

STUDY ON PROMOTING COMPANIES SPECIALIZED IN THE PRODUCTION OF WINE FROM IAȘI COUNTY (ROMANIA) BY IMPLEMENTING ONLINE MARKETING (CASE STUDY)

A. CHIRAN^{1*}, Elena GÎNDU¹, A. F. JIȚĂREANU¹, Mădălina-Oana APETRE¹

*E-mail: achiran@uaiasi.ro

Received May 6, 2014

ABSTRACT. Online promotion of wine products is a new but indispensable approach in all promotional activities initiated by companies and producers of wine, whereas there is a need for a greater focus on this specific market, not separated from the real one, but a new component, increasingly prevalent. The new market, where demand is getting bigger in our country and where consumers are becoming more and more faithful to this type of promotion, is the online environment, which generated, as a response from manufacturers and distributors in almost all food industry areas, online marketing. Promoting in the virtual environment follows the same stages of development as any promoting strategy from other environments of intersection with customers: initial research, market segmentation, setting goals, market positioning, marketing mix, implementation of the promotional campaign itself and the implementation and post implementation control. The key features of wine products online promoting is interactivity and socialization. Internet communication occurs in two directions, unlike traditional marketing, which is unidirectional. The

other characteristic of virtual promotional methods - socialization characterizes the future of cyberspace. The research purpose is not to separate the new form of promotion of other forms of nonvirtual marketing activities, but to emphasize that online marketing is the component that should not be missing from any promotional campaign launched by a company. The research was based on information provided by the S.C. Cotnari S.A. Department of Marketing. In order to determine the characteristics of online communication and modern promoting trends, we analyzed the website and social media accounts of this wine producer, as well as news portals and blogs. Questionnaires were applied on a sample of 133 consumers, to analyze the impact on their use of online marketing. The studied sample consisted of consumers of wine and, most of them, Internet users, from urban or rural areas. Each questionnaire contained 16 questions, with a total of 63 variables, and aimed to compare the behavior of respondents towards online promotion activity of S.C. Cotnari S.A., Iași county.

¹ University of Agricultural Sciences and Veterinary Medicine "Ion Ionescu de la Brad" of Iași, Romania

Key words: Online marketing; Promotion; Wine.

REZUMAT. Studiu privind promovarea firmelor specializate în producția de vin din județul Iași prin implementarea marketingului online (studiu de caz).

Promovarea online a produselor viticole este o abordare nouă, dar indispensabilă, în totalul activităților de promovare, demarate de companii și producătorii de vin, întrucât se resimte nevoia unei atenții sporite asupra acestei piețe specifice, nu separată de cea reală, ci o componentă nouă, din ce în ce mai predominantă. Noua piață, unde cererea devine din ce în ce mai mare și în țara noastră și unde consumatorii devin din ce în ce mai mulți și mai fideli acestui tip de promovare, este mediul online, ce a generat ca reacție din partea producătorilor și distribuitorilor din aproape toate domeniile agroalimentare marketingul virtual. Promovarea în mediul virtual urmărește aceleași etape ale elaborării unei strategii de promovare ca în oricare alt mediu de interacție cu clienții: cercetarea inițială, segmentarea pieței, stabilirea obiectivelor, poziționarea pe piață, mixul de marketing, implementarea campaniei de promovare propriu-zisă și controlul din timpul implementării și post implementare. Caracteristica esențială a promovării online a produselor viticole este interactivitatea și socializarea. Comunicarea prin Internet are loc în două direcții și nu este unidirecțională, ca în marketingul tradițional. De aici derivă o altă caracteristică a metodelor de promovare virtuale - socializarea, ce va caracteriza viitorul spațiului virtual. Scopul cercetării nu este acela de a separa noua formă de promovare de celelalte forme de marketing non-virtual, ci de a sublinia faptul că marketingul online este componenta ce nu ar trebui să lipsească din nicio campanie de promovare, lansată de o firmă agroalimentară. Cercetarea s-a realizat pe baza informațiilor oferite de Departamentul de marketing al S.C. Cotnari S.A. Pentru a

determina caracteristicile comunicării online și ale tendințelor moderne de promovare utilizate au fost analizate website-ul și conturile de social-media ale producătorului de vinuri S.C. Cotnari S.A., precum și portaluri de știri și bloguri ale acestuia. Au fost aplicate chestionare pe un eșantion de 133 consumatori pentru analiza impactului utilizării marketingului online asupra acestora. Fiecare chestionar a cuprins 16 întrebări cu un număr de 63 variabile și are ca scop compararea și proiectarea perspectivei și a comportamentului respondenților asupra activității de promovare online a S.C. Cotnari S.A.

