Understanding the growing importance of online wine web stores

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The aim of this bachelor thesis is to study the growing importance of online wine web stores among Finnish wine magazine VIINI readers in Finland, and research the customer purchase behaviour in wine e-commerce. This paper discusses what kind of factors have led to change in customer purchase behaviour through e-commerce and what are the reasons behind it. After explaining the development of customer behaviour, and clarifying the evolving customer online purchase behaviour, the growing importance of online wine stores is studied closely. In order to establish the research, a quantitative research method is conducted in a form of an online survey.

The theoretical framework of this thesis consists of examining the evolved situation of e-commerce stores and particularly, taking a closer look to pioneer studies and theories conducted in Australia about wine e-commerce. This then follows studying Finnish alcohol consumption customer behaviour in the form of statistics from alcoholic beverage retailing monopoly, Alko Oy in Finland.

From the request of the commissioner company the online survey was conducted in Finnish and distributed to Finnish Viini-lehti readers via weekly newsletter. No personal data was asked or required. These readers present the most prominent group of wine enthusiasts who have already bought wine online or are planning to do so in the near future. The objective of the survey is to draw out the demographics of the most prominent buyers who purchase wine online. However, these demographics only give approximate guidelines. Moreover, for further improvement suggestions it is necessary to gather information of what the respondents feel important regarding the ordering process and their willingness to pay for delivery costs. It will also be important to understand the reasons behind the misconceptions of whether consumers know that buying wine online is legal or who is in charge of the tax payments. The total amount of respondents is 284. The sampling method produced numerical data.

The most important findings from the analysis of the results resulted in the importance of reliable online store sites that propose rare quality wines which cannot be found inside Finland, and that are price-wise reasonably affordable. The specific essential value factors required by the respondents were easiness of online environment experience when ordering, an assurance of online tax payments that are paid by the online merchants, and home delivery were valued important. Thus, the results showed consumer’s motives but also the reasons behind of not having bought wine online.

Based on these results, there are suggestions given to online wine merchants and to commissioner party who have launched an online store of their own this year in March 2016. This thesis worked separately from their online store. These suggestions include importance of customer service, accessible prices, home delivery and description of wines. The writing process of this thesis began in the autumn of 2015 and was completed in the following spring 2016.

**Keywords**
E-commerce, consumer behaviour, wine purchasing survey, online buying
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1 Introduction

Evolving e-commerce and online stores influence customer purchase behaviour. In 2014 the percentage of Finnish population that purchased consumer products online was 74%. On average, 49% of Finns purchased products from foreign sites during 2014. The total value of e-commerce from abroad was 961 million €, accounting for a full 40% of total Finnish e-commerce during that year which is the largest percentage in the Nordic region. (Postnord 2015, 34-35.)

Wine online purchasing is a rather new emerging market in Finland because there are not many studies about it. However, it has a great deal of potential for different e-commerce channels in the future. By noticing the potential target market, making online purchase easy and reliable, and also assured tax payments paid by the online importer will make the market successful. The thesis goes through the development of customer behaviour from the perspective of purchasing wines.

This thesis was inspired by the author’s experiences while working for two different wine estates in France during summer-autumn season 2015. Through the actual harvest and wine producing to working with wine merchants for a little time helped the author to see and understand holistically the customer path of wine buying. These experiences also made the author question whether any online importer would know how to replace real customer service that one gets on spot when sometimes visiting a wine estate or as in Finland, buying alcohol beverages from Alko (alcoholic beverages retailing monopoly) and getting the best service and knowledge possible from the well trained personnel.

How can wine merchants then benefit from the online relation? As an opposite example, in cases where smaller wine producers, viticulturists don’t have the capacity to expand abroad, they may find themselves looking for representatives. The representatives come from other countries, to whom they can entrust their product and who become contributors to their livelihood (Gray 2011, 42).

The research of this thesis focuses on wine online buying experiences of Finnish wine magazine VIINI readers. The mentioned company, Viinilehti Oy works as the author’s commissioner party who made the request for this particular research. It’s needed to mention that yet this thesis was not projected for their online store. It worked separately from it.
1.1 Objective of the thesis and research questions

This thesis aims to comprehend how the customer purchase behaviour in e-commerce has changed from simple buying and selling process to changes in client value and customer engagement. In addition, to examine whether wine e-commerce could be called a rising phenomenon among Finnish wine enthusiasts. Then it will be meaningful to look into the problems that occur. After these clarifications it is also important to detect the essential services that are needed for wine online merchants in attracting, meeting and exceeding their customer’s expectations.

Whether this purchase behaviour can be called a phenomenon or not, the author would like to find a connection with the age and gender range for purchasing wines and what are the most important reasons for this. Also, it is important to examine the additional services necessary for the reliability of an online store and which stores are the most secure and popular ones. Thus, the online retailers can identify the required actions to ensure satisfied customers that also hold a higher possibility of returning on their site and sharing positive word-of-mouth about the site and service.

The objective is to gather useful information for the commissioner party about their clientele’s purchase behaviour and opinions of online retailing. These results are desired to be beneficial for the company. The author of this thesis searches the reasons, the motives to why the wine magazine readers are buying wine online and what kind of problems there might be, and in which part of the service of buying process the problems occur. To get an understanding of before mentioned topics, the writer will familiarize to topic-related literature and research, and also create an online survey for the commissioning party Viinilehti Oy. In conclusion, the author will find the answers to the following research questions:

- What are the motives behind the online purchase behaviour?
- When making the purchase decision what factors are valued?
- What are the occurring problems that make Finns hesitate the service of buying process as a whole?
- Which marketplaces the target group uses for buying wine?

1.2 VIINI magazine

Viinilehti Oy is a limited trade company situated in Western Helsinki, Lauttasaari at Melkonkatu 24. It was founded in 1990 by Juha Berglund. Its domain is publishing activi-
ties. The magazine VIINI is about alcohol beverages; wines and beers, food and good lifestyle. According to Salonen (2015) the CEO of VIINI, the readers of their magazine can be divided into four target groups: wine enthusiasts, profession-wise oriented, food column- and article readers and people who are interested for other reasons. The typical readers of the magazine are 43% women and 57% men. 32% of the readers (the biggest age group) are 50-64 year olds and have a higher education income. (Viini-lehti, Mediakortti 2016.)

VIINI magazine issues nine numbers yearly. It consists of articles that are about wines, viticulture, wine estates, wine and food complimenting, the field's current topics and novelty as well as supplies. VIINI also includes interviews of people, recommendations of connoisseurs, recipes, restaurants and lifestyle. One of the wine experts and also a special reporter of the magazine organizes trainings, tastings and exhibition functions for the readers. Moreover, it’s the biggest independent and professional wine related magazine of Finland. Magazines can also be purchased from small convenience stores with a price of 12,90 euros. The distribution of the magazine has reached 94 000 Finns. The newsletter covers 75 000 readers. (Viini-lehti, Mediakortti 2016.)

1.3 Outline of the content and limitations

This thesis being structured in a traditional way consists of five main chapters. These are: 1. Introduction, 2. Multichannel online stores’ key to success, 3. Wine consumer behaviour, 4. Research methodology and data collection, 5. Research results, and 6. Conclusion.

The thesis starts by presenting the research topic, its objectives in detail, the commissioner, and the main questions for the research. Limitations for this research are also briefly discussed. This then is followed by the theory framework where the second and third chapter discuss the background information of online multichannel stores, customer purchase behaviour and wine consumer behaviour showcasing Australian studies. After that the focus is taken on Finnish alcohol consumption and online buying behaviour.

The fourth main chapter presents and summarises the research methods and definitions. It includes description of the target group for the survey, the description of the survey, the research process, and the limitations found in the research with validity and reliability of the research results. The fifth main chapter of the research results describes the results from the online survey. The results are summarized to present the most valuable findings. Moreover, suggestions are formed for online wine merchants who are specialized in wine
retailing and the sixth chapter presents the conclusion of this research and the thesis process. Furthermore, the author gives suggestions for future research and evaluates the thesis process with self-assessment of the learning perspective of the thesis. The appendices consist of the survey form in Finnish.

Resulting with a wide and complex topic, several interesting points needed to be left out. This thesis will not be concentrating on the alcohol tax issue that resulted challenging or on the legislative side of the matter where some issues were cited by the respondents. Also, the research conducted isn’t resulting in more specific demographic data. Regarding the data, questions such as income, profession, and how much money one spends on wine buying were left out. Moreover, the time used for gathering data was long enough but the timing was not right since the survey was handed out in mid-May 2015, and the newsletter readers were not necessarily using their time on it just before summer vacations, especially in families. It could have been possible to get more than 284 responses to increase the credibility of the research.
2 Multichannel online stores’ key to success

This chapter presents the definition of a general online store and discusses the findings on how to be successful in the business for both the organization and the consumers. It examines online buyer behaviour and takes a closer look to international wine trade.

