

Thinking outside the bottle: information about Australia can increase the choice of Australian wines by Chinese consumers

By Patricia Osidacz Williamson¹, Simone Mueller Loose², Larry Lockshin² and Leigh Francis¹

¹The Australian Wine Research Institute, PO Box 197, Glen Osmond, South Australia 5064

²Ehrenberg-Bass Institute for Marketing Science, University of South Australia

Many Australian wine producers are targeting China as a new market. With a population of more than 1.3 billion and a growing middle class, the potential for wine sales in China is huge. However, cultural differences and competition from other wine-producing countries are all barriers to be overcome. Research on wine consumer behaviour in China, including the factors that influence choice of Australian wines, can assist Australian wine producers in their efforts to break into this important market.

HOW DO CONSUMERS CHOOSE WINES?

For most wine consumers, wine is one of the products that add enjoyment to life. A social dinner with a glass of wine is a pleasurable occasion, and the flavour of a particular wine can contribute to the occasion. Apart from the taste of the wine, there are other factors that can influence the satisfaction gained from sharing a wine. These include the attractiveness of the label and package, the price of the wine, how well regarded the wine is among wine experts, recommendations from friends, and the opportunity to try something new. When purchasing wine, the buyer's previous experience and knowledge of the wines on offer combined with the specific needs of the occasion will influence the ultimate choice. Often, a purchase will be made based on a combination of emotional, subconscious and consciously considered factors. Wine choice is usually made rapidly with little cognitive consideration.

For consumers who are quite involved in wine as a product category, having a positive association with a brand or a memory of it will play a part in the purchase decision. For consumers who are new to wine there may be fewer cues to consider, perhaps making country of origin or opinions from experts more important than specific brands. In general, the

AT A GLANCE:

- Online experiments were used to investigate the factors influencing wine purchase decisions by Chinese consumers
- Exposure to short articles about Australia increased the choice of Australian wines by Chinese consumers
- All articles about Australia were effective in increasing choice of Australian wines, but the most effective were messages that Chinese people like the taste of Australian wines and that Australian produce is clean and unpolluted
- The influence of the articles about Australia was shown to persist when consumers were re-tested after more than a week.

cues used when purchasing wine help decrease the risk associated with the purchase and work as signals that the wine is worth buying.

In China, most wine consumers are relatively new to wine and, at present, French wines have captured a considerable proportion of the wine market. This stems from a strong reputation for quality, a reputation related to the high regard and high prices achieved by first growths and other sought-after appellations. The local Chinese wine industry is also well established in the market. For Australian wines to grow their share of the Chinese market, a key question is how Chinese consumers can be encouraged to try Australian wines instead of French or local wines in a retail setting. Of course, the taste of wine is also important, particularly in influencing repurchase and brand loyalty.

DOES INFORMATION ABOUT AUSTRALIA INFLUENCE WINE CHOICE?

Different types of information about Australia were assessed to find out if Chinese consumers could be persuaded to alter their purchase decisions towards Australian wines. Working with Wine Australia, an industry advisory group and a Chinese wine consultant, a set of short advertorial-type articles was prepared. An example of one of the articles is shown in Figure 1.

Five different articles about Australia were prepared, plus a control message about South American coffee which had no reference to Australia. A summary of the articles is presented in Table 1.

To test the effect of the articles, an online choice study was conducted with 1670 consumers in China, recruited on the basis of being regular red wine

Table 1. Summary of the articles used to assess the effect of different messages about Australia on Chinese consumers' wine choice, together with a control message not mentioning Australia. Each article was approximately 105 words in length.

Article	Description
Article 1 – A great place to visit	Australia is a great tourist destination with beautiful beaches, great climate, natural attractions
Article 2 – Clean and unpolluted	Australia has low pollution, clear skies, pure water, fresh healthy food and wine
Article 3 – Safe food and wine	Australia has strong government regulation and stringent laboratory tests for exported food and wine, origin is guaranteed, substandard wines are rejected
Article 4 – Wines with tradition and prestige	Australia has old, special vineyards, hand-crafted great wines, that are high priced and sought after, with a history and tradition of more than 150 years
Article 5 – The best tasting wines in the world	Chinese consumers prefer the taste of Australian wines tasted blind compared with French and other countries' wines. Australia has a sunny climate ideal for grapegrowing, and modern winemaking
Article 6 – South American coffee goes green (control article)	Organic production of coffee is growing in Brazil and Colombia



