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Values, Consumption Situations and Wine Choice Behaviour

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Abstract

◦***Purpose*** *– The purpose of this paper is to understand how values influence the choice behaviour regarding wine and the other alcoholic beverages in the different consumption situations, by focusing on young consumers. This objective has been reached by analysing the relationship between perceived utility and socio-psychological sphere of consumers.*

◦***Design/methodology/approach*** *– The study applied the Multinomial Logit Model (MNL) applied to the consumption situation of wine and the other alcoholic beverages and to the socio-psychological values obtained from the Rokeach Value Survey to determine their influence on utility perception. A survey has been conducted by a sample of young Italian alcohol consumers.*

◦***Findings*** *– This research proposes an advance in the implementation of the personal identity and the moral concern in the utility function. They play an explicative role in the utility model, especially when sociality is highly involved. The results show that the choice of wine is not only determined by the different product attributes, but also by the context in which it is consumed and the competition with the other alcoholic beverages.*

◦***Practical implications*** *– The inclusion of subjective and emotional values of young consumers in the analysis could enlarge the managerial perspectives, by improving the approach towards the young generations and by helping to identify the most appropriate communication channels and contents.*

Key words: Values, Consumption Situation, Wine, Behaviour

1. INTRODUCTION

An important theme in the study of consumer choice is the link between attitudes and actions. The sequence attitude-intention-action is analysed by the social psychology. Within the general approach of attitudes, Ajzen (1988) formulated the theory of planned behaviour. Shepherd and Raats (1996) modified this theory by applying it to food decision making processes, and by adding two determinants on intentions and actions, identity and moral concern. In social psychology, these two new determinants were analyzed by Rokeach (1973). He developed the concept of value as abstract social cognition able to drive and form the intentions and the behaviours, and provided one of the most important value classification, called the Rokeach Value Survey (RVS). It is based on two sets of eighteen values: the terminal values, or central goals of life, and the instrument values, or conduct modes. By measuring the relative ranking of these values, Rokeach predicted a wide variety of behaviour, including consumption behaviour.

Values have been used to explain and predict intention and behaviour in many contexts and situations (Donoho et al., 2003; Kim, 2005; Chryssohoidis and Krystallis, 2005; Fraja and Martinez, 2006; Bloemer and Dekker, 2007). Concerning the wine sector, the studies are developing the role of consumption contexts (Quester and Smart, 1998; Hall and Lockshin, 2000; Aurier, 2004) and of the systems values (d'Hauteville, 2004).

2. OBJECTIVE

The objective of this paper is to understand how values influence the choice behaviour regarding wine and the other alcoholic beverages in the different consumption situations, by focusing on young consumers. This objective will be reached by analysing the relationship between perceived utility and socio-psychological sphere of consumers.

3. METHODOLOGY

The objective has been reached through a market survey by a sample of 266 Italian young consumers of alcoholic beverages. Their stated preferences have been gathered by the application of the discrete choice models (Train, 2009).

Table 1 shows alternatives, attributes and levels selected thanks to a pilot study for the construction of the experimental design. Four types of consumption locations were identified as alternatives: bars and pubs, discos, restaurants and pizzerias and the home. Three attributes were identified within each alternative: beverage, company and price. The levels of these attributes were selected following the specificity of the consumption situation.

Table 1. Alternatives, attributes and levels of experimental design

Alternatives	Attributes							
	Beverage				Company			Price (€)
	Wine	Beer	Aperitif	Spirits	With friends	With family	Alone	
Bar or pub	x	x	x	x	x		x	5, 10, 15
Disco	x	x		x	x		x	5, 10, 15
Restaurant or pizzeria	x	x	x	x	x	x		5, 10, 15
Home	x	x	x	x	x	x	x	3, 6, 9, 12

The choice sets were built by using Bayesian efficient design (Sándor and Wedel, 2001; Layton and Levine, 2005).

Appendix 1 summarises the demographic and socioeconomic characteristics of the participants.

Social psychological characteristics of individuals have been gathered through the Rokeach list of values. Respondents have indicated the degree of identification in each terminal and instrumental value on a Likert scale and these values have been summarised through the Principal Component Analysis (PCA).

Four dimensions have been selected for terminal values. They explained the 54.5% of the variance (Appendix 2) and they summarised the central goals of life as follow: 1) personal happiness, characterised by the reaching of happiness, self-respect, pleasure, true friendship, wisdom, inner harmony; 2) security, that comprehends the terminal values of family and national security and salvation; 3) self-realisation, the desire to achieve success both from a social and an affective point of view through a sense of accomplishment and love; 4) altruism, reached through the wish of a world free of war and equal opportunity for all, which contrast with the desire of social recognition and beauty.

