



**INTERNATIONAL BLACK SEA UNIVERSITY
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**Brand Development Modeling of Georgian Qvevri Wine and Its
Potential for European Market**

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Introduction

Georgia is an ancient country of winemaking. Traditionally wine was made in Qvevri, a ceramic/clay vessel which was dug deeply into the earth and kept in wine cellars. It was a national way of producing and keeping wine for centuries. Georgian wine was known to Mediterranean countries since ancient period. Many ethnographic materials, written sources, artifacts, linguistic units and archeological sites where excavations were carried out, proved that Georgia has not only been involved in winemaking for eight thousand years, but also in exporting wine to other countries since very early period.

During the soviet period, Georgian Wines were popular in former USSR republics and other Eastern European countries which were under political influence of Soviet Union. During this period, Georgian Wine with its unique qualities and exceptional taste gained popularity. Accordingly, strong brand awareness was created among different nations, mostly in Eastern European countries and former USSR republics. After gaining independence in 1991, Georgian wines have made serious efforts to diversify its market; Besides its traditional customers, now Post Soviet countries, it struggles to penetrate into EU and world markets and occupy its niche.

The most recent trend which increases in popularity is a production of environmentally clean product, accordingly, the world wine market dictates winemakers to focus on manufacture of ecologically pure bio-product. From this point of view, Georgian Qvevri Wines produced in a natural way without chemical editing appears to be the type of product which best responds to the demands of modern society. Qvevri Wine which restores historical traditions of Georgian winemaking has been discovered in the last decade by World Wine markets and it has already deserved due appreciation.

Also, Qvevri wines are identified by the specialists as having high antioxidant effect which is credited to the location of vineyard, cultivar and technique of winemaking. And yet, there is a long road to be passed for Georgian Qvevri Wine until it gains wide recognition and establish itself as a unique, natural, healthy amber wine in the world wine market. The promotion of Georgian wines for our country is of paramount importance because it still remains number one export product and plays a crucial role in the country's economy; though, its significance goes beyond commercial value, and extends to political, economic and cultural aspects.

Because Georgia produces less wine in compare with other world established winemaking countries, such as France, Italy, Portugal, Georgian wine should present itself as exclusive brand focused on exceptional qualities of Qvevri Wine.

Qvevri Wines are considerably new product for international market, therefore it needs to be promoted. For this purpose, a complex marketing approach should be elaborated and maintained.

Problem Statement

The aim of the research is to study Georgian Qvevri Wine characteristics, its peculiarities and unique qualities which will support its strong marketing strategy and brand development. The thesis also aims to evaluate the opportunities of its potential penetration into EU market to establish its proper position. The present thesis also intends to offer some innovative approaches and develop a new model of marketing strategy for Georgian Qvevri Wine including digital marketing to increase its recognition and trade potential. Also, it aims to give proper evaluation to its potential for penetrating into EU market and defining its niche.

The hypothesis of the research is as follows:

In case an original marketing model is worked out which includes tangible marketing as well as digital tools of modern marketing incorporating some novel approaches such as CSR, the EU market promotion of Qvevri wines will develop into success based on popularity of traditional Georgian wines.

Research Questions:

- Q1. Which Marketing Model will introduce Georgian Qvevri Wine into EU market in the most effective way?
- Q2. What unique qualities emphasized in marketing will increase the demand on Georgian Qvevri Wine on International market?
- Q3. Which strategy of digital Marketing should be applied to increase the sales for Georgian Qvevri Wine?
- Q4. To what extent are the GQWs popular at present in Georgia and abroad?
- Q5. How does broadly recognized Georgian Wine brand influence on future popularity of Georgian Qvevri Wines in EU countries?

Definitions:

Qvevri Wine is the name given to a particular Georgian traditional way of winemaking which is still preserved and has become very trendy also beyond Georgia. Wine is matured in ceramic vessels, deeply dug in the earth and kept in wine cellars.

Methods of study:

The thesis is primarily a result of qualitative research but applies both - qualitative and quantitative methods of investigation. The research explores a broad area of problems and uses different ways and techniques to answer those questions; The thesis is based on both – primary and secondary data, such as books, e-sources, scientific articles, journals. The original, first-hand information have been obtained and cited which include materials collected through personal interviews with wine experts and technologists, managers, sales people, winery directors, representatives of governmental organizations, and other. Also some primary data were collected from a survey (400 participants both Georgians and foreigners participated), two surveys were conducted in Poland and in Netherlands to gather information about Qvevri wine awareness in those countries. Statistical data were collected from different official sources, such as wine agencies, GWA, and Ministry of Environment and Agriculture. Analyses of different European markets in which GQW have been exhibited and already recognized have been conducted.

Besides, the problem was studied empirically, as we visited the vineyards, wine cellars and wineries, tasting Qvevri wines and studying the situation on the spot.

Lastly, a case study qualitative method was applied based on descriptive, analytical and generalizing approaches. We describe all consequent stages of Qvevri wine making and give scientific evaluation to the process of creation of new Qvevri Wine Brand- “*Rtvelo*”. Furthermore, the thesis offers digital marketing strategies for market promotion for this particular brand of Qvevri wine. Therefore, our first attempt to create and advance effective and contemporary approach to market penetration of Qvevri Wine has been described and analyzed in the present research.

Novelty

The thesis has ambition that the present study is original because it investigates GQW from marketing viewpoint based on the most advanced marketing theories, and gives its unique qualities and judgments regarding its trade potential, as one of the strategic export commodity. Additionally, there’s no existing scientific work or a book about Qvevri Wine marketing and the product in general.

Theoretical value

Theoretical value of the thesis: the present study further develops and enriches the theory regarding wine marketing, and in particular, it offers authentic approach how to overcome barriers of penetration into market of a new brand considering the region of birthplace of the product,

traditional methods, unique characteristics, quality and quantity, and other specificities of considerably new product which should be placed on the map of European, as well as world wine market.