Cuvinte cheie: marketing online; promovare; vin.

INTRODUCTION

Promotion is an essential component of the marketing mix, including the wine business. Using promotion techniques facilitates a correct positioning of a wine manufacturer or distributor on the market, resulting in optimal use of the product and a very good company image (Chiran *et al.*, 2004; Deac and Băgu, 2000). The marketing strategy must be adapted to the market, the economic and social environment and technological change, but also to adhere to a well defined and well documented plan of marketing campaigns (Aaker, 1984; Boier, 2001; Kotler, 2008 Faulkner and Bowman, 2000; Moulton and Lapsley, 2001), the promotion strategy must undergo several stages of development: research, segmentation – goals – positioning, marketing mix, implementation and control.

STUDY ON WINE PROMOTING FROM IAȘI COUNTY BY ONLINE MARKETING

Briggs (2001) highlights the advantages of online promotion: last minute sale opportunities; real time information update; rapid response to changing market demand conditions; opportunity to combine sales with promotions; personalized marketing method; deeper market segmentation; mood - marketing opportunity; permanent business hours; storing information due to interactive content; low cost; easy to monitor effectiveness; ease of collaboration between the different operators; cheaper, lighter, faster market research; centralized information; equal promoting opportunities.

By putting them into practice, a certain system of relationships between the company and the environment ensures its placement in the best possible position relative to the competitors (Drăgan and Demetrescu, 1996; Niculescu, 2000).

A successful strategy emphasizes what is essentially aimed in that certain period, how it is intended to accomplish those goals and which are the answers to the fundamental questions: what to produce and what new products will be introduced into production? Which market segment needs to be targeted for each product? To what extent can prices rise? What needs to be communicated to the market segment? What is the best way to distribute the product?

To be effective, the strategy must meet several requirements to ensure its perfect congruence with the marketing goals and functions such as: maintaining consistency between

action and results; achieving close links between producers and users; boosting sales by adapting production to market requirements in a short time; providing conditions for obtaining information (quickly and permanently) on physiognomy, requirements and trends of the market development (Vasiliu, 2011; 2012).

Finally, the marketing strategy adopted by a company for a certain period is the result of a combination of experience, intuition and hope of the marketing managers, science and art which they possess, of confrontation, compromise, negotiation and consensus (Byars, 1991; Cătoi, 2000; Demetrescu, 1996).

MATERIALS AND METHODS

Promotion activities of firms producing wine, mostly the studied company – S.C. Cotnari S.A., have a main objective - orientation of all its activities towards the consumer and the competitive national and international market. The Internet is an underused in the food industry in order to be recognized as a true valued tool for promotion.

Based on the use of online promotional methods for wine products in Romania and other countries, we used the statistical survey method, based on a written questionnaire. The research was conducted in two phases: field phase and office work.

Thus, to determine the characteristics of online communication and modern promoting trends, we analyzed the company's website and social media accounts and also its news portals and blogs (Grosseck, 2006; Man

and Pomohaci, 2005; Manole *et al.*, 2002).

To verify that the existing online advertising methods are properly applied, sufficient and according with the consumers' expectations and needs, questionnaires were applied on a sample of 133 consumers, to analyze the impact on their use of online marketing (Bibiri, 1992). The studied sample consisted of consumers of wine and, most of them, Internet users, from urban or rural areas. Each questionnaire contained 16 questions, with a total of 63 variables, and aimed to compare the behavior of respondents towards online promotion activity of S.C. Cotnari S.A.

Information gathering was conducted by survey method and all subjects received the same questionnaire. Response analysis was conducted for each variable and case, expressing them as a percentage.

RESULTS AND DISCUSSION

Promotion activities of wine producing firms, especially the under study company – S.C. Cotnari S.A., has a main goal - orientation of all its activities towards the consumer and the competitive national and international market.

