Millennial Wine Consumers: Profiles and Responses towards Alternative Wine Packaging

Nicholas "Nick" E. Johnston, PhD
Southeast Missouri State University

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Project Funding

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- **A competitive grant issued by the Wine Market Council (graduate student research)**

Wine Market Council

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Background and Justification

- Largest, fastest growing wine consumer segment in the U.S.
- Demanding new, exciting, convenient, and eco-friendly wine packaging (Haderspeck, 2014)
- **Alternative packaging:**

  Tetra Pak, oddly sized bottles, bag-in-box, plastic containers (e.g., pouches), aluminum cans etc.

Background and Justification

Research has shown…

- wine packaging design effects quality perceptions (Jennings & Wood, 1994; Reidick, 2003).
- screw-top closures, non-glass containers, larger formed bottles, and boxed wines are perceived by consumers as a lesser quality wine product (Reidick, 2003).

However…

- research has neglected to empirically explore the preferences and attitudes Millennial consumers have towards alternative wine packaging

Data Collection Procedures

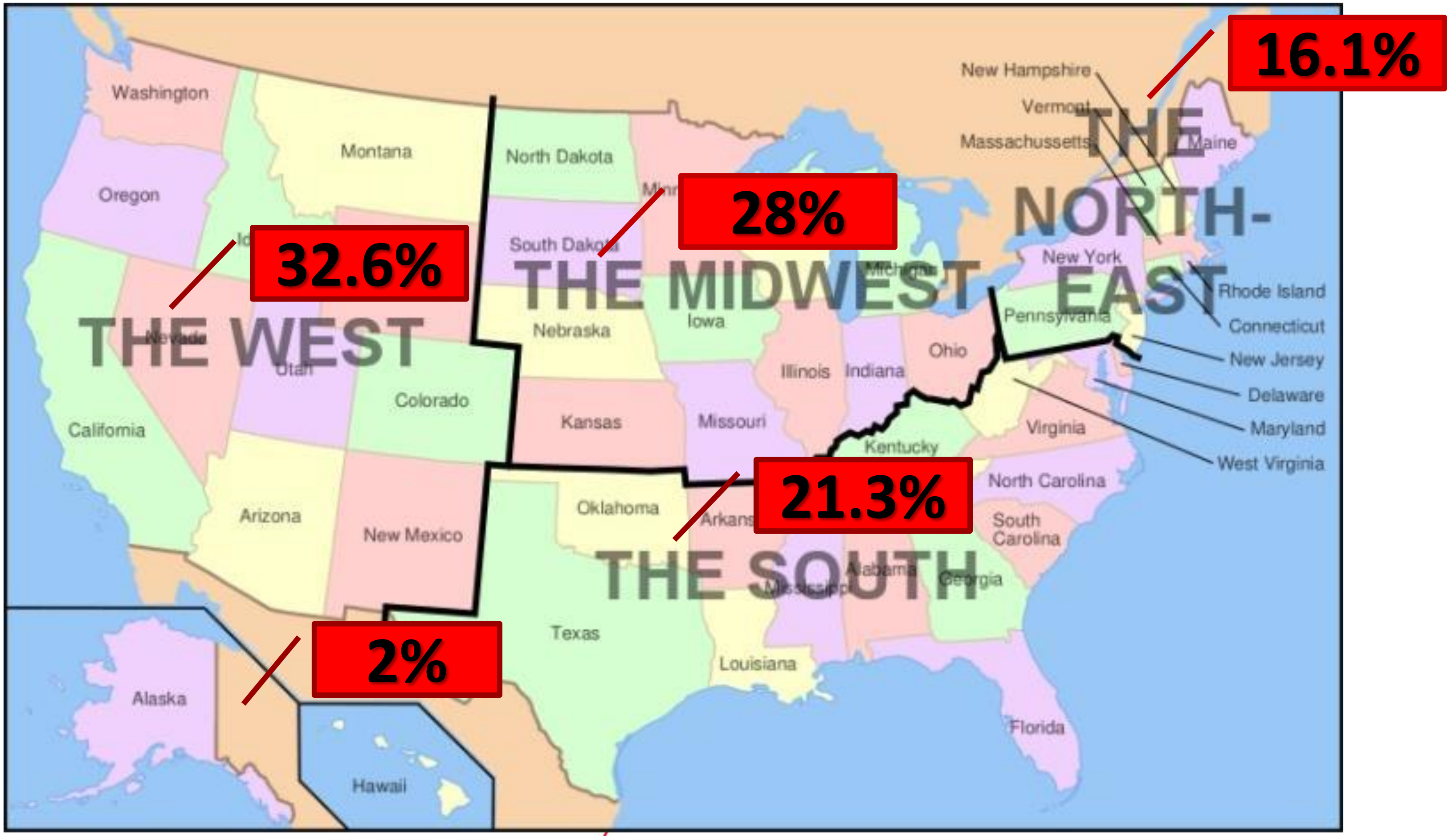
Phase I

- Focus group sessions (4) that concentrated on Millennials attitudes towards alternative wine packaging
- Sampled Millennials currently living in West Texas

