The importance of wine region and consumer’s involvement level in the decision-making process

Teresa Madureira & Fernando Nunes
Escola Superior Agrária – Instituto Politécnico de Viana do Castelo, Portugal

Introduction

In Portugal, as well as in most European producing countries, wine production has been consistently higher than consumption (INE, 2011).

Simultaneously, the wines of the “New World” have significantly increased their presence at European markets, contributing to the imbalance between Portuguese’s demand and supply of wine.

In this unfavorable context, it is very important to understand how consumers select and choose a bottle of wine.

Regarding the high number of regions and brands, choosing and buying wine can be a hard task for an average consumer.

In any other categories of products of mass consumption we can see a supermarket corridor with over 300 brands exhibited, as it is in the case of wines!

Knowing the criteria and understanding the evaluation process made by consumers is therefore very important for producers to develop strategies for market orientation.

The quality of wine is unknown until the bottle is opened and the wine is tasted.

In the absence of information about the product, the extrinsic attributes are often used as heuristic cues to evaluate the quality of the wines and facilitate decision-making

- previously experienced or known brands;
- recommendation of friends and wine journalists;
- advices of retail sales associates;
- perception about wine image

- Label, colours, brand, bottle size, form and colour, package and other extrinsic tangible graphic elements.
Portugal is mainly known for two iconic wines: Porto and Madeira.

But in 2013, for the first time, table wines presented levels of exports (by value) higher than Porto and Madeira.

Indeed, in the last ten years, this sector has undergone profound changes, and the wine organizations accelerated its internationalization, compared to a decrease of domestic demand and an unfavourable economic climate.

In the current investigation we studied wines from 5 regions:

- Porto
- Vinho Verde
- Douro
- Dão
- Lisboa

In 2013, for the first time, table wines presented levels of exports (by value) higher than 58.

Data collection through Focus Groups methodology

Sample characterization

- n=171 consumers
- 30 FG

58 “Regular consumers” (those who frequently drink wine - at least 2 times per week - and demonstrate a particular interest in this product, looking for information about brands and consumption trends).

56 “Occasional consumers” (those who do not drink wine on a regular basis - drink wine only at social events and special occasions - and show little interest about the wine sector).

57 “Expert consumers” (those who drink wine on a daily basis - drink wine more than 5 days per week - and follow the development of wine market in a permanent way, read specialized press and participate in educational courses to improve their level of wine knowledge).
EXTRINSIC ATTRIBUTES

The most valued extrinsic attribute is the Region of Origin.


- The lower the degree of consumers’ involvement is, the more relevant this attribute will be.

- The Region acts as an indicator of wine quality and reduces purchase risk.

“A wine from the Alentejo or from Douro is, for sure, a good wine.” (Consumer #RD3_2Occasional)
Label/back label

There are no differences regarding either the degree of involvement or the Region of Origin.

Consumers with greater knowledge seek for information about the winemaking process, while occasional users prefer more immediate information, as concerning food-pairing.

“When I buy wine, I like to know a little of its history, the producer’s history, the composition of wine in terms of castes and their ratio, the method of wine making process, the winemaker who participated in its preparation, and give less importance to the temperature of consumption, the way of conservation, but I agree that kind of information should be there.” (Consumer #RD2_2 # Expert).

““The bird demonstrates the smoothness of the wine.” (Consumer #RD2_6 # Occasional)

“I often look at the back label, in search of the kind of ingredients that the wine is combined of.” (Consumer #PS1_6 # Regular)

Label/back label

“It's a label that wanted to be modern, but do not hit the target. Doesn’t gives me confidence. I wouldn’t buy this wine.” (Consumer #RD2_6 # Occasional)

“It is a cluttered and messy label. I wouldn’t buy this wine.” (Consumer #PS3_6 # Occasional)

Price

For occasional consumers, price functions as an important indicator of quality; low price may function as a barrier to the purchase decision, which does not happen with experts.


The classical heuristic:

“A cheap wine can not be good.” (Consumer #RD2_4 # Occasional)

“I have some difficulty choosing wine for a dinner with friends, but generally I look for a high price one”. (Consumer #RD3_8 # Occasional)
Extrinsic Attributes - II

Bottle (shape and color)
- This is a major attribute, irrespective of the degree of involvement of consumers.
- Consumers have shown some resistance to change and can constitute a barrier to the purchase.

