

Accepted Manuscript

A survey of internet marketing by small and medium-sized enterprises for placing wine on the market

Nebojša Denić, Dalibor Petković, Vuk Vujović, Boban Spasić, Igor Vujičić

PII: S0378-4371(18)30523-5
DOI: <https://doi.org/10.1016/j.physa.2018.04.095>
Reference: PHYSA 19527

To appear in: *Physica A*

Received date: 11 April 2018
Revised date: 18 April 2018

Please cite this article as: N. Denić, D. Petković, V. Vujović, B. Spasić, I. Vujičić, A survey of internet marketing by small and medium-sized enterprises for placing wine on the market, *Physica A* (2018), <https://doi.org/10.1016/j.physa.2018.04.095>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.



***Highlights (for review)**

- *Application of modern methods of Internet marketing and online advertising.*
- *To improve the business of enterprises engaged in the wine production and wine marketing.*
- *Decision-making process of consumers when buying wine.*

A SURVEY OF INTERNET MARKETING BY SMALL AND MEDIUM-SIZED ENTERPRISES FOR PLACING WINE ON THE MARKET

Nebojša Denić, Dalibor Petković, Vuk Vujović, Boban Spasić, Igor Vujičić

Assistant Professor Nebojša Denić, Faculty of Natural Science, University of Priština, with temporary seat in Kosovska Mitrovica, Lole Ribara 29, Kosovska Mitrovica, 38220 Srbija,

Assistant Professor Dalibor Petković, Department of Mathematics, Teacher-training Faculty at University of Niš, Serbia, corresponding author: Email: dalibortc@gmail.com

Vuk Vujović, Fakultet informacionih tehnologija, Alfa BK University, Palmira Toljatija 3, 11070 Belgrade, Serbia,

Boban Spasić, Fakultet informacionih tehnologija, Alfa BK University, Palmira Toljatija 3, 11070 Belgrade, Serbia,

Igor Vujičić, University of Singidunum, ul. Kumodraška 261a, 11000 Beograd

ABSTRACT

This paper presented a survey of models for possible aspects of Internet marketing and online advertising. The aim of the survey was to improve the business of enterprises engaged in the wine production and wine marketing with special emphasis on the improvement of the sales process. By using the most recent literature and the data obtained, the survey deal with the Internet advertising, the advantages and disadvantages of the Internet as an advertising medium, the use of online advertising in the world and forms of internet advertising. Afterwards, the factors that influence the procurement of wine, as well as influential factors for making decisions on the purchase of certain wine varieties were examined. Decision-making process of consumers when buying wine was investigated as well. The paper consists of theoretical and empirical parts. The first part discusses the general overview of winemaking in the world. In the empirical part, the attitudes of consumers and managers of several wineries were examined, which are related to the application of internet marketing in the wine industry with key findings and new opportunities in the promotion of wine.

Key words: survey, viticulture, marketing, internet, wine promotion

1. INTRODUCTION

Viticulture is one of the oldest agricultural industry. Wine history dates back to the prehistoric caves in which images of devices for wine making were found. Given the large number of brands, the selection and purchase of wine is a complex task for consumers [1, 2]. It is, therefore, very important in marketing to determine what happens in the mind of consumers when choosing wine, and the reasons for the purchase of certain wine [3, 4]. It should be borne in mind that one-time purchase of a bottle of wine is not the ultimate goal of manufacturers. The aim of the manufacturer is to gain loyal customers [5]. In the most countries, wine production is higher than consumption, which contributes to the imbalance between supply and demand [6, 7].

In 2013 the total worldwide area under vines represents 7519 mha. Half of the vineyard is located in Spain (1023 mha), France (793,000 ha), Italy (752,000 ha), China (680,000 ha) and Turkey (504,000 ha). The total worldwide area under vineyards is mainly decreasing due to a reduction in European vineyards from 62.5% in 2000 to 55% in 2013 [8].

This reduction is partly compensated by the increase in planting in other regions, especially in Asia, which now accounts for 24% of world vineyards. China and South America are areas that lead to the growth of viticulture in the world [9, 10]. From 2000 to 2013, areas under vineyards decreased most in Spain (by 17%), France (13%), Italy (17%), Turkey (12%) and Iran (23%). The increase was recorded in China (to 127%), India (177%) and New Zealand (179%). In Australia, the US and South Africa there were no changes.

In 2012 global wine production amounted to 25.721 million hectoliters, which represents a decrease of 6.30% compared to 2009. Italy is the largest wine producer in the world (4,082,900 hectoliters), despite the fact that there is less arable land. In the past, the French were in the first place, but now they are in the second place with 4,047,700 hectoliters. It is followed by Spain, as the country with the highest arable land, which produces 3,15 million hectoliters. Slovenia produces 85,000 hectoliters of wine, representing 0.35% of world production. The quantity of wines produced in Slovenia in 2012 increased by 14.86% compared to 2009. The top ten countries, the main wine producers, produce 80% of all types of wine in the world [9, 10].

Europe's share in wine production declines. In 2000, 73% of the world's wines were produced in Europe, while in 2012 were produced 62%. On other continents, between 2000 and 2012, there was an increase in wine production (in the US from 17% to 19.8%, in Asia from 4.5% to 6.9% in Oceania, from 3, 1% to 5.9% (the share is almost doubled), and in Africa from 4.3% to 5.1%).

