

## Consumer Purchase Intentions of Organic Wines

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### ABSTRACT

*The purpose of this study is to investigate the role of consumers' perceptions of wine attributes, perceived wine expertise, and eco-friendly attitudes on their purchase intentions of organic wines. A structured survey with statements relating to perceptions of wine attributes, perceived wine expertise, eco-friendly attitudes, purchase intentions, and socio-demographics was distributed to wine consumers. Multiple regression analysis is used to investigate the relationship among consumers' perceptions of organic wine attributes, perceived wine expertise, eco-friendly attitudes, and purchase intentions.*

**Keywords;** organic wine attributes, wine expertise, eco-friendly attitudes, purchase intentions.

### INTRODUCTION

Wine has been a significant beverage around the world. In 2003, over 233 million cases of wine were sold in the United States and sales totaled \$21,800 million (Adam Wine Handbook, 2004). In addition, according to the Organic Trade Association, U.S. sales of wines made with organic grapes reached \$80 million in 2005, a 28 percent increase over the previous year. Such sales represent little more than one percent of the total U.S. domestic wine market, but the association expects organic wine sales to grow about 17 percent a year through 2008 (Singh, 2009).

More and more people have become increasingly environmentally conscious. According to Laroche et al. (2001), environmentally conscious consumers are now purchasing products based on how these products affect the natural environment and have willingness to purchase environmentally friendly products. Further, increasing number of health-conscious consumers is reaching not just for organic food, but for organic wine as well.

Due to an increase in environmental consciousness worldwide, the wine industry in the United States has increasingly faced pressure to improve its environmental performance (Barber et al., 2009). National Organic Program (NOP), part of the USDA, has set guidelines for the processing and labeling of organic products. Thus, for a wine to be labeled “organic” and bear the USDA organic seal, it must be made from organically grown grapes (Organic Consumers Association, 2010) and not contain any added sulfites. Meanwhile, wines made from at least 70 percent organically grown grapes must declare the certifying agency but will not bear the USDA organic logo and may contain naturally occurring and added sulfites. In this study, organic wine refers to “organic certified wine” and “wines made from organically grown grapes”.

The organic wine purchasing motives should be attributed to some kind of environmental, quality/health consciousness, product attributes such as value, taste, price (Fotopoulos and Krystallis, 2002), and product involvement or knowledge (Dodd et al., 2005). Despite the growth of the wine market, few studies (Barber, 2009; Brugarolas et al, 2005) have been performed to enhance the understanding of consumers’ purchase intentions toward eco-friendly wine products. This study aims to investigate the role of consumers’ perceptions of organic wine attributes, wine expertise, and eco-friendly attitudes on their willingness to purchase organic wines.

## **LITERATURE REVIEW AND HYPOTHESES**

Previous studies have shown that wine attributes (i.e. price, producers, brand, and vintage, etc.) have been found amongst the most prominent factors influencing consumer’s choice of wine (Lockshin et al., 2000; Orth and Krska, 2002). According to Fowler et al. (2010), wine consumers are highly influenced by the label. Wine consumers, who want organic alternatives to conventional wines may put importance on the organic claim on the wine label (Organic Consumer Association, 2010). Sirieix and Remaud (2010) investigated consumers’ perceptions of conventional and different eco-labeled wines (e.g., organic, preservative free, bio-dynamic) in Australia. In their study, conventional wine is perceived as having ‘genuine taste’, ‘good value for the money’, and ‘good for a family dinner/lunch’. Eco-labeled wine was clearly associated with the following attributes: ‘good for my health’, ‘more expensive’, ‘harmless for the environment’, and ‘good for daily consumption’.

Expertise regarding wine can predict choice of wine. Park, Mothersbaugh, and Feick (1994) contended that experts can be distinguished from the novice by the way they use their knowledge in evaluation tasks and choice of product. Aurier and Ngobo (1999) have shown that perceived expertise is a better predictor of the wine purchase. Product knowledge has been recognized as a key concept in consumer decision making (Dodd et al., 2005). Dodd et al. (2009)

discussed that consumers who are highly involved with the product rely on intrinsic attributes of the wine such as quality, whereas those with a low level of product involvement use extrinsic factors such as price and recommendations from others.

Eco-friendly attitudes are important factors when assessing consumers' willingness to purchase environmental products (Shepherd et al., 2005). Suchard and Polonsky (1991) discussed that individuals who have positive attitudes toward green products were willing to pay between 15-20 percent more for organic products. In the hospitality industry, Han et al. (2009) discussed that customers who have favorable attitudes toward eco-friendly behaviors are willing to stay at an eco-friendly hotel, to recommend it, and to pay more. Barber et al. (2009) investigated how product involvement, environmental involvement, knowledge, and attitude influence purchasing decision. The result indicated a significant relationship between eco-friendly attitude and willingness to purchase environmentally friendly wine, suggesting that respondents with strong eco-friendly attitudes will consider environmentally friendly wine.

Based on the literature review, following hypotheses are formulated.

H1: Consumers' perceptions of wine attributes have a significant effect on their purchase intentions of organic wine.

H 2: Consumers' perceived expertise has a significant effect on their purchase intentions of organic wine.

Hypothesis 3: Consumers' eco-friendly attitudes have a significant effect on their purchase intentions of organic wine.

Hypothesis 4: Consumers' perceptions of wine attributes may vary according to their level of wine expertise.

## **METHODOLOGY**

A four page survey was developed and administered in order to meet the study objectives. Specifications for survey participation required all individuals to have been older than 21 years of age and also have consumed wine within the past 12 months. The questionnaire was comprised of five parts. The first part investigated consumers' perceptions of organic wine attributes. These attributes were adapted from previous studies (Dodd et al., 2008; Eli, 2009) and were modified based on the results of pre-tests and interviews with wine sales directors, wine makers and winery owners. In the second part, perceived expertise was measured using four items taken from Flynn and Goldsmith's scale (1998). In the third part, eco-friendly attitudes of wine consumers were assessed with the items adapted from Han et al., (2009). The fourth part examined consumers' purchase intentions. All of the scale items were assessed using a seven-

point Likert-type scale (1: strongly disagree, 7: strong agree). The fifth and final part of the survey investigated wine consumer socio-demographic characteristics and their wine consumption patterns using nominal scales.

The statistical analysis procedures will be employed using SPSS Win 16.0.: descriptive statistics, factor analysis, reliability analysis, and multiple regression analysis. First, descriptive statistics, such as simple frequencies and mean values, will be computed on the socio-demographic and consumption characteristics. Next, a principal component factor analysis with Varimax rotation will be conducted to test the validity of constructs. A reliability analysis, using Cronbach's alpha, will be undertaken to test the reliability and internal consistency of constructs. Finally, multiple regression analysis will be used to investigate the relationship among consumers' perceptions of organic wine attributes, perceived wine expertise, eco-friendly attitudes, and purchase intentions.

### **IMPLICATIONS**

Little research has been conducted on U.S. consumers' purchase intentions towards organic wines. By measuring the effects of wine consumer perceptions of organic wine attributes, wine expertise, and eco-friendly attitudes, this current study aims to understand consumers' purchase intentions toward organic wine. Wine industry marketing managers may find new ways to promote organic labeled wines and increase sales by better understanding which factors influence consumers' willingness to purchase organic wines.

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