

Brand-equity and Organic Label in Consumer's Choice of Wine

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One of the goals of the European Union's "Farm-to-Fork" strategy is to promote organic farming for reaching at least 25% of agricultural land under organic. In Italy, the organic vineyard surface area is increasing, counting in 2020 around 18% of the total vineyard. Consequently, the production and sales of organic wine have shown a considerable positive trend.

In literature contrasting results are emerged regarding consumers' preferences for organic wine. Some scholars have highlighted the positive impact of organic certification on consumers (Mueller Loose & Remaud, 2013; Schäufele and Hamm, 2017), and found a higher willingness to pay for organic wine (Wiedmann et al., 2014; Di Vita et al., 2019). Boncinelli et al. (2021) have shown that organic wine consumers are a small market segment and that, generally, consumers do not pay attention to organic certification on a wine label, compared with other attributes. However, other studies have shown that consumers may perceive wine labelled as organic to be of lower quality or constituting less value for money (see, for example, Delmas and Grant, 2014; Abraben et al., 2017).

The brand plays an important role in attracting consumers since it can be viewed as a sign of quality (Brochado and Oliveira, 2018). The strength of a brand is associated with the concept of brand equity. Aaker (1991, p. 15) defines brand equity as "a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers". There, we can classify the wine brand as a high-equity and low-equity brand based on perceived quality and brand benefits and value (Chandon et al., 2000).

Although a brand is something clearly recognizable in food product typologies, the concept of the brand in wine is not so clear and generates a degree of confusion among consumers (Viot

and Passebois-Ducros, 2010). Denomination of Origin (DO) is one of the elements that constitute the “brand constellation” for wine (Lockshin and Hall, 2003). DO acts as a collective, global brand and often it is even better known than the real individual brand (Charters et al., 2013).

Starting from this specification, in this study we intend to investigate the impact of the organic label on the consumers’ purchasing behaviour, considering the wine brand equity. In other words, we believe that organic label has a different impact in terms of taste perception, quality perception, purchase intention and willingness to pay if the wine is labelled by a high or low-equity DO. The impact of the organic claim on different type of brands were already explored by previous studies for different food products (Larceneux et al., 2012; Bauer et al., 2013), but little is known related to the wine market.

The experimental design is based on a between-subjects 2 (brand equity: low, high) × 2 (organic label: present, absent) experiment with four treatments. The respondents were randomly assigned to one of the four treatments. The two wine DOs with different levels of power, namely a high-equity brand and a low-equity brand, were selected in a pre-test with 101 respondents. As a measure of brand equity, we used and adapted the four-item Overall Brand Equity (OBE) scale of Yoo and Donthu (2001).

To test our hypothesis, we administrated an online questionnaire on 451 Italian wine consumers. To measure the individual perceived quality, a four items scale was taken from Bao et al. (2011). Taste perception was measured with two items scale taken by Wei et al. (2018). Purchase intention was disclosed with a three items scale adopted from Kozup et al. (2013). A three items scale used in Netemeyer et al. (2004) was adopted to measure a willingness to pay a price premium. Moreover, subjective wine knowledge, inclination toward organic products and wine involvement were collected. The last section of the questionnaire concerned sociodemographic information, occupation, and household income.

Univariate Analysis of Covariance (ANCOVA) was conducted to examine the impacts of the organic label and different equity brands on the four dependent variables considered. The results reveal that organic label has higher positive effects on perceived quality and willingness to pay for the low-equity brand than for the high-equity. Moreover, if for a low-equity brand the presence of the organic label improves the taste perception, a high-equity brand wine with the organic label is perceived as less tasty than a non-organic one.

This study discovers new insights into the literature on wine purchasing behaviour, in terms of how organic label has an impact according to different levels of brand equity. The results of the study may have managerial implications for winemakers. If a specific wine is recognised as a low-equity brand, the producer has to keep in mind that the organic label can increase the consumer’s overall perceived quality and willingness to pay for that wine.

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