

Consumer Perceptions of Wine Brand Names

Sharon L. Forbes

Lincoln University, New Zealand
(sharon.forbes@lincoln.ac.nz)

David Dean

Lincoln University, New Zealand
(david.dean@lincoln.ac.nz)

Abstract

◦*Purpose: The purpose of this study was to categorise wine brand names and examine consumer perceptions of these categories in terms of quality and price, as well as their purchase intentions, ability to pronounce and comfort in asking for the brand name in a store or restaurant.*

◦*Design/methodology/approach: This study provided examples from seven wine brand name categories to respondents via an online questionnaire.*

◦*Findings: This paper provides evidence that a brand name, in the absence of other product information, influences consumer perceptions of quality and price, and their purchase intentions.*

Key words: wine, brand names, consumer perceptions, quality, price

1. Introduction

The importance of a strong brand to a successful organisation is indisputable. The name of a brand, and the meaning or imagery this implies to a consumer, is a significant contributor to overall brand equity. There is a considerable body of evidence that brand names are associated to consumer perceptions of quality and their purchase intentions (e.g. Dawar and Parker, 1994; Dodds et al., 1991; Wanke et al., 2007; Wilson and Huang, 2003), but to the authors' knowledge there has been no previous research into consumer perceptions of real wine brand names. This paper seeks to address this by examining the influence of wine brand names on consumer perceptions, in the absence of any other product information or prior brand experience.

With these aims in mind, this paper is organised as follows. The next section presents an overview of the general and wine-specific brand name literature. This is followed by method, results and discussion, and a conclusion that documents the contribution of this study.

2. Literature Review

A brand is a combination of elements that identifies a product made by one manufacturer and distinguishes it from products made by competing companies (Vrontis and Papsolomou, 2007). A brand will typically include a brand name, a logo and a symbol or design that is associated to a particular company. A brand name is an intangible product attribute which is associated with, and identifies, a product. McMillan (2002) stated simply that a brand name is a device for providing information. Brand equity is the value added to a product because of its brand name (Farquhar, 1994). This value is reflected in both consumer loyalty and price premiums that consumers are willing to pay for a particular branded product. The selection of a new brand name has been described as one of the most important decisions that marketers make (Ries and Trout, 1981).

Marketers devote time and resources to developing good brand names because these convey meaning to consumers, elicit associations and images, and assist with building brand equity (Aaker, 1996; Lerman and Garbarino, 2002). Indeed, Walter Landor once memorably stated that 'products are produced in the factory, but brands are produced in the minds of the consumer'. It is widely accepted that consumers attach important meanings and imagery to brands when they are making a purchase decision. A brand name influences consumer perceptions of a brand, and these brand perceptions, in turn, influence buying behaviour. Previous research indicates that brand names with inherent meaning enhance the formation of strong, favourable and unique brand associations (Baker, 2003; Keller et al., 1998).

Wanke, Herrmann and Schaffner (2007) evaluated consumer perceptions relating to various hotel brand names; the results indicate that brand names affected consumer expectations of the hotels. The authors suggest that to consumers the brand name is as valid as described attributes to make inferences about hotel quality. There is little doubt that the brand name is an important contributor to overall product perception. Kristensen, Gabrielsen and Zaichkowsky (2012) reported that product preference was greatly increased when consumers were provided with brand information as opposed to when they carried out blind evaluations. Wanke, Hermann and Schaffner (2007) attest that consumers adopt the ancient belief of "nomen est omen" (the name says it all) because brand names create strong associations and expectations. Similarly, an earlier US study found that a brand name strongly affected the perceived quality and perceived value of a brand as well as the consumers' willingness to buy (Dodds et al., 1991). Other studies have also reported the statistically significant effect of

brand name on product quality perceptions (e.g. Dawar and Parker, 1994; Rao and Monroe, 1989). These findings are supported by previous research that has found consumers have a greater liking for branded products over supermarket own label products (Bower and Turner, 2001) and that product preferences identified through blind taste tests change once brand name information is shown (Breneiser and Allen, 2011).

