Mendel University in Brno
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Factors influencing young consumers in the wine market

Diploma thesis

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Brno 2017

Acknowledgement

I would like to thank the supervisor of my diploma thesis, Ing. Naďa Birčiaková, Ph.D., for her valuable advice, support and patience within the whole elaboration of the thesis. Last but not least, big acknowledgement belongs to my family, all my girlfriends and close friends, who supported and motivated me during the whole university studies.

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Abstract

Vičík, J. Factors influencing young consumers in the wine market. Diploma thesis. Brno: Mendel University in Brno, 2017.

The diploma thesis seeks to conceptualize the problematic of the influence of various factors on Millennial generation of wine consumers in the Czech Republic and Slovakia. The literature review provides thorough insight into the factors affecting purchasing behaviour with a focus on specifics of examined generational cohort. The main source of information for the analysis of respective markets was a questionnaire survey conducted in October 2016. The research works with a sample comprising of 636 respondents from the Czech Republic and 356 from Slovakia further complemented by focus group (n=8). The findings of this study were used to formulate recommendations for wine producers and marketers.

Keywords

Wine market, consumer behaviour, Millennial generation, marketing research, questionnaire

Abstrakt

Vičík, J. Faktory ovlivňující mladé spotřebitele na trhu vína. Diplomová práce. Brno: Mendelova univerzita v Brně, 2017.

Tato diplomová práce se zaobírá problematikou vlivu různých faktorů na Generaci Y na trhu vína v České republice a na Slovensku. Literární rešerše poskytuje podrobný vhled na faktory ovlivňující nákupní chování se zaměřením na specifika pozorované generační kohorty. Hlavním zdrojem informací pro analyzování příslušných trhů byl dotazníkový výzkum, který proběhl v říjnu roku 2016. Práce operuje s odpověďmi 636 respondentů z České republiky a 365 ze Slovenska doplněnými o výsledky ze skupinové diskuze (n=8). Výsledky této studie byly podkladem pro formulaci doporučení pro producenty vína a pracovníky v marketingu.

Klíčové slova

Trh s vínem, spotřebitelské chování, Generace Y, marketingový výzkum, dotazník

Content

1 Introduction

Wine is an extraordinary consumer product with enormous historical and cultural connotations. Its uniqueness is further advanced due to an immense range of choices in terms of variety, brands and other elements. Solely on the basis of price, the product range starts from low-cost Tetra Pak cartoon packaging as far as to vintage collectable pieces worth of thousands of Euro. As the global wine market continuously develops and becomes increasingly internationalized, the industry grows in competitiveness. This presents a particular challenge for wine marketers and producers. The understanding of what precisely drives consumers to select certain bottle of wine might therefore lead to greater satisfaction of individual demands and as such to the success of own brand. From the consumer's viewpoint, the fact that they are increasingly overwhelmed with a number of choices in the shelves gives a genuine necessity to understand their consumption behaviour and factors that influence it. Therefore, it is not enough to just launch new products without considering and investigating respective preferences. The essential question might then be where exactly wine producers should direct their sources and marketing efforts. One option might be to start developing relationship with members of Millennial generation. In connection with, it is important to bear in mind that each generation of consumers is characteristic for their perceptions, values, attitudes, lifestyles and experiences that influence their purchasing behaviour. To conclude, this thesis seeks to explore the engagement of Millennials with wine as it is considered to be a promising consumer segment providing new opportunities for wine producers.

2 Objectives

The objective of this thesis is to examine the purchasing behaviour of Millennial wine consumers in the context of the Czech Republic and Slovakia together with an assessment of different factors that have an influence on their purchasing decision. The main aim of the thesis will be achieved via following partial objectives:

- to determine the current state of the wine market and its future prospects with an emphasis on the Czech Republic and Slovakia,
- to define demographical characteristics of Millennial consumers and determine their relationship with chosen factors, respectively attributes,
- to address difference in consumption patterns between examined markets,
- to identify the most important motivational factors and preferred consumption occasions,
- to find out preferential place of purchase and consumption,
- to identify the preferences of Millennial wine consumers and evaluate the importance of selected wine attributes in the decision-making process,
- to assess the influence of both the product knowledge and involvement in respect to consumer behaviour,
- to compare certain factors influencing consumer behaviour in selected regions of the Czech Republic and Slovakia,
- to provide managerial recommendations addressing the most relevant findings from the research.

3 Literature overview

3.1 Consumer behaviour

The fundamental view on the concept of consumer behaviour traditionally covers an understanding of how consumers decide to buy products. (Kardes, 2011) Whereas this definition is accurate, it merely focuses on the buyer and the immediate precursors and implications of the purchasing process. (Mothersbaugh, Hawkins, 2016). The contemporary literature embraces much more and also covers the study of how certain possessions influence the way how we feel towards others and ourselves as well as how are our lives affected by those possessions. (Solomon et al, 2006) The expanded definition of consumer behaviour is addressed by Mothersbaugh and Hawkins (2016) as *„the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society.*“.

3.2 Decision making process

The decision making process as presented hereinafter is derived from the traditional model of consumer decision making. The first step in the model as presented by Solomon (2012) is the problem recognition which stems from the inconsistency between an actual and desired state that is significant enough to activate the customers´ decision process. Mothersbaugh and Hawkins (2016) further expand the definition currently in use and defines an actual state as “*the way an individual perceives his or her feelings and situation to be at the present time.“* Subsequently desired state is *„the way an individual wants to feel or be at the present time“.* Kardes (2011) further states that apart from the condition that discrepancy between the current and desired situation must be substantial, it must relate to a problem which is readily solvable.

Once a problem has been recognized, consumers search the marketplace for specific information. Information search as defined by Salomon (2012) is *„the process by which the consumer surveys his or her environment for appropriate data to make a reasonable decision*.” However, consumer might also obtain product information in the absence of problem recognition. In this situation, the search is carried out to gather information for potential later use and because the process itself is pleasing for the customer. Being motivated to seek solution to the problem, customers engage in either internal or external information search (Williams, 2011). As the result of individual´s knowledge and experience, he/she might engage in an internal search to assemble relevant information about various product alternatives. (Barber, 2008) Given the failure of internal search to provide desirable problem solving information, consumers actively follow external information sources as to reduce consumer uncertainty to acceptable level. This is external search, which could encompass impersonal (magazines, newspaper, television, radio); personal (friends, salespeople, experts); and personal hands-on experience (usage experience). (Dodd et al., 2005) In addition, it is likely that taken into account different buying situation, different sources of information will be used by consumers. (Laverie et al., 2002). As Dodd et al. (2005) complements, consumers are likely to use both their own knowledge about wine together with recommendation and information from different external sources to simplify their buying decisions.

The decision stage following after problem recognition and information search is known as alternative evaluation. However in reality customers often evaluate alternatives for choice during the search process itself. (Mothersbaugh and Hawkins, 2016) Solomon (2012) sees the issue of choice differentiation from a perspective of determinant attributes. The decision on which attributes are to be used is the outcome of series of cognitive steps made before the choice through learning. So, taken as example wine consumers who have visited a number of wineries, tried a large number of wines and attended wine tastings, their confidence in knowledge about wine attributes have increased despite a lack of objective knowledge. (Dodd, 2005) Wine is a product that often carries strong social connotations, hence it is frequently a significant buying decision. Nevertheless consumer would also take into account various consumption occasions and based on that he will determine the importance of wine attributes such as price, brand and packaging. (Lockshin, Spawton and Macintosh, 1997) Consumer would also focus on different wine attributes depending whether he or she will consume the wine in public or privately, i.e. in home and in restaurants. (Laverie et al., 2002) (Dodd, 2005)

As the consumer went through the stages of brand selection, he/she must make the purchase decision. Most likely, the consumers´ purchase decision will be derived from the evaluation of individual alternatives. However two factors might influence the result and come between the initial intention and subsequent decision. The first factor concerns attitudes of others and the second factor relates to unexpected situational factors. The intention to make a purchase decision is based on numerous factors which, however might unexpectedly change. Thus, the initial purchase decision might not be always relevant and result in certain purchase choice. (Kotler, 2014) They rather represent either consumers' predispositions or motives to buy a brand. (Kardes, 2011) Further, the purchase itself is highly affected by the complexity and stress involved in this final step. This relates to the actual purchase which is generally the last contact with the customer and it needs to be simplified as much as possible so the customer will not stop or delay the purchase. (Mothersbaugh and Hawkins, 2016)

After the purchase, the consumer will be either satisfied or dissatisfied with the product and will engage in postpurchase behaviour. The key determinant of consumer´s satisfaction or dissatisfaction then lies in the relationship between expectations and perceived performance, in other words the quality of a product. (Kotler, 2014) More in details, satisfied consumers are repeatedly buying the product, pay minor attention to competing brands, and buy other products offered by the company and talk favourably about their products. (Kotler, 2014) As the consumer buys a product, he might however experience doubts or anxiety referred as postpurchase dissonance. The probability of such dissonance is then given through the importance of the decision. Moreover it is likely when it involves giving up positive features of a denied alternative or accepting negative features of a chosen one and finally if it involves similar alternatives in terms of desirability. (Kardes, 2011) Consumer experiencing such a dissonance may react in numerous ways, he/she can try to return the product or seek information which might justify the decision. Nevertheless, in the case he/she won´t be able to justify it, he is less likely to purchase the brand again. Companies need to take this into account and manage their postpurchase interaction with consumers in order to maintain sustainable and profitable relationship with them. It follows therefore, that any concerns or remorse linked to the purchase must be effectively dealt by the company. (Hayden Noel, 2009) (Karlíček et al., 2013)

3.3 Capturing young consumers

Consumer motivations and various purchasing patterns often lie below the surface of age. Thus, to provide deeper understanding of purchasing behaviour of young consumers, generational approach is taken. Hume (2010) explains that different generation consumer groups are exposed to different social and economic opportunities and barriers, different types of technology activities, different social perceptions and different community norms, and different life experiences and events. Generational cohort refers to groups of individuals of similar age and who have similar experience. (Solomon, 2012) The generational approach is based on the notion that each group shares a common history reflecting their life experiences of various factors including prominent events, expectations and social norms. (Jackson et al., 2010) As Noble et al. (2004) complements; "*the common history of individuals within given generational cohort produces unique values and behaviours which subsequently create similarities between consumers*". The theory was developed in the early 1960s as the business began to realize that different generation are characteristic for different values, motivations and lifestyles. Only by understanding of how are these variables tied to the underlying values of the relevant generation will be marketers able to target their products or services to the needs of certain consumers. (Smith & Clurman, 2010).

The purchasing power is perpetually leaning towards Millennial generation which has become a major force in the marketplace. (Ordun, 2015) Although there is a general consensus when literature describes individual cohorts, the dates being used to sort consumers into generational categories rather varies. The time frame as addressed by Solomon (2012) ranges from 1986 to 2002. Barber et al. (2008) defines Millennials as young individuals born from 1977 to 2000. Nevertheless the time frame being used in this thesis defines Millennials as generation comprised of consumers born from 1980 to 2000, hence reflecting individuals currently aged from 16-36. (Ordun, 2015) Considering the focus of this paper, merely consumers aged over 18 will be taken into account considering the focus of this paper. Young consumers are perceived as consumers of the future, individuals who are capable of making difference in decades to come. Moreover, they are in the end stage or slightly over of forming their own personal identity and developing own patterns of beliefs and values. (Barber et al., 2008) As Parment (2013) complements, the experiences in individual´s young adulthood vastly influence his or her future buying behaviour. Therefore, as this young generation have become active in the marketplace and assumed an important role for numerous industries, companies are trying to understand how their needs and motivations differ from previous generation. (Velikova et al., 2013) Determination of the specific factors that drive Millennial Generation´s buying attitudes became an important focus for marketers as they wield over enormous purchasing power and could potentially became company´s lifetime customer. (Ordun, 2015) However, even though that all generations often posed a challenge for companies due to their specific characteristics, today´s young generation has created even more challenge as they are not influenced in the same manner by traditional media as previous generations. (Valentine, Power, 2013) As Sullivan and Hartmeyer (2008) points out, they are considered as the group hardest to reach through advertising.

Commonly used terms referring to this specific cohort are inter alia Generation Y, Net Generation, Why Generation, We Generation, iPod Generation and Millennials. This labelling aptly reflected the characteristics of given generation. This consumer generation is technologically savvy, individualistic, idealistic and anticorporate. (Sullivan and Heytmeier, 2008) With reference to technological ingeniousness, they process information from various websites five times that faster than older generations. (Valentine, Powers, 2013) Moreover, young people are more tolerant, trustful and better travelled compared to generation of their parents. Additionally, this young generation is supportive considering social causes and socially responsible companies. (Furlow, 2011) In connection with that are members of this generation characteristic in interest in environmental issues. Millennials themselves believe that they can change the world and are often reluctant to purchase products from brands which were accused of damaging the natural environment. (Bucic et al., 2012)

Furthermore, young people are nowadays characterized by and accumulated, materialistic consumer culture as a result of primarily technological advancement. (Hanzaee and Aghasibeig, 2010) This notion is supported by Jackson et al. (2010) who typifies Millennials as highly consumption oriented and sophisticated in relation to their tastes and buying preferences. Parment (2013) complements, that they are perceived as highly flexible in reference to purchase of expensive and cheap products, young people often visit numerous shops, they put enormous effort with keeping track with what is 'in' and they even visit shops without the necessity or intention of purchase goods. Therefore, it is apparent that nowadays have young people strong tendency to apply variety-seeking purchase behaviour.

Young generation presents particular challenge also for wine industry. As Jones (2007) explains, the wine industry needs to rethink the traditional stereotype of wine drinkers not only as they are younger but particularly given their unique set of tastes and lifestyle choices. They are particularly interested in new regions, affordable pricing and thoughtfully produced wines. The overall impact on the wine market is perpetually increasing. (CBI, 2016) Moreover, it is increasingly important for marketers to come up with solution how to tackle young generation and foster their interest in wine as today´s marketplace is gradually becoming over-supplied and more competitive. (Fountain, 2011) Therefore in order to be successful in the industry, it is necessary to revisit current strategies and target younger population rather than to continue to direct marketing efforts solely on older generations, though they still constitute very large consumption group. (Lockshin, 2012)

3.4 Cultural factors affecting consumer behaviour

3.4.1 Culture and globalization

Culture, as a concept essential for understanding of consumer behaviour might be according to Solomon (2012) though as a collective memory of a society. Kotler (2014) defines it as "*the set of basic values, perceptions, wants, and behaviour learned by a member of society from family and other important institutions". Next,* Kardes (2011) in his attempt to explain culture mentions the study of Geert Hofstede who conducted a study to determine an influence of culture on values. He then defines culture as "*the collective programming of the human mind that distinguishes the members of one human group from those of another". Therefore*, culture can be viewed as a system of collectively held values. (Hofstede, In: Kardes 2011) Based on preceding definition, culture has tremendous effect on numerous aspects of human behaviour. It can be tackled from the perspective of norms which function as boundaries of our behaviour. On contrary, the valuation of these norms results in sanctions. Values then moulds both norms and sanctions which in turn have an effect on consumption behaviour. (Mothersbaugh and Hawkins, 2016) The relationship between culture itself and consumer behaviour is well explained by Solomon (2012). He addresses the mutual relationship as two-way street. Meaning that on one hand, products and services which are in line with the priorities of given culture have substantial chance to be accepted by consumers. On the contrary, study of new products and innovations in product design, to put it simply, opened a window on the principal cultural ideas. As an example serve ready-to-eat meals, which draw changes in family structures and gradual decline of full-time house wives. Kotler (2014) mentions the fact that cultural influence on consumer behaviour varies greatly from county to county and country to country. Hence, in order to deal with various cultural groups effectively and avoid any possible failures, marketers must be aware of differences between them.

As Cleveland et al. (2016) underline, culture is seen as essential explanation of consumer behaviour differences among countries. However, past decades have witnessed homogenization of entire consumer values, objects, rituals and desires. (Ritzer and Ryan, 2007) Therefore, even though that consumers are essentially immersed in they own culture, now more than ever are they subjected to the influences of globalization and presumably young consumers are considered to be the most converging segment worldwide (Guo, 2013) (Parment, 2013) As Kacprzak and Dziewanowska (2015) complements, the globalization in connection to economy is followed by globalization of culture, which subsequently influences consumption behaviour. Akaka and Alden (2010) then address the notion of global consumer culture which manifests itself through set of symbols that are understood in the same manner among consumers from different countries. However, it has to be noted that despite the fact that an individual understands behaviour connected with global culture, he/she still uses a local system of meaning to interpret them. Globalization can possibly lead to further convergence of cultures, but it can also cause increasing heterogeneity as the result of a desire to preserve own culture. It is today´s young Millennial generation which is deeply engaged in globalization, though they are sometimes also deeply engaged against. (Parment, 2013) Hence, many young consumers emphasise importance and uniqueness of local cultures. (Guo, 2013) As Kacprzak and Dziewanowska (2015) concludes, Millennials are strongly bond to global culture, while some aspects of their buying behaviour remain strongly influenced by local cultures.

3.4.2 Subcultures

Even though the literature often presents extended view on the term subculture which encompasses also consumer´s age as classification variable, the author will follow Kotler´s (2014) division including merely nationalities, religions, racial groups and geographic regions. Following given classification, consumer might belong to numerous above mentioned subcultures. However, it is important to note that the degree to which a person behaves in accordance to given subculture varies in terms of individual´s identification with that subculture. Mothersbaugh and Hawkins (2016) and Kardes (2011) characterize them generally as *„smaller groups of a larger culture that share some cultural values with society overall and yet demonstrate unique cultural values and patterns of behaviour within the individual subgroup“*.

Hayden Noel (2009) draw attention on the necessity to appropriately adjust advertising and promotion strategies to relevant ethnic groups as their cultural norms and tastes differ from the majority of population. Therefore general promotion strategies targeted to broad society may not be that effective. Moreover, research evidence from Desphandé and Stayman (1994) affirms above mentioned view as it was found out that members of a minority group find an advertisement spokesperson from their own community as more trustworthy which implies in increased credibility of that advertisement and subsequently more positive attitude towards the brand.

More currently, marketers tend to embrace cross-cultural marketing as the way to include ethnic themes and cross-cultural perspectives into mainstream marketing. The general idea is to tackle similarities between subcultures rather than differences. The impetus behind this practise is that today´s young generations are heavily influenced by ethnically diverse entertainers, hence they expect to see various ethnicities and cultures which are represented in advertisement, respectively products they are consuming. (Kotler, 2014) Obviously, the current trend which embraces incorporation of cultural elements from various ethnic groups has a lot to do with increasing purchasing power of given ethnicities to general population. (Hayden Noel, 2009)

Occurrence of regional subcultures is according to Mothersbaugh and Hawkins (2016) determined by climatic conditions, various characteristics of groups settled in given region, natural environment and important social and political events. He further argues, that they present numerous challenges and opportunities. Nevertheless, it must be considered to which extent realization of regionally customized programs would outweigh costs to initiate them.

Current approach towards religion in marketing of large companies is rather low key or non-existent. The reason for that stems from the fact, that religion is largely taken as a taboo and companies have to decide whether religiously customized programs would increase the brand loyalty or whether impacts of such programs would be misinterpreted and might cause damage. (Solomon, 2012) However, the findings of Mokhlis (2009) revealed that religiosity should be included as a vital determinant of consumer purchasing behaviour. Hayden Noel (2009) than points out that two areas where religion might impact marketing efforts are promotion and the product itself.

3.4.3 Social class

Generally, the term social class is understood as one´s overall rank in the society. People who belong to the same social class show similar patterns in terms of occupation, income levels, wealth, not least in their lifestyles. (Solomon, 2012) Therefore, social groups hold great importance for marketers as their members exhibit similar buying behaviour. Additionally, aforementioned dimensions tend to be highly related to each other. (Kotler, 2014) As Mothersbaugh and Hawkins (2016) explains, the status of person´s parents influence and education, which consequently influence occupation that is correlated with income, which in turn determines person´s lifestyle. However, the last factor will be elaborated in subsequent chapter separately. The major determinant of a social class, at least in the western societies is considered to be occupation. The reasoning behind relevance of occupation towards distinct buying behaviour lies in the fact that individuals pursuing the same career often possess similar goals and purchase among others similar clothing and leisure activities. (Kotler and Keller, 2012) Further, the type of work and colleagues also directly affects one´s values, lifestyle and subsequently consumption process. (Pelsmacker et al., 2013)

The basic premise of consumer´s demand for goods and services reflects his/her ability to buy and willingness to buy. On the one hand, demand for necessary products is relatively stable, while other expenditures might be excluded or postponed if consumers are not certain about their eligibility to spend in the time being. (Carroll, 1994) It is most apparent, as Kotler and Keller (2012) explains, in the more frugal times which follow economic depressions. Economic circumstances which follow this downturn affect brand choices in a major way and noticeably the most vulnerable are the luxury goods. Income is then very relevant as a determinant of consumption choice and most profoundly taking into consideration certain product categories. Therefore the change in consumer purchasing habits is most apparent for particular goods which exhibit high income elasticity. The effect of social class on consumption behaviour widely differs as consumers are motivated by precisely social class factors to consume certain products or services. Hayden Noel (2009) presents one of the ways through which is consumer affected by given social class, and that is conspicuous consumption. It concerns the purchase and subsequent use of certain products and services in order to indicate which social class consumer belongs to. Moreover, Solomon (2012) argues that consumption decisions are also affected by one´s desire to step up on the social ladder. This spending behaviour is characteristic for noveaux riches, who have not reached upper class yet, although imitate its behaviour through consumption of luxurious goods. (Koudelka, 1997)

3.5 Social factors affecting consumer behaviour

3.5.1 Groups

Consumer´s behaviour is also influenced by numerous groups. Kotler (2014) distinguishes between membership groups which hold direct influence over person who belongs to them. On the other hand, reference groups serves as points of comparison for an individual. More thoroughly, beliefs and behaviour of certain group establish norms of behaviour for individuals and can considerably affect consumers´ activities and the goods they purchase. (Hayden Noel, 2009) Moreover, reference groups do not necessary need to correspond to the positive relationship, that means that an individual adapts his/her behaviour towards the reference group. These are dissociative reference groups which we do not want to belong to as their values and attitudes are not akin to ours. However they might also influence one´s behaviour in the same manner as those with a positive appeal do. (Koudelka, 1997) On the contrary, aspirational reference groups are groups to which we want to belong. Consumers often purchase products in order to achieve either symbolic or actual membership in those groups. This is especially relevant for youth consumers who have desire to dress or behave as their favoured music or film performers. Accordingly, marketing communication towards youth generation aims to associate products with aspirational groups. (Mothersbaugh and Hawkins, 2016) Salomon (2010) explains that the persuasiveness of reference groups overall lies in the potential power they wield over us which is defined as “*the capacity to alter the actions of others*”.

