



Determinants of portuguese wine & enotourism consumer behaviour

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Abstract: This study tries to understand what needs to be done to improve value perceptions and wine usage (1) Change the Portuguese wine and enotourism industry profile to adjust to huge competitive marketplace because it is still production-based; more sales than marketing oriented and the market data are less important than production and sales ones; (2) Enhance strongly the relationship between the wine and enotourism company and final consumers by “management synergies”; high “innovativeness to market”; “marketing research” and by an effective brand strategy. In this line, this paper provides an overview about strategic factors that determine the Portuguese wine and enotourism decision making process.

The results of this research enable the essential features of a consumer profile of purchase and consumption to be obtained with respect to: (1) the structure of attributes - intrinsic and extrinsic - that Portuguese still wine consumers best recognise and value in determining its quality, (2) the motivational structures that encourage and guide them in their decision making process when purchasing and consuming wine and enotourism services, (3) the anticipated effect of interaction between different situations of consumption with different price bands.

Keywords: Consumer Behaviour; Involvement; Perceived quality; Price by usage situations.

Introduction

In terms of Portugal's current competitiveness, there are few 'brand leaders' that gain a reputation for excellence in export markets and simplify Portuguese wines for a potential consumer. Portuguese winemakers still focused on the short-term opportunity in the domestic market. Despite many individual examples of world-class excellence, still wine has been a partner of Portuguese cuisine and leisure for as long as history can recall. In this capacity, wine has been regarded more as a commodity than a luxury, and consumers have traditionally put little pressure on wine-makers to upgrade their products (Monitor Group, 2003).

Indeed, there is still a considerable lack of knowledge in Portugal concerning wine and enotourism consumer's attitudes, perceptions and behaviour. Moreover, the results obtained from the heads of major companies in the sector by means of interviews suggest that their orientation to the dominant product/service and its distribution is subtly related to, or absent from the necessary guidance of the market.

Revision Literature

The traditional theory of wine marketing defines it as a set of attributes that attempt to meet the needs of its consumers (Spawton, 1991). Furthermore, the dynamics of the tourism market changed the behaviour of consumers. This had a significant impact on the discourse of new consumers as quality has been increasingly assumed to be a multidimensional concept. Quester and Smart (1998) suggest that quality is a characteristic of the wine and enotourism that is both difficult to define and to communicate. The level of quality required may vary upon a variety of circumstances including the consumption occasion. The quality of wine, however, is difficult to evaluate objectively or precisely measured (Oczkowski, 2001).

The product grows according to the "product system" which is formed by a multiplicity of complex factors, as has happened in other markets in the last two decades. Nevertheless, the complexity of the wine and tourism market and varying cultural traditions make their purchasing different from most consumer goods and services.

Besides the figures for the chemical composition of wines and their physical, organoleptic and sensory characteristics, the symbolic value together with its psychological and aesthetic attributes, are also taking on increasing importance. Groves et al. (2000) suggest that wine quality is composed of hedonistic and aesthetic attributes of wine consumption. These are the felt experiences resulting from the pleasure of drinking healthy and good environment's wine tourism (Mattiacci, Ceccotti, de Martino, 2006).

The complexity and perceived risk associated with the decision to purchase and consume wine and enotourism services justifies the concept of perceived total quality: the intrinsic and extrinsic attributes, and the extent to which these are recognized as causes of value. Gabbott (1991) identifies that wine consumers utilise both intrinsic and extrinsic cues to aid in the choice process. Extrinsic cues are lower level cues that can be changed without changing the product (e.g. price, packaging, self location, brand name), while intrinsic cues are higher-level cues directly related to the product. Intrinsic cues, perceptions of the product itself, are subject to perceptual bias.

In spite, Gluckman (1990) postulates that consumers do not have a clear understanding of branding in the wine and enotourism market, while Lockshin, Rasmussen & Cleary (2000) highlights the fact that brand name acts a surrogate for a number of attributes including quality and acts as a short cut, in dealing with risk and providing product/service cues. When a product/service has a high proportion of attributes that can only be assessed during consumption (experience attributes) as with wine (Chaney 2000) and enotourism experience, then the ability of consumers to assess quality prior to purchase is severely impaired, and consumers will fall back on extrinsic cues in the assessment of quality (Speed, 1998; Salaun & Flores, 2001; Antonelli, 2004).

