The Preferences in Wine of Various Aged Consumers

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ABSTRACT

When marketing wine to potential customers wine companies need to know that different consumer groups are not all going to have the same preferences. Between younger and older age wine drinkers some preferences and demographics they have are distinctive. This research study analyzes these different wine preferences between 21 to 40 year olds and 41 plus year olds. 115 respondents were asked in a survey about their demographics what characteristics they liked in wine. The surveys were distributed at two grocery stores in San Luis Obispo in February of 2013. The data was then logged into a computer software program called SPSS to analyze the results. Frequency, descriptive statistic, Chi-square, and independent sample T-tests ran the survey data to determine what characteristics of wine were most preferred by the respondents. This study reports the primary and secondary research for local wineries to use in marketing strategies.

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Chapter 1

INTRODUCTION

Wine can be enjoyed throughout the United States and around the world. Drinking wine can be seen as an art or even just a relaxing activity. Wine is usually served and consumed socially, while it's wine tasting at local vineyards, eating at restaurants, family events, or holiday parties. Many colleges even offer a wine and viticulture program, to serve those students wishing to pursue a professional career in the wine industry. Some consumers are highly educated on wine brands and varietals and are referred to as wine connoisseurs.

The U.S. wine industry has been rapidly growing recently according to Wagner, Olsen, and Thach (2011). Wine sales posted strong gains over 2011 in both the retail and direct-to-consumer sales channels. Sales for domestic table wines at food and drug stores grew 7% to $377 million in September (Adams, 2012). There is also a steady increase in the demand for wine from new markets, which opens the doors for new companies and businesses to enter the wine industry. With so many different wine companies in the world and low barriers to entry there tends to be an extremely competitive playing field. This is where marketing and advertising becomes a key role in order for companies to make a profit selling wine.

In wine marketing knowing the target market and how to reach that market is crucial. It is difficult for all wineries to be fully aware of their target market. Many of them are tucked away on a side street or in a corner of some shopping mall and very inconspicuous, as stated by B. Hopkins (2009). In order for wine companies to find their target market, they must research the wants, needs, preferences, and demographics of the consumers. Some preferences will include characteristics of wine like brand name, production year, wine type, flavor, and price. Consumer demographics will consist of age, gender, race, employment, income, education, living location, marital status, and having children. From this, companies can form a strategic marketing plan based on wine drinkers preferences and demographics.

There are many different ways to distinguish between each type of wine drinker. One way to do this is to study the consumers' demographics. This will narrow down a more specific kind of wine drinker to approach. The gender is one of many characteristics used to target a certain market. Men and women can differ on many attributes, so analyzing each side's perspective will be necessary. According to the Wine Market Council 53 percent of wine drinkers in the U.S. are women. In 2009 women matched men as "core drinkers," those who drink wine at least once a week (Wine Market Council). Also, the consumers' age is another important aspect that differentiates consumers. Recently the number of young wine drinkers is increasing. Referencing the Wine Market Council, Tom Marquardt and Patrick Darr report that 70 million people aged between 17 and 34, Millennials, are growing fonder of wine (2011). The increase in the wine interest in young consumers can possibly be quite different than older consumers' wine interests. With the difference in interest, each age group must be marketed to in separate ways.

Problem Statement

Is there a significant difference in wine preferences between young and older consumers when purchasing a bottle of wine?

Hypothesis

Testing at a significance level of 0.05 and 0.10, there is a significant difference in wine preferences between younger and older consumers when buying a bottle of wine. More specifically the age ranges of 21-40 and 41 plus years will each have varying preferences in wine types, like cabernet sauvignon, syrah, merlot, chardonnay, pinot grigio, and pinot Noir.

Objectives

1. To create and distribute a consumer survey to gather sufficient and necessary information on consumer preferences.

2. To assess the various characteristics in marketing wine as they relate to age differences.

3. To measure what characteristics are significantly important to consumers of varying ages when buying a bottle of wine.

Justification

Wine marketing teams need to study and do research on their target market so they can find the best strategy to sell wine successfully and to reach their goal, which is to make a profit. Not all wine drinkers have the same preferences, so promoting accordingly to each consumer can be difficult. Testing each age group's choices can provide information on generational differences, which may assist in establishing good marketing strategies.

The reason marketing wine to consumers is a difficult task is due to the wide range of attributes desired. Knowing these specific attributes will help marketers provide key information to their companies and thus ultimately increase sales. Referring to workers in the wine industry, marketers will benefit the most from this study. They will learn valuable knowledge from both target markets, 21-40 and 41 plus years, so promoting wine can be done accordingly. Surveys will be distributed locally throughout San Luis Obispo. Since local consumers are being studied local wineries, such as Edna Valley, Chamisal, Tobin James, and Castoro Cellars, can use the final results to develop a marketing plan primarily focusing on San Luis Obispo residents. This plan will help local wineries compete and stand out from bigger name wineries. Indirectly, the local economy can be affected in a positive manner from focusing on this marketing strategy.

Besides determining what each target market prefers, marketers will realize what wine drinkers dislike. Wineries can save money and reduce costs in the production process by not spending money on wine characteristics that are disliked by local wine buyers. This new and improved wine will become more appealing to them and may increase the demand for it. Overall these wineries could expect an increase in sales from this type of consumer behavior.

The wine industry is continuing to grow and becoming more competitive. From this phenomenon, this study will provide marketers the appropriate industry number to reach out to their target consumers and increase sales for their wineries.

Chapter 2

REVIEW OF THE LITERATURE

Consumers of different ages tend to have varying preferences in wine (Thatch and Olsen, 2006). Researchers from Sonoma State University compared the evolution of wine drinking patterns between generations. From that experiment, evidence showed that young adults liked lighter and sweeter style of wines, and then move to more flavorful or complex wines later in life (Olsen et al. 2007). An additional article, “America's Regular Wine Drinkers Growing In Number,” describes the purchasing attitude in young wine drinkers. As stated in *Wine Business,* since 2009 the population of American wine consumers has grown by nine percent, boosted by a relatively large proportion of younger adults taking up wine drinking at an earlier stage than previous generations. However there has been a steady increase in the price sensitivity of wine drinkers, and a corresponding decline in their tendency to experiment with new wine styles and varieties. The younger population’s attitude doesn’t mind what they buy so long as the price is right (*Wine Business*, 2011). From a recent newspaper article Tiffany Hsu reports that the wine world is pouring its efforts into a younger market as baby boomers age. Baby boomers have been the main driver of the U.S. wine market for years, consisting of 40% of the customer base currently. As the baby boomers begin retirement and start to cut back on wine, American vintners are going after younger consumers in a bid to keep their $33 billion industry growing (Hsu, 2013). Wine advertising toward various age profiles is one aspect that needs to be thought of in marketing to wine consumers. It is a way to introduce a brand to customers and make an outreach to a specific target market.

When advertising wine, companies attempt to capture a market share in a region or area, inform consumers, and differentiate their wines (Sam and Thompson, 2012). How they differentiate themselves is by having a unique brand name that can be easily recalled. Customers recognize certain products by common names which are regularly identifiable. Over a hundred years ago businesses started branding products so that people would find it easier to know the difference between premium, manufactured products and the products which are cheaper and less known (Ali, 2007). This same idea can be used in formulating marketing strategies too.

Some wine drinkers are exceptionally loyal to particular brands. These wine drinkers are low involvement consumers, those who occasionally drink wine, who are more loyal to just a few types of brands. High involvement consumers, those who consider wine to be part of their lifestyle, are not very likely to be brand loyal (Lockshin and Spawton, 2001). The second of these two types of consumers may be speculated as the most difficult to commit to one or two wine brands. For example, some consumers may not have a favorite wine type or have precise preferences in taste or quality, therefore they will not care about the brand of wine they drink. These wayward consumers are the kind of target market companies want to attract to their brands because they are neutral. Companies won’t have to spend the time and money to convince these drinkers that their other current branded wine is not right for them; that part is already accomplished since they don’t have a preferred brand.

