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Unveiling the Influence of Consumer Wine Appreciation Dimension on Purchasing Behavior

Wine as Value-Added Product



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- The greatest profit in growing grapes is selling their value-added products, such as juice, jams, jellies, raisins and gourmet vinegars. Wine, the most important value-added product of grapes, has the greatest profit margin.
- Understanding key drivers of wine choice and the underlying motivations is, therefore, important for wine companies and marketers in order to achieve their alignment with consumer preferences across their different market segments.

Consumption Value Theory



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[Sheth, Newman, and Gross, 1991; Holbrook, 1996; Sweeney and Soutar, 2001; Sanchez-Fernandez and Iniesta-Bonillo, 2007; Belk, 1974; 1975; Lai, 1991; Luo, 2005]

- The multifaceted consumer choice - to buy or not to buy, to choose one type of product or service over another, and to choose one brand over another - entails a variety of forms of value.
- The theory rests on three fundamental propositions:
 - that market choice is a function of multiple values
 - that these forms of value make differential contributions in any given choice situation
 - that the forms of value are independent

Forms of Value



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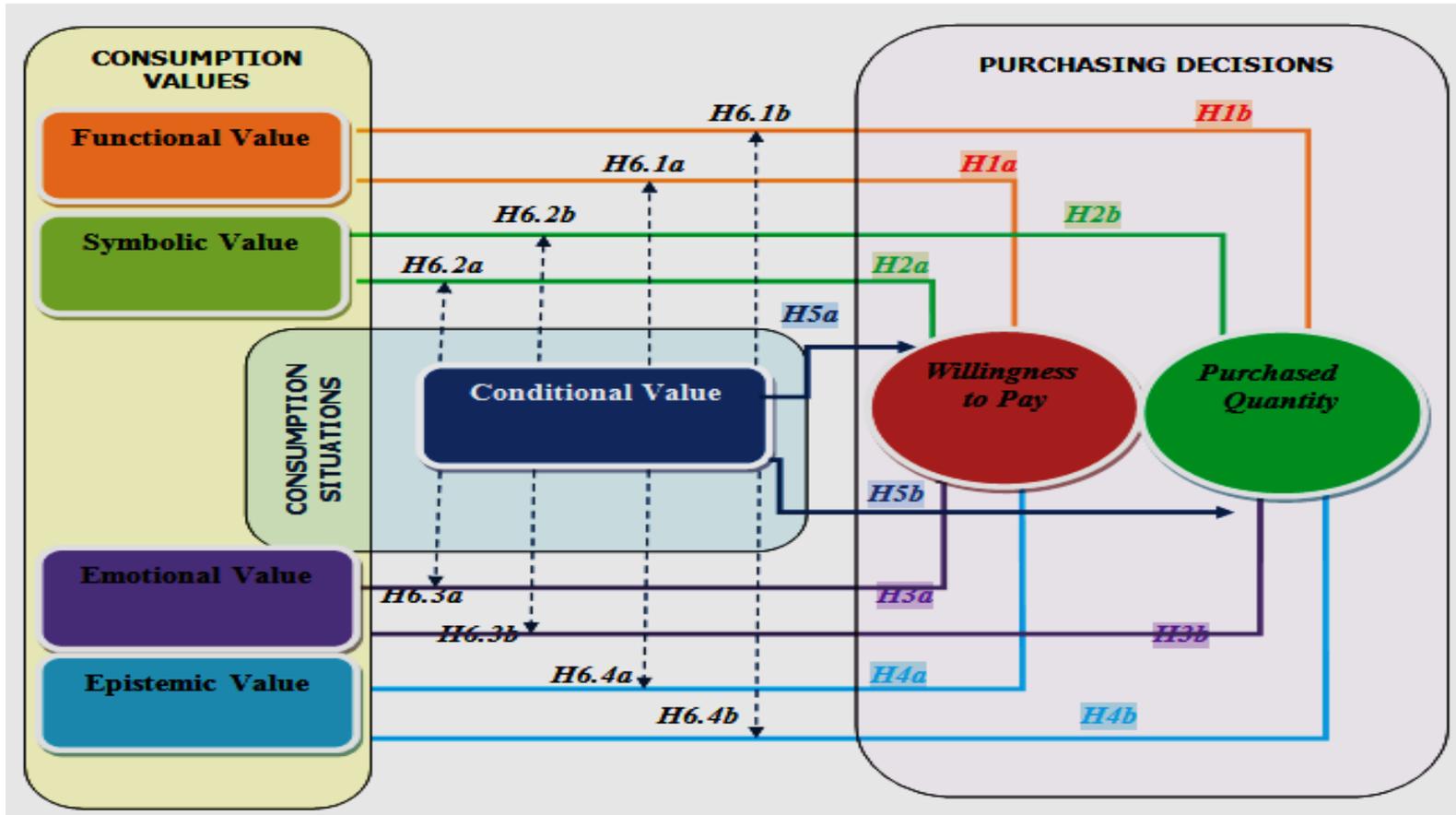
I purchase wine
because I want...

