

Consumer behaviour on the wine market compared in selected countries of the EU

Diploma thesis

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Abstract

FIALOVÁ, D. *Consumer Behaviour on the Wine Market Compared in Selected Countries of the EU*. Diploma thesis. Brno: Mendel University, FBE. 2015.

This thesis deals with the issue of consumer behaviour on the wine markets of selected countries of the EU, these are the Czech Republic, Croatia and France. The work is divided into two main parts. The first one shows the literature review of marketing research and consumer behaviour. The second one is based on practical analysis of wine industry and on results of own market research in form of questionnaire. One chapter is devoted to analysis of the results of this survey. Last section of practical part consists of practical recommendations for the new wine bar based on the results of the research.

Keywords

Consumer, behaviour, marketing research, questionnaire, wine, wine market, trend, analysis, export, import, international trade.

Abstrakt

FIALOVÁ, D. *Chování spotřebitele na trhu s vínem ve srovnání vybraných zemí EU*. Diplomová práce. Brno: Mendelova Univerzita v Brně, PEF. 2015.

Práce pojednává o problematice chování spotřebitele na trhu s vínem ve vybraných zemích EU, tyto země jsou Česká republika, Chorvatsko a Francie. Práce je rozdělena do dvou hlavních částí. První ukazuje literární východiska marketingového výzkumu a chování spotřebitele. Druhá je založena na praktické analýze trhu s vínem a na výsledcích vlastního marketingového výzkumu formou dotazníku. Jedna kapitola je věnována analýze výsledků tohoto výzkumu. Poslední část je věnována praktickým doporučením pro nový vinný bar, které jsou založeny na výsledcích výzkumu.

Klíčová slova

Chování spotřebitele, marketingový výzkum, dotazník, víno, trh s vínem, trend, analýza, export, import, mezinárodní obchod.

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1 Introduction

It is often said that wine production is more art than science, it is a mixture of winemaker creativity, chosen technology and philosophy and the region it is made in. However it is also an issue of business and the economic factors play crucial role in wine making. To achieve a good position on the market nowadays there is not just a need for a good wine but there is necessity of integration economic aspects and to know what drives the consumers to purchase our products.

Still wine is a unique commodity. Its production goes far away to the history and also its healthful benefits are countless. In the antiquity the wine was considered as the gods' gift and so the best wine was intended only for the top of the society. We can see that the best wines in the world have still the same intention – there are not many of us who could buy a bottle of Romanée Conti for EUR 10.000.

Grapes for wine can be grown all around the world (in certain distances from the equator), this brings wide variety of aromas, tastes and forms of this product. Wine is often marketed through its geographical locations, in some cases the origin can be the most important factor in decision making process.

Wine was also a good commodity to be bartered and so was engaged in international trade. In those times as well as nowadays such producers succeed who manage to follow the demand and who offer the good quality for reasonable price.

Today in many countries wine is considered as a component for integration or form of entertainment. Wine's charm is difficult to define, winemakers sell an experience for senses, wine consumers in developed countries are often the higher class members, however there are still countries where it is consumed because it is just safer than the ordinary water supply.

Modern wine consumer is thanks to globalization and internationalization of the market very knowledgeable and can be described as sophistic in wine choosing. The choice of product is often influenced by previous experience and then the memories or also recommendations play the crucial role, however the external look of the product cannot be omitted either – the labelling, shape and look of the bottle, often the awards in the form of medals stucked on the bottle influence the customer.

What becomes to be very important in 21st century is an environmental and social approach. Customers expect to receive the product which is healthy and safe for themselves but also produced in an environmentally friendly and sustainable manners, the social responsiveness is also often considered.

In last few decades the world of wine has become to change, the production and consumption in traditional countries of so called Old World (France, Italy, Spain) became to decrease and the new players came to the market (New Zealand, US, Australia, Chile etc.).

To judge the wine is extremely subjective thing to do, different types of wine can be considered as quality or attractive ones by different people in the same region and even more in different parts of the world.

There were several countries chosen for the purpose of this thesis, these are the Czech Republic, France and Croatia.

The theme of consumer behaviour on the wine market was chosen before the author work in the Moravian winery which is trying to focus on export activities (till now focused on the Czech market) and so it was very interesting to find out the trends not only on the Czech market but also abroad, so the work can be used and work on also in the future for further purposes.

2 Objective

The main objective of the thesis is to identify the current trends and their development in consumption of wine on the selected wine markets of the European Union.

Wine industry with its economic aspects will be analyzed with the emphasis on the EU and selected countries – these are the Czech Republic, Croatia and France. Production and consumption trends, their development and changes of the most important countries on the worldwide wine market as well as international trade with wine will be described. Legislation and regulations of EU policies on the wine market will be mentioned.

Consumer behaviour will be analyzed through a questionnaire which should show whether there are significant converging trends in wine consumption which could be caused by the European integration process, the similarities and differences will be shown. The survey will find out the main factors of wine consumption like where people consume, where they buy, how much and how often they drink wine.

Another objective of the thesis is to suggest marketing recommendations for a new wine bar. These suggestions will be partly based on the results of the performed survey. The proposals will be also based on differentiation from other companies which according to the author should lead to success in the current years of slow recovery from economic crisis and in a few years of stagnating wine consumption on the Czech wine market.

3 Literature overview

In this part of the thesis the crucial theoretical issues about marketing research and the consumer behaviour will be discussed.

3.1 Marketing research

Managers' decision making is influenced by various societal changes which influence other subjects on the market – the customers above all. That is the reason why managers need overall information as basis for their decision making. This information can be provided by marketing research, more precisely by its results and interpretation.

The changes of recent years are consequences of such issues like demographical changes, globalization, hypercommunication, development of the internet, social responsibility of the companies etc. All these force managers to find out more about customers' needs to fulfil them and create long term mutual favourable relationships.

Marketing research helps when looking for and implementing innovations to the market.

3.1.1 Marketing research definition

Marketing research is used and applied all around the world for more than half of century, therefore it has many various definitions.

Very generally said research is an investigation, thus according to Chandra Bose 2010 it is the process of research applied for collection of relevant data and facts about problem connected with marketing issues in business. It is a continuous process which includes analysis of chosen product, market, distribution channels and of course of competition.

The fundamental definition according to Kotler 2013 is worded as follows: "Marketing research is the systematic design, collection, analysis and reporting of the data, and finding a solution relevant to specific marketing situation facing the company".

American Marketing Association says: "Marketing research is the function that links the consumer, customer, and public to the marketer through information; information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyzes the results, and communicates the findings and their implications."¹

¹ Source: <https://www.ama.org/AboutAMA/Pages/Definition-of-Marketing.aspx> (26. 10. 2014)

3.1.2 Marketing research mix

The marketing mix and its 4 Ps is an essential, fundamental tool used by every marketer. It can be widened, recreated but also criticised but mainly well remembered. One could wonder why there is no marketing research in any of its variations. Well known marketing specialist Nigel Bradley came in 2004 with marketing research mix, it is a useful device, its individual parts go sequentially and they correspond to main phases which need to be followed. It starts with purpose, goes on with population and procedure and ends with publication.

- **Purpose:** there is an important question to be answered before any research is started "*Why is the research being undertaken?*". The word purpose is very broad term, one can use also aim, objective, goal, intention or even hypothesis. The last word mentioned should be a starting point for every quantitative research. We should generate a hypothesis, which will be later rejected – if proven to be wrong, or accepted. Some researchers prefer to have only one hypothesis, some use several – the first so called null hypothesis (H0) is usually set as less probable, and is preferred to be rejected, the other one – more likely to be true is usually called research hypothesis.

In this point we should stress that the SMART principle should be applied on the marketing research too. As every business plan marketing research should be Specific (also Simple), Measurable, Achievable (also Attainable), Realistic (also Relevant and Responsible) and Timely (also Timed and Targeted). Simply said any plan should not be vague, the results should be quantifiable and evaluable in a certain time frame.

- **Population:** Here we do not consider only the persons involved in the research, we should know the market, who and where the people are, these could be customers but noncustomers too. Coming closer to the questioning, we should know our target audience, should we question only them or also the nontargeted ones? Very often the importance of end-user is stressed, however the expert's opinions can help in joining the primary and secondary data. Expert is usually a person working in the field for many years.
- **Procedure:** There are many questions to be answered in this part: How to get the data, then how to process and analyse it. Do we need qualitative or quantitative research, what will be the channels – in person, phone, post, online? Every research should start with collecting and analyzing secondary data (sometimes called desk research), own research- collecting of primary data is then performed by one of these possibilities – questioning, observation, experiment.
- **Publication:** It is necessary to realize that the research was useless once not well publicised. Researcher needs to carefully choose the means by which will show the results, it cannot stay in the research company, but it cannot be presented publically – that would take away the possible competitive advantage.

Results will be prepared in different ways once there is only a written report, or personal presentation is demanded.

3.1.3 Types of research

Different authors divide types of marketing research in various ways, according to the purpose or the technique (the basic techniques are experiment, survey, observation). Basic classification by its purpose according to Zikmund 2012 is as follows:

- **Exploratory research** should be used to straighten unclear situation in the market, to find possible opportunities for given company. It should not bring clear statements for a straight action, it should not be the ending part. It is usually preface for another more detailed research, which would bring more conclusive evidence. Real marketing problems are often not that obvious, exploratory research usually finds the symptoms. These are observable signals caused by the problems. Researchers should help to identify the factors causing the symptoms and thus help to decision makers to fix not only the symptoms but the real problem. Exploratory research is helping tool not to waste time, money and effort on detailed research without knowing the key properties of chosen area.
- **Descriptive research** as its name suggests describes environments, organizations, groups, people or single objects. If we put it very simply descriptive research tries to “paint a picture” of particular state of affairs to answer the basic questions about the key players of the market like who, what, when, where, why and how. Descriptive research often helps with market segmentation. Unlike exploratory research, here is usually necessary deep understanding of market situation, sometimes developed by mentioned exploratory stage.
- **Causal research** allows causal illations to be made, this helps to managers to shape the decisions in a positive way, for example in improving sales or employee satisfaction; that is very powerful as it leads to a greater control. When we know a cause (the variable x causes y), the descriptive research is not satisfactory.

Researches are also divided onto two main groups – **qualitative and quantitative**. According to Bradley 2013 qualitative is implied by these verbs: to identify, to establish, to examine, to describe, to explore, to assess, to investigate.

Quantitative research as per the same author implies: to estimate, to measure, to determine, to quantify.

Blythe 2013 mentions that qualitative research cannot be expressed in numerical values, it results in expressions of opinions and therefore can be verbal. Qualitative techniques include open-ended interviews, group discussions and focus groups or analysis of written documents.

The same author states that qualitative data can be useful for exploratory research, in case that researcher has no idea (or very little) about the topic and its important issues – focus groups or a number of depth interviews will help to find what questions ask. Said in another words qualitative research states the dimensions of the given problem, and then the quantitative research finds the size of them. Quantitative method cannot answer the questions “why” in easy way, on the other hand qualitative research cannot respond to “how often” or “how many”.

Quantitative data can be expressed numerically and can be collected via questionnaires, interview surveys, observations, test marketing (to offer a chosen product to a limited number of customers, or in limited area, in order to test their reaction before offering to a large market), panels (a group of respondents permanently established for purposes of research – usually paid for).

Collecting quantitative data means putting together sets of standardized answers to standardized questions, for example it can tell us that 58% buy wine in the supermarket, however it does not explain why they do so.

According to Bradley 2013 there are several approaches how to use desk research (secondary data), quantitative and qualitative research (both primary data). In the traditional approach the desk research should come as a first (it should answer the questions how many people and how to contact them) and should bring useful information for collection of primary data by qualitative research (this should state the objectives, find the areas to be quantified, clear out the vocabulary to be used etc.) this helps to effective quantitative research (here we find out the opinions and attitudes), there is another qualitative part after all, which can end the project (explaining the reasons for some of the numbers).

Primary and secondary data

As per Kothari 2011 the research problem, design and plan should be finished when deciding about data collection. Primary data have original character, are collected afresh and for the first time. Secondary data have already been passed through the statistical process – have been collected by someone else.

Primary data are to be collected by doing experiments (in case of experimental research), observation, direct or indirect communication in many forms. There are various methods:

- Observation (systematically planned and recorded, the reliability and validity need to be checked and controlled continuously. Thanks to no communication with respondent the subjective bias is eliminated.)
- Interview (personal, by phone)
- Questionnaire (in previous times by post, nowadays via email, social networks etc.)
- Others: schedules, warranty cards, distributor audits, consumer panels, depth interviews, content analysis

On the other hand Bradley 2013 divides the collection of primary data as follows:

- Interviewer-administrated or respondent-administrated

- Direct or indirect
- Personal or impersonal

Secondary data according to Kothari 2011 are already available, have been already collected for other purposes by someone else.

These can be published (gathered by governments, international bodies, institutions and subsidiaries organizations, technical or trade journals, books, magazines, newspapers, reports and publications connected with business and industry, banks, stock exchange, reports prepared by universities, economists, public records and statistics, historical documents and other sources) or unpublished (there are many informal like diaries, letters, but also from scholars, research workers, trade associations, labour bureaus and other both public and private organizations).

One needs to be very careful once using the secondary data, their reliability, suitability and adequacy need to be checked, the purpose and background as well as other links should be known before usage.

Zikmund 2012 describes secondary data as facts and information being historical and already assembled (collected, analyzed and recorded) for other purposes than the actual project.

There is not required any additional access to those who performed the research/observations that brought the data. The main advantage is availability – collection is fast and cheap (compared to primary data) especially referring to online sources. However we need to consider various disadvantages – user does not know the background of their previous collection, therefore we need to ask:

- Is it a right sample of population?
- Is it the right time period or are the data too old?
- What are the units of measurement?
- Are the facts relevant in the linkage with our research?

3.1.4 Stages of marketing research

Marketing research as well as other scientific projects should follow a certain pattern. Particular activities are highly interrelated and usually overlap each other. Not every research has to go through exactly these, however generally, according to Zikmund 2012, there are 6 major stages:

1. Defining research objectives
2. Planning the research design
3. Planning a sample
4. Collecting data
5. Analyzing data
6. Drawing formulation of conclusion and report preparation

This process can be circular-flow or cyclical, because one research can create new ideas, generate necessity or possibility for new investigations - deeper or focused on different areas. Thus the last stage – conclusion and reporting can actually be the first step – setting objectives for a new project.

3.1.5 Research design

Zikmund 2012 defines research design as a master plan which should describe procedure and methods of collecting and analyzing the needed information. It is a framework of all activities. The aim, goal or simply said objective should be the basic part. The sources of information should be included, as well as the time schedule and overall costs of the project.

Kothari 2011 says: “Research design is an arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.” Said in other words it is a structure, plan showing collection, measurement and analysis of data. It should cover all steps from defining a hypothesis, through operational stage to the final analysing, reporting and presenting of the results. It should answer following question:

- What is the project about?
- Why is the study being made?
- Where will the study take a place?
- What type of data is required?
- Where it can be found?
- What will be the time schedule of the work?
- What techniques of data collection will be used?
- How will the data be analysed?
- What type of report will be made?
- How the results will be presented?

Research design is needed because shortly said it saves the effort, time and money – it smoothes the project.