Practical novelty

Practical novelty of the present thesis is that the strategy and digital marketing models offered by us are authentic and will turn out as practically applicable for Georgian wine making companies. Number one problem for winemakers is lack of knowledge and experience how to make the product attractive for market. The approaches, in particular digital marketing model demonstrated in the thesis by us will undoubtedly assist winemakers how to find proper markets and increase customer engagement in the cheapest and easiest way.

The results of the research can be used in study courses of Wine Marketing for the students of winemaking and marketing program. The study results can also be included as a part of the study curriculum of Tourism Management as it carries great importance of wine as a commodity produced in Georgia, and it covers not only economic value but also remarkable cultural worth. Tourism management students need to have clear understanding of Wine Marketing as a subject to deliver proper information about Qvevri Wines to the tourists who are potential buyers and may also become promoters of Georgian wines in their countries.

The limitations of the dissertation:

The present research does not aim to study chemical structure of Qvevri wine, neither it aims to investigate different methods of Qvevri winemaking process which has certain affect on wine quality. The already applied conventional marketing strategies are not critically studied in the present research, instead, it focuses on innovative approaches with strong emphasis on digital marketing. The data regarding the present state of Qvevri Wine sales in EU countries have not been obtained due to lack of the information available.

The structure of the thesis

The thesis includes the following parts: Introduction, 3 chapters, list of tables and figures, Conclusions and recommendation.

Chapter one provides literature review of the research problem and the historical overview of Georgian wines till present.

Chapter two - Description and evaluation of authentic method of Qvevri Wine making and its brand awareness in several EU countries.

Chapter three - The results of the analysis of primary data and building an original Marketing Model for Georgian Qvevri Wine.

Chapter 1

Literature Review of the Research Problem, Historical Overview of Georgian Wines till Present and Analyze of Some Aspects of Producing Qvevri Wine

Many historical facts testify that Georgia is an ancient country of viticulture and wine making. Qvevri – a ceramic vessel deeply dug in the ground - was the only technology for making and keeping wine. So, the name and fame of Georgian wines was built round the Qvevri wine. Importance of preservation and revival of ancient traditions - Qvevri winemaking technology is associated with Georgian nation's identity as an inseparable part of its cultural heritage.

Georgia is the birthplace of aboriginal and cultural vine species and has been making wine about 8000 years. In addition to its distinguished micro-climate, soil and traditional methods of wine-making, uniqueness of Georgian wine is also conditioned by endemic varieties of Georgian vine. Nowadays, there are more than 500 endemic varieties are known in Georgia. Few of these varieties were considered lost for decades, however recently their search and re-cultivation have been managed. Nowadays, around 25 assortments are utilized in the business. The Qvevri clay-pot method of fermenting wine won a place in 2013 on Unesco's list of the "intangible cultural heritage of humanity"(Lesieur, 2017).

Qvevri is the main treasure of Georgian wine. It is made of clay, limestone and small amount of precious metals - gold, silver and copper. Lime which reacts with acid, strengthens Qvevri walls on the one hand, and plays a role of natural antiseptic on the other hand. This fact is of fundamental importance in viticulture; approximately 400 healthy bacteria are known to be existing in Qvevri wines. The technology of Qvevri making is rather complicated and time –consuming and the process of Qvevri making approximately takes three months.

The 19th century was one of the most important periods in the history of Georgian winemaking. The first four decades after Russia's annexation of Georgia had a negative impact on the country's viniculture. However, thanks to the efforts of Alexander Chavchavadze and the Russian viceroy, Mikheil Vorontsov, Georgian wine came close to matching the quality of European wine. By the end of the 1830s, the first European-style wine cellars were established in Eastern and Western Georgia. At the end of the 19th century, Qvevri Winemaking method was partially forgotten in Georgia when new technologies were introduced which was more efficient and could be produced in big quantities. The great Georgian statesmen Ilia Chavchavadze, had risen the question about Qvevri Wine effectiveness. "If someone will remember Georgian wine it will be Qvevri Wine", wrote in his book "Georgian Winemaking", published in 1887, great Georgian writer, poet and statesman, Ilia Chavchavadze, when he criticized those Georgians who turned to

the method of European winemaking. This prediction was approved, when the whole world started to appreciate Qvevri Wines and recognized its unique taste and quality (Chavchavadze, 1887).

The Soviet period as a stage in development of Georgian wines could be characterized from positive as well as negative sides. For example, the focus was made on **quantity** rather than on quality. 20th century wine making technologies became dominant and Qvevri wine was only produced for domestic use. Therefore, only farmers kept the traditions of Qvevri Winemaking and it as a brand became obsolete. Export of wines from Georgia to USSR republics and to Eastern European countries, such as Germany, Poland, Czech, Bulgaria, Rumania, Lithuania, Latvia, Estonia, during the Soviet period helped creating brand awareness around Georgian wine. This was definitely first steps to world wine markets which later, in the 21st century became the basis for developing the strategy for recognition of QW in European countries.

Some smaller oases, the enterprises that bottled high-quality wine, though in relatively small volumes, emerged in Kakheti in late 90s'. The first major advanced wine companies, such as GWS, 'Tbilgvino', 'Telavi Wine Cellar', realized that they would hardly survive or enter new market at the expense of myths and traditions long existed around Georgian wines. Therefore, not only did they worked hard to improve wine quality, but also saved Georgia from getting into the low-price segment. For example, Moldovan and Ukrainian wine producers failed to do the same. (Aptsiauri, Jam News, 2017).

The PR push, alongside a concerted effort by Georgian winemakers to improve winemaking practices, finally began to bear fruit and by the beginning of 2010, Georgian wines started to penetrate into EU markets. (Resilience and Post-Soviet Identity Politics Are in Every Glass of Georgian Wine, 2018). The positive side of the Russian Embargo on Georgian wine helped winemakers to raise the quality, modernize technologies, improve standards of bottling and labeling, and increase PR activities and advertising. Wine agencies were state financed to strengthen promotional activities to increase brand awareness of Georgian wines on new markets. Also, international organizations and agencies were involved in promotion of Georgian wines, as one of the country's main trade commodity.

In 2013, the Russian market was re-opened and regained its leading position in Georgian wine exports. Besides increased profits, however, this was also a big challenge for Georgian wine, and that Georgian wine would no longer rely upon the demand of a single market, and that it would also be able to forge its own identity (Kharbedia, 2014).