2.1 Definition of an online store

Electronic commerce (e-commerce), is all electronically mediated buying and selling exchanges between an organization and its external stakeholders. (Chaffey 2015, 13.) There are four ranges of different perspectives for e-commerce. These perspectives were defined by Kalakota and Whinston (1997) The first one, communication perspective, is about the delivery of information, products or services or payment by electronic means. Second, a business process perspective is about the application of technology towards the automation of business transactions and workflows. The third one is a service perspective where cost cutting is enabled at the same time as increasing the speed and quality of service delivery. The fourth one is an online perspective (the buying and selling of products and information online). These definitions show that e-commerce is not solely restricted to the actual buying and selling of products, but also includes pre-sale and post-sale activities across the supply chain. These perspectives are still valid today (Chaffey 2015, 13.)

The term e-commerce, also called online store, describes the trade that happens online, and e-commerce is conducted in an electronic market (e-marketplace) where buyers and sellers meet online to exchange goods, services, money or information. (King, Lee, Liang Peng & Turban 2012, 39.) A common classification of e-commerce is by the nature of the transactions or the relationship among the participants. Online store can be from between business to business (B2B), directed to consumer (B2C) or from between consumers (C2C). (Hallavo 2013, 5.)

The starting point for e-commerce was not just technology or development of sales processes’. It is about understanding the changes in customer purchase behaviour and it is especially related at developing multichannel online services. From 1960’s to 1980’s e-commerce was about selling where the producers only had the power in influencing. From 1980’s to 2000 e-commerce was all about effectiveness in buying, logistics and bargain. Since 2000 onwards rose the era of consumers in which the client value is composed of a story that is built around the core-product. The customers have the power since the selection of choice has radically increased and since 2011 it has been institutionalized. (Hallavo 2013, 21-22.) Furthermore, online marketplaces help to increase the visibility of online
businesses. Online marketplaces are exchanges of information and commercial transactions between consumers, businesses and governments completed through different forms of online presence such as social networks or search engines. The path to purchase is now much more complex since purchase decisions are influenced by many touchpoints today. These touchpoints are different sites, channels and devices that consumers use to inform their purchase decision for a product or service. (Chaffey 2015, 42.)

Digital marketing (e-marketing) comprises of different access platforms that deliver content and enable interaction through different online communication tools or media channels. Social networks with their interactive capabilities are sites which facilitate exchange of text, audio or video, and enable to post comments and rate content. (Chaffey, D. 2015, 19.) Internet is a tool for purchasing and for checking availability of goods. Communication between consumers and merchants has enabled interaction in comparing products, online stores, and in reading reviews. The process continues when a product is bought and feedback and/or recommendation is given. Moreover, the usage of media among consumers has changed; new communication customs such as Facebook, Twitter, forums and blogs have entered the business. Thus, it would be better to speak of a change in behaviour and communication rather than of buying behaviour process. (Hallavo 2013, 26.)

For companies that understand how customers use the new media in their purchase decision making can develop integrated communications strategies that support their customers at each stage of the buying process. (Chaffey 2015, 400.) In addition to this, online merchants tend to create their own medias by supporting communication between customers for instance by sharing, commenting and reviewing experiences (UGC = User Generated Content) on social media. The tailored marketing automations give very important data about customer behaviours. Customers are being approached by automated messages like newsletters, and also browsing experience and product purchases are personalized customer-wise based on their background, profile, and browsing data. (Hallavo 2013, 36.)

2.1.1 B2C online store commerce

More in depth overview of B2C commerce is required in order to understand the effects on client value changes’ in e-commerce. According to Hallavo (2013, 36), the purpose of B2C commerce is to build a customer relationship even more effectively by offering them a wide range of goods and by being present in all those channels where the customers make buying decisions such as social networks, comparison sites and search engines.
The advantages of this commerce are numerous for the consumers. In today’s society it is important to be connected and to be available. With online commerce it is easy to do shopping, to find and compare goods which propose a wide range of selection and distinctly marked prices. One must keep in mind that a customer who buys wine online, accents different benefits than a customer who browses for clothes. Another important element to customer satisfaction today is the easiness in paying services and the possibility to return or reimburse ordered products when one is not happy with these. Furthermore, in a well working business the customers give feedback or recommendations to their friends and families. They can also be a part of other operations such as product-and selection planning, and campaign implementations. (Hallavo 2013, 40-52.)

The future competitive edges for this commerce are driven through customer relationships. Behaviour analysis data enable efficient customer segmentations and automatized processes in marketing. Also, only through continuous communication and e-CRM (electronic customer relationship management) anticipation to competition with other online commerce’s, comprehending behaviour changes and self-function’s development are permitted. (Chaffey 2015, 393.) This is the reason why personalization, tailoring and multi-channelling in online services are the key elements for future interaction in B2C commerce.

2.2 Online buyer behaviour

Consumers are influenced by using online channels. In order to help develop effective online services, customers’ online buyer behaviour and motivation need to be recognized by the e-commerce companies. According to Chaffey (2015,658), online buyer behaviour is defined as an assessment of how consumers and business people use the Internet in combination with other communications channels when selecting and buying products and services. Individual preferences for using the web will also differ. Demographic studies by Lewis & Lewis (1997) led to discovering five types of web users who exhibit different searching behaviours according to the purpose of using the web. These searching behaviours are approaches to finding information, and are classified in the following way:

**Directed information-seekers**

This type of users tends to be experienced in using the web with proficient search engines. They will either be looking for a product, market or leisure information.

**Undirected information-seekers**
Users usually referred to as surfers who like to browse and change sites. This group tends to be novice users and may be more likely to click on banner advertisements.

**Directed buyers**
Users who are online to purchase specific products. For such users, brokers or intermediaries who compare product features and prices will be important locations to visit.

**Bargain hunters**
Users who use the offers available from sales promotions (free samples, prizes)

**Entertainment seekers**
Users looking to interact with the web for enjoyment through entering contests.

These different types of behaviour could be exhibited by the same person in different sessions online, rather less likely in the same session. (Chaffey 2015, 400.)

There are various aspects that influence the purchase decision. Purchasers lack the physical reassurance one has when purchasing from a store or talking to someone over the phone. In the online environment this is followed by finding cues of trust from a site (brand familiarity, site design, recommendations by other customers). A research from Brand-NewWorld (2004) shows, that perceptions of trust are also built from external sources; including the role of social media and friends in particular. A surprising element shows that search engines are considered more important than media (television and newspapers) or even salespeople in shops. (Chaffey 2015, 402-403.)

As for purchase motivation, marketers have developed specialised psycho-demographic profiles for web users. The revised Web Motivation Inventory (WMI) identified by Rodgers et al. (2007) is a useful framework for understanding different motivations. The four collective motives across cultures are: research (information acquisition), communication (socialisation), surfing (entertainment) and shopping. (Chaffey 2015, 133.)

**2.3 International wine trade**
Wine has traditionally been a traded good but only in the past two decades, the international wine trade has experienced considerable growth. Global wine markets are dynamic,
fluctuating and competitive. This is in part because wine is very different from other agricultural products. In other words, consumers seek information about where, when and how wine was made, and this is a major factor in their purchase decisions. (Frost, Harvey & White 2014, 2.)

Wine is distinct in having an identity, a combination of brand, heritage and terroir which gives certain wines and wine regions a competitive advantage. A brand is traditionally considered to be a name, term, sign, symbol or design, intended to identify and distinguish the goods or services of one seller from those of its competitors and expressed in a form of a legal trademark (Keller & Kotler 2016, 322.) Brands allow us to identify and differentiate one product from another. With wine, brand identification often incorporates the reputation of the region from which the product was produced, also to be called “reputational terroir”. (Frost, Harvey & White 2014, 7.)

Brand and terroir meet in the concept of the Geographical Indication. Terroir, a French word, literally means the land where a particular wine is grown, together with its soil qualities, water supply, drainage, aspect, angle of slope, and microclimate. (Frost, Harvey & White 2014, 7.) Moreover, terroir is a holistic philosophy and relates to all of the properties of the soil. Part of the concept of terroir is not only having the proper environmental conditions but also matching the choice of variety and vineyard management to suit the terroir. (Henderson & Rex 2007, 22.)

Wine and wine tourism are commonly perceived and marketed as lifestyle products. Several studies have been conducted for soughing information of Australian wine tourism. Charter (2006, 213), clarifies that wine tourism defined by Hall (1996) is about visitation to vineyards, wineries, wine festivals and wine shows for which grape wine tasting and/or experiencing the attributes of a grape wine region are the prime motivating factors for visitors. According to Hall & Mitchell, (2008, 118), tourism is essentially a second or tertiary activity but it offers considerable scope for enhancement of sales, both directly and through longer-term associations. On the other hand, wine tourism centres can heighten the attractiveness of a region and thus, it can increase direct vineyard sales and local wine can be exported internationally. (Boksberger, Laws & Scott 2010, 141.)

