Old, new and third wine regions: a consumer perspective

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Abstract: Wine businesses operate in a competitive environment, characterised by shifting consumer behavioural trends and the rise of new players (Third Region countries). An extensive theoretical research is initially performed, intending to examine the various aspects regarding wine consumer purchase behaviour. Subsequently, an empirical survey is performed, with the gathered data processed with both descriptive and multivariate statistical techniques. The empirical research evaluated the theoretically identified variables in the context of the new competitive conditions that characterise the wine-growing sector today. The research has identified five 'macro-themes' explaining the perception of the generic product 'wine'; two different clusters of countries presenting homogeneities in terms of their consumers' purchase attitudes; and three consumer-behaviour-defining elements implicitly linked to marketing and branding approaches. The research has identified trends which add to the comprehension of consumer behaviour and offer valuable guidance for the development and implementation of corresponding strategies in the wine business sector.

Keywords: old-new-third region of wine; region/country-of-origin marketing; branding; wine; consumer behaviour; effect.

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1   Introduction

Wine producers and sellers across the globe are challenged to operate in a business context which is becoming increasingly harsh for all business-end stakeholders. Much like their counterparts in so many other industries (Thrassou, 2007), wine businesses are forced into a competitive arena characterised by globalisation; shifting consumer behavioural trends; modulating and unpredictable macro-environmental business

conditions; and evolutionary restructuring and redefinition of all production, distribution, sales and marketing aspects of the product (Rossi et al., 2012).

In this context, wine business are called upon to achieve, what one might call 'strategic transcendence', through a holistic re-evaluation, redefinition and redevelopment of all their functional and marketing processes (Bresciani et al., 2013). To achieve this, wine business need to understand first of all (and above all), the wine consumers themselves, and specifically the attributes that guide their choices. Furthermore, it is necessary to understand how this consumer behaviour is potentially linked to the wider wine region categories (Vrontis et al., 2011a).

In the light of the above, "this research analyses the attributes of the wine purchase process to define, in a consumer-oriented perspective, their value as determinants of marketing strategy development". Towards this purpose, an extensive theoretical research is initially performed, intending to examine the various aspects regarding wine purchase. Subsequently, an empirical survey is performed that evaluates the variables, identified through the theoretical research, in the context of the new competitive conditions that characterise the wine-growing sector today. Respecting the increasing need to transcribe academic findings into industrial applications, the research finally presents the managerial implications of the findings; as well as some concluding thoughts on the practically applicable conceptualisation of the rising branding approach to wine as a multifaceted product.

2 Theoretical context and hypotheses development

2.1 The international wine-growing sector

The international wine-growing sector is characterised today by a new competitive framework in which different contexts of production and consumption coexist. The traditional dichotomy (Campbell and Guibert, 2006; Gezt and Brown, 2006) between producers of wine which are the expression of an area and of the wine-grower's experience (Old World: Italy, France, Spain, Germany and UK), and production areas oriented to the achievement of an homogeneous product, released from their area of origin [New World: California (USA), Australia, Argentina, New Zealand] is today in evolution (Banks and Overton, 2010). New players take on a significant role in the productive context as well as in wine consumption.

Regarding production, we see a stability of the traditional wine-growing geographical areas – France, Italy and Spain –; but have also growing trends of production and consumption in such countries as California (USA), Argentina, Australia, New Zealand and China. As far as consumption is concerned, China, USA, Australia, Russia and Romania are today the driving forces of growth. The USA becomes, in 2013, the world's largest market in terms of volume (ISMEA, 2014; OIV, 2014). In Europe, on the contrary, the consumption shows a slowdown: between 2012 and 2013 a drop has been recorded for France (down 2.1 Mio hl), Italy (down 0.8 Mio hl) and Spain (down 0.2 Mio hl). An increase of consumption (growth 20.3 Mio Hl) was recorded in Germany (OIV, 2014).

Globalisation and constantly intensifying competition makes it increasingly more important for businesses in this sector to undertake a marketing oriented approach, to be able to identify changes in the determinants of international and local competitiveness,

and to build and promote the right value proposition. This requires a comprehensive understanding of the industry and competitive arena; but also of the finer and softer factors that help define consumer behaviour with regards to wine in various markets (Rossi et al., 2012; Vrontis et al., 2011a, 2011b).

2.2 *Consumer-oriented approach in the wine market*

In the contemporary competitive context, the knowledge of cognitive and behavioural elements that facilitate the perception of the *value proposition* – and thus characterise the purchase process (East, 1997; Mowen, 1995; Peter and Olson, 1996; Solomon, 2004; Thrassou et al., 2012) – becomes more and more important in order to generate the value for the customer (Costabile, 2001; Wayland and Cole, 1997). This is due to the role that it assumes particularly today in the process of coproduction or configuration of the offer systems (Normann and Ramirez, 1993).

