

The Role of Event Marketing in Case of the Buda Castle Wine Festival

Dr. habil. SZABÓ Zoltán, PhD MBA

associate professor, Szent István University Hungary, Faculty of Economics and Social Sciences, Institute of Business Sciences
(Email: Szabo.Zoltan@gtk.szie.hu)

KOMÁROMI- GERGELY Anikó

assistant lecturer, Szent István University Hungary, Faculty of Economics and Social Sciences, Institute of Business Sciences
(Email: Gergely.Aniko@gtk.szie.hu)

Dr. habil. SZÉLES Zsuzsanna, PhD

associate professor, Szent István University Hungary, Faculty of Economics and Social Sciences, Institute of Business Sciences
(Email: Szeles.Zsuzsanna@gtk.szie.hu)

ABSTRACT

◦*Purpose:* Wine events can support very efficiently the attraction of tourists to a certain destination. As one of the most important elements in tourism strategy wine tourism is crucial to introduce wines to the consumers. It is an effective method to improve the wine culture. The aim of the paper is to show the role of Hungary's largest and most important wine festival in the Hungarian wine culture as a key element of the wine tourism. We describe the consumers coming to the Festival, the information channels and how satisfied the domestic and foreign visitors are.

◦*Design/methodology/approach:* The paper is based on a continuous primary research work between 2004-2012 analysing more than 3700 questionnaires and secondary data between 1999 and 2003 from the Viniculture PBC and other secondary data from professional sources. The data was processed by Excel 2003, using ratios, distribution and cross tables.

◦*Findings:* The case of the Budapest Wine Festival shows that the well-organised and co-ordinated wine events can really affect domestic and foreign consumers and positively promote the Hungarian wine culture and products. During the last 13 years the visitor number increased from 30000 to 80000. These numbers support the concept that quality wines and events related to them are gaining more and more importance from the society. We can also conclude that the Festival visitors are from all over the world – 3 continents and 13 countries. In general both the Hungarian and the foreign visitors were satisfied with the Festival, there is a large amount of the visitors that come regularly to visit the festival.

Keywords: wine events, wine culture, wine tourism

1. INTRODUCTION

Wine events can support very efficiently the attraction of tourists to a certain destination. As one of the most important elements in tourism strategy wine tourism is crucial to introduce wines to the consumers. It is an effective method to improve the wine culture. With the concept of wine culture we meet quite often every day even though we are not professionals. This concept has changed a lot during the last 20 years in Hungary just like the role and elements of wine tourism. The **international trends** are more to observe in the Hungarian wine market. The ration of such consumers that prefer quality wines are more and more common in the Hungarian market. In influencing this segment's preference **wine festivals, wine fairs** have an increasing role in the tools of wine tourism. **Tokaj** is one of the leading wine regions in Hungary and has a great role to strengthen the image of the domestic wines through the concepts of wine marketing elements. The Tokaj producers have great responsibility – just like the other Hungarian wine producers – to re-engineer **wine culture**, quality wine consumption and increase the role of wine events. **Wine tourism** as an outstanding wine marketing element contains the wine festivals and wine fairs that are able to affect the entire wine culture positively and influencing the next generation's wine consuming behaviour. Besides this a great increase can be observed in the quality level of the wine festivals which is important to be seen as image creating factors to the Hungarian wine sector.

The **aim of the paper** is to show the role of Hungary's largest and most important wine festival in the Hungarian wine culture as a key element of the wine tourism. We describe the consumers coming to the Festival, the information channels and how satisfied the domestic and foreign visitors are. The **previous researches** of the Szent István University Gödöllő have already started in 1997 in the field of wine marketing. (*Papp, 2000*) The paper is based on a continuous **primary research** work between 2004-2010 analysing more than **3700 questionnaires** and secondary data between 1999 and 2003 from the Viniculture PBC and other secondary data from professional sources.

1.1. Briefly about the Hungarian economic circumstances

The economy of Hungary is a medium-sized, structurally, politically and institutionally open economy in **Central Europe** and is part of the European Union's (EU) single market. The economy of Hungary experienced market liberalization in the early 1990s as part of the transition from a socialist economy to a market economy, similarly to most countries in the former Eastern Bloc. Hungary is a member of the Organisation for Economic Co-operation and Development (OECD) since 1995, a member of the World Trade Organization (WTO) since 1996, and a member of the European Union since 2004. The **private sector** accounts for more than 80% of the Hungarian GDP. Foreign ownership of and investment in Hungarian firms are widespread, with cumulative foreign direct investment worth more than \$70 billion. Hungary's main industries are mining, metallurgy, construction materials, processed foods, textiles, chemicals (especially pharmaceuticals), and motor vehicles. Hungary's main **agricultural products** are wheat, corn, sunflower seed, potatoes, sugar beets; pigs, cattle, poultry, and dairy products. The economy showed signs of recovery in 2011 with decreasing tax rates and a moderate 1.7 percent GDP growth. In Hungary the **main industries** are as follows:

- Automotive industry (Audi, Mercedes-Benz, Suzuki)
- Electronics (Bosch, Videoton, Siemens, Samsung, Lear, Elektrolux)
- Pharmaceuticals
- ICT sector
- Food industry (Investing Guide Hungary 2013)
- **Tourism**