Another way to expand marketing reach is through online advertising. In most recent times it is standard for wineries to have their own website. For example, it is common for them to publish their award winning wines, tasting hours, special sales, parties, and other social events to increase marketing efforts. Also having an option to purchase wine on the website is another key role in boosting sales (Hopkins, 2009). This is why making wine available online can really expand a company’s revenue potential. Not all consumers can pick up their wine in person due to proximity issues; like having a far driving distance to travel. So having a wine delivery option can help facilitate this dilemma.

Wineries make it a priority to research what attributes are the most desired in wine. An experiment conducted by Gustafson, Lybbert, and Sumner (2011) describe how consumers value the sensory attributes of wine. Cabernet Sauvignon was the main wine studied. The objective was to find where the most desired wine came from. 236 participants were used in the research for nine rounds of bidding. Some attributes that were measured were price, taste, and packaging. The survey concluded that the participants valued cabernet sauvignons from Napa Valley and Sonoma County. A precise marketing strategy and plan can be created from this data in order to advertise to the right target market.

Besides wine characteristics, the behavior and demographics of consumers must be considered as well. Dr. Marianne Wolf posted a study that examined wine consumption behavior and the characteristics of wine that are most desirable to California consumers when buying wine. The demographics were established by conducting a survey of 501 wine purchasers in Los Angeles, San Luis Obispo, and San Francisco. After a statistical analysis was done, her results showed that wine consumers are more likely to be married, prefer red over white wine, purchase wine at grocery stores, and use the internet for wine information. The most desirable attributes that consumers look for are taste, quality, and price. Also wines that are a complement to food are extremely desirable (Wolf, 2000). These characteristics will be used in marketing strategies to encourage consumers to buy specific wines. Also many scientific studies show that wine consumption has multiple health benefits. In one experiment, one of these benefits is that red wine has biological properties that can lead to improved cardiovascular health. This article, “Alcohol Consumption and Food-at-Home Dietary Quality in the United States (2012),” compared the food purchases between wine and beer consumers. The dataset was collected from the 2006-2010 Nielsen Homescan Database. The scanned UPC's from all food and beverage products at retail grocery stores were researched. Overall, the results showed that wine drinkers purchased healthier style foods than beer drinkers (Adjemian and Volpe 2012).

Competition in global wine marketing is one of many challenges for wine companies. The increase in competition has mostly been caused by the increase in demand. In the European Union, quality wine consumption has increased from 30% in 1986 to 46% in 2006 as stated by the European Commission. Researching the role of new consuming countries, demand-driven attributes, product differentiation and promotional marketing are key factors in determining the future evolution of wine trade (Bardajì and Mili, 2009). This experiment's intention was to find fundamental trends in wine production and trade. The research was obtained by surveying a sample size of 66 wine sector experts in a structured questionnaire. The survey was made up of questions related to global wine market features. Also statistical analysis was performed for evaluation. Results showed a cross-section pattern of an upcoming increase in global wine consumption derived from new consuming countries and an increase of income levels in importing countries. Therefore global wine production will also grow during the next few years (Bardajì and Mili, 2009). In a journal article, "A Model of the World's Wine Markets," the interest in the global wine market has been increasing in the U.S. (California specifically), Australia, and other new wine producing countries. It stresses that most of the global growth in premium wine exports are credited by new world producers. Australia has lead in terms of export volumes among these producers. Although Argentina, Chile, New Zealand, South Africa and the U.S. also are experiencing rapid export growth (Wittwer, Berger and Anderson, 2003).

How people associate and interact with each other while drinking wine is intriguing as well. Simply Naked Wines conducted a recent survey on what consumers like to do while drinking wine. They define wine drinkers as playful and confident individuals who love to sip in social settings with friends, family, and love-interests (PR Newswire, 2012). They conducted the survey in May of 2012 and found substantial results regarding consumers’ attitudes and behavior. 75 percent of wine drinkers consider themselves to be social creatures, enjoying wine with friends; 77 percent drink wine at parties; 72 percent consume it more intimately, out on dates; and 49% of young wine drinkers, ages 21-39, agree that flirting is more fun with a glass of wine (PR Newswire, 2012). From this national report wine consumers tend to be more outgoing and energetic people. Simply Naked also reported that consumers agree with the phrase that “everything is better undressed”. This statement is fully supported by Simply Naked since its company’s philosophy is a carefree attitude (PR Newswire, 2012).

Chapter 3

METHODOLOGY

Procedures for Data Collection

To determine differences in generational preferences in wine, primary data will be collected throughout San Luis Obispo via survey distribution. These surveys will be sent to 125 people roughly, with around 100 expected respondents. This amount of respondents will be a sufficient sample size to closely represent San Luis Obispo. The surveys will be distributed at two grocery stores of varying locations. One location will be near the south side of town at Vons on Broad St. The other location will be at Albertson's on Foothill Blvd., which is near the north part of town. An equal amount of surveys at both locations will be distributed to achieve accurate data.

An introduction will be stated at the beginning of the survey to explain what the study is for. It will describe who and what is affected by the study, who will benefit, and what possible future changes can occur. The layout of the survey will consist of 8 questions with various subjects. This survey will show the demographics of the sample target and what kind of wine they like to buy. This information should be able to tell if there is a relationship between age groups and preferences in wine characteristics. Only wine drinkers are meant to complete this questionnaire, so non-wine drinkers won't be considered in this study.

The target of this survey will be people who have purchased and consumed wine in the past year. Two screening questions will be asked to see if the respondents qualify for the study. The first screening question will ask the person if he or she is 21 years of age or older. This will determine if the respondent is of the legal drinking age. If the respondent is not, then the survey will be terminated. The next screening question will ask if the person has bought wine in the past year. If the respondent has not bought wine then the survey will have to be terminated. The first survey question will assess what characteristics are preferred in wine, which will help narrow down the desirability ratings. Each characteristic will be ranked between a range of a minimum "not important" to a maximum "very important". The next question will inquire how much wine people purchase in a month. A list of bottle amount options will be used to show the number of wine bottles purchased. This is meant to determine the quantity and frequency of wine people consume. The third question will ask if respondents prefer to drink red wine or white wine more. Red and white wines can be usually be considerably different, which makes some wine drinkers take extreme pride in being a red or white wine consumer. This type of attitude makes it important to know which respondents are red wine drinkers and which are white wine drinkers. Question four will ask the wine drinker to rate the preferences of a variety of wines given in a list. These wines include cabernet sauvignon, merlot, syrah, chardonnay, pinot grigio, and pinot noir. The ratings will range from "do not drink" to "very frequently drink". This question will help assist in analyzing which types of wine the target prefers to drink. The fifth question will ask the respondent if he or she has purchased any other types of alcoholic beverages besides wine. This will show what other beverages the target is consuming along with wine.

Lastly the demographic questions are asked to evaluate the respondents' characteristics. The sixth question asks what gender the consumer is; this will help compare a significant difference between men and women. The next question will ask the respondent to describe his or her age from a list of age ranges. This is one of the most important questions to analyze since it directly relates to the problem statement. The last question will assess people's income level. The income options offered will be in ranges of $25,000. This information will help estimate how much of the consumers' income can be used as disposable income toward wine purchases.

The respondents will be thanked for their time, contributing to the research, and supporting a Cal Poly senior project.

Procedures for Data Analysis

When all the survey data is collected, it will be entered into the SPSS computer software program to be analyzed. An overall statistical analysis will be run to help determine if there is different wine preferences in varying age groups. In order to do this each question will have to be assessed by specific tests. All of the data will be made up of nominal, ordinal, ratio, or interval data. Variables that are nominal or ordinal will be examined by a Chi-square test while variables that are ratio or interval will be examined by independent T-tests. Frequencies of descriptive statistics will also be used to show the means (averages) of the responses.

A significance level of 0.05 and 0.10 will be used to determine a “very significant” and “significant” difference respectively between age groups. With a P-value greater than 0.10 the null hypothesis (Ho) will be accepted (there is no difference in wine preferences between varying age groups). If the P-value is below 0.10 then the alternative hypothesis (Ha) is accepted (there is a difference in wine preferences between varying age groups).

Throughout the analysis section in the report there will be a set of tables and graphs to help visualize the data as well. The tables will compare each targeted age range and give the P-values of any results that had significant differences. For example the difference between the 21-40 year target and the 41 plus year non-target will be tested on the types of wine preferred. Additionally the type of wine purchases and demographic information will be extremely important to use when analyzing the results and coming to a conclusion. These results from this study will then help local wine companies make future marketing decisions and strategies.