In the above context therefore, the paper adheres to the theories that adopt the *consumer-oriented* approach, and consider as fundamental the knowledge on the drivers of the emotional, cognitive and behavioural dimensions of the consumption process (Brakus et al., 2009; Holbrook and Hirschman, 1982; Schmitt, 1999, 2003; Vrontis et al., 2011a, 2011b).

This research has consequently conducted an extensive review of business literature, "aiming at identifying the attributes and variables determining the purchase of wine". The hereby individual presentation of these works is practically impossible, but concentrating the findings of the theoretical part this research has identified and distinguished between two dimensions:

1 The attributes/benefits strictly linked to wine, i.e.:
   - the organoleptic quality, the variety of grapes, the method of production (Schamel, 2006; Ginsburgh, 1995; Golan and Shalit, 1993; Mitchell and Greatorex, 1988; Koewn and Casey, 1995; Schamel and Anderson, 2003)
   - the price, the information on the label, on guides and on the web (Chaney, 2000; Koewn and Casey, 1995; Mtimet and Albisu, 2006; Scorrano, 2011)
   - the destination brand of the producer and the producer's reputation/identifiability (Angulo et al., 2000; Chaney, 2000; Duhan et al., 1999; Gil and Sánchez, 1997; Orth et al., 2005; Quester and Smart, 1998; Vrontis et al., 2011a)
   - the reputation/identifiability of designation (country) of origin (Martinéz-Carrasco et al., 2006; Mtimet and Albisu, 2006; Skuras and Vakrou, 2002; Vrontis et al., 2011a, 2011b)

2 The attributes/benefits coming from the association between the wine and its place of origin. These studies emphasise the importance of intangible elements such as:
   - the historical, symbolic and environmental elements of the area (Fait, 2010; Maizza and Rosato, 2008; Pastore, 2002; Tragear et al., 1998; Vrontis and Thrassou, 2011)
   - the origin effect as main tool to identify the wine product and its related quality (Al-Sulaiti and Baker, 1998; Bilkey and Nes, 1982; Vrontis et al., 2006)

- the coherence between product and image of the region of origin (Fait, 2012; Rossi et al., 2012; Van Ittersum et al., 2003)
- the hedonistic, aesthetical and high-profile qualities of the wine product related to *made in* (Bloch, 1986; Charters and Pettigrew, 2006; Goldsmith and d'Hauteville, 1998; Vrontis and Thrassou, 2007).

2.3 *The hypotheses*

The paper adopts the subdivision between 'old' wine regions (Italy, France, Spain, Germany and UK), 'new' ones [Australia, California (USA), Argentina, New Zealand] and 'third' ones (South Africa, Brazil, India, China, Russia and Romania). Combining the above generic and, more importantly, the wine-specific literature findings, the research hypothesises that in the process of consumer choice of the wine product:

H1 There are attributes, among those theoretically identified, acting as behavioural guidelines.

H2 There is grouping of countries showing homogeneities or sharing some characteristics in the process of choice.

H3 Specific features exist that discriminate wine products in the perception process of new international players.

Methodologically, the primary research therefore has been designed and executed specifically to scientifically test the above hypotheses and safeguard in parallel the reliability and validity of the results.

3 Empirical research methodology

3.1 *Sampling*

Regarding the choice of the context of analysis and sampling, the buyers have been singled out as chosen speakers for their body of technical knowledge, creativity and their ability to identify the reference market and the related trends (Kotler et al., 2014). The selection of the sample under consideration has taken place through a buyers international database (*Bestwineimporters*[1]), from where, according to OIV (2014) Report and ISMEA (2014), have been drawn the lists of buyers coming from the first ten wine producer countries [Argentina, Australia, China, Chile, France, Germany, Italy, South Africa, Spain, California (USA)] and to the first ten wine consumer countries (Argentina, China, France, Italy, Germany, Romania, Russia, Spain, UK, USA).

This sample has further been re-examined on the basis of:

a the actual website performance (deemed methodologically necessary as the contact with buyers has taken place by means of e-mails, contact us or Facebook in the period May–November 2014)

b the buyers' standard of specialisation, so as to ensure the inclusion of only those who sell wine.

Being an exploratory research, conducted on a selected sample, the technique of *convenience sampling* has been applied and a total number of 315 properly completed, valid questionnaires was collected, considered and analysed.

3.2 Questionnaire development and analysis

This was realised by means of a pilot test. Taking into account the objectives, a semi-structured questionnaire was constructed, aiming to identify and comprehend perceptions on specific purchase determinants. Utilising the distinction between intrinsic and extrinsic attributes linked to the product itself; and feature stemming from the link between wine and place of origin (see above theoretical part), this research has considered respectively the following elements:

a   organoleptic quality, production methods, smell, taste, references, packaging, price, information on the guides and on the label, wine tasting, educational tour, cellar door sales, web information, reputation of producer, reputation of denomination of origin

b   artistic/cultural resources, natural resources, land and wine events, wine routes, land information into brochure, destination brand that identify the specific wine (e.g., Napa Valley, Tuscany, Bordeaux).