At Decanter Asia Wine Awards (DAWA) 2017 in Hong Kong, which is fairly considered as the one of the world's most influential competitions, 39 varieties of Georgian wine received prizes, among them two platinum and one gold medal.

In 2017-18, Georgia generated about \$170 million from the sale of wine abroad. Revenue increased by 49 percent from 2016, while the volume of exports increased by 54 percent, said the Georgian National Wine Agency. In total, Georgia has sold \$283.8 million's worth of alcoholic beverages in 2017, including wine, brandy, Chacha and others. (Agenda.ge, 2018)

While a sommelier might disagree and think what's inside the bottle is the only thing that truly matters, to the average wine consumer, branding plays a major factor in determining what wine they purchase. Whether they are ordering a bottle at a restaurant or serving a bottle to guests at home, the name and appearance of the wine brand has a strong influence on people's expectations of the wine. A wine branding strategy that tells a story about how your wine came to be and portraying an image that can be easily remembered is hugely important. No matter how good the wine, if it's not something that can be remembered or recognized easily it's less likely to encourage a repeat purchase (Thebrandsman, 2017).

The second chapter gives a detailed characteristics of Qvevri, a customary Georgian vessel utilized for making, maturing and keeping wine. The study refers to different types and quality of the vessel; various Geographical locations of clay Qvevri is made from, ancient technique of Qvevri-making vs. modern technologies; Qvevri treatment, cleaning methods, and its capacity. These characteristics are important to observe because they have direct impact on wine quality, its taste, color and healthiness. Because of the uniqueness of old Georgian customary Qvevri winemaking strategy, the standards of delivering and utilizing vessels are significant. The Georgian Qvevri winemaking tradition is an unmistakable case of how significant immaterial legacy is for making and keeping up positive social collaborations, and for the arrangement of social character.

The increase in demand of Qvevri Wines leads to the necessity of producing modern Qvevri with the help of modern technologies. The first attempt has been made and QvevriXYZ - a startup in Georgia is applying innovations to Georgia's hundreds of years old customs in winemaking. The four-man group has made the first 3D printed Qvevri, a novel Georgian vessel utilized in winemaking. But it still needs to be perfected and Qvevri can be made cheaply with reliable quality.

Chapter 2

Evaluation of Wine Marketing Strategies in Modern Era and Analyzing Qvevri Wine Brand Awareness in several EU countries

Since the thesis aimed to create innovative approaches to Qvevri wine marketing in EU, we considered it necessary to study current brand awareness of Georgian Qvevri wines in European countries. First research was done in Poland 45 respondents, citizens of Poland, aged 21-65, living in Krakow participated in the survey. The results of the research are the following:

As research shows, awareness of Polish customers to heritage wines and winemaking traditions is positive, but the awareness of respondents to Georgian Qvevri Wine is still low. This clearly states that people show more interest towards authentic and traditional approaches.

Only one -fifth of our respondents said that they tasted Qvevri Wine. But customers need some explanation about the nature of Georgian heritage winemaking and especially Polish customers need an enlargement of their knowledge regarding Qvevri Wines. Many of respondents, 56% think that impact of social media marketing is serious in wine industry.

As it has become evident from the responses, Polish customers were inspired by great taste of Qvevri Wine and by the importance of health habits. When we asked about channels of Qvevri wine promotion, respondents were proponents of TV programs about wine and Social Media. The respondents also mentioned that wine tourism and degustation are the best tools which make the customers remember the taste, thus Qvevri Wines tasted in the cellars in Georgia played an important role in creating the awareness towards the product.

How Social Media is beneficial to increase the awareness to Georgian Oldest Wine making Methods using Social Media platforms we once again can see from this wonderful example. If company or group of Georgian companies implement digital marketing strategies they can attract interest of European customers towards Qvevri Wine, leading to a huge growth in sales (Cosenza, Solomon, & Kwon, 2014). Georgian family Wine companies can experience how comprehensive campaign can be added to European Wine Subscribers inspire millions of social media engagements within 3-6 months of launching (Thach, Lease, & Barton, 2016). The same success we can have in the case of Georgian farmers if they knew usefulness of social media for success.

Another small research was done in Netherlands in 2018 to analyze the wine market situation of Georgian wines in Netherlands. Respondents were citizens of Netherlands living in Amsterdam. Most of them were wine buyers at liqueur shops aged between 21-60. The number of the respondents was 87 people as for the limitation was lack of time as the research was done in 1 week period while being in Amsterdam. It can be considered that research was conducted successfully,

as all participants were happy to participate and all of them were helpful for the research. The main aim of the research was reached. The gained information was appropriate for making conclusions and creating theories. As the results of the research showed that Georgian wines had very low awareness between Dutch customers and it could be considered as a new market and after evaluating the study results I came up to several recommendations. In Netherlands customer behavior has changed recently. People are willing to pay more for higher quality, for trendy products, for exclusivity. People in Amsterdam try to underline their status, their individualism so they are ready to accept new differentiated high-quality products on their market. Wine is a popular product in Amsterdam so for a new wine it's a challenge to become successful on that market. What I suggest to Georgian wine producer companies is to unite. Together they can open a wine shop in the most expensive area of Amsterdam. The interior of which will be pure Georgian, showing sightseeing of Georgia, tradition of winemaking, history of Georgia and its wine. Only Qvevri wine should be sold in the shop to be more exclusive and the workers should wear Georgian national clothing. With this strategy Georgian Qvevri wine is supposed to become one of the most successful and well sold wines in Amsterdam. This will push customers to be interested and later engaged with the product. We gain an information which is important, information about Georgian wine production, that Georgia is the homeland of wine and that it is a fact proved by archeologists.

