

STIMULATING SALES OF HIGHER-PRICED WINES THROUGH DECOYS: A DESIGN-BASED PERSPECTIVE

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The purpose of two experimental studies was to link research on package design, price expectation, and compromise decoy effects. The first study examined the relationship between holistic types of wine package designs and consumer price expectations. The second study tested for compromise decoy effects in consumer choice of wine; additionally it analyzed how the consumption occasion influences the consumer choice of wine based on package designs. Participants were students from a public university in Northern Germany.

To assess possible differences between holistic types of wine package designs regarding consumer price expectation, we used pictorial stimuli successfully employed in previous research (Orth & Malkewitz, 2008). Participants were asked to assign each bottle of wine in a 5-price tier categorization developed and commonly used by practitioners in the German market (Nickenig, 2004). In study 2 participants were divided into two groups of 50 individuals each. The stimuli used included a set of 10 (without decoys; choice set A) and another set of 12 images (with two due to their packaged design high-priced decoys; choice set B). Stimuli for both sets were selected to obtain variance in package designs and price tiers. The first group selected one wine each from the choice set A for three consumption scenarios (i.e., self-consumption, hosting friends, and as a gift). The second group selected one bottle each from choice set B for the same occasions.

Study 1 results indicate that the 5 holistic design types established by Orth and Malkewitz (2008) were associated with different price expectations. The lowest price expectation was found for massive designs, whereas delicate designs generated the highest price expectation. The contrasting, non-descript, and natural designs fell in between. The prevailing result of study 2 indicated that consumers choose wines from higher price tiers when decoys are added to the choice set. Moreover consumers choose wines for self-consumption from lower price tiers, whereas they choose wines as a gift from the higher price tiers. Wines for hosting friends are chosen from mid-priced tiers. The compromise decoy effects were most pronounced for the hosting friends occasion.

Theoretical implications include that study 1 findings further corroborate differences between holistic design types (Orth & Malkewitz, 2008). Moreover they extend research on dual process theories of persuasion linking package design characteristics to consumer price expectation via cognitive and affective routes (Orth, Campana, & Malkewitz, 2008). The findings of compromise decoy effects advances past work by specifically showing consumer price perception for wines follows the general principle of other attributes in contributing to decoy effects.

Managerial implications include the recommendation that managers should consider extending their portfolios through higher-priced wines to trigger a shift in consumer demand toward higher-priced wines.

Limitations include possibly divergent findings when the study is replicated with another sample differing in cultural characteristics or in the salience of package design. Future research is needed to more fully investigate the relationship between package design and individual differences and price expectation across culturally diverse populations.