

# What's important in choosing a wine?

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Our research group, along with our partners at The Australian Wine Research Institute and the University of Technology Sydney, have received a \$1.4 million grant from the Grape and Wine Research and Development Corporation (GWRDC) to develop a means of predicting the success of new wines launched into new markets.

The project started in October last year and has moved through several preliminary stages. We plan to publish the results of each stage in *WBM* as well as have some workshops across Australia as we get more results. The project has an advisory group of marketing managers representing large and small wineries, plus representatives from the Australian Wine & Brandy Corporation and GWRDC, who help us focus on the most important aspects to the overall Australian wine sector.

The first stage was designed to reduce the potential number of attributes or cues that consumers use to choose a bottle of wine to a manageable number. At this time, we were only concerned with the bottle and label; another experiment (to be published later) looked only at flavour components. We came up with 16 different aspects of the bottle and label that could be changed by wine marketers (see Table 1 for a complete list and ordering).

We tested the importance of these 16 attributes using what is known as 'Best-Worst' scaling. This technique provides respondents with sets of items (in this project four to a set) and asks them to choose the most important and least important item in the set when making a purchase of wine. Respondents see a range of sets, where over all of them each attribute is seen the same number of times itself and paired equally with every other attribute. Because respondents have to choose the most and least important, the technique compensates for many of the weaknesses of the standard rating scale, e.g. 'how important is attribute x, please rate from 1-7'.

Table 1: Overall importance\* of attributes for choosing wine averaged across occasions

Attribute	Importance
Brand	100
Mid price (\$12-\$15)	80
Promotional pricing	80
Region of origin	77
Medals and awards	72
Country of origin	65
Bottle size	31
Alcohol level	29
Closure material	22
Organic	17
Capsule material	16
Label style	9
Bottle shape	7
Bottle colour	5
Label colour	2
Label shape	0

\* the importance weights have been scaled to 0-100 for ease of comparison



Figure 1: Sample screen from the most recent choice experiment.

Rating scales are subject to a range of problems, including the fact that most items end up being 'relatively important', so it is hard to discriminate between items. Also different people use rating scales differently. What is a 7/7 to one person may only be a 5/7 to another. This differential use of scale numbers is even more pronounced across different cultures, where in more polite cultures (e.g. in Asia), many people refrain from using the lower ends of the scales. There is only one way to choose the 'best' or the 'worst', regardless of culture or rating style. Therefore, Best-Worst scaling is more accurate and discriminates between close items.

We threw in a couple of extra factors into our experiment, which was conducted online with a random sample of wine

drinkers from across Australia. Three versions of the survey were provided with different ways of explaining the label and package attributes. The first was the standard with merely the words as in Table 1. The second method had descriptions of the items available by clicking. So, for example, brand was explained by 'Jacob's Creek' or 'Wolf Blass' and bottle shape by 'Bordeaux' or 'Burgundy'. The third method used the same words for descriptive items, like brand, region, price, but used actual pictures for the packaging items like bottle shape, label shape and closure.

We also used seven different purchase occasions. Each person responded to only one purchase occasion, so the different occasions were compared across different respondents. The occasions were to buy to: drink by oneself, drink with friends, drink at home with family, drink in a café, drink for a special occasion, drink in a fine dining restaurant, and give as a gift.

The data were collected through an Australian internet panel provider of people who had bought at least one bottle of wine in the last month. We collected more than 700 respondents, with more than 100 in each of the seven purchase occasions. The three information conditions were spread across the 700 with approximately equal numbers in each.

The results are presented in Table 1. We have converted the best-worst coefficients into a 1-100 scale. The numbers can be read as the probability that the item would be chosen as most important. The differences indicate how close or far apart the different items are in the importance to buying wine. The results were quite similar and reliable across the different situations—that consumers choose wines fairly the same no matter what the occasion. *In all situations brand was most important.* Price was next important followed by promotional priced wine (10% discount). Region of origin and medals and awards were the next most important, switching places in a few situations. A somewhat surprising outcome was that all but two of the different purchase situations did not differ in importance among the attributes chosen.

The analysis showed that price was less and region of origin, medals, and country of origin more important for a purchase of

a bottle of wine as a gift to someone special. For a special occasion such as an anniversary or celebration, medals and awards on the label had the next highest importance besides brand, whereas price had a lower influence. Promotional pricing had a greater influence, when buying a bottle of wine in a café-style restaurant.

The other surprising outcome was how unimportant packaging seemed to be. All of the lowest rated attributes were packaging related. This does not seem in accordance with our own experience or the experience of our advisory group. Even the respondents who could click to see pictures of the packaging attributes did not rate them more highly. We were surprised to find that the availability of pictorial information was only accessed by about 20% of the respondents. We thought that more people would seek further information on the different terms we used.

### How useful is all of this?

Certainly the results across the situations confirm how important branding is and of course price. Looking over results I have gotten over the past eight years, I would say that region has become more important, even for everyday drinking. This emphasises the requirement that wineries work together in regions to impact the probability of being chosen off a shelf or wine list. Bottle size and alcohol level are about one third as important as brand and price. As I have stated before, we have not been very creative in offering packaging choices to consumers, except in bottles and casks. I believe there is demand out there for smaller packaging sizes as long as the price premium is reasonable. Also, there has been a lot of talk about increasing alcohol levels in wines. This research shows that consumers do pay attention to this, though this is probably just starting to become more important.

### Where to from here?

This was a preliminary study to help us learn what the most important attributes were, so we could incorporate them in a larger future study, where we will manipulate actual bottles and labels. The relative unimportance of packaging has caused us to conduct another online experiment testing packaging attributes in a graphical rather than a written mode.

We had to develop a means of changing label style, colour, bottle shape as well as written information (brand, region, price) live on the computer screen based on an underlying experimental design. Thanks to the graphical design people at UniSA, we invented a new method which allows us to put different wine bottles on web pages for future choice experiments (Figure 1). We have just finished the packaging pre-test and at this stage we can say that the label styles and colour did have an effect on the probability of purchase, along with brand, region and price. We feel more confident going forward to be able to simulate the choice decisions of consumers standing in front of a shelf of wines.

More reports will follow in future editions of *WBM* as we gain the information. For more information on the project and results of the most recent work see: [www.winepreferences.com](http://www.winepreferences.com).

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