Consequently, the perception / interpretation of the price is assumed to be a decisive factor in the decision to purchase brands of wine (Oczkowski 2001; Koewn and Casey (1995) and their complements tourism services. The perceived price-quality relationship (umbra and market potential) associated with the consumption of complex products, such as wine, is a strategic variable with significant potential. Its use enables the reasons for, and magnitude of, the decision to purchase to be determined; by measuring the gap between different price ranges (minimum / maximum) depending on the levels of perceived quality that consumers

associate with it; setting up a relevant indicator of potential demand; Recent research by Jarvis, Rungie, & Lockshin, (2003a) shows that consumers seem most loyal to price bands. Furthermore, Hall & Lockshin (1999) found a relationship between price and the situation where the consumer intends to drink the wine.

These 'attributes' are related in consumer's minds to the 'consequences' they produce (Guttman, 1982). For example, high price was important in some public consumption situations (ex. in order to impress a business associate or to celebrate a special anniversary). Low price was important, for example, when the consequence was to relax at home by oneself, or for entertaining at an informal party or BBQ. Different consumption situations amplified or muted the importance of different wine and enotourism attributes.

Price comes to mind as a particularly useful means to separate wine into different markets, each with its particular model of purchase behaviour. Recent research by Jarvis et al (2003a) shows that consumers seem most loyal to price bands. This, of course, needs to be tested in different markets in order to show its viability.

In conceptual terms, the literature review (Aurifeille et al 2003; Lockshin et al 2001, Rodriguez Santos et al., 2006) further highlights involvement as one of the most important variables of segmentation in wine and tourism marketing.

In this sense Barber, Ismail & Dodd (2008, pp. 72) consider that "involvement is a goal oriented and emotional state of interest, enthusiasm and excitement consumers exhibit towards a product category, which ultimately influences purchase or consumption of the product". If high involvement wine and tourism consumers use complex information cues to inform their decision-making (Tustin & Lockshin, 2001; Yuan, So, Si & Chakravarty, 2005), wine novices (low involvement) use risk reducing strategies based on choosing known brands, recommendations from friends, advice from sales assistants, low prices, wine packaging, labels, grape varietal, evidence and samples (Barber et al, 2008). Analysis of the perceived structure that consumers place on the product image and brands seeks to identify a reflection of their own identity within them. The use in this paper of a range of anthropomorphic measures supports its aim to identify the psychological dimensions that the customary wine and enotourism consumer projects and recognizes on the images of the brand(s) in this product/service group.

This combination with other variables allows the design of a profile of segments capable of directly explaining the motivations behind purchasing certain brands and the way in which its products are used.

Methodology

Method of Data Collection - Population: Portuguese (men/women) over 18 to 65+ years old, who drinks wine at least once a month and had an enotourism experience. All profile characteristics are defined as being statistically significant at 95% confidence, unless otherwise stated. The data has been weighted to represent the profile of Portuguese market. A Phone (CAPI) survey (N=2044) was used to assess socio-demographic characteristics, consumer behaviour activities (e.g., frequency of use, type of information sources, involvement and perceived quality) and psychographic information (motivations and attitudes). With each question, a respondent profile was created - 1203 valid responses, gathered in September 2008 (95% confidence interval; 2,8% margin of error). The questionnaire used closed-ended and five-point Likert scale responses - demographic and consumption questions, followed 70 attitudinal statements, each question being rated with 5 strongly agree and 1 strongly disagree. Before data collection procedures began, the questionnaire was pilot-tested at local hypermarkets in Porto to assess content validity. All the modifications were made accordingly. Method of Data Analysis - most of the sequence data were subjected to statistical treatments concerning the attitudes and behaviours of the respondents. In a subsequent second phase, the information was further subject to a sequence of multivariate statistical techniques: Exploratory PCA (SPSS, v.17.0) and CFA (EQS, V.6.1), Oneway ANOVA, Cluster analysis and Logistic Regression to describe the perceptually implicit substructures and to clarify theoretically relevant relationships.

