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WINE FOR BREAKFAST: EXPLORING WINE OCCASIONS FOR GEN Y

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Abstract

- ✓ <u>Purpose</u>: To explore preferred wine occasions of Gen Y. In addition, information on the preferred type of wine, average bottle price, wine format/packaging, and purchase location are examined.
- ✓ <u>Design/methodology/approach</u>: Online survey research with a sample of 467 Gen Ys from the USA
- ✓ <u>Findings</u>: Results show that Gen Ys are drinking wine in traditional situations such as special occasions and fancy restaurants, but they have also identified more occasions revolving around social situations with friends and family. Furthermore, Gen Y is willing to spend more money on a bottle of wine by occasion than the average American.
- ✓ <u>Practical implications</u>: Practical implications can be derived from this research, including how to target promotions and advertising to Gen Y, as well new wine marketing research opportunities.

1. INTRODUCTION

"When is there an occasion to not drink wine? If I could find a wine that went well with my Cheerio's in the morning, then I would even have it for breakfast!"

The above quote was made a member of Generation Y in the USA, and is an example of the positive perception many people in this age group hold regarding wine. It is also a direct quote from this research study which focuses on exploring wine occasions for Gen Y.

Wine consumption in the US has increased steadily for the past 17 years achieving an all time high of \$40 billion in sales in 2010 (Walters, 2011). Experts suggest that a major reason for this growth is the adoption of wine by the Gen Y generation – wine consumers who are currently between the ages of 21 and 34 (Gillespie, 2009; Thach & Olsen, 2006; Frederickson, 2010; Nielson, 2007).

Though Gen Ys have been given much credit for this increase, there is a lack of information on the types of occasions in which they prefer to consume wine, as well as their reasons for doing so. The concept of "occasion" has been identified by market researchers as more relevant, in some cases, than traditional consumer segmentation by demographics (Dubow; 1992; Sandell, 1968; Fennel, 1978; Quester and Smart; 1998). This is especially helpful with a product such as wine, where the actual occasion, or situation in which it is consumed, often drives the type of wine selected, as well as price point and brand (Barber, 2009; Ritchie, 2009; Bruwer & Li, 2007; Hall et al, 2001).

Due to the importance of wine occasion and the impact of the Gen Y generation on wine consumption in the US, the purpose of this study was to examine occasions Gen Ys consume wine, as well as preferred wine type, average bottle price, wine format/packaging, and purchase location. To this end, a survey was developed and administered online to 467 Gen Ys in the USA. The results and implications are described in this paper.

2. REVIEW OF THE LITERATURE

2.1. The Importance of Wine Occasion

From a wine marketing perspective, "wine occasion," can be defined as *the place and time in which the wine is consumed*. Historically, the literature suggests that the main occasions for wine were as a beverage with meals and for religious reasons (Orth et al, 2007). Though still used for both of these purposes today, there is less emphasis on the religious component and more on wine in other contexts. Some common occasions include having wine with a meal, enjoying a glass of wine at a bar without food, and drinking it at a formal celebration, such as a wedding. The number of wine occasions can be quite large, and can be categorized into different clusters, such as informal vs. formal, with or without meals, and with or without other people.

One of the earliest wine occasion studies was conducted by Dubow (1992) in the US, and identified five occasion clusters based on consuming wine with others or alone. These included two introspective occasions to relax or assist with sleep and three social occasions to be friendly; to be accepted; or to celebrate. His conclusion was that segmenting by occasion is more relevant for wine positioning and promotion that demographic based segmentation.

In the UK, another early study by Nicholson (1990) identified three consumption occasions based on informal and formal divisions: wine with routine cooking, special occasion meals, and wine in restaurants. This study confirmed that the occasion impacted wine choice, and also highlighted gender role differences. When selecting wine for routine meals women generally made the wine choice, and it was less expensive and purchased in supermarkets or discount stores. If the wine was for a special occasion meal or restaurant meal, the male made the decision, and wine was selected more to impress – which called for more expensive wine with origin as an important consideration.