Figure 1. Example of one of the six short articles prepared to assess the effect of different messages about Australia on Chinese consumers' wine selection. The heading translates to: 'Australia: a great place to visit'.

drinkers and buyers of imported wine. Equal numbers of consumers were tested from Beijing, Shanghai and Guangzhou, with 60% male, and 60% aged 31-45 years. Of the consumers

tested, 86% drank red grape wine at least once a week. A simulated retail shelf was developed with designed wine bottles, all with the same fabricated brand name 'Victoria

Estate', and all labelled with the same vintage and alcohol content. On each particular shelf, wines were identified as being from France, China, Australia and Italy, with different label styles, prices, closures and grape varieties. There were also 'shelf talkers' giving store quality ratings or expert ratings, and some bottles were shown with a gold medal on the bottle. The consumers were asked to select a wine that they would purchase for drinking at home for a dinner with family or friends. Figure 2 shows an example of a simulated shelf.

Asking consumers to select wines across multiple shelves allows researchers to find out which wine attributes are most important in influencing wine choice. Immediately before carrying out the choice task, consumers were given one of the six articles to read. Approximately 300 of the consumers received the control article, and the remainder were randomly assigned to one of the five articles related to Australia.

MESSAGES THAT MAKE A DIFFERENCE

The results of the study were clear, with a number of outcomes with practical implications for producers who have a presence in China. Figure 3 shows a summary of how important the different wine cues were for the consumers who read the control article about coffee, compared with those who read one of the articles about Australia (average values for all five articles).

For the control group, the results showed that the 'shelf talkers' which gave store and expert ratings for wine quality were the most important attributes in influencing wine choice, with an importance value of approximately 30% each. Country of origin and price were the next most important with values of 18% and 13%, respectively. Grape variety, label type, closure and the presence of a medal had only a small effect (less than 5%). The surprisingly small effect of the label type may be caused by differences in consumers' label taste that cancel out on the aggregated level. For country of origin, the control group chose Chinese wines least frequently, followed by Italian wines, then Australian wines and, finally, French wines, which were chosen the most frequently (Figure 4, see page 74). This outcome is consistent with other studies showing that Chinese consumers appreciate some guidance in wine selection, and that French wines are dominant

in the Chinese marketplace. This provides reassurance regarding the effectiveness of the methodology used.

Moving on from the control group, the results showed that reading an article about Australia had a substantial effect on wine choice (Figure 3). Being exposed to information about Australia caused a large increase in selection of Australian wines, which were chosen more than wines from France (Figure 4). The results strongly suggest that communication strategies about Australia at point of sale can have an influence on wine purchasing behaviour.

The type of article also had a strong influence on wine choice (Figure 5, see page 74). Article 5 (Best tasting wines) and Article 2 (Clean and unpolluted) had the strongest effect, resulting in 47% and 46% choice of Australian wines, respectively. The tourism-focussed Article 1 (A great place to visit) was the least effective (36% choice). Readers of the control article chose French wines most commonly, but their choices were less influenced by country of origin.

EFFECTS OVER TIME

As it is not particularly realistic to read an article immediately before purchasing a product (although other types of information can be made available at the point of sale), a second experiment was conducted to measure whether the effect of the information presented in the article might persist over time. To achieve this, 828 of the original 1670 consumers were asked to repeat the choice task at least seven days after having read one of the articles, more closely simulating a real-world situation. Not surprisingly, the consumers who had read the control article previously chose the wines from France over Australian wines. For those that had previously read the articles about Australia, price became the most important effect, followed by country of origin and then quality rating guidance (Figure 3). Grape variety, label type, closure and presence of a medal were again of only small importance. Reflecting their earlier behaviour, these consumers again chose Australian wines more frequently than wines from France or the other countries. The largest effects in this delayed experiment (Figure 5) were for Article 5 (Best tasting wines) and Article 2 (Clean and unpolluted). The size of the effects was slightly lower than in the first stage of the study, indicating that while the



Figure 2. Example of a simulated shelf with designed wine bottles. Consumers were asked, 'Which of these wines would you most likely purchase for drinking at home with your partner or friends?' Each consumer saw 16 simulated shelves with different combinations of wine attributes.

