

Master's Thesis Summary



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Thesis Title: The Analysis of the Bargaining Power of Argentinean Wineries with their International Intermediaries

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Summary

Problem, background, and objectives: because of the erosion of the price-quality ratio of its product, the Argentinean wine industry has to rethink its exports strategy. The first objective of this thesis was to estimate wineries' bargaining power with their international intermediaries. The second objective was to provide wineries that participated to the thesis relevant information about the various ways to enhance their bargaining power.

Methods: qualitative (interview) and quantitative (database exploration) surveys.

Results: wineries' bargaining power with international intermediaries is low in a majority of cases. Most of wineries experience a decreasing bargaining power in international trade. However, some wineries that belong to the luxury and premium segments maintain or gain in bargaining power.

Main conclusions: Among the many origins of low bargaining power are market situation (oligopsony, monopsony), intermediaries concentration that goes with the appearance of powerful intermediaries, the lack of international trade agreements between Argentina and other countries, the threat of new entrants, and the appearance of substitute products. Wineries that offer products with a valuable price-quality ratio (without threatening wineries profitability), benefit from good financial state, are well known, have

experience in foreign markets and show high negotiation skills are the one with the highest bargaining power.

Keywords: bargaining power, buyer concentration, distribution channels, market situation, dominant core competitive fringe model.

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