In Australia, Hall, Lockshin, and O'Mahony (2001) surveyed 233 wine consumers and identified eight occasions: an intimate dinner, dinner with friends, dinner with family, business related occasions, outdoor consumption such as a barbecue or picnic, a party or celebration, a drink by one's self and a casual drink with

friends. They analyzed these occasions in concert with consumer values, consequences, and wine attributes and found that there are specific components impacting wine in certain occasions. For example, the value of a "warm relationship with others," impacts wine choice in the three occasions of intimate dinner, meal with family, and meal with friends; whereas values of impressing others, being respected, and security influence wine choice in a business related occasion. Their findings validate how important occasion is in influencing consumer behavior and wine choice.

In a more recent study in Denmark, researchers (Berni et al, 2005) surveyed 207 families regarding their wine choice in seven occasions: at home with family meals, in friends' homes with meals, in restaurants with meals; and without meals in bars, at home, with friends, and at anniversaries/parties. Interestingly they found that wine was preferred beverage of choice in all occasions, except outside meals with friends and at a bar – where beer was the preferred choice. More wine was consumed with meals (range of 94 – 98% in all 3 meal occasions), but more importantly, they found that the occasion determined quality/price ratio and origin of wine. They also discovered that certain occasions, such as wine consumed at bars, attracts younger consumers, and results in less expensive wine choices from different origins such as Italy or Spain.

In the US, two different studies included the occasion component. The first (Thach & Olsen, 2006) focused on 108 Millennials – wine consumers in their 20's – and identified 18 different occasions when young adults consume wine. These ranged from formal occasions such as weddings to less formal settings such as drinking wine at football games. The most popular occasion to drink wine was fancy or special dinner occasions. The second study (Olsen et al, 2007) examined how different generations of 5,939 wine consumers perceived wine. Eight occasions were analyzed: with meals at home; with meals at restaurants; relax after work; at formal celebrations; outdoor parties; cocktail parties; at a bar; and at a sporting event. As expected, all generations agreed that the most popular occasion to consume wine was with meals in restaurants or at home, but there were differences in opinion by generation for the other occasions. For example, more young adults in their 20's reported they liked to use wine to relax after work, whereas consumers in their 30's were more apt to drink wine at bars.

It is also important to note that cultural differences have been identified in the wine occasion research literature. This makes sense because different cultures have unique types of celebrations and customs. For example in a recent study in China (Lui & Murphy, 2007), all interviewees reported that "chang he," or occasion, was critical in determining the type of wine they would drink. The results show that Chinese tend to purchase inexpensive wine for private consumption, but will spend more money to impress at public occasions, such as a restaurant meal. In general, they view red wine as more healthy and lucky, because red is a color of good fortune in China. For this reason, they primarily preferred French wine for Chinese New Year, holidays, and other special occasions. In addition, wine is becoming more popular in Chinese discos, clubs and Karaoke bars.

In another cultural study (Hall et al, 1997), 500 wine consumers from Italian, Greek, German and Australian backgrounds were surveyed concerning their views on wine in specific occasions. The results showed significant differences based on cultural background. For example, Italians are much more likely than Germans to see wine as a preferred beverage for a celebration, while Germans are more likely to use wine to relax alone than Italians. Greeks prefer to use wine for romantic occasions more so than Australians, Germans, or Italians. These are just a few of the occasions identified, and confirm that cultural differences by occasion are important.

2.2 Characteristics of the Gen Y Generation

Born between the years 1977 and 2000 (though these years vary slightly by source), there are approximately 78 million Gen Ys in the US (Harris, 2003; Taspcott, 2008; Junco & Mastrodicasa, 200; Howe & Strauss, 2000). Also called Millennials, Nexters, and Echo Boomers, Gen Ys are the children of the Baby Boomers. Outside the US, Gen Ys from other countries are also considered to be influential, but in terms of wine consumption, their behavior varies by country. For example, in France, Gen Ys are drinking less wine than their parents and more beer; whereas in the US they are drinking more wine (Macle, 2008; Thach & d'Hauteville, 2008).

In the US, Gen Ys have high purchasing power, even though 50% are currently less than 21 years of age and cannot legally drink wine (Gillespie, 2009). Many have been given parent co-signed credit cards at a young

age, and are very involved in family shopping (Neuborne, 1999). They are knowledgeable about brands and value quality products, but are concerned about fair pricing and environmental practices of consumer products companies (Moriarty, 2004; KeyFindings, 2004).

