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## **CONSUMER BEHAVIOUR ON THE WINE MARKET IN NITRA REGION**

*Today, no businesses can afford to ignore marketing, because it plays a very important role in every company. Last years entrepreneurs have started to feel the need of promotion their products and activities. Competition is high not just from abroad, but also in our country. In wine field customers can choose from many products and wine producers should try hard to survive. Using marketing tools is in this field as need as in any other businesses and without them there is not a big chance to be successful. Marketing tool is a mean of communication with a customer and a customer plays the most important role. Using the right marketing tools can make your brand special – different from the others. Doing marketing research helps companies to know their target group - customers that really buy or want to buy their products. Asking the right question in marketing research can help them to use the right marketing tools. In many cases it means to spend marketing budget the way that will truly communicate with their target group. Then there is just a short way to be successful – in our case in wine field.*

*Key words: viniculture, marketing tools, wine market, consumer behaviour, marketing research*

### **Introduction**

Nitra region is one of the oldest areas in Slovakia where grapes began to cultivate. During the 3rd and 4th century, thanks to the Romans in the Nitra region first extended cultivation of noble grape varieties. The period of the first Czechoslovak Republic was the wine boom period. The increasing standard of living has made wine a popular drink of the new upper and middle classes. President Marasyk was also a huge wine fan. He helped the great glory of wine in Topoľčianky, because of his summer residence here. This period represents also more professional approach to the wine processing, winemakers bought modern processing facilities and began to use scientific knowledge. Forced collectivization and the establishment of state agricultural cooperatives destroyed private enterprise. Nearly doubling the area of vineyards, although it was positive, but the construction of a small number of large-scale processing plants did not allow a more personal approach or focus on quality wines. Significant loss of quality is reflected in the decline in wine drinkers. The year 1989 ended, while state controlled economy and restore private property, but the decline of wine was fully manifested. Problems associated with the settlement of soil penetration of foreign wines on our wine market shifted production to almost existential threshold. Many outstanding vineyards remained uncultivated and small and medium sized wine producers in the Nitra region rather sell good if they must bear the costly risks associated with producing their own wine. Fortunately, in the last few years there has been a change for the better. According to data from the Ministry of Agriculture has now throughout Slovakia 22 000 ha of vineyards registered.

Due to this situation every winery has to deal with companies on their markets. In the past this field didn't feel the need to use marketing tools. Nowadays, wine producers have to think hard about how to sell their products and more and more use marketing tools in their businesses. Wine producers should design a marketing strategy, tactics or techniques to help augment their sales and improve the visibility of their business in the market. To come up with a marketing strategy, a business can utilize various marketing tools to advertise and promote their industry, products and services. It is through these marketing tools that businesses will be able to deliver important messages that they want to convey to their target markets and potential customers – people that will buy their wine products. These tools can be utilized either offline or online and it plays a very important part of a marketing campaign for wine producers. Businesses can choose from a wide range of marketing tools depending on their allocated budget, overall visions, target market, products, services and marketing strategies. But the basic tools include brochures, calling cards or business cards and websites – nowadays, using online marketing tools in this field is very important. There are also sophisticated tools such as radio or TV commercials, promotional products, which, of course, need a budget for marketing activities. E-mail or print newsletters, social marketing networks, press releases, banner advertisements, blogs, billboard and e-books are needs. All these are proven to be an effective marketing campaign tools but the price is sometimes too expensive (for example radio campaign or TV commercials).

Marketing tools are important because they are used by businesses as a means of communication to inform the public of its products, services and events. These tools create market awareness which in the long run can make a wine business lucrative – even more than foreign brands. For example, a marketing slick is used by businesses to give customers a product overview, product snapshot and its uses. Some use blogs to show their expertise about wine products and give consumers tips and advices about it. Some use popular people to create a good reputation.

A company can use marketing tools to keep on reminding customers about their products that are available on the market or are planning to produce. E-mail marketing is an easy means to contact customers after they make their first purchase or they attend your event. Based on your record, you can remind your customer that it is time to order again. Customers' response to a marketing campaign is very important for wine producers not only in terms of increase in sales and profits. The rate of responses can give them in their future marketing strategies and campaigns an idea on what marketing tools worked best on consumers. For example, if you want to promote expensive product such as wine spirit, you need to know your target group and customize marketing campaign.

