

## ASPECTS REGARDING THE PROMOTION OF WINE PRODUCTS THROUGH ONLINE MARKETING, WITH CASE STUDY COMPANY COTNARI S.A.

Mădălina-Oana VASILIU<sup>1</sup>

*E-mail: vasilu\_madalina@yahoo.com*

---

### Abstract

Online marketing is the most recent and dynamic side of marketing domain in general. The opportunities on local, national as well as international markets through Internet are vast and still not sufficiently exploited in Romania.

As in agriculture, for having gross and finite quality products, you have to adapt permanently to the latest working, production and processing technologies, the same way when promoting agricultural products it is a must to be adapted to the latest marketing methods and to the customers culture. It is extremely important for companies that offer agricultural products on the market not to ignore the niche formed of online customers.

Since in Romania the food processing industry finds itself at the beginnings of using this kind of promoting strategies and the online clients form a relatively small number, we can use this as an advantage for creating a loyal market and for educating our own customers.

Cotnari company is one of the players on the wine production and distribution Romanian market, who understood the rules of the game and started "shy" but promising to cover the online market area. Cotnari is not one of the companies that count mainly on this online market, but they adapt to its demands and constantly improve their communication and online marketing strategies.

Keeping pace with the market, the competitors and the customers represents a "sine qua non" of marketing strategies succes for every company, whatever main activity they perform. Initiating online marketing campaigns, simply because one has to be present online, does not bring benefits to any food company. On the contrary this kind of online campaigns, badly managed by the marketing department could cause serious damage to company image, which often can be harder and more expensive to repair than the promoting campaign itself.

**Key words:** online marketing, wine industry, return on investment, promotion strategies

---

The study of Romanian, European and global wine market as well as the research regarding the promotion ways used in the industry involve a very well structured, continuous and complex work, that constanly tracks the production capacity and manner of sale of wine products. The agricultural producers are no longer seen as raw material suppliers, but as compulsory parts of a complex circuit.

Wine market is a mature one, strongly and permanently affected by favourable or unfavourable developments in demand, by consumers need that are continously changing, by competition as well as by technology development and promotion methods.

### MATERIAL AND METHOD

The studies have been made during 2010 and 2011, using as sources of information literature from Romania and foreign sources, as well as the Internet as a tool of comparison and of real time search results.

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

S.C. Cotnari S.A. served as a case study for this paper as the company is using the online marketing strategies that the paper refers to, and can offer visible results regarding the importance of it into the whole marketing strategy of a wine producer.

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

### RESULTS AND DISCUSSIONS

Global wine industry becomes more and more sophisticated and internationalized, with at least 67 wine-producing nations. The market remains fragmented, but the industry is facing a

---

<sup>1</sup> University of Agricultural Sciences and Veterinary Medicine Iasi

growing consolidation (tab. 1). Traditional wine producers - France, Italy, Spain are experiencing an erosion of positions by new producers, both in

their domestic markets and on export ones. But off course their wines are maintaining their positions regarding the image and quality aspects.

Table 1

**Production, trade and wine consumption in EU-27**

Trade period August –July - thousand hl.			
	2008/ 2009	2009/ 2010	2010/ 2011
Initial Stocks	170.864	174.187	177.687
Production	166.800	164.500	165.000
Imports	13.249	13.000	13.000
Total Stocks	350.913	351.687	355.687
Exports	16.008	15.000	16.000
Total consumption of which	160.718	159.000	158.000
- human	134.656	133.000	132.000
- others	26.062	26.000	26.000
Final Stocks	174.187	177.687	181.687
Total Distribution	350.913	351.687	355.687

The European Union continues to be world leader regarding the area planted with vines and the produced wine volume. Wine production of France, Italy and Spain represents aprox. 80% of EU total wine production.

In 2010 France regains the wine producer leader position, as the wine producer leader in 2009 has been Italy.

Accordingly to the french publication Le Monde, although the french wine production will continue to decrease until 2014 (with 5.54% on average), this aspect should not prevent France from maintaining its leadership.

