

STUDY OF WINES POSITIONING ON THE ROMANIAN MARKET

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Abstract:

In this paper, I have done a research on the positioning of Romanian wines. The positioning is a necessary approach of brands to have a privileged position in the minds of consumers. In front of the keen foreign competition, the Romanian wine brands must assert a new identity to match the Romanian client's current lifestyle. The main objective of the research is the identification of the Romanian wine brand positioning. To achieve the objective of the research I have conducted a market research. The study was conducted on a sample of 100 respondents, consumers of Romanian wines. In the study, I have focused on a number of elements necessary for obtaining the positioning maps. Thus I tested the assisted and unassisted recognition of vineyards, the vineyards positioning depending on internal and international recognition and tradition / reputation, the vineyards positioning depending on the internal and international recognition and price, the vineyards positioning depending on sweet, red and light wines and on strong and dry wines. The positioning strategy will determine, on the one hand, the efficiency of the marketing activity at the level of consumer segment by obtaining a better image due to the high satisfaction of the specific needs, and on the other hand, the differentiation will enable to the company to gain competitive advantages, hence substantially increased profits. The theoretical contribution of this paper is to clarify the issues of positioning and to emphasize its importance. The practical contribution refers to the positioning of wines brands, which can be a model of reflection for each of the analyzed vineyards.

Keywords: positioning, wine market, competitive strategy

Introduction

The term of positioning means how a company's marketing program is perceived by the buyer towards the marketing applied by the main competitors, i.e. how products are positioned towards the competitors in terms of the marketing mix. Essentially the positioning is defined as the placement of commercial objects (products, services, organizations, personalities) within a multi-dimensional market pattern in order to ensure a well-determined place in the consumer psychology (Pop 2000: 156).

The positioning strategy is the notion that the attitude of potential buyers has to be influenced towards the offered products, the image they have on the offer. As the name suggests, the positioning means to find the right "location" in the mind of a group of consumers or a market segment, so that they have to think of a product or service in the intended way to maximize the profit / potential benefit of the company. A good brand positioning helps to guide the marketing strategy, clarifying: what is a brand, how it is unique and how it is similar to the competing brands, and why consumers

should purchase and use it (Barbu, 2010: 168).

The key issue in developing and implementing a positioning strategy is the way the company and its offer is perceived by the customers who form the target market.

One of the methods most often used for positioning the products on the market is the "perception map" of consumers. It identifies the differences between the products attributes by using multidimensional scaling of perceptions and preferences (Kotler, Ph. Armstrong, G., Saunders J., Wong V 1999: 1999). Locating the attributes on such a scale of perception is made, as a rule, by taking into account two or more criteria, showing the psychological distance between the products and the segments to which they are designated. For example, if we consider the attributes: accessibility of offer and quality-price ratio, the company will choose from the obtained variants the group of attributes which ensures the best position.

Other models used in positioning are based on the multiple regression model, which allow the research of linear relationship between a dependent variable, measured on a metric scale and two or more independent variables, measured on any type of scale (Catoiu et. all 2002: 535). Among the variables used for the positioning models are: the number of users, the business focus, the differentiation of consumers' attitudes, the direct sales ratio, the product life cycle, etc.

The communication of positioning refers to the transmission to the public of the features that the company deems appropriate by the most efficient means. The features that can be promoted (the identified differences towards the competing brands) must meet the following conditions:

- to give a real advantage to the potential buyers;

- not to be offered at all / at the same level by any other competing company on the market;

- to be easily communicated to buyers;

- to be difficult to copy by competitors;

- not to have a steep price;

- to generate profits for the company.

Achieving these conditions leads the company to avoid the risks associated with an incorrect positioning. The errors that may occur in positioning can cause an inefficient positioning, where there is assumed that all its attributes have been wrongly defined, an excessive positioning, in which only some of the company's activities are highlighted, and a confusing positioning, which determines the formation of a confused image among consumers.

