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 constantly 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.

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
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

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Initial Stocks</strong></td>
<td>170,864</td>
<td>174,187</td>
<td>177,687</td>
</tr>
<tr>
<td><strong>Production</strong></td>
<td>166,800</td>
<td>164,500</td>
<td>165,000</td>
</tr>
<tr>
<td><strong>Imports</strong></td>
<td>13,249</td>
<td>13,000</td>
<td>13,000</td>
</tr>
<tr>
<td><strong>Total Stocks</strong></td>
<td>350,913</td>
<td>351,687</td>
<td>355,687</td>
</tr>
<tr>
<td><strong>Exports</strong></td>
<td>16,008</td>
<td>15,000</td>
<td>16,000</td>
</tr>
<tr>
<td><strong>Total consumption of which</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- human</td>
<td>134,656</td>
<td>133,000</td>
<td>132,000</td>
</tr>
<tr>
<td>- others</td>
<td>26,062</td>
<td>26,000</td>
<td>26,000</td>
</tr>
<tr>
<td><strong>Final Stocks</strong></td>
<td>174,187</td>
<td>177,687</td>
<td>181,687</td>
</tr>
<tr>
<td><strong>Total Distribution</strong></td>
<td>350,913</td>
<td>351,687</td>
<td>355,687</td>
</tr>
</tbody>
</table>

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 numer 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

<table>
<thead>
<tr>
<th>Year</th>
<th>Users</th>
<th>Population</th>
<th>Population%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>800,000</td>
<td>22,217,700</td>
<td>3.6</td>
</tr>
<tr>
<td>2004</td>
<td>4,000,000</td>
<td>21,377,426</td>
<td>18.7</td>
</tr>
<tr>
<td>2006</td>
<td>4,940,000</td>
<td>21,145,226</td>
<td>23.4</td>
</tr>
<tr>
<td>2007</td>
<td>5,062,500</td>
<td>21,154,226</td>
<td>23.9</td>
</tr>
<tr>
<td>2010</td>
<td>7,786,700</td>
<td>21,959,278</td>
<td>35.5</td>
</tr>
</tbody>
</table>
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. An example we can consider the absence of wine producers such as: Vincon Vrancea and Vinia Iasi. 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, 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](image)

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, 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 conclusive 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](image)

**Audience Demographics for Cotnari.ro**

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

<table>
<thead>
<tr>
<th>Age</th>
<th>Gender</th>
<th>Has Children</th>
<th>Browsing Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-34</td>
<td>Male</td>
<td>Yes</td>
<td>home</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>No</td>
<td>work</td>
</tr>
</tbody>
</table>

**Figure 3 Audience Demographics for www.cotnari.ro**

<table>
<thead>
<tr>
<th>Merchant Click to contact</th>
<th>Location &amp; Description</th>
<th>Wine Detail Click for Website</th>
<th>Testing notes</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doppeladen</td>
<td>Germany; Saxony (Sachsen). Price includes sales tax.</td>
<td>Cotnari - Grasa de Cotnari Wein, Hinterst</td>
<td>7.95</td>
<td>Bottle</td>
</tr>
<tr>
<td>Chambers Wine &amp; Liquor</td>
<td>USA (CO): Aurora. Price includes sales tax.</td>
<td>Cotnari Grasa De Cotnari Wein</td>
<td>6.53</td>
<td>Bottle</td>
</tr>
<tr>
<td>EuroWine</td>
<td>Poland; Warmian. Price includes sales tax.</td>
<td>Cotnari Grasa De Cotnari Ibaie</td>
<td>6.28</td>
<td>Bottle</td>
</tr>
<tr>
<td>Ball Square Fine Wines &amp; Liquor</td>
<td>USA (MI): Somerville. 10% discount off purchases of 12 bottles or more. Price includes sales tax.</td>
<td>Grasa De Cotnari 100, Banaria, 2008</td>
<td>7.60</td>
<td>Bottle</td>
</tr>
<tr>
<td>VinoCiti.com</td>
<td>USA (CA): Redwood City. Price includes sales tax.</td>
<td>Vina Grasa De Cotnari, Super Banaria Wines, White</td>
<td>6.94</td>
<td>Bottle</td>
</tr>
<tr>
<td>Chambers Wine &amp; Liquor</td>
<td>USA (CO): Aurora. Price includes sales tax.</td>
<td>Cotnari Grasa De Cotnari Wein</td>
<td>7.57</td>
<td>Bottle</td>
</tr>
</tbody>
</table>

![Figure 4 Cotnari wines on international wine shopping website](image)
Figure 5 Cotnari google search trends

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

Table 3 Cotnari google search trends by regions, cities and languages
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.

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