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ANALYSIS OF THE NATIONAL WINE MARKETING STRATEGY
FROM THE PERSPECTIVE OF NYAKAS WINERY LTD.

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Budapest, 2024

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LIST OF FIGURES

Figure 1: Hungary's 22 wine region (magyarorszagom.hu (2022))

Figure 2: Nyakas Winery Ltd. (nyakas.hu 2019)

Figure 3.: Etyek-Buda Wine region (Nyakas Winery's areas in the Buda region marked in red /Tök, Budajenő/ (Fetzer Cs. (2010))

Figure 4.: Changes in the Harvest Quantity of Nyakas Winery Ltd. Compared to the Etyek-Budai Wine Region and All 22 Wine Regions of Hungary, Expressed in Percentage. Harvest years: 2011-2022. Data source: (Pálfi, 2024), Editing by Author

LIST OF TABLES

Table 1. : Crop quantity (q) of Nyakas Winery Ltd. and Etyek-Budai Wine Region, along with 22 wine regions of Hungary, in vintages from 2011 to 2022. Data (Pálfi, 2024), Editing by Author

Table 2. : Nyakas Winery inventory (hl) compared to the Etyek-Budai Wine Region and Hungary (Inventory data as of May 31, 2023) Data source (Pálfi, 2024), edited by Author

Table 3. : Nyakas Winery Ltd. inventory report (data as of the end of April 2023) compared to Hungary and the Etyek- -Budai Wine Region. Data source (Pálfi, 2024), edited by Author

Table 4.: Wineries comparison based on 2022 data .Compiled from publicly available information from IM's free company information service (cegjegyzek.hu (2024))

Table 5. : SWOT Analysis of the Hungarian Grape and Wine Sector. Compiled by Author

Table 6.: SWOT Analysis of Nyakas Winery Ltd. Compiled by Author

TABLE OF CONTEST

I.	INTRODUCTION	1.
II.	LITERATURE REVIEW	3.
II.1.	International Wine Market Overview and Situation Analysis	4.
II.1.1.	Utilitarianism	7.
II.1.2.	Moderation	7.
II.1.3.	Sustainability	8.
II.1.4.	E-commerce	9.
II.1.5.	Intellectual Challenges	10.
II.1.6.	Climate Change	10.
II.2.	Domestic Wine Market Overview and Situation Analysis	11.
II.3.	Introducing Nyakas Winery Ltd.	13.
II.4.	Presentation of the National Wine Marketing Strategy	16.
III.	MATERIALS AND METHODS	18.
III.1.	The positioning Nyakas Winery Ltd. with traffic data from Hungary and the Etyek Buda Wine Region	18.
III.1.1.	Introduction to the Etyek-Buda Wine Region	19.
III.2.	Examination of Leeway - Case Study: Strategic Challenges of Nyakas Winery Ltd.	21.
III.2.1.	COVID Crisis	21.
III.2.2.	Inflation	22.
III.2.3.	Changes in the Legal Environment	23.
III.2.4.	Decreasing Wine Consumption	23.
III.2.5.	Labor Shortage	23.
III.2.6.	Introduction of Mandatory Deposit Refund System	24.

III.2.7. Introduction of E-Winery Management System	24.
IV. RESULTS	26.
V. SUMMARY	39.
VI. APPENDICES	41.
VII. UTILIZED LITERATURE	42.

I. INTRODUCTION

A wine is a truly unique and singular product. "The history of wine is the history of humanity," as the saying goes, and indeed, poets have extolled the virtues of the "sunlight trapped in a bottle" for centuries. For the Hungarian people, wine has held particular importance, as it has been said, "From birth to the grave, wine has always played a role." According to myths, the first grapevine sprouted from the heart of Dionysus, and Bacchus transformed from a skilled wine merchant into the god of wine. In the Old Testament, Noah's name is closely associated with wine, and Moses' scouts brought back enormous clusters of grapes from the Promised Land. The Old Testament mentions wine 212 times, and grapes are generally the plant most frequently mentioned in the Bible (Scaphoideus.weebly.com (2024)).

My relationship with wine and winemaking has been a part of my life since birth - practically since I was a baby - as I grew up in Nyakas Winery. My mother has been working at the winery for 24 years, initially as an assistant winery manager, and then she moved up to the position of winery manager after a few years. Currently, she is the head winemaker at Nyakas Winery. Because of this, my choice of topic was deliberate! As I grew older, I started assisting at wine tastings, exhibitions, and events, which allowed me to immerse myself even more deeply in winemaking, and I became increasingly interested in the economic aspects of winemaking as well.

From home conversations and interviews conducted at the winery, it can be concluded that unfortunately, in recent times, the Hungarian wine industry has been characterized by decreasing domestic production, a shrinking number of domestic wine consumers, declining wine consumption, stagnant exports, and an increasing volume of cheaper imports. Twenty years ago, the average annual wine consumption per capita was 30 liters, but today many places estimate it to be around 17 liters per capita (Appendix 1.); however, some winemakers argue that it is closer to 12 liters per capita. Especially the younger generation prefers alcoholic cocktails, wine cocktails, low-alcohol or alcohol-free wine. Despite the tradition and quality, significant differences can be observed in wine consumption among generations, with the proportion of those consuming wine at least weekly increasing with age. Among Generation Z

and Millennials, there is a lower proportion of those consuming wine at least weekly, while among the baby boomer generations, this proportion is the highest (Harsányi et al., 2023). There is a growing health-conscious generation that consumes less wine; they believe that wine and alcohol are harmful to health. Unfortunately, several directives from the European Union also contribute to this perception. Many suggest that wine is synonymous with alcohol, and alcohol is known to be unhealthy.

To counteract these negative trends, the Hungarian Wine Marketing Agency Zrt. was established at the end of 2022, followed by the completion of the National Wine Marketing Strategy in the first half of 2023. Its primary goal is to increase domestic wine sales, selling more wine at higher prices. Within the framework of the strategy, they have identified the problems, current trends, market opportunities, and modern communication tools that can be most effectively utilized to achieve the set goal (kimittud.hu (2024)).

The aim of my thesis is to analyze and compare the marketing and sales strategy of Nyakas Winery Ltd. with the National Wine Marketing Strategy. I will examine how the commercial and wine marketing strategy of Nyakas Winery Ltd. relates to the National Wine Marketing Strategy. I seek answers to whether the National Wine Marketing Strategy is able to provide current domestic consumption and sales trends, particularly in the case of Nyakas Winery Ltd. My initial hypothesis is that this Strategy is capable of reversing the declining trend in domestic wine consumption at Nyakas Winery Ltd.

II. LITERATURE REVIEW

The Hungarian wine industry is suffering from the aftermath of the coronavirus pandemic and the ongoing war in Ukraine, resulting in an energy crisis, inflation, global warming, and the newly introduced waste management and e-labeling (EU-mandated nutritional labeling) regulations, all of which have a negative impact on the Hungarian grape and wine sector. Hungary is not among the leading wine-producing countries in terms of its vineyard area (Appendix 2., Appendix 3.) or the quality of its wines. The main reasons for this lag include the weak profitability of grape cultivation, resulting in continuous reduction of vineyard area and consequent market loss. Additionally, the role of wine has changed in recent times. The decline in wine consumption per capita is observed not only in Hungary but also in the largest wine-producing countries; the market is not absorbing as much red wine as before. The breakdown of the relationship between wine and gastronomy opens up opportunities for other beverages. The perception of Hungarian wines in the EU and global markets is not very favorable; the image is lacking. This needs to be established through marketing efforts, which require significant resources. The quality-centric approach must extend throughout the entire product chain.

„In Hungary, wine can simultaneously be considered as a defining element of history, culture, and the economy" (Kiss, 2012). The wine industry is a significant segment for both the food and tourism industries. Hungarian wineries, which produced a total of 306.2 million liters of wine in 2019 (KSH, 2021), rely on two main sources of revenue: wine trade and wine tourism. Both domestic and international markets show signs of saturation in both wine trade and wine tourism. There is intense competition, with new market players constantly emerging. Not only is the number of domestic wineries increasing, but countries with little or no wine production culture are also entering the market (Könyves, 2015). A threatening but inevitable trend for the European and Hungarian wine industry is market globalization, with aggressive expansion of New World wines (Anderson et al., 2003). The portfolio of wine market products and services is complex, with brand marketing communication playing a crucial role in their market introduction and performance. In recent years, online marketing has become increasingly important in the channel mix, becoming dominant among certain consumer target groups (Fehér et al., 2014), and the COVID-19 pandemic has significantly accelerated this trend (Németh et al., 2020).

Per capita wine consumption in Hungary decreased each year between 2016 and 2019, reaching only 21 liters in 2019 (KSH, 2021). „This trend can only be reversed if successful in reaching the younger generations who primarily use the internet as a medium (Tapscott, 2009) (Gyarmati & Szakály, 2023).”

The development of the grape and wine industry is a strategic goal. The paths leading to this goal must be uncovered to ensure the success of Hungarian wineries. I analyze this area by comparing the sales and marketing strategy of Nyakas Winery Ltd. with the National Wine Marketing Strategy, questioning whether the action plan formulated last December within the framework of the National Wine Marketing Strategy can provide solutions to the identified problems.

II.1. International Wine Market Overview and Situation Analysis

In order to position our country on the international stage, it is essential to conduct a situation analysis. „Cost increases, uncertainties in supply chains, and changes in consumption habits will primarily influence the expected wine market trends in the coming years. The popularity of sparkling wines and boxed packaging will continue to grow, and sustainability will become an increasingly important consideration. Several major international opinion research companies, trade journals, and wine portals have outlined their thoughts on expected market trends, consumer attitudes, and necessary or possible producer reactions (agrokep,vg.hu (2024))”.

Analysts generally agree that two major topics had an impact on the wine market in 2022. Economically, the drastic cost increases and supply difficulties of the past two years, and socially, primarily the enthusiastic return of Generation Y and Z to local consumption post-pandemic. E-commerce, however, remains an integral part of consumers' lives, seamlessly integrating into everyday routines. Raw material shortages are expected to continue to affect supply, impacting the entire trade, leading to unavoidable price increases and shortages of familiar brands. Producers face challenges in managing costs, and due to delivery delays and limited stocks, consumers are likely to seek alternative products instead of their usual choices. Some believe that 2022 has provided an opportunity for emerging regions and producers to gain new recognition and market share. Products present in smaller regions, previously sold mainly by producers themselves and therefore only available in a limited environment, provide a breath

of fresh air alongside the traditionally produced wines introduced to mainstream markets. Increasingly, wholesalers are embracing such wines, which were previously not economically viable for them. Demand is growing for such natural, non-industrial items, to the extent that many are turning to wines from other beverages (such as craft beers). Additionally, consumers are eager to taste wines from exotic, lesser-known regions and are open to exploring unique grape varieties and wine production traditions from countries with limited or moderate wine-making traditions.

As the younger, boundary-pushing generation of winemakers around the world explores numerous alternative winemaking approaches and techniques, long-established, typically varietal-based style classifications are beginning to blur. Following the popularity of orange wines and macerated white wines in recent years, wines made by fermenting white and red grapes together in the same tank have emerged. These light, fresh wines successfully blur the line between pale red wine and dark rosé, and as technological innovations allow, further stylistic ambiguity is expected in the future. The younger generations' aversion to being pigeonholed may particularly make these reform-minded wines interesting, and as they are produced, regulations may need to adapt over time to accommodate them (Nyulné, 2024).

Last year, sparkling wine sales reached record highs, and it seems that this year will be no different. Sparkling wine consumption is expected to increasingly detach from actual festive occasions—or perhaps, after the pandemic, people simply celebrate smaller joys as occasions worth popping open a bottle of bubbly for. However, as consumers turn towards more affordable forms of sparkling wines and increase their purchasing frequency, they are pulling the category away from exclusivity tied solely to festive occasions. Supply disruptions are expected, and prices may significantly rise, but demand is unlikely to decline in 2024. While the dominance of Champagne and Prosecco, as well as the popularity of Crémant and Cava, remains unbroken, local sparkling wines are also increasingly catching the interest of consumers. The ongoing interest in light, fruity wines, combined with the growing popularity of sparkling wines, provides the perfect foundation for expanding rosé consumption. This wine type is expected to finally detach from seasonality and become a product consumed throughout the year.

However, this trend does not favor full-bodied red wines, which are primarily favored by the older generation—although they provide substantial and reliable demand. These wines do not easily fit into the taste preferences, interests, and activities of the younger generation, who

prefer white wines and rosés, and anything with bubbles. Behind wines that represent real value, there is always a story. Whether it's tradition or innovation, it makes the product interesting and relatable, generates emotions and attachment, and arouses a desire for exploration. During lockdowns, people became more open to experiences, real stories, especially when told by someone who is an integral part of it. To meet the demands of new, wealthier consumers entering the market, the market for wines and main beverage brands may be disrupted by the diversification of segments and the emergence of niche status categories, such as agave-based spirits, Irish, American, or Japanese whiskies. On the other side of this trend, there is a significant shift from quantity to quality among consumers, partly due to the "less for more" feeling experienced during home consumption under lockdowns, which was achieved by investing the additional costs of previous on-site consumption into quality.

International Overview in Numbers

Based on data from the International Organisation of Vine and Wine (OIV), the following picture emerges regarding the international wine market. Currently, the largest wine-producing countries such as France, Italy, and Spain (Appendix 10) account for nearly half of the world's wine production, making the European Union the leading wine producer in the world and maintaining its position (Appendix 11).

According to the 2022 average yields, the country with the highest yield per hectare is South Africa, with an annual production of 85 hectoliters per hectare. The second and third places on the global list are New Zealand and Germany, with approximately 82-83 hectoliters per hectare. Hungary significantly lags behind the world's major producers with an average yield of around 37 hectoliters per hectare (Appendix 4.). This low level of production per hectare reflects the high cost of wine production in Hungary, which has put Hungary at a significant competitive disadvantage compared to other countries.

Global wine production has not been able to keep up with global wine consumption over the past 20 years and has consistently produced a surplus, except for the year 2017. This means that annual wine consumption worldwide has significantly lagged behind the quantity of wine produced /by 120-180 million hectoliters annually/ (Appendix 5.).

II.1.1. Utilitarianism

The Y generation is characterized by a fundamental pragmatism that aims to achieve the best value for money in consumption while ensuring the highest level of satisfaction. They have high expectations for quality and enjoy trying out new products as a form of entertainment. This trend is particularly driven by them. Consumers are increasingly switching drinks and trying out completely new ones, with craft beers, hard seltzers, wines, and Japanese whiskies currently garnering the most interest. During the third wave of the Covid pandemic, they turned even more eagerly to novelties than during the second wave.

Chinese and Brazilian consumers are the most entrepreneurial, while English and Japanese adults are the most open to new drinks in 2021. Manufacturers have moved towards previously untapped areas to diversify their offerings, while planning to refine or narrow down their core brands. Diversification helps them adapt to changing consumer tastes, blurring the boundaries between soft drinks, alcoholic beverages, and other stimulating drinks.

Companies no longer produce products for specific consumer groups but offer drinks that fit certain consumption occasions. This tactic enables them to access complementary and competing categories while gaining a lot of information about new products and consumption situations with minimal investment. Due to changes in work schedules caused by the pandemic, people spent more time at home or in their immediate surroundings, resulting in a shift of premium consumption venues to homes. As they began returning to hospitality venues, their expectations aligned with those they had become accustomed to at home over the past two years. They are more conscious of prices and more likely to turn away from lower-quality products or establishments. Therefore, producers of premium products will likely be more selective about where they sell their products for on-premises consumption and will concentrate more on higher-end, high-volume establishments.

II.1.2. Moderation

The trend towards moderation is particularly strong. Many people do not wish to return to the pre-COVID hedonism, even if their social lives revolve around bars and restaurants again. Health consciousness now extends not only to what people drink but also to how much alcohol they consume. More and more people aim to minimize their alcohol intake. As low-alcohol and

alcohol-free drinks become increasingly accessible, they become part of lifestyle and social norms. Shops, online stores, and entertainment venues specifically catering to these products are emerging. Consumers who opt for these products are termed "substitutors," as they replace regular alcoholic beverages with low-alcohol or alcohol-free alternatives. This substitution is increasingly occasion-based, allowing consumers to fully experience and enjoy social situations without the need for alcohol. In the United Kingdom (according to research by IWSR), 40% of consumers of low-alcohol or alcohol-free products are substitutors. Among legally drinking members of Generation Z, this figure is 46%, among Generation Y it's 41%, and among Baby Boomers, it's 36%. However, there's also a significant portion of "mixers" among Generation Z and Generation Y (20% and 23% respectively), who consume both low-alcohol and regular alcoholic beverages on the same occasion. Similar trends are observed in other key markets where there's a larger variety of low-alcohol and alcohol-free drinks available. The role of alcohol-free products with mood-boosting or performance-enhancing effects, thanks to new technologies, is also noteworthy.

These products stimulate brain function or increase stress tolerance. Since these products are primarily aimed at improving the consumer's well-being and emotional state, they offer a good choice for those seeking health-conscious entertainment options. With technological advancements, there's an increasing variety of high-quality low-alcohol wines available, catering to audiences who prefer consuming less alcohol, particularly during lockdowns. People are looking for ways to maintain moderation without having to give up their favorite beverages.

