

How wine buyers decide

-influence of packaging, branding, quality seal, awards, etc.
and other reasoning

Technical discussion:

"Wine trade markets – opportunities for the region of South-East Europe"

May 11th – 12th, 2011

Kutjevo, Croatia

DR GERGELY SZOLNOKI



**GEISENHEIM RESEARCH CENTER
SECTION OF ECONOMICS AND MARKET RESEARCH**



- Introduction
- White wine study
- Red wine study
- Scanner data study
- Conclusion

Reaction of consumers



I.

White wine study
Red wine study



How important is packaging?

II.

Scanner data study



Which packaging attributes gain a
price premium or discount?

Focus – white wine study



**Packaging
(Design)**

**Info on the
label
(Origin, Variety, Brand)**



Overall liking



Purchase intent



Focus – red wine study



**Packaging
(Design)**

Colour



Price



**Info on the
label
(Origin, Variety, Brand)**



Overall liking



Purchase intent



White wine study - model

Occasion



Price class



Point of purchase



Colour & sweetness of wine

Preliminary decisions



Origin / Grape variety / Brand

Vintage / Producer /
other information

Packaging

Price

POS decisions



White wine study - model

Occasion



Price class



Point of purchase



Colour & sweetness of wine

Preliminary decisions



Origin / Grape variety / Brand

Vintage / Producer /
other information

Packaging

Price

