Wine Label Attractiveness Perceptions by US and Australian Wine Consumers in the Millennial Age Group: A Case Study

Marianne McGarry Wolf  
Professor  
Andrea Michele Roselli  
Student  
Agribusiness Department  
Cal Poly State University  
San Luis Obispo, California USA  
mwolf@calpoly.edu

Key Words: wine label attractiveness, Millennial, US wine consumers, and Australian wine consumers

Abstract

The purpose of this research is to determine the importance of label attractiveness to Australian millennial wine consumers and US. Further, this research examines if there is a difference between how the US wine consumers and Australian wine consumers perceive the same wine labels.

Survey research was used to examine differences between the US and Australian wine consumers in the importance of labels to them and the attractiveness of specific labels. A survey instrument was administered through personal interviews during May 2006 to 150 millennial wine consumers in the US and during February 2007 to 105 millennial wine consumers in Australia. The survey was conducted among a random sample of wine consumers using the personal interview method in San Luis Obispo, California and Brisbane, Australia. San Luis Obispo County was designated the best test market in the United States by Demographics Daily (Jackoway, 2001). San Luis Obispo was found to be the best of 3,141 counties to represent a microcosm of the United States based on 33 statistical indicators.

A simulated test marketing methodology was used to evaluate the labels. Simulated test marketing research is a valid methodology that has been used by the marketing community since the 1960’s to forecast purchase interest in new products and new positionings for existing products. This experiment uses a concept screen type of simulated test marketing methodology. In a concept screen, consumers are shown numerous concepts to evaluate.

For this research, consumers were shown pictures of wine labels and asked to rate them on attractiveness. The labels were chosen from the top brand performers in the United States in 2005 according to IRI share statistics. IRI (Information Resources Inc.) released the top 30 brand performers and the top ten new brands for 2005 in the US. IRI is a leading provider of scanner based sales and shares of consumer packaged goods in the US and in numerous countries. Before the consumers rated the specific labels, they were asked the importance of a label in the purchase decision and the desirability of specific label characteristics. In addition, the consumers were asked questions concerning category behavior, demographics, and media usage.
The millennial consumers in the US and Australia spend the same amount on wine in a typical month, however, the millennial consumers in the US purchase more bottles at a lower price. Approximately three-fourths of all bottles of wine were purchased for consumption at home in both countries.

Most of the millennial consumers in both countries indicated that the appearance of the wine label is at least somewhat important when they purchase wine for use at home, a party, a bar, or a restaurant. However, the importance of label attractiveness for bottles purchased for consumption at home or a party is more important than for bottles purchased at a bar or restaurant in both countries. Approximately two-thirds millennial wine consumers in both countries indicated that label attractiveness is at least somewhat important in their purchase decision.

The survey respondents in both countries were provided with colored copies of the labels of nine of the top wines in the United States, according to IRI. A comparison of the ratings between the US and Australian millennial consumers shows that they agree on the attractiveness of all of the labels, except the lowest rated label.