



***CONJOINT RESEARCH FOR CONSUMER
PERCEPTION OF WINE CLOSURE
OPTIONS AND THEIR IMPACT ON
PURCHASE INTEREST IN THE UNITED
STATES AND AUSTRALIA***

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Introduction



Trichloroanisole (TCA), the compound responsible for musty, moldy, and wet cardboard type aromas and flavors, is not a desirable characteristic in wine.

In wine, TCA can come from a variety of sources, including natural cork, the winery facility, and its equipment. Chlorine and other substances used in the winery contribute to the presence of TCA. Hence, **natural cork** is but one of the potential contaminants. However, most of the blame for TCA in wine has come from contaminated or “tainted” corks.

Introduction



Suppliers sell 15 billion corks per year and have implemented more scientific and stringent screening methods. In the 80's and 90's cork suppliers had a 10 to 15% failure rate and they now have about a 1% failure rate, however wine producers have a zero tolerance. *(S. Pitcher, Tackling TCA Contamination in the Cellar, 2004).*

“Every tainted bottle is a financial loss. Our reputation is at stake. The consumer ([wine writer/reviewer](#)) doesn't blame the cork, they blame us.” *Tim Mondavi; from The New Look of Wine – Uncorked Innovation, Marsano 2004.*

Background



To address the issues of TCA from natural cork, wineries are exploring alternative types of closures including synthetic or plastic corks, composite corks, and a variety of screw cap options, including hybrid closures that seal like a screw cap but pop like a cork.

Why Screw caps?



Relative to cork closures, screw caps are:

- Inexpensive
- Easy to Open
- Easy to Reseal
- Prevent “cork taint” effect
- Bottles can be stored upright

So . . . what do consumers think?

Research Objectives



How aware is the consumer of cork taint?

How important is the natural cork closure to their wine purchase?

Given the alternatives of a synthetic/plastic cork or a screw cap, which alternate closure would consumers be willing to purchase?

- For which varietal?
- At what price?

A conjoint exploration of three wine closures (natural cork, plastic cork, and screw cap) was explored in the USA and Australia by country/region of origin, varietal, and price, to determine which of these is most important to consumer's purchase decision.

Design & Methodology



Two questionnaires were given to approximately 700 consumers

- Males (35%) and Females (65%)
- Head of household, primary shoppers, ages 25-65
- Red and white wine purchasers drinkers

USA - 300 consumers

- Boston, Chicago, San Francisco

Australia - 400 consumers

- Adelaide, Melbourne, Perth, Sydney

Mini A&U Survey



First, consumers were given a mini Attitude & Usage questionnaire to understand their current wine consumption behaviors.

Questions asked included:

- Number of years drinking wine
- Typical price for a bottle of wine
- Wine varietals they consume
- Purchase interest by closure type
- Appropriateness ratings by closure type

United States vs. Australia

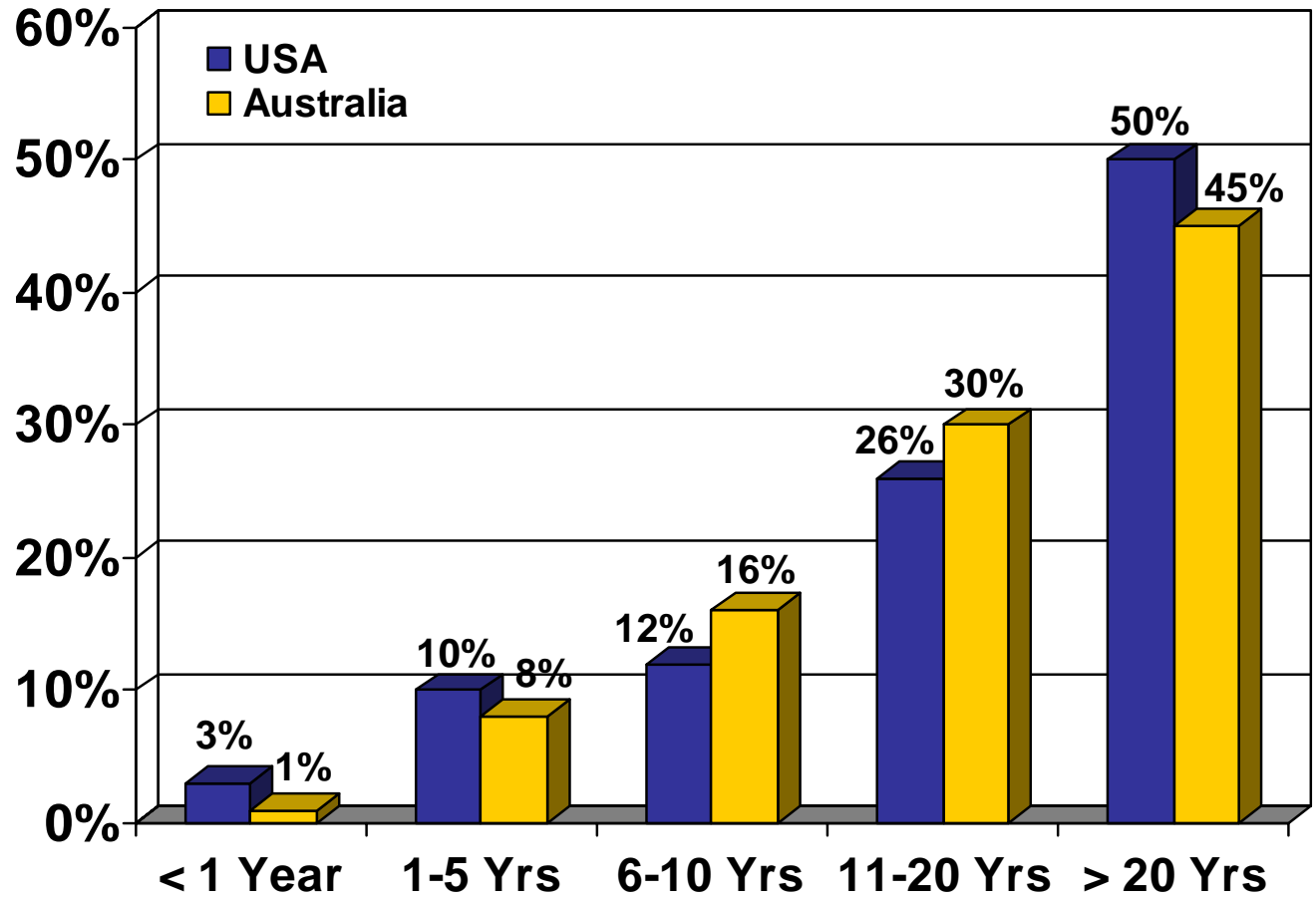


Attitude & Usage Questionnaire

How Long Have You Been Drinking Any Type of Wine?



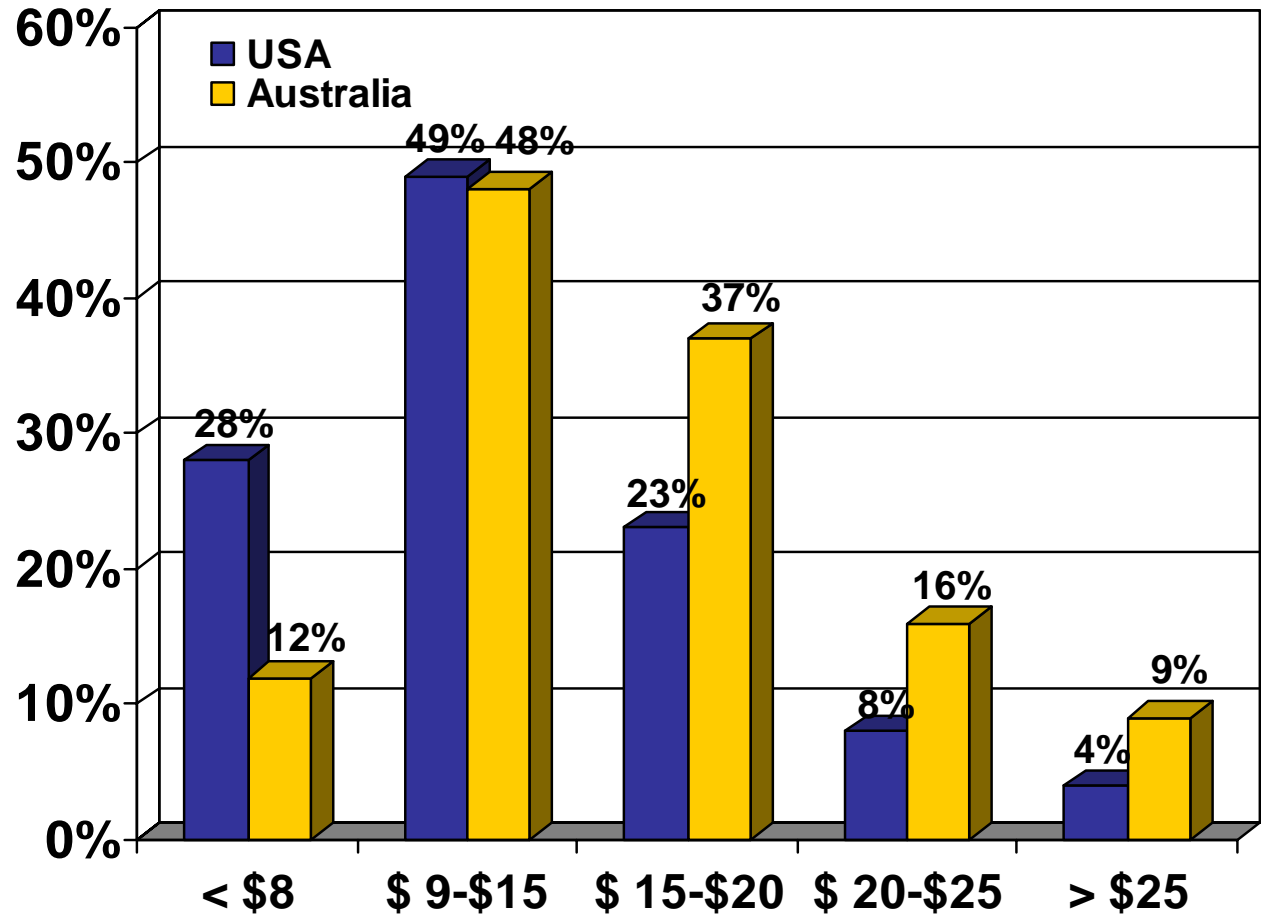
Most consumers in both countries (>75%) were **experienced wine drinkers**, i.e., have been drinking wine for over 10 years.