Tourism employs nearly 150 thousand people and the total income from tourism was 4 billion euros in 2008. One of Hungary's top tourist destinations is Lake Balaton, the largest freshwater lake in Central Europe, with a number of 1,2 million visitors in 2008. The most visited region is Budapest, the Hungarian capital attracted 3,61 million visitors in 2008. Hungary was the **world's 24th most visited country** in 2011. The Hungarian spa culture is world-famous, with thermal baths of all sorts and over 50 spa hotels located in many towns, each of which offer the opportunity of a pleasant, relaxing holiday and a wide range of quality medical and beauty treatments. In Hungary the tourism is one of the most important sectors and its potential is also promising in the long-run following the worldwide trend. The tourism has **several types** and in Hungary wine tourism as well as thematic tourism plays an important role (Lehota J., Szabó Z., Gergely A., 2010; Szabó Z., Komáromi-Gergely A., 2011) One of the most important wine regions in Hungary is Tokaj, which faces several challenges according to Szakal and Karpati (2009):

- The current position of Tokaj Wine Specialities in **gastronomy** and culture makes their frequent consumption difficult.
- The tourism developments of the given region would considerably **promote** the popularity of consumption on site. Conscious investments would enhance the weight of sale on site on the sales market of Tokaj Wine Specialities.
- The Austrian example shows that expertness in wine largely affects the sale of Tokaj Wine Specialities and similar products. Higher life standard also favourably influences the turnover of **Wine Specialities**.
- The current position of Tokaj Wine Specialities in gastronomy and **culture** makes their frequent consumption difficult.

Wine tourism and **wine events** are one of the most important ways to introduce wines to the consumers. It is an effective method to improve the wine culture. Tokaj is one of the leading wine regions in Hungary and has a great role to strengthen the image of the domestic wines through the concepts of wine marketing elements. The Tokaj producers have great responsibility – just like the other Hungarian wine producers – to re-engineer wine culture, quality wine consumption and increase the role of wine events.

On the basis of the consumers' demands and the supply, domestic wines comprise the major part of commercial turnover. Foreign wines are primarily distributed by the dealers to extend the assortment. Consumers know these wines less. (Szakál, 2008) **Wine tourism** as an outstanding wine marketing element contains the **wine festivals** and wine fairs that are able to affect the entire wine culture positively and influencing the next generation's wine consuming behaviour. Wine tourism also provides the chance for the domestic producers to gain international awareness and get **multiple chances** for feedback and to create direct relations with the target groups.

2. EVENT MARKETING

As a simple definition and concept according to Fazekas and Harsányi (2011) event marketing is contains organisation and such an activity which focuses on combining the brand message with a unique compelling and **remarkable experience**. Successful events have the following characteristics that **increase the experience** level such as involvement, interaction, immersion, intensity, individuality, innovation and integrity. (Wood and Masterman 2007) According to Pope and Voges (2000) the events help to increase the involvement level of the

participants so that they are more open to welcome the marketing messages and images related to the event than with any other communication methods. Events provide the possibility to the consumer to get **loyal** to the company, brand and the community of consumers. Garrison (2006) believes that marketing events and activities are the **most powerful** tools in communication.

Based on the above mentioned expert opinions and research facts the events provide **extraordinary potential** to the companies and associations like **Viniculture PBC** to reach high exposure and reach their multi-linked objectives such as **promoting wine culture**, gastronomy and a city like Budapest to domestic and tourist target groups.

2.1. Brief history of the Hungarian wine programs, exhibitions, fairs

The popular wine regions were set up in 1800. The county balls and casinos helped a lot to increase the wine consumption. (<http://www.badacsony.hu>) At the beginning of 1800 the Hungarian wines have won several prizes at international fairs and competitions (Paris, Hamburg, Rome, Vienna) basing and supporting the image of the domestic production. (*Siki-Tóth-Zsiga, 1997*) With the efforts of Széchenyi István and other Hungarian noblemen the first Hungarian General Agricultural Fair was organised in 1857 where there was an outstanding wine competition with 2001 samples. (*Siki-Tóth-Zsiga, 1997*) Only some professional exhibitions were allowed After World War II. by the leading party. (www.jgytf.u-szeged.hu) **The transformation** brought meaningful changes. Several associations started to work on developing the image of the Hungarian wine and wine sector and a strategic perspective started to be worked out within the concept of wine tourism. **The efforts of Viniculture PBC** during the last two decades accelerated and gave **extra possibilities** for the Hungarian wine sector.

3. THE BUDAPEST INTERNATIONAL WINE FESTIVAL

3.1. Methodology of the research

The primary research was done during the 13th-21th Budapest International Wine Festival between 2004-2012 in the Buda Castle, by random sampling at different parts of the festival. The research is based on a continuous research work between 2004-2012 analysing more than 3700 questionnaires and secondary data between 1999 and 2003 (Source: Viniculture PBC). The data was processed by Excel 2003, using ratios, distribution and cross tables.

The festival is more popular during the last years. The data is shown on Diagram 1. During the last 13 years the visitor number increased from 30000 to 80000 and it seems to be stagnating by now at that limit in 2012 as well. These numbers support the concept that quality wines and events related to them are gaining more and more importance from the society.

