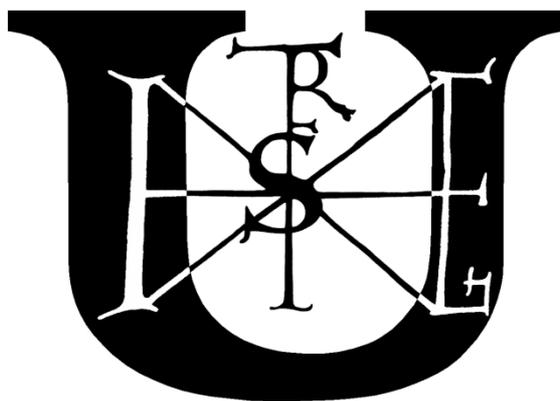


Szent István University, Gödöllő
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MARKETING TOOLS IN THE POSITIONING OF TOKAJ WINES

Theses of PhD Dissertation

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1. INTRODUCTION

1.1. Introduction, Actuality of Topic

Grape and wine was and still proved to be an important factor of human existence. Beyond the economic benefits and roles, its endurance within universal humane cultures cannot be put aside

Hungary is considered to be a country with affluent tradition in grape and wine culture. The various microclimates allow diverse wine production possibilities as a result of the outstanding climate conditions.

Several researches conclude that Hungarian products are often accompanied with cheap second-rate quality, and poor packaging image. Unfortunately, Hungarian wines are also included in this idea.

The main task of wine marketing is to alter this image and to improve the reputation of Hungarian wine. Producers have to prove that Hungarian wines' prices are in balance with their excellent qualities and values.

According to my several years of experience at a Tokaj winery the sales activity of Tokaji wines at a reasonable price-value rate is pretty difficult both at domestic and export markets due to the inaccurate positioning of Tokaji wines.

Communicational tools are inadequate, the tool of disposing channels are not apparent, et cetera. Despite the well-known market difficulties, the conscious tool of complete marketing tools could be hardly observed. Throughout my practical experience I came to the conclusion that the main reasons of the problem above could be traced back to the lack of required practical experience and knowledge. The recognition of deficiencies in this field is further impeded by wine producers' incomplete innovative aspects and professional atmosphere is unable to provide proper assistance as well. The incomplete usage of marketing tools is often caused by the lack of financial resources.

In my thesis I inquired the global and the Hungarian wine production and evaluated the market of Tokaji wines from a marketing aspect. The Hungarian wine market and the situation of Hungarian wines have been constantly analyzed by several experts for a long time. I briefly summarize the results of the most important researches that I am about to join by handling these figures as a starting point.

Throughout my work I am explaining the first step that winemakers should towards marketing exercises and the integral tool of marketing tools should be the more substantial recognition of market demands. According to moderate sales figures one can come to the conclusion that the opinion of producers and consumers regarding Tokaji wine image more or less differs. At this point we can experience a gap.

1.2. Objectives and Expected Results

My objective is to investigate the marketing mix elements and marketing tools applied by wine producers in positioning Tokaji wines. I am about to prove that producers can reach great improvement in the course of sales of the market with the extension and deliberate tool of the toolbar.

Main objective: To subordinate the segmentation of the tokaji wine market to raise efficiency of Tokaji wine marketing. The main objective of current researches was wine market segmentation. I found important to move forward through the method, thus segmentation does not remain the only aim. Guiding did not happen in the aspects of market and marketing exercises which are expected to happen by market characters based on earlier researches. These should indicate towards market activities that can be and should be done.

I am about to unify the relation between revealed gaps and standardized clusters in a strategic communication system. I would like to create a pattern system, an tool system, and a model that can be applied as a theoretical benchmark so as to reduce the current gap by wine producers and considering their own situation as starting point. To achieve this, I am conducting an analyzing situational awareness which elements are included in the sub-objectives below.

Table 1: Objectives of my research

| | |
|-----------|--|
| C1 | The analysis of Tokaj wine region and of Tokaj wines in a marketing aspect. |
| C2 | Fulfilng the segmentation of Tokai wine market. |
| C3 | To become familiar with the imaginations of producers and consumers about Tokaj winery. To reveal GAPS. |
| C4 | To elaborate the model of a communication strategic device system based on GAP results that can be adapted through market activity. |
| C5 | To consider the meaning of Tokaji brand in the aspect of customers. |
| C6 | To define the development possibilities of the promotional toolbar. |

Source: Own compilation (2010)

1.3. Hypotheses

To substantiate hypotheses, I have collected and processed the national published bibliography, the publications regarding wine, wine market and the Tokaj wine market.

H1: The aim of previous wine market researches was only segmentation without providing any guidelines, systems, tool kit sin terms of marketing for which the market actors are waiting for.

H2. Most producers are using product based market segmentation, neglecting and inappropriately using consumer behavior segmentation.

H3. There is a wide gap between the notions of the consumers and that of the producers with regards to the Tokaj market. (e.g.: the frequency of consumption of Tokaj wines and the price levels, etc)

H4. Next to the identified gaps and the wine market clusters marketing methods and tools can be assigned which when integrated decrease the gap.

H5. In reality the name Tokaj does not possess any stable background or identifiable elements that would be clear for all stakeholders.

H6. With regards to the Tokaj wines, the role of word-of-mouth communication is the greatest, since Tokaj wine makers do not use ATL communication channels.

