

Tbilisi 2022 Abstract Submission

Title

Sustainably Produced Wines: Influence of Consumers Age on Attitudes and Willingness to Pay

I want to submit an abstract for:

Conference Presentation

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Keywords

Sustainable Production; Age; Millennials; Attitudes; Willingness to Pay; Global

Research Question

Do young wine consumers have a more positive attitude towards sustainably produced wine and are they willing to pay for it compared with older consumers?

Methods

A survey captured the knowledge and attitudes of consumers and their willingness to pay for sustainably produced wine. Descriptive statistics were used to analyze the data.

Results

Younger consumers view drinking sustainably produced wine as more important than older consumers. Younger

consumers also had a higher willingness to pay for sustainably produced wine.

Abstract

The aim of this paper was to assess the differences between young and old consumers towards sustainably produced wine and their willingness to pay a premium for it across six countries (Australia, Chile, France, Italy, South Africa, United States).

Wine consumers are many and varied. Many studies have been undertaken to understand whether wine is best sold based on gender and/or age. Other research has questioned the effect of price, rating and label on consumers purchasing intentions. A more recent development in the wine purchasing literature has endeavored to understand how an eco(logical) certification motivates an individual to purchase or avoid buying wine produced using non-traditional / no intervention in the cellar methods.

Wine consumers vary with respect to their frequency of consumption and purchasing behavior based on their age (Casini et al., 2009). Millennials (also known as generation y, echo boomers, or nexters) were found to frequent and subsequently purchase less at the tasting room than older consumers (Bruwer, 2012). However, results are mixed as some studies show they consume more wine (Villanueva et al., 2015) and others that they consume less wine (Ritchie, 2011). However, millennials are heavily driven by wine marketing activities such as promotion and labelling (Chrysochou, et al., 2012); Lunardo & Guerinot, 2007). They are willing to pay more, use media to suggest a suitable price, and consume a higher share of white wines - but this could be an age effect that could change over time (Ritchie, 2011; Teagle et al., 2010). Millennials need advertising that shows fun, social, relaxed settings; innovative packaging and labels; taste enhancements and environmental emphasis (Thach & Olsen 2006). Respondents between the age of 31 and 40 years of age were found to show the greatest concern and self-confidence to purchase a bottle of wine in one study (Barber et al., 2006). Meanwhile, men over 65, who are educated, wealthy, and physically active are some of the heaviest wine consumers (Blaylock and Blisard, 1993).

Two hypotheses underpin the study. One, younger consumers would be willing to pay a premium for sustainably produced wine if they viewed eco-certification as important and generally have positive views about the benefits of sustainability, compared to older consumers. Second, younger consumers will have a higher willingness to pay a premium for sustainably produced wine compared to older consumers.

An online survey was developed to capture the knowledge and attitudes of consumers and their willingness to pay for sustainably produced food and wine. Data from approximately 2400 consumers was collected. Descriptive analysis was performed to identify if certain socio-demographic details (age, previous purchasing behavior) of respondents influenced their attitudes and willingness to pay a premium for sustainably produced wine and to examine whether the willingness to pay a premium for sustainably produced wine differs significantly based on age and importance of eco certification to the consumer. Further analysis of the data will occur and be presented at the annual meeting.

The characteristics of the sample were: gender - 50% each of male and female; 60% under the age of 44; 66% had attended college/university; and median income was USD 95,000.

The descriptive analysis results are shown in Table 1 and indicate that younger consumers viewed sustainable wine certification as very or extremely important by a margin of 38% to 33% compared to older consumers.

Figures 1 and 2 showed that irrespective of the gender of respondents, younger respondents had a marginally higher willingness to pay for sustainable wine than older respondents. Moreover, young respondents who viewed wine certification as moderately to extremely important had higher willingness to pay a premium for sustainably produced wines than older respondents with identical views.