According to Tapscott (2008), US Gen Ys have eight major norms, or values. They prize freedom, but enjoy collaboration. They like to scrutinize things, and then customize them. They have a high level of integrity, and insist on it in corporations and institutions – at the same time, they want to have fun in their jobs. Since they grew up in the Internet age, Gen Ys value speed in technology and are very adept at adopting and using all types of new technology. Related to this is their high regard of innovation, and their belief that innovation is a fact of life.

They are also very optimistic, team players, and believe they can accomplish whatever they set out to do. Because of these traits, Howe & Strauss (2008), describe Gen Ys as positive rebels: "They will rebel against the culture by cleaning it up, rebel against political cynicism by touting trust, rebel against individualism by stressing teamwork, rebel against adult pessimism by being upbeat, and rebel against social ennui by actually going out and getting a few things done (p. 3)."

These values and traits have already been identified as important to their behavior around wine purchases. They spend an average of 33 hours per week on the Internet (Junco & Mastrodicasa, 2007), and those interested in wine will seek out wine groups on Facebook and other social networking sites (Thach, 2009). Their value for innovation drives their interest in trying new wine varietals and pushing up sales of foreign wine in the US market (Nielson, 2007; Gillespie, 2009).

In terms of why Gen Y are adopting wine in such large numbers in the US, research shows they like the taste of wine; it helps them relax; believe it goes well with food; and it is a good social drink to have with family and friends. Most Gen Y do not perceive wine as a drink to "party with," and prefer spirits or beer for that purpose (Thach, 2005; Olsen et al, 2007). Overall, according to the Wine Market Council (2009), Gen Ys are responsible for a 35% growth in wine consumption in the US. Yet, despite these impressive numbers, there is little information on the types of occasions in which Gen Ys prefer to drink wine.

3. RESEARCH QUESTIONS

Based on the review of the literature, it is possible to formulate several research questions. The US Gen Y generation is the target group because of their role in driving wine consumption growth. The focus of wine occasion is of interest because wine marketers have identified it as important in determining wine purchase behavior. Based on this, the following research questions were developed for this study:

- 1) What are the wine occasions in which Gen Ys consume wine?
- 2) What are their preferred types of wine in meal verses non-meal occasions?
- 3) What is the average bottle price Gen Y will pay by occasion?
- 4) Which types of wine format and packaging are preferred by Gen Y?
- 5) Where do Gen Ys purchase most of their wine?

4. METHODOLOGY

In order to answer the research questions, a survey methodology was employed. A questionnaire was developed which included 5-point Likert scales as well as frequency and yes/no questions. In addition to basic demographic questions, respondents were asked to rate how often they drank wine in 17 common occasions – derived from the wine research literature. These occasions were sorted by six occasions with meals and eleven occasions without meals. Respondents were also asked to respond to an open-ended question on other occasions in which they consume wine.

Additional questions included price per bottle Gen Ys are willing to pay for common wine occasions, as well as preferred wine types by occasion. Because Gen Ys are perceived to be more open to innovation, a question on the type of wine formats they prefer to buy was also included. This included traditional elements, such as a 750ml bottle, as well as new formats to the US market, such as wine in cans and plastic. Finally

respondents were asked to identify locations in which they purchase wine, such as grocery store, wine shop, online, and other locations.

The survey was beta-tested with 8 participants, and minor revisions were made based on their feedback. It was launched for 3 weeks during the month of March using Survey Monkey.

The sample was a convenience sample of 467 Gen Ys between 21 and 34 years of age who drink wine. It was obtained as part of a university wine business research project in which students were organized into research teams and each asked to collect surveys from Gen Ys friends/contacts. An email explaining the purpose of the research and the survey link was sent by each student to potential Gen Y respondents. In order to maintain the integrity of responses, the online survey was designed so that it only accepted a completed survey from one computer IP address.

A total of 530 surveys were collected, however 63 were omitted because they were either incomplete or the respondent did not fit the Gen Y age requirement of 21 to 34 years. The data were analyzed using SPSS and Excel to obtain descriptive statistics. A thematic coding process was used to analyze the qualitative data in MS Word.