3.1.6 Internet research

As Blythe 2013 explains the Internet is nowadays very widely used medium for conducting a research. Questionnaires have been sent via email to real customers, also chat rooms have been used for virtual focus groups, as well as automated survey webs have become to work very well. These help to carry out mass surveys online, through social networks and what is more they not only facilitate the way to respondents these ease also the process of analyzing and reporting which is done mainly automatically.

Another advantage of a research via Internet is the price – it is extremely cheap if compared to other methods and right behind it - it is a significant time saver.

As Blythe 2013 continues there are also negative features, approximately 4% react, answer to given questionnaire, the opinion of the rest – 96% is crucial, also other omitted possible respondents – those not having internet connection, that is considered as a major cause of problems with Internet surveys.

In designing Internet based surveys, marketer needs to considered many things, for example the colours used – relaxing colours make increase people 's willingness to wait during the downloading, or to continue in answering.

Software intended for marketing research should have various attributes to be successful:

- Direct and simple facilities to develop attractive, flexible and appropriate questionnaires
- Easy fielding of questionnaires (security and integrity control included)
- Abilities for performance of basic analysis

3.1.7 Questionnaire design

Blythe 2013 explains that questionnaires are usually assigned for self-completion (without the researcher being present), another possibility is as part of a survey (researcher may ask the questions and notes the answers). The first possibility is used when there is a geographical obstacles, or also in case the researcher might feel influencing on the respondent.

Disadvantage of self-completion is that one has no control over the respondent (possible lying is many time easier with no presence of the author of questionnaire), also there is no control over the real person filling (mainly in case of B2B researches – for example a personal assistant can answer even though the research was intended for the CEO), another con is that responding rate is rather very low – in most cases just a few percents. There is threat of assuming that the non-responders are the same or very similar as respondents which is very often not the case.

Schmidt 2006 describes questionnaire design as a key to both qualitative and quantitative research, questionnaire on its own is a data collection instrument, it formally sets the way in which the questions will be asked. Great consideration should be given to special wording, even in case of short or simple questions, important part is the order and organization of the questions as well as the testing episode.

Questionnaire should motivate the respondent to answer and in the same time it should minimize the possible errors caused by miswording or other factors which would lead to bias.

The same author expressed the questionnaire design in several steps, the particular steps are very much connected with each other. They are described as follows:

1. Specify the information needed (facts and knowledge of customers, opinions, motives, past or future behaviour), determine research objec-

- tives (these should be translated into clear goals, specific enough, also thinking on future analyzing – choice of graphs and charts etc.), resources and also constraints
2. Determine the research methods (data collection method – telephone interview demands different wording than online questionnaire or face-to-face questioning)
 3. Determine the questions (decide about what should be asked)
 4. Establish the questions format (what form – opened, closed questions, multiple choice – one or more answers possible etc.)
 5. Choose the wording for the questions (influenced by characteristics of responding group – different for CEOs to choose their IT machines, or for teenagers to choose their clothes)
 6. Decide the sequence, order and layout of the questions
 7. Get an approval from relevant parties
 8. Test, afterwards revise, check and correct the problems
 9. Prepare final form
 10. Implement

3.2 Consumer behaviour

In the very beginning of this chapter we should explain what or who a consumer is, according to Solomon 2010 consumer is a person who has a need or desire, purchases a good or service and then *disposes of the product during the three stages in a consumption process*. It is necessary to mention that purchaser and user of the product may be different person, in other cases various influencers can play a crucial role in a purchasing process. Consumers can be also the groups of people when only one is the decision maker (e.g. in case of business purchase).

3.2.1 Consumer behaviour definition

Kardes 2014 explains that people study consumer behaviour for many different reasons (students at university, marketing managers, professors, advertising designers), in the world of business it is mainly to improve business performance, but also to influence public policy or to educate and help consumers themselves to make better decisions. This author defines consumer behaviour as an applied social science that works with concepts and theories of statistics, economics, but also history, sociology, psychology and anthropology. This field of study can be considered as very young, it emerged in 1940s, when many organizations moved from selling orientation to marketing concept (production of goods really wanted by customers in profitable and efficient way).

The basic marketing definitions talk about satisfying the consumers' needs, therefore firms need to know what influence and cause these needs and then what

actually these particular needs are, to understand them. Solomon 2010 continues in explaining the importance of studying consumer behaviour – the knowledge about consumers and their needs should be incorporated into every marketing plan, data about the market should help marketers to identify the opportunities but also the threats occurring, in nowadays world nothing lasts too long, therefore these data needs to be current (for example to prove that the product has still the success in its core market).

Hoyer 2012 says: "Consumer behaviour reflects the totality of consumers' decision with respect to the acquisition, consumption, and disposition of goods, services, activities, experiences, people, and ideas by (human) decision making units over time."

Basic, short and clear definition according to Blackwell et al. 2001 says: "Consumer behaviour is the activities people undertake when obtaining and disposing of products and services." Obtaining in this case includes all the activities leading to purchase, this includes searching for information about the product, but also evaluating chosen alternatives and after-purchase criticism.

Blythe 2013 mentions also the issue of a disposal. Disposal of a product when its usage is finished became an important topic in 21st century mainly due to environmentalism. Whether the packaging is recycled, burned or goes to a dump, this is a hot topic in nowadays world. The choice of packaging influence the customer, knowing more about the disposal of a packaging can help to make the marketing mix more accurate. We can mention developing countries where an empty metal can is very often further used as an ashtray, an oil lamp, a pot for flowers or others. The choice of size, shape and quality of given can then very much influence the sales.

Another definition to be mentioned is by Bennett 1995: "The dynamic interaction of affect and cognition, behaviour, and environmental events by which human beings conduct the exchange aspects of their lives." This one stress the dynamism and interaction of various elements. Because the forces and environment affecting the consumer behaviour change, and what worked well in the past, does not have to work well again in the future.

Blythe 2013 also explains that consumer behaviour is formed by many variables, personal and environmental factors are in between of them – these are important for the marketers, because they can influence them. They can influence consumers' thoughts by providing relevant information in the right time, they can provide environment stimuli (nice shops/websites) to help to form the decision to purchase. Of course a good marketing does not end at the point of sale, it should encourage to repeated purchase – to greater consumption.

As Blythe 2013 continues marketing studies in the past were focused mainly on why people buy, more recent studies moved their core on how and why people consume. We should realize that studying consumer behaviour is an interesting field for all of us, because every single person in the world is a consumer. Simply we can say that consumers hold the power in today's business world. Consumer should be in the centre of every marketing theory and also practically in the centre

of everything the firm does. To formulate a marketing plan the answers on how and why consumers buy are the crucial issue.

Stavkova 2007 explains: "Consumer behaviour is based on the decision-making of individuals spending their own resources (like time, money, efforts) in order to obtain the items associated with consumption. This form of behaviour involves why, when, where, how often and what people buy, how often they use the purchased items, how they evaluate them after the purchase and in which way these factors influence their purchases".

3.2.2 Segmentation of the market

According to Salomon 2010 every company should define the segment which it would focus on, it may be the only particular one, in only one region, or it can be several segments across the boundaries, this decision has to be based on firm's goals but also on the given resources. Another option is ignoring segmentation – performing mass market strategy.

Solomon 2010 stresses these factors about particular segments of a market:

- Chosen segment needs to be large enough to be profitable
- Consumers of chosen segment need to be reachable by available marketing mix
- Consumers of the given segment do respond to chosen marketing mix which was designed for them
- The members are similar to each other in the given segment and different enough from the members of other segment

Generally we segment according to age, gender, social class, occupation, ethnic group, religion, stage in life, purchaser vs. user, country, self concept/personality, lifestyle etc.

As Blythe 2013 mentions the whole purpose of segmentation is to identify which potential purchasers are most likely to find our product favourable, usually the segmentation methods work with relationship to consumer behaviour issues. He shows this basic classification:

1. **Geographic segmentation** divides the market into particular locations, where the potential consumers live. For example climate – in the equator regions the warm clothing will not be sold etc.
2. **Psychographic/behavioural segmentation** clearly depends on consumers' characteristics, attitudes, hobbies – behaviour. It considers what work they do, how they eat, what they drink, how they travel or spend their free time.
3. **Demographic segmentation** considers age, gender, educational level, occupation, but also wealth, nationality, religion etc.

Blythe 2013 stresses that the value in the product is shown only in case it is used by the consumer, therefore the consumers are co-creators of the values. Any product has no value once it only stays in the shelf of a shop, or stored in the factory,

the value starts to exist once the product is interesting enough to be bought and used.

Shiffman 2008 also describes so called usage-situation segmentation. Because very often, or regularly it is the situation which brings the customers to a purchase. To better understand we will use the examples: "Every time I am in Prague, I dine in the Imperial"; "Whenever our daughter gets an excellent mark at school, we take her out for the dinner."; "I always buy a bottle of wine to my husband when he has a birthday." Without these situations or under different circumstances the consumer would not choose this, would act differently. Another factors are the timing - whether it is morning, or evening (mostly we buy the cup of coffee to take away in the morning and the bottle of wine in the evening), whether it is a weekday or weekend, whether we are choosing the product for ourselves, or as a gift, whether we are buying on our own or having the company and many more. Many product use this to make an aimed marketing strategy, Schiffman 2008 mentions diamond rings as an classical engagement gift, florists intensify their promotional activities for Valentine's day, Mother's day, bottle of Champagne for any special occasion etc.

3.2.3 Decision making process

Decision making process can be described in several steps, Solomon 2010 names them as follows:

- **Problem recognition** – happens when a person sees a significant difference in the current situation and the ideal, desired one. It can be further differentiated into need recognition (once we run out of petrol in a car) or opportunity recognition (person loving new cars, when finding out about new model coming out).
- **Information search** – once the problem has been recognized, person needs to have appropriate data to solve it, to have enough adequate information to make a reasonable decision.
- **Evaluation of alternatives** is done through problem solving process. This one can be extended or limited. Extended problem solving is used when the purchase is important for us and we feel that the result can be risky. In this situation we try to collect as much information as possible. We use our memory (as an internal search) and also other sources like online or printed media (Google, Youtube) (as an external search). According to the alternatives we evaluate possibilities, considering the characteristics of several brands. Limited problem solving is simpler, shorter, not that intensive. That enables us to use general ways, these can be described as a short cuts, to make a decision. Habitual decision making is described in details in the next part.
- **Product choice** – for marketers the most important step – the real decision to buy a chosen product.
- **Purchase, evaluation of the choice** – purchase itself and than its evaluation critical pat for repeated purchase – for creation of a relationship with the customer.

These steps are general and can be applied on most of the buying situation. Of course some of the decisions are more important than other (purchase of a car, purchase of a bread), therefore the effort and time spent with each step differs very much. Some purchases are done automatically, others could cover fulltime job – people may spent weeks, or even months before the choice is made.

Habitual decision making is described by Solomon 2010 as a process done with very little or no intensive effort. Many purchases are routinized that we do not even realize making them until we see the things in the trolley, this process is called automaticity. This type of activity may be seen as dangerous, however it is also very efficient from another point of view. Because we save the time and energy that would be normally given to the search and evaluation of information, leading to choice of a product. Nevertheless it is necessary to mention that this can cause problems to marketers coming with new things, replacing the old ones, or new process. Consumers then have to be forced to extreme change of their habits, which can be more or less complicated activity.

Decision making process in companies is very rarely done only by one person as Blythe explains this process is usually formalised and carried out by a group of people which can be called Decision making unit (DMU) or buying centre. This unit is often changing according to given purchasing situation. Members can fullfil only a short role or can stay from the very beginning till the end. The different roles are defined in the following way (Webster and Wind 1972):

- **Initiators** – persons who first come with a recognition of a problem (need, want)
- **Gatekeepers** – these members control the flow of information, they can do the research, collect it, filter it.
- **Buyers** – these people make the actual purchase, it is mainly about finding suitable suppliers, negotiating the final price and other conditions. Sometimes they do not have wide autonomy even though they may be the only contact the supplier has.
- **Deciders** – as the word sais on its own these persons make the final decision, usually senior managers, specialists, sometimes even the owners of a company. They usually rely on other members of the buying centre, they are strongly influenced by the gatekeepers.
- **Users** – people who wil actually use the products being purchased, simple workers, engineers, technicians. In many cases they are also the initiators.
- **Influentials** – these have direct contact with deciders, can be often asked for advice, they are trusted. From the suppliers' point of view they are very difficult to be indentified. They can be employees of a company, or external consultants, but also deciders' friends, relatives or other more or less close persons.

3.2.4 Consumer behaviour and marketing mix

Marketing mix is a tool which is often criticized by academics, however it remains to be a basic tool used very often in marketing management. In this chapter

we will see how very much is famous model of 4 ps or the extended one of 7 Ps interlinked with the process of studying consumer behaviour according to Solomon 2010.

- **Product** can be described as a bundle of benefits, customer decides which of them are the most important, the most desirable, which are neutral (do not matter) and which are not even benefits but more drawbacks. This consideration is a starting point for all rational decisions leading to purchase.
- **Price** can be seen from many different angles, the producer will always get only the number on the label, however the customer can see it differently, some products need a higher effort to be used some of them not – for example electric tool (wine opener) does not need any force to be used, the manual one needs a lot of strength – but is much cheaper, these extra “costs” can exceed the labelled price for the consumer.
- **Place** play a crucial role in consumers’ purchasing behaviour. The closer to customer, or the easier findable the product is the higher the final sales can be. This also influence the price – the small shops on the corner having wild portfolio of product are usually much more expensive (compared to super-markets) however the favourable location makes the customer to come and purchase, it makes the price worth it.
- **Promotion** is also something people consume, because they watch the TV, buy magazines, drive on highways, ride by public transport, go to cinema etc. Although they usually do not consume the promotion (advertisements) on purpose, they very often pay at least some attention to these. Information provided by promotion can be also helpful tool once the customer purposely look for a chosen product.
- **People** that is what business is about. Sometimes customers are loyal to chosen person – winemaker, hairdresser, restaurant chef. People who run the businesses need to know that understanding how the customers react is crucial for their results.
- **Process** depends on the consumer involvement (the degree how much the customer is attracted to and defined by a product, or brand).
- **Physical evidence** definitely influence the consumer behaviour, everyone will stay longer in the environment which he or she finds attractive and comfortable.
- **Packaging** as mentioned before became a crucial issue on the 21st century. People are influences by environmental movements and care about whether the packaging can be recycled, or used once more, whether it is ecologically liquidated etc. The outward of a product plays a critical role too – consumers choose by eyes, what catches their attention wins.

3.2.5 Consumer behaviour in the field of food

Purchase of food product is usually different. It is often habitual in case of cheaper units (bread, rolls), however in this field we can observe a strong dependence on geographical origin. Schiffman and col. 2008 explains that certain products

(French wine, Scotch whiskey, Czech beer, local dairies etc.) give a strong geographical association in the minds of consumers. Therefore including geography into products name, the producer can create a geographic personality of a given product. It is necessary to mention that the geographic names can be either familiar or unfamiliar (then you have to build up the brand, to make it familiar), but we can also come across the fictitious ones – for example Boris Jeltzin Vodka gives us an association, it is produced in Russia, however it is a brand name for a spirit distilled in France!

