



Technological change in the wine market? The role of QR codes and wine apps in consumer wine purchases

Lindsey M. Higgins^{a,*}, Marianne McGarry Wolf^b, Mitchell J. Wolf^c

^aAgribusiness Department, California Polytechnic State University, 1 Grand Ave, San Luis Obispo, CA 93407, USA

^bWine and Viticulture Department, California Polytechnic State University, 1 Grand Ave, San Luis Obispo, CA 93407, USA

^cOrfalea College of Business, California Polytechnic State University, 1 Grand Ave, San Luis Obispo, CA 93407, USA

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Abstract

As an experiential good, wine purchases in the absence of tastings are often challenging and information-laden decisions. Technology has shaped the way consumers negotiate this complex purchase process. Using a sample of 631 US wine consumers, this research aims to identify the role of mobile applications and QR codes in the wine purchase decision. Results suggest that wine consumers that consider themselves wine connoisseurs or experts, enjoy talking about wine, and are interested in wine that is produced locally, organically, or sustainably are more likely to employ technology in their wine purchase decision. While disruption appears to have occurred on the supply side (number of wine applications available and the number of wine labels with a QR code), this research suggests that relatively little change is occurring on the demand side (a relatively small segment of the population—those already interested in wine—are employing the technology to aid in their purchase decision). © 2014 UniCeSV, University of Florence. Production and hosting by Elsevier B.V. Open access under [CC BY-NC-ND license](http://creativecommons.org/licenses/by-nc-nd/4.0/).

Keywords: Consumer preferences; Technology; Information

1. Introduction

Wine is an experiential good that can not be fully experienced until it is consumed, thus in the absence of tastings or prior experience with the wine, the purchase decision is challenging for many wine consumers (Cooper-Martin, 1991). In addition to the experiential nature of wine, wine is also an information-laden product that can be overwhelming for the uneducated wine consumer (Drummond and Rule, 2005). Technology has changed the way consumers make purchase decisions and the

wine industry is no different. With technology, wine purchasing has become part of the information era (Halstead, 2013). The potential is there for consumers to make informed wine purchases with smartphones in their hands, wine apps running, and quality to price trade-offs with the help of online information applications such as Cellar Tracker. Now more than ever, consumers have access to a vast amount of information at their fingertips allowing them to make decisions that are informed by expert reviewers, quality to price measures, and social influencers. The internet, and more specifically mobile internet, has changed the way we go about our everyday lives (Qualman, 2009). Although research suggested that wineries themselves have lagged behind other industries in adopting web 2.0 technologies (Thach, 2009), recent research has shown that most wineries in the US have adopted social media (Bouquet, 2012). Have wine consumers moved into the technological age?

The primary objective of this research is to explore the current technological disruption in the wine industry and isolate the impact of these technologies on wine purchases. Specifically, the research focuses on two areas of potential

*Corresponding author. Tel.: +1 805 756 5016; fax: +1 805 756 5040.

E-mail addresses: lhiggins@calpoly.edu (L.M. Higgins),

mwolf@calpoly.edu (M. McGarry Wolf), mjwolf@calpoly.edu (M.J. Wolf).

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disruption: mobile wine applications (apps) and QR codes. Consumer preferences and the role of each technology in the wine purchase decision will be explored. As a secondary objective, consumers most likely to respond to these technologies, based on wine consumption behavior, demographics, wine knowledge, and other sources of wine information will be isolated. Based on the segments, insight will be provided on potential market opportunities and gaps still existing in the research. While the popular press has talked about each of these technological tools extensively, there has been little peer-reviewed research on their role in the wine purchase decision. The timeliness of this research will help shape decisions for the wine industry in finding their market segments, as well as lay groundwork for further research.

1.1. Literature review

Technology has shaped the way consumers make purchases (Grewal et al., 2012). Nearly 55% of all American adults and two-thirds of all young adults own a smartphone (Smith, 2013). Smartphone owners are now more prevalent within the overall population than owners of more basic mobile phones and 50% of Americans download apps on their phones (Duggan, 2013; Smith, 2013). Mobile phone applications (“apps”) have generated substantial interest among marketers, primarily because of their high level of user engagement and the positive impact this engagement has on a user's attitude toward the sponsoring brand (Bellman et al., 2011). As an extension of apps in general, mobile purchasing applications are thought to be the future of the online consumer buying experience.