5. RESULTS

5.1 Demographics

Basic demographics for the final sample of 467 Gen Ys included 36% men and 64% women. This is similar to US wine consumer gender demographics in that currently US males drink less wine than females at 45% wine consumption for men and 55% for women (Nielson, 2008). More than 90% of the sample was from California, with the remainder coming from a variety of states across the US. As California is the largest wine producing state and is in the top 10 for wine consumption in the US (Wine Institute, 2009; Adams Business Research, 2008), the preponderance of California respondents is not unrealistic.

Table 1 illustrates other pertinent demographics for the Gen Y sample. Ethnicity reflects US wine consumer demographics in that a larger percentage of wine consumers are Caucasian (Wine Market Council, 2009). Education level, showing that 60% of the sample does not have a college degree, reflects the younger age of Gen Y (21 to 34). In addition marital status at 84% single and average annual income with 44% of the sample making less than \$US20,000 per year are consistent with the younger age of this Gen Y sample.

Table 1: Basic Demographics of Gen Y Sample

Ethnicity	African-American = 1%
•	Asian = 5%
	Caucasian, not Hispanic = 80%
	Hispanic = 3%
	Native American = 1%
	Pacific Islander = 1%
	Mixed = 8%
Education Level	High school graduate = 5%
	Some college = 55%
	College graduate = 30%
	Some graduate school = 5%
	Completed grad school = 4%
Marital Status	Single = 84%
	Single with children = 2%
	Divorced = 1%
	Married = 7%
	Married with children = 5%
Annual Income	Less than \$20,000 = 44%
	\$20,000 to \$29,999 = 11%
	\$30,000 to \$39,999 = 8%

\$40,000 to \$49,999 = 8%
\$50,000 to \$69,999 = 7%
\$70,000 to \$99,000 = 9%
\$100,000 to \$149,999 = 8%
\$150,000 and over = 6%

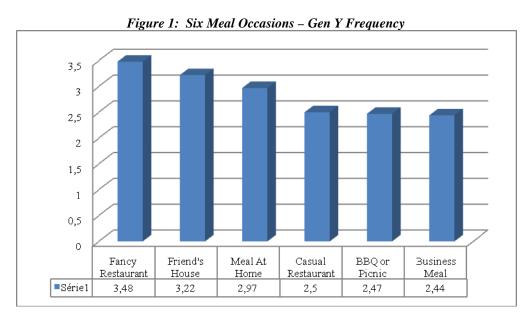
5.2 Gen Y Wine Consumption Frequency

For wine consumption, respondents were asked: "Thinking about your life in general, about what % of the time do you drink wine versus other alcoholic beverages?" The average response for all Gen Y in the sample was 51% of the time. When sorted by gender, men reported they drink wine 42% of the time versus other alcoholic beverages, whereas women reported 58%. This is consistent with prior research showing that women consume more wine than men in the US (Nielson, 2008).

When asked to respond to how frequently they consume wine, 8% reported drinking wine daily; 29% two to three times per week; 19% once a week; 25% two to three times per month; 11% once a month; and 8% a few times per year. As all participants were required to be wine consumers, there were no abstainers. These results show that this Gen Y sample is composed of 56% core drinkers – or those who drink wine once a week or more; and 44% marginal drinkers – or those who drink wine two to three times per month or less. According to Wine Market Council (2009), these percentages are slightly higher than the US national average of wine consumers from all generations which are 53% core and 47% marginal drinkers, and also support research showing that Gen Y is consuming more wine (Gillespie, 2009; Thach & Olsen, 2006; Frederickson, 2010; Nielson, 2007).

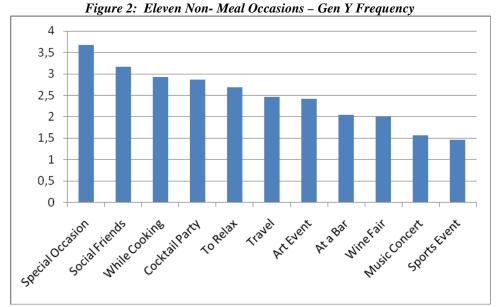
5.3 Preferred Gen Y Wine Occasions

Of the 17 wine consuming occasions derived from the literature (6 with meals and 11 in non-meal settings), respondents were asked to identify how often they consumed wine based on a 5-point Likert scale with 1 meaning "never" and 5 meaning "always". Figure 1 illustrates the 6 meal occasions.



