Bordeaux 2016 Abstract Submission

Title
The Effect of Product Buying Situational Cues on Consumer’s Red Wine Choice: Chinese vs. French consumers

I want to submit an abstract for:
Conference Presentation

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Keywords
wine choice preference; hierarchical linear modeling; situational cues; Chinese versus French consumers

Research Question
This research investigates the influence of buying context at an individual level, the consumer’s country at the group level and their interactions on the multilevel effect on red wine choice.

Methods
Hierarchical linear modeling (HLM) was used for analyzing “nested” data. The hypotheses concerning the individual-, group-, and cross-level effects of red wine choice were examined using an incremental approach.

Results
Food association and the presence of others have a stronger influence on the red wine choice of Chinese. Buying place have a stronger influence on red wine choice of French.

Abstract
The Effect of Product Buying Situational Cues on Consumer’s Red Wine Choice: Chinese vs. French consumers

Introduction
China and France represent major economies in red wine industry, yet the paths to the market have differed greatly. Research suggested that red wine choice is mainly dependent on the wine shopping context such as buying place and drinking occasions (Lockshin et al. 2006) as well as the social situations context such as how the product is consumed (e.g., the type of wine chosen for consumption in a bar versus at home) and the
consumption occasion (e.g., whether the wine is consumed when the person is alone or with other people) (Yang et al. 2002). While product buying contexts are important to red wine choice at the individual (consumers) level (Lockshin et al., 2006), to what extent will they have the same influence on choice preference according to Chinese and French consumers? Cross-country research has shown that Western consumers’ purchase preferences may be often based on individual preferences (Kramer, Spolter-Weisfeld and Thakkar 2007; Markus and Kitayama 1991). Far eastern consumers may be less inclined to select product items that are personalized to their individual preferences. Instead, they may be more likely to choose product items based on the preferences of other consumers similar to them (Kramer, Spolter-Weisfeld and Thakkar 2007). Previous research has emphasized the difference between Western and Eastern countries according to product preferences, therefore, we believe that this difference will play an important role in the red wine purchasing between Chinese and French consumer. This research investigates the influence of red wine buying context at an individual level, the consumer’s country at the group level and their interactions on the multilevel effect on red wine choice.

Method
Hierarchical linear modeling (HLM) (Raudenbush and Bryk 2002) was used because it overcomes the statistical weaknesses of traditional methods for analyzing “nested” data. The hypotheses concerning the individual-, group-, and cross-level effects of wine choice were examined using an incremental approach (Kreft and De Leeuw 1998).

Sample and data
The sample is made of 891 Chinese (59% females and 41% males) and 1,221 French wine consumers (65% females and 35% males). Chinese wine consumers were coming from 83 communities in six cities in the mainland of China (three from the coastal region and three from the inland region). Of the overall Chinese sample, 497 were from the cities of Beijing, Shanghai and Guangzhou. These cities are highly dependent on international trade and are representative of the general economic environment in the coastal region. The 394 participants from the inland region were inhabitants of the cities of Tangshan, Shijiazhuang and Qinhuangdao. These cities are in the northern part of the country and rely primarily on their natural resources for their income. They have developed some heavy industries that serve the domestic market, but there is little international trade compared with cities in the coastal regions (Zhou et al., 2010). In terms of economic development, these three cities are considered good representatives of the inland region. French red wine consumers were collected from 30 cities in two regions of France (Rhone-Alpes and Bordeaux). We focus on these two regions as they are the largest red wine production regions in France. For the overall French sample, 616 were from cities located in Rhone-Alpes and 605 were from cities located in the Bordeaux area.

Data were collected via the Qualtrics online survey system during April and May 2013. All participants were aged between 18 and 65 years old. A list of participants’ personal information was obtained from two private marketing research companies in both China and France. Participants were regular wine consumers who had at least one wine purchase experience during the preceding three months.

Measures
Three types of variables were used in this study:
1 variables that only apply to wine buying situational cues were labeled as individual level (micro-level). Meanwhile, the control variable (gender) was assessed at the individual level.
2 country variables were labeled as group level (macro-level)
3 variable measuring wine choice was labeled as the dependent variable [what was your last choice: red wine or other alternatives (white or rose wine).

HLM Analysis
Hierarchical linear modeling (HLM) (Raudenbush and Bryk 2002) was used because it overcomes the statistical weaknesses of traditional methods for analyzing “nested” data (Hofmann 1997; Lund, Scher and Kozlenkova 2013). The hypotheses concerning the individual-, group-, and cross-level effects of wine choice were examined.
using an incremental approach (Kreft and De Leeuw 1998). That is, a null model (Model 1) was specified, in which neither non-individual nor group predictors were included. This enabled the testing of whether there was a significant variation in red wine choice, a necessary precondition for testing the hypotheses. Next, Model 2 was introduced by adding an individual control variable (gender), but included no other predictors. Subsequently, individual-level predictors were added to Models 3. This enabled the evaluation of how buying situational cues predict red wine choice. Next, a further model (Model 4) was created in which group-level predictors (country) of the intercepts were added. This meant that the effects of the country on wine choice preference could be evaluated. Finally, a full model (Model 5) was created, which included group-level predictors of the individual-level slopes. Thus, it could be determined whether cross-level interactions provided significant incremental prediction of wine choice (Hofmann and Gavin 1998). The equations for the individual, group, and cross-level models are shown below.

Results
Results show that food association and the presence of others during the purchase process have a stronger influence on the red wine choice preferences of Chinese consumers than on French consumers. Furthermore, buying place have a stronger influence on the red wine choice preferences of French consumers than on Chinese consumers.

We used an HLM (Raudenbush and Bryk 2002) to estimate a null model including only one intercept term (see Model 1 in Table 1). Tests indicated a significant variance in wine choice ($\chi^2 = 899.0711$, df = 205, p < .05). We estimated Models 2 through 5 to evaluate the individual-, group- and cross-level effects of wine choice, and calculated the proportion of variance explained when adding each set of variables to the model (Bryk and Raudenbush 1992). The significance of the incremental variance is assessed by examining the differences between the deviance statistics ($\Delta dev$) for each pair of nested models in a manner analogous to assessing the change in $R^2$ in traditional hierarchical regression analysis (Ang, Slaughter and Ng 2002).

Results: Individual-Level Effects
The individual-level effects tested the influence of wine buying situations on red wine choice. The data results suggested that wine buying place, drinking occasion and food association significantly influence the red wine choices of both French and Chinese consumers (Model 3). Considered together, these three variables explained a significant incremental variance of 26% in wine choice ($\Delta dev = 54.51$, p < .001). These results demonstrated that regarding buying place, there was a significant difference in red wine choice between wine shops and supermarkets. The overall preference for red wine was stronger when the red wine was purchased at a wine shop than when purchased in a supermarket (2.285, p < .05). Drinking occasion was found to have a negative influence on red wine choice (−1.818, p < .05), food association (8.154, p > .05) and the presence of others (1.923, p > .05). The coefficients for cross-level interaction of country and drinking occasion (−0.076, p > .05), buying objective (−0.920, p > .05) are not statistically significant.

Implications
Based on these results, appropriate marketing strategies for both China and France in red wine market should focus on the buying place, drinking occasion, food association and buying objectives of the red wine consumers. Meanwhile, marketing strategies need to emphasize more on the importance of food association and presence of others during the purchasing occasion to the Chinese consumers. For the French consumers, strategies should emphasize more on buying place and drinking occasion.

References
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