Wine makers have become global resulting that they move from one continent or hemisphere to another and spread new wine-making techniques. The ease of movement and communication has been greatly aided by the Internet. Wine makers are used extensively in marketing and promotion. The ultimatum of the new era is wine on the Internet that has been launched worldwide for a longer time ago already. (Lapsley & Moulton 2001, 64.)
3 Wine consumer behaviour

In this chapter the author examines consumer-and buying behaviour. Wine consumer and online behaviour is scoped through different studies and theories, while purchase behaviour needs more scrutinized studying with help of different studies of researchers.

3.1 Wine market adapted to consumer behaviour

According to Wittwer (2007, 7-8), the global wine market was to go through big changes from 2005 to 2015, in a decade time. Both New and Old World wine countries would experience increase in supply and demand. The author also states that consumers are becoming more discerning and switching to higher quality wines assuming that they drink less but better. As a result, the wine production quality would rise.

Complex factors influence consumer behaviour towards wine. Together these factors shape geographic, demographic and use-defined markets. Most of the factors are demographic, concerning consumer’s location, income, culture, education and age. Producers have little influence over these external factors. But producers can influence “internal” factors, such as information about wine and its consumption. Advertising, promotion and media are used most often to influence these internal factors. Such marketing strategies aim to trigger consumer purchases by convincing consumers that a particular product satisfies their needs or by encouraging consumers to change one or more of those needs. Moreover, Lapsley & Moulton (2001, 2) state that needs include the consumer’s status, risk acceptance, convenience, and taste-desires to be exclusive or in the lead, desires for lower risk in purchase and consumption, or desires for “good” taste.

What comes to competing advantages of wine producers then, and how do they keep up with the market demands? Product differentiation includes all the strategic decisions that seek to distinguish the product from competing products, to enhance its value and the revenue it generates. (Lapsley & Moulton 2001,5.) By just simply adding value to consumer’s eyes can do this. However, the chosen strategies in marketing relating to product style, packaging and distribution lose their impact over time because they are easily copied by competitors. This is why operational changes are needed. The changes for differentiation include the brand name, terroir, price bracket, value for cost, promotion activities, producer reputation and personality, awards, wine education, outlets where sold, and quality of sales representation. According to Lapsley & Moulton (2001, 6), because of the complex interaction of factors influencing consumer perception of quality, any single term on a wine label may or may not be effective, depending on the market and the product.
3.2 Studies in consumer behaviour

As mentioned earlier, the wine market is becoming more and more challenging with a growing number of new global players. Hall & Mitchell (2008, 50), state that there has been a decline in wine consumption in the traditional European wine countries of France, Italy, Portugal and Spain. On the contrary, there has been a consumption increase in countries such as Denmark, Sweden, Finland and the UK. The same increase goes to New World wine countries such as USA, Canada, New Zealand and Australia. Moreover, the western influence on lifestyles results in strong emerging wine markets in Asia.

Charters (2006, 132) underlines some important characters in analysing consumption behaviour of Australian studies. Often consumer researchers utilize insights from the social sciences, but see wine drinking primarily as an act of product consumption and consider the consumer’s engagement with the product as the keystone of the process. Drinking behaviour must therefore be seen in the light of the consumer’s social and cultural context. The main focus of existing research is inclined to be on issues of alcohol abuse, establishing status or social relationships.

An illustration of Charters (2006, 133), presents a figure titled “Why do people drink wine”. Regardless of how many different types of reasons there are for people to drink wine, these answers can be classified to three main categories. The first category is related to health stimulating effects of wine. The second category is strongly related to one’s personal feelings, perception of the wine for instance in smell, taste, the relaxed feeling it brings and its complementing with food. The third category’s reasons are rather symbolic. Here are related the messages that people transmit to each other while drinking wine. These reasons are often cultural e.g. social drinking, or while looking for acceptance from wine drinkers. Furthermore, it should be noted that consumption must be defined in the broadest terms: drinking, acquiring and collecting are all elements of the process. Buying is not the primary element of consumption, but merely one part of it. (Charters 2006, 132-135.)

Another important tool for understanding wine consumption behaviour is the concept of involvement. A definition of involvement characterizes it as a person’s perceived relevance of the consumption based in needs, values and interests. (Zaichkowsky 1988, 323.) The focal point of the idea is that it is not the product (wine) which itself generates involvement. Consumer’s involvement can be situational so that a situation effects on the purchase or brand. Zaichkowsky (1988, 323-327) has described involvement either high or low. If the involvement is low, consumers are more likely to rely on price as a cue and are
not interested in wine knowledge, whilst high-involvement consumers are willing to search and try new products. Consequently, today the involvement can be seen even more diverse. (Charters 2006, 138-139.)

What then becomes to wine consumer segmentation, it shows that there are numerous authors and researchers who have looked for a consumer classification system of the consumer. Segmentation primarily applies demographics, psychographics (the emotional, value-based and attitudinal characteristics) and purchase behaviour (such as price paid) to break up the potential market on the basis of generic differences between customers. One of the most well comprehended attempts by academics has been undertaken in Australia. Spawton (1991) argues that the wine industry consists of four main segments of wine drinkers – Connoisseurs, Aspirational Drinkers, Beverage Wine Consumers, and New Wine Drinkers. Connoisseurs are highly brand conscious; they drink fine wines and rely on knowledge and previous experience for their purchasing decisions. Aspirational drinkers are keen to appear knowledgeable about wine; they choose wines that they think will enhance their reputation and reflect their desired lifestyle. The third group (Consumers) is mainly concerned with price and taste, as a result, this group responds to specials and reduced pricing offers. Finally, the fourth group (New Wine Drinkers) are young. Their preferences have not yet become established but they are strongly influenced by the occasion where wine may be consumed. This four segmented model is still widely used. However, more recently Spawton’s segments have been modified further, with the suggestion of two more defined by Bruwer et al. (2001) which are: Ritual-oriented conspicuous wine enthusiasts and Fashion/image oriented drinkers. Their study suggests that social drinking, enjoyment and a focus on projecting a trendy image may be key motivators for different consumers. (Charters 2006, 141.)

The concept and impact of involvement in wine consumption have been studied and involvement has been seen to affect the importance consumers place on price as an indicator of a wine’s quality. The study results of Zaichkowsky (1988), that were presented earlier in this chapter, have been disputed by several academics. However, the focal point of the idea is on the consumer. A wine tasting experiment which tested the effects on the label was conducted by French researchers Frédéric Brochet and Gil Morrot in Bordeaux university in 1999. The same Bordeaux superior wine was presented to 57 students one week apart. The participants did not know there would only be two sessions. The wines were a table wine and a grand cru. The students were asked to write notes on the tasted wines. The result was that only six out of those 57 students in oenology were able to distinguish the difference, and the table wine was described in a more positive way than the actual superior wine. (IWD, École d’oenology, 2015.)
One domestic consumer survey of Finnish magazine VIINI was conducted in spring 2013. The survey was responded by 2413 recipients. Most of the respondents thought that grape variety is the most important factor when choosing a wine. The second most important factor was the influence of advertisements. Only under 10% of the respondents stated Alko personnel’s recommendations important. Even the media’s recommendations were perceived to have more importance. Wines which cost 10-12,99€ were seen the most popular. In addition, the recipients would get wine from abroad but also already back then, they were buying online. (Määttänen 2013, 29–31.)

Liz Thach (2014) writes in her article for the Wine Spectator Magazine what type of online wine buyer an average American is based on a survey conducted by researchers at California Polytechnic University in St Lus Obispo. The sample was 3000 recipients with a 31% response rate when 23% had bought wine online. The results discovered were that online wine buyers are most likely to be male, over the age of 40, married with children, and have a higher income. These consumers are generally seeking higher quality wines from recognized appellations and have a preference for family-owned or small wineries. Moreover, they are also quite tech savvy and are more likely to use phone apps or tablets to research wine information. Surveyed buyers cited concerns such as high shipping rates, online security worries and logistical issues such as signature requirements. A surprising element of the results was that Millennial consumers (Generation Y) of legal drinking age currently purchase very little wine online, even though they grew up with the Internet. The researchers discovered the main reasons to be that Millennials think shipping costs are too high and would prefer not to wait for a wine shipment. Also, they like to buy wine that they have an “experiential connection with,” wrote the authors, a wine they’ve tasted in the past or one recommended by someone they know.

