UniSA | Ehrenberg-Bass Institute for Marketing Science | WINE MARKETING GROUP

THE UNIVERSITY OF ADELAIDE AUSTRALIA

Australian Government
Grape and Wine Research and Development Corporation

# Mapping the influencers of choice for wine selection (on and off-premise) in key export markets




## FINAL REPORT to

GRAPE AND WINE RESEARCH & DEVELOPMENT CORPORATION

Project Number: **USA 05/01**

Principal Investigator: **Dr Steve Goodman**

Research Organisation: **UniSA**

Date: **31 January 2009**

## Table of Contents

Abstract....2
Executive Summary....2
Background....3
Project aims and performance targets....5
Method....6
Results/Discussion....6
Outcome/Conclusion....7
Reccomendations....7
Appendix 1 : Communications....8
Appendix 2 : Intellectual Property....10
Appendix 3 : References....10
Appendix 4 : Staff....11
Appendix 6 : Budget Reconciliation....11

## Abstract

This research used the Best-Worse Choice method to examine, identify and map the influencers on choice for a bottle of wine in the retail and on-premise settings in key markets; domestic (Australia), existing export (UK, USA, NZ), identified potential growth export (China, Taiwan, Germany), developing wine (Brazil, Israel) and traditional old world (Italy, France, Austria). Similarities of key influencers were seen in most markets, although differences emerged in the relative importance of the influencers when segmentation was carried out. Although most markets were quite similar, segments within each market had differences within and across markets.

## Executive Summary

This research involved 12 markets, 2 purchase choice scenarios (On and Off-Premise), with up to 6 segments examined, so detailed results are not provided here. The papers published in industry journals are attached to this report as Appendices instead. In a summary of the findings we found that the world market is surprisingly similar and yet different at the same time. Almost globally the key influencers of choice were 'tried the wine previously' and someone recommended it' (Off-Premise), with the largest difference

being in Brazil and China where 'Brand' was clearly the biggest influencer of choice in the retail environment. In On-Premise 'had the wine before and like it' and 'matched to my food' were the highest influencer in most markets. As is detailed in the appendices, the opportunities for marketing emerged in the segmentation process where there were differences in various influencers in various segments – these warrant attention in the strategy formulation process, not just for marketing by also in the production design effort as well as end market positioning efforts. A couple of the examples include the higher influence of 'grape variety' amongst male consumers and 'matching food' amongst younger consumers in the UK markets, higher influence of origin amongst Chinese males – possibly the opportunity to target Chinese male consumers with positioning Australian regions as 'premium brands'. There are many other potentially exploitable differences in the various markets and segments, hence the inclusion of the full papers as appendices to this report.

**Background**

This research grew from the need to understand the key influencers on consumers when they select wine in order to better understand demand. There are many ways to measure consumer preferences. Most common are surveys with rankings or ratings and consumer panel data, which details individual purchases. Both of these methods have problems. Respondents to surveys do not use ratings or rankings the same way across respondents and the results are subject to a range of biases resulting in scores or ratings, which are too similar or too difficult to interpret (Cohen 2003; Cohen and Neira 2003; Finn and Louviere 1992). There are two primary approaches to analysing actual or predicted consumer behaviour, the first is to use sales data to see what has sold; attributes such as price and variety. Consumer panel data provides powerful evidence of what consumers actually purchase, but is not suitable for testing new concepts or combinations of attributes. Consumer panel data shows what a consumer actually purchased, but may mask insight into their actual preferences; attributes or products that have bigger market share are more available for purchase and so are purchased more frequently. If five times more Chardonnay is available for sale than Sauvignon Blanc and so outsells it 5:1, does that mean consumers prefer Chardonnay, or are they just purchasing based on availability? From a strategic view, this is problematic as it gives a solid description of how things are, but is limited in providing cues for how things 'might be'.

Hall and Lockshin (2000) found research on the following attributes used in wine buying behaviour, each with multiple articles: taste, type, alcohol content, age (of wine), color, price, brand, label/package, practical (usability for purpose), and region. Hall and Lockshin (2000) also confirmed the importance of occasion or consumption situation in the type of wine chosen and the attributes used to make that choice. Lockshin and Hall (2003) recently reviewed over 75 articles concerning consumer behaviour for wine. They noted that many of the studies used simple surveys with rating scales to measure consumer preference for various wine attributes. Although there was much conflicting order in the rankings of the attributes for importance, previously having tasted the wine, the price, the origin, the grape variety, and the brand name of the wine were all mentioned frequently. The authors concluded that the best means to advance understanding of which attributes and combinations led consumers to purchase a particular wine was to use either choice-based experiments or analysis of actual consumer purchases. They also discussed the strengths and weaknesses of both approaches.

The second approach is that of discrete choice analysis. This approach uses experimental

design to simulate consumer decision making. Discrete choice modeling (Louviere and Woodworth 1983; Louviere, Hensher and Swait 2000) allows the measurement of utility (part worths) of attributes in various combinations, called product concepts. These part worths are calculated from the choices made and therefore, discrete choice is an indirect method of measuring utility or preference (Louviere and Islam 2004). This method overcomes the three problems of panel data noted above. The cost is similar to most other market research survey methods and it can yield useful information with relatively small sample sizes of 100-300 consumers, depending on the number of attributes and levels tested. It allows new attributes and combinations to be made and tested for preference. Since a survey is used, either on paper or online, other consumer characteristics can also be collected and used in the analysis. One of the problems of discrete choice when used for the wine industry, or any small sector, is that the design and analysis are complex and use sophisticated and often expensive computer programs. These are mostly provided by specialist researchers, which can also increase the cost. Another, and perhaps more serious, limitation to discrete choice models is the difficulty of interpreting the data including the inability to compare utilities across different experiments (Louviere, Hensher and Swait 2000).

Previous work in the area of discrete choice analysis for wine has identified the inherent value of various wine attributes, for example the value of a well-known region compared to a less-known region (Tustin and Lockshin 2001) and the value of a wine bottle carrying a gold or bronze medal (Lockshin 2005). This has enabled the identification of various attributes and their impact on consumer value of the total wine product. The influencers of consumer choice form complex systems and research to date has not 'mapped' out the key influencers of the various segments of the wine market.

Finn and Louviere (1992) presented a very straightforward means of producing a set of consumer preferences, which does not have the above mentioned problems. The Best-Worst (BW) approach, also known as Maximum Difference Scaling, was developed by Louviere and Woodworth (1990) and first published in 1992 (Finn and Louviere 1992). Recently, Cohen and Markowitz (2002) discussed the Maximum Difference Scaling (Max:Diffs) method and presented the advantages of the method. The theoretical basis of Best-Worst as a special case of discrete choice models was recently published in a top psychological journal (Louviere and Marley 2005). The Best-Worst approach assumes that there is some underlying subjective dimension, such as "degree of importance" or "degree of interest" and the researcher wishes to measure the location of some set of objects along this dimension (Auger, Devinney and Louviere 2004). The respondents are provided choice sets and choose the best/most important and the worst/least important from each set (an example of a choice set is presented in Appendix 1). There is no bias in the scale, since there is only one option to choose something that is "most" or "least" important (Cohen and Markowitz 2002).

BW models the cognitive process by which respondents identify the two items with, respectively, the most and the least of a characteristic, from designed sub-sets of three or more items. Technically, BW models the process of picking the two items that are the farthest apart on the underlying dimension of scaling interest (hence, "maximum difference scaling"). BW produces an ordinal ranking of the items for each respondent, and an interval scale of the items based on sample or segment aggregate response (Louviere and Woodworth 1990). The method allows participants to gauge importance by multiple comparisons and they can dislike something as well as like something. The several studies cited here (Auger, Devinney and Louviere 2004; Cohen and Markowitz

2002; Finn and Louviere 1992) and our experience show that consumers find the task easy and quick to complete. The major advantage to the researcher is the simplicity of the analysis, which yields a coefficient for each choice, whether it is a brand or attribute. The coefficients are ratio level and can be directly compared, which is not true for standard rating or ranking tasks. This is a key factor in enabling the mapping of consumer influencers for wine choice across markets, segments and cultures.

Before this project there has been only one in the area of wine marketing, Goodman, Lockshin and Cohen (2005) that has served as the pilot for developing this research design, the international collaborative group and grant application. The ability to use this method for cross-country and cross-culture comparisons attracted interest from initial work using Best:Worst for beverage selection, wine variety preference and influences on wine selection in retail situations presented in Australia and Israel (Goodman, Lockshin and Cohen 2005). The paper presented at the International Wine Marketing Symposium in Sonoma (2005) attracted interest from international academics keen to join the research and provided the catalyst opportunity to pursue this international research project.

Whilst numerous texts and practitioner manuals exist on 'the importance' and 'how to' segment markets, there is no empirical research that maps the influence systems of consumer choice for wine. The major contribution of this research will be to provide a map for different identified segments, in major export and old-world markets for consumer choice influences of wine purchase in on and off-premise situations.

**Project aims and performance targets**

- Design and test the BW survey in Australia, with advice from key industry participants to ensure proper choice of styles, attributes, and influences. This was completed.
- Collect data using Best:Worst design in key export markets (planned for 6 markets in total) that examines
    - Wine variety preference – Australia was the only market this was conducted due to the non-transferability of wine grape varieties and their use. The study in the remaining two areas was expanded to 12 markets.
    - Influences on wine selection at retail – 12 countries rather than 6
    - Influences on wine selection with a meal on-premise - 12 countries rather than 6.

- Analyse the Best:Worst data using multiple segments to identify the different groups within each market
    - Map the influences of choice for
        - Wine variety - Australia was the only market this was conducted due to the non-transferability of wine grape varieties and their use. The study in the remaining two areas was expanded to 12 markets.
        - Wine selection at Retail - 12 countries rather than 6
        - Wine selection with a meal at on-premise - 12 countries rather than 6

- Provide strategic recommendations for each of the identified groups for adoption within the industry in their marketing activity. This is detailed in a series of published papers in industry journals and industry presentations. The papers and presentation from 2007 Wine Outlook are included as appendices.

- Publish a report for the Australian wine industry, which the presents the influence maps market-by-market. Follow up the report with presentations to key industry groups and conferences. Report with maps to be released as an interactive graphic tool on www.adelaide.edu.au/wine2030 on 1st March 2009.

**Method**

The choice set of possible influencers was developed through a search of previous published literature, the pilot Best-Worse provided insight into the use of attributes in the choice set, as well as indication for completion rates and time. Results from the study were examined and discussed with several representatives from the industry (on and off-premise), their feedback was used to adjust terminology and develop the final choice set to be used. This choice set was used in the collection of data in the Australian market, where data were collected in-store, and at store exit at a number of retail locations around Adelaide. Data collection for the Eastern seaboard was carried out using online, as was the UK data. Other country data was collected using different means, a mail survey in NZ, convenience sampling in Italy, USA, with intercepts in shopping locations and mall intercepts in other markets.

**Results/Discussion**

As this research involved 12 markets, 2 purchase choice scenarios (On and Off-Premise), with up to 6 segments examined, the papers published in industry journals are attached to this report as Appendices as the scope of results and discussion is best left to the reader to see in fuller detail. In a summary of the findings we found that the world market is surprisingly similar and yet different at the same time. Almost globally the key influencers of choice were 'tried the wine previously' and someone recommended it' (Off-Premise), with the largest difference being in Brazil and China where 'Brand' was clearly the biggest influencer of choice in the retail environment. In On-Premise 'had the wine before and like it' and 'matched to my food' were the highest influencer in most markets. As is detailed in the appendices, the opportunities for marketing emerged in the segmentation process where there were differences in various influencers in various segments – these warrant attention in the strategy formulation process, not just for marketing by also in the production design effort as well as end market positioning efforts. A couple of the examples include the higher influence of 'grape variety' amongst male consumers and 'matching food' amongst younger consumers in the UK markets, higher influence of origin amongst Chinese males – possibly the opportunity to target Chinese male consumers with positioning Australian regions as 'premium brands'. There are many other potentially exploitable differences in the various markets and segments, hence the inclusion of the full papers as appendices to this report.

**Outcome/Conclusion**

The research achieved more than was originally scoped for within the grant. The grant applied for included the funds to conduct replications in 6 markets, across three different situations. Variety preference was not undertaken outside of Australia as there was an intransferability of grape varieties; this was balanced with the fact that the choice influencers of On and Off-Premise wine choice was studied in 12 markets, double the intended number of markets.

The objectives of the research were met and results of the Best-Worse choice experiments of 12 markets (Australia, NZ, UK, USA, China, Taiwan, Italy, France, Germany, Austria, Brazil and Israel) have been examined, segmented and communicated to industry through a variety of forums, including 5 papers in the industry publications (Wine Industry Journal and Grapegrower and Winemaker), 10 Academic Conference Papers, 4 Academic Journal Papers (3 to be published in 2009) as well as Keynotes at conferences in Industry, South Australia (Institute of Chartered Accountants in Australia - ICAA) and Victoria (ICAA) and at the 2007 Wine Outlook Conference as well as at the Academy of Wine Business Research Conference (2008) and at 'Speaker's Corner' during Winetech 2007.

Contact has been made by a number of wine industry professionals, from the large groups to small wineries and distributors as a result of presentations and industry papers, with ongoing dialogue and communication with regards results and findings. The University of Adelaide's Wine2030 Initiative has established a website (www.adelaide.edu.au/Wine2030) as well as on UniSA's www.winepreferences.com on which the industry papers have been made available, and in March 2009 the results, country by country will be available via an interactive graphical interface. A map will allow the user to access a country or region, to then click through and access the results segment by segment. More importantly is that this is being built so that future collaborations can contribute their results, growing the map of influencers available. Examinations are in place to enable the user to make comparisons to other markets, with results displayed in an easy visual format at a mouse-click. This will enable the simply comparison of one segment in one market with another segment in another market. When this is released (anticipated 1 March), it will be promoted to industry through Grapegrower and Winemaker, Wine Industry Journal and Wine Business Monthly.

The outcomes provided insight to the industry in how similar many markets were, along with key differences that might represent avenues for developing strategic marketing advantages or at least raise flags for practitioner investigation These are discussed throughout the papers published (and attached as Appendices to this report) – small examples such as the differences in influencers such as 'food matching' in the less developed wine markets of Brazil and Israel' compared to other markets, higher importance of grape variety' to male consumers in the French markets.