So, what makes a good brand name? Zaichkowsky (2010) suggests that brand names in a specific product class should be unique or distinct in terms of sound, pronunciation, spelling and meaning. Robertson (1989) noted that desirable brand names should be simple, distinctive and meaningful. Other literature suggests that a brand name should be a derivative of, or appropriate to, or compatible with, the product category itself (Doeden, 1981; Gershman, 1986; Oliver, 1987). Examples of brand names with strong verbal association to a product class include L'eggs (pantyhose), Pump (spring water), Nescafe (coffee) and Reach (dental floss). In other words, brand names can tell consumers exactly what to expect from a product. In a similar vein, brand names should (a) be easy to understand and use (Leff, 1987), (b) reflect the benefits provided by the product (Gershman, 1986), (c) elicit a mental image (Bock and Klinger, 1986; Robertson, 1987) and (d) be a word that arouses pleasant emotions and strong symbolism (Katze, 1986). Wanke, Herrmann and Schaffner (2007) suggest that consumers form expectations because they know that good brand names have been selected to convey certain meaning. For instance, a restaurant named Tower of Pisa would be expected to serve Italian food, a hotel named the Value Inn would not be anticipated to be a first-class hotel, and a perfume named Exotica would likely be sensual and heavy.

As with other product classes, the brand name of a wine can either help to bring it success or cause it to struggle. A boring name may be easy to forget, whilst a distinctive one can connect with the story or place behind the wine. With regards to wine specifically, several studies have examined the importance of the brand attribute to purchasing consumers (e.g. Mueller and Szolnoki, 2010), the influence of regional wine brands (e.g. Johnson and Bruwer, 2007; Rasmussen and Lockshin, 1999), or the impact of wine label designs (e.g. Halstead, 2012; Sherman and Tuten, 2011; Thomas and Pickering, 2003).

Previous research has identified the brand name as being one of the most important attributes evaluated by consumers when making a wine purchase decision (Johnson and Bruwer, 2007; Keown and Casey, 1995; Lockshin et al., 2006; Thomas and Pickering, 2003; Vrontis and Pappasolomou, 2007). A study of Chinese wine consumers revealed that different types of naming strategies will indeed result in differing levels of desire to purchase the brands (Wilson and Huang, 2003). A more recent study of German consumers reported that brand evaluation was one of the strongest drivers for informed liking of wine (Mueller and Szolnoki, 2010). Together, these results suggest the brand name is a particularly important quality indicator and a significant influence on wine purchasing decisions.

Sherman and Tuten (2011) described the naming convention in the wine industry as following either traditional, contemporary or novelty variations. The authors suggested that traditional brand names may be based on the winemaker (e.g. Robert Mondavi or Rodney Strong), whilst a recent trend in terms of contemporary names is to name a wine after a 'critter' (e.g. The Little Penguin, Black Swan or Three Blind Moose). The growing trend for animal brand names in the wine industry was reflected in the top ten list of new wine brands released by IRI, which revealed that seven of the top ten included an animal in their brand name (Silfven, 2006). Franson (2012) also noted the prevalence of animal brand names in the wine industry (e.g. Frog's Leap, Bored Doe, Toad Hollow), as well as the use of cartoon-like character

names and brands based on dead celebrities. Novelty brand names are based on humour and tend to surprise the consumer (e.g. Frog's Piss, Fat Bastard or Cardinal Zin). Wilson and Huang (2003) suggested that wine brand names are generally derived from six major sources: those based on a personal name (e.g. Torres or Gallo), a place name (e.g. Mateus Rose), a descriptive (e.g. St Michael English Wine), an associative name (e.g. French Connection) or an invented name (e.g. Blue Nun). Aaker (1996) reported that the association of a region or country of origin to a brand is a tactic that adds credibility and implies a certain level of quality to the product. In the wine industry, brand names often include some reference to a region of origin. Such a brand naming strategy can elicit a positive image in the minds of consumers by building upon their existing perceptions of a specific wine region, thus creating trust and providing an indicator of wine quality. Using fictitious brand names and label designs, Sherman and Tuten (2011) revealed that consumers associate traditional labels with 'high quality' and 'desirable' descriptors, whilst novelty and contemporary styles are associated with 'cheap'.

