

Generation Yine:
The Millennial Generation and Wine Label Trends

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ABSTRACT

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This paper focuses on the importance of the Millennial Generation and their perceptions of wine label design. As one of the most dominant consumer market segments in the United States in terms of their buying power, the Millennial Generation can have a significant impact on the success of the wine industry as a whole. A survey and two taste-tests were conducted in order to determine which design attributes millennials find most desirable in wine label design. It was found that millennials prefer wine labels that are brightly colored, less traditional, and more graphically focused. Further, millennials prefer wines that feature creative brand names and decorative or sans-serif typefaces. As the Millennial Generation continues to penetrate the wine market, wine producers will need to evolve their wine labels to meet these design trends in order to remain competitive in the industry and capture the interest of the millennial market segment.

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Chapter I:

INTRODUCTION

The more unique and attractive a wine label is, the more likely the bottle will be purchased and tasted by consumers. It is widely believed that wine label art is reflective of the quality of the wine inside. The aesthetic appeal of a wine label initiates the first purchase, while the quality of the wine initiates a second purchase. Wine labels are no longer used to simply relay information about variety or producer but are now used as a marketing tactic to draw in potential buyers. The thousands of wines, hundreds of brands, and the multitude of varieties, colors, and packaging options available have made browsing the wine aisle overwhelming. It seems paramount within the highly competitive wine market that companies differentiate themselves among other brands. One author noted eloquently, “wine is fashion, and beverage aisles are our runway. Wines, like fashion, have reached a point where marketing and merchandising play as important a role as making the product itself” (P. Sugarman).

The wine label is essentially a marketing billboard, which makes it all the more crucial for wine producers to understand their target market and design the label appropriately. In the past, wine marketers have spent the majority of their focus on the Baby Boomer¹ population (Thach). However:

One of the most promising new wine consumer segments is the U.S. Millennial Generation, ranging in age from 21 to 29. According to the Wine Market Council,

¹ Baby Boomer: describes those born during the great spike in fertility beginning in 1946 until right at the end of World War II in 1964 (near the time birth control went on the market), (Taylor pg.4).

This consumer segment is already consuming larger quantities of wine than the previous generation, and a recent Gallop Poll has also identified this population as part of the reason for the increased popularity of wine in the U.S. (Thatch).

The Millennial Generation (millennials), also referred to as Generation Y, Echo Boomers, and Generation Next, are the children of the Baby Boomers. Millennials were born after 1980, and are named as such because they were the first generation to come of age in the new millennium. They are perceived to be “the wine world’s fastest-growing market segment” (P. Sugarman). Very little research has been conducted on this group’s wine consumption habits and preferences. Information about their perceptions and buying habits would be invaluable to many facets of the wine industry including wine makers, marketing firms, and label designers.

This study asks the question: How do color palette, typography, graphics, originality, and brand personality play a role in the way millennials purchase wine? This study also seeks to discover if the Millennial Generation purchases wine mainly based on price, or mainly based on label design. Other points of interest are wine selection based on social situation and purchasing based on emotional connections to brand personality. Methods of research will include descriptive research and content analysis.

Hypothesis: Millennials will influence the wine marketplace, driving wine labels to become brightly colored, less traditional, and more graphically focused. Wine label typography will use less cursive and serif fonts and focus more on decorative or sans-serif² fonts. Additionally, creative brand

² Sans serif: a font that does not use serifs, or small lines/decorations at the ends of characters. They are often used for short headlines or captions.

names will become more prominent as wineries try to catch the eye of the millennial consumer.

Overall, this study seeks to gain a better understanding of the Millennial Generation and how they are affecting wine label design trends.

Chapter II:

LITERATURE REVIEW

Millennials as a Generation

The Millennial Generation has often been ignored in marketing strategies within the wine industry. As one of the most promising market segments, it is vital that wine makers and retailers concentrate their efforts on this young generation of wine drinkers. Being cognizant of their attitudes, beliefs, and perceptions will help shape the success of a wine brand. This youthful market is 76 million strong and they are “attributed to have annual incomes totaling \$211 billion and are considered to be the largest consumer group in the history of the U.S. in terms of their buying power” (Thach). Even more opportunity lies in the fact that 20 million millennials are not yet of legal drinking age. If these millennials follow in the example of older millennials, an eager consumer segment will be penetrating the wine market over the next five years. Luckily for the wine industry, millennials continue to purchase wine over beer and spirits based upon wine’s “sophistication, sense of community and shareability” (Phillips). The first step in building a consumer relationship with millennials is to understand their generation and what it is that drives their purchasing behavior.

Dr. Liz Thach, a wine marketing professor at Sonoma State University, is aware of the opportunities millennials bring to the wine market. She advises wine makers everywhere; “even if your wine brand is successfully focused on the Baby Boomer generation, for strategic marketing purposes and long-term sustainability of your brand, it may behoove you to learn more about this fascinating new segment of wine drinkers.” Curious to discover what compels millennials to purchase wine, Dr. Thach conducted a two-year long study to “identify the perceptions and

attitudes of the Millennial Generation.” The study included 228 millennial participants who were extensively interviewed under video surveillance. Through her research, Thach came to the conclusion that there are six major traits that describe the Millennial Generation: millennials are tech savvy, optimistic yet practical, embrative of diversity, they find value in fun, are environmentally and socially conscious, and lastly they have entrepreneurial spirits. By getting to know the millennial wine consumer, wineries can learn how to meet the customer’s needs and expectations (Thach).

For millennials, the Internet has become a primary source of information. Their Baby Boomer parents relied heavily on literature within libraries and published journals in order to access accurate information. On the other hand, millennials have the luxury of learning almost anything at the touch of their fingertips. Millennials “were the first U.S. generation to grow up virtually 100 percent connected to the Internet, and they trust it.” A recent study found that “millennials spend an average of 16.7 hours per week on the Internet” (Thach). Millennials consider themselves unique from generations past, and 24 percent say that it is their use of technology that sets them apart. In contrast, Baby Boomers believe that it is their strong work ethic that sets them apart (Taylor). Millennials have been the pilots of technology and are often first to get on board with new innovations. Social networking sites like Facebook, Myspace, and Twitter have become prevalent in popular culture. Over 75 percent of millennials have created a social networking profile, which is 45 percent more than the Baby Boomer population (Taylor). The implication for wine companies here, is that “an integrated media approach with an emphasis on the Internet” will give wineries a better chance of grabbing millennial interest (Thach).