2. METHODS OF MY RESARCH

As a starting point I composed the objectives, hypotheses and the methods of my research based on secondary research and bibliography elaboration. (Table 2)

Table 2: Objectives of my research, hypotheses and research

| AIM | HIPOTHESIS | TOPIC | RESEARCH METHOD |
|-----|--|-------------------------------------|--|
| C1 | H1. The aim of previous wine market researches was only segmentation without providing any guidelines, systems, tool kit sin terms of marketing for which the market actors are waiting for. | Market segmentation | PK2 - Producer questionnaire survey Descriptive analysis |
| C2 | H2. Most producers are using product based market segmentation, neglecting and inappropriately using consumer behavior segmentation. | Market segmentation | PK2 - Producer questionnaire survey Descriptive analysis |
| C3 | H3. There is a wide gap between the notions of the consumers and that of the producers with regards to the Tokaj market. (e.g.: the frequency of consumption of Tokaj wines and the price levels, etc) | GAP analysis | PK1 + PK2 –Residential standard questionnaire survey. Producer questionnaire survey . Descriptive analysis. |
| C4 | H4: Next to the identified gaps and the wine market clusters marketing methods and tools can be assigned which when integrated decrease the gap. | Communication al tool system | Heuristic. |
| C5 | H5. In reality the name Tokaj does not possess any stable background or identifiable elements that would be clear for all stakeholders. | Indicator of origin brand awareness | PK1 + PK2 – Residential standard questionnaire survey. Producer questionnaire survey . Descriptive analysis. |
| C6 | H6. With regards to the Tokaj wines, the role of word-of-mouth communication is the greatest, since Tokaj wine makers do not use ATL communication channels. | Communication | PK1 + PK2 – Residential standard questionnaire survey. Producer questionnaire survey . Descriptive analysis. |

SR: secondary research, PR: primary research

Reference: self-structure (2010)

Table 3: The summary of Methodological characteristics applied in questionnaire surveys

| Aspects | consumer research | Producer research |
|-------------------------------------|--|---|
| Methods of collecting materials | 70% personal questionnaire 30% online polling | 100% personal questionnaire |
| Objective of research | The revelation of Tokaj wine market, analysis of opinion divergence between the two parties. | |
| Periods of researches | 2009 | 2009 |
| Scenes of researches | Match shops in Bp, Cora shops, internet | At wineries |
| Group of interviewed people | Wine purchaser group over 18 év feletti borvásárló korosztály | Experts of wineries producing tokaj wine a tokaji bort készítő borászatok szakemberei |
| Type of selection | occasional | arbitrary |
| Number of questions | 17 + 5 | 14 |
| Number of assessable questionnaires | 472 pieces | 22 pieces |
| Tool of assessment | MS Excel and SPSS softwares | MS Excel and SPSS softwares |
| Average inquiry length | 10 minutes | 25 minutes |

Reference: self-structure (2010)

Throughout my consumer research I applied the occasional sample techniques, where anybody could get into the sample. I started the questionnaire with a filter question (Do you consume wine?) while the first actual question of the questionnaire was followed by a “Yes” reply given to the filter question. By doing this, I managed to filter the people who never consume wine, and they probably could not be driven to become consumers, or only by doing great efforts. Among previously discussed wine market researches only one research (the FVM SZRBKI) defined one abstinent wine market segment.

Following the filter question the size of sample was 472 people.

Throughout the questionnaire I applied closed, opened and decidable question types. In several cases I asked for classification, and consumers had to evaluate certain statements at a 1-5 scale.

Parameters of interviews conducted with producers

I looked for Tokaj wine producers (22 producers, wineries) in form of a personal interview, which was preceded by an arbitrary selection. Thus, third of market producers was included in the sample. Considering the basic factors of being included in the sample, the multitude could be reckoned homogenous, since they operate within the same wine region and their technological freedom is pretty restricted. Throughout the questionnaire I applied closed, opened and decidable question types. In several cases I asked for classification, and consumers had to evaluate certain statements at a 1-5 scale.

I endeavored to compare the opinions of the two target groups involved in the research in order not just to reveal the real situation regarding Tokaj but to provide a new approach towards marketing issues. The question also rose whether the figures of the two databases could be compared and the figures of these could be well-analyzed to the pattern of service gaps well-known in marketing analyses.

I followed three main steps throughout the tool of analyzing methods

1. I revealed possible gaps with heuristic approach based on the principle, with assistance of the two analyzed patterns.
2. I filtered the revealed formally appearing gaps with mathematical statistical methods.
3. I evaluated the remaining gaps in economic and management aspects.

3. RESULTS

3.1. Results of Consumer Survey

I compared the demographic figures of my consumer survey with the figures of KSH in the fourth chart. The size of pattern and the objective of research induced methodological differences. Consequently, direct comparison would show irrelevant results in the aspect of the objectives of the survey. The dissolution of those in active ages to groups is important from the aspects of marketing research and activity.

Table 4: Summary Table of the Demographic Characteristics of Consumer Model

| Criteria | Figures of my sample | KSH figures | Representation |
|-------------------|--|--|---|
| Sex ratio | Man: 52% Woman: 48% | Man: 47 % Woman: 53 % | Nearly the same |
| Age composition | Age between 18-30 years: 22% Age between 31-45 years: 48% Age between 46-60 years: 17% Over 60 years: 13% | 0-14 years: 15 % 15-65 years: 69 % Over 65 years: 16 % | Incomparable |
| Highest Education | Elementary education: 1% Secondary Education : 34% Higher Education: 65% | Alapfokú: 29 % Középfokú: 54 % Felsőfokú: 17 % | Notably underrepresented Notably overrepresented |
| Profession | Student: 3% Employee: 70% Entrepreneur: 10% Pensioner: 3% | Student: 11% Employee : 42% Entrepreneur: 6% Pensioner: 25% | Notably underrepr. Notably overrepr. Slightly overrepr. Notably underrepr. |

Source: Own research (2009) and KSH (2009)

Table 5.: Summary of interviewed producers

| Production area | < 10 ha | 10 – 20 ha | 20 – 50 ha | 50 – 100 ha | 100 < |
|-------------------|---------|------------|------------|-------------|-------|
| Wineries (pieces) | 6 | 6 | 6 | 2 | 2 |

| Ownership | Hungarian | Foreign | Mixed with with Hungarian majority | Mixed with Foreign majority |
|-------------------|-----------|---------|------------------------------------|-----------------------------|
| Wineries (pieces) | 14 | 4 | 4 | 2 |

Source: own research (2009)

Throughout the producer questionnaire I applied arbitrary sampling. Taking the basic factors of being involved in the sample into consideration the multitude could be reckoned homogenous, since they operate within the same wine region and their technological freedom is pretty restricted. (Table 5)

Consumer Clusters of the Tokaji Wine

As I previously introduced, several scientists endeavored the segmentation of the Hungarian wine and of the Tokaj wine market.

