Does brand influence wine purchase?

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ABSTRACT

Given the proliferation of brands in the wine market, positioning a wine on the basis of its brand is becoming a priority for winemakers. However, developing a brand without understanding its impact on purchase is risky business. This study investigates the influence of the brand on wine purchase. The results indicate that the connoisseur is more likely to rely on the brand in wine purchase. Whereas the aspirational consumer is less likely to be influenced by the brand; and more likely to make wine purchase decisions on the basis of the label design and perceived personality.

Keywords: consumer behaviour; positioning strategy; brand management; market research; integrated marketing communications

INTRODUCTION

In the wine industry, uniquely positioning your brand is more challenging than with other industries because of the proliferation of brands. More than 20,000 global brands, 2645 Australian brands and 223 Queensland brands have been identified for wine (the Uncorked Cellar 2008). Complicating the process of uniquely positioning the wine brand is that increasingly, the number of wineries, varieties and wines are growing adding to the already extensive array of brands. In 2008 Australia introduced into the market approximately 17,518 wines and 60,559 vintages (the Uncorked Cellar 2008). Thus, the consumer is faced with an astonishing, often bewildering, and confusing array of choice. Differentiating a wine has never been so difficult, and in a world where the “brand is the king”, wine makers are beginning to realise the power of a strong brand.

In the Australian wine industry, a strong brand is referred to as a brand champion. A “brand champion” is positioned as a wine that is appealing, enjoyable, accessible, popular, well-known, trusted, of quality, affordability, and has a strong premium brand message (Wine Australia 2008). A strong brand also allows brand-owners to command greater margins and not be at the mercy of the retailer (Aaker, 2002). This is because the more a winemaker builds a brand; the more likely the winery is protected from failure as the power of the brand enables consumers to make brand choices, rather than price related choices, when faced with a bewildering array of wines in the wine purchase decision process (Gluckman 1990; Goodman, Lockshin & Cohen 2007). Importantly, when consumers
have limited knowledge and are faced with a plethora of choice, a brand may provide a consumer with heuristic cues to aid their decision making (Hoeffler and Keller 2003).

Ever increasingly, managers are asked to develop a brand; however, if managers simply build a brand without understanding its effect, they are putting their business at risk. Understanding the impact of the brand on purchase is a management research priority since a consumer’s propensity to purchase a brand affects a firm’s financial value (Keller 2003a). This priority arises from the view that, in order to succeed, firms need to understand concepts, theories, and guidelines coming from consumer research (Keller 2003b), because a better understanding of the impact of a brand’s influence on purchase is likely to be useful for brand development and performance.

Because of the importance of consumer brand perceptions to brand owners, there has been an increasing emphasis on the need to study consumer brand perceptions for instance, brand personality (Aaker 1997), brand relationships (Fournier 1998), brand meaning (Oakenfull, Blair, Gelb & Dacin 2000), brand-image (O’Cass and Lim 2001; 2002), brand self-connections (Escalas 2004), brand value (Keller, 2003; Miller, 2007) and brand loyalty drivers (Kim, Morris & Swait 2008). However, whilst the importance of the brand is recognised by the brand-owner the crucial question is whether consumers also perceive the brand as being important? When considering purchase do consumers consider the brand? and if so to what extent?

The purpose of this paper is to investigate if the brand influences wine purchase and the extent to which a brand influences wine purchase in comparison to other factors. This paper will begin by firstly reviewing the literature on brands and wine consumption, then developing the research design, presenting the results and finishing by discussing the implications for academics and industry.
DOES BRAND INFLUENCE WINE PURCHASE?

