



6th AWBR International Conference

9 – 10 June 2011

Bordeaux Management School – BEM – France

**How young people are socialised to wine:
The experiences of the Generation Y cohort in the US and Australasia**

Natalia Velikova

Texas Tech University, USA

n.kolyesnikova@ttu.edu

Joanna Fountain

Lincoln University, New Zealand

Joanna.Fountain@lincoln.ac.nz

Abstract

While a great deal of wine marketing attention has focused on the wine consumption patterns of Generation Y, little is known about their wine socialisation; that is, the age, situation and influences which saw them first consume wine and develop an ongoing engagement with the product.

Purpose: *The research has sought to provide an exploratory analysis of the wine preferences and wine socialisation experiences of US and Australasian Gen Y respondents in relation to their alcohol socialisation and consumption in general.*

Design/methodology/approach: *The data were collected via an online survey that was distributed to eligible participants (of legal drinking age and Gen Y age restrictions) in the US and Australasia. Descriptive statistics, Chi-square and t-tests were used to analyse the data.*

Findings: *Respondents in both samples reported that they started drinking wine later than they started drinking alcohol in general. Early experiences with wine were most likely to be influenced by family and to occur in a non-commercial setting, while early experiences with other types of alcohol were mostly influenced by friends. Participants report taste, situational context and price to be the most important factors when choosing wine today.*

Practical implications: *For wine marketers to reach younger consumers, appealing to peer influence may be less effective than accessing them through their families and the non-commercial settings in which most of them are introduced to wine. Highlighting the taste of wine, rather than wine-food matching, may also be more appealing to these young consumers.*

Key words: Generation Y, Wine Socialisation, United States, Australasia

1. INTRODUCTION AND CONTEXT

The wine industry is aware of the need to pay more attention to younger cohorts of wine drinkers. Most academic research on Generation Y (hereafter referred to as Gen Y, defined as those born between 1978 and 1994 (Lancaster and Stillman, 2002)) is currently being focused on this cohort's wine consumption and attitudes. Evidence from the US suggests that Gen Y is consuming wine more frequently, and at an earlier age, than their Gen X predecessors (A.C.Nielsen, 2007; Thach and Olsen, 2006). There is little evidence, however, that the same trend applies in Australasia (Teagle, Mueller, and Lockshin, 2010; Treloar, Hall, and Mitchell, 2004). There is little consistency in comparison data between these countries in terms of the types of wine Gen Y are drinking, with reports that the US market prefers red wine (see A.C.Nielsen, 2007; Holter, 2010; Thach and Olsen, 2006), while the Australian market consumes more white and rose wines (Phillips, 2008; Teagle et al., 2010).

Cross-national differences in reported wine behaviour of Gen Y is not surprising, given the differences in the social, political, cultural and economic environmental context in which a generational cohort spends their formative years. Culture has been shown to play an important role in shaping the attitudes and consumption of wine in different situations (Charters and Pettigrew, 2003, 2006; Olsen, 2003; Ritchie, 2007). In some ways, the US, Australia and New Zealand have a relatively similar cultural disposition towards wine as New World countries that have traditionally been beer drinking nations (Lamb, 2010; Newport, 2010; Stanford, 2000; Wilson, Lockshin, and Rungie, 2005). In all three countries, table wine has only relatively recently entered into the domain of an everyday drink of young people who have traditionally been irregular wine drinkers (Scalera, 2002; Treloar et al., 2004). In other ways, however, these countries have quite different contexts. A major difference is that while the drinking age in New Zealand and Australia is currently 18 years of age, in the US the legal drinking age is 21, meaning that the former are legally able to consume wine, or other alcohol, three years earlier.