Dealing with a new product idea, wanting to boost up your sales or planning to launch a new wine product, the importance of marketing research has grown rapidly, especially in the times of recession when you need to work even harder than before.

## **Objective and methodology**

The purpose of this study was to determine which marketing tools have the greatest influence on Slovak respondents' decision to purchase wine. During the autumn of 2012, a face to face questionnaire was distributed and collected from 690 respondents. The subjects for this study were selected using a convenience sampling method. The main

population for research was 18 years and older people living in Nitra and its surroundings. To standardize responses, the close ended questions were used. Using of close ended questionnaire ensured easy analysis of data. The results were evaluated in SPSS software program. Frequency distribution, cross tabs and chi square tests were used to analyze data.

Pearson's chi squared test as one of the best known chi squared test was used. A test of independence assesses whether paired observations on two variables expressed in a contingency table are independent of each other. For the test of independence a chi squared probability of less than or equal to 0.05 is interpreted as justification for rejecting the null hypothesis. The alternative hypothesis corresponds to the variables having an association or relationship. [12]

According to Table 1, considering the demographic segmentation of survey participants, 49.8% of consumers were women, 50.2% were men, 26.7% were between 18-24, 21.4% were 25-35, 19.6% were 36-45, 19.6% were 46-55, 12.7% were 56 and older age, 39.2% graduated from university, 56.6% were secondary school, 4.2% were primary school.

Table 1. Demographic segmentation of survey participants [in %]

<i>Gender</i>		<i>Residence</i>		<i>Education</i>	
Male	50.2	City of Nitra	57.0	Primary	4.2
Female	49.8	Other	43.0	Secondary	56.6
				Higher	39.2
<i>Age</i>		<i>Nowadays you are</i>		<i>Number of household members</i>	
18-24	26.7	Employed	59.0	1	7.5
25-35	21.4	Unemployed	8.4	2	18.7
36-45	19.6	Student	21.7	3	25.9
46-55	19.6	Maternity	2.6	4	34.9
56 and more	12.7	leave		5	10.7
		Retired	8.3	More than 5	2.3

Source: own questionnaire survey

## Results and discussion

Marketing research can be defined as the process of gathering, recording and analyzing the data related to certain products and services. This need for market research is derived from the concept that only by understanding the needs and wants of the target audience and by effectively meeting them, you will be able to achieve the organizational goals and surpass the competition in the specific market. Thus, arises the need to collect data about the customers, competitors, and other forces in the marketplace. This data in turn is collected and analyzed to make relevant marketing decisions, be it in relation to setting up a business, developing a product, creating a brand or coming up with an advertising campaign.

The aim of the marketing research was to find out if people know wine producers in Nitra region, if they usually buy wine products and how they get to know about products or marketing activities that wine producers prepare. Positive is that 78% of respondents know wine producers in our region and 75% of asked said that they buy wine products from our region. It is very important to know that nowadays people prefer buying Slovak

wines, because you can buy a lot of foreign brands in our shops and supermarkets that are sometimes even cheaper.

In terms of gender men and in terms of age respondents from 36 to 45 years prefer buying wines from Nitra region. That means the target group for wine producers in Nitra region is a man in productive age. Wine producers should think about which marketing tools are the best to address the information to their target group – in this case man in productive age.

Table 2. Buying wine products from Nitra region depending on sociodemographic characteristics

	<i>Gender</i>	<i>Age</i>	<i>Education</i>	<i>Economic activity</i>	<i>Number of household members</i>
<i>Pearson Chi - Square</i>	8.73*	5.54	11.31*	10.69*	3.89
<i>Critical Value of Chi Square</i>	3.84	9.48	5.99	9.48	11.07

Statistically significant differences are recorded via asterisk (\*).

Source: own questionnaire survey and calculations

Statistically significant differences appeared only in terms of gender, education and economic activity.

As we can see in Figure 1, the most important marketing tool is „word of mouth“. People still believe the most their families and friends and recommendation from them. In this field also internet and online marketing has an important role. Using social media is very popular and cheap so entrepreneurs should think about to create a profile that will promote their brand.