Results and discussion

For habitual wine consumers the data show that Portuguese men consume still wine more frequently: 45% claim to drink wine daily. The emergence of female consumption

is concentrated in a less intense level of wine use: 21% claim to drink wine 2-3 times per month or less. When questioned about the most likely circumstances in which still wine would be consumed, the results of a Oneway ANOVA showed that Portuguese consumers in the age bracket of 45 years or older, drank wine with their daily meals (*at regular meals*) ($F = 7.518$, $p = 0.000$). If wine consumption *alone without food* is not expressed among Portuguese consumers, its social consumption - *in groups, in special enotourism occasions and at restaurant meals* - is an area of growth among the younger age bracket (18-34 years). Globally, Portuguese consumer's decision of buying still wine depends on their latest *consumption experience* ($= 3,97$, $SD = ,891$), *wanting to drink it with friends* ($= 3,90$, $SD = ,824$), the *type of food one will eat* ($= 3,87$, $SD = ,890$) and its brand being well known and awarded ($= 3,83$, $SD = ,837$). Portuguese wine consumers underline some intrinsic key quality factors like the *harvest year* ($= 4,07$, $SD = ,719$), the *age of the wine* ($= 4,00$, $SD = ,860$), the *colour* ($= 3,96$, $SD = ,792$), the *aroma* ($= 3,76$, $SD = ,748$) and *full body* ($= 3,71$, $SD = ,805$). The most valued extrinsic cues are *wine bottle design* ($= 3,79$, $SD = ,882$), *brand awareness* ($= 3,51$, $SD = ,966$) and *the price* ($= 3,50$, $SD = ,835$). In this work, the price is analyzed according to perceived brand/product quality and contextualized by various scenarios in which wine may be used. In situations of wine use with a "meal at home during the week", Portuguese consumers claim to buy bottled still wine from a price range between 2 € - 3.99 €. At the weekend "with friends in bars, pub's and clubs" and from consumption during "informal occasions at restaurants", the value increases up to 4€ - 5.99 €. In the case of wine use for "special occasions", "gifts", "business meals", when dining in "prestigious restaurants" or in a "enotourism context" the price consumers are disposed to pay is positioned in a price band between 6€ - 9.99 €. The results also suggest that the majority of Portuguese consumers are not predisposed to pay more than €10 in any situation of wine consumption. The data indicates that a lack of knowledge concerning strong intrinsic and extrinsic attributes makes it difficult for higher prices to be accepted, blocking the implementation of strategies to differentiate by price. Any improvement, revision and reorientation of the general pricing strategy implies an effort to educate and raise awareness of the qualities and attributes of still wine and enotourism experience amongst final consumers, as well as professionals and advisors.

Logistic Regression: best predictors of wine involvement levels

Data were analyzed using SPSS V. 17.0 statistical procedures such as descriptive statistics, exploratory factor analysis and logistic regression. The descriptive statistics provide a slight description of the Portuguese wine and enotourism consumer habits. Exploratory factor analysis and Logistic Regression were utilized to identify underlying factors set that best discern between Portuguese wine enthusiasts (high involvement) and novices consumers (low involvement).

Portuguese low involved individuals, or wine and enotourism novices, do not relate to wine as part of their lifestyle and seldom spend much time on reading specialty magazines, lingering in retail stores, talking to sales people or discussing wine and enotourism places with their friends.

Usually these wine novices simplify their choice by utilizing *price, label design, grape variety, brand, wine menus, restaurant wine stewards* and risk reduction strategies to assist in wine purchase decisions. By contrast, high involvement wine and enotourism consumers are more inclined to use complex information cues and buy more wine and spend more per bottle. To measure the involvement dimensions – *product involvement, brand involvement* and *purchase involvement* –, we used the overall mean and distribution derived from data and classified (*tow step cluster analysis*) the respondents into low or high involvement clusters. The overall mean was = 26.89 (SD =4.564) with a Cronbach's Alpha of 0.751, indicating good internal consistency of the items. This dichotomous variable - wine and enotourism consumer's personal involvement - acted as the dependent variable in 3 separate logistic regression analysis, taking the value 0 when subjects have low level of personal involvement with wine, and 1 when they have high level of personal involvement. The factor scores of wine *buying motivations, intrinsic/extrinsic cues* and *anthropomorphic wine perceptual structure* acted as the independent variables (*iv*). Of the 1203 respondents, 57,2% were wine and enotourism enthusiasts and 42,8 % were wine novices.

