Title
Exploring the resonance of the old vines category’s value proposition amongst wine consumers in South Africa

I want to submit an abstract for:
Conference Presentation

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Keywords
Consumer value proposition, purchase intent, old vines category, nostalgia, resonance.

Research Question
Do old vines attributes resonate with SA wine consumers and have any effect on their probability to purchase old wine wines at a premium?

Methods
The study follows a pragmatic research approach, comprising sequential exploratory design that involves three phases: qualitative data collection and analysis; quantitative data collection and deductive analysis; and interpretation.

Results
Our contribution gives practitioners insight into marketability of old vine associations. We contribute to consumer behaviour literature by exploring the relationships between consumer resonance and purchasing decisions involving novel categories.

Abstract
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This study examines the notion of unlocking market value in old vines, by investigating whether: the old vines market category presents a resonant value proposition to wine consumers in South Africa; and leverages their intention to buy wines in this category at a premium.

Introduction
The question of whether, how and why value in old vines or vieilles vignes, meaning old vines in French, (VV) can be unlocked in the South African wine market is steadily gaining prominence (see: Fridjhon, 2016) and has arisen in conjunction with growing emphasis on VV’s in winemaking and associated marketing. For example, mentions of the term “old vines” in the Platters South African wine guide featured 38 times in the 2008 edition, 62 in 2012 and 109 in 2016. Yet, in organisational, economic and marketing sciences, little scholarly attention has been devoted to this question.
What we know is that VV’s have been viewed as: endowments of terroir (Gergaud & Ginsburgh, 2008), potentially quality-driven vitivinicultural decisions (Howell, 1999); a wine market category in signalling theory (Negro, Hannan, & Fassioito, 2015); theme in the heritage and pedigree attribute of luxury wine brand authenticity (Beverland, 2005).

The domain of this paper is consumer behaviour and aims to open this line of research by focusing on the consumer-producer exchange dimension and investigate whether the VV category presents a resonant value proposition to wine consumers in South Africa and consequently leverages their intention to buy this category of wines at a premium.

Research context, research problem and objectives

The challenge of sustainably unlocking value of the old vine resource in South Africa can in our view be divided into three subordinate challenges, corresponding with how scholars in economic sociology view market delineation (Fligstein & Dauter, 2006; Weber, Heinze, & DeSoucy, 2008). In the primary production market, the dilemma grape growers face with retaining old vines is complex – and beyond our immediate research scope – yet the effect is real.

For example, in 2015 only 10% of South African red wine grape plantings were older than 20 years (SAWIS, 2016). The importance of the issue in South Africa was highlighted by the establishment of the Old Vines Project (OVP) in 2015 to preserve vineyards older than 35 years.

Secondly, in the competitive realm, VV’s represent a novel market category but it is unclear whether it provides points of difference (POD’s) and competitive advantage to wine brand owners. Advantages of membership to the category are realised only if: membership represents high costs to low quality producers and sharp contrast boundaries to other categories, like biodynamics or organics (Negro et al., 2015); POD’s are effectively related (Anderson, Narus, & Van Rossum, 2006); sustainable advantage is achieved by claiming uncontested market space (Kim & Mauborgne, 2005). However, Keller, Sternthal, & Tybout (2002) suggest that one should not dismiss frames of reference and points of parity. In our view, belonging to the same category as high value wines or wines associated with ethical benefits can be as valuable as POD’s

Thirdly, in the exchange domain a number of studies have investigated attributes such as, ratings, region, and organic certification, in terms of their appeal, as well as the effect on willingness to buy (Cuellar & Claps, 2013). Yet, while some studies have, in passing, put forward notions that old vineyards make better quality wine (Howell, 1999) and consumers understand that older vines produce higher quality and therefore add value (Beverland, 2006), dedicated research about whether old vine attributes affect purchase intention has not been forthcoming. We intend to fill this gap in the literature and give practitioners a glimpse into whether value for the VV wine category can be unlocked in the consumer domain; as portal for value creation in the production and competitive spheres of markets.

Literature review

On a consumer level, VV’s represent a partially-demarcated, non-standardised wine market category (Negro et al., 2015) signalled by brand associations that convey its image, memory and experience (Aaker & Keller, 1990; Aaker & Joachimsthaler, 2000) and are transmitted through bundles of product attributes or consumer benefits, known as consumer value propositions (CVP), that provide reasons to purchase a product (Aaker & Keller, 1990; Anderson et al., 2006).

