Millennial Wine Consumers: Profiles and Responses towards Alternative Wine Packaging

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- **Texas Wine Marketing Research Institute**
- **A competitive grant issued by the Wine Market Council (graduate student research)**

Background and Justification

- Largest, fastest growing wine consumer segment in the U.S.
- Demanding new, exciting, convenient, and eco-friendly wine packaging (Haderspeck, 2014)
- **Alternative packaging:**

  Tetra Pak, oddly sized bottles, bag-in-box, plastic containers (e.g., pouches), aluminum cans etc.

Background and Justification

Research has shown...

- wine packaging design effects quality perceptions (Jennings & Wood, 1994; Reidick, 2003).
- screw-top closures, non-glass containers, larger formed bottles, and boxed wines are perceived by consumers as a lesser quality wine product (Reidick, 2003).

However...

- research has neglected to empirically explore the preferences and attitudes Millennial consumers have towards alternative wine packaging

Data Collection Procedures

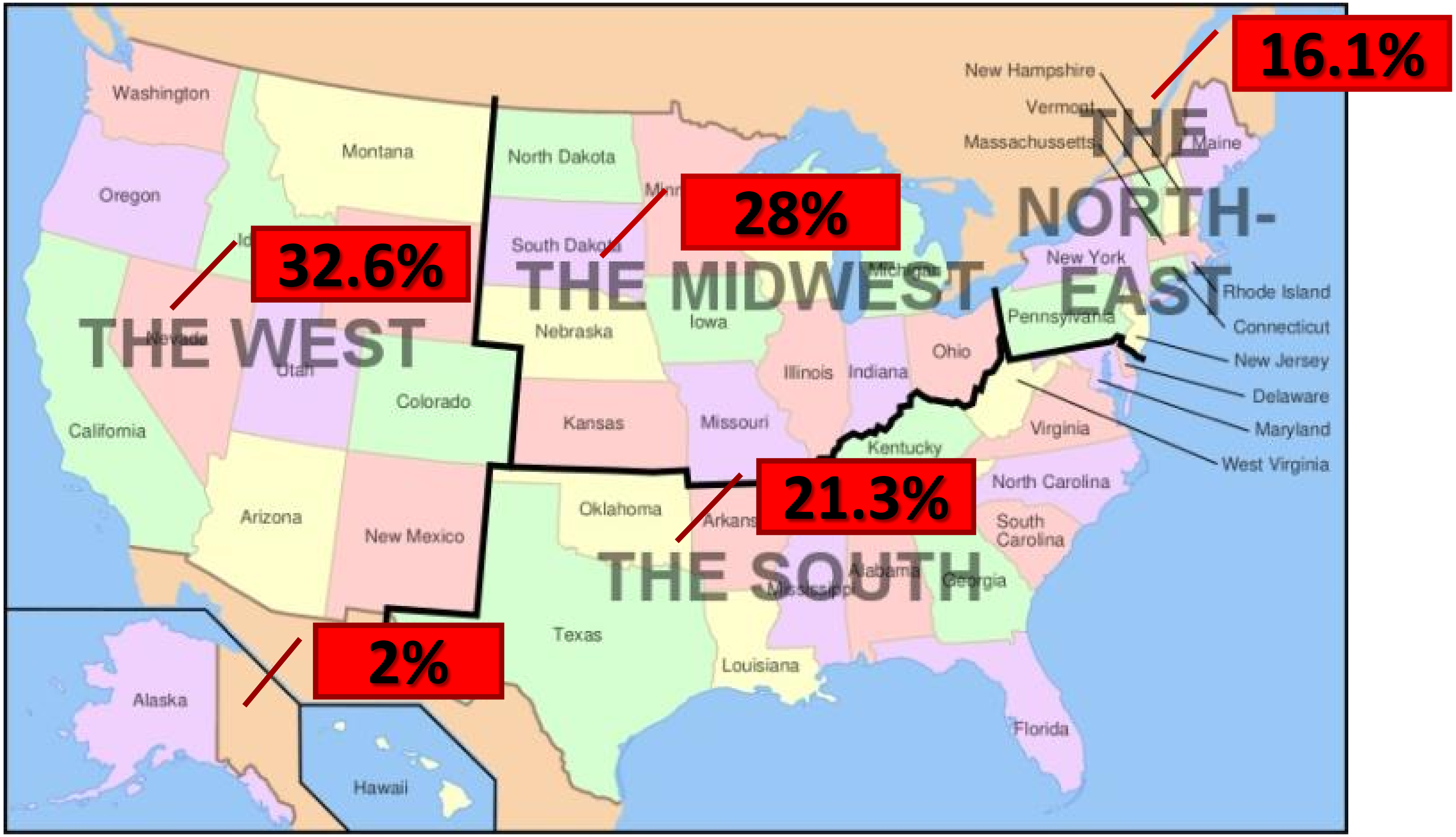
Phase I

- Focus group sessions (4) that concentrated on Millennials attitudes towards alternative wine packaging
- Sampled Millennials currently living in West Texas

