

Results of the Discrete Choice Experiment Pre-test June 2007

Aim of the experiment:

The aim of the Discrete Choice Experiment (DCE) pre-test experiment was to verify the results of the Best-Worst experiment on the importance of various aspects of wine packaging in Australia. The Best-Worst experiment showed that the label design and visual information was NOT important as respondents primarily paid attention to brand, price, region and country of origin and medals when offered only verbal descriptions. However, anecdotal evidence from our Advisory Group suggested that visual characteristics might have a subliminal effect, so further verification was necessary.

Set-up of the experiment:

244 regular wine consumers from around Australia, recruited via a panel provider, completed the experiment online. The sample is representative of Australian wine drinkers. Respondents were presented with several shelves of six wines each. The graphical representation of wine bottles combined six different attributes with either two or four levels. The six attributes were chosen from the most important verbal attributes found in the Best-Worst experiment (brand, price, region of origin) and from visual packaging attributes (label style, label colour and bottle form) for which subliminal effects were suspected. We developed four different label styles and provided each with four colours and placed them on two different bottle shapes. Two regions, two brands, and four prices were also manipulated. Respondents were asked **which wines they most and least preferred and if they would realistically purchase their most preferred wine** for each of 16 different shelves. See the Figure for an example.

Please select the wine you Most prefer and the wine you Least prefer Shelf 1 of 16

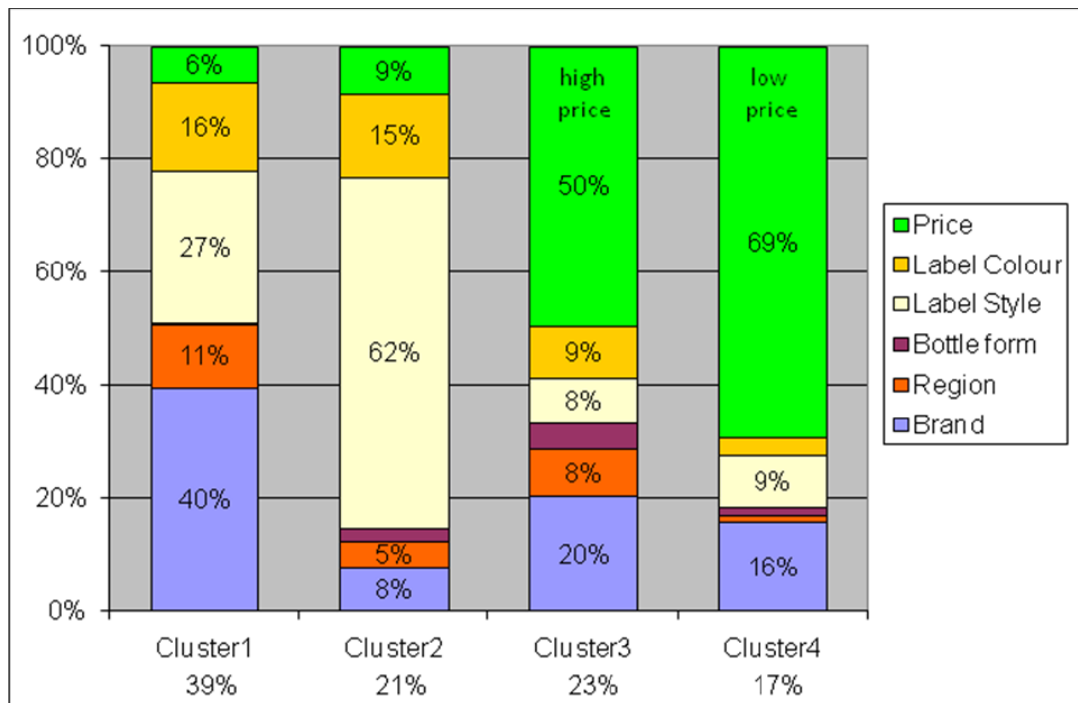


	Wine 1	Wine 2	Wine 3	Wine 4	Wine 5	Wine 6
Price	\$22.99	\$12.99	\$17.99	\$17.99	\$12.99	\$7.99
Most	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Least	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Would you realistically purchase your most preferred wine?						
Yes:	<input type="radio"/>					
No:	<input type="radio"/>					
<input type="button" value="SUBMIT"/>						

Results:

The preference data from the DCE pre-test for various aspects of the wine packaging was explored using a Latent Class Regression approach. This was done because the data showed that different consumers used different attributes to make their wine choice. Therefore, we needed to cluster the consumers into groups using similar wine choice cues. Our analysis identified four latent classes (see below), which addressed the experiment's objectives:

- Cluster 1 focuses on brand and label style, and to a lesser degree price and label colour
- Cluster 2 focuses overwhelmingly on label style, and a bit on label colour
- Cluster 3 focuses on the price of wines preferring high prices, and a bit on brand
- Cluster 4 focuses on the price of wines preferring low prices



The experiment clearly shows overall that **visual packaging information** (e.g., label style, label colour) has a large overall effect on wine choice, when tested indirectly with simulated bottles. The pre-test also reveals that different consumers use different attributes to choose wine. For some wine packaging is more important than for others. However, some elements such as bottle form (e.g., Bordeaux v Burgundy) remain unimportant for all clusters.

It became clear that using verbal descriptions did not present a complete picture of the importance of packaging information and that visual elements probably have a strong effect on wine choice, even if consumers cannot articulate it.

Implications for Future Research/Project Sub-projects:

- The visual attributes that were identified to have a significant impact on the wine preference in the pre-test, will be retained for future DCE.
- Variables may be added to future DCE to replace the unimportant variables (e.g., bottle form) with more important variables, such as a promotional discount.
- Based on the subliminal effects encountered, all future experiments for wine bottles will utilise simulated bottles as the visual elements have a significant impact.

Adelaide, 6 November 2007