Twisting Tradition: Alternative Wine Closures
(a U.S. Study)

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Introduction
- Consumers are continually making choices among products without adequate information.
- Corks have been the closure of choice for the majority of the world's wines since their introduction.
- Until recently, natural corks were easy to remove with long term stability; and to many consumers a bottle sealed with a natural cork was the mark of a quality wine.
- Due to consumers' concern for quality and increasing competitiveness, manufacturers have turned to alternative bottle closures.

Buying Behavior
- Consumer evaluations of products are not entirely on the attributes of the product, but rather between the products attributes and the expectations they have for that product.
- Marketing defines a product as a collection of benefits that when put together satisfy a consumers' requirement.
- For wine these benefits include a combination of extrinsic and intrinsic values such as the style of closure, the label design, information provided, and grape varietal.

Marketing and Packaging
- Packaging can be of considerable value as a competitive marketing strategy.
- Some US wineries depend solely on their packages label or style of closure to attract or persuade consumers to purchase.
- With an ever more crowded and confusing retail shelf, the "work" that a wine package must do to generate sales and create a favorable brand perception has increased dramatically.
  Think Coca-cola, Pepsi, etc.
  The wine industry is beginning to recognize this.
Marketing and Packaging

- Style of closure adds directly to the look of the product and is considered by most consumers as a direct reflection of quality.
- Examples such as screw-tops and Zork closures, non-glass containers, large formatted bottles or boxed wines have indicated a lesser quality product to consumers.
- US research has found the type of closure significant to the choice of wine, with cork closures considered an indication of quality.

Problem with Cork

- A major consumer survey in 2004 on American consumer attitudes towards cork stoppers and screw caps, found two-thirds preferred to buy wine with a cork stopper, while 52 percent rejected screw caps.
- While synthetic corks and screw caps may be functional alternatives to cork they create other serious problems.
- Poor brand image and the potential inability for long term aging.

Alternative Closures

- Alternative wine closures were developed as substitutes for sealing wine bottles in place of traditional cork closures.
- The emergence of these alternatives has grown in response to quality control efforts to protect against cork failure.

Alternative Closures

- Synthetic corks are made from a polymer derivative and are free from the problems associated with wood cork breakage and crumbling.
- Yet the real benefit of the synthetic cork is that they are free of cork taint while being the least expensive closure to make.
- The main concern with plastic corks is they leak resulting in premature aging and can be difficult to open.
Alternative Closures

- Screw cap closures have been used by wine makers in Australian and New Zealand, across most price ranges, for decades.
- The screw cap is effective and will not cause cork taint when utilized and the bottle can be easily resealed.
- However, US consumers have associated screw cap closures with extremely inexpensive jug wines or non-fine wines, with a reputation of poor quality.

Consumers’ Behavioral Filters

- Research in consumer behavior has focused on how buyers handle anxiety in purchase situations.
- The concept most often used by consumer researchers to define perceived risk involves the uncertainty and adverse consequences of buying a product or service.

Consumers’ Behavioral Filters

- Perceived Risk and Self Confidence: Perceived risk creates a state of caution or risk aversion and often leads to a variety of risk handling strategies such that beyond the attributes of the wine or the situation involved in the purchase.
- Risks include functional (taste), social (acceptance), economic (price/value), and the psychological aspects of a product purchase.

Consumers’ Behavioral Filters

- Consumers’ Knowledge: Consumers’ knowledge about a product plays an important part in the purchase decision.
- These studies defined consumer knowledge as the experiences and familiarity a consumer has with a product before an external search occurs.
- Objective knowledge and subjective knowledge are two of the distinct components of consumer knowledge behavior.
Consumers’ Behavioral Filters

- **U.S. Consumer Demographics**: Wine has become the beverage of post-war Baby Boomers, especially with women who opted for wine over beer and spirits.

- Nearly half of females prefer wine over other alcohol beverages while a quarter of males prefer wine, up from 16% nearly a decade ago.

- Wine consumption by age group has also changed during this period of time, with wine consumption increasing in the 50 and over age group, with consumption by the under 30 age group remaining flat.

