Consumption of wine

- Young consumers and wine

- The young wine consumers prefer wine consumption within the ages of 25 and 34 line

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drink more wine.

- General impression from the people involved in wine business that young
consumers are the new generation that drink wine.

- The wineries now have a focus on the young consumers and the young market.

Background

- Wine production takes 3.5% of the agricultural value in GDP.

- The annual consumption is estimated on 6.6 liters per capita.

- 80% of the Macedonian total wine production is exported.

- 25% of the wine consumed present homemade wine.

Young Urban Adult: Preference for Wine Information Sources: An Exploratory Study for Republic of Macedonia

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Consumers Characteristics

The decision to consume wine has been associated with variables such as product involvement, variety seeking, demographic characteristics, experience, and sources of information.

Wine Involvement

- Involvement has been revealed as one of the major factors in the formation of the consumer's outlook on wine.
- Previous studies show the higher involved consumers utilize more information and are interested in learning more, while low involvement consumers simplify choices through risk reduction strategies. Lockshin (2003)
- Wine involvement and consumption increases with age in traditional European wine markets, while they decrease in North America. Mueller et al. (2011)

Consumers Characteristics - Cont'd

Knowledge

The concept of consumer knowledge is defined as the extent of experiences and familiarity that person has with a product. Knowledge refers to information available for making decisions without external searching.

Objective knowledge

- Objective knowledge refers to the actual information stored in the memory.
- Consumers who purchased wine in specialty stores were found to have significantly higher wine knowledge compared to those purchasing wine in supermarkets or general liquor stores. Forshaw et al. (2004)
- Objective knowledge is related to information such as product attributes, the kind of impersonal information that is often found in advertising. Bucy (1998)
- High levels of objective knowledge are related to using impersonal sources of information (wine guides, reviews, and advertising). Dodds et al. (2000)

Wine information search

Young consumers and wine information search

- Young consumers attach high importance to previous experience and word of mouth recommendation.
- Less importance to attributes related to marketing information on the packaging of the wine.

Genders and wine information search

- Females' search behavior often entails interpersonal affiliations. Females usually consult friends, family or other personal sources of information and are accepting of others' opinions regarding wine. Barber et al. (2009)
- Males found impersonal or published material most important information. Males are less comfortable with personal interaction in making decisions. Barber et al. (2009)

The purpose of the study

Providing the wine industry with information about:

1. young urban adults wine store shoppers involvement and objective knowledge in wine, and

2. the importance young adults give to different sources of information regarding their gender, involvement and objective knowledge in wine.

Segmenting consumers in this manner, it is possible to better understand the importance they placed on different information sources and aid wine producers in directing their marketing and advertising efforts.
Methodology

Data collection

For this study, in-store questionnaires assessed sociodemographic characteristics, involvement, objective knowledge, and source of wine information. The questionnaire included:
- Seven-point Likert type scale questions for measuring involvement.
- Test questions for measuring objective knowledge.
- Best-worst scaling for measuring the importance of wine information sources.

Sample selection

The study was conducted in three retail wine stores in Skopje and one retail wine store in the second largest town Bitola. Target sample included wine consumers between 25 and 34 years old.

- The data were collected using a face-to-face survey instrument.
- Non-probability convenience sampling method was used, where respondents who were interested to participate were selected by the personnel working in the wine stores.
- The average length of the interview was 20 minutes. The part reserved for best-worst data took 12 minutes.
- 136 questionnaires were handed out to customers purchasing wine.
- The response rate was 90%.

Measuring variables

- **Product Involvement**: measured with four indicators. The reliability of the instrument was 0.702.
- **Objective knowledge**: measured with seven indicators. The reliability of the instrument was 0.723.

Regarding knowledge and involvement, respondents were classified in two categories: "high" and "low".

- The sum of scores on 7 knowledge questions defined the knowledge groups. A score above 4 (the third quartile value of the sum of scores) was considered as "high," and a score of 4 or below was considered as "low".

- The categories of involvement were formed summing participants’ responses to 4 questions, where the "high" class included participants scoring above 18 on total (the third quartiles value of the sum of scores), while "low" score is 18 and below.

Measuring the importance of wine information sources

Wine information sources importance ratings were measured using a best-worst scaling method. The experimental design consists of 13 information sources. Wine information sources were combined in a choice sets using a balanced incomplete block design (BIBD). The design consists of 13 information sources that were combined to 13 different choice sets where each choice set contained four different alternatives. The design ensured each information source to appear the same number of times (four times) across all 13 sub-sets.
Data analysis

The data were analyzed using descriptive statistics and Bayesian inferential statistics. Null hypotheses testing was done using the package BEST, done under the R programming language. Kruschke (2013)

The BEST package provides a Bayesian alternative to a t-test. The Bayesian estimation enables us producing posterior estimates for sample and group means and standard deviations and their differences.

Results and Discussion

In this study 123 respondents provided a valid answer sheets.
- Respondents were reasonably balanced in gender with 36% of respondents being male and there were a similar proportion of respondents per place of living (Skopje and Bitola), education and marital status. Of the respondents 52.8% drink wine at least one per week and 35.6% stated that purchase wine weekly.
- The share of males with high knowledge and involvement in wine is it was expected was higher than one of the females.