Assumptions

In this study there are some factors that are assumed to be true in order to make this research reasonably testable and accurate. The study will also be well researched and recorded properly to make the results as realistic as possible. The information provided by the respondents will be assumed as true and accurate. The respondent's gender, age, and income level are all considered to be true. Furthermore, it will be assumed true that all the statistical tests were run properly and the survey data was entered correctly into the SPSS software program.

Limitations

Since the survey will only be given to a small sample size, and not to a wide variety of people, the results will not directly relate to an entire population. How the surveys will be distributed will limit the randomness of respondents as well, thus not representing a true population. Although the steps and tactics used in the methodology can be used in a future survey study for a true population and more accurate results can be concluded.

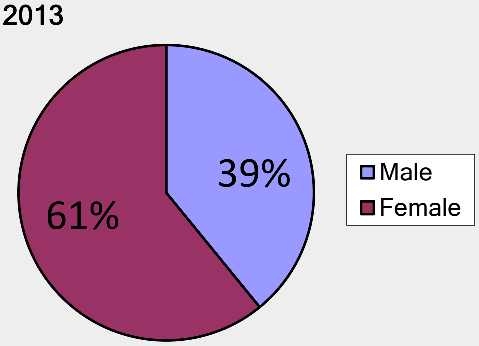
CHAPTER 4

DEVELOPMENT OF THE STUDY

Data Collection Problems

Since the survey was distributed in person it was considerably difficult and time consuming to collect enough responses. Some issues arose when administering the surveys and collecting data. Not all of the surveys from the respondents could be used for data analysis. There were 121 respondents who were asked to take the survey but only 115 of those surveys were used for analyzing data. This was because these respondents were either younger than the legal drinking age or they had not consumed wine in the past year. Another issue was where the surveys were administered, which affected the demographics of the respondents. The surveys were taken in San Luis Obispo at Vons on Broad St. and also at Albertson's on Foothill Blvd. The respondents at the Albertson's location were mostly made up of younger college students. About 37% of these respondents were between the ages of 21-25. Also there was a big difference in the number of female to male respondents. Figure 1 shows that almost two-thirds of the respondents were females.

Figure 1: Gender
Clinite, 2013



<u>Analysis</u>

After all 115 surveys were collected the data was then ready to be analyzed. The data was entered into an online data collection program called Survey Monkey. This program provided feedback on which answers were selected the most for each of the questions. It also organized the results in an appropriate way by using tables and graphs. This helped show the key demographics and wine preferences of all the respondents.

Before the survey was initiated each respondent was asked two screening questions. These questions asked if the respondents were above the legal age limit and if they had purchased wine in the past year.

The first question asked what characteristics in wine were most important to the consumer. The characteristics offered were brand name, price, varietal type of wine, label appearance, origin of wine, food pairing, and alcohol level. Consumers found that brand name, price, and varietal type of wine were important. Label appearance, origin of wine, and food pairing were a little important and alcohol level was not important.

Table 1: Question 1-When purchasing wine how important is the following information?

	Not important	A little important	Important	Very important	Response Count=115
Brand name	24.3%	31.3%	37.4%	6.1%	100%
Price	2.6%	12.2%	58.3%	27.0%	100%
Varietal-type of wine	2.6%	21.7%	40.9%	34.8%	100%
Label appearance	25.2%	40.9%	29.6%	4.4%	100%
Origin of wine	17.4%	33.0%	33.0%	16.5%	100%
Food pairing	27.8%	44.4%	22.6%	5.2%	100%
Alcohol level	41.7%	33.9%	15.7%	8.7%	100%

Clinite, 2013

Question two asked on average how many bottles of wine the consumer bought per month. The majority of the respondents purchased one to three bottles of wine per month, representing about 44%. There was also a distinct pattern in the number of wine bottles purchased and the number of consumers purchasing them. As the number of bottles purchased per month increased the number of respondents purchasing them decreased.

Table 2: Question 2-On average how many bottles of wine do you typically buy per month?

Bottles	Response Percent
1-3	44.3%
4-6	24.3%
7-9	16.5%
10-12	7.8%
13-15	4.3%
16+	2.6%

Clinite, 2013

The third question asked if consumers preferred to drink red wine or white wine more. Red wine was clearly more preferred with almost 61% of the respondents choosing red.

Table 3: Question 3-Between red and white wine, which one do you prefer to drink more?

Wine	Response Percent
Red wine	60.9%
White wine	39.1%

Clinite, 2013

Question four asked the respondents how often they drink each varietal of wine. The majority of the respondents who drink cabernet sauvignon are more likely to consume it regularly or very frequently. The majority of the consumers who drink merlot, syrah, chardonnay, pinot grigio, and pinot noir are more likely to not drink or drink the wine rarely.

Table 4: Question 4-How often do you drink each varietal of wine?					
Varietal	**do not drink**	**drink rarely**	**drink regularly**	**drink very frequently**	**Response Percent**
Cabernet sauvignon	7.1%	36.3%	32.7%	23.9%	100%
Merlot	8.9%	42.9%	41.1%	7.1%	100%
Syrah	13.0%	49.1%	28.7%	9.3%	100%
Chardonnay	14.0%	44.7%	29.8%	11.4%	100%
Pinot Grigio	23.0%	50.4%	20.4%	6.2%	100%
Pinot Noir	9.8%	47.3%	32.1%	10.7%	100%

Clinite, 2013

The fifth question asked the respondents which following alcoholic beverages they have consumed in the past year, besides wine. These beverages included beer, malt liquor, hard liquor mixed drinks, and wine coolers. Of all the consumers almost 90% also drank hard liquor mixed drinks, 78% drank beer, 24% drank malt liquor, and 20% drank wine coolers.

Table 5: Question 5-Besides wine, which of the following alcoholic beverages have you consumed in the past year? (select all that apply)	
Drinks	**Response Percent**
Hard liquor mixed drinks	89.6%
Beer	78.30%
Malt liquor	23.50%
wine coolers	20.0%

Clinite, 2013

Question six asked the respondents to report their gender. The majority of the respondents were female. Between the females and males there was about a 60:40 ratio respectively.

Table 6: Question 6-Are you?	
Gender	**Response Percent**
Female	60.9%
Male	39.1%

Clinite, 2013

The seventh question asked the consumers which year range described their age. The age choices the consumers had the option to choose from were offered in five year ranges. Most of the consumers were in the younger age range. More than a third of the respondents were 21-25 years old. When the first two age ranges were combined together (21-30 years) they made up of 44.4% of the survey takers. The next largest age range was 56-60 year olds, which consisted of 14.8% of the consumers. When the seventh and eighth age ranges were totaled together (51-60 years) they made up of 27% of the respondents.

Table 7: Question 7-Which of the following ranges describes your age?				
Range Number	**Age**	**Response Percent**	**Age**	**Response Percent**
1	21-25 years	37.4%	21-30 years	44.4%
2	26-30 years	7.0%		
3	31-35 years	3.5%	31-40 years	5.2%
4	36-40 years	1.7%		
5	41-45 years	4.3%	41-50 years	12.1%
6	46-50 years	7.8%		
7	51-55 years	12.2%	51-60 years	27.0%
8	56-60 years	14.8%		
9	61-65 years	2.6%	61-70 years	6.1%
10	66-70 years	3.5%		
11	71+ years	5.2%	71+ years	5.2%

Clinite, 2013

The last question asked the respondents what their household income per year was. The consumers had the option of choosing seven different income ranges. The incomes selected could be from as low as $0.00 all the way as high as over $150,000. About a quarter of the consumers had a household income of $0.00-$24,999, which was also the highest respondent percentage. The $25,000-$49,999 income range had the second highest respondent percentage, which consisted of 18.9%. As the income levels increased the respondent percentage typically decreased. The one exception to this pattern was the $100,000-$124,999 level of a 14.4% respondent percentage. This level increased by 3.6% from the previous income level of a 10.8% respondent percentage.

Table 8: Question 8-What is your household income per year?