The influence of reference groups on consumer behaviour is according to Hayden Noel (2009) either normative or informational. To start with, normative influence refers to conformity of consumer´s action with another person´s expectation. As Blythe (2005) adds, the normative influence is considered as possibly the most powerful and functions because the consumer realizes that acting in one way leads to approval of respective reference group, whilst acting in different way leads simply to disapproval. It reflects millennial generation´s unease with how others perceive them as consumers and the products they are purchasing. (Parment, 2013)

Moreover, there are number of factors which contribute to the possibility that people will pattern their behaviour after others. Solomon (2012) addresses following: cultural pressures, fear of deviance, commitment, group unanimity, size and expertise and lastly susceptibility to interpersonal influence. Mothersbaugh and Hawkins (2016) explain that informational influence occurs when *„an individual uses the behaviours and opinions of reference group members as potentially useful bits of information"*. It is often based on personal recommendation; the more value consumer place on word of mouth communication, the more significant is the impact. Kotler (2014) stresses that even though most word of mouth influence happens naturally, it is in strong interest of marketers to help with creating of positive conversation about their brands. Williams (2011) adds, that especially for millennial generation are referrals from their peers important and further recommends to combine word of mouth, offline and online channels to reach them.

Strong influence on certain groups exhibit opinion leaders. Kotler (2014) characterizes them as individuals who have immense influence on others due to their special skills, knowledge or other qualities. As they exert strong influence over other, marketers try to identify them and subsequently target marketing efforts towards them. Vysekalová (2011) adds that interaction of opinion leaders and marketing communication usually represents two-stage process which means that communication is intentionally directed towards opinion leaders who then spreads this information to other consumers.

3.5.2 Social networks

The most recent evolution concerning online communities includes online social networks. The term is well defined by Solomon (2012) as *"a community that interacts over time around a topic of interest on the Internet"*. They take many forms including friendship, media sharing, corporate or brand, events and micro-blogging sites. (Mothersbaugh and Hawkins, 2016) Although larger percentages of older generations are setting up their social networking profiles, young people still dominate. (Zhou et al., 2007) Up to date, roughly 75% of member of Millennials generation have created account on some social network. (Ordun, 2015). Particularly in developed countries are young people constantly connected to the network using it for contacts with others through various social media to seek information and to shop online. (Kacprzak, Dziewanowska, 2015) The importance of social media lies in the strong ties of young people to the opinions expressed by their friends which then might influence their buying behaviour. (Pate, Adams, 2013) The research by Ordun (2015) has shown that purchasing decisions of Generation Y is affected in a greater manner by their friends in virtual world and opinions from social media. As the research from CBI (2016) concludes, it is an upmost importance for wine industry to be more responsive in terms of communication towards nowadays younger generation and put emphasis on emotional engagement with this segment of consumers.

It is a vital strategy to be visible on social media to strengthen brand awareness and promote own wine. Though besides social media, it is also important to keep pace with various apps enabling consumers to get information, ratings and reviews on wine. As Kotler (2014) points out, most brands have built comprehensive social media presence after emergence of online social networking in the past years. Nevertheless he then stresses that marketers must be cautious in their approach towards online social networks. The reason is that users control the content, hence any marketing attempts might easily backfire.

3.5.3 Family

Beyond various groups, a consumer´s family have an immense effect on the decision making process and purchase patterns. It is without doubt the past decades have seen radical social changes in western societies. Even though the pace and intensity of changes differs from one country to another, it is clear that numerous social institutions including the concept of family have been altered. (Solomon, 2012) This development obviously entailed certain changes in patterns relative to consumer behaviour, however, before the author address what these changes meant, the notion of family will be explained. Traditionally, nuclear family is characterized as "*two adults living together in the same household with one or more children*". (Stone and Desmond, 2007) Nonetheless, this type of family has gradually declined over time parallel with growing complexity of family relationships.

This has been accompanied with an increase of single-parent households as the reason of growing divorce rate. Similarly, high divorce rate has resulted in growing importance of step families. Revising and creating relationships identities is undoubtedly difficult and may impact consumption activities (Mothersbaugh and Hawkins, 2016) On the other hand, it brings opportunities for marketers a normal purchasing patterns are being unfrozen and consumers make different choices about product and services. (Solomon, 2012) Moreover, much of a decline of traditional family has been caused by postponing of marriage until late 20s which is reflected in increasing number of monomial households. For example, the proportion of them in Czech Republic exceeded one quarter. (Lidovky, In: Karlíček, 2013) As Ordun (2015) complements; presumably other goals and priorities of today´s young generation have overshadowed attention of older generations on family. Stone and Desmond (2007) argues that concerning even the traditional notion of family, the changing patterns of predominantly young generation towards work and leisure resulted in the growing individualization of life in family homes and reciprocal decrease in collective activities. It implies that companies increasingly offer products that cater to individuals.

Furthermore, as Vysekalová (2011) adds, it is important in which stage an individual family occurs at it has wide implications for its buying behaviour. Kotler (2014) agrees with extensive influence of family on buying behaviour and further complements that buying roles of either wife or husband changes with evolving life styles. This has wide implications for marketers as the new marketing reality shifted traditional target groups, i.e. women or men for numerous products. Blythe (2005) argues that children often considerably influence consumption behaviour of the family in greater manner than their parents do. The clarification of this notion is supported by the fact that children spend more time in front of TV then their parents, hence they acquire more knowledge about certain products. Moreover, they tend to be conformed to consumer issues and have time to shop i.e. environmental friendly products and finally children are the ones who make shopping as parents are often at work. As discussed above, an individual belongs to a number of groups and his position within the group could be characterized in terms of role and status. Kotler (2014) explains that role consist of activities an individual is expected to perform. Furthermore, each role holds certain status which reflects overall esteem appointed to it by the society.

3.6 Personal factors affecting consumer behaviour

3.6.1 Personality and self-concept

Each person has its unique personality which is reflected in his or her buying behaviour. The concept of personality refers to *"set of distinguishing human psychological traits that lead to relatively consistent and enduring responses to environmental stimuli".* (Kotler and Keller, 2012) Therefore, even though that consumers strive to satisfy particular need, they would exhibit different type of behaviour to do so as their level of extroversion, respectively introversion might be different. (Mothersbaugh and Hawkins, 2016) The importance of personality then lies in the possibility to predict consumer´s reaction to marketing activities in certain manner. However this notion is bounded with assumption of relative consistency of one´s personality which is not necessarily correct. As Kardes (2011) explains, individual´s personality is not persistently stable concept; the changing pattern in his or her personality is influenced, inter alia, with physical growth, major life events and most importantly by situational factors. On the other it is difficult to cut off relatively enduring qualities of one´s personality. Thus, as Solomon (2012) adds, contemporary view on personality recognizes that individual´s underlying characteristics are considered as part of the puzzle and that also other factors largely determine one´s behaviour. The theoretical approach reflecting aforementioned assumptions is elaborated in multiple trait theory. It maintains that personality traits *"represent consumers' tendencies to respond in a certain way across similar situations".* (Kardes, 2011) The most common taxonomy within respective theory is the Five-Factor Model which was used to draw a framework to measure a brand personality. It is understood as a set of traits consumers attribute to a particular brand. (Pelsmacker et al., 2013) Thus, although that different brand might fulfil similar needs, it is the brand personality that allows consumer to select the one which expresses the best his or her own personality.

The notion of brand personality is often consistent with consumers´ self-concept. (Stone and Desmond, 2007) As Noble et al. (2009) explains, the selection and consumption of certain products serve as an expression of some aspects of individual´s own personality or image. Therefore, the products or services which are purchased reflect one´s identity. Kotler and Keller (2012) aptly summarizes aforementioned as “*we are what we consume*”. Especially in today´s young generation is individual´s self-concept strongly developed. It finds itself more self-sufficient and appraises its independence, thus it is not relying on other in their lifestyles. (Weiler, 2005) Millennials speak their minds and dress as they want to. (Sullivan and Heytmeier, 2008)

3.6.2 Lifestyle

Even though consumers might come from the same subculture, social class and have the same professional or academic background, they might have different lifestyles and as such different patterns of buying behaviour. Lifestyle hence refers to how an individual enacts his or her self-concept. It is a function of primary individual characteristics which have been moulded through social interaction as the individual evolved through his or her life. (Mothersbaugh and Hawkins, 2016) Solomon (2013) states, though, that changes in lifestyle patterns are two-way. That is that consumer´s desired lifestyle determines a large number of his or her buying decisions, which in turn might bolster or alter that consumer´s lifestyle. Kotler (2014) breaks it down to three major AIO dimensions. Concretely individual´s activities which relates to work, hobbies, sports, social events, interests. Secondly interests comprising food, fashion family and recreation. Lastly opinions about products, social issues, business and others. Therefore, lifestyle captures more than personality or social class, it serves as a profile of consumer´s whole pattern of acting and interacting within the world. In connection, Stone and Desmond (2007) complements that individual´s lifestyle gradually became more useful for marketing efforts than social class as it better reflects the understanding of one´s buying behaviour.

3.7 Psychological factors affecting consumer behaviour

3.7.1 Motivation

The relation between psychological factors and consumer behaviour is well understood through psychological processes which mould each individual personality. It concerns recognition of psychological peculiarities of consumer and his/her qualities in terms of personality traits. (Vysekalová et al, 2011) To fully understand one´s motivation, it is necessary to know why individuals do what they do. Consumers have many needs at any given time; some of them are basic physiological needs such as hunger, thirst and need for air. These are innate or primary needs. Whereas secondary needs are more complicated psychological needs as self-fulfilment, needs for affection, companionship and others which are learned as we grow. (Kardes, 2011) Generally speaking, need becomes a motive when it is aroused to a certain level of intensity. (Kotler, 2014) Therefore, as a need has been activated, it creates a tension which drives the consumer to somehow reduce or even eliminate the need, returning to a preferred state, called the goal. (Solomon, 2012) (Kardes, 2011) However, even though two consumers strive to satisfy the same need, they will not satisfy it in the same way, i.e. by means of the same product. (Karlíček et al., 2013)

Moreover, needs might be categorized as functional, symbolic or hedonic. Functional needs then refer to either solving consumer problems or normal depletion. Next, symbolic needs are understood as perception of ourselves and also how we would like to be perceived by others. Finally, hedonic needs pertain to persons´ desires for sensory pleasures (Pelsmacker et al, 2013) Furthermore, a thorough definition of a motive is presented by Mothersbaugh and Hawkins (2016) as a *„construct representing an unobservable inner force that stimulates and compels a behavioural response and provides specific direction to that response".* As Blythe (2005) complements, the level of consumers´ inner motivation depends on the desirability and the easiness of the end goal. That said, motivation focuses attention producing either valuation effect or devaluation effect. In the situation when and individual is extremely hungry, he/she rates the food products as highly desirable, which is the valuation effect. Following that, all the non-food products are then less desirable. This is known as the devaluation effect. (Kardes, 2005)

Several theories were developed related to human motivations. Two of the most influential – the theory of Sigmund Freud and Abraham Maslow hold quite a different meaning concerning consumer analysis. (Kotler, 2014) Originally, Maslow´s approach was design to understand individual´s growth and the achievement of peak experiences. (Solomon, 2012) His theory is based on four premises. First of all he assumed that all people are gained with a similar set of motives. Second, he supposed that some motives are more basic ergo critical than others. Third, the basic motives must be satisfied at least to certain minimal level before others can be activated and on top of that, until they are not satisfied, more advanced motives won´t come into play. (Mothersbaugh and Hawkins, 2016) The major assumption behind Freud´s theory was that individuals are rather unconscious about psychological forces that shape their behaviour. Hence, individual´s purchasing decisions are determined by subconscious motives that even the consumer may not completely understand. (Kotler, 2014)

3.7.2 Perception

Every day, consumers are exposed to numerous advertisements, product packages, radio and television commercials that strive to grab their attention. However, as a consumer makes purchasing decision, he/she does not merely respond to these stimuli, but also responds to the interpretation of them. Perception then refers to *„the process by which people select, organize, and interpret information to form a meaningful picture of the world"*. (Kotler, 2014) As outlined above, it comprises of three major stages: exposure, attention and interpretation. Before an individual perceives an object, though, he/she is exposed to them and only then he/she start to pay attention. Hence, exposure is understood as a process through which a consumer comes into contact with various marketing incentives. (Mothersbaugh and Hawkins, 2016) Overall amount of exposure certain product receives is given by number of factors. Hayden Noel (2009) argues that it might be influenced through the form an advertisement is placed, i.e. whether it is placed on front or back of the cover, and so whether commercial is shown at the beginning or at the ends of some show. Further, great impact is given to product distribution. That means that brands that are widely distributed gain preferable recognition than their competitors.

The second step in perception is attention defined as “*the degree to which consumers focus on stimuli within their range of exposure“.* (Solomon, 2013) Given the fact the ability of individuals to process information is limited, they tend to be selective in terms of attention. Hence, as consumers are overloaded with the quantity of product advertisement, they tend to pay attention to just a few items, i.e. they engage in a selective perception. (Hayden Noel, 2009) The greatest attention is then given to such incentives which are either currently relevant in the whole society or personally important for the time being. (Vysekalová. 2010) This selectivity is referred as perceptual defences. (Mothersbaugh and Hawkins, 2016) Moreover, as the quantity of stimuli overall grew in recent decades together with increase in consumer attention costs expressed in perpetually less effective advertising, marketers are exposed to a peculiar challenge to catch consumers´ attention. (Subramanian 2015) Methods how to engage consumer in interaction and grab his/her attention are numerous and differ in terms of theoretical approach, though Vysekalová (2011) addresses four methods: information provision, manipulation with material incentives, arousing of emotions and lastly value proposal.

Attention is followed by an interpretation which refers to ability to assign meaning to given marketing stimuli. The ways whereby a new stimuli is interpreted is influenced by existing knowledge. (Kardes, 2011) Moreover, perception overall is also reflected by influences from both social environment and culture. (Vysekalová, 2011) Thus, although are customers exposed to the same event, their interpretation is different. (Solomon, 2013) Marketers then struggle with the ways how to approach consumers as all of them develop different model of how the world works which subsequently reflects their decision making. (Blythe, 2005)

3.7.3 Lifestyle

Another category which is fundamental for understanding of why consumers decide to buy certain products is learning. Mothersbaugh and Hawkins (2016) argue that its importance in connection with consumption process stems from the fact that e.g. culture, reference groups, media and advertising provide learning experience which in turn effect consumers´ lifestyle and products he/she consumes. Moreover, most of the attitudes values, preferences, feelings and others are acquired through learning. Kardes (2011) then defines learning as “*the process of acquiring new information and knowledge about products and services for application to future behaviour“.* Vysekalová (2011) expands the understanding of learning in relation to purchase behaviour with the definition of memory “*which enables an individual consumer to recall, preserve and memorize past incentives”*. Therefore, consumer is able to recall various stimuli coming from certain communication channel which may subsequently affect his/her buying process. Specifically, these are among others information about products, brands and product usage. (Hayden Noel, 2009) Further, in relation to learning, marketing specialists has to call into account process of forgetting which has wide implications to communication towards consumer as it must keep its topicality. (Vysekalová, 2011)

3.7.4 Beliefs and attitudes

Consumption choices cannot be aptly understood without considering the effect of beliefs and attitudes on them. Generally, beliefs refer to individuals´ thoughts about something. In connection with consumption behaviour, they express consumers´ evaluation about specific relationship between certain brand and a benefit or an attribute. (Kardes, 2011) Researchers agree that attitudes are assumed to have three components: cognitive (beliefs), affective (feelings), and behavioural (response tendencies). (Mothersbaugh and Hawkins, 2016) (Hayden Noel, 2009) Kotler (2014) defines an attitude as "*person's relatively consistent evaluations, feelings, and tendencies toward an object or idea"*. Thus, attitude represents a way consumers think, feel and act in relation to products or brands. (Freedman, Carlsmith in Karlíček et al, 1970) Put it differently, persons´ attitude towards certain brand might be understood as a measure of how he/she likes the brand, prospectively as an extent to which the consumer holds favourable or unfavourable view of that brand. (Pelsmacker et al, 2013) This individual assessment refers to affective component of an attitude. (Hayden Noel, 2009) However, consumers´ attitudes towards brands are difficult to change. As Kotler (2014) explains, individual´s attitudes fit into certain pattern; to change one attitude might possibly call for further adjustments in others. Therefore, companies should be targeting their products into existing attitudes, rather than trying to change them. Kardes (2011) complements that not all attitudes are created equally.

Consumer typically develops two sorts of attitudes, some which are held weakly or with low confidence and strong attitudes which maintain high confidence and are strongly linked to one´s beliefs. These are precisely strong attitudes which tend to have severe impact on consumer´s actions and thoughts. Following that, the third component of attitude is behavioural. It refers to "*one's tendency to respond in a certain manner toward an object or activity".* (Mothersbaugh and Hawkins, 2016) In other words, this component determines the likelihood an individual will perform some action, i.e. purchase of a product or service. Attitudes are then from marketer´s point of view important for a number of reasons. Obviously, positive attitude towards some product or service is likely to provide a motive for purchasing behaviour. And second of all, knowledge of consumer attitudes might lead to identification of key product attributes which could be used for market segmentation, positioning of products and development of promotional strategies. (Stone and Desmond, 2007) Hayden Noel (2009) then stress, that attitude must be applied to different situations and not merely to immediate event. For instance, in the occasion when an individual feels negatively about wine when it is consumed by a teenager and in different situations feels positively about it, then he/she won´t describe overall attitude towards wine as negative. Generally, as Vysekalová (2011) complements, beliefs and attitudes act as sources of consumer motivation which then shapes his/her buying behaviour.

3.8 Consumer decisions on the wine market

One way to describe the decision-making process is to consider a degree of effort the consumer gives to an individual decision about wine purchase. The literature address the degree of effort the consumer puts into the buying process rather differently. Nevertheless the common explanation usually derives the problematic through the continuum ranging on one end by habitual decision-making, throughout limited-problem solving up to extended problem solving. (Solomon, 2013) As Kardes (2011) explains, the habitual decision-making is carried out rather automatically, referring to decisions which are made with little conscious effort. As such, consumers do not strive for information about the product, neither are they making decisions about the brand to be bought. Further, this type of consumer behaviour is especially visible in the FMCG category, which among others refers to wine industry. (Karlíček, 2013)

Consumers usually undertake limited-problem solving in the situation when they are not motivated to evaluate each alternative or search for information thoroughly. (Kardes, 2011) Stávková et al (2006) further explains that it concerns purchases, when the relevant product is bought occasionally, i.e. the consumer needs to make certain investment to gather and evaluate the information.

Finally, extended problem solving as characterized by Solomon (2013) involves decisions which correspond to traditional decision-making perspective. This process if usually initiated in the case the outcome of the decision might be risky. Hence, a great deal of time and effort is dedicated to gather as much information as possible and subsequently evaluate all the alternatives before the purchase itself.

Substantial amount of studies have examined consumer behaviour with respect to the wine category. As the purchase process is quite complex due to number of factors which might influence decision making, research is usually focused on a single or relatively small number of dimensions. The majority of studies apply segmentation based on various factors influencing wine consumption, for example product involvement or motivation to purchase the product. Dubow´s (1992) study examined internal motives for wine consumption identifying consumer groups segmented to four categories. The first one being consumers who drank wine because of health reasons, the second group drank wine to feel good. The third consumer group drank wine because they liked the taste and to the fourth group belonged consumers who wanted to feel more sociable and friendly. (Palma et al, 2014) In more recent study by Berni et al (2005) was discovered that certain consumption occasions as, such as wine being consumed at bars draw attention of majorly younger consumers. (Thach, 2011)

Various studies have also presented the issue of demographic determinants in respect to the wine category. Significant differences were inter alia found in terms of gender. Atkin, Nowak & Garcia (2007) found that though geographical region is important for both men and women, women rely more on medals and awards compared to men. Moreover, based on the research of UK wine consumers, it was observed that women have strong preference towards white wine as merely 34% preferred red wine compared to 48% who would prioritize white wine. (Bruwer, Saliba, Miller 2011) Number of differences in the behaviour of New Zealand consumers was also identified by Mitchel & Hall (2007). Males were more adhered to participate in wine club activities and we more likely to purchase wine in cellars and wine shops. On the other hand, females tended to purchase wine at supermarkets. Lockshin et al (2007) addressed age as segmentation dimension determining consumer behaviour in the wine market. According to the study, wine consumption is likely to grow with age. Therefore, as advised by Bruwer, Li & Reid (2002), marketers should approach younger consumers in order to capture their interest in wine by the age of twenty when they form their consumption habits. Generational differences were also captured in the study by Barrena and Sanchez (2009). They found that younger drinkers are in a great manner motivated by reasons related to socials status, while older generations tend to ascribe great value on wine as a facilitator of social communication.

Significant interest in respect to consumer behaviour in wine market is given to product attributes which are usually dichotomized into intrinsic and extrinsic. First ones being those which are associated with physical attributes of wine (e.g. colour and sugar content), whilst extrinsic values are those which are not connected with physical attributes of the product (e.g. price, label and bottle shape). (MacDonald et al.) As for the bottle design, research by Creusen and Schoormans, (2004) suggest that even though that packaging plays a major role in delivering information about particular wine to consumers, it seems that there is high variance in perception of importance of this attribute. This is in particular given by the fact that perception of aesthetic values is very personal reflecting emotional or feeling responses towards respective product. Furthermore, Thomas and Pickering (2003) complements that the two most important elements of wine packaging is bottle shape and label design. Academic paper presented by Keown & Casey (1995) identified country of origin as the most important wine attribute followed by brand and grape variety. Results of this research were partially confirmed by Goodman, Lockshin & Cohen (2007) who addressed previous experience, recommendation, variety, brand and wine origin as most important attributes. Especially price is generally considered as the principal attribute in respect to wine choice. Concretely younger generations rank price as one of the most influential factors in their decision making as addressed by Silva et al. (2013).