Results show that the most common meal occasion for Gen Y to drink wine is at a Fancy Restaurant (3.48). This is followed by drinking wine With Meals at a Friend's House (3.22) and With Meals At Home (2.97). The other three meal occasions have a of mean of 2.5 or below, suggesting that Gen Y rarely consumer wine With Meals at a Casual Restaurant (2.5), at a BBQ or Picnic (2.47), or with a Business Meal (2.44).

Figure 2 illustrates the 11 non-meal settings for consuming wine. Results show that highest rated situation was a Special Occasion (3.68), followed by Socializing with Friends (3.17), While Cooking (2.92), and at a Cocktail Party (2.87). The two lowest scoring non-meal occasions were at a Music Concert (1.56) and at a Sports Event (1.46).



5.4 Other Occasions When Gen Y Drink Wine - Qualitative Data

Respondents were asked to type in other occasions in which they consume wine. A total of 192 occasions were listed. These were analyzed using a thematic coding process and a decision rule stating that the occasion must be mentioned at least three (3) times before it could be included as a theme. This resulted in 12 new occasions illustrated in Table 2. Interestingly, several of the new occasion themes are similar or related to the 17 occasions included in the survey. The fact that respondents took the time to manually type them into the online survey, however, suggests that they see these as separate and/or distinct occasions.

Table 2: New Occasions Identified By Gen Ys

New Occasions Identified	Freq
Wine Tasting	38
Family Get Together	29
Special Events (graduation, weddings, etc.)	24
Friends Night	20
Parties	12
Theme Nights (movies, games, etc.)	9
At Work	9
To Relax (in a specific location, e.g. bath)	8
All Occasions	8
Wine Education (class, seminar, etc.)	7
Date Nights/Romance	5
On Vacation	4
Total New Occasion Comments	173

The new occasion theme that was mentioned most frequently by Gen Ys was Wine Tasting (38). In the US it is not uncommon for groups of people to plan a wine tasting event or outing as a form of entertainment and a way to socialize. The second highest identified theme was Family Get Together (29). Comments such as "When I go home and talk with my family," or "when my parents are drinking it," are examples of this theme. The Gen Ys in this sample also took the time to identify a variety of Special Occasions (24), such as graduation, weddings, and holidays as separate from the Special Occasion category in the survey.

The category of Friends Night (20) was also quite strong, and includes sentiments such as: "Social events with friends such as Wine Nights," and "Girl's Night Out." Parties (12) were identified as a separate theme from the Cocktail Party named in the survey. Other occasions, but mentioned less than 10 times included: Theme Nights such as movies or games with wine (9), At Work (9), All Occasions (8), To Relax in a Bath or other location (8), Wine Education (7), Date Nights or Romantic occasions (5) and On Vacation (4).

Finally, several Gen Y respondents identified rather unusual occasions to drink wine. Though these did not meet the decision rule of at least 3 common responses to develop a theme, several are listed below – including wine for breakfast – to illustrate the innovative aspect of Gen Y regarding wine:

To Shower: I've showered with a bottle of Dom Perignon before. I didn't drink it, I literally used it to shower with just to try it.

While Hiking: I like to take a bottle of wine to share with friends when we go hiking – usually a gewürztraminer, which I keep on ice so it is cold and sweet.

Camping: We always take wine to drink while camping.

While Reading: I drink wine while reading my books to relax.

For Breakfast: When is there an occasion to not drink wine? If I could find a wine that went well with my Cheerio's in the morning then I would even have it for breakfast!

5.5 Preferred Varietals and Type of Wine by Occasion

For preferred varietals, respondents were given a list of the most popular varietals sold in the US from the *Spectra Data Report on USA Wine Consumption* (AC Nielson, 2008), and asked to check their favorites. Figure 3 illustrates the results by frequency, which shows the top 5 favorites as cabernet sauvignon, pinot noir, merlot, chardonnay, and red zinfandel.

