly reduce the environmental impact of wine production.

Source: author's development

Sustainable merchandising in the wine industry is not just an environmental or ethical consideration, but a strategic tool that can significantly enhance the competitiveness and attractiveness of viticultural tourist destinations.

To effectively measure and monitor merchandising sustainability in the wine industry, wine companies need to establish key performance indicators (KPIs) that align with their goals and objectives. These KPIs serve as measurable targets that indicate progress and success in sustainable practices. Some of them could be:

- Energy consumption: By measuring how much energy is used, opportunities for saving energy and improving efficiency can be found.
- Waste generation and management: By quantifying the amount of waste generated and applying efficient waste management methods, environmental impact can be reduced.
- Water usage: By keeping track of water consumption and finding ways to save water, the environmental impact of merchandising activities can be lowered.
- Carbon footprint: By measuring the amount of greenhouse gases emitted, businesses can learn about their carbon footprint and devise ways to reduce it.
- Supply chain transparency: By evaluating and tracking the sustainability practices of suppliers and vendors, ethical sourcing and responsible supply chain management can be ensured.

Sustainable merchandising can provide a competitive edge in several ways:

- ✓ In an increasingly crowded wine market, sustainable merchandising offers a way for wineries to distinguish themselves. Consumers are becoming more conscious of their purchases' impact on the environment and society. Wineries that can demonstrate a commitment to sustainable practices in their merchandising can stand out. So, this mean – Differentiation.
- ✓ Many studies have shown that consumers are willing to pay a premium for products they perceive as sustainable. By adopting sustainable merchandising practices, wineries can potentially command higher prices, boosting profitability – Premium Pricing.
- ✓ Sustainable merchandising can enhance a winery's reputation as a responsible business. This can attract loyal customers who share the same values, leading to repeat business and word-of-mouth referrals. This means - Brand Reputation and Loyalty. (Fig. 3)

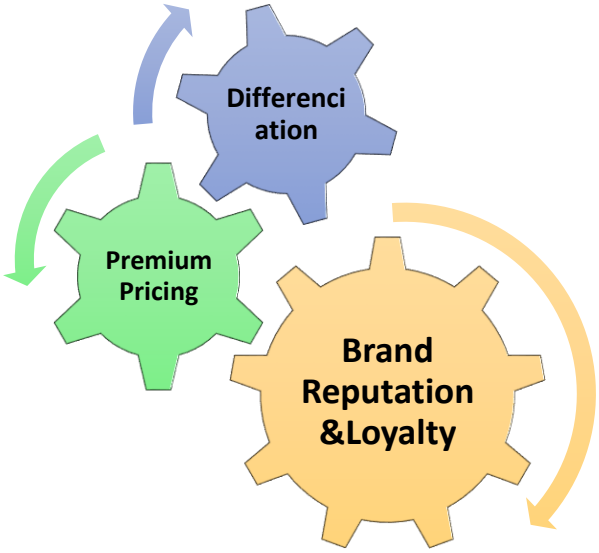


Fig. 3 Competitiveness through sustainable merchandising
Source: author's development

Wineries can use sustainable merchandising to educate visitors about the importance of sustainability in wine production. This can enrich the tourist experience and make the visit more memorable. There is a growing trend of tourists seeking out sustainable travel experiences. Wineries that showcase sustainable merchandising practices can attract these tourists, enhancing the attractiveness of the entire region as a sustainable travel destination. Sustainable merchandising often involves promoting local products and traditions. This can enhance the authenticity of the tourist experience, a key factor in destination attractiveness.

Sustainable merchandising can make viticultural destinations more attractive to tourists by:

- Enhancing the quality and competitiveness of the wines, satisfying the demands and preferences of consumers and international markets, who are increasingly aware of the environmental and social impact of their choices.
- Creating authentic stories and experiences around the wines, highlighting the values and traditions of the producers, as well as the specificity of the terroir and the native grape varieties.
- Offering sensory and emotional stimulation to the tourists, using visual, auditory, olfactory, and tactile elements that appeal to their senses and create a memorable and pleasant wine tourism experience.
- Involving the tourists in the wine production and promotion process, offering them opportunities to learn, participate and interact with the producers, the environment and the local culture.
- Contributing to the sustainable development of the wine sector and the associated tourism, supporting the conservation of natural resources, the protection of cultural heritage and the well-being of local communities.

Conclusions

Sustainable merchandising is a practice that can enhance the quality and competitiveness of the wines, create authentic stories and experiences around them, stimulate the senses and emotions of the tourists, involve them in the wine production and promotion process, and contribute to the sustainable development of the wine sector and the associated tourism. The wine industry can use various techniques of sustainable merchandising, such as visual, auditory, olfactory and tactile elements, to attract and engage with potential and existing tourists, and to communicate and showcase their sustainable wines and wine tourism offers.

The wine industry can benefit from sustainable merchandising, as it can improve the environmental, social, and economic performance of the wine sector, as well as increase the attractiveness and competitiveness of the viticultural destinations. Sustainable merchandising can also involve the tourists

in the wine production and promotion process, and offer them opportunities to learn, participate and interact with the producers, the environment, and the local culture.

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