The global economic crisis still continues to affect the wine internal consumption in the EU states. Another limiting aspect is represented by the anti-alcohol campaigns which are mainly happening in France and Italy, where promoting wine is extremely difficult. Alcohol abuse and drunk driving car led local authorities to implement stricter legislation.

In Romania in 2010, grape production has declined over the previous year to 737,000 tons mainly due to the reduction of cultivated areas, both in grafted vineyards (2.1%) and the hybrid vineyards (2.2%).

Top 20 wine producing companies hold about 80% of the total production of wine brand in Romania. Foreign investments have a positive influence over romanian wine offer. We can mention companies such as Vinarte (Italy), Servers (France), Halewood Wine Cellars Prahova (England), Carl Reh Winery (Germany), Vinterra (Netherlands), Chris Wines (Denmark). Romania, which accordingly to the statistics is among top ten european wine producer countries, is almost

unknown to foreign consumers. *Romanian wine fundamental problem is the lack of image to*

*export.* Marketing strategy must be adapted to the market and economic and social environment, technological change and must comply with a plan of marketing campaigns very well defined and documented.

Online promotion of wine products is a new approach, indispensable in all promotional activities initiated by companies and producers of wine, as these companies must pay special attention to this specific market, which becomes more and more prominent. Promotion in the virtual environment follows the same stages of developing a promotion strategy as in any other medium of intersection with customers: initial research, market segmentation, setting objectives, market positioning, marketing mix, implementation of the campaign to promote itself and control during implementation and post implementation.

There is a discrepancy in the field as regarding the large number of agricultural sites we are able to compare ourselves with other European countries, regarding the number of trades and transations over the internet, Romania falls well below the average level. A simple analysis of the Romanian wine sites shows that these are created especially to promote, instead of selling online.

Online wine selling and promoting is strictly related to the exponential growth of Internet users (tab.2).

Table 2

**Internet users between 2000-2010**

Year	Users	Population	Population%
2000	800,000	22,217,700	3.6
2004	4,000,000	21,377,426	18.7
2006	4,940,000	21,154,226	23.4
2007	5,062,500	21,154,226	23.9
2010	7,786,700	21,959,278	35.5

**Advantages** of online promotion:

- Opportunities for last minute sale;
- Real time information update;
- Rapid response to market conditions change;
- The ability to combine sales promotion;
- Personalized marketing methods;
- Further market segmentation;
- Mood marketing opportunity;
- Permanent business hours;
- Easy to remember because of interactive content;
- Reduced costs;
- Easy to monitor effectiveness;
- Ease of collaboration between the various operators;
- Cheaper, lighter, faster market research;
- Centralized information;
- Equal opportunities to promote.

**Disadvantages** of online marketing campaigns:

- Marketing campaign requires careful and continuous oversight to the physical environment, as consumers and competition activities happen at very short intervals;
- The need of careful monitoring of competition;
- The need of careful monitoring of market changes;
- Lower control over spreading the messages and feedback in the directions desired by companies;
- Sudden changes of competition;
- Consumers lack of education to buy online;
- Lack of consumer confidence in the Romanian online payment systems.

Literature considers that online marketing disadvantages will be overcome in the coming years, so around 2020 the virtual space will be fully utilized in food marketing domain, as it presents more advantages than disadvantages.

A simple analysis of Romanian wine companies online presence shows that this phenomenon is an early stage for the Romanian market. The first observation is that Romania's major traditional producers are not fully present on the Internet. As an example we can consider the absence of wine producers such as: Vincon Vrancea și Vinia Iași. On the other side we can consider the presence of small wine producers, who have succeeded in developing an website where to present their offer: Vinalcool SA Braila, SC Alcolvin Macin.

A positive sign is the presence on the Internet of the most important wine professional

organizations in Romania: PNVV, ONIV, APEV, with websites that are similar to those of countries with tradition in wine production.

An important aid in promoting the Romanian wines is offered by foreign websites that sell exclusively Romanian wines ([www.romanianwines.ch](http://www.romanianwines.ch), [www.romvinimport.com](http://www.romvinimport.com)) and which, besides selling online, also present the wine tradition of Romania.