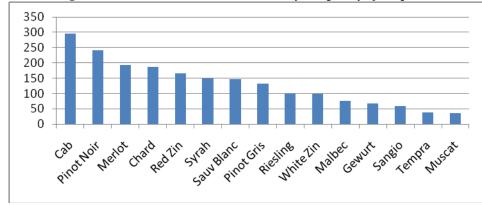


Figure 3: Gen Y Favorite Wine Varietals by Frequency of Response

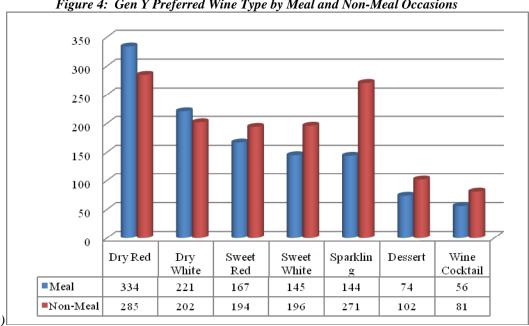


Figure 4: Gen Y Preferred Wine Type by Meal and Non-Meal Occasions

(Frequency)

In order to determine preferred type of wine by occasion, respondents were given the following categories: dry red wine, dry white wine, sweet red wine, sweet white wine, sparkling wine/Champagne, dessert wine (e.g. port, late harvest, etc.), or a wine cocktail/spritzer. These categories were used instead of varietals, because varietals do not necessarily denote sparkling and dessert wine, as well as wine mixed as a cocktail. From this list, respondents were then asked "What types of wine do you drink WITH MEALS (check all that apply)," and "What types of wine do you drink on NON-MEAL occasions?" Figure 4 illustrates the results by frequency, and highlights the fact the sparkling wine and/or Champagne is used frequently by Gen Y in non-meal occasions. It also shows the preference for dry red wines in both meal and non-meal occasions. The types of wine least consumed in both meal and non-meal occasions by Gen Y are dessert wine and wine mixed as a cocktail.

5.6 Average Bottle Prices Gen Ys Willing to Pay for Wine in Specific Occasions

For those occasions in which it would be appropriate to purchase a bottle of wine, rather than just a glass, a question was included on the price respondents would be willing to pay for that occasion. Per the literature, a new category of "as a gift" was added for this question. Figure 5 illustrates the results.

Figure 5: Average Bottle Price Gen Ys Willing to Pay by Occasion in US\$



The results show that the occasions for which Gen Ys are willing to pay the most for a bottle of wine is To Give as Gift, at an average of \$30US. The lowest price occasion is for an Outdoor Meal such as a BBQ or picnic where they would pay an average of \$18US per bottle.

5.7 Preferred Format/Packaging for Gen Y Wine Purchases

Another question on the survey was "how often do you buy wine in the following formats?" Respondents were asked to use a 5-point Likert scale ranging from "never to "almost always." Table 3 illustrates the group mean, and shows that purchasing wine in the standard 750ml bottle is the most common format at 3.7. This is followed by purchasing wine by the glass at 2.8. The other formats, including wine with screw caps, unique containers, large or small bottles, boxes, cans, and plastic bottles all scored quite low – at 2.2 or below. An item asking respondents how often they purchase wine because the label is attractive averaged 2.5 – suggesting that labels are sometimes important in purchase decisions for Gen Y.

Table 3: Frequency Gen Ys Buy Wine in Specific Formats/Packaging

In 750 ml bottles (regular size)	3.7
By the glass in restaurants	2.8
Because the label is attractive	2.5
With Screw caps	2.2
Because it comes in a unique containers, e.g. unusual shape or color	2.1
In large bottles, e.g. magnums, jugs, etc	
In small bottles (175 or 375 ml)	1.6
In boxes	1.4
In plastic bottles	1.1
In cans	1.1

5.8 Preferred Location to Purchase Wine

The final question asked participants to identify "How often do you buy wine at the following locations?" They were again provided with the same 5-point Likert scale ranging from "never to "almost always." Figure 6 illustrates the results showing that the most common location for Gen Ys to buy wine is a grocery store, such as Safeway or Trader Jo's at a mean of 3.3. The second most common location is a wine or liquor store at 2.7. This

is followed by a winery tasting room at 2.5 and a discount or warehouse store such as Costco or Target at 2.3. They are least likely to buy wine online with an average mean of 1.1.