The questionnaire has been appropriately structured to record also:

a   the respondents' country of origin

b   the two best purchased wines (specifying indistinctly the label, the destination brand, the registered name, the grape variety)

c   the perception on pre-identified and specified features.

For quantitative measurements, a pentenary scale has been used (5 = greatest importance, 1 = slightest importance; Likert, 1932). A validation test has also been applied by sending the first version to 20 buyers working in four different geographic areas.

Data analysis used the Statistical Package for Social Science (SPSS) software; with the gathered data being processed through statistical techniques of both descriptive and multivariate nature. A factor analysis and a cluster analysis technique have been respectively used for the first (H1) and the second (H2) hypothesis of the research; conducted using the main components and K-means methods. For the third one (H3), the discriminant analysis technique has been applied.

4   Results and findings
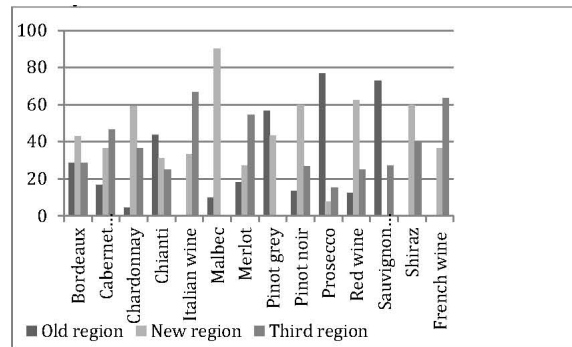
4.1 The most-mentioned wines

The initial data analysis has identified the buyers' most-mentioned wines. 65.33% of respondents – of which 26.33% old region, 41.84% new region and 31.63% third region – has indicated: Bordeaux, Cabernet Sauvignon, Chardonnay, Chianti, Italian wine, Malbec, Merlot, Pinot grey, Pinot noir, Prosecco, Red wine, Sauvignon Blanc, Shiraz, French wine.

Figure 1 presents the data obtained on the above mentioned wines, in relation to the buyers' region of origin. It shows the contextual presence of international grape varieties, designations of origin and destination brand; as well as the generic information '*Italian wine*' and '*French wine*', especially by '*Third region*'.

Figure 1 Buyers' most-mentioned wines

Source: Research results

In order to identify trends, possible homogeneities or discriminating factors, a reprocessing, through the statistical methods previously mentioned, has been applied.

4.2 Guiding attributes in the consumer choice process

The first step of the research has allowed the singling out of some 'macro-themes' around which the consumer choice process of the generic 'wine' product revolves on an international scale. In particular, it has been intended to understand if this process is indiscriminately structured on the variables identified or if some groups can respond more effectively to the process; so as to become possible guidelines for the marketing choices in a consumer-oriented perspective. *Factor Analysis* has been applied to this end, which is appropriate for the explorative nature of the research; and to illuminate the existence of a structure underlying a set of observed variables.

Kmo test (.867 results > 0.7) and the value of Bartlett test are indicative of the presence of correlation between the variables (p-value > 0.05); therefore factor analysis has been applied. The analysis has extracted five elements that explain 68.025% of variance (value between 60%–70%, considered acceptable in relation to the informational function).[2]

The interpretation of the data was performed by means of the rotated component matrix (Table 1), in which the variables are associated to the components with which they show a greater correlation.

The first component, that we term '*Relationship between territory and wine*', is characterised by the high correlation between variables (Artistic Cultural Resources, Natural resources, Land and Wine events, Wine routes, Land information into brochures, Destination brand that identify the specific wine), indicative of the external visibility of the relation between wine and territory and how this relation is perceived as a vehicle of valorisation (increase in value) of the wine product. This confirms how the coherence

between product and image of the region of origin, many times mentioned in the studies on country of origin, is one of the elements of wine evaluation.

The second component, that we term '*Identity card of the wine*', relates to the very term, in the sense that it includes indicative variables of intrinsic typical features (Organoleptic Quality, Production Method, Smell, Taste) associated to the variable reputation (Reputation of producer, Reputation of Denomination of Origin).