Her research also found that as whole, millennials are both optimistic and practical. Dr. Thach explains:

Millennials have 'can do' attitude(s) and believe they can make a difference in the world. On the other hand, they are also quite practical. They are financially savvy and they don't like owing money. They are attracted to companies that are more idealistic and their focus is [on] finding quality brands at a fair price. The marketing implication here is to use marketing messages that focus on value and quality but with no slick advertising, just unvarnished truth voiced by everyday people (Thach).

Aside from being intelligent consumers, millennials also embrace diversity. Roughly a third of the Millennial Generation is non-Caucasian. This means that millennials want wine marketers to "show diversity in all advertisements, emphasize universal values, and consider focus on specific cultural values." It is important for the wine industry to understand that they can no longer focus all of their marketing efforts on the traditional white middle-class, but that they must be inclusive of all race, class, and genders (Thach).

Due in part to their youth, millennials place more value on fun than generations in the past. They seek flexible hours in the workplace as well as duties that reflect creativity and ingenuity. Overall, they are "attracted to fun, slightly quirky advertising" that makes life less serious and boring. Millennials are also environmentally and socially conscious in their purchasing behavior. They have been shown to boycott company brands that reflect poor values and social practices. Because of the "pervasive media environment in which they've grown up, they are very aware of burning social as well as environmental issues on a global basis." As a whole, millennials want to purchase wine from responsible companies that practice social and environmental responsibility (Thach).

The last characteristic Thach discusses in her research is that millennials are more entrepreneurial than generations previous. This “entrepreneurial spirit is most likely enflamed by their optimistic nature and desire to make a difference in the world, as well as their environmental and social consciousness.” The implication here is that companies should “emphasize family businesses, ethnic groups, and social responsibility.” A common theme found throughout this study is that millennials feel ignored in wine marketing. Millennials feel that other groups, specifically the older and wealthy white market segment, are the wine industry’s top priority. With millennials having enormous buying power, it would be unwise for wine companies to not consider millennial beliefs and values when designing their labels or branding their image (Thach).

Wine Labels and Emerging Trends

In the past, a wine label’s main purpose was to inform the consumer about grape varietal, history, wine region, and vintage. While that information is still relevant, most of it has been wiped clean from the front label. Front labels are now used to evoke customer interest while the back label is used to convey necessary legal information like alcohol content.

In the early days, most labels were austere, rectangular one- or two-color affairs featuring illustrations of chateaus and bold declarations of the names of the wineries. Now, wine labels burst from the shelves with bold colors and torn, warped shapes often peering through the bottle itself. They are festooned with colorful animals, layered with screens and hidden motifs, and they are a printer’s history of fonts (Cutler).

These bold changes in label design are due in part to the competitive nature of the wine market. With most purchasing decisions being made at the point of sale, there is a limited amount of time for a wine brand to communicate desirability and worth. When millennials see a wine label, it only takes “a few seconds to communicate a story. Impressions move from the eye, to the mind, to the heart. The [label] design needs to gain trust and generate a loyal customer, even before the contents are proven” (Walker). Whether it is through color palette, typography, originality, or graphics, wine labels must differentiate themselves.

As millennials continue to penetrate the wine market, never before seen trends are emerging in wine label design. Australian wines have ignited an “animal craze” and many labels now feature exotic animals. Other wines have tried to differentiate themselves by using quirky and humorous brand names like 7 Deadly Zins, Mad Housewife, and Fat Bastard. There is even an Australian wine simply called Bitch. Brands are placing less emphasis on content and focusing more on graphic design. Bold graphics and bright colors are becoming popular and the more unusual a label seems to be, the better. It is important for the wine industry to determine if these are lasting trends. What label design trends will endure and which will die out? Discovering this answer is key for successful wine label design (Walker).

Quirky Names

Wine is comparable to fashion. Just as clothing brands lose popularity, so is the same with wine brands. Paula Sugarman has been working in wine label design for over 20 years and is the founder of the Sugarman Design Group, a company that both designs and brands wine labels. Sugarman has taken notice of the recent “cheeky name trend” in the wine market. She calls these varieties “quirkies” and believes that this market trend has emerged largely as a result of the fast-growing

millennial consumer group. The problem she says, is knowing which brands have longevity and which are just a “fashion trend” (P. Sugarman).

Sugarman believes that 7 Deadly Zins is a “quirky” that has lasting presence. She attributes the brands “extraordinary marketing savvy” to the fact that it was based off of “history’s best-selling book, the Bible.” With witty puns about forgiving oneself for their “zins” and a beautiful label design, Sugarman thinks this wine has a better chance of ending up in consumer shopping carts. The unique name “7 Deadly Zins,” is relevant because it brings instant recognition to consumers of all backgrounds and preferences. If a wine brand wants to differentiate through name choice, they will only be successful if the name is both relevant and memorable (P. Sugarman).

Other brands focus on the fact that “women consume 60 percent of all wine” (Walker). Many quirky names are aimed specifically at women, most notably being the Mad Housewife brand. The tagline reads, “What’s domestic bliss without a little wine?” These labels are specialized and serve a specific market and purpose. Using the label to market toward the correct target audience is key. For example, “a masculine label marketed to women will not be successful. Likewise, a label may attract your target audience, but if the label design does not accurately portray the wine, you will not have repeat customers” (Walker). For now, it does not seem that the quirky name trend will die out anytime soon. Research shows that over 50 percent of millennials “find wines with humorous labels appealing, and 81% said they want labels that are clear and easy to understand” (Walker).

Animal Craze or Animal Phase

Wines that feature animals on their label design are often called “critter labels.” Although this trend has become prevalent in America, the idea originally came from Australia. Casella Wines, a small family-owned winery in New South Wales, Australia expected to only sell 25,000 cases of their Yellow Tail wine brand in 2001. Instead, they sold 200,000 cases. This surprising success made Yellow Tail “the most successful wine brand launch in history” (Harvey). Their visually striking label features a brightly colored wallaby on a black background. The wallaby label is what many believe has led to their success, “perhaps the biggest indication of the success of Yellow Tail is the number of copycats it has spawned” (“Critter Labels: The New Wine Label Phenomenon”). For example, Casella Wines is currently suing the maker of a new wine called Little Roo for trademark infringement. The Little Roo label features a similar color palette to that of Yellow Tail, as well as a kangaroo icon that looks similar to the Yellow Tail wallaby icon.