Given the recognised importance of the formative years in shaping attitudes, values and behaviours in generational theory (Lancaster and Stillman, 2002; Noble and Schewe, 2003), it is somewhat surprising that there has been relatively little research into wine socialisation, and the contexts and reference groups that influence their wine consumption patterns (as exceptions see Charters and Pettigrew, 2003; Ritchie, 2007). The most substantive study of early wine socialisation experiences has been undertaken by Olsen, Thach and Nowak (2007) in a study of core Gen Y wine drinkers in the US. In this study, the researchers found that generally Gen Y started drinking wine because they felt wine fit better with food than other alcoholic beverages, they liked the taste of wine, and their friends, family and co-workers drank wine. The influence of peers in wine consumption was found to be more important for Gen Y than older cohorts. In terms of the wine they first started drinking, Olsen et al. (2007) report that Gen Y's early experiences of wine involved dry red wines, but there was some indication that as they become more experienced wine drinkers their preferences shift to sweeter, white wine.

While Olsen et al.'s (2007) study has provided some valuable insights into Gen Y wine preferences, it has some limitations which they acknowledge. First, their study focused on core wine drinkers, which raises questions about the generalisability to Gen Y consumers who may be marginal wine drinkers. Furthermore, the research did not focus on *how* Gen Y consumers were introduced to wine, in terms of the situation in which they first tried wines.

With the exception of the Olsen et al. (2007) research, to date, no systematic study of Gen Y wine consumption preferences and socialisation has been conducted. In addition, with the lack of any systematic study of wine socialisation of Gen Y in Australia or New Zealand, it is difficult to know the extent to which the wine socialisation experiences of Gen Y in the US are comparable to those in other markets.

The current research has sought to provide an exploratory analysis of the wine socialisation experiences of Gen Y in the US, in comparison to that of Gen Y in New Zealand and Australia (referred to here as Australasia). The research questions for this study have been strongly influenced by the work of Olsen et al. (2007) but have also taken note of the limitations of that study. Therefore, the current study addresses the following issues:

RQ₁: What have been the early experience with wine of Gen Y in the US and Australasia, and how do these experiences with wine differ from their experiences of other types of alcohol?

RQ₂: What are the current wine consumption patterns of Gen Y in the US and Australasia?

RQ₃: What differences are there in the wine consumption and wine socialisation experiences of Gen Y in the US and Australasia?

2. RESEARCH DESIGN

2.1. Sample, Recruitment, and Procedures

The population of interest was Gen Y wine consumers in the US and Australasia. Given the preference of this generational group for online communication, the data were collected via an online survey that was developed in Qualtrics. In addition to announcements in hospitality and marketing classes, recruitment for both samples was garnered through posting the URL for the survey on social media network pages. Having a posted URL that participants could forward to friends facilitated snowball sampling through word of mouth and helped exceed minimum required number of participants.

In order to participate in the survey, participants had to be of legal drinking age in their respective country. To control for this provision, a skipping logic was built in, where if participants indicated (by providing the year they were born) they were younger than 18/21, they were automatically redirected to a thank-you message at the end of the survey.

Participants also had to consume alcohol at least once a month. Initially, a total of 160 surveys were completed. However, 29 participants (18.1%) indicated they either did not drink alcohol at all or consumed it less than once a month. These participants did not answer questions about wine consumption or wine socialisation and were redirected to the final section of the survey on general impressions about wine, which is not reported on in the current paper. A total of 131 completed surveys were used for analysis of wine socialisation and consumption items, of which 64 were US respondents and 67 were Australasian respondents.

3. RESULTS AND DISCUSSION

The demographic characteristics tested were gender, age, and education. The US sample was a little younger with the average age of the respondents 22.3, while the average age in the Australasian sample was 25.4 years old. Females represented a higher percentage in both

samples, with a slightly larger representation of females in the Australasian sample. Due to differences in the educational systems, education was tested as two separate questions in the survey. There were slightly more Australasian respondents with a completed degree (57.7%), while only one-third of the US sample reported a completed four-year college degree.

Respondents were also asked to evaluate their wine knowledge and wine involvement. No significant differences were found in the self-assessed knowledge about wine, with the majority of respondents in both samples evaluating their knowledge at the “basic” and “intermediate” levels. The US respondents were found to be significantly more involved with wine ($M = 3.72$, $SD = .55$) than their Australasian counterparts ($M = 3.45$, $SD = .57$), $t = 2.59$, $df = 115$, $p = .01$

3.1. Current Wine and Other Alcohol Consumption Patterns

Respondents reported the frequency of their current wine and other types of alcohol consumption. Significant differences between the samples were found only in beer and spirits consumption, ($\chi = 9.43$, $p = .00$), with considerably more Americans drinking beer at least once a week or more often (63.9% compared to 36.1%). Similarly, almost three-quarters of US Gen Y consumers reported drinking spirits once a week or more often (74.5% compared to 25.5%), ($\chi = 26.76$, $p = .00$).