Consumption Values



- **Functional value** pertains to whether a product is able to perform its functional, utilitarian, or physical purposes.
- **Symbolic or social value** refers to an image that is congruent with the norms of a consumer's friends or associates and/or with the social image the consumer wishes to project.
- **Emotional value** is related to various affective states, which can be positive (for example, confidence or excitement) or negative (for example, fear or anger).
- **Epistemic value** is concerned with a desire for knowledge, whether this be motivated by intellectual curiosity or the seeking of novelty.
- **Conditional value** reflects the fact that some market choices are contingent on the situation or set of circumstances faced by the consumers.

Conceptual Framework



Methodology

Sample & Data Collection



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- **Sample Size: 202**
 - Gathered from general public
 - Average Age: 36 years & Age Range: 20-75 years
- **Balanced Between Genders & Marital Status**
 - 41.1% male & 58.9% female respondents
 - 36.6% single & 63.4% other respondents
- **7-Point Likert, Multi-Item Scale**
 - Strongly Disagree (1) to Strongly Agree (7)

Methodology

Dependent and Control Variables



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- **Willingness to Pay:** the dollar amount spent per bottle
- **Purchase Quantity:** the number of bottles of wine purchased per month
- **Control Variables**
 - Age, Marital Status, Gender

Methodology

Constructs & Measurement Items



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	Factor loading	t - value
Functional Value ($\alpha = 0.959$, CR = 0.954, AVE = 0.748)		
Wine makes a perfect gift for many occasions.	0.810 ^a	
I find wine easy to drink.	0.883	16.908
Wine appeals to me with many benefits other than just being an accompaniment to food.	0.877	16.646
Drinking wine is good for your health.	0.872	16.572
Wine satisfies my thirst and my appetite.	0.891	17.266
My favorite wines are easily accessible and comfortable.	0.853	15.908
My favorite wines go well with or without food.	0.866	16.288
Symbolic Value ($\alpha = 0.938$, CR = 0.938, AVE = 0.792)		
Drinking wine makes me feel prestigious	0.885 ^a	
Drinking wine makes me feel unique as compared to drinking other alcoholic beverages	0.846	16.863
Drinking wine makes me feel elegant and glamorous	0.907	19.588
Drinking wine makes me feel stylish	0.920	20.449
Emotional Value ($\alpha = 0.845$, CR = 0.836, AVE = 0.506)		
Drinking wine soothes me.	0.639 ^a	
Drinking wine makes me feel comfortable and relaxed	0.728	8.609
Drinking wine gives me pleasure.	0.779	9.011
I find drinking wine enjoyable.	0.734	8.564
Drinking wine makes me happy	0.668	7.968
Epistemic Value ($\alpha = 0.869$, CR = 0.867, AVE = 0.620)		
I am curious about wines that I have not yet tried.	0.768 ^a	
I like to try wines that I have never tasted before.	0.792	11.005
I started drinking wine because I wanted to learn more about it	0.800	11.181
I try to find out everything I can about the wines I drink.	0.790	11.523
Conditional Value ($\alpha = 0.889$, CR = 0.906, AVE = 0.660)		
Drinking wine with co-workers.	0.724 ^a	
Drinking wine at formal social events.	0.842	9.820
Drinking wine with a new associate/acquaintance.	0.801	11.000
Drinking wine at business related functions.	0.862	11.597
Drinking wine at formal wine tastings.	0.825	9.952

Notes: ^a Initial loading was fixed to 1 to set the scale of the construct.

α = Cronbach's Alpha CR = Construct Reliability; AVE = Average Variance Extracted.

