

SEGMENTATION IS THE KEY TO A SUCCESSFUL MARKETING STRATEGY IN THE WINE INDUSTRY

Noémi Hajdú 

associate professor, University of Miskolc, Marketing and Tourism Institute
3515 Miskolc-Egyetemváros, e-mail: hajdu.noemi@uni-miskolc.hu

Abstract

This article is about market segmentation and its application, which has a great importance for wineries. Based on the research, three different segments could be derived from the data: female, male and age groups. The results show that the most common sources of information for wine tasting are Facebook, the Internet, and friends. Frequency of wine tasting and preferences for wine selection differed between segments.

Keywords: market segmentation, wine consumption habits, Florida

1. Introduction

Knowledge of the market, understanding of consumer habits and segmentation are extremely important factors for the success and competitiveness for wineries. Due to the dynamic and competitive nature of the wine industry, it is essential that wineries know consumer preferences and expectations, as well as market trends. This knowledge enables them to design their production and marketing strategy more effectively and to adapt their products more precisely to customers' needs and tastes.

The market environment is constantly changing, and new consumer habits and trends present wineries with new opportunities and challenges. Knowing the market allows you to respond to these changes in a timely manner and give you a competitive advantage over other market players. Research has shown that the appropriate information allows them to better match the characteristics of their wines to customers' needs and expectations, which can improve the competitiveness and popularity of their products (Kotler and Armstrong, 2017).

Knowledge of consumer habits is essential for product development and marketing strategy. Understanding consumer preferences and needs helps wineries determine exactly which wine varieties to offer in which packaging and which market segments are best targeted. Changing and diversifying consumer habits also mean wineries must constantly monitor market trends and customer needs to ensure their offerings meet ever-changing expectations. Following the consumer habits allows wineries to better understand their customers and better match their products to demand, thereby improving consumer satisfaction and loyalty (Bruwer – Li – Reid, (2002).

Haley's (1984) grouping is perhaps best known, where (1) geographic, (2) demographic, (3) behavioural, and (4) psychographic characteristics can be distinguished. The concept of segmentation assumes a particularly important role in the increasingly differentiated consumer society. Proper segmentation of the market improves the chance for wineries to reach potential customers in a more targeted and efficient way and to address them with personalised messages. In this way, they can

increase sales and build long-term customer relationships with the help of loyalty programs. The segmented marketing approach helps wineries reach customers with personalised communications and strengthen the relationship with their brand. With a well-designed segmentation strategy, wineries can effectively reduce marketing costs and increase conversion rates while better understanding the preferences of each market segment (Kerin et al., 2010). Because it requires more material and human resources, segmenting the market into homogeneous groups should be more expensive. However, because of its effectiveness, it lowers overall costs for the business, making it directly related to the controlling system of corporations (Riemarsma & Jansen, 2006).

In this article, I examine in detail the planned 2022 wine promotion of Szekszárd wines in Florida using a questionnaire survey. I show the importance of market knowledge, consumer habits and segmentation for wineries and how these factors affect the competitiveness and long-term success of wineries.

2. Primary research method and sample composition

The respondents of the sample are the participants of wine tasting. The demographic composition of the sample is shown in Table 1. In summary, 57% of the respondents were men and 43% were women. Men between the ages of 41 and 65 were overrepresented. Most of the women who participated in the wine tasting were in the 65+ age group.

Table 1
Demographic characteristics of the sample

	Female	Male	Total
18–25		12	12
26–40	42	7	49
41–65	28	147	175
above 65	51	4	55
N/A	6		6
Total	127	170	297

Source: Own editing

33% of the women in the sample are between 26–40 years old, 22% between 41–65 years old, 40% over 65 years old, while 5% did not report their age. Of the 170 women participating, 42 are between 26–40 years old, 51 are over 65 years old. 7% of the men in the sample are between 18–25 years old, 4% are between 26–40 years old, 87% are between 41–65 years old, and 2% are over 65 years old. Of the 170 men participating, 147 are in the 41–65 age group.