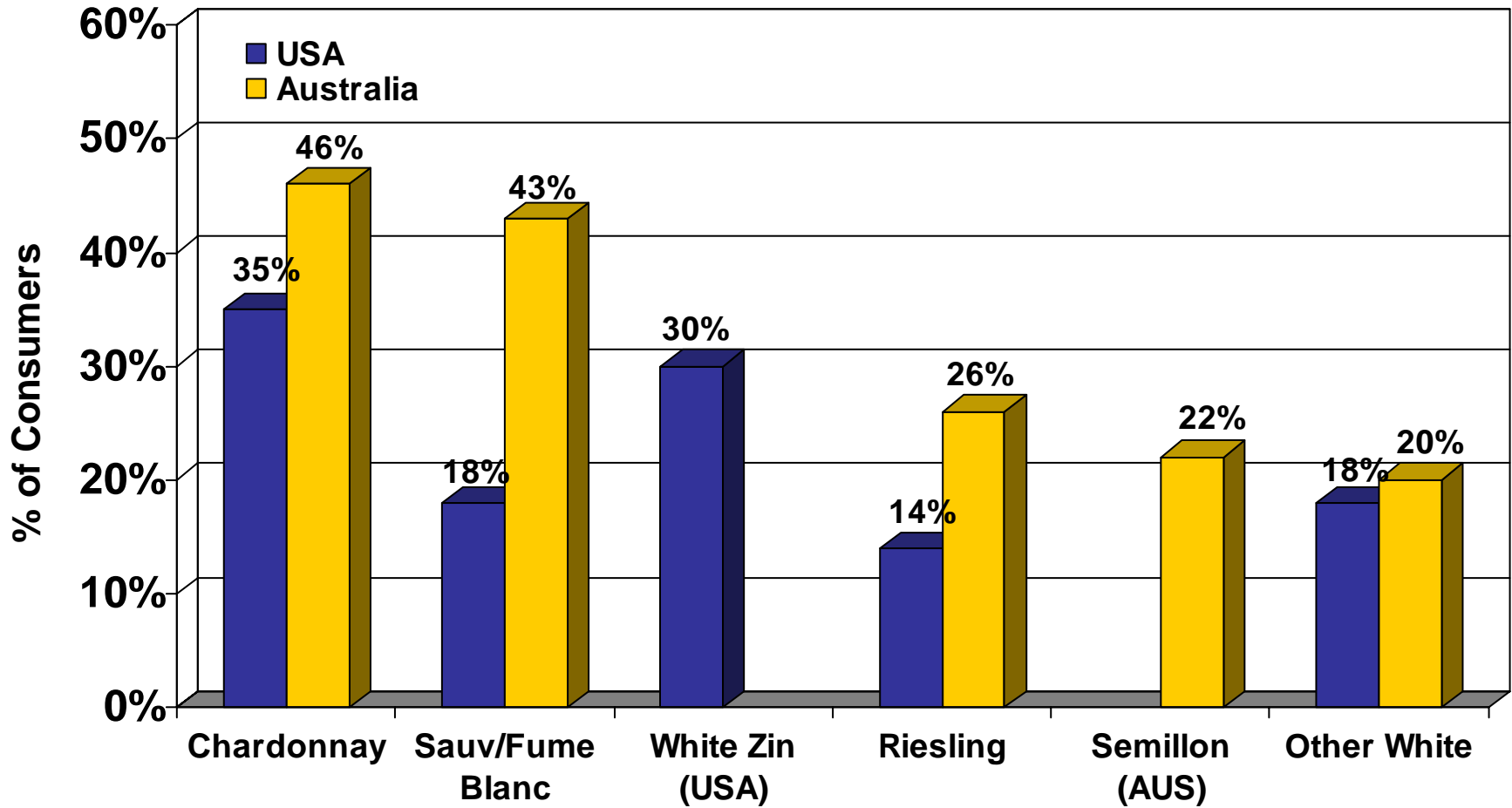
How Much Do You Frequently Spend per Bottle?



Most consumers frequently spend between \$9 - \$15 for a bottle of wine. Consumers in Australia typically spent a bit more on their wines (data not adjusted for exchange rates).

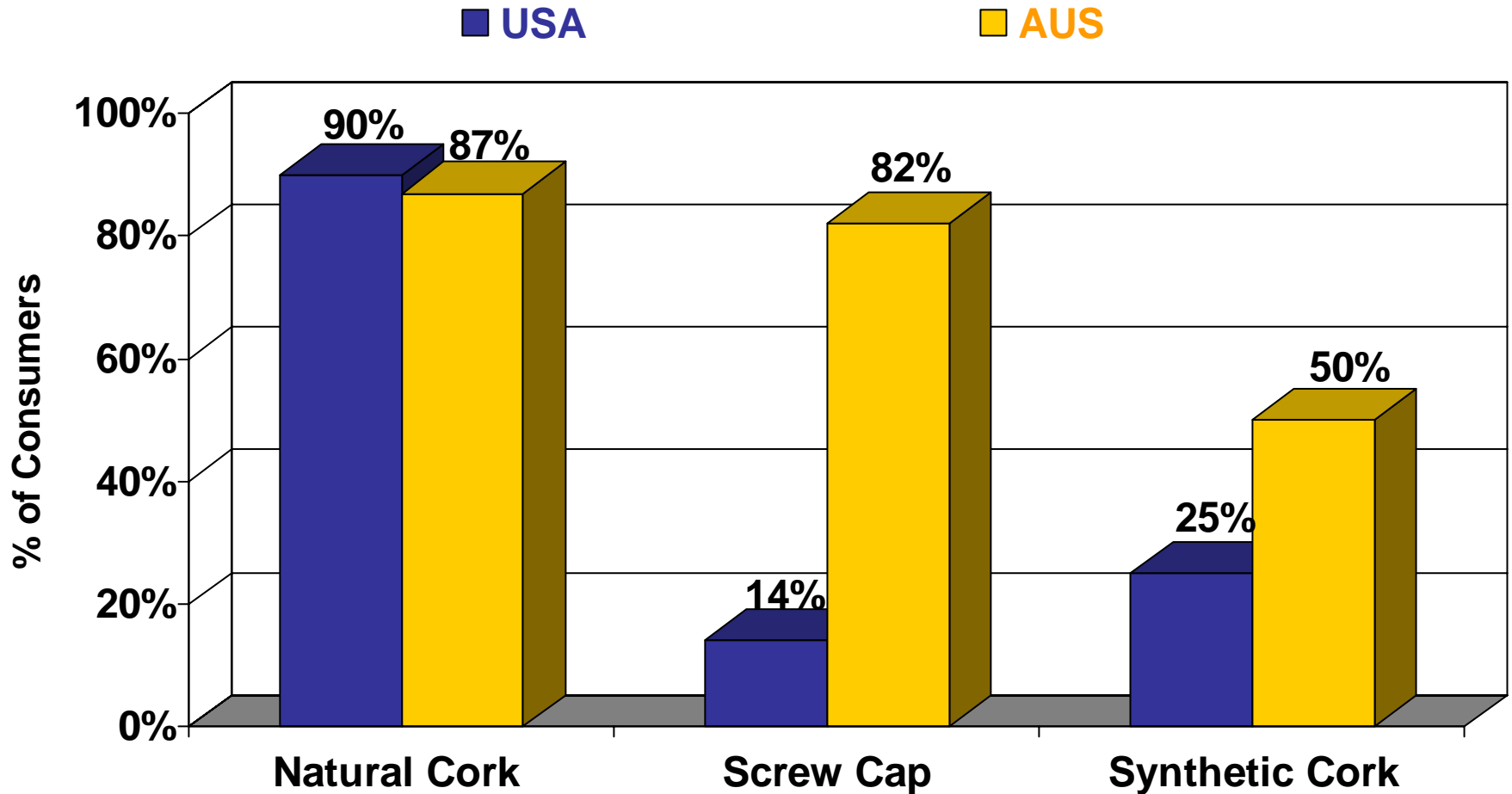


What types of White Wines are they drinking weekly?