A comprehensive way to address consumer decision making is to consider the level of involvement. As Charters (2006) states, involvement has been shown to be a valuable determinant in the formation of consumer´s views towards wine purchasing and motivation to drink it. Mothersbaugh and Hawkins (2016) define involvement as *„the level of concern for, or interest in, the purchase process triggered* *by the need to consider a particular purchase"*. Therefore involvement is a relationship between a consumer and a product in respect to the level of psychic energy which is being invested in that product. Put another way, involvement is an investment in time, interest, passion, desire for knowledge, reading documents, gathering information on websites — activities consumer is engaged in through his/her purchasing process. (Mora, 2013)

As it concerns high involvement buyers, it has been found out that they order attributes of a specific wine differently than low involvement consumers do, emphasising the origin of the wine and style. (Charters, 2006) The research conducted by Dodd et al. (2005) has shown that low involvement wine buyers also use more extrinsic factors as price and recommendations, whereas consumers who are highly involved with the product rely more intrinsic values. Aforementioned is supported by study from Rasmussen (2001) who states that low involvement consumers often used family and friends as sources of information in their decision making. Contrary to high-involvement consumers who tended to use specific attributes about wine. With reference to the study of Dodd et al. (2005), it has been found out that high involvement consumers are willing to pay higher prices for wine. (Hollebeek et al., 2007) Therefore, as Lockshin & Spawton (2001) concludes, high involvement consumers are not necessary experts. However they do like to seek information about the product and use complex variables as region, vintage, vineyard, style and so on to make their purchase.

In addition to product involvement, purchase situation involvement has been found out to have important effect on purchasing behaviour in the wine market. It refers to differences in motivations during the process of interacting with a store, alternatively website. (Solomon, 2012) As Neely (2010) found out, wine consumers often enjoy the process of choosing and purchasing wine and subsequently the experience gained from it in the same manner as the product itself. Furthermore, consumers who exhibited high purchase involvement engaged in extensive brands selection process and shown high level of brand loyalty. (Hollebeek et al., 2007) On the other hand, wine as a product is highly complex. Hence, consumers often simply choose the brand which is familiar to them in order to avoid processing complex information. (Rasmussen, 2001) This might refer to habitual purchasing behaviour. As Kotler (2014) states, in the case they keep purchasing the same brand, it is influenced by a habit rather than a brand loyalty. For routine buyers, wine is nothing special, they just do not want to know anything about complexity or diversity of the category.

Consumer product knowledge has been conceptualized into three definite constructs, first one being subjective knowledge, followed by objective knowledge and past product experience, which determined two aforementioned. (Brucks, 1985) Objective knowledge refers to what a consumer actually knows about given product and subjective knowledge is a self-perception of own product knowledge, i.e. what a person thinks he or she knows about a product. (Dodd et al, 2005) Furthermore, academic literature is largely concentrated on subjective rather than objective knowledge. The reason is that those two concepts actually differ as addressed by Brucks (1985) who suggested that any test which would measure objective product knowledge could never be absolutely objective in itself. Nevertheless Forbes, Cohen and Dean (2008) found that although distinct concept, they are empirically correlated. Considering wine as a product, several studies have examined the effects of wine knowledge on various aspects of consumer behaviour. Study exploring wine drinking behaviour of Chinese young adults has shown significant differences in terms of gender in respect to wine knowledge. Furthermore strong correlation was found between product knowledge and frequency of wine drinking. (Li et al, 2010) Research looking on the impact of wine knowledge on consumer spending has shown correlation between high product knowledge and high consumer spending on wine. (Johnson and Bastian, 2007) Consumers with greater wine knowledge were also found to purchase more from special wine stores and cellars. (Mitchell and Hall, 2007) In another study by Forbes, Cohen and Dean (2008) was found significant correlation between objective and subjective product knowledge. Moreover the results have shown that males have significantly higher wine knowledge than females. Lastly, Liang (2012) suggested that higher degree of consumer involvement in certain product, the higher is his or her product knowledge.

4 Methodology

This study aims to provide a detail view into the purchasing behaviour of young wine consumers together with a comprehensive understanding of factors that might have an influence on them. In order to achieve aforementioned objectives, relevant data needs to be analysed. This thesis uses both the primary and secondary data analysis to meet the research objectives. Therefore, the methodology of this paper is divided into several consecutive sections.

The secondary data will be primarily obtained from the databases of the International Organisation of Vine and Wine (OIV) and Eurostat. Additional data which will be used in the orientation analysis will be retrieved from other databases, alternatively research papers providing information relevant to the topic of this thesis. Moreover, secondary data will be evaluated by econometric software Gretl together with MS Excel. In order to complement the orientation analysis of the Czech, respectively Slovak market, the income elasticity will be calculated. The elasticity measures to what extent is one variable responsive to changes in another. In this case, the income elasticity will refer to the ratio of the percentage change in the quantity of wine consumed to the percentage change in consumer income. Mathematically, the concept of elasticity is as follows:

$$\varepsilon = \frac{\text{percentage change in y}}{\text{percentage change in x}} = \frac{\Delta y/y}{\Delta x/x}.$$

However, in terms of the regression function used for the computation, the formula reflecting the elasticity of average wine consumption with respect to changes in income as depicted below will be used (Adkins, 2014):

$$\varepsilon = \frac{\Delta C(y)/C(y)}{\Delta x/x} = \beta_2 \frac{x}{C(y)}.$$

The parameter x represents the mean of income, C(y) stands for the mean of consumption and β_2 is replaced by its estimate.

For the purpose of the quantitative analysis, the questionnaire survey will be conducted. Nevertheless, focus group will be preceding the final version of the questionnaire in order to capture perceptions of young wine consumers.

The only criteria for the focus group is that participants have to be members of Millennial age cohort, hence between the ages of 18 and 36, drink wine and that a gender balance will be maintained among participants. For the pragmatic reasons, respective focus group will be run in the South Moravian region as it is the most convenient location to include also participants currently living in Slovakia. The reasoning behind this intention is that results of this study will largely determine the content of the questionnaire used for both markets of the Czech Republic and Slovakia. The discussion will be conducted under guide commencing introductory questions based on literature relevant to the researched topic. Participants of the focus group will be asked to discuss their motivations to drink wine, what is the place of purchase and what attributes are usually taking into consideration in their purchasing process. Furthermore will be discussed with whom, where and on which occasion they drink wine. In total 8 participants will be involved in the focus group, 4 male and 4 female. The sample will encompass both the participants currently enrolled in university program and interviewees already pursuing their careers. Results of the discussion were recorded and subsequently transcribed into written form to be aptly analysed.

The questionnaire will be created in Google forms application and subsequently distributed through the social media platforms and via e-mail. It will consist of 25 questions: 15 closed, 3 semi-closed, 3 semi-closed with multiple choice option and 4 scale batteries. Before the release of the final version, the questionnaire will be further pretested in order to clarify any possible ambiguities. Moreover, the survey will be structured into four adjacent sections according to their nature.

The first part will contain general questions related to wine consumption. Questions used within this section will comprise both single and multiple choice types. They will be asking consumers for example about their preferential place of purchase, alternatively what are the most decisive motivational factors to drink wine. In addition, there will be questions with variety of choices concerning occasions to drink wine and favoured geographical origin of wine. The following part will examine the importance of several product attributes within two purchasing contexts. Concretely, wine intended for own consumption and wine being purchased for a festive occasion or as a gift. Results by the study of Preston and Colman (2000) suggest that rating scale with 7 to 10 response categories are generally most reliable. Therefore in order to find the most reliable and valid results to capture attributes which influence consumer purchasing decision, rating scales with 10 response categories will be chosen. The third part will be used to identify the overall level of both the product involvement and knowledge. Here, the respondents of the survey will be asked to determine their level of agreement with several wine related statements. To be specific, involvement will be measured by three and product knowledge by five statements using Likert-type scale. Last but not least will be identified socio-demographic characteristics of individual respondents.

Data retrieved from the online questionnaire will be firstly categorized and classified according to their frequencies in order to be able to use descriptive methods and subsequently make certain conclusions. Furthermore, the statistical relationship between selected variables will be tested using the contingency analysis. The chi-squared test of a contingency table will be used to portray the association between two qualitative variables. The comparison of the coefficient from the chi-squared test with the alpha (α) level of significance will lead to a conclusion whether there is any existent dependency or not. The significance level was set at 5% ($p=0.05$). Therefore, in the case that observed p-value was greater than respective level of significance, the null hypothesis is confirmed. Contrastingly, the statistical relationship between certain variables is proved in the case that the observed value is lower 0.05. The chi-squared test of contingency tables determines merely whether there are dependencies, alternatively independencies between two variables. Therefore it is further necessary to evaluate the strength of the relationship through the interpretation of the Cramer´s V (for tables larger than 2 x 2), alternatively Phi (for 2 x 2 tables) coefficients applied to chi-squared model. The chi-squared statistic is then:

$$\chi^2 = \sum_{i=1}^{k}\sum_{j=1}^{l}\frac{(n_{ij} - n'_{ij})^2}{n'_{ij}}$$

In the formula, n refers to observed value, n' for expected value, index i stands for a row index and j is a column index. Furthermore, Cramer´s V coefficient is computed by dividing the square root of the chi-squared statistic by the sample size and minimum dimensions minus 1:

$$C = \sqrt{\frac{\chi^2}{n \cdot \min(k-1; l-1)}}$$

Where χ^2 stands for chi-squared statistics, n refers to grand total observations with k being the number of columns and l being the number of rows. (Foret et al., 2006) The value of coefficients ranges within the interval of $\langle 0, 1 \rangle$ implying different intensity of dependence (Borůvková et al., 2013). The intensity of dependence will be interpreted as follows: small correlation <0-0.3), medium correlation <0.3-0.5) and strong correlation <0.5-1.0). Furthermore, data from the questionnaire will be analysed and evaluated using the statistical program Statistica 12 together with MS Excel.

5 Practical part

5.1 Wine Market Overview

5.1.1 Development and Trends of the World Wine Market

Within the last couple of years, vineyards[1] globally have indicated downward sloping trend. Perpetual reduction of vineyards worldwide lead to destabilization of global wine production, primarily in Europe. (Gibb, 2012) Though the pace of vineyards reduction was rapidly decreased since the end of European Union´s (EU) wine reforms (CMO grubbing-up scheme)[2] in 2011 aimed to combat structural surpluses within the industry and improve the competitiveness of the EU wine producers. (European Commission, 2012) As the respective reform took place in 2008, 270 000 hectares of vineyards area were to be pulled out over the three year period. By the end of the community programme, Spain vine areas declined by 13%, Italian and French 7% and Portugal 3%, but also other member states such as Hungary and Greece were affected by the reform (OIV, 2012) Midler decrease of global vineyards might be partially attributed to the expansion of areas under vine outside the European continent. The growth of Asian vineyards with China in the lead recorded in the past years and reached well above one fifth of global vineyards. Though China has emerged through its steep growth on the second place right after Spain in 2013, the volume of production utilized for wine production is rather low compared to traditional wine producing countries. (MZ, 2016) Vineyards in southern hemisphere continued to exert slightly positive trend, though this moderate increase is the result of contrasting developments. South America (except Brazil proceeding in vineyards restructuring) continued to increase, however Australia recorded declined its vineyard area for three consecutive years while New Zealand kept the area unchanged within the period of 2011-2014. (OIV, 2014) Considering the USA, its vineyards kept modest growth and stabilized throughout the period. Within the respective period, the areas under vines in the EU declined by roughly 2% significantly slowing the previous development. (OIV, 2016)

Even though the global vineyard area decreases, grape production has been steadily increasing since 2000 as improvements of vinicultural techniques and increase in yields has taken place. Nevertheless, the world grape production used merely for wine production perpetually decrease over the last 20 years. (OIV, 2016) World wine production keeps its modest pace in recent years after steep growth in 2013 projected to slightly decrease to 259 Mhl (Millions of hectolitres) in 2016, indicating a decrease of 5% compared to 2015 making it one of the poorest years since 2000. (OIV, 2016) (Agence France Presse, 2016) European Union (EU-28) keeps its leadership as the world´s major wine producing region with approximately 65% of

[1] Wine grapes, table grapes or grapes for drying, in production or awayting production (Gibb, 2012)

[2] Involves voluntary withdrawal from vine growing bolstered through decreased subsidies and compensation schemes (USDA, 2015)

production by volume. Though the wine production crippled in 2016 by nearly 15% from relatively high 2015. (OIV, 2016) Most of the wine production is located in the south. Three traditional wine producing countries: France, Italy, and Spain represent around 80% of the total output in 2015, followed by Germany, Portugal, Romania, Greece and other wine producing countries. (CBI, 2016) The latest developments resulted in significant drop in production occurred in France (-12%) and Italy (-2%), while other major producer Spain registered mediocre growth of 1% comparing 2016 with 2015. Notable increase occurred also in Romania (37%) which wine industry has been considerably evolving due to innovative marketing strategies and investments in the industry and. (OIV, 2016) (CBI, 2016) Recent development has witnessed emergence of Italy as the biggest global producer ahead of France in 2015. (OIV, 2015) As the new European Union vine planting scheme as adopted by the beginning of 2016 to meet growing global demand for wine, it is likely that the wine production will increase in the near future. (CBI, 2016) Taking into account countries outside the common market, the steepest growth has been written down by New Zealand (34%) followed by Australia (5%). Production in other major global producer was rather stable. (OIV, 2016)

Global wine consumption was seriously hit by world financial and economic crisis in 2008 averting previously increasing trend. (OIV, 2015) Though it seems that the global consumption have stabilized around 240 Mhl after 2008 drop. (OIV, 2016) In connection, the average consumption per capita globally was perpetually increasing since 2000 up to the pre-crisis years finally stabilizing around 3,3 litres. (MZ, 2016) As Federico Castallucci, director general of OIV said: "*It is obvious that the world economic crisis has played a role in lowering overall demand*". (Decanter, 2009) Even though that financial and economic crisis was a major factor decreasing disposable income of consumers hence halting wine consumption, also poor development of vineyards and crunched production seriously impacted the consumption trend. (OIV, 2014) World wine consumption in 2015 reached 240 Mhl, a moderate increase of 0.9 Mhl compared to the previous year.

Current consumption trends are highly influenced by demographical change with millennials slowly taking over the market share of both high frequency and occasional wine drinkers. (Wines and Vines, 2016) As addressed by Fortune (2016) Millennial generation is drinking significantly more wine compared to generation of their parents alternatively grandparents, concretely 23% more per occasion. Research by the Wine Market Council further complements the notion that Millennials continue to drive the market as wine consumption of this cohort increased by 10% compared to only 5% by Generation X and 6% decrease by Boomers within last 2 years. (Wine Enthusiast Magazine, 2016) Research conducted by IWSP (2016) recommends to target young people by aligning company marketing strategy to the needs of this particular consumer group and to develop strong brand as younger generation is supposed to be relatively sensitive to branding.

In 2015 red wine accounted for over 54% of consumption globally; white wine for 37% and rosé merely 9 %. Overall, wine consumption is expected to increase in moderate pace between 2015 and 2019 by 1.4% primarily supported with growth in segment of rosé and premium wines. Although rosé wines are generally seen as a summer wine and its sales are rushing in this particular period, it´s consumption is steadily growing throughout the whole year and retailers are reporting that rosé sales are expected to bloom year-round. (USATT, 2016) This consumption trend of rosé wines continues to follow global trend in both examined countries majorly driven by younger segment of consumers as seen in the following figure number 1.

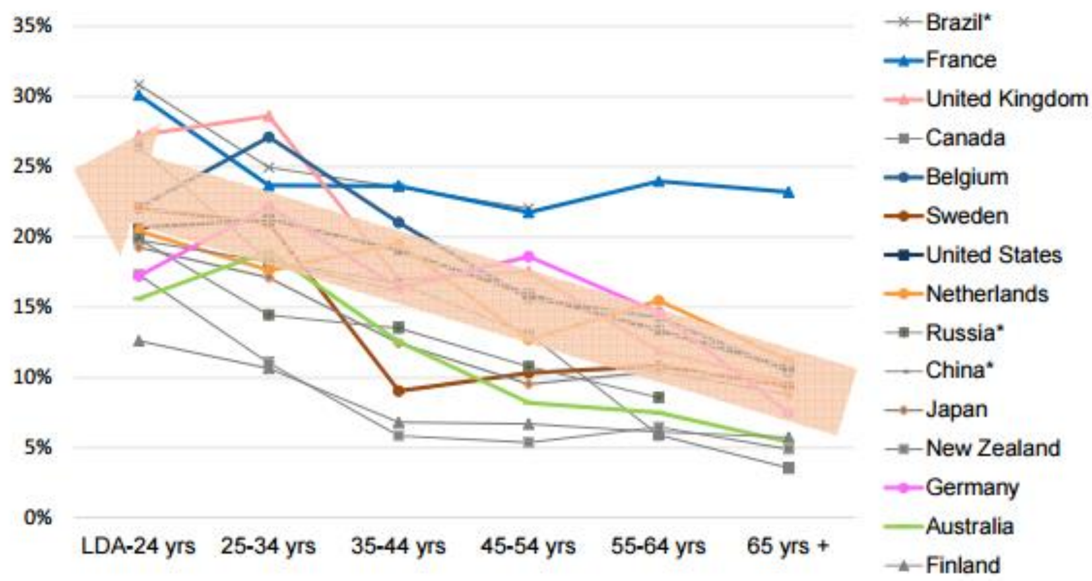

Figure 1: Consumption of rosé in selected markets in accordance to age categories
Source: OIV (2015)

This particular trend will be majorly drawn by growing consumption outside the Old World wine-producing countries[3] with Asia leading the peloton. Nevertheless the exponential growth of Asian markets seems to be over, wine consumption will continue to grow on a modest level. (VINEXPO, 2016) Although wine consumption worldwide is expected to increase in following years, we can observe constant decline of consumption in Europe. Respective consumption pattern is bolstered through decreasing consumption in the Mediterranean countries where basic table wines traditionally used to complement meals have been replaced by higher quality premium wines used for more special occasions. (European Commission, 2016) Furthermore, consumption level is decreasing presumably due to changing lifestyles and tastes combined with anti-alcohol campaigns and health concerns. Nevertheless, the average consumption in Europe is still well above world average remaining

[3] Countries outside Europe (Aleixandre, 2016)

on 26 litres per capita. In terms of overall volume amounted to roughly 122 million hl in 2015 keeping 57% share in global consumption. (CBI, 2016)

Though the consumption in traditional wine consuming regions of South Europe is steadily decreasing, the popularity of this commodity on Northern Europe shows an increasing trend. (MZ, 2016) Both the UK and Germany saw a growth in their domestic markets of nearly 2.5%, respectively 1.1% comparing 2015 and 2014, while the Scandinavian countries remained relatively stable in terms of consumption. Above mentioned reduction in consumption of traditional consumer countries experienced a pause in the past year with slight fall in France (-1.2%), rather modest growth in Italy (0.3%) and slightly higher in Portugal (1.6%) and Spain (1.3%). (OIV, 2016) As for the Central and Eastern Europe, several markets have shown steep market grow within four year period of 2011 to 2015, particularly Slovakia (4.9% annually). Though these markets are relatively small compared to Western Europe, wine is becoming increasingly popular as standards of living generally increase. (CBI, 2016) USA emerged as the largest wine market in the world outperforming France since 2012. (Gilbert & Gaillard, 2016) The consumption level remains stable since 2012 fluctuating around 31 Mhl. However since 2000, the actual consumption increased about 45% keeping 13% share of the world wine market. In South America, wine consumption reached slightly higher growth then in 2014, primarily in Argentina (3.2%) followed by Brazil (2%). In Oceania region comprising Australia and New Zealand, wine consumption remained stable with minor fluctuations for three subsequent years since 2013. (OIV, 2016)

Breaking down the wine consumption per capita, European countries maintain their supremacy with 9 out of 10 top wine consuming states from the continent, even though it has been cutting back in the past years. Omitting microstates as Vatican and Andorra leading the table with 54 respectively 46 litres per person, the wine consumption per capita remains to be biggest in the Mediterranean region. (The Wine Institute, 2015 in Forbes, 2015) According to the Statista (2016) Italy maintains its first place in consumption with slightly above 45 litres per head followed by France with nearly 45 litres per head. Nevertheless there is a decreasing trend primarily among southern European countries. Both French and Italian consumption per capita are set to decrease up to 10% taking the interval of 2014 and 2018. The same scenario applies to other traditional wine producing countries. An exception considering Europe are northern countries expected to stabilize their consumption or show a moderate growth. Consumption per capita in Germany and Sweden is about to increase by 1%, the United Kingdom by 3% and Belgium together with Luxemburg by roughly 5%. Even though that number of consumers in countries like China and USA is extremely high, the consumption per capita is very low. (The Wine Institute, 2015 in Forbes, 2015) However it is reasonable to expect as presented by Pomarici (2016) that US consumption per capita might reach the same levels as currently reached in the UK, hence determining stable increase in the world wine demand.

In 2015 the global wine market in terms of volume reached a modest growth of 1.8% compared to the previous year and 10,6% rise in considering the market value. Previous year reflects a long-term development in the wine market increasing steadily throughout a 15 year period with a minor fluctuations following global economic and financial crisis in 2008 and in 2013/2014. (OIV, 2016) The cause for the latter drop might be searched primarily in Europe and CIS countries together with China´s slowdown. (VINEXPO, 2016) Based on the aforementioned development, we can see an immense internationalization of wine industry.