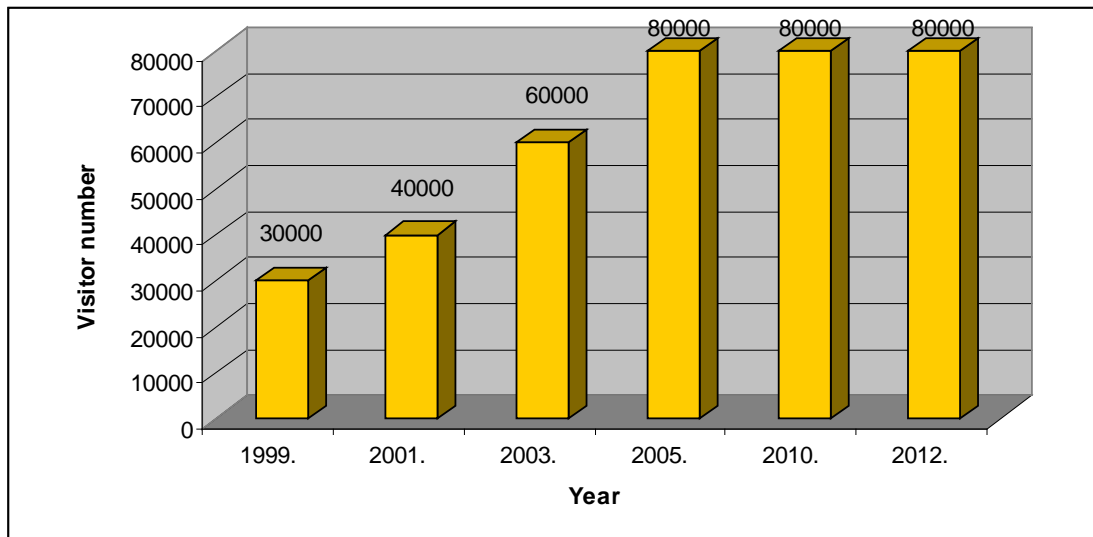


Diagram 1: Festival visitors between 1999 and 2012
Source: Own research and Viniculture PBC

3.2. Demographic characteristics of the sample

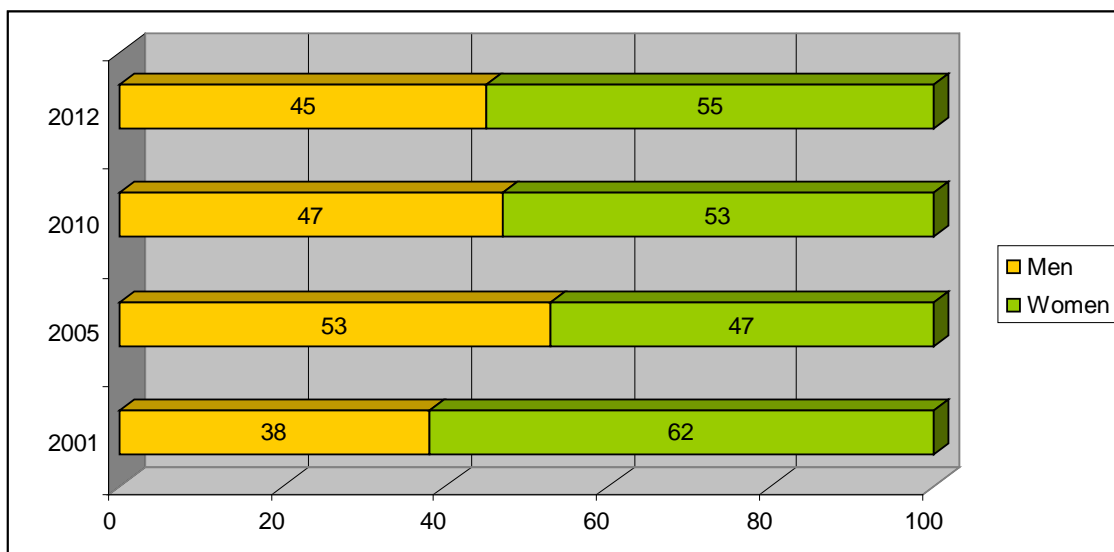


Diagram 2: Festival visitors by gender between 2001 and 2012
Source: Own research and Viniculture PBC

Based on Diagram 2 we can conclude that the ratio of male and female visitors is tending towards the 50-50 % equilibrium during the last years. This shows that the interest of the two genders towards the wine industry and the wines attracts the ladies just like the gentlemen.

About the age of festival visitors Diagram 3 shows the ratios. It can be seen that the people between 26-35 are the most stable group during the analysed time period with their approximately 30-33%, but the ratio of the other groups are changing and the smallest group is the one with the oldest visitors increasing.