3.3 Finnish alcohol consumption

Alko Oy in Finland is the alcohol beverages retailing monopoly where beverages contain more than 4,7 percentages by volume. Alko Oy reports about their sales statistics on their main website. In the annual report of 2015 it can be stated that overall alcohol sales are still decreasing compared to previous years. Light wines (red, white and sparkling) still give the best sales; this measured in litres out of total sales, light wines represent 57,3% meaning total 53,9 million litres which is 2,2% less than year 2014. The product price statistics show that 74 % of consumers preferred red wines which are set under 10 € (28,5% of total sales) As for whites 83,5 % of consumers preferred price class of 8-8,99€ (24,9% of total sales) and for sparkling 70,5% of consumers preferred the price class of 9-9,99 € (32,5% of total sales. (Alko Oy 2015.)
The National Institute of Health and Welfare of Finland (2015) underlines significant changes in Finnish alcoholic beverage consumption. In 2015, the total consumption of alcoholic beverages was 10.8 litres of pure alcohol consumed per person aged 15 years or older. The total consumption decreased by 3% compared to 2014. In total, Finns consumed 39.1 million litres of pure alcohol.

In 2014, the statistics show that the structure of recorded consumption of alcoholic beverages remained very much the same as in 2013; around 40.1 million litres of pure alcohol. Nevertheless, in the last recent years the consumption structure has changed. It indicates that the strong alcoholic beverage consumption has decreased to 22% compared to 22.4% in year 2013, while the proportion of beers (48%) and light wines (19%) has increased. (The National Institute of Health and Welfare of Finland 2014, 26.)

According to the Ministry of Finance (2016) Finnish alcohol taxation precints beers, wines and other fermented alcohol products such as long drinks and ciders. The alcohol taxation is defined by law (1471/1994) where the tax levels are based either on litres of finished beverages or on centilitres of ethyl alcohol. Since 2014 the tax levels for wines of 15-18 percentages by volume is 339 cents per litre.

When alcohol products are ordered from another EU country this process is called distant sale or distant purchase. In distant sale the legally bound tax responsible is the distant merchant from which a private person has bought final taxed products for consummation which the distant merchant ships and delivers directly who has partnerships with delivering companies or indirectly straight to the consumer in Finland. Whether the distant sale of delivery happens indirectly the distant merchant can set a tax commissioner accepted by the Finnish customs to pay these taxes. Distant merchants who do not have a tax commissioner must give a declaration of the shipping of products from another EU country but also a deposit of the final tax products. (Tulli 2016.)

In the case of distant purchases, a private person is legally bound to pay the final tax product to Finland when one is purchasing from another EU country and organises the shipping him or herself through another private person or delivery company without the financial aid of the distant merchant. In addition, the delivery company, the private person and the person who has the possession of the products in Finland is also legally bound to pay taxes. The final product taxes are based on alcohol beverage taxes and beverage package taxes. (Tulli, 2016.)
3.4 Finnish online commerce behaviour

Now when consumer behaviour and wine customer purchase behaviour have been studied closely it’s time to take a closer look to the online commerce behaviour. The value of online purchases in Finland was analysed in e-commerce survey (Verkkokauppatutkimus Graafit) by Smilehouse (2010). Smilehouse is an e-commerce specialist firm supporting enterprises on all aspects of their digital business models. Their organization in Finland employs approximately 90 highly experienced project managers, management consultants, architects, application developers, user interface designers and usability experts. (Smilehouse, 2015.) Considering that the validity of the research is a bit outdated since the study was conducted in 2009, the results most likely aren’t the same today.

The most popular product categories purchased in 2009 were travel services with 73% of respondents. Second came books with 70%. On third ranked music, movies -and/or games, entrance tickets, and clothes for adults with around 65% each. What becomes to spending money on online shopping over the past year 2009? According to Smilehouse’s study, it indicates that 33% of respondents had little increased the money spent, as for 54% of the respondents say that money spending had stayed rather the same without increases or decreases. 5% claim that the money spending had increased remarkably.

Another important indicator as basis for the author’s research is the preference in country of origin of the website. In 2009 48% claimed to have purchased mostly from Finnish websites. 22% said to have purchased from both Finnish and Foreign websites, when 23% said to have purchased only from Finnish sites. Respondents for alternatively buying only from foreign websites was 0%. The features that matter to consumers illustrated in Likert scale show that Finns are rather open to foreign sites also. It’s thus an important indicator to show that easiness and reliability in domestic and international e-commerce was already a positive figure in 2009. Hence, a more updated and developed survey would be needed for today.

National Finnish e-commerce monitoring commenced in 2010 together with ASML ry (Finland’s customer relationship marketing organization), Kaupan liitto (Trade Association) and TNS Gallup (Finland’s leading market research company). Alcohol as a product group was added in 2012 to the monitoring. In year 2014 the figures were based on 11 492 recipient interviews. In 2014 e-commerce statistics showed that total sales were 10,5 milliards €, when services counted up to 5,7 milliards € (54% out of total sales), whilst goods counted up to 4,7 milliards € (45% of total sales). (TNS Gallup 2014.)
Retail Lab is a creative and strongly customer expert-oriented consultation company for retail companies also in e-commerce. The status of e-commerce (Verkkokaupan tila 2013) research measured and analysed over 80 e-commerce company's ability to lead customer experiences. The study's results show that the situation of these customer experiences created by online stores are already on good level. The companies have invested on easy user-friendliness and reliability. However, there are big differences between the companies, and improvements are needed particularly in visual design e.g. in order to create an image, and ability to create impulse purchases and incentives for consumers. (Retail Lab 2013.)
4 Research methodology and data collection

This chapter will clarify the process of conducting the survey. It will also point out the research objectives with a detailed description of the target group. Finally, an overview of the data collection is given.

4.1 Research method

The study of this thesis was done with a quantitative research method. The most common way of this method, a survey was used. Quantitative research is defined as research that is undertaken using a structured research approach with a sample of the population to produce quantifiable insights into behaviour, motivations and attitudes (Wilson, 2006, 135). A quantitative approach suits this research best where the information is sought from a larger group of people and where this information can efficiently be translated into quantitative form. The sample and target group is formed of customers listed in Viinilehti Oy’s newsletter register. It was chosen in order to get opinions and reveal attitudes of Finnish Viini-magazine readers towards wine e-commerce. (Wilson, 2006, 135.) The quantitative research includes numerical data which is analysed and used to provide conclusions.

The survey for this thesis was conducted online in Finnish. According to Wilson (2006, 143), an online survey can be defined as a self-administrated questionnaire to potential respondents through desk-based PCs and turning it into a computer assisted research tool. Since this research method was the easiest and fastest way to reach the desired target group it was chosen together with the commissioner party. They also recommended to make an online survey because the whole concept of the thesis evolves around e-commerce purchases, and it was convenient since the company already had an existing e-mail-list of the subscribers.

This requested research turned out to be vaster than the author first thought. There were several ways to approach the research at task. The main task was to find out the motives behind Finn’s online purchase habits. The objective was also to give an insight of what kind of factors affected to the purchase and non-purchase of wines online, and if there were any problems. The aim was also to understand the importance of these different factors and see if these could be categorized into groups. Finally, look into what kind of marketplaces do they use. No previous research had been done in Finland on the topic. However, the possibility to compare or base arguments on previous knowledge was made possible thanks to previous studies conducted in New World wine countries such as USA and Australia.
4.2 Description of the target group

The target group for this research was given by the commissioner of VIINI, accorded with the CEO Tomi Salonen. This target group represents Finnish readers of the VIINI magazine, in other words, thousands of Finnish wine enthusiasts who are current and/or former readers of the magazine but who are still regular subscribers of the weekly newsletter. The newsletter alone covers 75 000 Finns. These wine enthusiasts are also interested in wines and have purchased these online or have the intention of doing so closely in the future.

It’s needed to mention that there are no previous research results registered about how many people have bought wine online and who is a typical online wine buyer in Finland. Also, since Finland has an alcohol retailing monopoly, the assumption that most Finns buy wines mostly from Alko is more than accurate. Furthermore, no geographic data is asked from the respondents. The fact is that the largest amount of VIINI magazine’s customers come from the Metropolitan area of Helsinki.

4.3 Online questionnaire survey and data collection

The data collection was done online via online questionnaire (Webropol). This platform for the survey was chosen because of its effective and fast analysing program. The survey was titled as “Wine e-commerce questionnaire survey”. It was conducted in Finnish and sent to all VIINI newsletter subscribers in Finland, to 75 000 people. Answering to recipients was anonymous and lasted from five to ten minutes. The idea was to reach as many readers as possible during a period of three weeks’ time. The desired sample sought was 500. The questionnaire in total includes fourteen questions of which eight of them were mandatory. These mandatory questions were wished to sought important demographic data out of the respondents which were chosen together with the commissioner. There are qualitative elements in the survey with six open ended questions in order to let the recipients feel free to answer as they wished. These open ended questions were chosen to gather valuable information from each of the respondents as there were no previous demographic researches about the topic available to use as a guideline.