Other non-European countries expect a significant increase in wine production (Chile, Australia, South Africa and China), and by 2032, it is expected to have a wider production of wine from Europe. The reason for the decline in wine production in Europe can be attributed to the higher production costs and European wine policy (protectionism and subsidies) [11].

The largest consumer of wine was the USA (13.9% of the total wine consumption), followed by France (11.62%) and Italy (9.21%). Slovenia consumes about 86,400 thousand liters, which is 0.35% of the total consumption of wine (World Wine Consumption by Volume, 2014). World wine consumption from 2009 to 2012 increased by 4.49%. Everywhere in the world, except in Europe, there has been an increase in wine consumption. In 2000, non-European countries consumed 31% of the total wine consumption, and in 2012 they consumed 39%. These countries are mainly the USA, Russia, China, Canada and Australia (Figure 3) [8]. In 2012, European countries were leaders in wine consumption per capita - Luxembourg 50.7 l per capita, France 47.7 l per capita, Portugal 42.5 l per capita, Italy 37, 1 l per capita [12].

The wine consumption in Serbia is far below average, because only four liters per capita per year is consumed. In Russia, China, USA and the United Kingdom, wine consumption is on the rise [13]. However, the wine consumption per capita in European countries has been decreasing for decades, especially in southern European countries. Changes in lifestyle, antimalarial campaigns and health care are cited as reasons. Consumption of northern European countries is unchanged or has a slight increase and it is more focused on certain brands and varieties of wine [14].

Since 2000 the wine trade has grown significantly. In 2000, it was 13.8 billion, and in 2012, 25.3 billion, which represents an increase of 84% [8]. France was the largest wine exporter in 2012

(7.8 billion euros), followed by Italy (4.7 billion) and Spain (2.4 billion dollars). The amount of increase in the period from 2000 to 2012 was slightly slower from 6.07 billion liters to 9.9 billion liters, or 63%. In 2012, Italy was the largest exporter of wine per liter (2,120 million liters), followed by Spain (1,194 million liters) and France (1,499 million liters). The price of a liter of wine rose from 2.27 euros in 2000 to 2.55 euros in 2012, which is 12.3%. The most expensive wine can be bought in France for 5.23 euros per liter, then in New Zealand where the price is 4.36 euros per liter and in the US where a liter of wine costs 2.69 euros [15, 16]. The top importers of wine are European countries with 45% of the total wine imports. North America is in second place with 22%, while the third place is occupied by Asia with 14%. The largest imports in euros in 2013 were made by the United States (3.9 trillion), the United Kingdom (3.7 billion) and Germany (2.6 trillion). The highest consumption in hectoliters was recorded by Germany (15.4), followed by England (13.1) and USA (11.7) (Aurand, 2014: 37-38). In Serbia, wine export is still smaller than import. Wine consumption is in decline wherefore winemakers sell more on foreign markets. When it comes to wine production in Serbia, research shows that it moves upward. Out of the total territory of the country under vineyards is only 30,000 hectares, and about 120,000 households are engaged in the production and processing of grapes. The average annual wine production in Serbia is 1.7 million hectoliters, while consumption per capita is 3.3 to 4 liters of wine. Viticultural production has a frugally annual share of only 2.3 per cent in total agricultural production. The average wine production in Serbia between 2000 and 2011 was 1.7 million hectoliters per year. The total value of viticultural production in Serbia in 2011 amounted to 588 million dollars. In foreign trade, between 2000 and 2011, wine had a steady deficit that varies between 45,500 and 208,000 hectoliters, or \$ 3.9 to \$ 26.3 million. This trend continued in 2012 and 2013. The deficit was a result of insufficient wine production and of a growing trend in wine consumption. The speed of wine exports is growing, so in 2006 it amounted to 7.2 million euros, and in 2012 Serbia reached 39th place with a profit of 16.4 million euros. As for the former Yugoslavian countries, Serbia is after Macedonia, which is ranked 25th when it comes to exports, as well as Montenegro, which is 38th, with the wine exports worth 18m euros. These statistics were based on data provided by CEFTA (Central European Free Trade Agreement) [17].

Alcohol policy deals with the relationship among alcohol, health, well-being and public well-being [18]. Improper use of alcohol has a major impact on public health and implies costs for health care, health insurance, public law enforcement, employment, and can have an impact on the economic development of the company [19]. According to article [18], alcohol policy is divided into several segments: a policy that reduces driving under the influence of alcohol (precautions that can be taken are random examination of the alcohol content in the driver's breath, reduction in the permissible concentration of alcohol in the blood, especially for young drivers and the withdrawal of driving licenses); a policy that supports education, training, communication and awareness; policy which regulates the alcohol market (age, price, time, location and availability of alcohol); a policy that supports the reduction of harm in the social environment where alcohol is consumed, and a policy that supports interventions for individuals (brief advice, education and treatment). The Regional Office of The World Health Organization (WHO) was the first regional office in Europe to address the problem of alcoholism. In 1975, it began publishing scientific papers on the control of alcohol from the public health perspective. The European Alcohol Action Plan, updated in 2000 and 2005, represents the basis for the development and implementation of alcohol policies in Member States with the aim of reducing the damage caused by excessive alcohol consumption [20]. By the Action Plan for reducing excessive use of alcohol from 2012-2020, the WHO has intensified its

actions and activities to prevent and reduce alcohol at all levels. The global aim of the WHO is to reduce alcohol consumption by 10% by 2025.