Phase II

- Consumer survey was developed based on the focus group results
- Survey was distributed online via SSI panel
- A total of 2,418 were collected

Geographic Representation



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Socio-Demographics of Sample

Identifiers	Percentage
Gender	
Female	49.2%
Male	50.3%
Age	
21-25	28.8%
26-31	37.3%
32-39	33.9%
Marital status	
Single	41.1%
Married/Domestic partnership	54.7%
Divorced/Widowed/Other	4.0%

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Highest level of education completed

Education Level	Percent
High School not completed	1.7%
High School diploma	20.3%
Vocational / Technical School	8.6%
Currently in college	15.3%
College diploma (undergraduate)	30.6%
Graduate degree	23.0%
Total	99.6%

53.6%

Total annual household income

Annual Household Income	Percent
Under $20,000	11.0%
$20,001 – $40,000	21.9%
$40,001 – $60,000	22.4%
$60,001 - $80,000	18.4%
$80,001 – $100,000	12.8%
Over $100,000	12.9%

62.7%

Alcoholic beverage consumed MOST OFTEN

Beverage	Percent
Beer	29.0%
Wine	60.2%
Spirits	10.8%
Total	100%

How would you describe your wine knowledge?

Wine knowledge levels	Percent	
Advanced	10.4%	
Intermediate	47.1%	84.0%
Basic	36.9%	
No prior knowledge	2.9%	
Missing	2.6%	
Total	97.3%	

How important is wine to you?

Importance Indicators	Average*
Wine is an important part of my life	3.37
I have a strong interest in wine	3.59
I purchase wine regularly	3.72
I find wine fascinating	3.71

Note: *Based on a 5-point scale: 1 = 'strongly disagree' and 5 = 'strongly agree.'

Are you a member of a wine club or organization?

Response	# of Participants	Percent
Yes	302	12.5%
No	2102	87.2%

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How often do you consume WINE?

Frequency of consumption		Percent
Daily	44.2%	12.6%
Several times a week		31.6%
About once a week	34.3%	20.3%
Several times a month		14.0%
About once a month	15.6%	10.0%
Once in a couple of months		5.6%
A few times a year	5.7%	3.6%
Rarely		2.1%
Total		100%

Note: 'Never' responses excluded from participation

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What type of wine do you consume most often?

RED

55.9%

White

33.9%

Rose/Blush

8.5%

Champagne/ Sparkling

1.5%

Do you prefer wine that is dry or sweet?

Preference	# of Participants	Percent
Sweet	1280	53.1%
Dry	485	20.1%
Equal Preference	640	26.6%
Total	2405	99.8%

Split for consumers who prefer RED wine

Preference	# of Participants	Percent
Sweet	584	43.4%
Dry	345	25.6%
Equal Preference	416	30.9%
Total	1279	99.9%

Involvement based on preference for dry or sweet

Preference	Factors		
	Knowledge*	Importance	Consumption Frequency*
Sweet	2.50	3.44	3.51
Dry	2.18	3.74	2.82
Equal Preference	2.17	3.80	2.88

Note: Scores are averages. *A higher score indicates lower level

Millennials that prefer sweet wines consume less wine than others

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Do you prefer wine that is dry or sweet?

Age	Sweet	Dry	Equal Preference
21-25	61.7%	16.3%	22.0%
26-31	52.8%	18.8%	28.4%
32-39	46.2%	25.2%	28.6%
Total	52.7%	27.6%	11.3%

As Millennials age increases so does their preference for dry wines.

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Factors that influence wine purchases

Factor	Order of Importance								
	1	2	3	4	5	6	7	8	9
Info on back of label	126	124	155	**195**	**172**	**169**	119	85	6
Label design	68	112	**179**	**218**	**241**	**200**	97	33	3
Package design	27	64	132	**192**	**248**	**223**	**201**	56	8
Price	**337**	**279**	**192**	118	86	59	45	33	2
Brand	**198**	**240**	**193**	140	138	117	88	35	2
Variety	**328**	**202**	144	90	82	161	100	41	3
Country of origin	35	98	119	119	107	127	**337**	**192**	17
Location on shelf	9	25	28	70	70	93	**151**	**655**	50

Notes: 1 = Most Important and 9 = Least Important. Highlighted figures represent the top three factors within each level of importance. * included; alcohol content, recommendations from friends and experts, and environmentally friendly.