Table 1   Rotated component matrix

	Component				
	Relationship between territory and wine	*Identity card of the wine*	*Experiential identity of the wine*	*Functionality of the purchase process*	*Price*
Artistic cultural resources	.715				
Natural resources	.689				
Land and wine events	.826				
Wine routes	.788				
Land information into brochures	.759				
Destination brand that identify the specific wine	.668				
Organoleptic quality		.834			
Production Method		.658			
Smell		.865			
Taste		.870			
Reputation of producer		.525			
Reputation of denomination of origin		.598			
Educational tour			.773		
Cellar door sale			.828		
Web information			.574		
References				.786	
Information on the guide and on the label				.535	
Packaging				.831	
Price					.854

Notes: Extraction method: analysis main components.
       Rotation method: Varimax with Kaiser normalisation.
       The rotation has reached the convergence criteria in seven iterations.

The third component, '*Experiential identity of wine*', complies with a kind of exploratory need for wine, by means of an informational flow, that is not linked to strict oenological

factors, but rather to experiential elements. The variables thereby included indicate a consumers' need to know/understand the wine context through a direct/experiential contact (Educational Tour, Cellar door sale) or by turning to the use of social communication tools (Web information, in particular blog and social).

The fourth component, termed '*Functionality of the purchase process*', is characterised by the correlation between three variables (Reference, Packaging, Information on the guides and on the label), indicative of a need for functionality in the purchase process, guaranteed by the numerous references, by packaging and the information included on the labels (e.g., grape variety, alcohol by volume quantity, place of production, etc.) and on the guides (tasting scores, competitions, matching, etc.).

The last component, '*Price*', is fundamentally linked to an economic evaluation at the time of purchase.

This step of the research therefore has allowed the identification of five 'macro-components': '*Relationship between territory and wine*', '*Identity card of the wine*', '*Experiential identity of the wine*', '*Functionality of the purchase process*' and '*Price*' that characterise and largely define the purchase process of wine in the international context.

4.3 Group of countries according to consumer choice process homogeneities

The next step of the research attempts to understand if, in relation to the variables constituting the identified 'macro-themes', there are groups of countries presenting similarities or having the same consumption characteristics. For this purpose, a cluster analysis has been used, whose inputs are represented by the original features. The non-hierarchical K-means process has been repeatedly used up to the identification of the optimal number of cluster. In particular, as a consequence of the first analysis, three clusters were extracted.

As one of them, in which only one country was involved (Spain), presented an atypical trend[3] (outlier), it was deemed methodologically proper to remove it and to restart the process. The analysis was then conducted on two clusters, whose adequacy is confirmed by the numerous observations on both (they are in fact homogeneously distributed), as well as by the F-test, which showed a level of statistical significance acceptable for all variables (see Table 2).

Table 2   ANOVA

	Cluster		Error		*F*	*Sig.*
	Mean square	*df*	Mean square	*df*		
Organoleptic quality	0.388	1	0.185	12	2.093	0.174
Production method	5.325	1	0.22	12	24.198	0
Smell	1.55	1	0.226	12	6.862	0.022
Taste	2.361	1	0.371	12	6.367	0.027
Reference	0.77	1	0.305	12	2.526	0.138

Table 2   ANOVA (continued)

	Cluster		Error		*F*	*Sig.*
	Mean square	*df*	*Mean square*	*df*		
Packaging	1.855	1	0.152	12	12.212	0.004
Price	0.757	1	0.25	12	3.029	0.107
Information on the guides and on the label	4.519	1	0.239	12	18.87	0.001
Wine tasting	0.148	1	0.263	12	0.561	0.468
Educational tour	3.22	1	0.709	12	4.544	0.054
Cellar door sale	4.501	1	0.261	12	17.266	0.001
Web information	1.548	1	0.306	12	5.065	0.044
Reputation identifiability of produces	1.137	1	0.25	12	4.555	0.054
Reputation identifiability of denomination of origin	0.346	1	0.324	12	1.068	0.322
Artistic/cultural resources	4.396	1	0.243	12	18.075	0.001
Natural resources	1.471	1	0.104	12	14.139	0.003
Land and wine events	2.215	1	0.145	12	15.262	0.002
Wine routes	1.944	1	0.123	12	15.759	0.002
Land information into brochures	3.082	1	0.117	12	26.251	0
Brand that identity the specific wine	1.629	1	0.356	12	4.57	0.054

The first cluster includes Argentina, Australia, New Zealand, Brazil, India, China, Russia and Romania; while the second comprises UK, France, Germany, Italy, California (USA) and South Africa.

In order to evaluate the role played by the single attributes in the process of cluster extraction and, consequently, their contribution to the generation of intra-cluster homogeneity, an analysis of the tests observed by ANOVA has been implemented (variance analysis – see Table 2).

The above shows that among the variables that had a high influence in the clustering process, three groups are distinguished:

1   the attributes presenting a significance < 0.009: production method, packaging, information on the guides and on the label, cellar door sale, land information into brochures, wine routes, land and wine events, natural resources, artistic/cultural resources

2   the attributes showing a significance from 0.010 to 0.060: smell, taste, educational tour, web information, reputation of producer, destination brand that identify the specific wine

3   the attributes reference, price, organoleptic quality having a more restrained discriminating power as they show a sig. slightly higher than 0.1.