One more recommendation for wine companies that want to operate on Netherlands market is that they have to pay great attention to design. Art and wine, is my suggestion. Georgia has lots of famous and not well known but brilliant painters. For international customer, who is entering the store with the will of buying some wine, who is not sure what he is looking for, seeing beautiful paintings on labels of the wine bottle will be interesting. There is an example of Château Mouton-Rothschild uses paintings of famous painters like Salvador Dali, Andy Uorhall, Pablo Picasso, Joan Miro etc. Our wine makers can also use this strategy. If we don't have Picasso we have Pirosmeni, if there's no Georgian Dali, we have Petviashvili. Implementation of this approach will be winning for all: wine producers, Georgian painters as this will make them more famous, and for Georgia the country as it will gain more interest from potential tourists.

To sum up, Netherlands market for Georgian wine can become one of the best in Europe. Georgian wine producer companies and government of Georgia have to work a lot, make researches like mine and begin operating on a lot of different markets in the world. As we own a unique product we have to show its uniqueness to the whole world.

Chapter 3

The Results of the Analysis of Primary Data and Building an Original Marketing Model for Georgian Qvevri Wine

Qvevri wine as a subject of scientific research, and in particular its marketing perspectives has been identified mostly for last decade, therefore Georgian scientific literature on this subject is scarce, not to mention foreign sources. We faced many problems looking for some quantitative data for the research which would help us to give a fuller and more precise picture; so, consequently, when working on design of the present research, we identified qualitative interview as one of the most proven approaches for gathering primary data to answer research questions.

The interviews have been conducted with: the managers and directors of wineries, wine experts, wine-makers, technologists, and sommelier.

During the period: October 2018 – April 2019, we visited seven the most advanced wine companies and asked about twenty questions to each our interviewee. The period for conducting interviews were chosen properly because wine companies are very busy during the year and the most appropriate time-period is after vintage is over and wine is already placed in tanks or in Qvevri for maceration. Preparation for interviews started six month prior to meetings with interviewees. First, we collected information about each of the wine companies involved in making Qvevri wine and tried to get preliminary information about what type of Qvevri wine they produce, how long they have been selling Qvevri wine and how many bottles of wine they produce every year. In the result of our preliminary study, we selected Seven wine companies and started negotiations about the exact time and place of meeting for interviews.

We also prepared and send a month prior to the interviews a brief letter informing each of our interviewees regarding scope of questions they would be asked to respond, so that they could prepare (or ask relevant persons to do so) related information to answer our questions. Also we obtained agreement on recording the whole interview, so that I would be able analyze it better and, at the same time, it would save our time and make the process of interview uninterrupted, more effective, and enjoyable. Duration of each interview often happened to exceed the time period negotiated before (90 minutes), but personal contacts of my family with their colleagues often helped me to gain the benevolence of my interviewees.

Those interviews have provided invaluable information for our research. We identified the needs and necessities dictated by our respondents, the analysis of interviews gave us a holistic picture of

Qvevri wine production and marketing, and helped us to develop our authentic Marketing Model for Georgian Qvevri wines.

Also, an interview was conducted with the manager and staff members of Georgian Wine Association. GWA was founded in 2010 dictated by rapid development of Georgian wine industry and it presents Georgian wine sector on local and international market. The goal of the association is to advertise and sell the product, raising world awareness about Georgian wine; to preserve traditions and methodology of authentic Georgian wine, and to support international researches in viticulture and winemaking, as well as support development of wine tourism. GWA today comprises 30 member companies and is oriented on further support and development of Georgian wine in the world market; for this purpose the Association organizes different activities for popularization and market promotion, such as, publish brochures and maintain network, support researches, organize meetings and wine exhibitions, the most recent one was in Japan, Tokyo, 2019, which presented Qvevri wine producers.

The interview was very interesting both in terms of the holistic view point on developing marketing strategies of Georgian wines in the world because we presume that promotion of Qvevri wines will be largely based on the image of Georgian wines as most ancient and one of the best quality product, and in respect to our main questions – market prospect of Qvevri wines and the problems connected with it.

Questionnaires were containing 9 questions and were filled in by 400 people. Between interviewees were Georgians and foreigners. To realize the current situation I made a general assessment of the results and assessed the results of Georgians and foreigners separately also. For each question I am giving the assessment of the general results and comparison of answers of Georgians and foreigners.

The results of the SPSS analysis showed that brand awareness of Qvevri wines in foreign countries is not very high and the product needs to be promoted more intensively by producers. In comparison big number of Georgian residents have clear understanding of importance and uniqueness of Georgian Qvevri wines. This knowledge can be used to help wine companies spread information about Qvevri wines by participating in online activities connected to wine and writing about uniqueness of Qvevri wines in social media.

One very important aspect was clear by means of research. The strongest characteristic showing Qvevri wine's exceptionality is its healthiness. All the healthy characteristics Qvevri wines contain should be underlined during any kind of promotional activity done for increasing brand awareness of Qvevri Wines. The study showed that not only foreigners but also big amount of Georgian residents haven't heard about healthy characteristics of Qvevri wines. Not spreading the

information about this quality is one of the biggest marketing mistakes done by Georgian wine companies. However, this can be easily corrected by spreading information intensively about healthiness of Qvevri wines comparing to other wines.

Another angle of the research was to identify the understanding of CSR by Georgian Wine companies and how can CSR be used as a marketing tool. “Corporate Social Responsibility is an ethical management concept where companies aim to integrate social, economic and environmental concerns along with the consideration of human rights into their business operations (Mourougan, 2015).”

CSR is very much a long-term play, however. Companies tend to show financial losses in the first three years. It isn't until 36 or 48 months down the road that benefits begin to kick in. But when they do, the impact can be instrumental in terms of marketing and branding. The reason why CSR builds brand equity is largely psychological. As Creel notes, “Positive feelings are related to social approval and self-respect. Brands that evoke positive feelings make customers feel better about themselves.” Remember that most purchases aren't about satisfying a need. Sure, there are instances where customers need products to survive, but most purchases are rooted in *wants*. When a company is able to tie a purchase that is otherwise seen as non-essential to something larger than the product, customers have an easier time validating the purchase in their minds.

Ultimately, a commitment to serving others has an impact on sales. According to a survey from Better Business Journey, 88 percent of customers say they're more likely to buy from a company that supports and engages in activities that improve society.