Based on the figures of the consumer questionnaire I defined the Tokay wine consumer layers in a two-step cluster analysis. The objective of cluster analysis is to organize the observance units into a relatively homogenous group. The method enables the combination of nominal and metrical criteria and is also able to make suggestions to the ideal number of clusters. Two clusters cannot define the market sophisticated enough.

Clusters were created upon the behavioral and socio-demographic factors of the survey. We might recognize the presence of classic consumer groups in it. Similarly to the general food-consumption model, I defined the four classical behavior types in the market of Tokaj wine consumers.

Having analyzed previous researches and judging from my own collected data I have concluded that the general food consumer behavior and that of the general wine consuming segments are very similar to those identified by myself for the Tokaj wine consumers. It can therefore be said that the characteristics of the basic types of general food consuming behavior are present within a narrower context. This altogether can underline the research methods I have used and can serve proof to my results.

As a result of my research the defined wine consumer clusters are shown in the sixth table.

Table 6. Consumer clusters of Tokaj wine based on my own research

| | Hungarian yuppie | Endeavored follower | Sophisticated lover of life | Price sensitive average consumer |
|---|---|--|---|--|
| Size | 21% of sample. | 20% - of sample. | 30% of sample. | 29% of sample. |
| Demography | People mostly between 18-45 years. Balanced gender rate. Rather higher educated, mostly employees. | Mostly men of mixed age groups. 2\3 parts with higher education. Employees and pensioners as well. | People mostly between 18-45 years. Balanced gender rate. Rather employees. 30% more women, than men. | Same gender rate. 2\3 parts of them are above 46 years old. 2\3 parts of them are employees with secondary education |
| Consumer Habits | They drink wine and tokaji on the most infrequent basis. Never drinks wine in pub. Purchasing between 1000-3000 Ft. | Purchasing between 1000-3000 Ft. Drinks Tokaji monthly, but other types of wines "last week". They mostly drink at clubs and party places. | The most frequent purchasers and consumers of Tokaji wine. Last time drank wine "last week" | Last time drank wine "last week", but they are the least frequent consumers of Tokaji. Spends the least on wine. |
| Wine preference | Mostly bottled wines. | Mostly bottled wines. | Only bottled wines. | Usually bottled wines, but here are the most retailed wine purchasers as well. |
| Occasion of Tokaj wine consumption | At celebrations, feasts, parties at home with guests. Scarcely for meals. | Mostly they drink at parties and feasts and at home meals for pleasure. | At home with guests, at feasts, at home for pleasure. | At feasts, celebrations, at home with guests. the denoted the first two the most often. |
| Place of purchasing Tokaj wine | Daily purchasing place of Hiper-Supermarket | Daily purchasing place of Hiper-Supermarket et. | They mostly buy in specialist shops , from agriculturists. hipermarket. Most rarely in supermarket. | Supermarket, the place of daily buying. Never in a small discont stores, or winebars. Scarcely in special shops, or from producer. Almost never attends wine programmes. |
| Aim of buying Tokaj wine | For feasts, parties own consumption, offering for guests.. | Own consumption, for parties, feasts and offering for guests. | Own consumption, for parties feasts and offering for guests. Mostly they buy in return or to a collection. | For feasts, parties own consumption, offering for guests. Never buy for collections scarcely to other family member. Mostly as a gift to foreigners, the least for pleasure. |
| Most influential factor in purchasing Tokaj wine | Price. Friend recommendation | Producer. Vintage. | Friend recommendation. Producer. Price. They found friend recommendation. The most important among clusters are friend recommendation, recommendation of scholarly journals, the wine competition result and label.. | They consider price and auctions the most important factors. Disinterested in vintage, wine competiion or recommendation of scholarly journals. Számukra a legfontosabb az ár és az akció. Nem érdekli az évjárat, borverseny, vagy folyóirat ajánlása. |
| Attitude towards wine | Tokaji is not part of every day, but there is no need for wine for enchanted moments as well. They least need wine for parties. | Wine drinking is a ceremony. Tokaji is the queen of alcoholic drinks. Wine has a significant role in enchanted moments. | They can find their way around wines They are interested in winery-related information. They are aware of the types of wines and wine regions within Hungary. They know what wine suits what occasion the best. They mostly go on wine tastings, to producers' cellars and to wine trips. | They are accustomed to regular tastes. They cannot find their way around wines. They are interested in winery-related information. They are not aware of the types of wines and wine regions within Hungary. They least think that drinking Tokaji might require ceremony. |

Reference: self-structure (2010)

Defined Gaps and Assigned Communicational Tools Defined Through my Research

The relationship between the GAPS identified during the research and the typed clusters was brought together in a strategic communication tool system model. The reason for this was to adapt the influencing methods of the general consuming behavior to that of the Tokaj wine marketing.

I defined the direction of opinion divergence (gap) between consumers and producers, then I assigned the possible target group of a marketing activity from the four clusters. To do so, I assigned method and tool to this. During the promotion I took the restricted professional market interpretation as starting point.

Producers' market efficiency could be improved by the adjustment to consumer demands to the greatest extent and to reduce the divergence between consumers' expectations and producers' imaginations.

The criteria, methods and the tools serving them in the data tables form a so-called base system that can be used in practice by the Tokaj wine makers as a theoretical benchmark. Individual producers can compare their own situation to the results of the research.

My objective was to show producers a pattern to assess their own market situation.

The tools have to be used in different weighting methods, according to the customized differentiation of wineries. The latter is actually the differentiation of marketing tools based on the created target groups through customer segmentation, taking the evolving point of the gap into consideration. These are not static gaps. I revealed these in snap form, but it requires constant control year by year since opinion divergence can be either enlarged or constricted.

Producers might conduct this survey on their own or also with the assistance of a marketing expert, but market and product knowledge require their personal participation by all means. Methods and tools do not only have to be adjusted to the objectives but to the disposable funds which is currently one of the most important restriction of efficient marketing activity on the wine market.

