



## **MEDIA RELEASE**

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### **Australian Wine Researchers a step closer to predicting consumer choice**

Australian wine market researchers have discovered that the shelf rating by a wine writer or respected reviewer is the most important factor that influences consumer's choice when buying wine.

Recent research led by the Ehrenberg-Bass Institute for Marketing Science at the University of SA and funded by the Grape and Wine Research and Development Corporation, found that factors such as brand and price were more important than the wine label design or closure, in consumer's selection of a red wine from a bottle shop for a social event with friends.

The research conducted in Australia, indicates that whilst accurate description of wines at point of sale (POS) may influence increased sales, consumer sensory preferences don't necessarily link to actual consumer choices in a wine shop situation.

The next phase of the project will investigate consumer's preferences in two submarkets in the United States to further develop insights and models on consumer preferences. Insights from this research will provide the wine industry with methods and a framework to more accurately predict the buying habits of wine consumers.

"There is a widely held belief that consumers predominantly choose wines based on taste and flavour, but as marketers, we wanted to quantify the other influences on purchasing decisions, such as price and packaging, which we found have a much bigger role on wine choice than most wine people believed," said Project leader Professor Larry Lockshin, of the Ehrenberg-Bass Institute for Marketing Science at the University of South Australia.

The multi-disciplinary team started from a scientific foundation to benchmark the key sensory elements of Australia's best selling wines, and chose Shiraz as the wine most widely grown and made in Australia.

"Starting with some of the top selling and most popular Shiraz wines in the sample market of New South Wales, 21 wines were selected by sensory experts of the Australian Wine Research Institute (AWRI) to cover as many different taste styles as possible," Professor Lockshin said.

Those 21 wines were then analysed in full detail by the team of Dr Leigh Francis from the Australian Wine Research Institute for their sensory spectrum of flavours and their chemical composition. Everything from the spice and chocolate flavours in warm region Shiraz to pepper and herbaceous flavours from cool climate regions, along with the overall sugar level of each wine was tested and recorded.



The wines were also tasted by a representative consumer sample of 420 red wine consumers in Sydney. The consumers were asked to select their favourite wines, basing their decisions not just on taste but as they would do in a real life situation: knowing information such as price, brand, country and region of origin, alcohol level, show awards, label style and colour and closure (cork or screwcap).

In parallel, more than 1,200 consumers evaluated experimentally designed wine bottles in a computer simulated wine shelf to explore consumer decision-making processes. The team from the Centre of the Study of Choice (CenSoC at the University of Technology Sydney) led by Prof. Jordan Louviere developed a web-based survey tool to record consumers' preferences to alternative wine attributes including: price, brand, country and region of origin, alcohol level, show awards, label style and colour and closure (cork or screw cap) without tasting the wines.

Consumer preferences were then validated with AC Nielsen market data (actual purchases) for the same time period.

Initial models based on the consumers' preferences were able to predict with greater than 90% accuracy when compared with the actual market data from retail stores in NSW. Professor Lockshin said that while this is still early days, there is an opportunity to use this information to share insights and methods to help Australian wine merchants and winemakers to better target wines for markets, based on practical consumer insights.

Traditional market research for the wine industry has been limited to companies with large budgets/resources to explore consumer preferences through focus groups, sensory testing and market trials. Equally, investigation of overseas markets and testing of new packaging or styles has been prohibitively expensive for all but the biggest of wine producers.

GWRDC's investment into exploring practical alternatives to better understand consumer preferences will deliver to the Australian wine industry insights and methods that will potentially provide a competitive edge in the global wine market.

**FOR MORE INFORMATION:**

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