

Wine bottle closure: The importance to Millennials and Baby Boomers during purchase situations

Nelson Barber, Ph.D.
University of New Hampshire
Durham, New Hampshire USA

D. Christopher Taylor, Ph.D.
Eastern New Mexico State University
Portales, New Mexico USA

INTRODUCTION

The Need for Market Segmentation

Understanding customers and satisfying their needs is the basis of marketing theory, particularly because different customers have different needs, and it is seldom possible to satisfy all customers by treating them alike. To better satisfy these different needs, market segmentation, or target marketing, involves dividing groups into internal homogeneous categories of consumers that are likely to use or buy similar products or services.

In addition to having different needs, for segments to be practical they should be evaluated based upon the criteria of: identifiability, accessibility, substantiability, their unique needs and durability (Lazer & Layton, 1999). The variables used for segmentation are typically drawn from demographics, behavior, attitudes, needs, benefits, and psychographics either individually or as a combination (Wyner 1995). Appropriate market segmentation effectively allows for a focus on marketing resources which involves identifying unique marketing niches that help target the highest yielding markets (Lazer & Layton, 1999).

Of particular interest for this study is the segmentation process and the delineation of the products benefits such that there is an understanding of why the product is purchased by a consumer, particularly during different purchase consumption situations. McDonald and Dunbar (1995) highlight the essential point that what people buy is critically bound to why they buy the product, and Lockshin (2003), McDonald and Dunbar (1995) and Spawton (1991) suggest that this is not only one of the most important areas of market segmentation, but also the most difficult to understand correctly.

Product Importance

Product importance is critical to market 4 & Richins, 1983; Hornik, 1982; Hu & Burning, 1986).

Given the overall perception of a products importance and attributes during different purchase situations, different marketing strategies should be created. For example, a wine connoisseur's concern for the outcome of purchasing a wine as a gift may be higher than for an occasional wine drinker who has less enduring product perception. The wine connoisseur would likely experience greater ego loss if the purchase turned out badly because the stakes are higher (Bloch & Richins, 1983; Spawton, 1991). By recognizing consumer perceptions of a products importance, it may allow for more effective marketing strategies to be implemented reaching different market segments and at different times during the purchase process.

The packaging of a product can therefore be of considerable value as a competitive marketing strategy and that advantage can be achieved through suitable packaging solutions in relation to market requirements, expectations and competition (Ampuero & Vila, 2006; Barber & Almanza, 2006), as well as recognizing the importance of quality perceptions that the product conveys (Barber & Almanza, 2006; Prendergast & Pitt, 1996).

Wine as a product

For this study the product of choice is wine. According to Jones (2006, 2007), Saad (2005) and the Wine Institute (2006), during the past fifteen years, wine has increasingly become a beverage most often consumed by those Americans that drink alcoholic beverages. This development has been fueled in part by an increase in winery offerings of wine varieties and the continued media coverage relating moderate wine consumption to positive health (Jones, 2006, 2007; Saad, 2005).

Wineries are marketing a larger selection of brands and styles than at any time since the repeal of Prohibition (Pinney, 2005), with new types of packaging being offered, such as bottle shape, color, label design and style of closure. An important aspect of wine packaging is the various types of closures, such as screw caps and synthetic cork; which can influence a consumer's purchase decision (Barber & Almanza, 2006; Barber, Taylor & Dodd, 2009).

To understand the growth and development of the United States wine market it is not important to understand "why" people purchase, but rather "who" is purchasing, what they are purchasing and when (situations) (Lockshin, 2003). The demographics of wine consumption are changing and the importance of consumer demographics is now well documented in establishing a wine marketing strategy.