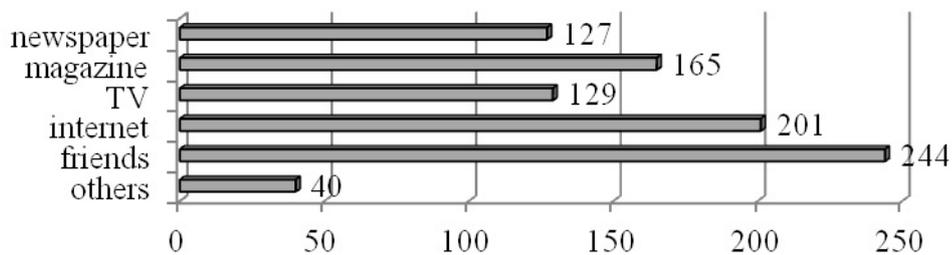


Figure 1. How do respondents get to know about new wine products?

Source: own questionnaire survey

In terms of gender, men are informed about new wine products more from newspaper and internet, women prefer magazines, television and references from friends and family. The target group in wine field in our region is a man in productive age, in this case entrepreneurs should more promote their products in newspapers and online. The best way is to use social media such as Facebook fan pages, which are very popular.

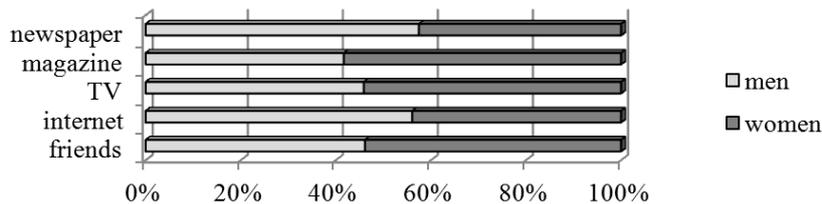


Figure 2. How do respondents get to know about new wine products?  
Source: own questionnaire survey

Last few years people drink wine more than in the past and this trend shows that wine producers will have the opportunity to sell more. It's important to know what kind of products people prefer the most. Most of the asked said, that they prefer white wine, but 315 respondents said, that they drink rather red wine. On the third place was sparkling wine, after rosé and 56 asked said, that they prefer wine spirit, which people usually choose during special occasions.

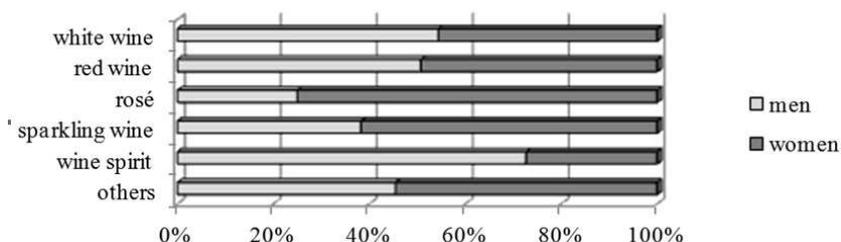


Figure 3. What is your favourite wine product?  
Source: own questionnaire survey

The largest differences in popularity of wine products in terms of gender were observed in the case of wine spirit which is preferred by men, even the price is much higher than in regular wine products. Rosé and sparkling wine are preferred by women. This trend is measurable last year not just in Western Europe, but also in Central Europe rosé became one of the most favourite alcohol drinks. Women in Slovakia still prefer more sparkling wines instead of champagne. The reason is price but also variety in Slovakia plays an important role.

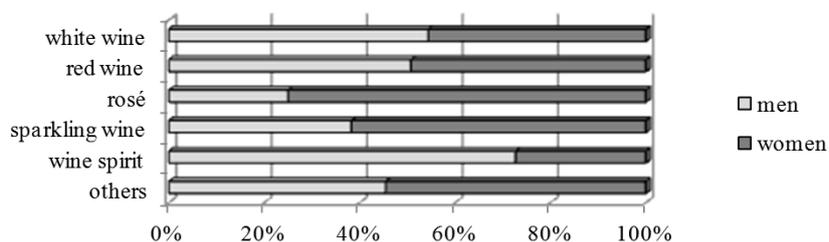


Figure 4. What is your favourite wine product?  
Source: own questionnaire survey

Table 3. The most favourite wine product depending on sociodemographic characteristics

	<i>Gender</i>	<i>Age</i>	<i>Education</i>	<i>Economic activity</i>
<i>Pearson Chi - Square</i>	21.759*	20.073*	31.021*	29.072*
<i>Critical Value of Chi Square</i>	3.84	9.48	5.99	9.48

Statistically significant differences are recorded via asterisk (\*).