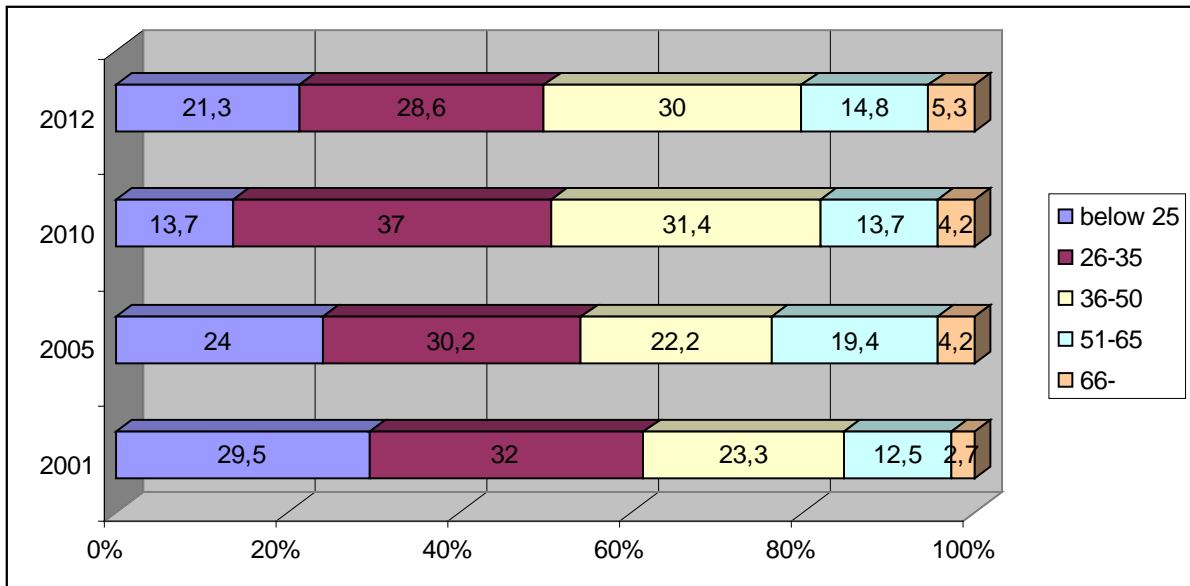


Diagram 3: Festival visitors by age in 2001, 2005, 2010, 2012 (%)
Source: Own research, 2001-2012 and Viniculture PBC

Looking at Diagram 4 we can see that the largest portion of the visitors in the sample comes from Budapest. It is also to be seen that the ratio of the visitors from other places among the Hungarians is increasing. In 2001 it was only 27.22% and by 2008 it grew to 34%, which shows increasing interest from the countryside. The turning year is 2005 when the ratio of the countryside visitors grew by 8.19%. Between 2001 and 2008 the ration of the visitors from Budapest decreased by 6.78%. These data show that the Festival tends to be more like a country-wide event then before. In 2012 the Festival had more participants from other places then from Budapest. The research shows that the most of the foreign visitors came from the USA, Austria, Great Britain and Spain. We can conclude that the Festival visitors are from all over the world – 3 continents and 22 countries.

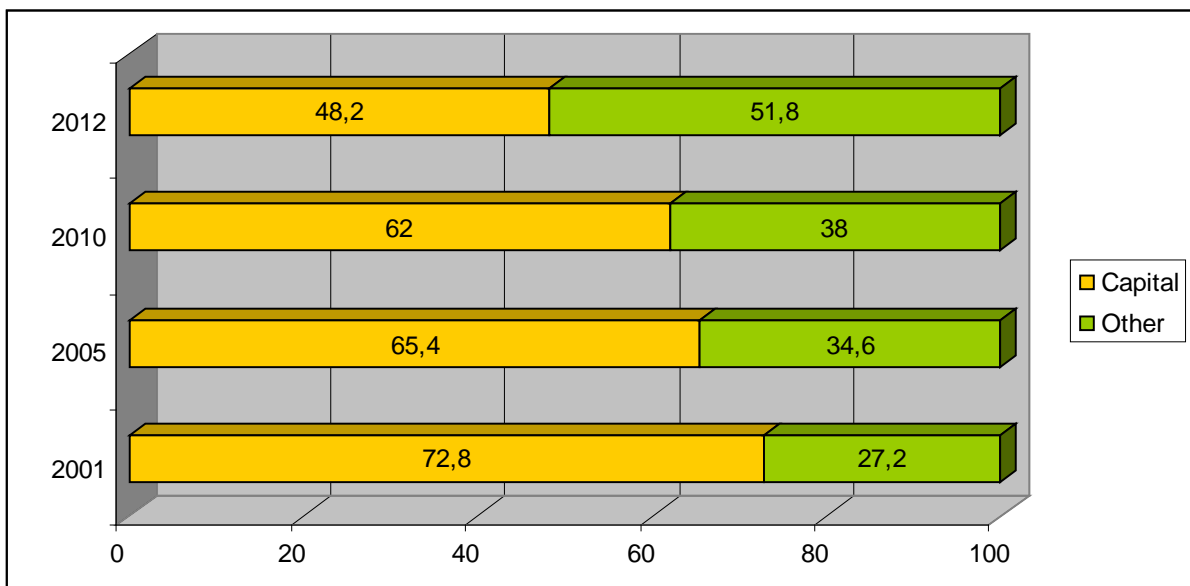


Diagram 4: Ratio of the visitors form the capital and other places in 2001, 2005, 2010 and 20102 (%)
Source: Own research, 2001-2012 and Viniculture PBC

