

Packaging is important

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A few months ago in *WBM* I reported on some research we are doing on how consumers choose wines. We used written statements describing various features that might impact wine choice, like brand name, prices, awards and medals, as well as words describing packaging features such as bottle shape, label style and label colour. The results showed that brand, price and region were very important and that the various packaging features were mainly unimportant. This did not make sense to us or to some of the readers of *WBM* (as I was told directly).

Our mandate with this large project funded by the GWRDC is to develop a method for predicting consumer choice of new wines, both in packaging and style. The low ranking of packaging features showed us that our method probably did not correctly measure the influence of packaging. Our next stage, then, was to develop a means to measure packaging influences and be able to compare them simultaneously to other features, like brand name and price.

We developed a series of graphics, which could be substituted in an experimental design thanks to the graphics design department at UniSA. An example of these is shown in Figure 1. Although this example has the same brand name across all six bottles, we actually substituted two different brand names in a specified design on top of the different bottles. One was made up (Jinks Creek) and one was a real brand name of one of Australia's top selling wines. We had four different label designs: traditional, the 'chateau', modern and 'grapes'. We then were able to overlay four different label colours on top of the different designs. Two bottle shapes, Bordeaux and Burgundy, were set under the other graphics. We had four different prices below the wines and two different regions, one very well known and the other a small lesser-known region.

The idea was not to run a definitive experiment with all possibilities, but to see



Figure 1. Sample screen shot from the choice experiment.

if manipulating the packaging elements along with the most important information elements had an effect on wine choice. If our method worked, we could then expand it in the next phase.

Our experiment was conducted on the web using people recruited by a web-panel provider. We asked for people who had purchased at least one bottle of red wine in the last month. More than 250 consumers responded to our survey. Each consumer answered some basic demographic questions and then was presented with a series of screens similar to Figure 1, except there were different brand names overlaid. The bottle shapes, label styles, label colours, brand names, regions and prices were varied according to an experimental design so that each person received an array of different combinations, but overall each attribute appeared the same number of times. Respondents choose which bottles they most and least preferred.

Our initial analysis is presented in Figures 2 and 3. The first thing we found is that there are different segments of consumers, who use different decision rules in choosing wine. The percentages in each bar indicate the relative importance of each factor during the purchase decision. The people in Cluster 1 use brand name more than any other attribute, but label style is also important, followed by the label colour. Price is not that important to this group, which doesn't mean they don't use price, but only that they first use brand and label. Region plays a small but

significant role. Cluster 2 people mainly focus on the label style. They like some labels and dislike others. Label colour and price are about as important as in Cluster 1, but brand name is not that important. Clusters 3 and 4 focus mainly on price. Cluster 3 are high price buyers, where price seemingly indicates quality and these buyers are prepared to pay for it. Brand name is second most important with less attention paid to label colour. Interestingly bottle shape has a small effect, but almost no effect in the other groups. It may be that high price buyers are aware of the differences between the two types of bottles, but the other segments are not. Cluster 4 focuses on low priced wines. Brand is a distant second followed by label

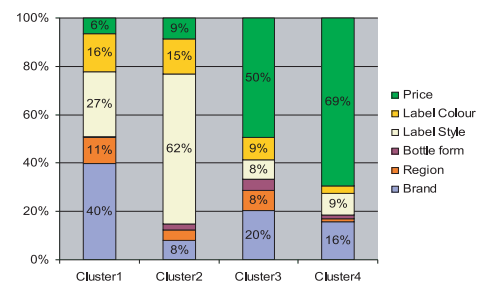


Figure 2. Importance of different attributes for four different segments.

style. Region was not that important compared to brand, label and price across the four clusters. However, we should be aware that this was a simplified choice task and may not represent all the factors adequately. Three of the clusters were of about similar size, with only Cluster 1, the brand name cluster much larger than the others.

The results of this experiment were much more realistic than the one we did first, where consumers compared written descriptions of different wine features for relative importance. These results indicated that consumers can't really 'say' that they are influenced by packaging, e.g., label style or colour, but faced with a choice among different wines, these packaging features do play an important role. It is also apparent that we cannot generalise to all wine buyers. There are

definite segments, which each use different factors when buying wines. We are not reporting details here, but even within the label buyers, different styles were attractive to different buyers, as were different colours. This should give good comfort to both small wineries and to label and packaging providers. The results do point to the need to do some testing of different packaging concepts and see which appeal to the type of consumers you are targeting. Certain colours, such as orange, are not liked by very many buyers, but that seems apparent from the few orange labels appearing on store shelves.

This research was preliminary; it showed that we could manipulate packaging and that the simulated buying situation is realistic enough to get results. Our next phase will provide much more complex and realistic choices, where there are many more brands, regions, price discounts, and medals and trophies along with the packaging options. The overall idea is to be

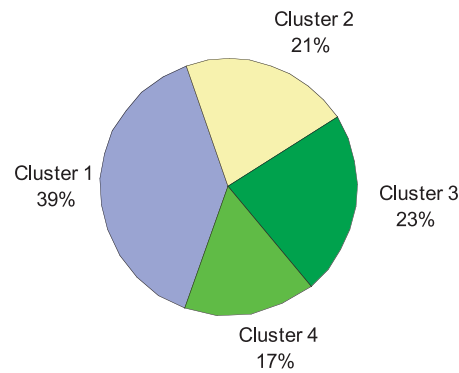


Figure 3. Size of each cluster in our sample.

able to predict what changing one or even a combination of features on a wine will do to the choices of different segments of consumers. The next sample will be much larger, which will also allow better segmentation, so that different wineries could choose different segments and see how changing some features affects the preferences of different segments.

Along with the labels, we are working on the wine style aspect of this project. By next year, we hope to be able to combine

these packaging features with different wine styles as preferred by segments of consumers tasting actual wines, and then be able to predict the relative influence of all of these on consumer choice. We will then take the method into a key export market to help the Australian wine sector understand how to better package, price and style their wines to increase consumer preference.

We are very interested in your opinions and feedback on this work. For example, in the next phase, should we include the latest packaging, such as aluminium or plastic bottles? What manipulations to wine styles should we consider? I am happy to receive your comments via email. For more information on our project, see our website: www.winepreferences.com

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