II.1.3. Sustainability

Sustainability has been a growing trend for years now. People no longer just prioritize certain areas, but they almost always prefer market players that align with their own values. In this decision-making system, sustainability and environmental protection play an increasingly significant role, as the younger generations, growing up in the shadow of climate change, have consumption habits and purchasing power that are gradually surpassing those of their predecessors.

Sustainable packaging solutions have been one of the most important areas of corporate and social responsibility in the beverage industry for years. Primarily younger generations, but increasingly more consumers in general, seek out products whose manufacturers are committed

to sustainable practices. Although emotionally attached to the bottle, wine consumers are becoming more open to alternative packaging forms. According to the California Wine Institute, bottles account for 29% of the ecological footprint of wine, and when considering their weight, packaging is already responsible for half of the carbon emissions from wine production. However, more than half of consumers generally consider this packaging to be the most sustainable, while every third person believes that bag-in-box packaging (a combination of a flexible bag made of film and a plastic tap packaged in a suitable-sized cardboard box) is also sustainable.

During the pandemic, local products and their producers have particularly gained importance from a sustainability perspective. Forty-eight percent of American alcohol consumers say that the sustainability and environmental initiatives of producers positively influence their purchasing decisions. The same ratio is 72% in Brazil and 70% among urban Chinese populations. Local brands can rightfully hope that by emphasizing sustainability, quality, and community values, they can strengthen their status in the long run. In the wine industry, new product subcategories are expected to emerge both technically and in terms of sales, transforming wines into easily consumable, single-serving formats with low alcohol content, turning them into wine-based sparkling beverages. Innovations related to the production of ready-to-drink (RTD) beverages paired with wine can contribute to the premiumization of this category, primarily by enhancing quality. However, this fusion can also help steer the interest of younger generations, who are less open to wine consumption, towards traditional wines.

II.1.4. E-commerce

The value of e-commerce experienced a significant increase of 43% in 2020, following a 12% growth in 2019, across key markets. Its total share in the off-trade market could reach 6% by 2025. This growth in market share also entails an expansion on the supply side, not only in terms of production but also in electronic sales formats and methods. The distinctions between various e-commerce channels, and even between online and offline shopping, are becoming increasingly irrelevant for consumers. This blurring of boundaries among online sales channels leads to the convergence of different players introducing new services and moving in directions typical of other channels, making them more and more alike.

In the future of e-commerce, customizing offerings will become even more crucial. Thus, the most successful platforms will be those that gather and utilize the most data to make their offerings and services as attractive as possible, setting them apart from other similar portals.

II.1.5. Intellectual challenges

„Wine production offers an unparalleled blend of intellectual challenges. For young, talented, well-trained, and passionate individuals, the prospect of being simultaneously a farmer, chemist, production expert, salesperson, and marketing guru can be extremely appealing. In major wine-producing countries around the world, there is a growing number of young professionals who are open to complexity and close to nature, eager to meet workplace challenges, and capable of turning to the industry. In addition to the above, there is expected to be a greater interest worldwide in the products of female and BIPOC (Black, Indigenous, and People of Color) winemakers, as well as in low-sulfur or sulfur-free wines. Consumers are becoming less swayed by packaging, no longer associating higher quality with heavier bottles or flashy appearances. The concept of fair trade is increasingly permeating the industry, and from the consumer side (related to sustainability as well), it will eventually emerge as an expectation. Health concerns, economic hardships, rising costs, drought, and extreme weather phenomena will all impact this year's market trends. The multitude of trends predicted by experts only reinforces that uncertainty is the strongest factor influencing consumption in 2022 (economix.hu (2023))”.

II.1.6. Climate change

„Since 1960, 2023 stands out as a particularly challenging year for wine producers worldwide. The industry faced a slew of setbacks, primarily stemming from adverse weather conditions across both hemispheres, a stark reminder of climate change's impact on the global wine map. Key wine-producing nations such as Argentina, Brazil, Chile, South Africa, and Australia experienced production declines ranging from 10 to 30 percent. Italy, for instance, saw its lowest production levels since 2017, dropping by around 12 percent. This shift might shake up the dominance of French winemakers, who have held the top spot for nine consecutive years, though Spain is poised to maintain its third-place ranking despite experiencing its lowest production in two decades.

In the European Union, wine production dipped by 7 percent compared to the previous year, remaining below the five-year average. Various European countries, including Austria, Greece, Croatia, and Slovakia, suffered notable crop losses due to climate change-induced phenomena like dry winters, hailstorms, floods, and rainy springs. Collectively, France, Italy, and Spain contributed nearly 80 percent of the EU's wine output, with Italy grappling with heavy spring rains and floods in the Emilia Romagna region, alongside powdery mildew outbreaks in central and southern vineyards.

France also faced its share of challenges, with powdery mildew and drought affecting vineyards, particularly in the southern regions. However, proactive measures such as crisis management strategies and green harvesting helped mitigate losses, resulting in a modest 1.5 percent increase in production, solidifying their status as top European wine producers.

Meanwhile, Spain's wine industry managed to weather the storm, thanks to favorable conditions like low humidity and a dry autumn, winter, and spring, followed by summer heatwaves and hailstorms. However, the global wine industry was not spared from broader crises such as inflation, climate change, and labor shortages, which compounded existing challenges. In Germany, frequent hailstorms devastated crops, exacerbating overproduction and depressing prices, pushing many grape growers to the brink of economic viability.

The International Organization of Vine and Wine (OIV) noted a bleak market outlook in 2022, with high inflation, energy crises triggered by geopolitical tensions, and disruptions in the global supply chain casting shadows over wine-growing regions worldwide. These factors collectively drove up wine prices, contributing to a slight decline in consumption. (hnt.hu (2023a))”.

II.2. Domestic Wine Market Overview and Situation Analysis

„According to a statement from the Ministry of Agriculture, Zsolt Feldman, State Secretary for Agriculture and Rural Development, indicated in his presentation that this year, from the estimated 4.1 million tons of grapes, 2.8-2.9 million hectoliters of wine from the 2023 vintage could be produced, of which nearly 1.4 million hectoliters will come from the Kunság wine region. Several changes this year have eased the situation for Hungarian wine producers, such as simplifications in regulations, including administrative requirements related to excise duty, and the permission for the production of partially alcohol-free wines, justified by changes in consumer habits. Under the rules of extended producer responsibility, winemakers also need to pay fees for the management of their products' waste – however, most can opt for the possibility

of simplified lump-sum payment, which is based on the product fees previously paid. Another boost for producers is that the government has abolished the representative tax payment obligation for businesses purchasing quality wines for business purposes directly from producers. Furthermore, new agricultural and rural development tenders will be launched early next year, with nearly HUF 2,900 billion in funding available to farmers. The State Secretary also mentioned that due to changes in food labeling regulations, it will be mandatory to display the nutritional value, allergens, and ingredients of wine products produced after December 7, 2023, on their labels and related consumer-accessible websites (hnt.hu (2023a))”.

The HNT (The National Council of Wine Communities) conducted a comparative analysis between 2017 and 2023, revealing a significant decrease in the number and consumption intensity of wine consumers, both in terms of gender and age. The two main reasons for rejecting wine consumption, "I don't like the taste of wine" and "I don't drink any alcohol at all," have remained unchanged since 2017. However, the reason "there is no tradition of wine drinking in our family" has also been cited. Unfortunately, the consumption rate of red wine has decreased, while the proportion of rosé and white wines has increased. Professor Dr. Gergely Szolnoki emphasized that "wine, as a category, is moving towards being a special and expensive luxury item, and there is a danger that the tradition will completely disappear in the long term, and 'wine as an everyday alcoholic beverage' image" (hnt.hu (2023a)).

Laura Rabcsánszki, based on focus group interviews with Hungarian youths aged 18-35, concluded that the age of first alcohol consumption is increasingly earlier. Among the first alcoholic beverages consumed, beer and wine are tied for the first two places. The consumption of wine is mainly motivated by its pleasant taste and its invigorating or relaxing effects. The majority of wine consumers and non-consumers alike have heard of the term "geographical indication" and have a rough understanding of what it means for wine. Non-consumers considered the indication of geographical origin important, seeing it as a form of quality assurance that familiarizes consumers with the most important information about the product and defines the expected quality. In taste tests, wines with higher sugar content were most preferred by young wine consumers: late-harvest sweet Muscat Blanc was the most preferred among the 6 wines tasted. The second most preferred wine falls into the dry, light, and fruity category, while rosé takes third place on the podium. From the quantitative research, it was revealed that those who first consumed rosé are more likely to become wine consumers than those who first consumed white or red wine. Therefore, it may be worthwhile to consider this

type of wine, along with sweet wine, as an entry-level wine category for beginner wine consumers. Almost all respondents (96%) like fruity flavors and aromas, while citrus flavors and aromas are pleasing to 90% of them. Additionally, 62% of respondents like spicy flavors and aromas. The objective conclusions drawn from the research results can provide a good basis for the short- and long-term strategy of the domestic wine industry” (hnt.hu., (2023a).

Domestic Overview in Numbers

Hungary's wine production from 1970 to 2021 shows that the lowest production was in 2010 at 170 million hectoliters, while the highest was in 1982 at 770 million hectoliters. During this period, our imports were at their lowest in 2021 at 165 million hectoliters and highest in 1970 at 410 million hectoliters. Our exports were at their lowest in 1991 at 0 million hectoliters and highest in 1985 at 315 million hectoliters. Domestic consumption was at its lowest in 1970 at 12 million hectoliters and highest in 1986 at 102 million hectoliters (Appendix 6). Looking at vineyard areas from 2009 to 2023, the lowest was in 2012 at 51,659 hectares, and the highest was in 2018 at 61,727 hectares. The harvested grape quantity from 2011 to 2022 was at its lowest in 2012 at 2 774 880 q and highest in 2018 at 5 210 209 q (Appendix 7). The value of Hungarian wine exports was 28 billion forints in 2018 and increased to 42.5 billion forints in 2022 (Appendix 8.).

II.3. Introducing Nyakas Winery Ltd.

The company is small-sized but has technology that is more advanced than average and a stronger financial background. It was founded in 1991 as Nyakashegy Kft. with the participation of members of the former Egyetértés Mgtsz. and cooperative. In the 1990s, they primarily engaged in agricultural activities. In 1997, the first grape processing plant was built, making grape production and wine processing the company's primary activities. In 2008, they underwent significant organizational changes, becoming a private limited company, changing their name to Nyakas Winery Ltd., and have operated under this name since. Their owners are solely domestic individuals. Currently, they cultivate grapes on 194 hectares, conducting grape cultivation on both their own land and leased land from private individuals. They use modern technology to produce fresh, reductive white and rosé wines rich in aroma and flavor compounds from the grapes.

The key points of their technology include gentle grape processing, the most efficient must clarification, low-temperature yeast fermentation, and minimizing oxygen exposure. Additionally, in some vintages, they ferment and/or age special late harvest wines in small quantities in oak barrels; they also produce wines sur lie, with battonage (fine lees stirring) occasionally. They also use grape material purchased from their own and integrated grape-growing participating smallholders. Their winery's barrel storage capacity is currently sufficient for processing and storing 18,484 hectoliters of wine, and their bottled storage area can hold 200,000 bottles. They sell nearly 1.4 million bottles annually, almost 100% of which are sold domestically, giving them a market share of around 2-3% in white wine sales. Their primary raw material for production is grapes. They process nearly 70% of the grapes grown on their own land, purchase 17% from smallholders in integrated production, and buy the remaining 13% from external producers (based on 2023 harvest data).

In the previous year (2023), they processed 1,603 tons of grapes, distributed by variety as follows: Irsai Olivér 766 tons, Chardonnay 312 tons, Rizlingszilváni 203 tons, Sauvignon Blanc 105 tons, Szürkebarát 50 tons, as well as Kékfrankos, Kadarka, Pinot Noir, Merlot, and Rajnai Rizling totaling 167 tons. In 2023, they also processed grapes from organic farming for the first time. From last year's harvest, they produced a total of 12,829 hectoliters of wine (main wine varieties: Irsai Olivér, Aligvárom, Chardonnay, Sauvignon Blanc, Rosé, Nyakas Friss, Don Olivér, Naplopó, Birtokbor).

To increase their raw material supply, they are continuously planting on newly acquired areas in the coming years, while also renovating their old vineyards. These plantings and vineyard renovations will provide a secure and continuously expanding raw material base for the upcoming years. They are engaged in both bottled and bulk wine sales. Their bottled products are sold in 0.75-liter bottles, while their bulk wines are sold in 3, 5, 10, and 20-liter containers, as well as 5-liter glass carboys and 3-liter Bag-in-Box or Pouch-up packaging. Last year, their domestic sales accounted for 99% of their total revenue. They mainly sell their bulk wines locally. Their most significant domestic sales come from major retail chains (LIDL, TESCO, SPAR, METRO, AUCHAN, etc.), and they also rely on sales provided by domestic beverage wholesalers (Corvinum, Borvár, Pannon Piac, Angyal Borkereskedés, Vinotrend), as well as local sales at their own sample store located at the winery premises. They enter into indefinite framework agreements with their customers, fixing quantities and prices in annual delivery contracts. They are not interested in fixing prices and quantities beyond this timeframe!

The majority of their bottled and bulk wines are marketed with protected designation of origin (PDO). They produce outstanding quality products, as evidenced by their various awards. Their winemaker, the late Ernő Malya, became "Winemaker of the Year" in 2002. In 2021, their current chief winemaker, Dr. Beáta Nyulné Pühra, also received the "Winemaker of the Year" award, making them the first winery in Hungary to have two consecutive winemakers receive this honor.

The "Nyakas" brand has won the prestigious Hungarian Brands award five times. Over the past 15 years, their wines have won over a hundred awards at prestigious international wine competitions. During the construction of their storage and bottling facility, they utilized alternative energy sources, and their newest building incorporates solar panels, expected to significantly increase energy efficiency. In line with environmentally conscious production, they have introduced organic farming on 11.1 hectares, aiming to produce high-quality raw materials while taking care of the grapevine's environment. They have ecological certification for this area and received official organic certification for these vineyards last year. In 2023, they were able to produce organic wine for the first time, which is now available in bottled form. In addition, they introduced four types of sparkling wines to the market, all bottle-fermented and aged using the traditional method (Méthode traditionnelle): Újrávárom Sauvignon Blanc brut nature, Újrávárom Sauvignon Blanc dry sparkling wine, Újrávárom Rosé brut nature, and Újrávárom Rosé extra dry sparkling wine. Their winery is a member of the National Chamber of Agriculture, the Nyakas Hill Community, the Hungarian Grape and Wine Producer Association (MSZBSZ), and the Etyek Wine Route Association.

The winery considers the biggest risk related to customers to be the increase in delayed payments and uncollectible debts, as well as the imposition of long (60-day) payment terms by some customers, the high proportion of turnover from individual customers, and the interest of certain customers in only one or two particular grape varieties (such as Irsai Olivér, Aligvárom). Currently, there is an oversupply of their products, which allows them to selectively choose their customers based on certain criteria, providing a solution to the aforementioned problems. They have the following options to address these issues: they fix the turnover per customer in advance, strive for prepayment or payment upon delivery, select customers based on their payment willingness, increase average prices, and try to shorten payment deadlines. The planned increase in average prices is supported by the oversupply and ongoing quality. They do not anticipate risks with their raw material suppliers, as these suppliers are often their own grape

growers who are also their employees or owners, and they have long-term integration contracts with them.

II.4. Presentation of the National Wine Marketing Strategy

The National Wine Marketing Strategy includes planned measures and guidelines that a country's wine industry employs to achieve goals supporting and developing the wine sector. These strategies typically aim to improve the quality of wine production, enhance presence in wine markets, promote more cultured wine consumption among consumers, and support the economic and financial stability of wine-producing enterprises. The goal of the National Wine Marketing Strategy is to promote the country's wines, increase their competitiveness in the international market, and ensure the sustainability of wine production and consumption.

Such strategies generally contain detailed plans to support and develop the wine industry, including establishing production and quality standards, developing wine professional education and research, supporting marketing and promotional activities, and strengthening commercial and export-import relations. These measures can contribute to enhancing the competitiveness and long-term sustainability of the country's wine industry.

After 2022, it became apparent that the profitability of the Hungarian wine industry is declining. This is due to the rising production costs; inflation has turned wine into a luxury item, and many shopping baskets no longer include wine. This was further exacerbated by the fact that the older generation, who were wine consumers, is not being replaced by younger consumers. Partly for these reasons, the Hungarian Wine Marketing Agency was established at the end of 2022, and in the first half of 2023, the National Wine Marketing Strategy was completed to increase domestic wine sales. I have included the strategy presentation in an attachment (Appendix 9.).

The most important aspect of the analysis was competitiveness, how competitive Hungary is compared to other wine-producing countries? What are its strengths and weaknesses in the competitive environment? What directions do consumer preferences and trends in the wine sector indicate? Attracting young wine consumers - wine as a common denominator for experiences. Increasing the image of Tokaji aszú. Everything that sparkles or bubbles due to high demand needs to be linked to tradition to increase consumption. New trends need to be

considered as well, especially the increasing interest among younger generations in reduced-alcohol or alcohol-free products.

