

The Influence of Subjective Wine Knowledge on Consumers' Perception of Wine Quality and Price

Elisa Conz¹ and Maria Carmela Strano²

1 Department of Social and Political Sciences, University of Pavia, Italy

2 Stephenson Dept of Entrepreneurship & Information Systems, Louisiana State University, Baton Rouge, LA, USA

Abstract

This paper explores the impact of Subjective Wine Knowledge (SWK) on consumers' perceptions of wine quality and price. The research proposes to investigate how different levels of wine knowledge influence the perceived relationship between price and quality. We expect that less knowledgeable consumers rely more on price as an indicator of quality, while more knowledgeable consumers evaluate quality based on intrinsic attributes of the wine. Additionally, the study will compare consumer perceptions of Italian and French wines, highlighting the influence of the Country-of-Origin Effect on these perceptions.

Keywords: Wine marketing, Wine consumer, Country of origin, Willingness to pay, Perceived Quality of Product

1. Introduction

The global wine market has experienced significant growth over the past few decades, driven by increased consumer interest and New World emerging production regions (OIV, 2024). Given to its multifaced characteristics and complexity, wine presents unique challenges and opportunities for marketers especially in understanding consumer choices (Lockshin & Corsi, 2012). One critical aspect of wine consumer behavior is the perception of wine quality and the willingness to pay, which can be influenced by a variety of factors, including price, brand, region of origin, packaging, and individual knowledge (Corduas, Cinquanta & Ievoli, 2013).

Subjective Wine Knowledge (SWK) refers to a consumer's self-assessed understanding and familiarity with wine (Flynn & Goldsmith 1999). This concept is essential in the wine industry because it directly impacts how consumers perceive and evaluate wine quality and price. Consumers with higher SWK tend to have a more sophisticated approach to assessing wine, often relying on intrinsic attributes such as taste, aroma, and complexity. In contrast, those with lower SWK depend more heavily on extrinsic cues like price and brand reputation (Charters & Pettigrew, 2006).

Price and quality perception in wine is particularly complex. Price is often used as a heuristic or a mental shortcut, especially by consumers who may not have extensive

knowledge about wine. This heuristic is influenced by various factors, including marketing strategies, socio-cultural influences, and individual experiences (Oczkowski, & Doucouliagos, 2015). Understanding how SWK influence the relationship among quality and price is crucial for developing effective marketing strategies that cater to different consumer segments, e.g. Millennials and Gen Z (Thach & Olsen, 2006).

Additionally, the historical and cultural significance of wine-producing regions, particularly Italy and France, plays a substantial role in shaping consumer perceptions about quality and price (Bruwer & Johnson, 2010). France is often perceived as the home of high-quality wine, with a long-standing reputation for excellence in wine production. This perception influences consumers' willingness to pay for French wines compared to Italian wines, even when the intrinsic qualities of the wines are comparable (Pucci et al., 2017).

The primary question that will drive this research is how SWK influences consumers' perceptions of wine quality and price, with a specific focus on comparing the perception of Italian and French wines and the impact of the Country-of-Origin Effect on Millennials and Gen Z consumers. We aim to provide practical insights for wine marketers and producers to develop more effective strategies tailored to different consumer segments and SWK. This will help producers and retailers to enhance their marketing efforts, improve consumer satisfaction, and ultimately drive sales.

2. Theoretical background and Hypotheses

2.1 Price as a Fundamental Value Indicator

Price is a critical factor in consumer decision-making, often serving as a heuristic for quality, especially in markets characterized by high product variability, such as wine. Consumers frequently use price as an indicator of quality when they lack sufficient knowledge about the product (Viot, 2012). This reliance on price as a quality signal is particularly pronounced in the wine industry, where the diversity of offerings can overwhelm less knowledgeable consumers.

Higher prices are generally associated with better quality wines, reflecting factors such as production methods, aging processes, and the reputation of the vineyard or region of origin (Johnson & Bruwer, 2007). However, this association can be misleading, as higher prices do not always correlate with superior quality. Wines from emerging regions or less well-known producers may offer excellent quality at lower price points, challenging the traditional price-quality relationship (Lockshin & Corsi, 2012).

2.2 Perception of Quality and Wine Attributes

The perception of wine quality is multifaceted, influenced by both intrinsic attributes (e.g., flavor, aroma, complexity) and extrinsic cues (e.g., price, brand, packaging). Intrinsic attributes are the sensory characteristics of the wine, which can be objectively assessed through tasting. These attributes include the wine's balance, finish, intensity, and varietal typicity. Taste and aroma significantly influence consumer preferences and perceptions of quality (Mueller et al., 2010). Contextual factors such as the environment in which the wine is consumed and the presence of food pairings can also impact quality perceptions (Wansink et al., 2003).

Within the extrinsic cues, the brand conveys a sense of heritage, quality, and trust. Strong brands often command higher prices and can influence consumer perceptions of quality even in the absence of detailed knowledge about the wine itself (Orth & Krška, 2002). Packaging, including the design of the bottle, label, and closure, also impacts consumer perceptions. Research has found that consumers often associate well-designed packaging with higher quality, even if they lack detailed knowledge about the wine itself (Lockshin, Hall, & McIntyre, 2006).

2.3 Subjective Wine Knowledge (SWK)

Subjective Wine Knowledge (SWK) refers to an individual's self-assessed understanding and familiarity with wine. SWK encompasses both objective knowledge (factual information about wine, such as grape varieties and regions) and subjective perceptions of expertise (confidence in one's ability to choose and evaluate wine). Charters and Pettigrew (2006) suggest that consumers with higher SWK are better equipped to assess quality based on intrinsic factors, while those with lower SWK rely more on extrinsic cues.