Since questions pertained to consumer behaviour and preference, Likert scale was chosen for the question of rating the importance of different services. This scale, also known as agree-disagree scale, presents a series of attitude levels for which the respondents are asked how strongly they feel about it by rating the matter on a scale of one to five points (Wilson 2006, 177.) There are some disadvantages to the Likert scale which are that there
is no basis for the assumption that the interval between the points is equal, and the possibility remains that respondents may answer according to how they think they should answer. However, the Likert scale is to be considered reliable and sensitive.

An online survey is much less time consuming and this way it reaches many people. The expected number of respondents of the survey was around 500 people. With a large expected sample like this it will be easier to break down the target group into even smaller groups. By having a larger sample, the likelihood of error should be decreased and statistically significant links between variables could be established. (Creswell 2003, 156.) The research consisted of questions related to demographics, online purchase behaviour, online wine purchase behaviour, focusing on attitudes, purchase habits and on the actual experience of online wine stores.

The planned questionnaire was executed together with the commissioner party. Several versions of the survey were made, and before sending it to the newsletter subscribers it was sent to two people working in the company prior to publishing. The final version of this was sent to the customers on 18th of May. Despite of the desired sample wanted, the survey gathered 284 respondents, and it was then closed after being open for three weeks; from 18th May to 8th of June 2015. After conducting the survey, the results were gathered and analysed two weeks later. The results were analysed with help of Webropol analysing program and this numeric data was then formed into charts and figures with excel.

4.4 Validity and reliability

Validity and reliability are concepts that measure credibility of the research. Validity is used for measuring how successfully the research results can be generalized, were the data collected carefully and analysed carefully. Reliability is about consistency in the research to see to what extent is the design clear and well organized that one could conduct another time and come up with similar results. (Mayo 2014, 142-148.)

Regarding the wine e-commerce being more of a niche market, it is becoming a recognized sales channel. Little research has been dedicated to developing a better understanding of the demographics and psychographics associated with these online wine purchases. (Academy of Wine Business Research 2014.) Examining the reliability of this research the demographics resulted giving minor data since only gender and age of the respondents were requested.
Examining the validity of the survey, it was created simply based on previous studies of wine making countries such as Australia and US. The consumption habits are very much different compared to Finnish alcohol culture. Regarding what was meant to be measured, was measured. The following research questions: “What are the motives behind the online purchase behaviour?”, “Which factors are valued when making the purchase decision?”, “What are the occurring problems that make Finns hesitate the service of buying process as a whole?” and finally “Which marketplaces the target group uses for buying wine?” were answered. Nevertheless, the validity of the survey results was weakened by the fact that there were no previous studies of Finnish wine online buyers to compare the results with. However, with a rather equal amount of responses gender-wise it may allow generalization of the whole population.
5 Research results

The chapter of the research results binds a covered detailed description of the target group. It goes through the demographic profiles of the respondents, their purchase habits, opinions and beliefs, and thus presents the data collection. Analysis and significance of the results is widely based on discussing each and every question covered in the online questionnaire and their responses with help of tables and figures. Last, the results are summarized, and finally, suggestions for e-commerce wine merchants are also created.

5.1 Analysis and significance of the survey results

The following subchapters examine the results of the survey and showcase these in different forms of tables and figures. The total amount of the online questionnaire respondents was 284, while some questions were not responded by all of the respondents and some open questions resulted in multiple answers per respondent. The presented results are analysed and some data is compared to an American study presented earlier in chapter three, and to Nordic countries study by PostNord 2015.

5.1.1 Gender and age demographics of the respondents

The first two questions of the survey were about gender and age of the respondents. Out of the total 284, the survey responses between men (57%) and women (43%) were more equal than the author expected as it can be seen in figure 1. All of the respondents specified their gender and age since these questions were mandatory. It was curious to see from these results that women’s views about wine e-commerce were well turned-out and therefore comparable in turn for men’s views.

For this research the results can be stated with credibility regarding the results being closely comparable, and for this reason the following questions are analysed by viewing the total respondents by concentrating on the gender.
The second question of age distribution was also mandatory allowing the author to examine who is the most prominent target group for such a niche commerce. The distribution of sample by age groups was chosen together with the commissioner. As seen in figure 2 below, out of the total 284 respondents: 1% (4) were in the age group of 18-20 year olds, 13% (37) are in the group of 21-30 year olds, 17% (48) in the group of 31-40 year olds, 27% (76) in the group of 41-50 year olds, 33% (95) in the major group of 51-65 year olds and last, 9% (25) in over 66 year olds.

As a result, seeing from these demographic results it will be easier to concentrate on the needs, wants and consumer behaviour of this dominant group, which are the 51-65 year olds. It would have been interesting to see if there would have been any major differences in the opinions of younger -and respectively older adults’ respondents.
5.1.2 Probability of buying consumer products online, accustomed online wine buyers and reasons for buying

In order to get more in-depth views of the target groups’ background in online buying, the author needed to find out what was the tendency of these customers to buy consumer products online. As presented in figure 3. below, most of the respondents (48%) meaning 136 out of 284 respondents sometimes buy different types of products online. In the survey the question did not precise what kind of consumer products the author would be looking for, nor was it an open question to be answered by the recipients. The aim was just to verify and make an assumption with the connection to wine online buying.

Figure 3. Tendency for buying consumer products online (n=284)

Figure 4. reveals interesting results regarding the Finns’ tendency to purchase wine online. 33% presents both the respondents who have never bought wine online (95 out of 284), and the respondents who have bought at least five times or more (93). When putting these figures together, 67% have already bought wine online. This outcome shows that these Finnish wine enthusiasts might be a valid, prominent target group for wine online retailers. It also gives more value to the main research questions about the actual consumer behaviour and purchase motives represented by many different age groups. Also, it is now meaningful to seek for the reasons behind why those other 33% of Finns have not done purchases online and what would make them possibly change their perceptions of the concept.
Figure 4. Tendency for buying wine online (n=284)

This question in figure 5 represents one of the most important survey’s objectives; what are and how important wine consumers see the presented reasons which can also be interpreted as motives for buying wines. The reasons were chosen together with the commissioner in order to discover the motives behind purchase decisions. This figure showcases the average level of importance on the scale of 1-3.

Figure 5. The most important reason for purchase (n=283) from 1 (very important) to 3 (the least important)
As it can be seen, the most meaningful motives were divided rather evenly. The main reasons were reliability (56%), rare quality wine (48%), price (47.8%) and easiness in shipping to one’s home address (44%). Reliability of the site is a very important asset when it comes to buying online, using one’s credit card and then expecting to get good value for the money and products that are flawless in quality and taste. Hence comes the pricing of products. When thinking about the biggest age group of buyers (51-65 year olds) the price can either mean rather advantageous or expensive prices. This factor will be demonstrated later on in the following figures. The easiness in shipping to one’s home address was seen more important than the author expected. It can be presumed that the recognition of home shipping brings extra value for customers and works as a competitive advantage for online importers. It was interesting to see that the power of word of mouth in media, experts or one’s friends weren’t important to recipients at all as this was also the case in the theory of online buying behaviour in chapter two.

In the option of “Other reasons”, according to 28% of the recipients the mentioned reasons included: grand, wider selection of wines and manifesting against the monopoly, Alko which from this point of view, it enhances the competitiveness of online sites.

Now that the reasons of the consumers who buy or would buy wine online are clear it is important to have a closer look on the reasons and on those respondents who represent 33% of the sample who have never bought wine online is reflected in the next figure. This figure showcases the reasons, the perceptions for not having bought wine online. This time, the number of respondents counted 110 out of 284. The results show that 51% of the respondents rely on the customer service efficiency and skills of Alko personnel. 38% are not quite sure whether buying alcohol products online is legal in Finland when 33% think that shipping expenses are too high. Obscurity of ordering process (25%) can be troublesome which can include many factors e.g. service not provided with Finnish mother tongue. 16% find the security in credit card payments questionable when 13% say that the prices are too high and 5% think that delivery time is intolerably long. As for other reasons, 22% of the respondents mentioned that they have not tried but would try later on while some found they are too price-conscious and find the process uncomfortable as if they were buying a pig in a poke.