3.2.6 International consumer in 21st century

As Samli 2012 explains nowadays consumer differs very much from the one three decades ago. Today's consumers have many alternatives, they are aware of large availability of products and services which are possible to want and also to purchase. Accessibility of information about particular products and brands and also about the entities and countries where they come from can be seen as not measurable. The modern global consumer knows brands like Pepsi, Adidas or J.P. Chenet – these are just examples out of hundreds or thousands brands known all around the world. Consumers are also demanding higher quality, they make comparisons, this brings better choices and higher satisfaction of their needs. Particular products and their prices can be compared and then purchased from different sources, in different way.

And so our global culture creates a multicultural consumer behaviour which is presenting concepts of free markets, individualism and consumerism. However the strong differences among nations are still an issue.

3.2.7 Consumers in the EU

To talk about European consumer or consumer behaviour is very problematic. Solomon 2010 mentions that some influences (psychological, sociological) can be common for all Western cultures, certain theories can be culturally specific, some groups of consumers show similar types of behaviour across national frontiers.

On the other hand the way we live our consumption life differs from one country of the EU to another, what is more even within the various region of single country. EU continues to expand now there are 28 countries with more than 500 million inhabitants (consumers).

The expansion is bringing diverse economical and political backgrounds with own, specific historical and cultural development. EU is being an interesting market, therefore this simplification – EURO-consumer can be seen as very much demanded for the needs of corporates. Many marketing researches took place and showed important differences between the countries, however similar signs were seen in terms of purchase of luxury goods.

3.2.8 Consumers' differences by culture

The well known model of Geert Hofstede 1980 influenced business all around the world, his research covered 116 000 respondents from International Business Machines (IBM), the research was held twice, in the years 1967 and in 1973, at those times IBM was the largest international company with many subsidiaries all around the world. Geert Hofstede developed five dimensions of national cultures, these are used all around the world to analyse consumer behaviour, to make international marketing and also management more effective. The dimensions are labelled as:

- Power distance
- Individualism vs. collectivism
- Masculinity vs. Femininity
- Uncertainty avoidance
- Long vs. Short term orientation

As de Mooij 2010 explains there are only a few models which provide country scores and which are applicable for analyzing of consumption differences and other aspects and factors of consumer behaviour. Beside Hofstede (1980), there is Shalom Schwartz and a GLOBE study.

There is a clear reason for such a widespread of above mentioned theory, it is thanks to the simplicity of its division. That is straightforward and it appeals to both business people and academical researchers. There is a seen effort of international companies to analyze the foreign markets with respect to cultural differences. Although there are signals about outdated of this theory, several analysis and reviews showed that new theories brings only limited advancements to original theory.

Shalom Schwartz is Israeli psychologist who developed seven value types and named them as:

- Embeddedness
- Intellectual and affective autonomy
- Hierarchy
- Mastery
- Egalitarianism
- Harmony

Both models are based on large surveys in terms of sample and show similar basic values and orientations of nations. As de Mooij 2010 continues the Schwartz's model is less useful as it covers fewer countries and their results are not that consistent as the Hofstede's ones.

Another model to be described is recent large-scale dimensional model GLOBE. This one was performed by Robert House (Wharton School of Management) and brought nine cultural dimensions at the level of society, namely:

- Uncertainty avoidance
- Power distance
- Collectivism (two types)
- Gender egalitarianism
- Assertiveness
- Future orientation
- Performance orientation
- Humane orientation

This research asked respondents to report how things are or should be done in their society and was focused on study of leadership and societal culture.

3.2.9 Marketing ethics

Solomon 2010 explains, in the world of business, quarrels often arise between the aim to succeed in the market and the want to perform my business honestly and maximize the well-being of customers by offering them the effective, well-functioning and save products and services.

Some people could mention that to teach people about ethics once they are considered as adults is too late, however nowadays many companies and organizations stress this issue and give a great accent on reinforcing ethical behaviour, it seems to be appreciated by consumers even though it is very badly measurable.

Marketing ethics is very closely connected with socially responsible behaviour. Sometimes a company risks the credit by misleading customers by mislabelling of the contents (100% fat free strawberry jam?), or by inviting them to stores promising inexpensive products with the intention to switch them to high-priced goods. This leads to a rising phenomenon of "political consumer" who purposely avoids some products of unethical companies and chooses the others of ethically acting organizations to show his political attitudes. Companies are finding out that realization of ethical performance is efficient in the long run as the satisfaction and trust of customers pays by years of loyalty from customers.

3.2.10 Brand loyalty

Shiffman 2008 explains that for most of the marketers there are two main tasks - increase the market share and the number of brand loyal customers. These two are not independent, loyal customers brings a stability and basis for growing market share, and proportionally the brands with high market share have usually higher ratio of brand loyal customers. Marketers try to convince the consumers that their brand is the one which will in the best way solve their problems and so sat-

isfy their wants and needs, then it is important for any marketer to find out how well the consumers understood to these message and whether they believe it and in the best way remember it and act according to it (buy the product), this process should be measurable and true brand loyalty is the ultimate outcome of this consumer learning.

There is no exact definition of this concept but marketers agrees that consists of attitudes and actual behaviours towards our brand and these both should be measurable. Attitude is important – how the customers think about the brand, however the behavioural/actual part is the one based on observable acting - repeated purchases.

Often we can see that the brand loyalty concept is used as a basis for market segmentation. Marketers try to describe their brand loyal customers and then they can lead their effort to similar ones in the market. The different approach would be to focus on the opposite types “brand switchers”, in this case marketers believe that they represent greater part of the market and will easily switch the brand towards more efficient, interesting offer, these have better potential than the competitive brand loyals. Companies than stimulate the communication towards the brand loyal customers via special benefits, such a relationship often has a form of a membership club. Offered benefits includes free extras to keep the members happy and loyal.

Kardes 2014 states that every manager should focus on building the brand awareness, the image and mainly the reputation of a brand is considered as one of the most important assets. Strong name can help the company during the difficult periods but also provides opportunities during the good times. Managers also have to decide whether to increase the number of product line to higher the sales, or whether to reduce it and lower the threat of brand cannibalization. Generally said, once we have brand loyal customers, the number of product lines can be lowered (to decrease the cannibalization), and so the company can focus on the core, not to waste time with edge issues.

4 Methodology

This thesis consists of two main parts divided into a few further sections. The first part is devoted to literature overview. It describes the main issues of marketing research and consumer behaviour. In the other part can be found the basic analysis of wine market, its economical aspects, international trade, trends in wine consumption worldwide, focused on the EU and selected countries. Next chapter of the practical part shows the results of author's own market research. The last section brings practical recommendations for a new wine bar.

The first works on the thesis started on November 2013 when the diploma thesis topic was submitted, the choice of the main literature sources, basic research of secondary data and setting of main objectives was implemented. The time break between November 2013 and November 2014 (the survey performed) was caused also by intensive professional praxis within the studies in the particular winery, this praxis continued into the full time employment contract in the marketing department of the company. Thanks to this fact many practical issues arose and were implemented into the thesis, mainly to the second part dealing with the consumption trends and recommendations for the new wine bar.

The main objectives of the theoretical parts were met thanks to the studying of a chosen literature in Moravská zemská knihovna, Brno. The internet sources played a crucial role, not only scientific articles but also recent books which are not available in mentioned library were found online, another important source were the official portals of the EU.

For the practical part the resources of International wine organization (OIV), its reports and statistical tools were used. The data from annual reports of the Czech Ministry of Agriculture were processed and analyzed.

To meet the main objective of the practical part a questionnaire was designed in the first part of October 2014. For this the Application Form in Google Documents was used, because of its international reach, trust and familiarity in other countries. The piloting stage took place in the second part of this month. During this stage four students were asked to fill in the survey, thanks to this process a few corrections in the wording of questions and in a particular choice of possible answers were implemented.

During the month of November 2014 the market research was performed. The respondents were reached mainly in the Czech Republic, the thesis is focused on other markets too, therefore the respondents from Croatia and France were reached too. The publishing of survey was done through several Facebook pages. The minimal numbers of respondents were set after the discussion with the supervisor of the thesis before the research took place, these were 150 respondents for the Czech Republic and at least 40 for Croatia and France. Thanks to Croatians interest in comparison with France and the Czech Republic and to the author's connections in France, these were fulfilled. The link to the survey was published several times on each page with short presentation of the topic and explanation of need of this data for the diploma thesis.

Thanks to the piloting stage the correct formulation was proved and so all the questionnaires could have been used for the analysis.

The analysis was performed with the data exported from the Google form to the Microsoft Excel sheet, where particular tables and graphs were created. Several functions like "COUNTIF" were used to receive needed numbers.

For the final part of the thesis – the recommendations for a new wine bar – some results of the survey were used as well as practical experience of the author and knowledge of the situation in the wine business environment.

5 Practical part

In this part, characteristics and crucial issues of wine industry will be described, also the results of the marketing research will be presented. Author focused mainly on the Czech market in comparison with French and Croatian market.

5.1 Wine industry analysis

This chapter is aimed to the analysis and description of the wine industry. Nowadays trends, as well as short notes from history will be described in the field of export, import and consumption trends.

5.1.1 Historical development of the EU wine market

The group of countries of European Union is leading producer of wine. All together they produce some 175 million hl, which can be seen as 45% of wine-growing areas, 65% of production, 57% of global consumption and even 70% of exports in global terms.²

The history of wine market of the EU can be in brief described as follows – short period of equilibrium after introduction of common market organisation (CMO) skipped very quickly into the times of increase in production and quite constant demand, in 1980s there was significant change in demand for quality, and declining trend in demand as such. In the beginning of CMO periods there was a liberal approach with only a few market regulations (the main aim was to deal with annual changes in production caused by climate/weather), the virtually guaranteed sale generated structural surplus on production. In 1978 the interventionist approach became to rule, mainly the ban on planting the new vineyards and the obligation to distil the surplus. As the end of 1980s was coming even the financial incentives were used for giving up the vineyards.

The reform from the year 1999 had a straight aim to achieve the balance between supply and demand on the EU market, the producers got a chance to get in line with the demand on market, which was showing requests for higher quality. The sector should have become competitive in the long term. GATT started to finance restructuralization of a large part of current vineyards.

However this reform showed to be insufficient in reduction of wine production surplus and significant sums still needed to be spent on their disposal. There was a need for new reform.

The reform finally adopted in 2008 has following aims:

- EU wine producers should be made even more competitive, via strengthening reputation of European wines, reclaiming market share in the EU as well as in the third countries

² Source: European Commission, Agricultural and Rural development

- The rules of wine market-management should be simpler, clearer and more effective – the balance between supply and demand should be achieved
- The stress on preservation of the best traditions of European wine growing, strengthening its environmental and social role in rural regions

After the year 2015, the current restrictions on planting vines should be lifted, this will enable competitive producers to increase their production.

5.1.2 Production and consumption of wine

Wine market is observed and analyzed by many international and national organizations, between of them we can find International Wine Organization OIV (Organisation Internationale de la Vigne et du Vin) with its seat in Paris. Czech Ministry of Agriculture publishes the report about the state and conditions on the Czech wine market every year.

PRODUCTION

In the EU we can see the lasting surplus in production versus consumption, but the trend is positive, the surplus has been decreasing in the last 12 years. In the year 2000 it was 30% of the production, in the year 2011 it is “only” a half – 15%. Similar trend can be seen also in the world in the year 2000 there was a surplus of 16%, in last years it is 9%.

This can be attributed to EU directions of ban on planting new vineyards and to financing grubbing of old plants. The surplus is used on for industrial purposes (alcohol with wine origin, vermouth, vinegar).

The new fact is, that last years show there would be a shortage if there are no stocks from previous years. In the picture below we can see the converging trend of production and consumption of wine in both cases – world and Europe.

The changes in production of major worldwide producers of grapes (for all usage – raisins, table grapes, wine) are:³

1. China (growth by 200% in years 2000-2012)
2. Italy (decrease by 20%)
3. USA (stagnating)
4. France (decrease by 30%)
5. Spain (decrease by 20%)

³ Source: OIV Statistical report.

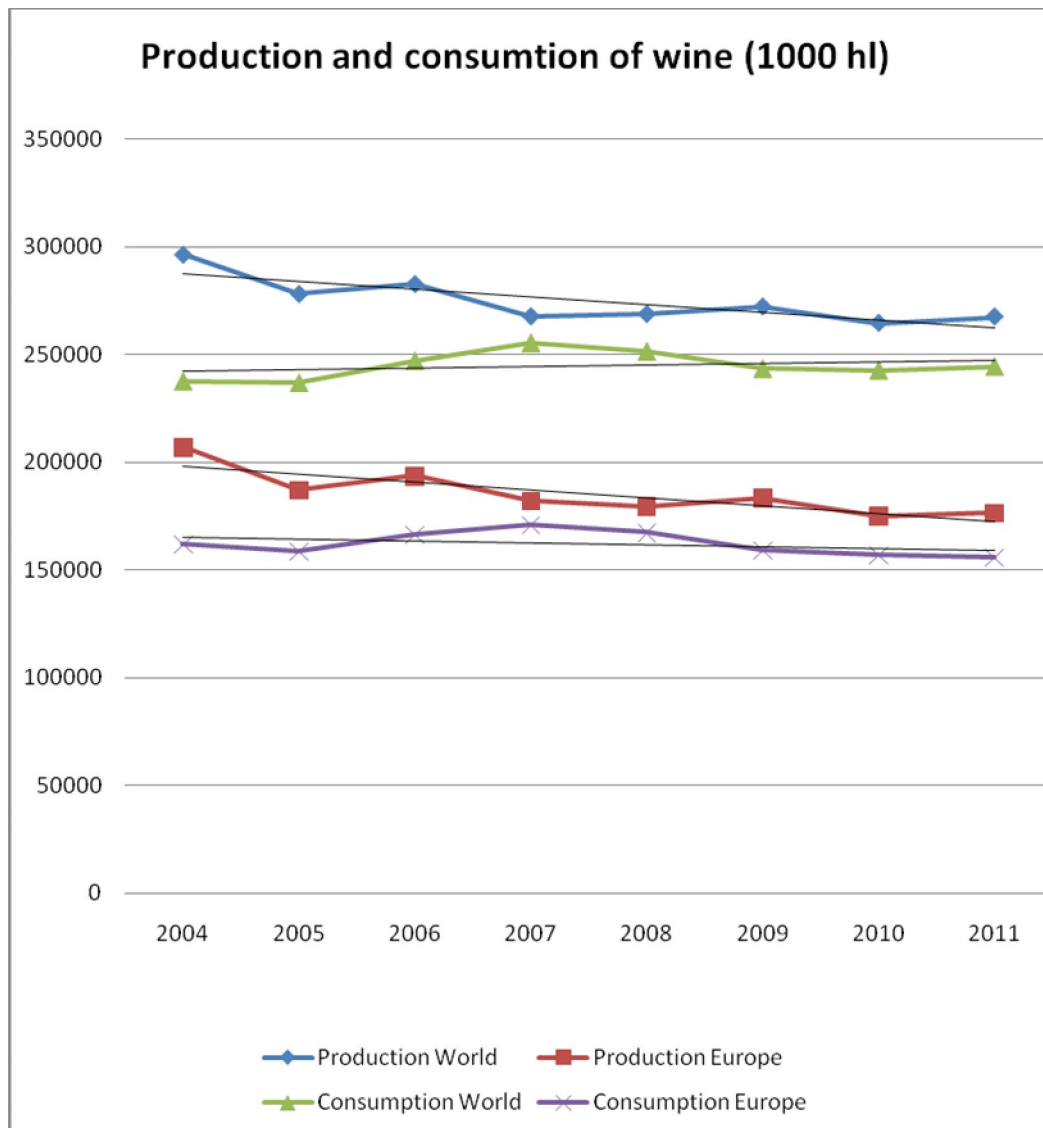


Fig. 1 Production and consumption of wine.
Source: OIV. (Author's own compilation)

We can say that in the years 2004 – 2011 the worldwide production has been slowly decreasing, in the year 2012 it was 252 million hectolitres (excluding juice and must).⁴ This number is considered as low especially for Europe, it is caused mainly by two factors – reduction in vineyards and not optimal weather conditions. The production of EU countries decreases in the long-term, but still the most of wine produced comes from EU countries (72% in the year 2001, 62% in the year 2012).

