



Millennial generation attitudes to sustainable wine: an exploratory study on Italian consumers



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ABSTRACT

Although much has been written about sustainable food consumption in the last few decades, obtaining reliable information on consumer preferences for new social/ethical and eco-labeled products can be an arduous task. At the same time, there has been increased academic and professional interest in the wine consumption behavior and attitudes of so-called Millennials (individuals aged between 18 and 35). Indeed, this generation has grown up in a period where new wine attributes (i.e. beyond origin, price and brand) have gained great importance, specifically those concerning environmental, ethical and social issues associated with conventional production practices. Nevertheless, Millennial consumer preferences and purchase decisions of sustainable wines have not been truly investigated. Based on a survey of 500 Italian respondents, we assessed Millennial consumer interest and willingness to buy three wines with specific labels certifying environmental, social and ethical attributes, namely a carbon neutral wine, wine produced on land confiscated from a criminal organization, and wine that devolves money to African institutions that combat AIDS. Our findings reveal that the label related to social features (Libera Terra) obtains the highest patronage rate (almost 75% of respondents). Applying a probit model, estimates show that living in an urban area, being female and older (age cohort 27–35) significantly increases the probability of buying sustainable wines. The results are particularly useful for marketers and entrepreneurs since studies that compare different sustainability aspects of wine are particularly scant and no research has yet focused on Italian Millennials.

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1. Introduction

Academic and professional interest towards Millennial wine consumption behavior and attitudes in “new world” countries is clearly growing (e.g. Chrysochou et al., 2012; Charters et al., 2011; Fountain and Lamb, 2011; Mueller et al., 2011; Olsen et al., 2007; Nowak et al., 2006; Treloar et al., 2004). The young adult cohort is an attractive segment for multinational firms across the globe, particularly in emerging markets (Thach and Olsen, 2006). Many industries and individual organizations are now realizing the importance of attracting this market as they have reached a stage in life where they are able to make their own spending decisions. Further, it is believed that they have the potential to form long-term loyalties with products which satisfy them at this vital stage (Pal, 2001). As regards wine consumption in particular, the new generations are considered to be the reason for the steady increase in wine sales in the US (Thach, 2011) and are believed to drive the new

trends (Felzensztein, 2011). By contrast, in other countries, even if Millennials are regarded as influential, they appear less interested in wine. This applies, for example, to France, as revealed by Thach and d’Hauteville (2008), Australia and New Zealand (Teagle et al., 2010; Treloar et al., 2004) and Germany (Hoffmann and Szolnoki, 2012). In particular, the most recent available data (OIV, 2012) reveal that both total and per capita wine consumption, in historic wine-producing countries, has continued the steady decline which started in the early 1980s also due to this generation new consumption patterns (Mtimet and Albisu, 2006). Indeed, the Millennial (or Generation Y, Nexters or the Nexus Generation, or Echo-Boomers) cohort (individuals aged between 18 and 35¹) has grown up in a period where other wine attributes (i.e. beyond origin, taste and price) have gained great importance, specifically those concerning environmental, ethical and social issues associated with conventional production practices. Whilst many authors have discussed the increased demand from these consumers for

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¹ These dates vary (even widely) by source ranging from starting as late as 1983 and ending in 2004 (see, among others, Gillespie, 2010; Tapscott, 2008; Howe and Strauss, 2000). Our sample was between 18 and 35 at the time of the survey.

green wines, a limited number of studies have reported consumer perception of different sustainable labels and claims. Previous research suggests that consumers, in general, are more strongly impacted by food claims related to the most important characteristics of food (namely safety, nutrition, taste, price) and that they value environmental more highly than social claims (Sirieix et al., 2012; Lusk and Briggeman, 2009; De Boer et al., 2007). Though in recent decades sustainable food consumption has been extensively studied (Verain et al., 2012), it is no easy matter to obtain reliable information on consumer preferences for new social/ethical and eco-labeled products introduced in the market. Moreover, currently the landscape of sustainability labels is heavily dominated by environmental metrics (Olsen and Galimidi, 2008).

As empirical research published on Millennial consumer preferences and purchase decisions of sustainable wine is currently quite sparse, our research goals were to gain insight into the attitudes Italy's Millennial generation consumers to three specific wines, addressing different sustainability issues. We selected these three wines as there is currently no product in Italy that fully incorporates the three dimensions of sustainability. The wine produced by Libera Terra, an association working on land confiscated from Mafia criminal organizations in Sicily and Apulia, was chosen for its strong social feature; the wine carrying the Wine for Life label – a charitable association among wine producers that devotes half a euro for every bottle sold to African institutions that treat AIDS – for its unambiguous ethical/charity attribute; and the wine with the carbon footprint label for its explicit environmental friendliness.