Income	Response Percent
$0-24,999	25.2%
$25,000-49,999	18.9%
$50,000-74,999	14.4%
$75,000-99,999	10.8%
$100,000-124,999	14.4%
$125,000-149,999	9.9%
$150,000+	6.3%

Clinite, 2013

The next step was to analyze the data found depending on whether the survey taker was part of the target group or non-target group. Also finding any significant differences in the survey taker's preferences were to be reported. The target and non-target market information was gathered from question seven, based on the consumers' age. The target market was made up of the respondents who were 21-40 years old, which represented 49.6% of the total respondents. The non-target market was made up of the respondents who were 41 years and older, which represented 50.4% of the total respondents. The two groups were then tested on a significance level of a p-value equaling .05 as "very significant" and a p-value equaling .10 as "significant". The results showed that there were many significant differences between the target and non-target groups. This can be interpreted that 21-40 year olds and 41+ year olds have many different preferences when considering wine.

For question one the characteristics of wine were analyzed by a descriptive statistic and organized by how important each trait was. The characteristics with a mean (average) of 0-1 were not important, 1-2 were a little important, 2-3 were important, and 3-4 were very important. Between both the target and non-target groups (all of the consumers) the price and varietal type of wine were considered the most important characteristics, shown in table 9.

Table 9: Question 1-When purchasing wine how important is the following information? N=115

Importance level	Characteristics	Mean
Very important	Price	3.0957
	Varietal-type of wine	3.0783
Important	Origin of wine	2.4870
	Brand name	2.2544
	Label appearance	2.1304
	Food pairing	2.0522
A little important	Alcohol level	1.9130

Clinite, 2013

A T-Test was run to determine which characteristics were significantly more important to the target than the non-target participants. The following characteristics were found significantly more important to the target market: price, label appearance, and alcohol level. The non-target market found the origin of wine to be a significantly more important characteristic.

Table 10: Question 1-Wine characteristics			
Characteristics	Target N=57	Non-target N=58	P-value
Price	3.3158	2.8793	0.001**
Varietal-type of wine	3.1579	3.0000	0.303
Origin of wine	2.2982	2.6724	0.038**
Brand name	2.2105	2.2982	0.605
Label appearance	2.3333	1.9310	0.010**
Food pairing	1.9825	2.1207	0.384
Alcohol level	2.0702	1.7586	0.082*

**Very significant< .05 Clinite, 2013
*Significant< .10

A Chi-square test was performed to analyze how many bottles of wine the target market bought per month compared to the non-target market. According to the test there was a P-value of .002 which suggests a significant difference in the amount of wine bottles purchased between the two markets. The target market was more likely to purchase less than seven bottles of wine, which consisted of 85.9% of the market. The non-target market was more likely to buy seven or more bottles of wine, which made up 48.3% of the market. Typically 21-40 year olds bought less bottles of wine per month than 41 plus year olds did.

Table 11: Question 2- On average how many bottles of wine do you typically buy per month?			
Bottles	Target N=57	Non-target N=58	P-value
1 to 3	59.6%	29.3%	0.002**
4 to 6	26.3%	22.4%	
7 to 9	10.5%	22.4%	
10 to 12	1.8%	13.8%	
13 to 15	1.8%	6.9%	
16+	0.0%	5.2%	
total	100.0%	100.0%	

**Very significant< .05 Clinite, 2013

Next was to compare the difference of which wine was preferred to drink more, red or white wine. Another Chi-square test was used to evaluate the difference between the target group and non-target group. The target group was more likely than the non-target group to drink red wine, which made up 66.7% of the target group. The non-target group was more likely than the target group to drink white wine, which consisted of 44.8% of the non-target group. Although a P-value of .207 reported that there was no significant difference between the two groups. So the target and non-target groups were likely to drink both red and white wine.

Table 12: Question 3- Between red and white wine, which one do you prefer to drink more?

Wine	Target N=57	Non-target N=58	P-value
Red wine	66.7%	55.2%	0.207
White wine	33.3%	44.8%	
total	100.0%	100.0%	

Clinite, 2013

Question four analyzed the varietals of wine by a descriptive statistic. This test showed how frequently each wine varietal was consumed by both the target and non-target groups. The varietals with a mean of 0-1 were considered wine that was not usually consumed, 1-2 were consumed rarely, 2-3 were consumed regularly, and 3-4 were very frequently consumed. Both the target and non-target drinkers resulted in each of the varietals of wine to be consumed regularly. Between the red wines cabernet sauvignon was consumed more often. For the white wines pinot noir was consumed more often. Overall cabernet sauvignon and merlot were the two most frequently drank wine.

Table 13: Question 4-Frequency of different wine consumption		
Frequency	**Wine varietal**	**Mean**
more frequently	Cabernet Sauvignon	2.6870
	Merlot	2.4000
	Pinot Noir	2.3739
	Chardonnay	2.3652
	Syrah	2.2000
less frequently	Pinot Grigio	2.0609

Clinite, 2013

A Chi-square test was performed to determine if there was a significant difference between the target and non-target markets for each type of wine consumed. For Cabernet Sauvignon respondents from the non-target market were more likely than the target market to not drink or rarely drink this wine. About half of the non-target market and 37% of the target market did not drink or rarely drink Cabernet Sauvignon. Respondents of the target market were more likely to regularly drink or very frequently drink Cabernet Sauvignon compared to the non-target market. The target market made up around 63% of the regular and very frequent drinkers while the non-target market made up around half of these drinkers. A P-value of .118 indicated that there was no significance difference between these two markets. So 21-40 year olds and over 40 year olds are likely to drink cabernet sauvignon about the same amount.

Table 14a: Question 4-Frequency of cabernet sauvignon consumption			
Frequency	**Target N=57**	**Non-target N=58**	**P-value**
do not drink	1.8%	12.5%	0.118
drink rarely	35.1%	37.5%	
drink regularly	38.6%	26.8%	
drink very frequently	24.6%	23.2%	
Total	100.0%	100.0%	

Clinite, 2013

Respondents of the non-target group were more likely than the target group to not drink, rarely drink, and very frequently drink merlot. Around 65% of the non-target and 52% of the target group fell into this category of the amount of wine consumed. The target group was more likely than the non-target group to regularly drink merlot. About 47% of the target group regularly drank merlot while 35% of the non-target group did. Although the P-value of .289 showed that the amount of merlot wine consumed between these two groups were not significantly different. The 21-40 year olds and the 41 plus year olds roughly drink a similar amount of merlot.

Table 14b: Question 4-Frequency of Merlot consumption

Frequency	Target N=57	Non-target N=58	P-value
do not drink	7.0%	10.9%	0.289
drink rarely	42.1%	43.6%	
drink regularly	47.4%	34.5%	
drink very frequently	3.5%	10.9%	
Total	100.0%	100.0%	

Clinite, 2013

For syrah wine consumers the non-target group was more likely than the target group to not drink or rarely drink this wine. Respondents of the non-target group consisted of 73% and respondents of the target group consisted of 52% that did not drink or rarely drink syrah. In contrast, the target group was more likely to drink syrah regularly or very frequently compared to the non-target group. About 48% of the target group respondents consisted of regular and very frequently syrah consumers while 27% of the non-target group respondents consisted of these consumers. A .051 P-value indicates that there is a significant difference in the amount of syrah consumed between the target and non-target groups. Overall the 21-40 year olds are considered to drink a significantly different amount of syrah compared to the 40 plus year olds.

Table 14c: Question 4-Frequency of Syrah consumption			
Frequency	**Target N=57**	**Non-target N=58**	**P-value**
do not drink	7.1%	19.2%	0.051*
drink rarely	44.6%	53.8%	
drink regularly	33.9%	23.1%	
drink very frequently	14.3%	3.8%	
Total	100.0%	100.0%	

*Significant< .10

Clinite, 2013

The respondents that did not drink and did regularly drink chardonnay consisted of 49% of the target market. The respondents who fell into this same drinking category were made up of 39% of the non-target market. This means that the target market was more likely to not drink and to regularly drink chardonnay compared to the non-target market. On the other hand the non-target group was more likely to rarely drink and very frequently drink this wine compared to the respondents of the target group. The non-target group consisted of 61% and the target group consisted of 51% of the rarely drink and very frequently drink chardonnay respondents. The .575 P-value showed that between these two groups there was no significant difference in the amount of chardonnay wine consumed. So 21-40 year olds and over 40 year olds will frequently drink about the same amount of chardonnay.