Global wine trade is largely dominated by Mediterranean countries Spain, Italy and France which together represent slightly above half of total exports in terms of value and 56% of the global market in terms of volume. (OIV, 2016) Spain emerged as a largest wine exporter in 2014 after series of export drops following economic crunch of 2008. Currently holding about one fifth of the total wine exports worldwide in terms of volume. On the other hand France keeps its leading position in terms of export value indicating different price positioning of wine commodity. More thoroughly Spain is focused rather on cheaper barrel wine contrary to France and Italy focused rather on bottled wine. (MZ, 2016) Those two respective countries dominated the market with shares of 19%, and 29% respectively. (OIV, 2016) Furthermore, the total volume and value of wine market in EU is depicted in the figure number 2 below.

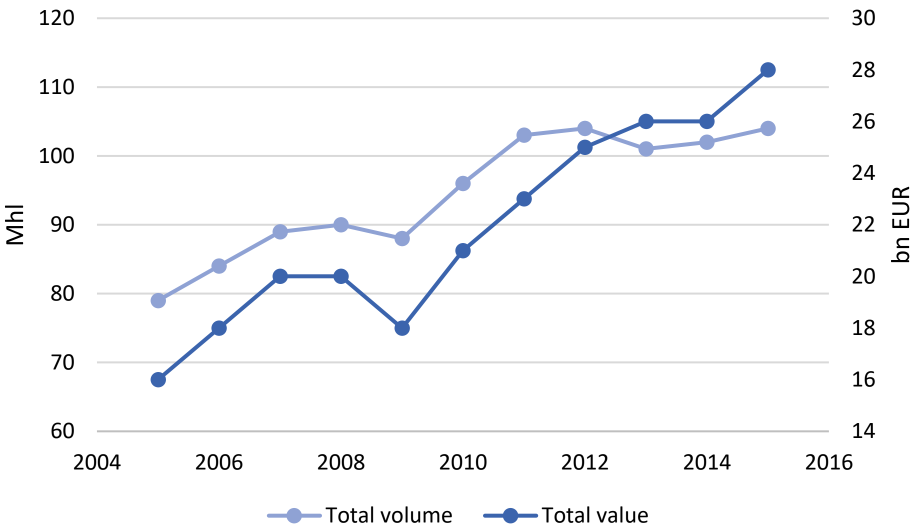

Figure 2: Total volume and value of EU wine market
Source: EC (2015)

Due to high level of domestic production European exports significantly exceeds imports. Total European wine exports amounted to 18.7 billion EUR in 2015 increasing by roughly 4% between 2011 and 2015. About 55% of all European exports are destined to end up in other European countries. An annual increase between 2011 and 2015 was 1.8% and though imports to Eastern European countries are still relatively small, exports to Poland and CZ increased about 9% and 1% respectively in 2015. As for destinations outside the continent, China is found to be an emerging destination for European wine with an average increase 4% since 2011. (CBI, 2016) (European Commission, 2015) As for the major wine importing countries, the six major importers account for more than half of total world import, namely Germany, Great Britain, USA, France, Russia, and China – 55 mil hl of wine in value of 12,7 mil EUR. (OIV, 2016)

5.1.2 Wine market in the Czech Republic and Slovakia

The majority of vineyards in the Czech Republic are concentrated in Southern Moravia region which accounts for roughly 96% of the country´s area under wine with remaining production located in central Bohemia. (CBI, 2016) The situation in Slovakia is rather different with literally all the wine producing areas extended throughout the whole Southern part of the country. Czech and Slovak wine production are highly volatile and difficult to predict though it is expected that with growing domestic and global wine demand together with new European Union vine planting scheme will the production increase in a moderate way. (CBI, 2016) (Eurostat, 2016) (Vinařský fond, 2015)

Both countries are considered as European emerging wine markets, primarily with Slovakia experiencing steep consumption growth of nearly 43% taking into account the 10-year period of 2005 to 2015, while the consumption in Czech Republic increased by approximately 15%. (Eurostat, 2016) Young professionals, westernization in the way of living and growing tourism to wine drinking countries are the major factors driving the increase in the wine consumption. Wine drinking has become more fashionable and is supported by the wellness trend and the fact that drinking wine is increasingly seen as a social event. (Euromonitor International, 2016) (IWSP, 2016) Despite the fact that Czech Republic has the highest beer consumption per capita globally, wine is increasing in popularity. Nevertheless, it is unlikely that wine consumption will hold the same popularity among consumers as beer. (CBI, 2016) Even though the recorded consumption of alcoholic beverages is different with Czechs preferring beer over spirits, wine consumption is rather similar with 18% Slovaks and 20% Czechs giving preference to wine over other alcohol beverages. (WHO, 2014) According to the research by IWSP (2016), young urban population is supposed to grow and continue to lead market developments, however it is expected that, wine consumption will become more popular also among other consumer groups in the long-term. Slovakia has seen an immense growth in 2015 after years of stagnation and a slight drop in previous 2 years increasing by more than 30%. On the other hand, the fluctuations in Czech wine consumption patterns are rather mild over the last couple of years with almost zero increase in 2015. (CBI, 2016) (Canadean, 2015)

The actual consumption per capita was roughly 18 litres in the Czech Republic and 13 litres in Slovakia in 2014 and though the trend is increasing, both countries are still falling behind the European average which is 36 litres of wine per capita. (Eurostat, 2016) In connection with, it was statistically estimated that income elasticity of wine in Czech Republic is roughly 0.62 and 0.66 for Slovakia as measured using the data reflecting period of 2005 to 2014. In other words, it reflects percentage change in wine consumption as the result of 1% change in personal income. Respective elasticities are then associated with wine categorized as a normal good.

Subsequent figure number 3 clearly depicts actual consumption per capita together with expected consumption trends in both examined countries.

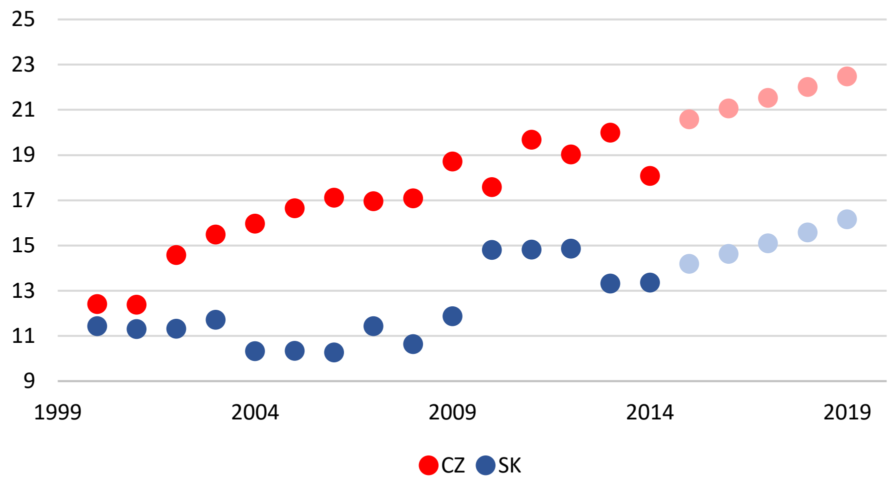

Figure 3: Consumption per capita in the Czech Republic and Slovakia
Source: Eurostat (2016)

Nevertheless the majority of wine is being imported to the Czech Republic from the traditional wine producing countries in Europe. (Euromonitor International, 2016) As Jaroslav Machovec, the chairman of Wine Fund Czech Republic[4] address: *„it as almost certain that Czech Republic won´t be self-sufficient in terms of wine production*". (Lidovky, 2016) In the matter of fact, the most of wine imports are from the traditional wine producing countries of France and Italy, however a substantial size of imports come from East European countries due to their historical ties (Slovakia, Hungary, Moldova, Bulgaria and Macedonia). Considering the New world wine countries, it is Argentina, Chile and Australia. (IWSP, 2016) Even though that the majority of wine is still imported from abroad, Czech consumers view domestically produced wine most positively throughout the history. As addressed by the research from Wine Fund of the Czech Republic, it highly correlates with the campaign "Vína z Moravy, vína z Čech". The view towards domestic wine was further improved through the TV shows "Vinaři". Results show that regular viewers of respective show declared to improve his or her view towards Czech vineries. (Lidovky, 2016) The similar situation, however more severe is in the case of Slovakia as its production covered merely 17% of wine supply within the domestic market in 2014. The major importers are Spain and Hungary followed by Czech Republic. (MPRV SR, 2015)

[4] Wine Fund of Czech Republic was established persuant the law no. 115/1995 Coll. Concerning wineyards and viticulture. Through the article no. 321/2004 is the primary function of the funds changed to merely support wine marketing, development of wine tourism and improvement of information about the industry through brand „Vína z Moravy, vína z Čech". The overall budget for promotion reached 72 million Kč. (Idnes, 2016)

There is a lot of potential for wine market development in Czech Republic within the next 5 years as it still has not been saturated. (CBI, 2016) (Euromonitor International, 2016) In 2018, it is expected that Czech wine market is to have a value of approximately 2 490 million dollars, an increase of nearly 30% compared to 2013. In terms of volume, Czech market is forecast to increase up to 308 million litres, an increase of 26%. (IWSP, 2016) This notion is supported by the fact that according to the research by CBI (2016) household income is expected to increase by 28% in 2018 compared to the base year 2014. This will further increase consumer spending power which might boost the demand in the wine market. The wine market in Slovakia is expected to show an annual growth rate of about 5% during 2015-2019. Therefore the actual value is predicted to reach 1 452 million EUR in 2019 compared to 1 134 million EUR in 2014. (Canadean, 2015)

5.2 Demographic profile of the questionnaire respondents

The questionnaire was alive within the period of 10th October until the 25th of October 2016. A total number of 1076 respondents participated in the online survey. However, due to the incompleteness of identification questions, alternatively non-correspondence of respondent's age with targeted age groups, 83 questionnaires had to be removed from the initial set. Therefore, the overall decrease of entries was approximately 6 %, resulting in 993 questionnaires further used for the purpose of the thesis. Uncompleted responses were removed from the database and were excluded from the data used for statistical analysis.

The gender structure of respondents as depicted in the following table number 1 suggests that the majority of questionnaire respondents were women. This concerns both examined markets as 72% of interviewees in Slovakia and 71% in the Czech Republic identified themselves as females. This accordingly entails that 28% of the participants in the Czech Republic and 29% in Slovakia were males. The overall prevalence of women in the sample is generally present in surveys and interviews as addressed in the study by Slauson-Blevins and Johnson (2016).

As for the level of education, the majority of respondents in both countries obtained a high school degree with state leaving exam. Nevertheless, it is appropriate to assume that certain amount of them is about to finalize their bachelor, alternatively master degree within subsequent years to come as significant portion of respondents is still pursuing their studies. Precisely 54% of the survey participants from the Czech Republic and 51% from Slovakia stated to have completed this level of education. When it comes to the tertiary education, nearly 43% of respondents from the Czech Republic and roughly 46% from Slovakia claimed to have certain kind of university degree. Merely 1% of both samples account for respondents who have reached either primary education or high school without state leaving exam. Furthermore, approximately 2% of interviewees from both countries successfully completed college.

The third identification aspect of the questionnaire was age structure. Overall, the composition of the sample was heavily skewed towards the group consisting of

18-24 year old respondents. This finding applies to both examined markets, though with moderate differences. To be specific, approximately 66% of respondents in the Czech Republic and 69% in Slovakia. In contrast, interviewees aged 25-36 represented 34% of the sample in the Czech Republic and 31% in the latter.

Category	**Identification indicator of respondents**	**Czech Republic**		**Slovakia**	
		Absolute value	**Relative value (%)**	**Absolute value**	**Relative value (%)**
Gender	Male	184	28,93	98	27,53
	Female	**452**	**71,07**	**258**	**72,47**
Age	18-24	421	66,19	245	68,82
	25-36	**215**	**33,81**	**111**	**31,18**
Highest education obtained	Primary education	1	0,16	2	0,56
	High school without final exam	**8**	**1,26**	**2**	**0,56**
	High school with final exam	342	53,77	181	50,84
	College degree	**12**	**1,89**	**6**	**1,69**
	University degree	273	42,92	165	46,35
Community size (inhabitants)	**< 3000**	**177**	**27,83**	**87**	**24,44**
	3000-19 999	132	20,75	64	17,98
	20 000-49999	**56**	**8,81**	**46**	**12,92**
	50 000-99 999	50	7,86	36	10,11
	> 100 000	**221**	**34,75**	**123**	**34,55**
Occupation	Employee	174	27,36	97	27,25
	Self-employed	**30**	**4,72**	**7**	**1,97**
	Student	415	65,25	241	67,70
	Unemployed	**6**	**0,94**	**8**	**2,25**
	Other	11	1,73	3	0,84
Income (CZK)	**< 3 400/5 400**	**151**	**23,74**	**81**	**22,75**
	3 401-20 000/5 400-18 700	371	58,33	209	58,71
	20 001-35 000/18 700-35 000	**93**	**14,62**	**53**	**14,89**
	> 35 001	21	3,30	13	3,65

Table 1: Demographic structure of respondents
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

Respondents were distributed relatively evenly as it concerns the size of the community. The largest portion of respondents in both markets indicated that they reside in small, alternatively medium sized towns or cities (3 000-99 999 inhabitants). Concretely 37% in the Czech Republic and 40% in Slovakia. The second largest group in terms of the community size were found to be large-sized cities (100 000 and more inhabitants) presenting nearly 35% of the sample in both markets.

Roughly 28% of interviewees in the Czech Republic stated to live in villages (less than 3000 inhabitants), whilst just under 25% in Slovakia.

The vast majority of questionnaires were received by students. This finding refers to both markets as 65% of respondents in the Czech Republic and nearly 68% stated to be still pursuing their studies. The occupation of respondents is then followed by employees covering somewhat 27% of both samples. Additionally, about 5% of participants in the Czech Republic and 2% in Slovakia identified themselves as being self-employed. The remaining 3% of the sample in both markets refers to respondents who are either currently unemployed or on a maternity leave.

Considering the last identification criterion of the questionnaire, the net monthly income, the majority of respondents stated that they do dispose of any monthly income. Nevertheless, aforementioned might be correlated with the fact that large proportion of respondents share households with their parents during their studies, hence they do not receive any regular income. Though, several respondents pointed out that they receive certain level of income from their parents in form of a pocket money, alternatively from temporary jobs on irregular basis. Therefore, this particular interval was for the purpose of this thesis summed with the subsequent income group which reflects the net monthly income below 3 400 CZK in the Czech Republic and 5 400 CZK in Slovakia. The largest group of respondents falls within the interval reflecting the difference between the living minimum[5] and average net income. Even though that aforementioned applies for both markets, values of respective variables noticeably differ. The income interval for the Czech Republic ranges from 3 400 CZK up to 21 000 CZK and captures 59% of respondents. (CSO, 2016) Whereas the living minimum in Slovakia is set to 5 400 CZK and the average net income to 18 700 CZK. (SOSR, 2016) The income group reflecting earnings lower than living minimum is represented by nearly 24% of respondents in the Czech Republic and 23% in Slovakia. Moreover, slightly more than 18% of Slovak and 17% of Czech interviewees stated to earn income larger than the national average.

As for the geographic dispersion, 636 respondents were from the Czech Republic and 356 from Slovakia. Overall, the regional distribution was heavily skewed to merely few regions in both respective markets. To be specific, nearly 60% of respondents resided either in Prague, South Moravia, alternatively Zlín region. Similarly, interviewees residing in Slovakia were largely cantered in either Bratislava or Nitra region.

[5] Living minimum refers to a socially recognized minimul level of income to ensure subsistence and other basic personal needs. In the case of the Czech Republic is regulated by the Act No. 110/2006 Coll., on Living and Subsistence Minimum and in the case of Slovakia by the Act No. 601/2003 Coll., on Living Minimum. (MPSV, 2016) (MPSVR, 2016)

5.3 Wine consumption and purchasing behaviour

5.3.1 Wine consumption

Findings from statistical analysis of the relationship between consumption frequency and other wine related purchasing elements together with demographic characteristics revealed significant relationship with number of them. As explained further, significant relationship was revealed between the consumption frequency and age intervals within the researched cohort. Particularly is this finding of strong importance relative to marketing recommendations. Although is Millennial generation assumed to exhibit similar patterns of behaviour, the age effect within cohorts cannot be omitted. The older participants confirmed increasing consumption in both examined markets as shown in following figures number 4 and 5. Nevertheless, taking into account Millennials as a whole, the majority of respondents drink wine 1-3 times a month followed by individuals enjoying the beverage less than once a month.

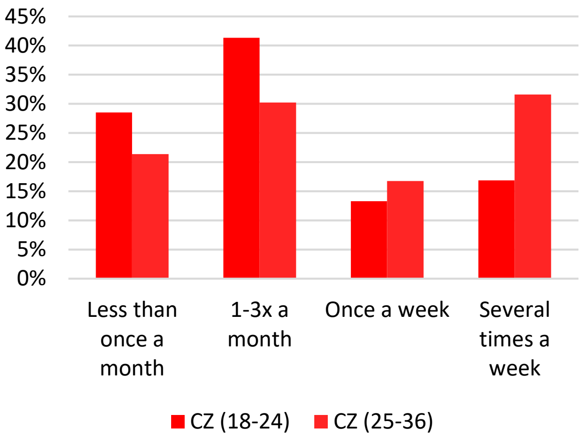

Figure 4: Consumption frequency according to age groups in the Czech Republic
Source: Own market research, 2016, n=636

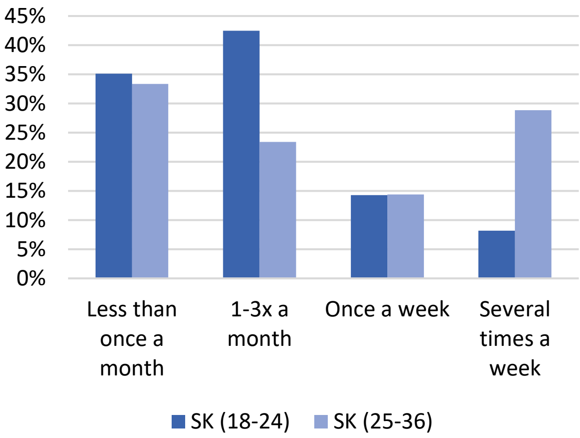

Figure 5: Consumption frequency according to age groups in Slovakia
Source: Own market research, 2016, n=356

Analysis of contingency tables has shown moderate, respectively rather low relationship between examined variables, concretely value of 0.3 for Slovakia and 0.19 for the Czech Republic. Throughout the discussion of focus group, one of the participants pinpointed the reason for growing enthusiasms in wine: *"Since we´ve moved together, we have gradually stopped going to pubs and started to collect various wines"…"and replaced beer with classy wine bottles…"* (Kristýna T.) Moreover, one of the interviewees commented: *"it is more usual for me now to buy a bottle of wine then when I was younger".* (Denisa K.) With respect to the literature overview, it is convenient to address the relationship between the frequency[6] of individual wine consumption and an income level. Results from the statistical analysis revealed relationship between the incomes of respondents and frequency of wine consumption with value of 0.12 for Czech Republic and 0.21 for Slovakia.

Data retrieved from the questionnaire suggested strong dissimilarity between respective markets in terms of variety preference. Consumers from Slovakia were observed to give significantly higher preference to red wines in contrast to Czech consumers who were distinctively favouring white variety. As assessment of the contingency tables indicated strong relationship between the type of wine and consumption frequency particularly for rosé type. Though it implies merely for the Czech Republic as there was not indicated any type of relationship in respect to Slovakia. Nevertheless this result is well-founded as rosé wines are largely consumed on a seasonal basis due to their light and refreshing taste. Furthermore, looking at the figure number 6, it seems that consumers in Slovakia are generally more used to drink rosé wines, presumably year-round which might reflect non-existent relationship with personal wine consumption frequency. Taking into account variations in terms of consumption intensity of different age groups and rosé variety as addressed in the secondary analysis, this phenomenon was also tested using primary data retrieved from the online survey. As for the Czech Republic it was observed that there is an evidence of a relationship of a lower magnitude between age of participants and consumption of rosé wine as Cramer´s V test indicated a value of 0.19. Based on relative frequencies a conclusion was drawn that rosé wine consumption is skewed towards 18-24 age group. Nevertheless results for Slovakia lead to rejection of any statistical relationship between the latter.

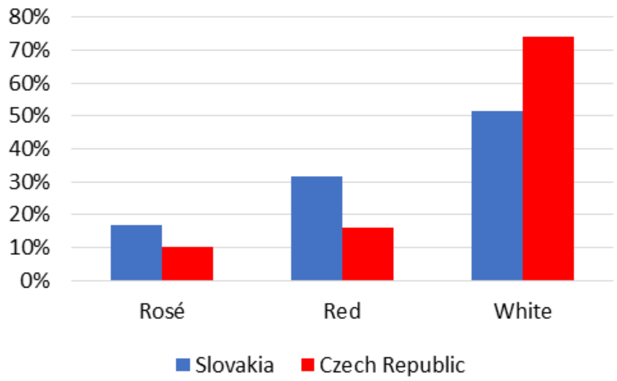

Figure 6: Prefered type of wine in CZ and SK
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

[6] Corresponds to the consumption of a 750 mL glass wine bottle that hold approximately 4-6 glasses of wine

This study further sought to uncover differences in terms of gender and variety preference. In Slovakia, white wines were favoured by 48%, red wines by 32% and rosé by 20% of women respondents. As for Czech market, women leaned to consumption of white wines (76%). Preferences for both red (13%) and rosé (11%) variety were rather humble. Results mentioned above are depicted in the figure number 7. Moreover, whilst women are more likely to prefer rosé or white wines, men would rather select red variety.