⁴ Source: OIV. StatOIV Extracts

European production decreases on the other hand the Asian areas (mainly China), US, Chile and New Zealand these grows. The detailed scheme divided according to continents can be seen in the pictures below.

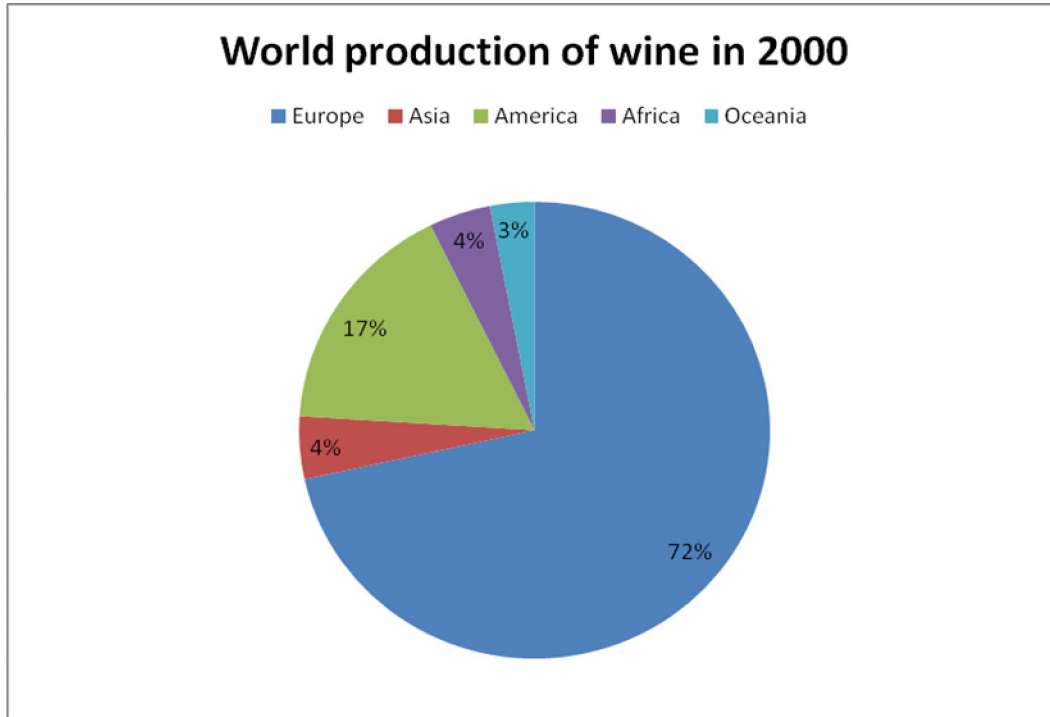


Fig. 1 The world production of wine in 2000.
Source: OIV, 2014. Athor's own compilation.

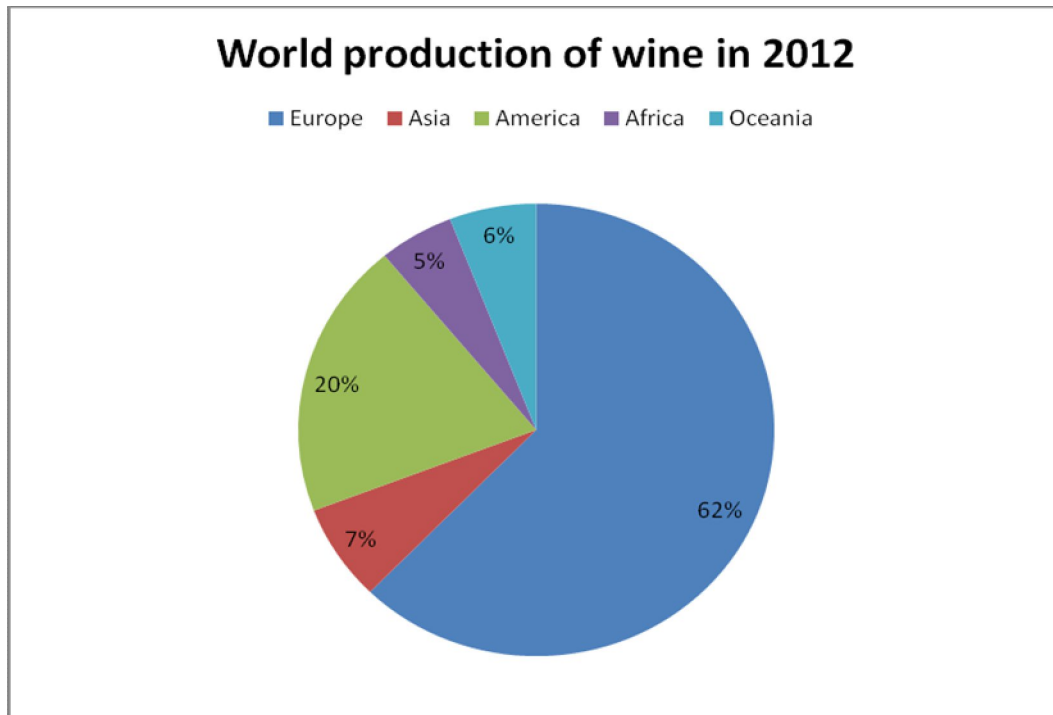


Fig. 2 The world production of wine in 2012.
Source: OIV, 2014.

We can see that the decrease of European production was replaced by growth in Asian countries (mainly China caused this with increase in production), America (here Chile plays the main role, as well as growth in Argentina) and Oceania (where Australia and New Zealand show increasing production).

CONSUMPTION

The trend in worldwide consumption can be described as slightly increasing, in 2012 it was 243 million hectolitres, in comparison to 226 million hectolitres in the year 2000. However, the numbers from the periods before the economical crisis still has not been recovered.

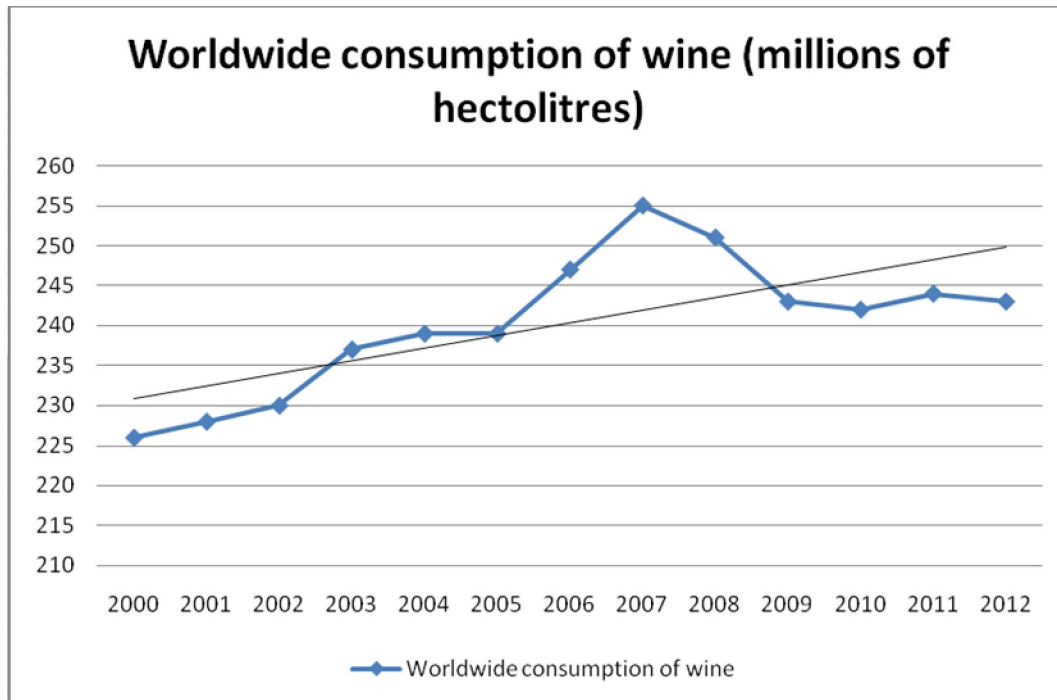


Fig. 3 Worldwide consumption of wine.
Source: OIV, 2014.

There is a significant trend observed in traditional wine consuming countries. Countries defined as traditional leading wine producers and consumers show long-term decrease:

- France -12%/in comparison to the year 2000
- Italy -27%/2000
- Spain -34%/2000

On the other hand increasing trend in wine consumption can be seen in US and Asian countries, mainly China.

- US +37%/2000
- China +67%/2000

US are becoming the largest market worldwide – in terms of volume, their consumption reached 29 000 million hectolitres in 2012 (in the year 2000 it was 21 200 mill. Hl.), the first place is still belonging to France with 30 269 million hectolitres (which is 12% less than in the year 2000).

Wine consumption in selected countries

This thesis is focused on 3 selected counties – The Czech Republic, Croatia and France, each of them differs very much in terms of wine consumption, as well as in

other factors (GDP, price level, state of economy). However as the picture below shows there can be a convergence observed.

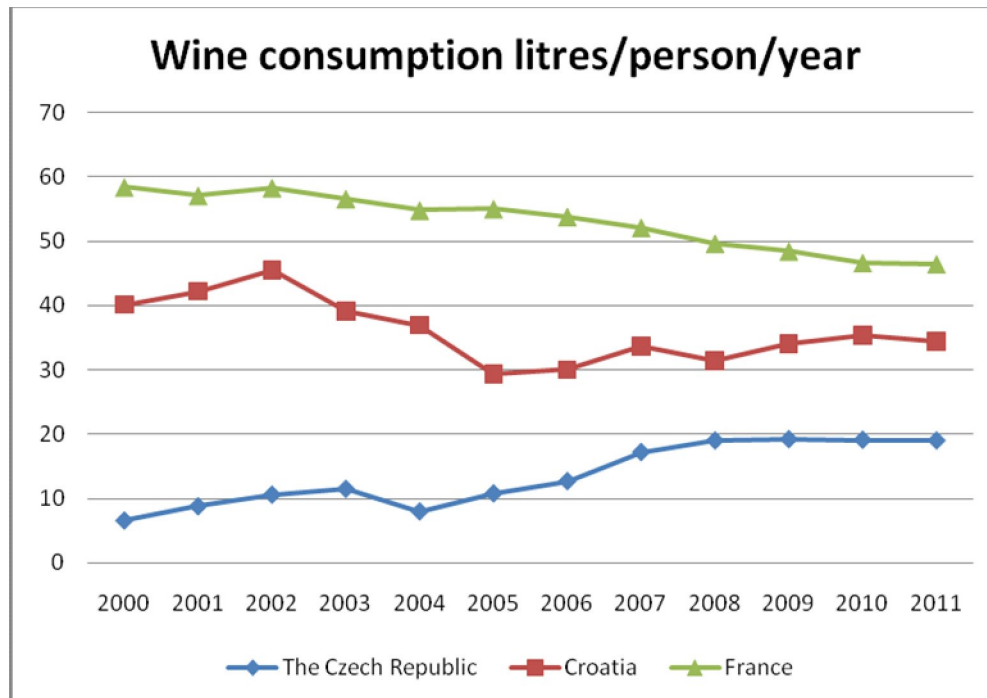


Fig. 4 Wine consumption in selected countries.
Source: OIV, 2014. (Author's own compilation)

As mentioned before France belongs between the traditional countries (with Spain and Italy) where we observe the long-term slow decrease. The trend in Croatia is similar – slowly decreasing however with stronger ups and downs. In the Czech Republic there was a strong increasing trend till 2008, since then our consumption stagnates just under the level of 20 litres per person.

5.1.3 International wine trade

The worldwide trade is constantly growing. Not only in terms of volume, but mainly in terms of value. Since the year 2000 there was a drop only in a year 2009 as a consequence of economic crisis, in the picture below we can see that the recovery was relatively fast, with higher value already in 2010.



Fig. 5 Worldwide wine trade.
The source OIV, 2014. (Author's own compilation)

Approximately 66% of wine is traded by the five biggest wine countries (Spain, Italy, France, Germany and Portugal), another 25% is divided between Argentina, Australia, New Zealand, Chile, South Africa and US. Here comes the justification for the terminology often used – Traditional/Old wine countries (mainly continental Europe, the first group) and the New world (second group). As mentioned many times before the trend of both – production and consumption - is decreasing in the Old, Traditional countries and increasing in the New world.

Approximately 43% of the wine consumed in the world was traded internationally. There is also significant increase in re-export, mainly because of the increase in trade with bulk wine (in containers bigger than 2l). The trade with bulk wine started to grow during the economical crisis and now is approaching to a half of the whole volume traded. However this state differs very much in each country. Talking about France it is only 19%, Italy, Argentina and Chile it is 33%, US 47%, South Africa 50% and Spain even 57%.

5.1.4 Import and export of the Czech Republic

The wine consumption is constantly growing since the year 2000, the production of Czech winemakers depends on the weather conditions, these differs very much every year, the first estimation of Czech winemakers for the year 2014 are very sceptical, they admit a half lower harvest than in previous years, this will be replaced by imported wine.

The volume of imported wine is increasing since our entry into EU (2004). In the pictures below, we can see the imports in the year 2012/2013.

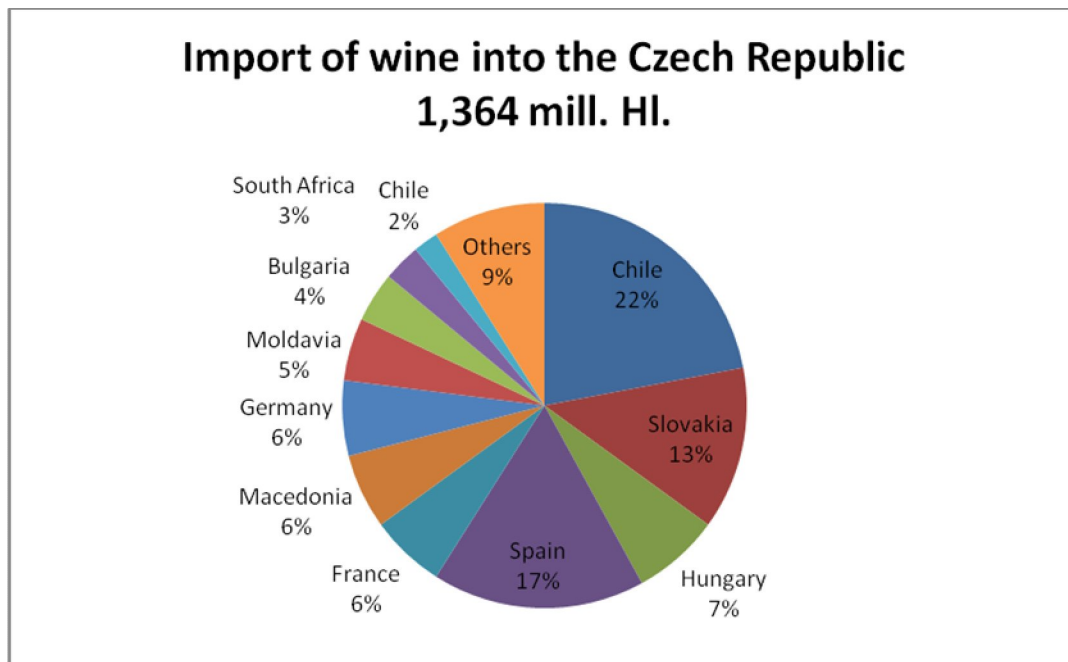


Fig. 6 Import of wine into the Czech Republic.
Source: Czech Ministry of Agriculture, Annual report 2013. (Author's own compilation)

79% in terms of volume and 83% in terms of value was imported from the EU countries. The yields of Italy, Hungary and Spain are decreased in comparison to previous years, on the other hand imports from Germany, France, Chile and Slovakia increased. Difference in yields is significant also once we divide the import on bottled and bulk wine (in containers bigger than 2 l).