**Recommendations**

As conveyed to the audience at the 2007 WFA Wine Outlook Conference, possibly the single greatest lesson the mapping of choice influencers for the purchase of wine in the retail and restaurant settings gives us is the notion that simply cutting and pasting your marketing plan from one market into another market is not the best idea. Whilst there were many similarities and a common 'human' consumer thread at market levels, the

segmentation of markets showed distinct differences in influencer effect on purchase from one segment to another, sometimes in agreement across markets, but mostly different to the same segment in other markets. Interestingly is the finding that the same segmentation variable may be affected quite differently from one market to another; e.g men in one market may be more influenced by one factor, so too might women in another market. It highlights the possible role mapping influencer importance might play in developing marketing plans (including what to produce) to better position and exploit market opportunities. It is for this reason we are making the interactive maps available on www.adelaide.edu.au/wine2030 - and encouraging other researchers interested in replicating in their markets, so that we can grow the map, or influencer database. The intention of the CI is to move up the supply chain and map decision influencers of exchange points (restaurants, retailer, distributors, importers etc) so as to expand the knowledge concerning the influencers of decisions within the wine industry. Throughout the papers attached here in Appendix 1, there are recommendation in the discussion of the specific segment analysis.

**Appendix 1 : Communications**

A list is provided here of communications published and in print. Copies have been provided from wine industry publications courtesy of Grapegrower and Winemaker and the Wine Industry Journal. The full set of results will be available as an interactive, graphic interface on the University of Adelaide's Wine2030 website (www.adelaide.edu.au/wine2030) on the 1st March 2009. Users will be able to select the country of interest and click through to segment results and compare one market with another or one segment with another. When this is completed and functional it will be promoted through Wine Industry Journal, Grapegrower and Winemaker and Wine Business Monthly to ensure maximum exposure. For papers not provided please contact the author for further information.

**Copies Attached**

Industry Journals

- Goodman, S, Lockshin, L and Cohen, E (2008) 'Influencers on Choice in the On-Premise Environment: More International Comparisons' *Australiana and New Zealand Grapegrower and Winemaker Journal*, February
- Goodman, S, Lockshin, L and Cohen, E (2007) 'Influencers on Choice in the Retail Setting: More International Comparisons' *Australian and new Zealand Wine Industry Journal*, November/December
- Goodman, S, Lockshin, L and Cohen, E (2007) 'Influencers of Consumer Choice: An International Study' *Australian and new Zealand Wine Industry Journal*, May-June
- Goodman, S, Lockshin, L and Cohen, E (2006) 'The On-Premise Environment: What's Influencing Consumer Choice?' *Australian and New Zealand Wine Industry Journal*, December
- Goodman, S, Lockshin, L and Cohen, E (2006) 'What Influences Consumer Choice in the Retail Store?' *The Australian and New Zealand Grapegrower and Winemaker Journal,* December

**Other Papers (contact steve.goodman@adelaide.edu.au for details)**

Journals

- Goodman, S (2009), 'An international comparison of retail consumer wine choice', *International Journal of Wine Business Research*, (accepted September 2008)
- You, Y, Ma, H and Goodman, S, (2009) 'Chinese Choice: A Study of the Beijing Wine Market', *International Journal of Wine Business Research*, (accepted November 2008)
- Habel, C and Goodman, S (2009) 'Complexity Modeling in Marketing: A look "under the hood" of the NBD', *Marketing Bulletin*, accepted June 2008
- Goodman, S, Lockshin, L and Cohen, E (2008) 'Examining market segments and influencers of choice for wine using the Best-Worst choice method', *Revue Internationale des Sciences Sociales –Special Wine Marketing Edition, January*

Conferences

- Goodman, S, Lockshin, L, Cohen, E, Fensterseifer, J, Ma, H, D'Hauteville, F, Siriex, L, Orth, U, Casini, L, Corsi, A, Jaeger, S, Danaher, P, Brodie, R, Olsen, J, Thach, L & Perrouty**,** JP (2008) 'International Comparison of Consumer Choice for Wine: A Twelve Country Comparison' *Academy of Wine Business Research,* Sienna, Italy
- Casini, L, Corsi, A, Lockshin, L, Cohen, E and Goodman, S (2008) ' Consumer Preferences of Wine in Italy applying Best-Worse and Ordinal Regression Methods' *Academy of Wine Business Research,* Sienna, Italy
- Mueller, S, Rungie, C, Goodman, S, Lockshin, L and Cohen, E (2008) 'Is there more Information in Best Worst Choice Data? Using the Variance-covariance Matrix to Consider Respondent Heterogeneity' *Academy of Wine Business Research,* Sienna, Italy
- Cohen, E, D'Hauteville, F, Goodman, S, Lockshin, L and Siriex, L (2008) 'A Cross-Cultural Comparison of Choice Criteria for Wine in Restaurants' *Academy of Wine Business Research,* Sienna, Italy
- Cohen, E, d'Hautedeville, F, Goodman, S, Lockshin, L and Siriex, L '(2008), 'Une étude interculturelle des critères de choix d'un vin au Restaurant', 24th International Congress of the French Marketing Association, Paris
- Casini, L, Cohen, E, Corsi, A, Lockshin, L & Goodman, S (2008) 'WinePreferences and Market Segmentation:an application of the BEST:WORST Method to Italian consumers', 31$^{st}$ World Congress of Vine and Wine, 6$^{th}$ General Assembly of the O.I.V., Verona, Italy
- Remaud, H, Goodman, S, Lockshin, L and Cohen, E (2007) 'Using Consumer Best-Worst Ratings of Wine Stores for Enhanced Store Positioning', European Institute of Retailing and Service Studies, San Francisco.
- Goodman, S, Lockshin, L and Cohen, E (2006) 'Using the Best-Worst method to examine market segments and identify different influences of consumer choice *3$^{rd}$ International Wine Business and Marketing Conference Proceedings*, Montpelier
- Zucca, G, Cohen, E, Goodman, S and Lockshin, L (2006) 'Using Best-Worst Scaling Surveys to Assess Customer Wine Purchasing Decisions in Small Wineries' *Wines in the World: Markets, Tourism and Globalization Conference Proceedings,* University of Florence

**Appendix 2 : Intellectual Property**

There is no intellectual property developed from this research

**Appendix 3 : References**


Auger, P., Devinney, T.M. and Louviere, J.J. (2004). "Consumer's social beliefs, an international investigation using Best-Worst scaling methodology". Working paper, University of Melbourne, Melbourne Business School, Melbourne, Victoria, AU.

Cohen, S. H. (2003). "Maximum Difference Scaling: Improved Measures of Importance and Preference for Segmentation." Sawtooth Software Conference Proceedings, Sequim, WA.

Cohen, S. H. and Markowitz, P. (2002), "Renewing Market Segmentation: Some New Tools to Correct Old Problems, ESOMAR (September).

Cohen, S. H. and Neira, L. (2003). "Measuring preference for product benefits across countries: Overcoming scale usage bias with Maximum Difference Scaling." ESOMAR 2003 Latin America Conference Proceedings. Amsterdam: The Netherlands.

Finn, A. and Louviere, J.J. (1992), "Determining the Appropriate Response to Evidence of Public Concerns: the Case of Food Safety", *Journal of Public Policy and Marketing*, 11(1), 12-25.

Goodman, S, Lockshin, L and Cohen, E (2005) 'Best:Worst Scaling: A Simple Method for Determining Drink and Wine Style Preferences' *2nd International Wine Marketing Symposium Proceedings*, Sonoma

Hall, J. and Lockshin, L. (2000), "Using Means-End Chains for Analysing Occasions – Not Buyers", *Australasian Marketing Journal*, Vol. 8 (1), 45-54.

Jamieson, L. F. and Bass, F.M. (1989). "Adjusting Stated Intention Measures to Predict Trial Purchase of New Products: A Comparison of Models and Methods," *Journal of Marketing Research*, 26 (August), 336-345.

Lockshin, L. and Hall, J. (2003). "Consumer Purchasing Behaviour for Wine: What We Know and Where We are Going", International Wine Marketing Colloquium, Adelaide, July, CD-ROM.

Louviere, J.J. and Islam, T. (2004), "A Comparison of Importance Weights/ Measures Derived from Choice-Based Conjoint, Constant Sum Scales and Best-Worst Scaling," CenSoC Working Paper No. 04-003, (September).

Louviere, J.J., Hensher, D.A. and Swait, J.D. (2000). *Stated Choice Methods: Analysis and Application*. Cambridge, UK: Cambridge University Press.

Louviere J.J. and Woodworth G.G. (1983). "Design and Analysis of Simulated Consumer Choice Allocation Experiments: an Approach Based on Aggregate data," *Journal of Marketing Research*, Vol. 20, 350-367.

Louviere, J.J. and Woodworth, G.G. (1990). “Best-Worst Scaling: A Model for Largest Difference Judgments,” working paper, Faculty of Business, University of Alberta.

Morrison, D. G. 1979. "Purchase Intentions and Purchase Behavior," *Journal of Marketing*, 43 (Spring), 65-74.

**Appendix 4 : Staff**

Project Supervisor: Professor Larry Lockshin, University of South Australia
Chief Investigator: Dr Steve Goodman, The University of Adelaide

**Appendix 5 : Budget Reconciliation**

Attached

# Wine Marketing

# What influences consumer selection in the retail store?

## *A look at initial South Australian data gathered as part of an international research project.*



**Dr Steve Goodman**
Adelaide Graduate School of Business,
University of Adelaide



**Professor Larry Lockshin**
Wine Marketing Group,
University of South Australia

**Dr Eli Cohen**
School of Management,
Ben-Gurion University of the Negev

*This paper presents initial research findings from the research project "Mapping the influences of consumer choice for wine selection (on and off-premise) in key export markets". This paper is based on the initial data gathered in Australia. The research, funded by the Grape and Wine Research Development Corporation, will gather data in key export markets, existing and potential in order to identify to what extent different segments exist and what influences their choice in order to develop 'influence maps' for the Australian wine industry to utilise in production, marketing and targeting decisions.*

*Over the next two years there will be a series of papers and reports published from this research. Updates for these can be obtained by contacting Steve.Goodman@adelaide.edu.au*

One of the big problems in wine marketing is knowing which of the many attributes a single wine can have are most important to different customer groups when they are actually buying wine. Much of our knowledge on the importance of different aspects in wine marketing is based on surveys, where consumers respond to questions on the importance of lists of intrinsic (wine-related, like flavour, style, etc.) and extrinsic (packaging and price-related) attributes. However, unless one alternative or attribute clearly dominates, it is difficult to identify the most important attribute or most preferred product. Often the differences may be statistically significant, but it is difficult to assess whether a rating of 5.6 out of 7 is meaningfully different from 5.1 out of 7. Treating the typical 1-7 agree/disagree scales as if 6 is twice as good as 3 may generate different conclusions than if we simply count which alternative received the most 'agree' ticks. What weighting scheme to apply to category ratings, or whether to rely on the alternative with the most 'agree' ratings, is a well-recognised problem in the case of purchase intention scales (see Morrison 1979, Jamieson and Bass 1989). Another issue is that each attribute is frequently measured with a single item rating newly developed just for the survey, so the reliability and validity of the scale is unknown. Attributes are usually not measured relative to other attributes or even products, which must compete for the same (necessarily limited) consumer resources. Even if they are, respondents often are not allowed to indicate that they like many (if not all!) of them. Although some individuals truly might like nearly every attribute or combination, such responses don't provide adequate discrimination to help managers identify real priorities (Finn and Louviere 1992). Our research shows the usefulness of a new way to measure how important various product attributes are in comparison to others.

Wine is a complex product with a wide range of attributes consumers might use in making their product choice. Some previously tested attributes include: taste, type of wine, alcohol content, age (of wine), colour, price, brand, label/package, practical (usability for purpose), and region. Lockshin and Hall (2003) recently reviewed over 75 articles concerning consumer behaviour for wine. They noted that many of the studies used simple surveys with rating scales to measure consumer preference for various wine attributes. Although there was much conflicting order in the rankings of the attributes for importance; previously having tasted the wine, the price, the origin, the grape variety, and the brand name of the wine were all mentioned frequently. The authors concluded that the best means to advance understanding of which attributes and combinations led consumers to purchase a particular wine was to use either choice-based experiments or analysis of actual consumer purchases.

Using purchase data (e.g. supermarket or wine store records) is a powerful technique, but has several weaknesses. First, it is expensive and only a very few wine companies can afford to obtain this data, so it will not help the majority of wineries or channel members. Second, it only allows analysis of what consumers have purchased – not what influenced them or what they might have actually preferred. Patterns can be discerned, but new attributes or combinations cannot be tested – and importantly, emerging opportunities based on consumer preferences are difficult to detect. Third, there is usually not enough information about the consumers to allow for segmentation, which is necessary, especially for ▸

wineries targeting niche markets or an industry looking to grow through reaching high potential groups.

### The method

Our method is called Best-Worse Scaling. In addition to demographic data, the level of wine involvement and consumption frequency, a section of the survey involves a series of 13 tables (see example Table 1) each consisting of four 'influence attributes'. Across the survey, each attribute appears an equal number of times and appears along side each other attribute equally across the total set. For each set of four 'influence attributes' respondents are asked the question, 'the last time you purchased a bottle of wine in a store to have for dinner with friends' please indicate the attribute that MOST (Best) and the one that LEAST (Worst) influenced your decision.

Previous work has shown that there is much less bias when respondents have to pick the BEST and the WORST; there is no influence of the way different people use numerical rating scales. Attributes are directly compared with each other, so the results are truly the most important to the least important. The analysis is simple, yet powerful. The number of times an attribute is chosen worst is subtracted from the number of times it is chosen best leaving a score which can then be standardised to enable different samples to be compared. The results are referred to as 'level of importance'. Each attribute has a number, which is a true representation of its value to the consumer. If one attribute has a 4 and another only a 2, we can say one is twice as liked as the other. For a detailed discussion of the method and its application in the wine sector, see Goodman, Lockshin and Cohen (2005; 2006) that shows our detailed method. Academics and practitioners alike can use this method to discriminate amongst various segments and to assist in planning their marketing effort.

Table 1. Example of one table of Best-Worse Choice Experiment

| Worst/Least | Issue/attribute | Best/Most |
|---|---|---|
| | 1. Grape variety | X |
| | 2. Brand name | |
| X | 3. Medal/award | |
| | 4. Origin | |

The limitations of the data presented in this paper are that it is the initial data collected in South Australia. The secondary phase of data is to be collected in the eastern states in early 2007, which will enable insight into the differences or similarities of Australian states. The data collected so far consists of 228 responses collected directly in wine stores. As such, the average involvement level is fairly high – although we still find some differences between high and low wine involvement consumers.