3. The results of primary research

3.1. Information search

136 (122 Facebook, 10 Twitter, 4 Instagram) from the respondents learned about the wine tasting through social media, while 103 learned about it through the Internet and 45 from friends. In addition, they also mentioned:

- the workplace,

- the restaurant,
- the spouse,
- the Hungarian meeting,
- the previous wine tasting,
- the CHATGPT,
- the website,
- and the neighbour.

Based on the above information, wineries have valuable and insightful data to optimise their market share and marketing strategy. The data shows the channels through which potential customers received the information about the particular winery and wine tasting. Such data helps allocate resources more efficiently and develop targeted marketing campaigns.

Most people learned about the wine tasting through social media platforms, especially Facebook, where a high number of 122 people were found. 103 people learned about the event via the Internet, which is also a significant number. Some people could also be reached via Instagram and Twitter. It can also be seen that recommendations from friends and acquaintances also had a great impact, as 45 people learned about the event directly from friends. This shows that word of mouth and personal recommendations can be the key to advertising a winery.

Both the workplace and the restaurant played an important role in increasing awareness, suggesting that employees and restaurants can also be actively involved in promoting wineries by working with them.

Previous wine tastings and meetings can also help you attract regular customers and build loyalty to the winery. It is also interesting to note that CHATGPT (an AI-based chatbot or assistance service) and the winery's website were also mentioned, suggesting that online presence and digital communication are also efficient to promote the winery and provide information.

Neighbours also played a role in providing information, which can be interesting because referrals and the impact of referrals in local communities can be important.

Based on the data above, wineries should pay particular attention to the presence of social media and recommendations from friends, as well as consider the use of online platforms and communities in terms of marketing and information dissemination. It is also advisable to strengthen relationships with restaurants, workplaces and local communities to gain additional referrals and expand your customer base.

The majority of women in the sample, 69 people, learned about the Szekszárd wine tasting through Facebook, 41 people through friends, and 19 people through the Internet. It is interesting to note that women's participation in the wine tasting seems to be based on trust, as they believe friends' recommendations to a much higher degree than men and are likely to attend the events together with friends. Based on the responses, a clear difference between the sexes can be seen.

Most men in the sample learned about Hungarian wine tastings on the Internet (84 people) and also on Facebook (59 people). It is interesting to note that 2 people found out about it through their spouse.

The 18–25 age group can clearly be reached through online platforms, as 8 of the 12 people learned about it on the Internet, 2 on Instagram, 1 on Facebook and 1 on CHATGPT.

The 26–40 age group also uses similar sources, as 20 people learned about it on the Internet and 11 on Facebook, but in 15 cases it is the recommendation of a friend.

Among participants aged 41–65, mention of online tools also dominates.

Among those over 65, online platforms are mentioned, as well as the recommendation of friends. Overall, it can be concluded that there are no major differences in terms of reach by age group and that a clear focus should be placed on online platforms.

3.2. Wine consumption habits

Getting to know the wine consumption habits is important because the habits and places of purchase of the target group can be researched. In the case of wine consumption habits, we explored the following questions:

- How often do you drink wine?
- On what occasions do you drink wine?
- What type of wine do you like?
- Have you ever participated in a wine tasting?
- Where do you buy wine most often?
- What factor influences you the most in a bar?

58% of respondents drink wine weekly, 22% daily, 14% once or twice a month, 5% rarely, and 1% never. Most women, 62%, drink wine weekly, 21% 1-2 times a month, 13% daily, 4% rarely and only on vacation. Similar patterns of consumption are observed among men in the sample, with one exception: more men consume wine daily than women. 55% of male respondents drink wine weekly, 29% daily, 9% once or twice a month, 5% rarely, only on vacations, and 2% never. In the 18–25 age group, most people (11 out of 12 people) drink wine every week. 38 people in the 26–40 age group drink wine weekly and 11 people drink wine once or twice a month. Of those aged 41–65, most, 79 people drink wine weekly, 64 people drink wine daily, 21 people drink wine once or twice a month, 8 people drink wine rarely or on vacation, and 3 people never drink wine. Most people over 65 drink wine weekly.

