

Wine Marketing

Influencers of consumer choice in the on-premise environment: more international comparisons

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This paper presents the second set of international results from the On-Premise setting of Grape and Wine Research and Development Corporation (GWRDC) funded research. The research is investigating the influencers on consumer choice for wine in the retail and on-premise situations in Australia and key export markets. Earlier papers showed the initial results and segmentation analysis from Australian data (Goodman, Lockshin & Cohen 2006a, 2006b) as well as results for China, France, Germany, Israel and the United Kingdom (Goodman, Lockshin and Cohen 2007a). This paper presents the sample level results (On-Premise) from New Zealand, Brazil, Austria, Italy and France. The next step of the research is to conduct segmentation analysis to identify what segments exist on a market by market basis. These will be published in forums such as this. Notification of publication can be obtained by contacting Steve.Goodman@adelaide.edu.au

This is the fifth paper in a series from the consumer choice influencers research we are undertaking. The introductory section has been presented previously and outlines the method and its mechanism for those who have missed the earlier papers. For those familiar with the research method and context, skip ahead to the results section which has the new set of countries results shown, along with the differences compared to Australia, the base country.

Introduction

Most common surveys are with rankings or ratings and consumer panel data, which details individual purchases. Respondents to surveys do not use ratings or rankings the same way across respondents and the results are subject to a range of biases resulting in scores or ratings, which are too similar or too difficult to interpret.

This research uses a new method called Best-Worst Scaling (also known as Max-Diffs). In addition to the normal demographic data, involvement levels and consumption frequency, a section of the survey uses a series of 13 tables (see example Table 1) to measure the true importance of the attributes that influence wine choice. Each table consists of four 'influence attributes'; each attribute appears an equal number of times across the survey and equally against each other attribute in the total set. This method allows better comparisons among countries and segments.

Respondents are then asked the question related to the two situations: for on-premise, "remember the last time you had wine with a meal with friends in a restaurant"; or for retail, "remember the last time you bought a bottle of wine in a shop to have for dinner with friends" and instructed to, in each table, indicate the one that MOST (best) and the one that LEAST (worst) influenced their decision. The specific situation for retail purchase was selected as a 'standard' to avoid situations where people's criteria might vary

Table 1. Example of one table of a best-worse choice experiment

Worst/Least	Issue/attribute	Best/Most
	1. Grape variety	x
	2. Brand name	
x	3. Medal/award	
	4. Origin	

because of purchases for gifts, cellaring, special occasions etc. Respondents were asked on what types of occasions they would change their behaviour to allow some cues as to when these 13 choice influencers might vary. Data were collected using different techniques depending on our collaborators in each country; some data were collected online, others as mall intercepts, in-store surveys or various combinations.

The data is transformed and analysed, where the total number of times each attribute is mentioned as 'worst' is taken from the number of times it is mentioned as 'best', leaving a score which is then standardised to enable different samples to be compared. There is much more statistical rigor to the process, compared to the standard 1-7 Likert-type scale. For a detailed discussion of the method and its application in the wine sector, see Goodman, Lockshin and Cohen (2005; 2006c), which demonstrates a range of results that can be used to discriminate amongst various segments and used to assist in focusing the marketing effort. The results are referred to as a 'level of importance'. Each attribute has a coefficient (number), which is a true representation of its value to the consumer. The nature of the method and resulting analysis means the numerical score is not just a rank order, but shows the degree of preference and can be compared between countries and segments to indicate similarities and differences.

It is important to note, the negative scores are not necessarily negative influences, but just the way the scale is produced; the larger

Table 2. On-premise influencers - Australia

Rank	Australia (n=283)	
	Attribute	B-W Std Score
1	Had the wine before and liked it	57
2	I Matched it to my food	35
3	Try something different	28
4	I had read about it, but never tasted	19
5	Region	14
6	Suggested by another at the table	13
7	Varietal	3
8	Available by the glass	0
9	Waiter recommended	-10
10	Suggestion on the menu	-15
11	Promotion card on the table	-38
12	Available in half bottle (375ml)	-46
13	Alcohol level below 13%	-60

the negative, the less important the feature, the higher the score the more of an influence it is in the decision.

Retail store choice results – market by market

The Australian market was discussed in previous articles (Goodman *et al* 2006a, 2006b), but the results are repeated here for reference to the other countries (Table 2). It is important to note that negative scores for an attribute do not mean they are negative influencers. A negative score simply means that there were more instances of that attribute mentioned as ‘least’ than as ‘more’, the inference is that it is much less of an influence. We are currently investigating converting this to a probabilistic scale (where the probability of each attribute being chosen as ‘most’ is shown), but for completeness of tying in with the earlier country reports we have kept to the same presentation of scores.