### Results in retail store wine choice

Figure 1 provides the choice influence attributes in rank order for the sample, showing, to some extent, what practitioners and researchers have suspected – that 'tasting the wine previously' and 'someone recommending' are key – followed by 'grape variety' and 'origin of the wine' (country or region). The level of importance of each attribute and respondents could be used for the statistical analysis to estimate the significance of the differences among the attributes. However, the positive bars (relative importance) mean that more respondents consider the attribute as more important while the negative bars show the opposite. Zero relative importance means that equal number of respondents consider the attribute as best and as worst. While there is no startling revelation in the sample as a whole, it does appear that in store displays and nice labels might in fact be too late to influence decisions – these

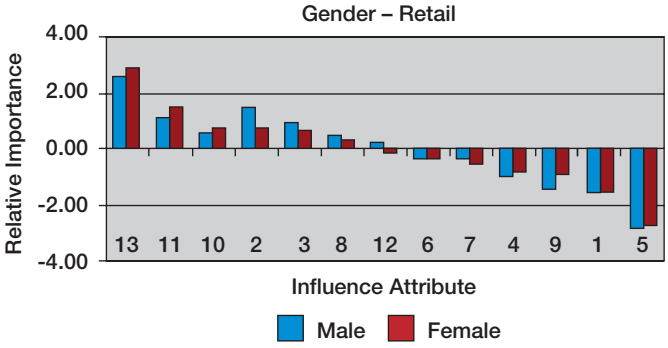



1 – Promotional display in-store
2 – Grape variety
3 – Origin of the wine
4 – Information on the shelf
5 – Alcohol level below 13%
6 – Matching food
7 – Information on back label
8 – Medal/award
9 – An attractive front label
10 – Brand name
11 – Someone recommended it
12 – I read about it
13 – tasted the wine previously

Fig. 1. Sample ranking of choice influencers

decisions are likely to be influenced by prior exposure. Staff/friend suggestions or production decisions such as region, varietal and quality (medals/awards) are important, although general branding and publicity (read about it) also contribute to influencing choice.

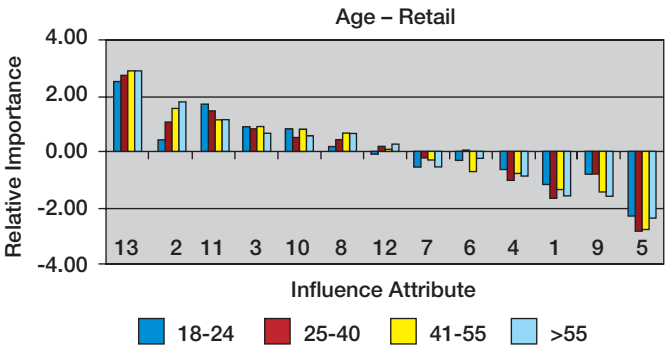
To generate managerially useful insights, the next step is to begin to look at, and compare various segments to see if there are differences in influencers that might suggest areas for targeting strategy. Figure 2 shows the comparison across gender in this sample, sorted by Female ($n$=108) preferences. While both males and females share the same first two influencers, women rate brand, origin and varietal almost equally as the next set of influencers, while men ($n$=120) consider varietal as much higher importance compared with women and then have origin much more important to them than brand. This suggests that with women it may be necessary to combine the right region, varietal and brand effort, while men may be better targeted with more effort on varietal and publicity ('read about it'), something which has little influence for women.




1 – Promotional display in-store
2 – Grape variety
3 – Origin of the wine
4 – Information on the shelf
5 – Alcohol level below 13%
6 – Matching food
7 – Information on back label
8 – Medal/award
9 – An attractive front label
10 – Brand name
11 – Someone recommended it
12 – I read about it
13 – tasted the wine previously

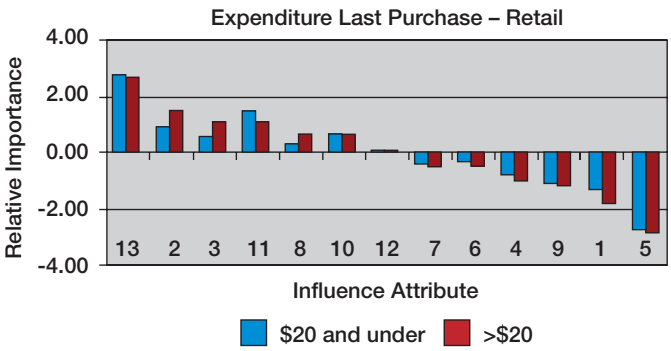
Fig. 2. Gender comparison of choice influencers

Looking at the data using age breakdowns (Fig.3) shows the differences between the groups (18-24 years $n$=44, 25-40 years $n$=84, 41-54 years $n$=74 and 55+ years n=26). The industry has identified the importance of reaching new generation consumers so seeing that varietal and medals/awards are significantly less important to 18-24 and much less important to 25-40, both of whom are more likely to be influenced by recommendation suggests opportunities for reaching them will involve generating word-of-mouth (WOM) amongst reference groups and staff in-store rather than 'bling' on the bottle.




1 – Promotional display in-store
2 – Grape variety
3 – Origin of the wine
4 – Information on the shelf
5 – Alcohol level below 13%
6 – Matching food
7 – Information on back label
8 – Medal/award
9 – An attractive front label
10 – Brand name
11 – Someone recommended it
12 – I read about it
13 – tasted the wine previously

**Fig. 3. Age comparison of choice influencers**




1 – Promotional display in-store
2 – Grape variety
3 – Origin of the wine
4 – Information on the shelf
5 – Alcohol level below 13%
6 – Matching food
7 – Information on back label
8 – Medal/award
9 – An attractive front label
10 – Brand name
11 – Someone recommended it
12 – I read about it
13 – tasted the wine previously

**Fig. 4. Expenditure Comparison of Choice Influencers**

The average spend per bottle of consumers involved in this sample was generally equal across income groups (although frequency is likely to be different). When purchasing wine for a special occasion all age groups spent approximately 50% more on the bottle, except the 18-24 group that increased their spend by 100% – possibly representing not an importance on the wine but more that special occasions in this group are likely to include 21st birthdays, first dates, graduation from University. Whereas 'branding' has often been seen as the domain of commercial wines and the lower price end of the consumer market, the data showed that branding was significantly more important for the >$80k income segment – while Jacob's Creek is a brand, so too is Henschke and Glaetzer – branding is a challenge and importance for the full spectrum of price points and income groups targeted.

The influencers for higher consumption ($n$=146) consumers (more than once per week) and high involvement ($n$=103) (those who take an active interest in wine, it is important to them) the biggest differences are in the importance of varietal and origin, whereas lower involved ($n$=84) and low frequency ($n$=81) consumers had double the importance on medals/awards and marginally more importance on someone recommending the wine. The importance of varietal and origin are also seen in the expenditure on the last bottle purchased, where the medals/awards are twice as important to the higher spend segment ($n$=134) (Fig.4) while the importance of generating WOM, as recommendation is more important to the lower spend ($n$=92).

Across all segments, the most important influence was having tried the wine before – leaving marketing until the consumer visits the store looks a little late as 'attractive labels', 'in-store information' and 'promotion in-store' scored 'worse' across all segments. The challenge to get trial and recommendation is difficult, the data on the influences on-premise will show to what extent that channel offers a viable way to move people up from buying by the glass to a bottle in retail. Low involved respondents, 18-24 years old and less than $51k income segments are not influenced by 'read about it' – which is likely more that they don't read wine reviews rather than a lack of importance. It might show the importance of placing wine reviews within broader lifestyle editorial and writing situations as well as general product placement within television and movie entertainment. From a marketing perspective the production decisions of region, varietal and quality (to win medals, gain reviews – importantly to be liked by the consumer) are crucial – it is important to look at the correlation between 'which region and which varietal', i.e. how viable is it for a Barossa producer to have a Pinot Noir and Sauvignon Blanc in the range or is an Old World approach appropriate (not in legislation but in marketing savvy). A Barossa producer may be better off producing the style the region is most associated with (say Shiraz), with smaller amounts of niche wines (say Merlot and Semillon).

## Conclusion

What this initial data has shown us is important – there are differences in what influences consumer choices for wine. The Best-Worse method offers a way to identify and then map what is influencing consumer segments in their choices for wine in retail and on-premise, that it is capable of generating insights that can assist the wine industry is better marketing (and producing) product to reach the segments that are identified as crucial to growth. Once data is collected in key existing and potential export markets this expands to assist the Australian industry in its global pursuits, which underpin sustainability. This paper is the first in what will be regular updates on the research and importantly on the implications and practical insights for the Australian wine industry, from individual markets to comparisons of Old vs New World, Europe vs USA vs Asia and so on. Feedback and questions are welcome –contact details are in the introduction.

*Dr Steve Goodman is an experienced Wine Marketing Consultant and Senior Lecturer in Marketing at the Adelaide Graduate School of Business, University of Adelaide*

*Professor Larry Lockshin is the Director of the Wine Marketing Group at the School of Marketing, University of South Australia*

*Dr Eli Cohen is Senior Lecturer at the School of Management, Ben-Gurion University of the Negev, Israel and Visiting Senior Lecturer and Member of the Wine Marketing Group at the School of Marketing, University of South Australia*

## References

Finn, A. and Louviere, J.J. (1992). Determining the Appropriate Response to Evidence of Public Concerns: the Case of Food Safety, Journal of Public Policy and Marketing, 11(1), 12-25.

Goodman, S. Lockshin, L. and Cohen, E. (2005). Best-Worse Scaling: A Simple Method to Determine Drinks and Wine Style Preference, 2nd international Wine Marketing Symposium Proceedings, (CD-ROM), Sonoma CA., July 8-9.

Goodman, S. Lockshin, L. and Cohen, E. (2006). Using the Best-Worst method to examine market segments and identify different influences of consumer choice, 3d International Wine Marketing Symposium Proceedings, (CD-ROM), Montpellier FR., July 6-8.

Jamieson, L. F. and Bass, F.M. (1989). "Adjusting Stated Intention Measures to Predict Trial Purchase of New Products: A Comparison of Models and Methods," Journal of Marketing Research, 26 (August), 336-345.

Lockshin, L. and Hall, J. (2003). Consumer Purchasing Behaviour for Wine: What We Know and Where We are Going, International Wine Marketing Colloquium, Adelaide, July, CD-ROM.

Morrison, D. G. (1979). "Purchase Intentions and Purchase Behavior," Journal of Marketing, 43 (Spring), 65-74.

# The on-premise environment – what's influencing consumer choices?

A look at initial South Australian data gathered as part of an international research project.

By Dr Steve Goodman[1], Professor Larry Lockshin[2] and Dr Eli Cohen[3]

*This paper presents initial research findings from the research project "Mapping the Influences of Consumer Choice for Wine Selection (On and Off-Premise) in Key Export Markets". This paper is based on the initial data gathered in South Australia. The research, funded by the Grape and Wine Research and Development Corporation, will gather data in key export markets, existing and potential in order to identify to what extent different segments exist and what influences their choice in order to develop 'influence maps' for the Australian wine industry to utilise in production, marketing and targeting decisions.*

*Over the next two years there will be a series of papers and reports published from this research. Updates for these can be obtained by contacting* Steve.Goodman@adelaide.edu.au

There are many ways to measure consumer preferences. Most common are surveys with rankings or ratings and consumer panel data, which details individual purchases. Both of these methods have problems. Respondents to surveys do not use ratings or rankings the same way across respondents and the results are subject to a range of biases resulting in scores or ratings, which are too similar or too difficult to interpret (Cohen 2003; Cohen and Neira 2003; Finn and Louviere 1992). Consumer panel data provides powerful evidence of what consumers actually purchase, but is not suitable for testing new concepts or combinations of attributes. Consumer panel data shows what a consumer actually purchased, but may mask insight into their actual preferences; attributes or products that have bigger market share are more available for purchase and so are purchased more frequently. If four times more Chardonnay is available for sale than Sauvignon Blanc and so outsells it 4:1, does that mean consumers prefer Chardonnay, or are they just purchasing based on availability? From a strategic view, this is problematic as it gives a solid description of how things are, but is limited in providing cues for how things 'might be'.

Finn and Louviere (1992) presented a very straightforward means of producing a set of consumer preferences, which does not have the abovementioned problems. They called it Best-Worst Scaling and since then, there have been a handful of papers published using this method (Cohen 2003, Cohen and Markowitz 2002; Cohen and Neira 2003; Finn and Louviere 1992; Louviere and Islam 2004), but none in the area of wine marketing. Lockshin and Hall's (2003) review of the literature (over 75 articles) of wine marketing research showed most was conducted using rating scales and while common importances were shown (region, varietal etc.) there were discrepancies amongst the rank orders.

These factors led to the establishment of an international research project, funded by the Grape and Wine Research and Development Corporation (GWRDC) to use the Best-Worse (BW) technique in Australia and key export markets

[1] Adelaide Graduate School of Business, University of Adelaide.
[2] Wine Marketing Group, University of South Australia.
[3] School of Management, Ben-Gurion University of the Negev.




SB0436

**Discover your future in Wine**

THE UNIVERSITY OF ADELAIDE AUSTRALIA

The wine education programs at the University of Adelaide have an international reputation for excellence.
Located at the Waite Campus and the National Wine Centre, our programs utilise state-of-the-art facilities including the Waite's own vineyard and Hickinbotham Roseworthy Wine Science Laboratory.

**Undergraduate programs in Wine and Food include:**

- Bachelor of Science (Viticulture / Oenology)
- Bachelor of Wine Marketing
- Bachelor of Food Science and Technology

**Postgraduate Coursework programs in Wine include:**

- Masters, Diploma and Certificate of Oenology
- Masters, Diploma and Certificate of Viticulture
- Masters, Diploma and Certificate of Wine Business

**New Postgraduate programs**

- Masters, Diploma and Certificate of Plant Biotechnology
- Masters, Diploma and Certificate of Plant Health
- Certificate of Plant Biosecurity

These flexible postgraduate programs allow students to choose the level of professional qualification that most suits their needs.

For further information phone 61 8 8303 7105, Email agwine.studentcentre@adelaide.edu.au or visit www.sciences.adelaide.edu.au

CRICOS Provider Number: 00123M



UADSCIBLY9L5

www.sciences.adelaide.edu.au

(current and existing) to allow investigation of the influencers on choice of wine in retail and on-premise situations. The objective is to examine what segments emerged from the empirical data, how their influencers differed and see what insights it could provide for practitioners. This paper presents the on-premise findings from the initial data collection undertaken in South Australia – the initial findings from the retail data were presented in Goodman, Lockshin and Cohen (2006a).