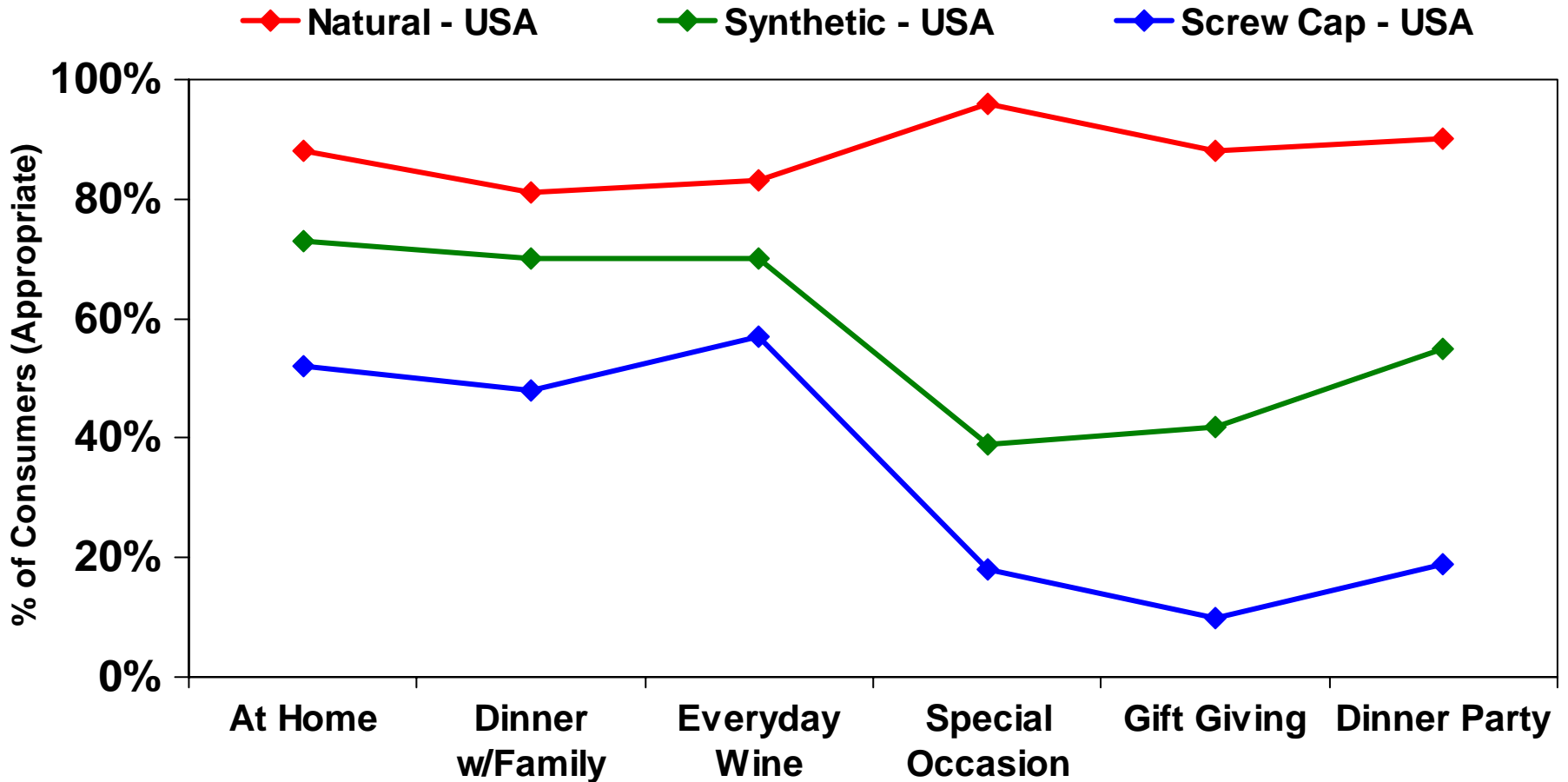


Purchase Interest – Closure

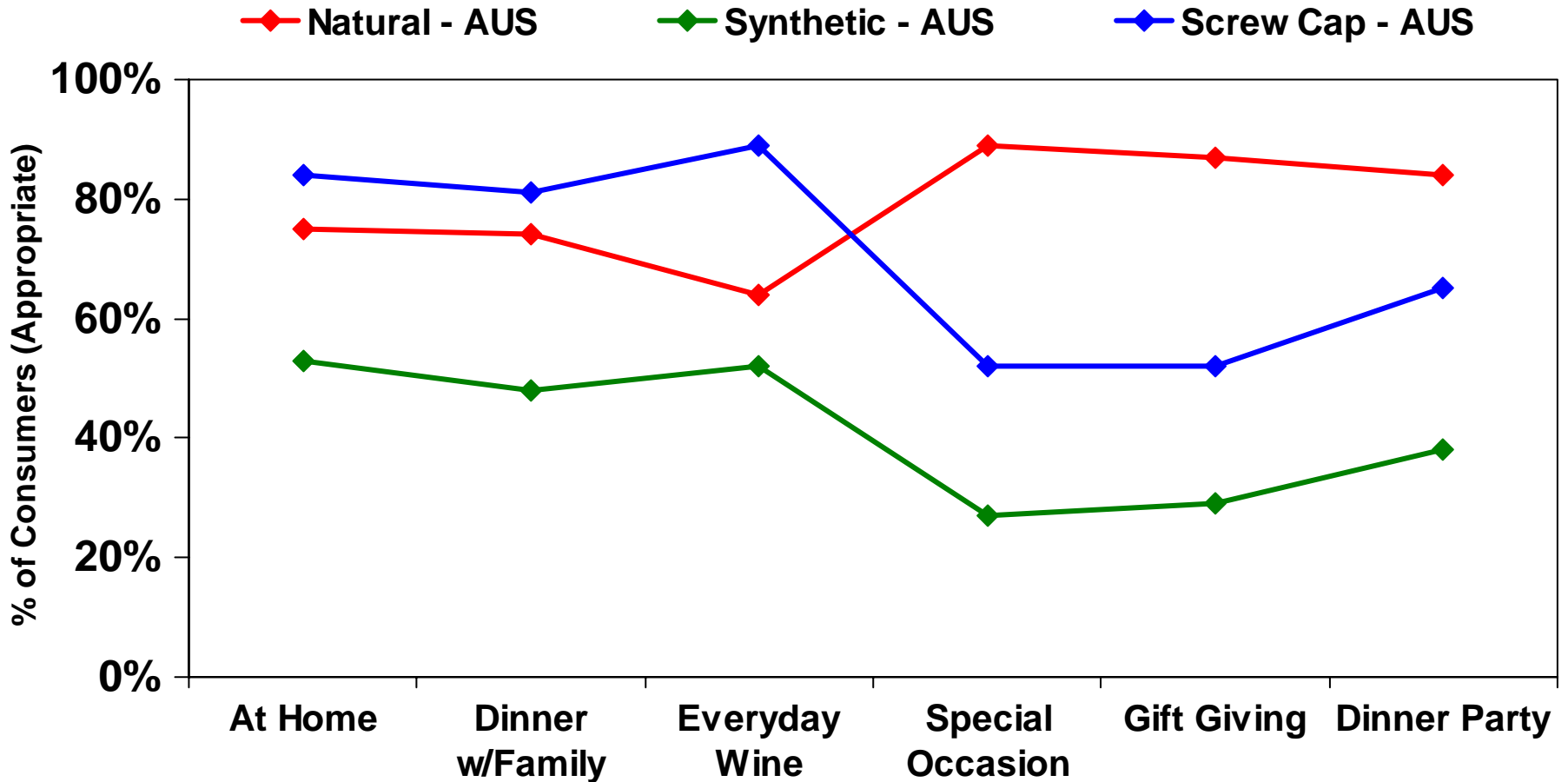
White Wine – Top 2 Box Purchase Interest