It can clearly be stated that Finnish consumers whether they are wine enthusiasts or not, have trust in the monopoly system since their services have existed for so long and it is convenient. There are quite a lot of doubts evolving around the legal and security side of online service processes.
5.1.3 Marketplaces of buying, average amount of bottles purchased and average length of delivery desired

In order to get a better understanding of what kind of websites Finnish people use and also, to prove one of the author’s main questions regarding the marketplaces used, the survey included this open question for the ones who already had bought wine online. The numbers in brackets indicate the number of respondents. The top ten wine online stores (https://www.) of the respondents:

1. carsin.com/shop (36)
2. vinatis.com (35)
3. vinexus.de (19)
4. gourmondo.co.uk (16)
5. vinonostrum.com (15)
6. decantalo.com (14)
7. vinitkotiin.com (13)
8. superior.de (11)
9. ekowine.net (8)
10. alko.fi (7)

There were around 170 responses given to the open question. Objectively inspected these responses only gave a probable average guideline since many of the sites were given triple times by the respondents, and sometimes the respondents said not to remember what sites were used. Also, some people gave many websites to the open question box at once when some only gave one.

The top ten websites given by the respondents which had already been frequented before comparing to those, to the 33% of the sample who had not. These sites given above show that domestic websites are favoured, but to author’s big surprise many of the sites are not...
translated to Finnish language. As this research concentrates on the Finnish wine enthusiasts and the theory itself is only applicable and relevant in this thesis, as a result, it cannot be compared with specific previous domestic studies because they do not exist.

To have a closer look on the websites is needed. Carsin.com/shop is a webstore launched for Château Carsin, Finnish wine property in Bordeaux, France. The main site is translated in Finnish, French, English, Swedish and Chinese. The webstore however is only targeted to Finns. The second site vinatis.com offers new and old world wines, it is a French site. Hence the responses given regarding the name of the site, author thinks that most of the respondents meant to indicate the English version of it, vinatis.co.uk. The languages offered are French, German, and Italian. The third site vinexus.de is a German site offering both new and old world wines also in English. Gourmondo.co.uk is another German site originated, it offers wines and spirits and possible groceries for gourmet food. The fifth site, vinonostrum.com is an English site also translated to German offering Italian and Slovenian wines but also champagnes. The sixth site, decantalo.com is a French site specialized in Spanish wines. The languages offered are French, German, and Italian. Viinitkotiin.com is an Estonian site that has a physical store in Tallinn is designated to Finns mostly but also translated in English. Superiore.de is a German site concentrating on Italian wines and only existing in German. The ninth site called ekowine.com is a Finnish site designated to Finns only focusing on organic Italian and French wines. A physical store is based in Tallinn.

The last site that appeared quite often in the given answers is Finnish alcohol monopoly store’s site, alko.fi. Up until now, Alko Oy only has only made possible to look up all of their products that the monopoly sells all over Finland. This is a tool for customers to then request for the products they are looking for. The search engine also enables to find products from the closest Alko based on in one’s area. If a certain product cannot be found from a store and the product in question belongs to special selection (tilausvalikoima in Finnish), a customer can request for a product transfer to one’s domestic Alko store and physically go get it from the store. However, the people who gave alko.fi site as a response to the question cannot be considered as a valid answer since technically Alko does not have an official online store yet.

The bottle amount purchased in table 7. below shows how much wines Finnish consumers usually buy online at a time. Only 21% would buy single bottles when 57% would buy boxes of six or twelve bottles. For 22% of the respondents, other amount is applicable due to pricing. These include 18 bottles, 12-24 bottles, 36 bottles and last, 5 cases.
In figure 8, the most suitable delivery time for consumers is demonstrated below. Depending on the site used most often the time interval between shipping and delivery is around one week. Noted that this question was mandatory all 284 respondents were to answer. For 55% (157) the most suitable time was one week when for 36% (103) the suitable time was two weeks. For only 4% (12) the interval time needed to be quicker when on the other hand for 3% (9) it was fine to wait for one to two months. 1% (3 out of 284) found that the delivery time could be either three weeks, 4-5 days or longer than any of the mentioned alternatives.

Moreover, according to PostNord (2015, 12), the desired delivery time in Nordic countries is 4.3 days. The proportion of Nordic residents that expect to receive their products within 1-2 business days has increased over year 2014 and in 2015 it stands at one in ten. Yet,
27% of Finns were willing to wait more than six business days which is the lowest Nordic expectation of delivery time (PostNord 2015, 38.)

5.1.4 Importance of value factors

The respondents were asked to rate how important different value factors that e-commerce stores provide were when considering the reasons given earlier for purchasing wine online. The figure 9. illustrates the average level of importance of the value factors on scale of 1-5.

![Figure 9. Importance of value factors (n=284) from 1 (very important) to 5 (not important)](image)

These results were given representing the whole sample (284) since the question was mandatory. As it can be seen from the figure above, the most important and valued factors for 49% of respondents were easy site, given that a website is easy to use. For 43% it was very important that an online store informs of paying alcohol taxes to Finland. Given that the whole legal side of things is unclear in general for consumers. For 42.6% home delivery was well appreciated and 34% thought the credit card payment is important and more reliable than e.g. using PayPal. 33% found important that a webstore has a detailed description of a wine with either tasting notes or with information of the wine producer.

Other elements that got a little less votes in ranking were: size of bottles clearly indicated (29%), fast delivery (24%), possibility to compare prices before ordering (22%) relating to
review and points given for a wine by experts or online importers (15%) seemed rather irrelevant value factors.

As for the value factors which were seen as not important, there can be stated a few of them. Gift service was seen the least important of all fifteen according to 36% of the respondents. Regular newsletters from an online store did not seem important for 18%. Then, interestingly enough the alcohol tax payments paid to Finland were not important for 16% of recipients whereas offers and discounts e.g. given with a monthly newsletter were not seen important to 15% of the recipients.

The focal point of finding out the value factors was to see what would make the selection easier to the respondents and also, this would allow categorising them. This categorising attempt is simply based on this value factor table above. First category could be called “Navigation and presentation” which includes following factors: easy site, size of the bottles clearly indicated and possibility to compare prices. Second category could be called “Advice” including description of wine, food complementing with wine, seasonal selection products and expert’s recommendation. Third one is “Security” which includes online store pays taxes to Finland and credit card payment. Fourth, “Logistics” consisting of home delivery and fast delivery. “Community” including review and points of the wine, offers and discounts, gift service and regular newsletters.

5.1.5 Additional value and willingness to pay for the delivery expenses

One of the key factors of this research was to see how much people would be willing to or not to pay for additional costs that come from delivery costs. In order to get the most reliable results the question was indicated mandatory. Surprisingly, the additional costs are not a problem among the respondents. For 30% (84 out of 284) found that 20€ is a reasonable amount when for 22% (63) 10€ was a good amount. 17% (48) thought that 5€ is enough whereas 8% (24) showed that even 30€ is reasonable. However, there were also 6% (18) of the respondents who thought they would not be willing to pay anything for delivery expenses. Other 17% (47) stated that they would pay 1-2€ per bottle or depending on the quantity of order necessary.
As the issue of alcohol taxes paid by the online webstore already showed uneasiness in the survey results earlier, a closer look to willingness in buying online or not was needed. The figure 11. below gives an illustration of the current situation and opinions whether an online store pays for the taxes or not. The mandatory question was formed in a following way: “Some of the online importers do not take care of paying the alcohol taxes to Finland. Would you be ready to buy from one who did not?”

The results show that for 48% of the respondents are not ready nor willing to buy from one. “Maybe” gathered 27% of the answers when the ones who said they would be ready to buy from one were 25%. There was no possibility for an open ended answer. The aim was to see how the respondents react in general. These “maybe” and “yes” respondents
were not able to precise whether they would be willing to pay the taxes and deal with Finnish authorities.

The whole tax issue resulted in great uncertainty which was already showcased in figure 6. 38% of the respondents claimed legal uncertainty of tax payments to be the main reason for not having purchased wine online. Early this year in 2016 the thesis commissioning company Viini-lehti launched their website called Viinikellari. On their website the payment process is explained clearly. They offer quality and reliability underlining that the tax payments, authority payments, as well as alcohol VAT of 24% are being taken care of. This online store provider promises to take care of the authority payments if a client wishes so. The property rights to products are being transferred outside the Finnish borders. As for delivery, the products are shipped through Matkahuo (Finnish bus and coach service company). The average delivery time is from five to ten business days. (Viinkellari 2016.) Alko Oy is also going to have an online store later this year 2016. The deliveries of the products will be shipped to Alko stores, and to different collection points all over Finland. (Alko Oy, 2016.)

Together with the commissioner party, the author wanted to see if there could be an incentive, an asset that would bring additional value and thus, more possible customers to the online market of wine stores. The probable incentive used could be a planned tasting event in Helsinki targeted to Metropolitan citizens. This hypothetical idea did not seem to quite appeal on the respondents. As a result, 32% would say maybe to the idea when 21% said a planned tasting would not make them order wines online.