Phase II

- Consumer survey was developed based on the focus group results
- Survey was distributed online via SSI panel
- A total of 2,418 were collected

Geographic Representation of Sample



Socio-Demographics of Sample

Identifiers	Percentage
Gender	
Female	49.2%
Male	50.3%
Age	
21-25	28.8%
26-31	37.3%
32-39	33.9%
Marital status	
Single	41.1%
Married/Domestic partnership	54.7%
Divorced/Widowed/Other	4.0%

Highest level of education completed

Education Level	Percent
High School not completed	1.7%
High School diploma	20.3%
Vocational / Technical School	8.6%
Currently in college	15.3%
College diploma (undergraduate)	30.6%
Graduate degree	23.0%
Total	99.6%

53.6%

Total annual household income

Annual Household Income	Percent
Under $20,000	11.0%
$20,001 – $40,000	21.9%
$40,001 – $60,000	22.4%
$60,001 - $80,000	18.4%
$80,001 – $100,000	12.8%
Over $100,000	12.9%

62.7%

Alcoholic beverage consumed MOST OFTEN

Beverage	Percent
Beer	29.0%
Wine	60.2%
Spirits	10.8%
Total	100%

How would you describe your wine knowledge?

Wine knowledge levels	Percent
Advanced	10.4%
Intermediate	47.1%
Basic	36.9%
No prior knowledge	2.9%
Missing	2.6%
Total	97.3%

84.0%

How important is wine to you?

Importance Indicators	Average*
Wine is an important part of my life	3.37
I have a strong interest in wine	3.59
I purchase wine regularly	3.72
I find wine fascinating	3.71

Note: *Based on a 5-point scale: 1 = ‘strongly disagree’ and 5 = ‘strongly agree.’

Are you a member of a wine club or organization?

Response	# of Participants	Percent
Yes	302	12.5%
No	2102	87.2%

How often do you consume WINE?

Frequency of consumption		Percent
Daily	44.2%	12.6%
Several times a week		31.6%
About once a week	34.3%	20.3%
Several times a month		14.0%
About once a month	15.6%	10.0%
Once in a couple of months		5.6%
A few times a year	5.7%	3.6%
Rarely		2.1%
Total		**100%**

Note: 'Never' - excluded from participation

What type of wine do you consume most often?

RED

55.9%

White

33.9%

Rose/Blush

8.5%

Champagne/ Sparkling

1.5%

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Do you prefer wine that is dry or sweet?

Preference	# of Participants	Percent
Sweet	1280	53.1%
Dry	485	20.1%
Equal Preference	640	26.6%
Total	**2405**	**99.8%**

Split for consumers who prefer RED wine

Preference	# of Participants	Percent
Sweet	584	43.4%
Dry	345	25.6%
Equal Preference	416	30.9%
Total	**1279**	**99.9%**

Involvement based on preference for dry or sweet

Preference	Factors		
	Knowledge*	Importance	Consumption Frequency*
Sweet	2.50	3.44	3.51
Dry	2.18	3.74	2.82
Equal Preference	2.17	3.80	2.88

Note: Scores are averages. *A higher score indicates lower level

Millennials that prefer sweet wines consume less wine than others

Do you prefer wine that is dry or sweet?

Age	Sweet	Dry	Equal Preference
21-25	61.7%	16.3%	22.0%
26-31	52.8%	18.8%	28.4%
32-39	46.2%	25.2%	28.6%
Total	52.7%	27.6%	11.3%

As Millennials age increases so does their preference for dry wines.