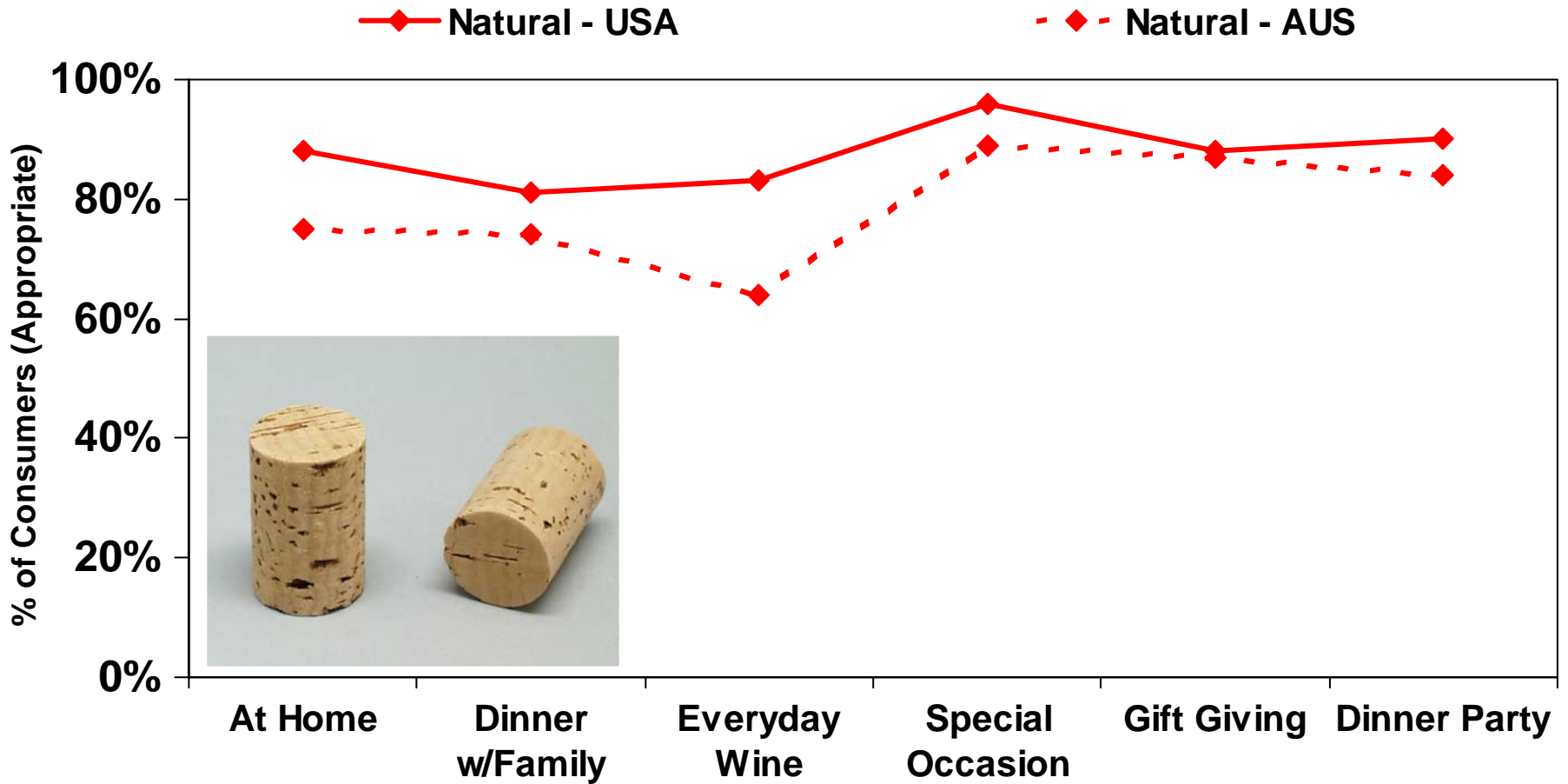
Appropriateness of Closures by Usage Situation - USA



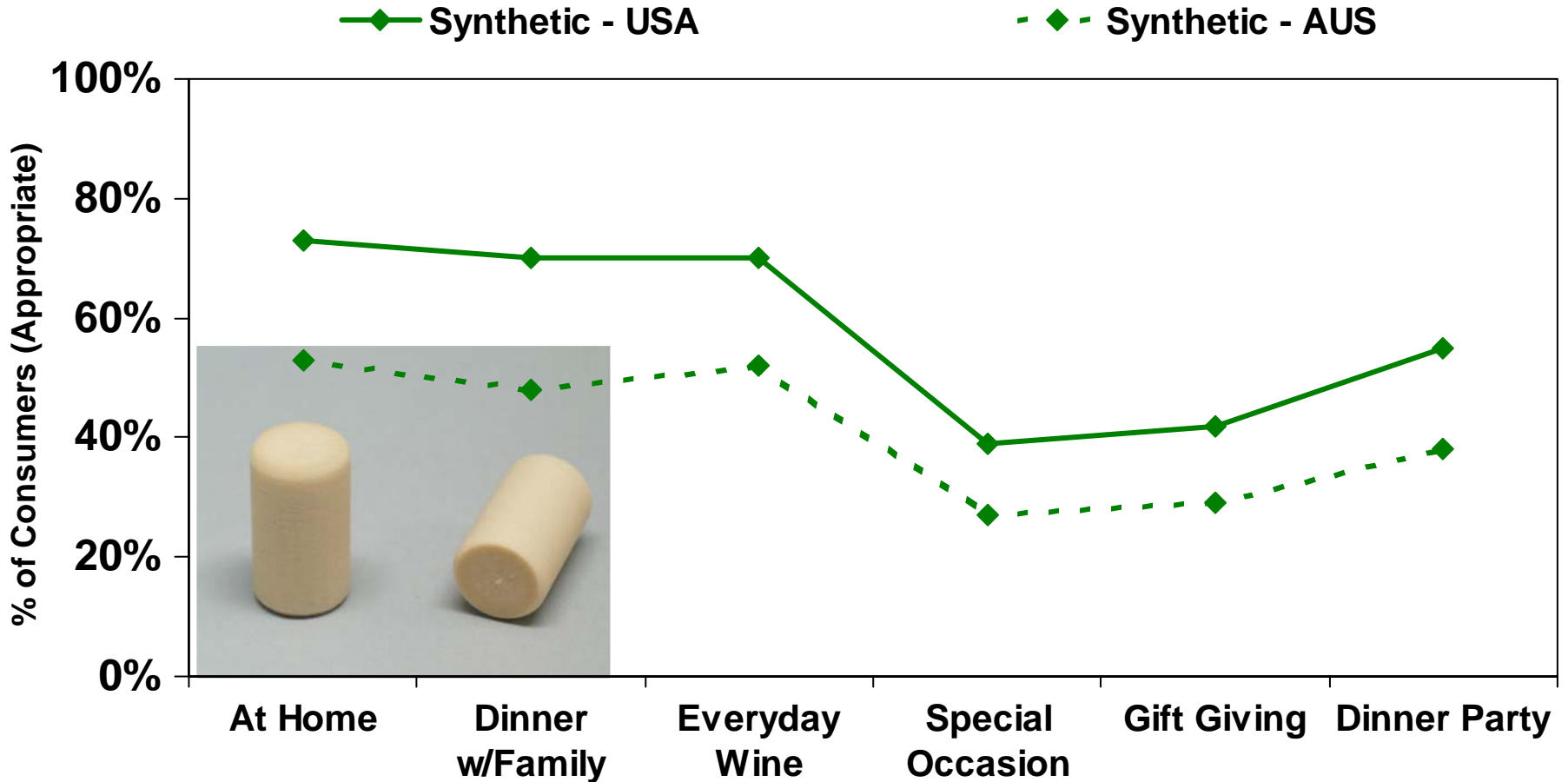
Appropriateness of Closures by Usage Situation - Australia



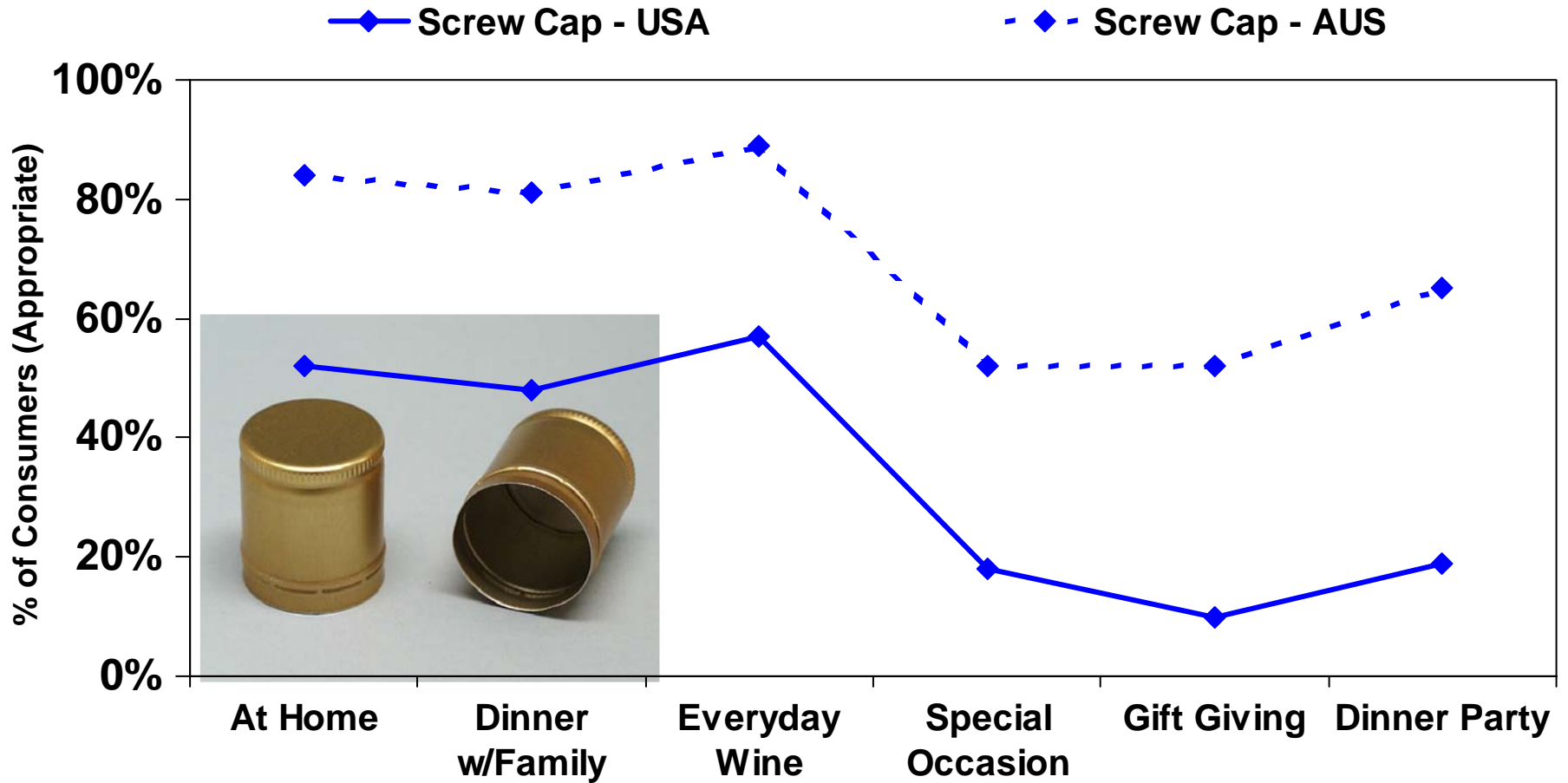
Appropriateness of Closures by Usage Situation