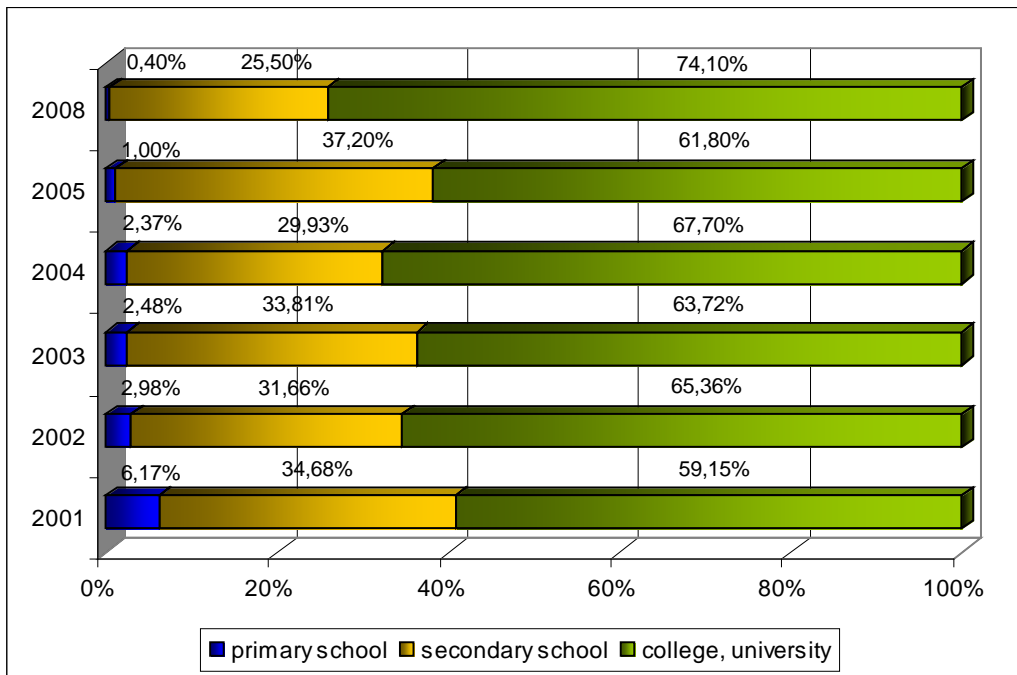


Diagram 5: Ratio of the visitors by education in 2001, 2003, 2005 and 2008 (%)
 Source: Own research, 2001-2008 and Viniculture PBC

During the analysed time period the majority of the festival visitors had higher education and the ratio of the primary education has been decreasing from 6.17% to 0.4%, which means that almost nobody from this group visits the Festival. The ratio of the secondary education has also been decreasing between 2001 and 2008 by 9.18%. On the other hand the ratio of the higher education reached more than 74% by 2008. This trend is clear to be seen and based on this we can conclude that the Festival tends to serve the people with higher education mostly and the target group is getting more visible. In 2010 and 2012 we distinguished still learning and in 2012 PhD/MBA categories to get more detailed view of the sample and we saw that this is meaningful in the sample with 7% and the still learning is a growing segment. (Diagram 5 and 6)

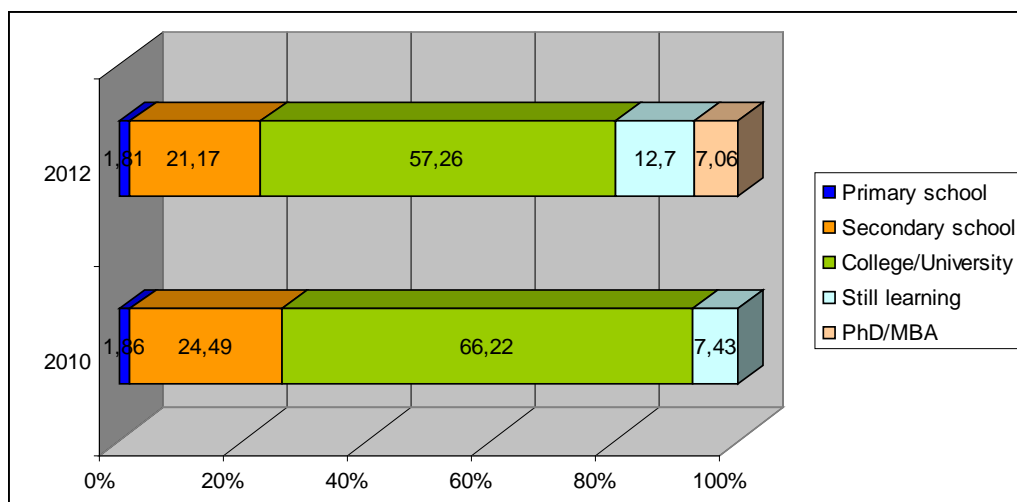


Diagram 6: Ratio of the visitors by education in 2010 and 2012 (%)
 Source: Own research, 2010-2012

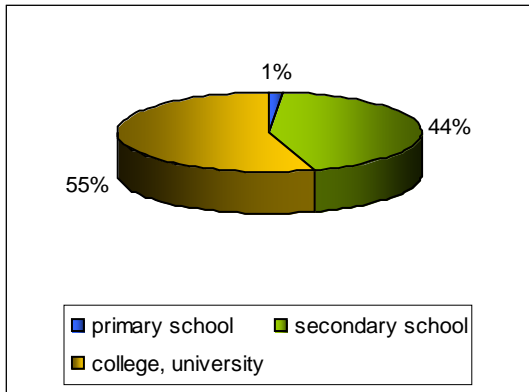


Diagram 6: Hungarian visitors by education in 2005

Source: Own research, 2005

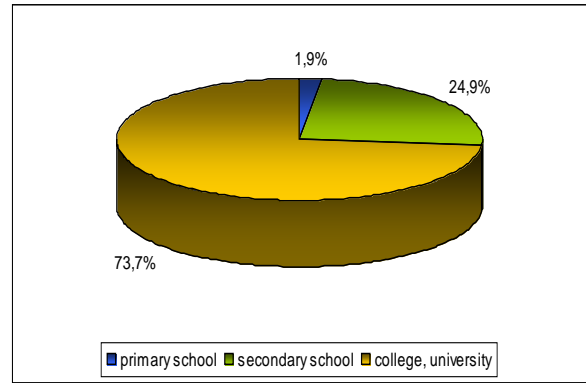


Diagram 7: Hungarian visitors by education in 2010

Source: Own research, 2010

Between 2005 and 2010 the change in the ratios is even more dynamic. The higher education ratio grew by 19% (Diagram 6 and 7) and what we can see on Diagram 9 and 10 is that the ratios have changed in the case of the foreign visitors as well.