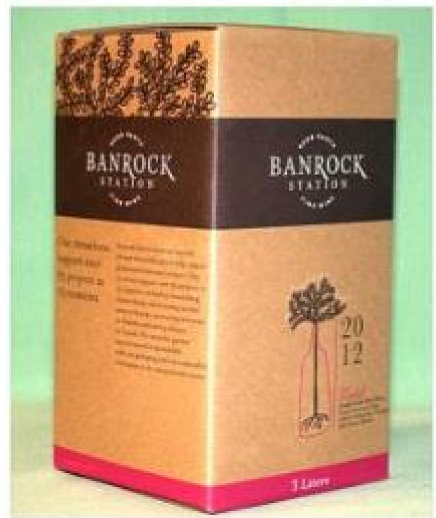
Factors that influence wine purchases

Factor	Order of Importance								
	1	2	3	4	5	6	7	8	9
Info on back of label	126	124	155	**195**	**172**	**169**	119	85	6
Label design	68	112	**179**	**218**	**241**	**200**	97	33	3
Package design	27	64	132	**192**	**248**	**223**	**201**	56	8
Price	**337**	**279**	**192**	118	86	59	45	33	2
Brand	**198**	**240**	**193**	140	138	117	88	35	2
Variety	**328**	**202**	144	90	82	161	100	41	3
Country of origin	35	98	119	119	107	127	**337**	**192**	17
Location on shelf	9	25	28	70	70	93	**151**	**655**	50

Notes: 1 = Most Important and 9 = Least Important. Highlighted figures represent the top three factors within each level of importance. * included; alcohol content, recommendations from friends and experts, and environmentally friendly.

Alternative Wine Packaging Design

- Packages were chosen based on focus group responses
- Respondents were asked to indicate their level of familiarity and attitudes towards each brand



Which situations would prompt you to buy wine in alternative packaging?

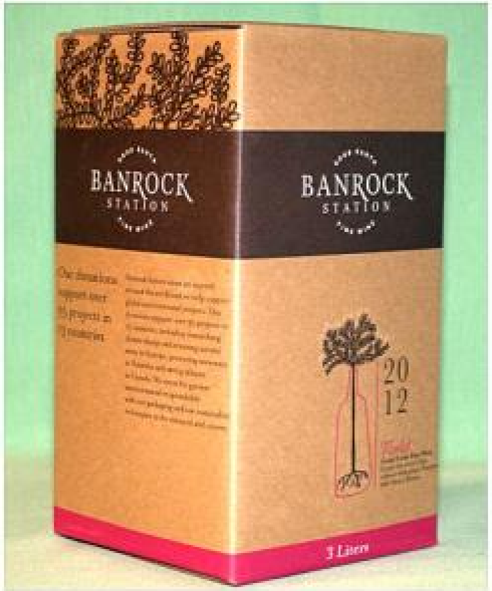
Situation	Percent of YES responses
For regular consumption at home	55.4%
When gathering with friends	57.2%
For outdoor events like concerts	42.7%
For a picnic	44.0%
For beach or lake outings	40.5%
Camping	36.4%
Sporting events	20.7%
Family gatherings like Christmas	45.0%
Girls/Boys night out	27.9%
To give as a gift	40.6%
To take to work related gatherings	20.6%

Note: Participants could select more than one choice

Alternative Packaging Type #1

Bag-in-box (BIB) – 3L

Matted brown finish with thin (Cambria font) script and environmental message and image



Selected Focus Group Quotes: Type #1

"I like the organic look; it looks like it's been recycled and I dig it."

"...our generation really likes modern: sharp edges & simplistic labelling, a minimalist sort of thing..."

"This one is four bottles of wine in one box. That's super convenient."

"...[Minimalism] tells me that the company spends money on their [products], produce a good product, so I think more of their products and the wine."

Type #1 Design Characteristic Responses

Design Element		Percent
Modern	Aesthetic	47.7%
Elegant		49.5%
Sophisticated		46.1%
Serious		53.0%
Plain		48.4%
Practical	Function	51.0%
Convenient		48.2%

Type #1 Packaging Perceptions

Prompt	Average
Attractiveness and Aesthetics	3.34
Functionality	3.58
Value	3.51
Quality of Product – based on the packaging	3.45
Note: Based on a 5-point Likert scale, 1 = Strongly disagree & 5 = Strongly Agree	

Alternative Packaging Type #2

Bag-in-box (BIB) – 3L

Glossy black finish with neon colored polka dots and bold type script

Selected Focus Group Quotes: Type #2

"…the flashier the container or packaging is the more juvenile [the product becomes]."

"Quit trying flashy packaging."

"Not the polka dots, it's just too busy"

"I feel like they [marketers] gear a lot of cheaper wines towards [younger Millennials], so the labels and the packaging always look really cheap"

Type #2 Design Characteristic Responses

Design Element	Percent
Exciting	69.0%
Colorful	71.5%
Modern	68.2%
Funny	47.7%
Cluttered	47.2%
Tacky	46.7%
Unusual	48.2%

Aesthetic

Type #2 Packaging Perceptions

Prompt	Average
Attractiveness and Aesthetics	**3.14**
Functionality	**3.53**
Value	**3.31**
Quality of Product – based on the packaging	**3.08**

Note: Based on a 5-point Likert scale, 1 = Strongly disagree & 5 = Strongly Agree

Alternative Packaging Type #3

Aluminum cans – 4-pack 187ml

Glossy finish with bright pink colors and white cursive script

Selected Focus Group Quotes: Type #3

"I Just can't take wine in a can seriously." – Younger Millennial

"I like the can because I could walk down the street, drinking wine and nobody would question me."