Appropriateness of Closures by Usage Situation



Appropriateness of Closures by Usage Situation



United States vs. Australia



Conjoint Questionnaire

Conjoint Variables



USA

<u>Price Range</u>	<u>Region of Origin</u>	<u>Varietal</u>	<u>Wine Closure</u>
\$3.00 - \$6.99	California	Pinot Grigio	Screw Top
\$7.00 - \$9.99	Australia/ New Zealand	Chardonnay	Natural Cork
\$10.00 - \$14.99	Chile	Sauvignon Blanc	Synthetic Cork
\$15.00 - \$19.99	Italy	Riesling	
\$20.00 or over	France	White Table Wine	

AUS

<u>Price Range</u>	<u>Region of Origin</u>	<u>Varietal</u>	<u>Wine Closure</u>
\$5.00 - \$9.99	South Australian	Semillon	Screw Cap
\$10.00 - \$12.99	Victorian	Chardonnay	Natural Cork
\$13.00 - \$17.99	New South Wales	Sauvignon Blanc	Synthetic Cork
\$18.00 - \$24.99	Western Australian	Riesling	
\$25.00 or over	New Zealand	White Table Wine	

Conjoint Questionnaire



Next, consumers were given a series of choice based questions and were asked to select the combination they were most interested in purchasing.

Please imagine you are in a local grocery store and you are able to select from various WHITE WINES. These WHITE Wines are described for you in terms of **BRAND, REGION, VARIETY** and **PRICE**. For each question, please select the **ONE** product you would be most likely to purchase.

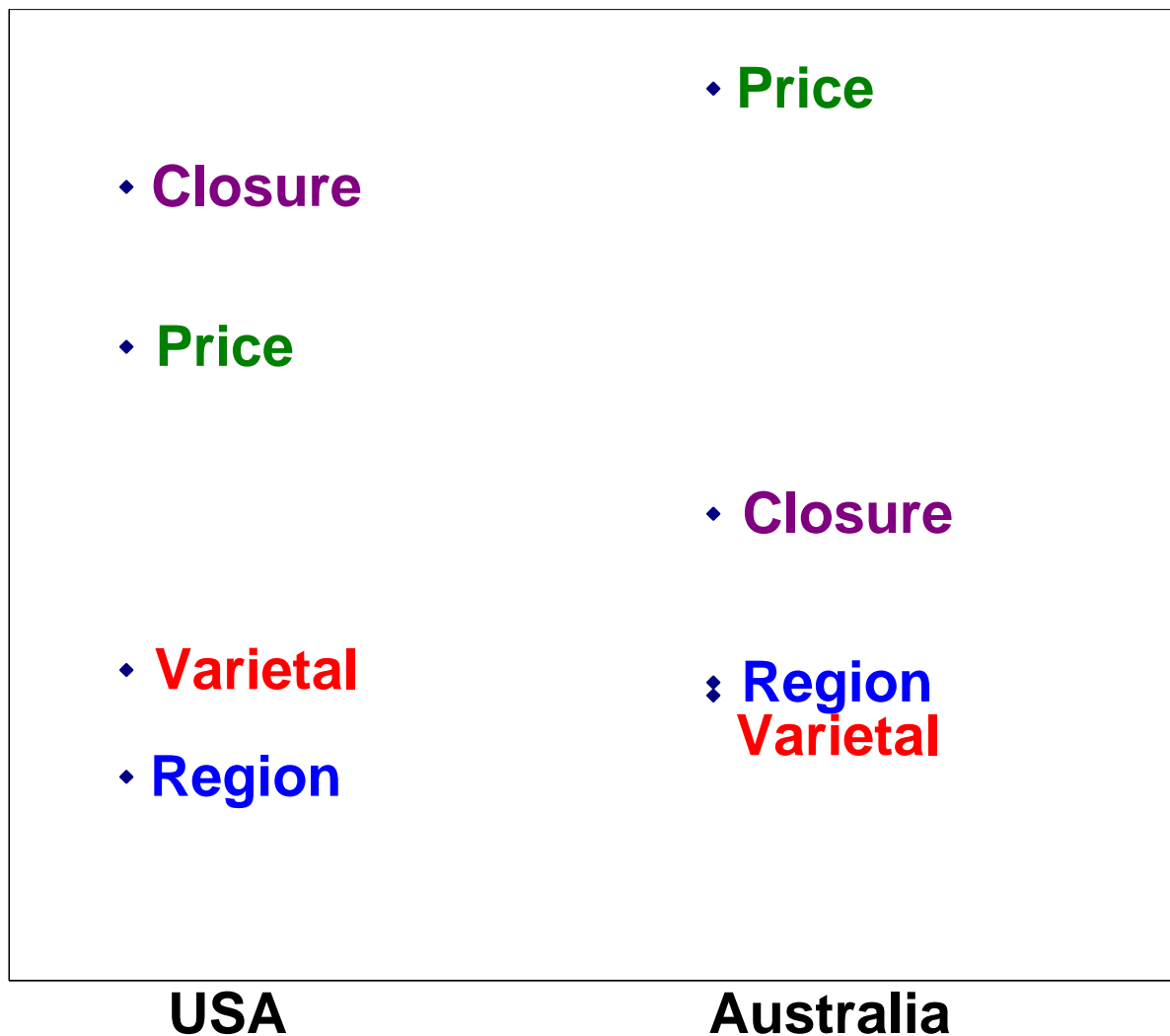
Question 1 Choose One		
<p>Chilean Sauvignon Blanc, for \$15.00 - \$19.99 that uses a Natural Cork.</p> <p style="text-align: center;"><input type="checkbox"/></p>	<p>California Chardonnay, for \$20-25 or over that uses a Screw Top.</p> <p style="text-align: center;"><input type="checkbox"/></p>	<p>French Riesling, for \$3.00 - \$6.99 that uses a Synthetic Cork.</p> <p style="text-align: center;"><input type="checkbox"/></p>

Question 2 Choose One		
<p>Australia/New Zealand Sauvignon Blanc, for \$10.00 - \$14.99 that uses a Screw Top.</p> <p style="text-align: center;"><input type="checkbox"/></p>	<p>California Pinot Grigio, for \$3.00 - \$6.99 that uses a Synthetic Cork.</p> <p style="text-align: center;"><input type="checkbox"/></p>	<p>Italian White Table Wine, for \$7.00 - \$9.99 that uses a Natural Cork.</p> <p style="text-align: center;"><input type="checkbox"/></p>

Overall Importance



In the USA, wine closure followed by price was most important, whereas in Australia, price was most important. In both countries, varietal and region were much less important.