Today's wine consumers are causing the wine industry to rethink the traditional stereotype of a wine drinker. Not only are wine drinkers in a younger demographic than their predecessors of fifteen years ago, but they also bring a unique set of tastes and lifestyle choices (Barber, Almanza & Donovan, 2006; Jones, 2007). For example, Key Findings (2004) and Moriarty (2004) found that Millennials are savvy when it comes to brands and value quality products sold at a fair price. Also, Millennials between the ages of 21 to 29 are consuming larger quantities of wine than the previous generation (Wine Market Council, 2003, 2006). Furthermore, recent Gallup Polls (Jones, 2006, 2007; Saad, 2005) identified Millennials as part of the reason for the increased popularity of wine in the United States.

Therefore, wine is an appropriate product category for investigating style of wine closure and situational factors, primarily because the consumption of wine provides a variety of drinking situations, allowing the testing of distinct situational scenarios while allowing for the examination of the influence closure style plays in the purchase decision process. For example, wine can be consumed privately with a home-cooked meal, with friends during a more formal dinner occasion away from home, or even offered as a gift. Additionally, because wine carries strong social connotations, it is frequently an important purchase decision, even if it is not always an expensive one.

Wine is unique among other consumer products because it is difficult for a consumer to know exactly what they are getting just by looking at the package. Often, access to the quality characteristics of color, taste and aroma can not be judged without purchasing and tasting the wine (Barber & Almanza, 2006; Dodd, Laverie, Wilcox & Duhan, 2005; Unwin, 1999).

Thus, the role of a wine products package is to attract, communicate and persuade, with creativity in packaging making the difference in the market place. For wine, these are critical aspects to a successful marketing strategy and producers employ a wide variety of these methods to communicate to consumers. Some depend solely on the importance of their packages to attract or persuade consumers to purchase, while others rely on advertising in the form of printed material.

With an ever more crowded and confusing retail shelf, the "work" that a wine package must do to generate sales and create a favorable brand perception has increased dramatically over the past 10 years (Merrill, 2006). Until recently, package evaluation research, particularly closure styles, has gone largely ignored by producers. Perhaps this is because the package has been seen as purely functional or because it was felt that the package design was artistic and thereby immune from objective assessment (Merrill, 2006; Reidick, 2003; Thomas, 2000).

Importance of the style of closure

The importance of the product packaging designs and demographics may influence wine purchasing decisions (Barber et al., 2006; Dodd et al., 2005; Lockshin, 2003). However, few studies have determined the importance of consumer perceptions and attitudes towards alternative closures with different market segments.

Style of closure adds directly to the look of the product and is considered by most consumers as a direct reflection of the quality of the wine. Examples such as screw-tops and Zork closures, non-glass containers, large formatted bottles or boxed wines have indicated a lesser quality product to consumers (Chaney, 2000; Jennings & Wood, 1994; & Reidick, 2003) and play an important role during situational purchase decisions. The type of closure has also been found to be significant in the choice of wine, with cork closures considered an indication of quality, while screw tops were viewed as an indication of a lesser quality wine (Barber & Almanza, 2006). Despite the consumers' perceptions of quality, 'stoppers' or closures on the wine bottle play an important and necessary part of a wines packaging, with the closure designed to prevent the wine from coming into harmful contact with oxygen, causing oxidation or flatness.

The Problems with Cork. A major consumer survey in 2004 on American consumer attitudes towards cork stoppers and screw caps, found two-thirds of the respondents preferred to buy wine with a cork stopper, while 52 percent rejected screw caps Kitsap (2006).

Increasing awareness by consumers of problems associated with natural cork closures, such as "cork taint", has encouraged wine manufacturers to seek alternative packaging. While synthetic corks and screw caps may be functional alternatives to cork they create other serious problems, such as poor brand image (Barber et al., 2009) and the potential inability for long term aging from lack of oxygen due to the near perfect seal. This has created reluctance by wineries to use these alternatives.

Alternatives Wine Closures. Alternative wine closures were developed as substitutes for sealing wine bottles in place of traditional cork closures. The emergence of these alternatives has grown in response to quality control efforts by winemakers to protect against cork failure with nearly 5% - 8% of wine produced world wide undrinkable because the natural cork fails in some fashion (Barrie, 2005).

