

# The consumer trail: Applying best-worst scaling to classical wine attributes

Fernando Nunes<sup>a</sup>, Teresa Madureira<sup>a</sup>, José Vidal Oliveira<sup>b</sup>, Helena Madureira<sup>c</sup>

<sup>a</sup>INSTITUTO POLITÉCNICO DE VIANA DO CASTELO - Escola Superior Agrária Convento de Refóios, 4990-706 Refóios do Lima, Ponte de Lima, Portugal

<sup>b</sup>INSTITUTO POLITÉCNICO DE LISBOA – Professor Jubilado da Escola Superior de Comunicação Social, Campus de Benfica, 1549-014, Lisboa, Portugal

<sup>c</sup>UNIVERSIDADE DO PORTO, Departamento de Geografia/CEGOT Via Panorâmica s/n, 4150-564 Porto, Portugal

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## Abstract

The main goal of this study is to gain a better understanding of the buying behavior of wine consumers in Portugal. More specifically, the study identifies extrinsic attributes that influence wine purchase choices in a retail store, crossing-tabulating the results with six classification variables. The authors use the best-worst scaling method with eighteen reference attributes for designing, implementing, and analyzing responses to a survey of 250 wine buyers. Results reveal that the most significant reference attribute is whether consumers had tasted the wine previously. These findings for Portugal are in accordance with what has been observed in other Western countries. The second most important attribute, region of origin, is also commonly identified in the literature as a significant attribute. The classification variables of age and gender help to explain the behavior of the majority attributes. Using a latent class analysis, the authors obtained a set of three segments that are representative of Portuguese wine consumers. The findings presented here have important implications for wineries and wine distributors in their efforts to know their consumers better in an off-premise context and thereby to maximize profit.

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**Keywords:** Wine attributes; Consumer choice; Off-premise setting; Best-worst scaling; Wine consumer

## 1. Introduction

Research on consumer behavior in retail contexts has assumed a special significance in recent years as globalization and a proliferation of brands and products, particularly in the food sector, have made the understanding of consumer choice and brand salience crucial to the success of firms (Dolbec and Chebat, 2013; Hamlin et al., 2012; Grisaffe and Nguyen, 2011; Waterlander et al., 2011; Thomson et al., 2005). Among food products, consumer behavior with respect to wine has been the focus of numerous empirical research studies, with 100 refereed articles published between 2004 and 2012 alone (Lockshin and Corsi, 2012). This increasing interest is in part due to the increasing cultural value that is associated with wine by urban consumers, for whom the choice of a wine has

become a complex and challenging task (Allen and Germov, 2010). The wine trade has for its part experienced increased production, the economic impact of which is significant. As matter of fact, in 2015, according OIV (2016), the world wine trade increased by 1.8% in terms of volume (to 104.3 million hectoliters) and by an even more impressive 10.6% (to 28.3 billion EUR) in terms of value compared with 2014. Owing to an excess supply of wine, however, the sector has been experiencing downward pressure on prices and a difficult environment for brand-building (Rannekleiv et al., 2012). Because the hundreds of referrals in the market and the emergence of new brands and sub-brands, choosing a wine in a retail store has become a complex and difficult task that many Western consumers find intimidating (Lockshin, 2003; Sutanonpaiboon and Atkin, 2012). The myriad of items on offer, similarity in format, price diversity, and the increasing gap between ordinary consumers' knowledge and the complexity of the choices before them, are all factors that wine buyers must face. As pointed out by Perrouty et al. (2006), those who wish to purchase wine may experience confusion owing to a

E-mail addresses: [fnunes@esa.ipvc.pt](mailto:fnunes@esa.ipvc.pt) (F. Nunes), [teresa@esa.ipvc.pt](mailto:teresa@esa.ipvc.pt) (T. Madureira), [vidal.oliveira1@gmail.com](mailto:vidal.oliveira1@gmail.com) (J.V. Oliveira), [hmadureira@letras.up.pt](mailto:hmadureira@letras.up.pt) (H. Madureira).

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number of cues on the label, such as brand name, region, and grape variety. Moreover, because wine carries strong social connotations, it is often felt to be an important purchase decision, even if it is not always an expensive one (Barber et al., 2009). In order to protect themselves, consumers value a set of intrinsic and extrinsic attributes that are complex in nature and therefore difficult to identify in terms of their relevance to consumption; and because intrinsic attributes are difficult to assess prior to purchase, buying behavior is often based on extrinsic cues (Cohen, 2009). Several studies conducted in different geographical contexts have focused on such attributes as tasted the wine previously, matching to food, origin of the wine, I read about it, grape variety, someone recommended it, brand name; medals/awards, attractive front label, and alcohol level below 13% (Casini et al., 2009; Cohen, 2009; Goodman, 2009; Jaeger et al., 2009; Allen and Germov, 2010). A comparative review of the results of these studies reveals some inconsistencies among the rated attributes and thus points to the need for further research, since an explanation of how these factors influence consumers would be of great interest to producers, entrepreneurs, and marketers. There is a particular need for insight into the off-premise setting, since more often than not, as just discussed, consumers are faced with a large number of items from which to select.