Table 14d: Question 4-Frequency of Chardonnay consumption			
Frequency	**Target N=57**	**Non-target N=58**	**P-value**
do not drink	17.5%	10.5%	0.575
drink rarely	42.1%	47.4%	
drink regularly	31.6%	28.1%	
drink very frequently	8.8%	14.0%	
Total	100.0%	100.0%	

Clinite, 2013

For pinot grigio the target market was more likely to not drink, rarely drink, and very frequently drink this wine than the non-target market was. The target market that drank base on this frequency amount consisted of 88% of the consumers. The non-target market consisted of 71% of the consumers based on this same frequency amount. This is also interpreted that the non-target market was more likely to regularly drink pinot grigio than the target market was. About 29% of the non-target market made up the regular wine drinkers while about 12% of the target market made up the regular wine drinkers. The difference between the target and non-target markets were not significant enough since a P-value of .194 was reported. The drinking consumption of pinot grigio is not drastically different between the 21-40 year olds and 41 plus year olds.

Table 14e: Question 4-Frequency of Pinot Grigio consumption

Frequency	Target N=57	Non-target N=58	P-value
do not drink	26.3%	19.6%	0.194
drink rarely	54.4%	46.4%	
drink regularly	12.3%	28.6%	
drink very frequently	7.0%	5.4%	
Total	100.0%	100.0%	

Clinite, 2013

The Target group was more likely than the non-target group to not drink and to regularly drink pinot noir. The respondents from the target group made up of about 47% while the respondents from the non-target group made up of about 36% of these wine consumption categories. On the other hand the non-target group was more likely than the target group to rarely drink and very frequently drink pinot noir. Around 64% of the respondents from the non-target group and 53% of the respondents from the target group rarely drank and very frequently drank this wine. A P-value of .669 indicated that there was no significant difference in wine consumption between the target and non-target groups. So the amount of pinot noir consumed is roughly similar between 21-40 year olds and 41 plus year olds.

Table 14f: Question 4-Frequency of Pinot Noir consumption			
Frequency	**Target N=57**	**Non-target N=58**	**P-value**
do not drink	10.5%	9.1%	0.669
drink rarely	43.9%	50.9%	
drink regularly	36.8%	27.3%	
drink very frequently	8.8%	12.7%	
Total	100.0%	100.0%	

Clinite, 2013

Question five was analyzed using a Chi-square test to determine which other alcoholic drinks besides wine, were consumed by the target and non-target groups. There were four types of alcoholic beverages offered, and these were beer, malt liquor, hard liquor mixed drinks, and wine coolers.

The target market was more likely to have consumed beer compared to the non-target market. The respondents from the target market made up of about 95% of the beer drinkers while the non-target market made up of 62%. In contrast the non-target was more likely to have not consumed beer compared to the target. A P-value of .000 showed that the beer drinkers of the target and non-target groups were significantly different from each other.

Table 15a: Question 5-Different alcoholic beverages consumed			
Beer	**Target N=57**	**Non-target N=58**	**P-value**
Consumed	94.7%	62.1%	0.000**
Not consumed	5.3%	37.9%	
Total	100.0%	100.0%	

**Very significant< .05

Clinite, 2013

The Target group was more likely to have consumed malt liquor than the non-target group was. Around 40% of the respondents from the target drank malt liquor compared to the 7% of the respondents from the non-target. In this case there were more respondents from both the target and non-target groups that had not consumed malt liquor compared to those who have. Between the target and non-target groups there was a significant difference in the number of malt liquor drinkers based on the P-value of .000.

Table 15b: Question 5-Different alcoholic beverages consumed			
Malt liquor	**Target N=57**	**Non-target N=58**	**P-value**
Consumed	40.4%	6.9%	0.000**
Not consumed	59.6%	93.1%	
Total	100.0%	100.0%	

**Very significant< .05 Clinite, 2013

There was more likely to be hard liquor mixed drinkers from the target group instead of the non-target group. Around 98% of the target group was made of hard liquor mixed drinkers and around 81% of the non-target group was. In contrast the non-target was more likely to have not consumed hard liquor mixed drinks compared to the target. The .003 P-value proved that the target was significantly different from the non-target based on the number of hard liquor mixed drinkers.

Table 15c: Question 5-Different alcoholic beverages consumed			
Hard liquor mixed drinks	**Target N=57**	**Non-target N=58**	**P-value**
Consumed	98.2%	81.0%	0.003**
Not consumed	1.8%	19.0%	
Total	100.0%	100.0%	

**Very significant< .05 Clinite, 2013

There was more likely to be wine cooler consumers in the target market instead of the non-target market. The target market consisted of around a quarter of wine cooler consumers compared to the non-target market which consisted of about 16%. Also in this test there were more respondents who had not consumed wine coolers compared to those who had in both the target and non-target markets. A recorded P-value of .225 showed that the target market did not significantly differ from the non-target market in the number of wine cooler drinkers.

Table 15d: Question 5-Different alcoholic beverages consumed			
Wine coolers	**Target N=57**	**Non-target N=58**	**P-value**
Consumed	24.6%	15.5%	0.225
Not consumed	75.4%	84.5%	
Total	100.0%	100.0%	

Clinite, 2013

A Chi-square test was used to analyze question six, which was to determine if there was a significant difference in gender between the target and non-target consumers. Both the target market and non-target market consisted of more females than males. The target market was more likely than the non-target market to be male. About 44% of the target was male compared to 35% of the non-target being male. In contrast, females were more likely to be in the non-target market instead of the target market. Around 65% of the non-target was female when around 56% of the target was. A .303 P-value indicated that the target and non-target did not differ significantly when comparing males to females.

Table 16: Question 6-Male or Female			
Gender	**Target N=57**	**Non-target N=58**	**P-value**
Male	43.9%	34.5%	0.303
Female	56.1%	65.5%	
Total	100.0%	100.0%	

Clinite, 2013

Question eight was also analyzed by a Chi-square test to determine if the target and non-target significantly differed in average household income per year. The target group was more likely than the non-target group to have an average income between $0 and $74,999. About 93% of the target group and 24% of the non-target group made up the consumers who made $0 to $74,999 per year. The non-target group was more likely to have a higher income of $75,000 and above compared to the target group. About 76% of the non-target group and 7% of the target group consisted of the consumers who made $75,000 or more per year. A P-value of .000 showed that there was a significant difference in household income per year between the target and non-target groups.

Table 17: Question 8-Difference in household income per year			
Income level	**Target N=57**	**Non-target N=58**	**P-value**
$0-24,999	44.6%	5.5%	.000**
$25,000-49,999	30.4%	7.3%	
$50,000-74,999	17.9%	10.9%	
$75,000-99,999	1.8%	20.0%	
$100,000-124,999	3.6%	25.5%	
$125,000-149,999	0.0%	20.0%	
$150,000+	1.8%	10.9%	
Total	100.0%	100.0%	

**Very significant< .05 Clinite, 2013

CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

As the wine industry continues to grow economically the increase in wine sellers will also continue to enter the market. New wineries that get passed the barriers of entry means that there will be an increasing amount of competition between wine companies. In order for a specific winery to gain profitable success they need to stand out or distinguish themselves as a different and better winery from others. An adequate way for wineries to market to the appropriate consumers is to research what wine preferences they like and what demographics describe them. These preferences include wine variety/type, price, brand, number of bottles frequently purchased, and many others. Demographic information like gender, age, and income level are used to find what type of consumers to market toward. This study was performed to gain knowledge about what different aged consumers like in wine.

From the data and the analysis of the results some preferences and demographics were more significant than others. The price and varietal-type were the two most important factors in when purchasing wine. The preferences in price, origin of wine, label appearance, and alcohol level were rated significantly different between the younger and older respondents. The younger consumers significantly bought less bottles of wine compared to the older consumers. Between the varied types of wine offered in the survey cabernet sauvignon and merlot were consumed the most frequently, with syrah being consumed significantly different between the younger and older respondents. When drinking other alcoholic beverages, they also varied significantly in consuming beer, malt liquor, and hard liquor mixed drinks. Lastly, the older wine consumers significantly made more money per year compared to the younger consumers.