Source: own questionnaire survey and calculations

Slovak people mostly buy wine in supermarkets and prefer wine that costs from 6€ to 10€. In foreign countries wine lovers usually prefer buying wine in specialized wine shops. In past few years the trend of wine shops also came to Slovakia but people still didn't get used to it. They prefer to buy low-cost wine in supermarkets during their usual purchases.

Men and age category from 25 to 55 years are willing to pay more for quality wine. This research shows us that wine producers need to pay attention to this target group – men in productive age. As shown in Figure 2, the best way how to communicate with this target group is via newspaper and internet.

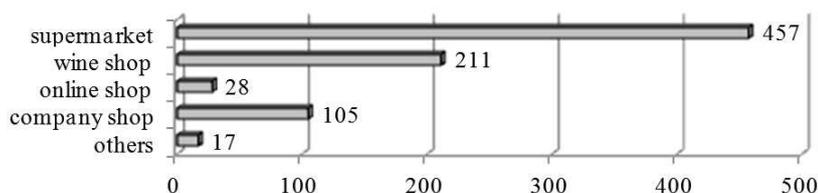


Figure 5. Where do you usually buy wine products?

Source: own questionnaire survey

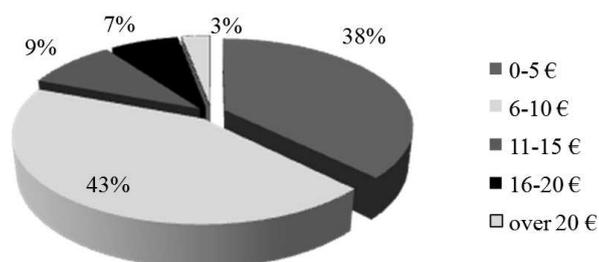


Figure 6. How much do you usually pay for wine products?

Source: own questionnaire survey

Some wine producers used to organize events that help to promote their products. The most popular are wine tasting with special program or Open days, during which customers can see where companies produce their products. Respondents mostly get to know about these events from family and friends (38%), print media (25%) and internet (20%).

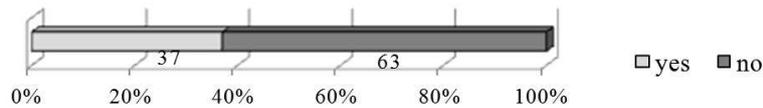


Figure 7. Do you attend events focused on wine?

Source: own questionnaire survey

63% of our respondents said, that they do not attend events focused on wine such a wine tasting or exhibitions. Only 37% attend this kind of events. As we can see, people do not pay attention on events and they don't want to be informed about them (Figure 8). Just 39% of asked want to be informed about new products and marketing activities. 61% want to be informed via e-mail, 26% prefer to be informed by post and just few of them want to be informed via sms (13%).

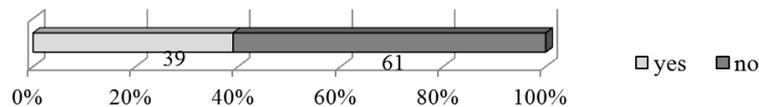


Figure 8. Do you want to be informed about new products or marketing activities?

Source: own questionnaire survey

Most of our respondents in the questionnaire said that they don't miss any product in wine market (Figure 9). Just 4% said, that they want to see in our supermarkets new products such as stum, flavored wine or flavored sparkling wine.

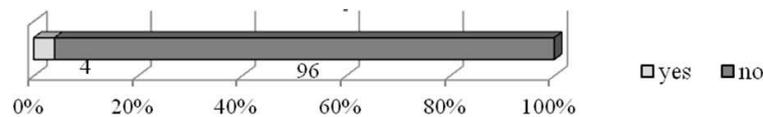


Figure 9. Is there a wine product you miss on Slovak market?

Source: own questionnaire survey

## Conclusion

The importance of marketing research is to make marketing decisions. This research helps the companies to make a decision about the product or marketing tools they use. Sometimes a marketer working in wine field might believe that the new product is useful for the customers. However, research may show that customers do not need a product or people do not want to attend the event they want to organize. Similarly good research strives to provide options for the successful introduction of new products and tools. This makes the market entry of a new wine product or event less risky. Marketing research helps in understanding competitor information such as their identity, marketing network, customer focus and scale of operations. This helps in surviving and in certain cases, even leaving behind the competition – even foreign brands in wine field. Moreover, with market research you can also help to understand the under-served consumer segments and consumer needs that have not been met – every entrepreneur need to know the customer opinion.

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