We conducted a small scale research to find out Georgian Wine companies understanding of the role of CSR and extent of its application. The same companies mentioned above were used to find out the answer to the problem stated above.

The research gave us the results and findings that gives us ability to sum up the whole picture. The main problem in the study field exposes to be lack of knowledge of management tools. Managers of the research companies don't have clear understanding of Corporate Social Responsibility and its usefulness in future development. Some of the wine company managers even explained that it's their obligation to somehow participate in activities to take care of the environment they operate in, and it has been the tradition for long; but they do not have answers on the questions if they plan Corporate Social Responsibility activities in order to develop brand recognition and maintain stability in long run. They explained that they perceive it as a charity, whenever you can afford to do it you do it, but you don't have to, as they pay taxes to government they feel not having any other obligations.

In order to test some of marketing strategies which we consider relevant in regards with Qvevri Wine in general, a new Qvevri Wine brand - "*Rtvelo*" was created by our family Company. This gave us an opportunity to try out in practice our new marketing method. The brand *Rtvelo* was developed in 2017 based on authentic national Qvevri wine production method in our family wine cellar – Marani in Kvareli Region. Wine material - grapes was basically collected from family vineyards situated in Kakheti, Telavi Region. Our family has been making wine for generations since the WWII. Since 2014, we have been involved in growing a new vineyard the main goal was to revive ancient species of grapevines, such as Kisi and Khikhvi. Though our vintage is large enough to start producing wine according to traditional Kakhetian method, we decided to make Qvevri wine, though in small quantities in our ancient family Marani. The capacity of our old Marani is maximum 10 tones. Different size Qvevris are situated in this cellar including a small-size Qvevri – called "Zedashe", which was meant to be taken and donated to the Church for religious rituals. Therefore, we revived ancient Family traditions together with renovating our Marani.

Wine brand name chosen by us is an original one us because it sounds very familiar to many who are familiar with Georgian viticulture terminology. *Rtveli* in Georgian means harvesting ritual of grapes. The word *Rtveli* is associated with traditions and brings to mind positive emotions in every Georgian's heart. *Rtveli* is a process where a lot of friends and relatives of the vineyard owner's are involved. During picking grapes traditional Georgian songs are sung, poems are read, even Georgian dances take place in the vineyard after they finish picking grapes and have a feast. In the evening after grape harvest, Georgian "Supra" is held - it is a traditional dinner with "Tamada"- the leader and a toast master of the feast saying toasts and leading the evening; and all the traditional entertainments are included.

Word *Rtvelo* is the part of a lot of national words like- SAKA-RTVELO - which means Georgia in Georgian language. KA-RTVELI - means Georgian person, while letter "O" in the end of *Rtvel_O* expresses the passive form when addressing the words said by someone. Another reason for giving this name to our Qvevri wine is to let the foreigner customers also know a key word not only of viticulture but in Georgian language in general. Let the word *Rtvelo* be associated with Georgian traditions of *Rtveli*, Qvevri winemaking and Georgian Supra.

A detailed description of the label: An authentic design for *Rtvelo Qvevri Wine*, was prepared by us based on the concept that the label should communicate the following: content, history, culture and the producers' attitude towards the customer. It says the following: "*Rtvelo wine is produced for you with heart full of love.*" Young, talented Georgian women painter Ketevan Davlianidze worked on the design. Qvevri is presented in an original way – it is kind of woven, and at the same

time it gives impression of ancient Qvevri found at the archaeological sites. The color of Qvevri is also very carefully selected - it is amber, a color of Qvevri wine poured in a bottle. We have chosen minimalistic way of expression to fit into modern standards of world wine market.

We have worked out a complex approach and tried to develop a multifaceted Marketing Model for *Rtvelo brand* promotion. It includes the following:

- a. Bottle and label design which gives to the buyer clear understanding about the product (a detailed description of which is given below); A short description of Georgian traditional winemaking, and some slogans, such as: *Georgia – Cradle of Wine*” could be placed on the label.
- b. Digital marketing for advertising *Rtvelo*. We have created Instagram and Facebook pages for the wine and started using different promotional tools;
- c. Tangible marketing – Publication of Wine journal with probing - testing bottles with Qvevri wine (containing about 50-70 ml.). On the first stage of promotion campaign, I presume it will be costly to publish a wine journal and include testing bottles, therefore, it will be more appropriate to use for advertising already existed local and international journals. Provided the Qvevri wine is very new for international market, we think, the endorsement of Qvevri wine can be best achieved if we offer the customers to smell and take a taste of wine together with information provided in the same journal.

Printed leaflets will briefly describe Georgian Qvevri wine history -Qvevri as the most ancient vessel for making and keeping wine. The novelty is that the main focus in the content is made on exceptional curing features of Qvevri wines as it is already acknowledged by the experts. Wine made in ceramic vessel is a natural wine and it has incomparable qualities because it is made without additional involvement of some methods (such as chemical editing) traditionally applied in winemaking.

Corporate Social Responsibilities (CSR), as a marketing tool will be widely applied to increase selling potential of *Rtvelo* in the local market. We believe it will be one of the best advertising campaigns for a new brand, including our Company. Some of the tools of CSR have been described above and proper application of CSR which is becoming a very popular marketing strategy will be described in respect to our brand below.

The fifth aspect of our five-angle marketing strategy for new wine brand *Rtvelo* is far from being conventional. We are thinking of organizing some Short-term Training Sessions/ workshops (a-three-day workshops to start with) and invite the students, also all who will feel enthusiastic to learn more about Qvevri wines and its marketing.



Figure 1_Final Marketing Model Elaborated for Georgian Qvevri Wine, Based on the Results of Conducted Researches

We believe trainings will meet several objectives: it will be excellent advertising campaign for local market, they will increase participants' awareness and raise interest to be involved in promotional activities. Ultimately the trainings will be advanced and evolve as a long-term training courses which will offer certificates of completion and will be accredited by the Ministry of Education. We are planning to set up an original curriculum for the trainings considering all aspects of knowledge necessary for the person who is going to be involved in marketing of Qvevri wines. The focus will be made on effective application of social media - e.g. Instagram marketing tools and Facebook which we present in our dissertation. Methodology for the trainings and forms of teaching will be carefully elaborated considering modern teaching strategies.

