

BUYER AND CONSUMER'S PORTUGUESE "QUALITY WINE" BEHAVIOUR

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Resumo

O objectivo principal desta comunicação é o de apresentar e discutir os resultados de um inquérito sobre o comportamento de compra e de consumo de vinho. Os resultados permitiram a identificação de padrões de consumo, da sua relação com as variáveis demográficas estudadas: sexo, idade e habilitações literárias, bem como caracterizar o conhecedor da designação V.Q.P.R.D. (Vinho de Qualidade Produzido em Região Determinada) indiciando possíveis actuações estratégicas. Procurou-se assim determinar qual o posicionamento dos vinhos de qualidade de duas novas regiões determinadas (Almeirim e Coruche), quais as oportunidades e ameaças que se deparam aos seus produtores e ainda demonstrar a importância de construir um plano de marketing adequado. Foram também discutidas algumas estratégias de redução de risco na aquisição de um vinho pelos consumidores. O inquérito foi conduzido na região da Grande Lisboa, em 1996 e a informação recolhida foi tratada recorrendo a técnicas estatísticas de pesquisa de mercados.

Abstract

The main purpose of this paper is to present and discuss the results of a regional survey on buyer and consumer's behaviour. Results allow us to identify consuming buyer patterns and relate them to consumer's attitudes and characteristics such as age, sex and educational levels. They also suggest some important variables that can be used to differentiate Portuguese "Quality Wines Produced in Specified Regions" (Q.W.P.S.R.) and are a potential material to develop strategies, useful to the new "quality wine" regions, particularly giving references for a segmentation process or even for the creation of communicational plans for each region or brand. This set of co-ordinated information, allows a better assessment of the Portuguese consumer's preferences. The research tries also to determine and discuss the positioning of Portuguese Q.W.P.S.R., as well as the opportunities that may be used by winemakers, the threats they might eliminate and the usefulness of constructing a good marketing plan. This survey was conducted in the so called Grande Lisboa, in 1996, and the data were treated by using market research statistical techniques.

Key-words: wine, consumption behaviour, buyer behaviour, marketing, Portuguese wine

1. Introduction: Wine consumption determining factors

Wine consumption has been decreasing in Portugal since the beginning of the eighties. This trend is similar to the one observed in other EU countries with high levels of consumption (France, Italy and Spain). According to the data of the "Instituto Nacional de Estatística" (INE,

1995) wine per capita consumption was 70,9 l in 1983/84 and only 57,4 l in 1994/96. During this period the wine per capita consumption registered a negative growth rate of 1,6 % a year.

Over the last years, several studies have identified the main factors determining wine consumption in other EU countries with high levels of consumption. Some of this studies aimed to obtain demand elasticities and showed that wine consumption as a whole was not very sensitive to income and price changes. However when disaggregated information is available, like the one used in the work of Gracia and Albisu (1994), about alcoholic drinks consumption in Spain, it is possible to identify different situations. In fact, this study shows that in Spain during the period 1987-1992, it was table wine that had an inelastic demand while quality wine and sparkling wine presented high expenditure and price elasticities. Other studies based on consumer surveys (like Berni et al.) have also showed that beyond price and income other variables may have significant impact on wine consumption. Some of this variables like age, education, profession, rural or urban household, health concerns and product perception are also determining factors of consumers preferences and influence buying and consumer behaviour, as French surveys on wine consumption have showed (Duarte, 1991).

In the Portuguese case there is not much information available concerning wine consumption but it is possible to note that in 1980 urban population had a consumption per capita 40% inferior than the average consumption. The growth of this kind of households after mid seventies, the changes in the population status after and the large growth of wine prices that followed 1988/89, may have been the main factors determining wine consumption decrease in Portugal.

Finally as Alvensleben (1997) points "with rising consumer income, the relative influence of prices and income on food demand is decreasing while the influence of preferences is increasing". Therefore it seems that over the next years wine consumption may be strongly affected by the health concerns and by the consumer's perception of the products and its properties. So, in a very competitive environment the survival of wine producers requires a good understanding of consumer's buying and consuming behaviour. The results of a survey that are presented in the next section aims to contribute to a better understanding of the buying and consumer patterns of the Portuguese quality wine consumers and how this behaviour may be influenced by the winemakers marketing strategies. Particular attention was given to the quality wines originated from two recently specified regions, Almeirim and Coruche, where all producers were interviewed, in order to know their aimed product positioning and to compare their expectations with consumers expectations.