Four dimensions have been selected for the instrumental values, explaining the 51.6% of the variance (Appendix 3). They summarised the values as follow: 1) integrity, in being helpful, polite, responsible, self-controlled, forgiving, obedient, loving and honest people; 2) careerism, powered by intellect, independence, ambition, and opposed to loyalty; 3) rationality aversion, which is negatively associated with clean and logical values, but positively associated with politeness; 4) concreteness, which is negatively correlated with imaginative being.

This research applied the Multinomial Logit Model (MNL) (McFadden, 1974). Four utility functions have been estimated, one for each consumption situation. They included attributes and levels resulted by the experimental design and the socio-psychological characteristics of respondents. Therefore, the functions included gender and the eight dimensions emerged by the PCA.

4. RESULTS

Table 2 shows the estimations of the utility functions in the different consumption situations of alcoholic beverages for Italian young generations. It reports the estimated coefficients and their standard errors for the variables of the consumption situation, that is beverages, companies and prices, and for the characteristics of the respondents given by the socio-psychological values and the gender. The socio-psychological values are synthesized by four terminal dimensions and four instrumental dimensions.

The goodness-of-fit of the model is confirmed by a rho-square of 18%. The contribution of the socio-psychological values and the gender is evident because if the model would include only the attributes concerning the consumption situations, the final log-likelihood would be of 69 points higher and the rho-square of 16.5%. Furthermore, the inclusion of these variables influence the Alternative-Specific Constants (ASC), the unexplained part of the utility. Given bars or pubs as a reference level, the analysis shows a negative ASC for discos and a positive ASC for home. This means that the random portion of the utility at discos is penalised in comparison to the utility at bars or pubs, while it favours the situation at home.

Concerning the explained part of the utility, the behaviour of young people is analysed for each location.

At bars or pubs, young people compare wine with aperitifs and spirits. The negative sign of spirits shows that they are not considered appropriate to this consumption situation. Aperitifs provide a higher utility and this respond to the dominant behaviour pattern, recently emerged in this traditional consumer country, which is strongly influenced by the dynamics of sociality. This aspect is confirmed by the model, that shows a negative coefficient for the consumption alone compared with the reference level "with friends". The coefficient of beer

is not significant because the model is not able to capture the preference towards it comparing to wine, given the high competition of beer in respect to the traditional Italian drink. In this location, males get more utility than females.

Table 2. MNL estimates for consumption situations of alcoholic beverages

	Value	SE	WTP (€)
Bar or pub	0.436 **	0.110	0.96
Personal happiness	0.115	0.064	
Security	0.078	0.059	
Self-realisation	-0.156 *	0.070	-0.34
Altruism	-0.138 **	0.052	-0.30
Integrity	-0.193 **	0.058	-0.43
Careerism	-0.021	0.067	
Rationality aversion	0.027	0.058	
Concreteness	-0.054	0.057	
Wine		reference level	
Beer	0.051	0.126	
Aperitif	0.367 **	0.135	0.81
Spirit	-0.296 *	0.133	-0.65
With friends		reference level	
Alone	-1.710 **	0.101	-3.77
Price	-0.454 **	0.055	
Disco	0.358 **	0.130	1.29
Personal happiness	0.130	0.072	
Security	0.043	0.066	
Self-realisation	-0.309 **	0.069	-1.12
Altruism	-0.231 **	0.062	-0.83
Integrity	-0.211 **	0.066	-0.76
Careerism	-0.002	0.073	
Rationality aversion	0.063	0.064	
Concreteness	-0.046	0.063	
Wine		reference level	
Beer	0.244	0.145	
Spirit	0.876 **	0.126	3.16
With friends		reference level	
Alone	-1.220 **	0.115	-4.40
Price	-0.277 **	0.066	
Restaurant or pizzeria	-0.084	0.106	
Personal happiness	0.143 *	0.062	0.65
Security	-0.003	0.057	
Self-realisation	-0.143 *	0.066	-0.65
Altruism	0.008	0.051	
Integrity	-0.051	0.058	
Careerism	0.030	0.066	
Rationality aversion	0.025	0.059	
Concreteness	0.146 **	0.057	0.66
Wine		reference level	
Beer	-0.182	0.124	
Aperitif	-0.371 **	0.118	-1.68
Spirit	-1.790 **	0.158	-8.10
With friends		reference level	
With family	-0.788 **	0.108	-3.57
Price	-0.221 **	0.063	
Home		reference level	
Beer	-0.259 *	0.131	-1.31
Aperitif	-0.281 *	0.140	-1.42
Spirit	-0.350 **	0.167	-1.77
With friends		reference level	
With family	-1.400 **	0.123	-7.07
Alone	-1.730 **	0.126	-8.74
Price	-0.198 **	0.053	