Developing a strong brand

Brands are important because in an industry crowded by premium products, fine individual flavours and aromas, a great number of varieties, a strong brand can be powerful (Mowle & Merrilees 2005). A strong wine brand affords the winemaker channel ownership and power. This is because the power of the channel lies with "who owns the customer"—the wine maker? or the retailer? (Levine & Pownall 2004). A strong brand is valuable because it can command price premiums and generate more revenue than unbranded (private labels) products or services (Ailawadi, Neslin and Lehmann 2003). Further, a strong brand is noticed and bought by more consumers (Aaker 2002), more likely to arouse and sustain positive feelings and develop emotional connections with consumers (Fournier 1998; Harmsen & Jensen 2004), and may provide consumers with a sense of value and therefore, a reason to buy (Hoeffler & Keller 2003). In order to enhance success, a brand must stand out from the clutter and be consistent and enduring in a way that is meaningful and valuable for a consumer (Kim, Kim & An 2003; Pahud de Mortanges & van Reil 2003). Brands serve a purpose because they reduce perceived risk and increase consumer confidence (de Chernatony 2001).

A brand is much more than a wine label. A brand has no tangible or functional attributes, a brand is co-created by the brand owner and the consumer as a mental translation, an abstraction of an idea living solely in the mind of those who behold it; and is in contrast to a product, which is a physical thing that is made and exists in the external, temporal world (Dobni & Zinkhan 1990; Kim 1990). Tangible evidence of the logo, brand name, label, company name and reputation enable brand discourse to take place. However, it is difficult to know if a consumer is able to separate a brand from the product when thinking about the brand and making decisions. There seems to be some agreement that differences that are rational and tangible are product related, and differences that are symbolic, emotional or intangible are brand related (Keller, 2003a). In the consumer’s mind’s eye a brand is represented by the ‘associative network’, which contains various nodes, arcs and linkages (Henderson, Iacobucci & Calder 2002). The nodes are the chunks of information, which may represent the origin of the brand, its logo, wine name, price, geographical region, flavour, aroma, colour; while the arcs are
the linkages between the nodes. Because product and brand information is likely to be linked in the associative network, it is likely that a consumer will use a combination of brand and product information in their decision making.

**Wine consumption**

Investigating the functional and the symbolic aspects of wine marketing Mowle and Merrilees (2005) found that some wineries were marketing themselves more rationally and functionally related to the wine product; and other wineries were marketing themselves less functionally and more symbolically and experientially, more likely to be related to the wine brand. Their findings (from an in-depth investigation into eight wineries) indicate that brand building seems to centre on the consumption experience, merchandising (extending the product range) and marketing communications (Mowle & Merrilees 2005). The typical brand information found in the branding literature relating to the brand’s personality, image, status, emotional impact, meaning didn’t appear in their findings – instead brand “touch points”, places where a consumer is likely to interact with a brand were found to be perceived as “branding” or brand building behaviour.

Most of the academic and practical research into wine consumption is associated with the functional aspects of a brand in wine choice, such as flavour, aroma, colour, wine name, price, geographical region, reputation of the winery and promotional factors likely to entice consumers along with consumer demographics associated with the “old world” style of *terroir* branding wines (e.g. Areni, 1999; Hudson Howell, 2005; Barber, Almanza & Donovan 2006; Kennedy, 2005; Keown and Casey 1995; Olsen, Thach and Nowak 2007; Thach and Olsen 2006). The findings from AC Nielson (Kennedy 2005) focus groups indicated that influencing wine preference sequence is the company, the cuisine and the occasion; and when consumers have little or no knowledge price, labels and awards are used as quality yardsticks. When investigating the inexperienced consumer Nowak et al. (2006) measured the impacts likely to affect consumer satisfaction when consumers visited a winery for the first time. They found that the quality of the wine, fair pricing, and service quality where positive predictors of satisfaction in the wine consumption experience. Findings from Keown and Casey (1995)
seem to indicate that the functional characteristics (i.e. flavour, colour, aroma, taste) and price have a weak correlation with consumer demographics and that it is plausible that symbolism, consumer-centric-experience associated with branding is more likely to have a greater impact on wine purchasing preferences, than the functional reasons of why people buy.

Often associated with a brand, or used as a synonym for a brand, is the label on the wine bottle. Prompting the brand discourse is the label, as the label is the tangible evidence of the brand. Along with the brand name, image, picture or logo, a label also provides a consumer with information about the style of wine (taste and aroma), a description of the wine, wine and food pairing options, awards and medals won, the wine maker, the wine region, and vintage (Atkinson 1999; Barber et al. 2006). Findings from Atkinson (1999) and Barber et al. (2006) indicate that the label factors into consumer decision making and that consumers use the label to reduce anxiety in their wine choice. Barber et al. (2006) found that women, in contrast to men, were more likely to use the front label of the wine bottle, whereas men found the back label less confusing and were more likely to use the back label to increase their wine knowledge.