Figure 6: Preferred Locations for Gen Y to Purchase Wine

6. DISCUSSION

Several implications can be drawn from the study results. These include linkages to the research literature and managerial implications.

6.1 Research Literature Linkages

In many aspects the results of this study support previous research on Gen Ys and wine, however, there are also several new findings which contribute to this body of knowledge. Probably the most important aspect of this study is its verification and expansion of Gen Y wine occasions. On one hand, the two occasions in which Gen Ys consume the most wine appear to be rather traditional in that special occasions score highest, followed by meals at a formal restaurant. This supports previous research studies showing that Gen Ys view wine as a drink for more formal occasions (Nielson, 2007; Thach & Olsen, 2006). However, the third and fourth highest ranking occasions in which to drink wine both revolve around social occasions: "with meals at a friend's house" and "no meal – to socialize with friends." This supports the Gen Y values of collaboration (Tapscott, 2008) and trait of team player (Howe & Strauss, 2008) in that they enjoy drinking wine in social occasions. It also illustrates that Gen Ys view wine as more of a social lubricant than perhaps previous generations, and that may be part of the reasons they are consuming wine in increased quantity.

Perhaps more interesting is the fact that drinking wine While Cooking scored so high with Gen Y. Some researchers have suggested that the increase in the number of TV cooking shows linked to wine have encouraged the growth of wine in the US (Olsen et al, 2007; Gillespie, 2009). The results of this study appear to support this perspective. Other occasions, such as wine with Meals at Home and wine as a choice at Cocktail Parties, also support both the linkage of wine to food and the desire to socialize. The fact that some Gen Ys reported using wine To Relax – in both the quantitative and qualitative portions of the survey – suggest that they see the stressreduction benefits of wine as well. Lower scoring wine occasions may - to some extent - have to do with the younger age of Gen Y in that they may not yet have many Business Meals, wine with Travel, or attend Art Events.

Equally interesting are the new occasions that this Gen Y sample identified in the qualitative portion of the survey. The act of planning to go with friends to a Wine Tasting has not been identified as a wine occasion in the past, but this Gen Y sample apparently believes it is a specific reason and time to drink wine. Likewise,

Family Get Togethers as a new wine occasion supports previous research suggesting that one of the reasons Gen Ys have embraced wine is because their Baby Boomer parents have introduced them to it (Thach & Olsen, 2006; Olsen et al, 2007; Gillespie, 2009). This is contradictory to research in France showing that French Gen Ys do not embrace wine because it is the drink of older generations (Thach & d'Hauteville, 2008). Another interesting aspect to the qualitative portion of the research are the additional social occasions that Gen Ys identified to drink wine – for Friends Night, Theme Nights, and Date Nights. Again this supports the notion that wine is a social lubricant that assists with relaxation and adds an element of fun to a situation.

In analyzing the results of the preferred varietals and types of wine consumed, this Gen Y sample supported previous research showing that they are drinking a larger percentage of red wines that previous generations (Thach & Olsen, 2006). This trend also mirrors general wine varietal consumption patterns in the US, which currently show that 47% of consumption is red; 40% is white, and 13% is blush (Nielson, 2009). Also, the fact that sparkling and Champagne wine is quite popular with this group—especially in non-meal occasions – also supports other research studies (Charters et al, in press; Thach et al, 2008).

Bottle prices by occasion sustain other research studies showing that Gen Ys will often pay more for a bottle of wine than other generations (Gillespie, 2009). The fact that they are willing to pay, on average, \$18 for a bottle of wine to consume at home alone, indicates they are willing to pay more than the average American wine purchase price of \$10 per bottle (Wine Market Council, 2009). A partial reason could be because they are younger and many do not yet have the financial responsibilities of mortgages, children, and other commitments. However, it is interesting that their top average bottle price is \$30 for a gift occasion. This could be construed as rather low – or perhaps supports their generation trait of being concerned about fair pricing (Moriarty, 2004).