Promoting products and services is a very important marketing activity [21]. Promoting which is intended for the market as a whole is known as a mass communication technique. However, in recent years, there has been a type of promotion aimed at individuals, and it is referred to as direct communication. Prior to making a decision on the advertising goals, decisions must first be taken on the target market. The choice of the so-called promotional mix required to communicate with the target audience is also very important. The decision on type of media to be used is influenced by several factors. Some of these factors are: if the goal is to position the brand as an aspirational brand of high status, or the goal is to remind the target audience about the existence of a brand; the size of the advertising budget; the competition activity on the basis of which the appropriate medium is selected, etc. Advertising wine on television is prohibited, except from 6 pm to 6 am. It is also prohibited in specialized television and radio programs to promote alcoholic products for motor vehicle drivers [22, 23, 24]. Advertising wine and other alcoholic beverages is prohibited by law in all printed media, except in magazines intended exclusively for producers or sellers of such products.

The decision-making process when purchasing is dynamic and complex. Modern trends such as globalization, specialization and increased competition are changing both the buyer, so that classic producers of products and services must be constantly fighting for the buyer [25]. The customer becomes an active associate in product design and development.

Marketing experts need to identify the initiator - the person who first proposes the purchase, an influential person - the person who advises, gives opinions and influences purchasing decisions, the decision maker - the person deciding which of the components of the decision is important for the purchase (whether to make a purchase, what and where to buy and how to buy), the buyer - the person making the purchase, the user - the person who consumes or uses the product or service [26].

This paper discusses the general overview of winemaking in the world. The attitudes of consumers and managers of several wineries are examined, which are related to the application of internet marketing in the wine industry with key findings and new opportunities in the promotion of wine.

2. METHODOLOGY

When making a purchasing decision, consumers behave according to their usual and expected behavior, so depending on consumer engagement and the difference between brands, there are four types of behavior when making purchasing decisions [26]:

1. Complex Buying Behavior where consumers are actively involved in buying and are familiar with the essential differences between brands. This procedure applies to products that are expensive and risky to purchase, and often have a symbolic meaning. An example of a complex shopping wine is the purchase of expensive vintages that are used for special occasions.
2. Dissonance-Reducing Buying Behavior where consumers are heavily involved in shopping, but they do not see any significant difference between brands. In order to make it easier to choose when buying, it is necessary to provide additional product information.

First, the product is selected and based on the experience with it, new prejudices are formed and they create certain points of view.

3. Basic Purchasing Behavior which is characterized by low inclusion of consumers and a slight difference between brands. These are low value products that are often purchased. Consumers do not ask for a lot of information, do not assess the characteristics and decide quickly. An example of such a behavior is the selection of the same manufacturer's wines for each occasion.
4. Behavior Aimed at Finding Diversity where low is involvement of users and significant differences between brands. Buyers switch from one brand to another because of differences, not because of product dissatisfaction.

In order to better define the user for a particular type of wine, it is necessary to further explain the process that takes place during the purchase. This process usually takes place in five stages [27]:

1. Needs Assessment is the first stage. In it, the user recognizes the problem, the need, or the desire to start the purchasing process. This is the basis to be adopted in order to move to the next stage of the process. Marketing experts need to collect information for consumers and to identify the most common stimuli that convert certain interests of consumers into a desire to purchase a particular type of product. Consumers drink wine for various reasons, such as thirst, taste, pleasure, nutrition, creating an atmosphere, etc. The need for the consumption of wine can be social, symbolic, hedonic, cognitive, experiential and biogenic [28].
2. Finding information. The customer first searches for information in his memory, examining previous product experiences. This is called an *internal search*. If this information is insufficient, the customer searches for information from other sources, which we call an *external search*. Consumers can obtain information from personal sources (family, friends, acquaintances, neighbors), commercial sources (commercial, vendors, brokers, packaging, store presentations), public sources (mass media, consumer organizations) and experimental sources (handling, review and use of the product). The most important source of information when purchasing wine for the consumer is experimenting and tasting products. It depends on previous knowledge about wine, wine reviewer, wine magazines and awards and medals on wine evaluation and fairs [29].
3. Evaluation of the alternative. The buyer creates the criteria on the basis of which it compares the characteristics of each product. These criteria include only the functions that consumers want. At the same time, some of the characteristics are attributed to higher values than others. In order to choose between the two available versions, a heuristic (mental shortcut) is used, which relies, for example, on the mark, the price, the country of origin, the area of origin, the geographical area, etc. We also rely on the market belief (assumptions about products, company and stores, prices, packaging and advertisements) and making decisions through rational rules. Wine consumers can feel uncertainty, fear, or anxiety in evaluating alternatives and making a purchase decision. For wine consumers there is a high level of risk due to the complex and varied nature of the wine as a product [30].