2. Buyer and consumer behaviour survey: methodology and results

The buyer and consumer behaviour survey was carried out in the so called "Grande Lisboa", during the year of 1996 (more details can be found in Ruivo, 1996). The sample was based on the statistical population of residents aged 17 and over, previously stratified according to sex, age and education. The data was collected by direct interviews and processed according to univariate and bivariate analysis. This analysis were used to show the main demographic and behavioural characteristics of the interviewed consumers and to relate their buying and consumption patterns with the segmentation variables (sex, age and education).

The sample of 272 interviewees showed a high level of education (40,4% hold a university degree and 37,5% a secondary degree) and from the subjects interviewed 50,4% were men. More than two quarters had 35 years old or less and the remaining quarters were equally distributed between the young and the elderly persons. From the interviewees 55,5% are still wine drinkers. Age groups with 25 years and over presented more wine consumers than non consumers. An expected result was that there are more wine consumers in the men's group (58,3%). Crossing the percentage of wine consumers with the variable level of education there

were no significant differences to note. Non consumers includes mainly women and young under 25, who declared as first reason that they did not appreciate wine taste. The second reason pointed out was health concerns, particularly for people aged 55 or more, and the alcohol effects for women, as figure 1 shows.

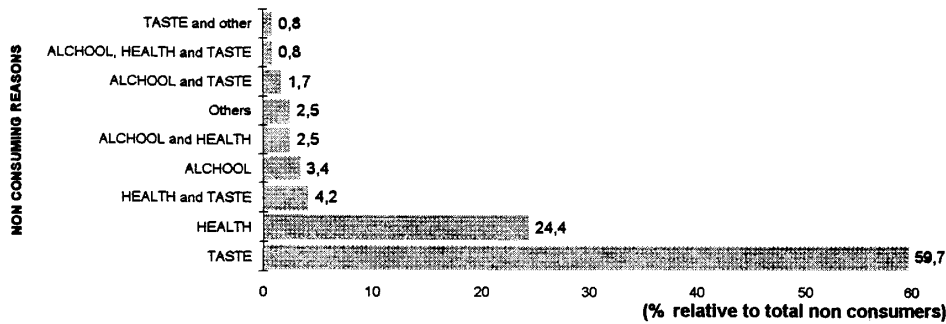


Figure 1 - Non consuming reasons (% relative to total non consumers interviewees)

Wine continues to play an important role at meals taken at home or in restaurants and friend's houses. More occasional consumers drink at parties and other social occasions. People who do not like wine prefer water (64,7%), particularly if they are women, fruit juices if they are men, and beer if they are under 25 years.

In general every drinker is also a buyer and purchases occur more frequently once a month (32,5%) or weekly (23,1%). Large retail stores are preferred (30,8%) while wine shops were never mentioned.

Simple Variance Analysis shows that the attribute that most influence consumer's purchasing choices is quality (99,2%), if we consider both the answer categories "The most important" and "Quite important". The answer categories "Being from a specified region" and "Price" present similar results respectively 71,5% and 70,8%. (figure 2). "Friends, family or experts advisement" represent 55%. While "Being from a specified region" is statistically related to male subjects, "Price" seems to be more important for people over 55 years and groups with basic level of education or less.