"I would never buy this wine, it seems a white drink." (Consumer #RA2_3#Regular)

- Regarding the use of screw cap, "Vinho Verde" Region is the only region that seems to have less resistance to its use.

"For me it is indifferent whether the wine has the screw cap or the cork screw, because the "Vinhos Verdes" wines are light, fresh and young. But for other Regions, it is important to have the cork." (Consumer #RV2_5#Regular)

"I am unable to buy a wine without a cork, with those capsules. And I do not like when I open the bottle and see that there is no cork stopper. It breaks down and always spoils the wine. I will not come back to buy it." (Consumer #RD2_1#Regular)

Extrinsic Attributes - II

Brand
- The brand is a valued attribute especially by the occasional consumers, who use it as a factor for reducing the purchasing risk.

"I only buy wines I have tasted, so I do not buy unknown wine brands." (Consumer #RD1_4#Regular)

Extrinsic Attributes - II

Indication of grape variety
- The varieties are primarily valued by experts and regular consumers. Occasional consumers expressed high ignorance, having difficulty in enumerating the names of the more common varieties.

"The varieties define the nature and profile of each wine." (Consumer #RD2_12#Expert)
As I don’t know much about wines, I like to see if the wine was awarded.” (Consumer #RD2_9#Expert)

Medals/awards
- Especially valued by occasional consumers; Regular users and experts show a higher knowledge of the competitions, highlighting only a few medals/awards, but giving little importance to this attribute in their process of choosing wine.

“As I don’t know much about wines, I like to see if the wine was awarded.” (Consumer #RD2_9#Occasional)

Overall picture/packaging design
- Can act as a barrier to choice.
**INTRINSIC ATTRIBUTES**

- **Flavor and aroma** are the most valuable attributes.
  - They are referred in all regions as the most important features in the evaluation process.
    
    "For me good wine, wine with quality, has to have a good aroma and flavor." (Consumer #RD3_6Regular)

- **Wine balance** is the second attribute most valued by consumers.
  - The analyses of this attribute was the most varied, because they depended on the level of consumer involvement.
    
    - Experts use an objective terminology, with technical terms to explain what is valued in balanced wine.
    
    - For occasional users, balance tends to boil down to a general and generic assessment on the wine quality.

- **Acidity** was referred spontaneously in all Focus Groups, although is not a highly valued attribute.

- **Alcohol content** and **gas** are the less valued attributes.
  - Alcohol content was mentioned spontaneously only in the Discussion Groups of "Dão" region and the gas in the “Vinho Verde” and “Alvarinho” regions.

**CONCLUSIONS**

- **Freshness, acidity, color** and **body** make up the third group of attributes.
  - **Freshness** attribute was spontaneously mentioned only in groups of “Vinho Verde” and “Alvarinho” regions (can be explained by the specificity of the intrinsic characteristics of these wines, which are perceived as very different from the wines of the other regions under study)
  - **Color** and **body** were spontaneously reported in all regions, except in the “Vinho Verde” and “Alvarinho” regions. Although these attributes are not a highly valued, they are more important to expert consumers.
    
    "The color of wine is not of great importance when I choose it." (Consumer #RD1_3Regular)

    "The wine color gives information about its evolution." (Consumer #RD2_7# Expert)

- **Being aware of the relevant attributes for the process of choosing a wine by consumers is a key factor for producers and winemakers to enhance their wines, turn them competitive, consumer-focused and more market-oriented.**

- **The involvement of consumers and the Region of Origin are inversely correlated, as this attribute decreases purchasing risk factor for occasional consumers. In fact, for consumers with a low level of expertise, some wine Regions are synonyms of higher quality.**
CONCLUSIONS

More than understanding the attributes valued by consumers in the process of choosing a bottle of wine, it is important to realize that there are variables such as level of involvement or region of origin, which can optimize the fully comprehension of this complex process, contributing to an accurately Market-Orientation strategy.

The importance of these attributes varies with the degree of consumers' involvement.

Teresa Madureira

teresa@esa.ipvc.pt

Instituto Politécnico de Viana do Castelo
Escola Superior Agrária
PORTUGAL