29% of respondents drink wine at home in the evening, 24% at gatherings with friends, 21% at events, 16% at wine tastings, and 10% on vacation. 34% of female respondents drink wine in the evening at home, 24% at meetings with friends, 16% at events, 18% at wine tastings, and 8% on vacation. 26% of male respondents drink wine at home in the evening, 24% at meetings with friends, 24% at events, 15% at wine tastings, and 11% on vacation. In the 18–25 age group, 5 drink wine at home in the evening, 3 at meetings with friends, 1 at events, and 3 at wine tastings. In the 26–40 age group, 24 drink wine at home in the evening, 14 at wine tastings, 9 at events, and 2 on vacation. In the 41–65 age group, an almost similar result was obtained between drinking wine at home (40 people), at gatherings with friends (45 people) and at events (43 people), while 26 people drink wine at wine tastings and 21 people drink wine on vacation. Most people over 65 drink wine at gatherings with friends (22 people), in the evening at home (16 people), at events (8 people), on vacation (7 people) and at wine tastings (5 people).

72% of respondents prefer dry wine, 22% prefer semi-dry wine and 6% prefer sweet wine. 78% of female respondents prefer dry wine, 12% prefer semi-dry wine, and 10% prefer sweet wine. 69% of male respondents prefer dry wine, 29% semi-dry and 2% sweet wine. 8 of 18–25-year-olds prefer dry wine and 4 semi-dry wine. In the age group 26–40 years, 27 prefer dry wine, 14 semi-dry and 8 sweet wine.

47% of respondents rarely attend wine tastings, only at events, for 35% it was the first time, while 18% attend regularly. 52% of female respondents rarely attend wine tastings, only at events, for 26% it was the first time, while 22% attend regularly. 42% of male respondents rarely attend wine tastings, only at events, for 43% it was the first time, while 15% attend regularly. Among the respondents aged

18-25, 7 participate regularly, 2 rarely, only at events, while for 1 respondent it was the first time. Among the respondents between 26 and 40 years old, the ratio is completely balanced, 16 have never participated in wine tasting, 16 regularly and 16 rarely. Of the respondents between 41 and 65 years old, 20 participate regularly, 76 rarely and 71 for the first time. Of those over 65, 6 participate regularly and 37 rarely, while 12 participate for the first time. In the 41-65 age group, 126 prefer a dry wine, 41 a semi-dry and 8 a sweet wine. In the 65-50 age group, 50 people prefer dry wine, 7 semi-dry and 1-person sweet wine.

In the following question we wanted to know where the respondents buy wine most often. The question was examined on a scale of 1 to 5, where 1 is not typical at all, while 5 is extremely typical. The numbers in the table below represent averages. We examined the following options for buying wine: supermarket, restaurant, wine shop, winery, online. Respondents are most likely to buy wine in supermarkets (3.92) and restaurants (3.42), followed by wine shops (2.92), online shopping (2.27), and wineries (1.52). For women and men, we can observe similar shopping habits in the preference ranking. Women prefer shopping in supermarkets at a slightly higher percentage than men. For both genders, restaurants are the second most preferred shopping option, although this variation is more typical for men. The wine shop has the same result for both genders, with an average score of 2.96, while the average score for shopping on the online platform and at the winery is slightly higher for men, but basically similar. Respondents aged 18-25 buy wine from supermarkets at a higher percentage (4.33) than average. Respondents aged 26-40 are more likely than average to buy wine in a wine shop (3.39). Respondents aged 41-65 have the same percentage as average buying wine in a supermarket (3.85), followed by a restaurant (3.51), a wine shop (2.87), an online platform (2.87), and a winery (1.58). The results for those over 65 were similar to the average. Most purchased wine from supermarkets (3.79), followed by restaurants (3.38), wine shops (2.72), online platforms (2.28), and wineries (1.52).

