Sustainable wine market and WTP: an insight of consumers attitudes

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1. Introduction

In the recent years, wine sustainability have been growing very rapidly in popularity and it could be a concept that has the possibilities to gain acceptance and appeal for consumers. Even though, previous studies have shown that consumers are confused by the different terms used to describe sustainable viticulture and wine making. At the present, there is no officially and universally definition of sustainable wine. According to Dlott et al (2002) sustainable winegrowing is considered as “growing and winemaking practices that are sensitive to the environment (environmentally sound), responsible to the needs and interests of society at large (socially equitable), and are economically feasible to implement and maintain (economically feasible)”.

As reported by Jones (2012) viticulture and wine making industry have been important for the development of sustainability practices in the agricultural sector in general. This industry can count on organic and biodynamic farming methods but also address several certification programs to identify environmental standard, such as carbon and water foot printing or integrated pest management. Farmers, producers, marketers, research institutes in the wine business seem interested and involved in changing production towards a more sustainable way, but it is not clear whether consumers are ready.

2. Research questions

This paper aims to examine, through research background and theoretical framework, personal attitudes and expectations involved in consumers’ purchasing of sustainable wine. Specifically, this work highlights how consumers perceive sustainable wine in order to understand whether the adoption of sustainable practices will be a value added in the wine marketplace.

One of the major challenges is the need to understand whether the consumer is motivated to buy organic, biodynamic or sustainable wines and what is his willingness to pay (WTP) for these products. More specifically, this paper seeks to explore the level of consumers’ perception of sustainable wine based on their environmental awareness and involvement. Finally, this study will propose some directions and give arguments for a substantial debate on this topic.

3. Methods

A relatively high number of scientific papers were examined, describing the background of what sustainable development means, in particular in the wine industry. Based on this critical literature review, we have built a descriptive matrix that show consumers’ behavior of sustainable certified and labeled wine depending on the WTP for this product and the level of awareness and involvement of sustainable issues. The objective of this matrix is to identify all the possible factors which could be responsible for attitudes in purchase behavior of sustainable wine, understand whether consumers are willing to pay a premium price for eco-labeled wines and determine the consequences of some defined change in these factors.

4. Results

Background research (Zucca et al, 2009) have shown how to consumers like the idea of sustainable winemaking but they actually do not know much about it, what it means and the processes involved to achieve it.
The descriptive matrix shows consumers’ purchasing behavior towards sustainable certified and labeled wine based on the WTP and the level of awareness of sustainable issues (Tab.1).

**Tab.1 Matrix of consumers’ purchasing behavior towards sustainable wine**

We obtain four different profiles of consumers:

1. **Devoted** (high involvement/high WTP): in this quadrant of the matrix we have consumers with a high understanding and awareness of sustainable issues and high WTP for a sustainable wine. These people give importance about the production method of a good; they trust in eco-certification system and are well educated about sustainability theme. When they purchase a wine they seek for eco labeled bottle and they do not care if the price is higher.

2. **Cautious** (high involvement/low WTP): this second quadrant is representative of people with high involvement about environmentally concerns but low WTP for eco-wine. This is because even though these consumers are awareness of eco-friendly claims and understand the importance of achieving more environmentally practices in general, they do not think sustainability is for the wine industry.

3. **Trusted** (low involvement/high WTP): the third cell is very distinctive, because it consists in consumers with a minimum involvement in the topic of sustainability but a high WTP for eco wine. They are not looking for a sustainable wine at the market but if there is the opportunity they buy it. Probably they give trust in eco-labeling claims, even though they do not really know the meaning. In addition in this category we can find also people who pay attention at the price believing that higher price of the wine means often higher quality.

4. **Hostile** (low involvement/low WTP): the people fall in this quadrant have a low involvement and interest in sustainability issues and very low WTP for eco wine. During purchasing they are not looking for any environmentally friendly products because they are not interested and have no trust in eco-label. They do not recognize any benefit for a plus for these kinds of products and do not consider an eco-certification as a strong element of differentiation to justify a price premium.

Thanks to this matrix we can developed a better understanding of what influence individuals to pay more for a sustainable certified wines. This could be an opportunity for firms to develop marketing strategies targeted to specific cluster of consumers to satisfy their different needs.

5. **Concluding discussions**

In conclusion, in the next years the wine industry will must face issues such as a more clear definition of what sustainable means, codified certification an, transparent eco-labeling system. As we have seen from the matrix, consumers’ perception of sustainable wine is very different and related to quality expectations and level of involvement in environmentally issues. Although nowadays sustainable wines are still a niche market we forecast that if there will be a change in marketing strategy oriented to show a positive image of environmentally friendly wineries and communicate their distinctiveness, these firms could be achieve a competitive advantage. Further studies need to be done, specifically to examine if and how the current policies, certification and labeling system on sustainable issues drive the consumers’ purchasing decisions in the wine sector.
References