## THE METHOD

The method utilises the Best-Worse scale (also known as Max-Diffs). In addition to demographic data, involvement levels and consumption frequency, a section of the survey involves a series of 13 tables (see example Table 1) consisting of four 'influence attributes', whereby each attribute appears equal number of times and appearing against each attribute in the total set. Respondents are then asked the question 'the last time you had wine with a meal with friends in a restaurant" and instructed to, in each table, indicate the one that MOST (best) and the one that LEAST (worst) influenced their decision.

The data is transformed then analysed, whereby the total number of times each attribute is mentioned as 'worse' is taken from the number of times it is mentioned as 'best', leaving a score which is then standardised to enable different samples to be compared. There is much statistical rigour to the process, for a detailed discussion of the method and its application in the wine sector, see Goodman, Lockshin and Cohen (2005; 2006b) which actually generates various results that academics and practitioners alike can use to discriminate amongst various segments and use to assist in the marketing effort. The results are referred to as 'level of importance'. Each attribute has a number, which is a true representation of its value to the consumer.

TABLE 1. EXAMPLE OF ONE TABLE OF BEST-WORST CHOICE EXPERIMENT.

| Worst/least | Issue/attribute | Best/most |
|---|---|---|
| | 1. Grape variety | X |
| | 2. Brand name | |
| X | 3. Medal/award | |
| | 4. Origin | |

The limitations of the data presented in this paper are that it is the initial data collected in South Australia. The secondary phase of data is to be collected in the eastern States in early 2007, which will enable insight into the differences or similarities of Australian States. The data collected consists of 208 responses collected as intercepts in Wine Stores, as such the average involvement level is fairly high – although some discrimination is possible of high and low wine-involvement consumers.

## RESULTS IN ON-PREMISE

Figure 1 shows the choice influence attributes in rank order for the sample. Those which feature below the line are in fact viewed as 'least' to the extent they are not favourable influence attributes. Interesting in the rankings across the sample is that waiter's recommendation is the least influence – and is so across all segments examined: age, income, involvement, expenditure and consumption frequency. What might be promising for wine marketing is that 'tried the wine before and liked it' ranks second least important, again the same across all segments. This contrasts with the retail findings (Goodman, Lockshin & Cohen 2006a) in which 'tried the wine previously' was the most important. Bringing new customers to the brand is likely, as anecdotal evidence has long told us, to be achieved through the on-premise channel. While 'I matched it to my food' was a strong 'most' influence, a menu suggestion was actually a 'least' influence. It appears that consumers might want to take an active role in the food match themselves, rather than have a menu or waiter do it for them.

High involved consumers are those who take an active interest in wine, it is important to them, they enjoy discussing wine, reading about it. It is not necessarily correlated to consumption frequency or the expenditure on wine.

Specialists in recruiting for the wine industry

- General Managers and Accountants
- Sales and Marketing Managers
- Winemakers and Assistant Winemakers
- Viticulturists and Vineyard Managers
- Production Managers and Winery Managers

Visit our website for details of people wishing to change and the positions currently available.
www.wineandvine.com.au

Wine & Vine Personnel
119 Willoughby Rd, Crows Nest, NSW 2065
E: iperrett@wineandvine.com.au P: 02 9956 3811

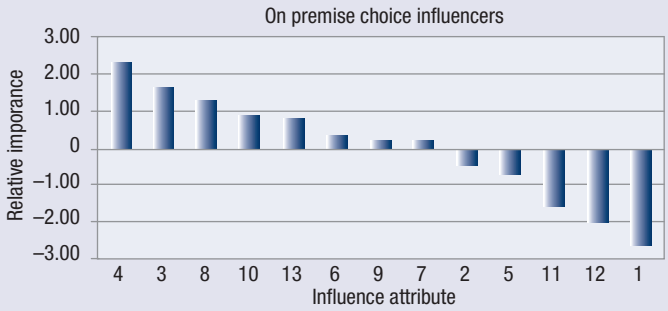



Figure 1. Ranking of choice influencers.

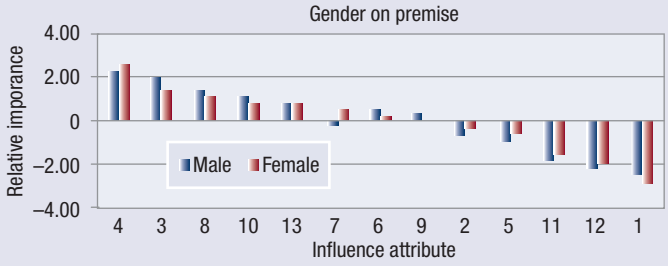



Figure 2. Gender comparison of choice influencers.

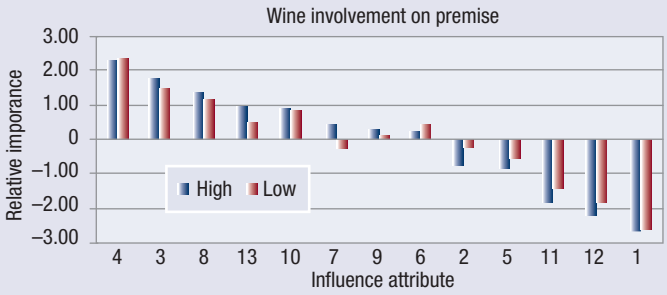



Figure 3. Involvement comparison of choice influencers.

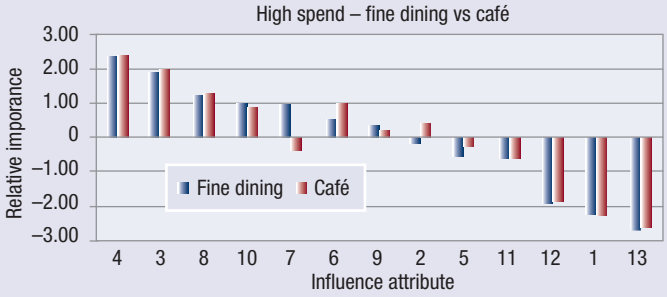



Figure 4. Fine dining *vs* casual comparison of choice influencers.

1. Waiter recommended.
2. Suggestion on the menu.
3. I matched it to my food.
4. Region.
5. Varietal.
6. Suggested by another at the table.
7. Try something different.
8. Available by the glass.
9. Promotion card on the table.
10. Available in half bottle (375mL).
11. Alcohol level below 13%.
12. I have had the wine before and liked it.
13. I had read about it, but never tasted it.

High involved consumers are likely to be influenced by 'trying something different' whereas to low involved this is a least influence, again, demonstrating the opportunity to encourage trial, which coupled with 'by the glass' and half bottles seems to show empirical support for a strategy to gain trial of the wine.

To generate managerially useful insights, the next step is to begin to look at, and compare various segments to see if there are differences in influencers that might suggest areas for targeting strategy. Figure 2 shows the comparison of Male *(n=97)* and Female *(n=100)* respondents, while the rank order of the five most influential attributes are the same, women are more influenced by region and men moreso by matching it with food. Of particular interest is that females are likely to 'try something different', whereas men have this as a negative influence.

High involved consumers are those who take an active interest in wine, it is important to them, they enjoy discussing wine, reading about it. It is not necessarily correlated to consumption frequency or the expenditure on wine. Examining the data by segmenting according to levels of wine involvement shows that again, like the sample, region are most important influencers. High involved consumers are much more likely to be influenced by having read about the wine – not surprising as they are also more likely to have read more about wine. While wineries have been producing 375mL bottles for the on-premise market, much of this has been aimed at the high-involved consumer – it is of roughly equal importance to both high and low consumers. It is possible this is related to situational factors (lunches, having to drive) but shows a possible opportunity for wineries to encourage trial through provision of half bottles. High involved consumers



are likely to be influenced by 'trying something different' whereas to low involved this is a least influence, again, demonstrating the opportunity to encourage trial, which coupled with 'by the glass' and half bottles seems to show empirical support for a strategy to gain trial of the wine.

Examining the data using age-based segmentation (18-24 years *n=30*, 25-40 years *n=73*, 41-55 years *n=74* and >55 years *n=31)* shows that the wine industry's next generation of customers (18-24 years) were far less likely than others to be influenced by food matching and half bottle availability. They were though, along with >55s more likely than 25-55 years to be influenced by table cards. Trying something different though was a least influence for the 18-24 group who had 'by the glass availability' as their second most influential attribute. When looking at consumption frequency, those consuming wine more than once per week were much more likely to be influenced by half bottle availability and promotion cards on the tables.

Promotion cards on the table were a higher influence on the >$80k income group, although often amongst practitioners these so-called 'table talkers' have been viewed as 'cheap commercial wine' promotional devices. As 'read about it but not tasted' was seen to be a positive influence on both high and low consumers and across all income groups it presents the opportunity to design copy of the table talkers to include reviews rather than just stories of the winery, thus delivering the 'read about it' with the 'table talker'. The higher spend per bottle consumers *(Café n=83, fine dine n=92)* were more likely to be influenced by a menu suggestion in a casual dining setting than fine dining, but more likely to try something new in fine dining than casual (Figure 4).

Do you...

- have (or foresee) a surplus in your wine stocks?
- want brand exposure to new customers?
- seek a long-term supply relationship?
- want to generate immediate cash flow?

**We want to sell your wine...**

Wine Lovers Warehouse stock exclusive, boutique labels, cancelled exports and bin ends.

Wine Lovers Warehouse is a Victorian-based and growing retail chain and online wine shop.

Wine Lovers Warehouse purchase in pallet lots.

No quantity too large.

If you answered **'yes'** to any of the above questions or wish to find our more about Wine Lovers Warehouse, check out our website or contact Joseph Sofia – Managing Director – **0411 266 003 – josephs@wineloverswarehouse.com.au**

**www.wineloverswarehouse.com.au**

WINELOVERS warehouse

We don't sell cheap wine. We sell good wine cheap!

## CONCLUSION

What we have seen in the data from the preliminary data collection in South Australia is that there are different importance weightings amongst various segments of consumers in the on-premise situation – importantly there appears to be insight developing that will enable strategies and tactics to be designed by practitioners that can better reach the segments that have been identified as vital for the Australian wine industry's sustained growth. The remainder of Australian data will be collected in early 2007 with international data collection that has commenced in some markets, expected to be completed by mid 2007. As data is gathered it will enable comparisons to be published of individual countries, comparisons across borders, old world and new world, USA *vs* Europe *vs* Asia *vs* Australia etc. Over the next two years there will be various papers and reports published, if you wish to be kept informed, please contact the authors via the email given at the start of this paper.

*Dr Steve Goodman is an experienced Wine Marketing Consultant and Senior Lecturer in Marketing at the Adelaide Graduate School of Business, University of Adelaide.*

*Professor Larry Lockshin is the Director of the Wine Marketing Group at the School of Marketing, University of South Australia.*

*Dr Eli Cohen is Senior Lecturer at the School of Management, Ben-Gurion University of the Negev, Israel and a Visiting Senior Lecturer and Member of the Wine Marketing Group at the School of Marketing, University of South Australia.*

## REFERENCES

Cohen, S. H. (2003). "Maximum Difference Scaling: Improved Measures of Importance and Preference for Segmentation." Sawtooth Software Conference Proceedings, Sequim, Western Australia.

Cohen, S. H. and Markowitz, P. (2002), "Renewing Market Segmentation: Some New Tools to Correct Old Problems, ESOMAR (September).

Cohen, S. H. and Neira, L. (2003). "Measuring preference for product benefits across countries: Overcoming scale usage bias with Maximum Difference Scaling." ESOMAR 2003 Latin America Conference Proceedings. Amsterdam: The Netherlands.

Finn, A. and Louviere, J.J. (1992). Determining the Appropriate Response to Evidence of Public Concerns: the Case of Food Safety, Journal of Public Policy and Marketing, 11(1), 12-25.

Goodman, S. Lockshin, L. and Cohen, E. (2006a). What influences consumer selection in the retail store? A look at initial South Australian data gathered as part of an international research project. Grapegrower and Winemaker, December

Goodman, S. Lockshin, L. and Cohen, E. (2006b). Using the Best-Worst method to examine market segments and identify different influences of consumer choice, 3d International Wine Marketing Symposium Proceedings, (CD-ROM), Montpellier FR., July 6-8.

Goodman, S. Lockshin, L. and Cohen, E. (2005). Best-Worse Scaling: A Simple Method to Determine Drinks and Wine Style Preference, 2nd international Wine Marketing Symposium Proceedings, (CD-ROM), Sonoma CA., July 8-9.

Lockshin, L. and Hall, J. (2003). Consumer Purchasing Behaviour for Wine: What We Know and Where We are Going, International Wine Marketing Colloquium, Adelaide, July, CD-ROM.

Louviere, J.J. and Islam, T. (2004), "A Comparison of Importance Weights/ Measures Derived from Choice-Based Conjoint, Constant Sum Scales and Best-Worst Scaling," CenSoC Working Paper No. 04-003, (September).

# Influencers of consumer choice – comparing international markets

By Dr Steve Goodman[1], Professor Larry Lockshin[2] and Dr Eli Cohen[3]

*This paper presents international results from GWRDC-funded research. The research is investigating the influencers on consumer choice for wine in the retail and on-premise situations in Australia and key export markets. The first papers, presented in December, showed the initial results and segmentation analysis from Australian data (Goodman, Lockshin & Cohen, 2006a; 2006b). This paper presents the sample level results of the countries completed so far. A later paper will present data from US, NZ, Brazil, Taiwan, Canada and France. When the data collection is completed, segmentation analysis will be carried out and presented showing if, and how, segments vary by market, continent, demographics or behavioural traits. These latter papers will be a series over several issues.*

*Over the next two years there will be a series of papers and reports published from this research. Notification of publication can be obtained by contacting* Steve.Goodman@adelaide.edu.au

Most common surveys are with rankings or ratings and consumer panel data, which details individual purchases. Respondents to surveys do not use ratings or rankings the same way across respondents and the results are subject to a range of biases resulting in scores or ratings, which are too similar or too difficult to interpret.

This research uses a new method called Best-Worst Scaling (also known as Max-Diffs). In addition to the normal demographic data, involvement levels and consumption frequency, a section of the survey uses a series of 13 tables (see example Table 1) to measure the true importance of the attributes that influence wine choice. Each table consists of four 'influence attributes'; each attribute appears an equal number of times across the survey and equally against each other attribute in the total set. This method allows better comparisons among countries and segments.

