



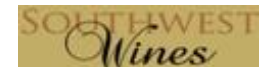
2011 ANNUAL CONFERENCE & TRADE SHOW *of the* TEXAS WINE & GRAPE GROWERS ASSOCIATION

Reaching the Hispanic Wine Market: Highlighting the Opportunities

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Need Statement

- 🍷 People of Hispanic or Latino origin comprise 36.5% of the total population of Texas, compared to 15.4% of the total U.S. population (U.S. Census Bureau, 2008)
- 🍷 Differences in ethnicity are virtually ignored in wine marketing
- 🍷 Texas Wine Marketing Research Institute found that Hispanic wine consumers represent a significant portion of the total wine market in Texas (*13.6% of the sample*)
- 🍷 No information is available about the Hispanic wine market
- 🍷 More information about this market is needed in order to find effective ways to market to these consumers

A graphic in the top-left corner featuring a silhouette of the state of Texas. Inside the Texas outline, there is a black wine bottle with a white label, a wine glass filled with red wine, and a bunch of dark grapes.

Background

- 🍷 The modern wine market seems to be rapidly changing with growing importance of other ethnic markets, especially Hispanic consumers
- 🍷 Hispanic adults have been developing a taste for wine in recent years
- 🍷 In 1998, the percentage of Hispanics who consumed domestic table wine was 12 per cent, which jumped to 22 per cent in 2003

(Hussain, Cholette, and Castald, 2007)



Background

- 🍷 A 2004 survey by the Wine Market Council asked people if they were drinking more, less, or the same amount of wine as the year before.
- 🍷 While wine consumption frequency increased by 11 per cent among whites, it rose by 31 per cent among Hispanics

(Jung, 2005)



Purpose

Project Purpose:

- 🍷 preliminary exploration of wine consumption patterns and purchasing behavior of the Hispanic consumer market in Texas

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Research Design

- 🍷 *Method:* focus groups (round-table discussions usually attended by 5 to 12 people and led by a discussion leader (moderator))

- 🍷 *Sample Selection Criteria:*
 - 🍷 Participants met the requirement of the legal drinking age of 21+ years
 - 🍷 Participants identified their ethnicity as the Hispanic or Latino origin
 - 🍷 Participants had some interest in wine (moderate wine consumption)



Procedures

- 🍷 Three focus groups conducted in Lubbock by the Texas Wine Marketing Research Institute at Texas Tech University
- 🍷 Two focus groups were conducted in English (*for predominantly English-speaking consumers of the Hispanic origin*)
- 🍷 The third focus group was conducted in Spanish (*for predominantly Spanish-speaking consumers of the Hispanic origin*)
- 🍷 The focus groups were split by age differences:
 - 🍷 One younger group: 21-30
 - 🍷 Two older groups: 31-56
- 🍷 Each focus group comprised eight to ten participants





Procedures (cont.)

- 🍷 The focus group were conducted in a conference room equipped with video and audio capabilities and a one-way mirror for observation
- 🍷 Professional moderator led the participants through a series of questions (discussion guide)
- 🍷 Discussion guide was designed by the Texas Agri-Tourism and Wine Marketing Committee and finalized by the researchers
- 🍷 The discussions were video and audio recorded
- 🍷 The recordings were used for content analysis





A graphic in the top-left corner showing a silhouette of the state of Texas with a wine bottle and a glass of wine overlaid on it.

Emerging Themes

 ***Interest in wine developed:***

-  mostly through family links, friends
-  travel to a winery sparked the interest




 ***Type of wine preferred:***

-  overall red preferred more than other types of wine
-  older groups preferred more dry wine than the younger group
-  younger group expressed preference in sparkling wine (consumption by itself)
-  Spanish speaking group seems to favor sweet wines more






Emerging Themes

Brand preferences:

-  Most prefer to experiment with different brands
-  No brand loyalty to specific brands
-  Occasional preference for country of origin (Latin America/Australia)



Occasion for consumption:

-  Home consumption: prefer to experiment
-  On-premise: risk-reduction strategies (go with the known brand)
-  Restaurant consumption: willing to choose a brand that they did not try before (*probably due to smaller quantities, less risk. Thus, by-the-glass programs are important*)





