

COMPARING WINE CONSUMING HABITS IN HYPERMARKETS OF THE NETHERLANDS AND HUNGARY

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Abstract

Consuming habits have very much changed in Hungary in the last decades after the transformation. To get everything at the same place got bigger importance. According to this influence big super and hypermarkets have been created and shopping centres came alive.

These days it is very important to realise what the consumers want and to understand they motives. My objective was to get to know consumer habits and wine consuming habits in hypermarkets and to compare a West European hypermarket with one Central Eastern European country after the transformation in order to realise similarities and differences and if possible some conclusions to the future of these kind of distribution channels in CEE countries. The other important part of the research was to get information about people's opinion about the hypermarket and to realise the more important influencing factors in their preference scale.

These researches were made in the Netherlands at the A&P Hypermarket chain in 2000. During the questionnaire researches I asked 118-118 people and in Hungary at Cora Hypermarkets in 2002 where 170 people were questioned. In my opinion people gave a lot of very important information to the hypermarket chains with highlighting weak and strong points.

Introduction

Consuming habits have very much changed during the last decades. To get everything at the same place got bigger and bigger importance. According to this influence the big super and hypermarkets have been created and shopping centres came alive. Nowadays it is very important to realise what the consumers want and to understand they motives. (1)

The goal of the research was to get a deeper insight into the wine consuming habits at hypermarket chains and to get to know the new trends on the wine market.

The antecedents of the research go back to the Marketing Department's wine programme in 1997. (2)

To reach the required information on customer habits there are a lot of methods. The special interest of mine is wine and wine marketing. Considering this I wanted to collect more information on wine consuming habits in hypermarkets. I paid much attention to this topic and decided to set up two different research types to highlight it from different point of views.

To the methods of the research belongs an observation, where I did not have much contact with the consumers I have been analysing. It is a data collecting method based on direct sensing of talk, act and performance. (3) (The results of this research were published at conferences in Nitra, Slovakia and in Hungary.) The second type was a questionnaire, focusing on questions on wine consuming habits. These researches were made in the Netherlands at the A&P Hypermarket chain in 2000. During the questionnaire research I asked 118 people at A&P and at Cora Hypermarkets in 2002 were 170 people questioned, random in the wine department.

Why am I interested in hypermarkets and in consuming habits related to hypermarkets and what is a definition of hypermarkets?

The definition of hypermarket is still not hundred percent defined and there are different ones. According to Attila Szabó the hypermarkets are retail outlets with the area from some thousand square metres up to ten thousand square metres, usually one-floor buildings with ten or more cash desks, where the produce assortment is based on food with 30% non-food goods. (4)

The other definition is from the Hungarian Council of Shopping Centres (HCSC). In their opinion hypermarkets are self-service retail outlets offering wide range of products and industrial goods with trading area at least 2500 sqm usually having own packing area. Wholesale warehouses (e.g. METRO) are not classified among hypermarkets. (5)

The interest of mine is focusing on hypermarkets and their role in wine selling is based on their growing importance. Retail chains are gaining more and more market share. The increasing retail power such as shifting demand, increasing competition and creating brand value are the key factors of the wine industry. (6) Retail chains have become the major wine outlets. For the wine industry: less buyers requiring larger and consistent volumes of wine, which makes food chains powerful parties in the wine value chain. In most EU countries retailers have a market share of 40-70% in commercial wine sales and expected to increase further. (7)

During last years a concentration progress was to observe in the Hungarian retail sector. Multi-level concentration was also to realise. The concentration of the domestic food retail chain is high even compared to the CEE countries. 10% of the retail outlets control 64% of the turnover. (8) In Hungary the growth of market share and number of hypermarkets is quite intensive. The first ones have opened their gates in 1995-1996. (9) In the middle of 2002, there were 42 shopping centres and 49 hypermarkets in Hungary. (5) Their share in retail turnover was 8% in 1998, but in 2001 it was 15%. (Source: Hungarian Central Statistical Office/HCSO, HCSC, 2002) It is a quite remarkable progress. The Auchan hypermarket chin has 7 outlets in Hungary and willing to open other more than 10 new outlets in the following years. (10) TESCO has 48 stores in Hungary have

opened 6 new ones in 2001/02 and planning to launch other 6 in 2002/03. Their total sales are in 2.1m sq ft. (11) Cora the French hypermarket chain has already 7 outlets in Budapest and other big towns in Hungary. (12)

