Exploring the Barriers and Triggers for the Purchasing and Consumption of Low and No-Alcohol (NOLO) Wines

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1. EXTENDED ABSTRACT

The market for no and low-alcohol (NOLO) wines is rapidly growing. The Institute of Wine and Spirit Research (ISWR) calculate that global NOLO wine market grew by 3% and 12%, respectively, since 2015, and will continue to keep growing at this rate until 2023 (IWSR, 2021). Supporting figures are also presented by Fact.MR (2021). These industry reports give us a snapshot of the current scenario and provide some indication of how much the market can grow. However, they do not test what interventions we could/should design to facilitate a shift in behaviour from both trade operators (i.e., producers, importers, distributors, and retailers) and consumers, nor generate understanding of consumer attitudes, expectations, or preferences.

The literature review on the marketing strategies facilitating the adoption of NOLO wines is limited. The few papers investigating the topic have either exclusively focused their attention on low alcohol wines (Saliba et al. 2013; Bruwer et al., 2014; Masson and Aurier,

2015; Bucher et al., 2018; Bucher et al., 2020;) instead of both low- and no-alcohol wines, or are over twenty years old (Howley an Young, 1992; d'Hauteville, 1994), thus making it hard to consider them reliable to better understand the cohort of the current market. To provide a comparison, one of the largest cross-country studies to date looking into consumers choice drivers for wine shows that alcohol content was one of the least important factors back in 2007/2008 (Goodman, 2009). Nowadays the growing attention policy makers are giving to address the issues related to the abuse of alcohol (Vuik and Cheatley, 2021) suggest that the discourse around the alcoholic content of a wine will become relevant for consumers in the not-so-distant future. To the best of the authors knowledge only a couple of papers have been investigating the topic of no-alcohol wines from a consumer perspective in the last 10 years (Chan et al., 2012; Stasi et al., 2014).

The purpose of this research is to lay a solid foundation about consumer attitudes, expectations, and preferences towards NOLO wines through a series of focus groups conducted in Australia in October/November 2021. A total of 32 participants (16 Drinkers (D) and 16 non-drinkers (ND)) were recruited for 8 x 60min focus groups. However, in 4 of the 8 focus groups, we had late cancellation or no show, hence we ended up with 28 participants as per .

Table *1* below. Each participant was sent documentation in advance and their signed consent was collected before participating. Each was given a $50 gift card gratuity.

Table 1: Focus groups sample characteristics

Focus Group No.	Alcohol drinker	Gender	Age	Number of participants
1	No	Female	Millennial	3
2	Yes	Female	Millennial	3
3	No	Female	Gen X	3
4	Yes	Female	Gen X	4
5	No	Male	Millennial	3
6	yes	Male	Millennial	4
7	No	Male	Gen X	4
8	Yes	Male	Gen X	4

Some of the key results are that, overall, participants have strongly embedded negative perceptions and associations with no-alcohol (NO) wines, but were curious and eager to try them, and thought it was good that the NOLO category was growing. The problem seemed to be NO wines were expected to taste and behave like regular wines subsequent tasting disappointed most. However, drinkers who liked the taste of NO wines said they may have a glass at a restaurant or if driving, many said they would not drink a whole bottle.

NOLO spirits and beers were viewed as successfully replicating the taste of their full-strength counterparts, and therefore were standard, or growing inclusions in the repertoire. This had a flow on effect to pricing. NO wines were seen as being of lower quality, cheaper to make and sell (no tax), and less 'crafted' so participants expected to pay less. A few noted a premium may be reasonable given costs associated with producing smaller batches. Discussion about health benefits of less alcohol and the exclusion of ND from participating fully in social situations (in particular) increased the likelihood that people might buy. Drinkers were receptive to LO wines for health and safety benefits, but said % alc would have to be very low, or they may as well have one less glass of regular wine. Drinkers who valued the 'kick' and relaxation effects of regular wine were unlikely to buy NO wines, though some would buy for others or have a glass with a ND friend or partner. Non-drinkers interested in buying NO wines for 'stealth' reasons (fitting in socially, or in business situations) and those drinkers who appreciated wine said it should be sold in traditional bottles and piccolos, and not casks.

Drinkers articulate about regular wine struggled to describe the NOLO wine taste, which suggests difficulty relating the markers of wine appreciation to past experience.

These focus groups represent a preliminary study towards a broader quantitative study the authors intend to work on in the near future.

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