Based on the data from 2005 we can conclude that the ratio of higher education is much higher – by 35% - in the foreign sample, in 2010 only 8% is the difference and the Hungarian sample has almost reached the foreign one. These facts also confirm the relation between higher education and better wine quality. (Diagram 8 and 9)

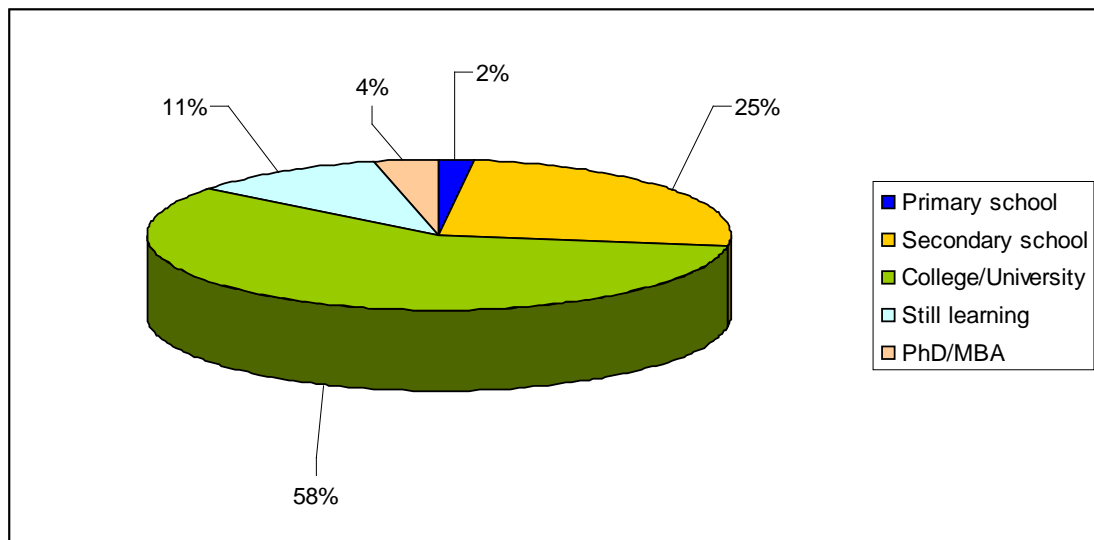


Diagram 8: Hungarian visitors by education in 2012

Source: Own research, 2012

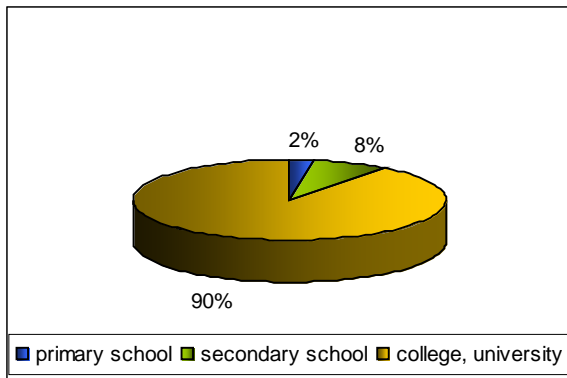


Diagram 9: Foreign visitors by education in 2005

Source: Own research, 2005

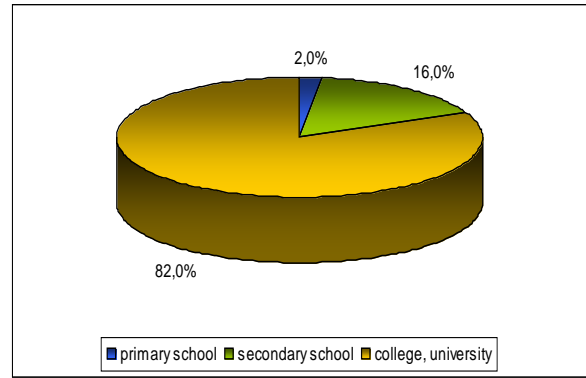


Diagram 10: Foreign visitors by education in 2010

Source: Own research, 2010

In 2012 the ratio became extreme in case of the foreign visitors for 94% belonged to higher education including still learning people. (Diagram 11) The Hungarian sample in 2012 remained the same compared to 2010 with 27% secondary or lower education ratio. (Diagram 8) We can observe significant difference in the PhD/MBA ration between the two parts of the sample where the foreign data show 21% and the Hungarian only 4%.

We can state that in case of foreigners the interest to the Buda Castle Wine Festival is highly related to higher education level.