SE = Standard Error; * = p-value ≤ 5%; ** = p-value ≤ 1; *N. obs.* = 3,458; *Final log-likelihood*= -3,932.371 ;
Rho-square = 0.180 ; ASC bar or pub = reference level; ASC home = 0.548; ASC disco = -1.460

Considering the socio-psychological values, the utility of individuals characterised by the terminal dimensions "altruism" and "self-realisation" and the instrumental dimension "integrity" is penalised. Therefore, the individuals who are active in the social or in the private and professional life are not attracted from this consumption place, and this is linked with a different management of their leisure time. The same consideration can be made for the instrumental dimension "integrity", which comprehends the qualities necessary to achieve the previous terminal dimensions.

Even at disco men get more utility than women. Spirits supply the highest measure of utility in respect to wine, which is still suffering the competition of beer. The choice of an alcoholic beverages is more satisfying when made with the company of friends. This evidence comes from the negative coefficient of the level "alone" with high significance. The utility is highly penalized when the consumer evaluates him/herself integer and pursues self-realisation and altruism values. This consumption situation is similar to the context at the bars of pubs, and therefore the utility perception is influenced by the same sphere of values.

At restaurants or pizzerias, young people prefers wine in comparison with aperitifs and spirits and the company of friends during meals. The role of this attribute is strengthened by the significance and the positive sign of the coefficient associated with the terminal dimension "personal happiness". This dimension comes from the values orientated toward happiness, pleasure, true friendship. Also in this situation the dimension "self-realisation" has a negative role in influencing utility. This result, together with the ones of the previous locations, suggests that young people who strongly pursue terminal values as a sense of accomplishment and mature love, feel less pleasure in assuming alcoholic beverages in every situation. The instrumental dimension "concreteness" is positively associated with this situation, and it characterises consumers with a rational life style. This seems to lead them to prefer consumption situation of alcoholic beverages in the mealtime.

When consumption takes place at home, wine provides the highest utility, especially when compared to spirits. The results from this situation also underline the utility of the company of friends. In this situation, gender and the socio-psychological values have been omitted because the model evaluates the differences of utility among the consumption situations and not the absolute value of utility. We choose the home as reference level because this context could be the less interesting to evaluate in this study.

Further, in each alternative, the results confirm the inverse relationship between price and utility, with highly significant estimated coefficients. The last column of Table 2 shows the willingness to pay (WTP), obtained by dividing the estimated coefficient of each attribute with the estimated coefficient of the price, when both are significant. It facilitates comparison among the four consumption situations and among independent variables.

If wine is compared with the other alcoholic beverages, it is preferred at home and in restaurants, where young people are willing to pay for wine more than for beer or aperitifs.

Considering spirits, the difference is -1.77 euros at home, but it reaches -8.10 euros at restaurant and pizzeria. Spirits are the preferred beverages at the disco, with +3.16 euros of WTP in respect of wine.

At discos, at home, and at restaurants or pizzerias, preferences are clearly directed towards a specific type of beverage, but the trends that emerge at bars or pubs are not so straightforward. Aperitifs are preferred at bars or pubs because they are an expression of a social demand driven by fashion. The consumers' willingness to pay is positives for aperitifs, but negatives for spirits as compared to wine.

Considering the attribute "company", the estimations of willingness to pay shows that young people are willing to spend from 3.57 to 4.40 euros more when with friends than when with family or alone at restaurant or pizzeria, bar or pub and disco. At home WTP reaches the

highest values with friends in respect of with family and alone. These results confirm that social dynamics develop the propensity for alcohol intake.

With reference to the individual sphere, the analysis of WTP shows the interest of males toward the consumption situation outside home and mealtime (+0.96 euros at bar or pub and +1.29 euros at the disco). In these situations, the dimensions self-realisation, altruism and integrity depress the WTP at bar or pub, and even more at the disco. At the restaurant or pizzeria the personal happiness, the concreteness and the self-realisation have the same intensity in influencing the WTP, but the formers with a positive impact, and the latter with a negative one.

5. CONCLUSIONS

The research highlights that, in a traditional consuming country, wine is still perceived as a traditional drink, and this has provoked the disaffection of young people, even if wine remains the preferred beverage during mealtimes.

Nevertheless, the strong competition of the other alcoholic beverages and their effective marketing mix policies towards young generations push wine producers to find new usage functions. This research highlights that in the consumption situations at bar or pubs, the aperitif is preferred and in this context wine is becoming more and more important.