Detailed Findings United States



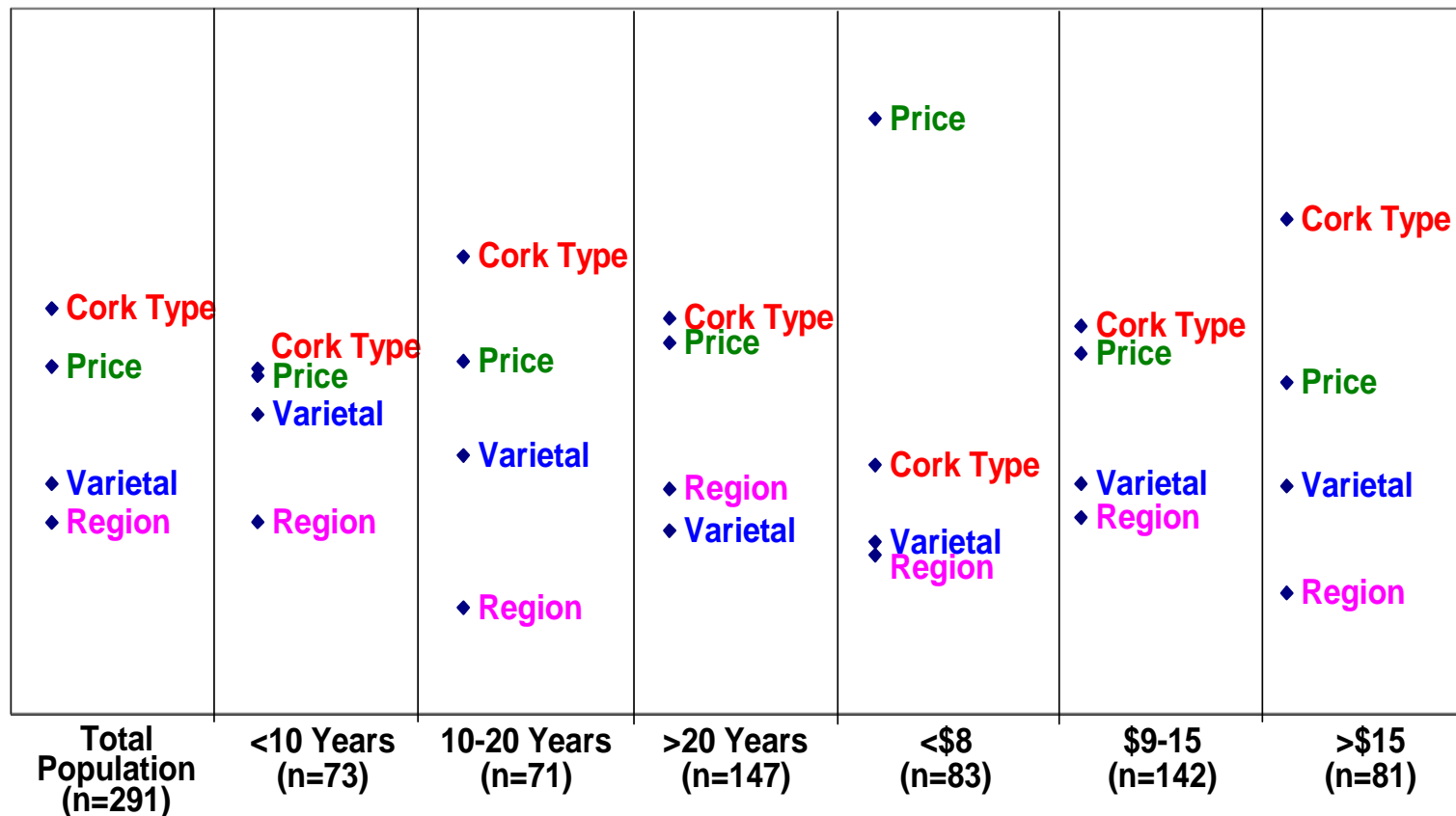
Conjoint Questionnaire

Overall Importance

by Demographic Group - USA

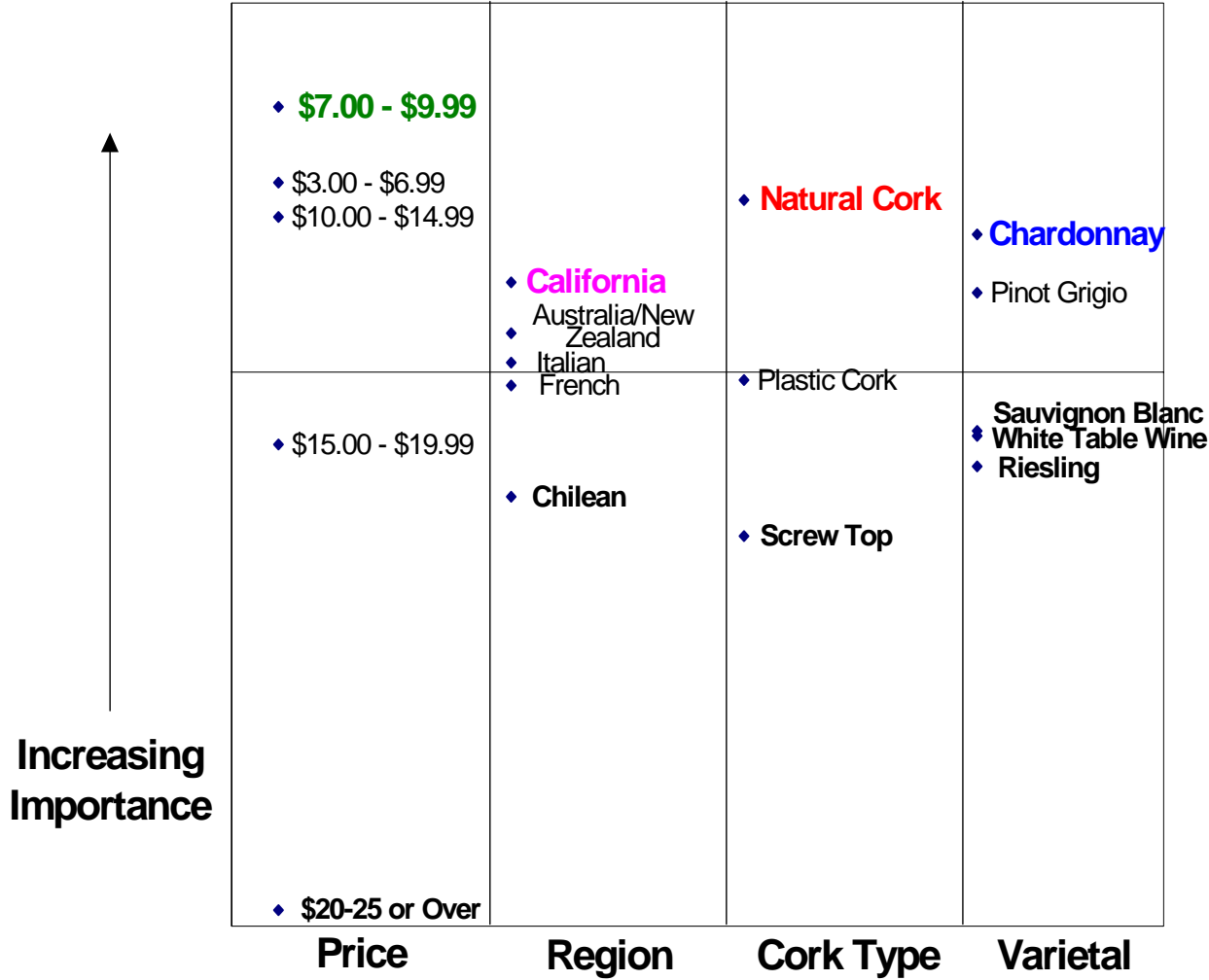


Cork type (closure), followed by price was most important for all but the <\$8 group, for whom price was most important.



Importance

Consumers Who Spend < \$8.00 Per Bottle - USA



Importance

Consumers Who Spend > \$15.00 Per Bottle - USA



↑
Increasing
Importance

Price	Region	Cork Type	Varietal
<ul style="list-style-type: none"> ◆ \$15.00 - \$19.99 ◆ \$10.00 - \$14.99 ◆ \$7.00 - \$9.99 	<ul style="list-style-type: none"> ◆ California ◆ Italian ◆ French 	<ul style="list-style-type: none"> ◆ Natural Cork 	<ul style="list-style-type: none"> ◆ Chardonnay ◆ Pinot Grigio
<ul style="list-style-type: none"> ◆ \$20-25 or Over ◆ \$3.00 - \$6.99 	<ul style="list-style-type: none"> ◆ Australia/New Zealand ◆ Chilean 	<ul style="list-style-type: none"> ◆ Plastic Cork ◆ Screw Top 	<ul style="list-style-type: none"> ◆ Sauvignon Blanc ◆ White Table Wine ◆ Riesling