SWK can be developed through formal education (e.g., wine courses, certifications), personal experience (e.g., tasting different wines, visiting vineyards), and social influences (e.g., recommendations from friends or experts). Consumers with higher SWK tend to have a more sophisticated understanding of wine and are more likely to appreciate subtle differences in taste and quality (Dodd et al., 2005). They provide more nuanced and informed evaluations of wine quality, relying less on price as a quality indicator (Bruwer & Johnson, 2010). They are more adventurous and willing to try new wines, often seeking out unique varietals and regions (Hollebeek et al., 2007).

2.4 Italian vs. French Wines: The influence of CCO on Consumer Perception Italy and France are two of the world's most renowned wine-producing countries, each with a long-standing tradition of viticulture that dates back centuries (OIV, 2024). Both nations are celebrated for their high-quality wines, but they are perceived differently

by consumers, primarily due to the Country of Origin (COO) Effect, i.e., the influence that a product's country of origin has on consumers' perceptions and purchase decisions (Verlegh & Steenkamp, 1999). Consumers often use the country of origin as a heuristic or a cognitive shortcut to assess the quality of a product, especially when they lack sufficient information or expertise (ibid). In the context of wine, this effect can be particularly strong, as wines from certain countries are associated with specific qualities and reputations (Orth, Wolf, & Dodd, 2005).

French wines are regarded as the epitome of sophistication and quality (Aurier, Fort, & Sirieix, 2005). The "terroir" concept, which emphasizes the unique environmental conditions of the vineyards, further adds to the perceived authenticity and quality of French wines (Charters & Pettigrew, 2006). A higher perceived quality leads to a higher willingness to pay (WTP), even among those consumers who may not have extensive wine knowledge (Orth, Wolf, & Dodd, 2005).

Italian wines are also highly appreciated, with regions like Tuscany, Piedmont, and Veneto producing globally recognized wines such as Chianti, Barolo (Mora & Moscarola, 2010). However, compared to French wines, Italian wines are often perceived as offering a balance between quality and value, making them accessible to a broader range of consumers (Orth, McGarry Wolf, & Dodd, 2007). Nevertheless, the historical association of Italian wines with rusticity and tradition rather than luxury can sometimes lead to a lower quality perception compared to French wines (Zeugner-Roth, Žabkar, & Diamantopoulos, 2015). This difference can significantly impact consumer choices, especially among those with varying levels of subjective wine knowledge (SWK). Consumers with low SWK are more likely to use the COO as a primary cue, which may lead to a preference for French wines due to their perceived superiority (Papadopoulos & Heslop, 2002).

2.5 Research hypotheses

Based on the literature review described above, we proposed three different research hypotheses. Figure 1 shows hypotheses and relationships among constructs.

H1: Consumers with low SWK perceive higher-priced wines as higher quality compared to lower-priced wines.

H2: Consumers with low SWK exhibit higher price sensitivity compared to those with high SWK.

H3: Inexpert wine consumers exhibit a higher willingness to pay (WTP) for French wines compared to Italian wines, while more knowledgeable consumers show no significant preference between the two.

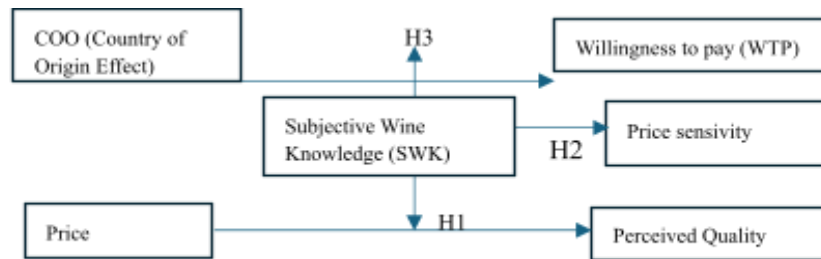


Figure 1. Conceptual framework.

3. Proposed Research Methodology

To test our hypotheses, a 3 (COO= France, Italy, Neutral) by 3 (Price = Low, High, Neutral) between-subject's experimental design will be used. Participants will be recruited using a convenience sampling method, focusing on consumers who have purchased and consumed wine in the past six months. The recruited participants will be randomly assigned to one of the six vignettes according to their month of birth. First, the participant will observe a picture of a bottle of wine and will read a description of the wine. Then, it will be asked them to answer to some questions related to their willingness to pay, price sensitivity, perceived quality. Finally, they will answer to some questions about the manipulation checks and demographic information.

For this study, 6 different vignettes will be created. In each vignette, the country of origin and the price will be manipulated. The country of origin will be manipulated showing a wine from France, from Italy or without a country of origin information (for the neutral condition). The price will be manipulated in the description of the wine, communicating a high or low price, while for the neutral condition no price will be communicated. To answer to the questions in the survey, respondents will use a 7-points Likert scale (1= strongly disagree, 7= strongly agree). Subjective Wine Knowledge

(SWK) will be measured using a 5-item scale developed by Flynn and Goldsmith (1999). Country of Origin will be measured with a 7-item scale adapted from Samantha Kumara and Canhua (2010). Perceived quality will be measured through a 3-items scales adapted from Voss et al. (1998). Willingness to pay will be measured asking to the participants how much they would like to pay for the wine showed in the scenario. Finally, price sensitivity will be measured with a 10-items scale from Nagle and Holden (1998). First, to assess if the manipulation of the variables was effective, one-way ANOVA tests will be conducted. Then, the hypothesis will be tested through Structural Equation Modeling.

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