Of all new wines entering the marketplace, “brands that feature a critter outperform other new table wines by more than two to one” (“Critter Labels: The New Wine Label Phenomenon”). For years, “labels were dominated by inanimate objects, like chateaus in France, and gobs of text” (Kesmodel). As many millennials are novice wine drinkers, they shop primarily based on label and price. These animal labels, which feature kangaroos, penguins, fish, lizards and much more, are “really only designed for a younger market,” such as millennials (Walker).

While placing an animal on a label does not guarantee success, “it is important that wine makers realize that there is a segment of consumers who don’t want to have to take wine too seriously. Not only are they willing to have fun with wine, but they may just feel ‘good’ about an animal label presentation” (“Critter Labels: The New Wine Label Phenomenon”). While there are many

components that have contributed to Yellow Tail's success, the use of an animal icon on the label has played a key role.

Achieving Aesthetic Success

Even if a winery has developed an exquisite and flavorful wine, the success of the brand still lies in the hands of the consumer. If a wine label does not spark curiosity, the quality of the wine will not matter because it will not get picked up off the shelf. Differentiation is not easy to come by:

Enter any wine store and you have to choose from literally hundreds of bottles, your eyes [are] assaulted by the visual cacophony of labels and packages, each seemingly more colorful than its neighbor. Producers are all trying to stand out from the competition and attract the buyer, especially the young, hip consumer (Franson).

Producers have started to move away from traditional design and have been incorporating bold graphics and bright colors. Dr. Elizabeth Loftus, a professor of psychology and social behavior at the University of California, Irvine, devised a memory test in order to discover if "wine bottles with bold graphics and snappy logos will be easier to remember than those with delicate lettering and traditional seals." In the study, eleven young wine consumers were shown twelve bottles of wine, six of which had bold graphic labels, and six of which were traditional. The following day, the same group was shown twenty-four bottles of wine, including the original twelve from the previous night. The subjects were asked to identify the original bottles. The study found that "the test subjects could remember an average of 94 percent of the bottles with graphic wine labels and [only] 18 percent of those with traditional labels" (Appenbrink).

According to Dr. Liz Thach, “millennials are turned off by labels with a picture of a chateau on them. They think it’s their grandfather’s wine” (Franson). Millennials prefer the quirky and offbeat. Right now, “cute is good. Animals are still jumping off the shelves, along with cartoons and humor. Traditional shapes are still taking a back seat to being diversified, bright, and different.” As for the future of wine label trends:

You will see more labels with new, edgier, less traditional designs. The wine industry is evolving to reflect more and more styles and themes of popular culture. As generation Y becomes more involved both as consumers and label designers, this process is going to accelerate” (Walker).

Designers will have to work harder to attract the attention of millennials, making their brands edgy and hip, yet classic. However, spotting trends is getting increasingly difficult “as the market continues to become more niche-driven. Evolving technology is also changing the nature of label design. Consumers like labels to tell a story, but you have to tell it fast and simple” (Walker). There are multiple trends that wineries can follow to pursue uniqueness. Whether it be bold graphics, “critter labels”, or quirky names, it is clear that labels are key in reflecting brand identity and personality.

Brand Personality and Customer Loyalty

Brand personality is “the set of human characteristics associated with a brand.” Brand personality has been shown to “influence consumer preference and usage, build emotional ties to a brand, create trust and loyalty among consumers, and determine how consumers interpret and respond

to changes in product quality” (Boudreaux). Brand personality communicates to consumers that the wine is authentic and desirable. As consumers generally prefer brands that represent ideals by which they associate, wine producers have the opportunity to build customer loyalty based off of the brand personality and image they emanate.

Branding

Each element of a label's visual identity (including color, imagery, and typeface) has an influence on the different aspects of a product's brand identity. Successful brand identities can reflect success, charm, spirit, and trendiness. Just as consumers choose wines that reflect their personality and ideals, wineries identify “brand values that will most closely resemble those of their target market” (Hall pg. 14). Branding is key in reaching a specific target market. Brands allow wineries “to further differentiate their wine from others. The brand is developed with the target market in mind and there is a high degree in consistency in the communication of brand values through [wine] labels. The value of the brand is ultimately derived from consumers, therefore wineries must have strong customer focus” (Hall pg. 14). Positive association with a brand builds customer loyalty and commitment. Commitment is defined as “a consumer's belief that an ongoing relationship is worth investing time, energy and money” (Thach and Norwak).

When wine brands develop a ‘personality’, the wine becomes “associated with real people, places, and events” which gives the wine “the added power of authenticity” (Hall pg. 139). Wine preference can reflect values, personality, or social status. Perceiving brand personality “is a largely unconscious process” that is “analogous to the perception of human personality” (Boudreaux). A study conducted in 2007 at the University of California, Berkeley aimed to discover “the effects of three elements of wine label design – imagery, layout, and color – on purchase intent and

consumer perceptions of brand personality.” Using a web-based questionnaire with a total of 262 participants, the study concluded that image had “the greatest impact on both purchase intent and perceptions of brand personality” (Boudraux).

Image is “an abstract concept that incorporates the influence of past promotion, reputation, and peer evaluation,” it “connotes the expectation to the user” (Hall pg. 226). There are three basic types of image formulation: induced, autonomous, and organic. Induced image is “the result of a conscious effort of image formulation by the wine producer.” Autonomous image is when “third parties provide information or impressions of the wine.” And lastly, organic image is the “trusted opinion of others such as friends or relatives who have knowledge of the wine” (Hall pg. 227). The design of a wine label is where wine makers have the most control. A wine label is an induced image, which means that wineries can enforce a perception upon consumers through label design without them being consciously aware of it. The brand’s image “becomes an extension of the individual, a statement that the individual can make to the world about himself or herself” (Thach and Norwak). This opportunity to control image is paramount, as image has been identified as one of the most influential factors in purchase intent.

Social Occasions and Emotional Connotation

The type of wine label consumers are attracted to can vary greatly based upon the social situation they are anticipating. Type of occasion can even influence a consumer’s perceived value and quality of a wine. This kind of purchasing behavior is called “Situational Involvement.” Situational involvement takes into account “how involved people are when purchasing and consuming wine in different circumstances (e.g. buying wine for a gift versus for everyday consumption)” (Hall pg. 236). Purchasing intent changes on the basis of wine label aesthetics directed at social purposes.