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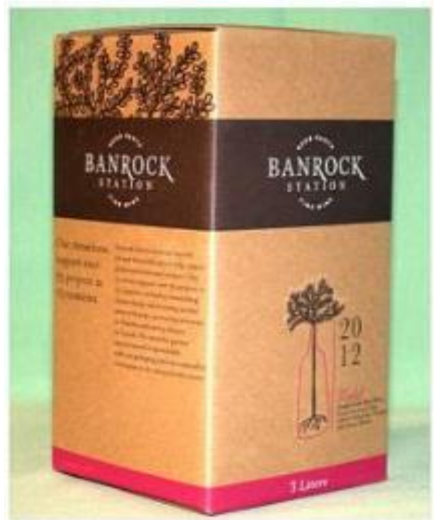
Alternative Wine Packaging Design

- Packages were chosen based on focus group responses
- Respondents were asked to indicate their level of familiarity and attitudes towards each brand



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Which situations would prompt you to buy wine in alternative packaging?

Situation	Percent of YES responses
For regular consumption at home	55.4%
When gathering with friends	57.2%
For outdoor events like concerts	42.7%
For a picnic	44.0%
For beach or lake outings	40.5%
Camping	36.4%
Sporting events	20.7%
Family gatherings like Christmas	45.0%
Girls/Boys night out	27.9%
To give as a gift	40.6%
To take to work related gatherings	20.6%

Note: Participants could select more than one choice

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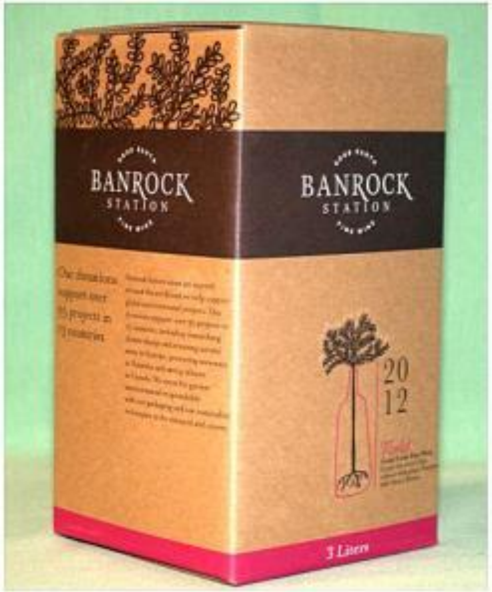
Alternative Packaging Type #1

Bag-in-box (BIB) – 3L

Matted brown finish with thin (Cambria font) script and environmental message and image



Selected Focus Group Quotes: Type #1

"I like the organic look; it looks like it's been recycled, and I dig it."

"…our generation really likes modern: sharp edges & simplistic labelling, a minimalist sort of thing..."

"This one is four bottles of wine in one box. That's super convenient."

"…[Minimalism] tells me that the company spends money on their [products], produce a good product, so I think more of their products and the wine."

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Type #1 Design Characteristic Responses

Design Element		Percent
Modern		47.7%
Elegant		49.5%
Sophisticated	Aesthetic	46.1%
Serious		53.0%
Plain		48.4%
Practical	Function	51.0%
Convenient		48.2%

Type #1 Packaging Perceptions

Prompt	Average
Attractiveness and Aesthetics	3.34
Functionality	3.58
Value	3.51
Quality of Product – based on the packaging	3.45

Note: Based on a 5-point Likert scale, 1 = Strongly disagree & 5 = Strongly Agree

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Alternative Packaging Type #2

Bag-in-box (BIB) – 3L

Glossy black finish with neon colored polka dots and bold type script

Selected Focus Group Quotes: Type #2

"...the flashier the container or packaging is the more juvenile [the product becomes]."

"Quit trying flashy packaging."

"I feel like they [marketers] gear a lot of cheaper wines towards [younger Millennials], so the labels and the packaging always look really cheap"

"Not the polka dots, it's just too busy"

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Type #2 Design Characteristic Responses

Design Element	Percent
Exciting	69.0%
Colorful	71.5%
Modern	68.2%
Funny	47.7%
Cluttered	47.2%
Tacky	46.7%
Unusual	48.2%

Aesthetic

Type #2 Packaging Perceptions

Prompt	Average
Attractiveness and Aesthetics	3.14
Functionality	3.53
Value	3.31
Quality of Product – based on the packaging	3.08

Note: Based on a 5-point Likert scale, 1 = Strongly disagree & 5 = Strongly Agree

Alternative Packaging Type #3

Aluminum cans – 4-pack 187ml

Glossy finish with bright pink colors and white cursive script

Selected Focus Group Quotes: Type #3

"I Just can't take wine in a can seriously." – Younger Millennial

"I like the can because I could walk down the street, drinking wine and nobody would question me."