Although the overall importance of a wine's brand name is well recognised, there is a gap in current literature in terms of understanding the perceptions that consumers have of actual brand names. What is known is the wine market is a particularly crowded one and this adds to the complexity of wine purchase decisions for many consumers. In the US market there are approximately 10,000 different wine brands which is far more brands than there are in most other product categories (Franson, 2006). In Australia, over 16,000 wine brands are produced by more than one thousand companies (Spawton, 1998). Bruwer (2004) also notes there is an ever-increasing plethora of brands in today's global wine market, making the wine purchase decision a difficult, risky or even over-whelming one for many consumers. This suggests that building a brand is very important in the wine market and that successful wine brand names stand out from competing brands.

3. Method

In the first phase of this exploratory study, around 600 brand names utilised by New Zealand wine companies were identified through searching the wine aisles of physical stores and the inventories of online wine distributors. This method is robust as real brand names were used rather than artificial names or descriptors. To the authors' knowledge no previous research has examined consumer perceptions regarding actual wine brand names. The subsequent list of 600 brand names was then classified into seven categories. The categories developed by this study were:

1. *Regional* – the brand name contains reference to an official wine growing region.
2. *Geographic* – the brand name refers to a land feature, or a real or fictional place.
3. *Indigenous* – the brand name is based on a Maori word or name.
4. *Animal* – the brand name contains reference to an animal.
5. *Humorous* – the brand name is quirky, novel or comical.
6. *Personal* – the brand name is based on a person's given or surname.
7. *International* – the brand name is based on a foreign sounding language.

It should be noted that most, if not all, wine labels include a mention of the wines' region of origin. In this study, the *Regional* category was not about whether the region was mentioned on the label, but whether it was incorporated into the wines' brand name. This study provided only brand name information to respondents and did not supply wine labels. In addition, the example brand names that were provided to respondents clearly fitted into just a single one of the seven categories and did not fit into multiple categories.

In the second phase of this study, an online questionnaire was developed and distributed to consumers through the websites of established specialty wine stores in New Zealand. Respondents only received brand name information about a wine and were asked a series of questions about their perceptions based solely on the brand name. Each questionnaire provided examples of wine brand names from each of the seven categories. Different example wine brand names were included in the versions of the questionnaires provided to the wine stores (e.g. examples of *Indigenous* brand names were Te Whare Ra, Te Mata and Tohu). Respondents were asked to indicate how likely they were to purchase the wine brand (using a scale from 1 “very unlikely” to 5 “very likely”) and to rate the quality of the wine brand (using a scale from 1 “very low” to 5 “very high”). Respondents were also asked to indicate the price they would be willing to pay for the wine brand (from 1 “less than \$9.99”, 2 “\$10-14.99”, 3 “\$15-19.99”, 4 “\$20-29.99” to 5 “\$30+”). Other scales were developed to measure the respondents ability to pronounce the brand name (from 1 “not confident” to 3 “confident”) and to measure how comfortable they would be asking for the brand name in a store or restaurant (from 1 “not comfortable” to 3 “comfortable”).

Although 218 respondents completed the online questionnaire, subsequent data analysis was only performed on cases where the respondent had no previous purchasing or consumption experience of the example wine brand provided. This ensured that the respondents’ quality and price perceptions of the various categories of wine brand names were not influenced by prior brand experience or loyalty. Each respondent was asked the same questions about the seven brand name categories resulting in a maximum of 990 distinct cases (roughly 141 respondents by seven brand name category examples with variations due to pairwise deletion).