4. Purchasing decision. When evaluating an alternative to the customer, a particular set of more desirable brands is formulated. Within this, the consumer decides and selects the most preferred brands. Various factors can influence the decision-making purchasing (buying for yourself or for a gift, time, seasonal factors, the financial situation, the mood of consumers, etc.). Purchasing intentions can be changed or even prevented (depending on how much the customer is ready to adjust) due to unforeseen circumstances (inability to pay, need to purchase other goods). Dickson and Sawyer (Steenkamp, 1997: 146), during the research found that on average, a person takes 12 seconds to make a decision to buy margarine, coffee, toothpaste or cereal. To average wine consumers, it takes 38 seconds to decide which bottle to buy [31].
5. Estimation after acquisition. After purchasing, by using the product, the customer assesses whether the product meets his needs and compares the actual product with the expected one. This is the basis for making further purchasing decisions. Keeping loyal and satisfied customers is far more important than acquiring new clients. Dissatisfied customer is usually permanently lost or it is necessary to make enormous efforts to regain his trust. The company should pay attention to customers who, with their recommendations to their acquaintances, give a good impression of the company. Most consumers drink wine within 36 hours of purchase.

There are a number of factors that may affect the decision on the purchase of wine. These factors vary from country to country, as indicated by the following research. On certain markets (Australia, France, New Zealand, Austria, Germany, Taiwan, Brazil, Israel, United Kingdom, China, Italy and the United States), the most important factor influencing wine selection in the store is the previous experience with wine [32]. China and Brazil give priority to trademarks, and in France more attention is given to matching wine with food. Matching wine with food is an important segment in Italy, Brazil, Austria, Israel and Germany, while in other countries it is less important. Recommendations are much more prominent factor in Germany, Taiwan and the USA, as in Great Britain, Italy, China and Israel. The origin of wine is least important in Israel, while in Germany and China it is much more important than in Great Britain and Australia. Brand has the strongest influence in China and Brazil, and the least impact in Germany and Austria. Medals and awards have the strongest impact on Australians and Chinese, and the minimum of impact on Germans, British and Israelis. The most important factor on the wine bottle label is the region [33]. Most respondents (85%) believe that the region is the most frequent source of information, followed by a brand (72% of respondents), different vintages (71% of respondents), country of origin and alcohol content [33]. White wine, for example, is consumed a lot in South Australia where there is more emphasis on recommendation of friends, assessments, opinions and medals from professional sources. Consumers with more wine knowledge experiment more in wine selection. Gudman, Chen and Ma conducted a survey among typical users and students in Beijing [32]. The Chinese pay less for wines for everyday use than those intended for a gift. They like Chinese wine. From foreign wines, the Chinese usually choose French wines that represent the western style - a good and romantic life and good French cuisine. It is very likely that consumers will buy this wine for a gift. The lower purchase of international wines is mainly due to the lack of knowledge of foreign wines and their high prices, because of imports and taxes, prices are almost twice as high as domestic wine. Language is also an obstacle. Most consumers are poorly familiar with wine varieties and are not able to read the origin

of the back label, where the most important information is contained in a foreign language. In wine selection the first place occupies the taste, the color of the wine, after that the recommendations from friends and family, the variety of choices, the information on the back of the bottle, the wine magazines and the recommendations from the critics, then the country of origin, the age of wine, label, trademark, spile and alcohol content [34]. Wine tasting plays a key role for Japanese consumers. This finding is contrary to studies in Australia. France and Italy are the most desirable wine countries for Japanese consumers [34]. For consumers in Cyprus the most important factors influencing the purchase of wine (in order of importance) are: flower wine, aroma, color, brand and price. Concerning the perception of price and quality of local wines in regard to foreign brands, clients believe that the Cypriot wines offer good value for money [35].

2.1. INTERNET ADVERTISING

The importance of the promotion is immense, because it has to radiate the variety and quality of service that can compete with any global competitors. The Internet is one of the fastest growing media of today. With the development of information and communication technologies, the Internet has become an important part of everyday interactive communication among people in the virtual world [36]. In most European countries, wine production is on higher level than consumption, which contributes to the imbalance between supply and demand. The use of the Internet, with the development of advertising technology and interactive communications worldwide, opens wide opportunities for internationalization of the business [37]. Due to the above-mentioned facts, this could be a challenge for small enterprises engaged in the production and sale of wine. Companies that appear on the Internet are seen more by customers, better targeted, informed, sophisticated and better technologically adapted to the younger population [38]. In this unfavorable situation, winemakers have problems with strong competition and, therefore, it is very important to understand how the customer chooses a bottle of wine. Online advertising is a form of communication where an advertiser, or supplier, uses the Internet or the World Wide Web to transfer his message to the customer [39]. With the increase of Internet users, the number of Internet advertising is growing. Today, users withdraw from traditional media and migrate to the Internet, where they devote more free time to the digital world [40]. The Internet offers to the users a much greater interaction and individualization. Individualization refers to the fact that users have control over the flow of information, which leads to the advertisements and promotions that are relevant to the customers. The interaction, which interweaves with individualization, gives the bidder the choice of information that is important for him, and the advertising establishes two-way communication with the consumer [41]. The development of social networks has a significant impact on advertising [42]. He cites an example of social networks that collect information about the habits and behavior of web users, which leads to more effective online advertising. Advertising on the Internet can be easy solely if we properly use the good and weak sides of that media. Internet advertising allows reaching more people on a global scale, better focus on target groups and lower costs, as well as easier comparison of results and adoption of changes [43]. At the same time, it also shows certain weaknesses, such as overcrowding of pages with ads, the short lifespan of the ad, a lower rate of termination of advertising these ads on, because users should not see ads that are not interested for them [44].

