

# Twisting Tradition: Consumers' Behavior Toward Alternative Closures

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# Introduction

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- o Consumers are continually making choices among products without adequate information to base their purchase decision
  - o Consumers lack full information about the quality variation of products simply because it is difficult to obtain
  - o In the case of wine, it is determined through consumption of the product well after the purchase is complete (Lockshin, 2003)
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# Introduction

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- o Corks have been the closure of choice since their introduction at the turn of the seventeenth century.
- o Until recently, natural corks were easy to remove from a bottle, chemically inert and had long term stability.
- o To many consumers a bottle sealed with a natural cork was the mark of a quality wine.
- o Corks are made from a naturally occurring material with a great deal of variation from cork to cork.
- o This, coupled with the current processing of the cork material, may result in wines with a musty or “corked” aroma.

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[Cork: Past, Present and Future](#)

# Introduction

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- o Consumers' concern for quality and the increasing competitiveness have forced manufacturers to alternative bottle closures
  - o Screw cap and synthetic corks have lead the way for alternative closure
  - o Effective partnerships between wine producers and marketing firms created strong acceptance by Australian, New Zealand, and South African consumers
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# Packaging

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- o Packaging can be of considerable value as a competitive marketing strategy
  - o A competitive advantage can be reached by using suitable packaging solutions in relation to market requirements, expectations and competition
  - o Traditional consumer goods company's, such as General Foods and Pepsi, have understood for a long time the importance of their packaging.
  - o These firms invest heavily to conduct marketing research ensuring they introduce packages that maximize sales.
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# Packaging

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- o The wine industry is starting to realize that packaging is important in gaining brand loyalty of consumers.
  - o Wine consumers are presented a wide array of products and product packaging to consider and the bottle stopper is part of that packaging.
  - o Packaging is important for quality purposes and is considered an integral part of the product - it is the first point of contact with a consumer
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# Packaging

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- o Style of closure adds directly to the look of the product and is considered by consumers as a direct reflection of the quality of the wine.
- o Examples such as screw-tops and Zork closures, non-glass containers, large formatted bottles or boxed wines have indicated a lesser quality product to consumers.
- o Research has found the type of closure was related to the choice of wine.

Cork = Quality  
Screw Cap = Lesser Quality

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# Problem With Cork

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- o A major consumer survey in 2004 on American consumer attitudes towards cork stoppers and screw caps, found 67% of the respondents preferred to buy wine with a cork stopper, while 52% rejected screw caps
  - o Synthetic corks and screw caps may be functional alternatives to cork but they may create serious problems:
    - ✓ poor brand image
    - ✓ potential inability for long term aging
    - ✓ reductive sulfur like characteristics in wine
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# Alternatives Wine Closures

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- o Alternative wine closures were developed as substitutes for sealing wine bottles in place of traditional cork closures
  - o Alternatives have grown in response to quality control efforts by winemakers to protect against cork failure as 5% - 8% of wine world wide is undrinkable because of natural cork failure
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# Alternatives Wine Closures

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- o Today there are many alternative wine closures available for use in place of natural corks.
  - ✓ Synthetic corks are relatively new to the wine market.
  - ✓ Stelvin is a brand name of the most popular screw cap.
  - ✓ Zorks are frequently used.



# Consumers' Behavioral Filters

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- o Research in consumer behavior looks at:
    - ✓ *Perceived Risk and Self Confidence:*
      - Perceived risk creates a state of caution or risk aversion and often leads to a variety of risk handling strategies
    - ✓ *Situational Use*
      - Based on the concept that the person/situation interaction affects consumer behavior more than either individual or situational factors alone
    - ✓ *Consumers' Knowledge*
      - Consumers' knowledge about a product plays an important part in the purchase decision
    - ✓ *Consumer Demographics*
      - The importance of consumer demographics is well documented in establishing a wine marketing strategy (Gender, age groups, Income)
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# The Purpose of this Study

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- o To examine how the following interact with attributes of wine closures and which attributes are relied on by consumers for wine purchases:
    - ✓ Gender
    - ✓ Situational use
    - ✓ Knowledge
    - ✓ Self-Confidence
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# Methodology