4. Results and Discussion

The sample of 141 respondents consisted of 56% male and 44% female. The largest age frequency was 25-34 (27%) followed by 45-54 (26%), 55-64 (20%), 35-44 (18%), 65+ (7%) and 18-24 (2%). Almost half of the sample consumed wine “Most Days” (49%) followed by “Weekly” (31%), and “Daily” (10%). Many of the respondents purchased wine “Most Days” (41.8%) followed by “Weekly” (28%) and “Fortnightly” (20%).

A series of one-way ANOVAs were performed across the brand categories examining variation across respondents’ likeliness to purchase, expectations of quality, the price they would be prepared to pay, their ability to pronounce the brand name, and their comfort in asking for the wine by name in a store or restaurant. All of the ANOVAs were significant as shown in Table 1.

Table 1: One Way ANOVAs across Brand Categories

		F	Sig.
Likely To Purchase	Between Groups	26.878	.000
Quality Expectations	Between Groups	43.245	.000
Price Prepared to Pay	Between Groups	33.689	.000
Ability to Pronounce	Between Groups	8.788	.000
Comfortable Asking by Name	Between Groups	28.076	.000

Post Hoc tests were then performed to examine specific differences across the dependent variables. Following Figure 1, examples of *Indigenous* brand names had the highest *Likely to Purchase* score, which was significantly higher than all other brand categories. *Personal* and *International* brand name categories were second, followed by *Geographic*, *Regional*, and *Animal*. Examples from the *Humorous* brand name category were significantly lower than all others.

Figure 2 shows that for *Quality Expectations*, the *Indigenous* brand name category was again rated significantly higher than the others, followed by *Personal* brand names in second, then a grouping of *International*, *Geographic* and *Regional* brand name categories in third place. Significantly lower was *Animal* followed by a lower still *Humorous* category.

Personal claimed the highest *Price Prepared to Pay*, significantly different from all but the *Indigenous* brand name category. This result suggests that consumers have positive price and quality perceptions toward wines that are named after a particular person. It may be that an implied level of trust is involved when a *Personal* brand name is used; in other words, consumers are likely to think that only someone who is proud of their product would put their name on it. *Indigenous* and *International* brand name categories formed the second group with a grouping of *Geographic* and *Regional* categories in third (Figure 3). *Animal* was distinct from all but *Regional* in fourth, with the *Humorous* category alone as the lowest ranked.

Figure 4 displays that respondents rated their *Ability to Pronounce* equal highest across *Regional*, *Geographic*, *Animal*, *Humorous*, and *Personal* brand name categories. *Indigenous* brand names were second and *International* brand names had the lowest score. Although the Maori language is recognised as an official language in New Zealand, only four percent of the total population has an understanding of it; this is likely to have affected consumers' ability to pronounce wine brand names which are based on Maori names or words. Similarly, it could be expected that New Zealanders would not necessarily be confident in their ability to pronounce wine brand names which have originated from a foreign language.

When at a store or restaurant, respondents were most *Comfortable Asking* for *Regional*, *Geographic*, *Indigenous*, *Personal* or *International* brand name categories (Figure 5). Respondents indicated they would be less comfortable asking for *Animal* brands and least comfortable asking for *Humorous* wine brand names. This result is interesting in that it does not appear to relate to the respondents' ability to pronounce the brand names. Whilst *Indigenous* and *International* brand name categories were those which the respondents' were least able to pronounce, they were nonetheless comfortable to ask for these brands in a store or restaurant. This result suggests that consumers are more concerned about asking for a brand name that is suggestive of a cheap, low quality wine and is thus potentially embarrassing at a social level (i.e. *Animal* or *Humorous* brand names), than they are by the potential for embarrassment caused by the mispronunciation of an *International* or *Indigenous* brand name that suggests a higher quality and more expensive wine.