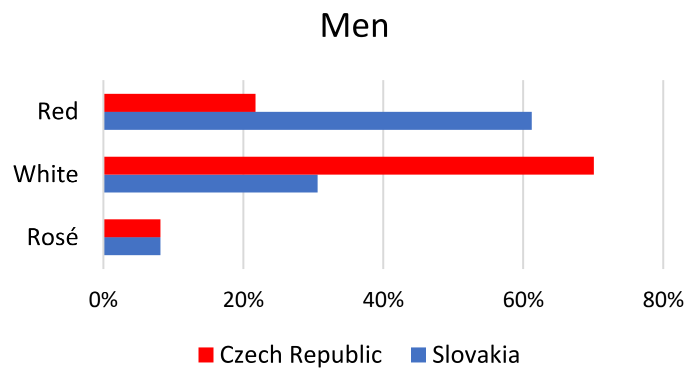

Figure 7: Male preferences in terms of wine type in CZ and SK
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

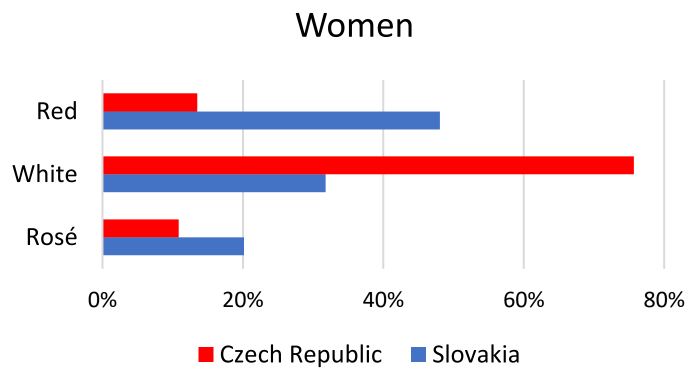

Figure 8: Female preferences in terms of wine type in CZ and SK
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

From a sensory preference viewpoint, this study also sought to determine differences in respect to consumption of wines based on their sugar content. Findings of this study revealed that Millennial consumers in both markets tend to have more or less similar tastes, though with minor variations. Specific differences, however, exist in the sensory preferences of males and females. Women were found to have noticeably higher preferences for semi-sweet and to slightly lesser extent sweet wines than their male counterparts. On the other hand, men reported strong preference for semi-dry and dry wines. Aforementioned findings apply for both markets with an exception of sweet wine which was surprisingly preferred by males in Slovak market.

To further conceptualize wine consumption patterns, it is necessary to address whether there is any association between gender and monthly wine consumption. Taking into consideration Czech market, observed p-value of 0.09 did not confirm a relationship between examined variables. However test applied for Slovakia resulted in the p-value <0.00 and Cramer´s V of 0.3 which suggests moderate existing relationship between gender and frequency of wine consumption. In respective market, men drink wine on a considerably less frequent basis then their Czech counterparts as nearly 50% of them enjoy wine less than once a month compared to 32% in the latter. Looking at the following figures number 9 and 10, it is evident that variances between genders largely differ especially in the case of Slovakia. This situation might be a result of numerous variables, though it is outside the scope of this thesis to properly identify them. Nevertheless further research in respect to this agenda is advised.

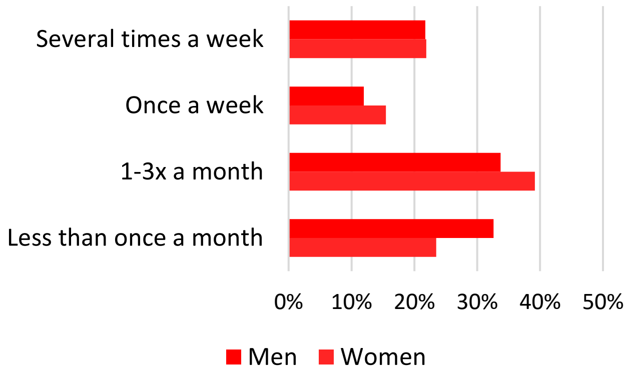

Figure 9: Consumption frequency according to gender in the Czech Republic
Source: Own market research, 2016, n=636

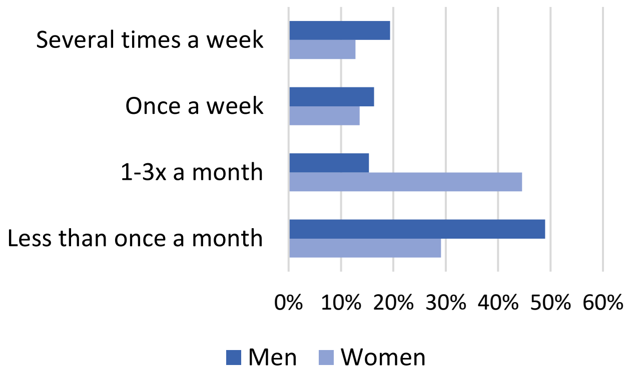

Figure 10: Consumption frequency according to gender in Slovakia
Source: Own market research, 2016, n=356

In general, consumers from both examined markets identified lower medium priced bottles (71-150 CZK) as preferred over other price categories at least considering wine for own consumption. With respect to wine purchased for a special occasion or as a gift, majority of respondents indicated higher medium price category as the most favoured one. However this conclusion corresponds to initial assumptions as price tends to be seen as guarantee of the product quality as addressed in following chapter. As seen in the following figure number 11 preferences towards various price categories are relatively consistent for both nationalities with just some minor discrepancies.

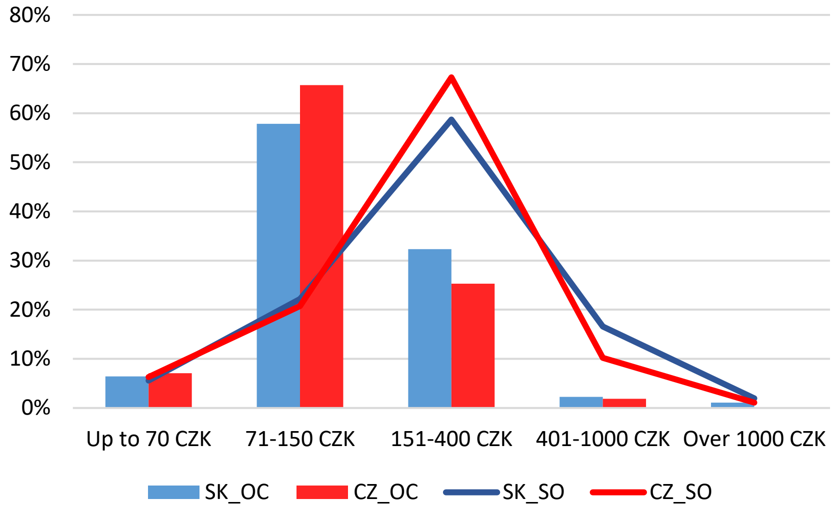

Figure 11: Preferred bottle price according to purchasing context
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

The age of consumers had a significant effect in respect to preferred price category as expected given the fact that older consumers could potentially possess higher disposable income and thus could afford more expensive wines. The results of contingency analysis indicated moderate, respectively weak relationship for both markets. Concretely a Cramer´s V value of 0.3 for Slovakia and 0.13 for the Czech Republic. The most preferred category for participants belonging within the 18-24 age group fell within price range of 71-150 CZK taking into account both Czech Republic (69%) and Slovakia (67%). Whilst there was a significant difference in respect to participants aged 25-36. Consumers from Czech Republic (60%) mostly bought bottles priced from 71-150 CZK, hence equally as their younger counterparts. Contrastingly, consumers from Slovakia (46%) falling to the same age category usually purchased wines from higher medium price category (151-400 CZK).

Capturing relationship between wine consumption and average price category was supposed to enable this research to go more deeply into understanding of influential elements in terms of purchasing behaviour. It was however observed that there is not any statistical association between them in none of the markets.

The moderating effect of gender on the average amount spend on a bottle of wine has also been studied. Analysis of contingency tables found statistically significant relationship for both markets.

On the other hand, statistical inference in respect to wine purchased as a gift was not that unambiguous. At least considering Czech market, no relationship was found between gender and the average amount spend for a bottle of wine. Whereas a Cramer´s V for Slovakia revealed moderate relationship between examined variables. An examination of the contingency table revealed possible inclination of males towards higher price category which is in fact in correspondence to results for wines intended for own consumption.

Further findings suggest that disposable income strongly influences an average amount spend on a bottle of wine, though this result do not seem to be surprising. As addressed above, overwhelming majority of consumers tend to purchase wine which belong to 71-150 CZK price category. However an analysis of contingency table revealed that from a particular income level are consumers willing to purchase bottles from medium higher price category. As disposable income reaches 20 001 CZK, most respondents would spend between 151 and 400 CZK for a bottle of wine. However this applies merely for Slovakia as Czech consumers will not purchase wines from this price range until their income reaches 35 000 CZK. In connection with the relevance of income as significant factor influencing the purchase of wine in terms of its price category, it was also examined whether there is any relationship with the frequency of consumption. The statistical calculations of respective variables indicated a relationship for both Czech Republic and Slovakia as Cramer´s V test showed value of 0.14 and 0.21 respectively.

5.3.2 Place of consumption

In respect to contemporary trends of wine consumption, this study sought to capture preferred location for wine consumption among members of Millennial generation. Data retrieved from the questionnaire suggest that on-trade in Slovakia retains roughly 27% whereas in the Czech Republic, consumption of Millennials either in restaurants, wine bars, pubs or cellars stands for approximately 26%. Though, it seems that differences among respective markets are rather mediocre. Current trends in terms of preferred place of consumption are in detail depicted in following figure number 12.

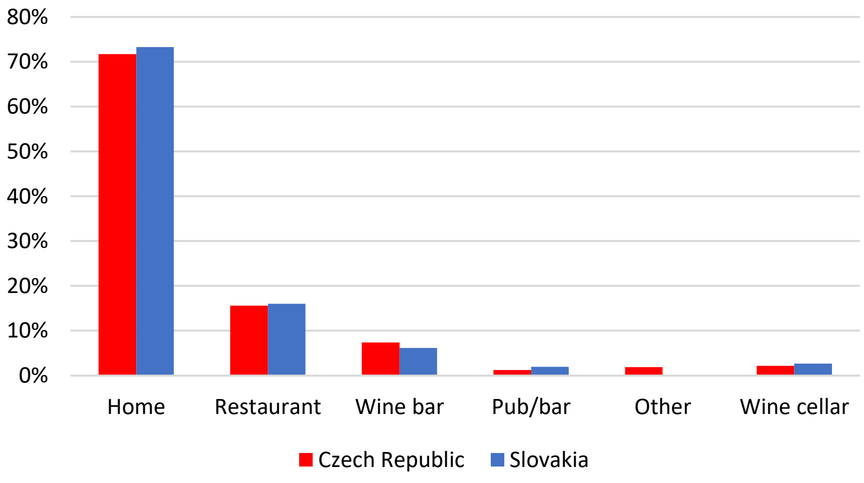

Figure 12: Preferred place of consumption in CZ and SK
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

5.3.3 Motivations to drink wine

Among other things, this study also sought to provide insight into individual motivations which influence young consumers in the wine market. Overall, findings from both the Czech Republic and Slovakia indicated similar patterns in respect to motivations of respondents. In the same order, participants of the questionnaire in both markets identified *„I like the taste“* as the uppermost important motivation to drink wine followed by *„facilitating social communication“* and *„symbol of a lifestyle“* reasons as seen in the following figure number 13. Moreover, perceptions of all focus group participants on wine health benefits were clearly positive, though their attitude towards this element seems to be rather influenced by subjective norms as clearly identified by one of the respondents: *"I think without no doubts, it is. [whether drinking wine is beneficial for health] I read about it all the time in news".* (Denisa K.) Nonetheless none of the participants would consider health benefit as a crucial motive as was confirmed by results from the questionnaire.

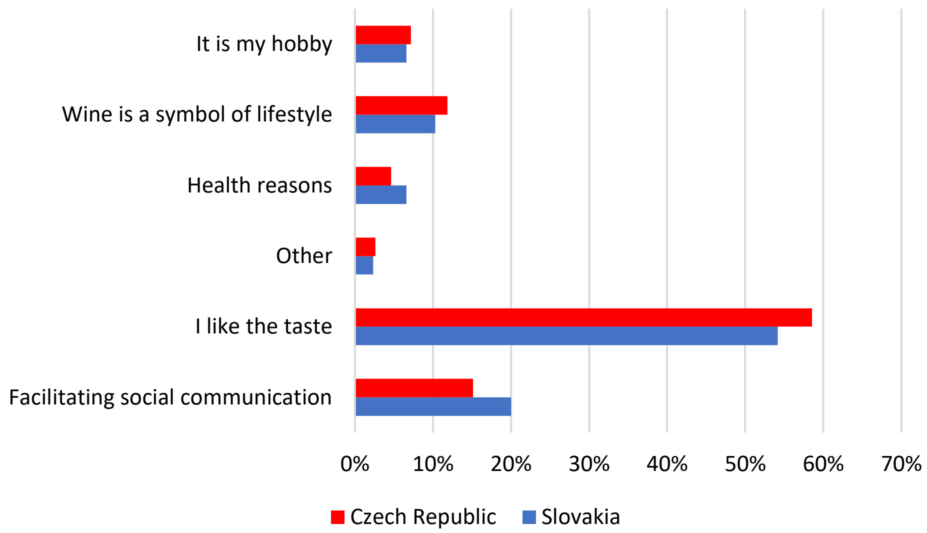

Figure 13: Motivational factors to drink wine in CZ and SK
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

5.3.4 Occasion to drink wine

In terms of occasions to drink wine, the results show that respondents from both examined markets are more or less consistent in their preferences. Consumption occasions ranged from purely formal such as business related to less formal as casual drink with friends. The most preferred one amongst Millennials seem to be casual drink with friends closely followed by special occasions and casual drink with family as seen in the figure number 14. Respondents had the option to type in other relevant occasions in which they consume wine and the fact that they took the time to manually type them into the survey, however, suggest that they are seen as distinct, alternatively separate occasions. All in all, 50 additional occasions were stated in the questionnaire. Though in order to decide about their relevance, it was decided that the occasion must be mentioned at least 5 times. The additional occasion theme that was identified most frequently concerned wine tasting (18) and the second one being to relax (13). Other occasions did not seem to be relevant in respect to a total quantity in which they were mentioned. Aforementioned findings highlights the fact that Millennial generation view wine as a beverage suitable for number of social occasions, not just for special ones. In respect to moderating effect of gender on individual consumption occasion, this study suggest that statistically significant difference exist in two, respectively one of them. Casual drink with friends (phi=0.17) together with special occasion (phi=0.19) were found to be statistically significant for the Czech Republic. Whereas results from Slovakia indicated merely casual drink with friends (phi=0.2) to be of any statistical significance. Examination of contingency tables revealed that women were noticeably more likely to drink wine during aforementioned situations. This might imply that men are subsisting wine with other alcoholic beverages as beer, alternatively spirits.

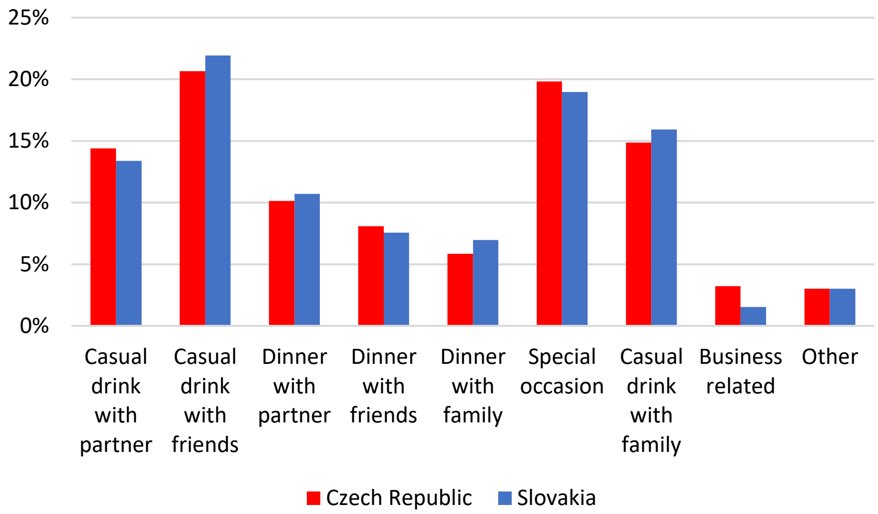

Figure 14: Occasions to drink wine in CZ and SK
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

5.3.5 Place of purchase

This study examined the product place of purchase in order to understand consumer preferences in respect to various demographic criteria. It is interesting to observe that this research revealed high disparateness across different points of sale using even nationality as a segmentation variable. Taking into consideration Czech Republic, specialized stores were identified as the most preferred place of purchase which is in strong contrast to Slovakia where consumers identified supermarket and hypermarkets as the most preferred purchase channel. In the matter of fact merely these two points of sale differ in terms of its order of preference. As it considers either wine cellars, grocery stores, online and other (own production, gift) points of sale, their relative popularity amongst both nationalities in terms of their ranking is somehow consistent. Preferential places of purchase for both countries are shown in the figure number 15.

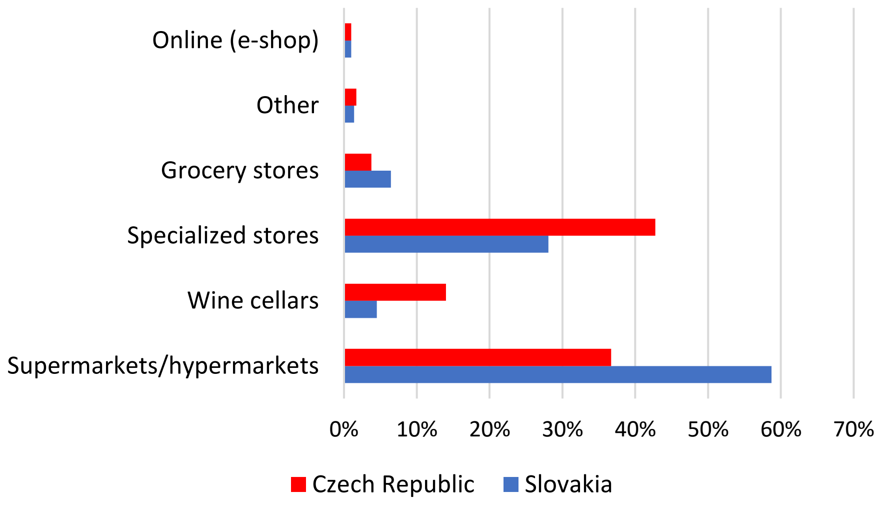

Figure 15: Preferential places of purchase in CZ and SK
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

In the first instance, differences were found in terms of gender of consumers at least in respect to preferential place of purchase. Even though statistically significant, relationship between respective variables considering Czech consumers is rather weak (Cramer´s V= 0.15). However, the opposite is true for Slovakia as value of Cramer´s V indicated a moderate relationship (Cramer´s V= 0.27). All in all, it is apparent that males tend to utilize specialized stores more frequently than women do. Nevertheless, contradictory results with respect to nationality apply particularly for wine cellars. In the case of Slovakia, they are preferred by men rather ten women as so characteristic for Czech market. Moreover, this study sought to explain whether exists any sort of relationship between the place of purchase and average price of wine. Generally, results revealed that utilization of supermarkets and hypermarkets as points of sales declines for higher prices wines. An inverse relationship is typical for wine cellars, i.e. the frequency of purchases increases for higher prices wines. However, it was not possible to make unambiguous conclusion in respect to specialized stores (wine bars, wine stores) as they offer variety of differently priced wine. Though, this ambiguity is exacerbated by the fact that specialized stores could offer cask wine, which might be sold for lower prices. Unfortunately, it was also not possible to make conclusions about grocery stores, alternatively e-shops due to insufficient quantity of data.

Furthermore, analysis of contingency tables identified relationship in respect to age of consumers and preferred place of purchase. For instance, consumers who belong to the older (25-36 years) category were more likely to purchase wine in wine cellars. Moreover preference of supermarkets, hypermarkets and grocery stores declined over the age. Considering the Czech Republic, consumers from both age categories put preference on specialized stores in an equal measure. Contrastingly, specialized stores were in the case of Slovakia preferred by consumers who belong to the 25-36 years age category.

Finally, this study suggests that there is no clear relationship between the place of purchase and size of the municipality an individual consumers lives in none of examined markets. Similarly, it was disproved that there exists any sort of relationship between the purchase channel and level of consumer income as p-value for both Czech Republic and Slovakia remained to be above the level of statistical significance.

5.4 Influence of product attributes

Respondents of the survey were asked to indicate relative importance of various attributes which influence their decision making in respect to wine purchasing. Two different purchasing context were taken into account, first one being wine purchased for own consumption and second one considered wine bought either for a special or festive occasion or as a gift. Personal recommendation and previous experience ranked as the most influential attributes together with the type of wine in terms of its colour. This finding however refers to general view towards given attributes considering merely own consumption without reflection of additional segmentation elements as consumer knowledge, involvement, gender and age groups. These segmentation variables as described further significantly alter general results. Following figures number 16 and 17 depicts relative importance of examined attributes for both markets and both purchasing contexts.