Access to the Internet in 1995 only had 1% of the world's population, while today 40% of the world population has an access to the Internet. The number of users from 1999 to 2013 increased by

more than 10 times. Billion users were achieved in 2005, and another billion in 2010. By the end of 2014, Internet access had 3 billion people. In 2015, the total number of Internet users reached 3.2 billion, of which 2 billion comes from developing countries. According to some studies, the number of mobile phones subscribers has already exceeded 7 billion [45]. In 2014, the market share of personal computers and smartphones made up staggering 83.2%. According to the latest forecasts, this percentage should be increased by 2019 to 88.4% [46]. There are four main advantages of the Internet over other media [47]:

- Targeted communication,
- User tracking,
- Presence and adaptability,
- Interactivity.

In addition to the advantages, users must be aware of some of disadvantages that the Internet brings as a medium of advertising which are [44]:

- Saturation,
- Short lifespan of ads,
- Limited scope,
- Lower interruption rate.

3. RESULTS

The subject of this research is the application of internet marketing in the function of promoting wine by small and medium enterprises. The aim of the research is to determine the degree of implementation of internet marketing in wineries in Kosovo and Metohija. Two types of questionnaires were used for research purposes. The first part of the questionnaire was intended for consumers, and the second to the managers of several wineries from the territory of Kosovo and Metohija.

3.1. THE FIRST PART OF QUESTIONNAIRE

The first part of the questionnaire included research conducted electronically at the beginning of March of the current year, where by random sample method 56 consumers were selected for questionnaires sent to e-mail. Thirty consumers fully answered the questionnaire and only their answers are considered relevant for research. The first group of questions concerned basic information about respondents.

In Table 1 can be seen that 36.67% of respondents aged 30 and under, followed by respondents from 30-40 years with 30%, 6 respondents, 20% have 51 years and more, while 13.33% of the respondents have from 41-51 years of age. 56.67% of respondents are women, while 43.33% are men. One third of the respondents have only secondary education, while two thirds have a college and university (63.34%). Most respondents (76.67%) are employed, while almost a quarter (23.33%) are unemployed. Another important information for the purpose of the research was

information about the residence of the respondents. The highest percentage is from Central Serbia 26.67%, from Eastern Serbia is 23.33%, 20% of the respondents is from the southern part of the country, while 16.67% of the respondents have a permanent residence in the territory of Vojvodina. The lowest percentage of respondents come from Western Serbia were 13.33%.

Table 1: General information about respondents

Number	Variables	Categorization	Frequency	Percentage
1.	Age	30 years or less	11	36,67
		From 31 - 40 years	9	30
		From 41 - 50 years	4	13,33
		More than 51 years	6	20
Total:			30	100%
2.	Sex	Male	13	43,33
		Female	17	56,67
Total:			30	100%
3.	Educational level	Secondary school	11	36,67
		qualifications	5	16,67
		College	14	46,67
		University		
Total:			30	100%
4.	Employment Status	Employed	23	76,67
		Unemployed	7	23,33
Total:			30	100%
5.	Residence	Vojvodina	5	16,67
		Central Serbia	8	26,67
		East Serbia	7	23,33
		Western Serbia	4	13,33
		South Serbia	6	20
Total:			30	100%

Even a fifth of respondents said they never drink wine, however, there is a large number of those who drink it constantly (16.67%) and the percentage of those who do not drink often or rarely drink is 16.67%. For something else is stated (13.33%), while 10% of respondents consume wine very often (Table 2).

Table 2: Factors influencing the selection of wine

What influences the choice of wine?		
Factors	Number of respondents	Percentage
Season	2	6,67
Situation	7	23,33
Habit	5	16,67
Another person's	1	3,33

advice		
Server Tip	3	10
Ambiance	4	13,33
Personal inspiration	6	20
Something else	6	20
Total:	30	100

The largest number of consumers cited as the most important factor in wine selection - the situation (23.33%), while a fifth of the respondents consider that the most important factor is personal inspiration. Also, 20% mentioned something else as a factor. The lowest number chose the advice of another person (3.33%), seasons (6.67%) and server advice (10%) (Table 3).

Table 3: Loyalty of buyers of wine products

Are you loyal to a particular wine?		
Degree of loyalty	Number of respondents	Percentage
Not being loyal	3	10
Poorly loyal	7	23,33
Average loyal	6	20
Strongly loyal	10	33,33
None of the answers offered	4	13,33
Total:	30	100

The largest number of consumers (33.33%) identified themselves as very loyal, while the lowest number (10%) declared themselves as unfair (not fair). The last question concerned the benefits of the Internet, when it comes to buying wine. Even 50% of respondents said they did not use the Internet when buying wine. However, the figure of 16.67% of users who always use the internet to buy wine is encouraging (Table 4).