POS decisions



Berlin, Düsseldorf, Munich

April 2006 | N=521



2005 Riesling Classic Kloster Eberbach

Blind
tasting



A



B



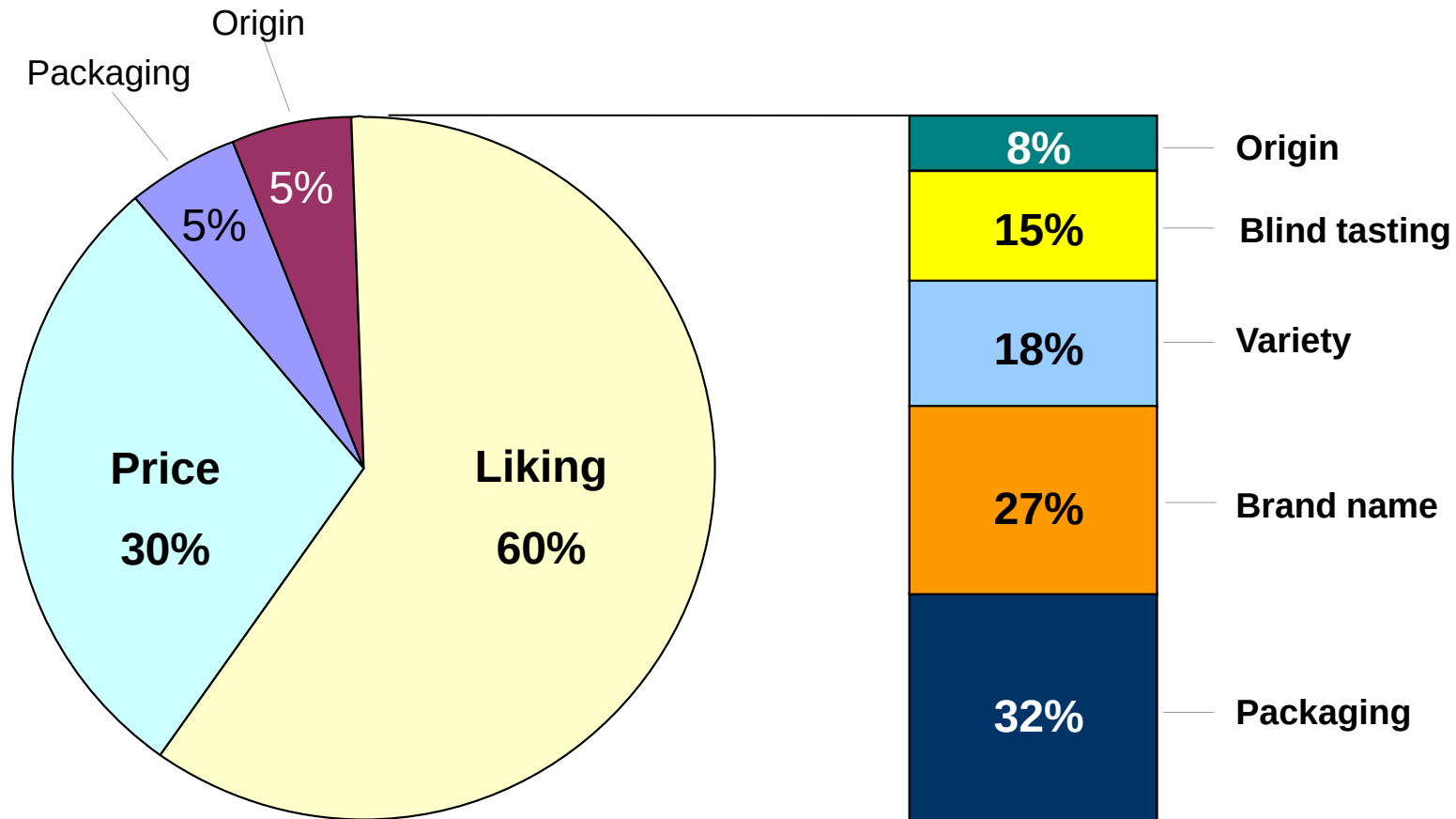
C



Result of the white wine study

II. Purchase intent

I. Liking



Red wine study - model

Occasion



Price class



Point of purchase



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Red wine study - model

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Packaging

Price

POS decisions



2006er Schwarzriesling Weinsberg



A



B



C



D



A

**Germany /
Rheingau**

Pinot Noir

Kloster Eberbach



€ 5,99-

B

**Germany /
Baden**

Spätburgunder

Martin Schongauer



€ 2,99-

C