Other research into consumer wine consumption indicates that the consumer most likely to use a brand in wine-decision making is expected to be the “aspirational consumer” (Keown and Casey 1995; Spawton 1991) as the aspirational consumer is concerned with the social aspects of wine, and is attracted by the status associated with fashionable labels and brands. The “connoisseur” by contrast, is a consumer that is likely to base their decision making on functional aspects of the product or on luxury brands associated with fine wines (Beverland 2004; 2006; Spawton 1991). The connoisseur is interested in product quality, attention to detail, credibility associated with the wine makers reputation along with perceived scarcity (Beverland 2004; 2006).

Whilst there is an increasing interest in the brand and in wine consumption there appears to be a gap when it comes to studies investigating the impact of the brand in comparison to other wine choice factors. Previous findings indicate the importance of food matching, price, wine style or grape variety,
taste, flavour or aroma, label design, personality, wine producing area (terroir), previous experience and/or another person’s opinion (Barber et al. 2006; Hudson Howell 2005; Kennedy 2005; Keown and Casey 1995; Orth & Malkewitz, 2008; Spawton 1991). However, the extent to which each of these factors compare with perceptions about the brand (its label, reputation and personality) has not been tested. This an important research gap given that many wine makers are brand conscious and considering whether to begin their wine making process with the idea or personality of the brand; rather than the “old” way of wine making that begins with the wine product itself. With more information (market research) about the importance of the brand, in comparison to other influencing factors, wine makers can make better decisions about their product and its position in the marketplace.

In the wine industry, to investigate the influence of a brand, its synonyms should also be considered. These include; the brand name, the reputation of the winery, the label design or the personality. It is plausible that the underlying motives for each of these concepts will be similar given that they are each synonyms for a brand. Thus, it is hypothesised that

\[ H1: \text{Consumers will have similar reasons for choosing wine on the basis of its brand name, reputation, label or personality.} \]

As the purpose of this study is to investigate if the brand influences wine purchase and the extent to which a brand influences wine purchase in comparison to other wine purchase factors, the following two hypotheses are put forward:

\[ H2: \text{The brand will positively influence wine purchase} \]
\[ H3: \text{Consumers will perceive the brand to be of paramount importance when choosing a wine in comparison to other factors} \]
RESEARCH DESIGN

To investigate if the brand influences wine purchase and the extent to which a brand influences wine purchase in comparison to other wine purchase factors a survey was chosen. Surveys are a useful measurement instrument because the data can be collected quickly, inexpensively, and there is a reasonable degree of sample control (Maholtra & Peterson 2005).

The survey measures were developed on the basis of findings from focus groups conducted in the studies of Hudson Howell (2005) and Kennedy (2005). Their findings indicated that the main influencers of wine purchase and consumption were the brand name, reputation of the winery, label design, label personality, food matching, price, wine style or grape variety, flavour or aroma, taste, low alcohol, wine producing area (terroir), previous experience and/or another person’s opinion.

When developing the survey to examine the extent a brand positively influences wine purchase; a five-point Likert scale was chosen. Likert scales are useful for capturing the positive and negative attitudes as well as the valence of the attitudes (Maholtra & Peterson 2005). The items were represented by statements “generally I choose a wine…….” and items like “to match my food”, “on the basis of price”, “because of its brand name”. The measures were anchored on strongly disagree (1) and strongly agree (5). This enabled the scale to capture if a consumer does or does not consider a brand important when choosing wine, and also the (un) importance of other reasons that a consumer may choose a wine.