Table 4: The usage of internet advantages when buying wine

Do you use the internet to buy wine?		
Frequency of use	Number of respondents	Percentage
Do not use	15	50
Occasionally use	4	13,33
Always use	5	16,67
They do not believe in buying this way	4	13,33
None of the answers offered	2	6,33
Total:	30	100

Based on this analysis, one came to the conclusion that consumers do not have the confidence in buying such products over the internet. They stated as a reason that they could not buy the product

based on the picture, without having previously experience in tasting wine. They also made payment as an important fact, namely, the security of payment card data. However, there is a certain percentage of those who use this purchase method. The reason is primarily to save time, because the Internet is much easier and faster, since almost all online stores have built-in self-browsers with which it is easy to find a particular item, if it is in market. It is possible to get more information via Internet than it is possible to get in the store. Also, forums offer opportunity to read about other consumers' experiences, as well as recommendations. It is possible to make purchases online at any time of day.

3.2. THE SECOND PART OF QUESTIONNAIRE

The second part of the questionnaire was intended for the managers (Table 5). The research carried out with the winery managers was done face to face and was carried out during February and March of the year 2017, on a sample of 5 wineries. It was made with an identity card with the managers of the following wineries: *Antić, Vinice monaha crkve Svetog Stefana, Petrović, Orvin and Stone Castle*. A total of 9 sales managers and their associates participated.

Table 5 shows that (55.55%) of the sample was above (41) and (44.45%) below. This indicates that older and more experienced managers are represented in the sample. On the other hand, (88.89%) of the study sample are men and only (11.11%) are women. The educational level is an extremely high. As many as 88.89% have higher and upper secondary education, and only 1 respondent has a high school qualification. This has been replaced by years of working experience. The table also shows that years of experience and years of managerial work coincide. Working experience and experience of 5 years, or less, is least represented - only 11.11%, from 6 to 10 years (22.22%), 11-15 years (22.22%), and finally more of 16 (44.45%).

Table 5: General information about the participants

Number	Variables	Categorization	Frequency	Percentage
1.	Age	30 years or less	1	11,11
		From 31 - 40 years	3	33,33
		From 41 - 50 years	4	44,45
		More than 51 years	1	11,11
Total:			9	100%
2.	Sex	Male	8	88,89
		Female	1	11,11
Total:			9	100%
3.	Educational level	Secondary school	1	11,11
		qualifications	2	22,22
		College	6	66,67
		University		
Total:			9	100%
4.	Working	5 years or less	1	11,11

	experience	From 6 to 10 years	2	22,22
		From 11 to 15 years	2	22,22
		More than 16 years	4	44,45
Total:		9	100%	
5.	Working years in company	5 years or less	1	11,11
		From 6 to 10 years	2	22,22
		From 11 to 15 years	2	22,22
		More than 16 years	4	44,45
Total:		9	100%	

Although there is an upward trend in the Internet usage, both for daily business in general and for marketing purposes, this percentage remains at a very low level, all of which can be attributed to the specificity of winery operations in Kosovo and Metohija. By applying the Likert scale, managers evaluated the relationship to individual Internet usage items. This area was measured through (7) items on the Likert scale [48] as shown in Table 6 and Table 7.

Table 6: Likert scale

Complete agreement	Agreement	Neutral	Disagreement	Complete disagreement
5	4	3	2	1

Table 7: The Internet usage

Number	Internet usage	Mean	Standard deviation	Items of significance	Level of significance
1	We use the internet in our everyday business to inform consumers	3,2	1,17	4	high
2	Managers continually gather information about competitors and markets online	2,6	1,02	5	high
3	We create a database of consumers over the internet	3,6	1,02	3	high
4	We use the internet for advertising and advertising products	1,4	0,49	7	high
5	Managers perform product presentation via social networks (facebook)	2,2	0,75	6	high
6	Managers are interested in creating their own winery site	4,2	0,75	1	high
7	Managers believe that internet advertising and promotion have a direct impact on business improvement	3,8	0,75	2	high

General arithmetic and standard deviation:	3,0	0,85
--	-----	------

Table 7 clarifies the level of importance of using the internet, where the arithmetic mean ranges 1.4-4.2 in comparison to the general arithmetic quantity 3.0. The greatest significance of the item *Managers are interested in creating their own winery site* with arithmetic mean (4.2) and standard deviation (0.75). The lowest arithmetic mean is for the item *We use the internet for advertising and advertising products* with arithmetic mean (1.4) and standard deviation (0.49). Based on this, it can be concluded that the level of importance of internet usage on wineries from the standpoint of the sample study was high. Also, from the table above, it can be concluded that wineries in Kosovo and Metohija, although poorly using the Internet for marketing purposes, understand the importance of using this medium and the upward movement in its use due to the specificity of the business conditions.

4. CONCLUSION

Research results in small and medium-sized enterprises in Metohija indicate that winery owners have a huge problem with placing wine on the market due to specific living and business environment. However, what is noticeable and as confirmed by this research, is that the owners of the winery are not complete and sufficiently familiar with the advantages of internet marketing. Due to poor internet connectivity, they are not able to often use these comparative advantages, although they are aware of them. The research results, also, indicate that online advertising for small businesses is the most appropriate advertising. It supports a narrow-targeted audience and an extremely fast response, allowing continuous, easy-to-adjust, and especially low-cost. This is what small enterprises need. Online advertising enables the existential survival and rapid growth of the company. Online advertising of the company, compared to paying the promoter of sales or preparing and executing the campaign, is far cheaper, faster and more accurate in targeting clients. The greatest potential and challenge for placing wine are social networks, especially Facebook.