We should keep in mind that one of the best ways for product promotion is direct contact with the customers though participation in exhibition and trade fairs.

Digital marketing strategy has been chosen for *Rtvelo brand* promotion. Early, in 2018, we started using digital marketing for advertising *Rtvelo*. For this purpose, we created Instagram and Facebook pages for our brand. Since then, we have been permanently adding new posts describing *Rtvelo* wine and telling and retelling different stories and disclosing scientific information about Qvevri winemaking and brand creation. Digital marketing is the *best gift* of 21st century to business

people because it allows everyone to promote their brand in any country without even leaving their own house. It is the cheapest and the fastest way of brand advertisement.

From time to time we also applied paid Instagram and Facebook promotional tools, boosting posts, to reach out more and more potential customers. The first focus country in our marketing strategy is Georgia because we believe that no product can achieve success abroad which is not recognized and loved in its original country.

5\$ daily boost allowed us to reach about 400 social media user who showed some interest or revealed any connection with wine. So business owner is allowed to talk directly to about 400 people who can become the engaged customer of his product in future. On the other hand it is very important to choose the correct content for your posts.

Conclusions and Recommendations

To sum up, we have studied the history to present difficult path of Georgian wines and of Qvevri wines in particular from Vineyards to Russian and European markets. We analyzed current awareness of European people about Georgian Qvevri Wines and its marketing opportunity in EU countries on the examples of Poland and Netherlands. The aim of the study was to collect data about present marketing performance of Georgian wine companies on foreign markets. We also conducted a deep qualitative research of wine companies in Georgia, visiting wineries in Kakheti region and interviewing the founders, managers and wine specialists; the materials obtained provided basis to answer the research questions, present the findings of the research and draw logical conclusions.

Based on theoretical discourse and deep study of the historical path of Georgian Wines which has brought popularity to them, also based on three surveys and qualitative interviews, and the experiment carried out in our wine cellar which resulted in creating original Qvevri Wine brand “Rtvelo”, we shall conclude the following, presenting the answers to our research questions one by one.

Research Questions:

Q1. Which Marketing Model will introduce Georgian Qvevri Wine into EU market in the most effectively?

To introduce Georgian Qvevri Wine into EU market, it is advisable to apply a combination of multiple marketing strategies which have been tried out for this purpose by different companies. In addition, we applied some original approaches and enriched the model with our findings. In the

result, a new Qvevri wine brand “Rtvelo” created by us will find its way to EU market soon and become popular based on marketing strategies worked out for this brand.

The new marketing model presented by us combines the following aspects:

Bottle and label design which provides to the buyer clear understanding about the product (a detailed description of which is given below); A short description of Georgian traditional winemaking, and some slogans, such as: *Georgia – Cradle of Wine*” could be placed on the label.

Digital marketing for advertising *Rtvelo*. We have created Instagram and Facebook pages for the wine and started using different promotional tools, which soon showed positive results and soon about hundreds of bottle have been sold of the brand which is little known to the customers. This gives us hope that digital marketing approach will be successful.

The demographic data about population of Europe could be successfully used while branding Qvevri Wines. For “aging population” it is particularly important to get healthy natural product, which include some minerals, antioxidants, and other nutritious components that strengthens human immune system which has a paramount importance for aging population, therefore for this segment QW marketing model should make an emphasis on these unique qualities of the product. On the one hand, millennials are not particularly brand loyal. They are continuously looking for new and unique experiences within the beverage industry. Due to this search for unique experiences, they are often eager to try new brands, in particular, natural and exotic wines which come from the countries they have hardly heard of. Besides, not only millennials, but a younger generation are more regular consumers of social media, therefore QW branding in digital sources should be more concentrated on the interests of this generation. Our recommendations to Georgian wine producers is to consult with European buyers, distributing channels, to determine which markets are best for their product, and how these different segments of the market should be addressed while branding QW. We believe that Georgian Qvevri Wine producers should consider the EU market potential.

Social media marketing can sort out the information about QW according to the age category. Therefore, it allows the user to manage age and category segmentation for each country without leaving an office. Nowadays all social media channels are letting users to use Ads-managers to create efficient advertisements for their company.

Tangible marketing – Publication of Wine journal with probing - testing bottles filled with Qvevri wine (containing about 50-70 ml.). On the first stage of promotion campaign, I presume it will be costly to publish a wine journal and include testing bottles, therefore, it will be more appropriate to use for advertising already existed local and international journals. Provided the Qvevri wine is very new for international market, we think, the endorsement of Qvevri wine can be best achieved

if we offer the customers to smell and take a taste of wine together with information provided in the same journal.

Printed leaflets will briefly describe Georgian Qvevri wine history - Qvevri as the most ancient vessel for making and keeping wine. The novelty is that the main focus in the content is made on exceptional healthy features of Qvevri wines as it is already acknowledged by the experts, for example we should identify on the label and it is anti-oxidant and strengthens immune system. Wine made in ceramic vessel is a natural wine and it has incomparable qualities because it is made without additional involvement of some methods (such as chemical editing) traditionally applied in winemaking.

Language of the leaflet: The materials in the leaflets will be printed in minimum three officially recognized European languages. We think that the design of the leaflets is very important together with the information provided thereof to raise the customers' awareness about Georgia; therefore, we have worked out the original leaflet design. The conceptual design (a blueprint) of the leaflet is attached to the present dissertation and it includes the following: ancient Georgian representation of vine and grapes found on many architectural monuments, Graphical symbol of Qvevri, and at least, one word/phrase printed in Georgian alphabet. Also, the color of the leaflet and some photos rendered there will be in full conformity with our whole concept we worked out for our leaflet.

Size of the leaflet: the leaflets will come in two size: one – traditional A4 format folded; the other one a small enough to be hanged on the neck of the wine bottle. Also a small size model of Qvevri made of clay can also be placed next to a small size leaflet.