We can say that the Czech wine is exported predominantly to Slovakia. Out of 239 thousands hectolitres for 667 million CZK in 2011 it was 217 thousands of hectolitres for 512 million CZK. The second place belong to Poland with 8 500 hectolitres. Slovakia is the overlord in both cases – bottled and bulk wine.

The Czech winemakers are on the good way to assert their qualities on the Chinese market. The Czech Republic has a good reputation there thanks to the Czech beer and even though the Czech wine is not very well known yet, thank to a steeple increasing consumption in this region and thanks to Czech history, high level of culture and high quality products, the Asians accepts wine in very positive way. Our companies attend the yearly fairs Top Wine China, as well as International Wine and Spirits Fair in Hongkong, thank to these there are contracts for some 500 thousand litres of wine to be exported.⁵

⁵ Source: Czech Ministry of Agriculture. Current trends of Czech export – Agriculture.

5.1.5 EU regulations of wine market

The European Union provides common rules for managing agricultural markets (where wine market belongs), standards for marketing agricultural products and for importing and exporting them to/from the EU.

The EU is a leading wine producer. It covers some 45% of wine-growing areas, approximately 175m hl of wine every year, which accounts for more than 60% of worldwide production and also more than 55% of consumption and about 70% of exports in global terms.⁶

The first common organization of the wine market is dated back in 1962, this was sustainably reformed in 1979, 1987, 1999 and 2008 by the Regulation.

The Regulation sets rules in terms of definitions of product terms (different types of grape must and wines), alcoholic strength, wine-growing zone, authorized oenological practices and processes and their limits and conditions (focused on sulphur dioxide, volatile acid content, enrichment practices, sweetening - chaptalization, acidification or deacidification, etc.), quality wines produced in specified regions, description and presentation on labels (obligatory and optional information for both still and sparkling wines).

In order to facilitate the trade between the EU and non-EU countries bilateral also multilateral pacts are conducted by the Commission and the third countries.

Import of wine (which is one of the product covered by Regulation) into the EU is subjected to the presentation of an import licence, which can be issued by the member state to any applicant, this licence is then valid throughout the EU. Rates of duty in the Common Customs Tariff are then applied on the wine imported, in order to prevent imports of certain products which would be in conflict with the rules of the World Trade Organisation additional import duties may be applied.

The Regulation also talks about provisions on tariff quotas, export refunds and the measures applied to trade with non-EU states in case of serious disturbances, contrary to the objectives of CAP (laid down in Article 33 of the EC Treaty).⁷

Wine imported can be placed on the EU market only after official checking of accompanying documentation. In each member state there is one or more authority that is responsible for ensuring compliance with EU rules, there are also laboratories authorised to perform special analysis of wine.

5.2 Market research of wine market in selected countries

Author of the thesis decided to undertake market research in selected countries to fulfil the main objectives of the work - to find out the trends, differences and mutual signs in wine consumption on given markets. The market research had several stages.

⁶ Source: European Commission. Agricultural and Rural development.

⁷ Source: Europa, Summaries of EU Legislation.

The process started with preparation of questionnaire and continued by crucial piloting stage when four persons were asked to fill in the questionnaire. After it a few corrections were implemented to make the questionnaire more understandable and not biased by the author's view. Then the questionnaire was published, data collected, analyzed and will be interpreted in the practical part of this thesis.

Three countries were chosen to be part of this project. First of all it is the Czech Republic, author's home country, the results should help to bring practical recommendations for a wine bar in the city of Brno (recommendations to be found in the later part), the second country is Croatia – new member of the EU, and the third is France – founding state of the EU, traditional country in wine producing and consumption.

Tab. 1 Number of respondents and their nationality

Nationality	Number of respondents
Czech	176
Croatian	49
French	45
Other	13

Source: Author's own research. November 2014

In the table above, you can see the field "Other" too, this one was added after the piloting stage. Author realized that through the Facebook also other nationalities could be reached, however, the research was focused on the three mentioned above, therefore the "others" were before analysis excluded.

In the picture below it is possible to see percentage yields of respondents.

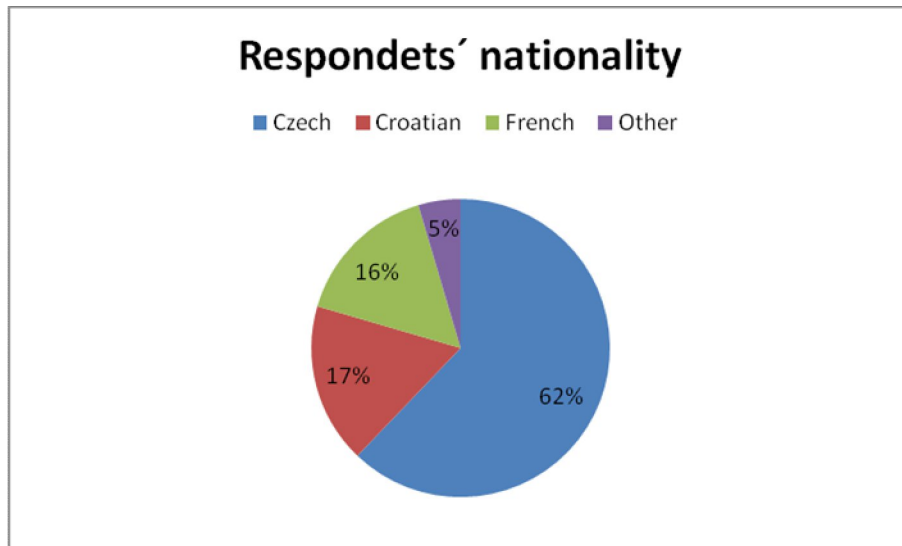


Fig. 7 Respondents' nationality seen in percentage
Source: Author's research

5.2.1 Objectives of the research

The research was undertaken in three selected countries. The main factor for their choice was different background in terms of their history in the EU as well as in wine consumption. For these differences there is clear evidence in terms of numbers and trends in consumption of wine, as well as in imports and exports of the wine.

The author's aim was to find out, whether also the single opinions of mainly young generation – students – differ in the same way. Another objective is to find out whether there can be a convergence of the markets in chosen countries thanks to the European integration process.

For practical usage of this survey also a questions about the wine consumption in wine bars were asked to help to generate recommendations for new wine bar which could be focused on students.

The survey was inspired by the researches which results were published in 2006 and then repeatedly performed and published in 2014, these were performed by the agency FOCUS, for the purposes of Wine Fond of the Czech Republic, these had a purpose to watch the developing trends of wine consumption in our country.

In this questionnaire there were approximately 40 questions asked focused on where and why people drink wine, how much they are willing to spent for it, also questions about knowledge of wine varieties were asked, about favourite companies producing wine from home country and from abroad. For the purpose of the thesis only several where chosen, which were considered to be the most important.

5.2.2 Preparing stage of the research

In this stage the most important is to define the objectives and aims which should the survey help to conclude. After their defining the questionnaire was designed in such a way that should help the author to fulfil the aims and objectives described above.

The questionnaire was designed in the application Google documents – form. This one was chosen because of its ease of usage in international environment, the survey was to be sent to other countries too, therefore also the trust, confidence and familiarity of Google applications played an important role. The questionnaire was aimed for mainly three countries, the language chosen was English, as the author suspects that should not bring serious problem to young generation.

There was necessary to decide what types of questions will be asked, to make it comfortable for the respondents as well for the later evaluation. Some questions were evaluating (level of wine offer in selected companies), some were open (for the knowledge of grape varieties), in some there was only one choice possible, in others there were limited or unlimited opportunities possible to choose.

The first part of questionnaire was clearly statistical, it was finding out the age, gender, nationality, net income and occupation. The first question was asking “Do you drink wine?”, the respondent was kindly asked to continue in the questionnaire even though the answer is “No”, because the author suspects that the wine can be bought as a gift for someone else. In each question then there was the answer possible for non-drinkers.

The piloting stage took place when four people were asked to fill the questionnaire in, this stage showed to be very important as some questions had to be corrected to be more understandable, mainly there wording, or some possible answers were added.

5.2.3 Realization of the market research

After the correction which came from the piloting stage the survey was published. Mainly the Facebook was used as it can reach a lot of people in a relatively simple way and in a short time.

The author used relationships in France – particularly in Lyon.⁸ The Croatia was reached via several Facebook pages intended for students⁹, the Croatians showed to be very interested in such research which compares them to Czechs and French and so there were quite a lot of respondents reached.

The survey was shared and published a few times a week during the month of November 2014.

⁸ Erasmus studies on École de Management, Université Catholique de Lyon: <http://www.esdes.fr>

⁹ Facebook page Studentski.hr published the details about the author and objectives of the thesis at: <http://studentski.hr/studenti/vijesti/poziv-studentima-vinoljupcima-istrazivanje-ozumiranju-vina-u-hrvatskoj/>

5.2.4 The results of the survey

In his part of the thesis the result of a research will be showed and analyzed.

Consumption of wine

After the statistical part of the research about the age, gender, net income, occupation, there was the first essential questions asked: "Do you drink wine?"

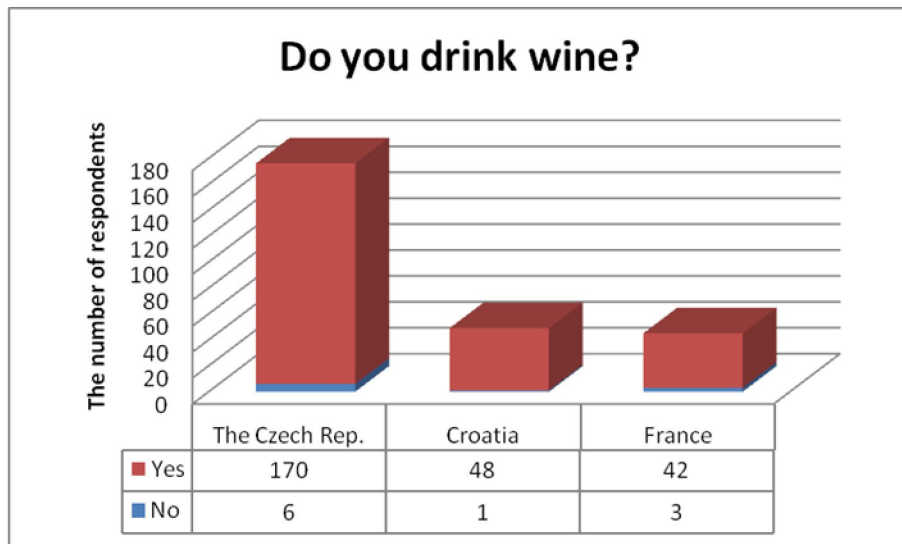


Fig. 8 Do you drink wine?

Source: Author's research. November 2014

As it can be clearly seen from the picture above – the vast majority answered "Yes" to this question. The author asked those who possibly answered "No" to continue in the questionnaire, because there can be opportunities to meet with the wine in other situations too, for example when one buys as a gift for someone.

Next question was trying to find out which are the places where people drink wine the most. On the question "Where do you usually drink wine?" The most people chosen the options "At home", "Other people's home", "In a restaurant" or "Social event – ball, celebration etc.". The differences between the countries are showed in the picture below.

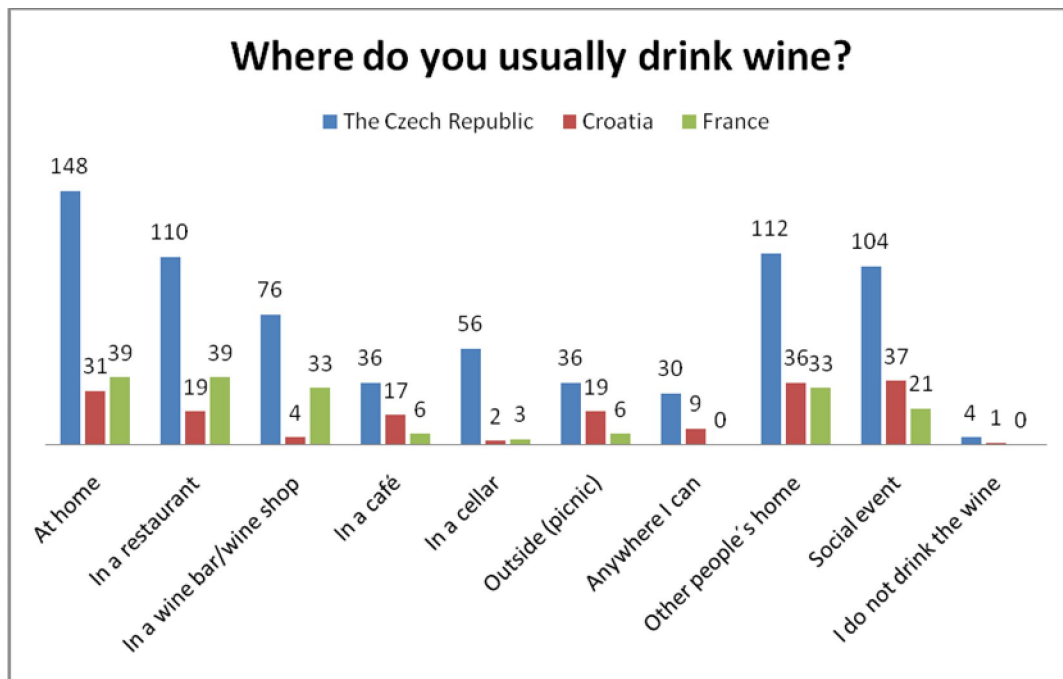


Fig. 9 Where do you usually drink wine?
Source: Author's own research.

There are similarities in the most popular places. "At home" was chosen by 84% of Czechs, 63% of Croatians and even 86% of French. French had the priorities "At home" and "In a restaurant", also "Wine bar" (73%) and "Other people's home" the same percentage.

The main similarity can be seen in "Other people's home" where 64% of Czechs, 73% of Croatians and 73% of French drink wine. The main difference is seen "In a restaurant", where 62% of Czechs, even 86,6% of French however only 38% of Croatians drink wine. Also an option "In a wine bar" is rather disproportional 43% of Czechs, however 73% of French and only 8% of Croatians drink wine there.