The new trends of wine market, both from demand and supply side, imply a more and more complex decision making process. The choice is not only determined by the different product attributes, but also by the context in which the wine is consumed and the competition with the other alcoholic beverages. The research shows that wine is still suffering of the strong competition with beer, and with spirits at the disco. Furthermore, in each consumption situation the presence of friends increases the perceived utility.

The advances in this research consists in the implementation of the personal identity and the moral concern in the utility function. This hypothesis has been verified because final and instrumental dimensions play an explicative role in the model. In particular, the results show that the values with propensity to sociality favours the utility perception. People withdrawn into themselves and, at the opposite side, very active for social aims seem to feel less utility in consuming alcoholic beverages than people who look for personal happiness and friendship.

These results have also a managerial perspective, because they confirm the subjective and emotional involvement of young consumers that influences the intentions and the behaviour in consuming wine.

The consumption situations at the bar, the pub and disco need to a marketing support linked with the sociality and the desire to escape. The minor role of wine in these contexts could be improved by focusing on the positive intangible benefits given by wine despite the other alcoholic beverages. At the restaurant and pizzeria the joyfulness situation is connected with rationality elements of consumer and wine characterises the situation with its functionality features. This allows to highlight both the intangible elements and the emotional appreciation of the product. There is no doubt that the communication towards young people should follow this evidences.

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Appendix 1. A synthesis of the sample characteristics (N = 266)

Variables	Frequency	
	n	%
males	165	62.03
Age:		
- 16-20	98	36.84
- 21-25	108	40.60
- 26-32	60	22.56
with diploma	166	62.41
students	170	63.91
live with parents	216	81.20

Appendix 2. Factorial scores of terminal dimensions

Terminal values	Dimensions			
	1	2	3	4
	Personal happiness	Security	Self-realisation	Altruism
Happiness	**0.787**	-0.407	0.071	-0.204
Self-Respect	**0.729**	-0.118	0.047	-0.263
Pleasure	**0.666**	-0.306	0.004	-0.080
True Friendship	**0.665**	-0.272	0.049	0.060
Wisdom	**0.631**	-0.342	0.072	0.039
Inner Harmony	**0.592**	-0.248	0.042	-0.085
Family Security	0.264	**0.535**	-0.263	0.138
National Security	0.406	**0.491**	-0.309	-0.010
Salvation	0.419	**0.474**	-0.376	-0.015
Freedom	0.248	0.455	-0.253	0.136
A Sense of Accomplishment	0.087	0.391	**0.813**	-0.155
Mature Love	0.133	0.448	**0.758**	-0.135
A Comfortable Life	0.213	0.314	-0.266	-0.311
An Exciting Life	-0.011	0.288	-0.233	-0.334
Equality	0.423	0.249	0.153	**0.656**
A World at Peace	0.478	0.325	0.119	**0.565**
Social Recognition	0.129	0.462	0.304	**-0.512**
A World of Beauty	0.161	0.150	-0.365	**-0.420**
Explained variance (%)	*20.981*	*13.464*	*11.169*	*8.923*
Cumulative explained variance (%)	*20.981*	*34.445*	*45.414*	*54.537*

Appendix 3. Factorial scores of instrumental dimensions

Instrumental values	Dimensions			
	1	2	3	4
	Integrity	Careerism	Rationality aversion	Concreteness
Helpful	**0.620**	-0.005	0.375	-0.077
Polite	**0.612**	-0.145	**0.515**	0.006
Responsible	**0.587**	0.237	-0.066	0.457
Self-controlled	**0.579**	-0.096	-0.092	0.318
Forgiving	**0.563**	-0.253	0.357	-0.277
Obedient	**0.550**	-0.170	0.165	0.477
Loving	**0.542**	-0.066	0.407	-0.135
Honest	**0.455**	-0.404	-0.349	-0.310
Broad-minded	0.129	-0.433	-0.189	-0.180
Capable	0.324	0.445	-0.216	-0.156
Loyal	0.399	**-0.587**	-0.390	-0.419
Intellectual	0.166	**0.563**	-0.008	0.095
Independent	0.327	**0.553**	-0.214	-0.097
Ambitious	0.229	**0.521**	-0.276	-0.019
Courageous	0.414	0.442	-0.137	-0.163
Clean	0.430	-0.368	**-0.591**	0.117
Logical	0.289	0.255	**-0.420**	0.251
Imaginative	0.115	0.469	0.070	**-0.622**
Explained variance (%)	*19.338*	*14.250*	*9.815*	*8.197*
Cumulative explained variance (%)	*19.338*	*33.588*	*43.403*	*51.600*