The most commonly used product positioning device is the selective emphasis of existing product attributes or characteristics (Aaker & Keller, 1990) or introduction of novel product attributes (Mukherjee & Hoyer, 2001). However, in benefit-focused communication, Percy & Rosenbaum-Eliot (2016) draw distinction between: 1) attributes as subjective components – what the product has – like VV; 2) characteristics as subjective claims that describe the experience – such as “complex” or “reserve”; and 3) emotions that describe the feelings evoked such as “nostalgic”.
Attributes and benefits are communicated through informational cues (Wall, Liefeld, & Heslop, 1991) and, whether intrinsic or extrinsic, have an effect on perceptions of quality and value (Zeithmal, 1988). Since the category boundaries of VV’s have not been standardised in South Africa, it may be argued that VV’s may be simultaneously subjective and objective; at once an attribute, characteristic and a category with a number of consumer benefits.

CVP’s connect brand identity and consumer identity, becoming vectors for resonance when they are meaningful, relevant and reflect what matters most to consumers (Aaker & Joachimsthaler, 2000; Anderson et al., 2006; Strizhakova, Coulter, & Price, 2008). Resonance-focused CVP’s are persuasive since they distil propositions down to one or two unique elements that may sustainably leverage consumer value when continuously improved (Anderson et al., 2006).

Since products and brands are often symbolic, people do not buy products merely for what they do (Aaker, 2008; Levy, 1959) – so called functional benefits – but also for what they mean and for the experience they provide (Escalas & Bettman, 2005; Pine & Gilmore, 1998; Prahalad & Ramaswamy, 2000), indicating a range of other benefits that may resonate when buying (Aaker, 2008; Escalas & Bettman, 2005), namely: self-expressive benefits that speak to who the customer is, becomes or can become; emotional benefits linked to how it makes the consumer feel; and social benefits that connects the consumer to a broader social community.

Consequently, value is co-created intersubjectively: between individual consumers and buyer communities (Escalas & Bettman, 2005; Muniz & O’Guinn, 2001) and between consumers and producers (Echeverri & Skalen, 2011; Payne, Storbacka, & Frow, 2008; Prahalad & Ramaswamy, 2000; Zhao, 2008). The former as relevant here: consumers select products with meanings consistent with their individualistic self, interdependent self and a range of imagined, idealised future possible selves (Escalas & Bettman, 2005; Markus & Kitayama, 2010; Markus & Nurius, 1986). This means that consumers appropriate and attach to brand associations consistent with their individualistic selves and a resonating bond is formed when this is connected to others (Escalas & Bettman, 2005).

Key a-priori postulation

Corresponding with our intended research design, we put forward an a-priori hypothetical model in FIGURE 1 (refer to PDF submission) that seeks to understand the relationships between: individual proneness to appropriating VV associations; consumer resonance to VV attributes and benefits; and probability to purchase at a premium. In TABLE 1 (refer to PDF submission) we summarise the meaning behind our measures.

Research questions and a-priori hypotheses:

Our primary a-priori research questions and hypotheses are:

1) Whether VV attributes resonate with SA wine consumers and have any effect on their probability to purchase VV wines at a premium?

H3: There is a positive relationship between consumer resonance (connection to benefits of VV, familiarity and perceived quality) and probability to purchase VV wines at a premium.

H4: Consumer resonance to VV attributes moderates the effect of psychographic proneness on probability to purchase VV wines at a premium.

2) What predisposes consumers to resonance with VV attributes and does this affect probability to purchase at a premium?

H1: Proneness (comprised of proneness to nostalgia, quality consciousness and enduring wine involvement) probability to purchase VV wines at a premium.

H2: Proneness has a positive relationship with VV resonance.

Methods
Pragmatic research paradigms advocate the use of mixed methods in research, and, as the name suggests, focuses on what works as truth and reality, single and multiple realities and solving practical problems (Creswell & Clark, 2007; Feilizer, 2009; Tashakkori & Teddlie, 2003) The mixed method approach, a combination of the inductive and deductive, is suitable for exploratory studies (Creswell, 2014) and we utilise sequential exploratory design that inductively and deductively logic and involves three phases: qualitative data collection and analysis; quantitative data collection and deductive analysis; and interpretation (Creswell, 2014; Creswell & Clark, 2007).

The first step involves collecting and analysing secondary data (media reviews, press releases and marketing material) and identifying common themes by using principles of grounded theory (Gioia, Corley, & Hamilton, 2013; Strauss & Corbin, 1998). Constant comparison to scholarly literature will assist in the development of constructs (Carilile & Christensen, 2005; Gioia et al., 2013) and the refinement of scales and hypotheses in this study. A simultaneous two-stage pilot for scale development will then be conducted: by eliciting and analysing demand and supply-side qualitative responses from wine producers and consumers; and refining scales further through exploratory factor analysis (EFA).

To improve analysis of relationships between the respective variables, it is anticipated that large amounts of data would be required. A web-based questionnaire will be designed to measure key constructs and act as the primary data source. These will be measured using both established and developed multi-item scales, which will be empirically tested and validated. Scales are commonly used in measuring attitudes (Hague, Hague, & Morgan, 2004) and consequently positioning statements – commonly known as Likert scales – will comprise the majority of the questionnaire.