The difficulty of choosing an effective positioning strategy, whose conceptual development and practice is quite slow, is motivated by the following (Trout, 1996: 13):

- The consumer has an opportunity of limited perception (at present, even in Romania, a supermarket offers over 10,000 different products or brands, way too much beyond the real perception power of consumers);

- The consumer detests the confusions (currently the coffee is marketed in the same types of packages of green colour with an inscriptional cup regardless of brand)

- The consumer fears the rapid changes (the conservatism is specific for categories of consumers who accumulate a certain experience in the use of products and services);

- The consumer resists to the changes (it is well known the reaction of consumers when the Coca-Cola company withdrew the traditional beverage from the market and replaced it with a new one in the '80s);

- The consumer defocuses faster, mainly because of an increasingly intense afflux of promotional information.

To satisfy its desires, preferences and the frequency of purchasing products, the consumer is closely related to the incomes level (Manole et al 2005: 166).

Although they seem surprising, these claims, being made by one of the inventors of the positioning term, are merely to emphasize the idea that the positioning strategy is not a simply fashionable concept but has become a fundamental element of the strategic marketing.

Another problem arising in the achievement of an effective positioning is the differentiation of strategies depending on the object of positioning. Thus, there are major differences in the positioning of a company, a country, a tourist destination, a product or service, a church or even of his own person (Ries, A., Trout, J. 2004: 16).

Research method

To write this paper I interviewed a sample of 100 respondents, from Craiova municipality, who drank wine with a frequency of at least once a week in the last three months, mainly drinking wine in bottles of 0.75 L (in at least 5 out of 10 cases) and who have an

important role in deciding what wine they want to drink (in at least 7 out of 10 cases). The study was conducted between 15 February and 20 March 2011. The sample selection was performed through the snowball method. The sample has no claim of representativeness, being used to test the reliability of questions and interpretations regarding the positioning of wines.

Results and discussions

The results of the study show that on the first place in terms of assisted recognition of vineyards are Cotnari and Murfatlar, both being mentioned by almost all the respondents (98.9% and respectively 97.8%). There are followed in descending order by the following vineyards: Jidvei (94.0%), Odobesti (87.8%), Panciu (83.0%), and Dealu Mare (78.2%). The assisted recognition of vineyards is shown in Figure 1.

Regarding the unassisted recognition of vineyards, the most consumers had spontaneously mentioned the Murfatlar and Cotnari vineyards (78.8% and respectively 62.5%). There are followed by Jidvei (48.6%), Odobesti (38.7%) vineyards and then Panciu (29.3%) and Dealu Mare (22.7%) vineyards.

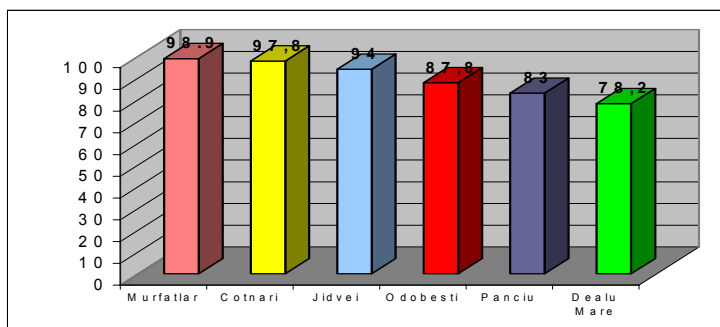


Figure. 1 The assisted recognition of vineyards

Regarding the recognition degree of the vineyards, Cotnari and Murfatlar were the vineyards mentioned firstly by

most of the respondents (30% and respectively 18.7%). There are followed by the Jidvei vineyard (17.8% of

consumers) and the Odobești vineyard (9.0% of consumers). The results are shown in Figure 2.

