

Promoting wine by 'terroir'

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Abstract

Across export markets consumers use a range of criteria in their evaluation of wine during the process of purchasing. However, one common purchasing criteria is the notion of the 'region', which is widely accepted and therefore recognised as one of the most important criteria in this process (Hall and Lockshin 2003; Perrouty and Lockshin 2005; Hollebeek et al 2007). For the French, the idea of a wine tasting of a region goes deeper than just a specific location. The concept is consistent with idea that every conceivable contributory characteristic that can be attributed to a wine from a specific location is expressed through the existence of terroir. The challenge is in recognising what characteristics express terroir for any one wine, and then communicating their existence and importance to consumers. Given that the consumer's knowledge of terroir has been relatively unknown, this study found that French consumers consider terroir to be important, but with little consensus as to what the concept entails. The most popular responses alluded to terroir indicating a location. However, a range of other descriptors are offered as alternative explanations, with one or two terms the most common number provided by French consumers. Variations in the number of terms provided for explaining terroir was consistent with measures used to evaluate a consumer's level of wine involvement. Given that even the most simple explanation for terroir involves an entire page description at the OIV, these results confirm that an appropriate communications strategy using terroir must focus on communicating a wine's provenance in production and that any message needs to be kept simple and clear. The paper illustrates some of the key challenges facing those producers who rely on marketing success by starting with the product. Further research should aim to identify the range and extent of information required by any market when intrinsic product characteristics are used as the starting point in trying to generate marketing success.

Key words: Terroir, Segmentation, Selection criteria, Region, Survey

Topic Area: Regionality in promotions

Introduction

For the French wine sector, the concept of terroir is both a defining character of a wine's category within the market, but also a reflection of quality. Irrespective of any definition or understanding, the concept is inseparable from French wine. That indefinable characteristic that is regarded as appealing and symbolic by the French is somewhat perplexing to those without such Gallic ancestry. In fact, the concept of terroir is so complex that its indefinable nature and integral character to French wine has been used as an explanation as one of the main reasons for the current failing of French wine to protect its global market share in the past three decades (Anderson et al., 2003, Labys and Cohen, 2006).

The last thirty years have borne witness to the commodification of wine as the market has shown a desire for wines of consistency and similarity (AWBC, 2008, Labys and Cohen, 2006, Stanford, 1999). This homogenisation of wine is counter-productive to the individualisation concept of terroir (Aurier et al., 2005). Consequently, in an effort to claw back shares of the global wine market the French wine sector is looking to identify how the concept of terroir can be used successfully as a unique selling point. Despite the undoubted value of establishing such a unique selling point, the challenge for France is in identifying how the concept of terroir is perceived, in order to identify how the concept can be conveyed simply in its introduction to the world's new and growing wine markets. This paper begins by highlighting the challenges associated with the concept of the unique selling point, using examples from an application of the concept of terroir, as evidenced from the wine sector. The following section outlines the challenges to consumers finding and committing to any one example of terroir through an explanation of the wine consumer's purchasing behaviour. Further, a theoretical resolution to the challenges of promoting any terroir in isolation is outlined by showing how a consumer considers the concept of terroir among a category of wine purchasing alternatives. Finally, results are presented on the clusters of definitions that consumers use for evaluating the concept of terroir before recommending how wine producers in Europe could use these findings in marketing strategies relying on the concept so as to obtain a unique competitive advantage in the market.

Unique Selling Points

Due to the extensive degree of competition within the wine category, and the desire to encourage repeat purchases as a way to minimise the costs of appealing and retaining consumers, wine marketers are constantly looking for ways to retain consumers who defy the statistics and complete their first purchase from any winery (Lockshin and Hall, 2003). The concept of acquiring and retaining consumers to any one wine brand is defined as brand loyalty (Cuthbertson, 2001, Ewing, 2000). Brand loyalty is an integral part of any niche strategy, which relies on the idea that a financially viable number of consumers exist in a market with a desire for a uniquely different product to all others available for these consumers to purchase (Wilson, 2006, Grassel, 1999). The goal is to capture the consumer's loyalty by highlighting a unique difference between a producer's wine and all competing alternatives so that the consumer will seek out and commit to purchasing and repurchasing that unique wine. European producers are relying on the fact that consumers will want wines with a unique selling point called, terroir. Zinkham suggests that the marketer can persuade respondents to change their minds, with the use of such selling points, with enough time to identify the components of most appeal to consumers (Zinkhan et al., 1983). However, such an argument lends itself to the promotional strategies of personal selling, an option not practical for producers wishing to extend into a global market. With little prospect of meeting every such potential consumer, such a strategy is unlikely to succeed in the wine sector.

