Exploring Wine Consumer’s Behaviour of Slovak and Czech Z Generation: a Pilot Study

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DOI: https://doi.org/10.15414/isd2022.s3.04

Abstract
The article presents results and findings from the pilot study realized in the Slovak and Czech young generation. It endeavours to answer how Z Generation consume wine, explore actual consumer behaviour, and whether there exist some dependencies between their behaviour and regular habits. The methodology includes questionnaire survey with a sample of 789 wine consumers (400 Slovak; 389 Czech). Most young people indicated 2-3 times per month consumption with 10-15 litres overall consumption. Respondents’ motives for drinking wine are largely driven by taste and relaxation. Further, our survey shows that young consumers of both countries have very similar personal habits for drinking occasions and drinking frequency. Lastly, results also show the level of education should be a vital aspect for specific drinking locations. To connect young generation and increase wine consumption, wineries should focus on understand market behaviour, preferences and attitudes.

Keywords: wine consumers, Z generation, behaviour, viticulture

JEL Classification: M30, M31, Q13

1. Introduction

We are at a time when the Z generation is coming to the forefront over time. The market power purchase is more remarkable as the Millennial generation moves to the background. Retailers and manufacturers need to adapt to this generation's consumer behaviour, attitudes, and habits. Generation Z represents for our research the target group on the wine market in Slovakia and the Czech Republic, and we can say that the Millennial generation has also experienced the times of these mergers of two countries. Drinking wine has a long tradition in both countries, but wine consumption and wine sales are adapted not only to the time but also to the mentioned Generations.

1.1 Generation Z

Generation Z precedes Millennial Generation, and it should be analytically limited and meaningful for the identification of a new generation. The Millennials are people born between 1981 and 1996. Therefore, the new Generation Z is said to be a people born between 1997 and 2012. This generation is growing up in a technological environment, which is mainly reflected in behaviour, attitudes, and lifestyle (Pew Research Center, 2019). So let us express these generations in a range of years, even though generation cut-off points are not an exact science. Naturally, another generation has already been added, namely Generation A or Alpha, which is currently in a phase where people born from 2012 to 2025 are still children (Kasasa, 2021). Thus, we can say that Generation Z in consumer or user behaviour uses mainly user-oriented applications with high availability and especially security, considering humanizing technology in lifestyle (Krüger, 2021). This generation will soon become the most influential future in the retail
sector and will form until 2026, when they introduce their enormous purchasing power. They
differ from the old generation mainly because first consumers grow up in a wholly digital era and
they are very technically proficient. Particularly, Z generation has a mobile standard with a high
basis for the online sphere. We can also argue that research has shown that this generation is even
more acceptable than the previous (Insider Intelligence, 2022). Therefore, the retail sector must
start adapting to this new generation now.

1.2 Viticulture and wine-making in the Slovak Republic and the Czech Republic

Slovakia has six wine-growing areas in the whole territory of Slovakia. In addition, the total area
of vineyards in 2020 was 11,248 hectares, which increased year-on-year compared to 2019
(10,927 hectares). Within the production in Slovakia, we can say that the production of wine for
2019 (43,044 tons) to 2020 (46,918 tons) also increased by 9 %. The total consumption of wine
in Slovakia in 2019 (77,977 thousand litres), and the coming year, 2020 is recorded the increased
consumption, up to 78,513 thousand litres of wine. If we consider, the consumption of wine per
capita in 2020 is 14.4 litres, which also represents an increase compared to 2019, when the
consumption was 14.3 litres per capita (Research Institute of Agricultural and Food Economics,
2021). Between 1990 and 2006, some studies point to a decreasing trend in vineyards in favour
of arable land. The primary reason was higher subsidies for standard crop production than grape
growing. The second reason for reduction of vineyard areas was the dynamic growth of cities
and population preference for city life. (Lieskovský et al. 2013).

The Czech Republic has seven wine-growing areas, mainly in Moravia, two of them are in
northwest Bohemia. The total area of vineyards in the Czech Republic represents 17,924.90
hectares in 2020, while in 2019, the total area of vineyards was 18,189.22 hectares, which
ultimately represents a decrease in vineyards. The total production of grapes in the Czech
Republic amounts to 90,376 tons in 2020 and 67,956 tons in 2019, which means that production
has increased despite the reduction of vineyards. The overall wine consumption in the Czech
Republic in 2019 reached the level of 199,200,000 litres and for the year 2020 to 217,400 litres.
Consumption per capita reached the level of 18.66 litres in 2019, and 2020 consumption increased
to 20.31 litres per capita (Institute of Agricultural Economics and Information, 2021).