For the purpose of this study, the targeted respondent will be a wine drinker and sampling non-probabilistic. A self-completion method will be used, through an online survey, which will be distributed through a number of wine blogs, online newsletters and websites, which are frequented by wine drinkers.

Data yielded from the survey will be used to model the relationships under investigation. Moderator analyses and partial least square structural equation modelling (PLS-SEM) will be utilised to determine the relationships between the different key constructs. While the covariance-based approach-SEM, aims to confirm theories by determining how well a model can estimate a covariance matrix for the sample data, PLS-SEM operates similarly to a multiple regression analysis (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014). This characteristic makes PLS-SEM particularly valuable for exploratory research purposes, like the present study.

Contribution to theory and practice

The aim of any research endeavour is prescience: the process of anticipating and distinguishing what we need to know and influencing the scholarly conversation therein (Corley & Gia, 2011, p. 13). There are two dimensions to this: originality - from revelatory to incremental; and usefulness – from theoretical to practical. Our envisaged contribution is more practical intending to give practitioners: insight into marketability of VV associations for wine brands that holds implications for whether value can be unlocked further upstream; psychographic and demographic profiling of consumers who find value in VV wines. On the theoretical side, we aim to contribute to the consumer behaviour literature by exploring the relationships between consumer resonance and purchasing decisions involving novel categories of products, particularly related to brand extensions.

Conclusion, limitations and future research

Our study is cross-sectional, brand neutral and does not seek comparison amongst multiple attributes or competing product categories Rather it focuses on consumer-benefit connection to VV attributes and associations as part CVP’s. We, therefore, focus on resonance as a marker of consumer meaning and a driver of decision making. This study is limited to South African consumers, with an existent interest in wine.

Our future research investigate of VV’s in relation to: 1) the competitive realm through multi-attribute choice-based methods like conjoint analysis (Green & Srinivasan, 2016), blue ocean frameworks (Kim & Mauborgne, 2005) and category signalling 2) the production realm by investigating broader historical, institutional and economic drivers of the challenge.
Refer to the PDF submission for sources.

File Upload (PDF only)
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Jonathan STEYN1 Edo HEYNS2

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<tr>
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<th>MEANING</th>
<th>SOURCES AND SCALES TO BE ADAPTED</th>
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<tbody>
<tr>
<td>1. PRONENESS TO VV APPROPRIATION</td>
<td>Psychographic consumer profiles that pre-dispose consumers to appropriating VV attributes and benefits (Aaker &amp; Joachimsthaler, 2000).</td>
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<td>1.1. PRONENESS NATALGIA</td>
<td>A proneness to believe that things were better then than now (Davis, 1979) representing a longing for the past and fondness for possessions associated with yesteryear (Holbrook, 1993)</td>
<td>Holbrook (1993), Brown, Kozinets, &amp; Sherry (2003)</td>
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<td>1.2. WINE INVOLVEMENT</td>
<td>Products that are hedonic or pleasure-related create enduring consumer involvement when they are “central meaningful, significant and engaging” (Barber, Taylor, &amp; Strick, 2009, p. 61).</td>
<td>Barber et al. (2009); Zaichkowsky (1985)</td>
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<td>1.3. QUALITY CONSCIOUSNESS, PERFECTIONISM</td>
<td>A style of consumer decision-making where consumers actively seek out products associated with quality (Sproles &amp; Kendall, 1986).</td>
<td>Sproles &amp; Kendall (1986)</td>
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<tr>
<td>2. RESONANCE TO VV</td>
<td>Meaning and relevance VV attributes and benefits have for consumers (Aaker &amp; Joachimsthaler, 2000)</td>
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<td>2.2. OLD VINE FAMILIARITY</td>
<td>The level of direct and indirect experiences with products (Alba &amp; Hutchinson, 1987; Kent &amp; Allen, 1994)</td>
<td>Kent and Allen (1987)</td>
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<tr>
<td>2.3. PERCEIVED QUALITY COMMITMENT OF VV WINES</td>
<td>Perceptions of quality are often post-purchase and comparative (Aaker, 1996). Measure reflects a consumer perception that the category of wines show commitment to quality (Napoli, Dickinson, Beverland, &amp; Farrelly, 2014).</td>
<td>Aaker (1996); Napoli, Dickinson, Beverland, &amp; Farrelly (2014)</td>
</tr>
<tr>
<td>3. PROBABILITY TO PURCHASE AT A PREMIUM</td>
<td>Wine consumers’ probability to purchase VV wines and pay more for it – under non-comparative conditions.</td>
<td>Juster, (1966); Wright &amp; MacRae (2007); (Aaker, 1996)</td>
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**Table 1: Definitions of key a-priori measures**