Table 1. Example of one table of a best-worse choice experiment.

| Worst/least | Issue/attribute | Best/most |
|---|---|---|
| | 1 Grape variety | X |
| | 2 Brand name | |
| X | 3 Medal/award | |
| | 4 Origin | |

Respondents are then asked the question related to the two situations: for on-premise, "Remember the last time you had wine with a meal with friends in a restaurant"; or for retail, "Remember the last time you bought a bottle of wine in a shop to have for dinner with friends" and instructed to, in each table, indicate the one that most (best) and the one that least (worst) influenced their decision. The specific situation for retail purchase was selected as a 'standard' to avoid situations where people's criteria might vary due to purchases for gifts, cellaring, special occasions, etc. Respondents were asked on what types of occasions they would change their behaviour to allow some cues as to when these 13 choice influencers might vary. Data were collected using different techniques depending on our collaborators in each country; some data were collected online, others as mall intercepts, in-store surveys or various combinations.

The data is transformed and analysed, where the total number of times each attribute is mentioned as 'worst' is taken from the number of times it is mentioned as 'best', leaving a score which is then standardised to enable different samples to be compared. There is much more statistical rigour to the process, compared with the standard 1-7 Likert-type scale. For a detailed discussion of the method and its application in the wine sector, see Goodman, Lockshin and Cohen (2005, 2006c), which demonstrates a range of results that can be used to discriminate amongst various segments and used to assist in focusing the marketing effort. The

Table 2. Australian influencers – retail store.

**AUS (n=305)**

| Rank | Attribute | B-W Std Score |
|---|---|---|
| 1 | Tasted the wine previously | 65 |
| 2 | Someone recommended it | 31 |
| 3 | Grape variety | 23 |
| 4 | Origin of the wine | 15 |
| 5 | Brand name | 15 |
| 6 | Medal/award | 12 |
| 7 | I read about it | 0 |
| 8 | Matching food | –7 |
| 9 | Information on back label | –7 |
| 10 | Information on the shelf | –22 |
| 11 | An attractive front label | –26 |
| 12 | Promotional display in-store | –35 |
| 13 | Alcohol level below 13% | –66 |

[1] Adelaide Graduate School of Business, The University of Adelaide.
[2] Wine Marketing Group, University of South Australia.
[3] School of Management, Ben-Gurion University of the Negev.

Table 3. UK influencers – retail store.

| UK (n=303) | | |
|---|---|---|
| **Rank** | **Attribute** | **B-W Std Score** |
| 1 | Tasted the wine previously | 56 |
| 2 | Someone recommended it | 22 |
| 3 | Origin of the wine | 12 |
| 4 | Information on back label | 11 |
| 5 | Brand name | 2 |
| 6 | I read about it | –03 |
| 7 | Grape variety | –03 |
| 8 | Matching food | –05 |
| 9 | Information on the shelf | –07 |
| 10 | Promotional display in-store | –10 |
| 11 | Medal/award | –11 |
| 12 | An attractive front label | –19 |
| 13 | Alcohol level below 13% | –44 |

Table 4. China influencers – retail store.

| China (n=197) | | |
|---|---|---|
| **Rank** | **Attribute** | **B-W Std Score** |
| 1 | Brand name | 37 |
| 2 | Tasted the wine previously | 34 |
| 3 | Origin of the wine | 31 |
| 4 | Someone recommended it | 22 |
| 5 | Medal/award | 4 |
| 6 | Information on back label | 1 |
| 7 | Grape variety | –7 |
| 8 | I read about it | –11 |
| 9 | Promotional display in-store | –11 |
| 10 | Information on the shelf | –16 |
| 11 | An attractive front label | –22 |
| 12 | Matching food | –25 |
| 13 | Alcohol level below 13% | _36 |

results are referred to as a 'level of importance'. Each attribute has a coefficient (number), which is a true representation of its value to the consumer. The nature of the method and resulting analysis means the numerical score is not just a rank order, but shows the degree of preference and can be compared between countries and segments to indicate similarities and differences.

It is important to note the negative scores are not necessarily negative influences, but just the way the scale is produced; the larger the negative, the less important the feature, the higher the score the more of an influence it is in the decision.

## RETAIL STORE CHOICE RESULTS – MARKET BY MARKET

The Australian market was discussed in previous articles (Goodman *et al.* 2006a; 2006b), but the results are repeated here for reference to the other countries (Table 2).

Table 3 shows the results from the UK analysis. Having 'tasted the wine previously' is the most influential, more than twice that of any other attribute, whilst 'someone's recommendation' is nearly twice as important as the 'origin of the wine' or the 'information on the back label', giving some credit to those Australian brands that sell the sunshine and Aussie lifestyle on the back labels. Alternatively, of course, is that if this is not the information the consumer is looking for on the back of the bottle then we risk becoming tacky, cliched wines. This in itself is vital research as to what information UK consumers are looking for on the back label. 'Brand name' has a small influence and is not much different from 'reading about the wine', the 'grape variety', or 'matching food'. Interesting is the number of attributes that scored as 'least' including 'attractive labels', 'promotional displays in-store' and 'grape variety'. The 'alcohol content' is by far the least important.

The analysis of the Chinese market shows the importance of old fashioned (or is it now New Age?) need to build the brand (Table 4). Unlike the UK and Australian data, there is much less differentiation amongst the influencers, with the first three not having much distance between them. Overall, these have a much smaller coefficient than the top one in Australia or the UK, showing there is less overall effect of these than the top one in the other countries. Two of the top three are shared with UK and Australia, while 'information on the back label' was only a marginal influence, as was the 'presence of a medal/award'. Again, 'grape variety' was less important as was 'attractive front label'. The Chinese do not typically drink wine with food, except in Western restaurants, so 'matching food' has little importance. However, 'brand' and 'origin' are quite important there. The lower overall scores in China probably indicate an undeveloped wine market, where buyers do not have much experience.

The German data (Table 5) shows more differentiation amongst the attributes than the Chinese; whilst 'previous taste' is the most important, there is little difference between the 'influence of someone recommending it' and the 'need to match food'. The Germans score more highly than other countries on the 'influence of other people'. There is a gap of difference down to 'origin' and then again to 'grape variety', with 'back label information' a slight influence. Marketing efforts such as 'brand', 'attractive front labels', 'promotional displays in-store' and 'shelf information', all rate as less important influences.

In a quite different wine market such as Israel, one would intuitively expect quite different results. Table 6 shows this to some extent to be true. In a market that is developing more wine consumers, we see the importance of relying on previous experience, with 'previous tasting' being the most important influencer. It is three times more important than the second influencer of 'matching food' and four times that of 'someone's

Table 5. German influencers – retail store.

**Germany (n=160)**

| Rank | Attribute | B-W Std Score |
|---|---|---|
| 1 | Tasted the wine previously | 50 |
| 2 | Someone recommended it | 38 |
| 3 | Matching food | 33 |
| 4 | Origin of the wine | 24 |
| 5 | Grape variety | 14 |
| 6 | Information on back label | 7 |
| 7 | Information on the shelf | –2 |
| 8 | I read about it | –4 |
| 9 | An attractive front label | –10 |
| 10 | Medal/award | –14 |
| 11 | Brand name | –21 |
| 12 | Promotional display in-store | –45 |
| 13 | Alcohol level below 13% | –68 |

Table 6. Israel influencers – retail store.

**Israel (n=184)**

| Rank | Attribute | B-W Std Score |
|---|---|---|
| 1 | Tasted the wine previously | 76 |
| 2 | Matching food | 23 |
| 3 | Someone recommended it | 18 |
| 4 | Brand name | 18 |
| 5 | Grape variety | 17 |
| 6 | I read about it | 17 |
| 7 | Medal/award | –4 |
| 8 | Information on back label | –17 |
| 9 | Promotional display in-store | –18 |
| 10 | Origin of the wine | –21 |
| 11 | An attractive front label | –30 |
| 12 | Information on the shelf | –32 |
| 13 | Alcohol level below 13% | –46 |

recommendation', which is roughly equal to 'brand name', 'grape variety' and 'reading about the wine'. The Israelis feel strongly about previous experience, since it has such a high overall score. It will be interesting to compare at a later date to see how these influencers develop in their differentiation over time as the market develops as a wine consumption marketplace. Over time, will the influence of 'previous tasting' become less pronounced? Will there be a split between influencers 3-6? Which ones will become more pronounced, which ones less important? Following this development and identifying patterns may assist in adapting, meeting and shaping the marketplace in developing marketplaces. Again, most 'marketing effort' is seen to have little influence with the exception of 'reading about it' and 'brand name'.

We might say something about the low influence of label, packaging and display. Other work under a different GWRDC grant has also shown these to score relatively low. We are now running a 'best worst' experiment using label and bottle photos on the Internet to see if this is actually true. Our hypothesis coming from our own and our industry advisory group's experience is that the label and package do have an influence, but it is subtle and almost unconscious, so when people are asked, they can't articulate the effect.

## RETAIL MARKET COMPARISONS

Figure 1 compares the results of each country, ranked in order of the Australian data. Remember that the scale is of increasing, not positive and negative, influence. In all markets, except China, having 'tried the wine previously' is the most important. China differs here due to brand suggesting that this is a market, with possibly others like it, where Brand Australia and the various generic and private sub-brands can form a beachhead to make way for later successful growth, although there is still an 'origin' effect that needs to be reinforced: 'Australian Wine' is good (or better!) vis-à-vis French. The influence of someone recommending a wine is much more pronounced in

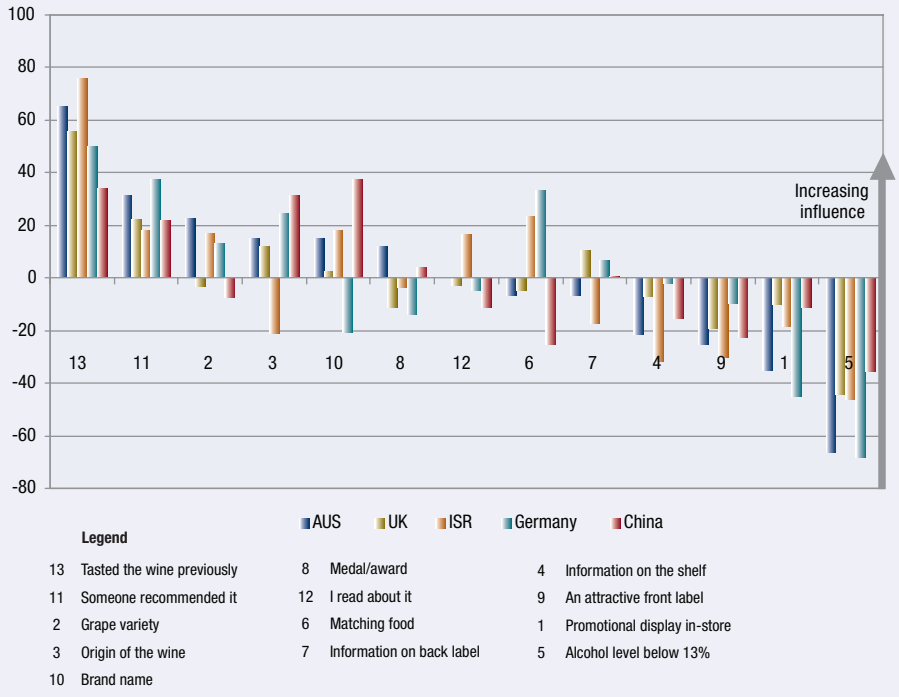



Figure 1. Choice influencers market comparisons – retail store.

Table 7. Australian influencers – on-premise.

**Australia (n=283)**

| Rank | Attribute | B-W Std Score |
|---|---|---|
| 1 | I have had the wine before and liked it | 57 |
| 2 | I Matched it to my food | 35 |
| 3 | Try something different | 28 |
| 4 | I had read about it, but never tasted | 19 |
| 5 | Region | 14 |
| 6 | Suggested by another at the table | 13 |
| 7 | Varietal | 3 |
| 8 | Available by the glass | 0 |
| 9 | Waiter recommended | –10 |
| 10 | Suggestion on the menu | –15 |
| 11 | Promotion card on the table | –38 |
| 12 | Available in Half Bottle (375ml) | –46 |
| 13 | Alcohol level below 13% | –60 |

Table 8. United Kingdom influencers – on-premise.

**UK (n=304)**

| Rank | Attribute | B-W Std Score |
|---|---|---|
| 1 | I have had the wine before and liked it | 59 |
| 2 | I Matched it to my food | 30 |
| 3 | Suggested by another at the table | 23 |
| 4 | Try something different | 13 |
| 5 | Region | 06 |
| 6 | I had read about it, but never tasted | 5 |
| 7 | Waiter recommended | –6 |
| 8 | Suggestion on the menu | –7 |
| 9 | Varietal | –9 |
| 10 | Available by the glass | –20 |
| 11 | Promotion card on the table | –24 |
| 12 | Available in Half Bottle (375ml) | –28 |
| 13 | Alcohol level below 13% | –42 |

Germany than the UK, China and Israel. Whilst the grape variety shows a significant difference in the UK and China, it is less influential in others. The origin of the wine was less important in Israel, but nearly twice as important in Germany and China than the UK and Australia.

Brand name is a 'least' influence in Germany, where marketers will have to work across a much broader approach than 'branding'. In the UK this is a marginal positive, has similar influence in Australia and Israel and is much more pronounced in China. Medals and awards are positive influencers in Australia and China but are negative influencers in Germany, UK and Israel – going into these markets with 'bling' might not work; in fact it might assist in achieving the opposite effect. Food matching is important in Israel and Germany but not so in the other markets. This offers the market scope to position product or brands as 'food pairs' – but it might have little effect in other markets where choosing wine is not a food matching issue, something that goes against the long worn out 'white with fish, red with meat' line! Perhaps in some markets consumers are enjoying the wine they want regardless of the old school rules? Research is needed in markets like Germany and the UK as to what sort of information consumers are looking for on back labels to better assist marketing meet demand as in both these markets this is a positive influence

## ON-PREMISE CHOICE RESULTS – MARKET BY MARKET

To date research data have been collected in Australia, Germany and the UK for the influencers of wine choice in the on-premise environment. The results for Australia have been presented in previous articles, but are again shown here for reference to other countries (Table 7).