The research remarks the presence of some attributes with a significance level very close to 0.5 such as '*Wine tasting*' and '*Reputation of Denomination of Origin*', which, even if they are acceptable, have little importance in the cluster formation. Correlating the observations concerning the countries of the two clusters with the final cluster centres (see Table 3), it is possible to interpret the features shared by the countries belonging to the same cluster.

Table 3 Final cluster centres

Attributes	Cluster	
	1	2
Organoleptic quality	3.32	3.66
Production method	1.78	3.03
Smell	3.21	3.89
Taste	3.11	3.94
Reference	2.91	3.39
Packaging	2.31	3.05
Price	3.50	3.03
Information on the guides and on the label	4.50	3.35
Wine tasting	2.65	2.85
Educational tour	2.55	3.52
Cellar door sale	2.30	3.45
Web information	1.86	2.53
Reputation identifiability of producer	1.79	2.37
Reputation identifiability of denomination of origin	2.29	2.61
Artistic cultural resources	1.28	2.42
Natural resources	2.25	2.90
Land and wine events	1.71	2.51
Wine routes	1.45	2.20
Land information into brochures	1.58	2.53
Destination brand that identify the specific wine	2.55	3.24

Table 3 presents a high internal homogeneity in cluster 2, within which two groups of variables can be observed:

a The first refer to functional/experiential aspects, to which the sample gives great importance, as for example: Organoleptic Quality, Production Method, Smell, Taste, Reference, Packaging, Price, Information on the guides and on the label, Educational Tour, Cellar door sale, Destination brand that identify the specific wine.

b The second group, to which less importance is given, is characterised by attributes with a holistic value: Artistic/Cultural Resources, Natural resources, Land and Wine events, Wine routes, Land information into brochures (and relational value), Reputation of Denomination of Origin, Web information, Reputation of producer.

It is thus affirmed that the countries belonging to cluster 2 present a high perception of the variables under consideration; and also that the internal level of homogeneity is probably referable to the well established winemaking culture (regarding production and marketing). Cluster 1, on the contrary, presents a greater internal disassembly among variables that does not allow their ascription to specific categories. In homogeneity of attributes is quite clear when they are observed according to the significance given to them. The countries in cluster 1, in fact, seem to identify properly the elements traditionally recognised as determinants of purchase (Organoleptic Quality, Smell, Taste, Price, Information on the guides and on the label), giving them a great importance. On the contrary, the remaining variables - linked to an experiential, holistic idea of wine – are extremely disassembled among them, as to the nature and the importance in the cluster formation.

4.4   Homogeneity or wine discriminant elements inside the three reference areas

The previous observations naturally led to an in-depth analysis concerning possible homogeneities or discriminant elements among wines, inside the three reference areas, and through the *discriminant analysis* statistical technique. In this part of the research, the input of the analysis is represented by the evaluation provided by every interviewee on the pre-identified attributes for any of the 14 wines more frequently mentioned.

Table 4 of eigenvalues identifies as significant the first two discriminating functions as, in terms of explained variance, the first and the second one contribute respectively for 65.1% and for 34.9%. The traditional correlation, moreover, presents values close to one (.945, .905), showing a high correlation with the group they belong to; so both functions are good discriminants. These observations are confirmed by Sig .000 of Wilks' Lambda test.

Table 4   Eigenvalues

Functions	Eigenvalues	% of variance	% cumulative	Canonical correlation
1	8.430[a]	65.1	65.1	.945
2	4.519[a]	34.9	100.0	.905

Note: [a]First and second canonical discriminant functions were used in the analysis.

The contribution of each variable to the discrimination can be deduced from the matrix structure reporting the correlation coefficient between the values of the discriminant functions and those of the single variable: the higher is the coefficient in absolute value, the higher is the discriminant power (see Table 5).

The matrix shows that the first discriminant function, that explains 65.1% of the phenomenon, is characterised by an association between intrinsic and extrinsic features of the product (Smell, Taste, Organoleptic Quality, Packaging, Reputation of producer, Reputation of Denomination of Origin, Wine tasting) and features showing the link with the area (Land information into brochures, Artistic/Cultural Resources, Wine routes, Web information, Land and Wine events, Educational Tour). The function seems to show a relation between the product and the elements enhancing the link with the area of origin (hereafter termed '*wine/land*').