When targeting different overseas markets, the approach can identify the differences from Australia and help to assist us in implementing marketing strategy – for example in Austria (Table 3) what we see is not just the ranking order, but how much more important varietal is than in Australia. This offers much to Australia as much success to date has been built around varietal wine rather than appellation controlled wines. The region is more important in Austria than here in Australia, offering hope for the *Directions* strategy of regional heroes. Having previously tried the wine before is much less of an influence than in Australia – again offering hope that the market can be cued to other signals.

Brazil (Table 4) has the same most important influence as Australia. But are more likely to be influenced by another at the table – this opens opportunity for consumer ‘evangelists’ to play a role – and given the importance in retail of ‘brands’ to Brazilians (Goodman *et al* 2007b) there might be some straightforward marketing entry strategies there for the taking. Like Austria, varietal is much more important than in Australia. Maybe in Australia we consumers have been too spoiled with varietal being the ‘baseline’ of wines offered. Region is of less importance to Brazilians, possibly opening up a path for ‘South East Australia’ style blends that fit other more important influencers.

It is no surprise, or rather one of the wine myths that does hold up empirically, that ‘matching it with my food’ is a much stronger influence in France than Australia (Table 5), as is regionality. Similar to Germany, both the waiter’s suggestion and a menu suggestion are more important influencers in France than in Australia (and the United Kingdom – Goodman *et al* 2007a). As stated previously, is this to do with how they are presented and trained or our reluctance as consumers to trust? Traditional Australian strategies are not necessarily suited to France and vice-versa.

Respondents in Italy, another classical European food and wine ‘home’, are, like those in the French data, much more influenced by

Table 3. On-premise influencers - Austria

Rank	Austria (n=182)	
	Attribute	B-W Std Score
1	I Matched it to my food	41
2	Varietal	35
3	Had the wine before and liked it	28
4	Region	27
5	Try something different	19
6	Suggested by another at the table	10
7	I had read about it, but never tasted	4
8	Available by the glass	3
9	Waiter recommended	-4
10	Suggestion on the menu	-12
11	Promotion card on the table	-33
12	Alcohol level below 13%	-58
13	Available in half bottle (375ml)	-61

Table 4. On-premise influencers - Brazil

Rank	Brazil (n=276)	
	Attribute	B-W Std Score
1	Had the wine before and liked it	41
2	Suggested by another at the table	35
3	I Matched it to my food	34
4	Varietal	24
5	I had read about it, but never tasted	8
6	Region	1
7	Try something different	-5
8	Suggestion on the menu	-5
9	Waiter recommended	-14
10	Available by the glass	-23
11	Promotion card on the table	-25
12	Available in half bottle (375ml)	-28
13	Alcohol level below 13%	-43

matching it with food than Australia but there is less difference in attributes such as ‘region’ and ‘reading about the wine’. Again, like France and Germany, in Italy we see the influence of the waiter to be moreso than Australia, although less of a difference on menu suggestions. It appears from the European data that ‘by the glass’ is less of an influencer than it is here – are wineries adapting their on-premise strategies or pursuing the same ‘on the pour’ approach? A difficulty might be that the influence of the on-premise channel in the overall sales growth in some markets might be somewhat less than Australia, where ‘trying something different’ is much more of an influence than in Italy in the on-premise setting.

NZ, the closest geographically, and arguably culturally, to Australia shows quite a similar pattern of influencers (Table 7). The rank order is quite similar to Australia, although notable differences are that varietal in NZ is much more of an influence than in Australia (similar in the retail setting, see Goodman *et al* 2007b), whilst region in Australia is more important as an influencer than in NZ.