Today there are many alternative wine closures available for use in place of natural corks. Examples of these alternatives are molded synthetic plastic cork and the screw cap. Synthetic corks are relatively new to the wine market. Most are made from a polymer derivative and are free from the problems associated with wood cork breakage and crumbling. Yet the real benefit of the synthetic cork is that they are free of cork taint while being the least expensive closure to make (Barrie, 2005).

Stelvin is the brand name for the most popular screw cap and has become the generic term within the wine industry for all brands of screw cap closures. These screw cap closures have been used by wine makers in Australian and New Zealand, across most price range since the early 1970's (Fosters, 2006; Tinney, 2006). The screw cap is effective and will not cause cork taint when utilized and the bottle can be easily resealed by screwing the cap back on to the bottle. However, consumers have associated screw cap closures with extremely inexpensive jug wines or non-fine wines, most often with a reputation of poor quality (Fosters, 2006; Tinney, 2006).

Consumers' Knowledge

Consumer behavior models reflect knowledge as a variable influencing all phases of the decision process, particularly with information search (Beatty & Smith, 1987; Bennett & Mandell, 1969; Engel, Blackwell & Miniard, 2001; Flynn & Goldsmith, 1999; Katona & Mueller, 1955; Moore & Lehmann, 1980; Newman & Staelin, 1972; Raju, Lonial, & Mangold, 1995). Research has also shown that knowledge, in general, is directly related to many consumer behaviors.

Park and Lessig (1981) identified two major approaches for measuring product familiarity: one measuring how much a person knows about the product (objective knowledge) and the other measuring how much a person thinks he/she knows about a product (subjective knowledge). Therefore, objective knowledge is what a consumer actually knows and is developed through usage experience and sources of information. Subjective knowledge is based upon the consumers' self perceived knowledge (Dodd et al. 2005; Hall & Lockshin, 2000).

Segmenting the Consumer

This study focused on the two largest demographic groups in the United States; the Millennial and Baby Boomer generations. *Millennial Generation* - The millennial market segment in the United States is estimated to be between the ages of 7 and 29 (Lancaster & Stillman, 2002) and is considered by most major consumer product companies as a generation with very high buying power (Harris Interactive, 2001; Holbrook, 2000; Key Findings, 2004). According to Lancaster and Stillman (2002) and Nowak, Thach and Olsen (2006), there are approximately 74 million in this millennial generation, much larger than their previous generation, (Generation Xers) at 46 million Millennials are also considered to be very confident when it comes to consumer purchases. This generation has grown up in a media-saturated, brand conscious world (Fernandez-Cruz, 2003) and has a lot of money and influence family purchases as evidenced by many being given parent co-signed credit cards and perform the grocery shopping for their families (Neuborne, 1999).

The millennial generation is known for certain traits and behaviors which may influence their purchasing decisions. One important and relevant trait, particularly to this study, is their concern for the environment and social responsibility issues. They have been known to boycott brands which they perceive to be violating these values (Business Wire, 2004; Neuborne, 1999).

Baby Boomers Generation- Demographers, sociologists and the media define baby boomers as those born between (and including) 1946 and 1964 making this generation between 43 and 61 years old with about 75 million in the U.S., matching the size of the Millennials. The 1960s is the decade that defined the boomers. The music, events, and the social changes made a permanent impression with those born during the "peak" boomer years of 1952-1957. There were so many changes during the sixties that a person's age during the decade greatly affected their attitudes and perceptions. For example, 1961 was a very different time period than 1969. The deaths of President Kennedy, Bobby Kennedy, and Dr. Martin Luther King; the Vietnam War and related protests; and the Watergate scandal all made deep impressions on people at that time (Muschis, Lee, Mathur & Strautman, 2000).

Therefore, it is incorrect to assume baby boomers are homogeneous in their buying patterns and offering products or services aligned with some basic marketing principles will go a long way to attracting this complex segment (Elan, Gould, Koteff, Martin, Garber, Liddle, Frunkin, & Rugless, 2005). For example: Baby boomers, much like Millennials, buy what is reasonably priced and a good value for the money. Also, products should be well designed with broad applicability. Products should be produced that are flexible enough to be useful for older people (i.e. screw cap closures), those with physical disabilities as well as the general population, resulting in products with wide appeal. Finally, one should not assume that Baby Boomers are brand loyal as this group may be willing to switch for value (Elan et al., 2005).