Of course hypermarkets do not only have supporters in Hungary, but the reason why people like them is their price policy. They keep their prices as low as possible and have discounts from a lot of products' prices, even such discounts which do not cover the purchase costs. Nowadays there is a draft of law to cease this possibility. This law would support the small food retail outlets without international background, but this topic generates more questions in the domestic market regulation as well as in the EU joining process. (13) According to Bela Istvan Szabo the hypermarkets and the shopping centres – these closed worlds - are concentrating all the impacts and effects that destroy human life. (14)

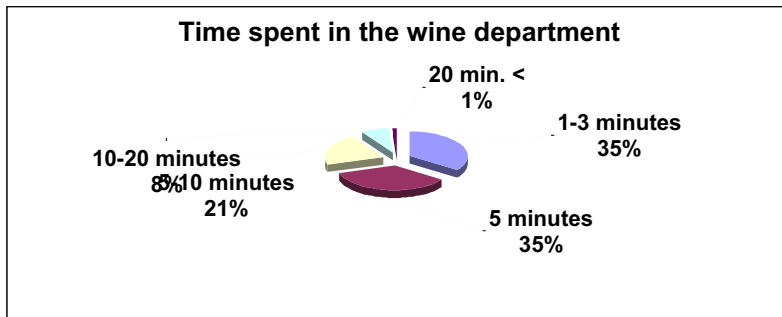
All the above mentioned factors make me curious and made me want to have a closer look on this special market focusing on wine.

Comparing The Two Researches On Wine Consuming Habits

In my opinion it is very important to compare the results we received from one research with the ones from the other method. Here I am comparing the results from the questionnaire in The Netherlands (white background) with the data from the Hungarian questionnaires (dark background). Both researches were concentrating on wine consuming habits.

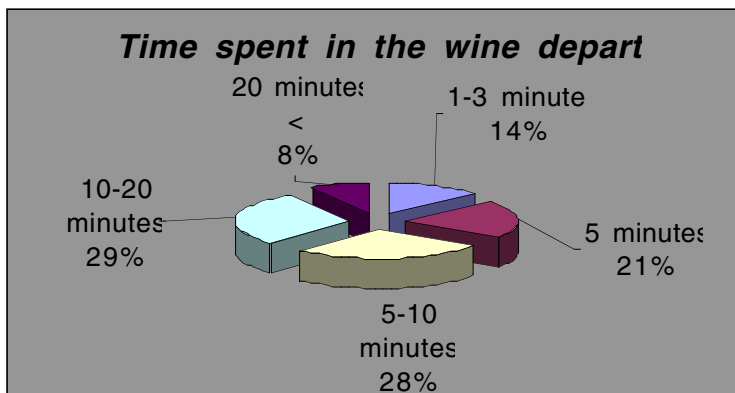
Between the data received from the questionnaires we can state that Hungarian consumers spend more time in the wine department, than the Dutch ones. Why is it like that? In my opinion Dutch people still do not spend as much attention to wine as Hungarians do. Hungary is a traditional wine producing country with a lot of wine regions, specialities in types and during the last decade people turned back to wine and pay more attention to the wine culture. The importance of choosing the right type of wine for the occasion and for the meals is increasing quickly. Dutch people are rather in a hurry when they go to hypermarkets and look for the well-tried product and are not interested in the new or other ones or rely more on advertisements. (see Figure 1/a - 1/b.)

Figure 1/a. Time spent in the wine department



Source: Own research at A&P hypermarket in The Netherlands, 2000

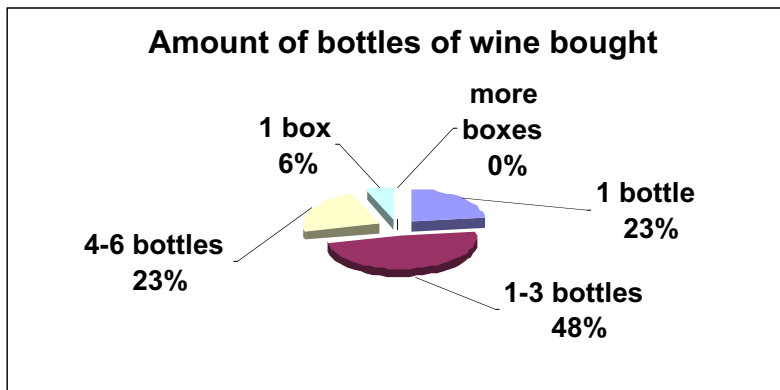
Figure 1/b. Time spent in the wine department