For the next question, we examined what factors influence respondents in a bar and collected the following data: Price, brand, recommendation, specialty, wine region, domestic/foreign wine. The values are also averages. Respondents rated the questions on a scale of 1-5, where 1 means they are not influenced at all, while 5 means they are completely influenced. Respondents are influenced by the factors examined in the bar in the following order: price (3.71) and brand (3.70) are the most important. This is followed by recommendations (3.38), wine specialties (3.33), wine regions (2.97), and whether the wine is domestic or foreign (2.81). Women are more influenced by a well-known wine brand than men, and the recommendation of the wine is also more important to them. Men are slightly more influenced by the price at the counter when choosing a wine than women. Among 18-25-year-olds, the two most important influencing factors are price (3.75) and recommendation (3.42), while the third factor is the origin of the wine – domestic/foreign (3.33). The age group between 26-40 years is more influenced by price (3.90) than the average. For this age group, the following influencing factors are also above the average, so for them the recommendation (3.53), the role of the wine region (3.27) and whether it is a domestic or foreign wine (3.00) are more important. It is interesting that the most important factor in choosing wine for the age group between 41 and 65 is that it is a real wine specialty. People over 65 are less influenced by the price, for them it is most important to consume a well-known brand (3.85) and to have a specialty (3.5).

Only 12% of wine tasting participants have visited Hungary. Only 7% of tasting participants know Hungarian wine regions, of which 14% named the Szekszárd wine region and 86% named the Tokajit wine region. 7% of the tasting participants knew Hungarian wines, of which 38% named Tokaji, 35% Optimus, 10% Rozé, 7% Bikavér, 4% Furmint and 3-3% Mádi and Szekszárd wines. 98% of the tasting

participants placed the wines from the Szekszárd wine region in the \$10–\$20 price category. According to the tasting participants, rosé, 32% white wine and 29% red wine are the most popular wines of the Szekszárd wine region.

4. Conclusion

Using the questionnaire, we determined the characteristics of the delineated segments by gender and age group based on demographic characteristics. The sample is not representative, so the results cannot be generalized, but only apply to the sample.

Characteristics of the female segment

- Information about wine tastings is most often obtained on Facebook and from friends.
- 62% of female respondents drink wine weekly, 13% daily.
- Most of the female respondents drink wine at home in the evening (34%).
- 78% of female respondents prefer dry wine.
- 52% of female respondents rarely attend wine tastings, only at events.
- Female respondents buy wine most often in a supermarket.
- Female respondents are most influenced by the well-known brand when choosing wine in a bar.

Characteristics of the male segment

- Information about wine tasting is most often obtained on the Internet and on Facebook.
- 55% of men surveyed drink wine weekly, 29% daily.
- Most of the men surveyed drink wine at home in the evening (26%), while a significant number drink wine at gatherings with friends (24%) and at events (24%).
- 69% of men surveyed prefer dry wine.
- 43% of men surveyed were at a wine tasting event for the first time, while 42% rarely attend events.
- The men surveyed buy wine most often in a supermarket.
- The men surveyed are most influenced by price when choosing wine in a bar.

Characteristics of the 18–25-year-old segment

- Obtaining information about wine tasting is most often done on the Internet.
- 11 out of 12 respondents (91.7%) drink wine weekly.
- 5 out of 12 respondents (41.7%) drink wine at home in the evening.
- 8 out of 12 respondents (66.7%) prefer dry wine.
- 7 out of 10 respondents (70%) regularly attend wine tastings.
- Respondents between 18- and 25-years old buy wine most often in supermarkets.
- Respondents between 18 and 25 years old are most influenced by the price when choosing a wine in a bar.