Items also placed in the survey relate to Keown and Casey (1995) lifestyle and usage reasons with why people choose wine and such items included “every wine is a new adventure”, “I like wine to have a consistent taste”, “I limit my wine drinking to special occasions”. To be consistent, these items were also placed on a five-point Likert scale with one representing “strongly disagree” and five representing “strongly agree”.
The sample chosen to participate in the survey were Australian wine consumers because on average, Australian consumers purchase and drink more wine than New Zealander consumers, and consumers from the UK or the US (Levine & Pownall 2004). Ask an Australian (over the age of 18) do you drink wine, and the chances are if they don’t they know someone who does, on this basis the survey was administered to a convenience sample of friends and family of Market Research students at an Australian University. The students were asked if they wished to volunteer without reward and if they did; the students were asked to administer the survey to friends and family over the age of 18 years. The students and their friends and family were from the Australian states of Queensland, New South Wales, Australian Capital Territory and Western Australia.

RESULTS

Returned were 347 usable surveys with slightly more females (59%; n=204) responding than males (41%; n=143). While the respondents ranged in age from 18 to 65 (+) years old, most were aged between 18-32 years (62%), with 22% aged between 33 and 47 years and 16% were aged 48 or older. The respondents had a preference for bottled wine (68%), paying around $20 a bottle with most consuming wine at least once a week (54%) and only 9% were found to drink wine four or more times per week. Most of the respondents normally consume wine at home (73%) or at a restaurant (56%) with only a few consuming wine at a pub (15%) or club 13%). Wine (9%) in comparison to other alcoholic beverages (beer = 6%; RTD’s = 2%; Spirits = 2%) was found to be the preferred option for people that consumed alcohol on three or more occasions per week.

The results indicate that consumers generally like wine to have a consistent taste (mean=3.54; SD=.86), are influenced in their wine choices by others (mean=3.18; SD=1.07), are interested in learning about wine (mean=3.17; SD=1.06) and believe that wine is a drink and not an experience (mean=3.10; SD=1.13). To assess if these or any other perceptions were brand influences, a step-wise regression was used against the four dependent variables which were; generally, I choose wine on the basis of its (1) brand name, (2) reputation of the winery, (3) label design and (4) personality.
The results of the first hypothesis indicate that when consumers choose a wine on the basis of its brand name that they are influenced by *I am highly knowledgeable about wine* ($\beta = .19; t = 3.64$), *I like wine to have a consistent taste* ($\beta = .21; t = 3.29$), *every wine is a new adventure* ($\beta = .16; t = 3.04$), *I limit my wine drinking to special occasions* ($\beta = .10; t = 2.1$). From these results it appears that consistent taste and knowledge about wine are strong indicators of a person’s propensity to purchase wine on the basis of its brand name.

These results differ regarding choosing a wine on the basis of the reputation of the winery as these were influenced by *I like to support local wine producers* ($\beta = .24; t = 4.31$), *wine is a form of self-fulfilment and part of me* ($\beta = .14; t = 2.66$), *I am highly knowledgeable about wine* ($\beta = .13; t = 2.62$). Supporting the local wine producer was found to have a stronger impact on an individual consumer’s perception regarding the reputation of the winery, with knowledge impacting to a lesser degree.

Interestingly, the statement, *I generally choose wine on the basis of its label design* was influenced by *social status and self-image* ($\beta = .29; t = 5.53$), and *I like to support local wine producers* ($\beta = .24; t = 3.92$). On the basis of these results it appears that status is the main driver of wine choice on the basis of its label design.

When looking at the influences of *I choose wine on the basis of its personality* the influences were found to be *every wine is a new adventure* ($\beta = .22; t = 4.43$), *I like to support local wine producers* ($\beta = .21; t = 3.91$), *wine is an indicator of social status and self-image* ($\beta = .12; t = 2.52$), *I am highly knowledgeable about wine* ($\beta = .12; t = 2.47$) and *my wine preferences are influenced by others* ($\beta = .11; t = 2.32$). Again the support for local wine producers played an integral role as did the idea of the wine being a new adventure appealing to the less risk adverse consumer.