In this question there was a possibility to choose up to 5 answers.

Next set of questions was trying to find out the frequency and popularity of different types of wine in terms of the colour. First there is shown a result on the question "What type of wine do you prefer?", considering colour, there was only option possible to choose. In this question there were three main possibilities of the worldwide most drunk wines – white, rosé and red.¹⁰

¹⁰ Author is fully aware of other types like „Orange“, however, she believed that these type of wine are not as popular to show significant values.

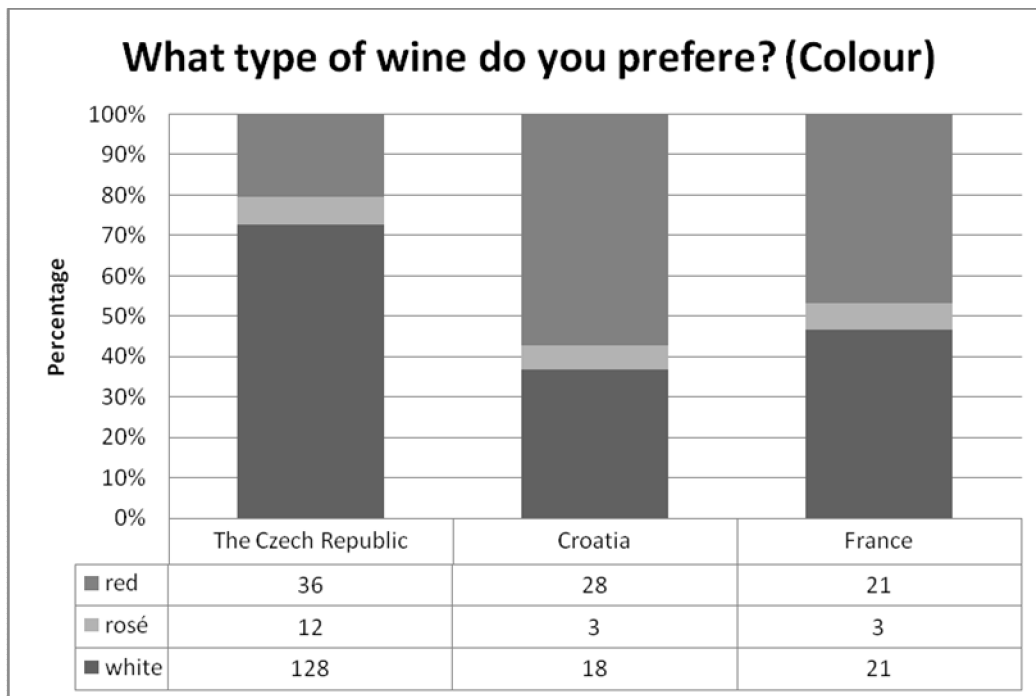


Fig. 10 What type of wine do you prefer?
Source: Author's own research. November 2014

In this issue there are obvious differences, in the Czech Republic majority of respondents prefer white wine, which can be explained by current trend, in most of professional publications the Czech white wine is considered to be on very good level, however the red is usually not that successful neither in international competitions, this actually follows the general opinion about Czech wine. France showed equality between red and white. On the other hand Croatians surprised by popularity of red wine, rather than white. The rosé shows rather low popularity equal in all given countries only 6-7% of respondents expressed rosé as their popular type of wine.

The set of questions interested in frequency of wine drinking is already divided into four groups, it asks separately on white, rosé, red and also sparkling wine.¹¹

In the table on the next page we can see a similar pattern in all three countries. Most of Czechs, Croatians and French drinks the white wine 1-3 times per month. The similar trend is seen in case of rosé and sparkling wine too, these types of wine are drunk less than once a month (in case of sparkling wine vast majority chosen this option). This question proved the previous to be answered in a right way as the option 1-3 times per month was chosen by most of French and Croatians, however Czechs drink red wine less than once a month.

¹¹ Author purposely does not divide the sparkling wine according to the method of production (traditional secondary fermentation in the bottle etc.), it is believed not to bring significant results.

Tab. 2 The frequency of wine drinking, considering the different types of wine.

	The Czech Republic				Croatia				France			
	White	Rosé	Red	Sparkling	White	Rosé	Red	Sparkling	White	Rosé	Red	Sparkling
Less than once a month	26	104	68	122	19	39	8	42	12	24	12	33
1-3 times a month	74	40	50	28	20	3	24	3	18	18	18	12
1-2 times a week	46	16	34	2	8	2	11	0	9	3	6	0
3-5 times a week	16	2	4	4	1	0	1	0	6	0	6	0
Almost every day	12	0	4	0	0	0	1	0	0	0	3	0

Source: Author's research. November 2014

Another interesting fact to be mentioned is that white, rosé and sparkling wine was not chosen to be drunk almost every day by any French or Croatian, on the other hand 7% of Czechs drink the white wine almost every day.

Next question was finding out the volume of drunk wine. “If you start to drink wine, how much do you usually drink?” In this case there was only one option to be chosen.

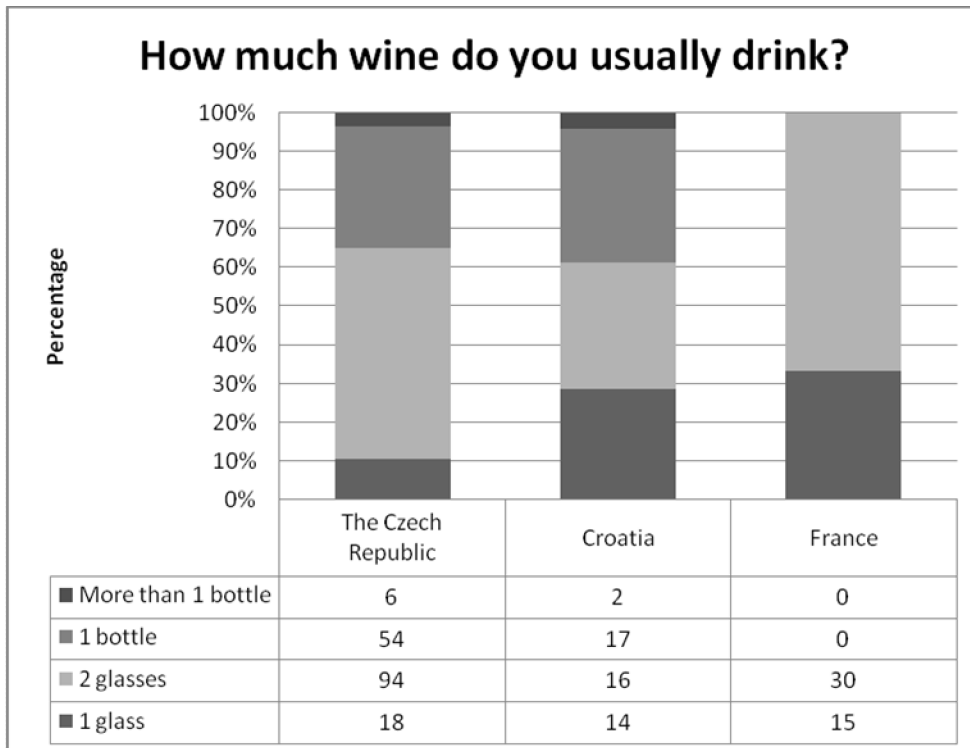


Fig. 11 How much wine do you usually drink?

Source: Author's own research. November 2014

Majority of Czechs and French drinks usually 2 glasses of wine, none of French answered more. Only single persons from the Czech Republic and Croatia answered more than 1 bottle. 1 bottle was chosen by 30% of Czechs and 34% of Croatians. On the other hand only 1 glass was chosen by 10% of Czechs, 28% of Croatians and 33% of French. Croatians showed interesting closeness in the first three answers.

Another question was interested in what types of wine are preferred in terms of residual sugar. The categories were chosen – dry, semidry, semisweet and sweet.

This is official international division of still wine according to residual sugar valid in any region of the EU.¹² There was only one option possible.

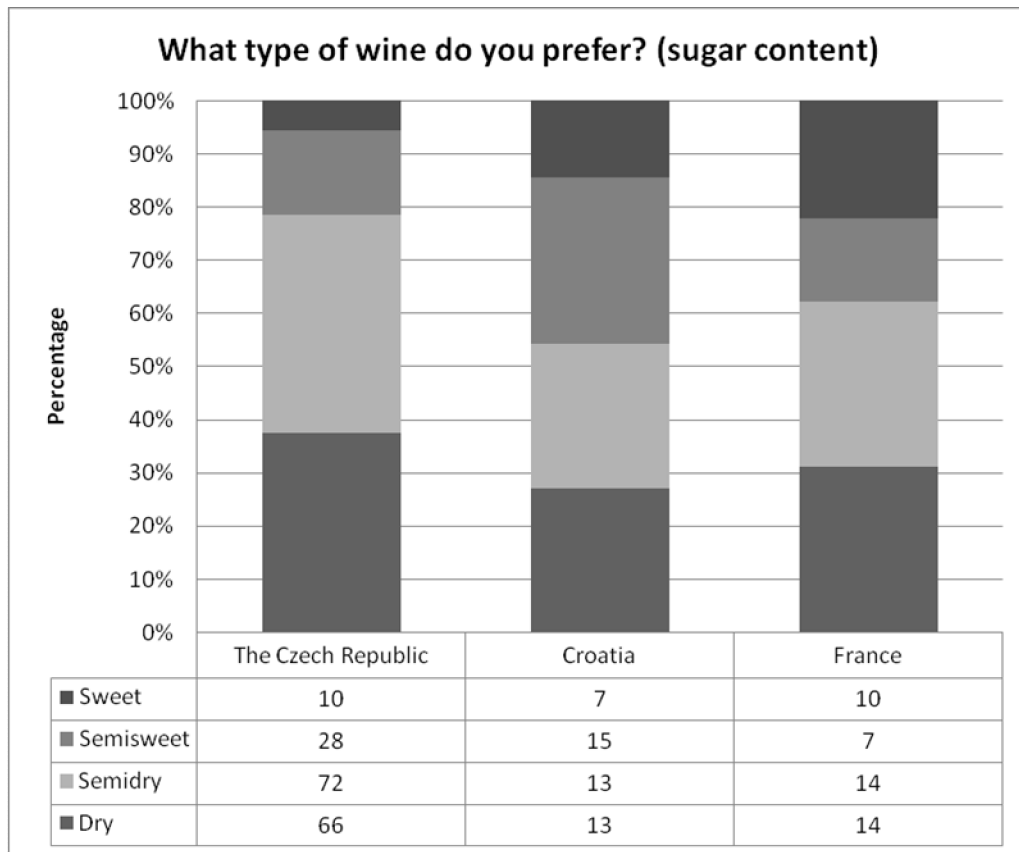


Fig. 12 What type of wine do you prefer? (sugar content)
 Source: Author’s research. November 2014

Via this question the author found out that majority of Czechs prefers drier wine (dry and semidry) 78%. Croatians are divided almost exactly on two halves choosing the drier (dry and semidry) wine by 53% and sweeter (semisweet and sweet) wine by 47%. The biggest differences can be seen in preference of sweet wine only 6% of Czechs, 14% of Croatians and 22% of French chose sweet as the favourite wine.

Next picture shows the places where we usually buy the wine, in this case the author offered three possibilities, asking respondents to choose the top three.

The first option “In the cellar” shows significantly different values 84 Czech respondents which is nearly 50% chose this option, on the other hand only one quarter of French and even only 4 Croatians decided for this. Majority of Czechs

¹² Source: National Wine Centre.

chosen also a wineshop/winebar, also almost half of Croatians and more than half of French did so.

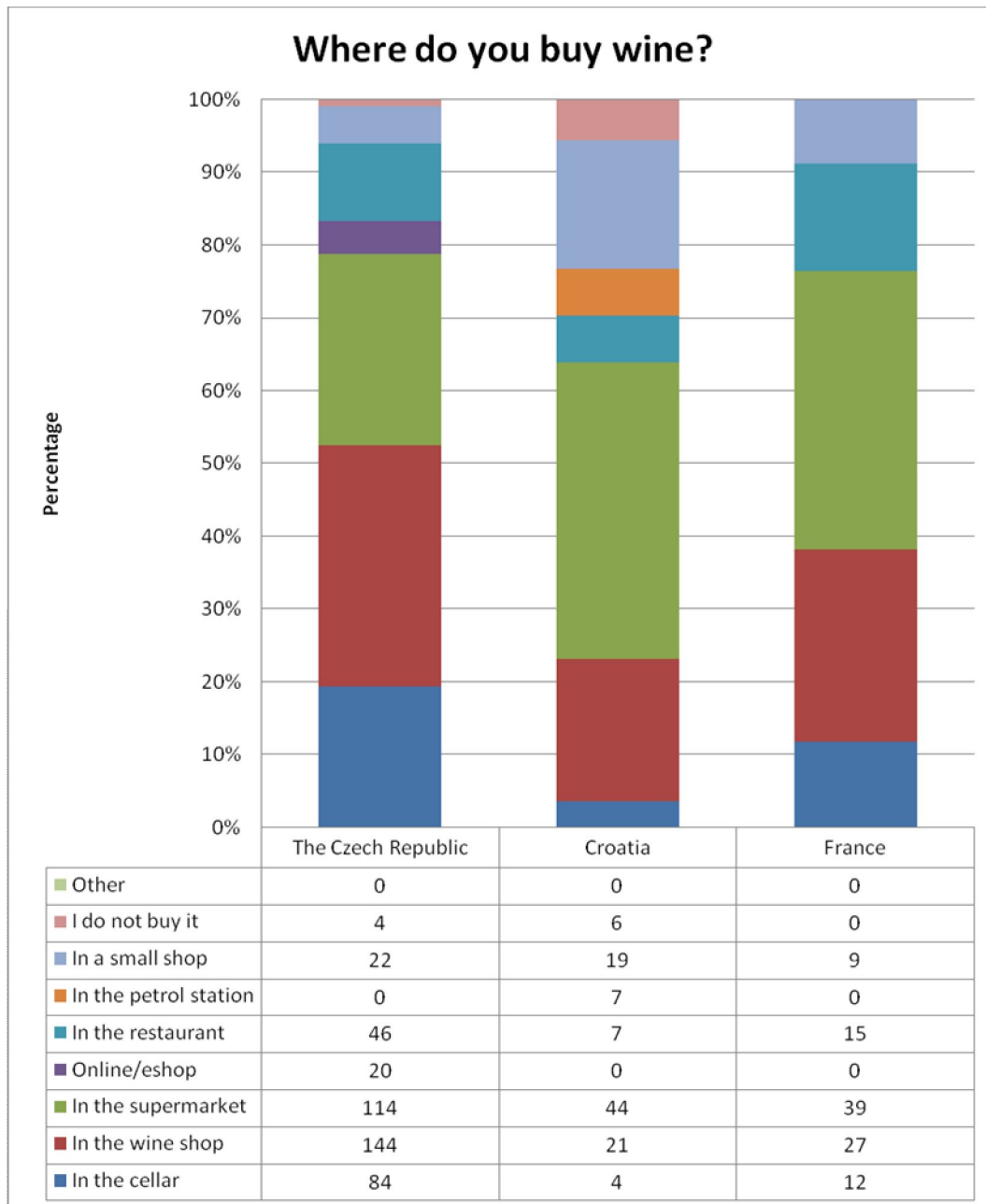


Fig. 13 Where do you usually buy wine?
Source: Author's research. November 2014

The biggest yield belongs to supermarket which was chosen by 90% of French, 87% of Croatians and also 65% of Czechs. Interesting facts are that only Croatians

chose also a petrol station as an option and only Czechs (11%) decided also for online/e-shop, none of French or Croatian did so.