Wine often represents something greater than itself, meaning that wine label aesthetic can reflect social status, culture, and power.

Wine perceptions change by both area and culture. Major categories can be separated into the “Old World” of wine, and the “New World” of wine. Old World wines originated in Europe, where “drinking wine is a part of everyday life for millions of people” (Hall pg. 4). Wines are seen as part of tradition and they are a marker of family and culture. Old World wine drinkers grew up with wine, “drinking it at every meal, and learning of its provenance, production and quality through experience and exposure.” For them, “wine is sustenance, culture and spirituality melded into one. Here, the consumption of wine knows no class distinction.” Consumers can identify wines that follow Old World traditions by checking if the wine lists its place of origin, soil, and climate on the label. In fact, most European wines have strict requirements for wine labeling which can limit room for creative expression (Hall pg. 4).

In contrast to the Old World, New World wine drinkers, mainly living in North/South America, Australia, and New Zealand, find wine as a drink for special occasions and socialization. New World wines are dominated by varietal bottling where the grape variety is clearly shown on the label. Because New World wine drinking is relatively modern, there is room for divergence from traditionalism (Hall pg. 4). For example:

Yellow Tail wine has a very ‘new world’ mentality which is helping to attract new consumers who are intimidated by their lack of knowledge about wine. The ‘Old World’ is tormented by stringent labeling rules that make their labels very intimidating to “amateur” consumers. Yellow Tail’s labels are consumer friendly and

complication free because they carry a simple design, which is a brand rather than an explanation about the grapes, soil, or aging process used (Harvey).

Wine is frequently consumed “for non-utilitarian reasons such as fun, amusement, fantasy, arousal, sensory stimulation, and enjoyment” (Hall pg. 11). Labels can provoke emotions that may be befitting for one occasion, but inappropriate for another. There are more than 17 emotions associated with wine consumption; including anger, sadness, fear, loneliness, love, contentment, joy, excitement, pride, and guilt, among others. The two consumption-related emotions that are most relevant to millennial consumers are “joy” and “excitement” (Thach and Norwak). Why is emotion important in purchasing wine? History has shown that:

Consumers try to meet their emotional needs through their consumption choices.

Through where they dine out, what they wear, what they drive, and of course, their alcoholic beverage choices. This is especially true in the case of the Millennial

Generation in regards to wine adoption (Thach and Norwak).

Through positive emotional association, wineries can “cultivate relationships with millennial customers that may lead to long-term, profitable relationships through continued patronage and brand loyalty.” Building strong emotional connections with consumers gives a winery competitive advantage. This emotional bond between wine marketer and consumer is often referred to as “share of heart.” Creating labels that “win the hearts” of the customer will lead to greater market share. Forming this kind of relationship requires “showing [customers] that the winery truly cares about them as people.” Wine labels that “incorporate lifestyle-based persuasive communication for targeted audiences, such as the Millennial Generation, may have a positive impact on brand equity.”

Positive emotion directly relates to customer satisfaction and purchase intention. While emotionally provoking labels continue to drive purchase decisions, it “cannot make up for poor quality, lousy service, or too high of a price” (Thach and Norwak).

Price and Label Relationship

Just as consumers make connections between wine labels and quality, the same goes for the connection between value and price-point. Wine bottles can “range from Two Buck Chuck [found at Trader Joe’s], retailing for \$1.99, to a bottle of 1787 Chateau Lafitte, which sold at auction in 1986 for \$160,000.00” (Hall pg. 2). With most millennials being novice wine drinkers, they are often unable to appreciate the quality of wine based on taste alone. These types of consumers tend to question their palettes when label design or price-point does not reflect the quality of the wine. For some novice wine drinkers, wine quality may simply be based upon if “it is enjoyable to drink, has a pretty label, and has a brand name they recognize.” There are three general types of pricing strategies: skim, penetration, and neutral. Skim pricing is “the strategy of pricing a wine higher than its competitors.” This can indicate “superior quality or even luxury.” Penetration pricing is the “decision to price the wine lower than the competition and low relative to the wine’s value.” This gives customers the perception that they are getting a good deal. Neutral pricing is when a winery “attempt(s) to eliminate price as a decision factor for wine consumers by pricing neither high or low relative to competition.” While wineries use all three of these strategies, neutral pricing is the most commonly used strategy today (Thach and Norwak).

With a downward economy, price-point has become increasingly more competitive amongst wineries. Tom Steffanci, president of WJ Deutsh & Sons, which handles Yellow Tail in the U.S. emphasizes the importance of providing a quality product at a reasonable price point,

While the economy is improving, we haven't seen much change in the hyper-price sensitivity of wine consumers. That's why it's so important that we never compromise on quality. Because ultimately, you can't fool consumers on quality, and they're willing to pay an extra dollar or two for a brand that they prefer and trust (Moaba).

Generally speaking, novice wine drinkers will rely more heavily on price point and label design in making purchasing decisions. This is because "as a consumer's knowledge of the wine increases, the reliance on external cues to determine quality tends to decrease." Wine prices can hint at the wines quality "and act as a substitute for a sophisticated palate." When wines are similar in taste or aesthetic design, millennial consumers will purchase their wine based upon price (Thach and Norwak).

Chapter III:

RESEARCH METHODS

The purpose of this study is to discover how color palette, typography, graphics, originality, and brand personality play a role in the way in which millennials purchase wine. This study also seeks to discover if the Millennial Generation purchases wine mainly based on price, or mainly based on label design. Methods of research will include descriptive research and content analysis. These forms of research will be used to determine the accuracy of the hypothesis that millennials prefer brightly colored, graphically focused labels that have creative brand names and use sans serif or decorative typography.

Descriptive Research

Descriptive research is used “to determine the nature of a situation as it exists at the time of the study” (Levenson). While “there are several types of studies that may be classified as descriptive research,” only a survey and a case study were performed to test the research hypothesis.

Survey

Specifically, this study used “A Sample Survey of Tangibles,” where “a sample is used to make inferences about a population” (Levenson). Surveys are useful in gathering data from a large quantity of participants in a relatively short period of time. The survey (Appendix A) included eight questions that were carefully selected to relate to the hypothesis. One hundred millennials were selected to take the survey through the use of Facebook “event pages.” The survey was distributed through the website Surveymonkey.com, which is an online survey provider. The first question asked the respondent to indicate their age range. Three options were provided: ages 21-25, ages

26-31, and “other”. Survey participants who indicated the “other” category were not included in the results, as they did not fall within the Millennial Generation age range.