One of the most popular promotional campaigns conducted nationally by S.C. Cotnari S.A. is the "Golden Wine" campaign, started in 2010. The company offers its consumers this extensive promotional campaign, with prizes of 1,100,000 RON. S.C. Cotnari S.A. has focused its attention on conquering a significant segment of the domestic market and stabilizing this segment

(number 1 nation-wide white wine producer). In the campaign of supporting and promoting the entire brand, online communication was also included, achieving an interactive design for the www.cotnari.ro website. S.C. Cotnari S.A. built (around a valuable informational content) a website that conveys the company's values to its target groups."Cotnari House of Wines" is the latest project of the manufacturer. Launched in 2012, "Cotnari House of Wines" sold about 600,000 bottles of wine so far. The new winemaker plans to reach a sales growth up to 2 million bottles of wine per year (red, white and rosé).

To determine the characteristics of online communication and modern promoting trends, we analyzed the company's website and social media accounts and also its news portals and blogs. The www.cotnari.ro website, from an aesthetically point of view, is adapted to its specific activity (wine production), the design is generally classic, according to a business website profile, it doesn't transmit emotion, it doesn't highlight the competitive advantages of the brand, but it's integrated into the brand identity (*Fig. 1*).

The website <http://vinuricotnari.ro/> is the business-card of the "House of Wines" project and it contains more complex visual elements than the basic company site. It was built using modern programming languages that allow the insertion of more complex visual elements, such as videos and dynamic banners. The website has an integrated Social Media button, which

STUDY ON WINE PROMOTING FROM IAȘI COUNTY BY ONLINE MARKETING

sends visitors to the company's Facebook page and enables sending

positive feedback through the "Like" button.



Figure 1 - S.C. Cotnari S.A. website

To determine the impact of the use of online marketing on wine consumers' behaviour in Iasi, we used primary data research, obtained from the application of a questionnaire on a pilot sample consisting of 133 wine consumers, of which 45.9 % were male and 54.1% female.

By age, the largest share was occupied by young respondents (45.9%) of the "31-40 years" group, followed by the group of "20-30 years" - with 36.8%. Share of subjects in the age group "41-50 years" and "over 60 years" was insignificant and the age range "51-60 years" was represented by only 9.8%. By area of residence, 80.5% of respondents are living in urban areas and 19.5% in rural areas, but currently operating in Iasi (students, employees).

By completed studies, the largest proportion consisted of those with higher education (80.5%), followed by postgraduates (15.7%) and the lowest percentage of respondents – those with secondary education (3.8%). As for the monthly income of the family, most respondents were in the range 4001-5000 RON (30.8%), followed by those with more than 5000 RON (27.8%) and those with a family monthly income of 3001-4000 RON - 24%. There were no respondents with a family monthly income of less than 1000 RON, while those with a family income of 2001-3000 RON occupied 12.8%. The lowest rate was found in those with an income of 1000 - 2000 RON - 4.5%.

When asked "Are you an internet user ?", most subjects said "yes" (88%) and 12% said "no".

To the question "For what purpose do you use the internet most often ?", most subjects said that information is the main goal (50.4%), followed by relaxation - 23.3%, while 14.3% use the Internet more often to purchase products. Also, online media is why 9.8% of respondents use the

Internet and 2.3% use it mostly for communication (Fig. 2).

When asked "How often do you drink wine?", the "daily" and "never" options had no respondents. Most of the subjects consumed wine 2-3 times per month (40.6%) and 33.1% indicated "monthly or less".

Only 9% drink wine 2-3 times a week, while those who consume it once a week hold 17.3% (Fig. 3).

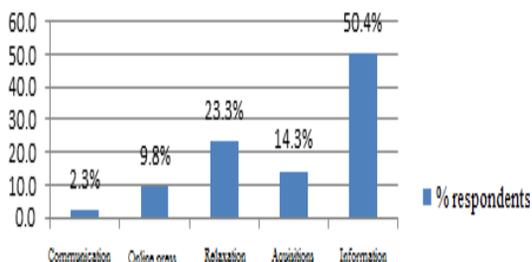


Figure 2 - Answers to the question "For what purpose do you use the internet most often ?"

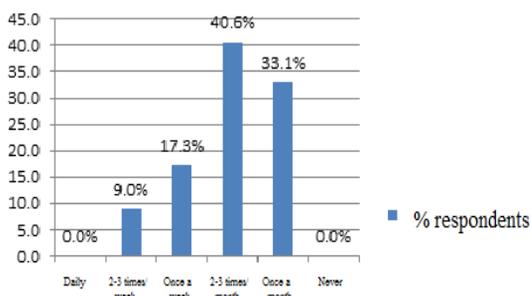


Figure 3 - Answers to the question „How often do you drink wine ?"