Bellman et al. (2011) found that the use of mobile apps can have a positive persuasive impact for a brand through increasing interest in the brand and the brand's product category. In fact, the relevance of the product category makes no difference. Apps with an information/user-centered style were the most effective at shifting purchasing intention (Bellman et al., 2011). Meanwhile, the plethora of wine apps continues to expand offering wine lovers the ability to learn more about wine, to purchase wine directly, to discover new wines, and to record their own tasting notes of wines they have tried. Wine.com recently partnered with a mobile payment provider, allowing consumers to purchase a wine from their mobile device using the official wine.com smartphone app. The app allows someone to taste the wine at an event or tasting room and immediately purchase the product from his or her smartphone instead of searching for the wine at a retailer. In addition, wine bottles with the wine.com QR code on the label make it simpler for the consumer to purchase the product; just scan the code and buy it with your mobile device (Bakas, 2012). The application Hello Vino by Drive Thru Interactive, offers the ability for users scan wine labels and to purchase wine within the application itself. In addition, Hello Vino, makes personalized wine recommendations for users. Vivino claims to be the number one wine app on the iTunes App Store and, upon snapping a photo of a wine label, will provide users with

information about the wine, including reviews from Vivino's online community and consumer purchasing options.

Quick Response (QR) codes have grown from a supply chain strategy tool to a marketing tool used for linking consumers to key product information at the point of purchase. There are numerous smartphone applications designed for scanning and reading QR codes, including RedLaser by eBay, Quick Scan by iHandy, QR Reader by TapMedia, and Bakodo by Dedoware. While most of the QR reader applications are free to the consumer, however some are priced in the \$1.99 to \$4.99 range. Comscore (2012) reported that the use of QR codes in Europe increased 96% between 2011 and 2012, reaching 17.4 million users in July of 2012, with the vast majority of these users scanning the QR code for product information (3 out of every 4). In October of 2011, 20.4 million Americans used their smartphone to scan a QR code for product information (Comscore, 2012). Okazaki and Barwise (2011) point to QR codes as an area of emerging research and growth in retailing.

The viability of QR codes has been called into question and some will go so far as to say that marketers may be more in love with the tool than consumers. However QR codes are generally believed to be leading marketers one step closer to interactive marketing (Shin et al., 2012). Product knowledge is a key concept in consumer decision-making and QR codes have the ability to deliver information at the point of need (Raju et al., 1993). This may be particularly relevant for the wine industry, given the experiential and information-laden nature of the product. Use of a QR code to provide product information is consistent with information search as the primary method of risk reduction in the wine purchase decision (Mitchell and Greatorex, 1989). With the concern over counterfeit and “fake” wines in China, Pernod Ricard announced that all of their products sold in China will have QR codes on their packaging by April 2014 (Morton, 2013). QR codes may be especially relevant for younger wine consumers that are making purchases out of convenience, who do not have a significant amount of wine knowledge, and are more likely to be engaged electronically when compared to the more traditional wine purchaser (Lecat and Pelet, 2011). Likewise, Atkin and Thach (2012) suggest the value of QR codes for reaching the relatively uninformed Millennial wine consumer.

Just like the technologies themselves, the academic research on mobile marketing is still in its early stages. Age appears to be the key differentiator between consumers that are responsive to digital media and those that are not (Barutcu, 2007; Persaud and Azhar, 2012). Persaud and Azhar's (2012) findings suggest that value creation is one of the keys to successful mobile marketing and that value creation may be unique for each group of consumers.

Recent research has begun the exploration between the intersections of wine and new, technologically based marketing strategies. In her 2009 research, Thach explored the adoption rates of web 2.0 strategies among wineries. Based on a survey of 208 US wineries, Thach (2009) found relatively limited adoption of web 2.0 strategies including podcasts, video blogs, and blogs and suggested that a lack of resources may be part of the cause for limited adoption. However, adoption accelerated and in 2012 Able Research conducted a survey

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