Questions seven and eight were crucial in obtaining pertinent information. Question seven asked the participants to rank in order which wine they would be more likely to purchase based solely on label design. The five wines were selected to represent different wine label trends. Wine bottle A, 7 Deadly Zins, was selected for its strong brand identity and catchy name. Wine bottle B, Flipflop, was selected for its bright color palette, bold graphic design, and sans-serif typography. Wine bottle C, Yellow Tail, was selected because it features an animal on the label, going along with “critter-label” trend. Wine bottle D, Sonoma Landing, was chosen for its simple and traditional design that features a black and white chateau graphic with a serif font. Wine bottle E, Green Fin, was chosen for its decorative typeface, use of color, and unique graphics.

In order to determine millennial perceptions of typography and to prove the hypothesis that millennials prefer sans serif and decorative fonts, question eight asked the participants to indicate their favorite wine label of Montgomery Blend. The Montgomery Blend labels were constructed using the same design principles for each: black and white colors, the word “Chardonnay” written in a sans-serif font beneath the name, and the same decorative symbol separating the Montgomery Blend title and the chardonnay variety. The only variation between the labels was the use of different fonts on the title. Labels A and D each used sans-serif fonts, labels B and E featured serif fonts, and labels C and F featured script fonts, with label F being more decorative and less traditional than label C. With the hypothesis that sans serif and decorative typefaces are more appealing to millennials, the study should ideally show that millennials choose labels A, D, and F most frequently, and labels B, C, and E least frequently.

Case Study

The next form of research conducted was a case study. Case studies are “an intensive investigation” of small groups or samples in order to identify “how behavior changes in response to environment” (Levenson). Case studies also “provide an opportunity for an investigator to develop insights into basic aspects of human behavior” (Levenson). In order to better understand the psychological connection between wine label design and perceived wine quality, a case study in the form of a taste-test was performed. Two sample groups of 10 millennials each were invited to sample 10 different wines. The participants were selected using a Facebook event page. Each of the 10 wine bottle samples cost between \$5.99-\$11, were California Chardonnay’s, and were scored between 84 and 91 points on the Wine Spectator’s 100-Point Scale (“Wine Ratings Explained”). Five of these wine bottles featured labels that were fairly traditional. They had subdued colors, chateau or other simple graphics, and serif or script typography. The other five bottles were targeted towards a younger audience with brighter colors, more graphics and sans serif or decorative typefaces.

In the first taste-test, 10 participants sampled the wine while being able to see the bottle that it came from. After trying each wine, participants filled out a short survey (Appendix B) indicating what they thought about the wine’s taste and quality. In the second taste-test, the other group of 10 participants followed the same method as before, but all of the wine bottles were wrapped in paper bags in order to disguise the bottle’s identity, label, and shape. After the blind taste-test, the participants filled out the same short survey. Disparity in results from the two parties would indicate that wine label design impacts millennial perceptions of wine desirability.

Content Analysis

The last method of research conducted was content analysis. Content analysis is “a method for quantifying qualitative information gathered from elite and specialized interviewing, historical research, and descriptive research” (Levenson). The online survey provider used in this research, SurveyMonkey.com, calculated responses from the 100 participants into percentages. These percentages were used to draw conclusions about the descriptive research and its correlation to the study’s hypothesis. For the case study, information was quantified by collecting the short surveys that participants completed after each taste-test. The responses on the surveys were converted into percentages in order to draw conclusions on the relationship between label design and wine desirability.

Chapter IV:

RESULTS

Survey

Of the 103 individuals that took the survey questionnaire, three individuals fell within the “other” category, meaning that their age did not fall within the required age range for the Millennial Generation. Those three individuals were excluded from the research statistics, giving the survey a final count of 100 participants. 98.7% of the participants fell between the ages of 21-25, with only 1.3% of the participants falling within the ages of 26-31. The second question of the survey asked, “How do you purchase your wine?” The provided options were, “based on price,” “based on label design,” “based on recommendation,” “based on brand recognition,” and “all of the above”. A slight majority, 51.3% of participants, selected the option “based on price.” Coming in second was “based on label design” with 20.5%. These results show that 71.8% of millennials generally purchase their wine based upon either price or label design. 14.1% of participants indicated that they purchase their wine “based on brand recognition.” 9% of the participants indicated that they purchase their wine “based on recommendation.” And lastly, 5.1% of participants indicated that they purchase their wine based on all of the factors mentioned.

The third question of the survey asked, “How greatly does wine label design affect your purchase decision?” The provided answers were not at all, somewhat, and greatly. Only 10.3% of participants selected the option “not at all.” 61.5% of participants selected the option “somewhat,” and 28.2% of participants selected the option “greatly.” The survey illustrates that 89.7% of millennials feel that label design plays a role in their wine purchasing decisions.

The fourth question of the survey asked, “At which price point do you normally buy your wine?”

The provided answers included: \$2-5, \$5-10, \$10-20, \$20-40, and \$40+. 9% selected the \$2-5 range, 46.2% selected the 5-10\$ range, 42.3% selected the \$10-20 range, 1.3% selected the \$20-40 range, and lastly, 1.3% selected the \$40 and over range. These results indicate that millennials are fairly price sensitive, and wines that fall within the range of five and twenty dollars will be 88.5% more likely to be purchased by the millennial market segment.

The fifth question asked, “Are you more likely to purchase a bottle of wine if it has a humorous/recognizable name? (7 Deadly Zins, Fat Bastard, Marilyn Merlot etc.)”. 57.1% of the survey respondents indicated that yes, they would prefer to purchase a bottle of wine with a catchy brand name, and 42.9% indicated that the name of the wine did not have an impact on their purchase decision. The sixth question asked, “What design aspect do you feel is the most important on a wine label?” The available answers included color palette, typography, graphics, all of the above, and other. 15.6% percent of the participants indicated that color palette was the most important on a wine label, 6.5% selected typography, 20.8% selected graphics, and 57.1% percent selected all of the above.