1.3 Consumer behaviour

As early as 1996, Dodd et al. (1996) suggested that wine consumers were looking for information
and useful sources about style or type of wines, mainly from newspapers and friends’ references.
In this way, for the wine consumers to be able to discuss among themselves, they ought to be
more likely to engage in wine. Since then, we can say that consumers have preferred wine tastings
directly visiting wineries and perceive this place as a place where they can buy high-quality
wines. One study by Schaelef et al. (2018) says that wine researchers have a positive attitude
towards exploratory behaviour. Consumers, in particular, consult this behaviour, with creativity,
entertainment, and the afterlife being an important aspect. Consumption showed the excitement
of new and unexplored tastes in connection with wine consumers. Obviously, consumers were
also found in the survey by a lower or intermediate test of the survey behaviour and did not show
the already mentioned personal values. As part of the survey behaviour, it was found that higher-
involvement consumers can also contribute to improving wine consumers who reach only a
medium or level of involvement. As such, wine is most often consumed with food, unlike other
alcoholic beverages, consumed only in regular social contacts. Due to the different traditional
values and cultures, alcohol consumption varies within a country (Heath, 2000). However,
according to Smith & Mitry (2007), wine consumers not only rely on cultural differences but are
also affected by the economic environment and lifestyle. Nevertheless, the study shows that it
will exceed the level of tradition in the culture and its preservation and continue, as evidenced by
the fact that wine is one of the consumed alcoholic beverages in the European Union, representing
up to one-third of wine preferences. When comparing individual generations and wine
consumption, they differ slightly. At the same time, we can say that the study makes a difference especially in a certain type of wine, although there is no difference in the preference for drinking wine. According to the latest study, we can state that consumers also make decisions depending on the variety of wines and loyalty to certified wines such as PDO, PGI, which reflect the quality of individual wines. The study also showed that a wine-oriented consumer increases his quantity of wine purchased and its consumption (Caracciolo et al., 2022). The older Generation X has been shown to prefer drinking red wine more than others, and in contrast, Generation Z has preferred drinking white wine. The results show that Generation Z is a technological generation influenced mainly by social media marketing and online references. Since the subject of the study is Generation Z, it is also evident from the preference to buy wine that the most substantial price factor proved to be logical if we place Generation Z in the middle grade. However, wine consumption also involves the image of wine and its promotion (A Glimpse of Generation Wine Preferences, 2016). There may exist different preferences when consuming wines of different generations. The new era brings new knowledge and lifestyles, which can affect wine consumption. Health aspects can lead consumers to buy wines with health innovations, such as wines with reduced alcohol, non-alcoholic wines, or wines without added sulphites. These are often perceived as healthier or wines with characteristics of sustainability to nature (Derover et al., 2021). Another study speaks of the fact that there are significant differences between Generation X and Generation Z, especially in terms of the frequency of wine consumption, mainly due to the individual's monthly income. The study showed that Generation X consumes wine at least once a week or on special occasions compared to Generation Z. These findings favour more modern drinks (Wine market council, 2017; Chivu-drighia & Antoce, 2016). Other studies also report that young generations do not have such involvement in wine and, in particular, do not have sufficient wine expertise; it said that neither Generation X, but only Generation of Baby Boomers (Kennett-Hensell et al., 2011; Barber et al., 2008). According to Koksal (2019), the biggest problem is that Generation Z currently represents adolescents or single students without a fixed income compared to Generation X and a baby boomer, where these people represent married people with a higher fixed income and background. On the other hand, there is a difference in motivation, attributes, and consumer wine behaviour. The only common aspect is compelling generational marketing, which will appeal to all these generations if marketing strategies are designed correctly.

2. Data and Methods

The aim of the paper is to explore the consumption of wine consumers, whether there are differences in the Z generation, and to compare them between Slovakia and the Czech Republic. During the months of November and December 2021, an online questionnaire survey was conducted. The survey was later distributed through social media. The survey was designed exclusively for regular wine consumers of Generation Z (18-25 years) as a pilot study. The inclusion criteria were to be of legal drinking age. Survey was administered using Google Forms. The same method was used in both countries and then carried out simultaneously. We used the snowball sample technique method to collect data. It is a standard method of sampling in qualitative research, where we posted a link on Facebook and Instagram for fan pages to answer the online questions. As it shows, a total of 789 respondents took part in the survey (SK-400; CZ-389).