Terroir and Unique Selling Points

The importance of how consumers categorise terroir should not be understated. The challenge of using the concept of terroir as the cornerstone of marketing is that if the concept is invariable, then the options available for changing the terroir to match the needs of the consumer is obsolete. As such, the entire rationale for marketing is hamstrung by such a prospect. Consequently, the

alternative to varying the nature of the product is that consumers must be convinced that terroir is not only important, but desirable in their wine purchase. The logic being that if terroir is desirable, then those wines with the best expression of terroir at the consumer's preferred price will be those wines with the best chance of selection. The aim of marketing then ends up being about the promotion of terroir. The problem in using terroir as a unique selling point is that consumer struggles to understand the notion. Consequently, the problem under investigation in this research project was to investigate how the consumer evaluates the concept of terroir on a wine bottle. By identifying how s/he thinks about terroir, the marketer has the capacity to link terroir to recognised considerations in wine selection.

Consumer Purchasing Behaviour

One approach to offering products to the market is to identify the common themes of appeal to potential wine consumer segments (Schwerin, 1986, Stewart and Furse, 1985, Aaker and Maheswaran, 1997). By using these themes as part of a communication strategy, the producer is armed with enough publicity to use a blanket approach to cover new consumers (Aaker, 1999). To identify these potential communication issues, we start with a review of what consumers consider important when choosing a wine (Lockshin, 1998, Watanabe et al., 1998). The wine consumer uses a number of different cues in wine purchasing, primarily determined by two exclusive drivers as indicated in modern wine marketing literature- the wine purchasing motivation and the consumer's level of involvement (Johnson et al., 1991, Lockshin et al., 2006, Quester and Smart, 1996). The purchasing motivation has become a popular measurement variable in questionnaire design (Olsen et al., 2003, Morwitz and Fitzsimons, 2004). For European wine producers, identifying how terroir is used as a purchasing motivator would appear to be a simple supplement in a questionnaire. However, it is important to first identify how the consumer interprets the concept of terroir based on varying levels of involvement, and in conjunction with different wine purchasing motivations. When consumers select a bottle of wine for purchase, a number of different considerations can come to mind. We can base their decisions upon intrinsic and extrinsic cues in their evaluations and although each and every one of these considerations can be valuable in the final selection process, recent marketing research suggests that the most frequent cues for used for wine purchasing are region, brand and price (Hall et al., 1997, Spawton and Bourqui, 1997, Lockshin et al., 2000), Additional findings suggest that not only are these cues the most commonly used cues for wine purchasing, but the weight attributed to each cue varies in conjunction with the geographic market, and the consumer's level of interest in the category (Olsen et al., 2003, Quester and Smart, 1996, O'Mahoney et al., 2005).

Essentially, research has found that consumers vary their purchasing behaviour in respect to their particular purchase occasion, where they tend to vary the weights attributed to each purchasing cue (Young, 1988, Lockshin et al., 2006). This shows that consumers behave similarly in closely grouped geographic markets, and that such a pattern can be modelled, with the potential to apply the model to other markets. If the marketer can identify the consumer's level of involvement, in any particular market s/he can estimate the weight of various purchasing cues used in wine selection. Accordingly, this study focused on identifying the cues used to define terroir, in order to evaluate the type and number of cues used in wine purchase considerations by level of wine involvement.

Method

A two-stage, mixed-methods approach was adopted to first invite the identification of terms used to explain terroir through interviews, before the conduct of an on-line questionnaire to establish the generalisability of the findings. The sample for this study was determined by the literature on wine purchasing behaviour, and led to the convenience recruiting of 236 customers across five retail locations over the period of a week, in a large town within a wine-producing region of France. These locations are believed to provide a differing demographic basis, to help identify the consumers that are able to supply valuable and detailed responses for qualitative research (Lockshin et al., 1997).

Results

From the first stage of the study, it soon became clear that interview responses were either focused on communicating terroir as one of a dichotomous choice between ‘a place’, or virtually anything else. For respondents in supermarkets and intercepted at random, the concept of terroir was rarely more specific than a sense of place. Common responses included words like ‘earth’, ‘land’ and ‘where it’s from’.