The seventh question asked, “Based ONLY on wine label design, rank in order (1-5) which wine you would purchase from the image below. 1 being the least likely, 5 being the most likely you would purchase the bottle” (See Appendix A to view an image of the five different bottles). As mentioned earlier, Wine bottle A, 7 Deadly Zins, was selected for its strong brand identity and catchy name. Wine bottle B, Flipflop, was selected for its bright color palette, bold graphic design, and sans-serif typography. Wine bottle C, Yellow Tail, was selected because it features an animal on the label, going along with “critter-label” trend. Wine bottle D, Sonoma Landing, was chosen

for its simple and traditional design that features a black and white chateau graphic with a serif font. Wine bottle E, Green Fin, was chosen for its decorate typeface, use of color, and unique graphics. The hypothesis that millennials prefer brightly colored, graphically focused labels with creative brand names and sans serif or decorative typography should be supported if wine bottles A, B, C and E are selected at a higher percentage. The results found that 38.2% of millennials would prefer to purchase wine bottle A, 7 Deadly Zins. The second most desirable bottle was bottle C, Yellow Tail wine at 23.5%. The third most desirable wine was bottle D, Sonoma Landing with 18.6%. The fourth most desirable wine was bottle B, Flipflop wine with 14.1%. The fifth most desirable wine was bottle E, Green Fin with 5.6%. While most millennials chose bottles A and C, they also chose bottle D before bottles B and E, which was a surprising find. While it was assumed that wine bottle D would be chosen at a lower percentage than the other four wines, the results still indicated that millennials preferred recognizable wine brand names in the market place like 7 Deadly Zins and Yellow Tail.

Question number eight asked, "Of the 6 "Montgomery Blend" labels in the image below, which do you find most appealing?" Before the survey was conducted, it was assumed that millennial participants would choose labels A, D, and F most frequently and labels B, C, and E least frequently. Labels A and D each use sans-serif fonts, labels B and E feature serif fonts, and labels C and F feature script fonts, with label F being more decorative and less traditional than label C. The results found that millennials liked label A the most with a 24.4% approval rating. Second was label F with 22.4%, third was label D with 19.2%, fourth was label C with 14.1%, fifth was label B with 12.8% and coming in last was label E with 7.1%.

Case Study

For the case study, two sample groups of 10 millennials each (20 total) were invited to taste-test 10 different wines. There were two separate taste-tests, one conducted as an “open” study, and one conducted as a “blind study.” The aim of the study was to select five bottles of wine with traditional and dull labels, which would be referred to as “Boomer Labels,” and to select five bottles of wine with vibrant youthful labels, which would be referred to as “Millennial Labels”. If the participants preferred Millennial Labeled bottles more frequently in the open taste-test than in the blind taste-test, it could be concluded that attractive wine label design has influence over the millennial perception of wine quality. The five Boomer Labels were: a 2010 Woodbridge Chardonnay, 2009 Turning Leaf Vineyards Chardonnay, 2009 Redwood Creek Chardonnay, 2009 Estancia Pinnacles Ranches Chardonnay, and a 2009 Robert Mondavi Winery Chardonnay. The average price of the five bottles was \$9.00 and the average Wine Spectator rating was 85.2. The five Millennial Labels were: a 2007 Yellow Tail Chardonnay, 2007 Barefoot Chardonnay, 2010 The Naked Grape Chardonnay, 2009 Twisted Chardonnay, and a 2010 Prospect 49 Chardonnay. The average price of the five bottles was \$7.20 and the average Wine Spectator rating was 85.2 (See Appendix C for bottle images, Wine Spectator Ratings, and prices).

The first taste-test conducted was the open taste-test where all of the bottles were on display. The chardonnay bottles were numbered from one to ten, with number one being Woodbridge, number two being Turning Leaf Vineyards, number three being Redwood Creek, number four being Estancia Pinnacles, number five being Mondavi Winery, number six being Yellow Tail, number seven being Barefoot, number eight being The Naked Grape, number nine being Twisted, and number ten being Prospect 49. After the participants tasted each wine, they filled out a short survey (Appendix B). The first question of the survey asked the participant to indicate on a 1-5 rating scale what they think about the wine’s taste, with one being they hated the wine and five

being they loved the wine. In order to draw conclusions based upon the results, each wine's average was calculated. The results found that during the blind taste-test, millennials generally preferred the taste of the wines with "Boomer Labels." The average rating among the five Boomer Labels was 2.86, while the average rating among the Millennial Labels was 2.66. However, in the open taste-taste where millennials were able to view the wine bottles, the results were switched. When millennials viewed and tasted the Boomer Label wines, the average rating was 2.24 (Appendix D). On the other hand, when millennials viewed and tasted the Millennial Label wines, the average rating was 3.20. When participants were blind to the wine's labels, there was only a difference of 0.20 between the two groups of wine. When millennials were able view the wine labels, there was a greater margin of difference. The Millennial Labels achieved 0.96 greater approval ratings than the Boomer Labels.

The next question asked, "How much do you think this wine costs?" The answers provided were \$2-5, \$5-10, \$10-20, \$20-40, or \$40+. The results (Appendix E) showed that during the open taste-test, millennials believed that the Boomer Labels were more expensive than the Millennial Labels. The results from the blind taste-test showed that most millennials thought the bottles from both groups cost around the same price.

The last question asks, "Would you purchase this wine?" The blind taste-test results (Appendix F) indicate that participants did not have a preference of buying either type of wine, with 24% preferring the Boomer Labels and 25% preferring the Millennial Labels. During the open taste-test, the results indicated that participants preferred the Millennial Labels, with 19% of participants selecting the Boomer Labels, and 31% selecting the Millennial Labels.

Chapter V:

CONCLUSIONS

This study was conducted in order to draw conclusions on the millennial perceptions of wine label design, and whether those perceptions affect their wine purchasing behavior. The original hypothesis was that millennials prefer wine labels that are brightly colored, less traditional, and more graphically focused. Further, millennials would make purchasing decisions based more on label design than price point. Lastly, millennials would see creative brand names as a positive attribute and would prefer wine labels that feature decorative and sans-serif typefaces rather than cursive typefaces.

The first form of research conducted was a web-based survey questionnaire that analyzed 100 different participants within the Millennial Generation. One of the first topics addressed was whether or not millennials purchase wine based more on price point or label design. The results showed that compared to other factors like brand recognition and recommendation, millennials found price and label design to be much more important, with 71.8% of survey respondents indicating that price and design played the largest role in their purchase decision. 51% of respondents indicated that price was the most important, and 20.5% indicated that label design was the most important. These results support the previously mentioned hypothesis that millennials rely on price and label design to indicate the quality of the wine they are purchasing. However, the results do not support the hypothesis that millennials purchase wine based more on label design than on price point.

