

# Analyzing Wine Preferences of Generation Z Wine Consumers in High and Low-Involvement Situations on a Global Basis

**Liz Thach**

*Sonoma State University, USA*

(liz@lizthach.com)

---

## 1. INTRODUCTION

As wine consumption decreases or flattens in many countries (OIV, 2018), including the US – the largest wine consuming nation on the world (Nielsen, 2019) – it behooves wine marketers to identify new target markets. One possibility is the new generation of potential wine consumers named “Gen Z”, where the youngest is now aged 24. The fact that Gen Z is a larger global population than the Millennials (Miller & Wei, 2018), indicates they are an ideal segment to analyze regarding their wine preferences in high and low involvement situations.

## 2. PRELIMINARY LITERATURE REVIEW

Generation Z has burst upon the world as one of the largest generations to date, comprising 32% of the world population (Miller & Wei, 2018). In the US, they are also the largest current generation, making up 27% of the population in comparison to Millennials at only 22% and Baby Boomers at 23% (Duffin, 2019). However, the global wine industry has not yet paid much attention to this group, because they were born between the years of 1995 and 2009 (American Generations Report, 2014), making the oldest only 24 years of age in 2019. Given that the legal drinking age in many countries ranges from 18 to 21, it is understandable that very little academic research has been conducted on this group in the wine industry.

However, Gen Z is important because they currently represent more than \$143 billion in buying power (Dill, 2015), with an expectation of a huge impact on consumer products sales, not only in the US, but on a global basis. Having been born in the Internet age, they are very computer savvy, but also security conscious, including a strong attentiveness to ingredient labeling (Vennare, 2018; Rosen 2010). Market researchers report that Gen Z is realistic, curious, open-minded, responsible, and determined, with many interested in entrepreneurial careers (Kleinschmit, 2019; Seemiller & Grace, 2016; Lifeway, 2018).

When analyzing specific consumer segments, it is useful to consider high and low involvement situations because they influence a consumer’s purchase intentions (Aqueveque, 2006; Charters, 2006; Hall and Lockshin, 1999; Dodd et al, 2005). For example, low involvement situations may be purchasing wine for dinner at home, which is considered less risky, compared to high-involvement situations, like selecting wine for a wedding gift. Therefore this is a useful variable for consideration with the global Gen Z population, along with gathering information on other pertinent wine preference and behavior factors.

### 3. PRELIMINARY RESEARCH QUESTIONS

- 1) What are the wine preferences of Gen Z in high and low involvement situations?
- 2) Do demographic variables of Gen Z impact wine involvement?
- 3) What recommendations do Gen Z wine consumers have for the global wine industry to increase wine sales?

### 4. METHODOLOGY

An online survey instrument was developed to collect information regarding Generation Z wine consumer preferences, behaviors, beliefs, and demographics. The survey was administered to a convenience sample of over 270 wine consumers in the Spring of 2019, resulting in 158 usable responses from Gen Z wine consumers. Quantitative data were analyzed using the statistical function in Excel. Qualitative comments were analyzed using a thematic coding process, and then documented digitally in video portraits illustrating major themes.

### 5. PRELIMINARY FINDINGS

The final Gen Z sample, aged 21 to 23, was composed of 73% women and 27% men. This is higher for women when compared to the US wine consumer average of 56% women to 44% men (WMC, 2018), but could be due to the fact that it was a convenience sample. Geographical location was 85% from California, the largest wine consuming state in the nation. Highest ethnicity segments included 71% Caucasian, 12% Hispanic and 7% Asian. In terms of wine consumption, 32% reported drinking wine several times per week or daily, with 68% consuming wine less frequently.

For wine preferences, 70% of the Gen Z consumers indicated they liked white wines, followed by 68% red wine. Surprisingly 52% listed rose as a preference followed closely by 49% sparkling. These latter two numbers are higher than other US wine consumer preferences for the general population (WMC, 2018), but could also be due to the increasing popularity of both rose and sparkling wines in the US market (Nielson, 2018).