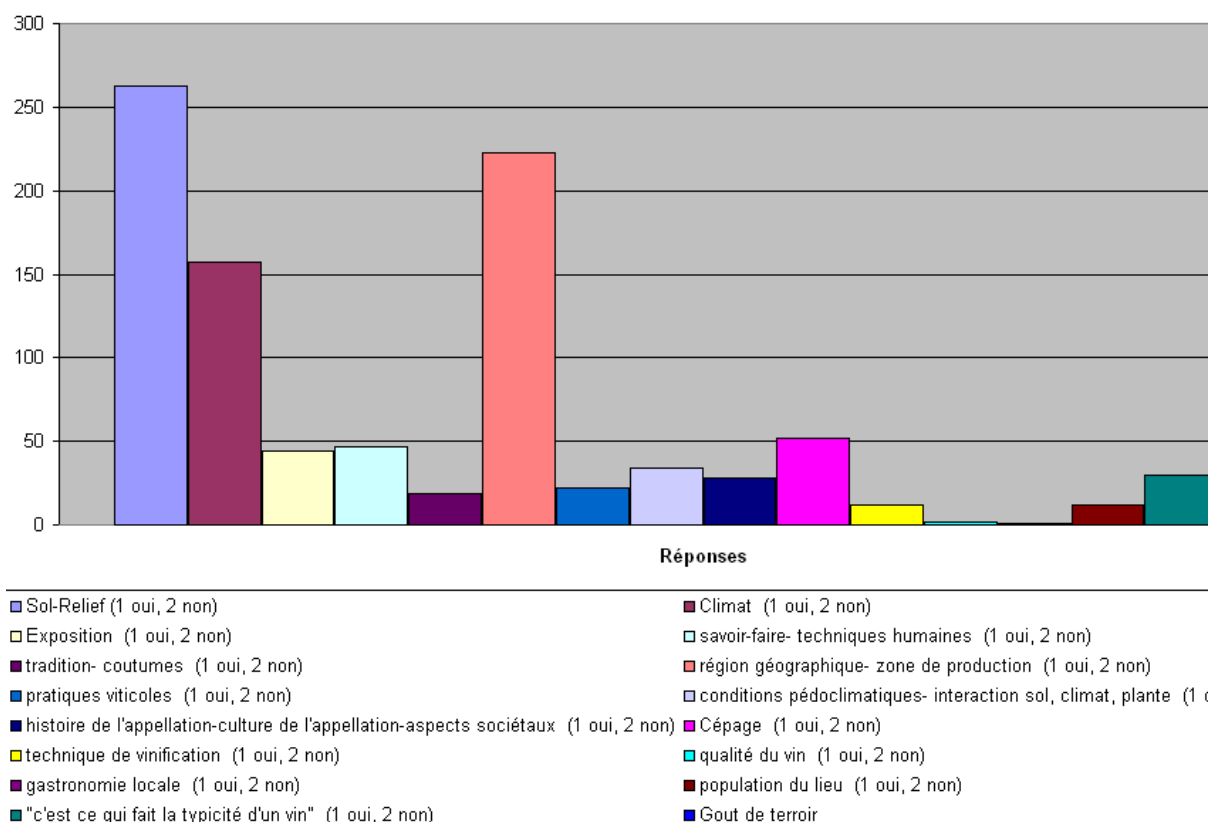


Figure 1 Responses indicating the consumer's terms used to define terroir

These terms were clustered into similar categories and a survey was then distributed via a proprietary database of wine-buying customers. Consumers were simply asked to define what characteristics define terroir, and a further series of questions were used to measure the consumer's level of involvement. 604 responses were collected on-line from a mail-out to 4000 email addresses. More than 80% of the total responses used terms related to (in order of importance) the location, climate or soil as shown in figure 1. Although a wide range of terms were used to define terroir, it's clear that a common theme exists.

Conclusion and Recommendation

In saturated markets, like the wine market, consumers know and filter out all of the purchasing cues that they are familiar with, and if your product can be easily categorized like that, the only available advantage over competing products for purchase is to find that purchasing cue of importance to your customer and focus on making that cue better than your contemporaries. The consumer has first to learn and know about such categories, and then use their learning experience to make a selection. To learn about wine, the consumer must understand how to evaluate a wine, and put new wine experiences into comparable categories of assessment, based on their history of wine consumption.

The process of learning is difficult to start, but becomes easier in time, as a framework for learning about the quality of a product becomes more clear in the mind of the consumer. Consequently, to

enable the use of a purchasing cue such as terroir, the consumer must first learn about it. From the results of this study, it is clear that the consumer understands terroir to be about a particular location. Consequently, the clear recommendation of this study is that to be used as a unique selling point, terroir must first be introduced to a market as representative of a specific location. Secondly, that location needs to be clear and distinct in the mind of the consumer so as to identify and compare it with those that already exist in the consumer's mind.

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