Detailed Findings Australia



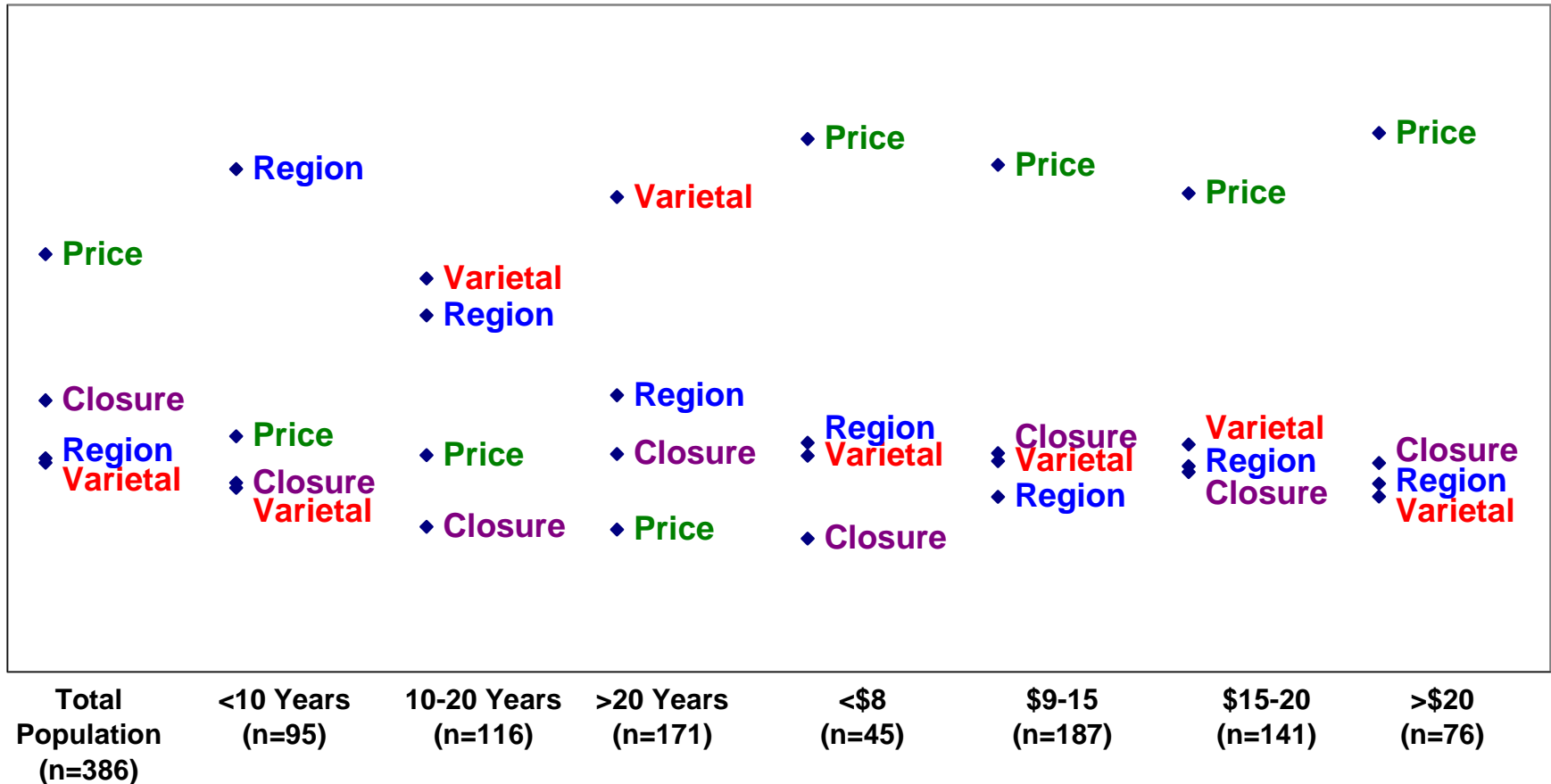
Conjoint Questionnaire

Overall Importance

by Demographic Group - AUS



Price was most important overall, although region and varietal also were important.