When respondents were asked, “How greatly does wine label design affect your purchase decision?” 89.7% of millennials indicated that wine label design plays a significant role in the way in which they purchase wine. When respondents were asked, “Are you more likely to purchase a bottle of wine if it has a humorous/ recognizable name?” 57.1% of the survey respondents indicated that yes, they would prefer to purchase a bottle of wine with a catchy brand name. Both of these results support the study’s hypothesis that wine label perceptions affect millennial purchasing decisions and that millennials prefer wines that have creative brand names.

When respondents were asked, “What design aspect do you feel is the most important on a wine label?” 57.1% of participants indicated that color palette, typography, and graphics played a role in successful label design. It can be concluded that these results match the hypothesis that millennials place importance on the aesthetic appeal of wine labels. Lastly, through the use of a visual display of six wine labels with various typeface categories, the survey indicated that millennials prefer sans serif and decorative typefaces on wine labels. Overall, the survey was extremely successful in supporting the research hypothesis, with the exception being that millennial respondents placed more importance on price point than label design.

The second form of research conducted was a blind and open wine taste-test. Five of the ten wine bottles in the study represented traditional “baby-boomer” type labels, while the other five represented modern “millennial” type labels. The research found that when unable to see the wine labels, the participants preferred the taste of the Boomer Labels, but when they could see the wine labels, they suddenly preferred the taste of the Millennial Labels. This indicates that a positive association with a wine label design can actually alter one’s perception of the wine’s quality and taste. The Millennial Labels achieved 0.96 greater approval ratings than the Boomer Labels,

indicating that wine label with attributes detailed in the hypothesis were found more desirable by millennial participants. Most significantly, the blind taste-test results proved that participants could not tell much of a difference between the two groups of wine and would purchase the Boomer wines at a 1% higher rate than the Millennial wines. However, during the open taste-test the participants indicated that they would purchase the Millennial wines at an 11% higher rate than the Boomer wines. The two-taste tests helped to prove the hypothesis that wine label design impacts millennial perceptions of wine desirability.

By identifying the perceptions and attitudes of the Millennial Generation as it pertains to wine label design, those in the wine industry can better tailor their brands to meet their demands. For strategic marketing purposes and long-term sustainability of a wine brand, it would be wise to consider these relevant trends in the marketplace. In order to capture the millennial market segment, wine label designs will need to become less traditional and representative of status, and more modern and representative of fun. As the wine industry evolves and continues to reflect the styles of popular culture, wine labels will phase out traditional designs and begin to emphasize brighter and edgier labels. As the Millennial Generation becomes more involved both as consumers and label designers in the wine industry, this process will likely accelerate.

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APPENDICES

A)

(1) What is your age range?

___ 21-25

___ 26-31

___ Other

(2) How do you purchase your wine?

___ Based on price

___ Based on label design

___ Based on recommendation

___ Based on brand recognition

___ Other

(3) How greatly does wine label design affect your purchase decision?

___ Not at all

___ Somewhat

___ Greatly

(4) At which price point do you normally buy your wine?

___ 2-5 \$

___ 5-10 \$

___ 10-20 \$

___ 20-40 \$

___ 40+ \$

(5) Are you more likely to purchase a bottle of wine if it has a humorous/recognizable name? (7

Deadly Zins, Fat Bastard, Marilyn Merlot etc.)

___ Yes

___ No

(6) What design aspect do you feel is the most important on a wine label?

___ Color palette

___ Typography

___ Graphics

___ All of the above

(7) Based ONLY on wine label design, rank in order (1-5) which wine you would purchase from the image below. 1 being the most likely, 5 being the least likely you would purchase.

___ A

___ B

___ C

___ D

___ E



(8) Of the 6 “Montgomery Blend” labels in the image below, which do you find most appealing?

___ A

___ B

___ C

___ D

___ E

A



B



C



D



E



F



B)

Wine Number: _____

Age: _____

Circle the number that describes how you feel about the wine's taste. 1 being you hate the taste, 5 being you love the taste:

1 2 3 4 5

How much money do you think this wine costs?

___ \$2 - \$5

___ \$5 - \$10

___ \$10 - \$20

___ \$20 - \$40

___ \$40+

Would you purchase this wine?

___ Yes

___ No

C)

Millennial Labels:

Name	Wine Spectator Points	Price
2007 Yellow Tail Chardonnay	85	\$5.99
2007 Barefoot Chardonnay	84	\$5.99
2010 The Naked Grape Chardonnay	86	\$7.99
2009 Twisted Chardonnay	87	\$5.99
2010 Prospect 49 Chardonnay	91	\$10.00



Boomer Labels:

Name	Wine Spectator Points	Price
2010 Woodbridge Chardonnay	87	\$7.99
2009 Turning Leaf Vineyards Chardonnay	84	\$8.00
2009 Redwood Creek Chardonnay	83	\$8.00
2009 Estancia Pinnacles Ranches Chardonnay	86	\$11.00
2008 Robert Mondavi Winery Chardonnay	86	\$10.00