The well known wine producer, Cotnari company is situated in Cotnari village. In 2009 SC Cotnari SA had a net profit of 3,598,418 RON and a number of 323 employees. S.C. Cotnari S.A. had a turnover increase from 1999 to 2008 except 2001, when it had a value of 18,963,742.00 RON. From 1999 to 2008 turnover increased by 92,770,487.00 RON, which is the 830.28%.

The *highest* value of the turnover was made in 2008 - value: 103,943,935.00 RON.

The *smallest* value of the turnover was made in 1999 - value: 11,173,448.00 RON.

In the last balance sheet (balance from 2008) Cotnari SA's turnover increased by 33,961,537.00 RON, which is the 48.53% the previous year (fig.1). Cotnari S.A. had profit in all years in which the balances have been reported. As stated balance, Cotnari S.A. had no net loss in any year.

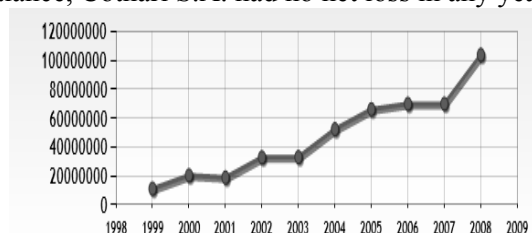


Figure 1 Annual Turnover Graph

Cotnari company concluded 2010 with a turnover of 25 million and over 10 million bottles of wine sold. In 2010, Cotnari received the title of the strongest "Romanian wine Brand", and 8th in the Top Romanian all brands as stated by a study conducted among consumers.

Cotnari company is actively present on the Romanian online environment.

Cotnari holds a virtual site presentation - [www.cotnari.ro](http://www.cotnari.ro), a forum where those interested can access information about the company, can ask questions or provide answers to other members on the basis of creating a user account, with a total 133 members, and an online store.

In 2010 a search by "Cotnari" keywords on Google, returned **446,000** results, while this year in a quick search on the same general keyword, the search engine returns **618 000** results, summing company presentation sites, online media articles, online campaigns, accounting data and balance.

First place on Google search engine is occupied by *Cotnari company's site*, the village hall Cotnari site being on the 5th in the ranking.

Demographic information about cotnari.ro audience offered by Alexa ranking site (fig. 2 and

3) is very concludent to why Cotnari is so popular online.

Interests of Internet users for information about Cotnari company and products is provided by the relevant data from Google trends results (fig.5,6 and 7):

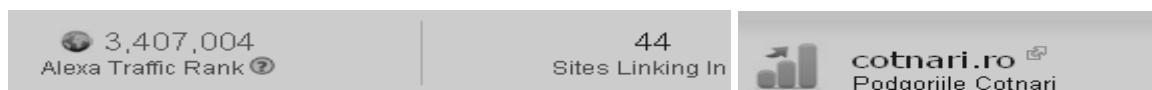


Figure 2 Alexa traffic ranking for [www.cotnari.ro](http://www.cotnari.ro)

### Audience Demographics for Cotnari.ro

Relative to the general internet population how popular is cotnari.ro with each audience below?