**France /
Bordeaux**

Cuvée

Moulins de Sant-André



€ 5,99-

D

**Australia /
South Australien**

Cabernet-Merlot

Penfolds



€ 9,99-

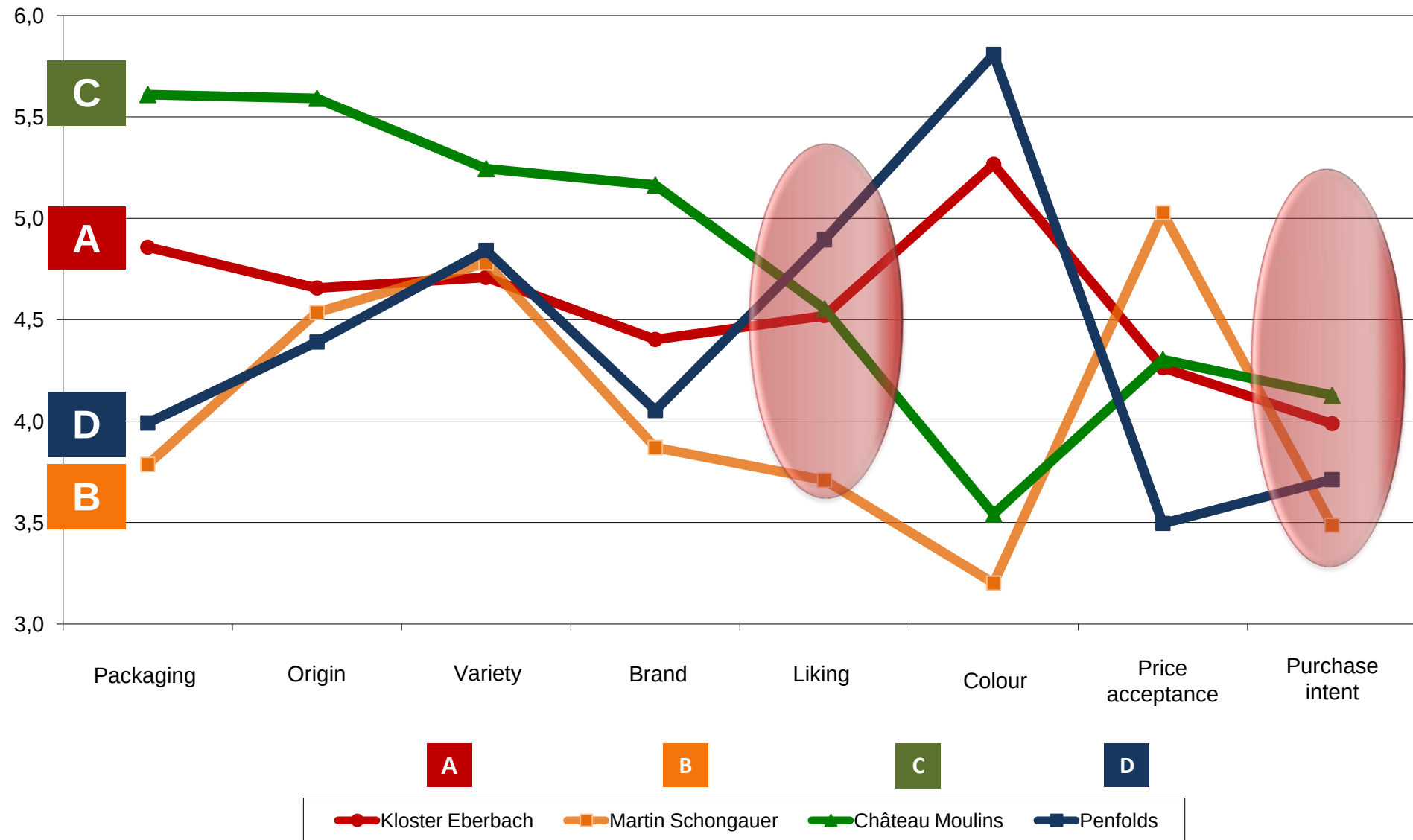
Berlin

April 2008

N=323

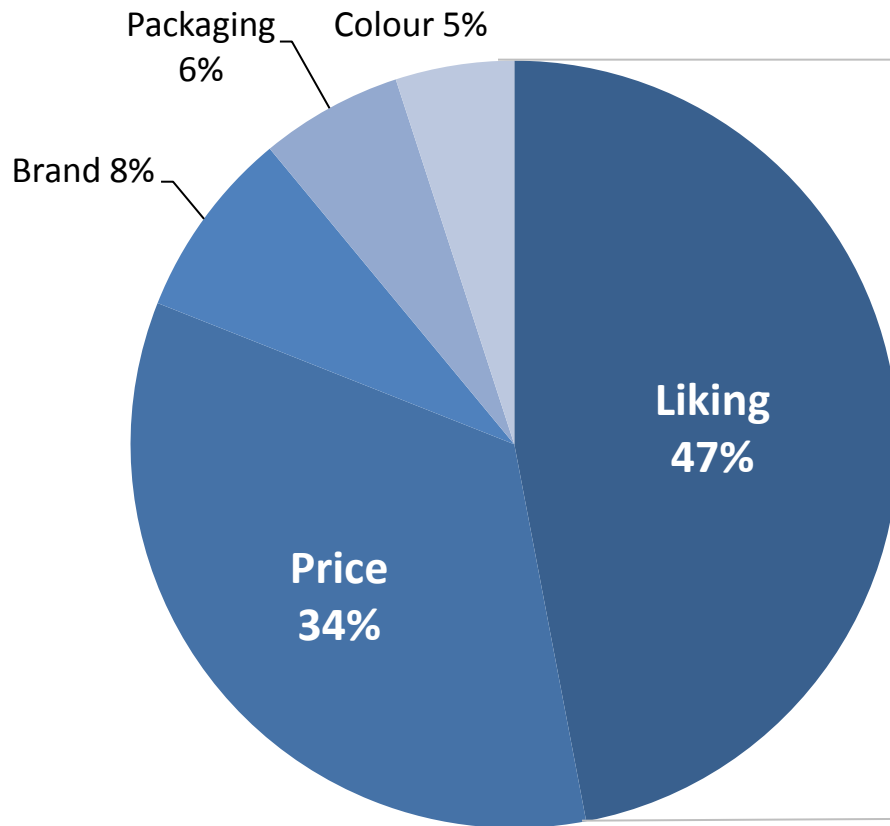


Result - descriptive statistic

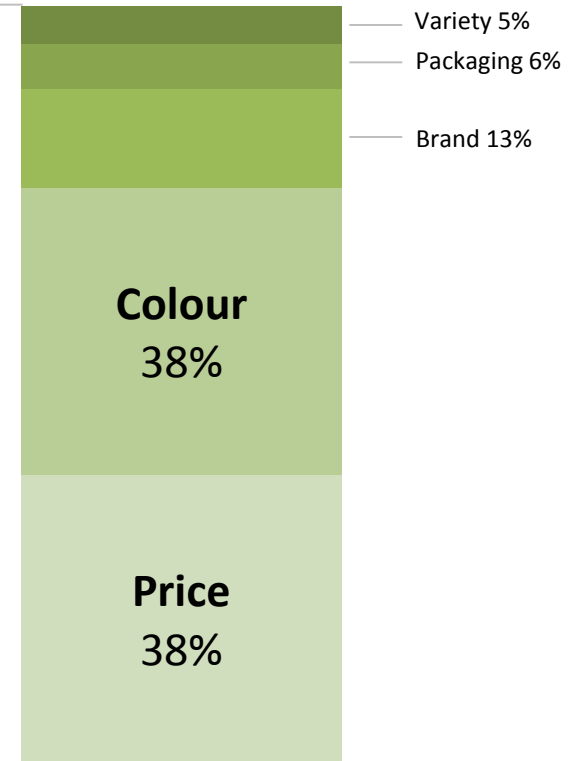


Result – hedonic analysis

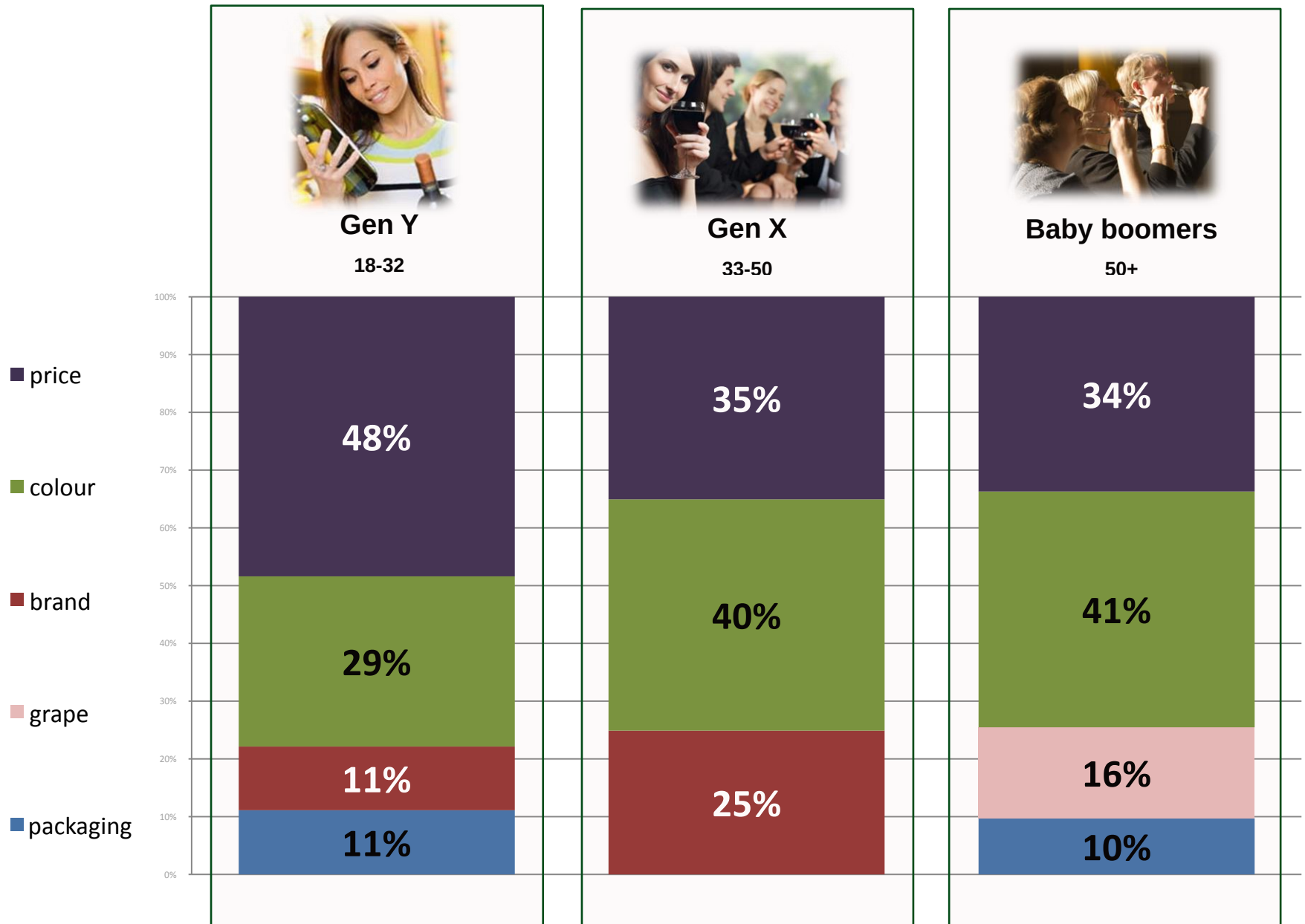
Purchase intent



Overall liking



Segment-specific regression examination



**The consumers drink what
they believe to drink!!!!**



ACN scanner data set



Chicago (IL) (2,447 SKU)

	Food	Drug	Liquor
Channel share SKU	38%	8%	55%
Channel share sales	49%	3%	48%

Tampa (FL) (2,536 SKU)