Characteristics of the 26–40-year-old segment

- Information about wine tastings is most often obtained on the Internet.
- 38 of the 49 respondents (77.6%) drink wine on a weekly basis.

- 24 of the 49 respondents (48.9%) drink wine at home in the evening.
- 27 of the 49 respondents (55.1%) prefer dry wine.
- Of the 48 respondents, 16 (33.3%) participated in wine tasting for the first time, 16 (33.3%) rarely, and 16 (33.3%) regularly.
- Respondents between the ages of 26 and 40 are the most likely to buy wine at the supermarket.
- Respondents aged between 26 and 40 are most influenced by the price when choosing a wine in a bar.

Characteristics of the 41–65-year-old segment

- Information about wine tastings is most often obtained on Facebook.
- Of the 175 respondents, 79 (45.1%) drink wine weekly, 64 times a day.
- Of the 175 respondents, 45 (25.7%) drink wine at gatherings with friends, 43 at events, and 40 at home in the evening.
- Of the 175 respondents, 126 (72%) prefer dry wine.
- Of the 167 respondents, 76 (45.5%) rarely participate in wine tastings, only at events, while 71 (42.5%) are the first.
- Respondents between the ages of 41 and 65 are the most likely to buy wine at the supermarket.
- Respondents between 41 and 65 years old are most influenced by the specialty when choosing a wine in a bar.

Characteristics of the over-65 segment

- Information about wine tastings is most often obtained on Facebook.
- 42 of the 58 respondents (72.4%) drink wine on a weekly basis.
- 22 of the 58 respondents (37.9%) drink wine at gatherings with friends.
- 50 of the 58 respondents (86.2%) prefer dry wine.
- 37 of the 55 respondents (67.3%) rarely attend wine tastings, only at events.
- Respondents over 65 years old buy wine most often in supermarkets.
- When choosing a wine in a bar, respondents over 65 are mostly influenced by a well-known brand.

More general comments

- 12% of the tasting participants have been to Hungary before.
- 7% of the tasting participants know wine regions (86% Tokaji, 14% Szekszárdi).
- 7% of the tasting participants know Hungarian wines (38% named Tokaji, 35% Optimus, 10% Rozé, 7% Bikavér, 4% Furmint wine, while 3-3% named Mádi and Szekszárd wines).
- 98% of the tasting participants placed the wines of the Szekszárd wine region in the \$10–\$20 price category.
- According to the tasting participants, rosé, 32% white wine and 29% red wine are the most popular wines of the Szekszárd wine region.

Overall, it can be concluded that it is worth considering the differences between the segments in future marketing communication campaigns and planning the content of individual promotions accordingly. From the data we can see that the female, male and age segments have different preferences and habits when it comes to wine tasting and wine selection.

Based on the characteristics of the female segment, Facebook and recommendations from friends play an important role in gathering information. Women tend to prefer dry wines and rarely participate in wine tastings. They buy wine in the supermarket and in a bar the brand influences the choice of wine.

For men, the Internet and Facebook are the most important sources of information. Men drink wine more often and consume it more often at home, with friends and at events. Dry wines are also popular with men, and although they are less likely to attend wine tastings, most have. Men who attend wine tastings also prefer supermarkets when buying wine, and in a bar, wine selection is usually determined by price.

The 18- to 25-year-olds like to use the Internet to get information and consume wine regularly. Home consumption and dry wine are most popular among young people. Young people participate more often in wine tastings and buy wine in supermarkets. Price is also a decisive factor for them when choosing wine in a bar.

The 26–40-year-olds also prefer to get information on the Internet. They drink wine weekly and enjoy it on various occasions, including evenings at home. Dry wine is also the most popular here. In this age group, attendance at wine tastings varies, and price is also a decisive factor when choosing a wine in a bar.

The age group between 41 and 65 is most likely to search for information on Facebook. Wine is consumed weekly and daily on a variety of occasions, including get-togethers with friends and events. Dry wine is also popular among this age group. Its regularity and price influence attendance at wine tastings and wine selection in a bar.

