

Tbilisi 2022 Abstract Submission

Title

Analyze the Georgian wine consumer behavior

I want to submit an abstract for:

Conference Presentation

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Keywords

consumer behavior, Georgian wine market, homemade wine.

Research Question

The primary purpose of this explorative study is to investigate the consumption frequencies and preferences for wine styles, consumption motives, and occasions, and the purchase behavior in terms of purchase

Methods

Initially, descriptive statistics were performed. Additionally, ANOVA and chi-square tests were used to identify differences among the generational cohorts and gender regarding their consumer and purchase behavior.

Results

This Georgian wine consumer behavior survey provides glimpses into the types of wines, occasions, motivations, and purchase locations.

Abstract

Introduction

Wine has been cultivated in the Caucasus and Georgia for thousands of years. Wine is not just a drink to

accompany food to the Georgians; it is more religious, ritual, and part of their culture and tradition (Velikova & Bouzdine-Chameeva 2019). The wines to toast on the Georgian feast (supra) are the Georgian culture's intangible part.

Georgian viticulture experienced its most significant evolution and development during the Soviet Union. However, Gorbachev's anti-alcohol policy and the transformation processes in the 1990s led to a dramatic decline in wine production. In the mid-1980s, 160,000 hectares of wine were cultivated in Georgia. Due to the above-mentioned prohibitions and transformation process, the area under vine declined to 62,000 ha at the end of the 1990s (FAOSTAT in DWVG, 2010). Today, 45,000 ha of vineyards are being cultivated again (OIV 2021).

Nearly 36,000 households, small wine grape growers owning up to 1 ha are currently involved in viticulture and grape production (NSO 2015 Kvariani & Ghvanidze 2015), mainly producing grapes for home processing, for their consumption, and for informal sales in their rural areas (Anderson 2012). Neither production nor sales of homemade wines are included in the country's official statistics.

Officially, in 2020, Georgia produced 180,000 liters of Wine (OIV 2021). The Georgian wine industry has been experiencing a rapid expansion over the last six years. The entire industry is going through rediscovery, renewal, and growth. Since 2006 the number of registered wineries has increased from 80 to 961 in 2018 (GNW in Granik 2019).

Additionally, a transformation of wine consumption culture can be observed in Georgia, especially among the young generation. The number of wine bars and institutions offering training classes for wine professionals and enthusiasts is popping up (Granik 2019).

Albeit these developments on and transformation of the wine market in Georgia, the consumer and purchase behavior of the Georgian wine drinkers has not been researched yet. There are only estimations regarding the consumption level and the share of the wine drinkers purchasing bottled and non-bottled Wine (Wine in tabs). The primary purpose of this explorative study is to investigate the consumption frequencies and preferences for wine styles, consumption motives, and occasions, and the purchase behavior in terms of purchase frequencies and retail choices. This resulting information in the Georgian wine market's transformation process will provide insights for wine marketers and distributors in developing more focused forms of communication and interaction with the consumer based on their needs and expectations.

Georgia is a country of 3.8 million people, with 60% living in urban areas (geostat.ge 2021). Estimations reveal that most wines have been purchased in the large cities of Tbilisi, Kutaisi, and Batumi, which are economically more developed. The online survey was distributed to the database of an online panel provided by Survey ACT Global Research & Consulting Company. The panel was representative of the general population regarding age and gender in the three mentioned largest cities of Georgia. To qualify for participation in the survey, respondents had to be of the legal drinking age and to indicate that they drink Wine one to two times a month.

Wine Consumer demographics

Of the 603 Georgian wine consumers who completed the survey, 51% were male and 49% female. Respondents were geographically dispersed with 80% from Tbilisi, 11% from Batumi, and 10% from Kutaisi. Age demographics, based on year segmentation, almost half of the respondents were in the age group between 18-24, another large group of the respondents 35% were between 35-54, and the wine drinkers in the age group between 55-64 represent 13.4% of the respondents. Consumers over 65 years take the smallest share of 2.5%.

Wine Type & Consumption Frequency

In terms of the consumption frequencies, 75% of the consumers drink Wine two to five times a month. When consumers were asked about the type of wine and the frequency of consumption, results showed that white wine was the most preferred wine; 58.2% and 23% of the respondents drink white wine one to three times a month and once a week or more often, respectively. 53% and 21.6% of the respondents reported drinking red wine one to three times a month and once a week or more often.

Motivations for Drinking wine & wine drinking occasions

Regarding motivations to drink wine, the respondents identified socializing with friends (51.2%) or relaxing (47.3%) as their first and second choice motivations. Enjoying the taste of wine and linkage to food were the third and fourth reasons while indulging and health reasons are less important. The motivations of relieving boredom and drinking as a distraction from problems, which are negative reasons for drinking alcohol, were the least important choice motivations.

Respondents were asked about wine drinking occasions. Generally, the respondents reported that they drink wine most frequently at home, as a relaxing drink (76.7%), with an informal meal (65.4%), when inviting guests for dinner (70.6%) or celebrating a special occasion (59.2%). Surprisingly, over 30% of the respondents reported drinking wine while having online meetings several times a month (13.1%) and even daily (5.3%). Almost 30% of

the respondents attended virtual wine tastings, and 6.3% had online tastings once a week or more often.

Wine purchase behavior

Respondents were asked if they purchased wine. The results show that over half of the Georgian wine consumers don't buy wine, as they have their wine (36.3%) or receive wine as a gift from a relative or friend (16.9%). Only a fourth of the wine drinkers purchase bottled wine, and 21.6% purchase homemade wine (Wine on taps). It isn't easy to get a unique picture of the purchase outlets of homemade wine. Almost 10% of the respondents purchase them at the supermarkets/hypermarkets, and less than 8% at ordinary grocery stores and wineries' cellar doors. In terms of the bottled wines, 29.4% reported purchasing them at supermarkets/hypermarkets, while almost a fourth of the wine drinkers buys at wine shops and only 13.3% at ordinary grocery stores. Only 3.5% purchased wine online.

Regarding the share of Georgian vs. imported wine in their purchase amount, the wine drinkers reported that 84% of the wines they purchase are Georgian wines. The dry and semi-dry wines are almost 30% respectively presented in their basket, while the fourth of the purchased wine is covered with semi-sweet wines and the minor share of 15% takes sweet wines.

This Georgian wine consumer behavior survey provides glimpses into the types of wines, occasions, motivations, and purchase locations. The findings illustrate that drinking wine is not just a drink to relax at home; it unites guests and social gatherings of the traditional Georgian feasts. As wine is considered a trademark of any Georgian gatherings. Traditionally, wine is consumed formally.

Homemade wine production for household consumption is inherent in Georgian ethnic identity. The study results confirm that the domestic market is very challenging for the Georgian commercial wine producers due to the high share of homemade wines and low percentage of the wine drinkers purchasing bottled wines from commercial wineries. Therefore, they are highly dependent on the export markets. However, after COVID-19, the rising numbers of tourists and the rapidly growing urbanization process will stimulate the demand for Georgian commercial wines in the domestic market.

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