Conclusions

Based on this analyzed data it is concluded that younger and older drinkers are similar and varied in some preferences of wine. Majority of the respondents preferred to drink red wine over white wine, but both older and younger consumers preferred to drink red and white wine similarly. With syrah being excluded, cabernet sauvignon, merlot, chardonnay, pinot grigio, and pinot noir were similarly preferred to drink for both younger and older drinkers.

Recommendations

It is recommended that local wineries should focus on how they price their wine and what type of wine to produce, since these two factors are considered most important to consumers in San Luis Obispo. The advertising strategies should take into account the different and similar preferences of the younger and older consumers. Lower priced wine should be marketed to younger consumers since they tend to have lower incomes. They also find the alcohol content to be important so producing wine of varying alcohol levels is important to practice. Since older consumers have a higher income they will tend to buy more expensive wine more often. Wineries can market higher quality wine to this age group because they will be able to afford it more than the younger age group.

A wider area of survey distribution locations should be done when expanding on this research. This will gather a more diverse demographic if done correctly. These surveys were only conducted at two grocery stores in San Luis Obispo, which is made up of a lot of younger college students. Gathering information from other outside locations could provide more accurate data in regards to wine preferences.

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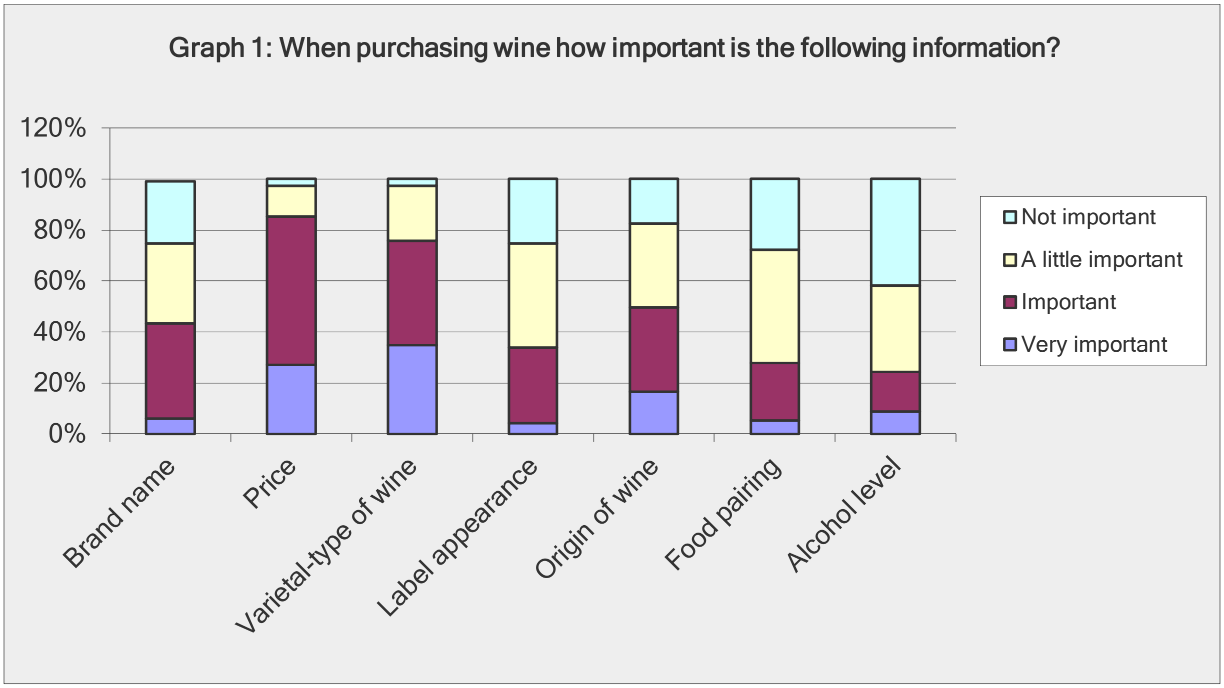
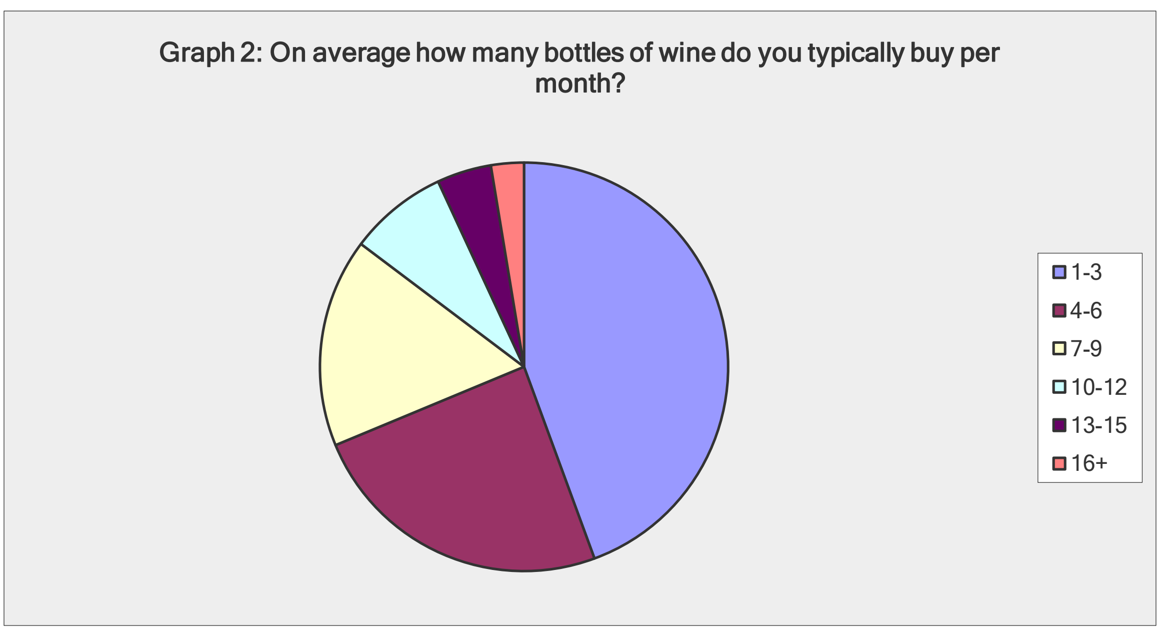
APPENDIX

Survey Data Graphs



Clinite, 2013



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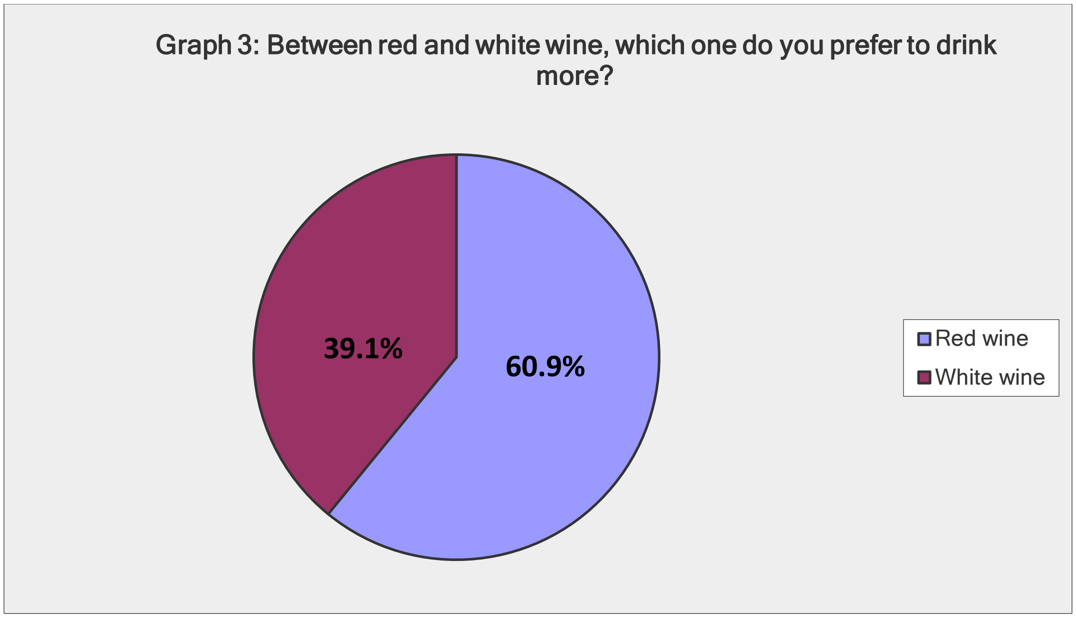