	Food	Liquor
Channel share SKU	42%	58%
Channel share sales	47%	53%

Joint 1,166 red wine SKU

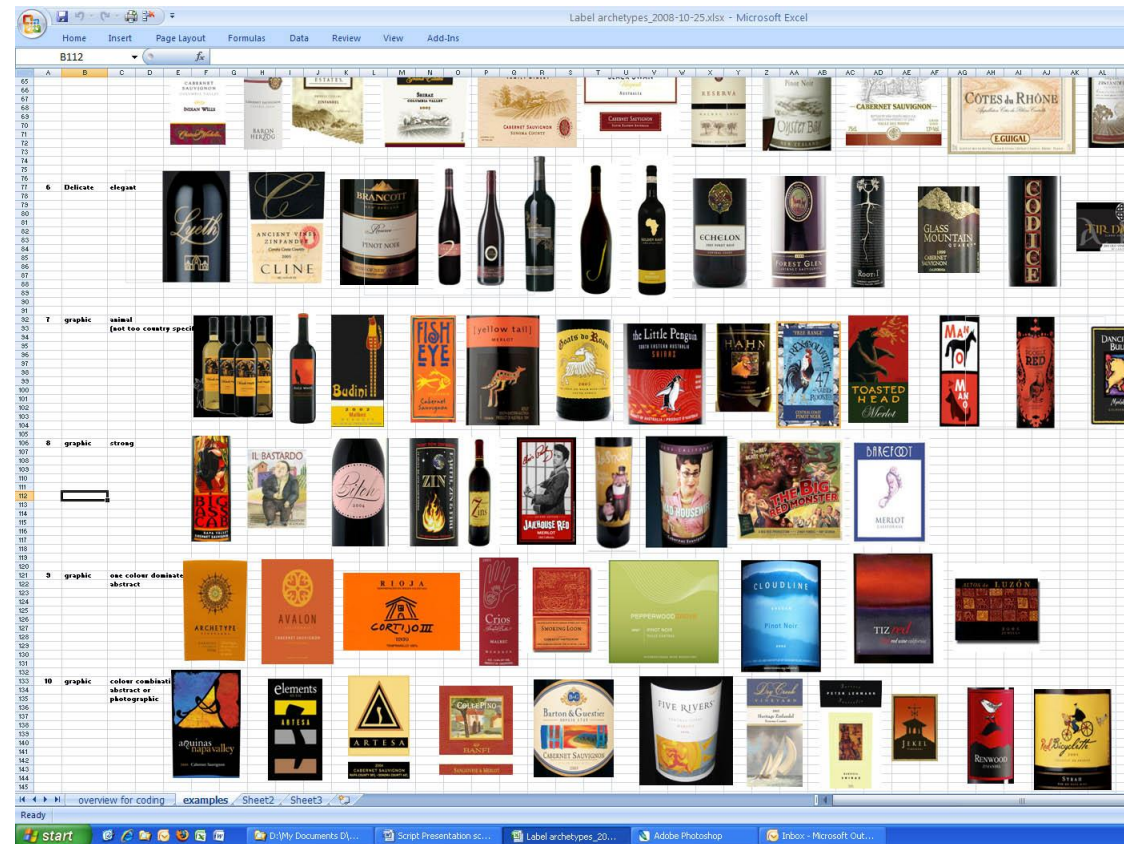
Consumer packaging perceptions

8 wine consumers sorted 500 wine photographs according their perception in similar groups



Objective categorisation of each wine

- 5 separate code books:
 - label styles (8)
 - label colour (5)
 - label information (6)
 - bottle form (3)
 - bottle closure (2)



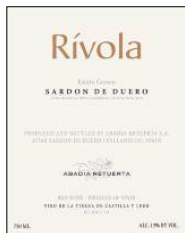
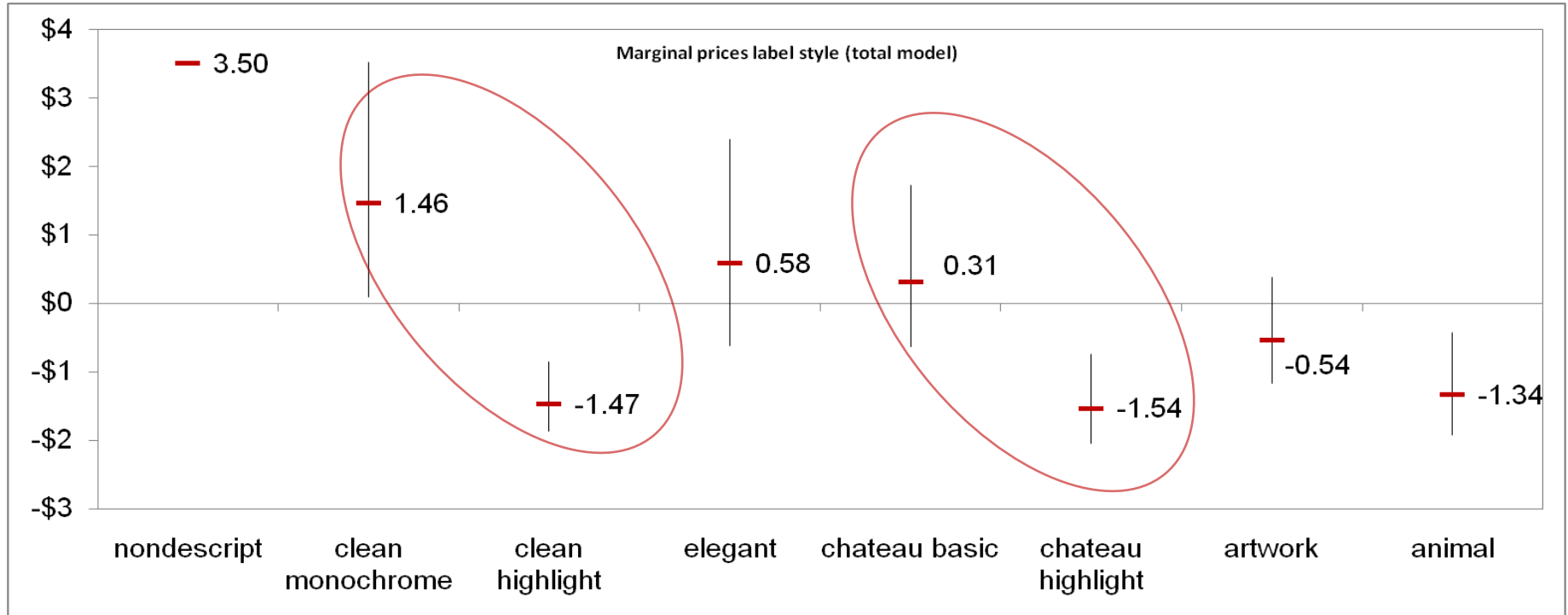
Price = function of...