Consensus of views could be noticed at certain fields (Table 7.)

Table 7. Fields of consensus of views relevant objectives, methods and tools

| The space of GAP | Primary target market | Secondary target market | Aim | Method | Tool |
|---|----------------------------------|----------------------------------|---|--|--|
| Sum spent on wine relatively low | Hungarian Yuppie | endeavored follower | Stimulating consumers to surplus spending | Promotion, sales promotion | POS: Coupon collection for extra bottles. POS tastings. Packaging: 3+1 offers. |
| The Tokaj brand and wine knowledge is very low. | endeavored follower | Hungarian Yuppie | To improve the situation of wine culture and the reputation of wines. | Promotion, sales promotion | Push or pull tools. e.g.: TV adverts. Teaching the member of the sales channel. |
| Consumption: at home with guests. | endeavored follower | Hungarian Yuppie | Encourage the consumption at home. | Promotion, sales promotion, advertisement. | POS tastings. Packaging: 3+1 offers. Leaflets. |
| Consumption: at party place. | Hungarian Yuppie | endeavored follower | Create the culture of wine consumption at party places. | Promotion, sales promotion | POS tastings. Table recommendation. Glasses, cork-screw, drop-stop Testing new packages and utilization types. Forcing the first tasting of Tokaj wine. |
| Consumption: in pubs. | - | - | It is not target market. | - | - |
| Purchase aim: offering for guests. | Sophisticated lover of life | endeavored follower | Encourage or at least the position. | Promotion, sales promotion | TV adverts. Raising awareness of deepening the traditional role of wine. |
| Purchase aim: to companionships, parties | Sophisticated lover of life | Hungarian Yuppie | Encourage or at least the position. | Promotion, sales promotion. It partly needs collective marketing activity. | TV adverts. Raising awareness of deepening the traditional role of wine. POS: glasses, cork-screw, drop-stop, and other giHUFs in one package with the wine. Gift packaging. |
| Purchase aim: for in return services | Sophisticated lover of life | Price sensitive average consumer | Encourage or at least the position. | It partly needs collective marketing activity. | Gift packaging. TV adverts. Raising awareness of deepening the traditional role of wine. Printed information materials. |
| Purchase place: in special wine shops. | Sophisticated lover of life | endeavored follower | Needs encouragement. | Push sales promotion. | POP tools. Merchandising leaflet. Printed information materials Tasting samples. |
| Purchase place: directly from the producer | Sophisticated lover of life | Price sensitive average consumer | Needs encouragement. | It partly needs collective marketing activity. Enforcing the elements of 3P. | TV adverts. Wine presentations of more producers. Developing frontline management. Organizing smooth samples. Perfecting the sample place's physical conditions. |
| Purchase place: in wine bars. | Price sensitive average consumer | - | Needs to encourage the low consumption. | Promotion, sales promotion | POS tastings. Forcing the first tasting of Tokaj wine. Table recommendation, wine list POS: glasses, cork-screw, and drop-stop. |
| Purchase place: supermarket. | Sophisticated lover of life | Hungarian Yuppie | Needs encouragement. | Promotion, sales promotion, price actions. | Thematic outplacement. POS tastings. Extra gift for consumer beyond certain value limit. |
| Importance of price | Price sensitive average consumer | endeavored follower | Reducing consumer price sensitivity | Transmission of values | Uniqueness emphasizing commercials. Exclusive packaging. |
| Importance of friends' suggestions. | Sophisticated lover of life | Hungarian Yuppie | To strengthen positive remarks with mouth advertising. | Transmission of values | Personal tasting. Developing frontline management. |

Reference: self-structure (2011)

Throughout the heuristic approach below or above positioning could be stated. (8. and 9. tables).

Table 8: Fields of above positioning and relevant objectives, methods, and tools

| The space of GAP | Primary target market | Secondary target market | Aim | Method | Tool |
|--|----------------------------------|----------------------------------|---|---|---|
| Consumption: at celebrations. | endeavored follower | Price sensitive average consumer | Encourage wine consumption at celebrations. | Promotion, sales promotion | POS: glasses, cork-screw, drop-stop, and other giHUFs in one package with the wine. Gift packaging. |
| Consumption: in HORECA segment | Sophisticated lover of life | Hungarian Yuppie | Create the culture of Tokaj wine consumption in HORECA segment. | Promotion, sales promotion. Forcing the first tasting of Tokaj wine. | POS tastings. Food and wine comparisons. Table recommendation, wine list. Glasses, cork-screw, drop-stop. |
| Consumption: on wine tours (low, but there is strong potential) | Hungarian Yuppie | endeavored follower | Needs to encourage the low consumption. | Enforcing the elements of 3P. | Developing wine routs. Developing frontline management. Developing familiar program opportunities. |
| Consumption: at tasting events. (low, but there is strong potential) | Sophisticated lover of life | Hungarian Yuppie | Needs to encourage the low consumption. | Enforcing the elements of 3P. | Organizing smooth samples. Perfecting the sample place's physical conditions. Leaflets demonstrating wine-food relationships. |
| Consumption: in the winery. (low, but there is a strong potential)) | Hungarian Yuppie | endeavored follower | Needs to encourage the low consumption. | Enforcing the elements of 3P. | Perfecting the sample place's physical conditions. Creating programs for children, accommodation. Developing frontline management. Organizing smooth samples. |
| Purchase aim: as present for abroad. | Hungarian Yuppie | Sophisticated lover of life | There is a strong potential, must be strengthened. | Promotion, sales promotion It partly needs collective marketing activity. | POS: glasses, cork-screw, drop-stop, and other giHUFs in one package with the wine. Gift packaging. TV adverts. Raising awareness of deepening the traditional role of wine. Printed information materials. |
| Purchase aim: for collection | Sophisticated lover of life | Hungarian Yuppie | There is a strong potential, must be strengthened. | It partly needs collective marketing activity. | Gift packaging. TV adverts. Raising awareness of deepening the traditional role of wine. Printed information materials. Magazine adverts. Exclusive wine auctions. |
| Purchase place: hypermarket. | Sophisticated lover of life | endeavored follower | Needs to encourage. | Price discounts. Pull sales promotion. | Thematic outplacement. POS tastings. Extra gift for consumer beyond certain value limit. |
| Purchase place: discount shops. | Price sensitive average consumer | endeavored follower | Needs to encourage. | Price discounts. Pull sales promotion. | POS: POS tastings. Packaging: 3+1 offers. Price operations. |
| Importance of the winemaker. | Sophisticated lover of life | endeavored follower | Convincing consumers about the person of producer means quality guarantee. | Personal communication. Promotion. | Personal tastings. Developing frontline management. |
| Importance of the design of product. | Hungarian Yuppie | endeavored follower | Despite overvaluation, decreasing the beauty of design is not an objective. | Developing the tools of visual communication. | Continuous product design, label design, image development. |
| Importance of suggestions of wine magazines. | Sophisticated lover of life | endeavored follower | Needs to concentrate the costs. | The rational choice between scholarly journals and wine tests. | |
| Importance of indication of awards from wine competitions. | Sophisticated lover of life | endeavored follower | Needs to concentrate the costs. | The rational choice between wine competitions. Elaborating the hierarchy and the structure of wine competitions is a collective task. | |
| Importance of price promotion. | Price sensitive average consumer | endeavored follower | Insider goal. Needs to reduce the costs. | More deliberate organization of auctions through proper channels. | Organizing conscious price auctions based on the research of market and competitors. |