The survey was divided into two main sections. First section informed respondents that the aim of the survey was to examine their consumer wine behaviour, which would identify the basic characteristics for the needs of deeper research, which will be carried out later. First part of the survey was related to wine involvement: how often they consume wine, the amount of wine and what kind of (bottle wine, cask wine) wine they consume per year approximately. Respondents
were asked where they most often consume wine, on what occasion and what is their most common reason. All questions were formulated as open closed questions. The second section of the survey included socio-demographic profile of respondents. Data distribution is standard in Central Europe, as its preponderance are mainly young people under the age of 25, and the preference for wine consumption is also confirmed by the Polish survey (Schaefer et al., 2018), where women prefer wine consumption over men due to lower alcohol content and milder taste compared to spirits.

Table 1 The overall profile of the respondents

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Description</th>
<th>SK (%)</th>
<th>CZ (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td>Man</td>
<td>26.2%</td>
<td>15.9%</td>
</tr>
<tr>
<td></td>
<td>Woman</td>
<td>73.8%</td>
<td>84.1%</td>
</tr>
<tr>
<td><strong>Family status</strong></td>
<td>Single</td>
<td>96.2%</td>
<td>96.1%</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>3.8%</td>
<td>3.9%</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td>Secondary education</td>
<td>44.0%</td>
<td>60.7%</td>
</tr>
<tr>
<td></td>
<td>University education</td>
<td>56.0%</td>
<td>39.3%</td>
</tr>
<tr>
<td><strong>Place of residence</strong></td>
<td>Village</td>
<td>48.5%</td>
<td>37.0%</td>
</tr>
<tr>
<td></td>
<td>Town (till 30 000 inhabitants)</td>
<td>21.0%</td>
<td>15.7%</td>
</tr>
<tr>
<td></td>
<td>Town (from 30 000 till 100 000 inhabitants)</td>
<td>23.0%</td>
<td>28.5%</td>
</tr>
<tr>
<td></td>
<td>City (above 100 000 inhabitants)</td>
<td>7.5%</td>
<td>18.8%</td>
</tr>
<tr>
<td><strong>Economic activity</strong></td>
<td>Employed</td>
<td>11.3%</td>
<td>11.1%</td>
</tr>
<tr>
<td></td>
<td>Entrepreneur, Self-employed person</td>
<td>1.5%</td>
<td>1.5%</td>
</tr>
<tr>
<td></td>
<td>Student</td>
<td>87.3%</td>
<td>87.4%</td>
</tr>
<tr>
<td><strong>Net monthly income</strong></td>
<td>less than €300</td>
<td>50.0%</td>
<td>48.9%</td>
</tr>
<tr>
<td></td>
<td>€300-500</td>
<td>22.0%</td>
<td>29.0%</td>
</tr>
<tr>
<td></td>
<td>€501-750</td>
<td>11.3%</td>
<td>6.7%</td>
</tr>
<tr>
<td></td>
<td>€751-1000</td>
<td>9.5%</td>
<td>5.4%</td>
</tr>
<tr>
<td></td>
<td>€1001-1250</td>
<td>3.0%</td>
<td>5.4%</td>
</tr>
<tr>
<td></td>
<td>€1251-1500</td>
<td>2.5%</td>
<td>2.8%</td>
</tr>
<tr>
<td></td>
<td>More than €1500</td>
<td>1.8%</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

Source: own processing
The majority of respondents are women (78.8%), single (96%), but the ratio of education between secondary education (44%) and higher education (56%) is balanced. Other identifiers observed included place of residence, economic activity and income. As 87% are high school and university students, direct categories are mostly low and the highest proportion (50%) of students' monthly income is below 300€. Almost 50% of respondents from Slovakia came from rural areas, another 40% from smaller towns and only 7.5% representation within big cities. On the other hand, the Czech representation of the rural environment is at the level of 37%.

We formulated the following hypotheses for statistical evaluation:

H1: It is assumed that there exist differences between nationality and preferred wine.
H2: It is assumed that there exists dependency between nationality and drinking wine occasions
H3: It is assumed that there exists dependency between the level of education and specific place, where the Slovak people drink wine
H4: It is assumed that there exists dependency between the level of education and specific place, where the Czech people drink wine

Dependencies in responses to consumer behaviour across both countries were analyzed by Crosstab analysis and Chi-square test with Cramer V-coefficient to determine the intensity of the thread. The same approach was used to analyze dependencies in consumer behaviour within each country. The statistical analyses were performed with MS Excel as a tabular and graphical data display and IBM SPSS software at a 5% of significance.