Situational Use

- **Situational Use**: Situational use is an important consideration in consumer purchase decisions.

- This concept is based on the premise that the person/situation interaction accounts for considerably more variation in consumer behavior than do either individual or situational factors.

- For example, a person purchasing wine for a romantic dinner may seek different product attributes, such as high price, than one purchased for individual consumption at home.

The Purpose of this Study

- To examine how gender, situational use, knowledge and the levels of consumer self confidence interact with wine closures on when making a wine purchase.

- Understanding the wine consumer and their preferences will further benefit wine producers, marketers, food service establishments and retailers.

Methodology

- **Self-administered web based questionnaire assessing**:
  - demographic characteristics
  - consumer behavior activities
  - psychographic information
  - consumer knowledge (both subjective and objective)
  - wine preference (red or white and varietal preferred)
  - closed-ended five-point Likert type scale questions
Methodology

- Four new variables were created:
  - Overall knowledge
  - Subjective knowledge
  - Objective knowledge
  - Overall self-confidence
- Postcards were created and included
  - The website address
  - Instructions
  - Unique pin number
- Data was collected for this study in the State of Texas

Results

- The data were analyzed using:
  - Factor analysis
  - MANOVA
  - Post hoc if significant
- 45% response rate (n = 303)
  - 54% male, 46% female
  - 71% preferred natural cork
  - Males did have a higher preference for screw caps and synthetic than females

Methodology

- A pilot study was conducted
- A convenience sample:
  - retail establishments
  - wine events was utilized
  - total of 675 postcard distributed

Results

- Significant gender difference in subjective knowledge and self-confidence
- Bottle cost ranked as the most important purchasing attribute, followed by grape varietal, country of origin and then brand name
- Males found varietal, origin and vintage more important than females
- Significant differences between genders:
  - Females were more likely to select wines with cork for dinner parties away from and at home than males
Factor Analysis

- Four factors ultimately retained, explaining 62% of the total variance
- Only country of origin (.542) and cost per bottle (.456) loaded below 67%

Multivariate Analysis of Variance (MANOVA)

- Gender and style of closure significant to importance of situational use
  - Especially for: dinner parties away from home, gift giving, special occasions
- Gender, income, age and closure were significant to the level of subjective knowledge
  - Females feel less knowledgeable about wine
Conclusions and further results

- US consumers are not ok with screw caps
- Women, more than men, are concerned with making the right choice and will choose a wine with a cork over others
  - This runs contrary to the results of Hall et al (2000) that found males as having more motivation to impress others than females
- Consumers still consider screw caps to be an indication of cheap wines (M = 3.6) and cork an indication of quality (M = 3.4)

- Females more likely to consider synthetic corks as an indication of quality
- It is likely that the American market will become more use to alternative closures, as the Australian and New Zealand markets

Thank You

### Table: Respondents Knowledge and Confidence

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Percentage of Total for Each Characteristic</th>
<th>Male (n=159)</th>
<th>Female (n=134)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of Overall Knowledge</td>
<td>High Overall Knowledge</td>
<td>60.0%</td>
<td>40.0%</td>
<td>47.8%</td>
</tr>
<tr>
<td></td>
<td>Some Knowledge</td>
<td>52.4%</td>
<td>47.6%</td>
<td>28.0%</td>
</tr>
<tr>
<td></td>
<td>Low Overall Knowledge</td>
<td>45.1%</td>
<td>54.9%</td>
<td>24.2%</td>
</tr>
<tr>
<td></td>
<td>Percentage of Total</td>
<td>54.3%</td>
<td>45.7%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Level of Objective Knowledge</td>
<td>High Objective Knowledge</td>
<td>57.2%</td>
<td>42.8%</td>
<td>83.0%</td>
</tr>
<tr>
<td></td>
<td>Some Objective Knowledge</td>
<td>38.3%</td>
<td>61.7%</td>
<td>16.0%</td>
</tr>
<tr>
<td></td>
<td>Low Objective Knowledge</td>
<td>66.7%</td>
<td>33.3%</td>
<td>1.0%</td>
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<tr>
<td></td>
<td>Percentage of Total</td>
<td>54.3%</td>
<td>45.7%</td>
<td>100.0%</td>
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<tr>
<td>Level of Subjective Knowledge</td>
<td>High Subjective Knowledge</td>
<td>60.3%</td>
<td>39.7%</td>
<td>48.1%</td>
</tr>
<tr>
<td></td>
<td>Some Subjective Knowledge</td>
<td>54.3%</td>
<td>45.7%</td>
<td>27.7%</td>
</tr>
<tr>
<td></td>
<td>Low Subjective Knowledge</td>
<td>42.6%</td>
<td>57.6%</td>
<td>24.2%</td>
</tr>
<tr>
<td></td>
<td>Percentage of Total</td>
<td>54.3%</td>
<td>45.7%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Level of Self Confidence</td>
<td>High Level of Confidence</td>
<td>61.1%</td>
<td>38.9%</td>
<td>47.4%</td>
</tr>
<tr>
<td></td>
<td>Low Level of Confidence</td>
<td>48.0%</td>
<td>52.0%</td>
<td>52.6%</td>
</tr>
<tr>
<td></td>
<td>Percentage of Total</td>
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<td>45.7%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
## Importance of Specific Characteristics of Wine Packaging and Situational Use by Gender

