



CREATURES OF HABIT

Consumer behaviour is habitual. This doesn't mean consumers always buy the same brands, but it does mean they use personal rules of thumb.

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Last month I discussed the lack of evidence in much marketing research, due to small non-representative sample sizes and poor measurement. Yet this is the research often cited and used by marketing academics and consultants to guide marketing practice. I suggested that marketing practice is a combination of good science and creative practice, much like good winemaking.

One thing we know about consumer behaviour: it is habitual. This doesn't mean consumers always buy the same brands, but it does mean they use heuristics (personal rules of thumb) to make quick and low cognitive thought-purchase decisions. Consumers have repertoires or sets of brands they typically purchase from. Wine consumers are the same, but instead of just brands they have habitual styles, regions and price points they regularly purchase from. This purchasing is complex and any one purchase is not predictable, but patterns of purchases over time do adhere to individual habits. As habits change over time, they make new trends.

Our Ehrenberg Bass Institute for Marketing Science is engaged in several research projects, mainly funded by the GWRDC. I would like to provide a few tidbits of results of these projects as they develop, because creative marketers can use these to enhance their brands and regions.

A project I mentioned in my last column was an experiment using shelf tags/shelf talkers under specific wine bottles across 40 retail stores in Australia, and compared this to the same wines in 22 control stores of the same chain. We varied the message between a regional message and an environmental one and also between verbal (words) and visual (logos). As I noted last month, the variability inherent in the number of bottles of a specific wine sold in a specific store over a month is high. Someone could come in and buy three cases for a party, or the wine could go out of stock. We had no way of knowing this, so the results are a combination of our experiments and random consumer purchasing.

Our goal was to see if we could increase wine sales without price discounts. We found that merely drawing attention to the bottle with a shelf talker did increase sales about 20 percent overall. The regional message had an overall increase of 27 percent while the environmental message resulted in about a 17 percent increase. This was averaged over the 40 treatment stores and 16 different wines. We showed that if regions really got together and made a detail with retailers, they could increase sales over a period. Any one winery might not see an increase, but overall there would be. This occurs basically by drawing attention to an important habitual cue to wine purchasing – the region. We would expect that sales after the promotion would likely fall to nearly the levels before, but that some people who had not bought these brands would try them and perhaps add them or the region to their repertoire.

We are also just completing a project where we surveyed 6,000 visitors to more than 80 cellar doors across Australia. We noted their purchases at the cellar door and then had about 60 percent of the visitors respond to surveys three and six months afterwards. We found some obvious things, of course:

Visitors to cellar door who bought wine were more likely to buy that brand in the future. We also found that those who bought less expensive wine bought wine sooner after their visit than those who bought (and probably cellared) more expensive wines. We also found that those who visited before or at least knew of the winery before their visit, bought more wine than those who stumbled onto the cellar door by chance. There is great potential in promoting and attracting visitors, not just for initial sales but for longer term brand repeat purchases and recommendations. We knew much of this in general beforehand, but now are working on the actual monetary value of different types of visitors, so wineries can better manage their investment in cellar door and promotion of visiting.

One of the very interesting studies is our work with Asian students (mainly Chinese but not entirely) studying at Australian universities. These are potential long-term buyers of Australian wine, but very uninformed about the Australian wine industry and wine in general. Our focus was to understand how best to educate these students about Australian wine. Our main finding is that presenting wines by wine region is much superior to presenting them by grape variety. We found using a blind tasting before and after three training sessions, that presenting wines by region resulted in higher levels of liking, willingness to pay higher prices, and preference for more complex and higher-priced wines than presenting the exact same wines by grape variety. We also showed that these effects were even more enhanced to the trained groups compared to control groups of students who just tasted the wines blind at the same intervals as the other groups. Just being an international student in Australia has almost no effect on wine preferences. The Australian wine industry could really gain long-term consumers in Asia by focusing on students in Australia. Also, it really makes sense to use a regional approach in educating young Asian wine drinkers.

Another of our major studies along with the AWRI was to develop a lexicon of sensory terms using Chinese flavours, rather than Western flavours. This was a very detailed project using qualitative research to understand what Chinese fruits, vegetables and other flavours correspond to common Western terms in wine consumers' eyes and then testing these quantitatively. In the first stage we were able to demonstrate equivalence for most of the generic descriptors, like mellow, fruity, and sour; and good equivalence for more than half of the different fruit and vegetable descriptors. For the quantitative part, we had over 250 participants across three Chinese cities tasting 13 Australian wines of different styles, half using Chinese sensory descriptors and half Western ones. We found no major differences in liking of the wines between using the different sets of descriptors. However, we found that there was about a 12 percent preference for Western descriptors when the participants were choosing wines for a business or more formal dinner. We believe this is caused mainly by experience with Western wines in more formal occasions. But our intuition that Chinese terms would be preferred was shown to be false. This is why we do research. ■