Given the changing climatic conditions and new trends, introducing unique grape varieties would be a goal, and it is necessary to examine how Hungary can adapt to these changing preferences and expectations. Research needs to be conducted to explore our opportunities in export/import. Which markets would be worth entering, and what strategies could be applied for international expansion? "Re-tuning" wine tourism, launching educational training. What innovations, technological developments could help increase competitiveness, improve productivity, or enhance quality. Additionally, we need to examine what steps we can take to improve stability and sustainability, in favor of sustainable production (smaller packaging, packaging different from glass bottles, newer "environmentally friendly" technologies).

III. MATERIALS AND METHODS

III.1. The positioning of Nyakas Winery Ltd. with traffic data from Hungary and the Etyek-Buda Wine Region

I conducted interviews with the economic, sales, and winemaking directors of Nyakas Winery Ltd. In this chapter, I compare the size of the company's cultivated vineyard areas, grape and wine production data, as well as sales and traffic data with the corresponding figures from Hungary and the Etyek-Buda Wine Region. I outline the challenges faced by the company in recent years and its current issues. Only by comprehensively interpreting and comparing these challenges can we seek solutions through my proposed recommendations.

There are 22 wine regions in Hungary. (see 1. Figure). Nyakas Winery Ltd. is located in the Budai region of the Etyek-Buda Wine Region, 25 kilometers west of Budapest (see 2. Figure), on the remaining excellent white grape-growing area of the former Budai-Sashegy wine region.

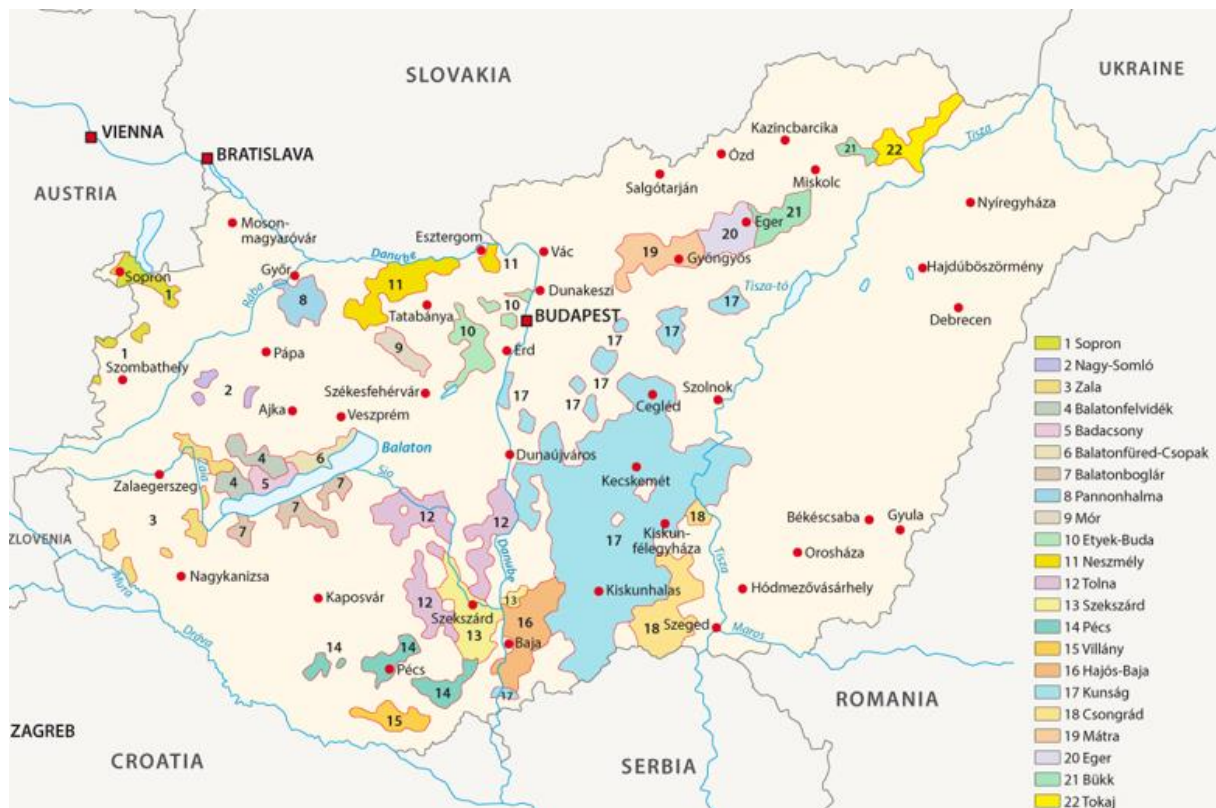


Figure 1: Hungary's 22 wine region (magyarorszagom.hu (2022))



Figure 2: Nyakas Winery Ltd. (nyakas.hu (2019))

This area is situated within the Upper Pannonian wine region and encompasses vineyards around Buda, Etyek, and the Velencei-tó area, making it the easternmost part of this wine region (wikipedia.org (2024)).

III.1.1. Introduction to the Etyek-Buda Wine Region

Area Data

At the beginning of the current wine market year, the area of the Etyek-Buda Wine Region (see 2. Figure) was 1,655 hectares. Over the past 20 years, it has decreased by 208 hectares, or 11%.

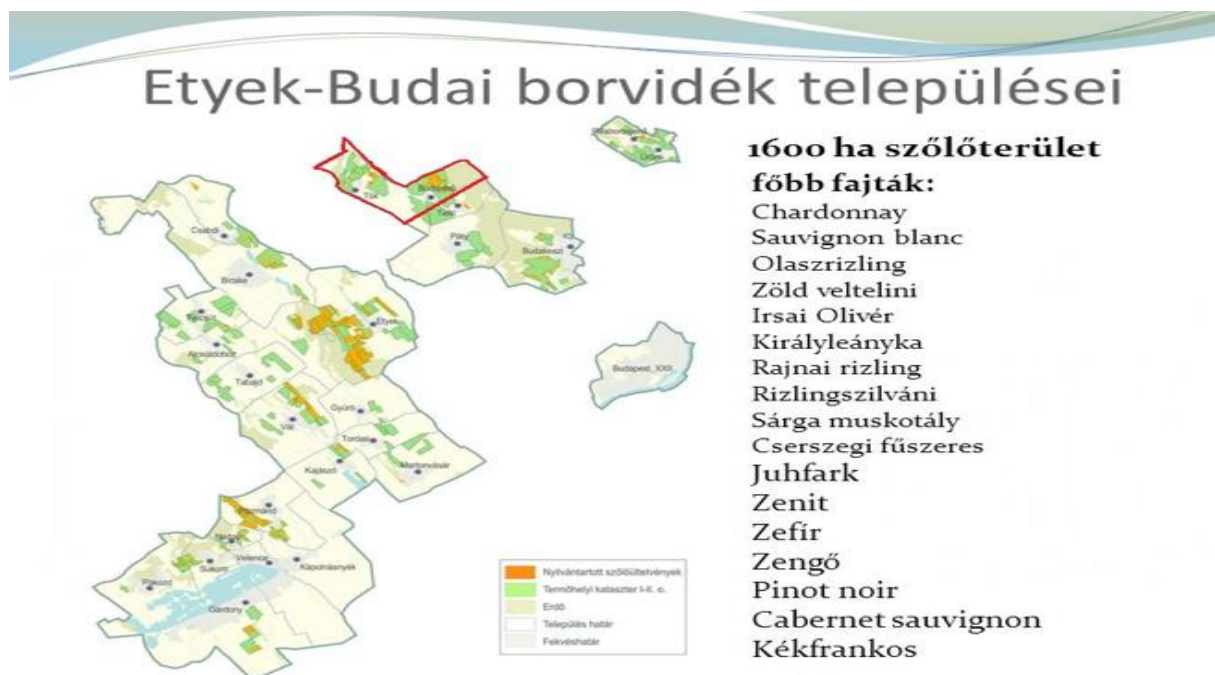


Figure 3.: Etyek-Buda Wine region (Nyakas Winery's areas in the Buda region marked in red /Tök, Budajenő/ (Fetzer Cs. (2010)).

There has been a restructuring in the grape varieties as well: previously important white grape varieties have almost disappeared, and their importance has been replaced by other varieties. Additionally, producers have replaced the majority of vineyards with unknown varieties or mixed compositions, both for white and red grapes.

In 2022, the area affected by the harvest report in the wine region was 1,520 hectares. This represents 92% of the total area of the wine region. Producers harvested grapes from a total of 1,453 hectares. The yield for the current wine market year was 129,971 quintals, which is almost identical to the average of the past three years, and it exceeds the long-term average by over 10,000 quintals (119,000 quintals). The average yield in the wine region was 89 quintals per hectare, which is 9 quintals more than the national average.

From the 2022 harvest, approximately 90,582 hectoliters of fresh must wine were produced in the Etyek-Buda wine region. This is approximately 8,000 hectoliters more than the average of the previous 10 years. (For the production of fresh must wines, members of the winegrowers' association request a certificate of origin from the local wine judge of the wine region where the winery is located.)

Market Release Data

In the calendar year 2022, wineries in the Etyek-Buda Wine Region released a total of 187,725 hectoliters of wine to the market. Of this, 21% were wines with Protected Designation of Origin (PDO), 15% were wines with Protected Geographical Indication (PGI), and 63% were wines without geographical indication. Across all three categories, the proportion of wines without geographical indication was the highest, with 15% of products being produced according to the Etyek-Buda PDO product description.

Inventory Data

The wine stock in the Etyek-Buda wine region at the end of April, based on data from the interprofessional inventory report, was 333,956 hectoliters. This is approximately 30,000 hectoliters less than the inventory measured at the end of April last year and the end of March 2021, and nearly 80,000 hectoliters less than the inventory at the end of April 2020. (During the interprofessional inventory reports, members of the winegrowers' association provide consolidated data to the wine region responsible for their headquarters.)

Export and import data:

In 2022, the export and import data at the wine region level are not readily available for comparison with official statistical data. However, based on sales reports, wineries operating in the Etyek-Buda wine region sold 87,682 hectoliters of wine products during the 2021/2022 wine market year. Of this, 71.8% was sold domestically, 25.7% was exported to EU member states, and 2.5% was sold to third countries. Among the sold wine products, 99% (86,882 hectoliters) consisted of still wine, 500 hectoliters were sparkling wine made with the addition of carbon dioxide, 120 hectoliters were must, 91 hectoliters were quality sparkling wine, and 4 hectoliters were sparkling wine.

III.2. Examination of Leeway - Case Study: Strategic Challenges of Nyakas Winery Ltd.

III.2.1. Covid crisis

The year 2020 was fundamentally defined by the situation arising from the COVID-19 pandemic for Nyakas Winery Ltd. The state of emergency declared on March 11, 2020 fundamentally altered their plans. Their primary goal was to maintain ongoing operations and financial stability. Fortunately, the crisis met the company in a good financial position, with significant reserves prepared for a major investment. They had financial plans approved for 2020 and a long-term strategy in place. However, due to the crisis, these were drastically revised in the initial panic, with a pessimistic version of sales forecasts established, leading to significant cost-cutting measures. They did not lay off any employees, but to retain them, they announced a 20-30% gross salary reduction across all sectors for the next three months. Fortunately, this wage cut was offset for the employees by industry-wide exemption from contributions.

The top management also went beyond this in reducing their own salaries, which was necessary; they facilitated communication with employees regarding the salary reduction. The owners unanimously waived dividends, suspended ongoing investments, and postponed planned developments. There was virtually no opportunity to reduce costs in vineyard cultivation, so they continued to work at full capacity there. Their vineyard plantings progressed as planned. Where possible, they implemented home office work, and for their winemaking and bottling workers, they introduced shift work, redirecting some temporarily to viticultural work due to lost working hours. Fortunately, they did not face inventory procurement problems, nor did they

experience shortages of basic or auxiliary materials. Their orders immediately dropped by 30-35% following the declaration of the crisis situation. One reason for this was the significant decline in demand in the HORECA sector, which virtually led to the complete cessation of the sector and wine tourism, resulting in a significant loss of market demand, with events and tastings ceasing, which they did not anticipate. Another problem was that initially, their wines did not reach consumers due to supply chain issues observed in large retail chains, but this situation was resolved within 2-3 weeks.

They did not have any payment difficulties, but as a precaution, they used the opportunity provided by the moratorium on loans. The proportion of their customers paying late increased slightly, but they negotiated with everyone to reschedule payments. After the initial panic subsided, they returned to normal operations, and sales declines stopped during the rest of the year, with outstanding sales achieved in the summer months. By the end of the year, their sales volume was only 4.2% below that of 2019. Their flagship store achieved a significant increase in revenue, with bottled bulk wine sales increasing by 32.4% compared to 2019. Their financial situation remained stable throughout, and due to significant austerity measures, they ended the year with a healthy cash balance. Along the way, they also exited the loan moratorium and continued with all their investments as planned. They were able to compensate for the lost wages by the summer. Thus, they were able to start the year 2021 in a stable financial position. (Pálfi, 2024).

III.2.2. Inflation

The high inflation in the years 2022-2023 posed significant challenges for the winery, leading to a substantial imbalance between expenditure and revenue. The decline in domestic sales was largely a consequence of the significant reduction in consumption caused by high inflation, which noticeably affected the winery's performance. A fundamental issue was that the pace of sales could not keep up with the cost increase caused by inflation (with notable increases in viticultural and bottling auxiliary material costs). Additionally, the forced wage increases due to inflation also significantly contributed to their cost escalation. The rapid increase in costs could eventually impede growth, not only for them but for the entire wine industry. In response to inflationary pressure, they had to significantly adjust their selling prices, but the decline in demand due to inflation also hindered their bottled sales turnover. Thus, the average price

increase could only compensate for this decline, but significant revenue growth—at least to the same extent as the cost increase—could not be achieved.

III.2.3. Changes in the Legal Environment

In 2023, several changes occurred in the legal regulations affecting the industry, with the two most significant being the amendment of Act CCXIX of 2012 on wine communities (Hktv.) and Act CLXIII of 2020 on viticulture and winemaking (hereinafter referred to as the Wine Act). On December 8, 2023, new EU wine labeling rules came into force, imposing new obligations on wineries regarding the labeling of wine labels. In the future, nutritional value and ingredient lists will appear as new labeling elements on the label, and it will also be mandatory to list all allergens. Last but not least, the biggest challenge of 2023 was the modification of waste management rules and the responses to the effects of the EPR-DRS system on the wine industry, as well as the development of solutions and opportunities in this regard (Pálfi, 2024).

III.2.4. Decreasing Wine Consumption

In recent years, the entire wine industry, including their winery, has had to confront the phenomenon of decreasing wine consumption, which is not simply an industry problem but a societal one. Among its causes, the differing tastes and expectations of younger generations compared to older ones are significant. This served as the starting point for professional organizations and some wineries to begin promoting wine cocktails and low-alcohol wines among consumers. They provided free recipes and videos to encourage consumers to make these drinks at home. This presents a decisive question for their winery as well: whether or not to embark on this path. It also poses a challenge for the company (Nyulné, 2024).

III.2.5. Labor Shortage

There is a significant labor shortage, mainly affecting the physical workforce in viticulture. Manual labor in horticulture cannot be fully replaced by mechanization. Their vineyard workers are aging, and the new generation is not attracted to manual labor. This presents an urgent and pressing issue for the future that requires the exploration of new paths and alternatives.

III.2.6. Introduction of Mandatory Deposit Return System

The Deposit and Return System (DRS) for domestically marketed mandatory deposit products came into effect in Hungary on January 1, 2024. Under this system, metal, plastic, and glass beverage containers up to a maximum size of 3 liters can be returned for a deposit. Transitional rules allow products placed on the market until June 30, 2024, to be distributed in old packaging, but after this date, only products with new labeling (bearing the DRS logo and new EAN code) and approved bottles from pre-registration can be sold as mandatory deposit items. Additionally, wines that received identification from the National Food Chain Safety Office (NÉBIH) before December 31 and were bottled before December 31 can be freely distributed and remain on the market indefinitely after June 30, 2024, under the old regulations.

This system fundamentally affects their winery as their wines fall under the mandatory deposit return system. The main challenges of the DRS system from the winery's (and indeed the entire wine industry's) perspective include the requirement for pre-registration for their bottles to participate in the system. Each bottle type must be individually registered and audited before being placed on the market. The registration and audit process is conducted by the Ministry of Interior (MOHU) and vending machine manufacturers, which is lengthy and complex. Registration entails additional costs since existing wine labels must be replaced. The system imposes significant administrative burdens on their winery, as monthly and quarterly reports must be submitted to the MOHU and government authorities regarding bottles placed on the market during the given month/quarter. The implementation of the Extended Producer Responsibility (EPR) system, which came into effect on July 1, 2023, has also raised numerous accounting and financial issues. It requires wineries to develop new processes. In addition to joining the deposit return system, new charges burdening wineries have been introduced, such as membership fees, service fees, product registration fees, and deposit fees.

III.2.7. Introduction of E-Winery Management System

The preparation for the introduction of electronic winery bookkeeping began in 2019, and after several postponements, it was announced last year that it would be implemented starting from this year's harvest (2024). However, further delays are expected. The original aim of its introduction is to assist in enhancing the competitiveness of the wine industry by providing a modern electronic administration system, reducing bureaucracy, and increasing efficiency.