Table 8 shows the UK results. Similar to retail, having had the wine before and liking it is the number one choice at

Table 9. German influencers – on-premise.

**Germany (n=114)**

| Rank | Attribute | B-W Std Score |
|---|---|---|
| 1 | I Matched it to my food | 54 |
| 2 | I have had the wine before and liked it | 45 |
| 3 | Suggested by another at the table | 41 |
| 4 | Varietal | 20 |
| 5 | Region | 14 |
| 6 | Waiter recommended | 8 |
| 7 | Available by the glass | 4 |
| 8 | Suggestion on the menu | 1 |
| 9 | Try something different | –11 |
| 10 | I had read about it, but never tasted | –11 |
| 11 | Promotion card on the table | –46 |
| 12 | Available in Half Bottle (375ml) | –47 |
| 13 | Alcohol level below 13% | –74 |

roughly twice the influence of food matching and a fellow diner's suggestion. Showing the opportunity to reach new customers is the positive influencer of 'try something different', which if marketing can match it as a food wine will reach two of the major influencers. What is interesting is the number of less important attributes that include menu and waiter suggestions, by the glass offerings, table talkers and varietal – the typical domain of marketing effort in on-premise situations.

Germany has three top influencers, which are all nearly double the role of varietal and region (Table 9). Matching food is number one but much closer aligned with 'previous

trial' and 'another diner's suggestion'. Still positive influencers, but to a lesser degree, are the waiter's recommendation, by-the-glass availability and menu suggestion. This suggests that in the German on-premise market, 'traditional' marketing approaches to on-premise selling may offer the good marketer an inroad to being selected by the consumer, although the pathway through 'trying something different' suggests the need to 'align' the offering with something that is known – maybe using the strength of cues such as varietal, region, or the reassuring recommendation of the waiter or menu suggestion.

Looking at Australia, Germany and the UK data (Figure 2) we see that having had the wine previously is important in all three markets, although matching food is more important than this in Germany, where it has nearly a third more influence than in Australia or the UK. For wine marketers in Australia it is promising to see that having the chance to try something different is a strong influencer, but this halves in the UK and has little influence in Germany, similarly with having read about it but not tried it. Availability by the glass is a strong positive influence in Germany, but not important in the UK and borderline in Australia. Germans appear to be more likely to be influenced by others than Australia or the UK, with a fellow diner's suggestion in Germany being twice that of the UK which is in turn twice that of Australia. Further to this is that menu and waiter's suggestions are slightly positive in Germany and of 'least influence' effect in Australia and the UK. Remember, the scale is of increasing, not positive and negative, influence. Is this representative of the consumer's behaviour or the service delivery? Are Australian and UK waiters perceived as not knowing enough or are consumers intimidated by their wine knowledge? Are menu suggestions in Australia and the UK seen as 'making money' as opposed to offering service – or do consumers in Australia and UK simply choose the wine they want with their meal regardless of food matching, menu or waiter advice?

## CONCLUSION

We have attempted to demonstrate the initial insights these first surveys show us about some of the different markets. Further work is needed with this data to conduct segmentation using demographics and behavioural variables. We may find that there are similar segments in most countries, or that some segments exist in some countries and not others. This will be conducted over coming months and presented in similar articles. Sample sizes will enable at least one segmentation variable (age or gender or income, etc.) and possibly variable segments (gender and involvement or gender and consumption frequency, etc.). Whilst there are many common traits across the markets examined so far, there are some small differences that might offer the wine marketer opportunities to better match the offering with the influencers of consumer behaviour in the market targeted. The end goal of the project is to allow the data to drive the segmentation of the market, rather than using traditional 'gut-feeling' segmentation, leading to the compilation of 'maps' of the various segments and their influence profiles.

As we undertake each step of this we will publish the results in forums such as THE *Wine Industry Journal*. Readers interested in being alerted to upcoming results can email: steve.goodman@adelaide.edu.au

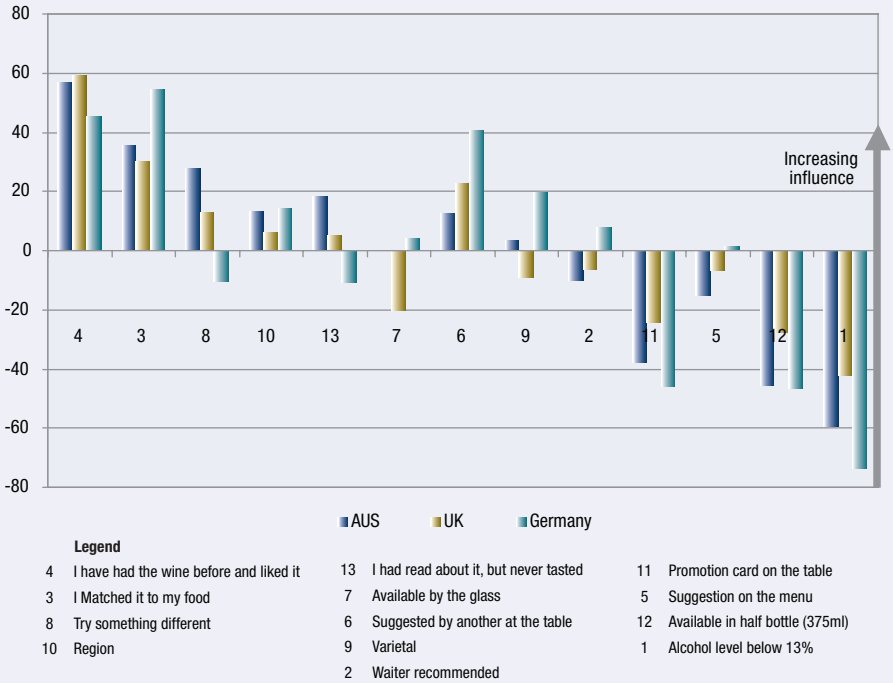



Figure 2. Choice influencers market comparisons – on-premise.

*1 Dr Steve Goodman is an experienced wine marketing consultant and senior lecturer in marketing at the Adelaide Graduate School of Business, The University of Adelaide.*

*2 Professor Larry Lockshin is the director of the Wine Marketing Group at the School of Marketing, University of South Australia.*

*3 Dr Eli Cohen is senior lecturer at the School of Management, Ben-Gurion University of the Negev, Israel, and a visiting senior lecturer and member of the Wine Marketing Group at the School of Marketing, University of South Australia.*

## REFERENCES

Goodman, S., Lockshin, L. and Cohen, E. (2005) Best:worst scaling: a simple method for determining drink and wine style preferences, 2nd International Wine Marketing Symposium Proceedings, Sonoma.

Goodman, S., Lockshin, L. and Cohen, E. (2006a) The on-premise environment: what's influencing consumer choice? *The Australian and New Zealand Wine Industry Journal*, December.

Goodman, S, Lockshin, L and Cohen, E (2006b) 'What Influences Consumer Choice in the Retail Store?' *The Australian and New Zealand Grapegrower and Winemaker Journal*, 21(6):87-90.

Goodman, S, Lockshin, L and Cohen, E (2006c) Using the best-worst method to examine market segments and identify different influences of consumer choice, 3rd International Wine Business and Marketing Conference Proceedings, Montpelier.

# Influencers of consumer choice in a retail setting – more international comparisons

Dr Steve Goodman[1], Professor Larry Lockshin[2] and Dr Eli Cohen[3]

*This paper presents the second set of international results from the retail setting of our GWRDC funded research. The research project investigates the influencers on consumer wine choice in retail and on-premise buying situations in Australia and key export markets. Earlier papers showed the initial results and segmentation analysis from Australian data (Goodman, Lockshin & Cohen 2006a, 2006b) as well results for China, France, Germany, Israel and the UK (Goodman, Lockshin and Cohen 2007a). This paper presents the results from USA, NZ, Brazil, Austria, Italy and France in a retail setting; the on-premise results are published separately in Goodman, Lockshin and Cohen (2007b). The next step of the research is to conduct segmentation analysis to identify what segments exist on a market by market basis and whether there are similar segments across markets. These will be published in forums such as this. Notification of publication can be obtained by contacting* Steve.Goodman@adelaide.edu.au

This is the third paper in a series published in the *Wine Industry Journal* from the consumer choice influencers research we are undertaking. The introductory section has been presented previously and outlines the research method and its mechanism for those who have missed the earlier papers. For those familiar with the research method and context, skip ahead to the results section which has the new set of countries results shown, along with the differences compared to Australia, the base country.

## INTRODUCTION

Most marketing surveys are conducted with ratings of various statements including, 'how important is... ?' or 'agree – disagree' scales. Respondents to surveys do not use ratings the same way, which results in a range of biases making the ratings too similar or too difficult to interpret. People do not have calibrated 1-7 scales in their heads, nor does a rating of six mean the same for each person. If people are asked to rate 'how important' something is, often most things are rated 'somewhat important'.

This research uses a new method called Best-Worst Scaling (also known as Max-Diffs) to reduce these types of problems. In addition to the normal demographic data, involvement levels and consumption frequency, a section of the survey uses a series of 13 tables (see example Table 1) to measure the true importance of the attributes that influence wine choice. Each table consists of four 'influence attributes'; each attribute appears an equal number of times across the survey and equally against every other attribute in the total set. This method allows more realistic comparisons among countries and segments.

Respondents are then asked the question related to the two situations: for on-premise "Remember the last time you had wine with a meal with friends in a restaurant"; or for retail "Remember the last time you bought a bottle of wine in a shop to have for dinner with friends" and instructed to, in each table, indicate the one factor that most (best) and the one that *least* (worst) influenced their decision. The specific situation for retail purchase was selected as a 'standard' to avoid situations where people's criteria might vary due to purchases for gifts, cellaring, special occasions, etc. Respondents were also asked on what types of occasions they would change their behaviour as to when these 13 choice influencers might vary. Data were collected using different sampling techniques depending on our collaborators in each country; some data were collected online, others as mall intercepts, in-store surveys or various combinations, but all used the same Best-Worst and other survey questions.

After collection the data is transformed and analysed, where the total number of times each attribute is mentioned as 'worst' is subtracted from the number of times it is mentioned as 'best', leaving a score which is then standardised to enable the different samples to be compared. There is much more statistical rigour to the process, compared to the standard 1-7 Likert-type scale. For a detailed discussion of the method and its application in the wine sector, see Goodman, Lockshin and Cohen (2005; 2006c), which demonstrates a range of results that can be used to discriminate amongst various segments and used to assist in focusing the marketing effort. The results are referred to as a 'level of importance'. Each attribute has a co-efficient (number), which is a true representation of its value to the consumer. The

**Table 1. Example of one table of a best-worse choice experiment.**

| Worst/least | Issue/attribute | Best/most |
|---|---|---|
| | 1 Grape variety | X |
| | 2 Brand name | |
| X | 3 Medal/award | |
| | 4 Origin | |

[1] Adelaide Graduate School of Business, University of Adelaide.
[2] Wine Marketing Group, University of South Australia.
[3] Guilford Glazer School of Business and Management, Ben-Gurion University of the Negev.

nature of the method and resulting analysis means the numerical score is not just a rank order, but shows the degree of preference and can be compared between countries and segments to indicate similarities and differences.

It is important to note, the negative scores are not necessarily negative influences, but just the way the scale is produced; the larger the negative, the less important the feature, the higher the score the more of an influence it has in the decision.

### RETAIL STORE CHOICE RESULTS – MARKET BY MARKET

The Australian market was discussed in previous articles (Goodman *et al.* 2006a, 2006b), but the results are repeated here for reference to the other countries (Table 2). It is important to note that negative scores for an attribute do not mean they are negative influencers. A negative score simply means that there were more instances of that attribute mentioned as 'least' compared to 'more'. The inference is that it is much less of an influence. We are currently investigating converting this to a probabilistic scale (where the probability of each attribute being chosen as 'most' is shown), but for completeness of tying in with the earlier country reports we have kept to the same presentation of scores. The scale is between +100 (most) and –100 (least)

Table 3 (over the page) shows the results from the Austrian sample. The two top influencers on choice in a retail setting show the importance of getting the variety right and making sure people have tasted it. This infers that the Austrian market may be served through using and labelling the variety right (which may change over time), and therefore the importance of research into consumer preferences for variety. Varietal is more important as an influencer than in Australia, as is the matching with food – a possible avenue for wine marketers to communicate the food matching of Australian wines to local food choices and styles. The fact that the first two items in Austria are quite close means they have about the same importance. This contrasts

**Table 2. Australian influencers – retail store.**

**AUS (n=305)**

| Rank | Attribute | B-W Std Score |
|---|---|---|
| 1 | Tasted the wine previously | 65 |
| 2 | Someone recommended it | 31 |
| 3 | Grape variety | 23 |
| 4 | Origin of the wine | 15 |
| 5 | Brand name | 15 |
| 6 | Medal/award | 12 |
| 7 | I read about it | 0 |
| 8 | Matching food | –7 |
| 9 | Information on back label | –7 |
| 10 | Information on the shelf | –22 |
| 11 | An attractive front label | –26 |
| 12 | Promotional display in-store | –35 |
| 13 | Alcohol level below 13% | –66 |




Our skills + your ideas = RESULTS

For customers developing new processes and additives we conduct:

- Optimisation
- Production trials
- Trial design
- Independent evaluation and "proof-of-performance"
- Beta testing of new ideas under strict confidentiality
- Trouble-shooting & investigation of performance issues
- Implementation of new processes
- Validation of new processes

provisor
Inspiration to Application

t 08 8303 8700 e enquiries@provisor.com.au
www.provisor.com.au

**Table 3. Australian influencers – retail store.**

**Austria (n=182)**

| Rank | Attribute | B-W Std Score |
|---|---|---|
| 1 | Grape variety | 36 |
| 2 | Tasted the wine previously | 34 |
| 3 | Origin of the wine | 25 |
| 4 | Matching food | 24 |
| 5 | An attractive front label | 6 |
| 6 | Information on back label | 5 |
| 7 | Someone recommended | 1 |
| 8 | Brand name | –7 |
| 9 | Medal/award | –7 |
| 10 | I read about it | –17 |
| 11 | Information on the shelf | –18 |
| 12 | Alcohol level below 13% | –31 |
| 13 | Promotional display in–store | –50 |

**Table 4. Brazilian influencers – retail store.**

**Brazil (n=293)**

| Rank | Attribute | B-W Std Score |
|---|---|---|
| 1 | Brand name | 60 |
| 2 | Tasted the wine previously | 40 |
| 3 | Matching food | 26 |
| 4 | Someone recommended it | 20 |
| 5 | Origin of the wine | 19 |
| 6 | Grape variety | 14 |
| 7 | I read about it | –11 |
| 8 | Information on the shelf | –19 |
| 9 | Information on back label | –20 |
| 10 | Alcohol level below 13% | –23 |
| 11 | Promotional display in-store | –24 |
| 12 | Medal/award | –37 |
| 13 | An attractive front label | –44 |

with the most important item in Australia, which is twice as important as the next one.