Specifically, we sought to answer three research questions:

- 1) What interest do Millennial wine consumers have in sustainable wines?
- 2) What is Millennial wine consumers' willingness to buy wines with different sustainable features?
- 3) Which variables are important predictors of Millennial wine consumers' willingness to buy these wines?

The current research provides a number of insights into the characteristics of young wine consumers in Italy. However, given the exploratory nature of the analysis, the results provided here should be considered qualitative in nature, and mainly offer an outline to steer future analysis. The paper is structured as follows: first, a brief framework of sustainability in the wine industry is provided together with a succinct description of the main characteristics of the Millennial generation; the data gathering process and methodology applied are then presented, core results are described, and finally the findings are critically discussed together with marketing implications and future research avenues.

2. Background

It is extensively argued by activists and some academics that much Northern consumer behavior is unethical and immoral because it frequently impacts negatively on the next generation, those living elsewhere, those not yet born, and on the environment (e.g. Sanne, 2002). Indeed, ultimately, all environmental impacts caused by man can be related to human consumption patterns (Carlsson-Kanyama et al., 2003) and waste production (Urry, 2010). Thus individuals, through their more conscious purchases, are called to act as citizens working toward a more sustainable future (Hinton and Goodman, 2010). However, sustainability is an abstract verbal construct with no objective meaning (van Dam and van Trijp, 2011) and it has over three hundred definitions (Manderson, 2006). In addition, currently there is a lack of consensus on a clear definition, no widely accepted terms of reference and no clear

understanding of the variables that influence sustainable living (Hume, 2010). Nevertheless, the academic literature is increasingly discussing the core advice to alter consumption patterns to foster sustainable consumption (e.g. Hinton and Goodman, 2010; Jackson and Michaelis, 2003) and a broad consensus has been reached on the fact that food is a priority area in which improvements are needed (Tukker and Jansen, 2006; Seyfang, 2005). Even if it is not feasible to provide a unanimously accepted definition of sustainable food consumption, a general consensus has settled around a consumption pattern that covers a wide variety of topics, including the environment, animal welfare, workers' rights and fair trade (Verain et al., 2012).

In this framework, like other food industries, the wine business has been increasingly driven by market and regulatory forces to assess, reduce and communicate environmental and social performance. At the same time there has been growing concern regarding environmental and social problems related to the wine industry, particularly in certain countries with a shorter tradition in winemaking (Australia, New Zealand, the USA and South Africa). In addition, wine companies have realized that sustainability constitutes a means of differentiation, which is crucial for increasing productivity and competitiveness. Consequently, sustainability has developed into a priority in the wine supply chain (Forbes et al., 2009; Gabzdyllova et al., 2009). Despite the above described scenario, the reasons behind consumers' adoption of sustainable practices, attitudes, and intention to purchase sustainable wines remain largely unexplored (Barber, 2010). In other words, there appears to be general interest in sustainability and sustainably produced wines but a lack of clarity on what exactly this means (Berghoef and Dodds, 2011). Whether consumer interests, attitudes and perceptions of sustainability in general impact on buying decisions is still highly disputed (Vermeir and Verbeke, 2006). Indeed, past research tends to disagree on whether eco-labeling or environmentally friendly labeling programs may be effective tools to motivate consumers to buy products (Teisl et al., 1999; Wessells et al., 1999).

Furthermore, as demonstrated by the cross-cultural study conducted by Szolnoki (2013), it is still very difficult to define the term "sustainability" because not only each country but also each entrepreneur has a different understanding of sustainability in the wine industry. Even today, the term is mainly (or only) associated with the environmental aspects of wine production, neglecting other important issues (i.e. workers' rights, community development, etc.). In the same research these authors also reveal that wineries generally agree that consumers are not well enough informed to appreciate sustainable wines. Similarly, other scholars (Gabzdyllova et al., 2009) have found that customers' demand was not one of the most important drivers behind the adoption of sustainable practices by wineries. Despite this, the wine industry has witnessed a proliferation of voluntary certification standards aimed at ensuring sustainable practices (e.g. certified California sustainable winegrowing, Integrity and Sustainability certified in South Africa, and Sustainable Winegrowing in New Zealand). However, academic and professional studies on the consumer perspective of wine sustainability are very recent and have mainly focused on two different streams of research: consumer behavior toward organic wines and consumer attitudes/purchasing intentions toward wines that have environment-friendly characteristics (such as being carbon neutral).

Current consumer awareness of sustainable winegrowing and winemaking is widely acknowledged to be rather limited. Furthermore, there remain major differences in forecasts of the number of wine drinkers willing to purchase sustainable wines in the near future. Most believe that consumers will not be willing to trade off the quality of a wine for environmental/social features

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