"[Wine in a can] looks fun, I'd try it." –Older Millennial

"[Buying Type #3] would depend on the context more than just the design [color] of the packaging."

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Type #3 Design Characteristic Responses

Design Element		Percent
Exciting		57.7%
Colorful		64.2%
Sophisticated	Aesthetic	52.8%
Elegant		51.1%
Modern		52.6%
Convenient		52.8%
Practical	Function	48.7%
Useful		48.3%

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Type #3 Packaging Perceptions

Prompt	Average
Attractiveness and Aesthetics	3.67
Functionality	3.61
Value	3.37
Quality of Product – based on the packaging	3.61
Note: Based on a 5-point Likert scale, 1 = Strongly disagree & 5 = Strongly Agree	

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Alternative Packaging Type #4

Plastic Bottles– 4-pack 187ml

Glossy finish, orange/yellow and white color scheme, limited graphics and "traditional" label design

Selected Focus Group Quotes: Type #4

"I like the individual glasses [mini-bottles]."

"If I was going to trust a different packaging, besides a bottle, I would pick the [mini-plastic] bottles."

"I could throw [mini-bottles] in the fridge, in the cooler, and you wouldn't have to worry about it."

"I've bought [mini-bottles] to keep in my refrigerator. I like to drink at home but not always a whole bottle."

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Type #4 Design Characteristic Responses

Design Element		Percent
Traditional		64.2%
Serious	Aesthetic	70.5%
Plain		52.3%
Usual		53.9%
Convenient		66.8%
Practical	Function	64.5%
Useful		55.2%

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Type #4 Packaging Perceptions

Prompt	Average
Attractiveness and Aesthetics	3.33
Functionality	3.83
Value	3.83
Quality of Product – based on the packaging	3.38
Note: Based on a 5-point Likert scale, 1 = Strongly disagree & 5 = Strongly Agree	

Packaging Perceptions - Comparison

Prompt	Type 1	Type 2	Type 3	Type 4
				
Attractiveness and Aesthetics	3.34	3.14	3.67	3.33
Functionality	3.58	3.53	3.61	3.83
Value	3.51	3.31	3.37	3.83
Quality of Product	3.45	3.08	3.61	3.38

Note: Based on a 5-point Likert scale, 1 = Strongly disagree & 5 = Strongly Agree

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Major Themes Detected

Convenience and Functionality

Peer Evaluation (Social perceptions)

Overall Design

Price and Value

BIBs, cans, and plastic mini-bottles were discussed most often

Situational Usage

Factors that Improve Quality Evaluations & Willingness to Pay

- **Multiple Regression** to find **predictor variables**
  - Males vs Females
  - Also segmented by age group but found no differences
- **Attractiveness, Aesthetics, Value, Social** & **Functionality**
  - Increase likelihood for positive quality evaluations and willingness to pay
  - Functionality only played a minor role on Female respondents WTP responses
- **Attractiveness, Aesthetics,** & **Social Perceptions**
  - Most consistent predictors amongst all factors

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Millennial Consumers

Involved wine consumers

- knowledgeable and interested in wine
- consume wine fairly regularly
- Younger Millennials expressed interest in beer as well

Differ in opinions

- **Gender**
  - Males are more likely to spread their beverage dollar
  - Females have slightly stronger preference for wine
- **Age**
  - As they increase in age so does their preference for dry red wine
  - Younger Millennials more likely to give alternative wine as a gift and/or share with friends

Alternative Wine Package Design: Best Practices

- **Packaging** plays a **secondary** role
  - Marketers should balance pricing strategies, product design, and target market

- **Usage** is **situational** based
  - Gathering with friends and family
  - At home use - cooking & personal consumption
  - Limited outdoor usage - picnics

- **Design** elements should **align** with **packaging purpose**
  - Fun vs. Serious
  - Usage varies based on age of Millennial and situation

Alternative Wine Package Design: Best Practices

- Incorporate **minimalism** and **modern** design approach
  - Younger Millennials were turned off by flashy designs

- **Eco-friendly** elements were well received
  - Natural color schemes
  - Environmental message
    - Avoid green-washing

- **Packaging design** should convey **Value** and **functionality**
  - Mini-plastic bottles vs. 3L BIB

- **Balance** value, functionality, and design to **improve** overall **quality** perceptions

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Questions?

Contact Information

Nicholas E Johnston - PI

Assistant Professor

Department of Management

Southeast Missouri State University

One University Plaza

Cape Girardeau, MO 63701

Tel. 573.651-5087

Email: njohnston@semo.edu

Link to full report

Natalia Velikova

Associate Director / Associate Professor

Texas Wine Marketing Research Institute

Texas Tech University

1301 Akron Avenue

Lubbock, Texas 79409-1240

Tel. 806.834.3589

Email: natalia.velikova@ttu.edu

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