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- o Self-administered web based questionnaire assessing:
    - ✓ Demographic characteristics
    - ✓ Consumer behavior activities
    - ✓ Psychographic information
    - ✓ Consumer knowledge
    - ✓ Wine preference
    - ✓ Closed-ended five-point Likert type scale questions
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# Methodology

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- o 4 new variables were created:
    - ✓ Overall knowledge
    - ✓ Subjective knowledge
    - ✓ Objective knowledge
    - ✓ Overall self-confidence
  - o Postcards were created and included
    - ✓ The website address
    - ✓ Instructions
    - ✓ Unique pin number
  - o Data was collected for this study in Texas
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# Methodology

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- o A pilot study was conducted
  - o A convenience sample:
    - ✓ retail establishments
    - ✓ wine events was utilized
    - ✓ total of 675 postcard distributed
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# Results

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- o 45% response rate ( $n = 303$ )
    - ✓ 54% male, 46% female
    - ✓ 71% preferred natural cork
    - ✓ Males did have a higher preference for screw caps and synthetic than females
  - o Significant gender difference in subjective knowledge and self confidence.
  - o Bottle cost ranked as the most important purchasing attribute, followed by grape varietal, country of origin and brand name
  - o Males found varietal, origin and vintage more important than females
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# Results

- o Significant differences between genders:
  - ✓ Females were more likely to select wines with cork for dinner parties away from and at home than males

Importance of Specific Characteristics of Wine Packaging and Situational Use by Gender			
Characteristic	Overall Mean	Gender <sup>a</sup>	
		Male (n=159)	Female (n=134)
<b>Importance of Packaging Attributes:*</b>			
Cost per Bottle	4.1	4.1	4.1
Grape Varietal	3.9	4.0 <sub>a</sub>	3.8 <sub>b</sub>
Country/Region of Origin	3.9	4.1 <sub>a</sub>	3.7 <sub>b</sub>
Brand Name	3.7	3.6	3.8
Vintage of the Wine	3.6	3.7 <sub>a</sub>	3.4 <sub>b</sub>
Label Image, Logo and Color	2.7	2.6 <sub>b</sub>	2.9 <sub>a</sub>
<b>Quality Importance of Closure Attributes:*</b>			
Because Screw top seals indicate cheap wines	3.3	3.3	3.3
Because Cork seals are an indication of quality	3.2	3.2	3.3
Because Wax seals on a cork indicate quality/freshness	3.0	3.0	3.0
Because Foil covering over the cork indicates quality	3.0	3.0	3.0
Because synthetic corks are a sign of quality	2.6	2.3 <sub>b</sub>	2.8 <sub>a</sub>
<b>Respondent Concerned with Choosing Wine</b>	2.6	2.4 <sub>b</sub>	2.8 <sub>a</sub>

a=Means with different letters are significant at p=.05. \*=On a scale of 1= Strongly Disagree, 5=Strongly Agree \*\*=On a scale of Natural cork = 1, Synthetic cork=2 and Screw cap=3

# Results

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- o Gender and style of closure were significant to importance of situational use
    - ✓ Especially for:
      - dinner parties away from home
      - gift giving
      - special occasions
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# Results

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- o Females are more likely than males to choose cork as are those with low self confidence
  - o Gender, income, age and closure were significant to the level of subjective knowledge
    - ✓ Females feel less knowledgeable about wine
    - ✓ Those with less than \$45K in income felt significantly less knowledgeable than those with higher incomes
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# Conclusions

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- o Consumers are not ok with screw caps
  - o Women are concerned with making the right choice and will choose a wine with a cork over others
  - o Consumers still consider screw caps to be an indication of cheap wines and cork an indication of quality
  - o Overall, gender, self confidence, style of closure, subjective knowledge and some aspects of situational use can significantly influence purchase decisions
  - o Females more likely to consider synthetic corks as an indication of quality
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# Managerial Implications

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Based upon the results of this study:

- ✓ Consumers exhibit varying perceptions towards alternative closures.
  - ✓ There is uncertainty as to what a particular closure exactly means and how these closures play into different situational uses.
  - ✓ Consumers opinion should guide packaging designers to take into account the expression a packing cues transmits (screw caps imply cheap wines)
  - ✓ Producers needed to take an active role in educating consumers and understanding their needs.
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# Questions or comments?

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