Table 5   Matrix structure

Attributes	Function	
	1	2
Wine tasting	−.296*	.017
Packaging	.259*	.063
Reputation identifiability of denomination of origin	−.258*	−.044
Land information into brochures	−.225*	.031
Smell	−.205*	.070
Artistic cultural resources	−.179*	−.013
Taste	−.149*	.081
Wine routes	−.146*	.101
Web information	−.138*	.081
Land and wine events	−.135*	.097
Educational tour	−.134*	.111
Organoleptic quality	−.132*	−.013
Reputation identifiability of producer	−.131*	−.001
Destination brand that identify the	−.192	.285*
Specific wine	−.213	−.243*
Production method	−.079	−.164*
Price	−.111	.132*
Cellar door sale	.004	−.094*
Reference	−.058	−.094*
Natural resources	−.007	−.021*

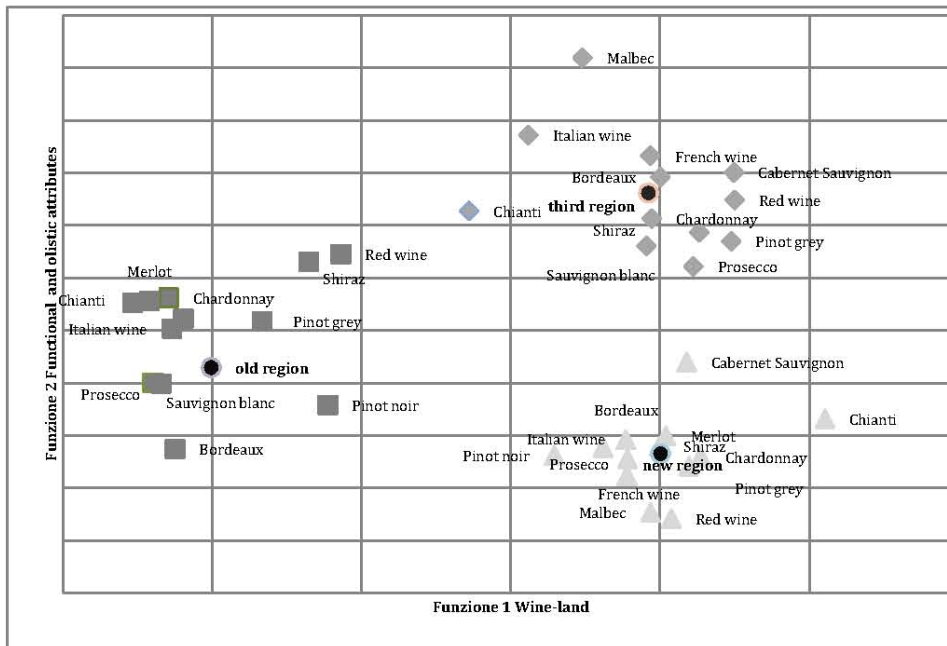Note: * Largest absolute correlation between each variable and any discriminant function.

In this function, the attributes traditionally perceived – *Smell (–.205)*, *Taste (–.149)*, *Organoleptic Quality (–.132)* – show a very similar discriminating power and quite low as compared to other factors such as *Packaging (.259)*, that still is a fundamental discriminant in the purchase process. Other factors seem to gain a certain significance, as for example the *Wine tasting value (–.296)* – the higher in absolute value – that could reveal the importance given to the experiential elements; as well as the difference between *Reputation of producer (–.132)* and *Reputation of Denomination of Origin (–.258)*; the difference in absolute value explaining a greater visibility/brand awareness, in the international context, of the protected geographical indication as compared to the producer's reputation (*Destination brand*).

The second discriminating function, that explains 34.9% of variance, is characterised by the presence of some specific attributes; in fact, besides *Reference*, *Production Method*, *Price*, *Information on the guides and on the label*, it is possible to find such features as *Destination brand that identify the specific wine*, *Natural Resources*, *Cellar door sale*. The typology of variables suggests a correlation between wine functional features and holistic elements, so as to call the second function Functional and holistic attributes. The most interesting discriminating value concerns two features:

1   *production method (–.243)* that emphasises the perception of production techniques to obtain a good quality wine

2   *destination brand that identify the specific wine (–.285)*, showing how the strategies of destination tourism, linked to typical products such as wine, can be an important driver for visibility.

These observations have been followed by the creation of a bidimensional map allowing a synthetic view (even if separate for the three reference geographical areas) of the location of wines in relation to the two identified functions. In Figure 2, the average scores of the wines under consideration have been used as coordinates of the bi-dimensional map (x-axis/ function 1; y-axis/function 2). Moreover, for the purpose of the following considerations, the values of the functions of the group barycentres, represented by the three geographical areas under consideration, have been reported.