Independent variables	Number
Availability	2
Origin (nested country and region)	27
Grape varieties	9
Bottle shape	3
Closure	2
Label colour	5
Label style	8
Label information	5

- Relative share of price difference

	Total model	rank
Origin	52%	1
Availability	11%	2
Label style	9%	3
Label information	8%	4
Grape variety	8%	5
Label colour	7%	6
Bottle form	5%	7
Closure	4%	8

Marginal prices label style



4%



8%



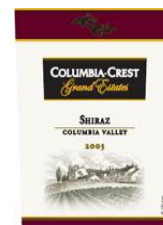
27%



6%



10%



12%

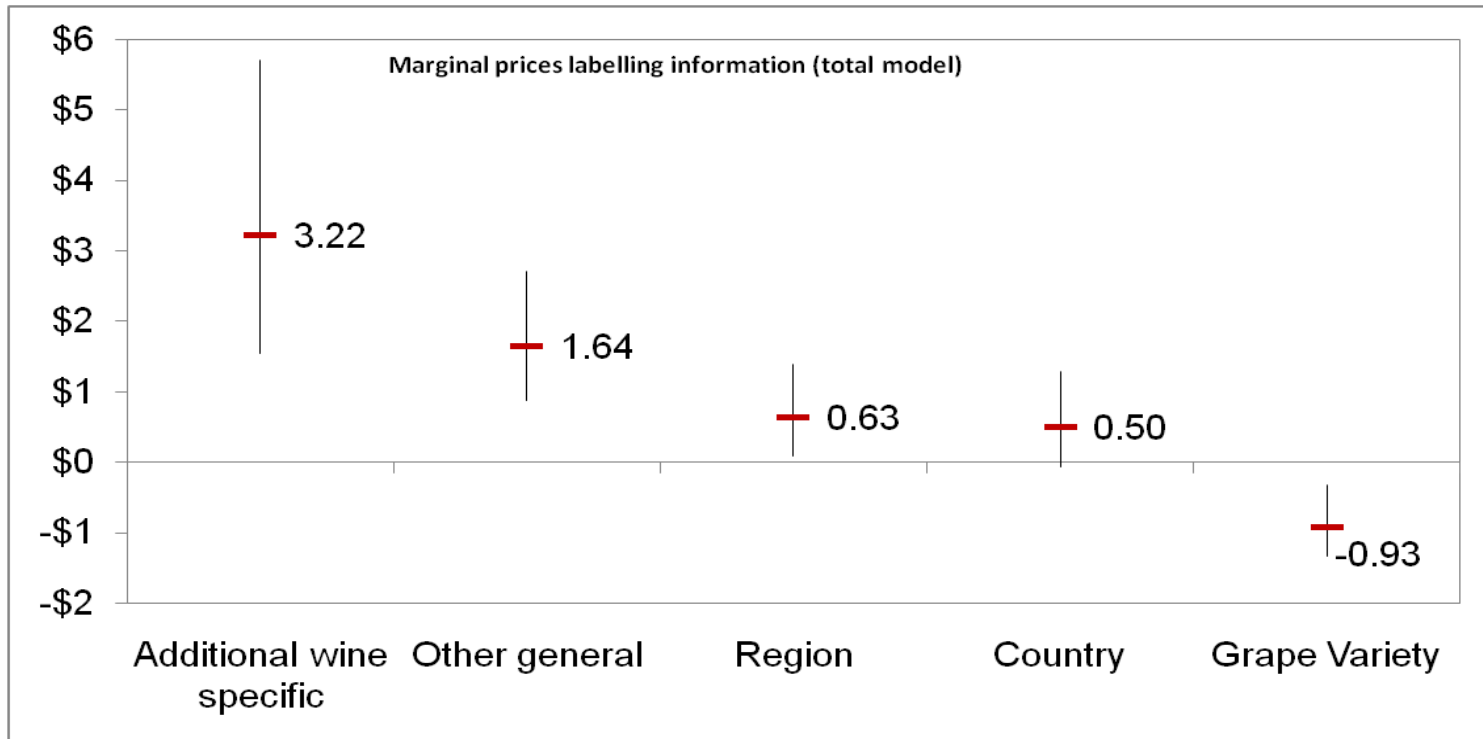


22%

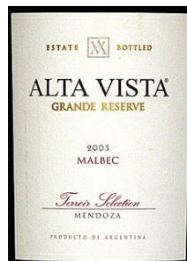


11%

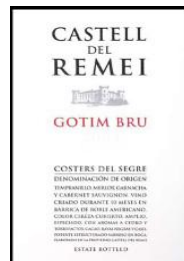
Marginal prices label information



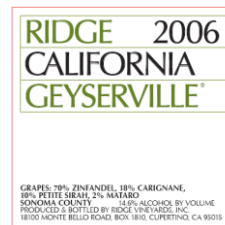
reserve,
organic, estate
bottled, single
vineyard,
estate grown,
old vine,
awards