Reference: self-structure (2011)

Table 9: The areas of low positioning, the aims, methods and tools

| The space of GAP | Primary target market | Secondary target market | Aim | Method | Tool |
|---|----------------------------------|----------------------------------|---|--|--|
| Previous time when consuming Tokaj wine | endeavored follower | Hungarian Yuppie | Make the consumption of Tokaj wines more frequent | Promotion, sales, incentives | Price operations POS: limited time-span coupons |
| Consumption: home dining | Sophisticated lover of life | endeavored follower | Encourage wine consumption during meals | Promotion, sales, incentives | TV adverts. POS tastings. Leaflets demonstrating wine-food relationships, recipe books. |
| Consumption: home passion | Hungarian Yuppie | endeavored follower | Encourage home consumption | Promotion, sales, incentives | POS: TV adverts. POS tastings. Leaflets. Packaging: 3+1 offers. Coupon collection for extra bottles. |
| Consumption: as a guest | endeavored follower | Hungarian Yuppie | Encourage the fact that serving Tokaj wine to guests is trendy. | Promotion, sales, incentives | TV adverts. POS tastings. Leaflets demonstrating wine-food relationships, recipe books. |
| Purchase aim: self consumption | endeavored follower | Price sensitive average consumer | There is a strong potential, must be strengthened. | Promotion, sales, incentives | POS: POS tastings. Packaging: 3+1 offers. Price operations |
| Purchase aim: to family member | endeavored follower | Price sensitive average consumer | There is a strong potential, must be strengthened. | Promotion, sales, incentives | POS: POS tastings. Packaging: 3+1 offers. Price operations |
| Purchase place: during regular shopping | Price sensitive average consumer | Hungarian Yuppie | Must pay more attention to this channel | Actions: Pull sales, incentives | Packaging: 3+1 offers. Price operations. Printed media articles |
| Importance of vintage | Sophisticated lover of life | Hungarian Yuppie | Outline the outstanding and excellent vintages | Communication | Merchandising. Printed information materials |
| The information base of the label | endeavored follower | Sophisticated lover of life | Insider goal, highlight the important information | Information collection and graphical changes | Continuous product design, label design, image development. |

Reference: self-structure (2011)

The Mathematical Justification of GAP Definition

In the 7. - 9. tables the comparison happened heuristically. I will also justify the opinion divergence between producers and consumers and the created gaps by mathematical-statistical methods.

From the analysis of variance's result board with the exceptions of "friends' suggestion" and "wine competition result" the difference is apparent. The identification of divergence of opinions between producers and consumers is also practically important. Producers can create their marketing plans and objectives based on this including the methods and tools.

In the 10th table I assess the operative tasks at the diverging opinions which were also mathematically justified.

The difference between the value of absolute GAP and quality distance determined the extent of correction. The time rate of correction and the resources' need were weighed upon my personal market experience.

Table 10: GAPS identified by mathematical methods

| The space of negative GAP | absolute GAP value | valuable distance | difference | value of correction | time of correction | resource needs |
|---|--------------------|-------------------|------------|---------------------|--------------------|----------------|
| The importance of the producer | 23 | 23 | 0 | + | ++ | + |
| The importance of the vintage | 42 | 42 | 0 | + | ++ | + |
| The importance of the price | 46 | 29 | 17 | + | +++ | ++ |
| The importance of product design | 41 | 17 | 14 | + | + | ++ |
| The importance of the professional journal's recommendation | 69 | 66 | 3 | + | + | + |
| The information base of the label | 51 | 7 | 44 | ++ | + | + |
| The importance of the action | 41 | 41 | 0 | + | + | + |

Reference: self-structure (2011)

Under correction, I mean the tasks of producers so as to reach better market position. I assess this from three different aspects.

Extent of correction: Extent of correction: +, if the difference is between 1 and 22.
 ++, if the difference is between 23 and 44.
 +++, if the difference is between 45 and 66.

Time needed for correction: +, if it is within a year, thus urgent.
 ++, if it is within 1-3 years, thus could be quickly resolved.
 +++, if it is within 3-5 years, thus according to subsequent time rating.

Resources needed: +, if it is within 0-1 million Ft.
 ++, if it is within 1-3 million Ft.
 +++, if it is within 3-7 million Ft.

Wineries have to define the redundancy of the given gap area, and how to resolve correction in a given time interval. The disposable resources demand is of course closely related to this, which is against the disposable amount of resource.