![Figure 12. Probability for ordering wines online if there was a planned tasting event involved in Helsinki (n=283)](image-url)
5.1.6 Problems occurred during the delivery receiving

There were some matters which the author wanted to raise knowledge of for the e-commerce wine merchants. Because of a mutual agreement together with the commissioner party it was decided to inquire information on the problems occurred when receiving the order. The question was formulated in a following way: “If you already have bought wine online, have you experienced any problems when receiving the order?” This question not being stated mandatory, was answered by 221 respondents. The results are showcased in figure 13 below.

![Figure 13. Problems occurred while receiving the order (n=221)](image)

It was surprising to see that 82% (170) of the respondents said that they had not experienced any problems at all which is a positive thing. For 4% (9) there had been problems with receiving a wrong product while 1% (2) had received wrong quantity of products. Luckily cork failure was quite rare, only 4% (8) had experienced this issue, and as for 1% (2) a product had been confiscated by the customs due to unpaid alcohol taxes by the online retailer.

Option “Other” gathered also different kinds of experiences. 14% (30) said to have experienced for instance problems with delivery schedules or with the customs who intervened in the middle of the delivery. 17 out of 30 other respondents in particular said to have received broken bottles while some said the order not being 100% correct but a reimbursement was assured in both cases of broken bottles and wrong products. Two respondents said to not have received the order at all which is much more of a rare case from usual.
Nevertheless, the respondents did not conclude to mention if they ever finally received these or not.

5.2 Summary of the results

The survey was responded by 121 women and 163 men. The given research results show that the research questions were answered and clarified. In addition, since there was no previous information of Finnish wine e-commerce customer behaviour it opened a discussion for further research. There were some results that surprised the author but most of the results seemed to match coherently with the theoretical framework. The results give an idea of how the readers of Viini-lehti perceive wine e-commerce and what sort of consumer behaviour drives them to purchase decisions. These also give an understanding of the factors that make the idea of online buying difficult for some. The summary is based on the answers of the research questions.

To the first question, “what are the motives behind the online purchase behaviour?”, the respondents told that they purchase from sites that are reliable, that propose rare quality wines which cannot be found from Finland, and that are price-wise reasonably affordable. Furthermore, an important background information was given to see the connection of these respondents buying consumer products online. 136 said they sometimes buy consumer products online, while 61 claimed to buy often and only 18 of the respondents said they had never bought anything online. To compare this information with the actual percent of consumers who have bought wine online was interesting; 33% presents both the respondents who have never bought wine online (95 out of 284), and the respondents who have bought at least five times or more (93). Altogether 67% (189) have already bought wine online.

To the second question the respondents valued user-friendly sites the most. Foreign language sites were also appreciated which was surprising for the author. Assurance and knowledge of online importer paying the alcohol taxes to Finland was also seen meaningful and important. Home deliveries which can come with higher expenses and credit card payments created also more value in the eyes of the respondents.

In the third question, “what are the occurring problems that make Finns hesitate the service of buying process as a whole?” the respondents clearly stated that the problems occur the most when receiving the order. The most often cited issues were relating to the delivery process, product quality and number or sometimes to the customs intervening with the delivery receiving. To the last question, for the marketplaces used by the target group it was good to see that among those top ten websites only 3 of them, excluding
Alko, were in Finnish. This may be explained by the fact that even if the biggest target group are older adults of 51-60 year olds it could be argued that this group represents people who are highly educated and who already might have more knowledge on wine than an average consumer. Plus, they know what to look for since it was already stated that the preferences, the most important reason to buy wines online were rare quality wines.

5.3 Improvement suggestions for online wine merchants

The online distribution channels have given a new place for wine producers to market their products. An online seller must have a properly created and user-friendly website that provides convenience, personalized services, and good value. It also should provide integrated inventory control, shipping instructions, information on tax payments, and further documentation. Maintaining strong customer relationships, meeting the needs and experiences of customers, and keeping up with competition are necessary for the successful online market.

In order to expand the demand for target groups it would be effective to join with other online merchants, wine producers or associations. The objective of the merchants is to make a profit, establish long term customer relationships and appeal the customers through different themes such as a geographic image, terroir or the brand itself.

Whether online selling facilitates customer service, it is a question left to be open. Surely Internet allows instantaneous communication between the seller and the consumer but do the customers of different age groups get all the information they need? Because each Internet user is different it is necessary to satisfy the needs and know one’s customers through positioning and segmentation. Moreover, today’s touchpoints (mobile phones, iPads, social media) present opportunities to reach out new target shoppers.

As the results show Finnish online wine consumers represent well a prominent target group for both domestic and international online merchants. The demands and needs of Finns are quite simple. Reliable online merchants who propose rare quality wines and who have accessible prices are regarded as the most important reasons for buying wine. These consumers know what they want and don’t for instance make purchase decisions based on media’s or expert’s recommendations. Delivery costs do not cause a problem either since this group would be willing to pay even up to 20€. Finnish e-tailers also need to become better at adapting webpages for display on devices like tablets and mobile phones. This is also evident from the low share of consumers in Finland who use their phones to shop online. (PostNord 2015, 4.)
Under the pretext that the other 33% of the ones who had never bought wine online presents 95 out of 284 respondents needs to be clarified and taken into concern. The earlier figure 6. showcased the reasons behind it and the response rate was even higher of 110 respondents. 51% of the respondents said to rely on the customer service efficiency and skills of Alko personnel. Alko Oy has proved time after time to be number one in leading customer experiences of commerce chains on national level in Finland. The satisfaction rate in year 2015 was 8,50. The question arises; how can online importers ever add up to the knowhow of customer service that Alko provides since 84 years now?

For the other main reasons presented in figure 6. 38% of the respondents aren’t sure whether buying alcohol products online is legal in Finland. Most of the websites provide information on their tax payments and normally during the ordering process, it is mentioned there separately for the consumer. However, there are cases in which the sites are not reliable and sometimes a consumer can be fooled. 33% thought that shipping expenses are too high. This statement depends mostly on the website visited. There are no unified delivery costs inside nor outside Europe. Obscurity of ordering process (25%) can most likely be related to the design of the site and the stimulating incentives. Also, for some, it may be uneasy to process a service that is not provided with Finnish mother tongue or paying with other method than credit card such as PayPal or invoices.

What becomes to concurrence on the field, some citations mentioned that buying wine online is a protest against the Finnish monopoly. Yet, this year 2016, Alko Oy will launch their own online store. This following will be a beginning of a new consumer purchase behaviour era in Finland. According to Paula Kujansivu, project manager of the e-commerce movement, Alko wants to offer the best customer service possible in stores but also online. To find a suitable drink for any occasion will be as easy and comfortable as it is in a physical store. Alko Oy is taking care of all the tax requirements so that the customer can be at ease. In addition, all of their products will be found online. The question is, how will the online consumers change their purchase behaviour when the country’s own monopoly proposes to access even the rare quality wines on one click? (Alko Oy, 2016.)

A factor that this research did not emphasize at any point of the research is social media in marketing and product differentiation of wine merchants. An article on the French weekly newspaper, Le Figaro (2015) discusses about Internet challenging wine growers and merchants. The barometer Sowine/SSI 2015 studied the consumer behaviour of French online consumers. Results showed that 55% had already bought wine online. As for mobile applications, Tagawine subscribed users get descriptions of wines on their
phones and can then buy those in couple of clicks. The mobility, nomadism of the e-commerce is a competitive advantage for the business. Another important indicator was that 15% of the sales were made through subscribing, as an advantage these subscribers got surprise cases to their home address without knowing which wines the cases would include.

Finally, another aspect which was already mentioned in the issues occurred part is the personalized customer service. On one country’s level, it is difficult to compete with a monopoly and so, for wine merchants it is also difficult to gain on premise promotion. The buyer is most likely to trust his or her own taste in selecting wines to go with the cuisine, or when in doubt, customers come to Alko and get personal customer service. The importance of this personnel for a Finnish customer is vast since they guide the customers through the huge collection of wines and have a strong influence on the choice of wines sold in the store. The place where a wine is sold isn’t just a question of distribution and availability but also of how the place of sale affects the perception of the wine to customer purchase behaviour.
6 Conclusion

In this last chapter of the thesis the final conclusions are discussed. After presenting the results and giving improvement suggestions to the online merchants, development ideas for future research are formed. In the end, an evaluation of the thesis process is given by the author.

The main objective of this thesis was to examine how customer purchase behaviour in e-commerce has changed and whether wine e-commerce could be called an ascending phenomenon among Finnish wine enthusiasts. Based on the theoretical framework it can be stated that customers do rely on online buying and positive growth can be seen in a form of studies presented earlier from 2010 to 2014.

In order to get a holistic understanding of consumer buying behaviour more academic literature needs to be provided. Demographic driven marketing and data may explain how a person can afford certain types of wines but these data cannot predict taste and image preferences. On the other hand, this was not even the focus point of the research. With cooperation of regional associations, trade groups, and governments involved in wine marketing programs, it can improve the effectiveness if they are aware of changed consumer behaviour and new marketing strategies.