Results and Discussion

The overall mean for involvement show that sample selected has moderate levels of involvement. With 36.5% correct responses on the objective knowledge test, the analyzed sample show quite low knowledge in wine. Other results present higher knowledge and involvement of males compare to females and older (30-34 years of age) compare to younger respondents (25-29 years of age).

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Measure</th>
<th>Overall mean</th>
<th>Gender</th>
<th>Age groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wine involvement and objective knowledge</td>
<td>Overall mean</td>
<td>4.44</td>
<td>4.39</td>
<td>4.37</td>
</tr>
<tr>
<td>Would you like to take part in a wine course?</td>
<td>Overall mean</td>
<td>3.22</td>
<td>3.32</td>
<td>3.12</td>
</tr>
<tr>
<td>Information on the radio</td>
<td>Overall mean</td>
<td>3.11</td>
<td>3.38</td>
<td>3.35</td>
</tr>
</tbody>
</table>

The highest average sample BW score was obtained for “tried wine previously” (2.140), whereas the lowest BW score was obtained for “Information on the radio” (-3.008). The second most important information source was the “family members recommendation”, and the third was the “friends and colleagues recommendation”.

Aggregated BW Score | Average BW Score (M & S.D.)
1. Tried wine previously | 2.52 | 2.150 | 1.800
2. Family members recommendation | 2.01 | 1.650 | 1.570
3. Friends and colleagues recommendation | 1.99 | 1.710 | 1.377
4. Restaurant recommendation | 1.99 | 1.710 | 2.008
5. Point of sale communication | 1.5 | 0.612 | 1.476
6. Sales person recommendation | 1.4 | -0.008 | 1.563
7. Information written on the back label | 1.4 | -0.013 | 1.746
8. Wines recommendation | 1.3 | -0.203 | 1.540
9. Friend and family recommendations | 1.3 | -0.471 | 1.472
10. Information written on the front label | 1.3 | -0.525 | 1.405
11. Migration and newspapers | 1.3 | -0.682 | 1.332
12. Information on the billboard | 1.3 | -1.225 | 1.800
13. Information on the radio | 1.3 | -2.247 | 2.008
Results and Discussion

The results show that tasting the wine previously and word of mouth recommendation has significant positive influence while impersonal sources of information such as information obtained from TV, radio, billboards and written media, and information on the front label have significant negative influence on young consumers evaluation of wine.

<table>
<thead>
<tr>
<th>Source of Information</th>
<th>Mean Impact</th>
<th>SD</th>
<th>Range</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tasting previously</td>
<td>4.5</td>
<td>0.8</td>
<td>3.0-5.0</td>
<td>Significant</td>
</tr>
<tr>
<td>Word of Mouth</td>
<td>4.3</td>
<td>0.9</td>
<td>3.5-5.0</td>
<td>Significant</td>
</tr>
<tr>
<td>TV, radio</td>
<td>1.2</td>
<td>0.8</td>
<td>0.0-2.5</td>
<td>Not Significant</td>
</tr>
<tr>
<td>Billboards</td>
<td>1.1</td>
<td>0.7</td>
<td>0.5-2.0</td>
<td>Not Significant</td>
</tr>
<tr>
<td>Written Media</td>
<td>1.0</td>
<td>0.6</td>
<td>0.5-1.5</td>
<td>Not Significant</td>
</tr>
<tr>
<td>Front label</td>
<td>1.2</td>
<td>0.8</td>
<td>0.5-2.0</td>
<td>Not Significant</td>
</tr>
</tbody>
</table>

Managerial Implications

1. Results obtained for consumers objective knowledge and involvement suggest more activities that would support the spreading of wine culture among young population.

2. Young consumers attach high importance to previous experience with wine and information coming from word of mouth recommendation. Regarding this, it would be very useful for marketers to establish direct relationship with their consumers.

• Tactics could include wine events and tastings with encouragement of incentives to spread the word.
• In addition, more strategic use of social networking sites and online media could be useful.

It may be counterproductive for wine marketers to attempt to communicate with younger consumers using the information channels like radio, billboard and magazines and newspapers, as they are not viewed as important sources of wine information.

Conclusions

1. Objective knowledge and involvement in wine of respondents is much lower than expected.
   • Males and older respondents have higher objective knowledge and involvement with wine.
   • Results show that respondents with higher objective knowledge have higher involvement.

2. Findings regarding the use of wine information sources were in line with previous research.

3. From methodological point of view, the study demonstrated the strong ability of the BW method to give clear and simple answers regarding the wine information sources that are most and least preferred by individuals and different groups in their selection of wine.

• Young males compared to females see on wine back label and on magazines and newspapers to be more important in their selection of wine, whereas females put more attention on previously tried wine and word of mouth recommendations.

• Between different knowledge groups significant difference was found for the use of “restaurant wine list”, with high knowledgeable group finding this more important than low knowledgeable group, and “point-of-sale communication” oppositely.

• The best—worse analysis for both low and high involvement respondents evidenced difference in the score given to the two highest and one lowest ranking wine information sources. Even though both groups give high score for information sources “tasted wine previously” and “family member recommendation”, low for “Information on the radio” the score intensity is very different. High involvement respondents were more reserved in giving high positive and negative scores.
Thank you
Questions?

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