The results do not support H1: that a consumer has similar reasons for choosing a wine on the basis of its brand name, reputation, label or personality. The results from H1 indicate that when making brand decisions consumers are likely to influenced by a range of functional and symbolic brand elements
along with supporting the local wine producer when making wine choices. However, an interesting finding was that influencing the reputation of the winery, the wine label and the perceived personality of the wine was *I like to support local wine producers*, indicating that the tangible aspects of the brand have a role to play in communicating the brand message on the basis of *terroir*.

The second hypothesis supported the idea that a brand positively influences wine purchase (mean=3.07; SD=1.06). The brand was found to be one of many influences in wine purchase, indicating empirical support for the role that the brand plays in wine choice and in wine purchase.

Support for the third hypothesis could not be found as in comparison to other factors, the brand had a weaker influence. The items *generally I choose wine on the basis of its brand name* was compared with 14 other reasons a consumer may choose a bottle of wine. The means of each were compared and Table 1 shows that *wine that I have previously tried* (mean =3.72; SD=.915), followed by *I choose on the basis of its flavour or aroma* (mean 3.56; SD=1.022), *price* (mean = 3.46; SD=1.065), *another person’s opinion* (mean=3.29; SD=.992), *wine style or grape variety* (mean=3.22; SD1.21), *to match food* (mean=3.12; SD=1.09) were higher than *generally I choose wine because of its brand name* (mean=3.07; SD=1.06). This indicates that while brand does influence wine purchase, its impact isn’t as high as expected. The results indicate that previous experience has the greatest influence on wine purchase.

**DISCUSSION, CONCLUSION AND IMPLICATIONS**

The results add value and provide new knowledge to literature on wine and on branding as the results show empirical evidence of the comparative importance of a brand in relation to other factors such as, previous experience, flavour, aroma, price, another person’s opinion, wine style or grape variety and food matching. Earlier literature had argued for the importance of the brand to consumers in wine purchase and wine decision making (e.g. Beverland 2004; Gluckman 1990; Mowle & Merrilees 2005; Olsen et al. 2007; Orth & Malkewitz 2008; Spawton 1991) the results of this study put the importance of the brand from the consumer’s perspective into context. The results support and expand on the
focus group findings of Hudson Howell (2005) and Kennedy (2005) as the results support that impacting on wine purchase is the brand name, reputation of the winery, label design, label personality, food matching, price, wine style or grape variety, flavour or aroma, taste, low alcohol, wine producing area (terroir), previous experience and another person’s opinion. Importantly the results of this paper provide new information as the results displayed in Table 1 show the order of importance of wine purchase influencers (previously mentioned) and show the value of previous experience, the flavour and the aroma of the wine and price in comparison to the influence of the brand on wine purchase.

The results suggestion caution, when previous research (Mowle & Merrilees 2005) suggests to wine makers and wine marketers to focus on brand building and to place a greater emphasis on the development of a strong brand identity. The results show that a brand is important; however, not the most important in wine purchase and wine decision making; experience (personal or another person’s) and the product itself is more fundamental to a consumer when making a wine choice.

It is possible that because of the plethora of brands, limited wine experience and knowledge (Kennedy 2005; Nowak et al. 2006) and that with too many brands to choose from, consumers are experiencing information overload, confusion or that the brand isn’t as important to the consumer as it is to the winemaker.

Adding to the debate in the literature, this study finds that the brand appears to be more important to the “connoisseur” than to the “aspirational” consumer. The “aspirational” consumer appears to use the label design or the personality of the brand when making wine choices. This finding supports the consumer behaviour and branding literature, which suggest that a status seeking consumer is more likely to prefer the symbolic aspects of the brand (e.g., Bhatt & Reddy, 1998; Chao & Schor 1998; O’Cass & Frost 2002), which may be found in its label design or associated with its personality. The status seeking consumer is defined by Eastman et al. (1999, p. 48) as “the motivational process by which individuals strive to improve their social standing through conspicuous consumptions of
consumer products that confer or symbolise status both to the individual and to surrounding significant others”.

The “connoisseur” on the other hand is more likely to use the brand and the reputation of the winery in decision-making. This may be because the “connoisseur”, unlike the aspirational consumer has more knowledge and is likely to have a higher level of product involvement. This idea would support the findings from Goldsmith (2000) and the focus group findings from Charters and Pettigrew (2006) that the cognitive dimensions associated with wine and its quality were more important to the “connoisseur” given previous experience and extensive product knowledge.

