Exploring the attitudes and expectations of Australian drinkers and non-drinkers towards low and no-alcohol wines

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The authors summarise the results of a series of focus groups that were conducted to gain a preliminary understanding of the attitudes and expectations of Australian drinkers and non-drinkers towards no and low alcohol wines. The results have raised a number of questions that require answers before the opportunity that this category presents can be fully explored by industry.

INTRODUCTION

The term NOLO — or Lo-No as they prefer in the US — is an acronym standing for 'low and no alcohol', a product which seems to be growing in popularity at a rapid pace. The Institute of Wine and Spirit Research (ISWR) calculates that the global NOLO wine market has grown by 3% and 12%, respectively, since 2015 and will continue to keep growing at this rate until at least 2023 (IWSR 2021). Supporting figures are also presented by Fact.MR (2021). At the latest Australian Wine Industry Technical Conference (AWITC) held in June 2022, NOLO surely was one of the key buzzwords. Several keynote speeches, as well as two technical workshops, discussed these new products, and those who roamed through WineTech would have seen the spinning cone purchased as part of a new South Australian Government-funded grant to enhance capabilities in the NOLO space; this is an initiative to be delivered in partnership with Wine Australia, the Australian Wine Research Institute and the University of Adelaide.

The authors of this article have been working on the NOLO topic for quite some time now and are presenting the results of a series of focus groups conducted to gain a preliminary understanding of the attitudes and expectations of Australian drinkers and non-drinkers towards NOLO wines. The results of the focus groups will help us delineate a better research agenda for the short-to-medium term, as they are part of a broader piece of work about the barriers and triggers for the adoption of NOLO wines among consumers and trade operators in Australia that the authors are leading.

For the no and low alcohol product category to grow the wine industry needs to better understand how it can pitch these products to all consumers, not just drinkers or non-drinkers. The former currently outnumber the latter so even if a small proportion decide to purchase a NOLO wine, drinkers' contribution to category growth will be much more significant than non-drinkers.

THE RESEARCH

The focus groups were conducted in Adelaide in October/November 2021. A total of 32 participants (16 drinkers (D) and 16 non-drinkers (ND)) were recruited for eight sixty-minute focus groups. We ended up with 28 participants as per Table 1 (see page 72); each participant was sent documentation in advance and their signed consent was collected before participating and receiving a $50 gift card gratuity.

The key results of the focus groups could be summarised as per below:

- Overall, participants have strongly embedded negative perceptions and associations with no-alcohol (NO) wines, but were curious and eager to try them, and thought it was good that the NOLO category was growing. The problem seemed to be NO wines were expected to

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taste and behave like regular wines, yet subsequent tasting disappointed most. However, drinkers who liked the taste of NO wines said they might have a glass at a restaurant or if driving; many said they would not drink a whole bottle.

- NOLO spirits and beers were viewed as successfully replicating the taste of their full-strength counterparts and therefore were standard or growing inclusions in the repertoire. This had a flow-on effect to pricing. NO wines were considered lower quality, cheaper to make and sell (no tax), and less 'crafted', so participants expected to pay less. A few noted a premium might be reasonable given the costs associated with producing smaller batches.
- Discussion about the health benefits of less alcohol and the exclusion of ND from participating fully in social situations (in particular) increased the likelihood that people might buy. Drinkers were receptive to LO wines for health and safety benefits but said percentage alcohol would have to be very low, or they may as well have one less glass of regular wine.
- Drinkers who valued the 'kick' and relaxation effects of regular wine were unlikely to buy NO wines, though some would buy for others or have a glass with a ND friend or partner. Non-drinkers interested in buying NO wines for 'stealth' reasons (fitting in socially or in business situations) and those drinkers who appreciated wine said it should be sold in traditional bottles and piccolos, not casks.
- Generally, participants would prefer the wine to be made in Australia but did not generally have a strong view about the region. Only drinkers seemed to be interested in wines from specific regions and having pairing suggestions.
- Both drinkers and non-drinkers generally expect to buy these wines in bottle shops, supermarkets, restaurants and bars. No one expected to buy them at cellar doors. A couple of participants in the Gen X ND female group noted that NO wines shouldn't be positioned near alcoholic wines to support reformed drinkers.

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WHERE TO FROM HERE?

The focus groups' results open some interesting research areas we believe should be explored in the future. First, for this product category to grow and not be dominated by the beer or spirits industries, it is important we better understand how we can pitch NOLO wines to all consumers, not just drinkers or, alternatively, non-drinkers. The former, in fact, currently outnumber the latter, hence, even if just a small proportion decide to purchase a NOLO wine, drinkers' contribution to category growth will be much more significant than non-drinkers. Secondly, whilst we've had some good indications about the motivations driving people to consume NOLO wines, we still know little about what facilitates a behaviour change. Is it more important that we communicate the health benefits of NOLO wines to expect an increase in likeability, willingness-to-purchase or perceived price points, or should we talk about the innovative aspects of NOLO wines or their taste? Or is the message not that important after all and, instead, what matters are the means through which we communicate that message, for example, via printed ads, digital and/or online tools? Or will a combination of content and media do the trick? These options need researching. Third, as we know that people choose wine based on an evaluation of both extrinsic and intrinsic characteristics of the product, how can we reach a sweet spot between what it is around the bottle — or an alternative type of container — and what these wines taste like? If you just found out you fell pregnant and purchased a bottle of zero-alcohol wine to hide the news to your friends and family, do you really want the wine label to scream 'zero' everywhere you look at it? And, as you taste the wine, and possibly serve it to your companions, how can we ensure that most people find the wine acceptable? Fourth, where should these wines be best placed to be seen, and, consequently, purchased by people? Do we expect NOLO wines to better succeed in the off-premise, on-premise or DTC channel? And, within each sector, should they be mixed with regular wines, be close to regular wines but as a different category, or be positioned away from regular wines? And, lastly, which markets could be suited to the growth of Australian NOLO wines? Should Australian NOLO wines be sold predominantly domestically, or should we better target international ones? So many questions that represent so many millions of dollars in opportunities.

In conclusion, NOLO wines are an exciting space to work in, and we believe they represent a significant opportunity for the Australian wine sector to sustainably grow in years to come as well as mitigating some threats of the anti-alcohol sector. We look forward to working closely with public and private industry partners to answer the above questions to help NOLO wine achieve its full potential.

Table 1. Focus groups sample characteristics.

Focus Group No.	Alcohol drinker	Gender	Age	Number of participants
1	No	Female	Millennial	3
2	Yes	Female	Millennial	3
3	No	Female	Gen X	3
4	Yes	Female	Gen X	4
5	No	Male	Millennial	3
6	yes	Male	Millennial	4
7	No	Male	Gen X	4
8	Yes	Male	Gen X	4

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