The fact is that society has just passed the threshold of digital transformation and, in this direction; companies and organizations in Serbia are faced with new challenges. Online advertising is an opportunity that is available to every Internet user for the development of a web browser, but that does not mean that every online advertising user is competitive. Therefore, it is important to distinguish the advantages and disadvantages of online advertising business. Advertising should draw the attention of the target audience and meet the planned objectives. If we want consumers to contact us, we need to be ready for a quick reaction, quality expert support and advice to solve problems.

Internet and online advertising for businesses represents a direct connection to the potential and existing clients. It is fast and efficient, and it leads to mutual satisfaction. Although the owners of small and medium-sized enterprises in the Metohija region are faced with difficulty to use these sophisticated technologies and advertising tools due to technical reasons- it is necessary to include principles and methods of internet marketing in order to solve the problems of promoting and selling wine.

For future investigations there is need to establish prediction models in order to estimate the different aspects of the wine advertising and production. For the prediction models artificial

intelligence approaches [49, 50, 51] could be used since the approaches are suitable for nonlinear data pairs without internal knowledge between the data pairs.

REFERENCES

- [1] Pelet, J. É., Lecat, B., Khan, J., Rundle-Thiele, S., Lee, L. W., Ellis, D., ... & Katsoni, V. (2017). Don't believe the hype: a grounded exploratory six country wine purchasing study. *Journal of wine research*, 28(2), 91-104.
- [2] Cuomo, M. T., Tortora, D., Festa, G., Giordano, A., & Metallo, G. (2016). Exploring consumer insights in wine marketing: An ethnographic research on# Winelovers. *Psychology & Marketing*, 33(12), 1082-1090.
- [3] Fiore, M., Vrontis, D., Silvestri, R., & Contò, F. (2016). Social media and societal marketing: a path for a better wine?. *Journal of Promotion Management*, 22(2), 268-279.
- [4] Fernandes Ferreira Madureira, T. C., & Simões de Sousa Nunes, F. J. (2013). *Relevant Attributes of Portuguese Wines: Matching Regions and Consumer's Involvement Level*. *International Journal of Wine Business Research*, 25(1), 75–86.
- [5] Hussain, M., Cholette, S., & Castaldi, R. (2007). *Determinants of Wine Consumption of US Consumers: An Econometric Analysis*. *International Journal of Wine Business Research*, 19 (1), 49–62.
- [6] Bruwer, J., & Li, E. (2017). Domain-specific market segmentation using a latent class mixture modelling approach and wine-related lifestyle (WRL) algorithm. *European Journal of Marketing*, 51(9/10), 1552-1576.
- [7] Cohen, J., & Lockshin, L. (2017). *Conducting Wine Marketing Research with Impact in China: Guidelines for Design, Execution and Dissemination*.
- [8] Aurand, J. M. (2014). State of World Vitiviniculture situation. In *37th World Congress of Vine and Wine, November*.
- [9] Karlsson, P. (2013a). *The World's Grape Production 2000–2012*.
- [10] Karlsson, P. (2013e). *The World's Grape Growing (vineyard) Surface Area 2000–2012*.
- [11] Karlsson, P. (2013b). *The World's Wine Production 2000–2012*.
- [12] Bingen, J., & Busch, L. (Eds.). (2006). *Agricultural standards: The shape of the global food and fiber system* (Vol. 6). Springer Science & Business Media.
- [13] Karlsson, P. (2013c). *The World's Wine Consumption 2000–2012*.
- [14] Bettini, O. (2014). *Wine Annual Report and Statistics 2014*.
- [15] Castellucci, F. (2013). *World Vitiviniculture situation in 2012: XXXVIth World Congress of Vine and Wine*.
- [16] Karlsson, P. (2013d). *World Trade in Wine 2000–2012*.
- [17] Adam, A., McHugh, M. J., & Kosma, M. T. (2003). *Trade Liberalization Strategies: What Could South Eastern Europe Learn From CEFTA and BFTA?*(No. 3-239). International Monetary Fund.
- [18] Anderson, P., & Baumberg, B. (2006). *Alcohol in Europe, A public health perspective, A report for the European Commission*. London: Institute of Alcohol Studies.
- [19] World Health Organization, & World Health Organization. Management of Substance Abuse Unit. (2014). *Global status report on alcohol and health, 2014*. World Health Organization.

