

SUMMARY

Of the PhD thesis entitled “**Research regarding the influence of the origin of wine on the consumer buying decision, in an attempt to promote Romanian wines on the German market**” written by PhD student, engineer Cristina Veith under the guidance of Prof. univ. dr.

Ioan Nămoșanu.

Key words: origin, wine, Romania, wine market, Germany, consumer buying decision, market research, consumer survey, Conjoint analysis, stimuli, use, the Wine Institute, Cluster, promotion, added value.

This paper aims to **establish the extent to which Romanian wines are accepted on the German market**, as well as the criteria which are important for the consumer buying decision, in order to offer support to Romanian wine exporters in their endeavours on entering the German market and at the same time to determine relevant factors which have led to the current situation and to give proposals for improvement.

The process of writing this thesis involved gathering data on three separate occasions, by conducting customer surveys in 2004, 2009, and 2014. All three times the subjects were required to classify the stimuli presented to them (fictional products) according to their own preference.

My choice for this product was probably based on the nature of my professional activities carried out at the time, and perhaps, even more so, on the love for Romanian wine. I really think this product has tremendous potential for our country and its image abroad.

During this difficult and ever changing economic period the focus is on the factors which influence the consumer buying decision, and a relevant factor for Romanian wine exports is the influence of origin (country brand) of the wine. Country brand represents an important factor in the whether a consumer will chose one product over another, without this aspect being limited to wine, as it applies to any product whose origin is known. This is a good time to develop the necessary structures and quality symbols. This is why it is so important to understand the influence of the origin of wines on the decision of the consumer in regards to buying a certain product, or not. Thus, the main question is: Is it necessary to have a quality symbol? And if so, how should it be built?

Here are a few questions which this thesis answers:

1. Which are the main criteria which influence the consumer buying decision when it comes to buying wine on the German market?

2. Which wines does the German buyer value the most?
3. Which are the target groups Romanian producers should aim at?
4. Which are the sales channels which can ensure important economic results for Romanian producers?
5. How can we promote Romanian wine?

In order to achieve this objective, we have also used statistics provided by different institutions such as: The National Institute of Statistics (Romania), the National Institute of Statistics of Germany, the Winegrowers' Association in Germany (DWV e.V.), The Ministry of Agriculture and Rural Development (Romania), OIV (Organisation Internationale de la vigne et du vin – The International Organisation of Vine and Wine). We have also used as reference papers on the economy of households, consumer behaviour, marketing, marketing management, country image and product image, origin as a determining factor in the consumer buying decision, conjoint analysis, the history of wine and the development of wine markets.

The findings following the research were structured in four chapters, the first chapter contains a presentation of the wine growing situation in Romania and the wine market in Germany (including subsequent analyses in regards to the context of current knowledge at national and international level, and of the organisation framework in which the research was conducted); the second chapter includes a presentation of the economic theoretical basis, the methods, the tools and the indicators used for research; the third chapter contains the marketing research with is two methods used, and the fourth chapter presents the results of the research and the plan of measures needed to ensure that this set of objectives is achieved. In addition to these chapters, the thesis contains appendices, bibliography, a list of abbreviations, tables, figures and equations.

Chapter I – 'Knowing the potential for Romanian wine and the German wine market' – presents an analysis of the potential and the importance of the wine sector, for Romania in general, and for agriculture in particular. This part contains a short analysis of the potential of the wine growing sector in Romania, including statistical data. Further on, we present an analysis of the wine market in Germany, both from the perspective of a wine producing country, as well as from that of a wine consuming country. This part presents the market segments which are importance when selling wine in Germany.

Chapter II – 'Theoretical basis of the thesis and methodology used' – this chapter presents the theoretical aspects on which the thesis is based. The theoretical part of the thesis includes general

principles of economic theory regarding private households and an analysis of the influence of origin on consumer demand. Origin is explained both from the point of view of country image, as well as from the perspective of its connection to product image. This chapter also explains the statistical analysis method used in evaluating customers' preference: the Conjoint analysis with the presentation of the mathematical equations and the definition of the variables used for empirical studies.

After choosing the analysis method, whose advantages and disadvantages we presented in chapter II.4, it was necessary to argument which are the elements that comprise demand, from an economic point of view.

Chapter III – 'Determining the results of the preferential structure' – presents, on the one hand, a direct consumer survey so that they can be divided into clusters, as well as the evaluation of their preferences by using the Conjoint method. During the empirical research, we analysed different types of consumers on the German market, the determining factors which influence the consumer buying decision, as well as different sales channels. Then, by using the Conjoint method, at three different moments in time, we analysed the product which had the highest export potential for Romania. This comprises of three market segments included in the survey:

- The end user by separately conducting surveys on two categories of consumers – those how have and those who do not have direct knowledge about our country. The survey was conducted at specialised fairs such as Prowein in Düsseldorf, Grüne Woche in Berlin, Anuga in Cologne ;
- Specialised shops – direct surveys;
- Importers/ suppliers from food store chains, by direct survey.