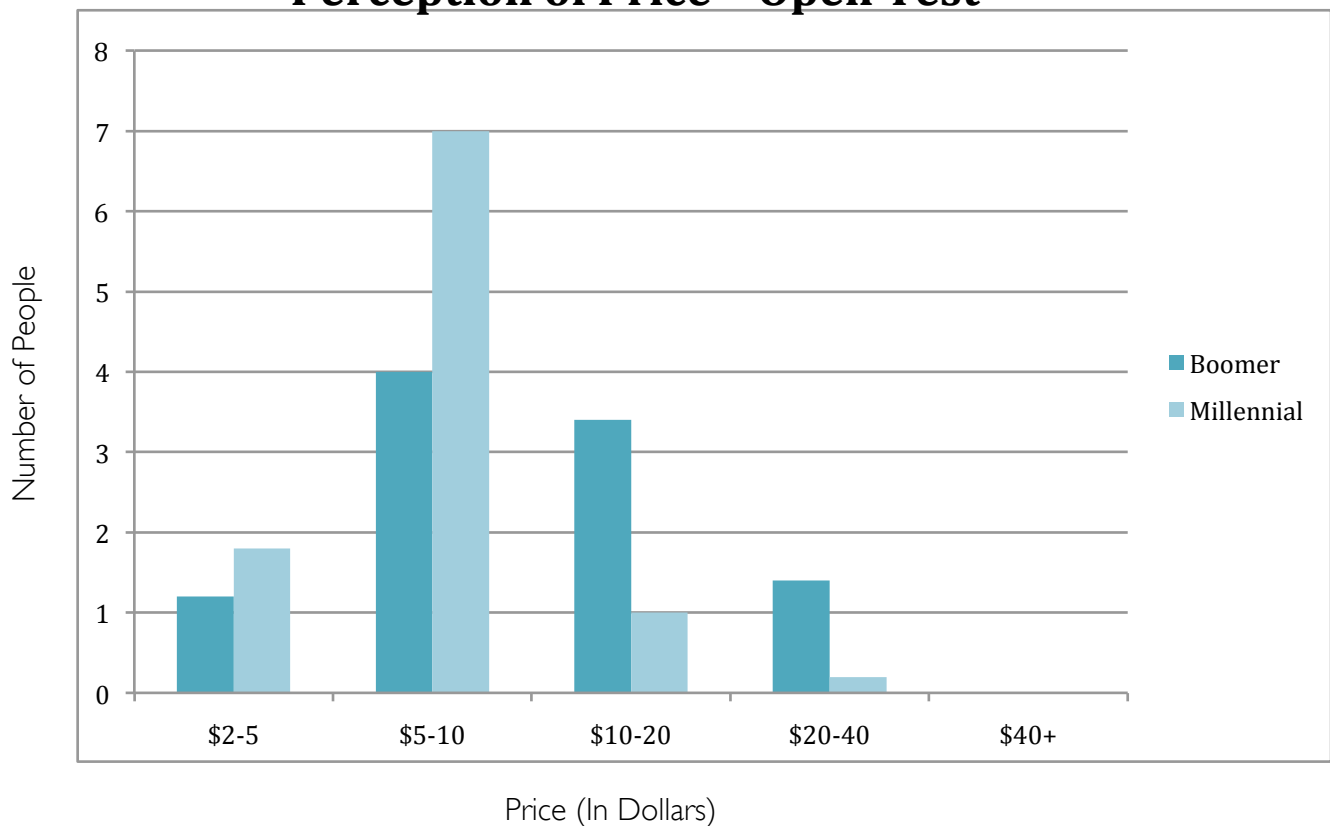
D)



E) Open Taste-Test:

Wine Bottle	\$2-5	\$5-10	\$10-20	\$20-40	\$40+
1	0	3	5	2	0
2	1	6	3	0	0
3	2	3	4	1	0
4	2	4	2	2	0
5	1	4	3	2	0
6	0	10	0	0	0
7	0	10	0	0	0
8	4	6	0	0	0
9	3	4	3	0	0
10	2	5	2	1	0

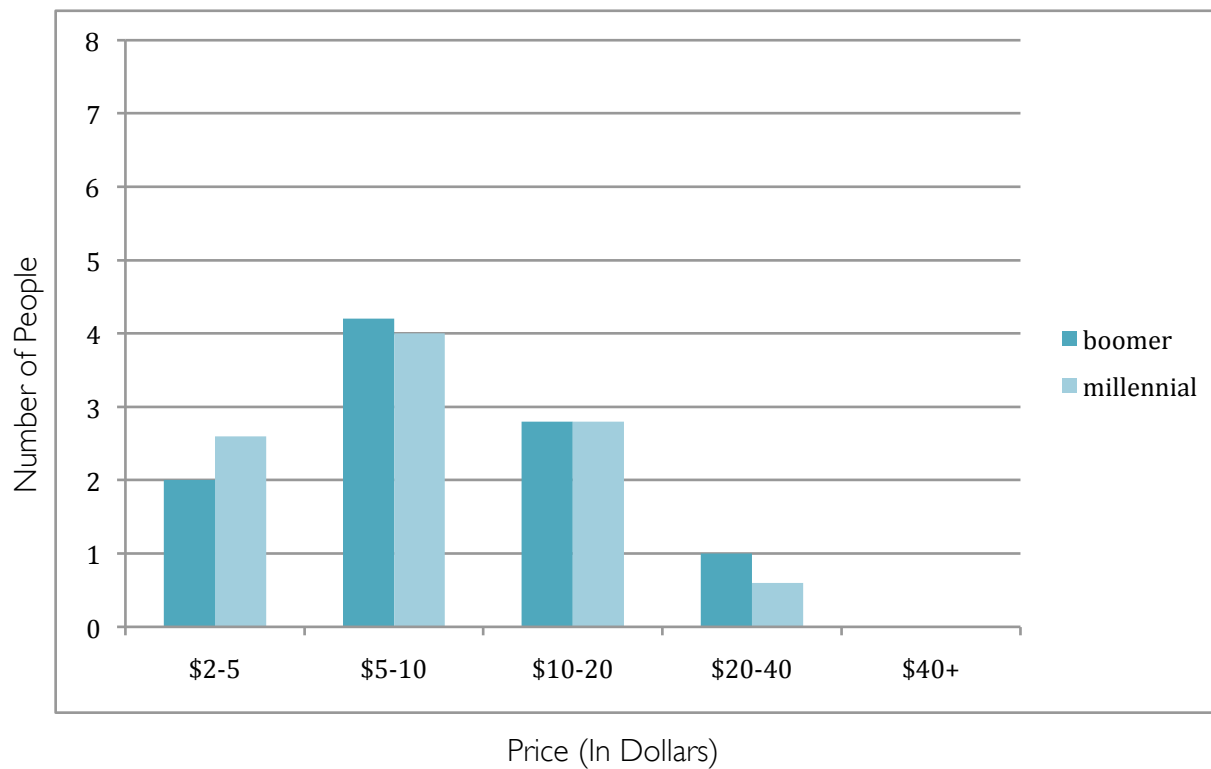
Perception of Price – Open Test



Blind Taste-Test:

Wine Bottle	\$2-5	\$5-10	\$10-20	\$20-40	\$40+
1	2	4	3	1	0
2	3	5	2	0	0
3	2	4	3	1	0
4	2	4	3	1	0
5	1	4	3	2	0
6	3	4	3	0	0
7	2	3	4	1	0
8	4	4	2	0	0
9	3	4	2	1	0
10	1	5	3	1	0

Perception of Price – Blind Test



F)