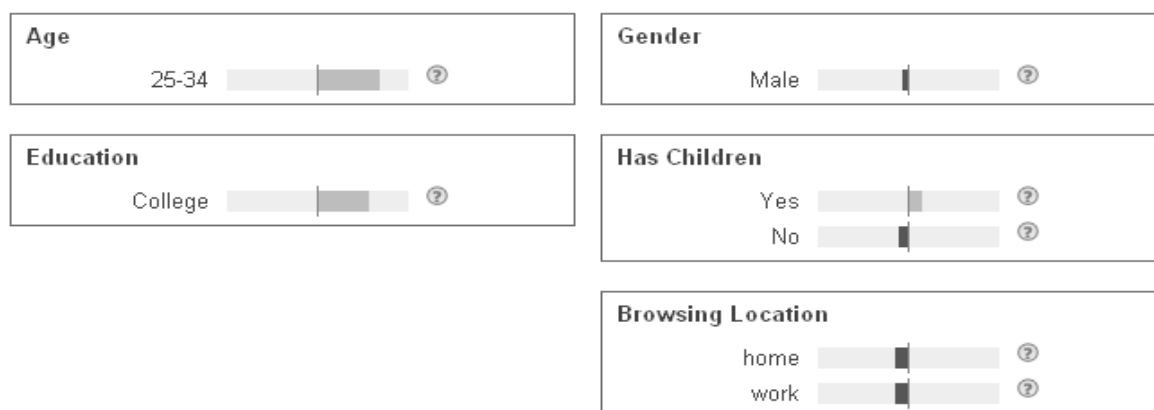


Figure 3 Audience Demographics for [www.cotnari.ro](http://www.cotnari.ro)

Search results ...

Displaying entries with **Grassa De Cotnari** in their name. Alternatively, view exact matches for **Grassa De Cotnari** ...

Merchant Click to contact	Location & Description	Wine Detail Click for Website	Tasting notes	Price See Notes
<a href="#">Ossiladen</a>	Germany: Saxony [Sachsen]. Price includes sales tax.	<a href="#">Cotnari - Grasa de Cotnari Wein, Wermut</a>		<b>€2.95</b> Bottle
<a href="#">Chambers Wine &amp; Liquor</a>	USA (CO): Aurora. Price excludes sales tax.	<a href="#">Cotnari Grasa De Cotnari Wine</a>		<b>€6.33</b> Bottle
<a href="#">Euro-Wino</a>	Poland: Wroclaw. Price includes sales tax.	<a href="#">Cotnari Grasa de Cotnari, biale</a>		<b>€6.38</b> Bottle
<a href="#">Ball Square Fine Wines &amp; Liquors</a>	USA (MA): Somerville. 10% discount off purchases of 12 bottles or more. Price excludes sales tax.	<a href="#">Grasa De Cotnari 08, Romania, 2002</a>		<b>€7.03</b> Bottle
<a href="#">WineGlobe.com</a>	USA (CA): Redwood City. Price excludes sales tax.	<a href="#">Vinia Grasa De Cotnari Sweet Romaina Wine, White</a>		<b>€9.14</b> -
<a href="#">The Beer Guy</a>	Canada: Ontario. Price includes sales tax.	<a href="#">Cotnari Grasa De Cotnari 2007 White Wine, 2007</a>		<b>€10.07</b> Bottle
<a href="#">Chambers Wine &amp; Liquor</a>	USA (CO): Aurora. Price excludes sales tax.	<a href="#">Cotnari Grasa De Cotnari Wine</a>		<b>€75.92</b> Case of 12 Btls

#### Icon description:

=Wine broker. Will buy and sell wines. =Primarily a retail business. =Secure online ordering. =World-wide delivery. =Intermediary, on-sells mostly third party wines. Fulfilment may take long.  
 =Product-specific page available on merchant site.

Check with the merchant for stock availability. Wine-Searcher is not responsible for errors, inaccuracies, or omissions.

[Home](#) [About Us](#) [Wine Stores](#) [Wine Regions](#) [Site Map](#) [Grape Varieties](#) [Contact Us](#)