3. Results and Discussion

The results showed us that mostly bottled wine was preferred by younger people (59.8%) or do not have any specific preferences (34.3%). The first hypothesis assumes differences between nationality and wine preference. Using the Fisher exact test, these differences were not confirmed (p-value = 0.133). Slovaks and Czechs have a very similar frequency of drinking wine, and this finding is in line with research (Smith, Mitry 2007), which showed that the countries of the European Union are increasingly similar in drinking habits. More than half of young people consume wine at least 2-3 times a month. The results showed us that the average amount of wine consumed per year is on average 10-15 litres in both countries, which also correlates with official statistics on consumption per capita.

For a deeper analysis, we have formulated a hypothesis that assumes a dependence between nationality and drinking occasion. This hypothesis was confirmed by the Chi-square test (p-value = 0.001). Czechs drink most often at home (45.2%), at celebrations (30.1%) and attend events such as wine routes more often. Meanwhile, Slovaks take the opportunity to drink, especially at home, to celebrate, but also just while sitting with friends at the bar. However, what is important to note is that Cramer's contingency coefficient is 0.177, which is a relatively weak correlation.
Table 2 Statistical dependence of wine consumers between the occasion to drink wine and nationality

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymptotic Significance (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>22.809a</td>
<td>6</td>
<td>.001</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>23.733</td>
<td>6</td>
<td>.001</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>8.458c</td>
<td>1</td>
<td>.004</td>
</tr>
<tr>
<td>Cramer’s V</td>
<td>0.170</td>
<td></td>
<td>.001</td>
</tr>
</tbody>
</table>

Source: own research, output of IBM SPSS

As indicated above, in the questionnaire survey, we also focused on issues related to the reasons for wine consumption among young people. As can be seen from Figure 1, we can basically discuss similar views as to the most common reason young people consume wine. Relaxation and entertainment (mean - 75%) recorded the highest share of answers, other less significant answers were socialization and health benefits. In the context mentioned above, according to Thach (2012), is the primary motivation for drinking wine is enjoying the taste or inspiring feeling of relaxation. However, they see the difference in that women drink more wine for social and entertainment reasons, whereas men's reasons are health and sophistication.

Figure 1 Most common reason for consuming wine

In the next analysis, we analyzed the countries individually. Regarding the identification of consumer behaviour of generation Z, specifically in the conditions of the Slovak Republic; the results showed us that there is a statistical correlation between education and the place where they most often consume wine (p-value = 0.004). Based on the results, we can evaluate that people with a university degree drink wine mostly at home or while visiting friends. Among high school students, the largest share of consumption was at home, but nevertheless we recorded an increase in this segment and in restaurants. However, even in this case, the Cramer V test has a weak correlation.
The COVID-19 crisis has caused profound changes in consumer behaviour that are linked to individual characteristics. According to Schmits and Glowatz (2021), it has been shown that people working from home with higher education tend to consume alcoholic beverages more often and in larger quantities. However, a study by Callinan et al. (2021), where young women reduce alcohol consumption during a pandemic due to a worse social life. It is clear that wine consumption at home is higher than "on-premise consumption", but another study revealed that younger generations are more open to visiting restaurants and tasting rooms. Therefore, based on our results compared to other studies, we can assume that the current state of the pandemic and geography may have a significant impact on conflicting conclusions.

4. Conclusion

Gen Z represents a valuable population with strong purchasing power in the future. The findings from the pilot study indicate that the Slovak and Czech young generation has similar social habits in wine consumption and their frequency. Drinking wine was previously described as a form of entertainment or relaxation, especially at home and at celebrations. The overall wine consumption of young people is from 10-15 litres per month, while the frequency of drinking is 2-3 times a month. We can state that there have been different reasons for drinking wine from women who drink more wine for relaxation and fun. Men drink more wine for health and social benefits. However, the survey revealed that the level of education associated with specific wine-drinking areas is significant. Winemakers should focus on great concepts and top marketing to reach young people, considering modern times’ preferences and adapting to everyday challenges. To summarise, wine consumption has been affected by the COVID-19 crisis, and our pilot survey has revealed important aspects of wine drinking during the ongoing pandemic, which require a deeper examination of the issue in the future.
References


