

THE FACTORS THAT INFLUENCE THE ROMANIAN CONSUMERS' DECISION TO BUY WINE

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Abstract: *An increase in wine consumption on the Romanian market, in the context of the decline in world wine production, creates the premises for the development of the Romanian wine producers' businesses. In this paper, the author aims at identifying the factors that can influence the Romanian consumers' decision to choose wines, on the basis of a qualitative research study carried out among seven vinicultural producers in Romania. The analysis of the results shows that, for HoReCa consumers, the way of making up the wine list is not only a way of not influencing purchasing decisions, but also a way of educating consumers. As for retail customers, most of them choose a particular type of wine or a particular producer after having checked the information online.*

Key-words: *wine production, wine consumption, HoReCa, wine menu, website.*

1. Introduction

As the world wine market evolves from overproduction to deficiency and price rises, as a result of vineyards reduction, simultaneously to a consumption growth, the markets in Central and Eastern Europe have an important potential for growth, both in terms of production and consumption.

As for production, the low cost of labour, energy and packaging allows a competitive cost base, both on the domestic markets of the Central and Eastern European wine-producing countries and on the export markets.

Although consumption rates stay well below the Western European average as consumer preferences change in favour of wine, consumption in these markets is expected to grow between 2016 and 2020, in Romania the average growth rate of volumes being estimated at 9% per year.

On the wine market, the label is important. Labelling helps in the identification and important place of the brand. The objective of labelling is to guarantee that consumers have access to complete information on the content and composition of the products, in order to protect their health and interests. Other information may provide details on a particular aspect of the product, such as its origin or production method (Neacşu, 2012).

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2. Estimates on Worldwide Wine Production for 2017

Worldwide, for 2017, the wine production was estimated at 246.7 thousand hectolitres, 8% lower than in 2016, which represents one of the lowest levels recorded in recent decades. Such a low level of wine production has not been recorded since the 1950s and early 1960s, i.e. 1956: 219.5 thousand hectolitres, 1957: 173.8 thousand hectolitres, 1961: 213.5 thousand hectolitres, 1963: 251.4 thousand hectolitres.

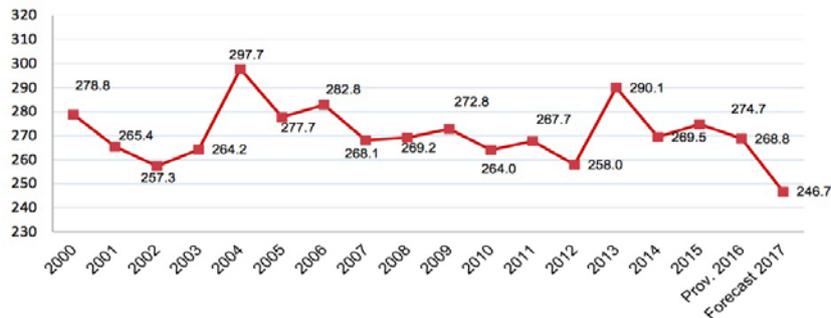


Fig. 1. *Worldwide wine production (mhl)*

The main cause of this situation is the extreme weather phenomena that have affected many areas of the world, especially Europe. In the EU countries, the frost and the drought have negatively influenced wine production. Italy remains the world's first producer of wine, as in the last three years, but the production of 39.3mhl decreases by 23% compared to 2016, followed by France with 36.7 thousand hectolitres, 19% less than 2016 and Spain with 33.5 thousand hectolitres, 15% less than in 2016. Germany and Greece are 10% down compared to last year and Bulgaria is down by 2%.

One of the countries which have registered a trend contrary to the general decline is Romania. Romania's wine production has increased compared to 2016: 5.3 thousand hectolitres (2017) compared to 3.3 thousand hectolitres (2016) and 3.6 thousand hectolitres (2015). A high production level, increasing in comparison to the previous year, also characterises the situation of Portugal (6.6 thousand hectolitres), Hungary (2.9 thousand hectolitres) and Austria (2.4 thousand hectolitres).

In South America, the wine production indicates a slight increase, despite the low temperatures since the end of 2016. For South Africa, a slight increase of 2% is estimated, and for Australia an increase of 6%. Not the same thing can be said about New Zealand, which has registered a drop in production by 9%.

The estimates for the United States show a decrease of only 1% compared to 2016 (23.3 thousand hectolitres); nevertheless the experts expect this figure to change, since the devastating effects of massive California fires in October were not taken into account when estimating.