Figure 4 Cotnari wines on international wine shopping website

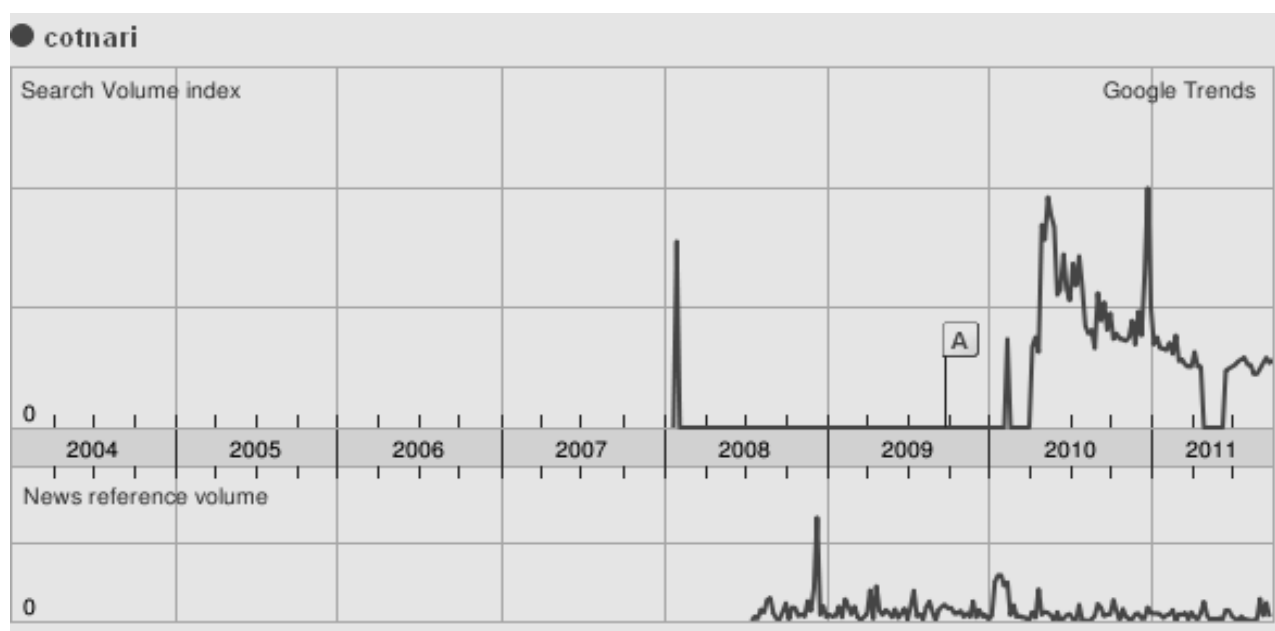


Figure 5 Cotnari google search trends

Rank by

Regions	Cities	Languages
1. <a href="#">Romania</a>	1. Pascani, Romania	1. Romanian
2. <a href="#">Italy</a>	2. Iasi, Romania	2. Italian
3. <a href="#">Spain</a>	3. Bacau, Romania	3. Polish
4. <a href="#">Poland</a>	4. Suceava, Romania	4. German
5. <a href="#">Germany</a>	5. Pitesti, Romania	5. Spanish
6. <a href="#">Canada</a>	6. Bucharest, Romania	6. French
7. <a href="#">United Kingdom</a>	7. Constanta, Romania	7. English
8. <a href="#">France</a>	8. Cluj-Napoca, Romania	
9. <a href="#">United States</a>	9. Timisoara, Romania	
	10. Madrid, Spain	

Figure 6 Cotnari google search trends by regions, cities and languages

Table 3

Cotnari google search trends by regions, cities and languages

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Region	Cotnari	City	Cotnari	Language	Cotnari
Romania	1	Pascani (Romania)	1	Romanian	1
Italy	0.01	Iasi (Romania)	0.625	Italian	0.01
Spain	0.005	Bacau (Romania)	0.27	Polish	0.005
Poland	0.005	Suceava (Romania)	0.185	German	0
Germany	0.005	Pitesti (Romania)	0.145	Spanish	0
Canada	0.005	Bucharest (Romania)	0.085	French	0
United Kingdom	0	Constanta (Romania)	0.085	English	0
France	0	Cluj-Napoca (Romania)	0.08		
United States	0	Timisoara (Romania)	0.075		
		Madrid (Spain)	0		

