

ASPECTS REGARDING THE PROMOTION OF WINE PRODUCTS THROUGH ONLINE MARKETING IN ROMANIA

Vasiliiu (Apetre) Madalina*

*"Ion Ionescu de la Brad" University of Agricultural Sciences and Veterinary Medicine Iași 3, Mihail Sadoveanu Alley, Iași, 700490, Romania, e-mail: vasiliu_madalina@yahoo.com

Abstract

In marketing field, the strategy represents the art of directing a set of devices in order to achieve a certain goal. Since the Internet has now become a primary tool for the delivery of information, businesses of all sizes are using online marketing to increase awareness of their company's goods and services.

In very competitive markets, sales may be difficult to achieve. This is one of the main reasons why wine industry has to create an online niche to sell or have its products known.

The online romanian wine market is still small and the potential for expansion exist. So far, in our country, the existing wine companies, such as Cotnari have the tendency to be more and more active online, and they do so in order to create their image, to make their products known.

If you want to exist for the future generations, and you want your latest products and services to be found no further than a click distance, then you have to exist online. On the other hand, initiating online marketing campaigns, simply because one has to be present online, does not bring benefits to any food company. On the contrary this kind of online campaigns, badly managed by the marketing department could cause serious damage to company image, which often can be harder and more expensive to repair than the promoting campaign itself (Vasiliiu Madalina., 2011).

Key words: online marketing, promotion, wine, strategies, customer relations

INTRODUCTION

Marketing studies the consumption needs of the market as a whole and of the individual seen as the final consumer. These consumer needs can not be satisfied only from an economic activity. Consumer demand for agricultural products and foodstuffs is one form of manifestation of the consumption needs of the population (Constantin M, Chiran A. et al., 2009).

Wine market is a mature market, affected by favorable or unfavorable developments caused by food habits and purchasing behavior of consumers.

Demand / supply ratio wine market in Romania translate into sales, both in terms of volume and of value. These sales are divided by type of wine, by container size, by variety and by distribution channels.

MATERIAL AND METHOD

The studies have been made during 2011 and 2012, using as sources of information literature from Romania and foreign sources, as well as the Internet as a tool of comparison and of real time search results.

The study aimed at collecting statistical data regarding the current situation of the usage of the internet in agromarketing in general, as well as the usage of the online marketing strategies in the promotion of wine industry in Romania.

All the data from literature and online research was statistically processed and interpreted in such a way as to highlight opportunities in using the Internet as one of the main promoting strategies that cannot miss from the Romanian wine industry.

RESULTS AND DISSCUSIONS

Distribution of a product or service reflects accurate marketing decisions on marketing channels, choosing intermediaries and distribution formats specific to each category of product or service by manufacturing firms.

The European Union (EU-27) is the world leader in wine production, with almost half of the world's total vine-growing area and about 60 percent of production wine volume.

Total wine production in the EU decreased in 2010/2011, and this decrease in wine production was mainly due to the reduction recorded in Germany and Romania, where the total deforested area was 56 ha, respectively 185 ha, for the first two wine implementation of the scheme of organization of the wine market (tab.1).

Table 1

Wine production* trend in the EU-27 ('000 Hectoliters)

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| France | 52.127 | 45.672 | 41.64 | 46.269 | 45.669 | 50.044 |
| Italy | 49.633 | 42.514 | 46.245 | 45.800 | 46.737 | 40.118 |
| Spain | 38.290 | 36.408 | 35.913 | 36.097 | 35.353 | 34.400 |
| Germany | 8.916 | 10.261 | 9.991 | 9.228 | 6.906 | 9.300 |
| Portugal | 7.542 | 6.074 | 5.620 | 5.872 | 7.133 | 5.925 |
| Romania | 5.014 | 5.289 | 5.159 | 6.703 | 3.287 | 5.400 |
| Hungary | 3.271 | 3.222 | 3.460 | 3.198 | 1.966 | 2.720 |
| Greece | 3.938 | 3.511 | 3.869 | 3.366 | 2.950 | 2.450 |
| Other EU-27 countries | 5.545 | 6.481 | 6.597 | 5.386 | 4.342 | 5.567 |
| EU27 | 174.276 | 159.432 | 158.494 | 161.918 | 154.343 | 155.924 |

In the EU, production of France, Italy and Spain are on average about 80% of total production.

After several years of decline, global wine consumption has stabilized in 2011, and now expects even return to a slightly positive trend.

The global economic crisis still continues to affect domestic consumption of wine in the EU short-term situation that will not change. Another limiting factor is the anti-alcohol campaign, which takes place mainly in France and Italy, where wine promotion is extremely difficult. As a strategy to increase the consumption of wine, some French restaurants have adopted the solution of selling wine by the glass. In France, wines are purchased as special food services sector.