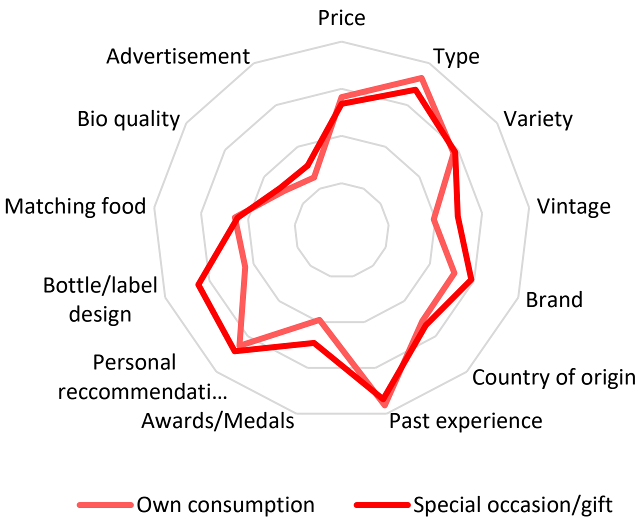

Figure 16: Importance of product attributes in the Czech Republic
Source: Own market research, 2016, n=636

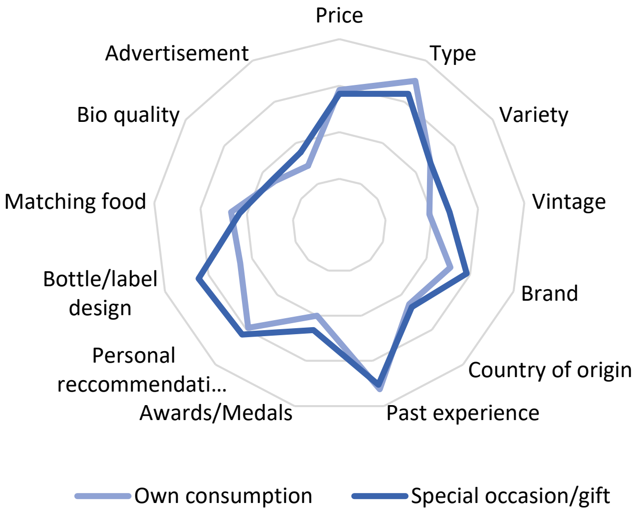

Figure 17: Importance of product attributes in Slovakia
Source: Own market research, 2016, n=356

5.4.1 Extrinsic attributes

5.4.1.1 Bottle and label design

The two main elements relevant to a wine packaging consist of bottle shape and label design as addressed in literature review. It appears that there is unified view towards respective attribute among Millennial generation, even though that several segmentation characteristics as gender, product knowledge, age group and product involvement were used. Front label of a wine bottle is viewed as a first line of communication and appealing ones seem to have connotations with expected product quality: *"Well, a lot of my friends are passionate about wine, unfortunately I don´t share their level of enthusiasm, so when I am about to have dinner with them, I want to impress everyone with some higher quality piece of wine. So I would take the most appealing one within a higher price range"*. (Kristýna T.) Another participant of the discussion commented: *"...though one of the first things I´d go for is the nicest bottle I see, then I look at the back label and check whether it is semi-dry and if not, I will pick another one".* (Denisa K.) It is evident that bottle packaging might be a great eye catcher, however, different attributes have the final say in decision making.

As it comes to mediating effect of age groups within the generational cohort, it seems that the bottle packaging and label design are perceived to have the same importance, thus verifying consistent view towards this attribute. This considered both examined markets as corresponding p-values were above the level of statistical significance ($p\text{-value}_{cz}=0.09$, $p\text{-value}_{sk}=0.37$). Moreover, this study also sought to determine whether there is any sort of relationship between gender of respondents and their perception of visual appearance of wine bottles. However, in neither of the cases was the relationship found to be of statistical significance ($p\text{-value}_{cz}=0.29$, $p\text{-value}_{sk}=0.32$). As addressed above, neither product knowledge ($p\text{-value}_{cz}=0.13$, p-value$_{sk}$=0.15) nor involvement (p-value$_{cz}$=0.27, p-value$_{sk}$=0.1) were found to have association with examined wine attribute.

It seems that the physical appearance of a bottle varies in respect to whether the wine is purchased for own consumption or intended for a special occasion. As one of the focus group respondents mentioned: *"It is just, when I am going to attend someone´s birthday party, I won´t pick a wine I find physically hideous."* (Rostislav B.) This view is confirmed by results of the questionnaire as the average value considering the relative importance of visual appearance scored 4.38 in respect to own consumption and 6.49 considering festive occasion in the Czech Republic. As for Slovakia, the overall results were almost identical, specifically 4.55 for own consumption and 6.46 for special occasions. Overall, this attribute have rather modest influence in terms of purchasing decision.

5.4.1.2 Brand

Findings of this paper identify this attribute to be rather supportive in consumer´s decision making. Considering purchase of a bottle for own consumption, brand was ranked as the 7th most important attribute in the Czech Republic and 5th in case of Slovakia. Nevertheless, at least in the case of the Czech Republic, product brand was seen as more influential when respondents purchased wine for a festive occasion, alternatively as a gift. Interestingly, respondents from Slovakia addressed brand to be less influential.

In respect to gender of participants, relative frequencies retrieved from the contingency table suggest that women in the Czech Republic place greater emphasis on specific wine brands then men (p-value=0.02, Cramer´s V=0.13) However, results for Slovakia signified no relationship between the two variables (p-value=0.1). Moreover, no relationship between age groups and the importance of wine brands was found within the Millennial generational cohort (p-value$_{cz}$=0.24, p-value$_{sk}$=0.55). The importance individual respondents ascribed to this attributed largely varied in terms of level of consumer´s product knowledge. The higher is self-ascribed wine knowledge, the higher is then importance of brand in decision making. This findings applies for both the Czech Republic and Slovakia (Cramer´s V$_{cz}$=0.15, Cramer´s V$_{sk}$=0.22). Not surprisingly, the same relation was observed between the level of product involvement and wine brand (Cramer´s V$_{cz}$=0.19, Cramer´s V$_{sk}$=0.19).

5.4.1.3 Wine awards and medals

Considering the bottle of wine purchased for own consumption, the relative importance of wine awards and medals was in both countries well below average compared to other attributes. To be specific, 3.91 for the Czech Republic and 4.00 for Slovakia, hence ranked on the 11th, respectively on the 10th place. Even if we take into account purchase for a festive occasion, results do not noticeably differ. An interesting insight into the perception of wine awards was submitted by the focus group attendant Pavel V.: *"....maybe one might be attracted by these medals, though* *it seems to me that winemakers can just put whatever they want and no one would know how relevant they are."* Another respondent commented on this topic that "*awards are kind of misleading as there is so many of them*". (Lukáš H.) Hence this might be also a reason for relatively low preference of this attribute by respondents of this study.

Though there was found consistency within the generational cohort of Millennial generation ($p\text{-value}_{cz}=0.32$, $p\text{-value}_{sk}=0.18$), a noticeable difference occurred asserting segmentation through the level of a product knowledge and involvement. Results from the analysis revealed moderate relationship in respect to both examined markets. As it considers product knowledge, Cramer´s V indicated a value of 0.16 for the Czech Republic and 0.19 for Slovakia. Through examination of relative frequencies, it was apparent that consumers with higher self-ascribed knowledge put greater emphasis on respective attribute. However, this came with no surprise as consumers highly involved in specific product are supposed to be well aware of specifics of individual wine attributes. Aforementioned findings apply also in the case of product involvement as of Cramer´s V value of 0.19 for Slovakia and 0.5 for the latter indicate a weak, respectively moderate relationship. The academic literature suggest that women rely more on medals and awards compared to men, hence it was appropriate to address this relationship also in this thesis. However, no relationship was found in neither of examined markets ($p\text{-value}_{cz}=0.5$, $p\text{-value}_{sk}=0.3$),

5.4.1.4 Personal recommendation

In both the Czech Republic and Slovakia was this attribute ranked on the 3rd place in terms of its importance. Although the average importance for Czech respondents is noticeably higher. To be specific 6.54 compared to 5.89 in the case of Slovakia. It seems that this particular attribute is even more important in situations when it is being purchased for a festive occasion or as a gift. This study also sought to determine influence of demographic characteristic in respect to personal recommendation. However neither gender ($p\text{-value}_{cz}=0.23$, $p\text{-value}_{sk}=0.2$) nor age of respondents ($p\text{-value}_{cz}=0.26$, $p\text{-value}_{sk}=0.47$) were found to be statistically significant. Further results from the contingency analysis suggest that there is also not any sort of relationship between the wine knowledge and importance of personal recommendation in individual´s decision making ($p\text{-value}_{cz}=0.6$, $p\text{-value}_{sk}=0.6$). Likewise, product involvement was not an exception ($p\text{-value}_{cz}=0.2$, $p\text{-value}_{sk}=0.2$).

5.4.1.5 Price

Among the focus group participants, nearly all of them mentioned price as one of the criterions which are highly relevant during the wine purchasing process. Nevertheless, a valuable insight was presented: *"…I would consider it [price], but still, I would firstly search for what I have tasted before and just grab it*." (Pavel V.) Particularly this comment captures the general view of questionnaire respondents towards the importance of individual wine attributes as price was ranked third, respectively fourth just after type of wine, variety and past experience. The average value in the

Czech Republic was 5.65, whilst in Slovakia 5.82. Furthermore, a minor difference was observed between examined purchase intentions. Findings from both countries suggest that consumers are more concerned with price in the context when they purchase wine merely for own consumption. Moreover, this study inter alia address the mediating effect of age groups in respect to price attribute. It was found that there are statistical differences even in examined generational cohort in both the Czech Republic and Slovakia as Cramer´s V indicated value of 0.15 respectively 0.18. Even though that higher price is to a certain extent perceived as an assurance of quality, it was also seen as a significant detractor to purchase the wine especially for attendees of the focus group who were still enrolled in their studies. Despite the fact that participants were keen to try higher quality wine, they were reluctant to do so unless they would share the risk to purchase relatively expensive wine with their friends.

In terms of gender, no relationship was found to be statistically significant neither in the Czech Republic (p-value=0.1), nor Slovakia (p-value=0.13). The same might be concluded for a product knowledge, though just for Slovakia (p-value=0.19) as p-value for the Czech Republic was found to be below the level of statistical significance (p=0.03) and Cramer´s V indicated a value of 0.12. The last criterion, product involvement did not indicate any relationship between the two variables (p-value_{cz}=0.23, p-value_{sk}=0.95).

5.4.1.6 Bio-quality

Bio-quality of wine is an attribute which was seen as rather irrelevant in consumer´s decision making. This finding applies for both purchasing contexts and both markets. Especially in the case of Slovakia and purchase for a festive occasion was seen as the least preferred attribute in respect to buyer´s decision with an average of 3.46. More profoundly, the average for a bio-quality attribute scored 2.95 and 3.17 in the Czech Republic and 3.34 in Slovakia. As it comes to either gender, age or self-ascribed wine knowledge, none of them was found to have mediating effect in respect to examined attribute. The only exception was product involvement as Cramer´s V indicated a value of 0.11 for the Czech Republic and 0.23 for Slovakia (p-value_{cz} <0.05, p-value_{sk} <0.05).

5.4.1.7 Geographical origin

It seems that respondents of this research base their purchasing decision on different factors than on geographical origin of wine, hence it plays rather a secondary role in their decision making process. The average value of this extrinsic attribute does not even significantly differ in respect to either purchase for own consumption or for a festive occasion, alternatively as a gift. Neither the difference between markets seem to be substantial, though Czech consumers put slightly bigger emphasis on the place of origin. The average score for own consumption corresponded to a value of 5.14 in the Czech Republic and of 4.52 in Slovakia. The importance of this attribute in respect to a special occasion scored 5.38 and 4.69 for the latter. Based on the literature review, participants of the focus group were guided to discuss their attitudes towards geographical origin of wine. One of the attendees indicated that he would prefer French wine solely on basis of his perception of France as an unambiguous producer of high quality wines: "*If I want to impress someone, I am certain I won´t make a mistake if I choose French wine. I think is like a common knowledge that French regions produce quality wines, right?*" (Pavel V.) During the interview was also revealed that personal experience with wine producing region is likely to have strong implication in future consumption patterns: "*I would always choose South Moravian wine instead of a local one [Slovak] as I have so many great memories visiting cellars and wine fairs during my studies in Brno*." (Simona V.)

As this study has revealed, the majority of consumers would prefer locally produced wines rather than imported ones. This findings applies for both examined markets, though several differences were found in respect to preference of exported wines as seen in the following figures number 18 and 19.

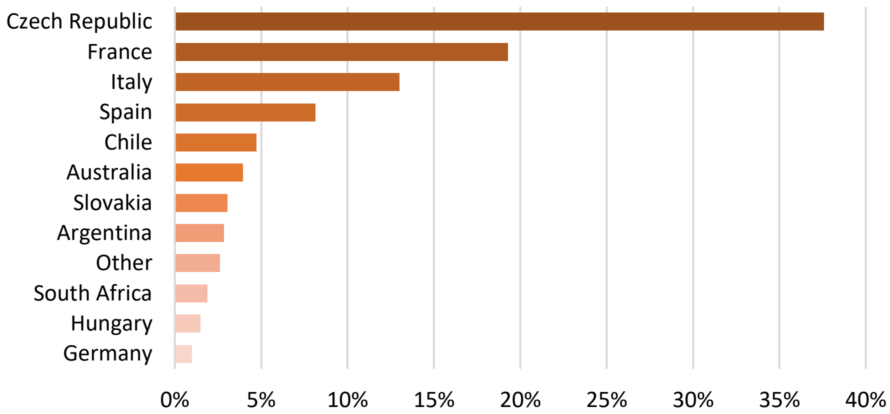

Figure 18: Preferred country of origin in the Czech Republic
Source: Own market research, 2016, n=636

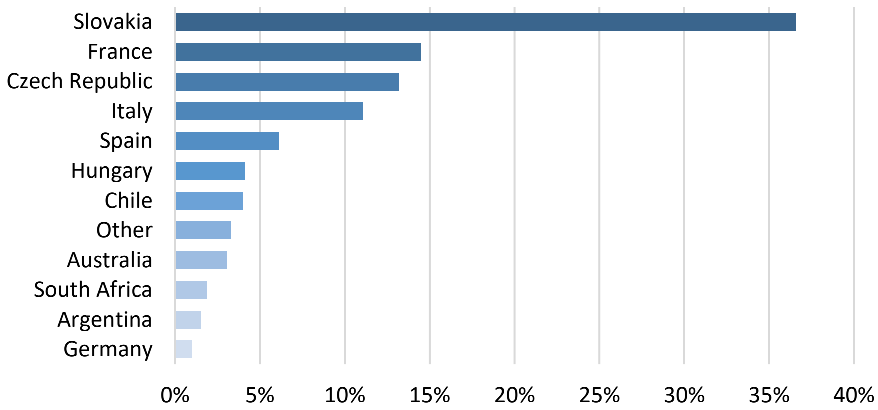

Figure 19: Preferred country of origin in Slovakia
Source: Own market research, 2016, n=356

In terms of the relationship between geographical origin and age groups, it was revealed that older consumers put greater emphasis on this attribute in both countries. Cramer´s V for the Czech Republic indicated a value of 0.13 and 0.24 Slovakia. On the other hand, gender of respondents did not have any mediating effect in respect to the level of importance ascribed to the geographical origin (p-value$_{cz}$=0.2, p-value$_{sk}$=0.09). Product knowledge was found to have moderate effect in both the Czech Republic (Cramer´s V=0.2) and Slovakia (Cramer´s V=0.27) with highly knowledgeable consumers giving greater importance on respective attribute. The same, though with lower strength, applies in terms of product involvement (Cramer´s V$_{cz}$=0.18, p-value$_{sk}$=0.2).

Moreover, figures above clearly illustrates similar stand towards new wine producing regions. An interesting observation is to what extent consumers from Slovakia prefer wine imported from the Czech Republic. In terms of overall ranking, Czech Republic came out as the third most favoured wine producing country. Contrastingly, wines from Slovakia ranked on the 7th place for Czech consumers. Further results suggest that young generation of wine consumers in Slovakia give preference also to European wine producing regions. Though particularly Hungary seems to be largely popular importer compared to preferences of Czech consumers. Despite the fact that there was a much higher number of countries addressed by respondents, it was decided that those which did not exceed 1% level in terms of how many times they were mentioned, they will be summed together. This concerned for instance Moldavia, Austria, Greece, Macedonia, Georgia and others.

5.4.1.8 Advertisement

Advertisement was overall seen as the least important attribute considering both purchasing contexts. To be more profound, the average value in the Czech Republic was 2.53, respectively 3.09 in respect to purchase for a festive occasion, prospectively as a gift. Result for Slovakia are nearly analogous, as purchase of a bottle of wine for own consumption scored 2.88 and 3.55 for the latter. Aforementioned results imply that this wine attribute is presumably more important taking into account special occasions. The contingency analysis indicated that none of the variables was statistically significant as all of the p-values were well above the significance level

5.4.2 Intrinsic attributes

5.4.2.1 Previous experience

The attribute overall indicated as a fundamental one for the decision making in the wine market was unambiguously previous experience. The average value of this intrinsic attribute does not even significantly differ in terms of examined countries, though it seems to be more important for respondents from the Czech Republic (7.64) than from Slovakia (7.25). Findings of this paper suggest that consumers from both markets ascribe lesser importance to this particular attribute in the context when the bottle of wine is being purchased for a special occasion, alternatively as a gift. To be specific 7.37 in the case of the Czech Republic and 7.06 in Slovakia. Although this paper sought to find relationship between respective attribute and previously examined variables through contingency analysis, none of them was found to be of any statistical significance.

5.4.2.2 Vintage

As it concerns the purchase of wine for own consumption, this attribute was found to be the fourth, respectively the third least important of all. This overall ranking, however, noticeably changes when the bottle of wine is being purchased for a special occasion or as a gift. This is especially true for Slovakia as it moved from the 11th place to the 7th place. On the other hand, the difference is not that significant in the case of the Czech Republic as it moved also from 11th place to merely 9th place. The influence of gender seemed to have mediating effect only in the case of Slovakia (Cramer´s $V=0.24$, $p<0.00$). The second demographic variable, age group was found to be of statistical significance in both the Czech Republic (Cramer´s $V=0.14$) and Slovakia (Cramer´s $V=0.17$). Relative frequencies for both countries indicate, that older consumers put greater emphasis on vintage as intrinsic wine attribute. Furthermore, a moderate relationship was found between the product knowledge and examined attribute. Throughout the examination of contingency tables, it was observed that consumer with higher product knowledge seem to give higher importance to this attribute (Cramer´s $V_{cz}=0.2$, Cramer´s $V_{sk}=0.23$).

5.4.2.3 Variety

An interesting observation was found in the case of wine variety as it is one of the highest ranked attributes in the Czech Republic, whilst in Slovakia its seems to play rather secondary role in respect to consumer´s decision making. To be specific, the average value in the Czech Republic scored 5.76 compared to 4.75 in Slovakia. Moreover, taking into consideration festive occasions, these values were 5.85, respectively 4.74 in Slovakia. Therefore, it is evident that respondents ascribe to this attribute more or less the same importance in both purchasing contexts. As it comes to demographic variables, merely age was found to have significant mediating effect in respect to the importance ascribed to variety. The Cramer´s V value of 0.14 for the Czech Republic and 0.28 for Slovakia indicates a low and modest relationship between respective variables. Through the examination of relative frequencies, it seems that consumers aged 25-36 place greater emphasis on this particular attribute. Last but not least, both the self-ascribed wine knowledge (Cramer´s $V_{cz}=0.2$, Cramer´s $V_{sk}=0.36$) and product involvement (Cramer´s $V_{cz}=0.2$, Cramer´s $V_{sk}=0.28$) were found to have statistically significant mediating effect on variety of wine. Moreover, relative frequencies observed in relevant contingency tables suggest that consumers with either higher wine knowledge or product involvement see variety to be decisive attribute in their purchasing process.

5.4.2.4 Type of wine

Except the previous experience, type of wine in terms of its colour was considered to be a crucial attribute influencing consumer´s decision making in the wine market. This finding applies for both examined markets. The average value in terms of wine intended for own consumption scored 7.25 in the Czech Republic and 7.02 in Slovakia. It appears that the relative importance ascribed by the survey participants decrease in context of wine being purchased for special occasions. It concerns both the Czech Republic and Slovakia as the average value decreased to 6.73, respectively 6.38. As it regards the association with age, gender, product knowledge, alternatively product involvement, no significant relationship was found with any of them.

5.4.2.5 Matching food

The last attribute concerned the degree of importance respondents ascribe to possibility of wine to be paired with certain food. Overall, this attribute was not perceived to have strong impact in decision making in neither of examined markets. The average value in terms to own consumption corresponded to 4.56 in the Czech Republic and of 4.68 in Slovakia. The importance of this attribute considering special occasion scored 5.38 and 4.69 for the latter. As it regards the relationship between respective attribute and age groups, Cramer´s V indicated a value of 0.13 for the Czech Republic and 0.2 for Slovakia, hence statistically significant. Moreover, no statistical association was found between food pairing and age intervals ($p\text{-value}_{cz}=0.6$, $p\text{-value}_{sk}=0.06$). The same applies for the product knowledge ($p\text{-value}_{cz}=0.35$, $p\text{-value}_{sk}=0.28$), though product involvement was shown to have weak and moderate relationship with examined attribute (Cramer´s $V_{cz}=0.14$, Cramer´s $V_{sk}=0.33$). Relative frequencies retrieved from contingency tables have suggested that the importance of this attribute increases with higher product involvement.

5.5 Influence of product knowledge and involvement

Faced with an enormous selection of wine bottles in a store, does a product knowledge in any manner alleviate the tension to choose the right one? To what extent influence consumer´s knowledge and involvement purchasing decision? An insight into this problematic is presented in a comprehensive way in following chapter. Due to the fact that product knowledge is highly individual characteristics, its levels were assumed to differ among consumers. And indeed, findings of this thesis proved varying levels of consumer knowledge in both examined markets.

5.5.1 Consumer knowledge

First of all, this chapter sought to capture whether there is any relationship between subjective and objective product knowledge. Findings regarding the existence of relationship between objective and subjective product knowledge were confirmed for both markets (Cramer´s $V_{cz}=0.35$, Cramer´s $V_{sk}=0.28$). Though this paper follows majority of academic studies and uses subjective knowledge to determine statistically significant results with other variables.

Moderate difference was found between the level of subjective knowledge and gender of consumers, though just in the case of Slovakia as Cramer´s V indicated a value of 0,19 in contrast to the Czech Republic where the relationship was not found to be of any statistical significance. Nevertheless, this study has found that males from Slovakia ascribe themselves greater wine knowledge than females, which inter alia coincides with the research by Forbes, Cohen, Dean (2008) and Li et al. (2010).

An interesting observation was found within examined generational cohort in respect to the age groups of consumers. However the age effect prevailed merely in the case of Slovakia. In contrast with that, Czech consumers seem to be more consistent in their self-ascribed level of knowledge. Although, once again, there was found a significant difference among Millennials in terms of their age.