Future research may want to take this study a step further and investigate the brand to see why the brand plays a lesser role than expected in wine purchase, if the results can be replicated in different settings, and if there are situational influences that impact and explain under what circumstance the brand is likely to play a larger (or smaller) role in wine purchase.

For practitioners the results of this study provide value as many wine makers and wine marketers question whether to focus on the wine making itself and market the product, terrain, or whether to adopt a brand focus and draw on the emotional and symbolic aspects of a brand associated with its ambiance, history and wine consumption experience (i.e. at the cellar door or in a social setting). The results indicate that both are necessary, because the quality of the product and the brand both play a role in wine choice. When targeting the “connoisseur” emphasise the brand and the reputation of the winery and when targeting the “aspirational” consumer place emphasis on the label and the personality of the brand in label design and marketing communications.

Finally, the results of this study highlight the importance of previous experience (direct personal experience or someone else’s experience) indicating the value of relationship marketing to the wine industry.
REFERENCE LIST


Hudson Howells (2005) Australian Wine and Brandy Corporation Domestic promotion strategy qualitative research final report.


Wine Australia (2008) Brand Champions. the Australian Wine and Brandy Corporation
Table 1: The Influences of Wine Purchase

<table>
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<tr>
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<th>Mean</th>
<th>SD</th>
<th>Skew</th>
<th>Kurtosis</th>
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<tr>
<td>generally I choose a wine that I have previously tried</td>
<td>3.72</td>
<td>.915</td>
<td>-.883</td>
<td>1.091</td>
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<tr>
<td>generally I choose wine on the basis of its flavour or aroma</td>
<td>3.56</td>
<td>1.022</td>
<td>-.626</td>
<td>.108</td>
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<tr>
<td>generally I choose wine on the basis of price</td>
<td>3.46</td>
<td>1.065</td>
<td>-.534</td>
<td>-.275</td>
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<tr>
<td>generally I choose a wine on the basis of another person’s opinion</td>
<td>3.29</td>
<td>.992</td>
<td>-.329</td>
<td>-.471</td>
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<tr>
<td>generally I choose wine on the basis of wine style or grape variety</td>
<td>3.22</td>
<td>1.217</td>
<td>-.354</td>
<td>-.884</td>
</tr>
<tr>
<td>generally I choose wine to match my food</td>
<td>3.12</td>
<td>1.093</td>
<td>-.328</td>
<td>-.611</td>
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<td>generally I choose wine because of its brand name</td>
<td>3.07</td>
<td>1.058</td>
<td>-.398</td>
<td>-.574</td>
</tr>
<tr>
<td>generally I choose wine on the basis of the reputation of the winery</td>
<td>3.00</td>
<td>1.010</td>
<td>-.277</td>
<td>-.534</td>
</tr>
<tr>
<td>generally I choose a sweeter wine</td>
<td>2.97</td>
<td>1.266</td>
<td>-.106</td>
<td>-1.057</td>
</tr>
<tr>
<td>generally I choose wine on the basis of its wine producing area in Australia</td>
<td>2.95</td>
<td>1.076</td>
<td>-.113</td>
<td>-.557</td>
</tr>
<tr>
<td>generally I choose a wine on the basis of its personality</td>
<td>2.73</td>
<td>.987</td>
<td>-.204</td>
<td>-.423</td>
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<tr>
<td>generally I choose a wine that makes me feel safe</td>
<td>2.65</td>
<td>.990</td>
<td>-.030</td>
<td>-.134</td>
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<td>generally I choose wine on the basis of its label design</td>
<td>2.55</td>
<td>1.120</td>
<td>.196</td>
<td>-.822</td>
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<td>generally I choose a local wine produced in Queensland</td>
<td>2.49</td>
<td>.908</td>
<td>-.001</td>
<td>-.369</td>
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<td>generally I choose a wine low in alcohol</td>
<td>2.44</td>
<td>1.058</td>
<td>.391</td>
<td>-.353</td>
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