

IMPORTANCE OF REGION OF ORIGIN, PRICE AND PRICE DISCOUNTS IN PURCHASE INTENTIONS FOR WHITE WINE: A COMPARISON OF INVOLVEMENT-BASED CONSUMER SEGMENTS

*Linda Hollebeek, University of Auckland, New Zealand
Roderick J. Brodie, University of Auckland, New Zealand
Sara .R. Jaeger, University of Auckland, New Zealand
r.brodie@auckland.ac.nz*

Abstract

The proposed research purports to establish the relative importance of three wine attributes (region of origin, price and price discounts) on consumer purchase intentions for New Zealand white wine, across involvement-based consumer segments. These attributes were selected after relevant literature was reviewed and a series of depth-interviews was conducted with a number of New Zealand wine consumers.

Limited research investigated the impact of these three attributes of New Zealand white wines on consumer choice. White wine was chosen for investigation because New Zealand has a superior reputation for production of these relative to red wines. Particularly Sauvignon Blanc from the Marlborough region is reputed to be of prime quality. Therefore, Marlborough Sauvignon Blanc was selected as the specific wine variety for investigation based on both the quality and the quantity of this wine in the context of the New Zealand wine industry. Specifically, 63% of New Zealand's total wine production is Sauvignon Blanc, and this variety represents the foremost exported wine variety. Fifty-seven per cent of New Zealand's total grape crush originated from the Marlborough region in the year to June 2004 (New Zealand Wine Growers 2004).

Empirical research conducted within the New Zealand market is sparse. However, such research has the potential to generate significant academic and managerial contributions, such as the identification of consumer preferences for different wine attributes, including region of origin, price and price discounts. Despite the importance of wine exports, the domestic market remains the largest market for New Zealand wine. Further, enhanced insights into consumer perceptions and needs

within the New Zealand market may provide a valuable understanding of wine consumers' behaviour in New World wine producing countries. Specifically, in Australasia, the majority of research undertaken has focused on the Australian rather than the New Zealand market. Therefore, additional insights in the context of the New Zealand wine markets are required.

Consumer involvement reflects the degree of interest or personal relevance perceived by a consumer in relation to a specific type of stimulus such as a product category or brand. Consumer involvement has been found to have a significant influence on consumer purchase choices and the attributes valued most in consumer purchase decisions (e.g. Quester and Smart 1996). Two types of consumer involvement were investigated including product involvement and brand decision involvement. Product involvement reflects the extent of interest and personal relevance held by a consumer in a product class (e.g. Zaichkowsky 1985). Brand decision involvement addresses the interest taken in making the brand selection (Mittal and Lee 1989). In this research, high and low involvement consumer segments were developed based on self-reported involvement scores on Mittal and Lee's (1989) measurement scales for these two types of involvement. These scales have been successfully adopted in previous wine research, such as Lockshin et al (1997, 2001) and Aurifeille et al (2002), which found that consumers product and brand decision involvement may be successfully used for segmentation of wine consumers.

Consumers' purchase intentions on a seven point scale were recorded for eight wines. Purchase intention scores ranged from 1 (definitely would not buy) to 7 (definitely would buy). The eight wines used were based on a 2³ factorial design, and were experimentally manipulated using a conjoint design based on region of origin, price and price discounts. Factor levels used were Marlborough region of origin identified on wine label/not identified, price at \$15.95 and \$19.95, and price discounts offered yes/no. Data were collected using a paper-based consumer questionnaire. A sample of 240 executive students was used, which was comprised of slightly more males than females, and predominantly around 35 years of age, who are in the workforce, with a relatively high proportion of managerial roles. The sample was recruited after an in-class introduction to the research, after which students were free to participate voluntarily.

Preliminary findings indicate that consumers who are more highly-involved with wine as a product category and more highly-involved with their brand decision for wine tend to place higher relative importance on the attribute of wine region of origin, whereas lower product-involved consumers tend to adopt a predominant focus on price in their purchase decision-making. Additionally, although a positive correlation among consumers' levels of product and brand decision involvement was observed for a significant proportion of the respondents, such correlation was not apparent across all respondents. Specifically, a considerable number of consumers were found to be relatively highly-involved with the brand decision task, although lower levels of product involvement were reported. The preliminary results provide support for the hypothesised relationships regarding the relative importance levels of the three wine attributes under study. However, future research is required in order to obtain enhanced insights into this area, which will be addressed in the final paragraph.

Further research is required, which investigates the specific conditions under which it would be more profitable for marketers to target wine consumers based on product involvement and brand decision involvement. Furthermore, investigation of the potential effects of distinct types of purchase environments on consumers' evaluations of the relative importance of pertinent wine attributes has been largely unexplored. Therefore, the *New Zealand Wine Industry Research Institute* has commissioned a research grant for the present research to be extended through replication of the consumer questionnaire in Internet format rather than by means of a pen-and-pencil questionnaire. Online data collection has the potential to generate valuable results because this may enable New Zealand wine retailers and wine companies to collect information on consumer preferences in a timely and low-cost manner. Obtaining such information may be beneficial based on the large export volumes of New Zealand Sauvignon Blanc, which are posited to increase further by the year ending June 2005 (New Zealand Wine Growers 2004). This in turn, could lead to optimisation of marketing strategies for New Zealand wine in overseas markets. Further, findings may have important implications for determining optimal effectiveness of adoption of relevant wine attributes in wine labelling across involvement-based consumer segments.