

# MILLENNIAL PERCEPTIONS OF WINE PACKAGING: A FOCUS ON ALTERNATIVE OPTIONS

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## ABSTRACT

Millennials have overtaken Baby Boomers as the most promising wine purchasing segment, and as such producers have begun manufacturing alternative packaging options to appeal to this group. This study will examine Millennial perceptions of alternative packaging options through the use of tasting experiments.

**Keywords:** Millennials, consumer behavior, wine, alternative packaging, purchase intention

## INTRODUCTION

The world wine market has been experiencing rapid growth since the Great Recession of 2008 and is on track to reach record sales within the next few years. The Millennial generation currently accounts for the largest amount of purchasing power and represents the most promising consumer wine segment in the US. With this new generational rise, producers have begun manufacturing packaging alternatives to glass wine bottles. These alternatives include: aluminum cans, plastic bottles and cups, bag-in-box (BiB), aseptic cartons, and paper bottles.

There is a growing amount of literature regarding what elements are most influential to Millennial consumers' retail wine purchasing behavior [3], however, there is relatively little information on their perceptions of these increasingly prevalent alternative packaging methods. The purpose of this study is to provide insight regarding the perceptions of alternative wine packaging by Millennial consumers.

## PRODUCT PACKAGING IN THE WINE INDUSTRY

Studies have looked at what consumers see on "first glance" when choosing bottles of wine to purchase. Packing is the last chance to communicate with and influence a purchaser [5]. Packaging represents a key opportunity for manufacturers to connect with their chosen market segment. The study will focus on the following elements of wine packaging: front and back label design, bottle shape and color, logo/image, and closure type.

The study will focus on the information at the producers' discretion - font, label layout, producer name, presence of vintage, presence of varietal, appellation of origin, tasting notes, pairing information, cellaring information, and vineyard/winery information. This area constitutes the largest body of knowledge regarding wine packaging, as it includes the majority of information utilized by the consumer in making purchase decisions. The three most prominent bottle shapes will be discussed: Bordeaux, Burgundy, and Mosel/Alsatian. Commonly noted in wine retail, bottles and labels are the first signals consumers use when deciding which wines to purchase.

Closures discussed will be limited to corks and screw cap (Stelvin) closures. Research on the environmental attitudes and knowledge of wine consumers finds Millennials prefer screw caps more than their Baby boomer counterparts [2]; however, when bottles are purchased for gift giving purposes, corks are preferred. This further exemplifies the stigma that screw caps are cheap, and not suitable for use outside the home.

## THEORETICAL FRAMEWORK

Prospect Theory suggests making decisions in which an element of risk exists can be thought of as a choice between two prospects/gambles, each with its own probability of loss or gain [4]. As the riskiness of purchase increases, shoppers tend rely on direct observation and online comparisons as the main information sources, and the tendency to buy without deliberation decreases [6].

It is important to note that wines are “experience goods” [1] in which key attributes are unknown until after the bottle has been purchased. Instead, consumers must utilize other avenues to determine quality and value – advertising, pricing, reviews, etc. It is in this instant that consumers must utilize all aspects of the wine packaging to determine what they will purchase.

## RESEARCH PROPOSITIONS

- P<sub>1</sub>: Alternative packages are perceived as more environmentally-friendly options than traditional glass bottles.*
- P<sub>2</sub>: Alternative packages are perceived as inferior in quality, compared to traditional packaging.*
- P<sub>3</sub>: Alternative packages are seen as preferable for certain occasions but not others.*
- P<sub>4</sub>: Alternative packages are preferred over glass bottles for the novelty and innovation factors, but not for long-term use.*

## METHODOLOGY

The study will utilize a quantitative approach, focused on tasting experiments. The study will be conducted in Las Vegas, NV on the UNLV campus. Participants will be located using the community boards and loyalty lists of select beverage retailers in Las Vegas. Participants will be provided with tasting samples of wine poured from different alternative packages. The wine in all packages will be the same, with only the packaging changing from sample to sample. SPSS will be utilized to analyze the results.

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