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Table 1 Descriptive Analysis

Sustainable wine certification is important		
	Frequency	Percentage
Not sure or Not at all important		
Age 45 or more	243	25.2
Age 18-44	317	21.25
Slightly important		
Age 45 or more	130	13.5
Age 18-44	192	12.8
Moderately important		
Age 45 or more	266	27.6
Age 18-44	402	26.9
Very important		
Age 45 or more	209	21.7
Age 18-44	400	26.8
Extremely important		
Age 45 or more	115	11.9
Age 18-44	181	12.1

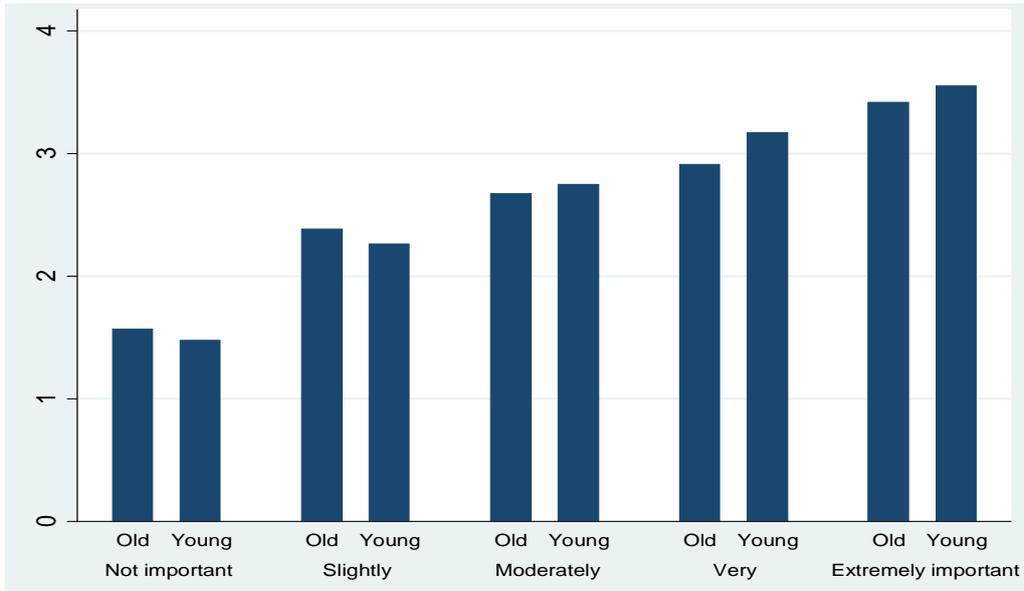


Figure 1: Willingness to pay for sustainably produced wine by age group and views on importance of eco certification

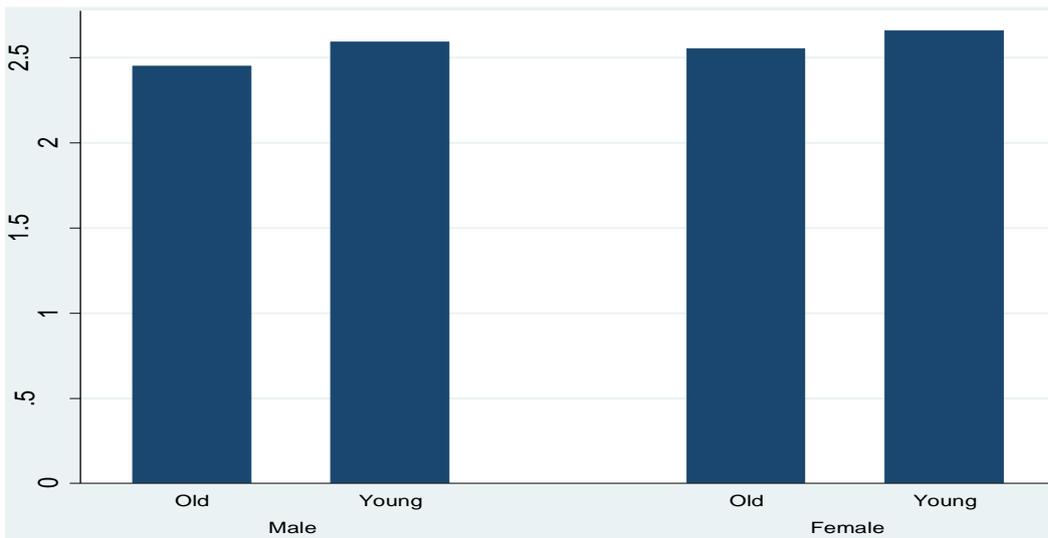


Figure 2: Willingness to pay for sustainably produced wine by age group and by gender