Corporate Social Responsibilities (SCR), as a marketing tool will be widely applied to increase selling potential of *Rtvelo* in the local market. We believe it will be one of the best advertising campaigns for a new brand. Some of the tools of SCR have been described above and its proper application is becoming a very popular marketing strategy and is described in respect to our brand below.

The fifth aspect of our five-angle marketing strategy is a new wine brand *Rtvelo* which has been developed in the result of experiment carried out within the framework of the dissertation. Some of the marketing tools have been tested on the example of *Rtvelo*.

Q2. What unique qualities will increase the demand on Georgian Qvevri Wine on International market?

The answer to this question is based on our theoretical research – studying the history of Georgian wine which is connected with wide variety of unique vine species, rich cultural traditions, and some “secrets” of making clay vessel Qvevri from specific earth located in Georgia in definite

geographical areas. This aspect is particularly important because wine acquires its unique characteristics from the clay it is made of.

Also, chemical qualities of Qvevri wines which could be distinguished by its unique characteristics already acknowledged by Georgian as well as foreign wine experts will help brand to gain popularity in international market. For this purpose it is advisable to emphasize the exclusive healthy qualities of Qvevri wines while introducing the brand into new market.

Color, taste and body of the Qvevri Wines also attract attention. Qvevri Wine is a live wine which is affected also by the quality of local vine species, climatic conditions and soil, also by the traditional approach of Georgian farmer with exceptional love and dedication.

Q3. Which strategy of digital Marketing should be applied to increase the sales for Georgian Qvevri Wine?

- Creating Facebook and Instagram pages;
- Permanent sharing of new information, creating target audience which help to mobilize wide society around Georgian Qvevri wine popularization process; Photos, story-telling and experts' opinion, European citizens' evaluations should appear permanently on the site.

Also videos on the process of Qvevri wine making will draw attention of wine society in social media.

Q4. To what extent are the GQWs popular at present in Georgia and abroad?

A survey in which about 400 respondents participated aimed to collect firsthand information about:

- a. Awareness of Georgian and European citizens regarding Qvevri wines;
- b. Present interest towards Qvevri wines;
- c. Future prospects of Qvevri wines regarding its promotion in the world markets.

The results of the survey showed that the interest towards Georgian Qvevri wines exists but knowledge of the product isn't really high. Availability of Georgian Qvevri wines in stores abroad is low as big number of interviewees have never bought Georgian Qvevri wines abroad which means that the product is not well presented in retailing system. Also information about healthy characteristics of Qvevri Wines isn't very spread and only limited number of interviewees had the information about it. To sum up, Georgian Qvevri wines need to be actively promoted on the international markets to get high engagement and strong brand awareness between foreign consumers. The results of the SPSS analysis showed that brand awareness of Qvevri wines in foreign countries is not very high and the product needs to be promoted more intensively by

producers. In compare with the foreign respondents, big number of Georgian residents have clear understanding about importance and uniqueness of Georgian Qvevri wines. This knowledge can be used to help wine companies spread information about Qvevri wines by participating in online activities connected to wine and advertising the uniqueness of Qvevri wines in social media.

One very important aspect was highlighted in the result of the research. The strongest characteristic showing Qvevri wine's remarkability is its healthy qualities. All the healthy characteristics Qvevri wines should be underlined during any kind of promotional activity performed for increasing brand awareness of Qvevri Wines. The study showed that not only foreigners, but also big number of Georgian residents have never heard about healthy characteristics of Qvevri wines. Ignoring this information is one of the biggest marketing mistakes made by Georgian wine companies. However this can be easily corrected by spreading information intensively about of Qvevri wines being anti-oxidant and raising immune system.

Q5. How does broadly recognized Georgian Wine brand influence on future popularity of Georgian Qvevri Wines in EU countries?

In the thesis we present a long list of the rewards – gold, silver and bronze medals awarded to Georgian wines in recent years; though, this list is only a small part of the rewards which Georgian wines were distinguished by the world wine community.

The conclusions regarding future prospects of Qvevri wines and its promotion in the world markets has been largely based on the survey.

According to the results obtained from the research, we could conclude that already known Georgian wine brands is the strong tool which will help Qvevri wines to be accepted and to become the product of usual consumption by the EU citizens. Qvevri wine is “New but also old”, or “Old-New” product for EU countries, so Qvevri wines produced by already known and famous Georgian wine companies are easily promoted.

Therefore, the research questions stated in the introduction have been referred to and answered.

The hypothesis of the dissertation is proved based on the successful practices, arguments and examples which have been identified, implemented and analyzed by us.

In case an original marketing model is worked out which includes tangible marketing as well as digital tools of modern marketing incorporating some novel approaches such as CSR, the EU market promotion of Qvevri wines will develop into success based on popularity of traditional Georgian wines.

We within our limited experiment tried to test out some digital tools such Instagram page which positively affected on our Qvevri wine brand Rtvelo market promotion. Another aspect of our model reflected in the hypothesis is application of Corporate Social Responsibility as one of the proven methods in EU countries which increases brand loyalty.

Important part of collaborated marketing model is communicating comprehensive information about Georgian Qvevri wine including healthy characteristics of the product, which could be shared though the different channels such as: labels, leaflets, TV advertisements, public speeches on wine events, wine and tourism journals and by social media.

The model as it is presented on a theoretical level and strengthened with the theories of marketing and practice of some Georgian wine producing companies, (for example, Sesiashvili Wine Cellar has been practicing tangible marketing tools successfully to sell his Qvevri wines in EU countries, also the company started using digital marketing tools based on our recommendations which turned out to be effective in practice) is still to be tested in practice in. Nevertheless, we can provide some strong arguments in support of our hypothesis and express deep assurance that this model will work in EU countries. Two our case studies presented within the framework of our dissertation were conducted in Poland and in Netherlands, and the results obtained from those cases which included a survey of the customers provide strong arguments and maintain our hypothesis which argues that a combination of the components mentioned in it (which are also constituent parts of the Model developed by us) will promote successful performance of Georgian QW on EU market. For example according to the survey in Poland, 75% of the respondents believe that testing during wine tourism is one of the most effective methods for brand promotion; 76% said telemarketing and Social Media marketing are the best way to get information from; 49% is sure that tasting of Qvevri Wine can help customer to identify the brand and motivate potential customers to buy it. 25% answered that knowledge of wine history can encourage potential customers to drink Qvevri Wine, Also, the survey showed that the 75% of the customers care about healthy qualities of the product. All above listed components are presented in the hypothesis, and consequently they are reflected in the original model.

