DOES THE WINE TRADE UNDERSTAND WINE CONSUMERS? MEASURING THE ALIGNMENT FOR WINE CHOICE DRIVERS BETWEEN TRADE OPERATORS AND CONSUMERS

Armando Maria Corsi, Larry Lockshin, Jordan Louviere, Johan Bruwer, Justin Cohen, Klaus Kilov, Ehrenberg-Bass Institute, University of South Australia, Australia

Purpose: The wine trade is the gatekeeper for what consumers are able to buy, but little research has looked at whether the trade actually understand consumer choice. The majority of knowledge published in this domain only looked at the choice criteria of either one of these two parties without comparing them. Trade operators seem to focus on profitability, product margin, stock management, country-of-origin, and new product acceptance (Bogomolova et al., 2017, Hansen and Skytte, 1998, Johansson and Burt, 2004, Sternquist and Chen, 2006, Goodman, 2014, Azzurro et al., 2017), while consumers focus more on country-of-origin, region-of-origin, price, label style, grape varieties, medals/awards, and critics' ratings (Lockshin and Corsi, 2012, Goodman, 2009, Mueller et al., 2010, Lockshin et al., 2006, Bruwer, 2014). However, by having trade operators and consumers answer different survey instruments, one can only infer the extent to which the preferences of these two parties are aligned. Only a handful of papers have analysed the preferences of both trade operators and consumers using the same dependent variables (Urbany et al., 2000, Bäckström and Johansson, 2006, Gil Saura et al., 2008), and, in particular, only one article did that in the area of wine business (Reizenstein and Barnaby, 1980). The purpose of this work is overcome this limitation, thus improving the understanding of the alignment (or lack thereof) between trade operators' and consumers preferences' when selecting a wine to stock/list or purchase.

Methodology

The study took place in the US using a sample of 480 US wine trade operators and 1920 US consumers to answer the same discrete choice experiment (DCE). The choice sets manipulated 7 attributes: country of origin (5 levels), region of origin (2 levels – country specific), grape varieties (8 levels), label style (4 levels), presence of a medal (2 levels), price (4 levels), and critics' ratings (4 levels). The attributes and levels were selected through a review of the literature and consultation with an industry reference group. The design used 128 choice sets, which were divided into 8 blocks of 16 choice sets each. Each respondent was randomly assigned to one block. See Figure 1 for an example.

Figure 6: Example of a choice set

For each choice set, trade operators were asked to choose the wine they thought would generate the most sales if added to their portfolio, while consumers were asked to choose which wine they would purchase. Prior to the DCE, trade operators and consumers were exposed to different advertising messages to test whether these messages influence their preferences. The content of the advertising messages was pretested to confirm the messages communicate what they are supposed to communicate.

Findings
We have just completed data collection, and we will be able to present the results of the research in January 2019.

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