11%



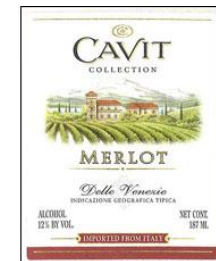
8%



83%

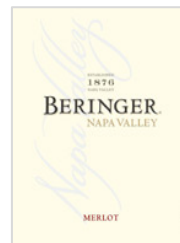
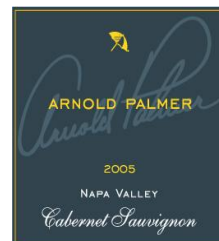
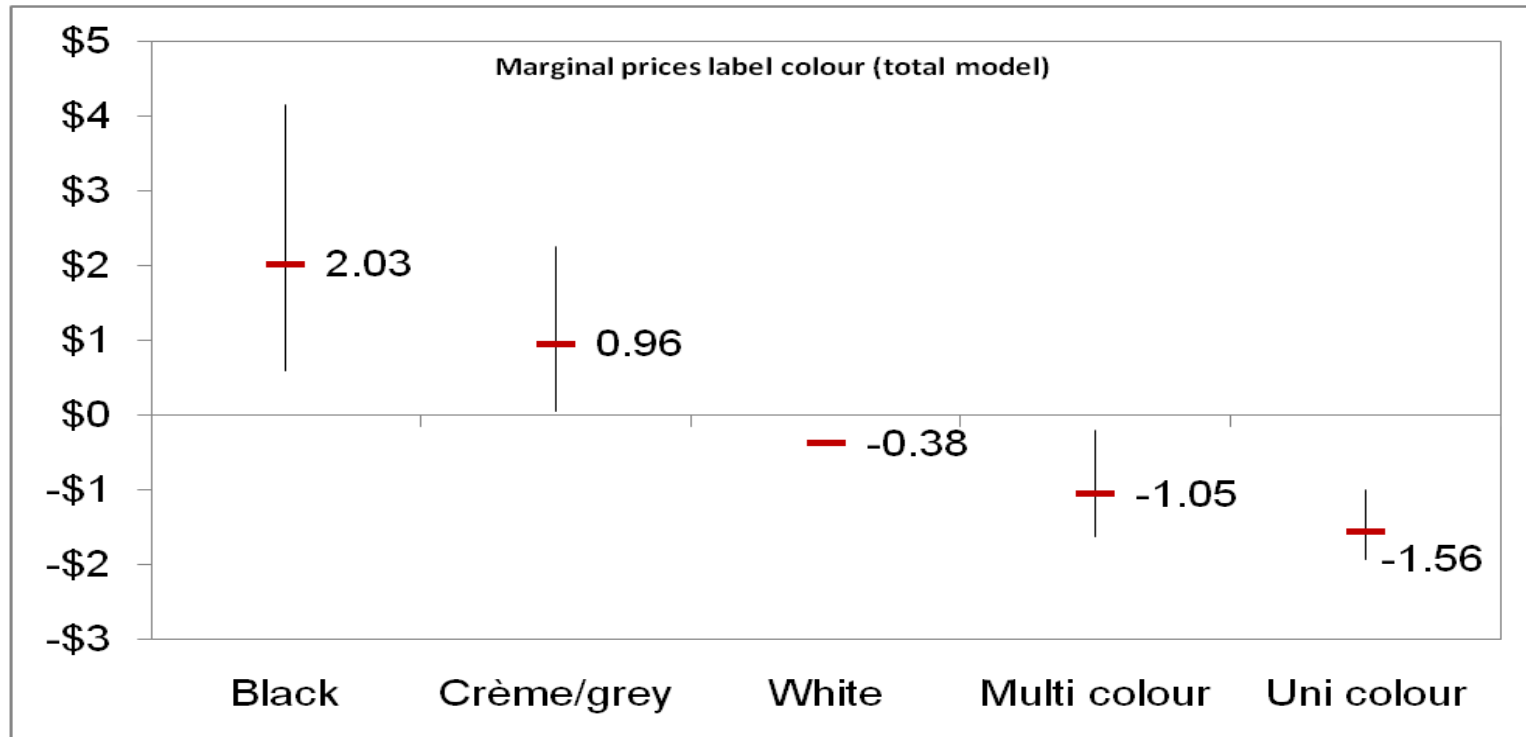


