

Does Family on a Label Increase Purchase Interest for a Wine, or Just Cause a Halo Effect?

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Numerous wineries are family wineries. Many have included the word “family” on their labels, such as Kunde Family Estate. Visits to the websites of many of the family wineries have interesting stories about the family and the number of generations they have been producing wines. There is an association of family wineries in California, Family Winemakers of California. Although many of the family wineries use family as a marketing tool, the organization was formed in an effort to provide a voice to small wine producers in policy decisions.

The purpose of this research is to examine the attitudes of wine consumers concerning their purchase interest in wine from a local family winery. This research examines consumer attitudes about wine by using a survey instrument that was administered through a personal interview during the spring of 2011 in California. The random sample of 356 wine consumers was collected in San Luis Obispo County, California. San Luis Obispo County was designated the best test market in the United States by Demographics Daily (Jackoway, 2001). San Luis Obispo was found to be the best of 3,141 counties to represent a microcosm of the United States based on 33 statistical indicators.

Simulated test marketing methodology was used in a two-cell test to examine the impact of “from a family owned winery” on purchase interest. Simulated test marketing research is a valid methodology that has been used by the marketing community since the 1960’s to forecast purchase interest in new products and new positionings for existing products. The methodology is used to test changes in the marketing mix, such as product features, on purchase interest. The interview process for most simulated test marketing methodologies occurs in three stages. The initial interview stage generates purchase interest (Clancy, 1994).

This research is conducted through the use of a concept exposure phase only. Purchase interest in this research uses an eleven-point purchase intent scale. Each of the eleven points is coupled with a verbal anchor from: “Certain will buy--99 chances in 100” to “No chance will buy--zero chances in 100.” The eleven-point behavior probability scale was developed by Dr. Thomas Juster and published in different forms during the 1960s. The eleven-point scale couples word meanings with probability estimates to enhance serious thinking. The eleven-point scale has been employed by marketing research companies such as Yankelovich Partners since the early 1960s in numerous consumer behavior studies including packaged goods, durables, financial products and services, and other categories (Clancy, 2006).

This research uses the laboratory experiment component of simulated test marketing in a two-cell study design to test the impact of the product positioning, from a family owned winery on purchase interest. Since the impact of the positioning is examined here, the price is held constant. One cell is the control cell and examines purchase interest in a new locally produced wine: Aurelia, A local Edna Valley Estate Wine; Cabernet Sauvignon priced at \$15 and Chardonnay priced at \$14. The second cell examines purchase interest in the new local wine: Aurelia, A local Edna Valley Family Estate Wine; Cabernet Sauvignon priced at \$15 and

Chardonnay priced at \$14. The same concept was shown to two groups of wine consumers; however cell 2 included the positioning “from a family owned winery.” There was no difference observed in purchase interest between the family owned winery positioning and the positioning that did not include family owned using the aster scale.

Consumers were asked to rate the desirability of eighteen characteristics of wine when they make a decision to purchase wine. A five-point desirability scale was used where 5 indicated extremely desirable and 1 indicated not desirable at all. Means of the interval scale ratings were used to evaluate the importance of the individual characteristics. “From a family owned winery” was one of the characteristics rated. It was rated as somewhat desirable, the ninth highest attribute of the eighteen characteristics examined. The most desirable attributes were: varietal I like, good value for the money, premium quality product, a brand I know, and recommended by friends.

In order to understand how consumers perceived Aurelia Wine under the two positionings, respondents rated the product they were shown on the characteristics that are rated for desirability. Respondents answered the following question: "Based on your perceptions, please use the following scale to describe how these characteristics describe Aurelia Wine where: 5 = Describes completely; 4 = Describes very well; 3 = Describes somewhat; 2 = Describes slightly; 1 = Does not describe at all." Both products were rated similarly on the most desirable attributes. The similar ratings on the most desirable attributes explain why the two products attained the same purchase interest level. Family Winery is rated higher on the moderate attributes. Although the family positioning generated higher ratings on some of the moderate attributes, the moderate attributes do not drive purchase interest. However, it is interesting to observe that the same local brand at the same price with a family positioning created a “halo” effect. Aurelia from a family winery generated higher ratings than Aurelia on the following attributes: produced with concern for health and well-being of farm and winery employees, donates profits to a charity, grown in an environmentally friendly way, and produced sustainably. Therefore, family wineries are perceived to have better environmental, human resources, and charitable behaviors.

The results of this research indicate that while including family on a new wine label will not increase its purchase interest, the family positioning lends a halo effect. Consumers perceive the owners of a family winery to be better corporate citizens. Family improves the image of the winery.

## References

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