Methodology

Constructs



- Through the Analysis of SEM, we estimated:
 - Goodness-of-Fit Statistics
- Fit Statistics for the Hypothesized Moderating Effect Model

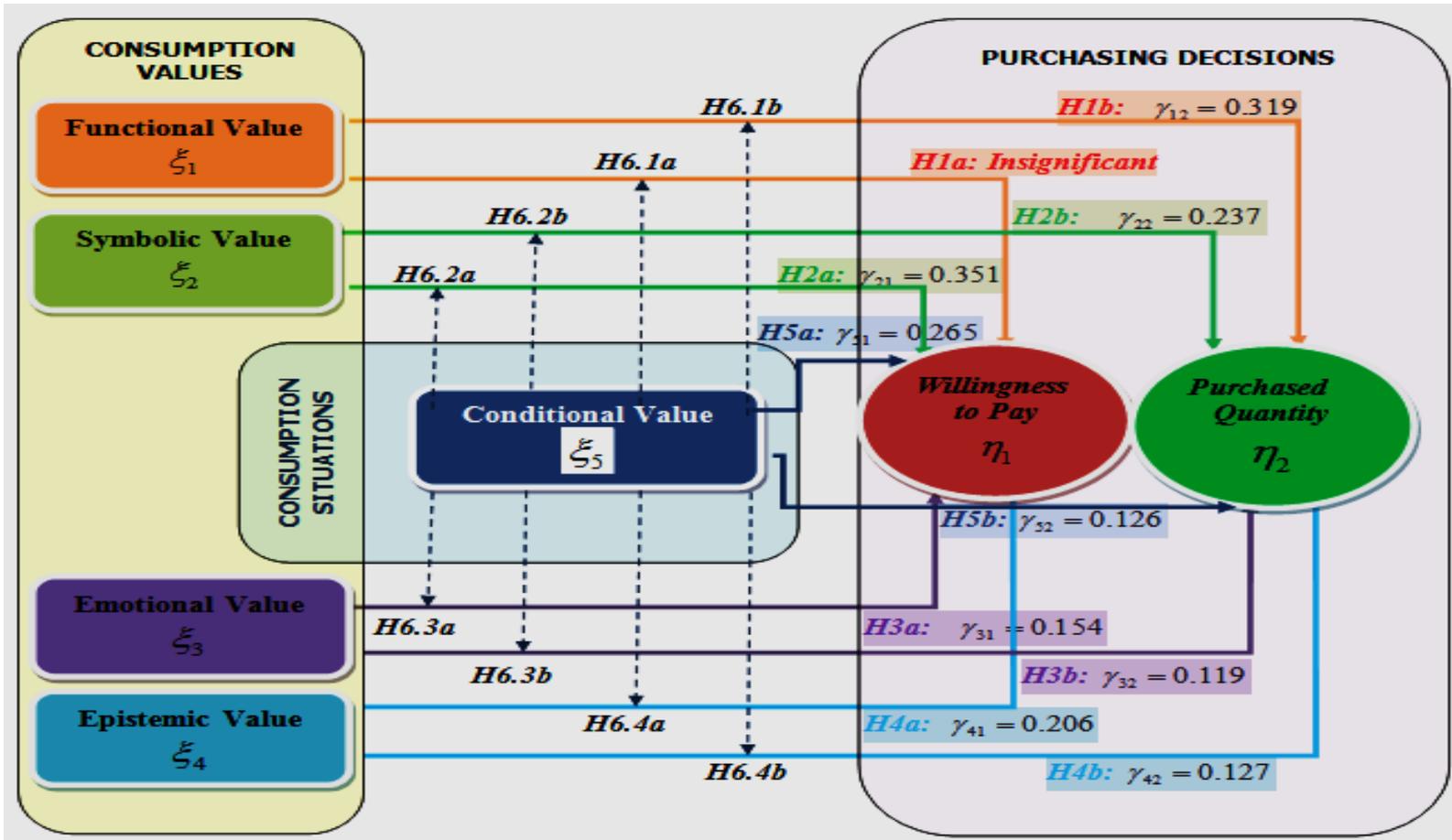
	Value	Threshold
Chi-Square(χ^2)	315.93	
p-value	0.0006	
Degrees of Freedom	238	
Chi-Square/Degrees of Freedom	1.33	<3.00
Goodness-of-fit Index(GFI)	0.90	≥ 0.90
Comparative fit Index(CFI)	0.98	> 0.90
Tucker-Lewis Index(TLI)	0.97	> 0.90
Root Mean Square Error of Approximation(RMSEA)	0.04	< 0.08