In analyzing wine bottle formats and packaging, Gen Ys do not appear to be as experimental as their value of innovation suggests (Tapscott, 2008). In general, Gen Ys purchase wine in the traditional 750ml bottle size, as well as by the glass. However, they do not seem to be very experimental in purchasing wine in small, large, plastic, box, or can format. This may be due, in part, to the fact that these formats are not yet readily available in the US market, as well as old biases against cheap wine sold in alternative containers such as boxes. Gen Ys in this study are slightly more apt to purchase wine with a screw cap, and are open to being influenced by an attractive label. This latter tendency supports new research showing that a larger number of wine consumers than previously thought selects wine based on label and packaging (Szolnoki et al, 2010).

Finally the research question of where Gen Ys purchase most of their wine shows that they follow the pattern of the average American in buying wine at the grocery store (Neilson, 2009). However, from this point they differ in their purchase location preference in buying wine from wine shops and liquor stores before discount stores. In the US, Costco (a discount store) and Safeway (a grocery store) are currently the largest wine retailers. However, with this sample of Gen Y wine consumers, discount stores came in at fourth place as a preferred wine purchase location. This may be because Costco requires a paid membership, but other discount wine retailers, such as Target and Wal-Mart are easily accessible. It is possible that because Gen Ys are paying higher than average prices for a bottle of wine, that they prefer wine shops and winery tasting rooms as retail locations, but also enjoy the convenience of buying wine at a grocery store while they are purchasing food.

A rather contradictory finding with this study shows that Gen Ys are not yet buying much wine online. This does not support their high skill and interest in technology (Junco & Mastrodicasa, 2007; Tapscott, 2008), which would indicate they would prefer to make online purchases. It is possible that the additional cost of shipping wine from an online warehouse could be prohibitive due to the lower average financial standing of this sample, however, this area deserves more in-depth research to understand this issue.

6.2 Managerial Implications

In terms of managerial implications, this study provides some useful information for wine marketing professionals. It re-emphasizes the fact that US Gen Ys are driving the growth of wine consumption in the US market and have strong purchasing power not only for the present, but even more so for the future as more Gen Ys reach legal wine consumption age. Furthermore, it illustrates that Gen Ys view wine as a beverage for formal occasions, such as a special anniversary, wedding, or celebration, as well as for formal dinners. Though this is the

traditional view of wine in the US, the fact that Gen Ys still embrace this provides opportunities for reaching multiple generational segments with the same or similar promotions and advertising.

At the same time, this study highlights the fact that Gen Ys increasing see wine as a beverage to enhance social occasions, such as a meal with friends/family, and or as a drink to socialize without a meal. Furthermore, Gen Ys have expanded the number and types of wine drinking occasions by adding Wine Tastings, Family Get Togethers, Friends Night, Theme Nights and other fun social situations. These types of occasion are more informal, and show wine holding a more integral part in the American culture than previously recognized. It is possible that through Gen Ys, wine is becoming more a part of everyday life in the US. This is a new aspect that wine marketers can emphasize in advertising and promotions, as well as encourage via social networking media on the Internet. Furthermore, by linking into these motivations of socialization, relaxation, and fun regarding wine, marketers will be able to relate better to Gen Y desires.

7. LIMITATIONS AND FUTURE RESEARCH

This study had several limitations, with the primary one being the fact that it is based on a convenience sample with respondents primarily from California. A random sample of Gen Ys with equal wine consumption representation across states would have been more desirable. However, the fact that California is one of the largest wine consuming states and produces more than 90% of wine in the US (Wine Institute, 2009) reduces this limitation to some extent. Another limitation is that it did not explore motivations for drinking wine on different occasions.

This study paves the way for a multitude of future studies on Gen Ys and wine consumption. It should be possible to analyze other variables such as income, age, gender and ethnicity to determine their impact on Gen Y wine consuming occasions. Furthermore, the study can be expanded to more focused regions of the US, and/or to different countries. In addition, a comparison of wine occasions to drink wine based on different generations may yield some interesting differences. Finally, the study yielded some unanswered questions – such as what are Gen Y motivations for drinking wine in the different occasions, and why is Gen Y not yet purchasing much wine online? These would be interesting research topics to explore in the future.

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