Through development, existing units would be integrated and improved, allowing for processing 12 regulatory matters through a single online platform. This would be a significant advancement for wineries, as they must comply with three different regulations: agricultural, food production, and excise rules. The following 12 regulatory matters can be processed electronically: vine planting and removal; harvest registration; notification of removal of by-products of wine production; wine production - ESZN/MSZB/production report; prior notification of certain winemaking procedures; transportation/storage between wineries; marketing; domestic sales of marketed wine products; sales report; inventory report; reporting of damage causing harvest failure; professional and excise registry - online register. The introduction of E-Winery Bookkeeping is also a significant challenge for wineries, as it requires immediate reporting obligations and a complete transition to online operations, necessitating the enhancement of their management software.

IV. RESULTS

From the year 2011 vintage to the 2022 vintage, based on the sources I found, I summarized (Table 1.) the amount of grapes produced and processed by Nyakas Winery Ltd. in the Etyek-Budai Wine Region and 22 wine regions of Hungary.

Table 1. : Crop quantity (q) of Nyakas Winery Ltd. and Etyek-Budai Wine Region, along with 22 wine regions of Hungary, in vintages from 2011 to 2022. Data (Pálfi, 2024), Editing by Author

Vintages	Nyakas Winery Ltd. production volume (q)	Etyek-Budai wine region production volume (q)	Production volume of Hungary's 22 wine regions (q)
2011. year	9 550	100 443	3 449 047
2012. year	9 409	98 772	2 774 880
2013. year	10 372	108 374	3 861 660
2014. year	12 565	103 828	3 474 333
2015. year	14 698	112 827	3 988 814
2016. year	12 362	131 360	4 013 698
2017. year	17 125	122 903	4 577 259
2018. year	17 293	148 572	5 210 209
2019. year	17 247	138 428	3 911 957
2020. year	14 460	125 270	4 193 354
2021. year	14 936	127 548	4 294 725
2022. year	17 396	129 971	4 055 498

For better visibility, I will present the changes in crop quantities in percentage on Figure 4.

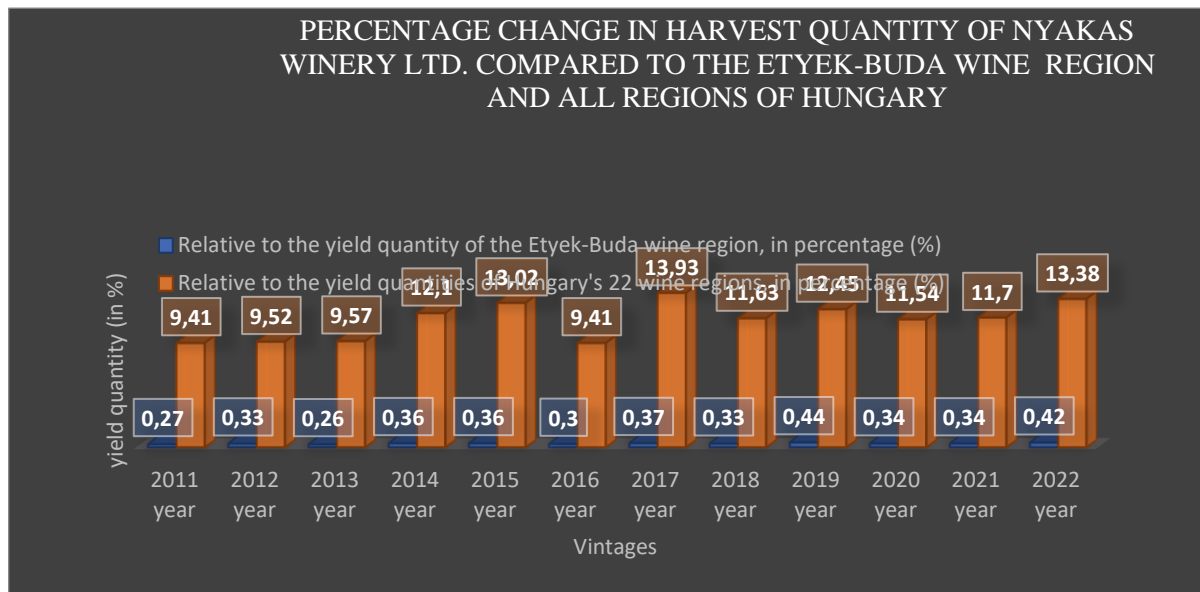


Figure 4.: Changes in the Harvest Quantity of Nyakas Winery Ltd. Compared to the Etyek-Budai Wine Region and All 22 Wine Regions of Hungary, Expressed in Percentage. Harvest years: 2011-2022. Data source: (Pálfi, 2024), Editing by Author

After all this, I compared the stock of wines made from grapes harvested by Nyakas Pince Zrt. in 2023 in hectoliters, in terms of white, rosé, and red (still wine), with the stock of Etyek Budai Wine Region and the 22 wine regions of Hungary (see 2. Table).

Table 2. : Nyakas Winery inventory (hl) compared to the Etyek-Budai Wine Region and Hungary (Inventory data as of May 31, 2023) Data source (Pálfi, 2024), edited by Author

	Total	Still wine		
		White	Rose	Red
Hungary	2 734 837 hl	2 638 759 hl		
		1 521 642 hl	225 467 hl	891 649 hl
Etyek-Buda wine region	312 919 hl	242 331 hl		
		186 414 hl	15 264 hl	40 652 hl
Nyakas Winery Ltd.	7 750 hl	7 750 hl		
		6 418 hl	1 257 hl	75 hl
Nyakas compared to Etyek-Budai wine region	2,50%	2,5%		
		3,4%	8,2%	0,2%
Nyakas compared to Hungary	0,30%	0,3%		
		0,4%	0,6%	0,0%

In summary, I present the results of the comparison in the 4th table based on various criteria. Although overall, the production and sales of wines in the Etyek-Budai wine region are negligible compared to the Hungarian average, in terms of yield, it is stronger, and the purchasing ratio is lower than Hungary's average. Within this, Nyakas Pince Zrt. even has a better yield compared to the overall Etyek-Budai Wine Region (see 3. Table).

Table 3. : Nyakas Winery Ltd. inventory report (data as of the end of April 2023) compared to Hungary and the Etyek- -Budai Wine Region. Data source (Pálfi, 2024), edited by Author

		Hungary	Etyek-Buda wine region	Nyakas Winery Ltd.	Nyakas compared to Etyek-Budai wine region	Nyakas compared to Hungary
Area	2022.07.31	60 161 ha	1 655 ha	191 ha	11,5%	0,3%
Yield per hectare	2022 harvest	80 q/ha	89q/ha	93q/ha	104,5%	116,3%
Purchase	2022 harvest	3 328 861 q	76 671 q	5 834 q		
The purchase ratio to the harvest	2022 harvest	82%	59%	33,50%		
The produced lees new wine	2022 harvest	2 900 183 hl	90 582 hl	13 791 hl	15,2%	0,5%
The wine released to the market	2022.08.01-2023.02.28	1 757 783 hl	111 630 hl	5 658 hl	5,1%	0,3%
Inventory report data	2022 harvest	2 929 742 hl	333 956 hl	10 598 hl	3,2%	0,4%

The positioning and placement of Nyakas Winery Ltd. among businesses engaged in wine production in Hungary.

In the Hungarian wine sector, there are approximately 500-600 wineries, the vast majority of which are small family cellars. 84% of wineries in Hungary today operate on vineyard sizes of less than 3 hectares, with half of them operating on plots under half a hectare in size (source: National Wine Marketing Strategy, Action Plan until December 31, 2024). The recent years' wave of crises (Covid crisis, consumption decline due to the inflationary environment, rising production costs) and the challenges ahead (introduction of a deposit return system, e-winery book, e-labeling) have pushed small wineries to the brink of viability, as they are unable to operate efficiently and profitably in such a market situation.

Out of these 500-600 wine-producing businesses, I believe that around 30-50 well-known wineries have a noticeable presence for Hungarian wine consumers. Among these, Nyakas Winery Ltd. stands out in terms of its area, production and sales volume, revenue, and financial stability..

A significant portion of these 30-50 highlighted wineries has seen a decline in their financial situation in recent years, requiring external capital for financing. Characteristics such as

indebtedness, capital and liquidity shortages are prevalent among them. Only a small fraction operates in a stable financial position.

Among the wineries listed above, I highlighted and compared the following with Nyakas Winery Ltd., Hilltop Neszmély Ltd., Etyeki Kúria Ltd., Ostorosbor Ltd., Pannonhalma Apátsági Winery Ltd., and Paulus Molnár Winery Ltd..

I selected the above wineries because they can be considered as competitors to Nyakas Winery Ltd. based on their operating area, produced product range, flavor profiles, targeted customer base, vineyard size, and the amount of wine produced.

Among the five wineries I selected, Nyakas Pince Zrt. is the most stable, with the highest profit margin, lowest indebtedness, and highest liquidity. However, there are wineries with larger revenue and asset bases than Nyakas Winery Ltd (see 4. Table).

Table 4.: Wineries comparison based on 2022 data .Compiled from publicly available information from IM's free company information service (cegjegyzek.hu (2024)) edited by Author

	Headcount (employees)	Profit margin (the proportion of operating profit achievable from realized revenue)	Debt-to-equity ratio (the proportion of external capital within total resources)	Liquidity ratio (the extent to which liquid assets cover short-term liabilities)	Risk	Net revenue	Profit after tax	Asset base	Receivables	Liability
Nyakas Winery Ltd.	51	26,18%	2,64%	13,95	Low	1 335 607 000 Ft	353 667 000 Ft	3 603 154 000 Ft	189 812 000 Ft	95 005 000 Ft
Hilltop Neszmély Ltd.	47	4,40%	43,11%	0,95	Low	2 374 468 000 Ft	50 143 000 Ft	7 316 419 000 Ft	377 347 000 Ft	3 154 401 000 Ft
Etyeki Kúria Ltd.	22	-45,77%	91,59%	0,22	Risky	426 122 000 Ft	-260 411 000 Ft	2 544 316 000 Ft	123 336 000 Ft	2 330 315 000 Ft
Ostorosbor Ltd.	73	14,49%	30,06%	2,31	Low	4 126 360 000 Ft	664 776 000 Ft	7 412 224 000 Ft	609 971 000 Ft	2 228 218 000 Ft
Pannonhalmi Apátsági Winery Ltd.	29	20,32%	12,53%	3,03	Low	738 660 000 Ft	155 074 000 Ft	2 108 678 000 Ft	172 877 000 Ft	264 207 000 Ft
Paulus Molnár Winery Ltd.	18	6,38%	86,52%	6,94	Risky	621 506 000 Ft	24 929 000 Ft	1 781 078 000 Ft	152 454 000 Ft	1 541 067 000 Ft

The results and evaluations of the in-depth interviews led to the creation of a SWOT analysis for the Hungarian grape and wine sector as well as for Nyakas Winery Ltd. Based on the information I gathered from various sources, including the internet, I compared how the trading

and wine marketing strategy of Nyakas Winery Ltd. aligns with the National Wine Marketing Strategy. I highlighted the common aspects in red in the SWOT analyses (see Table 5).

Table 5. : SWOT Analysis of the Hungarian Grape and Wine Sector. Compiled by Author

Strengths	Weaknesses
<ul style="list-style-type: none"> - Recognized traditions in grape growing and winemaking. - Highly trained, competitive professionals. - Hungarian wines perform very well in international wine competitions. - The unique climate of the Carpathian Basin is excellent for both white and red wines. - Today, there is already a "wine consumer elite," a group of people who understand wine. This group is much larger than in previous years. - We also have high-quality, advanced winemaking education as well as course-based sommelier and WSET training. - Outstanding wines that are also brands include Tokaji Aszú, Egri Bikavér, and Szekszárdi Bikavér. - There has been an increased demand for carbonated beverages such as sparkling wines and champagnes. - There are several traditional events for promoting wines such as the Budai Borfesztivál, Rosália, Borjour, and Wine lovers. 	<ul style="list-style-type: none"> - Frequent changes in technological and economic regulatory systems. - Not always a marketable grape variety composition. - Many old vineyards due to capital shortage. - Heterogeneous production and product structure. - Different vintages leading to quality issues. - Low grape yield averages. - Weak community marketing leading to lack of recognition. - Complicated administration. - New wine market trends: reduced-alcohol and alcohol-free products. - Introduction of EPR (Extended Producer Responsibility) and DRS (Deposit Return System), implementation of MOHU (Container Deposit Refund System), labeling requirements (such as calorie content, etc.). - Decline in demand for red wine. - Lack of a unified image and identity for Hungarian wine. - Uncontrolled influx of foreign wines. - Limited resources in communication and weak advocacy capacity. - Partial loss of Eastern markets. - Lack of national and regional collaboration among wine regions and producers. - Lack of a long-term realistic industry strategy. - Currently, we are unable to consistently present high-quality products in large quantities on international markets.
Opportunities	Hazards
<ul style="list-style-type: none"> - Regaining lost export markets. - Effective utilization of EU subsidies. 	<ul style="list-style-type: none"> - Further reduction in vineyard areas due to lack of profitability.

<ul style="list-style-type: none"> – Implementation of organic grape cultivation in more wineries. – Stabilizing and increasing export market positions through improved quality. – Considering modern, irrigated, mechanized vineyards for cultivating world grape varieties and exporting wine. – Promoting our finest wines internationally (Tokaji Aszú, Egri Bikavér, Szekszárdi Bikavér). – Collaboration to ensure that we can export consistently large quantities of products of the same quality. – Leveraging significant resources to create and promote the image of Hungarian wine on foreign markets. – Establishing and operating grape and wine clusters in certain significant wine regions. 	<ul style="list-style-type: none"> – Significant and market-disrupting presence of imported wines in the Hungarian wine market. – Decreasing export opportunities. – Foreign wines entering our own market segment. – Poor positioning of price/value ratio, leading to market loss. – Low average grape and wine prices. – Increasingly extreme weather conditions. – Shortage of manual labor in the vineyards. – Emergence of new grape diseases. – Narrowing export opportunities due to poor grape variety composition. <ul style="list-style-type: none"> – Increasing neglected and aging vineyard areas, leading to risks of infection and decreased yields.
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The current situation of Nyakas Winery Ltd. needs to be assessed in terms of the future of the grape and wine industry through a SWOT analysis, and based on this, a strategy leading to success needs to be developed. Due to the rapid pace of changes, it is necessary to analyze the strengths, weaknesses, threats, and opportunities (see table 6).

Table 6.: SWOT Analysis of Nyakas Winery Ltd. Compiled by Author

Strength	Weaknesses
<ul style="list-style-type: none"> – Highly skilled, competitive professionals. – Nationally recognized "Nyakas" brand (multiple Hungarian Brand memberships). – Cultivated vineyards in the AKG program. – Loyal employees with strong ties to the company. – Well-known (from own and integrated producers) raw materials. – Technology suitable for red wine processing. – Continuous innovation. – Proximity to the capital city. – Good value for money. 	<ul style="list-style-type: none"> – Not always marketable grape variety composition. – Sometimes inadequate wine inventory. – Sometimes there is a surplus of wine depending on the annual yield. – Differences in vintages and resulting quality issues. – Complicated administration. – New wine market trends: reduced-alcohol, alcohol-free products. – Introduction of EPR (Extended Producer Responsibility), DRS (Deposit Return System), MOHU (Container Deposit Refund System) implementation, labeling requirements (calorie, etc...)

<ul style="list-style-type: none"> – Strong connections with scientific institutions. – Outstanding results achieved in competitions. – Reliable suppliers. – High liquidity. 	
Opportunities	Hazards
<ul style="list-style-type: none"> – Establishing direct/online sales channels where higher average prices can be achieved. – Utilizing by-products for distillation to produce pálinka. – Improving bottling and storage capabilities. – Improving customer service. – Introducing new products (sparkling wine, champagne, organic wine). – Implementation of organic grape cultivation: Organic wine, Vegan certification – Stabilizing and increasing export market positions through improved quality. – Considering modern, irrigated, mechanized vineyards for cultivating world grape varieties and exporting wine. – The introduction of new packaging formats (such as Bag-in-box, wine bags). 	<ul style="list-style-type: none"> – Increasingly extreme weather conditions. – Labor shortage in the vineyards. – Low average grape and wine prices. – Emergence of new grape diseases. – Lack of suitable land for grape planting or long-term leasing. – Land leases are limited to a maximum of 20 years. – Prohibition on purchasing own farming land. – Decreasing export opportunities. <ul style="list-style-type: none"> – New competitors in the market.

Issues regarding profit generation, production costs, and inflation comparison as outlined in the National Wine Marketing Strategy at Nyakas Winery Ltd.:

The company currently faces numerous challenges and obstacles in grape cultivation, wine production processes, and sales. Over the past year, their procurement costs have significantly increased, making it more expensive for them to produce raw materials (grapes). Their labor costs have also risen, and they tried to compensate for the decrease in real wages caused by inflation through significant wage increases for their employees. Additionally, due to the high inflationary pressure, they had to deal with a decline in demand, leading to a decrease in both bottled and bulk wine sales. They attempted to offset this by increasing the average price of their wines, which successfully prevented a decrease in actual revenue in the previous year

despite the decline in sales volume. However, their reduced profitability in 2023 clearly reflects that the pace of revenue growth could not keep up with the increase in costs.