The purpose of the study

The purpose of this study was to determine the importance placed on wine bottle closures during purchase situations by focusing on the Millennial and Baby Boomer generations. By segmenting consumers in this manner, it is possible to better understand their preferences and aid wine producers and retailers in directing their marketing and advertising efforts.

METHODOLOGY

Data collection

For this study, an on-line self-administered web based questionnaire was used to assess socio-demographic characteristics, consumer behavior activities and psychographic information. The questionnaire used closed-ended and five-point Likert type scale questions with 5 equal to “strongly agree” and 1 equal to “strongly disagree”.

Three new variables were created: a variable for respondents’ overall wine knowledge, two variables for respondents’ subjective and objective wine knowledge, each based upon specific knowledge questions in the survey. The wine knowledge variables were categorized as “high knowledge, some knowledge and low knowledge” based on the mean for the characteristics evaluated and one standard deviation from the mean. The age categories were determined by grouping the respondents born between 1979 and 1986 (inclusive and insuring legal drinking age of 21) as Millennials and those born between 1946 and 1964 (inclusive) as Baby Boomers.

The format for the questions followed the research study of Barber and Almanza (2006), Bleibaum, Lattey, & Francis (2005) and Lee, Zhao, & Ko (2005), and the principles for constructing web surveys established by Dillman (2000a). A postcard was created with the website URL address and instructions on how to access the questionnaire. Each card had a unique pin number to prevent duplicate responses.

Data collection for this study was conducted in Texas. There are approximately 18,000 retail establishments in the state and according to the states liquor laws, wine may generally be sold in licensed retail establishments (for example: liquor stores, grocery stores) of “wet” areas within the state and at licensed wineries.

Before data collection procedures began, the questionnaire was pilot-tested at a local retail wine store in Texas to ensure reliability and clarity of the questions. Minor modifications were made based upon the results of the pilot study. A convenience selection of retail establishments was then made for data collection with a total of 675 postcards provided to customers at the retail establishments.

RESULTS

Data Analysis

The data were analyzed using statistical procedures such as descriptive statistics and analysis of variance (SAS release 9.1 TS level 02M0). The descriptive statistics provide an overview of the respondents to the survey. T-tests and two-way Analysis of variance (“ANOVA”) were used to compare respondents’, level of wine knowledge, choice of closure and situational use by the generational categories of Millennials and Baby Boomers. Other factors influencing their preference for wine closures were also explored. Post hoc testing was performed if the results were determined to be significant.

The survey had a 45% response rate (n=303) and Table 1 reflects the demographic profile and closure style preferences of the respondents by gender, age and income. The number of male respondents (54%) was higher than that of female respondents (46%). These results were different from data collected in surveys conducted by Barber and Almanza (2006),

Table 1. Descriptive Characteristics of Respondents

Characteristics	Percentage of Total Respondents for Each Characteristic (except gender)			Total Respondents
	Millennials	Baby Boomers	All Other Respondents	
Percentage of Total	30% (n=89)	31% (n=90)	39% (n=124)	100% (n=303)
Educational level				
High school or GED	25%	25%	50%	4 (1%)
Some college	54%	25%	21%	67 (23%)
Undergraduate college degree	28%	33%	39%	120 (41%)
Graduate college degree	22%	32%	46%	79 (27%)
Postgraduate/professional	5%	42%	53%	38 (11%)
Occupation				
Self-employed	18%	47%	35%	58 (19%)
Government worker	19%	48%	33%	21 (7%)
Management professional or	19%	37%	44%	104 (34%)
Service or sales	46%	16%	38%	50 (17%)
Not in workforce	60%	20%	20%	20 (7%)
Other	56%	22%	22%	50 (17%)
Income				
Under \$25,000	75%	6%	19%	48 (17%)
\$25,000-\$44,999	71%	17%	12%	35 (12%)
\$45,000-\$74,999	17%	37%	46%	54 (19%)
\$75,000-\$109,999	19%	30%	51%	47 (16%)
\$110,000-\$124,999	14%	43%	43%	28 (10%)
\$125,000 and over	7%	38%	55%	91 (30%)
Gender				
Male	47%	51%	51%	163 (54%)
Female	53%	49%	49%	140 (46%)
Preferred Style of Closure				
Natural Cork	35%	34%	31%	215 (71%)
Synthetic Cork	37%	38%	25%	30 (10%)
Screw Top	35%	23%	42%	33 (11%)
Other	20%	40%	40%	24 (8%)

