

Relationship of Wine Consumers Self Confidence, Product Involvement and Their Purchase Decision

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INTRODUCTION

Demand for table wine in the U.S. is stronger than at any time since the 1970s.

This growth in wine demand places added pressure on gaining the attention of the United States wine consumer.

Understanding how consumers choose wine can assist in pricing, packaging, advertising, and merchandising strategies.



Consumer Self Confidence

- The concept most often used by consumer researchers to define consumer's perceived risk involves the uncertainty and adverse consequences of buying a product or service.
- With this uncertainty, risk-reduction strategies are developed by consumers.



Consumer Self Confidence – cont'd

- The uncertainty or perceived risk has mainly been viewed through performance and social risk.
 - Perceived risk can be created by attributes of a specific product; such as price, brand quality, or packaging (*performance risk*).
 - It can be linked to the individual's purchase goals of self consumption or gift giving (*social risk*).



Consumer Self Confidence – cont'd

- The choice and resulting perceived risk creates an anxiety-producing situation.
- Individual's realizing a product must be selected can cause feelings about their ability to handle the situation.
- In summary, self confidence is a consumer's
 - belief in their abilities,
 - a mental attitude of trusting or relying on oneself to make the right purchase decision,
 - a feeling of freedom from doubt.



Consumer Involvement

- Involvement is thought to exert a considerable influence over consumers' decision processes.
- Involvement can be linked to a wine purchase with high and low involved buyers reacting differently.
- Higher involved consumers utilize more information and are interested in learning more.
- Low involvement consumers simplify choices through risk reduction strategies, such as price, label design and retail sales personnel.



Consumer Demographics

- The role of demographics in the formation of market segments is well documented. Studies have found:
 - Wine consumption by age group has changed since 1995.
 - A gender comparison revealed certain front label cues significant to females.
 - Wine has a feminine image among men and this image prevents them from drinking wine.



The Study

This study examined how levels of consumer self confidence and product involvement interact:

- ✓ with attributes of wine packaging,
- ✓ which attributes consumers rely on when making a wine purchase, and
- ✓ whether consumers are influenced differently based upon their level of self confidence and product involvement.



METHODOLOGY

This study used a self-administered questionnaire to assess:

- ✓ socio-demographic characteristics (e.g. age, gender and income level),
- ✓ consumer behavior activities (e.g. frequency of use, type of information sources) and
- ✓ psychographic information (opinions, motivations and attitudes).



Sample Selection

The Study was conducted in the State of Connecticut.

- ✓ The questionnaire was pilot-tested at a retail wine store to assess the reliability and clarity of the questions.
- ✓ Data were collected through a convenience sample of two retail shops and five wineries.
- ✓ 1,000 questionnaires were handed out to customers.

There was a 34% response rate.



Data Analysis

The data were analyzed using descriptive statistics, exploratory factor analysis and multivariate analysis of variance. Post hoc testing was performed if the results were determined to be significant.



Data Analysis – Cont'd

Respondents were classified into high self confidence (“not concerned”), neutral and low self confidence (“concerned”) using the mean score and standard deviation.

Of the 339 respondents, 29% reported high self confidence, 39% were neutral, and 32% reported low self confidence.



Data Analysis – Cont'd

Following research conducted by Yuan et al. (2005), respondents were classified into low or high Involvement using the overall mean and distribution.

Respondents scoring below the mean were defined as the wine enthusiasts and those above were wine novices.

Of the 339 respondents, 49% were wine enthusiasts and 51% were wine novices.



RESULTS AND DISCUSSION

- Male (37%) were lower than that of female respondents (63%).
- Forty-three percent were over 55 years of age while 14% were under 35 years of age.
- Those with low self confidence represented 34% over 55 years of age and 26% under 35 years of age.
- Sixty-five percent had annual household income above \$75,000 with 9% reporting income less than \$35,000.
- Respondents with low self confidence represented 36% with household income greater than \$75,000.
- Forty seven percent had a graduate and post-graduate degree, with (37%) of those with low self confidence.



RESULTS AND DISCUSSION – Cont'd

As expected, respondents with high levels of self confidence found front label attributes vintage, varietal and label image, picture and logo significantly less important than those with low levels of self confidence.



RESULTS AND DISCUSSION – Cont'd

Males were significantly more likely to look for vintage and grape varietal when making a wine purchase as well as those with low self confidence.

Males with low self confidence and low involvement will ask for assistance at a retail shop when making a wine purchase decision.



CONCLUSION

Wine attributes are perceived differently by consumers; and depending on risk will choose wine differently.

Social, economic, functional and psychological aspects of a product are examples of risk associated with a wine purchase.

The results of this study showed the importance of front label knowledge as significant to respondents, with males and those with low self confidence relying on vintage and grape varietal.



CONCLUSION – Cont'd

This study found that respondents with low self confidence and low involvement, particularly males, price was an important cue.

As the price point increased above \$10, male respondents expressed more concern about the wine buying decision than did females.



CONCLUSION – Cont'd

It is difficult for the concerned and low involved consumer to know if a \$15 wine is worth the investment.

Consumers' must weigh quality (rating scores) against price to make the purchase decision.

Retailers and restaurants could use a simple price to quality ratio similar to the Quality Price Ratio (Monnens, 2006).



CONCLUSION – Cont'd

Identifying the consumers' levels of involvement and self confidence, and their wine buying preference cues will add a deeper understanding of the wine consumer.

Wine producers are facing a market where wine consumers are in need of useful, simple and pertinent wine information:

- ✓ The package
- ✓ Information sources
 - magazines
 - newsletters
 - shelf talkers
 - wine lists
 - retail sales associates



CONCLUSION – Cont'd

Before creating costly, innovative product development schemes, wine producers should understand how consumer self confidence and involvement impacts their decision to purchase wine.

Understanding these consumer needs will help wine producers or restaurants with wine lists focus their marketing. This will ultimately achieve better results and develop a loyal consumer base.



Questions