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Emerging Themes

Places to buy wine:

-  grocery stores preferred by women (convenience factor)
-  liquor stores preferred by men (more variety)




Information Sources about wine:

-  Mostly word-of-mouth (friends, relatives)
-  Knowledgeable sales personnel
-  Recommendation by restaurant staff
-  Food and wine magazines (Spanish speaking group)



Emerging Themes

Food pairing:

-  Typically, wine is not associated with Mexican food
-  Pasta and steak were named repeatedly as food that goes with wine
-  Interestingly, wine is associated with **good** food (perceived as a special occasion drink)

“In Mexico, wine is a status. It’s for a white cloth table meal, with a steak, and nice silverware.”

A graphic in the top-left corner showing a silhouette of the state of Texas with a wine bottle and a bunch of grapes overlaid on it.

Emerging Themes

🍷 ***Presence of the Spanish language:***

- 🍷 *Younger group* – we do not seek it out, but it's nice if it's there. Attracts your attention, reminds you of your roots.

“If I have to choose between two bottles, I’d choose the one with Spanish words on it. They took one step further to attract customers like me.”

- 🍷 *Older group* – Spanish does not seem to have an effect on purchasing decisions, even for the Spanish speaking group




“It doesn’t sway me one way or another. At all”

“I think that the language doesn’t matter; it doesn’t interfere with my preferences”

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Emerging Themes

Health Benefits:

-  *Younger group* – not much focus on health benefits. Enjoyment of life and wine is the focus.
-  *Older group* – more considering health benefits, especially when drinking red wine
-  Health benefits were valued more in the Spanish speaking group

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Suggestions for the industry

- ✦ ***Generational factor*** (first, second, third) needs to be taken into consideration

“... you have to take acculturation into account because I think there is definitely a difference in how you target people from those of us who were born here, those who migrated here, how long they’ve been here, kind of how they re-identify themselves”



Suggestions for the industry

- ❖ ***Wine being perceived as a product for “higher income market”***

“wine is for the high class person and if a Mexican orders a wine, they will look at him like, why are they ordering a wine? They should be ordering a beer with a tequila shot. I think one thing the wine industry hasn’t done is market to Hispanics on our TV, and such. Most Mexicans may drink Corona, and also drink Bud Light, but they do a very good job of marketing to us. And it’s an American company. So, I’m more than sure, if they [wine industry] really wanted to, they could”



Suggestions for the industry

 **Wine is not a very popular drink**

“you are kind of frowned upon when you drink wine, but another factor is the culture, too. The Hispanic culture. They tend to drink more beer and hard liquor. But there is still time to go into that target market, which hasn’t been established. There is an opportunity for that happening. Marketing in Spanish is the key”

“the person in advertising should be “like “me, otherwise I don’t get it. If there are no people in the commercials that look like Hispanics, you are missing that market. The words in Spanish, otherwise you are missing”



Suggestions for the industry

 ***Make wine more accessible***

“As Hispanics, we need to know more. The last 10 times that I have been invited to a get-together by Hispanics, I have not seen wine, only beer. But I see wine in restaurants, with friends that enjoy wine. I think it’s to the benefit of the wine industry to think on how to make wine more accessible. United has samples on Saturdays. They need to do that in more stores.”



Limitations and Future Research

- 🍷 Exploratory nature of research
- 🍷 Small sample size
- 🍷 Focus group conducted in one region only (Lubbock)
- 🍷 Need for a broader spectrum of research design
- 🍷 Possibly a store intercept (pen-and-paper survey)
- 🍷 Online survey (especially younger generation)
- 🍷 Wider geographic coverage (San Antonio area?)



Conclusions

- 🍷 It's a promising market in Texas
- 🍷 The Hispanic market (and its purchasing power) is growing
- 🍷 Many Catholics (religion that does not oppose alcohol consumption)
- 🍷 Food is important – cooking at home is valued
- 🍷 Spanish language is important for younger generation
- 🍷 Acculturation brings different perspectives (and growing interest in wine)