General knowledge about wine

In this set of questions the author was interested in respondents' general knowledge about wine and wineries.

There were questions about types of grape varieties for both – white and red wine. The influence of the country of origin is taken in account, there are huge differences between the grape varieties grown in France, the Czech Republic and Croatia, however the questions should have find out, whether the respondents have an idea about different types of grapes intended for production of wine.

France as a country is well known for its famous regions for production of wine, the grape varieties here are not considered as the most important factor for choosing the wine (except Alsace), the region, village or even vineyard on its own play crucial role, this was proven to be true also by the survey. One third of French respondents kept the field for grapes for red wine empty, others mentioned the regions like *Bordeaux, Bourgogne, Beaujolais*, the varieties mentioned were *Merlot, Syrah, Pinot, Gamay, Malbec, Cabernet Sauvignon*.

30 Croatian respondents (60%) left this field empty too, this fact is astounding as most of Croatians answered their favourite wine is red, however the knowledge of grape varieties rather low. The rest mentioned international grapes like *Cabernet, Merlot, Pinot*, from local varieties it was *Plavac, Dingac, Vranac, Blatina, Teran* and others.

In case of Czech respondents it was also 30% which kept this field empty. On the other hand there were some extremes in respondents which offered five and more varieties. Local varieties mentioned were for example *Frankovka, Svatovavřinecké, Cabernet Moravia, André* and many others.

The common for all countries are international varieties like Merlot, Cabernet sauvignon and Pinot Noir (Rulandské modré in Czech).

The situation quite repeats the trend in case of varieties for white wine, French mention mainly their famous *Chardonnay, Sauvignon blanc*, but also *Riesling* and again mix the names of regions and subregions between the varieties.

Similar number of Croatians kept this field also empty, the rest offers more likely local types, mainly *Graševina, Dražsan, Belina*, but also international *Sauvignon, Chardonnay* and *Riesling*.

In case of Czechs only one fifth of them left this field empty, which correlates with the choice of white wine as the favourite type and the fact that in the Czech Republic the grape variety belongs among decisive factors when choosing the wine. Similarly there was quite a high number of respondents giving more than 5 types of grapes. From local varieties the most often mentioned are *Pálava, Veltlínské zelené, Muller Thurgau, Sylvánské zelené, Ryzlink Vlašský, Tramín červený*.

All three countries again showed similarities in case of widely spread international types like *Chardonnay, Sauvignon, Riesling*.

Another two questions had a similar purpose, to find out the knowledge of local and foreign wineries. The results are as follows:

Half of French kept the field empty. Other respondents mentioned big names like *Romanée Conti*, *Petrus* or *Chateau Latour* or they again mixed the name of a winery with a region (*Anjou*, *Champagne*, *Beaujolais*). The fields for filling the wineries from abroad were empty from 95%.

One third of Croatian respondents was not able to mention a single wine producer from their country, however others mentioned very often more than three names. Only 7 respondents from Croatia filled the field asking for foreign wineries, out of them some were mentioning grape varieties, others mentioned mainly famous French chateaus like *Moet Chandon*, *Chateau Latour*, *Mouton Rotschild*.

Only one quarter of all Czech respondents kept this field empty, they show to be the most aware about the brands on the market. Most often mentioned were *Sonberk*, *Gotberg*, *Proqin*, *Volařík*, *Chateau Valtice*, *Templářské sklepy*, *Znovín*, *Michlovský* or *Bohemia sekt*.

One fifth of Czech respondents was able to come up with at least some wineries from abroad, some of them from France, others from Slovakia or close Austria.

Analysis of wine bars´ related questions

This chapter of practical part will be devoted only to the Czech Republic.

Author herself live in the city of Brno where most of the Czech respondents were reached, this analysis will be therefore focused on the situation in mentioned city. In the picture on the next page see the results to the question "How often do you go to a wine bar?"

We can see that most of respondents go to a wine bar only occasionally (39%), there are 10% of respondents which answered never, only very small percentage 4% answered often, or very often. Generally we can see that majority (59%) of Czech respondents has a positive relationship towards the wine bars and visit it at least occasionally or more often.

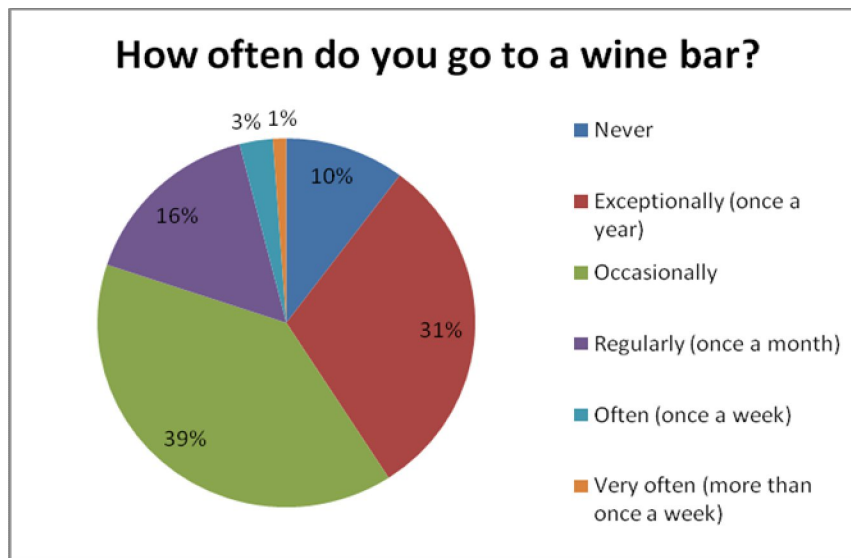


Fig. 14 How often do you go to a wine bar?
 Source: Author's research. November 2014

Once a respondent is in a wine bar he/she has to decide what to order, there was only one answer possible to be chosen.

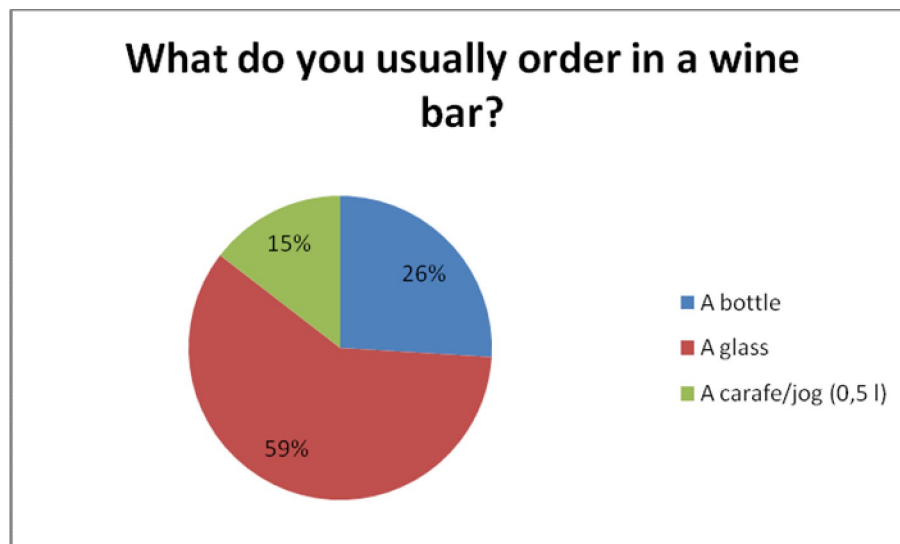


Fig. 15 What do you usually order in a wine bar?
 Source: Author's own research. November 2014

In the picture on previous page it is obvious that a majority of respondents order wine by a glass. A quarter of them chooses a bottle from a wine list and 16% decide for a carafe or jug of wine (for example 0,5 l).¹³

In the next question author was interested in, whether the respondents know, or what they think about number of wine bars in their city. 53% answered, that there are many, 30% responded that there are just a few and 14% said that they do not know, if there is any, the rest decided for the "other" option mentioning that *there is just a few, there is just one*.

Following question was trying to find out how are respondents content with their quality. The results showed that only 51% are content, 30% answered that "No, the quality is rather low" and 19% percent chose the option "I do not care about it".

5.2.5 Summary of the research

The research performed in the month of November 2014 showed some similarities as well as interesting differences between the chosen markets. Mainly it showed that only very small number of respondents does not drink wine.

Wine is most often drunk at home, other people's home, in a restaurant or during the social event (ball, celebration), this question showed similarities in case of at home, however the options in a restaurant and in a wine bar had very different results – were rather popular in France and the Czech Republic, not in Croatia.

Considering the colour of the wine Czech respondents prefer the white one, in France there is parity in white and red, Croatians prefer rather red. Only small percentage (6-7%, similarly in all three countries) chose rosé.

The most often chosen option for the volume of wine drunk was 2 glasses (400 ml), non of French drink more, on the other hand a third of Czechs and more than a third of Croatians chose an option of 1 bottle.

Next question showed that in the Czech Republic rather drier wine is popular (78% chose dry or semidry), Croatia is divided almost equally and in France slightly prevails the drier wine.

Next set of questions was trying to find out the general knowledge of respondents about the grape varieties for production of wine, about the wine producers both – in own country as well as from abroad. To sum this up the knowledge is rather low, many respondents missed out these questions. The situation in case of wineries was the best in case of Czech respondents where most of them nagged to name at least some. Similar sign was in case of foreign wine producers where the field was skipped by most of the respondents regardless of country of origin.

The results regarding wine bars were analyzed only from Czech respondents, mainly for the purpose of the chapter below. It was proved that some 60% of respondent go to the wine bar at least occasionally. Most often type of order is just a

¹³ Please note that those, who answered „I do not go to wine bars" were excluded from this question.

glass of wine. One third of respondents admits that there is just a few wine bars and only half of respondents is content with their offer.

5.3 Recommendations for a new wine bar

The author believes that even though Brno (as well as the whole Czech Republic) is well known for high consumption of relatively cheap beer (in comparison to vast majority of Europe) there is also good potential for a new wine bar.

This thought was proven to be right by the analysis of research above which showed that majority of the respondents go to a wine bar at least occasionally and only half of them is content with the current offer.

5.3.1 Recommended marketing mix

Extended marketing mix for services will be used considering Product, Price, Place, Promotion, People, Process and Physical evidence. Results of the previous research will be used for suitable suggestions.

Product

The main product in the wine bar will be of course wine. There should be possibility for ordering both – bottled wine, as well as wine by the glass. The bar should offer higher benefits to possible customers and mainly it should differentiate itself from the others. The author suggests a usage of the “By the glass”¹⁴ machine which has become to be very popular mainly abroad and currently is very well accepted in Prague, too.

This machine offers very good environment to opened bottles, they can last much longer than in an ordinary fridge (up to 1 month). Therefore there are the costs very much decreased for wine which needs to be given away once it goes bad.

As the research above proved wine consumers appreciate when they can order only a glass of wine, with this machine there is a chance to open higher number of them and so give the customer possibility to taste more samples and not to have the necessity of ordering the whole bottle.

The machine also provides a possibility of tasting which let the customer to taste very small amount. This gives a significant benefit to any customer who wants to buy a bottle, however, is not sure about which one. In case of wine everyone prefers to taste before buying – that should assure the higher number of bottled sold, thanks to loyal customer who will try the benefits.

Price

The wine bar should not be focused only on students, there should be wide portfolio of wines with different prices.

The research showed that majority of respondents are buying the bottle of wine in the interval EUR 5 to EUR 13, therefore the most of the wine should be in

¹⁴ Official websites of By the glass: <http://www.bytheglass.eu>

this still quite wide category, the wine can offer lower percentage of more expensive wine. This can be chosen by different segment of customers, or also as a gift where some respondents inclined to higher prices.

Place

Place in case of services plays a crucial role, therefore the recommendation is to get location in the relative centre of the city where the seats of various faculties are and in the same time there is a high frequency of walking around.

Promotion

Author believes in a strength of social networks. There is recommendation to focus on the marketing activities via Facebook, Twitter, Instagram and blogs mainly in the preparing part of the project, however, these need to continue intensively and in an interesting way during the active part too.

The reports and pictures about the (re)building of the bar should be regularly posted, the statuses should be sponsored, the effectiveness of Facebook looking for the target group (students and others liking wine) is believed to be the right approach.

The owners need to show the real passion for the project and should be able to describe it in regularly published reports. The famous principle presented by Simon Sinek¹⁵ "People do not buy *what* you do but *why* you do it" should be used in the whole concept of the new wine bar.

The publicity should be also focused on the "By the glass" which is the main benefit for the customers.

Local winemakers and sommeliers can be asked to report about the new bar on their webs and Facebook profiles, that would bring the attention of the right groups.

Other type of promotion can be performed through labelled products:

- A particular winery can be asked to make a wine especially for the wine bar, this would be labelled by own etiquette – such wine can be first served as a house wine, in lower price category, once the bar has good reputation it can become a good choice as a gift – wine made for well known wine bar brings assurance of a good quality.
- Other products like wine glasses, wine openers, bags for wine (just to take a way, or as a gift) with the label of the wine bar.

People

In a wine bar as well as in other services people play the crucial role. Vast majority of customers prefers to have a real expert in an enterprise ready to give an advice, if needed.

¹⁵ Simon Sinek's official websites: <https://www.startwithwhy.com>

The serving staff is crucial for people to come back customers need to feel comfortable in his/her company. Employees need to be nice and kind to customers, well oriented in the issues of wine, well and neat appearance is also important.

The employees should be continuously motivated to perform in the best way in the respect to every customer, all the time ready to help, to explain, to give an advice but not to be too officious.

The owners need to realize that only content and happy staff can perform in the best way and then can be even a reason for the customers to come back in regular manners.

Process

This part should be fundamentally different in the new wine bar. The usual process is to choose a wine from a wine list, or from a daily offer (maybe from a blackboard, or from the waiter), in the vast majority of the bars, restaurants and shops there is not a possibility to taste before ordering.

The serving staff has to kindly point out the main benefit of the given bar – the “By the glass machine”. Every customer needs to know the possibility to taste wide range of wines before buying a bottle, or even before buying only a glass. The machine gives a possibility to open a relatively expensive types of wines, some customers are often curious about some wine, however, maybe they cannot afford to buy a bottle, in most of the bars and restaurants such types of wine are not available to be sold just by glass because the frequency of such a sale is rather low, however, this is the main benefit of chosen machine and that needs to be presented.

The machine “By the glass” is also possible to be very well incorporated into the interior of the bar, it can simply become a show-case of offered wine, this makes easier the work to serving staff because they do not have to name all the opened bottles by memory, they can just show or have a look on the show-case.

Physical evidence

This factor similar to people is crucial in the field of services, simply said customers need to feel comfortable there, the place needs to be well arranged, well adjusted and tidied up.

It is necessary to focus also on exterior of the company, the spaces in front of the bar are already representing, as well as facilities for staff and special care needs to be given to space intended to the bathroom.