Figure 2   Wines location in relation to the two discriminating functions (see online version for colours)

Source: Research results

Analysing the location of the single wines in relation to the group barycentres (representative of the geographical areas) and the two discriminating functions observed, the following considerations arise:

1 For the *old region*, the location of wines on the map, as well as the group barycentre, is around *wine-land* function 1. This shows a greater homogeneity in the visibility of variables characterising the above mentioned function in relation to the observed wines. The negative sign, expressing a lower discriminating value, strengthens the considerations related to homogeneity of perception. *Cluster analysis* had already underlined, in general, a better perception and an internal level of homogeneity in these geographical areas with reference to the traditional intrinsic and extrinsic wine features and to those showing the link with the area, here confirmed considering also the wine typology. It is necessary to remember that these areas have a very ancient wine-growing tradition, in which the productive culture has its keystone in the idea of wine as the expression of an area and the experience of the wine-maker (Rossi et al., 2012; Vrontis et al., 2011a, 2011b).

2 For the *new region*, except for Chianti and Cabernet Sauvignon that are slightly shifted towards function 1, the remaining wines are densely situated around the barycentre of the *new region* group and in correspondence of function 2. This shows a homogeneous trend, already emphasised by *cluster analysis*, as compared to variables showing the functional-holistic link ascribable to a wine-making culture mostly oriented towards marketing. It must be reminded that in this function the two more powerful variables turned out to be *Production Method* and *Destination brand that identify the specific wine*.

3 For the *third region*, except for Chianti, Malbec and Italian wine which seem to be more affected by function 2, the remaining wines present a less concentrated distribution that does not show a specific discriminating value of one of the functions (the average scores have in fact very similar values for both functions). This is also confirmed by the barycentre of the group that is located in the quarter, halfway between the two functions. The internal disassembly among the variables is thus confirmed, observed by the cluster analysis that did not allow their correlation to specific categories.

5   Conclusions and managerial implications

Due to the reduced effectiveness of the statistical sampling, this research cannot thoroughly outline the consumers' behavioural trends in the international context, to its full extend. However, it has identified trends which, properly interpreted, add to the comprehension of consumer behaviour and offer valuable guidance for the development and implementation of corresponding (primarily marketing) strategies in the wine business sector.

The first part of the empirical analysis, represented by *Factor analysis*, has illuminated the existence (in the international markets) of five 'macro-themes' explaining the perception of the generic product '*wine*', specifically: '*Relationship between territory and wine*', '*Identity card of wine*', '*Experiential identity of the wine*', '*Functionality of the purchase process*', and '*Price*'.

Comparing the variables of the above-mentioned macro-themes with the results obtained by the clusterisation of the countries and by the discriminating analysis, conclusions can be drawn in terms of possible homogeneities or discriminating elements. Moreover, in the context of the contemporary highly competitive and increasingly internationalised markets, the empirical analysis has emphasised the presence of two different clusters of countries, presenting homogeneities in their consumers' purchase attitudes:

1   Argentina, Australia, New Zealand *(new region)*, Brazil, India, China, Russia and Romania (*third region*) share choice attitudes oriented towards the elements traditionally recognised as purchase determinants (*Organoleptic Quality*, *Smell*, *Taste*, *Price*, *Information on the guides and on the label*), corresponding to the macro-theme *Identity card of the wine*. The discriminating analysis has also revealed, at least in reference to the wines under consideration, that the *new regions* tend to perceive also the holistic-functional variables ascribable to function 2, comparing them to the trend of new regions in cluster 2. The *third regions*, on the contrary, show a strong internal disassembly, confirmed also by the location of wines; which present a less concentrated distribution that, in fact, does not emphasise a specific discriminating value of any of the two functions.

2   UK, France, Germany, Italy (*old region*), California (USA), and South Africa (*new region*) share a strong interest both towards the characteristics of the product and its experiential contents. The variables characterising the cluster can in fact be ascribed to the five macro-themes identified through the *factor analysis*. In spite of this homogeneity, *discriminant analysis* has detected perceptive dimensions that are slightly different between the *old region* and the *new region*. The former give more relevance to the traditional intrinsic and extrinsic features of *wine* and to the features showing the relationship with the land. This is confirmed by the location of wines in relation to the discriminating function *wine/land*, whose variables recall those included in the macro-themes *Relationship between territory and wine*, *Identity card of the wine* and *Experiential identity of the wine*. The negative value of some of the above mentioned variables stands for a low discriminating power, probably linked to their well-established visibility. Regarding the latter, instead, the most interesting discriminating value can be ascribed to the variables that show the functional-holistic link (discriminating function 2) and that are linked to macro-themes: *Experiential identity of the wine*, *Functionality of the purchase process*, *Identity card of the wine*. In this function the variables with greater discriminating power turned out to be: *Production Method*, *Destination Brand that identify the specific wine*, *Cellar door sale*, *Natural resources*, attributable to the largely marketing-oriented wine-making culture that characterises these areas (Scorrano et al., 2013).