Finally, besides the arguments, evidences and examples of successful practices, hypothesis is proved based on a new brand of QW “Rtvelo” which was created by us and then, digital marketing was applied to observe its effectiveness. The sales within a short period of time has been successful, which is a promising sign that this approach will be also be effective.

Therefore, our hypothesis was proved which argues that In case an original marketing model is worked out which includes tangible marketing as well as digital tools of modern marketing

incorporating some novel approaches such as CSR, the EU market promotion of Qvevri wines will develop into success based on popularity of traditional Georgian wines.

Recommendations:

Based on the present research we present some recommendations which will hopefully support Georgian Qvevri Wine brand development in EU markets. These are the following:

- J) New national standards should be worked out to control the quality of Qvevri wines. For this purpose wine expert commission should be set up which will include production, management and marketing of wines.
- J) The criteria for assessment of wine quality should be defined which should be in accordance with international standards to meet the requirements of present world wine market based on Government regulations.
- J) As wine lovers from different countries may not accept Qvevri Wine as a regular consumption product and only small quantities might be sold, we presume it is very important to provide correct, precise information for the Qvevri wine consumers who will be persuaded to buy it being aware of exceptional healthy qualities of the wine

This will boost the sales and will create loyal customers, increasing at the same time brand awareness because wine popularity mostly increases with the “Word of mouth”.

On the other hand, the wine companies need to be aware of our research results, our marketing model and the SWOT analysis.

It is important for the business to develop efficient business growth plan considering the fact that demand on Qvevri Wines may not increase as fast as it is predicted by the wine bloggers. Instead, we recommend critical observation and assessment of the tendency of sales (increase or decrease of sales) in specific exporting countries.

State regulations should also declare Qvevri and Qvevri winemaking as a part of national heritage and make restrictions on further export of Qvevries, clay vessels, and also restrictions on its production method. Therefore, this once again testifies that state control on quality of Qvevri Wines is necessary.

In order to test some of marketing strategies which we consider relevant in regards with Qvevri Wine in general, a new Qvevri Wine brand “*Rtvelo*” created by our family Company has been scrutinized. This gave us an opportunity to try out in practice our new marketing model which is an original combination of different marketing strategies plus some new approaches which makes our model unique. A recommendation proceeding from our marketing model is placing the probing - testing bottles with Qvevri wine in local and international wine journal which could be an optimal

way for Qvevri wine promotion for small companies in particular, the capacity of which is still very modest and are not able to participate in expensive wine exhibitions.

Recommendation on use of CSR - sharing our experience: we donated some quantity of our new wine brand to the Church; We conducted training for local vine-farmers in the village of Sabue where our vineyards are located. They were introduced to our method of treating vineyards. According to our pre-planned strategy, we shall organize open-for-wide-public lectures/trainings to share knowledge and experience in Qvevri wine marketing.

Sorting QW by country may not be very effective because of low awareness of this unique and authentic product which has most recently found its way to the European markets. However, Georgian wines have been long known to European consumers, in particular to Eastern European and former USSR countries in which Georgian wines have been imported since soviet period.

As for sorting Qvevri Wines by taste, we should keep in mind that QWs has a unique taste which is not yet widely known to EU consumers. To address this problem we offer a few innovative approaches, among them is a probing bottle sold together with famous wine journal and advertised by digital channels illustrating the attached bottle. This may also increase the number of the issues sold. Moreover, the journal could also offer a short survey which will aggregate the results of the consumers' attitude. The address of the electronic survey will be indicated next to the bottle with due information. This would be one of the ways to market survey and learn how the consumers evaluate QW by taste. Within a year we can have a picture of QW market differentiation by taste. Next step could be demonstrating another, e.g. semi-dry wine samples, and get the results of the survey in the same way. Therefore the picture of QW market in Europe could be set up without investing huge resources. A widely applied method is wine testing at wine fairs and exhibitions, but only limited number of people come to taste it, therefore we can not rely only on the appreciation of the experts, instead, the consumers will be given an opportunity to evaluate the wine according to their individual taste, and besides, they could make difference between dry, semi –dry and semi –sweet wines made in Qvevri.

We shall offer to our trainees some advanced technologies of production, bottling and keeping Qvevri wine without losing its main taste and other unique qualities. Sharing our experience will be very helpful and will give opportunity to the trainees to promote their product and find customers independently. Those are very powerful tools in today's' marketing, and I hope dissemination of our knowledge gained during dissertation period, will boost the selling force, activate product placement, and ultimately become one step forward in promotion of Georgian Qvevri wines in a long way to foreign markets.

Publications related to the dissertation

- Beriashvili, R. (2017). Wine Marketing_Educational Programms and Employability on a Labour Market. *7th International Research Conference on Education, Language and Literature* Tbilisi: Center for Teaching Excellence, pp. 778-785.
- Beriashvili, R. (2019). Awareness and Knowledge to Georgian Qvevri Wine in Poland and the Ways to its Improvement. *Academy of Marketing Studies Journal, Vol. 23, Iss. 3*, pp. 55-65.
- Beriashvili, R., & Bakhtadze, I. (2019). Georgian Qvevri Wine is Opening New Markets in the World:. *14th International Silk Road Conference on Globalization: Trends and Perspectives*. Tbilisi: International Black Sea University
- Beriashvili, R., & Djakeli, K. (2018). Georgian Qvevri Wine Prospective on Netherlands Market. *13th International Silk Road Conference* Tbilisi: International Black Sea University, pp. 111-118
- Rusudan Beriashvili, K. D. (2019). The Knowledge to Western Wine Sales Models among Georgian Wineries. *Journal of Business, International Black Sea University, Vol. 8, Iss.1*, pp. 15-25.
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