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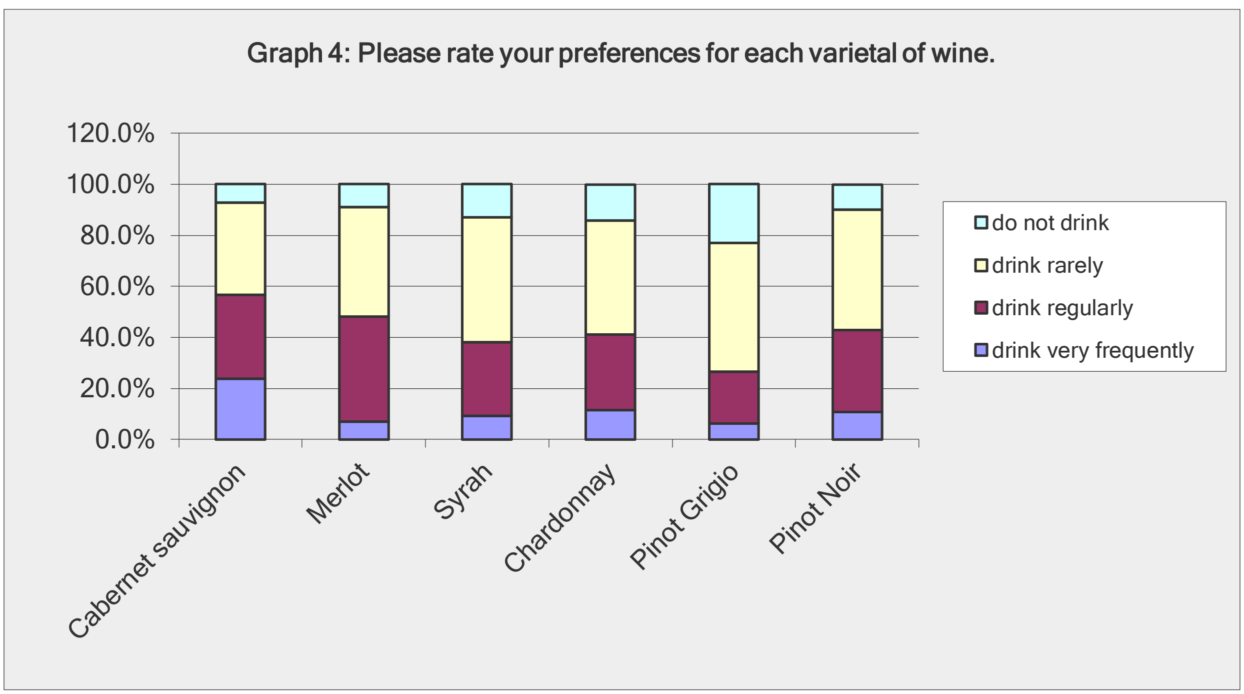

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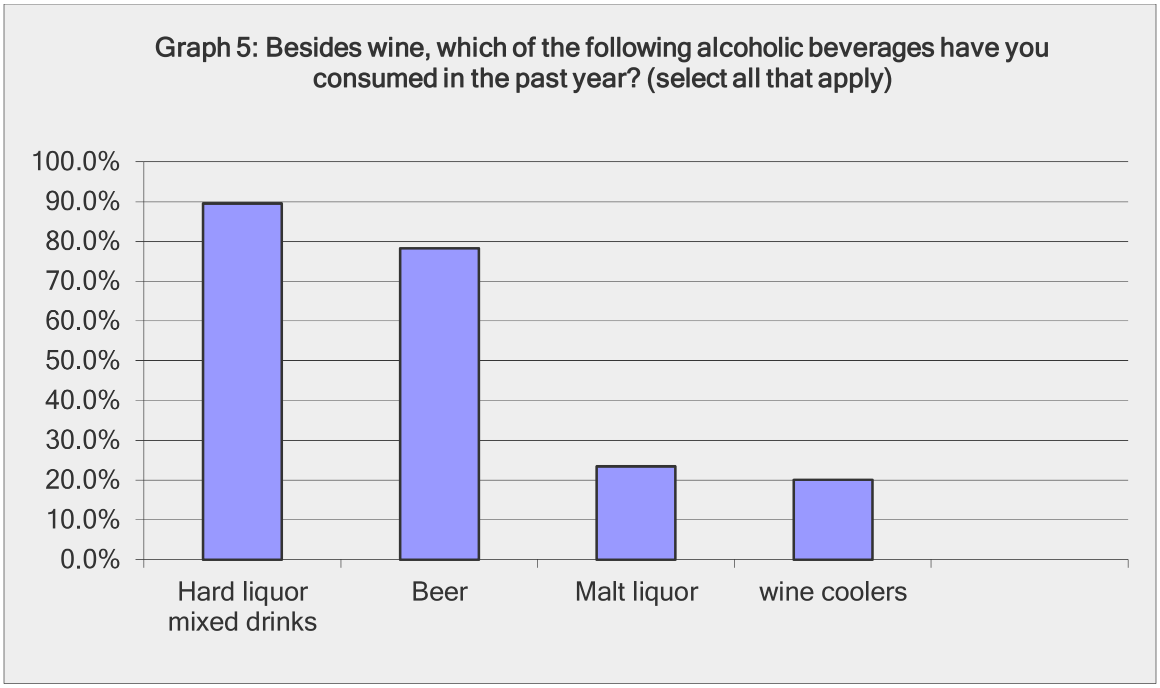

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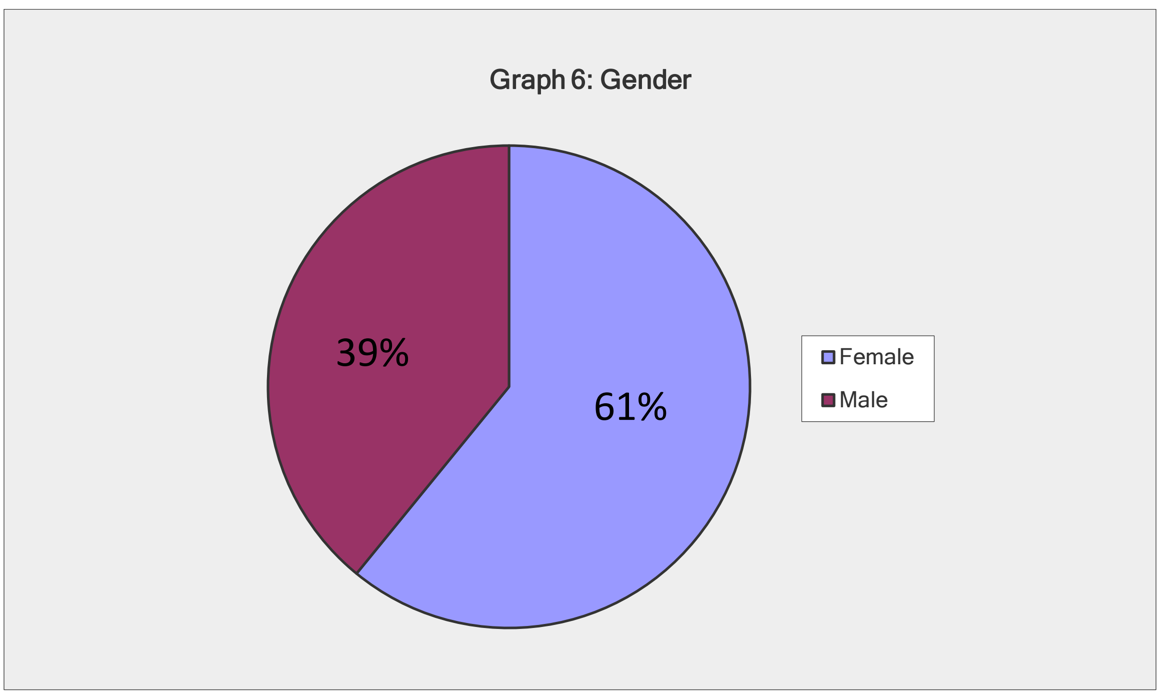