No significant differences between the samples were found in wine consumption. Overall, the most frequently consumed type of wine is white wine; approximately a third of US and Australasian participants reported being frequent white wine consumers (once a week or more often). This contradicts previous findings in the US which state red wine is more frequently consumed by Gen Y than white wine (Olsen et al., 2007; Thach and Olsen, 2006). However, in the current study US participants were somewhat more likely than their Australasian counterparts to be frequent red wine drinkers. A small proportion of each cohort consumed either blush/ or sparkly wine on a regular basis, and almost three-quarters of the Australasian participants ‘very seldom’ consumed blush/rose wine, while the US participants were more likely to say they seldom consumed sparkling wine. Table 1 below shows an overall trend of different types of wine consumption in both samples.

Table 1. Different Types of Wine Consumption

	RED		WHITE		BLUSH/ROSE		SPARKLING	
	US	Australasia	US	Australasia	US	Australasia	US	Australasia
Almost everyday	6.5		3.3	1.6			1.6	
Once or twice a week	21.0	19.3	28.3	30.6	10.2	2.1	3.3	4.9
Once or twice a month	27.4	26.3	31.7	37.1	18.6	4.2	18.0	21.3
Less than once a month	14.5	15.8	16.7	8.1	23.7	20.8	18.0	29.5
Very seldom	30.6	38.6	20.0	22.6	47.5	72.9	59.0	44.3

3.2. Early Wine and other Alcohol Experiences

Respondents were asked about their early experiences with wine and other types of alcohol. Overall, the Australasian sample was found to first try alcohol (a whole drink, not a sip) significantly earlier (14.5 years of age on average) than the US sample (15.8 years of age; $t =$

2.78, $df = 121$, $p = .00$). The same trend applies to wine; the Australasian consumers first tried wine earlier (16.1 years) than American consumers (17.5 years; $t = 2.47$, $df = 110$, $p = .02$). Respondents in each sample reported that they started drinking wine later than they started drinking alcohol in general. This finding supports existing research which suggests early experimentation with alcohol by young people in these traditionally beer-drinking countries tends to involve beer and spirits (Scalera, 2002; Treloar et al., 2004) and may suggest that the older legal drinking age has an impact on uptake of alcohol consumption, although it should be noted that the difference between the samples is approximately one and half years, whereas the differences in legal drinking age is three years.

Chi-square revealed significant differences in the type of wine that the respondents had consumed as their first experience ($\chi = 19.37$, $p = .01$). In both samples, almost half of the respondents consumed white wine as their first experience (45% US and 47% in the Australasian sample). This finding contradicts the observations of Olsen et al. (2007) who found that US Gen Y's early experiences of wine involved dry red wines. In the current study, the US sample was slightly more likely to have red wine as their first experience (33% compared to 24% the Australasian sample). The biggest differences were found in sparkling and blush/rose wines consumption. Sparkling wine was considerably more popular as the first drink in the Australasian sample (27% compared to 5% in the US sample), while blush/rose was found much more popular in the US sample (17% compared to just 1 person in the Australasian sample). The role of cheap sparkling wine in the early wine experiences of young New Zealanders has been previously reported by Fountain and Fish (2010). No significant differences were found in terms of wine sweetness, with slightly more people in both samples reporting their first wine to be sweet, rather than dry, thereby contradicting Olsen et al.'s (2007) findings.