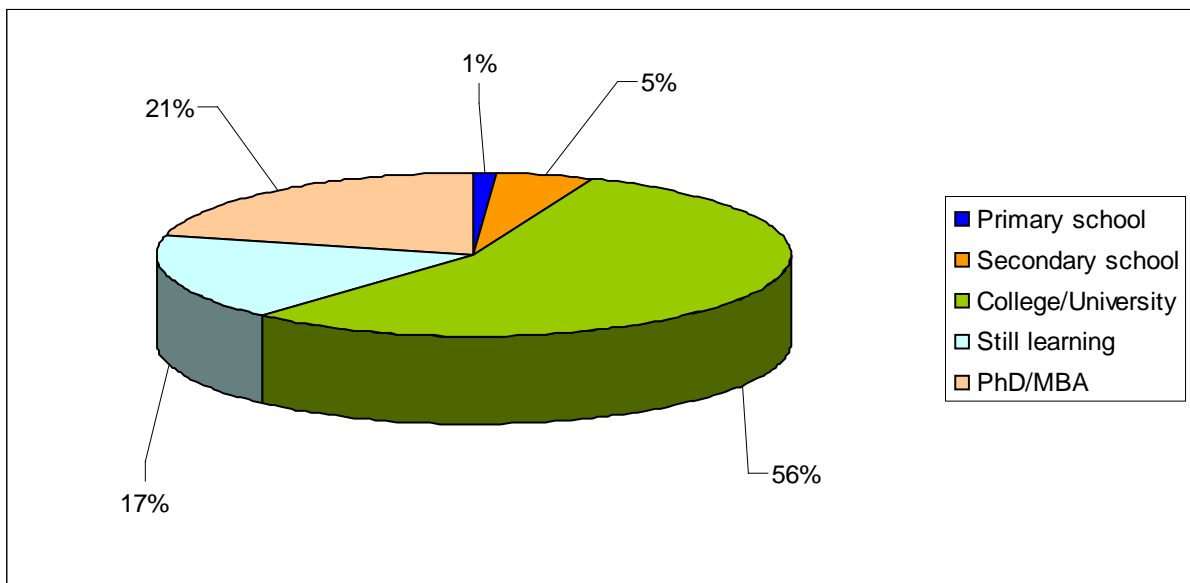
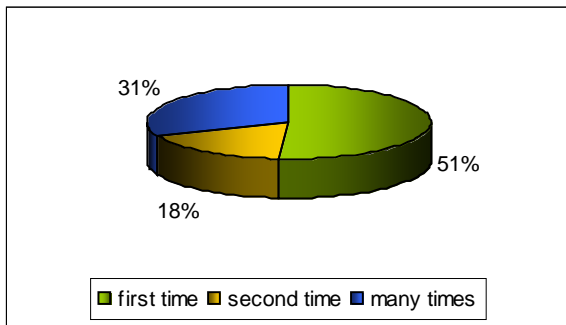


Diagram 11: Foreign visitors by education in 2012

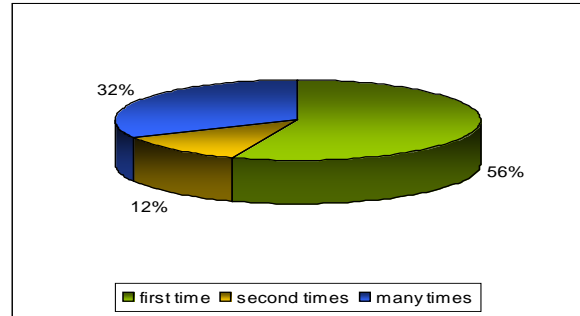
Source: Own research, 2012

3.3. Frequency of visiting the Budapest International Wine Festival

We can see that about 50% of the visitors are first timers at the festival. The turning point was 2004 when this ratio was 60%. We can also observe that the ratio of the ones visiting the Festival several times has increased by 5% between 2005 and 2010 (Diagram 12 and 13), but compared to 2004 this change is even greater 12%.



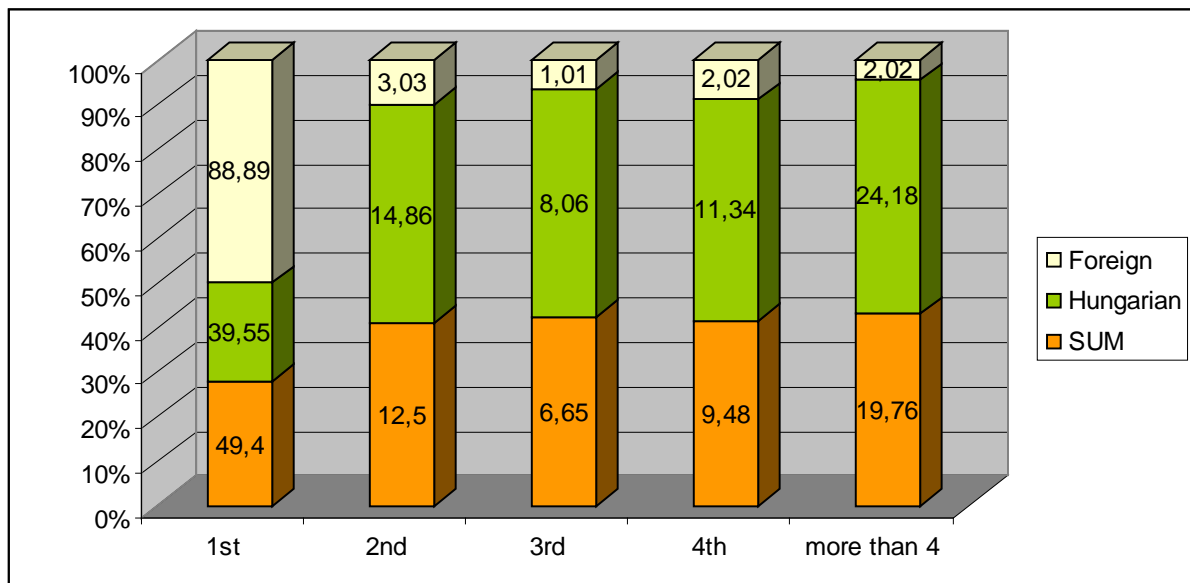
*Diagram 12:
Visit frequency on the festival in 2005
Source: Own research, 2005*



*Diagram 13:
Visit frequency on the festival in 2010
Source: Own research, 2010*

In the case of the Hungarian visitors the first timers' ratio is about 40%, but the one with the several times visit is much higher than the average, it is 43% in 2008 which was growing 5% compared to 2005.