Testing of primary data has further revealed significantly positive effect of subjective knowledge on the average price of wine bottles being purchased by consumers. Throughout the examination of contingency tables was revealed that consumer with higher product knowledge usually purchase higher priced wines. Results from contingency tables indicated moderate strength of Cramer´s V coefficient for both Czech Republic (0.15) and Slovakia (0.25). One of the focus group participants sketched an image about insecurity in respect to his wine knowledge: *"…no, I´m not sure if I would buy it [wine priced over 150 CZK]. I am not confident that I can recognize and even appreciate high quality wine"* (Lukáš H.) It is apparent that the choice of wine is connected with a great level of insecurity, which seems to be mostly true for the youngest group of wine consumers as there were some differences even within researched generational cohort, although merely for Slovakia. As already outlined above, consumers who experience uncertainty in their purchasing decision seek to reduce it either by considering higher priced wines or pleasing visual appearance of the bottle. Though there are several more risk-reducing strategies which might be taken into account by consumers experiencing anxiety in choosing wine, e.g. information seeking and word-of-mouth.

This paper has also sought to identify how product knowledge moderate frequency of wine consumption. A Cramer´s V comparing respective variables was significant for both the Czech Republic (0.27, p=0.00) and Slovakia (0.37, p=0.00). In other words, subjective knowledge of individual consumers strongly moderated frequency of product consumption. Contingency tables illustrated that consumers with higher self-ascribed knowledge drank wine more often that those with relatively low subjective knowledge.

In terms of the moderating effect of consumer knowledge on the preferential place of purchase, a significant relationship was found in both markets. With consumers having greater self-ascribed product knowledge, the utilization of both cellars and specialized stores (wine stores, wine bars) seem to be increasing.

5.5.2 Consumer involvement

Consumer involvement is another element of interest in regards to wine consumption behaviour examined in this study. Similarly to subjective knowledge, product involvement was found to noticeably vary among individual wine consumers. Interestingly, statistically relationship was found between consumer´s level of subjective knowledge and their level of involvement for both Czech Republic (Cramer´s V= 0.55, p<0.05) and Slovakia (Cramer´s V=0.67, p<0.05). In the same manner as in the case of product knowledge was analysed whether there is any statistically significant relationship between the level of involvement and gender of consumers. This study, however, did not confirm any relationship between aforementioned variables for neither Czech Republic (p=0.07) or Slovakia (p=0.07). To conceptualize involvement in a comprehensive manner, a moderating effect of age was also tested. Further analysis of contingency tables revealed that, interestingly, there is a significant and positive relationship between the level of product involvement and age of wine drinkers even within Millennial generation. This conclusion implies for both examined markets as Cramer´s V for Czech Republic indicated value of 0.2 (p=0.00) and of 0.39 for Slovakia (p=0.00) which indicated even stronger effect. It is rather not surprising that level of involvement is a significant mediator of wine consumption frequency. More specifically, this study confirmed that those consumers who are highly involved with wine reported higher consumption frequency. Results from contingency table showed Cramer´s V value of 0.33 for the Czech Republic (p=0.00) and of 0.39 for Slovakia (p=0.00) hence indicating moderate relationship between these variables.

This study also considered how product involvement moderate consumer average amount of money being spend on a bottle of wine. It was assumed that highly involved consumers would prefer wine bottles within the higher price range. And indeed, results from the contingency table suggest that product involvement has a major effect towards usual spending on a bottle of wine. An assessment of respective contingency table revealed that 71-150 CZK price category is largely preferred by low involvement, than by medium and lastly high involvement consumers. This is in high contrast in respect to the higher medium price category (151-400 CZK) as it is, though not surprisingly, preferred by highly involved consumers. Aforementioned findings apply for both markets with variations solely in terms of percentages of individual consumers within respective price categories. Cramer´s V tests values of 0.14 (p=0.00) for Czech Republic and 0.24 (p=0.00) for Slovakia indicate rather weak relationship between average price of wine bottle and level of product involvement. This finding, once again, is consistent with the moderating effect of knowledge on the same variable.

There was a statistical association between the level of product involvement and preferred place of purchase. Results revealed similar behavioural patterns as in the case of subjective knowledge. Consumers identified as highly involved in the product category sought to primarily utilize specialized shops as wine bars together with wine cellars. On the contrary, least involved consumers visited rather supermarkets and hypermarkets. At 0.24 (p=0.00) for Czech Republic and 0.18 (p=0.00) for Slovakia, the Cramer´s V tests indicated low strength of relationship between examined variables.

5.6 Regional disparities

In order to provide a coherent understanding of the problematic, selected factors influencing purchasing behaviour of Millennial consumers were addressed in the regional perspective. Several distinctive trends were found in terms of favoured place of purchase as seen in the figure number 20. Particularly Zlín and South Moravian regions distinguish in relatively higher preference of either specialized stores, alternatively wine cellars. Moreover, roughly 4% of respondents from South Moravia commented to have own vineyards, hence producing wine by themselves. At least concerning the rank of individual purchase channels, respondents from Prague seem to have similar preferences as their counterparts from Nitra and Bratislava regions favouring supermarkets and hypermarkets over different purchasing options. Results from contingency tables indicated a moderate strength of relationship between examined variables as value of Cramer´s V scored approximately 0.22.

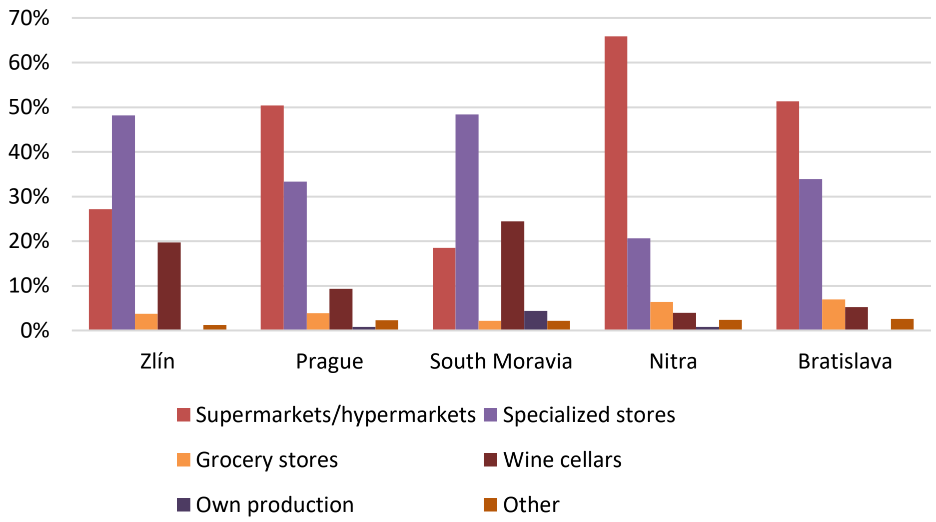

Figure 20: Regional differences in terms of preferred place of purchase
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

Moreover, this study sought to explain whether there is any sort of relationship between the place of consumption and individual regions. However, the relationship was not found to be of statistical significance as the p-value scored 0.11. Overall, consumers from respective regions prefer to consume wine at home, followed by restaurants and wine cellars.

Overall were relative frequencies ascribed to individual motivations more or less similar across examined regions. Though smaller variations exist in the motivations "wine is a symbol of lifestyle" together with "it is my hobby". The first one being important especially in Bratislava region, while the latter being addressed by participants from Prague and South Moravia regions.

Regional preferences concerning the type of wine in terms of its colour unambiguously reflect general trends in the national level. Even though that respondents of the study identified white variety as the most preferred one in all the examined regions, the red variety seem to be relatively more favoured in Nitra and Bratislava region. As it regards rosé wines, they seemed to be preferred especially in both capitals. Moreover, the value of Cramer´s V of 0.17 suggests moderate relationship between the colour of wine and the latter. Significant differences were found in respect to sugar content of wine. Semi-sweet and sweet wines were favoured in Zlín and Nitra regions which is in strong contrast to semi-dry and dry wines which were prioritized in Prague, South Moravia and Bratislava regions. Once again, Cramer´s V value of 0.16 identified a moderate relationship between respective variables. Findings from the analysis are graphically depicted in the figure number 21 below.

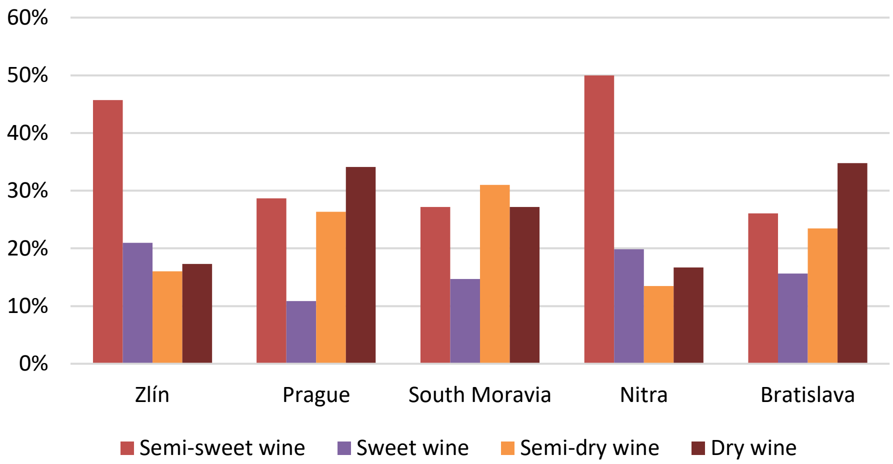

Figure 21: Regional difference in preferred type of wine (sugar content)
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

To further conceptualize price as one of the most important attributes, this paper sought to address it in the regional perspective. Although the lowest price category (up to 70 CZK) seemed to be preferred more or less consistently, considerable differences were found in respect to lower medium price (71-150 CZK) and higher medium price (151-400 CZK) category. Notable variance in terms of higher medium priced wines preference was observed between Zlín (18%) and Bratislava (47%) regions. Not surprisingly, the popularity of wine bottles from this price range was typical especially for Prague and Bratislava regions.

Even though that data suggest rather consistent view on various product attributes in terms of their overall rank, their values slightly differ in individual regions. As seen in the following figure number 23, the largest variance concerns attributes which are ranked as the most important in consumer´s decision making. Especially experience, recommendation, variety and type of wine seem to have different level of importance in respect to examined regions. An interesting observation is that consumers residing in either Bratislava or Nitra region generally ascribed lower importance to attributes in this study than their counterparts from the Czech Republic.

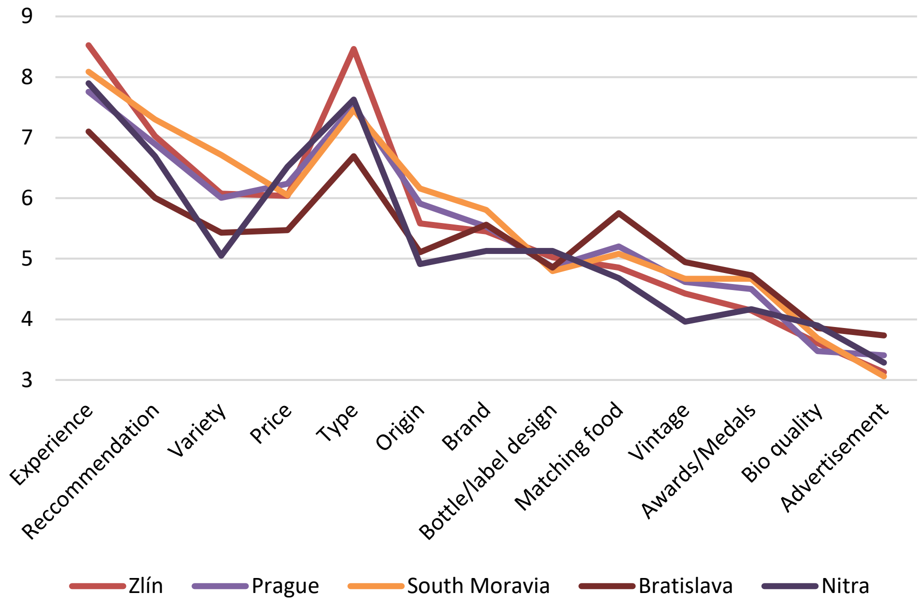

Figure 22: Regional disparities in attributes importance
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

The last element addressed in this chapter concerns the preferential country of origin. It is apparent that particularly respondents currently living in Zlín region were rather cautious in terms of the diversity of wine origin. In contrast with, interviewees residing in either Prague or Bratislava regions were open to varieties from distinct regions. Further observations are depicted in the following table number 2.

	Prague		Zlín		South Moravia		Nitra		Bratislava	
Rank	**Country**	**[%]**	**Country**	**[%]**	**Country**	**[%]**	**Country**	**[%]**	**Country**	**[%]**
1	CZ	32	CZ	45	CZ	42	SK	40	SK	36
2	**FR**	**19**	**FR**	**19**	**FR**	**18**	**FR**	**13**	**FR**	**16**
3	IT	14	IT	14	IT	10	CZ	11	CZ	13
4	**ES**	**8**	**ES**	**11**	**CL**	**6**	**IT**	**11**	**IT**	**11**
5	AU	7	SK	3	ES	6	HU	8	ES	5
6	**CL**	**5**	**CL**	**3**	**AU**	**5**	**ES**	**6**	**CL**	**5**
7	Other	15	Other	5	Other	13	Other	11	Other	14

Table 2: Preferential country of origin in regional context
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

5.7 Recommendations

This paper has presented several interesting insights into purchasing patterns of young consumers. Findings of this study provide valuable information to wine producers, distributors and marketers which could be possibly implemented to their marketing communication strategy. With regards to the research results, Millennial generation represents an attractive market segment with strong potential for future development. Though, it is important for companies to capture the market share and build brands awareness now as the wine market is becoming more and more competitive.

Similarly, they should be familiar with preferences, attitudes and behaviour of this generational cohort in order to adequately develop successful communication. The managerial recommendations in this chapter reflect the most relevant findings which might be utilized to market respective group in the most efficient way.

5.7.1 Product

Having an enormous selection of different brands and varieties in shelfs presents a particular challenge for wine marketers to differentiate their product and capture possible consumers. In order to have appealing product, it is important to assume constructive approach and utilize multiple elements as addressed in this study. To start with the notion that the bottle of wine would match preference of various segments is misleading. Positioning of the product has to reflect the needs of targeted group. One of the key suggestions in respect to product development would be to focus on attributes which are relevant in decision making of Millennials.

In respect to type of wine, rosé variety is overall booming segment in both markets, especially in Slovakia. Hence, there is an opportunity for producers to shift their efforts towards production of these wines. This trend is reinforced with enormous popularity by female consumers which in the case of the Czech Republic almost the same as for red variety. Moreover, distributors should be cautious in terms white and red wines offered in either the Czech Republic or Slovakia. Even though the white variety seems to be favoured in both markets, distributors and producers in Slovakia should make an effort to offer high variety of red wines. In connection with, there is an opportunity for Czech producers to exploit aforementioned findings as the popularity of wines from this region in Slovakia is quite high.

Furthermore, taking into account geographical origin, Millennial generation was found to be increasingly opened to wines coming from new wine producing regions, i.e. Chile, Australia, South Africa and others. This recommendations, how-ever applies merely for wine distributors, alternatively store managers and marketers. Last but not least, findings revealed that females have strong preference towards sweet wines, hence promotion of this wine type should reflect it. Nevertheless, suggestions for promotional activities will be outlined in separate chapter.

5.7.2 Price

This study has shown that young generation of wine consumers does not view price as a decisive product attribute in the decision making. Nevertheless several implications for practical use might be drawn based on the findings of this paper. First and foremost, it is advised to differentiate price models for certain brand in order to capture consumer groups with various preferences. In addition, wine marketed for a special occasion might be categorized within higher price ranges as this attribute plays rather a secondary role in this case.

Moreover, it is apparent that consumers particularly from Slovakia earning higher than average income are willing to purchase wines falling to higher medium price category. Therefore, distributors, respectively producers might utilize this and modify the price range, which in turn increases product image and perceived quality. Otherwise, there is a potential risk that under-priced wines might create an impression of poor quality. In connection with that, primarily owners of specialized shops might utilize price promotions targeting students to alleviate the risk connected with purchase of relatively higher priced wines and as such increase their loyalty.

Lastly, wine marketers should bear in mind that highly involved and knowledgeable consumers usually purchase higher priced wines, hence it is in their interest to foster both through various promotion activities as presented in the last subchapter.

5.7.3 Place

Behavioural patterns of Millennial generation have to be grasped distinctively relative to their older counterparts. Findings of this paper should be a cue for wine producers and marketers to use different marketing measures or enhance existing ones to tackle specifics of this generation. It was observed that today´s young generation is more likely to drink wine in public consumption situation in a more frequent manner than general population. Restaurants, wine bars, pubs, alternatively cellars hold a great popularity which has direct connotations for marketing strategies.

In more detail, provisions of regular on-site tastings at least regarding wine bars and cellars might be a feasible way how to enhance consumer loyalty and potentially increase wine sales. The foundation of this recommendation lies in the fact, that consumers in both markets identifies previous experience with certain wine as the most important product attribute. In connection with that, on premise wine tastings might improve consumer knowledge and, as observed from the analysis, subsequently increase consumption frequency.

Additionally, an important consideration for wine marketers would be assure an educated staff in restaurants and wine bars as consumers especially with higher knowledge and involvement might expect profound insight into all sorts of wine related aspects. In addition a great variety of wines on place is desirable as taking into account demographical context, gender and age are major determinants in the product selection. Lastly, wine cellars were rather popular by older consumers. However, owners might consider to start attracting even younger consumers to build brand loyalty in due time. Respective recommendations are particularly useful for application in the Czech market due to high preference of specialized stores and wine cellars. As it comes to all purchase channels, it is advisable to clearly order assortment in terms of origin and price category as Millennials are keen to taste wines from New World wine countries.

5.7.4 Promotion

Fundamental consideration for wine marketers is how to boost the frequency with which Millennials purchase and drink wine. Following the results of this study, several recommendations in terms of promotional activities are proposed.

As it was already outlined in the previous subchapter, individual´s level of involvement and knowledge have direct connotation for the consumption frequency. Therefore, focus should be placed on how to increase consumer involvement and knowledge. Apart from instore wine tastings, diverse educational programmes targeting less experienced wine drinkers might be offered. In addition, respective courses could be enhanced with content aimed to food-wine pairing, wine serving tips et cetera. Further promotional initiatives might include various wine fairs and events, alternatively seasonal activities presumably aimed to promote certain wine varieties. Aforementioned suggestions might not merely foster consumer wine involvement in general, but also bolster associations with particular brands.

Moreover, attributes most important in shaping the consumer decision should be the key components in the communication. Hence, taking into account product packaging, primarily variety, brand and country of origin should be aptly visualized, which might be supported by other elements as medals, vintage and possibly bio-quality. Eye-catching bottle and label design undoubtedly function as a great first line of communication, though marketers should focus on promotion of attributes mentioned above.

Wine producers are further advised to focus on promotional activities connected with certain consumption occasions. This study has shown that Millennials view wine as a beverage suitable for number of social occasions, not just a special ones. To be specific, to develop and enhance a brand image, marketers should emphasise sociable factor of wine, i.e. focus on such a promotion that incorporates the image of the most preferred usage situations as casual drink with friends, special occasions and casual drink with family. This suggestion is particularly highlighted by the fact that crucial motivation of young wine consumers was to facilitate social communication and perception of wine as a symbol of a life-style.

6 Discussion & Conclusion

This thesis has provided a comprehensive view into the purchasing behaviour of Millennial wine consumers together with deep understanding of factors that might have an influence on them. Even though that the problematic of consumer behaviour in the wine market is widely present in the academic literature, the vast majority of respective studies seem to be focusing on merely partial objectives. Moreover, research which might address the peculiarities of young generation in respect to their consumption patterns in the Czech Republic and Slovakia is strongly deficient. Therefore, this particular study sought to utilize number of research themes in order to present a constructive insight into this specific topic.

In the first instance, the theoretical part of this paper presents a basic overview of consumer behaviour and consumer decision-making process. Following chapter allows an insight to the specifics of young consumers in respect to their behavioural patterns mainly through summarization of the most fundamental findings retrieved from the academic literature. Subsequently, factors affecting purchasing behaviour were categorized into distinct subchapters containing detail assessment of them. The last chapter encompass an overview of different peculiarities which are characteristic for buying process in the wine market. Findings retrieved from secondary research then served as a fundamental tool to aptly guide focus group discussion and subsequently design online questionnaire.

Above all, the practical part sought to conceptualize the problematic of the influence of various factors on Millennial generation in relation to the wine market. However, to achieve that, this part of the paper was intentionally divided into several adjacent chapters which are complementary to each other. Furthermore, it was necessary to obtain and analyse sufficient number of secondary data, alternatively utilize findings from academic papers to use adequate research methods. Firstly, market analysis was conducted in order to capture present-day trends and future prospect in both World and European-wide contexts. This is followed by the analysis of the secondary data from the Czech Republic and Slovakia. In connection with that, it has been estimated that elasticities of respective countries are almost identical. Additionally, analysis of secondary data implied that especially Czech market is not yet saturated, hence there is still an opportunity to penetrate the market and utilize the consumption potential of today´s young generation.

The crucial part for elaboration of the thesis was an analysis of the questionnaire survey which was complemented with findings acquired throughout the focus group. Aforementioned results are then compared and evaluated in conjunction with the secondary data together with relevant academic studies in this chapter. Furthermore, this study has provided a number of insights into the behaviour of Millennial generation in the wine market used to formulate suggestions which might be of valuable importance to wine producers, distributors, alternatively marketing specialists as presented in the recommendations chapter.

Lastly, this thesis was affected by number of limitations as presented henceforth. First of all, due to the nature part in the online survey in both examined markets, a bigger sample might provide clearer and more powerful understanding of decision making in the wine market. In addition, the sample was biased towards respondents residing merely in Prague, South Moravian and Zlín, respectively Bratislava and Nitra regions. Especially for the analysis of factors in the regional level would be more convenient to acquire more responses from the questionnaire. Furthermore and scope of this thesis was necessary to use non-probability sampling technique. To be specific, the sampling frame was not known and neither the sample was chosen randomly. Even though that relatively large number of respondents took, the demographic composition of the survey participants did not fully reflect either national or required characteristics for the own study in none the Czech Republic or Slovakia.