When looking at emerging markets like Brazil there are similarities to Australian influencers, but also some distinct differences, notably in the area of Brand influence. This is similar to the China results (Goodman *et al.* 2007a) and shows the possible opportunity for classical brand development strategies for Australian wines. Matching food is much more of an influence than in Australia, and Brazilian cuisine throws some opportunities for Australian wines, particularly shorter-term return whites. Grape variety was less important than Australia, and much less than other markets – again a signal for opportunity to develop blended wines, to match food and build a brand around. Although 'tasted the wine previously' is second most important, it is less so than Australia and might signal a willingness to discover something new with a known brand.

France, the most 'traditional' of markets shows just how traditional when looking at the results (Table 5), where 'matching food' is the most important influencer, significantly different from Australian retail influencers. Remember, this is important in a retail setting. This is also true of the origin of the wine, which is almost as important. Interestingly, while this would suggest a conservative, unexperiential approach, in fact these two influencers are possibly guiding 'rules' for choice, while 'having had the wine before' is much less of an influence than in Australia. It is still important, but much less so. The rigidity of the French appellation system is used by consumers to enable their wine choices. French consumers are possibly more confident than Australians as they are less likely to be influenced by others.

Another 'classic' wine market, Italy (Table 6) highlights how much more important matching food is in markets such as this than in Australia, although in contrast to France, the most important influencer is previous trial. Are the Italians more set



**Table 5. French influencers – retail store.**

**France (n=154)**

| Rank | Attribute | B-W Std Score |
|---|---|---|
| 1 | Matching food | 44 |
| 2 | Origin of the wine | 40 |
| 3 | Tasted the wine previously | 36 |
| 4 | Grape variety | 18 |
| 5 | Someone recommended it | 13 |
| 6 | Medal/award | 12 |
| 7 | Brand name | 6 |
| 8 | I read about it | 0 |
| 9 | Promotional display in-store | –19 |
| 10 | Information on back label | –23 |
| 11 | An attractive front label | –40 |
| 12 | Information on the shelf | –43 |
| 13 | Alcohol level below 13% | –44 |

**Table 6. Italian influencers – retail store.**

**Italy (n=314)**

| Rank | Attribute | B-W Std Score |
|---|---|---|
| 1 | Tasted the wine previously | 47 |
| 2 | Matching food | 42 |
| 3 | Origin of the wine | 19 |
| 4 | I read about it | 16 |
| 5 | Information on back label | 11 |
| 6 | Grape variety | 10 |
| 7 | Someone recommended it | 9 |
| 8 | Brand name | 0 |
| 9 | Medal/award | –5 |
| 10 | Information on the shelf | –30 |
| 11 | An attractive front label | –37 |
| 12 | Alcohol level below 13% | –39 |
| 13 | Promotional display in-store | –43 |


# What's big, red and travels the world?

*Answer:* Environmental Packaging Technologies' bulk shipping solutions

Wine transporters all over the world rely on the BIG Red Flexitank™ for the safe shipment of their precious bulk liquids.

Independently tested for leak-free durability, BIG Red flexitanks are setting product performance standards for the shipping industry. Take a look at our drop test videos at **www.enviropactech.com** and see for yourself why BIG Red is the flexitank of choice for the transport of wine and other bulk liquids.

Contact us today for a FREE consultation!

**Environmental Packaging Technologies**

Office: +61 (0)448 481 804 • www.enviropactech.com

**Table 7. New Zealand influencers – retail store.**

**New Zealand (n=364)**

| Rank | Attribute | B-W Std Score |
|---|---|---|
| 1 | Tasted the wine previously | 65 |
| 2 | Grape variety | 38 |
| 3 | Medal/award | 27 |
| 4 | Brand name | 25 |
| 5 | Someone recommended it | 23 |
| 6 | Origin of the wine | 19 |
| 7 | I read about it | –9 |
| 8 | Matching food | –19 |
| 9 | Promotional display in-store | –22 |
| 10 | Information on back label | –24 |
| 11 | An attractive front label | –25 |
| 12 | Information on the shelf | –27 |
| 13 | Alcohol level below 13% | –71 |

**Table 8. USA influencers – retail store.**

**USA (n=196)**

| Rank | Attribute | B-W Std Score |
|---|---|---|
| 1 | Tasted the wine previously | 54 |
| 2 | Someone recommended it | 33 |
| 3 | Grape variety | 18 |
| 4 | Origin of the wine | 9 |
| 5 | Brand name | 9 |
| 6 | Matching food | 7 |
| 7 | Medal/award | 3 |
| 8 | I read about it | 1 |
| 9 | An attractive front label | –7 |
| 10 | Information on the shelf | –11 |
| 11 | Information on back label | –18 |
| 12 | Promotional display in-store | –25 |
| 13 | Alcohol level below 13% | –74 |




in their ways? Grape variety is of less importance than in Australia, while reading about the wine moreso. France and Italy demonstrate the need to understand local markets and position Wine Australia's individual offerings with local cuisine. This is a big step, but without doing so this research suggests the task is simply not possible, no matter how successful the 'sub-brand' Wine Australia is.

Much closer to home, the New Zealand data (Table 7) shows us the common links between consumers of both markets. But, for each similarity there are differences, emphasising the importance of getting to know the consumers in each market. Grape variety, for example, in New Zealand is much stronger an influence than in Australia, as are the evidence of Medals/Awards and to a lesser extent Brand Names. Consumers are less influenced than in Australia by someone's recommendation – a trait common with old Europe.

Another Anglo-market, the USA, shows the similarities to Australia might be one of the success factors behind the marketing of Australian wines – we understand them because they are quite like us (distribution system aside). The top five influencers are in the same rank order as Australia, with quite similar standardised scores, even to the point of 'origin' and 'brand' being ranked with identical standardised scores. There are still some opportunities that this approach can identify even in such similar markets. For example in the USA, 'matching food' is more of an influence, along with 'attractive front label' than here in Australia, while 'medals/awards' are less so.

## RETAIL MARKET COMPARISONS

Figure 1 compares the results of each country, with the items listed in order of the Australian ranks. Remember that the scale is of increasing, *not* positive and negative, influence. While this is only at a sample level and segmentation using variables such as gender, income, etc, needs to be carried out, it begins to demonstrate similarities and differences in markets. It can demonstrate areas that standardised marketing approaches might be most useful and areas where adaptation is needed. Common across markets is the importance of 'tried before and liked it', so it is vital to continue the promotion of Wine Australia at every opportunity – although let's also look at how we get different people to the promotion and how we translate that into retail sales. We need to identify the varieties that are important in markets such as Austria and New Zealand – but focus on other attributes where this is not as big an influence. The good news is that 'origin' is fairly standard, and this importance level across markets does not look insurmountable. We need to examine this back up the distribution chain and make sure business buyers are working with actuals, rather than myths of what consumers want. Let's identify other markets like Brazil where 'brand' appears to be king – and then go and build our Australian brands there. This is possibly key to emerging markets like Brazil and China, maybe the old 'it's got to be French' rule does not actually apply in the average consumer's influence pattern for every day purchases. Rather than having a one-size-fits-all approach to food matching maybe we engage local experts (be it bright lights such as Mssrs

ospack
waiting on artwork
ex PA

Carluccio, Ramsay or local chefs, cooks and foodies) and get the food matching suggestions right for local conditions – and then use education and simple information to guide consumers in markets where this is a big influencer on purchase in retail. In export markets look at whether the back label information is of importance and whether it needs to be tailored. If, like in Italy, it is an influencer, then print the label information so it can be read! We can also see that alcohol levels are near the bottom in most countries, which belies some of the media reports against higher alcohol wines.

## CONCLUSION

This data is the first cut of the remaining countries involved in this 12 country study. We have attempted to present this information to highlight the approach and the results. Future articles will look at what else might be possible to generate from the research. It is clear that the method and approach is identifying signals that might assist the Australian wine industry in its quest to get people to (i) buy Australian Wine and (ii) buy better Australian Wine. The end goal of the project is to allow the data to drive the segmentation of the market, rather than using traditional 'gut-feeling' segmentation. This will lead to the compilation of 'maps' of the various segments and their influence profiles. One of the interesting issues highlighted is that the old rule of Country of Origin being king in the trading up debate – it just might be, from looking at this research data, that this is not such a big issue after all – market by market and segment by segment there appears to be far more important influencers on consumer's wine selection in a retail setting. Let's look at those, work back up the distribution chain and see how we can take advantage of the insights gained to really get the world 'trading-up' on Australian wine.

*As we undertake each step of this we will publish the results in forums such as this. Readers interested in being alerted to upcoming results, please email* steve.goodman@adelaide.edu.au

*Current results and articles can be viewed at* www.winepreferences.com

## AUTHOR BIOGRAPHIES

*Dr Steve Goodman is an experienced wine marketing consultant and senior lecturer in marketing at the Adelaide Graduate School of Business, University of Adelaide.*

*Professor Larry Lockshin is the director of the Wine Marketing Group at the School of Marketing, University of South Australia.*

*Dr Eli Cohen is the senior lecturer at the Guilford Glazer School of Business and Management, Ben-Gurion University of the Negev, Israel and a visiting senior lecturer and member of the Wine Marketing Group at the School of Marketing, University of South Australia.*

## REFERENCES

S Goodman, L Lockshin & E Cohen (2005) 'Best:Worst Scaling: A Simple Method for Determining Drink and Wine Style Preferences', 2nd International Wine Marketing Symposium Proceedings, Sonoma.

S Goodman, L Lockshin & E Cohen (2006a) 'The On-Premise Environment: What's Influencing Consumer Choice?', The Australian and New Zealand Wine Industry Journal, November/December.

S Goodman, L Lockshin & E Cohen (2006b) 'What Influences Consumer Choice in the Retail Store?', The Australian & New Zealand Grapegrower & Winemaker Journal, December.

S Goodman, L Lockshin & E Cohen (2006c) 'Using the Best-Worst method to examine market segments and identify different influences of consumer choice', 3rd International Wine Business and Marketing Conference Proceedings, Montpelier.

S Goodman, L Lockshin & E Cohen (2007a) 'Influencers of Consumer Choice: Comparing International Markets', The Australian and New Zealand Wine Industry Journal, May/June.

S Goodman, L Lockshin & E Cohen (2007b) 'Influencers of Consumer Choice in the On-Premise Environment: More International Comparisons', The Australian & New Zealand Grapegrower & Winemaker Journal, December.

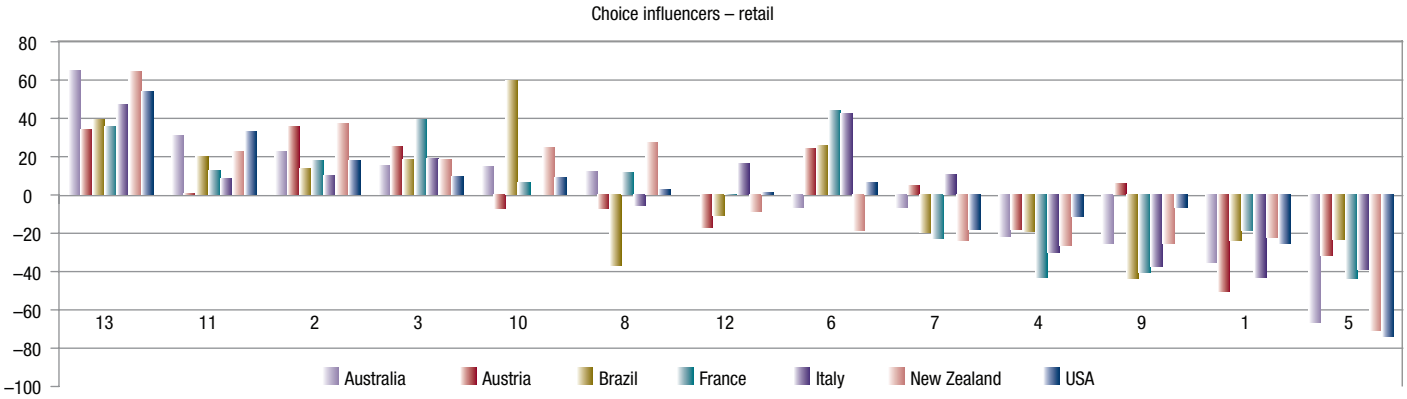



Figure 1. Choice influencers market comparisons – retail.

# Influencers of consumer choice in the on-premise environment: more international comparisons

**Steve Goodman**
Adelaide Graduate School of Business
University of Adelaide

**Larry Lockshin**
Wine Marketing Group
University of South Australia

**Eli Cohen**
Guilford Glazer School of Business and Management
Ben-Gurion University of the Negev

*This paper presents the second set of international results from the On-Premise setting of Grape and Wine Research and Development Corporation (GWRDC) funded research. The research is investigating the influencers on consumer choice for wine in the retail and on-premise situations in Australia and key export markets. Earlier papers showed the initial results and segmentation analysis from Australian data (Goodman, Lockshin & Cohen 2006a, 2006b) as well as results for China, France, Germany, Israel and the United Kingdom (Goodman, Lockshin and Cohen 2007a). This paper presents the sample level results (On-Premise) from New Zealand, Brazil, Austria, Italy and France. The next step of the research is to conduct segmentation analysis to identify what segments exist on a market by market basis. These will be published in forums such as this. Notification of publication can be obtained by contacting Steve.Goodman@adelaide.edu.au*

This is the fifth paper in a series from the consumer choice influencers research we are undertaking. The introductory section has been presented previously and outlines the method and its mechanism for those who have missed the earlier papers. For those familiar with the research method and context, skip ahead to the results section which has the new set of countries results shown, along with the differences compared to Australia, the base country.

## Introduction

Most common surveys are with rankings or ratings and consumer panel data, which details individual purchases. Respondents to surveys do not use ratings or rankings the same way across respondents and the results are subject to a range of biases resulting in scores or ratings, which are too similar or too difficult to interpret.

