

SA WINE RESEARCHERS A STEP CLOSER TO PREDICTING CONSUMER CHOICE

South Australian wine marketing researchers have moved a step closer to understanding what makes consumers choose one wine over another.

By next year they expect to have developed a ground-breaking decision support software, which works in a similar way to scientific modelling for climate change or health risks, to more accurately predict the buying habits of consumers and help winemakers meet those demands.

Project leader Professor Larry Lockshin of the Ehrenberg-Bass Institute for Marketing Science at the University of SA, said the unique collaboration between market researchers and scientific sensory analysts will give Australian wine producers an exciting competitive advantage in the world wine market.

“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,” Professor Lockshin said.

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 AWRI 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.

“This showed the flavour profiles that consumers clearly like, based on sales.”

Professor Lockshin said the wines were then tasted by a representative consumer sample of 420 red wine consumers through the consumer sensory agency SensoMetrics 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 by knowing information such as price, brand, country and region of origin, alcohol level, show awards, label style and colour and closure (cork or screwcap).

At the same time more than 1,500 consumers chose wines in a computer simulated wine shelf.

“The team of Prof. Jordan Louviere from the Centre of the Study of Choice (UTS) in Sydney developed this web based program to record their reaction to changes in label design and price,



and additional information such as taste descriptions and wine ratings,” Professor Lockshin said.

“Then we cross-referenced their decisions with the empirical consumer sales data recorded by AC Nielsen from retailers in NSW every month.”

Professor Lockshin said the consumer preferences for certain wines, based on both sensory and marketing cues, closely mirrored the wine’s sales success in the AC Nielsen data.

“We found that we could predict with 94% accuracy the actual sales as provided by AC Nielsen scanner data from thousands of retail stores and millions of consumers,” he said.

Professor Lockshin said that while this is still early days there is an opportunity to use this information to create a powerful decision making tool which could help winemakers develop wine styles, price points and packaging which will make them more competitive.

“We hope that in the future winemakers and marketers will be able to enter in a range of variables such as the colour and style of a label, the price per bottle or the closure style to get accurate feedback on the wine’s likely success in the market place,” Professor Lockshin said

“In the past this predictive research has been hit and miss Wineries often use focus groups of consumers to test new packaging or styles but while we know that packaging is important to consumers, they are often unable to verbalise what they like or why they like it.

“The computer model will be able to bring all of the variables together and gives immediate, accurately benchmarked feedback on the likely market share of a new product. The winemaker can then tweak the product – for example they could change the colour of the label or adjust the price to “dial up” market outcomes.

“This more sophisticated decision-making system means Australian winemakers will be more closely attuned to consumer behaviours and therefore more competitive against other wineries from around the world.”

The research project, which has been funded by the Grape and Wine Research and Development Corporation, has so far focused on Australian domestic consumer choice patterns.

During the second half of the year the researchers will also test one of Australia’s biggest export markets, the United States, to determine American wine consumer behaviours.

“We’re aware that there will be cultural differences in the US in terms of buying behaviours and this additional information will be very valuable to the Australian industry.”

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