The first timer frequency is obviously higher in the case of the foreign visitors. The data show that 90% of them came first time to the Festival in 2008, and only 7% was regular visitor. Similar data were observed in 2010 as well.



*Diagram 14:
Visit frequency on the festival in 2012
Source: Own research, 2012*

In 2012 the ratios are similar (Diagram 14) but it is crucially important that even in the case of the foreign visitors the average visit number is 1.23 and for the Hungarians it is more than 3%. This shows the results of a continuous focused work and the old marketing rule that the keeping the regular customers is a winning concept in case of wine events as well even in the 21st century.

4. CONCLUSIONS - SATISFACTION ABOUT THE BUDAPEST INTERNATIONAL WINE FESTIVAL

In 2005 the visitors were mainly satisfied with the speed at the cash registers, the number of the information desks, the arm band system and catalogue. They were less satisfied with the tasting ticket system and the least satisfied they were with the signs.

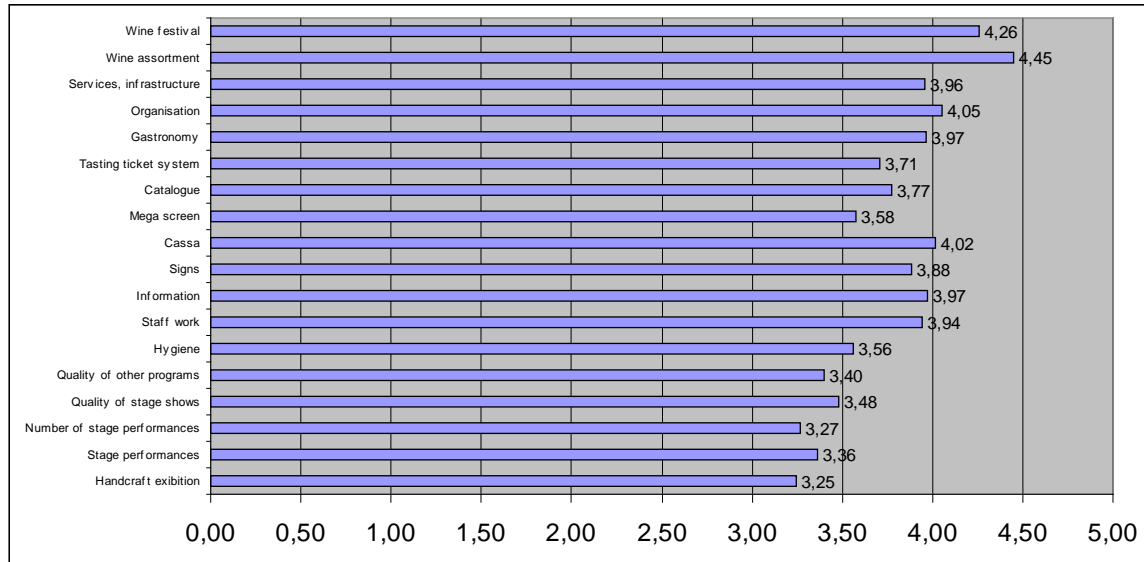


Diagram 15: Satisfaction of the Festival visitors with the festival in 2012

Source: Own research, 2012

In 2008 the Hungarian visitors liked the most the staff work, information desks, arm band system and the speed at the cash registers which is very similar to the situation in 2005. The most important changes are in the rankings. Each mentioned factors were above 4.2 where 1 was the worst and 5 the best mark. They were not satisfied with the price levels of the programs, but they gave 4.23 for the Budapest International Wine Festival in general which was the highest compared to the previous Festivals. In 2010 the Hungarian visitors were mainly satisfied with the wine offer. The **in-general-satisfaction** remained almost the same which also point out the permanent positive and good **image creation** capability of the Festival as a wine tourism event. The foreign visitors gave higher marks in 2008 which show that they were even more satisfied with the Festival than the Hungarians. For the factor the Wine Festival in general they gave 4.5. They were much more satisfied with the gastronomy and we can state that the Festival organisers chose an obviously successful strategy and this is realised in the data as well. In 2010 they were similarly most satisfied with the wine offer and it is crucially important from the image creation point of view towards abroad. In 2012 with lower level the Wine Festival in general got 4.26 and wine assortment was winning with 4.45 points which is the highest during the last years. Additionally the payment system was appreciated with 4.02 points. (Diagram 15)

Viable wine tourism concept and its implementation at regional level is needed to be developed in order to generate positive picture and feelings about the Tokaj wines and wines from Hungary. In general both the Hungarian and the foreign visitors were satisfied with the Festival, there is a large amount of the visitors that come regularly to visit the festival. To sum it up we can conclude that the Festival has fulfilled its objective to provide possibility for wine producers from Tokaj and all the regions of the country to meet the consumers and generate positive image for the Hungarian wine sector just like to Hungary.

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