The results of binary logistic regressions suggest that different levels of wine purchase / consumption involvement can be explain by multiple factors – expectations, intrinsic/extrinsic cues and psychological ones. Nevertheless, only

TABLE I

VARIABLES IN THE EQUATION – BINARY LOGISTIC REGRESSION

Buying Motivations (Cronbach's Alpha = ,837)		Exp(B)	S.E.	Sig.
Step 6	Feeling enough informed to buy wine/enotourism places	2,384	,158	,000
	The type of food one will eat	1,550	,156	,005
	Having visited the DOC Region (enotourism experience)	1,401	,114	,003
	Knowing the DOC Region historical tradition	1,388	,131	,012
	Trust on the person who sells it	,754	,142	,047
	The information on the label	,733	,130	,016
-2 Log Likelihood		453,368		
Goodness of fit		907,906		
Cox & Snell – R ²		0,217		
Nagelkerke – R ²		0,290		
Overall correct predictions		87,9 %		
Intrinsic Perceived Quality (Cronbach's Alpha = ,839)		Exp(B)	S.E.	Sig.
Step 4	Wine aroma is diverse and intense	2,356	,165	,000
	The best wine comes from just one grape variety	1,677	,145	,000
	The best wine comes from the grape variety mixture	1,484	,157	,012
	The best wine comes from an excellent grape variety	1,454	,148	,011
-2 Log Likelihood		478,380		
Goodness of fit		69,232		
Cox & Snell – R ²		0,160		
Nagelkerke – R ²		0,214		
Overall correct predictions		68,0 %		
Extrinsic Quality (Cronbach's Alpha = ,661)		Exp(B)	S.E.	Sig.
Step 6	Wine and Enotourism brands are familiar/known to me	1,879	,155	,000
	The label of the bottles is clear	1,786	,172	,001
	The best wines are expensive	1,501	,173	,019
	Wine bottles design is attractive	1,401	,174	,053
	The information in the back label of the wine bottles is not clear	1,397	,140	,017
	I don't have enough information to choose wine/enotourism places	,546	,139	,000
-2 Log Likelihood		436,597		
Goodness of fit		112,240		
Cox & Snell – R ²		,246		
Nagelkerke – R ²		,328		
Overall correct predictions		73,9 %		
Anthropomorphic wine perceptual structure (Cronbach's Alpha = ,794)		Exp(B)	S.E.	Sig.
Step 3	Sociable	1,523	,150	,005
	Fun	1,409	,125	,006
	Young	1,288	,118	,033
-2 Log Likelihood		516,329		
Goodness of fit		30,941		
Cox & Snell – R ²		,075		
Nagelkerke – R ²		,100		
Overall correct predictions		59,7 %		

6 of those 16 original motivational describers can discriminate between high/low wine and enotourism involvement – “feeling enough informed to buy wine”, “the type of food one will eat”, “having visited the DOC Region (enotourism experience)”, “knowing the DOC Region historical tradition(enotourism experience)”, “trust on the person who sells it” and “the information on the label” (see Table I), while only 4 of those original intrinsic perceived quality factor can also discriminate between high/low wine involvement – “wine aroma is diverse and intense”, “the best wine comes from just one grape variety”, “the best wine comes from the grape variety mixture” and “the best wine comes from an excellent grape variety”. Differently, 6 of those 6 original extrinsic cues can discriminate between high/low wine involvements. Portuguese wine novice consumers use brands awareness, labels, price, bottle design, label/back label information to chose, but they claim they need more information. Additionally, analysis of the perceptual structure that consumers place on the product/service and brand image seeks to find within them the reflection of their own identity. The use in this study of a scale of anthropomorphic perception measure aims to identify the psychological dimensions that the Portuguese consumer recognize and projects on to the brand image(s) of still wine/enotourism places. Despite a general association of various personality traits of Doc Douro/Enotourism Douro, and as shown in Table 1., the results of Binary Logistic Regression by involvement high/low levels show that the degree of involvement with DOC Douro/Enotourism Douro is only determined by the traits sociable, fun and young. This positioning may facilitate individual brands’ in the adoption of “price premium” strategies, which reinforce among these segments an image of quality and exclusivity to attract younger and more dynamic market segments. Our results suggest that specific consumer knowledge components (subjective/objective) lead wine consumers to employ specific expectations, quality perceptions and psychological traits on their buying decision making process.

Conclusions

The findings of this ongoing study suggest that Portuguese wine and enotourism consumer use a small range of

factors as (1) a product/service cues: Price (*key selection criteria*); Region of origin/Enotourism places; Colour; harvest year & wine age (2) Secondary criteria: Personal experience (*key selection criteria*); Bottle design; Familiar brands and awarded ; Label (3) Marks a product Information gap.

This study highlighted what needs to be done to improve value perceptions and wine and tourism usage (1) Change the Portuguese wine and enotourism industry profile to adjust to huge competitive marketplace still production-based, more sales than marketing oriented , the market data are less important then production and sales ones (2) Relationship between the wine and enotourism company and final consumers must be enhanced strongly by "management synergies"; high "innovativeness to market"; "marketing research" & an effective brand strategy.

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