By wine purchase place, the largest share goes to supermarkets or hypermarkets (50.4%), followed by small shops (32.3%), restaurants/bars (8.3%), specialized stores (6.8%) and wineries (2.3%). No one indicated purchasing wine from producers'

websites. In Fig. 4 we observe that the factors with the greatest influence on the purchase decision for a certain type of wine are represented by recommendations from experts (36.8%), friends (29.3%) and promotions (27.8%). The smallest

STUDY ON WINE PROMOTING FROM IAȘI COUNTY BY ONLINE MARKETING

influence on purchase decisions comes from TV ads (4.6%) and websites (1.5%).

Most respondents (50.4%) are willing to spend between 31 and 40 RON for a bottle of wine; however, 24.1 % said they usually pay between

21 and 30 RON for a bottle, while over 40 RON/bottle of wine is spent by 20.3%. Nearly 25% pay only 10 to 20 RON for a bottle, while no one indicated a preference for wine below 10 RON/bottle (*Fig. 5*).

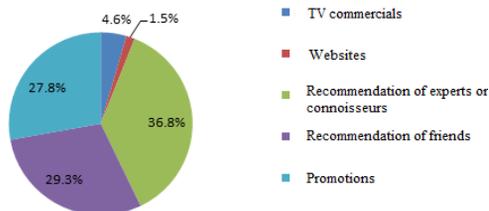


Figure 4 - Sample structure by factors that influence the purchase decision for a particular brand

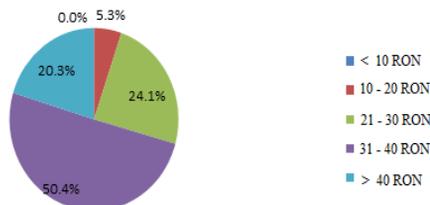


Figure 5 - Answers to the question "How much do you spend on a bottle of wine?"

To the question "In which of the following places do you usually drink wine?", about two thirds chose home (65.4%), followed by friends (21.8%), only 8.3% indicated restaurants / bars and the lowest percentage (4.5%) consists of those who selected "other locations" (*Fig. 6*).

Most of the interviewed subjects (80.5%) said they prefer wines with Romanian origin over those of European descent (19.5%), while non-European wines have not been chosen as favorites by any of the respondents.

As for the question "How often have you obtained information on wine online ?", 12% of the respondents said they never use the online environment to obtain such information and most of them (511%) turn to the Internet for information about wine occasionally or incidentally. A significant percentage of the subjects (36.8 %) use the Internet to learn about wine whenever this is needed (*Fig. 7*).

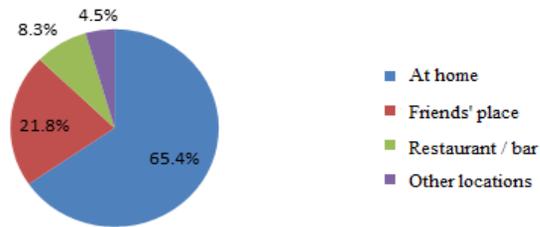


Figure 6 - Sample structure by locations where wine is consumed

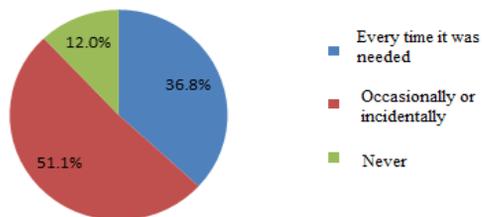


Figure 7 - Answers to the question "How often do you obtain online information on wine?"

A proportion of 87.2% of the subjects never visited the Cotnari website and 12.8% visited it at least once. The answers show that for 70.6% of the respondents, www.cotnari.ro contains useful information for visitors, while 29.45% rated it as "well-structured and intuitive". Nobody considered that the website contains a small amount of useful information or that it is hard to use.

Online marketing is growing faster than other media such as TV, print, radio, billboards. S.C. Cotnari S.A.'s example for relations with international markets and online promoting is one of special significance for our country and for the region of Moldavia.

CONCLUSIONS

Knowledge about Internet use and its effectiveness in quick access to information does not depend so much on the originating environment barriers anymore, although rural Romania is underrepresented in terms of number of internet users, lack of equipment and absence of rural companies providing such services.