Various studies have developed a number of methods for collecting data on wine consumers' preferences. Lockshin and Hall (2003) survey the large number of studies of consumer behavior regarding wine based on simple rating scales methods. Finn and Louviere (1992), on the other hand, have drawn attention to the limitations of methods based on simple ordering of attributes in terms of the difficulty of interpreting and validating new attributes and the impossibility of conducting comparisons among them. Goodman et al. (2005), Remaud and Lockshin (2009), and Casini et al. (2009) agree that one way to avoid the bias inherent in simple ordering methods is to apply methods based on discrete choice (scaling methods), which allow consumers to set the level of preference for a particular attribute.

Best-worst scaling (BWS), also known as Max-Diffs, derives from the discrete choice method (Finn and Louviere, 1992; Marley and Louviere, 2005) and has become a popular method for studying the importance of a particular issue to an individual or group relative to other issues (Burke et al., 2013). BWS was introduced by Finn and Louviere (1992), who used it to measure public concern about food safety, and it has since been applied in various contexts, including the social sciences, consumer behavior, and health care (Burke et al., 2013; Cohen, 2009; Dekhili et al., 2011; Flynn et al., 2010; Jones et al., 2013; Marti, 2012).

BWS has gained in popularity because it is thought to have greater discriminatory power than other scale measures (Sirieix et al., 2011) and to allow for better comparisons among countries and segments (Cohen and Neira, 2004). Rather than being asked to rate items one at a time, respondents are shown a predefined set of candidate items, from which are asked to choose one each that they consider the best and the worst (Finn and Louviere, 1992). Two main advantages are associated with

BWS methodology: first, it involves a fairly simple task for respondents, since it is less cognitively demanding to select extremes on a scale than to rank all items simultaneously (Burke et al., 2013; Erdem et al., 2012; Jones et al., 2013); second, it provides sufficient information to the researcher so that precise and comparable individual-level scales can be calculated (Burke et al., 2013; Jones et al., 2013; Louviere and Islam, 2008; Marti, 2012). Moreover, a growing body of literature has used the BWS to generate empirical findings that have contributed to a deeper understanding of the rationale behind wine purchases (Sirieix et al., 2011; Goodman et al., 2005; Remaud and Lockshin, 2009).

In the specific case of the Portuguese wine market, to our knowledge, no national study of wine consumers' preferences in a retail setting has yet been undertaken using BWS. This is a particularly significant gap given that Portugal is a mature wine market characterized by great product diversity. The present research accordingly explores Portuguese wine consumers' preferences in a retail environment. First, we seek to explore how eighteen extrinsic attributes affect consumer choice at the moment when a bottle of wine is purchased for a special meal. Second, we seek to identify correlations among such classification variables as age and income level and the focus attributes. Finally, we suggest, based on our findings, ways to diminish the heterogeneity of wine consumers by identifying segments with recognizable their main features.

## 2. Methods

### 2.1. Questionnaire design

A two-part questionnaire was developed for this study. The questionnaire was prefaced by an explanation that its purpose was to identify the most important attributes when choosing a wine in a store. The first part of the survey included six classification questions (variables): gender, age, place of residence, frequency of wine consumption, involvement in the wine sector, and income level. The second and main part of the survey was designed to measure the importance that the respondents attached to specific attributes of wine using the BWS method. Interviewees were asked to consider a hypothetical situation in which they needed to purchase a wine that they would offer to friends during a special dinner. Eighteen specific attributes of wine purchasing decisions were selected (Table 1). Fifteen of these were chosen based on previous studies (Loose and Lockshin, 2013; Goodman et al., 2005; Goodman, 2009; Casini et al., 2009; Jaeger et al., 2009; Cohen, 2009; Corduas et al., 2013; Madureira and Nunes, 2013), and the remaining three were new attributes introduced by the researchers (namely, attributes 16–18 in Table 1). In order to stress the importance of the attribute price, we decided to consider a price below €10, thus simplifying the buying decision process by lowering the level of risk (financial, social and/or emotional), as well as a price above €15, in order to evaluate the more complex decision process regarding wines with a higher purchasing risk. The third new attribute introduced, controlled denomination of origin (CDO), is

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