In the *consumer-oriented* perspective, the previous considerations can be, therefore, interpreted as guidelines which modulate a *value-proposition*, coherent with the consumers' attitudes. They are, in fact, linked to as many conceptual marketing notions:

•   the *Identity card of the wine* component is linked to the *product experience* dimension, that summarises the consumer's interaction with the products or the brand

- the *Price* and *Functionality of the purchase process* components can correspond to the *shopping and service experience* dimension, concerning the interaction consumer-store (physical or virtual) (Maizza et al., 2013)

- the *Experiential identity of wine* and *Relationship between territory and wine* components correspond to the hedonistic-experiential dimension of the *consumption experience*.

In the light of the above, it is necessary for wine businesses to adopt marketing strategies aiming at strengthening the product visibility in the *old* and *new regions* included in cluster 2. In order to reinforce the *recall*, they should take synergistic action on the functional dimensions (*product experience* and *shopping and service experience*), as well as the hedonistic-experiential ones (*consumption experience*).

The *third regions*, in the performed analysis, appear to be less ready, yet, to utilise completely the experiential, emotional and land link to the wine product; thus restricting themselves to the visibility of the extrinsic features of products, included in the *Identity card*. It would therefore be prudent to work in parallel in two directions:

a strengthen the *product experience* and the *shopping and service experience*; with communication actions of a cultural/educational impact, aimed at managing and facilitating consumer perceptions

b concentrating on the choice of the employed grape varieties, as well as on the relationship with the country of origin (hedonistic-experiential dimension of the *consumption experience*).

Finally, and derived implicitly, the research suggests that the practicable and industry-applicable strategic marketing processes in this sector should be based on the knowledge of the different consumer purchase process variables characterising the different markets. Identifying, understanding and influencing these variables facilitates the perception management and value proposition offered to the consumer; through means such as the construction of a distinctive brand identity with specific cultural and affective associations, as well as tangible (experiential) attributes.

6 Catalectic discussion: a comprehensive outlook

Further to the specific 'themes'/elements stemming from the literature review and empirically researched herewith, it is evident that the product of wine can be analysed multi-dimensionally in the context of international consumer behaviour. Specifically, the wine product is diachronically permeated by its tangible attributes, which are relatively explicit and relate to taste, aroma, colour and all other characteristics that contribute towards the – especially knowledgeable – consumers' conscious evaluation of the wine's 'tangible' quality. Commercial success however is also very much a matter of additional, marketing factors, relating to parameters such as price, brand recognition, accessibility, promotion, etc.

The research however, has also indicated a less tangible aspect of wine identity that affects consciously or subconsciously the consumers' perception of the wine, and consequently their preferences and choices. Typically, and of special interest to this research, the wine's country-of-origin attribute. The wine regions (Old, New and Third to

abide by this research's terminology) have different relative values in the consumers' mind in terms of the 'quality' of their wine. This research has not explicitly studied the finer attitudinal parameters of consumers towards this factor. Logical extrapolation of both implicit and explicit findings however, appear to support past researches that link consumer wine brand perceptions with the country-of-origin factor (Rossi et al., 2012, 2014; Vrontis et al., 2011b; Vrontis and Thrassou, 2011, 2014).

What is of special value, is that the country-of-origin effect, regarding wine, is only partially connected to the tradition and standard of specific wine-producing areas of the world, or at least the perception of this. The effect, in fact, appears to relate to the wider historic and cultural image of the country-of-origin and the lifestyle associations that it carries in the eyes of international consumers. Characteristically, the 'Mediterranean lifestyle' association in countries such as Italy, Greece and Cyprus, combined with their wine-linked-history constitute a key wine perception factor for international consumers; and consequently and inexorably, a common point of brand marketing of producers of these areas.

These are directly related to this research's findings, as wine producers and sellers of countries belonging to each of the three categories (Old, New and Third) need to understand the value that consumers find in their wines and develop the corresponding appropriate branding strategy. Strategies that fit one category are very likely unlikely to fit another category's value perception, even for the same consumer. The Old and New worlds appear to be the antinodes of this marketing approach, with their collective image being more or less clear in terms of consumer values. The Third category wine producers however, have the more difficult task of firstly identifying and defining their consumer value perception; and subsequently develop and refine it further to maximise both the perceived consumer value while differentiating it from the other Old and New world values.

Concluding, wine is perceived as a product of physical enjoyment, but increasingly also as the means for association with the cultural and lifestyle links of the wine to its place of origin. The combination of the two makes up for what we might call the 'wine experience'; and wine producers and sellers must develop both aspects of the product, in terms of physical production as well as in terms of marketing practices. Wine, as a consumer choice and as a commercial activity is no ordinary product, and no ordinary must its production and branding be.

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Notes

1   For further information: http://www.bestwineimporters.com/it/index.html.

2   The five identified components present high proper values and summarise to the best the information contained in the original data matrix. This aspect is also confirmed by the scree plot and the communalities that the limited space available does not allow to report.

3   Probably due to the few available data.