This research uses a new method called Best-Worst Scaling (also known as Max-Diffs). In addition to the normal demographic data, involvement levels and consumption frequency, a section of the survey uses a series of 13 tables (see example Table 1) to measure the true importance of the attributes that influence wine choice. Each table consists of four 'influence attributes'; each attribute appears an equal number of times across the survey and equally against each other attribute in the total set. This method allows better comparisons among countries and segments.

Respondents are then asked the question related to the two situations: for on-premise, "remember the last time you had wine with a meal with friends in a restaurant"; or for retail, "remember the last time you bought a bottle of wine in a shop to have for dinner with friends" and instructed to, in each table, indicate the one that MOST (best) and the one that LEAST (worst) influenced their decision. The specific situation for retail purchase was selected as a 'standard' to avoid situations where people's criteria might vary because of purchases for gifts, cellaring, special occasions etc. Respondents were asked on what types of occasions they would change their behaviour to allow some cues as to when these 13 choice influencers might vary. Data were collected using different techniques depending on our collaborators in each country; some data were collected online, others as mall intercepts, in-store surveys or various combinations.

Table 1. Example of one table of a best-worse choice experiment

| Worst/Least | Issue/attribute | Best/Most |
|---|---|---|
| | 1. Grape variety | x |
| | 2. Brand name | |
| x | 3. Medal/award | |
| | 4. Origin | |

The data is transformed and analysed, where the total number of times each attribute is mentioned as 'worst' is taken from the number of times it is mentioned as 'best', leaving a score which is then standardised to enable different samples to be compared. There is much more statistical rigor to the process, compared to the standard 1-7 Likert-type scale. For a detailed discussion of the method and its application in the wine sector, see Goodman, Lockshin and Cohen (2005; 2006c), which demonstrates a range of results that can be used to discriminate amongst various segments and used to assist in focusing the marketing effort. The results are referred to as a 'level of importance'. Each attribute has a coefficient (number), which is a true representation of its value to the consumer. The nature of the method and resulting analysis means the numerical score is not just a rank order, but shows the degree of preference and can be compared between countries and segments to indicate similarities and differences.

It is important to note, the negative scores are not necessarily negative influences, but just the way the scale is produced; the larger

Table 2. On-premise influencers - Australia

| Rank | Australia (n=283) | B-W Std Score |
|---|---|---|
| | Attribute | |
| 1 | Had the wine before and liked it | 57 |
| 2 | I Matched it to my food | 35 |
| 3 | Try something different | 28 |
| 4 | I had read about it, but never tasted | 19 |
| 5 | Region | 14 |
| 6 | Suggested by another at the table | 13 |
| 7 | Varietal | 3 |
| 8 | Available by the glass | 0 |
| 9 | Waiter recommended | -10 |
| 10 | Suggestion on the menu | -15 |
| 11 | Promotion card on the table | -38 |
| 12 | Available in half bottle (375ml) | -46 |
| 13 | Alcohol level below 13% | -60 |

the negative, the less important the feature, the higher the score the more of an influence it is in the decision.

**Retail store choice results – market by market**

The Australian market was discussed in previous articles (Goodman *et al* 2006a, 2006b), but the results are repeated here for reference to the other countries (Table 2). It is important to note that negative scores for an attribute do not mean they are negative influencers. A negative score simply means that there were more instances of that attribute mentioned as 'least' than as 'more', the inference is that it is much less of an influence. We are currently investigating converting this to a probabilistic scale (where the probability of each attribute being chosen as 'most' is shown), but for completeness of tying in with the earlier country reports we have kept to the same presentation of scores.

When targeting different overseas markets, the approach can identify the differences from Australia and help to assist us in implementing marketing strategy – for example in Austria (Table 3) what we see is not just the ranking order, but how much more important varietal is than in Australia. This offers much to Australia as much success to date has been built around varietal wine rather than appellation controlled wines. The region is more important in Austria than here in Australia, offering hope for the *Directions* strategy of regional heroes. Having previously tried the wine before is much less of an influence than in Australia – again offering hope that the market can be cued to other signals.

Brazil (Table 4) has the same most important influence as Australia. But are more likely to be influenced by another at the table – this opens opportunity for consumer 'evangelists' to play a role – and given the importance in retail of 'brands' to Brazilians (Goodman *et al* 2007b) there might be some straightforward marketing entry strategies there for the taking. Like Austria, varietal is much more important than in Australia. Maybe in Australia we consumers have been too spoiled with varietal being the 'baseline' of wines offered. Region is of less importance to Brazilians, possibly opening up a path for 'South East Australia' style blends that fit other more important influencers.

It is no surprise, or rather one of the wine myths that does hold up empirically, that 'matching it with my food' is a much stronger influence in France than Australia (Table 5), as is regionality. Similar to Germany, both the waiter's suggestion and a menu suggestion are more important influencers in France than in Australia (and the United Kingdom – Goodman *et al* 2007a). As stated previously, is this to do with how they are presented and trained or our reluctance as consumers to trust? Traditional Australian strategies are not necessarily suited to France and vice-versa.

Respondents in Italy, another classical European food and wine 'home', are, like those in the French data, much more influenced by

Table 3. On-premise influencers - Austria

| Rank | Austria (n=182) | B-W Std Score |
|---|---|---|
| | Attribute | |
| 1 | I Matched it to my food | 41 |
| 2 | Varietal | 35 |
| 3 | Had the wine before and liked it | 28 |
| 4 | Region | 27 |
| 5 | Try something different | 19 |
| 6 | Suggested by another at the table | 10 |
| 7 | I had read about it, but never tasted | 4 |
| 8 | Available by the glass | 3 |
| 9 | Waiter recommended | -4 |
| 10 | Suggestion on the menu | -12 |
| 11 | Promotion card on the table | -33 |
| 12 | Alcohol level below 13% | -58 |
| 13 | Available in half bottle (375ml) | -61 |

Table 4. On-premise influencers - Brazil

| Rank | Brazil (n=276) | B-W Std Score |
|---|---|---|
| | Attribute | |
| 1 | Had the wine before and liked it | 41 |
| 2 | Suggested by another at the table | 35 |
| 3 | I Matched it to my food | 34 |
| 4 | Varietal | 24 |
| 5 | I had read about it, but never tasted | 8 |
| 6 | Region | 1 |
| 7 | Try something different | -5 |
| 8 | Suggestion on the menu | -5 |
| 9 | Waiter recommended | -14 |
| 10 | Available by the glass | -23 |
| 11 | Promotion card on the table | -25 |
| 12 | Available in half bottle (375ml) | -28 |
| 13 | Alcohol level below 13% | -43 |

matching it with food than Australia but there is less difference in attributes such as 'region' and 'reading about the wine'. Again, like France and Germany, in Italy we see the influence of the waiter to be moreso than Australia, although less of a difference on menu suggestions. It appears from the European data that 'by the glass' is less of an influencer than it is here – are wineries adapting their on-premise strategies or pursuing the same 'on the pour' approach? A difficulty might be that the influence of the on-premise channel in the overall sales growth in some markets might be somewhat less than Australia, where 'trying something different' is much more of an influence than in Italy in the on-premise setting.

NZ, the closest geographically, and arguably culturally, to Australia shows quite a similar pattern of influencers (Table 7). The rank order is quite similar to Australia, although notable differences are that varietal in NZ is much more of an influence than in Australia (similar in the retail setting, see Goodman *et al* 2007b), whilst region in Australia is more important as an influencer than in NZ.

**On-premise market comparisons**

Figure 1 shows the sample level data from the countries discussed earlier, this will be available later as a full, all country chart. Remember that 'below the line' does not mean a negative influence, but that it means it had more 'least' influence response than 'more', what we see is that the further to the bottom the line is, then the less influence it is on choice – it is not a 'negative' influence. We begin to see areas where international markets might be grouped as one, and others where some adaptation is likely to be required for successful marketing. In Italy and France (most likely to no-one's surprise) we see a common difference with the others in the role and importance of matching to food, similarly with regard to the influence of the waiter's recommendation. We see in the data that Brazil, Italy

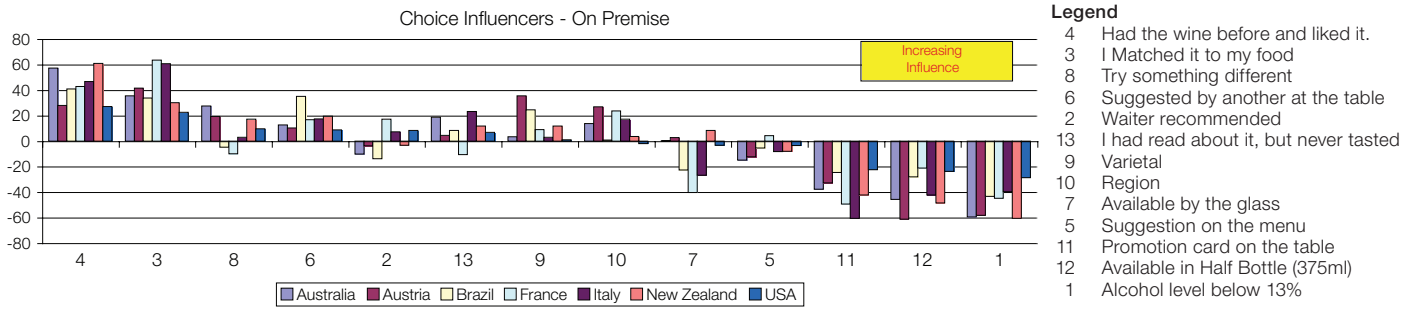



**Fig. 1. Choice Influencers Market Comparisons – On-Premise**

**Table 5. On-premise influencers - France**

| Rank | France (n=147) Attribute | B-W Std Score |
|---|---|---|
| 1 | I Matched it to my food | 63 |
| 2 | Had the wine before and liked it | 43 |
| 3 | Region | 24 |
| 4 | Waiter recommended | 17 |
| 5 | Suggested by another at the table | 17 |
| 6 | Varietal | 9 |
| 7 | Suggestion on the menu | 4 |
| 8 | Try something different | -10 |
| 9 | I had read about it, but never tasted | -11 |
| 10 | Available in half bottle (375ml) | -21 |
| 11 | Available by the glass | -40 |
| 12 | Alcohol level below 13% | -45 |
| 13 | Promotion card on the table | -49 |

**Table 6. On-premise influencers – Italy**

| Rank | Italy (n=343) Attribute | B-W Std Score |
|---|---|---|
| 1 | I Matched it to my food | 61 |
| 2 | Had the wine before and liked it | 47 |
| 3 | I had read about it, but never tasted | 23 |
| 4 | Suggested by another at the table | 17 |
| 5 | Region | 17 |
| 6 | Waiter recommended | 7 |
| 7 | Varietal | 3 |
| 8 | Try something different | 3 |
| 9 | Suggestion on the menu | -8 |
| 10 | Available by the glass | -27 |
| 11 | Alcohol level below 13% | -40 |
| 12 | Available in half bottle (375ml) | -42 |
| 13 | Promotion card on the table | -61 |

**Table 7. On-premise influencers – New Zealand**

| Rank | New Zealand (n=216) Attribute | B-W Std Score |
|---|---|---|
| 1 | Had the wine before and liked it | 61 |
| 2 | I Matched it to my food | 30 |
| 3 | Suggested by another at the table | 20 |
| 4 | Try something different | 17 |
| 5 | Varietal | 12 |
| 6 | I had read about it, but never tasted | 12 |
| 7 | Available by the glass | 8 |
| 8 | Region | 4 |
| 9 | Waiter recommended | -3 |
| 10 | Suggestion on the menu | -8 |
| 11 | Promotion card on the table | -42 |
| 12 | Available in half bottle (375ml) | -48 |
| 13 | Alcohol level below 13% | -61 |

and France are much less influenced 'by the glass' than Australia, Austria and NZ, and that varietal push might be the way forward in the markets of Austria and Brazil.

## Conclusion

The data presented here is the first cut, at a national sample level, there is no segmentation. We are undertaking the segmentation work as early results have shown that some segments are more likely to be influenced by factors and others are not. For example, promotion card on the table has been shown to be a strong influence in some segments (Goodman *et al* 2006a,b), whilst in most it is the 'least'.

There are no prescriptive 'do this' or 'do that' in the results of the research – what we have is a method, and now the collected international data, to identify and flag the signals in segments and markets that are likely to give those who market using them an edge. Wine consumers across the markets and across segments are very similar in many regards, the key to what we are doing is looking for differences that just may be key in how we market in order to achieve the goal of selling more Australian wine and possibly at a higher price. The end goal of the project is to allow the data to drive the segmentation of the market, rather than using traditional 'gut-feeling' segmentation, leading to the compilation of 'maps' of the various segments and their influence profiles. Let's look at those, work back up the distribution chain and see how we can take advantage of the insights gained to really get the world 'trading-up' on Australian wine.

*As we undertake each step of this we will publish the results in forums such as this. If you want to be alerted to upcoming results you can email steve.goodman@adelaide.edu.au*

*Dr Steve Goodman is an experienced Wine Marketing Consultant and Senior Lecturer in Marketing at the Adelaide Graduate School of Business, University of Adelaide*

*Professor Larry Lockshin is the Director of the Wine Marketing Group at the School of Marketing, University of South Australia*

*Dr Eli Cohen is Senior Lecturer at the Guilford Glazer School of Business and Management, Ben-Gurion University of the Negev, Israel and a Visiting Senior Lecturer and Member of the Wine Marketing Group at the School of Marketing, University of South Australia*

## References

Goodman, S, Lockshin, L and Cohen, E (2005) 'Best:Worst Scaling: A Simple Method for Determining Drink and Wine Style Preferences' 2nd International Wine Marketing Symposium Proceedings, Sonoma

Goodman, S, Lockshin, L and Cohen, E (2006a) 'The On-Premise Environment: What's Influencing Consumer Choice?' Wine Industry Journal, December

Goodman, S, Lockshin, L and Cohen, E (2006b) 'What Influences Consumer Choice in the Retail Store?' *The Australian & New Zealand Grapegrower and Winemaker* Journal, December

Goodman, S, Lockshin, L and Cohen, E (2006c) 'Using the Best-Worst method to examine market segments and identify different influences of consumer choice 3rd International Wine Business and Marketing Conference Proceedings, Montpelier

Goodman, S, Lockshin, L and Cohen, E (2007a) 'Influencers of Consumer Choice: Comparing International Markets' Wine Industry Journal, May

Goodman, S, Lockshin, L and Cohen, E (2007b) 'Influencers of Consumer Choice in a Retail Setting: More International Comparisons. The Wine Industry Journal, December