## JUDGING A BOOK BY ITS COVER: THE POWER OF WINE LABEL DESIGN IN SHAPING CONSUMERS' PRODUCT PERCEPTIONS

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## **Introduction and Background**

Extant research shows that extrinsic product cues, such as packaging and branding influence consumers' product evaluations (Mueller and Szolnoki, 2010). Wine represents a product category where consumers' product evaluations are particularly impacted by extrinsic product cues (Lange et al., 2002). Wine consumption is a multi-sensory experience with interactions between different stimuli, such as packaging appearance, wine odor signature, or taste. Wine labels have been shown to play a significant role in consumers' product evaluations and purchasing decisions (Rocchi and Stefani, 2006). Research has explored individual effects of label design on, for example, quality and price expectations (Orth and Malkewitz, 2008). However, the transferability of consumers' wine label perceptions to actual perceptions of product quality, taste, and price remain underexplored. Consequences of these potential transfer effects on product evaluation in terms of attitude, purchase intention, and willingness to pay are largely neglected. The purpose of this study is to explore the effects of wine label design on consumers' product perceptions. The findings are based on data from the 'Old' and 'New' wine worlds, Germany and Australia, collected from one online survey, a lab experiment with experts, and several wine-tasting field experiments on-premises and at the point-of-sale.

## **Research Methodology**

Our research design comprises three individual studies. *Prestudy 1* aims at developing a measurement instrument for consumers' wine taste expectations and perceptions that can be triggered by wine label design. First, we reviewed existing literature to adopt measurement items were possible (e.g., Moon and Kamakura, 2017). Second, we conducted in-depth interviews and a paper-pencil follow-up survey with 20 experts in the fields of label design and wine making to identify item pairs that could translate from label design perception to wine taste expectation and perception. Overall, our experts identified 36 item pairs (e.g., young – aged; simple – complex; sweet – dry) that were grouped in 7 preliminary dimensions. Third, we ran an online survey with consumers in Germany and Australia (n = 686) to assess 86 different wine labels with regard to the 36 item pairs from our previous research step. We conducted an exploratory factor analysis to extract 10 final items across three dimensions (i.e., intensity, fruitiness, and age). Furthermore, we selected wine labels from the original pool that evoke clear taste associations among study participants to use in our main study.

In *Prestudy 2*, we plan to conduct a lab experiment with wine experts to evaluate various wines on the three dimensions generated in our prestudy 1. It is the aim of this study to select wines for our main study. In the *Main Study*, we plan three independent field experiments with consumers in Germany and Australia (targeted total n = 500) to assess the actual effect of wine label design on consumers' product perceptions in terms of quality, taste, and to the willingness to pay.

## **Conclusion and Implications**

While research has shown that wine labels play a significant role in consumers purchasing decisions (Rocchi and Stefani, 2006), current findings lack generalizability, the ability to represent actual consumer behavior in real life settings, and conclusiveness in terms of mapping the complex interplay between wine label design and consumers' product expectations, perceptions, and evaluations. To our best knowledge, our study is the first to address this lack in research.

Our preliminary data indicate that wine producers and wine label designers should collaborate to create the most effective wine-label parings. Bringing consumers' expectations triggered by wine label design and actual perceptions of quality and taste in line via a taste-congruent label design creates a more consistent and, thus, more favorable multi-sensory drinking experience.

References available on request