Figures 1-7 ANOVA Means Plots Across Dependent Variables

Figure 1 – Likely to Purchase

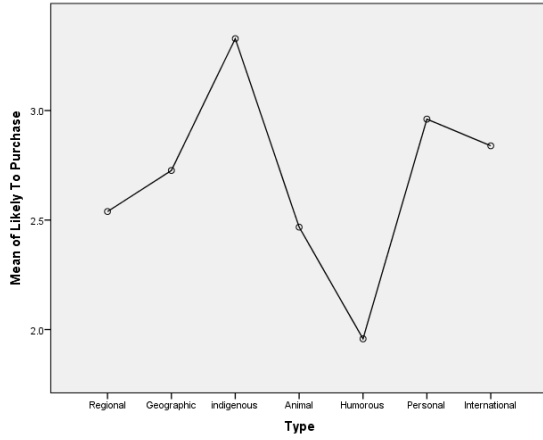


Figure 2 – Quality Expectations

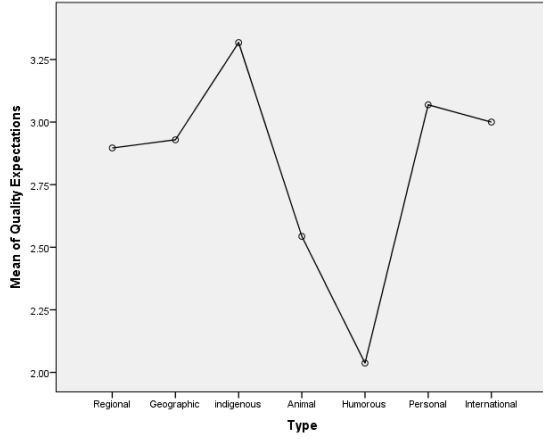


Figure 3 – Price Prepared to Pay

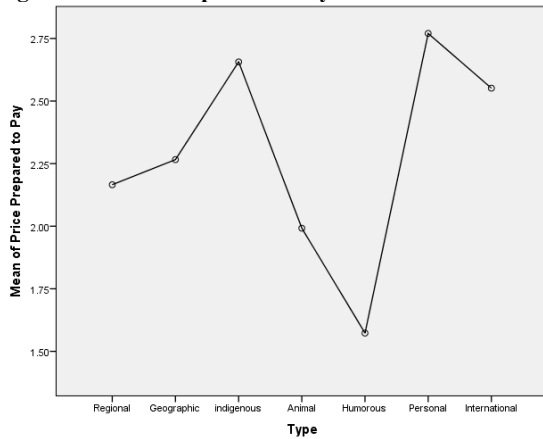


Figure 4 – Ability to Pronounce

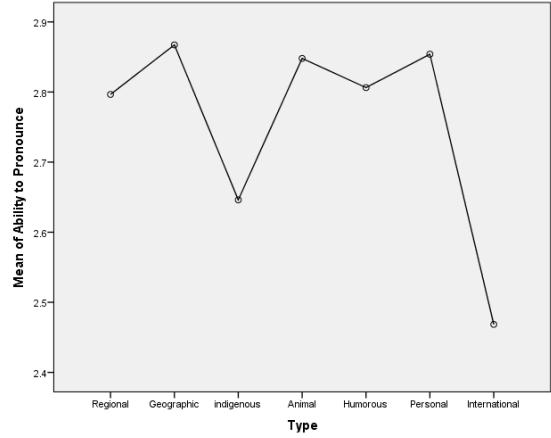
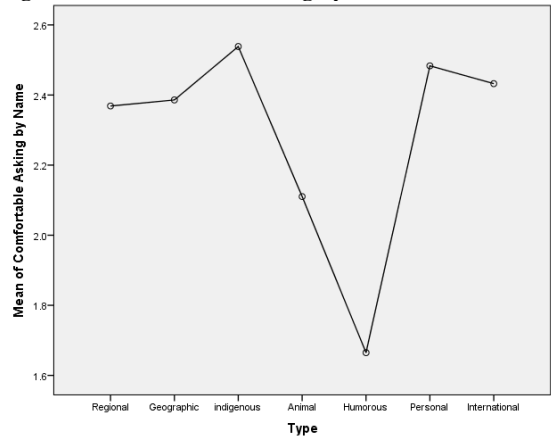