"[Wine in a can] looks fun, I'd try it." –Older Millennial

"[Buying Type #3] would depend on the context more than just the design [color] of the packaging."

Type #3 Design Characteristic Responses

Design Element		Percent
Exciting		57.7%
Colorful		64.2%
Sophisticated	Aesthetic	52.8%
Elegant		51.1%
Modern		52.6%
Convenient		52.8%
Practical	Function	48.7%
Useful		48.3%

Type #3 Packaging Perceptions

Prompt	Average
Attractiveness and Aesthetics	3.67
Functionality	3.61
Value	3.37
Quality of Product – based on the packaging	3.61

Note: Based on a 5-point Likert scale, 1 = Strongly disagree & 5 = Strongly Agree

Alternative Packaging Type #4

Plastic Bottles– 4-pack 187ml

Glossy finish, orange/yellow and white color scheme, limited graphics and "traditional" label design

Selected Focus Group Quotes: Type #4

"I like the individual glasses [mini-bottles]."

"If I was going to trust a different packaging, besides a bottle, I would pick the [mini-plastic] bottles."

"I could throw [mini-bottles] in the fridge, in the cooler, and you wouldn't have to worry about it."

"I've bought [mini-bottles] to keep in my refrigerator. I like to drink at home but not always a whole bottle."

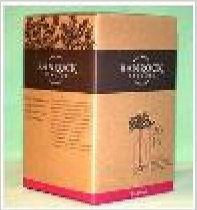
Type #4 Design Characteristic Responses

Design Element		Percent
Traditional		64.2%
Serious	Aesthetic	70.5%
Plain		52.3%
Usual		53.9%
Convenient		66.8%
Practical	Function	64.5%
Useful		55.2%

Type #4 Packaging Perceptions

Prompt	Average
Attractiveness and Aesthetics	3.33
Functionality	3.83
Value	3.83
Quality of Product – based on the packaging	3.38
Note: Based on a 5-point Likert scale, 1 = Strongly disagree & 5 = Strongly Agree	

Packaging Perceptions -Comparison

Prompt	Type 1	Type 2	Type 3	Type 4
				
Attractiveness and Aesthetics	**3.34**	**3.14**	**3.67**	**3.33**
Functionality	**3.58**	**3.53**	**3.61**	**3.83**
Value	**3.51**	**3.31**	**3.37**	**3.83**
Quality of Product	**3.45**	**3.08**	**3.61**	**3.38**

Note: Based on a 5-point Likert scale, 1 = Strongly disagree & 5 = Strongly Agree

Major Themes Detected

- Convenience and Functionality
- Peer Evaluation (Social perceptions)
- Overall Design
- Price and Value
- BIBs, cans, and plastic mini-bottles were discussed most often
- Situational Usage

Millennial Consumers

Involved wine consumers

- knowledgeable and interested in wine
- consume wine fairly regularly
- Younger Millennials expressed interest in beer as well

Differ in opinions

- **Gender**
  - Males are more likely to spread their beverage dollar
  - Females have slightly stronger preference for wine
- **Age**
  - As they increase in age so does their preference for dry red wine
  - Younger Millennials more likely to give alternative wine as a gift and/or share with friends

Alternative Wine Package Design: Best Practices

- **Packaging** plays a **secondary** role
  - Marketers should balance pricing strategies, product design, and target market
- **Usage** is **situational** based
  - Gathering with friends and family
  - At home use - cooking & personal consumption
  - Limited outdoor usage - picnics
- **Design** elements should **align** with **packaging purpose**
  - Fun vs. Serious
  - Usage varies based on age of Millennial and situation

Alternative Wine Package Design: Best Practices

- Incorporate **minimalism** and **modern** design approach
  - Younger Millennials were turned off by flashy designs
- **Eco-friendly** elements were well received
  - Natural color schemes
  - Environmental message
    - Avoid green-washing
- **Packaging design** should convey **Value** and **functionality**
  - Mini-plastic bottles vs. 3L BIB
- **Balance** value, functionality, and design to **improve** overall **quality** perceptions

Thank You

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