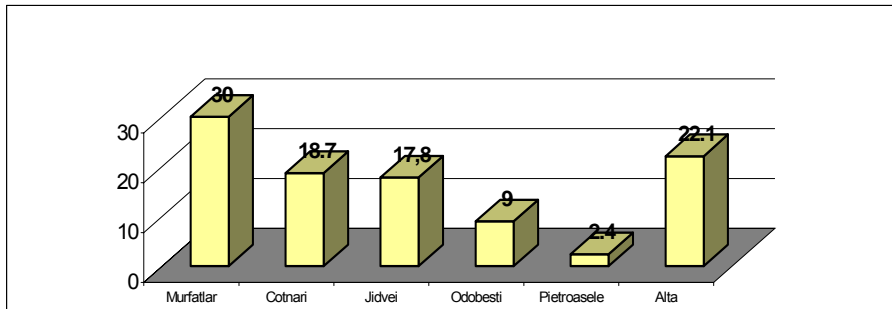


Figure 2. The recognition degree of the vineyard

In the last three months, the wines from the Murfatlar vineyard were the most consumed (70.8%). Approximately 45% of the consumers drank wine in the last three months from the Jidvei and Cotnari vineyards. Murfatlar and Cotnari were the

vineyards mentioned among the first by most of the respondents (30% and respectively 18.7%). There are followed by the Jidvei vineyard (17.8% of consumers) and the Odobești vineyard (9.0% of consumers) (Figure 3).

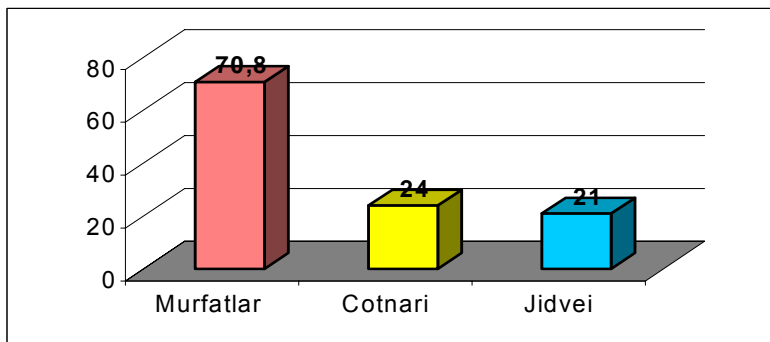


Figure 3. The wine consumption

The majority of the consumers (95.9%) consumed a wine from the Murfatlar vineyard at least once. In the second place concerning the vineyards from which a wine was consumed is the Cotnari vineyard (85%), while the third place is occupied by the Jidvei vineyards (78.4%). There are followed by the Odobești (59.9%), Dealu Mare (53.9%), Panciu (50.3%) and Pietroasa (49.0%) vineyards.

Comparing the Murfatlar vineyard to the Cotnari vineyard, Murfatlar is

perceived in a greater degree with a variety of wines, as a strong wine producer, especially of dry and red wines, as being a vineyard recommended by experts, with many collections of wines, with plenty of advertising, international awards and success abroad. On the other hand Cotnari is viewed in a greater extent as being a producer of sweet wines in particular.

In comparison to the Jidvei vineyard, Murfatlar is assessed rather

as being a producer of red and sweet wines, as having more advertising, while Jidvei is seen as a vineyard producing dry wines and a younger vineyard. The Murfatlar vineyard was assessed rather as a strong wine producer, particularly red, as a vineyard with advertisements and a young vineyard.

Conclusions

Our study aimed at observing the way of wines positioning on the Romanian market. The prestigious vineyards are well known and

appreciated by the Romanian consumers. The most well known brands are Murfatlar, Cotnari, Jidvei, Odobești. In terms of national and international recognition, Murfatlar is the most valued brand, and is also on the first place in the respondents assessments in terms of tradition and reputation of the vineyard. The practical implications of the study are those that enable the shaping of the competitive environment of Romanian wines to increase the competitiveness of this important sector of the Romanian agriculture.

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