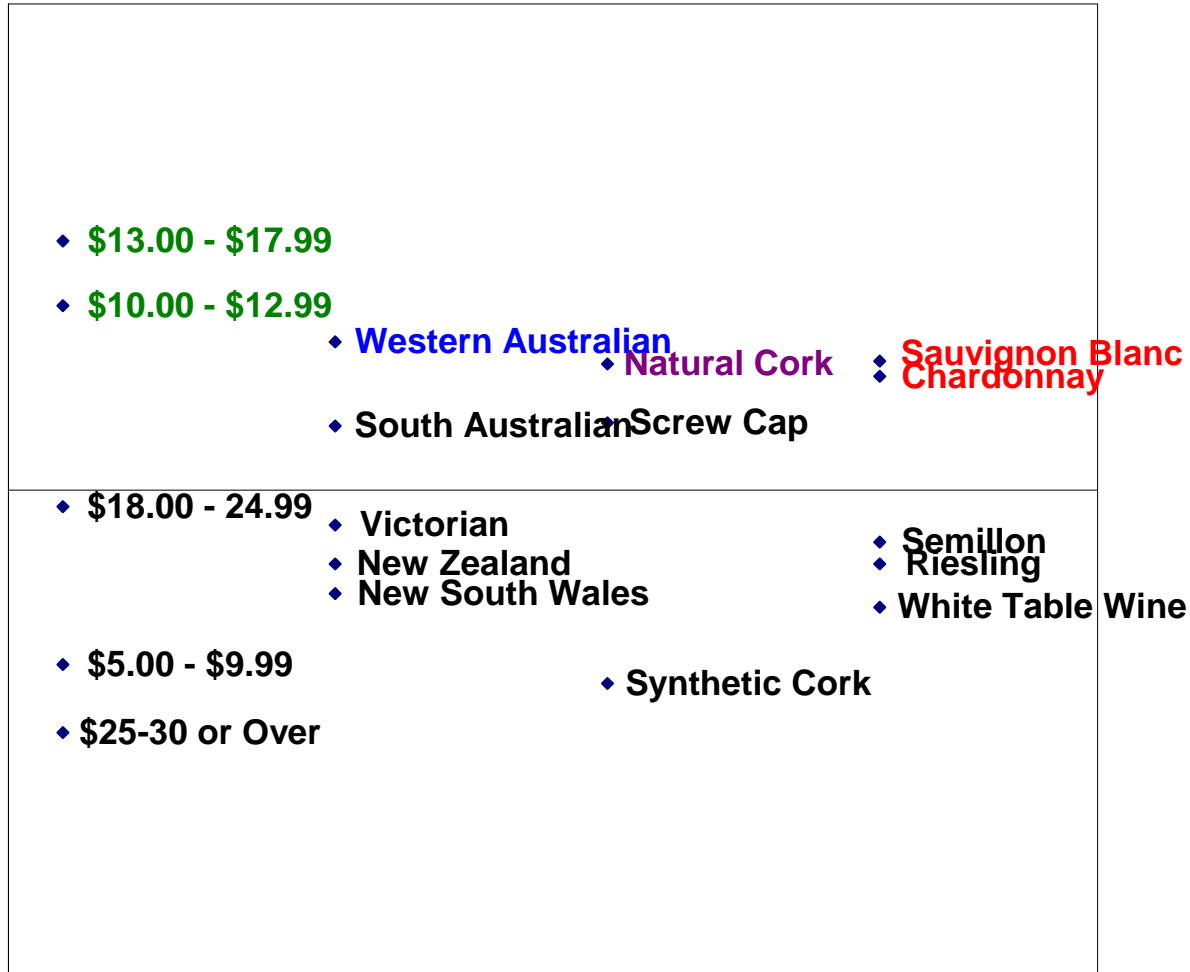


Importance

Total Population - AUS



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Increasing
Importance

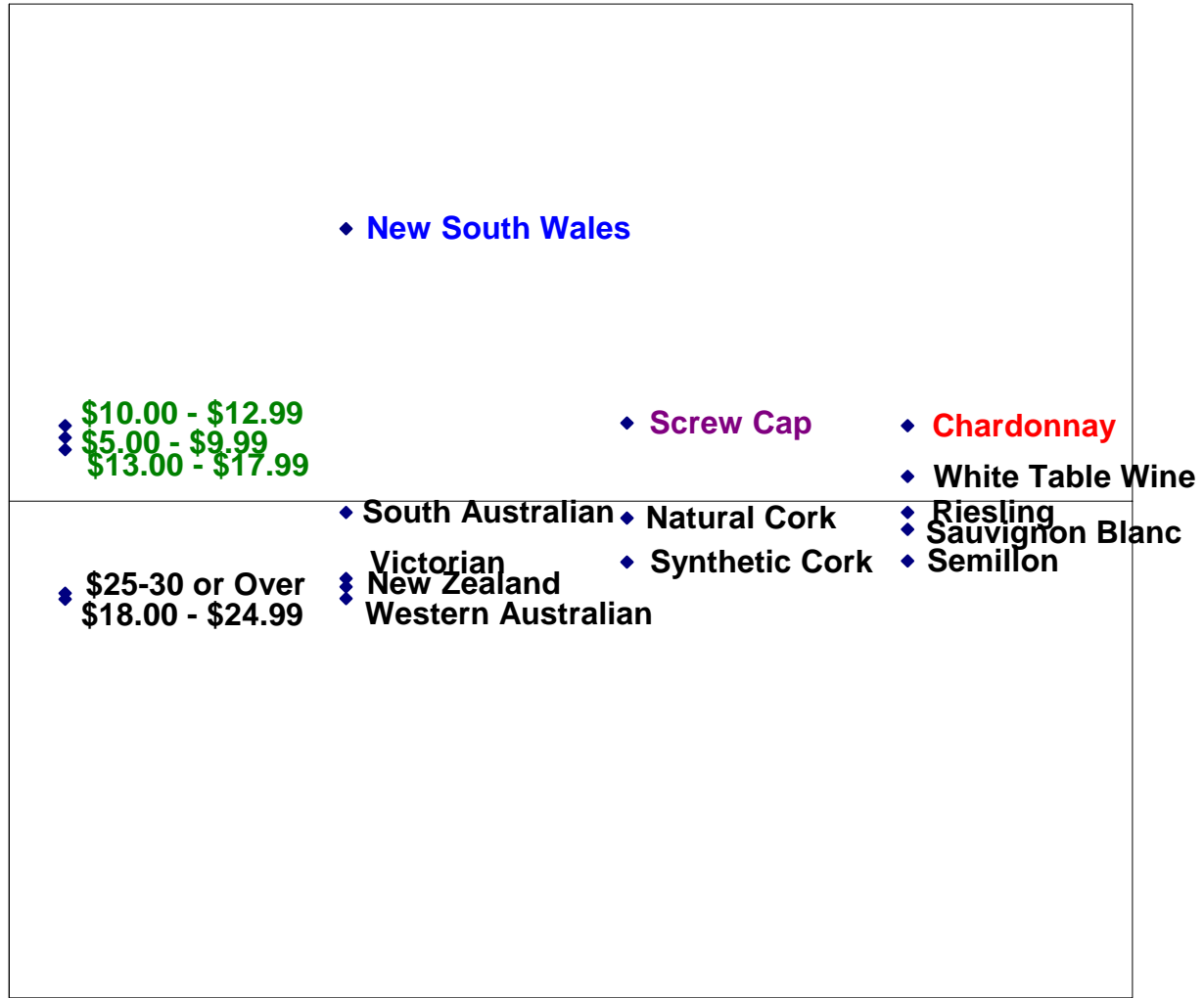


Importance

Consumers Drinking < 10 Years - AUS



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Increasing
Importance

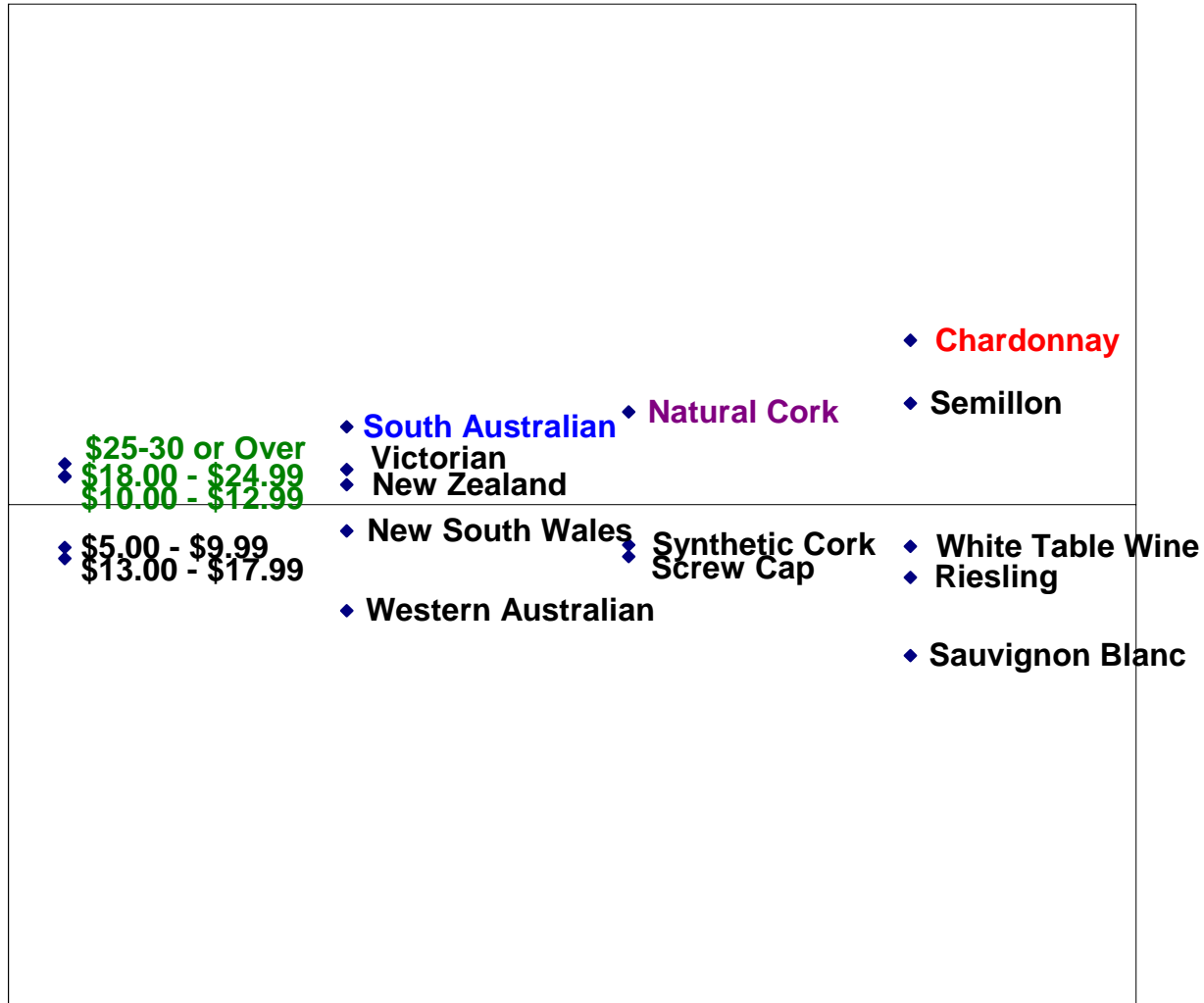


Importance

Consumers Drinking Longer Than 20 Years - AUS



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Increasing
Importance

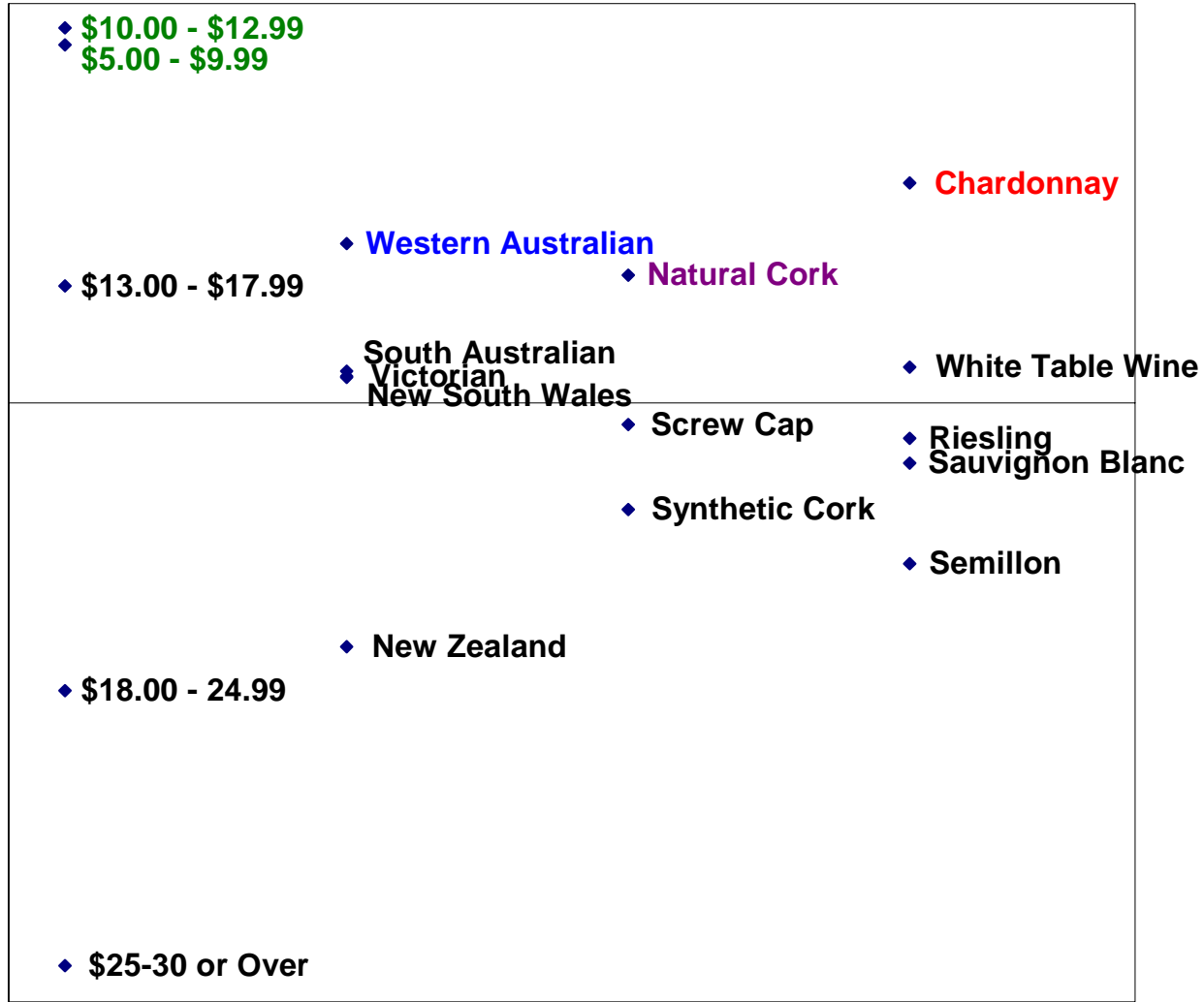


Importance

Consumers Who Spend < \$8.00 Per Bottle - AUS



↑
Increasing
Importance



Importance

Consumers Who Spend > \$20.00 Per Bottle - AUS



↑
Increasing
Importance



Key Findings & Recommendations





Key Findings

USA and Australian consumers are different. However, both rate natural cork as better for special occasion, gift giving, and dinner party.

United States

- ❖ More influenced by closure type; natural cork is preferred, followed by synthetic; screw cap is a negative factor, especially for \$15+
- ❖ Only with USA consumers who frequently purchase wines for less than \$8.00, price was more important than closure type.
- ❖ There was no group of consumers who preferred screw cap closed wines.



Key Findings

Australia

- ❖ Price is major determinant
- ❖ Natural cork had the most positive influence of the three closures, but only marginally more than screw cap, with synthetic cork being a substantial negative influence on choice.
- ❖ Those who spend \$15+ on a bottle of wine, and also those who had been drinking wine for <10 years - where the screw cap was of equal or greater positive influence on purchase intent compared to the natural cork.

Key Findings



This study provides convincing evidence that consumers in Australia, with a longer history of screw cap use especially for premium white wines, are much less influenced by any possible negative connotations of screw caps.



Recommendations

Wineries should consider having wines with both screw cap and natural cork to best satisfy consumers in these two major markets.

Most Australian companies exporting wine to the US would be aware of this difference in perceptions between the two populations, but the results of this study reinforce the need for careful risk assessment by wine companies considering exports to the US under alternative closures.