The company sells about 98% of its wines in Hungary, while the rest is marketed in countries where Nyakas has partnership relationships. The company has attempted to increase export sales several times, but the results were not as good as planned. They were unable to market and position the product properly, leading to losses. In addition to the above, the company is also affected by currency fluctuations. Nyakas Winery Ltd. primarily sells to the Hungarian market, but a significant portion of their packaging materials (bottles, corks, capsules, screw caps, labels) is sourced from abroad. Currently, the company's export sales contribute only about 0.7% to the total net revenue, which is extremely low. Nyakas Winery Ltd. is able to sell approximately 1.4 million bottles of wine annually, and its net sales revenue in 2023 was 1.423 billion HUF, placing it among the medium-sized wineries in the wine industry.

The problems outlined in the National Wine Marketing Strategy regarding an aging wine consumer base, changing taste preferences ("Everything Sparkling" trend), new trends ("Young People and Wine", "Partially Alcohol-Reduced and Alcohol-Free Wine Products"), assembling a premium selection, outdated grape variety composition, oversupply, compared to Nyakas Winery:

The company representatives brought up numerous examples to demonstrate that people's tastes are changing rapidly and widely, especially in the current period. Adapting to these changes is extremely difficult. Nyakas has made great efforts and has become a significant factor among medium-sized wineries in Hungary. While adhering to traditions, they always come up with something new, such as their premium Menádok wine family, sparkling wine, organic wine, low-alcohol red wine, or their latest cuvée, Naplopó. Although regulations have now changed, and there is a green light towards producing reduced-alcohol or alcohol-free products, according to the chief winemaker, this would not require high-quality grape and wine production, and the beauty of their profession would be completely lost. Unfortunately, there is an oversupply of Rosé wines made in Hungary; wineries that cannot sell their red wines are using blue grapes to produce Rosé. This effect is also noticeable at Nyakas, as in the 2022 harvest year and sadly in the 2023 harvest year, they consciously reduced the quantity of this wine type to address the surplus.

The dilemma of "Hungarian Wine" as a product, brand identity formation (as outlined in the National Wine Marketing Strategy) versus the Nyakas Brand Name:

The family-like environment makes internal processes more efficient. This is a unique characteristic of the company, which employs more than 40 shareholders and over 50 permanent employees, and can be a key supporter of continuous growth. The wines of Nyakas Winery have won numerous prestigious awards in recent years, demonstrating the quality of the brand. Nyakas is present in almost every major retail chain in the country, making the brand widely known among wine consumers. These factors have helped Nyakas to occupy an outstanding position in the Hungarian market over the years. However, problems also stem from here. Many restaurants and wine shops do not sell their wines because they are available in almost every major retail chain. Unfortunately, this does not change the fact that their higher-quality wines are only available in the winery's flagship store or at 1-2 of their partners.

My proposed strategy is to find ways to reduce the euro outflow from the company by seeking Hungarian alternatives for consistently imported and euro-financed expenses. Not only significant portions of raw materials are sourced from abroad in foreign currency, but also all major (horticultural and winemaking) equipment acquisitions are from foreign partners. Even when agreements are made with Hungarian investment suppliers, contracts are still denominated in euros. This has always been characteristic of investment contracts, attempting to mitigate the negative impacts of euro exchange rate fluctuations.

Eliminating euro outflow entirely is not feasible due to the reasons mentioned above, but narrowing it down would be reasonable, as long as the company carefully considers from a professional perspective whether they are willing to switch to Hungarian suppliers for both raw materials and equipment acquisitions while maintaining quality.

Another solution would be to increase the company's euro-based revenue. This could be achieved by increasing the sales of Nyakas wines abroad. Initially, expanding towards foreign markets would involve significant cost increases (travel expenses, exhibitions, finding new partners, promotion, and marketing), which would need to be financed. However, this would allow the company to enter new markets or develop an existing one. It seemed that the best approach would be for the company to employ both strategies to cover a broader area in terms of possible strategies.

The relevant target countries identified in the National Wine Marketing Strategy - my proposed target countries:

For market entry, after a thorough analysis, I would choose Denmark from the list of relevant target countries in the National Wine Marketing Strategy as the best target. The main reason for this is the significant role of alcohol in Danish culture. Danes are considered Europe's largest drinkers. According to data from the European Commission, 40% of Danish adults report regular alcohol consumption. This is nearly double the EU average and the highest rate in Europe (meiningers-international.com, (2019)). Such a market could provide a place for Nyakas wines. Another strategy is market development, for which the Netherlands could be the target due to its large and growing market size and dependence on wine imports. Targeting new customer groups with marketing strategies could be advantageous. Although Nyakas is already present in this market, the Netherlands currently has approximately 17.5 million inhabitants, ranking it in the top 10 in Europe in this sense.

The Netherlands is also a country where alcohol consumption is quite strong. The two target countries to be focused on by Nyakas, Denmark and the Netherlands, both rely on imports for wine (cbi.eu, (2016)). Furthermore, the fact that Nyakas is not a large wine producer and does not export in large quantities could focus on the small importers in these countries. The company could offer its products since it already produces sustainably farmed wine. There are several reasons for exporting to Denmark. Danish wine consumers are becoming more conscious of quality and prefer premium wines for alcohol consumption (Németh. (2022)). Another key factor is that they are looking for still wines in large quantities. Supermarkets cover 75-80% of imports in both countries. Prices range from €3-4.5 per bottle. Wine merchants are in the middle in terms of quantities, covering about 10% of the market. Wines are offered at €6-8 per bottle. Importers in the on-trade segment cover the lowest quantities, occupying 10-15% of the market and offering products around €20-30 per bottle. In Denmark, there are three major supermarkets, Co-op, Dansk Supermarked, and Dagrofa (cbi.eu, (2016)). Supermarkets can import wines at very low prices due to large quantities, so they offer them at relatively low prices, which is key to their sales. This is suitable for producers with large quantities and a good reputation. Companies expect to export 60,000-100,000 bottles annually. Natural wines are already found on the menus of many small bistros and pubs in Denmark. Since Danish restaurants multiply the price by five, seven, or even more, many of these wines are priced more favorably compared to their traditional counterparts. Young buyers looking for something

unique also drive the trend, whether it's wines from lesser-known regions, unusual grape varieties, or orange or natural wines. The winery needs to adapt to this new trend. Unlike other Scandinavian countries, Denmark does not have a state monopoly on alcohol sales regulations. This means that wine can be purchased everywhere: in convenience stores, flower shops, supermarkets, specialty stores, wine clubs, the Vivino app, and numerous websites. Denmark is considered one of the world's most diverse markets with its numerous outlets. Dutch market (meiningers.international.com (2011.): Dutch wine drinkers are increasingly catching up with global trends. In the Netherlands, champagne consumption has increased by 12% since 2015, partly due to the reduction in sparkling wine tariffs in 2017. Prosecco still dominates the market (55% by volume), but the recent tariff changes seem most beneficial for Cava, as its consumption has increased by 22% since 2017. Nyakas Winery already produces sparkling wine, so this presents a good opportunity for expansion and aligns with the National Wine Marketing Strategy.

Marketing

When we talk about exporting to a country, we need to consider how we will promote the product there, and for this, we use the marketing 4Ps, which are the marketing mix: product, place, price, and promotion. Moreover, we are developing a new strategy for the Dutch market and entering the Danish market, so we need to develop a marketing strategy for both countries. The choice of product and place depends on the target market and country trends, determining which product to choose and where to promote it. Therefore, we cannot export the same wine to two different countries, and distribution will also vary based on pricing, people's preferences, and the structure of the supply chain. The first element of the marketing mix is the product. We need to consider what types of wines people prefer in each country since Nyakas has a diverse wine portfolio. Adapting to the country and its people, we can select which products to export and for what reasons. The first country is Denmark. 66% of Danish wine consumers prefer rosé, which is good because Nyakas has several blue grape varieties, mainly used for producing rosé as still wine and sparkling wine. Offering 3-pack boxes with different Nyakas wines could make them more affordable and attractive to buyers. The second country is the Netherlands, where more people drink wine than in Denmark, so the selection will be broader. However, the Dutch tend to prefer white wine, although there is a significant market for rosé as well. The second P is the place. There are many options for places. When looking at where Danes drink wine, the first thing Nyakas should consider is Copenhagen, the capital. It has the highest concentration

of restaurants and the wealthiest residents, who are likely to purchase wines. In Copenhagen, there are wine bars where people can only buy wine, making it the first place to target. The most famous is Rødder & Vin, a wine boutique and bar where the company could sell most of its wines. Additionally, statistics show that 83% of all wine in Denmark is sold in supermarkets, so Nyakas would collaborate with supermarkets such as Aldi, Netto Stores, Fotex, Super Brugsen, Irma, and Lidl. These are potential wholesalers who can sell our products to end customers. Rosé wines could be sold in supermarkets and restaurants, but 3-pack boxes should only be sold to boutique wine shops or bars. The reason is that boutique shops are more likely to buy in bulk, whereas supermarkets usually buy individual bottles. The other country is the Netherlands. Here too, supermarkets are the focus as they sell the most wine. Among the best retailers to work with are Albert Hein, Jumbo, Aldi, Spar, Lidl, PLUS, Dirk, and Ekoplaza. Another place is "Slijterij," which means liquor store or gin store. These are found throughout the Netherlands and only sell alcoholic beverages. Obviously, more people go to the supermarket, so this would be the first place, but as a second option, those who like to party and would buy relatively expensive wines can go to these gin stores (bellavita.com (2018)). White wines would go to supermarkets, gin stores, and wine specialists because white wines are more popular in the Netherlands. Pricing strategies: Dutch consumers are showing increasing interest in wine, resulting in a more sophisticated taste profile and a willingness to spend more on wine. However, pricing remains a determining factor in their purchasing decisions. Sustainability and brand building are also important for success, although the latter can be costly depending on the targeted sales channel. Pricing continues to be the most important market driver in the Dutch market. Consumers not only prefer off-trade market channels but also demand low prices in on-trade channels. When considering the pricing strategy, it is crucial to consider what wine consumers get for their money. Additionally, logistics costs during product export must be taken into account. On average, this would amount to 8% of a bottle's price. Dutch customs duty is around 30% per bottle, while in Denmark, import duties are around 35%, which is relatively high considering the smaller profit margins of wine producers. The Netherlands has a 21% VAT rate, while Denmark has a 25% VAT rate on duties. Retailers on both markets – whether supermarkets, traders, websites, or stores – must add customs duty to the bottle price before adding markup and VAT. Considering the final expenses, it would be more profitable to sell the same bottled wine. Promotion strategies: advertising can be divided among different distribution channels, such as off-trade, on-trade, and online commerce. For the off-trade channel, I suggest a more innovative approach that can sustain sales growth in the long term. Good examples of this are new packaging options like

bag-in-box packaging (BIB) and Pouch up bag (Nyakas Winery switched to this). This packaging type is quite practical and can be used for various occasions. Customers who don't want to drink a whole bottle but only a few glasses and don't want to waste the rest would find BIB to be the best choice. It can keep the wine fresh longer, preserving its flavor, and allows the customer to drink whenever they want. For on-trade channels such as restaurants, bars, or hotels, the company can offer wine tasting opportunities with samples. I recommend the company focus on online commerce. In the Netherlands, online sales represent about 3% of the wine market, but this channel is expected to grow. Premium wines, for example, sell well online because consumers are willing to pay more for an exclusive wine they cannot buy in a supermarket. In general, developing online sales is interesting for new market entrants from developing countries because they can provide additional information about their products using the online space. This way, the company can offer consumers a purchasing experience that matches their taste. Social commerce is also an important marketing strategy. Thanks to technological advancements, sales can be achieved through social media, and the best part is that it's quite simple. The e-commerce trend is beneficial for the wine industry because it offers 24-hour sales regardless of where the customer is located. Involving influencers in the strategic social media plan can also have many advantages. The main advantage is their large number of followers. These people will buy anything the influencer uses or recommends. This is because they have built a trust relationship and have genuine followers. Thus, the company will be able to attract new customers who want to try these wines.

V. SUMMARY

In the past year, new demands have emerged due to the EU's anti-alcohol campaigns, stricter distribution frameworks, and changes in labeling regulations. One group of the new generation primarily favors energy drinks, while others consume non-alcoholic beers and have started seeking reduced-alcohol or alcohol-free products, including wine. Alongside responsible consumption, health-conscious thinking plays a role in reducing carbon footprints, contributing to the spread of these trends. In contrast, the middle-aged demographic still seeks and purchases wines and champagnes but scrutinizes more carefully what they spend on (quality, brand, etc.), or since wine is not a staple food, it often doesn't make it into the shopping basket. The elderly, due to age or health conditions, consume considerably less wine.

The extended producer responsibility (EPR) system launched last summer, as well as the costs of the mandatory deposit return system (DRS), also apply to wines, and starting this summer, there will be a 50 Ft deposit fee for wines bottled in plastic (PET) and glass bottles. While there are uncertainties in the expected market trends and the evolution of existing ones, these are negligible. To recognize trends, we need to pay attention to and understand consumers. The emergence of new demands has presented challenges to the wine industry for which there is no immediate answer. New beverages have appeared that combine soft drinks with alcohol, creating new types of drinks such as RTD (ready-to-drink) beverages, hard seltzers, long drinks, and cocktails on store shelves. These are drinks that were previously freshly mixed for guests but are now readily available for purchase. The key characteristics of these drinks are variety and flavor richness. Flavor experience is paramount, and we should not forget the importance of product appearance and packaging design. My conclusions are related to the objectives outlined in the introduction.

I have prepared a SWOT analysis for the Hungarian grape and wine sector and for Nyakas Winery Ltd. Based on the information I have gathered and internet sources, I compared how Nyakas Winery Ltd.'s trade and wine marketing strategy relates to the National Wine Marketing Strategy. I highlighted the common elements in the SWOT analyses as follows:

Common strength for both: highly trained, competitive professionals and the good performance of wines in international wine competitions.

Common opportunities: increasing demand for sparkling wine and champagne. Implementation of ecological grape cultivation: organic wine, organic wine, Vegan trademark. Also, stabilizing and increasing export market positions with improved quality. Consideration of cultivating world grape varieties on modern, irrigated, mechanized plantations, and exporting wine.

Their common weaknesses: not always marketable grape variety composition, quality issues due to different vintages, complex administration, emergence of new wine market trends such as reduced-alcohol and alcohol-free products, issues related to the introduction of the EPR (Extended Producer Responsibility), DRS (Deposit Return System), and labeling obligations (Calories, etc.).

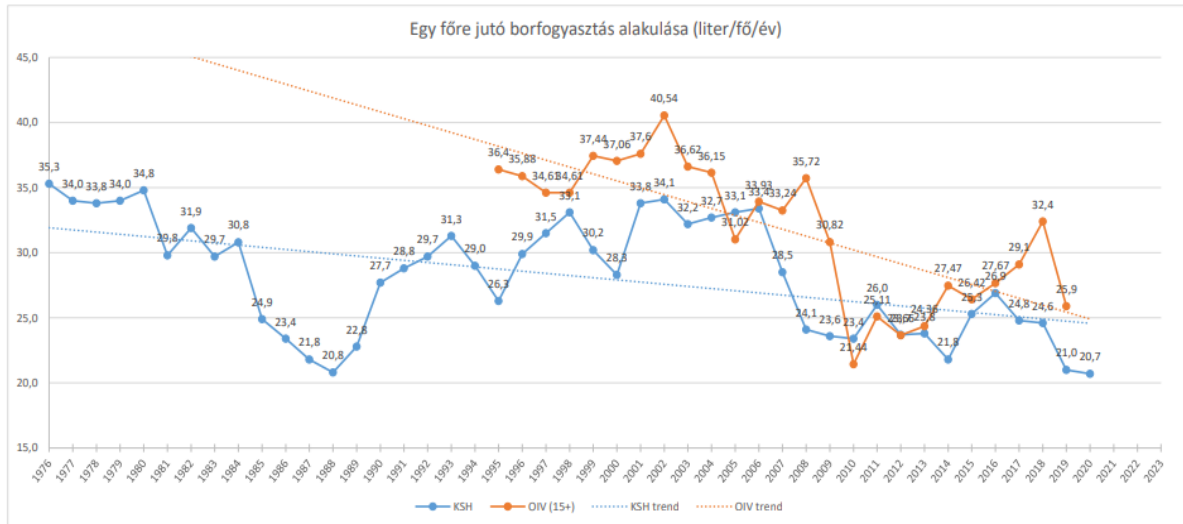
Common threats: decreasing export opportunities, low average grape and wine prices, increasingly extreme weather conditions, shortage of manual labor in vineyards, and the emergence of new grape diseases.

I selected two countries, Denmark and the Netherlands, as relevant target markets for the introduction and promotion of Nyakas wines, utilizing the 4Ps of marketing, or marketing mix. There are numerous common points between the National Wine Marketing Strategy and the marketing and sales strategy of Nyakas Winery Ltd. In fact, it can reverse the domestic wine consumption trends, which was my initial hypothesis.

In our changing world, we must keep all options open and respond immediately to emerging situations. Perhaps this is the key to successful operations in the coming decade.

VI. APPENDICES

Appendix 1 Per Capita Wine Consumption Evolution (liters per capita per year)



Source: Hnt.hu (2022a) Accessed: 2024.03.12.