3.2. New and Innovative Scientific Results of my Thesis

My thesis was built upon the analysis and assessment of national and international biographies available. Beyond this, my thesis includes two primer researches and the results created by my own or with my assistance. As a result of primer surveys I am about to introduce the following new or innovative scientific results:

T1: I defined customer clusters with regard to the Tokaj wine market

I defined Tokaj wine consumer clusters based on the figures of the consumer questionnaire by applying two-step cluster analysis. The program's suggestion was to use only two clusters, but as a consequence of previous results I did not find this professionally appropriate. Two clusters could not define the market sophisticatedly enough. Clusters are built upon the social-demographical factors of the survey. We can discover the appearance of classical consumer behavior groups within the latter.

Similarly to the general food consumption-model I defined the 4 typical consumer behaviors on the market of Tokaji wine consumers. The **“Hungarian Yuppie”**, the **“Endeavored Follower”**, **“The Sophisticated Lover of Life”** and the **“Price Sensitive Customer”**. As a result of the research I came to the conclusion that the characteristics segments of general food consumption and wine consumer behavior usually comply with my types of Tokaj wine consumers. Consequently, the characteristics of consumer behavior's basic types consistently appear at restricted levels as well. This also confirms the accuracy of my methods and might justify my results.

T2: I provide Methodological base to he quantified qualification of gaps

Throughout the survey I unified the relation of revealed gaps and classified clusters within the model of a strategic communicational tool system. The main reason for this was to adapt the methods of consumer behavior influencing tool usage to the marketing of Tokaji wines.

Criteria, methods and related tools appear in the table generate a pattern system that can be used as a theoretic benchmark in reality by Tokaj wine producers. Each producer might compare his\her own situation to the results of the research.

The tools have to be used in different weighting methods, according to the customized differentiation of wineries. The latter is actually the differentiation of marketing tools based on the created target groups through customer segmentation, taking the evolving point of the gap into consideration. These are not static gaps. I revealed these in snap form, but it requires constant control year by year since opinion divergence can be either enlarged or constricted.

T3: I revealed the weighed utilization of marketing tools applied in wine marketing.

The differentiation of marketing tools according to the target groups, created from customer segmentation, was made by taking the evolving point of the gap into consideration. Comparing the opinions of the production and consumer sides I experienced the following possibilities: at certain fields opinions match can be noticed while at other fields under,- or over positioning could be experienced from the producer's side. In case of over positioning the producer over fulfilled the given issue which can be important or less important for customers.

I consider under-positioned fields to be the most important, which can be seen in Table 11. Here, consumers consider the given field more important and deficient as producers would think, or could have fulfilled. These fields have the most urgent unresolved tasks for producers.

Table 11: The areas of low positioning, the aims, methods and tools

| The space of GAP | Primary target market | Secondary target market | Aim | Method | Tool |
|---|----------------------------------|----------------------------------|---|--|--|
| Previous time when consuming Tokaj wine | endeavored follower | Hungarian Yuppie | Make the consumption of Tokaj wines more frequent | Promotion, sales, incentives | Price operations POS: limited time-span coupons |
| Consumption: home dining | Sophisticated lover of life | endeavored follower | Encourage wine consumption during meals | Promotion, sales, incentives | TV adverts. POS tastings. Leaflets demonstrating wine-food relationships, recipe books. |
| Consumption: home passion | Hungarian Yuppie | endeavored follower | Encourage home consumption | Promotion, sales, incentives | POS: TV adverts. POS tastings. Leaflets. Packaging: 3+1 offers. Coupon collection for extra bottles. |
| Consumption: as a guest | endeavored follower | Hungarian Yuppie | Encourage the fact that serving Tokaj wine to guests is trendy. | Promotion, sales, incentives | TV adverts. POS tastings. Leaflets demonstrating wine-food relationships, recipe books. |
| Purchase aim: self consumption | endeavored follower | Price sensitive average consumer | There is a strong potential, must be strengthened. | Promotion, sales, incentives | POS: POS tastings. Packaging: 3+1 offers. Price operations |
| Purchase aim: to family member | endeavored follower | Price sensitive average consumer | There is a strong potential, must be strengthened. | Promotion, sales, incentives | POS: POS tastings. Packaging: 3+1 offers. Price operations |
| Purchase place: during regular shopping | Price sensitive average consumer | Hungarian Yuppie | Must pay more attention to this channel | Actions: Pull sales, incentives | Packaging: 3+1 offers. Price operations. Printed media articles |
| Importance of vintage | Sophisticated lover of life | Hungarian Yuppie | Outline the outstanding and excellent vintages | Communication | Merchandising. Printed information materials |
| The information base of the label | endeavored follower | Sophisticated lover of life | Insider goal, highlight the important information | Information collection and graphical changes | Continuous product design, label design, image development. |

Reference: self-structure (2011)

With regards to the *Tokaj wine consumption occasion* the real situation is more favorable than the regularity of consumption is experienced by producers. At the same time, this is not always enough since there are unsold stocks in Tokaj cellars so there is a definite need for marketing tools to stimulate buying. Endeavored followers and yuppies could be stimulated by price auctions and POS tools. The latter could afford to buy Tokaji but it is not a significant part of their lives. Endeavored customers could be replaced to higher consumption level.

Endeavored customers and sophisticated lovers of life could also be the target groups of TV adverts, point of sales tastings and wine and food comparison materials which would encourage “consumption for meals at home” and the “consumption at parties and feasts”.

The “consumption for meals at home „of Yuppies and Endeavored customers could be stimulated with POS tools, e.g.: voucher collection. Point of sales testing, price discounts, collective packing auctions might support the two previous segments, to buy Tokaj wine *on their own* or *given to another family member*. It is important to strengthen the “buying of Tokaj wine at the spot of daily shopping” so as to reach primarily price sensitive average consumers and yuppies. The tools for this can be price auctions, magazine appearance, and collective pack auctions.

Producers neglect *the importance of vintage* though certain layers such as the groups of sophisticated lovers of life and Yuppies are worth informing about the importance of outstanding vintages with merchandising and printed materials. The label’s content of information is neglected by producers compared to consumer demands. We could aim the groups of Endeavored customers and the sophisticated lovers of life by applying continuous product design and corporate identity development.