The bar should have a place inside as well as outside of the bar intended for daily offer which should tempt the walking arounds and walking ins to become regular customers.

The “By the glass” machine mentioned before should be well implemented in the interior, should not be disturbing element.¹⁶

¹⁶ Examples of „By the glass“ machine in the interior to be found in Appendix of the thesis.

Economical aspects of opening a new wine bar

To estimate the exact economical aspect of a new enterprise, the concrete business plan would need to be performed, the concrete place would need to be suggested and found to be able to quantify the costs for rent and energy.

The exact place would also bring the accurate request on the number of employees, which would differ in case the place is on very frequented spot or less. The number of employees also depends on the size (places for seating) of the future wine bar.

The costs for promotional products should not increase the costs for usual company of this type, as usually there is a need for such a products in general, our bar should have everything labelled by own logo. Information about own prices of promotional items, or only a print of a logo on own products can be found for example with help of REDA company assistance.¹⁷

The main expense (beyond the usual costs for opening a new gastronomic company) would depend on the choice of the “by the glass” machine. The range can be found between EUR 10 000 and 100 000. But it is believed to be paid back soon thanks to the advantages described above.

5.4 Discussion

The author fully admits that the number of respondents of a research is rather low to have representative sample of population (176 from the Czech Republic, 49 from Croatia and 45 from France). To receive higher numbers there would be probably financial support necessary to obtain. Another limitation of chosen respondents is that they were reached only through social network – Facebook. However, this approach was sufficient for the purposes of the thesis, in case of further research other channels should be chosen too. The variability of given respondents was tried to be increased via various Facebook pages.

There might be found also a certain limitation in the form of language barrier, however, the author suspects that vast majority of nowadays students in Europe should be able to communicate in English and so to fill in the questionnaire. For further research a possibility of translation into native language of respondents could be considered. However this procedure demands cooperation of more authors of such a research.

The number of chosen countries was very limited, only founding country, author’s home country and new member Croatia were chosen, to apply the research on the EU, more countries would need to be included, with higher number of respondents. For such a research there would be probably necessary some financial support, there was none on this case, only the time of author could be considered as a cost, input or investment.

¹⁷ On the websites of REDA company can be found the general placing as well as contacting form for the assistance. www.Redac.cz

The further limitations can be found in the recommendations for the new wine bar, these are rather theoretical. Author admits that the detailed preparation of a business plan would be needed to express exactly the whole marketing mix as well as economical issues.

The author is fully aware that performed analysis were rather basic ones, however, the attraction of the issue is very high. The results of the survey, also its design and experiences gained can be further used in further research.

Interesting fact to be mentioned is the interest of editorial team of Lambert Academic Publishing¹⁸ for publishing of given work. This particular topic is expressed to be very interesting for wider audience. This company publishes about 10,000 books annually and so they are one of the leading academic publishers in Germany, also a member of American Booksellers' Association¹⁹ and the Booksellers' Association²⁰ of the UK and Ireland.

This gives impulses to the author about further research in this field which would be performed across the EU, with higher number of respondents, bringing more interesting both practical and theoretical results.

¹⁸ Official websites: <https://www.lap-publishing.com>

¹⁹ Official websites: <http://www.bookweb.org>

²⁰ Official websites: <http://www.booksellers.org.uk>

6 Conclusion

This diploma thesis was dealing with current trends on the wine market as well as with consumer behaviour. The main objective of the thesis was to find out whether integration process of the EU influences the consumers and the trends of wine consumption. To meet such an objective the literature review needed to be conducted first.

The theoretical issues were described in the first part of the thesis. These were divided into two main chapters - the first one dealing with the marketing research and the second one conducted to consumer behaviour. For this part mainly foreign authors' books were used as resources, however, some Czech academics were cited too. Also internet sources in the form of scientific articles, annual reports of various organizations or other tools were used. All resources are listed in the references.

In the first chapter of the practical part the current situation as well as the development and trends of the wine market were described, the main players on the wine market were mentioned. Development of global production and consumption was showed for the general overview of the market. Import and export of the Czech Republic was described too.

The development of EU regulations influencing the wine market was mentioned, explained as an influential of decreasing production across the Europe.

Converging trend in wine consumption was described – with decrease of the traditional countries with higher consumption (France, Italy, Spain but also Croatia – new member state) and increase of the others (namely the Czech Republic, but also the New world countries – US, Australia, New Zealand, Chile, as well as China and others).

The increasing trend of the international worldwide trade was also described, in terms of both – value and volume.

The other chapter of the practical part was showing the results of the author's market research which main objective was to find out the trends, differences and similarities of consumer behaviour on the given wine markets. The countries chosen for the research were the Czech Republic (10 years in the EU, increasing trend of wine consumption, with high potential), Croatia (new member state of the EU – since 2013, with strong tradition of wine making, with relatively high wine consumption) and France (founding country of the EU, traditional country in terms of wine production and consumption).

The research showed that Czechs and French often choose restaurants or wine bars for drinking wine, however Croatians not. On the other hand the most popular in all three countries is drinking at home or at social events, as well as other people's home. Clear difference was observed in terms of preferences in the choice of wine according to colour, where most of Czechs prefer white, French showed equality between white and red and red prevailed in Croatia. Similar sign was seen in preferences towards the rosé where only 6-7% of respondents in each country chose this option.

The most often volume drunk was 2 glasses in all three countries and there can be seen a preference of rather drier wine in all three too.

The next part of a research was focused on consumer behaviour in wine bars, only answers of Czech respondents were analyzed as the results were to be used for recommendations for new wine bar.

It was proved that some 60% of respondent go to the wine bar at least occasionally. Most often type of order is just a glass of wine. One third of respondents admits that there is just a few wine bars and only half of respondents is content with their offer.

The particular recommendations for a wine bar were based on the results of the research and on differentiation from other companies of similar type. Mainly the implementation of the "By the glass machine" was suggested, together with promotion of all activities via social networks even before opening and fulfilling of the approach "People do not buy what you do but why you do it" according to Simon Sinek's philosophy.

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Appendix

A Examples of the “By the glass” machine



Fig. 16 By the glass in a row.
Source: enomaticusa.com



Fig. 17 By the glass machine in a circle.
Source: enomaticusa.com

B Selected statistical tables

Tab. 3 Estimated production of wine in selected countries. (thousands of hectolitres)

Country/Year	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
The Czech Rep.	434	821	773	570	366	650	470
France	53025	46547	42806	46743	46469	51090	41365
Croatia	1248	1237	1365	1278	...	1409	...
EU	186107	173118	171831	169787	163599	164925	149565

Source: The Czech Ministry of agriculture. Situační a výhledová zpráva 2013.

Tab. 4 Imports in selected countries.

Import (1000 hl)	The Czech Rep.	Croatia	France
2000	664	26	5502
2001	943	64	5136
2002	1034	79	4588
2003	1068	92	4799
2004	1226	135	5514
2005	1280	134	5495
2006	1381	126	5321
2007	1334	157	5362
2008	1442	142	5719
2009	1443	106	5755
2010	1900	148	6405
2011	1850	147	6467

Source: OIV statistical extracts.

Tab. 5 Exports from selected countries.

Export (1000 hl)	The Czech Rep.	Croatia	France
2000	33	78	15039
2001	20	94	15126
2002	29	108	15541
2003	21	84	15148
2004	31	49	14210
2005	33	28	13834
2006	47	30	14861
2007	85	31	14506
2008	182	28	12798
2009	185	26	12969
2010	233	24	13888
2011	287	38	14722

Source: OIV. Statistical extracts

C Questionnaire

In the following pages a preview of above analyzed questionnaire is showed.

QUESTIONNAIRE - Consumer behaviour on the wine market

Hello, my name is Dagmar and first of all I would like to thank you for opening my questionnaire, to fill it in will take maximum 5 minutes and it will help me very much! It will provide me with data, which I will analyze and use in my diploma thesis. Thank you very much and cheers! :-)

In case of any questions please contact me via email xfialo21 (at) node.mendelu.cz

***Required**

Age *

- 18-24
- 25-30
- 31-40
- 40 and more

Gender *

- Female
- Male

Occupation *

- Student (occasional income)
- Working student (part-time job)
- Unemployed
- Entrepreneur (self-employed)
- Employed in industry
- Employed in services
- Employed in trade
- Working in IT
- Working in Public Administration
- Retired

If you are student, what field?

- Law
- Economy and management
- Art
- History
- Pedagogical studies
- Science (mathematics...)
- Engineering
- Medicine
- Other:

What is your nationality? * **What city you live in? *****What is your net income? ***

Per month

- Less than EUR 200
- EUR 200 - 400
- EUR 400 - 800
- EUR 800 - 1200
- EUR 1200 and more

Do you drink wine? *

Even if your answer is NO, please go through the rest of the questions, as they are connected with wine as a gift and so on. Thank you!

- Yes
- No

Where do you usually drink wine?

Please select top 5

- At home
- In a restaurant
- In a wine bar/wine shop
- In a café
- In a cellar

- Outside (picnic)
 Anywhere I can
 Other people's home
 Social event - ball, celebration, etc.
 I do not drink the wine
 Other:

How often do you drink wine?

	Less than once a month	1-3 times per month	1-2 times per week	3-5 time per week	Almost every day
White	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rosé	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Red	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sparkling	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you start to drink wine, how much do you usually drink?

- 1 glass (200 ml) maximum
 2 glasses (half bottle)
 1 bottle (750 ml)
 More than 1 bottle
 I do not drink the wine

With whom do you drink wine?

	Never	Exceptionally	Occasionally	Regularly	Always
Alone	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
With my partner	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
With friends	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
With relatives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you have a dinner, do you drink wine with it?

	Never	Exceptionally	Occasionally	Regularly	Always
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

dinner at home	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Working day dinner in a restaurant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Weekend dinner at home	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Weekend dinner in a restaurant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Special occasion dinner (anniversary, birthday)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you buy wine, where do you most often buy it?

Please choose top 3

- In the cellar
- In the wine shop
- In the supermarket
- Online/eshop
- In the restaurant
- In the petrol station
- In a small shop (on the corner)
- I do not buy the wine
- Other:

What type of wine do you prefer?

In terms of residual sugar

- Dry
- Semidry
- Semisweet
- Sweet

What type of wine do you prefer?

In terms of color

- White
- Rosé
- Red

Do you buy sparkling wine?

- Yes, I buy it very often
- Yes, but only for special occasions

- Very exceptionally
 No, I do not like it
 No, it is too expensive
 Only as a gift for someone

Can you name more than 3 grape varieties for production of red wine?

Please write the whole names, if not, keep the field empty

Can you name more than 3 grape varieties for production of white wine?

Please write the whole names, if not, keep the field empty

Can you name at least three wine producers from your country?

Please write them, if not, keep the field empty

Can you name at least three wine producers from abroad?

Please write them, if not, keep the field empty

What are the crucial factors, when buying wine for you to drink?

1 - Very important, 5 - Not important at all

	1	2	3	4	5
Residual sugar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Grape variety	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Price	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Country of origin	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recomendation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Awards (medals on the bottle)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Appelation systems of origin (AOC, VOC...)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Colour (white, red, rosé)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Advertisement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Experience, habits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Appearance of the bottle, etiquette	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Year of the harvest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

What are the crucial factors, when buying wine as a gift?

1 -Very important, 5 - Not important at all

	1	2	3	4	5
Residual sugar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Grape variety	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Price	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Country of origin	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recomendation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Awards (medals on the bottle)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Appelation systems of origin (AOC, VOC...)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Colour (white, red, rosé)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Advertisement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Experience, habits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Appearance of the bottle, etiquette	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Year of the harvest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Can you choose a ratio, which express whether you prefer local or foreign wine?

Local : Foreign

- I drink only local wine.
- 90 : 10
- 80 : 20

- 70 : 30
- 60 : 40
- 50 : 50 I drink the local and foreign wine just equally
- 40 : 60
- 30 : 70
- 20 : 80
- 10 : 90
- I drink only foreign wine.

If you buy a foreign wine, why do you do it?

Please choose only 3 possibilities (maximum)

- The foreign wine is better than our local
- The foreign wine is cheaper
- It is exotic
- I want to enlarge my knowledge about it
- I want to compare it with local ones
- I do not buy it
- To remember the good times from holidays
- The foreign wine is fuller, has more interesting taste
- I do not mind, whether the wine is foreign or local
- Other:

If you buy the wines from abroad, which countries do you choose?

Please select top 3

- France
- Italy
- Spain
- Germany
- Austria
- Slovenia
- Croatia
- Greece
- Australia
- New Zealand
- USA
- Chile
- Argentina
- JAR
- Portugal
- Hungary

- Czech Republic
- I do not mind, which country the wine comes from
- I do not buy the foreign wine
- Other:

What price category is most often chosen by you? In a restaurant/wine bar, when you consume the wine there.

Per bottle 750 ml

	Up to EUR 3	EUR 3-5	EUR 5-7	EUR 7-10	EUR 10- 13	EUR 13- 16	More
For you (and 1 friend/partner)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For you and a group of friends/family	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

What price category is most often chosen by you? In a shop, when you buy the bottle to take away.

Per bottle 750 ml

	Up to EUR 3	EUR 3-5	EUR 5-7	EUR 7-10	EUR 10- 13	EUR 13- 16	More
For you (and 1 friend)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For a group of friends/family	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
As a gift	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you prefer to have a real expert in the shop/bar/restaurant ready to give you advice?

What is your favourite RED grape variety?

What is your favourite WHITE grape variety?

What is your favourite winery?

How often do you go to a wine bar?

- Never
- Exceptionally (once a year)
- Occasionally
- Regularly (every month)
- Often - at least once a week
- Very often - more than once a week

If you go to a wine bar, do you usually order:

- A bottle of wine from a wine list
- A glass of wine
- A carafe/jug of wine (e. g. 0,5 l)
- I do not go to wine bars

Are you content with the number of wine bars in your city?

- Yes, there are many
- No, there is just a few
- I do not know if there is any
- Other:

Are you content with the quality of wine bars in your city?

- Yes, their quality is sufficient
- No, their quality is rather low
- I do not care about it
- Other:

Why do you drink wine?

- It is a social event for me
- Wine is my hobby, I enjoy it very much anytime
- To make an atmosphere, good mood
- To get rest after a long day
- To celebrate something
- It is a habit with dinner
- It is tasty, I just like it
- To get drunk
- I do not drink wine

You consider yourself as a:

- Wine expert - I know what I want and I can choose it, and I can also help others

- I am well oriented, but not an expert
- I just know what I like
- I have no idea about wine, but I like it
- I do not drink wine at all

Do you consider the wine to be:

- Fashionable
- Healthy
- Tasty
- Useless
- For almost any occasion
- Just for special occasions

What do you think about the offer of wine in given categories?

Please mark them like at school 1 - the best, 5 - very bad

	I do not know any	1	2	3	4	5
Top restaurant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Medium level restaurant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Low price restaurant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wine bar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Café	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pub	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Night club	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Which closing type is NOT acceptable for you?

- Cork
- Plastic
- Glass
- Screw cap
- All of them are OK
- I do not care about closing types
- Other:

I will appreciate any comment! :-)

The list of acronyms

B2B Business to business

CEO Chief executive officer

DMU Decision making unit

EU European Union

HL Hectolitre

L Litre

MILL Million

MS Member state

OIV International wine organization (Organisation Internationale de la Vigne et du Vin)