Online marketing is becoming a mandatory process of food companies marketing campaign success. S.C. Cotnari S.A. understood this and began to cover this virtual market segment. The company realized that the simple presence in the virtual environment is not enough to create

and educate consumers and monetise the company's services and products, but should be a continuous communication between the firm and customers.

E-commerce culture for wine products is missing in Romania, but facilitating such a culture through companies producing wine increases the level of information and knowledge of the brands in the first phase of promotion. Creating a marketing information system is a necessity and an obligation for wine producing companies, to organize a permanent flow of information, which is absolutely necessary to substantiate a marketing decision, because of the fierce competition on the market of various companies aimed at obtaining advantages that generate profit.

The website should be considered an active marketing tool of the company, which can provide valuable information from consumers and traders who access it. However, the site can be designed to effectively educate and inform sales forces and distributors.

The emergence of "reference sites" or prestigious professionals' sites is highly recommended, because they can provide databases of Romanian wines, with their listing and evaluation, including their relation to existing international brands.

REFERENCES

- Aaker D.A., 1984** - Strategic market management. Jhon Wiley & Sons Publishing House, New York, S.U.A.
- Bibiri E., 1992** - Comportamentul consumatorului și marketingul (Consumer's behavior and marketing). Rev. Marketing-Management, AROMAR, nr. 3-4, București.
- Boier Rodica, 2001** - Cercetări de marketing (Marketing research). Edit. Fundației Academice Gh. Zane, Iași.
- Briggs Susan, 2001** - Succesul web marketing for the Tourism and Leisure Sectors, Kogan Page, London.
- Byars L., 1991** - Strategic management: Formulation and Implementation: Concepts and Cases. Ed. Harper Collins Publishers, New York, USA.
- Cătoiu I., 2000** - Proiectarea cercetărilor de marketing (Marketing research design). Edit. Uranus, București.
- Chiran A., Gîndu Elena, Banu A., Ciubotaru Elena-Adina, 2004** - Piața produselor agricole și agroalimentare (Agricultural and food products' market). Edit. Ceres, București.
- Deac V., Băgu C., 2000** - Strategia firmei (Company strategy). Edit. Eficient, București.
- Demetrescu M. C., 1996** - Strategiile de marketing și piața noilor produse (Marketing strategies and new products' market). Rev. Marketing - Management, AROMAR, nr. 4-5, București.
- Drăgan I.C., Demetrescu M.C., 1996** - Practica prospectării pieței. Tehnici de cercetare în marketing. (Practice of market prospecting. Marketing research techniques). Edit. Europa Nova, București.
- Faulkner D., Bowman C., 2000** - Elemente de strategie concurențială (Elements of competitive strategy). Edit. Teora, București.

- Grosseck Gabriela, 2006** - Marketing și comunicare pe internet (Marketing and communication on the Internet). Edit. Lumen, Iași.
- Kotler Ph., 2008** - Principiile marketingului, ediția a 4-a (Marketing principles, 4th edition) Edit. Teora, București.
- Man A., Pomohaci C., 2005** - Promovarea vinurilor românești pe internet (Online promotion of Romanian wines in the Internet). Edit. ProUniversitaria, București.
- Manole V. 2002** - Diagnosticul de marketing pe filiera de produs în agricultură (Marketing diagnostic on product chain in agriculture). Edit. Evenimentul Românesc, București.
- Moulton K, Lapsley J., 2001** - Successful wine marketing, Ed. Springer, US.
- Niculescu Elena (coord.), 2000** - Marketing modern: concepte, tehnici, strategii (Modern marketing: concepts, techniques, strategies). Edit. Polirom, Iași.
- Pekar V., 1995** - Strategii de marketing (Marketing strategies). Edit. Sedcom Libris, Iași.
- Porter M.E., 2001** - Strategie concurențială (Competitive strategy). Edit. Teora, București.
- Vasilii Mădălina, 2011** - Aspects regarding the promotion of wine products through online marketing, with case study Company Cotnari S.A.. Rev. Lucrări științifice, U.S.A.M.V. Iași, vol. 54, nr. 2, Edit. Ion Ionescu de la Brad, Iași.
- Vasilii Mădălina, 2012** - Aspects regarding the promotion of wine products through online marketing in Romania. Analele Universității din Oradea, Fascicula Protecția Mediului, vol. XIX, Edit. Universității, Oradea.