T4: I revealed the roles of gaps in resource allocation. The restrictedly available resources should be devoted on the elimination of negative gaps. The previous comparison was heuristic. The divergence of opinions between consumers and producers are justified by mathematical –statistical methods. With the exception of “friendly recommendation” and “wine competition result” the significant difference is apparent. The recognition of opinion divergence between producers and consumers is also important in practice as well. Within the 12th table I assess the operative tasks at those diverging opinions that I also statistically justified. The difference between the value of absolute GAP and quality distance determined the extent of correction. The time rate of correction and the resources’ need were weighed upon my personal market experience.

Table 12: GAPs identified by mathematical methods

| The space of negative GAP | absolute GAP value | valuable distance | difference | value of correction | time of correction | resource needs |
|---|--------------------|-------------------|------------|---------------------|--------------------|----------------|
| The importance of the producer | 23 | 23 | 0 | + | ++ | + |
| The importance of the vintage | 42 | 42 | 0 | + | ++ | + |
| The importance of the price | 46 | 29 | 17 | + | +++ | ++ |
| The importance of product design | 41 | 17 | 14 | + | + | ++ |
| The importance of the professional journal’s recommendation | 69 | 66 | 3 | + | + | + |
| The information base of the label | 51 | 7 | 44 | ++ | + | + |
| The importance of the action | 41 | 41 | 0 | + | + | + |

Reference: self-structure (2011)

Under correction I mean the tasks of producers so as to reach better market position. I assess this from three different aspects.

Extent of correction: Extent of correction: +, if the difference is between 1 and 22.
++, if the difference is between 23 and 44.
+++, if the difference is between 45 and 66.

Time needed for correction: +, if it is within a year, thus urgent.
++, if it is within 1-3 years, thus could be quickly resolved.
+++, if it is within 3-5 years, thus according to subsequent time rating

Resources needed: +, if it is within 0-1 million HUFs.
++, if it is within 1-3 million HUFs.
+++, if it is within 3-7 million HUFs.

Wineries have to define the redundancy of the given gap area, and how to resolve correction in a given time interval. The disposable resources demand is of course closely related to this, which is against the disposable amount of resource.

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4. CONSEQUENCES AND SUGGESTIONS

Table 13: Hypotheses of my research

| | | |
|-----------|---|------------------|
| H1 | The aims of previous wine market researches was only segmentation without providing any guidelines, systems, tool kit sin terms of marketing for which the market actors are waiting for. | Accepted. |
| H2 | Most producers are using product based market segmentation, neglecting and inappropriately using consumer behavior segmentation. | Accepted. |
| H3 | There is a wide gap between the notions of the consumers and that of the producers with regards to the Tokaj market. (e.g.: the frequency of consumption of Tokaj wines and the price levels, etc) | Accepted. |
| H4 | Next to the identified gaps and the wine market clusters marketing methods and tools can be assigned which when integrated decrease the gap. | Accepted. |
| H5 | In reality the name Tokaj does not possess any stable background or identifiable elements that would be clear for all stakeholders. | Accepted. |
| H6 | With regards to the Tokaj wines, the role of word-of-mouth communication is the greatest, since Tokaj wine makers do not use ATL communication channels. | Accepted. |

Reference: self-structure (2011)

H1: I accept the hypothesis. Wine market researches conducted and available in Hungary were almost all ended in accomplishing the segmentation with the assistance of their own methods. There was no research where I could have experienced that previous results might mean a starting-point for a future research. Conductors of the survey start their research with clean sheet that are ad hoc types. The different professional workshops do individual researches and do they hardly take previous results into consideration. Consequently, the wine market researches evade each other. Thus, consistency cannot be established and results cannot cumulate and professional development is long and non-innovative.

The structure of classical lower-middle-upper, the “laggers”, and the average consumers, those who are interested in wine and gourmand costumers could be found in every analysis.

Beyond the segmentation process no Hungarian research gave any directives or tool system in the field of the tool of marketing tools despite the fact that market characters are awaiting for this.

H2: I accept the hypothesis. In the course of my practical experience I came to the conclusion that producers build segmentation upon the easiest accessible information, thus they use product-based segmentation. Despite the difficulties of the production side, the conscious tool of complete marketing tools could be hardly observed. The producer inquiry indicated the theory as if most producers of Tokaj would be locked up sitting in their own ivory towers, keeping an eye on their own conditions and producing their wines based on these. They do not or just hardly take market demands into consideration and implement a segmentation based on consumer demands.

Throughout my practical experience I came to the conclusion that the main reasons of the problem above could be traced back to the lack of required practical experience and knowledge. The recognition of deficiencies in this field is further impeded by wine producers' incomplete innovative aspects and professional atmosphere is unable to provide proper assistance as well. The incomplete usage of marketing tools is often caused by the lack of financial resources. Producers do not conduct consumer based market segmentation. They actually produce what they consider suitable or what their resources allow them to produce.(plantation structure).

H3: I accept the hypothesis. According to my producers and consumers research the gap is significant between the imaginations of producers and consumers about the Tokaj wine market. Though I found a field where consensus of views could be found, but the above- or below positioning was more significant. In the aspect of Tokaj wine producers the gap is the biggest gaps could be realized at the following below positioned fields:

- Last occasion of Tokaj wine consumption.
- Frequency of consumption, for meals at home.
- Frequency of consumption, at home for passion.
- Frequency of consumption, at parties.
- Buying purpose, for own consumption.
- Buying purpose, for other family member.
- Place, scene importance of buying same as in case of daily buying.
- Importance of vintage-when selecting Tokaj wine.
- The importance of the label's information content.

H4: I accept the hypothesis. Throughout the research I unified the relation of revealed gaps and classified clusters within the model of a strategic communicational tool system. The main reason for this was to adapt the methods of consumer behavior influencing tool usage to the marketing of Tokaji wines. Criteria methods and related tools appear in the table generate a pattern system that can be used as a theoretic benchmark in reality by Tokaj wine producers. Each producer might compare his\her own situation to the research's results. I defined the direction opinion divergence (gap) regarding Tokaj wines, and then I assigned the possible target group of a marketing activity from the four clusters. I assigned method and tool to this. As a next step I revealed the roles of gaps in resource allocation. The restrictedly available resources should be devoted on the elimination of negative gaps. The previous comparison was heuristic. The divergence of opinions between consumers and producers are justified by mathematical –statistical methods.

