

smart marketing



Larry Lockshin

Australia's amazing export success from the mid 1990s until just a year or so ago has been attributed to many factors, good marketing among them. I think we were very good at not only meeting a growing global demand, but in some ways engendering that same demand.

I am not sure our success was due so much to marketing, but more to selling a very competitive product that many people liked. The competitive nature of our domestic market developed the right skills for entering markets with an existing affinity for Australians and Australian wine. No one today doubts that we were very good at doing the easier things. However, now we are faced with much more difficult times where our largest and most successful markets are declining and the other opportunities are much more difficult due to cultural differences and the role wine plays (or does not play) in them.

My colleague Tony Spawton wrote in 1988 about Australia's two wine industries: the commercial one and the fine wine one, and how the marketing had to be different for each to be successful. That statement hasn't changed, but the execution of what is successful has, perhaps more for the

commercial sector than for the fine wine one. Our success in the recent past had much to do with getting the product on the shelves (selling), using awareness (tastings and wine flights), and creating an Australian aura with brand names and varietal labelling. We made it easy for consumers to choose Australian wine and in many cases we made our wine easy to like. Now for the harder part.

I think the next phase of Australian wine marketing, especially in the lower price points, has to be consumer education. Many of you would answer, "But we have been educating the consumer," or "It is too expensive to educate all those consumers." Of course we offer wine appreciation classes, both here and to a lesser degree abroad. We now have the well-designed *Australia: World Class* online and DVD-based learning. These offer a range of knowledge levels from basic to quite advanced. The problem is that a tiny proportion of wine drinkers will only ever pursue such detailed knowledge.

How many car drivers would go to a website to learn all about the intricacies of cars? Even if we take a more involving pastime, how many people who mow their lawns or plant a few flowers are passionate enough to go online to study in depth? The answer would be the same for wine: a few,

but not a very great percentage of gardeners or wine drinkers would take the time to self-educate. However, because we love wine and work in the wine area, we are good at developing education that speaks to us and wine drinkers like us. We are not very good at educating the more numerous average wine consumer, basically because he or she is not interested in education. What do we do?

I have an idea. It is based on understanding how people buy wine, but since our knowledge is quite basic in this area, so is this idea. It is not a totally original one (few are), but it has not been well developed or implemented consistently. It will take investment in research and time to develop and implement it, but we just might be able to help the average wine consumer understand a bit more about wine and even move up in price and complexity. Studies here in Australia and in the US and UK show that most wine consumers spend very little time in front of a shelf deciding which wine to buy.

Humans in general do not take a lot of time to make decisions. Research on 'snap judgments' shows that people make their minds up about many things: politicians, potential partners or what to buy in just seconds. We recognise certain patterns

subliminally and decide without much cognitive effort. These patterns are learned through culture and through personal trial and they serve us constantly in our day-to-day lives. If we want to influence wine consumers' buying, then we have to understand what drives these snap judgments. We know most consumers are intimidated and confused when buying wine compared to buying many other products. Their snap judgments are uninformed, and perhaps not very accurate in choosing wines they will enjoy, or even in helping them learn a bit more.

The research I am leading, which is sponsored by the Australian wine sector through the GWRDC, has begun to look into this process. One thing we have discovered or confirmed is that descriptions of the taste of the wine placed on the shelf improves the probability that the wine will be chosen. We used very brief taste descriptions on some bottles and found these were chosen more often than bottles without descriptions. In a different study

with a master's student we manipulated the statements on the back label and found that longer, more elaborate taste descriptions increased the probability of simulated choice compared to shorter descriptions or no description at all. However, the back labels were not presented very realistically, so we don't really know how they would work on a real bottle.

We also know that point scores, ratings of wine quality (we used stars from none to five stars), and medals all increased the likelihood of someone choosing a particular bottle. But we really don't have any idea of whether these are helping people choose wines they like, and we certainly can't say that these cues increase the likelihood of people buying more complex or more interesting wines. We do know that these cues increase the probability of typical wine consumers buying more expensive wines.

Australia has started to research what influences snap judgments in wine buying. With a more concerted and directed effort

we could eventually develop some standardised label statements and even retail displays and a means of organising wines on the shelf to facilitate better consumer choices. By this I mean helping consumers to choose wines they will enjoy for the situation they are intending to drink the wine with. Of course the research would have to focus on understanding more about how these descriptions and cues link to actual wine flavours and taste, which is part of the current project we are conducting. This kind of 'wine education' would affect the majority of wine buyers with little effort on their part and could result in another renaissance for Australian wine sales around the world and the building of a marketing-based competitive advantage.

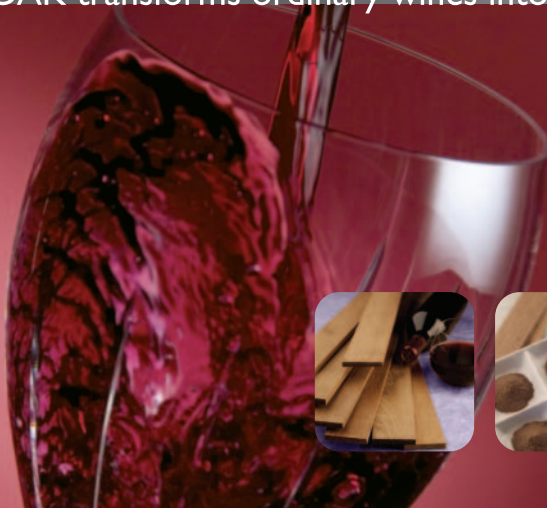
PROFESSOR LARRY LOCKSHIN is with the Wine Marketing Group, Ehrenberg Bass Institute of Marketing Science, University of South Australia. Email Larry.Lockshin@unisa.edu.au

dull



ēvOAK transforms ordinary wines into extraordinary wines.

dazzle



ēvOAK
Forward Thinking Oak Products

04 0920 0737 www.oaksolutionsgroup.com