3. Wine Consumption in Romania in 2016

While total wine resources decreased by 274.9 thousand hl compared to the previous year, the initial wine stock increased by 3.3% (84.1 thousand hl) as compared to the previous year. The average wine consumption per capita in Romania decreased by one

litre in 2016 compared to 2015². In the elaboration of the statistics, the following elements were taken into consideration: grape wine, irrespective of variety and quality (wine with a registered designation of origin, wine with geographical indications, table wine etc.), sparkling wine, partially fermented grape stum, aromatized wine etc.

The decrease from 19 to 18 litres was caused by the decrease in production and imports by 9.2% and 4.3%, respectively. The share of wine production in total resources decreased by 3.0 percentage points, as compared to the previous year, and the share of imports levelled off. The contribution of the previous year's stock to the total wine production increased by 3.0 percentage points.

The growth of the local wine production in 2017 as compared to 2016, estimated by OIV (Organisation Internationale de la Vigne et du Vin) will contribute to the increase of consumption in 2017. However, the increase of the domestic wine production is not the only factor that contributes to the increase in consumption. The effervescence of the wine industry manifested in recent years by wine tasting events, the popularisation of the sale of quality wine in glasses, have contributed to the increase of wine consumption in restaurants.

The presentation of these aspects represents the motivation for undertaking this qualitative research at the level of the viticultural companies in Romania, with a view to identifying the factors that influence the Romanian consumers' decision to choose wines.

4. The Research Methodology

In order to identify the opinions of the managers of the wine producing companies in Romania in relation to the factors underlying the Romanian consumers' decision to choose wines, some qualitative research was carried out.

From the multitude of techniques specific to qualitative marketing research, the semi-direct or semi-structured in-depth interview method was chosen. In order to do that, seven interviews were conducted among the managers of wine-producing companies from all wine-growing areas of Romania, aiming at a thorough comprehension of their opinions.

The main objectives of the research were to identify the opinions of the managers of wine producing companies in Romania about the criteria taken into consideration by restaurants when making their wine list and the importance of the producers' site in the Romanian consumers' choice of wines.

The main hypotheses the qualitative marketing research was based on are:

- Wine producers in Romania consider the methods practiced by restaurants in the wine list fair.
- The managers of the wine-producing companies consider that the choice of wines by Romanian consumers is made after a preliminary consultation of the producers' site.

In line with the requirements imposed by the theory and specialty practice, a questionnaire for the selection of potential respondents and an interview guide were elaborated in order to achieve the objectives proposed for this piece of research.

When making up the selection questionnaire, I meant to elaborate some questions that would allow the inclusion of representative respondents in the research that might

² INS 'Beverage consumption in 2016', a paper elaborated in conformity with the methodology of the Office of Statistics of the European Union. (Eurostat)

facilitate getting the information necessary to achieve the objectives, namely persons having the information about the wine cellars clients. In the selection questionnaire, a factual question regarding the age of the viticultural producer on the Romanian market was introduced, a question about the position occupied by the respondent in the unit that he represents, and also a question regarding the category the companies included in the sample fall into, depending on the capacity/ production,

The selected subjects and the companies that they represent can be found in Table 2.

The identification data of the interviewed managers

Table 2

The interviewee	Position within the wine growing company	Name and category of the wine producer	Seniority on the Romanian market
Manager 1	General manager	1 st Wine producer - small	1 year
Manager 2	Marketing manager	2 nd Wine producer – middle-sized	13 years
Manager 3	General manager	3 rd Wine producer - small	5 years
Manager 4	Commercial manager	4 th Wine producer – middle-sized	13 years
Manager 5	Sales manager	5 th Wine producer - big	5 years
Manager 6	Executive manager	6 th Wine producer – middle-sized	15 years
Manager 7	General manager	7 th Wine producer – middle-sized	5 years

* The names of the interviewed managers were not mentioned in order to preserve the confidentiality of their identity

The interview guide was structured on two themes which were meant to quantify the managers' opinions on:

1. The criteria used by restaurants for drawing up the list of wines.
2. The producer's site as a means of informing the wine consumer.

The semi-direct in-depth interview was conducted on the basis of the above themes at the premises of the viticultural producers where the selected managers work. The obtained answers were recorded using a recorder, being stored in electronic files. Subsequently, these files were transcribed, the information being subjected to a qualitative primary data processing technique called content analysis.