- [20] Anderson, P., Moller, L., & Galea, G. (2011). *Alcohol in the European Union Consumption, Harm and Policy Approaches*. Denmark: WHO Regional Office for Europe.
- [21] Watson, R. T., Zinkhan, G. M., & Pitt, L. F. (2000). Integrated internet marketing. *Communications of the ACM*, 43(6), 97-102.
- [22] Lariviere, E., Larue, B., & Chalfant, J. (2000). Modeling the demand for alcoholic beverages and advertising specifications. *Agricultural Economics*, 22(2), 147-162.
- [23] Donovan, K., Donovan, K., Donovan, R., Donovan, K., Donovan, R., Howat, P., ... & Donovan, K. (2007). Magazine alcohol advertising compliance with the Australian alcoholic beverages advertising code. *Drug and Alcohol Review*, 26(1), 73-81.
- [24] Nelson, J. P. (1999). Broadcast advertising and US demand for alcoholic beverages. *Southern Economic Journal*, 774-790.
- [25] Yang, H., Lo, H. P., & Yang, Y. (2004). *An Integrated Framework for Service Quality, Customer Value, Satisfaction: Evidence from China's Telecommunication Industry*. Information Systems Frontiers, 6(4), pp. 325-340.
- [26] Kotler, P., & Armstrong, G. (2008). *Principles of Marketing*. (13th ed.). Upper Saddle River (New Jersey): Pearson Prentice Hall.
- [27] Kotler, P., & Keller, K. L. (2009). *Marketing Management*. (13th ed.). Upper Saddle River (New Jersey): Pearson Prentice Hall.
- [28] Foxall, G., Goldsmith, R. E., & Brown, S. (1998). *Customer Psychology for Marketing* (2nd ed.). London: International Thomson Business Press.
- [29] Chaney, I. (2002). *Promoting Wine by Country*. International Journal of Wine Marketing, 14(1), 34-40.
- [30] Lacey, S., Bruwer, J., & Li, E. (2009). *The Role of Perceived Risk in Wine Purchase Decisions in Restaurants*. International Journal of Wine Business Research, 21(2), pp. 99-117.
- [31] Lockshin, L., & Hall, J. (2003). *Consumer Purchasing Behavior for Wine: What We Know and Where We Are Going*. International Journal of Wine Marketing, 5(2), pp. 13-25.
- [32] Goodman, S. (2009). *An International Comparison of Retail Consumer Wine Choice*. International Journal of Wine Business Research 21(1), 41-49.
- [33] Johnson, R., & Bruwer, J. (2007). *Regional Brand Image and Perceived Wine Quality: The Consumer Perspective*. International Journal of Wine Business Research, 19(4), 276-297.
- [34] Bruwer, J., & Buller, C. (2012). *Country-of-origin (COO) Brand Preferences and Associated Knowledge Levels of Japanese Wine Consumers*. Journal of Product & Brand Management, 21(5), pp. 307-316.
- [35] Vrontis, D., Thrassou, A., & Czinkota, M. R. (2011). *Wine Marketing: A Framework for Consumer-centred Planning*. Journal of Brand Management, 18(4/5), 245-263.
- [36] Hogan, B., & Wellman, B. (2012). The immanent internet redux. V P.H. Cheong, P. Fischer-Nielsen, S. Gelfgren & C. Ess (ur), *Digital Religion, Social Media and Culture: Perspectives, Practices and Futures* (pp. 43-62). New York: Peter Lang Publishing.
- [37] Tseng, K.K., & Johnsen, R.E. (2011). *Internationalisation and The Internet in UK Manufacturing SMEs*. Journal of Small Business and Enterprise Development 18(3), pp. 571-593.
- [38] Sutherland, M., & Sylvester, A. K. (2000). *Advertising and the Mind of the Consumer: What Works, What Doesn't, and Why* (2nd ed.). London: Kogan Page Limited.
- [39] Harden, L., & Heyman, B. (2009). *Digital Engagement: Internet Marketing that Captures Customers and Builds Intense Brand Loyalty*. New York: Amacom Books.

- [40] Ryan, D., & Jones, C. (2009). *Understanding Digital Marketing: Marketing Strategies for Engaging the Digital Generation*. London: Kogan Page
- [41] Shimp, T. A. (2003). *Advertising, Promotion, and Supplemental Aspects of Integrated Marketing Communications* (6th ed.). Ohio: ThomsonLearning.
- [42] Story, L. (2008, 10. marec). *To Aim Ads, Web Is Keeping Closer Eye on You*. The New York Times.
- [43] Taylor, G. (2013). *Advertising in a Digital Age: Best Practices & Tips for Paid Search and Social Media Advertising*. B.k.: Global & Digital.
- [44] Clow, K. E., & Baack, D. (2007). *Integrated Advertising, Promotion, and Marketing Communications* (2nd ed.). New Jersey: Pearson Education.
- [45] International Telecommunication Union. (2015a). *ICT Facts and Figures – The world in 2015*. Geneva: ITU.
- [46] *IDC's Worldwide Internet of Things Taxonomy, 2015* (IDC #256186, May 2015).
- [47] Zeff, R., & Aronson, B. (1999). *Advertising on the Internet* (2th ed.). New York: John Wiley & Sons.
- [48] Matell, M. S., & Jacoby, J. (1971). Is there an optimal number of alternatives for Likert scale items? Study I: Reliability and validity. *Educational and psychological measurement, 31*(3), 657-674.
- [49] Toghrol, A., Mohammadhassani, M., Suhatri, M., Shariati, M., & Ibrahim, Z. (2014). Prediction of shear capacity of channel shear connectors using the ANFIS model. *Steel and Composite Structures, 17*(5), 623-639.
- [50] Mohammadhassani, M., Nezamabadi-Pour, H., Suhatri, M., & Shariati, M. (2013). Identification of a suitable ANN architecture in predicting strain in tie section of concrete deep beams. *Struct. Eng. Mech, 46*(6), 853-868.
- [51] Mohammadhassani, M., Nezamabadi-Pour, H., Suhatri, M., & Shariati, M. (2014). An evolutionary fuzzy modelling approach and comparison of different methods for shear strength prediction of high-strength concrete beams without stirrups. *Smart Structures and Systems, 14*(5), 785-809.