Figure 5 - Comfortable Asking by Name



5. Conclusions

This research provides some support for the notion that brand names matter to wine consumers. This is not necessarily surprising as throughout the wine industry, building brands and brand equity is often a keystone to a firm's sustainable competitive advantage. What is very surprising is how well and how poorly some of the brand name categories performed. For example, if these results represent widespread consumer sentiments, it would be a very brave winery that introduced a premium wine with a *Humorous* brand name. We would expect that consumers would not be likely to purchase it, think it was low quality, wouldn't want to pay much for it, and couldn't bring themselves to ask for it by name at a store or restaurant.

Although *Animal* brand names seem to be everywhere these days, the results suggest that they fare better than *Humorous* names, but not by much. The results of this study are somewhat surprising given the growing prevalence of animal related wine brand names in the marketplace (Franson, 2002; Silfven, 2006). This study suggests that wines with *Animal* brand names are perceived to be typically low priced, low quality products. Conversely, an *Indigenous*, *Personal* or *International* brand name could help to present a new wine as high quality that consumers would be willing to buy, pay a premium, and be happy to ask for. The *Regional* and *Geographic* names performed respectably and were easy to pronounce so they could also be helpful for a new wine brand. Aaker (1996) suggested that associating a brand name to a region or country of origin added credibility and implied a level of product quality to consumers. This study provides limited support for this, as quality perceptions were reasonably high for *Regional* brand names; however price perceptions and the likelihood of purchase were not as high as they were for other brand name categories.

It would be overstating the results to say that *Indigenous* brand names will universally outperform *Humorous* brand names. However, it may suggest that wines with *Animal* and *Humorous* brand names may have to work harder to get consumers to buy them. Once consumers experience a wine, the brand name doesn't have the same impact on subsequent purchase decisions.

The results of this study support the view that a brand name provides information to consumers (McMillan, 2002). Respondents in this study, who had no prior experience of the example brands and in the absence of any other product information, were found to attach meaning and imagery to the brand names. In particular, this study provides support for previous research that has reported the influence of brand names on the assessment of product quality (e.g. Dawar and Parker, 1994; Dodds et al., 1991) and on purchasing decisions (e.g. Wilson and Huang, 2003). This study has added to current knowledge by revealing a strong relationship between brand names and price perceptions, and a further relationship between brand names and the likelihood that a customer would ask for the product in a store or restaurant. These results suggest that further exploration of links between brand name, brand equity and the ongoing success of a wine business could be a worthwhile direction for future research. Whilst it is clear that consumers do not use brand name in isolation when purchasing a wine, this exploratory study highlights the effect of the attribute and suggests that future research using conjoint analysis would be useful in examining all of the major influencers on the wine purchase decision.

This research has attempted to use multiple examples for the brand categories, multiple waves of data collection, and multiple wine retailers to achieve a realistic coverage of the market, but the data collection was limited to New Zealand consumers, using an online questionnaire, and

participants were directed from wine merchant websites. In addition the sample was limited to customers from specialty wine stores and thus it was likely that these respondents would have higher than average product involvement. Conservatively, the results may only be generalizable to online and high involvement wine shoppers in New Zealand. Although this study excluded cases whereby respondents had prior purchasing or consumption experience with the brand name example, it is possible that some respondents may have had some knowledge or familiarity of the provided example even though they had not purchased or consumed it. Any prior knowledge of an example brand name may have had some influence on their quality or price perceptions.

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