Yet, the future of online store sales is rather blurry for Finnish consumers. An article by Yle (2015) provided information on the following that the retailing online sales to Finland could be completely prohibited. According to the EU supreme court, the right of ordering alcohol beverages is allowed at least for the time being. It also means that an individual ordering alcohol beverages from another EU country has to pay and arrange the delivery him or herself. The customs have noted that these online sales have increased and as a result, unfortunately in the most cases the tax payments have not been paid.

This research took a deeper look into wine online purchase behaviour and so it examined customer behaviour, their motives and value factors behind buying wine. Based on the conducted results the author has given some improvement suggestions for online wine merchants.

6.1 Suggestions for future research

The topic in question of wine e-commerce buying holds a great deal of potential for further research in several areas. Wine e-commerce is going to have a bigger role in the future for consumers. A wider research could be conducted to find out how the younger adults.
would find their way to the wine online markets, and how could wine online marketplaces be marketed to them. There is a need to research social media assets as well since this research did not give any direction on the topic. Mobile applications proposing different wine online store apps in the future need further understanding. In addition, customer behaviour and social media combined can be studied from various perspectives together.

Another important feature of further studies is to provide more demographic and psychographic data on the consumers and their purchasing behaviour especially because of the ever changing online environment and purchase habits. Not just a behavioural approach is enough to get more valid data. Also, a proper identification of segmentation of the target groups is needed in order to make further assumptions of customer's needs, wants and habits. These international and domestic merchant stores need a deeper examining of their unique selling points (USP) in order to see what characteristics make the online store and its products unique that customers choose it over competitors.

Finally, more investigative long-term research is needed on the influences of VIINI magazine's own webstore Viinikellari which was launched a month ago accessible to all customers. This same suggestion goes to Alko's online store as well. Perhaps a same type of survey could be conducted. For now, it's impossible to tell what kind of changes, good or bad, these big influencers are going to create for a Finnish consumer, and whether there would be changes in alcohol beverages consumption in longer term.

6.2 Evaluation of the thesis process and self-assessment

The whole thesis process demanded more time than the author expected. The topic in itself given was wide and could have had different angles of measurements for this research. The topic of this thesis, online importing and wines was really interesting. The previous experiences of the author's internship sincerely helped to understand the wine purchasing from a whole new perspective both in consumer's eyes and also wine producer's eyes. Finally, a deeper understanding on the advantages and disadvantages of online wine buying came in to realization.

The creation of the online survey began in the spring 2015. The survey conducting needed to be done fast and so, the author couldn't start studying the theoretical framework properly in advance. The research method to be used was chosen together with the commissioner company who also gave the initial idea for the whole research. After conducting the online survey, it was sent to the respondents on 18th of May and closed on 8th of June 2015. The answers were analysed and gathered into charts and graphs during the author's internship.
Then became a big gap with no writing. The internship took all the time from the author and only after returning back to Finland the writing process could proceed. The theory framework was done after conducting the online survey. It presented the biggest time consuming challenge to find proper academic sources. More recent researches were found online, it only demanded scrutinised search. However, no studies had been made on a country’s level that is not a wine producing country. Thus, Finland and Finnish consumer behaviour was a challenging task to provide reliable data from.

The writing process should have been accomplished with a tighter schedule if most of the work for the theoretical framework had already been done before the author started the internship abroad and several deadlines would have been made for December whilst returning. The knowledge gained from the wine estate internship and now working for the alcohol retailing company together have taught the author to gain holistic understanding of the future of e-commerce and the importance of customer service skills in this industry that has only begun to show what it has to offer. In the end, this thesis resulted in good learning opportunities.
References


Viinien verkkokauppakysely

Ostatko viinejä verkkokaupoista? Mikä sinusta tuo lisäarvoa palvelulle?


Olen Haaga-Helian Ammattikorkeakoulun matkailun liikkeenjohdon opiskelija ja opinnäytetyön tavoitteena on selvittää, kuinka yleistä Suomessa on kuluttajalle ostaa viinejä verkkokaupoista, mitkä toimijat ovat luotettavia ja suosittuja, sekä millaisia harhakäsityksiä tuotteiden ostoon liittyvää. Kysely koskee nimenomaan viinituotteita (valkoviinit, punaviinit, rosé, kuohuviinit ja samppanjat).


Kiitos paljon ajastasi!

Ystävällisin terveisin,
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1. **Sukupuolesi** *
   - ○ Nainen
   - ○ Mies

2. **Ikäsi** *
   - ○ 18-20 vuotta
   - ○ 21-30 vuotta
   - ○ 31-40 vuotta
   - ○ 41-50 vuotta
   - ○ 51-65 vuotta
   - ○ yli 66 vuotta

3. **Ostatko kulutustuotteita verkkokaupoista?** *
   - ○ en koskaan
   - ○ harvoin
   - ○ joskus
   - ○ usein

4. **Oletko ostanut viiniä verkkokaupasta?** *
5. Mistä olet ostanut viiniä?
Mainitse nettisivu

6. Jos et ole ostanut viiniä verkosta, miksi et?
voit valita 1-3 vastausvaihtoehtoa

☐ tilaamisen epäselvyyys
☐ Alkossa asioinnin helppous ja luotettavuus
☐ luottokorttimaksun turvallisuus
☐ viinin hinta tilatessa verkkokaupasta
☐ kohtuuttoman pitkä toimitusaika
☐ kuljetuskustannukset
☐ epätietyisuuks ostamisen laillisuudesta

☐ muu, mikä?

7. Mikä sinulle on tai olisi tärkein syy viinien ostamiseen verkkokaupasta? Arvioi asteikolla 1-3 (1: tärkein, 2: melko tärkeä, 3: ei lainkaan tärkeä)

luotettavuus
☐ ☐ ☐

hinta
☐ ☐ ☐

harvinaiset viinit
☐ ☐ ☐

juhlatilaisuus
☐ ☐ ☐

helppous, että saan tilaukseni kotiovelle
☐ ☐ ☐

asiantuntijan/median suositus
☐ ☐ ☐

tutun, ystävän suositus
☐ ☐ ☐

muu, mikä
☐ ☐ ☐

8. Kuinka tärkeänä koet seuraavat palvelut viinejä ostaessasi verkkokaupasta. Arvioi asteikolla 1-5 (1: todella tärkeä, 5: ei lainkaan tärkeä) *

helppokäyttöinen verkkosivu
☐ ☐ ☐ ☐ ☐

tuotteen nopea toimitus
☐ ☐ ☐ ☐ ☐
verkkokauppa ilmoittaa maksavansa vaaditut alkoholiverot Suomeen  ○ ○ ○ ○ ○
luottokorttimaksu ○ ○ ○ ○ ○
toimitus kotiin ○ ○ ○ ○ ○
hintojen vertailumahdollisuus ○ ○ ○ ○ ○
viinien arvio ja pisteytys ○ ○ ○ ○ ○
asiantuntijan suositus ○ ○ ○ ○ ○
ruokasuositus viinin kanssa ○ ○ ○ ○ ○
kuvaus viinistä ○ ○ ○ ○ ○
sesonkiin sopivia tuotteita ○ ○ ○ ○ ○
pullon kokojen selkeä maininta ○ ○ ○ ○ ○
kaupanpäälliset ja tarjoukset ○ ○ ○ ○ ○
säännölliset uutiskirjeet ○ ○ ○ ○ ○
lahjapalvelu ○ ○ ○ ○ ○

Ο kyllä  Ο ehkä  Ο en

10. Mikäli olet ostanut viiniä verkkokaupasta, onko sinulle tullut ongelmia vastaanottamalla tuotetta?
useampi vastausvaihtoehto mahdollinen

☐ ei
☐ väärrä tuote
☐ väärrä määrä
☐ korkkivikainen pullo
☐ etämyyjä ei ollut maksanut hänelle kuuluvia veroja ja tästä syystä tuote takavarikoitiin
☐ muu, mikä? ________________________

11. Itselleni sopiva viinien toimitusaika *
Ο 2-3 päivää  Ο 1 viikko  Ο 2 viikkoa  Ο 1-2 kuukautta  Ο muu, mikä? ________________________

12. Ostan kerralla
Ο yksittäisiä pulloja
Ο laatikoittain 6-12 pll
Ο suuremman määrän, mikä? ________________________

13. Kuinka paljon olet valmis maksamaan kuljetuskustannuksista? *
14. Tilaisitko viinejä entistä todennäköisemmin verkkokaupoista, jos toimijoiden viineistä olisi ennakko maistelutilaisuus esimerkiksi Helsingissä?

- kyllä
- todennäköisesti
- ehkä
- en