Direct Effect Hypotheses



- *H1: Perceived functional value is positively associated (a) with consumers' willingness to pay and (b) with the purchase quantity.*
- *H2: Perceived functional value is positively associated (a) with consumers' willingness to pay and (b) with the purchase quantity.*
- *H3: Perceived emotional value is positively associated (a) with consumers' willingness to pay and (b) with the purchase quantity.*
- *H4: Perceived epistemic value is positively associated (a) with consumers' willingness to pay and (b) with the purchase quantity.*
- *H5: Conditional value (related to formalization of situation) is positively associated (a) with consumers' willingness to pay and (b) with the purchase quantity.*

Direct Effect Hypotheses Conceptual Framework



Moderating Effect Hypotheses



- H6.1: The positive relationship between perceived functional value and (a) consumers' willingness to pay and (b) consumers' purchase quantity will be moderated by the perceived conditional value (related to formalization of situation).

Paths From	To	Standardized Estimate	p-value
Conditional Value x Functional Value	Purchased Quantity	0.113	0.045

- H6.2: The positive relationship between perceived symbolic value and (a) consumers' willingness to pay and (b) consumers' purchase quantity will be moderated by the perceived conditional value (related to formalization of situation).

Paths From	To	Standardized Estimate	p-value	Paths From	To	Standardized Estimate	p-value
Conditional Value x Symbolic Value	Willingness to Pay	0.218	0.003	Conditional Value x Symbolic Value	Purchased Quantity	0.112	0.036

Moderating Effect Hypotheses



- H6.3: The positive relationship between perceived emotional value and (a) consumers' willingness to pay and (b) consumers' purchase quantity will be moderated by the perceived conditional value (related to formalization of situation).

Paths From	To	Standardized Estimate	p-value
Conditional Value x Emotional Value	Willingness to Pay	0.133	0.018

Paths From	To	Standardized Estimate	p-value
Conditional Value x Emotional Value	Willingness to Pay	0.133	0.018

- H6.4: The positive relationship between perceived epistemic value and (a) consumers' willingness to pay and (b) consumers' purchase quantity will be moderated by the perceived conditional value (related to formalization of situation).

Paths From	To	Standardized Estimate	p-value
Conditional Value x Epistemic Value	Willingness to Pay	0.094	0.033

Paths From	To	Standardized Estimate	p-value
Conditional Value x Epistemic Value	Purchased Quantity	0.061	0.056

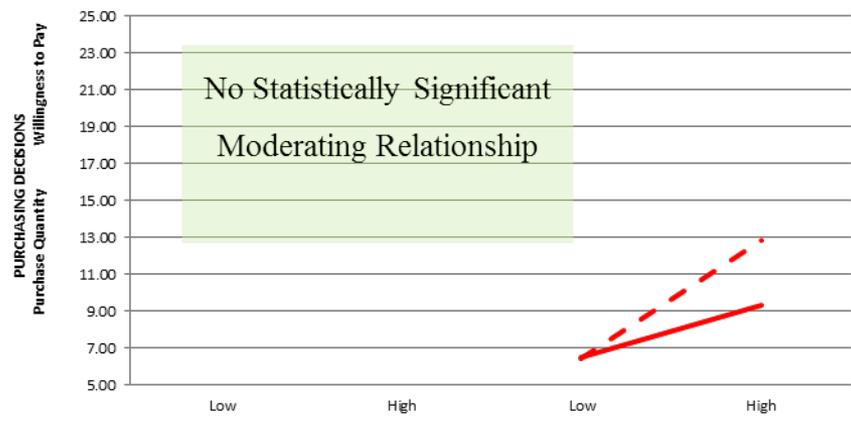


Figure 1 Moderating effect of conditional value on the functional value-purchasing decisions relationship

Conditional Low Conditional High Conditional Low Conditional High

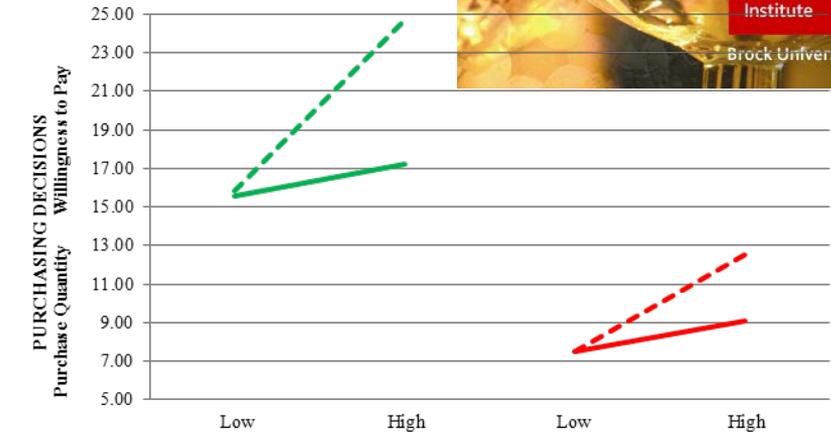


Figure 2 Moderating effect of conditional value on the social value-purchasing decisions relationship