31%

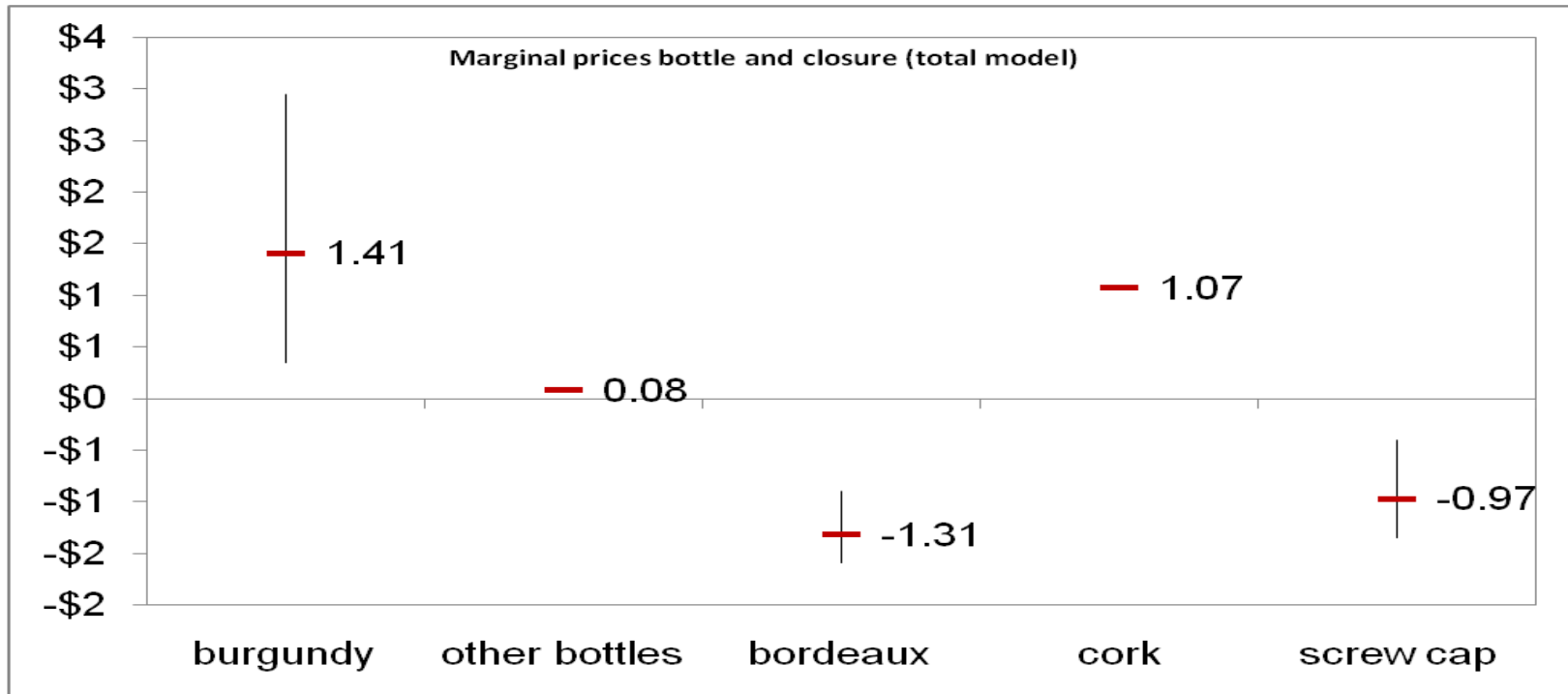


60%

Marginal prices label colour



Marginal prices bottle and closure



19%



14%



67%



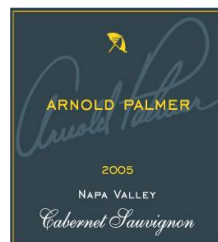
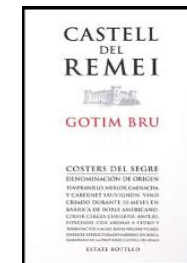
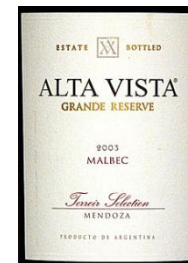
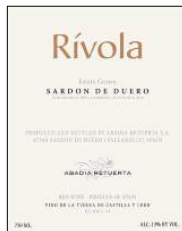
92%



8%

Conclusion – Scanner data

- Certain packaging and labelling attributes gain a significant price premium or discount
- And the winner is: there is no winner!!!



- White wine study: Szolnoki, G., Hoffmann, D. and Herrmann, R. (2009). The influence of verbal and non-verbal information on the consumer decision - analysis using the example of white wine.
http://academyofwinebusiness.com/wp-content/uploads/2010/04/The-influence-of-verbal-and-non-verbal-information_paper.pdf
- Red wine study: Szolnoki, G. (2010). Expensive and colour intensive –are these the factors of success? A hedonic liking model using the example of red wine.
<http://academyofwinebusiness.com/wp-content/uploads/2010/04/Szolnoki-Expensive-and-colour-intensive.pdf>
- Scanner data analysis: Müller, S. and Szolnoki, G. (2010). Wine packaging and labelling - do they impact market price? A hedonic price analysis of US scanner data.
<http://academyofwinebusiness.com/wp-content/uploads/2010/04/MuellerSzolnoki-Wine-packaging-and-labelling.pdf>