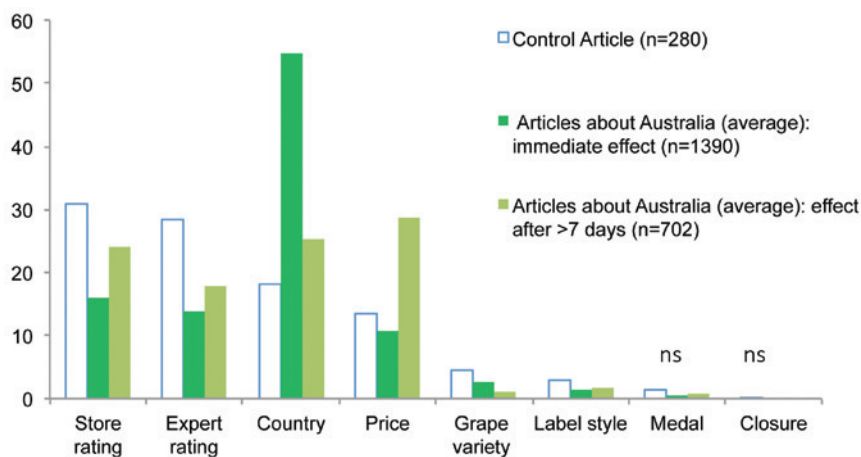


Figure 3. Importance values for the different wine cues tested in choice of wines for consumers who read the control article and those who read an article about Australia. All factors were highly significant in influencing consumers' wine choice (P<0.001) except as indicated (ns: not significant). Note: importance values add to 100% for each treatment.

messages about Australia still had a strong effect, their influence had waned somewhat.

AN EFFECTIVE STRATEGY

This study shows that providing Chinese consumers with information about Australia can affect their selection of Australian wines compared with those from other nations. While

all of the articles about Australia were successful, the two most effective messages were the advice that Chinese people like the taste of Australian wines, and that Australian produce is clean and unpolluted. The strong effect of the 'clean and unpolluted' message is consistent with the commonly voiced concerns of Chinese consumers about food safety, while the 'best tasting'

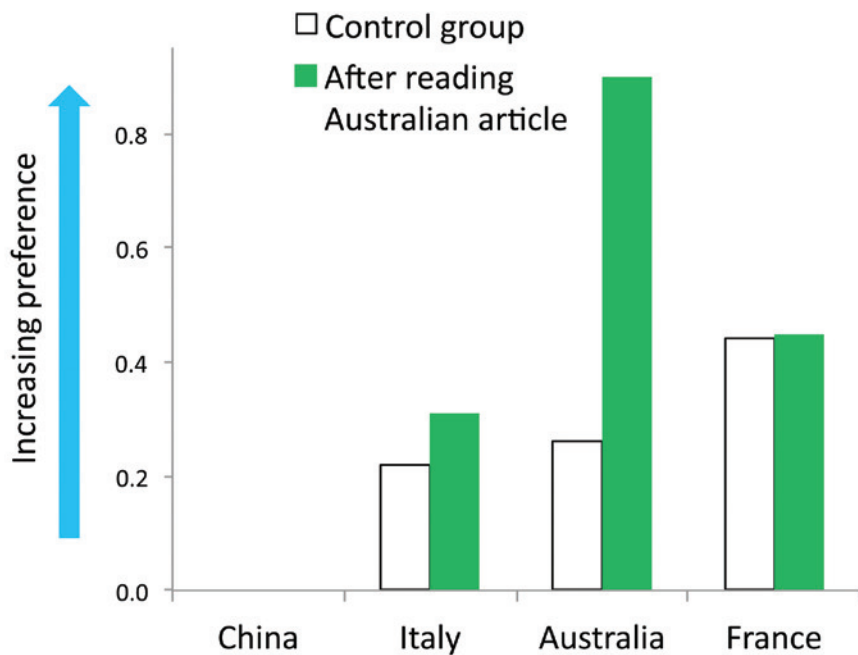


Figure 4. Relative preference for different countries of origin as shown by choice of wines from the simulated shelf, comparing the control group, who read an article on South American coffee, with the consumers who read an article about Australia. All consumers performed the choice task immediately after reading an article.