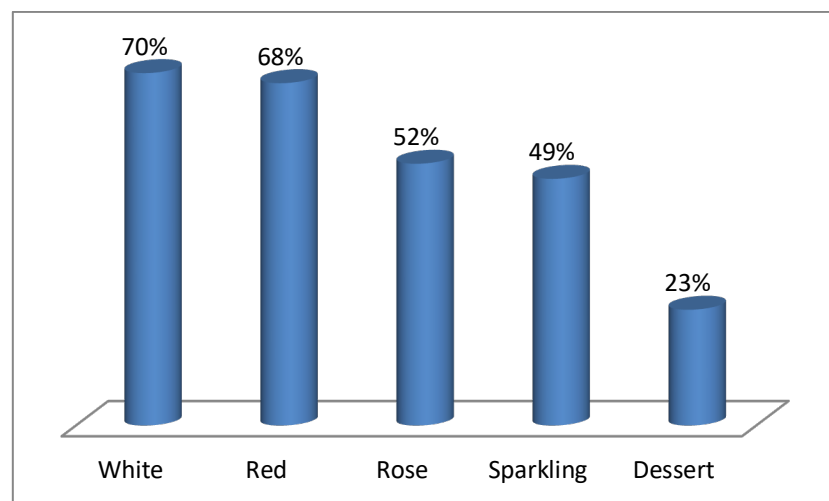


Figure 1: Wine Preferences of US Gen Z Wine Consumers

Data on preferred wine taste was also collected, as well purchase location, packaging preferences, lifestyle, wine knowledge, favorite wine brands, and social media usage.

Regarding wine opinions, surprisingly 90% of the sample agreed or strongly agreed with the statement that wine is pleasurable, followed by 83% stating it is delicious; 81% fun; and only 19% stating that wine is confusing and 15% finding wine snooty.

The qualitative data analysis included 235 comments responding to the question: “What should the wine industry do to market better to Gen Z?” Responses were thematically analyzed with 10 emerging themes, including more advertising, attractive packaging, pricing, and healthier options, e.g. low-no alcohol.

## 6. CONCLUSION/FUTURE RESEARCH

Preliminary results suggest that Gen Z wine consumers in the US market appear to be embracing wine in an encouraging manner, agreeing with positive statements about wine. However, as this research was comprised of a convenience sample of Gen Z wine consumers, it would be useful to also survey non-wine consumers. In addition, more detailed data collection needs to occur regarding low and high involvement wine situations in order to assess if other types of beverages are more attractive than wine in different situations. The advent of low-no alcohol wines in the global market could also be analyzed, as this is one of the suggestions of Gen Z consumers emerging from the qualitative comments in the research.

More importantly it would be beneficial to develop a more comprehensive survey that could be distributed on a national basis in multiple countries in order to develop a base line on the preferences of Gen Z consumers on a global basis. The survey should include measurements on high and low involvement situations, as well as a qualitative section to continue to collect Gen Z recommendations on what the global wine industry can do to create wine products that will match their needs and generate sales.

## REFERENCES

- American Generations, 8<sup>th</sup> edition. (2014). New Strategist Press. Available at: <https://www.newstrategist.com/series/american-generations-series/>
- Aqueveque, C. (2006), “Extrinsic cues and perceived risk: the influence of consumption situation”, *Journal of Consumer Marketing*, Vol. 23, No. 5, pp. 237-247
- Charters, S. (2006), “Wine and Society: The Social and Cultural Context of a Drink”, Elsevier Butterworth-Heinemann, Oxford, UK.
- Dill, K. (2015). 7 Things Employers Should Know About The Gen Z Workforce. Forbes.com.
- Dodd, T, Laverie, D., Wilcox, J.B. and Duhan, D. (2005), “Differential effects of experience, subjective knowledge, and objective knowledge on sources of information used in consumer wine purchasing”, *Journal of Hospitality and Tourism Research*, Vol. 29, pp. 3-19.
- Duffin, E. (2019). U.S. population by generation 2017. Statista.com. Available at: <https://www.statista.com/statistics/797321/us-population-by-generation/>
- Hall, J. and Lockshin, L. (1999), “Understanding wine purchasing: it’s not the consumer, it’s the occasion”, *Wine Industry Journal*, Vol. 14, No. 3, pp. 69-78.

- Kleinschmit, M. (2019). Generation Z Characteristics: 5 Infographics on the Gen Z Lifestyle. Vision Critical. Accessed August 11, 2019 at: <https://www.visioncritical.com/blog/generation-z-infographics>
- Lifeway. (2018). Ten Traits of Gen Z. Facts and Trends.net. Accessed August 11, 2019 at: <https://factsandtrends.net/2017/09/29/10-traits-of-generation-z/>
- Miller, L. J. & Wei, L. (2018). Gen Z Is Set to Outnumber Millennials Within a Year. Bloomberg.com. Aug 20, 2018. Available at: <https://www.bloomberg.com/news/articles/2018-08-20/gen-z-to-outnumber-millennials-within-a-year-demographic-trends>
- Nielsen. (2019) Boxed wines bouy wine sales as growth softens. *Wine Business Monthly*, December 2019. Vol 26, No. 12, p. 116.
- OIV. (2019). Evolution of World Wine Consumption. 2019 Statistical Report on World Vitiviculture. OIV.org. White paper report.