Appendix 2 The Total Area Planted with Grapevines as of July 31, 2023

Borvidék	Borszőlővel beültetett terület nagysága (július 31-i állapot szerint)												
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Badacsonyi	1 613 ha	1 453 ha	1 379 ha	1 428 ha	1 425 ha	1 423 ha	1 402 ha	1 396 ha	1 405 ha	1 326 ha	1 319 ha	1 264 ha	1 187 ha
Balatonboglári	3 222 ha	3 191 ha	3 042 ha	3 152 ha	3 264 ha	3 301 ha	3 420 ha	3 504 ha	3 551 ha	3 450 ha	3 461 ha	3 415 ha	3 420 ha
Balaton-felvidéki	1 022 ha	977 ha	804 ha	824 ha	833 ha	849 ha	865 ha	865 ha	831 ha	751 ha	725 ha	679 ha	653 ha
Balatonfüred-Csopaki	2 143 ha	2 078 ha	1 781 ha	1 952 ha	1 973 ha	2 055 ha	2 027 ha	2 029 ha	2 010 ha	1 854 ha	1 836 ha	1 825 ha	1 822 ha
Bükk	1 048 ha	820 ha	952 ha	985 ha	970 ha	1 017 ha	1 019 ha	1 014 ha	1 011 ha	873 ha	847 ha	805 ha	740 ha
Csongrádi	1 504 ha	1 264 ha	1 174 ha	1 145 ha	1 119 ha	1 140 ha	1 080 ha	1 049 ha	1 020 ha	941 ha	869 ha	785 ha	754 ha
Egri	5 511 ha	5 416 ha	5 229 ha	5 286 ha	5 338 ha	5 423 ha	5 609 ha	5 677 ha	5 723 ha	5 652 ha	5 597 ha	5 528 ha	5 473 ha
Étyek-Budai	1 675 ha	1 648 ha	1 534 ha	1 504 ha	1 509 ha	1 519 ha	1 587 ha	1 616 ha	1 652 ha	1 696 ha	1 674 ha	1 655 ha	1 650 ha
Hajós-Bajai	1 960 ha	2 006 ha	1 855 ha	1 927 ha	1 942 ha	1 912 ha	1 855 ha	1 849 ha	1 871 ha	1 837 ha	1 839 ha	1 767 ha	1 726 ha
Kunsági	22 225 ha	21 661 ha	19 799 ha	20 224 ha	20 377 ha	20 651 ha	20 773 ha	21 014 ha	20 983 ha	20 354 ha	20 158 ha	19 731 ha	19 489 ha
Mátrai	6 279 ha	6 123 ha	5 677 ha	5 923 ha	5 985 ha	6 288 ha	6 401 ha	6 539 ha	6 633 ha	6 238 ha	6 162 ha	5 951 ha	5 955 ha
Móri	724 ha	582 ha	572 ha	558 ha	571 ha	585 ha	582 ha	539 ha	555 ha	492 ha	479 ha	452 ha	424 ha
Nagy-Somlói	598 ha	598 ha	509 ha	563 ha	558 ha	567 ha	564 ha	571 ha	557 ha	514 ha	484 ha	465 ha	456 ha
Neszemly	1 586 ha	1 345 ha	1 396 ha	1 444 ha	1 453 ha	1 358 ha	1 081 ha	1 096 ha	1 032 ha	958 ha	958 ha	932 ha	874 ha
Pannonhalmi	614 ha	631 ha	629 ha	621 ha	638 ha	665 ha	639 ha	641 ha	628 ha	593 ha	591 ha	567 ha	564 ha
Pécsi	765 ha	707 ha	614 ha	655 ha	663 ha	674 ha	676 ha	656 ha	639 ha	581 ha	574 ha	554 ha	516 ha
Soproni borvidék	1 826 ha	1 752 ha	1 617 ha	1 633 ha	1 631 ha	1 642 ha	1 673 ha	1 629 ha	1 630 ha	1 524 ha	1 436 ha	1 365 ha	1 335 ha
Szekszárdi	2 333 ha	2 353 ha	2 128 ha	2 167 ha	2 234 ha	2 202 ha	2 224 ha	2 248 ha	2 289 ha	2 220 ha	2 189 ha	2 128 ha	2 138 ha
Tokaji	5 992 ha	5 534 ha	5 633 ha	5 801 ha	5 716 ha	5 755 ha	5 757 ha	5 775 ha	5 814 ha	5 478 ha	5 361 ha	5 261 ha	5 143 ha
Tolnai	2 445 ha	2 444 ha	2 327 ha	2 363 ha	2 420 ha	2 441 ha	2 422 ha	2 459 ha	2 288 ha	2 302 ha	2 133 ha	2 037 ha	1 951 ha
Villányi	2 574 ha	2 496 ha	2 455 ha	2 477 ha	2 488 ha	2 479 ha	2 464 ha	2 482 ha	2 449 ha	2 390 ha	2 406 ha	2 335 ha	2 322 ha
Zalai	1 569 ha	1 387 ha	821 ha	837 ha	833 ha	843 ha	841 ha	828 ha	826 ha	711 ha	699 ha	662 ha	659 ha
Összesen:	69 230 ha	66 466 ha	61 930 ha	63 470 ha	63 942 ha	64 790 ha	64 961 ha	65 476 ha	65 397 ha	62 734 ha	61 796 ha	60 161 ha	59 250 ha

Source: Hnt.hu (2024a.). Accessed 12 March 2024

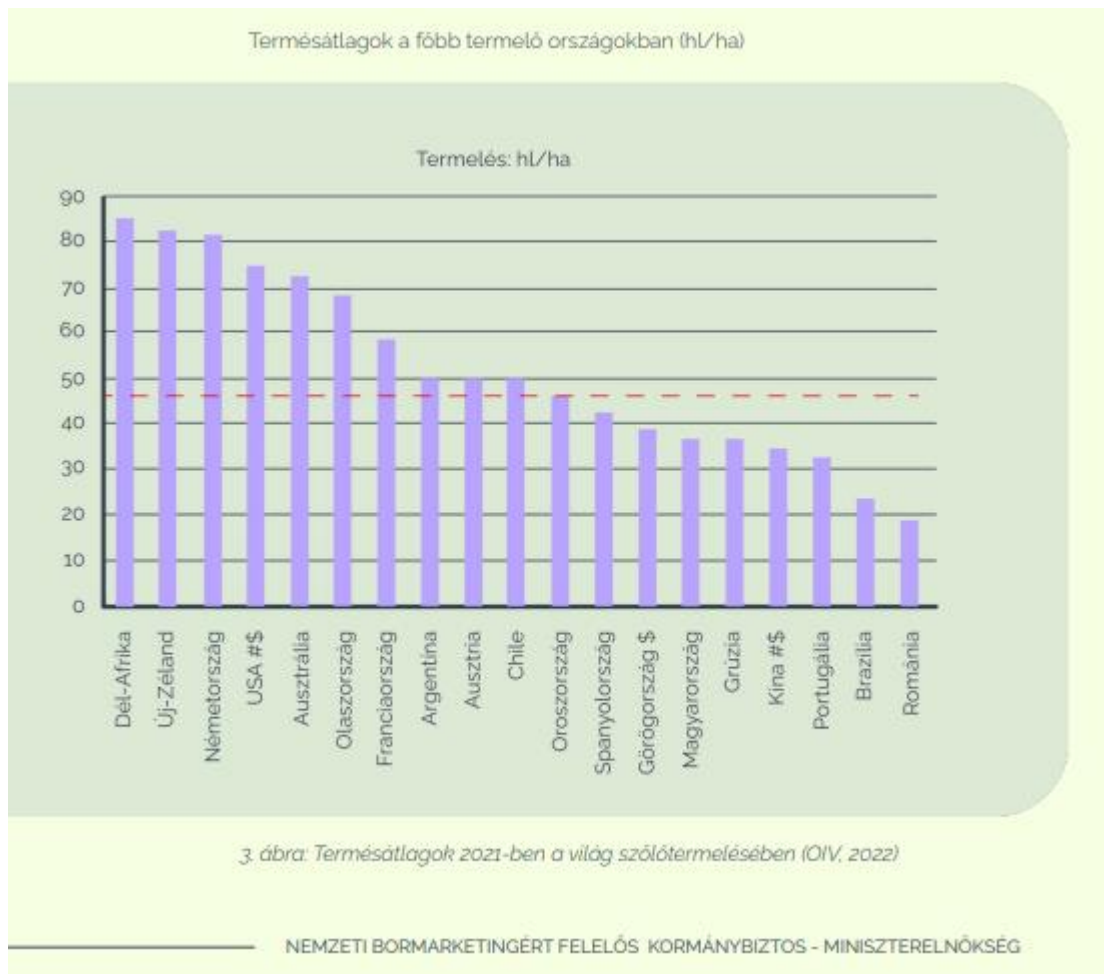
Appendix 3 Grapevine Growing Area in Hungary 2009-2023 (hectares)

Borszőlő termőterület Magyarországon (ha)

Borvidék	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Badacsonyi	1 092 ha	1 041 ha	1 102 ha	1 056 ha	1 159 ha	1 179 ha	1 163 ha	1 012 ha	1 370 ha	1 384 ha	1 142 ha	1 220 ha	1 221 ha	1 200 ha	1 111 ha
Balatonboglári	2 895 ha	2 854 ha	2 757 ha	2 838 ha	3 012 ha	3 023 ha	3 245 ha	3 272 ha	3 316 ha	3 156 ha	3 110 ha	3 117 ha	3 190 ha	3 166 ha	3 137 ha
Balaton-felvidéki	772 ha	975 ha	883 ha	644 ha	761 ha	750 ha	769 ha	744 ha	756 ha	841 ha	731 ha	703 ha	682 ha	640 ha	630 ha
Balatonfüred-Csepaki	1 581 ha	1 538 ha	1 673 ha	1 345 ha	1 495 ha	1 576 ha	1 597 ha	1 622 ha	1 885 ha	2 004 ha	1 695 ha	1 686 ha	1 703 ha	1 671 ha	1 675 ha
Bükki	768 ha	839 ha	659 ha	648 ha	892 ha	869 ha	929 ha	896 ha	957 ha	857 ha	844 ha	796 ha	823 ha	781 ha	712 ha
Csongrádi	1 172 ha	1 154 ha	1 177 ha	975 ha	1 164 ha	1 159 ha	1 109 ha	1 127 ha	1 107 ha	990 ha	909 ha	842 ha	773 ha	755 ha	717 ha
Egri	5 025 ha	4 846 ha	4 757 ha	4 763 ha	4 917 ha	4 926 ha	5 102 ha	5 163 ha	5 339 ha	5 320 ha	5 359 ha	5 396 ha	5 363 ha	5 282 ha	5 232 ha
Etyek-Budai	1 332 ha	1 264 ha	1 441 ha	1 314 ha	1 394 ha	1 364 ha	1 399 ha	1 403 ha	1 446 ha	1 515 ha	1 582 ha	1 596 ha	1 585 ha	1 545 ha	1 550 ha
Hajós-Bajai	1 745 ha	1 711 ha	1 639 ha	1 439 ha	1 823 ha	1 821 ha	1 908 ha	1 864 ha	1 644 ha	1 792 ha	1 636 ha	1 626 ha	1 659 ha	1 595 ha	1 565 ha
Kunsági	15 753 ha	17 834 ha	17 878 ha	15 725 ha	17 950 ha	19 465 ha	19 171 ha	19 601 ha	19 418 ha	19 288 ha	19 176 ha	18 859 ha	18 568 ha	18 359 ha	18 257 ha
Mátrai	5 274 ha	4 806 ha	4 429 ha	5 517 ha	4 973 ha	5 062 ha	5 005 ha	5 196 ha	5 291 ha	5 970 ha	5 721 ha	5 709 ha	5 580 ha	5 363 ha	5 454 ha
Móri	364 ha	360 ha	313 ha	383 ha	500 ha	508 ha	547 ha	524 ha	547 ha	527 ha	461 ha	443 ha	461 ha	446 ha	412 ha
Neszmély	937 ha	977 ha	800 ha	765 ha	919 ha	912 ha	900 ha	918 ha	886 ha	1 077 ha	987 ha	925 ha	915 ha	872 ha	835 ha
Pannonhalmi	621 ha	564 ha	550 ha	418 ha	580 ha	554 ha	586 ha	596 ha	422 ha	627 ha	626 ha	592 ha	588 ha	556 ha	540 ha
Pécsi	475 ha	391 ha	553 ha	369 ha	468 ha	489 ha	536 ha	524 ha	572 ha	647 ha	535 ha	538 ha	528 ha	511 ha	477 ha
Somlói	395 ha	582 ha	592 ha	424 ha	496 ha	466 ha	488 ha	471 ha	543 ha	552 ha	531 ha	480 ha	444 ha	432 ha	432 ha
Soproni	1 182 ha	1 446 ha	1 340 ha	1 235 ha	1 379 ha	1 343 ha	1 438 ha	1 420 ha	1 490 ha	1 626 ha	1 543 ha	1 464 ha	1 378 ha	1 299 ha	1 263 ha
Szekszárdi	1 806 ha	1 713 ha	1 797 ha	1 810 ha	2 096 ha	2 067 ha	2 155 ha	2 164 ha	2 069 ha	2 231 ha	2 116 ha	2 017 ha	2 040 ha	2 038 ha	1 967 ha
Tokaji	4 232 ha	4 414 ha	4 617 ha	4 582 ha	4 833 ha	4 611 ha	4 757 ha	4 893 ha	5 216 ha	5 587 ha	5 493 ha	5 293 ha	5 189 ha	5 058 ha	4 897 ha
Tolnai	2 012 ha	1 807 ha	1 895 ha	1 966 ha	2 250 ha	2 338 ha	2 360 ha	2 399 ha	2 290 ha	2 410 ha	2 118 ha	2 026 ha	1 989 ha	1 872 ha	1 825 ha
Villányi	2 068 ha	1 937 ha	2 082 ha	2 946 ha	2 301 ha	2 362 ha	2 332 ha	2 333 ha	2 306 ha	2 509 ha	2 259 ha	2 263 ha	2 245 ha	2 183 ha	2 233 ha
Zalai	733 ha	957 ha	908 ha	497 ha	553 ha	546 ha	573 ha	562 ha	590 ha	818 ha	802 ha	685 ha	677 ha	640 ha	634 ha
Összesen:	52 234 ha	54 010 ha	53 842 ha	51 659 ha	55 917 ha	57 389 ha	58 067 ha	58 703 ha	59 459 ha	61 727 ha	59 375 ha	58 276 ha	57 600 ha	56 265 ha	55 556 ha

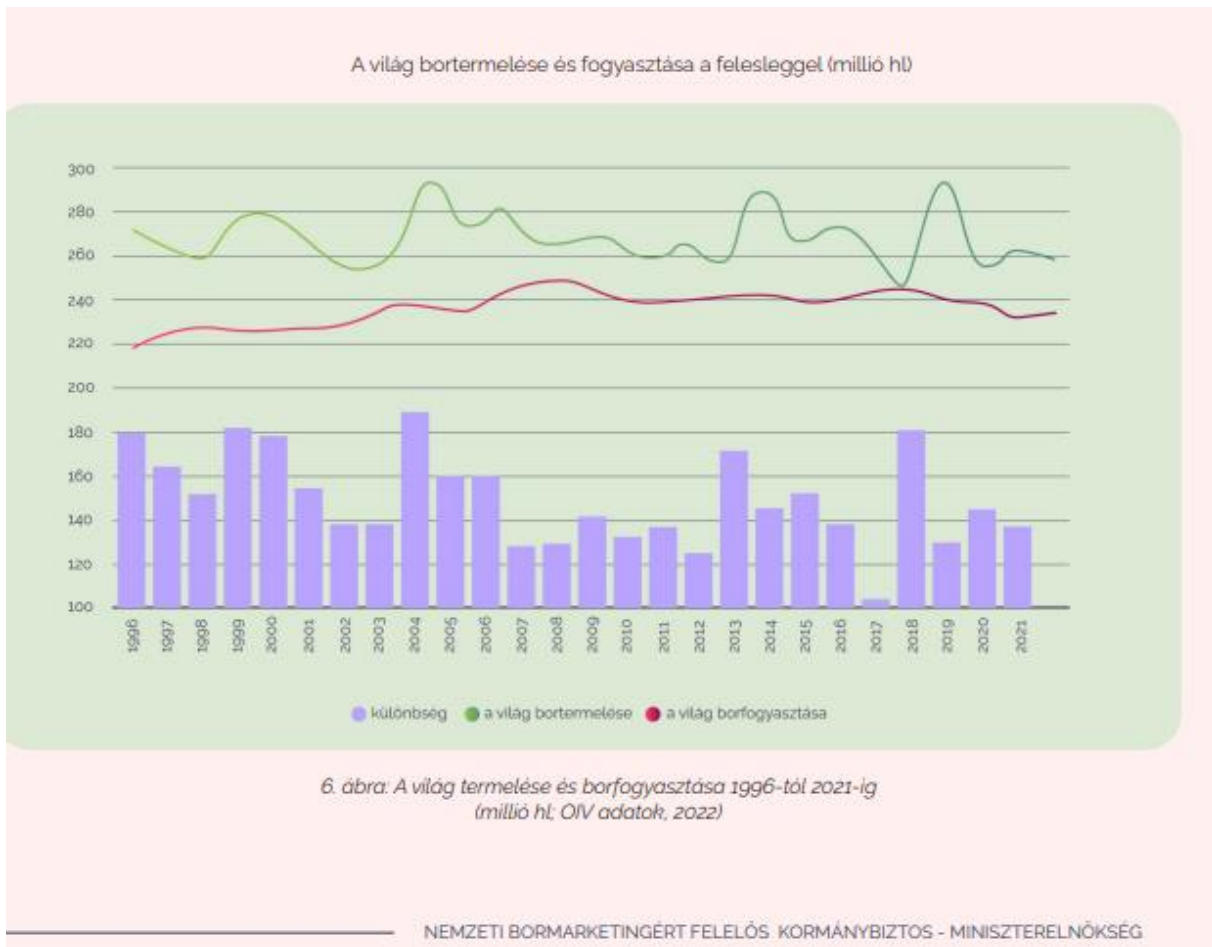
Source: Hnt.hu (2024b.). Accessed 12 March 2024