Source: Own research at Cora hypermarket in Hungary, 2002

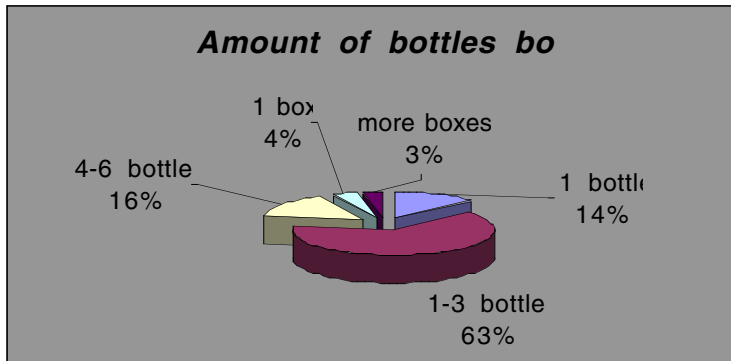
Figure 2/a. And 2/b. Highlight that the consumers in the hypermarket – according to both researches – usually take 1-3 bottles home (about 70%) and only a smaller minority prefers to buy a box or more boxes of wine at one time. According to the experiences of the hypermarket this number is bigger and concerning this they say that consumers who do not come very often tend to buy more boxes and shop only once in a month, especially wine. From the figure it can also be concluded that the frequency of buying boxes or more boxes is higher at Hungarian consumers. The reason can be the worse financial conditions when people look for the discount packages and discount prices. It is generally typical to the Hungarian people that they are very much price sensitive.

Figure 2/a. Amount of bottles bought at one time



Source: Own research at A&P hypermarket in The Netherlands, 2000

Figure 2/b. Amount of bottles bought at one time

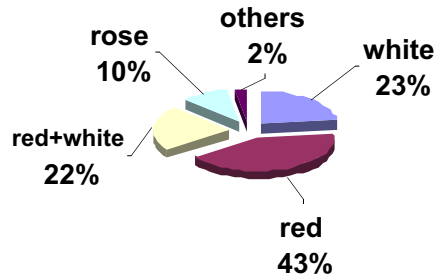


Source: Own research at Cora hypermarket in Hungary, 2002

The world-wide trend is that people drink more red wine than white. It is because two factors. The first reason is the health consciousness that tends to be more important, especially in the developed countries. The second reason is the taste, because red wine has stronger, favourable taste than white wine. This trend can be seen on Figure 3/a. Also. The preference of red wine is about 10% more than the one of white wine. In the other sample this difference is not that clear. Figure 3/b shows that in Hungary in the Hypermarkets white wine is almost as popular as red wine. The explanation should be found in the structure of the Hungarian wine regions and types. It is typical to the Hungarian wine consumers that they prefer domestic wines and pay less attention to wines from abroad. There are famous red wine regions and white wine regions as well and the most known region Tokaj produces white wine.