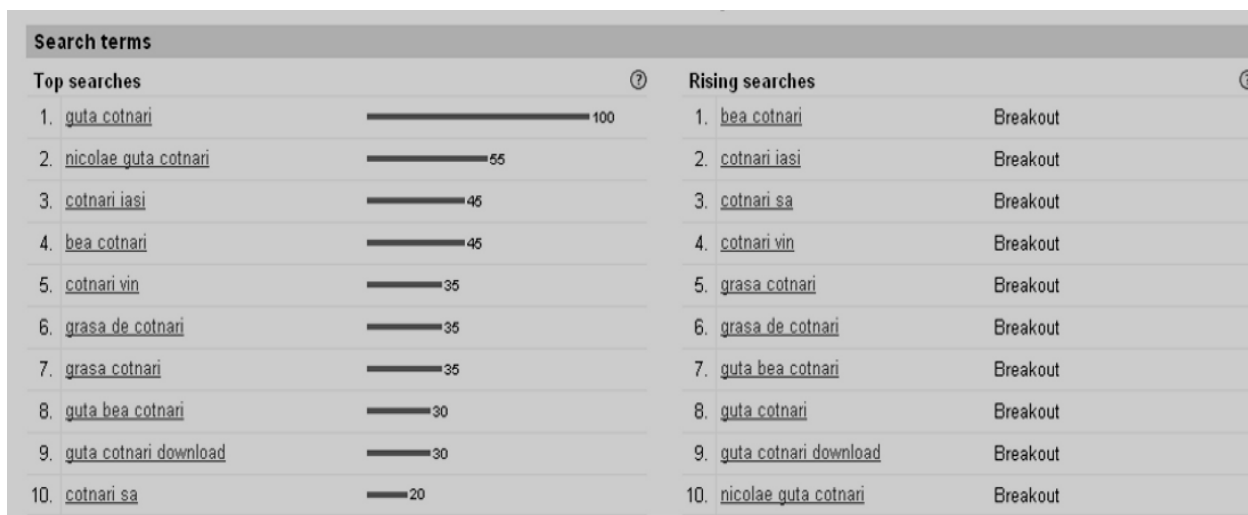


Figure 7 Cotnari google search terms trends

## CONCLUSIONS

Online marketing is growing more quickly than other media, such as TV, written press, radio, street display. Cotnari example in dealing with international markets and online promotion is one with special significance for our country but also for the region of Moldova. Romania already has the advantage of being among Europe's wine producers. We should now use this big plus for us, and by educating the public to buy online, to grow the number of wine transactions through Internet, by tackling the factors that discourage online commerce in our country.

## BIBLIOGRAPHY

- Bradley, F., 2005** - *International Marketing Strategy*, Editura Pearson Education Limited, UK.
- Briggs, Susan, 2001** - *Successful Web Marketing for the Tourism and Leisure Sectors*, Editura Kogan

- Chiran, A., Dima F.M., Gindu Elena, 2007** - *Marketing în agricultură* Editura Alma Print, Galați.
- Constantin, M., Chiran A., Gindu Elena, și alții, 2009** – *Marketingul producției agroalimentare*, Editura AgroTehnica, București.
- Fox, V., 2010** – *Marketing in the Age of Google- Your Online Strategy Is Your Business Strategy*, Editura John Wiley and Sons, New Jersey.
- Kotler, Ph., 1999** - *Principiile marketingului*, Editura Teora, București.
- Man, A., Pomohaci C., 2005** - *Promovarea vinurilor românești pe internet*, Editura ProUniversitaria, București.
- Marin, Gh. și colab., 2010** – *Oenologie, bazele industriei vinicole*, Editura Sitech, Craiova.
- Moulton, K, Lapsley J., 2001** - *Successful Wine Marketing*, Editura Springer, US.
- Oprean, Victoria, Oprean, D., 1991** – *Strategii alternative de marketing*. Rev. Tribuna economică, nr. 13.
- \*\*\*, **2009** - *Anuarul Statistic al României*, Comisia Națională de Statistică, București.
- \*\*\* - [www.traderom.ro/informatii\\_de\\_piata\\_externa/3\\_Piata\\_vinurilor\\_in\\_UE\\_27\\_Centrul\\_Roman\\_pentru\\_Promovarea\\_Comerțului\\_și\\_Investițiilor\\_Străine](http://www.traderom.ro/informatii_de_piata_externa/3_Piata_vinurilor_in_UE_27_Centrul_Roman_pentru_Promovarea_Comerțului_și_Investițiilor_Străine).