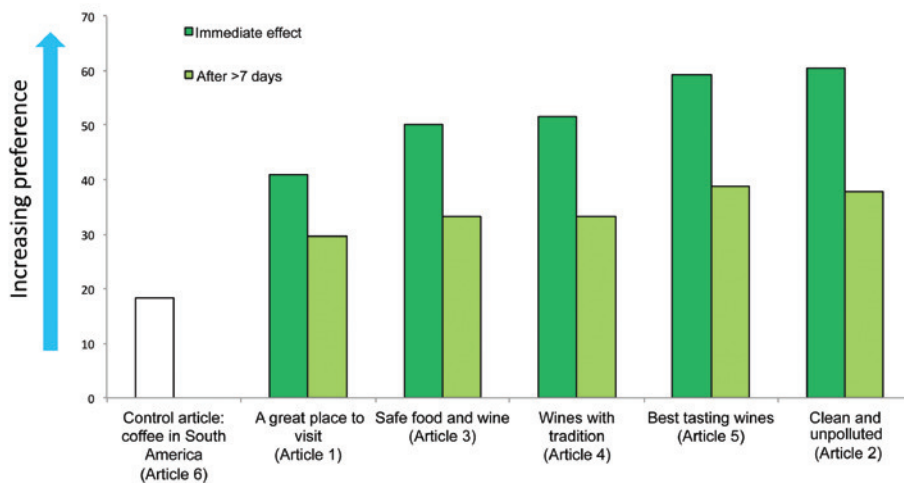


Figure 5. Differences in degree of importance of the country of origin on wine selection as a result of consumers reading the different articles, immediately prior to the test or more than seven days earlier. Consumers who read the articles about Australia chose Australian wines much more frequently than wines from France, China or Italy, while consumers that read the control article chose French wines more often (shown in Figure 4).

message effect is understandable considering that Chinese consumers are generally new to wine and are more influenced by the opinions of their compatriots than knowledgeable consumers might be. It seems likely that Chinese consumers, like wine consumers in other countries, wish to lower their risk of buying a wine that they or their meal companions might not like, and will use whatever information is available to achieve this.

The overall results suggest that if the Australian wine industry were to invest effort into disseminating information about Australian wine to the type of consumers studied here, the investment would likely be beneficial. Of course, as an industry it is also important to ensure that the more powerful messages about Australia's environment being clean and unpolluted, about the wines being the best tasting, and the safe and well-

regulated food and beverage industry, remain factual.

It should be noted that the short articles produced for this study were written by the researchers involved, with input from the industry advisory group. While the articles were vetted carefully by multiple native Chinese speakers, both in Australia and in China, and were adjusted following a pilot study, there remains the possibility that some may have inadvertently been more or less effective than others due to subtleties in the wording or pictures rather than the specific information imparted.

NEXT STEPS

The next phase of this work is currently under way and will involve informed and blind tasting of wines from China, Australia and France by Chinese consumers, combined with provision of information about Australia. The study extends the choice experiment by including real wines available in China rather than a fabricated brand. A webinar presenting additional information about the present study, including usage and attitudes data from the consumers, is available from the AWRI website.

ACKNOWLEDGEMENTS

There are many individuals and companies who have assisted with this work. The authors thank Dr Armando Corsi, Ava Huang and Dr Svetlana Bogomolova, from the University of South Australia; and Dr Dan Johnson, Danna Li and Fang Tang, from the AWRI. Carsten Loose is thanked for the excellent graphical design work. The authors particularly acknowledge James Gosper and Willa Yang, from Wine Australia; Richard Angove, from Angove Wines; Kate Lattey and Sladjan Maksimovic, from Pernod Ricard Winemakers; Tom Lynar, from Tyrrell's Wines; Clare Flintoff, from Treasury Wine Estates; Nick Yap and Jakub Rys, from Australian Vintage; James Wilson, from Accolade Wines and Casella Wines; Brooke Halkett, from Lion Nathan; and Anna Lawrence, from McWilliam's Wines. The staff of Toluna are also acknowledged. This work is supported by Australia's grapegrowers and winemakers through their investment body the Grape and Wine Research and Development Corporation, with matching funds from the Australian Government. The AWRI is a member of the Wine Innovation Cluster. Ella Robinson is thanked for her editorial assistance.