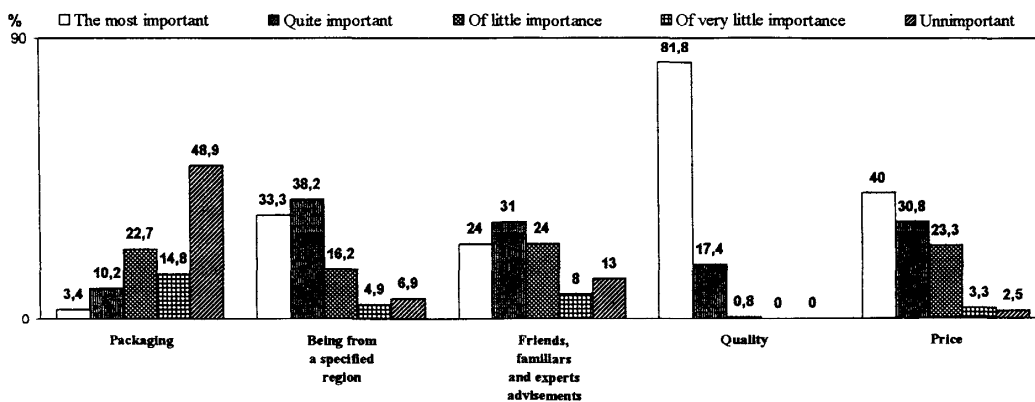


Figure 2 - Attributes that influence consumer's purchasing choices

Other attributes evaluated were "package", "promotion", "grape varieties" and "fashion", but results show that they did not seem to be important for consumers purchasing decisions. It was not clear how the interviewed consumers perceive wine quality. However they express loyalty to brands, particularly men with basic and secondary levels of education. On the opposite, people in age groups between 17 and 34 years, seem more open to try new wines. It is also important to note that generally consumers remember more easily the region of origin than the brand. For the two new specified regions, "Almeirim" and "Coruche" it is only the generic geographic region name (Ribatejo) that is recognised by consumers and not its specific names.

The collected information allow us to characterise consumers that are familiar with the designation Quality Wine Produced in Specified Region (Q.W.P.S.R.). About 67% of wine consumers (representing only 30% of all interviewees) know this designation. They belong mainly to the age groups of 35 - 45 years (35,8%) and 25 -34 (30,8%). In fact these are the age groups with more consumers knowing the designation, as can be observed in figure 3. From those who know this designation 61,7% are men and 58% have the higher level of education.

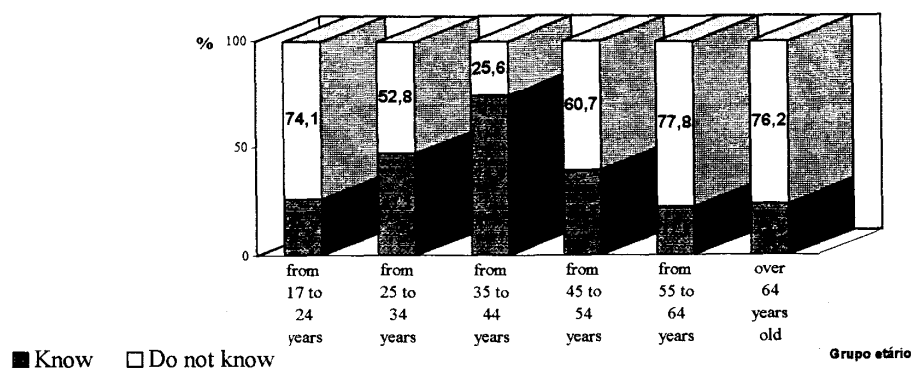


Figure 3 - Age groups of consumers familiar with Q.W.P.S.R. designation

3. CONCLUDING REMARKS

This study revealed that the designation Q.W.P.S.R. is not sufficiently recognised despite the fact that wine consumers give importance to quality as the main choice factor. It is necessary a new positioning that passes through a campaign in order to widespread the Q.W.P.S.R. meaning, appealing to their genuineness and typical attributes. Marketing strategies must be oriented according to the target segments. It is important to change the negative wine perception particularly for the non consumers aged 25 or less and for the young women. As people over 45 years revealed a negative association between wine and health it will be essential to increase the promotion of a better knowledge of recent health research results, that show the benefits of a moderate wine consumption.

The specified regions used for this study do not have a notoriety position of their Q.W.P.S.R. yet. We suggest that producers have to try a new positioning within a joint strategy with other Ribatejo specified regions in order to get a better profit from an enlarged origin image. Otherwise producers of this specified regions have to demonstrate the freshness and other specific characteristics of their Q.W.P.S.R. to achieve the different segments expectations. So

they need to invest particularly in public relations and other communication forms, giving privilege to wine tasting and to consumer information as reducing risk tools. A good marketing plan is fundamental to integrate all possible actions and to do the appropriate schedule.

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