Romanian wine faces direct competition from France, Spain and Italy. Romania main imports come from France and Italy as well as Moldova and Hungary. More aggressive marketing and advertising strategies are needed, especially to target markets in the U.S. and China. Spain and Italy, where there are Romanian immigrant communities are also targeted markets for Romanian wine.

Top 20 wine producing companies hold about 80% of the total production of wine brand in Romania. Foreign investments have a positive influence over Romanian wine offer (tab.2).

Table 2

Romanian wine offer

| Dobrogea | Banat | Transilvania | Oltenia | Moldova | Muntenia |
|---------------------------------|------------------|---------------------|-----------------------|--------------------------|-------------------------------|
| Murfatlar Romania | Cramele Recas | Jidvei | Carl Rech Winery | Bucium Iasi | Provinum |
| Karom Drinks | SCDVV Minis | Prescon Mures | Vie Vin Vanju Mare | Cotnari | S.E.R.V.E. |
| Vinvico Constanta | | | Vinarte | Vinia | Vinterra International |
| Fruvimed | | | SD Banu Maracine | SCDVV Iasi | Cramele Halewood |
| Viticola Sarica Niculitel | | | | Vincon Vrancea | Carpathian Winery |
| Ovidius Mercado | | | | Veritas Panciu | Videlmar |
| | | | | Vinuri Nicoresti | DVFR |
| | | | | Prowine International | ICDVV Valea Calugareasca |
| | | | | SCDVV Odobesti | SCDVV Stefanesti- Arges |
| | | | | Ramex | Tohani |
| | | | | Bachus | Rovit |

Marketing strategies in general must be tailored to market, to the economic and social environment, to continuous technological changes and must comply to a marketing plan clearly defined and well documented previously (Constantin M, Chiran A. et al., 2009).

Promotion in the virtual environment follows the same stages of developing a promotion strategy as any other medium of intersection with customers: initial research, market segmentation, setting goals, market positioning, marketing mix, implementing promotional campaign itself and control of during the implementation and post implementation.

There is a discrepancy in the field as when regarding the large number of sites with information on agriculture, agricultural and food products in Romania we can compare with other European countries, but in terms of trade and Internet transactions food, Romania falls well below the average online transactions to other European countries.

A short review of the Romanian wine websites indicates that these websites are created for promotional purposes only, while the e-commerce activities related to them are almost inexistent.

Romanians spend an average of 18.6 hours online per week. Internet is gaining more and more ground in the preferences of the population of Romania. Even so, 39% of Romanian population use the Internet, while an average of 65% of European Union population are using the internet. Online marketing is related to a number of techniques meant to make a website or a brand visible to visitors and to convert them into customers eventually.

Here are some examples of such techniques:

- Online promotion use Search Engine Optimization;
- Online promotion by using directory submission;
- Online banners;
- Online advertising;
- Newsletters;
- Online articles publishing;
- Web banners exchange campaigns;
- Link exchange campaigns;
- Forums and online journals;
- Google Adwords campaigns (search engine marketing).(Susan Briggs, 2001)

An analysis of Internet presence of Romanian wine producers and organizations shows that this phenomenon is at its beginnings on the Romanian market. The first observation is that the great traditional producers in Romania are not fully present on the Internet. Notable

examples can be considered absences of wine producers such as Vincon Vrancea and Vinia Iasi.

Otherwise, traditional manufacturers sites are characterized by heterogeneity, from complex sites (Murfatlar) to one page websites. We notice the presence of smaller-sized manufacturers that managed to build a website and submit their offer, even if these websites don't offer to visitors quality information and a good graphic: Vinalcool SA Braila, SC Alcovin Macin. It is noted that all foreign investments in the wine industry have caused these companies to be present online (www.carlreh.ro, www.recaswine.ro, www.serve.ro, www.vinarte.com etc).

A positive sign is the Internet presence of major professional organizations in the field of wine in Romania: PNVV, ONIV, WEPA.

CONCLUSIONS

Regarding the online promotion of wine producers websites, this activity is practically nonexistent with a few exceptions (eg: S.C. Cotnari SA.).

Romanian websites are not to be found on major wine portals. Although some romanian wine producers websites can be found by search engines, it is necessary that these producers to be known through worldwide famous wine websites. This creates the awareness of foreign customers related to romanian wine producers.

A major importance in promoting romanian wine producers is given by the foreign websites that sell exclusively romanian wines (www.romanianwines.ch, www.romvinimport.com), and which, besides online selling present the tradition of Romanian vineyards.

The Internet is the fastest growing media in history, which will significantly influence the economic and social life and the countryside, leading to changes in customers attitude and behavior.

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