Appendix 4 Average Yields in Major Producing Countries (hl/ha)



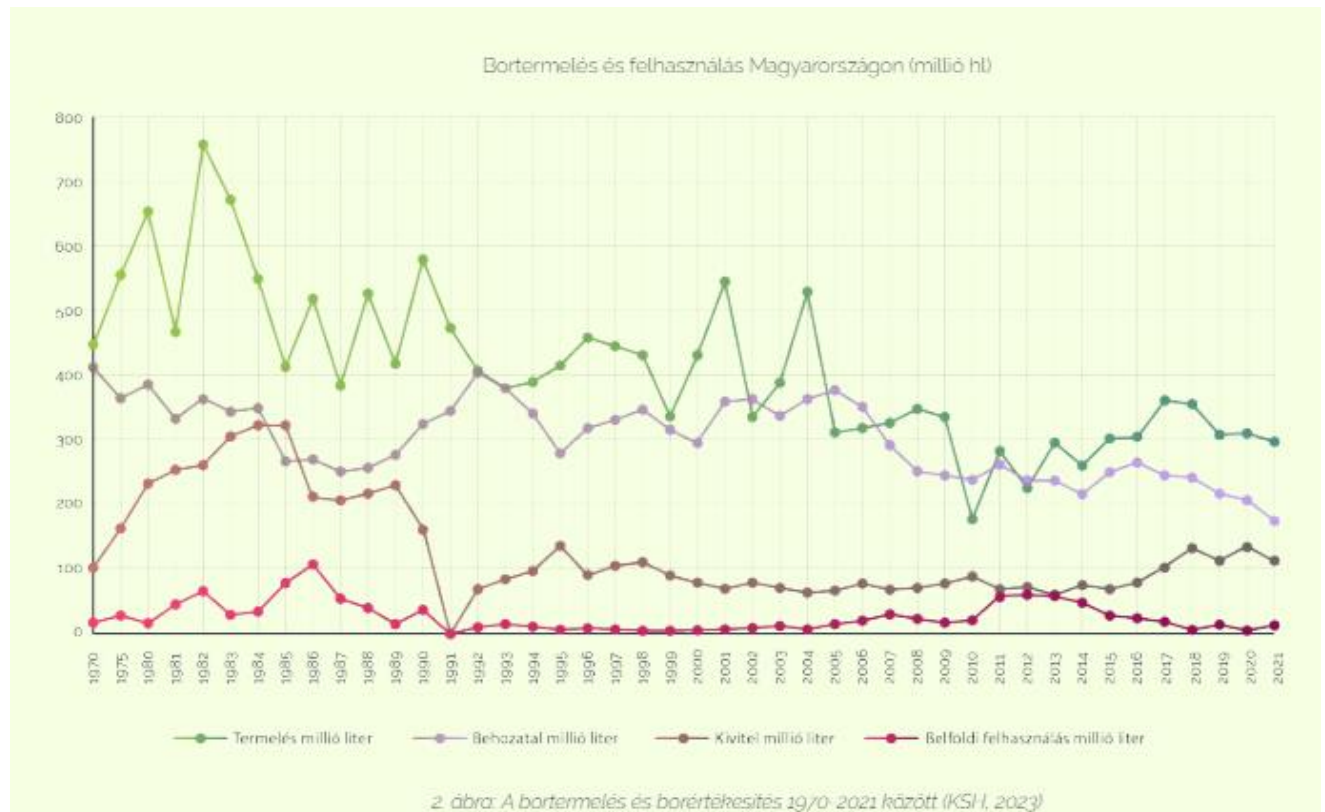
Source: Kimittud.hu (2024.). Accessed 12 March 2024

Appendix 5 World Wine Production and Consumption with Surplus (million hl)



Source: Kimittud.hu (2024.). Accessed 12 March 2024

Appendix 6 Wine Production and Usage in Hungary (million hl)



Source: Kimittud.hu (2024.). Accessed 12 March 2024

Appendix 7. The Quantity of Grapes Harvested in Hungary (q)

Borvidék	Szüretelt szőlőmennyiség Magyarországon (q)											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Bácsalmási borvidék	67 589	59 196 q	66 404 q	49 242 q	69 892 q	37 824 q	67 701 q	66 744 q	49 390 q	47 452 q	45 602 q	47 532 q
Balatonlagári borvidék	276 231	259 684 q	298 789 q	230 603 q	335 530 q	274 178 q	330 165 q	376 481 q	324 305 q	319 279 q	297 403 q	300 510 q
Balaton-felvidéki borvidék	43 395	36 848 q	41 105 q	31 093 q	41 951 q	26 118 q	39 492 q	41 398 q	34 571 q	33 012 q	27 917 q	27 638 q
Balatonfüred-Csepaki borvidék	91 527	75 164 q	92 216 q	79 163 q	105 595 q	78 156 q	94 081 q	101 008 q	83 859 q	87 429 q	80 007 q	83 784 q
Bükkői borvidék	36 409	45 114 q	48 675 q	35 948 q	44 886 q	48 413 q	42 980 q	49 389 q	23 916 q	31 674 q	33 202 q	25 919 q
Csongrádi borvidék	40 954	9 427 q	43 669 q	39 306 q	35 172 q	41 706 q	42 268 q	45 125 q	27 233 q	24 388 q	25 649 q	19 660 q
Egri borvidék	331 935	333 322 q	317 104 q	311 686 q	376 203 q	383 662 q	423 801 q	424 070 q	284 869 q	413 241 q	395 092 q	312 601 q
Etyek-Budai borvidék	101 443	98 772 q	108 374 q	103 828 q	112 827 q	131 360 q	122 903 q	148 572 q	138 428 q	125 270 q	127 548 q	129 971 q
Hajós-Bajai borvidék	69 020	32 075 q	99 212 q	99 577 q	94 546 q	86 766 q	135 687 q	121 640 q	131 994 q	123 769 q	139 284 q	123 812 q
Kunsági borvidék	1 050 244	458 412 q	1 310 803 q	1 446 624 q	1 352 096 q	1 590 608 q	1 854 135 q	2 178 679 q	1 604 631 q	1 660 575 q	1 805 931 q	1 764 565 q
Mátrai borvidék	320 044	407 726 q	382 704 q	310 065 q	362 348 q	402 489 q	315 077 q	481 285 q	331 602 q	399 593 q	353 976 q	304 026 q
Móri borvidék	17 733	17 738 q	17 576 q	16 901 q	25 124 q	14 123 q	30 862 q	32 637 q	28 926 q	28 469 q	30 039 q	25 997 q
Nagy-Somlói borvidék	24 321	18 650 q	21 322 q	8 700 q	27 467 q	9 744 q	19 108 q	17 858 q	17 762 q	15 838 q	17 961 q	17 106 q
Neszemlyi borvidék	66 468	69 484 q	62 458 q	54 684 q	64 639 q	51 656 q	56 350 q	77 524 q	58 157 q	55 556 q	53 369 q	52 124 q
Pannonhalmi borvidék	26 364	24 720 q	25 471 q	28 731 q	34 677 q	24 953 q	34 372 q	39 821 q	31 388 q	31 710 q	38 597 q	32 344 q
Pécsi borvidék	36 205	20 616 q	25 372 q	17 387 q	25 668 q	22 150 q	31 673 q	29 674 q	19 256 q	23 059 q	22 589 q	20 041 q
Soproni borvidék borvidék	78 630	85 492 q	81 221 q	56 553 q	85 431 q	43 926 q	88 812 q	95 486 q	57 710 q	69 603 q	66 459 q	67 100 q
Szekszárdi borvidék	140 409	114 850 q	138 960 q	103 941 q	147 605 q	133 004 q	129 540 q	147 949 q	139 308 q	158 375 q	148 061 q	134 457 q
Tokaji borvidék	300 021	334 764 q	322 767 q	159 075 q	272 701 q	256 962 q	268 557 q	338 712 q	198 046 q	186 666 q	218 336 q	204 844 q
Tolnai borvidék	135 402	128 512 q	168 799 q	140 063 q	177 086 q	177 088 q	238 302 q	192 778 q	151 610 q	164 202 q	168 661 q	161 116 q
Villányi borvidék	145 331	115 098 q	157 259 q	131 044 q	165 206 q	148 081 q	168 396 q	164 958 q	144 258 q	152 178 q	156 871 q	157 920 q
Zalai borvidék	49 373	29 217 q	31 401 q	20 119 q	32 164 q	30 731 q	43 000 q	38 423 q	30 739 q	42 019 q	42 172 q	42 430 q
Összesen:	3 449 047 q	2 774 880 q	3 861 660 q	3 474 333 q	3 988 814 q	4 013 698 q	4 577 259 q	5 210 209 q	3 911 957 q	4 193 354 q	4 294 725 q	4 055 498 q

Source:Hnt.hu (2023b) Accessed 12 March 2024

Appendix 8 The value of Hungarian wine exports (billion forints)



Source: Kimittud.hu (2024.). Accessed 12 March 2024

Appendix 9. National Wine Marketing Strategy

STRATEGIC DIRECTIONS, ACTION PLANS

1. **1. The wine experience chain:** Linking wine tasting with musical, literary, visual arts, gastronomic, and tourism experiences. Wine can be the common denominator of quality leisure and sophisticated experiences. The journey from discovering wines to loyal purchasing is the experience chain.
2. **2. Young people and wine:** Understanding young consumers, assessing their needs, recognizing trends: less alcohol, more organic wines, fresh, vibrant, aromatic wines, chillable reds, bubbles, wine cocktails, sustainability/environmental consciousness.
3. **3. Making Tokaj / Tokaji aszú attractive:** As a special quality exclusive Hungarian premium product. Tokaji aszú is the world's highest-quality natural sweet wine. Pairing Tokaji aszú with food offers far more possibilities and potential than what the world's gastronomy currently exploits.
4. **4. Everything sparkling:** the fastest-growing market segment in the wine world, with its market share growing by 70% in the past 20 years, reaching 8% currently. Emphasizing and preserving existing centuries-old traditions and heritage while exploring new innovative opportunities (e.g., creative packaging, designs).
5. **5. Strengthening the communication of volcanic wines:** We have unique advantages, with several wine regions located on volcanic soils. Designing, introducing, and promoting the "Volcanic wines of Hungary" logo.
6. **6. Unique grape varieties and wine regions:** Introducing domestic grape varieties (Furmint, Hárslevelű, Cserszegi Fűszeres, Kékfrankos, Kadarka...) and special terroirs, showcasing Tokaj wines to foreign consumers seeking novelty.
7. **7. Promoting partially alcohol-free and alcohol-free winemaking products in line with consumer trends:** The health-conscious attitude and the trend towards moderate alcohol consumption are already having an impact on the global market. Younger demographics, health-conscious middle-aged consumers, and even older individuals are actively seeking wines with lower or zero alcohol content.
8. **8. Non-glass packaging options for sustainability:** Bag in box, Can (aluminum can), PET (wine bottle shape), KEG barrel - tapped wine. Environmentally friendly packaging for wine, especially among young consumers, has become increasingly important. Rethinking glass bottles has become a primary priority for wineries committed to reducing carbon

dioxide emissions. The production and transportation of glass bottles account for 68% of the product's total carbon footprint. Winemakers are facing challenges accessing increasingly expensive glass bottles, which also impacts their profitability.

9. **The popularity of small packaging sizes is increasing** (0.3751, 0.251, 0.1871). Their sales increased by 70% from 2020 to 2021.
10. **QR codes, smart packaging, labeling:** It is worth using these for Hungarian wine producers, especially because they are highly effective in export markets where we can communicate and provide information about our wines in the buyer's language.
11. **BorWine:** The wine fair of the region, showcasing Central European wine producers. The goal is for it to become a prominent wine industry event within a few years. By hosting this event, Hungary could become a significant player on the global wine stage, attracting international attention to our region, country, wine regions, and grape varieties. The fair can provide a platform for our winemakers to showcase their products and enter the global market, contributing to the revitalization of our wine exports.
12. **Rethinking Wine Tourism:** Activating tourists near wine regions to engage in wine tasting and wine tourism activities.
13. **Launching Educational Programs:** Promoting wine culture domestically for various target groups (higher education, hospitality industry) and introducing Hungarian wines abroad (e.g., through online platforms, WSET courses, Sommelier schools).
14. **The Heritage of Hungarian Wine:** Creating a new and modern comprehensive Hungarian wine history book. The target audience for the new book includes the wine industry, the tourism sector, and the general public. It should be a publication that is aesthetic and also a popular gift. Its format is not a large-sized, expensive album but a practical handbook that can be used in everyday life.
15. **Supportive regulatory proposals** involving authorities and winemaking industry - product descriptions - data-driven industry management, digitalization - centralized wine procurements - review of representation tax.
16. **Continuous market research and analysis:** Developing and operating consumer, producer, and foreign market research programs. Based on the information obtained, due to the rapidly changing market environment, there will be a need for continuous fine-tuning of the strategy.

The first strategic goal:

Increasing wine sales

The second strategic goal:

Positioning the new product line of Hungarian wines as innovative, forward-thinking, and high-quality offerings to achieve both quantitative and qualitative growth

The third strategic goal:

Defining and familiarizing target audiences with Hungarian wine across different target markets to foster brand loyalty that will develop over time

The fourth strategic goal:

Expanding the new and innovative product range of Hungarian wine as a socially responsible and sustainable opportunity through promotion

Relevant target markets for Hungarian wines.:

Primary target markets: USA, Germany, Poland, United Kingdom, South Korea

Additional important target markets: Scandinavian countries (Norway, Sweden, Finland), Belgium, Netherlands, China, Japan, Vietnam

Market research:

Each target market needs to be analyzed in detail:

- Presenting the given wine market in a global comparative context.
- Consumption data, habits, and forecasts by age and demographic correlations.
- Comparison with competing alcoholic products.
- The role of low- and no-alcohol products.
- Analysis of trade relations with our country, mapping sales and distribution.
- Examining wine communication, researching the most popular influencers, platforms, and media channels.

Activity in export markets:

- Searching for a partner agency, selecting one, and maintaining active communication regarding market penetration (based on traders' portfolios and activities).
- Selection of suitable commercial partners and wineries with agency recommendations.

- Coordinating listings as needed, developing and modifying the range of products to be promoted.
- Activating partner journalists and influencers.
- Developing annual promotional plans based on local market conditions. Organizing, theming, inviting, and executing familiarization trips.
- Implementing planned local promotions with preparatory campaigns, follow-ups, and measurement: Thematic professional wine tastings/B2B, Hungarian Wine Weeks/B2C.
- Combining promotions (city/region - horeca/specialty store/supermarket - targeted consumer group) based on agency recommendations and feedback.
- Participation in wine exhibitions relevant to the specific foreign market.

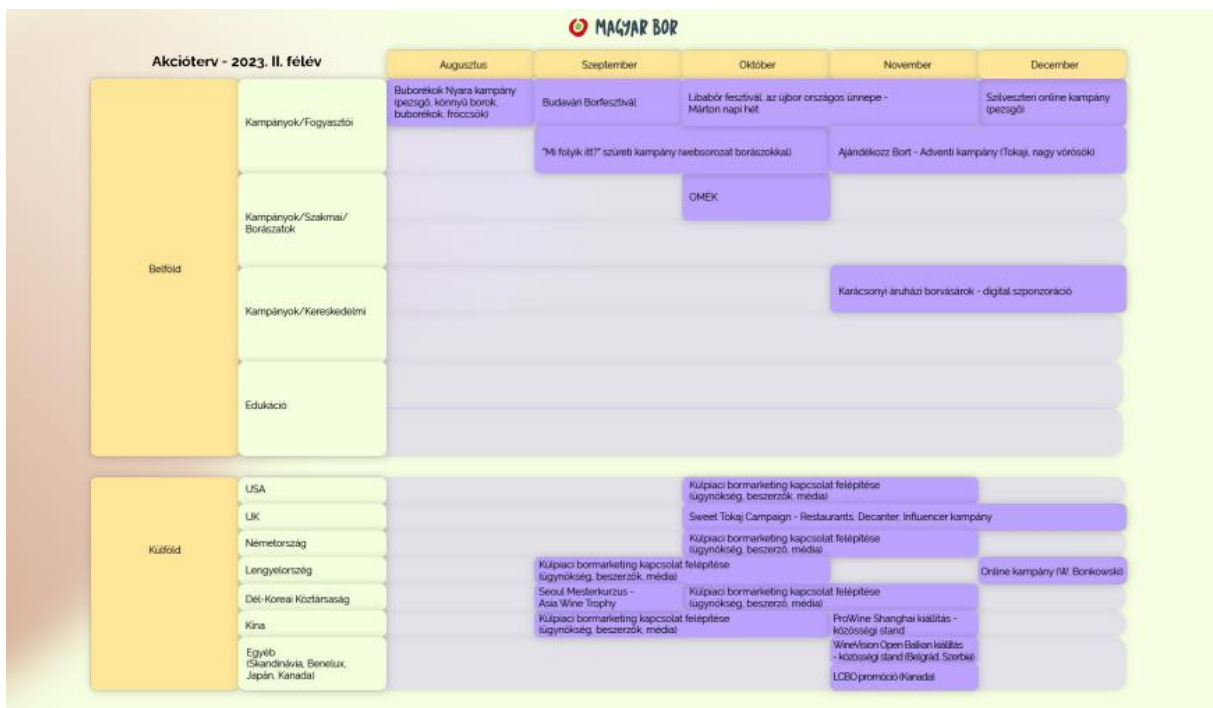
Entries:

- Pre-selecting a local agency partner (MW/MS relationships).
- Group of 10-12 individuals: B2B (buyers), influencers, journalists, and representative from the local agency.
- Arranging travel, accommodation (2-3 days), and meals in collaboration with participating wineries.
- Wines of Hungary presentation, professional tasting, educational sessions - discussing upcoming quarterly/annual activities.
- Visiting potential winery partners.
- Monitoring publications, appearances, and procurement activities.