3.3. Wine Socialisation

Respondents were asked in open-ended questions to describe other details of their early experiences of alcohol and wine, including the situational context, the people present, and the influences on their decision to consume alcohol/wine. Interestingly, no substantial differences were found between the two samples. In both samples, early experiences with alcohol consumption were influenced mainly by *friends*, while wine consumption was influenced mainly by *family*. US respondents were somewhat more likely to report the presence of family (68.3%) or a combination of family and friends (10%) in their first wine experiences than Australasian respondents (55.8% and 5.8% respectively.) In terms of the situational context in which alcohol and wine were first consumed, for both US and Australasian respondents first wine consumption was most likely to occur in a non-commercial setting, during a family gathering or family party, while first alcohol consumption happened mostly at a friend(s) house, with the occasion being either a party or some 'random' occasion, where respondents describe wanting to experiment with alcohol due to the novelty factor.

Respondents were then asked to analyze (on a 5-point Likert-type scale) certain factors with regards to their importance when they first started drinking alcohol/wine regularly. Out of the six factors probing for motivations, only taste of alcohol (but not specifically for wine) revealed significant differences. Taste of alcohol seems to be more important for Australasian young consumers ($M = 4.11$, $SD = .96$) than for US consumers ($M = 3.60$, $SD = 1.32$), $t = 2.42$, $df = 123$, $p = .02$. No significant differences were reported for other factors.

Table 2. Importance of factors when choosing wine/other types of alcohol

	AN ALCOHOLIC BEVERAGE		WINE	
	US	Australasia	US	Australasia
Taste was important to me	3.6*	4.11*	3.97	3.7
Drinking what my friends drank was important to me	3.17	3.34	2.48	2.85
Drinking what suited the situation was important to me	3.16	3.27	3.32	3.15
impressing the people around me was important to me	2.59	2.58	2.42	2.39
Complementing food was important to me	1.95	1.95	2.78	2.48
Price was important to me	3.79	3.97	3.12	3.39

Note: * signifies statistical significance at $p < .05$

Generally, for both alcohol and wine consumption, taste was the most important factor cited for choosing to drink the alcoholic beverage in question. The only exception to this is in relation to US respondents and an alcoholic beverage, where price was the most important consideration. The fact that taste was rated as the most important consideration for wine consumption supports research which suggests that taste is a fundamental incentive to consume wine (Pettigrew and Charters, 2008). Price was an important consideration also for both cohorts, although less important in their motivation to consume wine than other alcoholic beverages. Both US and Australasian respondents agreed that choosing an alcoholic beverage or wine that suited the situational context was important, but complementing food was not an important consideration for either alcoholic beverage choice or wine choice. Although the “complementing food” factor was somewhat more important in choosing a wine, it does not support the findings of Olsen et al. (2007) and others that food and wine matching is an important consideration (Pettigrew and Charters, 2008). Finally, drinking what friends were drinking was an important consideration in alcohol consumption in general, but was one of the least important factors in the decision to first drink wine, suggesting the limited role of peer pressure in early wine consumption decisions (cf. Olsen et al., 2007).

4. LIMITATIONS

The current study has been strongly influenced by the previous work of Olsen et al. (2007), which developed a valuable framework for the current research, however the sample size of this research is considerably smaller than that of Olsen et al., which included 793 Gen Y respondents. In addition, the majority of respondents in the current study were in a more narrow age range compared to the Olsen study, which included Gen Y's from a broader age range and by extension, a more complete range of views.

5. CONCLUSIONS AND IMPLICATIONS

The results of this research project to compare the wine socialisation experiences of Gen Y in the US and Australasia found there to be surprisingly few differences between the cohorts in either their early experiences with wine or their current consumption habits. The older legal drinking age in the US does seem to have had an influence on the age at which Gen Y in that country first consume wine and other alcohol, with this being eighteen months later than in Australasia, but few other significant differences were apparent. Almost half of each cohort reported their first experience with wine to be with white wine. The US participants were

somewhat more likely to consume red wine as their first experience. In their current wine consumption, white wine is consumed more frequently by both cohorts. Early experiences with wine were also most likely to be influenced by family and to occur in a non-commercial setting. Participants report taste, situational context and price to be the most important factors when choosing wine today. This may suggest that for wine marketers to reach younger consumers, appealing to peer influence may be less effective than accessing them through their families and the non-commercial settings in which most of them are introduced to wine. Highlighting the taste of wine, rather than wine-food matching, may also be more appealing to these young consumers.