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Overall Mean</th>
<th>Male Mean</th>
<th>Female Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost per Bottle</td>
<td>4.1</td>
<td>4.1</td>
<td>4.1</td>
</tr>
<tr>
<td>Grape Varietal</td>
<td>3.9</td>
<td>4.0</td>
<td>3.8</td>
</tr>
<tr>
<td>Country/Region of Origin</td>
<td>3.9</td>
<td>4.1</td>
<td>3.7</td>
</tr>
<tr>
<td>Brand Name</td>
<td>3.7</td>
<td>3.6</td>
<td>3.8</td>
</tr>
<tr>
<td>Vintage of the Wine</td>
<td>3.6</td>
<td>3.7</td>
<td>3.4</td>
</tr>
<tr>
<td>Label Image, Logo and Color</td>
<td>2.7</td>
<td>2.6</td>
<td>2.9</td>
</tr>
</tbody>
</table>

### Quality Importance of Closure Attributes:

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Overall Mean</th>
<th>Male Mean</th>
<th>Female Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Because Screw top seals indicate cheap wines</td>
<td>3.3</td>
<td>3.3</td>
<td>3.3</td>
</tr>
<tr>
<td>Because Cork seals are an indication of quality</td>
<td>3.2</td>
<td>3.2</td>
<td>3.3</td>
</tr>
<tr>
<td>Because Wax seals on a cork indicate quality/freshness</td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Because Foil covering over the cork indicates quality</td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Because synthetic corks are a sign of quality</td>
<td>2.6</td>
<td>2.3</td>
<td>2.8</td>
</tr>
</tbody>
</table>

### Wine Closure Preference Based on Situational Use:

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Overall Mean</th>
<th>Male Mean</th>
<th>Female Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gift Giving</td>
<td>1.3</td>
<td>1.3</td>
<td>1.2</td>
</tr>
<tr>
<td>Special Occasion</td>
<td>1.3</td>
<td>1.3</td>
<td>1.2</td>
</tr>
<tr>
<td>Dinner Party Away From Home</td>
<td>1.4</td>
<td>1.5</td>
<td>1.3</td>
</tr>
<tr>
<td>Restaurant with Friends/Business</td>
<td>1.4</td>
<td>1.4</td>
<td>1.3</td>
</tr>
<tr>
<td>Dinner Party at Home</td>
<td>1.5</td>
<td>1.6</td>
<td>1.4</td>
</tr>
<tr>
<td>Restaurant with Family</td>
<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td>Dinner With Family at Home</td>
<td>1.8</td>
<td>1.8</td>
<td>1.7</td>
</tr>
<tr>
<td>Every day Wine at Home</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Respondent Concerned with Choosing Wine              |                   | 2.6       | 2.4         |

*a=Means with different letters are significant at p=.05. *On a scale of 1=Strongly Disagree, 5=Strongly Agree **On a scale of Natural cork = 1, Synthetic cork=2 and Screw cap=3