Conditional Low Conditional High Conditional Low Conditional High

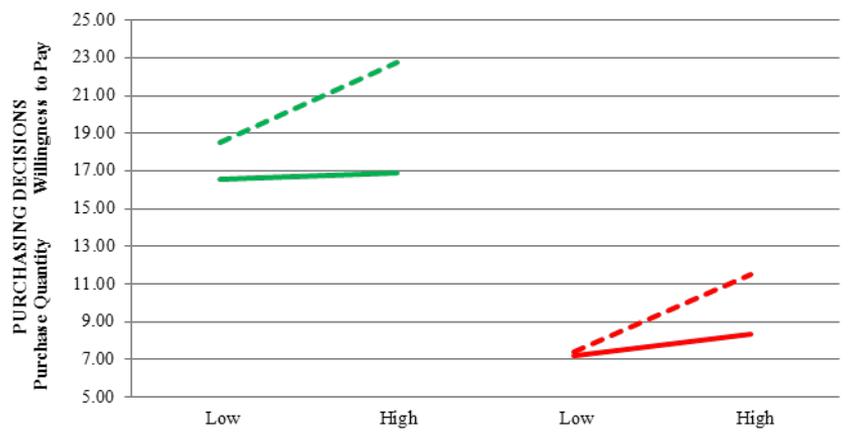


Figure 3 Moderating effect of conditional value on the emotional value-purchasing decisions relationship.

Conditional Low Conditional High Conditional Low Conditional High

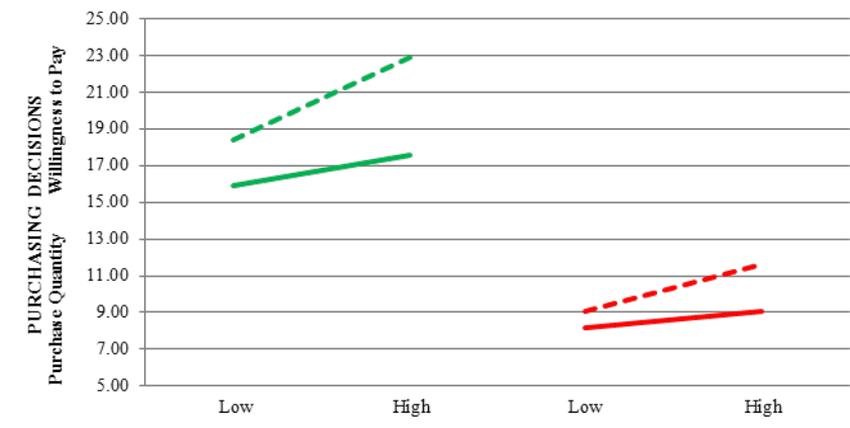


Figure 4 Moderating effect of conditional value on the epistemic value-purchasing decisions relationship

Conditional Low Conditional High

Theoretical Contributions



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- Conceptually develop and empirically test a framework that examines how consumption values and situational factors affect consumers' purchasing decisions in terms of purchase quantity and willingness to pay.
- Consumer purchasing decisions can be understood better and clearer through the lens of multiple consumption values.
- Consumption values independently and interactively purchasing decisions

Managerial Contributions



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Traditionally, the wine industry viewed product quality as the key for maintaining or increasing the competitiveness of businesses. As a result, quality wines nowadays have become the rule rather than the exception. Wineries in almost every growing area around the world achieve objectively high qualities.

Consumers thus find it increasingly easy to switch between wines whose sole message is one of high quality. In light of this obvious inability of consumers to perceive any other differences, producers find themselves exposed to fierce price competition. An insightful understanding of the relationship between a product/brand and the consumption values or benefits consumers seek help enhance:

- Ability to play a better differentiation game.
- Ability to build a stronger brand.
- Ability to communicate a clearer marketing message.



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Looking into the Future

- Gain better understanding of how these consumer motivational factors relate to:
 - Product attributes (such as taste, type, alcohol content, age of wine, color, price, brand, label/package, and region of origin).
 - Consumer lifestyle, demographic, and behavioral variables.