MARKETING STUDY FOR ASSESSMENT OF ROMANIAN WINE BRANDS

Dan BOBOC1, Georgiana-Raluca LĂDARU2
1 Ph.D, Professor, Faculty of Agro-Food and Environmental Economics, Bucharest University of Economic Studies, Str. Mihail Moxa 5-7, Sector 1, Bucharest, Romania, email: dan.boboc@eam.ase.ro
2 Ph.D, Lecturer, Faculty of Agro-Food and Environmental Economics, Bucharest University of Economic Studies, Str. Mihail Moxa 5-7, Sector 1, Bucharest, Romania, email: raluca.ladaru@eam.ase.ro

Abstract
The paper is based on a research that aimed to make some assumptions regarding wine brand perceptions in Romania. The research method was survey made through questionnaires administered to a relevant number of respondents. In order to establish the main goals of this research, we considered aspects as: identification of frequency for purchasing and consuming wine, the preferred consumer’s places for serving or buying wine, the average quantity of wine that is usually bought, the level of price accepted by the consumer, the type of wine preferred by consumer in relation with wine color and taste, the preferred package, time spent for wine shopping, preferred producers, brands, grape variety, quality influence in choosing wine categories, identifying wine consumers profile. The analysis and interpretation of results revealed that decision factors in buying wine are the type of the wine, the price, followed by color, packaging and advertisement. Another objective of this study is to establish a method for assessing the brand value of a wine producer, based on the market research results.

Keywords
wine, brand, market, Romania

Introduction
This study makes an assessment of the Romanian wine brands and tries to develop a method to evaluate a brand value, based on the market research results. For this paper, questionnaires have been used in order to make some conclusion regarding wine consumer preferences and their perceptions in relation with aspects as wine quality-price ratio or wine brand. This study was conducted on a sample with different demographic and socio-economic conditions. We accounted a total of 413 respondents to the questionnaire. The specific objectives of marketing research were: identifying the frequency of purchase and consumption of wine among consumers; determine the places where consumers prefer to serve or to purchase wine; ascertain the amount of wine that the consumers buy at a purchase; establishing the price that a consumer would pay for a bottle of one liter; determining the type of wine bought by consumers according to color and taste; determining the type of packaging that consumers prefer when buying wine; identification of time spent by consumers in front of the stands for choosing wine; determining of brands and varieties of wine that consumers prefer to purchase and also manufacturers that they prefer; identifying the category of wine that consumers prefer, depending on quality; identifying criteria that consumers consider important in the purchasing decision of wine and the factors that influence consumer opinion on its quality; determining the wine consumer profile. Furthermore, wine industry has become also a model for tourism destinations because previous research has acknowledged the added value that brands provide to tourism destinations and thus the importance of building successful
destination brands and understanding and managing the factors that determine brand equity for tourism destinations (Gomez et al., 2015).

1. Literature review
The concept of brand has evolved over the past century. It has been a way for customers to identify and recognize an enterprise’s offerings, to being influential in shaping customers’ beliefs and actions and delivering functional, emotional, and self-expressive benefits (Ramaswany and Ozcan, 2015). In recent years, the issue of how brands can be described and measured has become more and more important in both academic and practical debates. The first intentions of identifying brand value dimensions were not driven by marketing issues, but appeared due to corporate finance experts who needed a way of monetarily expressing brands when either the brands themselves or the whole company that owned them was up for purchase or sale (Moisescu, 2007). Successful brands are important assets that create added value for companies and/or consumers (Keller, 2003). Increasing competition in the wine industry worldwide has augmented the need for wineries to develop improved wine marketing strategies to achieve repurchase and loyalty from consumers, especially that the wine is part of the world history, having an important role in agriculture development, a strong influence of the people’s culture (Ladaru and Beciu, 2014). Those involved with the wine industry, such as wine producers, marketers, wine outlets and retailers, need to understand the factors related to wine brand loyalty and love (Drennan et al., 2015). The wine brand need to be assessed, especially because the wine market is a mature market, seriously affected by social environment development, due to food habits and purchasing behavior of consumers (Bara, 2011).

2. Marketing research regarding wine consumption and Romanian wine brands assessment
This study was conducted on a sample with different demographic and socio-economic conditions. We accounted a total of 412 respondents to the questionnaire. The sample is representative by its number and its structure, the respondents having the following structure of their socio-economic characteristics:

- Age: the respondents are aged between 18 and over 55 years old. 28.16% of the respondents are between 18 – 25 years old (the highest percentage), while 7.28% are over 55 years old (the lowest percentage)
- Gender: 56.07% of the respondents are males, while 43.93% are females
- Occupation: the majority of the respondents are employees (66.99%) and the other respondents are students, unemployed or other categories.
- Net income: the monthly net income of the respondents are between 1000 lei and over 3000 lei
- Education: the vast majority of the respondents declared that the last school was at higher education level (86.65%).