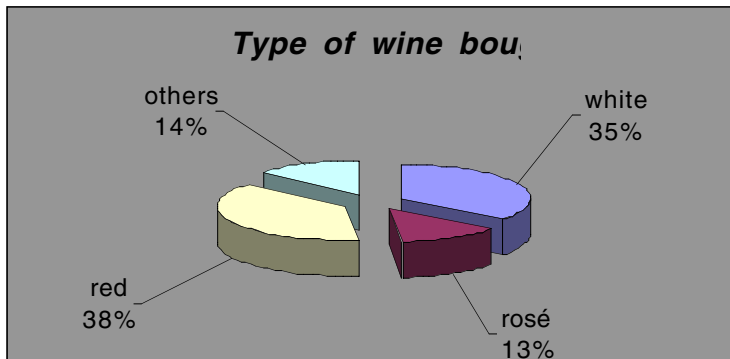
Figure 3/a. Type of wine bought

Type of wine bought



Source: Own research at A&P hypermarket in The Netherlands, 2000

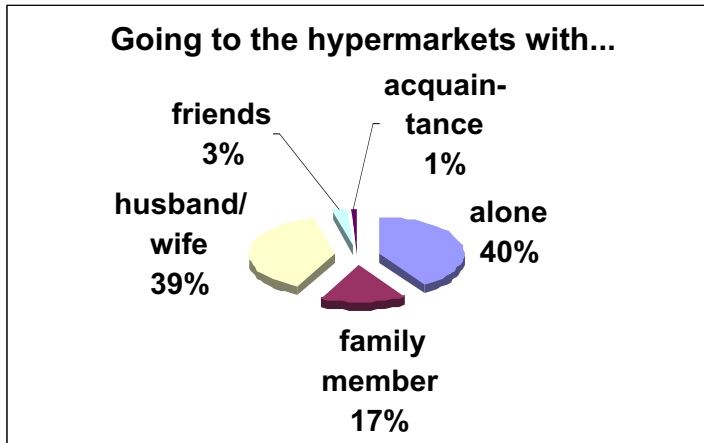
Figure 3/b. Type of wine bought



Source: Own research at Cora hypermarket in Hungary, 2002

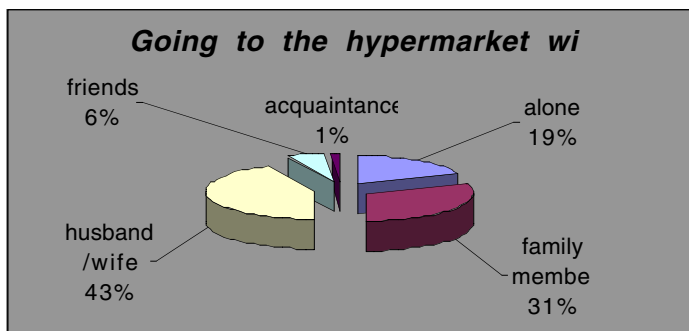
Going to the hypermarket is usually a family event. Most of the questioned consumers go there with somebody from the family (56%). Most of them go with their husband or wife. The other big part of the customers in the Netherlands prefer to go to the hypermarkets alone (40%). (See Figure 4/a.) On the other hand Hungarian consumers prefer to go to hypermarkets with their family members more than Dutch consumers, but a huge difference can be seen in going to the hypermarket alone. Hungarians do not like going there alone, only 19% from the sample prefer this way. 74% of the Hungarian consumers go to the hypermarket with their husband or wife or with a member of the family. The reason can be that in Hungary going shopping to the hypermarket is kind of a recreation activity, where people can spend part of their free time. (See Figure 4/b.)

Figure 4/a. Going to the supermarkets



Source: Own research at A&P supermarket in The Netherlands, 2000

Figure 4/b. Going to the supermarkets



Source: Own research at Cora supermarket in Hungary, 2002

Conclusions Of The Research

Although Hungary tries to follow the developed countries is still has its own specialities. The number of rejecting my request to fill in the questionnaire was higher in Hungary. People still do not like telling about their consuming habits especially not about the habits related to alcohol.

It is very typical that suit and tie still have a great effect on the consumers even in the Netherlands. If I wore only a leather jacket and a tie more people said no than at wearing a suit. The answer should be that a researcher in a suit seems to be much more professional and some-one who worth to help.

Summary

Summing up the results of the researches several characteristics can be defined which are typical to the hypermarkets. Weak point is - according to the received data - the service, especially in the wine department, but there are more complementary activities at Cora in Hungary. People require more help and information. They need more advise to find out the perfect wine for a present and for meals and other occasions.

The biggest attraction for consumers of a hypermarket is the product assortment, but the most important is the food, vegetables and fruit department. The other departments pay an important role when they attract the consumers with the possibility to buy almost everything at the same place or offering special discounts to allure more people to the hypermarket.

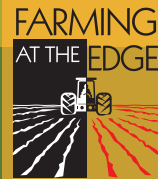
Comparing the data from both researches several morals can be concluded such as that the analysis of the data does not only require the knowledge of using research and analysis methods from the researcher, but also the deep knowledge, experience and understanding of the society, in which the research takes place.

Wine plays a more important role in the assortment of the hypermarket in Hungary. Hungarian consumers need more time to decide which wine to take. They find more interesting in going to hypermarkets than Dutch consumers and they do not like spending time alone in the hypermarket. The Hungarian wine market is a bit less influenced by the international trends and the reason for that is the domestic wine production.

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