5. Results and Discussions

The producers that were interviewed unanimously state that the way a restaurant selects its wines should represent a guarantee of quality for customers as well as an extraordinary method of educating consumers in terms of wine. The two principles that must be complied with in drawing up the wine list, the menu and the price level, respectively, are not applied by many restaurants. The menu is the most important because the wines on the list must reflect the menu. At the same time, the price of the dishes in the menu must be in line with that of the wines. One must take into account the budget of the consumers that the restaurant address to. A disproportion between the price of the dishes and the price of the wine makes the consumer loose heart if the wine is much more expensive than the dish and an inexpensive wine compared to food generates distrust in the quality of that wine. Nevertheless, many restaurants no longer draw up their wine list, as it is chosen by the wine retailer, who, by the incentives offered to restaurants, forces the listing of certain producers depending on their interests.

Some of the interviewed managers consider that the people who draw up the wine lists in the restaurant should take into account, besides the combination of the culinary products and the wine menu, the diversity of wine-growing areas. In their opinion, drawing up the list of wines according to the names of the producers is irrelevant, especially for the foreign tourists and customers, as it is important to outline the potential of the area, of the territory and of the grape variety the wine is produced from. The company's staff specialists have the responsibility to promote a correct view on the content of the activities in this field (Madar, 2016).

Another mistake reported by managers refers to the exclusivity demanded by some producers to restaurants, which transforms the menu of a restaurant into an offer of the respective producer. This practice does not contribute to the education of the wine consumer because it is difficult for a restaurant to match all the wine types offered by a producer. The producers should recommend restaurants the labels that match their specificity and the consumer's specificity.

An aspect brought into discussion by some managers is the trend among restaurants to popularize the sale of wine by glass, which contributes to an increase in the number of people who order wine in the restaurant. This practice stands valid only for entry level wines. The expensive, super premium brands continue to sell exclusively by glass.

As far as the second topic under discussion is concerned, the investigated subjects consider that the producers' site is particularly important for both the wine consumer in the restaurant and the buyer of wine from shops. The restaurant consumer, especially the least initiated one, has the opportunity to visit the site to see which the producers' recommendations are in relation to the association of these types of wine with different types of dishes. The consumer who buys wine from stores has the possibility to compare the prices of online shops for different wine types by means of his smart phone.

From the monitoring reports of the interviewed producers' sites, it results that most of the consumers visit their web pages by accessing mainly the description of the wines, published articles about the medals that were won, as well as other press articles.

Following customer feedback, it is necessary for producers to adapt their sites to mobile phone access and to permanently complete site menus with new wine launches, the team, as well as to have those pages in English.

As for the distribution strategy, in order to have them easily listed in HoReCa, most producers decide to sell their wines by distributors. The main dissatisfactions of wine producers are the fact that the commercial excess of the distributors is higher than the producer's profit, while the effort is indirectly proportional, as well as the fact that their influence on the purchasing decision of consumers is quite high. Lately, by setting up online stores, distributors' market shares have increased to the detriment of retailers, the distributors reaching the final consumer. Thus, by the promotions they practise, they stimulate the sale of the certain producers' brands.

6. Conclusions and Proposals

The quality of wines and a differentiated marketing approach, with a focus on new media are imperative for the future. Organizations need to be ready to engage on all channels, communicate with one voice and consistent content and style, to be relevant and nurture relationships, opportunities, and trends (Todor, 2017).

Although lately there has been a greater openness of the Food & Beverage managers when drawing up their wine list, still there are HoReCa locations where menus are based on 'listing fees' paid by distributors. The locations where wine is listed in the menu because money from distributors is cashed should change their approach and draw up wine lists depending on the style of the restaurant, on the specificity of the cuisine. In order for the client to have a special experience, there must be a correct association of the wine with the dishes, a correlation between the specificity, the atmosphere and the wine in the menu. Each dish must have at least two, three variants of wine it fits with listed. Similarly, it is necessary to consider the quality of wines and the fact that there must be consistency between the overall price level of the restaurant and the price level of the selected wine. It is thus necessary to change the practices of drawing up wine lists in the restaurant, with a greater focus on the existence of a diversity of geographical areas, of the main wine-growing areas of the country. The removal of the practices that focus on distributors' fees and bonuses to the detriment of the quality of the wines in the process of listing wines in the menu should be a priority. Restaurant managers could also adapt their offer to the needs and values of different segments of customers, thus improving the restaurant's image and position on the market (Băltescu, 2017).

The readiness of restaurants to allow consumers to order wine by glass to drink is a positive aspect that has been lately manifest on the specialized market and that will lead to the growth of wine consumption in the HORECA system.

Due to the big differences between the producers' and distributors' wine prices, the producers should consider adapting their sites and creating their own online stores.

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