To find out consumer preferences for wine we used a questionnaire consisting of 32 questions related to wine consumption. The first question asked respondents to indicate whether they consume wine or not. Most of respondents - 98% - declared that they consume wine, while 2% of respondents said they don’t prefer to drink wine. (figure 1) The main reasons not to consume wine were because of medical problems and because a minor part of respondents don’t like the taste of wine. For those who don’t consume wine we went straight to socio-economic questions.
Regarding the preferences for wine consumption, from the shown figures (figure 2 and 3) it can be seen that the most appreciated wines are the red ones (53% of the total responses), which are dry (49% of the total responses). At the opposite, the less appreciated types of wines are rose wines (17%) and sweet wines (8%). One of the reasons underlying the appreciation of red wine is given by the body benefits which have its moderate consumption by preventing coronary heart disease, cholesterol reduction, etc. Another important fact that
can be underlined is that the preferences for wine consumption are changing, because another research made in 2011 showed that the highly preferred wines were the white ones (51%) and the dry wines shared the first place with the semi-dry ones (29%).

Analyzing the structure of preferences for consumption and supply sources, we can see that the wine market is highly competitive in Romania and the wine industry is facing with fierce competition, increasing pressure on prices and demand declining, despite the abundance of assortments, which is overwhelming.

Regarding the price that consumers accept to pay for 0.75 l of wine it can be seen that the major part of the respondents are willing to pay between 20 and 50 lei. This shows that although the price is very important in the consumer choice, he accepts to pay more depending on quality and other relevant aspects. Each sensory or non-sensory attributes of the wine have an important role in wine consumer decision and not only its price.
Using the rang method we found that Lacerta mark is the first in respondents' preferences, this manufacturer obtaining top marks on consumers preferences. Domeniile Coroanei Segarcea is a second option in all respondents preferences, and the third position is occupied by Cramele Recas. It can also be observed that the difference in scoring between the first position (Lacerta) and the second position (Domeniile Coroanei Segarcea) is significant - 0.24 points.

According to the carried out analysis, it can be observed that there is a change in the order of importance of the criteria in the decision to purchase wine, because consumers are better informed. This fact placed the price on the last place and made other criteria (such as type, brand, color) more important in purchasing decision.

Analyzing the consumer preferences for a certain wine brand (which we called “x brand”) it can be seen the following facts: a total of 61% of the respondents declare they prefer this brand of wine for purchasing and consuming. The most important criteria for purchasing the “x” wine brand are: the influence of friends (49%) and the brand notoriety (42%). At the opposite site, the less criteria taken into consideration when purchasing are: price, advertising, special offers. Also from the carried out analysis it can be seen that the biggest part of the respondents declare that both this brand less than 6 months ago (83.7 %).

In terms of main features of “x” wines, consumers appreciate the bouquet as the most important feature of the products offered (52% of respondents), followed by flavor (38.4% of respondents). In this regard, for strengthen the “x” brand value in the coming period, we
consider that marketing efforts should be geared to promoting competitive advantages over competitors in both quality recognized by consumers: the bouquet and flavor.

To assess consumer choices about the main features that “x” products have, it was used the semantic differential method, and the scores obtained are shown in the figure below. It can be concluded that “x” brand is positioned in the market as a brand of quality wines, fine justifying the price paid and is known among consumers even if not resort to aggressive promotion or attractive packaging design. The average score obtained in the 5th analyzed features is 3.77, a score that ranks “x” among the well-known brands in Romania.

The reputation that “x” brand enjoys is also supported by responses given to the question of price / quality ratio. A percentage of 17.6% of respondents considers that “x” wines have a quality / price very good and 48% consider price / quality ratio is good.

3. Brand value assessment
According to the market survey, which conducted a diagnostic to the position held by “x” brand, it is concluded that the most effective method for estimating the value of the brand is making the difference between the price paid by consumers for purchasing various types of
“x” products and total costs of production and marketing of these wines, weighted with the coefficient obtained by “x” brand in terms of importance in the purchasing decision of wines. The formula for calculating the average brand value is:

\[ V = \sum[(p_i - c_i) * q] * r, \]

where:
- \( p_i \) – total selling price for product “i” from “x” brand
- \( c_i \) – total production and selling cost for product “i” from “x” brand
- \( q \) – total quantity sold of “i” product
- \( r \) – the scoring coefficient obtained by “x” brand according to the market research

**Conclusions**

The profile of Romanian consumer of wine indicates that this use to drink wine once per month but buy wine once a year and makes choices especially depending on type of wine and producer, and less depending on price. Romania has an important market for red wines and dry wines. The price is very important in the consumer choice, but he accepts to pay more depending on quality and other relevant aspects. Each sensory or non-sensory attributes of the wine have an important role in wine consumer decision. According to these assumptions, we were able to establish a method for calculating the brand value assessment. The study showed up that the brand value can be assessed by making a difference between the price paid by consumer and the total costs for production and marketing, weighted with a rank accorded by consumers for their perceptions of that wine mark.

**References**