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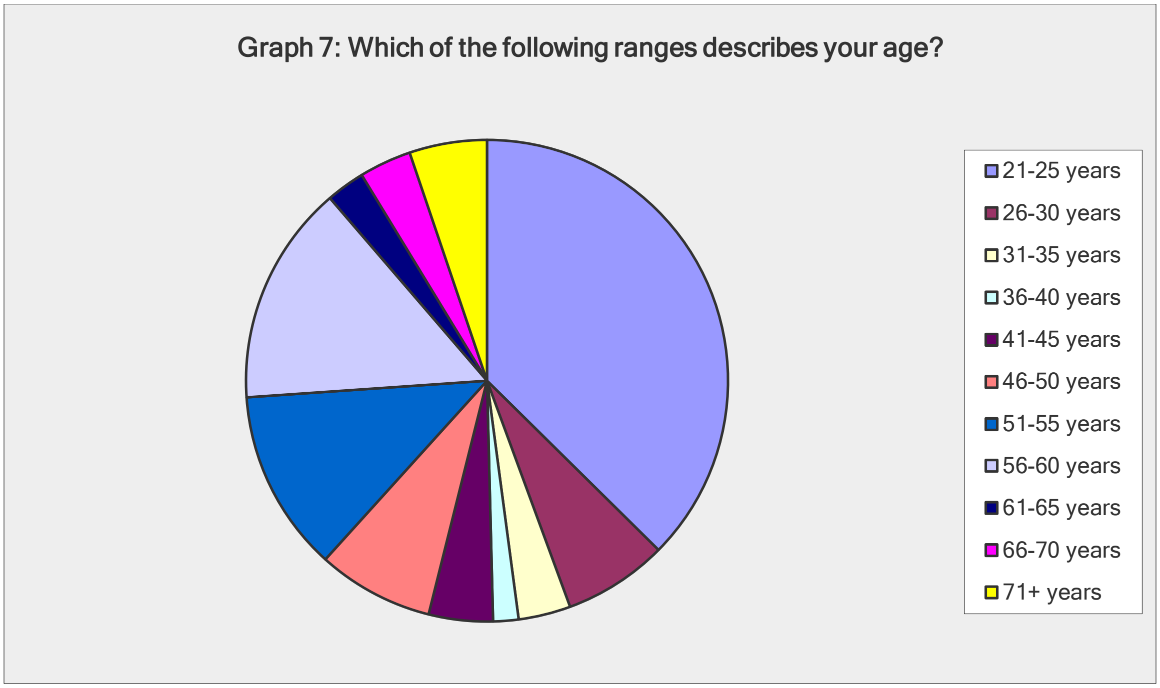

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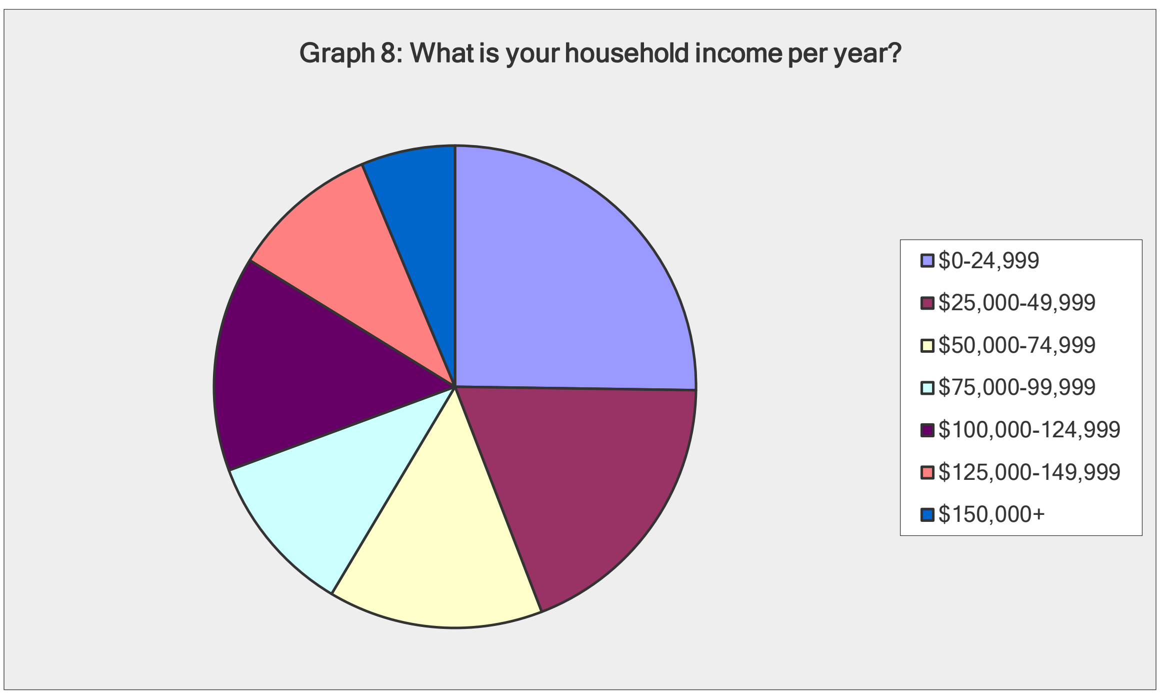

Clinite, 2013

Consumer Survey

1. When purchasing wine, how important is the following information? **(1=not at all important, 2=a little important, 3=important, 4=very important)**

a. Brand Name	1	2	3	4
b. Price	1	2	3	4
c. Varietal-type of wine	1	2	3	4
d. Label appearance	1	2	3	4
f. Origin of wine	1	2	3	4
g. Food Pairing	1	2	3	4
k. Alcohol Level	1	2	3	4

2. On average how many bottles of wine do you typically buy per month?
   a. 1-3……………………………………1
   b. 4-6……………………………………2
   c. 7-9……………………………………3
   d. 10-12…………………………………4
   e. 13-15…………………………………5
   f. 16+……………………………………6

3. Between red and white wine, which one do you prefer to drink more?
   a. Red wine………………………………..1
   b. White wine……………………………...2

4. Please rate your preferences for each varietal of wine. **(1=do not drink, 2=drink rarely, 3=drink regularly, 4=drink very frequently)**

a. cabernet sauvignon	1	2	3	4
b. merlot	1	2	3	4
c. syrah	1	2	3	4
d. chardonnay	1	2	3	4
e. pinot grigio	1	2	3	4
f. pinot noir	1	2	3	4

5. Besides wine, which of the following alcoholic beverages have you purchased in the past year? **(Circle all that apply)**
   a. Beer……………………………………..1
   b. Malt liquor………………………………2
   c. Hard liquor mixed drinks ……………...3
   d. Wine coolers ………………………….....4

6. Are you?
   a. Male………………..…………………1
   b. Female………………………………...2

7. Which of the following ranges describes your age?
   a. 21-25 years...……………………………1
   b. 26-30 years .....…………………………2
   c. 31-35 years ..……………………………3
   d. 36-40 years ..……………………………4
   e. 41-45 years ……………………………5
   f. 46-50 years …………………………….6
   g. 51-55 years ..……………………………7
   h. 56-60 years ..……………………………8
   i. 61-65 years ..…………………………….9
   j. 66-70 years ..……………………………10
   k. 71+ years ..……………………………..11

8. What is your income?
   a. $0-24,999…………………..………..1
   b. $25,000-49,999………………………...2
   c. $50,000-74,999………………………...3
   d. $75,000-99,999………………………...4
   e. $100,000-124,999……………………...5
   f. $125,000-149,999……………………...6
   g. $150,000+……………………………...7