The over 65s mainly get their information on Facebook. They drink wine every week, mainly on social occasions. Dry wine is also a popular choice here. Attendance at wine tastings varies in this age group and the brand is a decisive factor for them when selecting wine in a bar.

Based on this data, wineries should consider the preferences and habits of each segment when planning marketing communications campaigns. Using this information, wineries can target the different customer groups more specifically and arouse their interest with personalized content. In this way, they can increase the popularity of wine tastings and boost sales in the respective segments. Promotions and offers tailored to individual needs can strengthen the relationship between the winery and its customers and contribute to loyalty. Such a segmented approach enables wineries to use their resources more efficiently and improve their long-term business results.

The article is about learning about important market segments for wineries, between which there are differences in information gathering, wine tasting habits, and wine selection preferences. The female segment learns about wine tastings mainly through Facebook and recommendations from friends, prefers dry wines, and rarely attends such events. Men prefer the Internet and Facebook and attend wine tastings more often, but price determines their wine selection. Age groups also differ in information gathering, frequency of wine tasting, and wine selection criteria. The article points out that thanks to the possibilities of segmentation, wineries can better reach and address different groups of customers, which can increase the popularity of wine tastings and sales.

5. Summary

Wine culture as a millennial tradition is becoming more and more attractive in the modern world. However, competition for wineries is becoming increasingly fierce as consumer preferences and habits change and more new products and brands enter the market. To maintain and improve competitiveness

in this dynamic environment, a customer-centric approach is essential. A key element in this is market segmentation, which helps wineries reach different customer groups more efficiently and in a more targeted way.

By understanding and applying market segmentation, wineries can determine which platforms are being used to obtain information about wine tasters for different segments. Depending on age, gender and other demographic factors, customer behavior, preferences and expectations may differ. For example, the female segment obtains information through social media and recommendations from friends, while men prefer the Internet. There are also significant differences between age groups in terms of the frequency of wine tasting and the popularity of individual types of wine.

The research presented in this article looks at the characteristics of women, men and different age groups, based on which wineries can develop unique marketing strategies. For the female segment, for example, it is worth emphasizing the importance of social media and recommendations from friends, while for men, Internet presence and the influence of pricing can be crucial. Marketing communication campaigns tailored to individual needs can help increase the popularity of wine tastings and strengthen customer loyalty.

Market research and segmentation not only play an important role in developing unique marketing strategies, but also allow wineries to better understand consumer preferences and expectations. With this knowledge, wineries can effectively design their products and services and make wine tastings even more attractive to customers. Combining a customer-centric approach with segmented marketing strategies offers wineries the opportunity to gain an advantage in the marketplace, retain existing customers, and attract new customers to increase sales.

The research presented in this article and the importance of customer-focused segmentation show that it is essential for wineries to constantly monitor market trends and consumer habits. This is the only way they can keep pace with the ever-changing market environment and ensure future business success in the highly competitive wine industry.

Literature

- [1] Bruwer, J., Li, E., Reid, M. (2002). Segmentation of the Australian wine market using a wine-related lifestyle approach. *Journal of Wine Research*, 13 (1), 35–48. <https://doi.org/10.1080/0957126022000046510>
- [2] Haley, R. I. (1984). Benefit Segments: Backwards and Forwards. *Journal of Advertising Research*, 24 (1), 19–25.
- [3] Kerin, R., Hartley, S., Rudelius, W. (2010). *Marketing*. McGraw-Hill Education,
- [4] Kotler, P., Armstrong, G. (2017). *Principles of marketing*. Pearson,
- [5] Riemersma, F., Jansen, R. (2006). MRM: More for less in marketing. *Journal of Database Marketing & Customer Strategy Management*, Jan. 2006, 13 (2), 122–125. <https://doi.org/10.1057/palgrave.dbm.3240287>