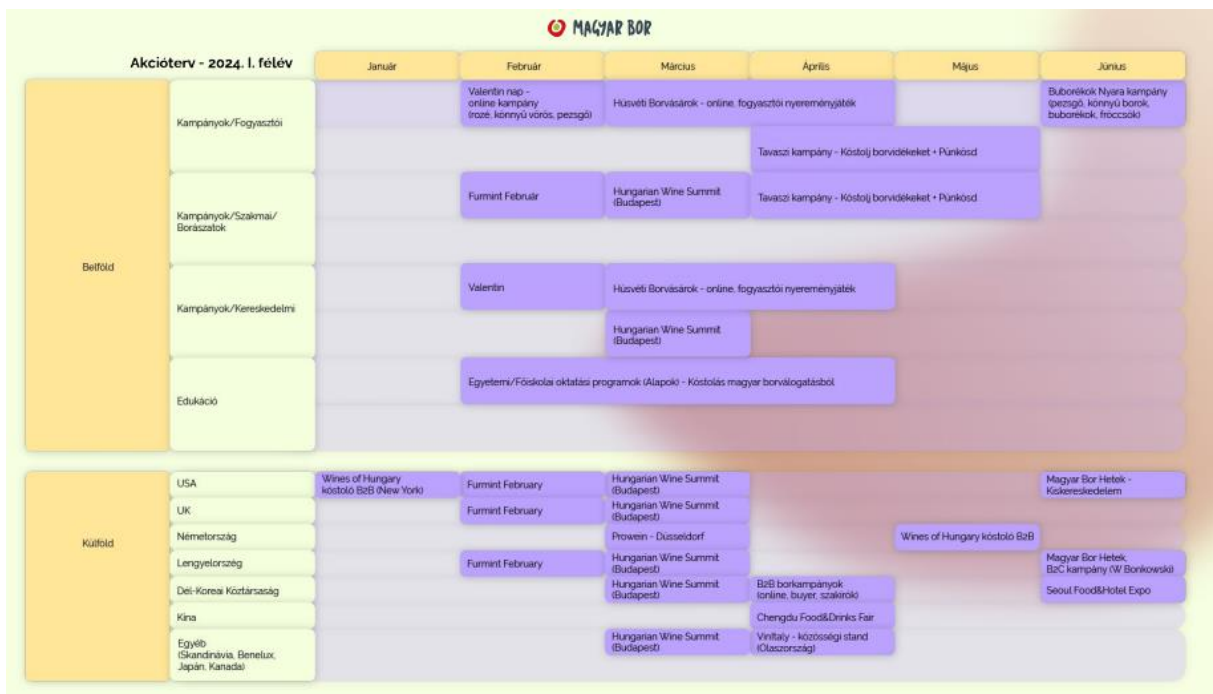
Hungarian Wine Weeks:

- Coordination of "Hungarian Wine" appearances in major cities and/or regional levels, where national coverage is also worthwhile.
- HORECA: Regular inclusion on menus/weekly restaurant offerings
- Wine shops: Newsletter, on-site tastings, education
- Supermarkets: Weekly/online catalogs, tastings, promotions, point of sale (POS) displays.
- Involvement of local agencies and diplomatic, foreign relations connections. Activation of preliminary promotions and influencers in online media.
- Monitoring of publications/appearances/procurements

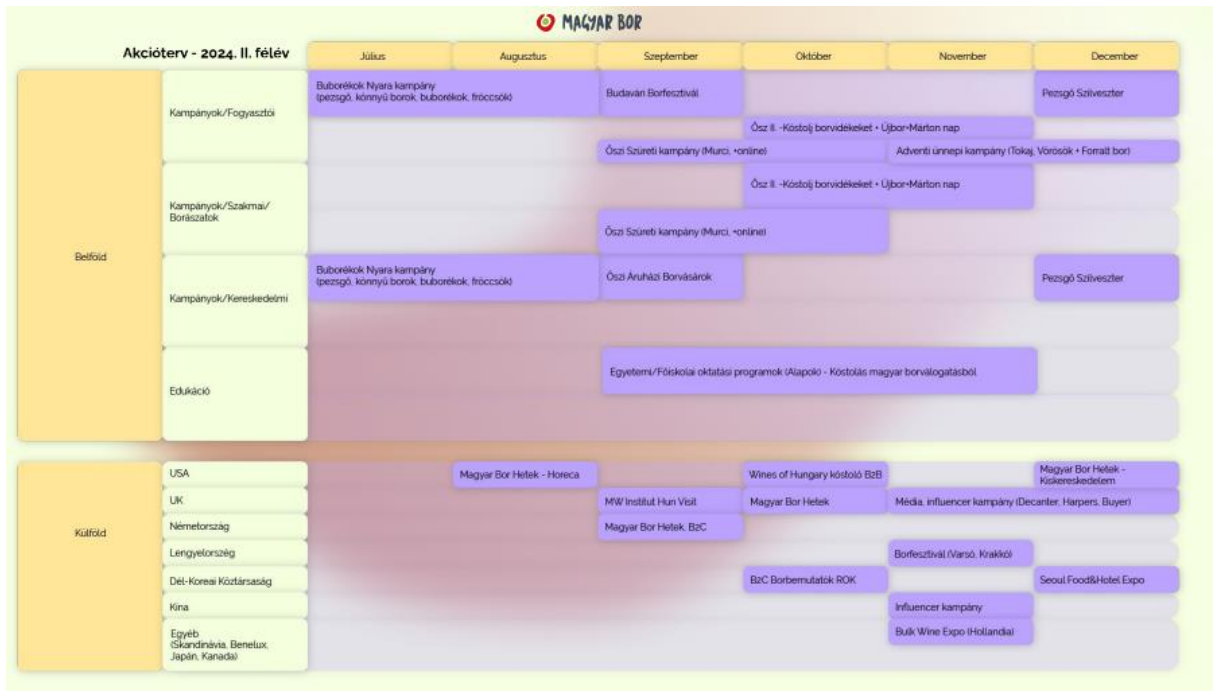
Source:Kimittud.hu (2024.).Accessed 12 March 2024



Source: Kimittud.hu (2024.). Accessed 12 March 2024

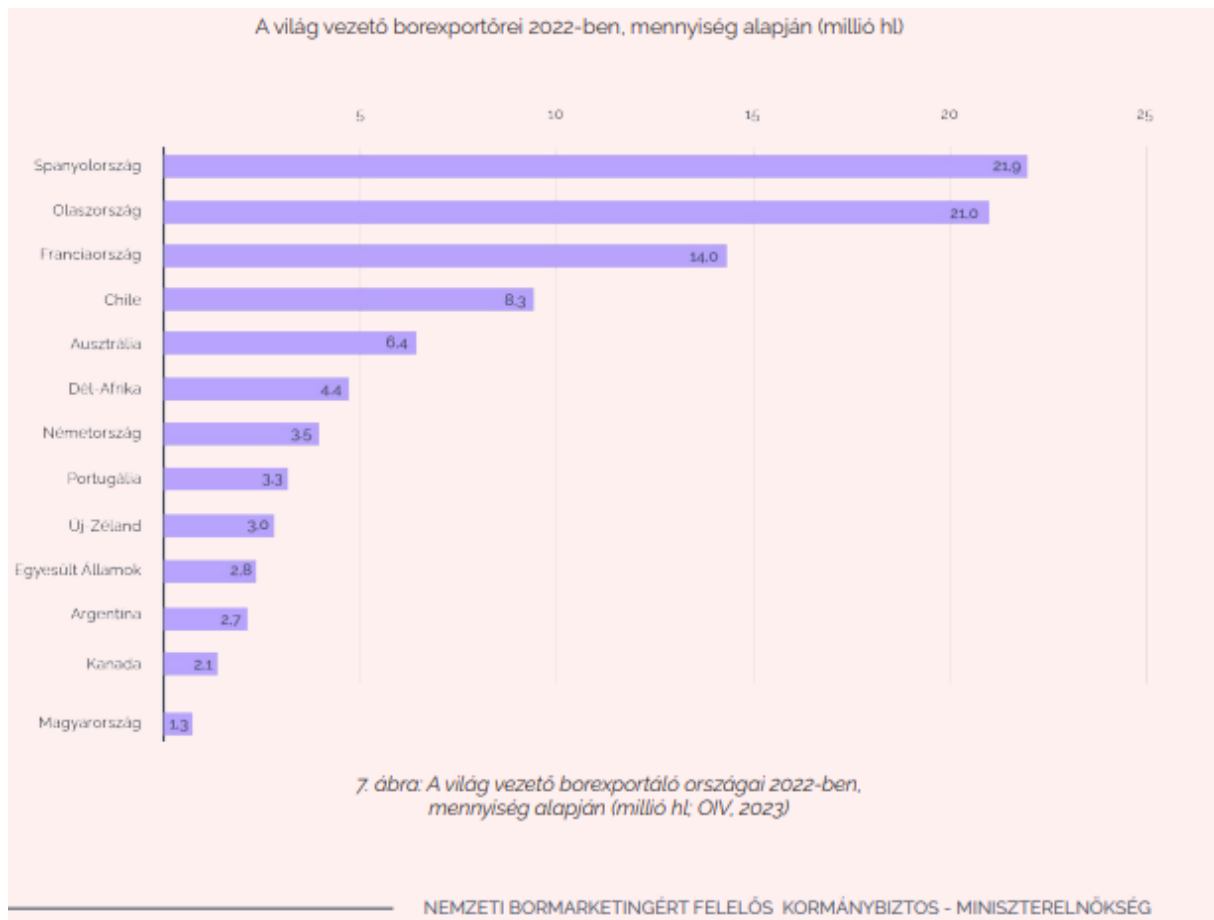


Source: Kimittud.hu (2024.). Accessed 12 March 2024



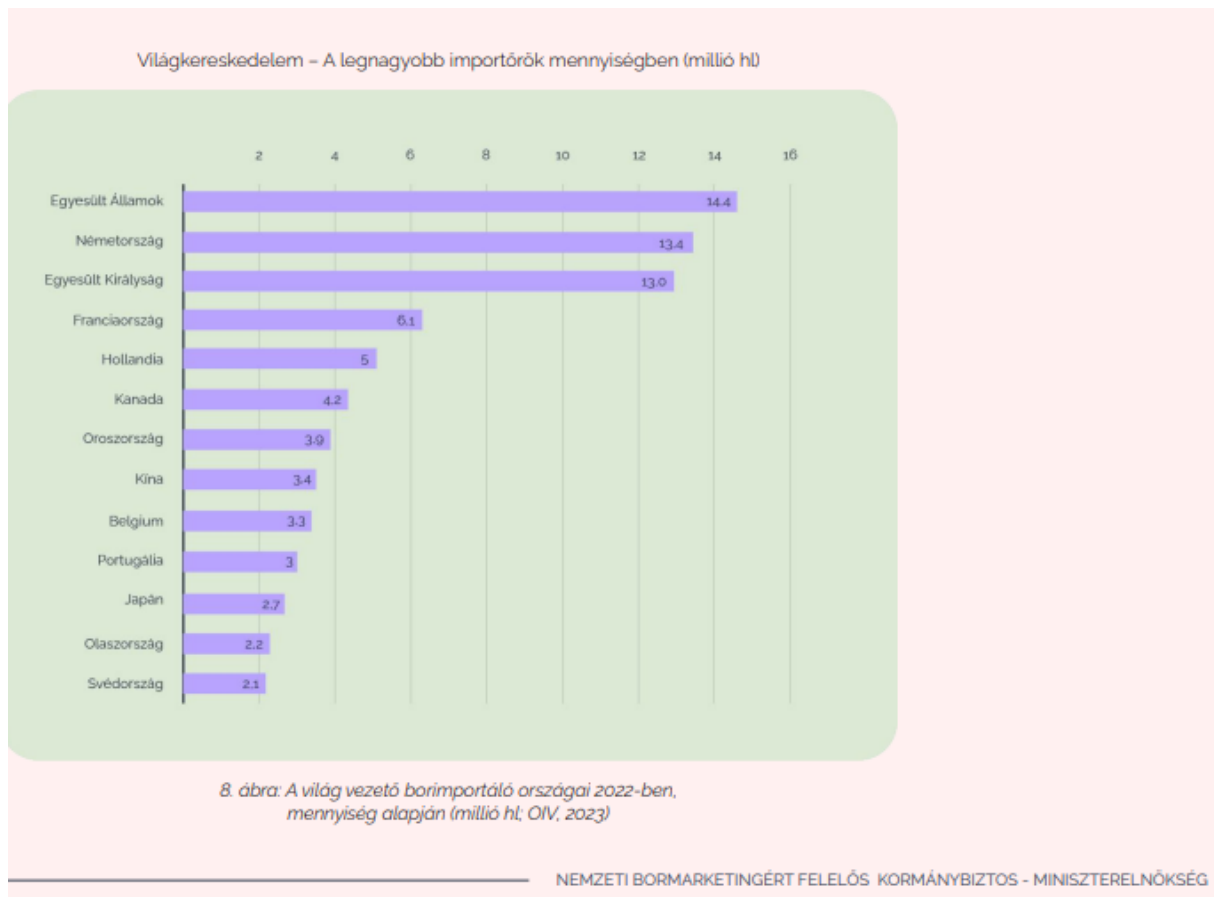
Source: Kimittud.hu (2024.). Accessed 12 March 2024

Appendix 10 The World's Leading Wine Exporters in 2022 by Quantity (million hl)



Source: Kimittud.hu (2024.). Accessed 12 March 2024

Appendix 11 World Trade - Largest Importers by Quantity (million hl)



Source: Kimittud.hu (2024.). Accessed 12 March 2024

Appendix 12 Interview with Dr. Gabriella Pálfi

Interviewer: Nyul Bendegúz Márk

Interviewee: Dr. Gabriella Pálfi (Economic Manager of Nyakas Winery Ltd.)

Location of the interview: Nyakas Winery Ltd., 2073 Tök

Recording date: 2024.03.01

Questions:

1. Comparison of Nyakas Winery Ltd. with the Etyek-Buda wine region and other wine regions in Hungary, especially in terms of production quantities, the significance of new wine releases, and annual hectoliter production volumes.
2. Sales locations for Nyakas Winery wines.
3. Economic figures of Nyakas Winery Ltd.
4. History, past, and present of Nyakas Winery Ltd.
5. Challenges faced by Nyakas Winery Ltd. in recent years and current pressing issues.
6. How have their sales figures changed in recent years, both for bulk wines and bottled wines?
7. Which markets do they sell their wines in, and what are the export opportunities?
8. How have raw material, energy, and transportation costs evolved in recent years? If they have increased, at what rate, and what is the company's strategy to reduce them?
9. What tools are available to increase wine tourism?
10. How much do new regulations affect their daily work, and do they result in additional work and costs?
11. Strengths and weaknesses of Nyakas Winery Ltd.

Appendix 13 Interview with Dr. Beáta Nyulné Pühra

Interviewer: Bendegúz Márk Nyul

Interviewee: Dr. Beáta Nyulné Pühra (Head Winemaker at Nyakas Winery Ltd.)

Location of the interview: Nyakas Winery Ltd., 2073 Tök

Recording date: 2024.03.01

Questions:

1. Could you share the history of Nyakas Cellar Ltd.?
2. Introduction to Nyakas Cellar Ltd. within the Etyek-Buda Wine Region, including grape varieties, types of wine, and soil structure.
3. Current wine consumption in Hungary and abroad: How many liters per capita, and what are the differences in wine consumption between generations?
4. Current foreign and domestic sales trends?
5. Is climate change affecting grape growing and wine production at Nyakas Cellar Ltd.?
6. Detailed grape growing and winemaking technology.
7. Awards and recognitions achieved in wine competitions?
8. Innovations in winemaking, with particular emphasis on environmental protection and sustainability.
9. What tools and types of wine do you think could attract more Nyakas wine consumers?
10. Have you considered producing partially dealcoholized or alcohol-free wine products to meet new consumer trends?
11. Have you considered new packaging or packaging methods for the sake of sustainable development and environmental protection?

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