H5: I accept the hypothesis. The Tokaj brand is very well-known an indicator of origin brand in Hungary. At the same time, the knowledge of users about Tokaj and the Tokaji wine is deficient and not thorough. This is supported by consumer questionnaire. Consumers associate Tokaj with lots of things, there is no unified, settled image about it in consumers' mind. A decisive majority of costumers could define real grape types, at the same time, in many cases the answer was "I do not know". I got several incorrect answers, since they wrongly categorized "aszú" and "szamorodni" under Tokaj grape types, though these are wine categories. Consumers' knowledge is pretty deficient with respect to Tokaj grape types and wine categories. Based on my researches it could be ascertained that in one respect this is due to consumers' disinterest and partially because the lack of information, though the responsibility of marketing experts also emerges who should give wine consumption pieces of advice towards consumers. The problem of expected product derives from the latter. If the image of expected product is blurred then the correctness of demands becomes difficult and the restriction of gaps by consumers.

H6: I accept the hypothesis. The major shares of respondent consumers have not seen a Tokaj wine commercial before. The proportion of positive answers hardly reach 20% altogether. If an exact producer was brought up then they mentioned the commercials of Tokaj Wine House. None of the respondents have mentioned the commercials seen at exhibitions and festivals. One might come to the conclusion that producers of the Tokaji wine and wine in general could be hardly spotted at the enormous communicational noise. The interviewed Tokaj wine cellars use their commercial tools at only few occasions or maybe in every second or third month. Few of them advertise only in special cases which do not refer to a conscious marketing activity. The most important marketing tools of interviewed Tokaj wine cellars as the participation at wine competitions and the gained results, advertisements in scholar journals and magazines, participation at exhibitions and flyers. The concealed possibilities of the internet are still low. The interviewed costumers hold wine tastings on a regular basis they generally hold more wine tastings within a month. Counterpoints are some wineries, among producers, which do not organize wine tastings and do not participate in the activity of wine trips. In many cases the lack of financial resources impedes producers in the representation of traditional communication channels.

5. PUBLICATIONS REGARDING THE TOPIC OF DISSERTATION

I. Books and chapters

1. **Konkoly M. (2007): A bor árképzésének speciális összefüggései.** In: Fehér I. – Lehota J. (szerk): Borexport-marketing, 7.4 alfejezet, Szent István Egyetem, GT Kar, Marketing Intézet, ISBN 963948373-7 pp. 170-173.
2. **Konkoly M. – Papp J. (2012): Market segments of Tokaj wine, the gaps and the marketing tools** (In: Szűcs I. (szerk): Economics of sustainable agriculture, Scientific Book Series. Szent István Egyetem, Gödöllő. Megjelenés alatt, befogadónyilatkozat mellékelve. ISBN 978-963-269-145-9

II. Scientific articles

a./ Scientific articles in Hungarian language:

1. **Konkoly M. – Papp J. (2011): A tokaji borok elemzése a marketing mix 7 P-je szerint.** Marketing és Menedzsment, 2011 (2) pp. 23-34., ISSN 1219-0349
2. **Papp J. - Konkoly M. (2009): A magyar - és azon belül a tokaji - borok piacszegmentációjával kapcsolatos kérdések.** Marketing és Menedzsment, 2009 (3) pp. 24-28., ISSN 1219-0349

b./ Scientific articles published in a foreign language

1. **Konkoly M. - Papp J. (2010): Marketsegmentation of Tokaj wines.** Regional and Business Studies, 2010 (2), pp. 63-79., Kaposvár, ISSN 2061 2311

III. Scientific conferences published in conference proceedings:

a./ *In Hungarian language*

1. **Konkoly M. (2005): A dél-afrikai borstratégia** (6. Magyarországi Bormarketing Konferencia 2005) + CD Rom
2. **Konkoly M., Papp J. (2009): A magyar – és azon belül a Tokaji – borok piacszegmentációjával kapcsolatos kérdések.** Magyar Marketing Szövetség Marketing Oktatók Klubja 15. Jubileumi Országos Konferencia Kiadvány, Kaposvár, 426-430. (ISBN 978-963-9821-12-5)

b./ *in a Foreign Language*

3. **Konkoly M. (2008): Analysis of Tokaji wines according to the 7p of marketing mix** 5th International Conference for Young Researchers of Economics + CD Rom pp. 119-126. ISBN 978-963-269-071-1

IV. Other Publications

a,/ In Hungarian language

- 1. Konkoly M. (2005): Az „adoptáld - ne fejleszd” elvet követik.** Bor és Piac, 2005 (5). Budapest, pp. 42-44., ISSN 1586 6688
- 2. Konkoly M. (2007): Vásárok, kiállítások, borfesztiválok.** Bor és Piac, 2007 (2). Budapest, pp. 30-32., ISSN 1586 6688
- 3. Konkoly M. (2007): Séta a Vinalyn.** Bor és Piac, 2007 (3). Budapest, pp. 38-39. ISSN 1586 6688
- 4. Konkoly M. – Sidlovits Diána (2007): Borreform véglegesítve?** Bor és Piac, 2007 (5). Budapest, pp. 22-23., ISSN 1586 6688
- 5. Szmilkó, G. – Konkoly M. (2007): Márkaépítés.** Borászati füzetek, 2007 (1), Budapest, pp. 18-21. ISSN 1217-9337
- 6. Fodor E. - Konkoly M. (2009) Montalcino borai és eredetvédelme.** BOR-KÉP, 2009 (4), Budapest, pp. 32-37.
- 7. Szabó Z, - Vada G, - Konkoly M (2010): Marketing management.** Egyetemi jegyzet, MSc Levelező Tagozat, Szent István Egyetem kiadója. 73 p.