REFERENCES

- A.C.Nielsen. (2007), "Millennial consumers seek new tastes, willing to pay a premium for alcoholic beverages", available at: http://www.nielsen.com/media/2007/pr_071126.html (accessed January 17, 2011).
- Charters, S. and Pettigrew, S. (2003), "'I Like it, but how do I know if it's any good?': Quality and preference in wine consumption", *Journal of Research for Consumers*, Vol.5, pp. 1021–1027.
- Charters, S. and Pettigrew, S. (2006), "Product involvement and the evaluation of wine quality", *Qualitative Market Research: An International Journal*, Vol.9 No. 2, pp. 181-193.
- Fountain, J. and Fish, N. (2010), 'It's a happy drink': Australasian Gen Y's perceptions and consumption of sparkling wine. Paper presented at the 5th International Conference of the Academy of Wine Business Research, February 8-10, Auckland, New Zealand.
- Holter, G. (2010), Wine intelligence investigates Generation Wine [Electronic Version], available at: <http://www.winesofargentina.org/noticias/ver/2010/06/04/wine-intelligence-investigates-generation-wine/>
- Lamb, C. (2010), The New Zealand wine consumer: Christchurch wine drinkers 1998-2008. Paper presented at the 16th Annual Romeo Bragato Conference, August 26-28, 2010, Blenheim, New Zealand.
- Lancaster, L. C. and Stillman, D. (2002), When generations collide: Who they are, why they clash, how to solve the generational puzzle at work, Harper Business, New York, NY
- Newport, F. (2010), "U.S. drinking rate edges up slightly to 25-year high", available at: <http://www.gallup.com/poll/141656/drinking-rate-edges-slightly-year-high.aspx> (accessed February 1, 2011).
- Noble, S. M. and Schewe, C. D. (2003), "Cohort segmentation: An exploration of its validity", *Journal of Business Research*, Vol.56 No. 12, pp. 979-987.
- Olsen, J. E. (2003), "Consumer self-confidence in wine purchases", *International Journal of Wine Marketing*, Vol.15 No. 3, pp. 40-51.
- Olsen, J. E., Thach, E. C. and Nowak, L. I. (2007), "Wine for my generation: Exploring how US wine consumers are socialized to wine", *Journal of Wine Research*, Vol.18 No. 1, pp. 1-18.
- Pettigrew, S. and Charters, S. (2008), "Tasting as a projective technique", *Qualitative Market Research: An International Journal*, Vol.11 No. 3, pp. 331-343.
- Phillips, S. (2008), Spinning the bottle: The relationship between public relations and young Australian wine consumers, Unpublished Bachelor of Communications (Honors) Dissertation, RMIT University, Melbourne Australia.
- Ritchie, C. (2007), "Beyond drinking: The role of wine in the life of the UK consumer", *International Journal of Consumer Studies*, Vol.31 No. 5, pp. 534-540.
- Scalera, B. (2002), New ideas for a new generation [Electronic Version]. Harpers [Online], available at: <http://www.winexwired.com/archives/harpers2.htm>
- Stanford, L. (2000), "Observations on alcohol beverage consumption", *Australian & New Zealand Wine Industry Journal*, Vol.15 No. 1, pp. 14-27.
- Teagle, J., Mueller, S. and Lockshin, L. (2010), How do millennials' wine attitudes and behaviour differ from other generations? Paper presented at the 5th International Conference of the Academy of Wine Business Research, February 8-10, 2010, Auckland, New Zealand.
- Thach, E. C. and Olsen, J. E. (2006), "Market segment analysis to target young adult wine drinkers", *Agribusiness*, Vol.22 No. 3, pp. 307-322.

- Treloar, P., Hall, C. M. and Mitchell, R. (2004), Wine tourism and the generation Y market: any possibilities? Paper presented at the CAUTHE conference, Brisbane, Queensland.
- Wilson, D., Lockshin, L. and Rungie, C. (2005), The value of identifying cohorts through retrospective panel data: Preliminary findings from Australia. Paper presented at the 2nd International Wine Business & Marketing Research Conference, July 8-9, 2005, Sonoma, CA.