On-premise market comparisons

Figure 1 shows the sample level data from the countries discussed earlier, this will be available later as a full, all country chart. Remember that ‘below the line’ does not mean a negative influence, but that it means it had more ‘least’ influence response than ‘more’, what we see is that the further to the bottom the line is, then the less influence it is on choice – it is not a ‘negative’ influence. We begin to see areas where international markets might be grouped as one, and others where some adaptation is likely to be required for successful marketing. In Italy and France (most likely to no-one’s surprise) we see a common difference with the others in the role and importance of matching to food, similarly with regard to the influence of the waiter’s recommendation. We see in the data that Brazil, Italy

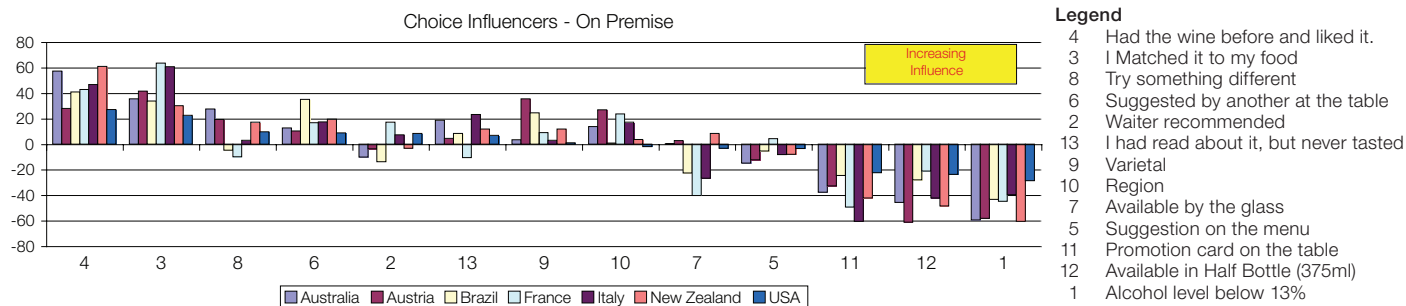


Fig. 1. Choice Influencers Market Comparisons – On-Premise

Table 5. On-premise influencers - France

Rank	France (n=147)	
	Attribute	B-W Std Score
1	I Matched it to my food	63
2	Had the wine before and liked it	43
3	Region	24
4	Waiter recommended	17
5	Suggested by another at the table	17
6	Varietal	9
7	Suggestion on the menu	4
8	Try something different	-10
9	I had read about it, but never tasted	-11
10	Available in half bottle (375ml)	-21
11	Available by the glass	-40
12	Alcohol level below 13%	-45
13	Promotion card on the table	-49

Table 6. On-premise influencers – Italy

Rank	Italy (n=343)	
	Attribute	B-W Std Score
1	I Matched it to my food	61
2	Had the wine before and liked it	47
3	I had read about it, but never tasted	23
4	Suggested by another at the table	17
5	Region	17
6	Waiter recommended	7
7	Varietal	3
8	Try something different	3
9	Suggestion on the menu	-8
10	Available by the glass	-27
11	Alcohol level below 13%	-40
12	Available in half bottle (375ml)	-42
13	Promotion card on the table	-61

and France are much less influenced ‘by the glass’ than Australia, Austria and NZ, and that varietal push might be the way forward in the markets of Austria and Brazil.

Conclusion

The data presented here is the first cut, at a national sample level, there is no segmentation. We are undertaking the segmentation work as early results have shown that some segments are more likely to be influenced by factors and others are not. For example, promotion card on the table has been shown to be a strong influence in some segments (Goodman *et al* 2006a,b), whilst in most it is the ‘least’.

There are no prescriptive ‘do this’ or ‘do that’ in the results of the research – what we have is a method, and now the collected international data, to identify and flag the signals in segments and markets that are likely to give those who market using them an edge. Wine consumers across the markets and across segments are very similar in many regards, the key to what we are doing is looking for differences that just may be key in how we market in order to achieve the goal of selling more Australian wine and possibly at a higher price. The end goal of the project is to allow the data to drive the segmentation of the market, rather than using traditional ‘gut-feeling’ segmentation, leading to the compilation of ‘maps’ of the various segments and their influence profiles. Let’s look at those, work back up the distribution chain and see how we can take advantage of the insights gained to really get the world ‘trading-up’ on Australian wine.

As we undertake each step of this we will publish the results in forums such as this. If you want to be alerted to upcoming results you can email steve.goodman@adelaide.edu.au

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Table 7. On-premise influencers – New Zealand

Rank	New Zealand (n=216)	
	Attribute	B-W Std Score
1	Had the wine before and liked it	61
2	I Matched it to my food	30
3	Suggested by another at the table	20
4	Try something different	17
5	Varietal	12
6	I had read about it, but never tasted	12
7	Available by the glass	8
8	Region	4
9	Waiter recommended	-3
10	Suggestion on the menu	-8
11	Promotion card on the table	-42
12	Available in half bottle (375ml)	-48
13	Alcohol level below 13%	-61

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