The first market research made to establish the preferred products of the German wine consumer was conducted between 2003 – 2004. The initial research included more steps then those included in the following chapters.

The main decisions regarding the choice of the method of analysis, the type of survey and, especially, its content, were based on the research work carried out by the University of Agricultural Studies in Hohenheim, Stuttgart, between 2001 - 2004.

Throughout this entire period of time I was under the close guidance of Professor Tilman Becker, with the Marketing and Management Faculty. Professor Becker was the one who first sparked my interest and attention for econometrics. A serious market research cannot be conducted without a solid basis, in other words without empirical results to be evaluated through the most adequate methods used in statistics and econometrics.

In this chapter I analysed the types of consumers, according to age, gender, occupation, income, consumption habits. When I asked the subjects to evaluate, according to their own preference, the products, I analysed the results without making a difference between them (except whether there was a direct connection to Romania or not). Thus, the results represent a global situation without homogeneity in answers.

Chapter IV – ‘The results of the research and the plan of measures needed to ensure the success of Romanian wine on the German market’ – presents the results obtained by using the Conjoint method and direct surveys, adapted to the specific requirements of the subject under analysis and the plan of measures proposed to Romanian wine producers who want to export wine on the German market. At the end of the thesis we present solutions at sector level meant to improve the country brand by using well-known marketing tools.

Ten years after this project started as part of the German government project of Technical Collaboration (GTZ – Gesellschaft für Technische Zusammenarbeit) focusing on researching the preferences of German consumers and the main factors that influence the consumers in their decision to buy a certain wine, we have redone the analysis by questioning the four clusters defined initially. Thus, in 2014 we interviewed seven acquisition managers working for big store chains, 58 stores specialized in selling wine, and 620 consumers.

In the case of the 620 consumers, the interviews started with the survey presented in Appendix 1. Taking into account the results obtained for the two categories of consumers, mainly consumers who have directly knowledge about Romania and those who do not know Romania, during the research conducted between 2004 and 2009, we made the decision that it was necessary to conduct a more exact analysis of the wine consumers in Germany, according to multiple criteria, such as age, gender, occupation and last but not least, income.

There is a clear increasing preference for dry wines, for all the market segments in Germany. The German consumers, especially younger consumers, look for dry wine when buying wine.

The German consumers try to maximise the satisfaction of their needs which are, however, strongly influenced by their life principles and trust in German quality. It is this discipline, which is worth being taken as an example and through which the German consumer protect local products, both in the country, as well as abroad, that led to an increase in the export of German wines in the last years.

In 2014, the German consumers who know Romania, seem to consider origin more important than in 2004, and price seems to decrease in importance even below the level registered in 2004. The taste and colour of the wine increased in importance, an upwards trend for all the three periods of time included in the analyses.

Taking into account the fact that a consumer reacts differently towards a new product compared to a product which is already present on the market, the results obtained in this thesis would have only been mere assumptions, without a concrete simulation of the purchasing situation.

The research proves that, once a product fulfils all the minimum quality criteria that make it interesting on the market, this product needs to be known. Thus, our research proves that, for a new product, the most important thing is to create an image for that product. Had we not conducted such an analysis and had we relied only on secondary research, we would have drawn a wrong conclusion related to the fact that the price would be the determining factor in the German consumer's decision to buy a certain product. The ideal wine for imports on the German market is red dry wine that fulfils the quality and labelling criteria specific to this market.

Ownership of a wine-growing sector cluster by an organisation such as the Wine Institute is a viable and vital solution for developing new, innovative products and it can improve, at the same time, both marketing research in the wine-growing sector, as well as an effective selling of our products.

In order to achieve this objective, which is very important in forming a cluster, I recommend an active involvement of the Universities in our countries. Universities, through profile faculties, guide and help shape the new generation, carry out research projects and can best coordinate the activities needed to ensure the success of wine products and wine-growers. These activities, initiated and coordinated by the Universities involve, through the cluster, all the important actors in this activity sector.

Throughout my research I was supported and offered guidance by prof. univ. dr. Ioan Nămoșanu who was extremely professional, patient and understanding and who accepted to be by lead professor. I would like to present him my sincerest appreciation and to ask for his help in establishing the cluster and the Wine Institute we so desperately need in the wine-growing sector.