Concerning the consumption frequency of wine, the majority of respondents drink wine on occasionally basis. However, earlier study by Lockshin et al. (2007) revealed significant and positive relationship between consumption frequency and age groups which was in the matter of fact confirmed by findings from the primary research. As suggested by Lader (2009), growing consumption among older participants is likely to be influenced by higher disposable income, and second, due to the fact, that they settled down and started to live with someone. This indicates that wine could be seen as an "adult" alcoholic beverage which might gradually replace other substitutes as beer or spirits. All in all, respective finding is of strong importance as although is Millennial generation assumed to exhibit similar patterns of behaviour, the influence of age factor cannot be omitted. Further analysis also suggest mediating effect of gender, though merely in the case of Slovakia.

In contrast to the secondary data, participants of the questionnaire from Slovakia identified white variety as more favoured instead of a red one. Nonetheless, secondary and primary data for Czech Republic correspond to each other indicating that Czech Millennials, though an exception within the general trends worldwide, prefer white wine variety. (CBI, 2016) (Canadean, 2015) An interesting insight into how much was the popularity of rosé wines booming in previous decade or so might be provided through comparison to the study of Chládková, Pošvář and Žufan (2004) who found that rosé was preferred by merely 0.8% of respondents compared to 10%, respectively 18% in Slovakia as addressed in this paper. Though it must be stressed that the methodology of this paper differed as primary data were processed from participants of all age categories. In connection with that, consumption of this colour variety is skewed towards 18-24 age group, however, only in the case of the Czech Republic. Earlier study by Bruwer, Saliba and Miller (2011) examined which type of wine in terms of colour is peculiar especially for women in the US market. Hence it was interesting to observe that results, at least for Slovakia, were almost the same. Furthermore, females in both markets noticeably preferred rosé and to a lesser extent white variety compared to males. Lastly, preferential colour variety in examined regions unambiguously reflected general trends nationwide.

With regards to the price of bottles for own consumption, women were found to purchase less expensive wines in comparison to men. These findings are in a strong parallel with the results from a study by Atkin, Nowak and Garcia (2007) who found that men have strong preference for expensive wines as opposed to women who prefer medium priced wines. In general, Millennials identified medium priced wines as preferred over other price categories. However, as it comes to wine intended for a special occasion, respondents favoured rather more expensive wines. This finding corresponds to assumption that price tends to be seen as guarantee of the product quality, although higher price was also seen as a major detractor to purchase the wine especially for participants enrolled in universities. As addressed by Silva et al. (2013), concretely younger consumers rank price as the principal attribute influencing their decision making. This paper reaffirms results of aforementioned research and concludes that there are statistical differences even in examined generational cohort.

Whilst the secondary data for Slovakia indicated that on-trade (restaurant, wine bar, pub, wine cellar) retains roughly 19% share as for wine sales, primary research suggests noticeably higher share of 27%. (Canadean, 2015) Although comparison of respective data does not provide unambiguous conclusion, it might provide an insight into behavioural patterns of young wine consumers. It is apparent that Millennials prefer to drink wine in public consumption situations in a more frequent way that overall sample of wine buyers. Situation in the Czech Republic is even more revealing as taking into account all wine buyers, on-trade retains merely 10% whereas consumption of Millennials either in restaurants, wine bars, pubs or cellars stands for approximately 26%. Even though that according to CBI (2016) is on-trade overall declining as customers prefer eating home with a bottle of wine rather than going to a restaurant, it has to be stressed that this findings applies for all generations of wine drinkers.

Moreover, findings obtained from the analysis of primary data suggest that specialized stores represent a primary sale channel in the Czech Republic. Nevertheless, these results are inconsistent with research conducted by CBI (2016) which identified supermarkets, hypermarkets and discounters as major wine market channels in the Czech Republic. On the other hand, findings for Slovakia are supported with research by Canadean (2015). Aforementioned results were further specified in terms of regional context which revealed significant discrepancies particularly between wine producing regions of South Moravia, Zlín and the rest. Not surprisingly, high preferences were ascribed to both wine cellars and specialized stores.

As it comes to the motivational factor of wine consumption, findings from both markets revealed similar patterns. Concretely "*I like the taste*" followed by *facilitating social communication*" and „*symbol of a lifestyle*" were indentified as crucial motivations to drink wine. Even considering regional context, no significant difference was found among the survey participants. Moreover, the most preferred occasion to drink wine among Millenials seemed to be casual drink with friends which in turn implies high relevance of sociability element in respect to consumption occasions.

The relative importance of brand as an extrinsic wine attribute did not meet the assumptions based on the literature review. Research presented by Keown & Casey (1995) identified brand as the second most important. Similarly, Goodman, Lockshin & Cohen (2007) suggested brand to be one of the most influential attributes. However, respective attribute was ranked as the 7th most important attribute in the Czech Republic and 5th in case of Slovakia. Hence, we can clearly see strong contrast with previous studies addressing the same issue. In the national context, it was interesting to observe distinct view in terms of wine being purchased for a special occasion as brand was seen to be relatively more influential in the Czech Republic and less influential in Slovakia. In accordance with the findings of Williams (2001) Millennials were found to place a great emphasis on personal recommendation in both examined markets, though its average importance in the Czech Republic was noticeably higher. As it concerns bottle and label design, one of the focus group participants revealed its importance as a guarantee of product quality which is indeed in direct connection with results of the study by Chaney (2000) which implies that most consumers will see the physical appearance of wine as clear reflection of its expected quality. Nevertheless, even though that the eye-catching bottle packaging might be a great first line of communication, different attributes were found to be crucial in decision making. However, its importance clearly increases in the context when wine is being purchase for a festive occasion. Attributes which have the least decisive impact in consumer decision making were bio-quality and advertisement. Even considering different purchasing context, their importance was considerably low. Studies by Atkin, Nowak & Garcia (2007) and Thomas and Pickering (2003) suggested that wine awards and medals are of solid importance in respect to purchase situation, however when examining this particular attribute among the participants of both the focus group and through subsequent outcomes of the questionnaire, the results were rather ambiguous. In the matter of fact, respective attribute was seen as one of the least important ones. To be specific, it was ranked on the 11th place in the Czech Republic, respectively on the 10th place in Slovakia. Even though that geographical origin of wine was considered as the most important factor in the study by Keown & Casey (1995), it seems that participants of the questionnaire base their purchasing decision on different attributes than on geographical origin of wine. In terms of the origin of wine, it is convenient to address the discrepancies of secondary data with results demonstrated by own research. For instance, wines from France were put in the second place in terms of their purchasing frequency relative to other countries of origin. However, imports were relatively low from this particular country representing merely 6% from the total. Overall, it is apparent that young Czech consumers are more opened towards non-traditional wine producing countries. To be specific, four out of the ten mostly preferred countries are from this category (Chile, Australia, Argentina and South Africa) which is in strong contrast with the ten biggest wine importers where just two of the wine producing countries belong outside the traditional wine-growing areas of Europe. (MZ, 2016) Due to insufficiency of secondary data, it is not possible to make such a comparison in the case of Slovakia.

Previous experience was unambiguously found as a fundamental attribute in the decision making of Millennial generation. Findings of this paper suggest that aforementioned condition applies for both purchasing contexts and both examined markets. The influence of purchasing context was however strongly apparent in the case of vintage attribute which was noticeably more significant in the case when wine is being purchase for a festive occasion. Moreover, an interesting finding was observed in the case of wine variety as it was ranked as one of the most crucial attributes in the Czech Republic, whilst in Slovakia it seemed to be rather supportive. As it regards the type of wine, it outperformed all the previous attributes, though with an exception the previous experience. In contrast with vintage, it appeared that the significance of respective attribute noticeably decreases when the bottle of wine is bought for a special occasion. The last intrinsic attribute concerned the possibility of wine being paired with certain food. Overall, this attribute did not have a conclusive impact in the decision making. The inspection of regional disparities in terms of individual attributes did not reveal any unambiguous conclusion. The average values were rather consistent in all the examined regions with merely small variances in attributes ranked as the most decisive ones.

As addressed in the practical part of the thesis, consumers with higher product knowledge usually purchase higher prices wines. This might imply that as consumers gain knowledge and hence self-confidence, they are likely to feel more comfortable with their choice of wine so they are willing to purchase higher quality, respectively more expensive wines for own consumption. These findings support Johnson´s and Bastian´s (2007) study which identified correlation between highly knowledgeable consumers and higher spending on wine. Moreover, as confirmed by the study targeting Australian wine consumers, reduction of consumer risk, hence increasing individual knowledge in respect to wine purchasing decision leads to the purchase of higher quality wines. (Johnson and Bruwer, 2004) This study has found that consumers with higher self-ascribed knowledge drank wine more often than those with relatively low subjective knowledge. Therefore an assumption is taken into account that the higher are levels of objective knowledge the higher is frequency of wine consumption. In addition, results of this study directly support research of Li et al. (2010) studying consumption behaviour of Chinese young adults which found strong correlation between frequency of drinking and consumer knowledge. Furthermore, findings from the analysis suggested that product knowledge has significant effect on the preferential place of purchase. The higher was the knowledge, the higher was then the utilization of both cellars and specialized stores. Although the relative share of purchase locations in respect to the level of subjective knowledge differs for Czech and Slovak consumers, it is clear that consumers confident in their product knowledge seek presumably greater variety and quality of products. Generally these findings show that subjective knowledge has an unambiguous effect on wine purchasing behaviour. In the same manner as self-ascribed knowledge, product involvement was found to be a decisive factor influencing the purchasing behaviour of Millennial consumers. As well as in the case of product knowledge, this study confirmed that higher involvement implies higher consumption frequency. Moreover, results from the analysis revealed that product involvement has a considerable effect towards the price category. In terms of the preferential place of purchase, highly involved consumers were found to utilize predominantly specialized store together with wine cellars. It appears, logically, that consumer knowledge and involvement are highly interrelated variables, which was in a matter of fact statistically proved.

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8 List of abbreviations

AU	Australia
CL	Chile
CSO	Czech Statistical Office
CZ	Czech Republic
CZK	Czech Crown
EC	European Commission
ES	Spain
EU	European Union
EUR	Euro
FR	France
HU	Hungary
IT	Italy
MPSV	Ministerstvo práce a sociálních věcí
MPSVR	Ministerstvo práce, sociálnych vecí a rodiny
MZ	Ministerstvo zemědělství
OC	Own consumption
OIV	Organisation of Vine and Wine
SO	Special occasion
SK	Slovakia
SOSR	Statistical Office of the Slovak Republic
UK	United Kingdom
USA	United States of America
WHO	World Health Organization

9 List of figures

10 List of tables

Appendix

A Questionnaire

Dear respondent,

I would like to kindly ask you to fill the following questionnaire for my diploma thesis which aims to understand consumer behaviour of Millennial generation in the wine market and factors that have an influence on them. The completion of questionnaire will take about 7 minutes.

Thank you.

Jakub Vičík, student of FBE, Mendel University in Brno

How often do you drink wine?

- Never
- Less than once a month
- 1-3 times a month
- Once a week
- Several times a week

Which type of wine do you prefer (colour)?

- White
- Rosé
- Red
- Once a week

Which type of wine do you prefer (Content of sugar)?

- Dry win
- Semi-dry wine
- Semi-sweet wine
- Sweet wine

Where do you usually consume wine?

- Restaurant
- Home
- Wine cellar
- Wine bar/bodega
- Other

During which occasion do you usually consume wine?

- Meal with friends
- Meal with family
- Meal with partner
- Meeting with friends
- Meeting with family
- Meeting with partner
- Social event (party)
- Work related
- Other

Why do you consume wine?

- Health reasons
- I like the taste
- Symbol of lifestyle
- It is my hobby
- Other
- Facilitate social communication

Where do you usually consume wine?

- Grocery stores
- Online (E-shop)
- Wine cellar
- Supermarket/hypermarket
- Specialized store (wine shops)
- Other

Indicate the importance of attributes considering wine for own consumption.

	1	2	3	4	5	6	7	8	9	10
Price	○	○	○	○	○	○	○	○	○	○
Type (white/rosé/red)	○	○	○	○	○	○	○	○	○	○
Variety	○	○	○	○	○	○	○	○	○	○
Vintage	○	○	○	○	○	○	○	○	○	○
Brand	○	○	○	○	○	○	○	○	○	○
Country of origin	○	○	○	○	○	○	○	○	○	○
Past experience	○	○	○	○	○	○	○	○	○	○
Awards/medals	○	○	○	○	○	○	○	○	○	○
Recommendation	○	○	○	○	○	○	○	○	○	○
Bottle/label design	○	○	○	○	○	○	○	○	○	○
Matching food	○	○	○	○	○	○	○	○	○	○
Bio quality	○	○	○	○	○	○	○	○	○	○
Advertisement	○	○	○	○	○	○	○	○	○	○

How much do you usually spend for a bottle of wine for own consumption?

- 70 CZK or less(up to 2.6 EUR)
- 71-150 CZK (2.7-5.5 EUR)
- 151-400 CZK (5.6-14.8 EUR)
- 401-1 000 CZK (14.9-37 EUR)
- Over 1 000 CZK (Over 37 EUR)

Indicate the importance of attributes considering wine for a special occasion or as a gift.

	1	2	3	4	5	6	7	8	9	10
Price	○	○	○	○	○	○	○	○	○	○
Type (white/rosé/red)	○	○	○	○	○	○	○	○	○	○
Variety	○	○	○	○	○	○	○	○	○	○
Vintage	○	○	○	○	○	○	○	○	○	○
Brand	○	○	○	○	○	○	○	○	○	○
Country of origin	○	○	○	○	○	○	○	○	○	○
Past experience	○	○	○	○	○	○	○	○	○	○
Awards/medals	○	○	○	○	○	○	○	○	○	○
Recommendation	○	○	○	○	○	○	○	○	○	○
Bottle/label design	○	○	○	○	○	○	○	○	○	○
Matching food	○	○	○	○	○	○	○	○	○	○
Bio quality	○	○	○	○	○	○	○	○	○	○
Advertisement	○	○	○	○	○	○	○	○	○	○

How much do you usually spend for a bottle of wine for a special occasion or as a gift?

- 70 CZK or less(up to 2.6 EUR)
- 71-150 CZK (2.7-5.5 EUR)
- 151-400 CZK (5.6-14.8 EUR)
- 401-1 000 CZK (14.9-37 EUR)
- Over 1 000 CZK (Over 37 EUR)

From which country do you buy wine most often?

- Czech Republic
- Italy
- USA
- South Africa
- Spain
- Chile
- Slovakia
- France
- Australia
- Germany
- Argentina
- Other

Please, indicate your agreement or disagreement with following statements.

	Strongly disagree	Disagree	Agree	Strongly agree
I am generally very interested in wine	○	○	○	○
I like to pair wines with certain meals	○	○	○	○
I often visit wine festivals	○	○	○	○
I follows global wine trends	○	○	○	○
Decision which wine I will be is very important to me	○	○	○	○

Please, indicate your agreement or disagreement with following statements.

	Strongly disagree	Disagree	Agree	Strongly agree
I am confident with my wine knowledge	○	○	○	○
I often read literature related to wine	○	○	○	○
My friends consider me as wine expert	○	○	○	○

Which of the following wines is red?

- Irsai Oliver
- Ruland grey
- Chardonnay
- Merlot
- I do not know

Which of the following wines is red?

- First wine of the year aging just a few weeks
- Different expression for “ice wine”
- Wine made from grapes dried for at least 3 months on straw or reed
- In other words wine from late harvest
- I do not know

Which of the following geographical areas is not famous for wine production?

- Bordeaux
- Riesling
- Alsace
- Savoy
- I do not know

What is your gender?

- Female
- Male

What is your age?

____

What is your highest level of formal education?

- Primary school
- College
- University
- High school with state exam
- High school without state exam

What is the population of the community you live in?

- Up to 3 000
- 3 000 – 19 999
- 20 000 – 49 999
- 50 000 – 99 999
- Over 100 000

What is your prevailing occupation?

- Employee
- Self-employed
- Student
- Unemployed
- Other

In which region do you live in? (Czech Republic)

- Středočeský kraj
- Jihočeský kraj
- Karlovarský kraj
- Liberecký kraj
- Pardubický kraj
- Jihomoravský kraj
- Olomoucký kraj
- Hlavní město Praha
- Plzeňský kraj
- Ústecký kraj
- Královehradecký kraj
- Kraj Vysočina
- Moravskoslezský kraj
- Zlínský kraj

In which region do you live in? (Slovakia)

- Banskobystrický kraj
- Košický kraj
- Prešovský kraj
- Trnavský kraj
- Bratislavský kraj
- Nitranský kraj
- Trenčínský kraj
- Žilinský kraj

What is your net monthly income?

____

B Contingency tables

	Slovakia			Czech Republic		
	Low	Medium	High	Low	Medium	High
Less than once a month	57,60%	28,57%	7,14%	45,75%	24,78%	7,35%
1-3x a month	32,00%	44,72%	25,71%	38,56%	40,06%	30,15%
Once a week	8,00%	12,42%	30,00%	7,84%	15,56%	19,12%
Several times a week	2,40%	14,29%	37,14%	7,84%	19,60%	43,38%
Total	100%	100%	100%	100%	100%	100%

Table 3: Frequency of consumption according to the level of knowledge (CZ, SK)
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

	Slovakia		Czech Republic	
	Chi-square	p-value	Chi-square	p-value
Pearson	95,01357	p=0,0000	94,14047	p=0,0000
Phi coeff.	0,516616		0,3847332	
Contingency	0,4589845		0,3590748	
Cramer´s V	0,3653027		0,2720474	

Table 4: Chi-square test consumption frequency versus knowledge (CZ, SK)
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

	Slovakia			Czech Republic		
	Low	Medium	High	Low	Medium	High
Less than once a month	61,11%	21,38%	5,97%	50,54%	20,06%	7,25%
1-3x a month	29,86%	46,21%	29,85%	34,24%	44,27%	26,81%
Once a week	4,86%	15,17%	32,84%	7,61%	16,24%	19,57%
Several times a week	4,17%	17,24%	31,34%	7,61%	19,43%	46,38%
Total	100%	100%	100%	100%	100%	100%

Table 5: Frequency of consumption according to level of involvement (CZ, SK)
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

	Slovakia		Czech Republic	
	Chi-square	p-value	Chi-square	p-value
Pearson	108,1973	p=0,0000	138,8891	p=0,0000
Phi coeff.	0,5512938		0,4673105	
Contingency	0,4827884		0,4233644	
Cramer´s V	0,3898236		0,3304384	

Table 6: Chi-square test of consumption frequency versus involvement (CZ, SK)
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

	Slovakia		Czech Republic	
	Female	Male	Female	Male
Supermarket/hypermark	63,18%	46,94%	38,01%	31,23%
Wine cellars	1,94%	11,22%	11,11%	18,32%
Specialized shops	24,42%	37,76%	41,40%	45,86%
Grocery stores	8,68%	2,06%	7,26%	1,83%
Other	2%	2%	2%	3%
Total	**100%**	**100%**	**100%**	**100%**

Table 7: Preferred place of purchase according to gender (CZ, SK)
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

	Slovakia		Czech Republic	
	Chi-square	p-value	Chi-square	p-value
Pearson	26,26526	p=0,0000	14,08602	p=0,0000
Phi coeff.	0,2716225		0,1488215	
Contingency	0,262125		0,1472003	
Cramer´s V	0,2716225		0,1488215	

Table 8: Chi-square test of place of consumption versus gender (CZ, SK)
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

	Slovakia			
	Less than 5 400 CZK	5 400-18 700 CZK	18 700 - 35 000 CZK	Over 35 000 CZK
70 CZK or less	6,17%	7,66%	3,77%	0,00%
71-150 CZK	66,67%	64,11%	26,42%	30,77%
151-400 CZK	23,46%	25,36%	69,81%	46,15%
401-1 000 CZK	3,70%	1,91%	0,00%	7,69%
Over 1 000 CZK	0,00%	0,96%	0,00%	15%
Total	**100%**	**100%**	**100%**	**100%**

Table 9: Price categories of wine according to income levels (SK)
Source: Own market research, 2016, n_{sk}=356

	Czech Republic			
	Less than 3 400 CZK	3 400-20 000 CZK	20 001 - 35 000 CZK	Over 35 000 CZK
70 CZK or less	10,60%	6,47%	4,30%	4,76%
71-150 CZK	67,55%	69,00%	58,06%	28,57%
151-400 CZK	20,53%	22,64%	34,41%	66,67%
401-1 000 CZK	1,32%	1,89%	3,23%	0,00%
Over 1 000 CZK	0,00%	0,00%	0,00%	0,00%
Total	**100%**	**100%**	**100%**	**100%**

Table 10: Price categories of wine according to income levels (CZ)
Source: Own market research, 2016, n_{cz}=636

	Slovakia		Czech Republic	
	Chi-square	p-value	Chi-square	p-value
Pearson	72,90729	p=0,0000	31,10213	p=0,0002
Phi coeff.	0,4525436		0,2211396	
Contingency	0,4122909		0,215923	
Cramer´s V	0,2612762		0,137675	

Table 11: Chi-square test of level of income and price category of wine (CZ, SK)
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

	Zlín	Prague	South Moravia	Nitra	Bratislava
Supermarket	27,16%	50,39%	18,48%	65,87%	51,30%
Specialized stores	48,15%	33,33%	48,37%	20,63%	33,91%
Grocery stores	3,70%	3,88%	2,17%	6,35%	6,96%
Wine cellars	19,75%	9,30%	23,91%	3,97%	5,22%
Own production	0,00%	0,78%	4,35%	0,79%	0,00%
Other	1,24%	2,32%	2,72%	2,39%	2,61%
Total	**100,00%**	**100,00%**	**100,00%**	**100,00%**	**100,00%**

Table 12: Place of purchase according to regions
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

	Chi-square	p-value
Pearson	126,5283	p=0,0000
Phi coeff.	0,4463823	
Contingency	0,4076156	
Cramer´s V	0,2231912	

Table 13: Chi-square test of place of purchase vs region
Source: Own market research, 2016, n_{cz}=636, n_{sk}=356

Additional tables will be available online until 06/2017 on: <http://akela.mendelu.cz/~xvicik/Appendix_B.pdf>.