Kolyesnikova (2006), Saad (2005), Yuan (2004) and the United States Census (2005). In those studies the percentage of females was greater than males. Fifty-six percent of the respondents had annual household income above \$75,000 with 28% of households reporting income less than \$45,000. Millennials represent 12% of those respondents with household income greater than \$75,000, while Baby Boomers represented 37%. Eighty-two percent of the respondents had a college degree, with Millennials representing 24% and Baby Boomers 33%. Finally, nearly 53% of the respondents were in management/professional and service/sales. Millennials represented 27% of this category and the Baby Boomers 30%

As presented in Table 2, respondents ranked the price per bottle as the most important when purchasing wine (Mean = 4.1 on a 5-point Likert-type scale), followed by the grape varietal (M = 3.9, SD = 1.2) and region/country of origin (M = 3.9, SD = .8).

Table 2. Importance of Specific Characteristics of Wine Packaging by Generation

	All Respondents (n=303)	Millennials (n=89)	Baby Boomers (n=90)
When selecting a bottle of wine, the following are important to me:			
Price per bottle	4.1	4.2	4.1
Grape Varietal	3.9	3.7 _b	3.9 _a
Region/Country of Origin	3.9	3.7 _b	4.0 _a
Brand	3.7	3.6 _b	3.9 _a
Vintage	3.6	3.2 _b	3.7 _a
Label Design (image/color/logo)	2.7	2.9	2.7
When selecting a bottle of wine, the bottle closure is important to me:			
Because screw top seals indicate cheap wines	3.3	3.1 _b	3.4 _a
Because cork seals are an indication of quality	3.2	3.2	3.2
Because wax seals on a cork indicate quality/freshness	3.0	3.1	2.9
Because foil covering over the closure indicates quality	2.9	3.0	3.0
Because synthetic corks are a sign of quality	2.5	2.5	2.8
How would you rate your knowledge of wine?			
I know a lot about wine	3.2	3.0	3.2
I am one of the “experts” among my friends	3.2	3.2	2.9
I have some knowledge about wine	3.7	3.8	3.6
I know less about wine compared to most other people	2.3	2.5	2.2
I do not feel very knowledgeable about wine	2.4	2.7	2.3
I do not care to know about wine	1.6	1.7	1.6

Note: Represents mean values. Response based upon 5 point scale with 5 = strongly agree and 1 = strongly disagree. Means with different subscript letters are significant at $p < .05$.

Millennials ($M = 4.2$, $SD = 1.1$) considered the price per bottle more important than Baby Boomers ($M = 4.1$), while Baby Boomers considered the grape varietal ($M = 3.9$, $SD = 1.3$) $t(177) = 2.39$, $p < .02$, region/country of origin ($M = 4.0$, $SD = 1.0$) $t(176) = 2.56$, $p < .02$, brand ($M = 3.9$, $SD = .9$) $t(177) = 2.77$, $p < .01$ and vintage ($M = 3.7$, $SD = .9$) $t(177) = 3.45$, $p < .00$ significantly more important than Millennials.

When selecting a bottle of wine, Baby Boomers considered the screw cap as an indication of cheap wine ($M = 3.4$, $SD = 1.1$) significantly more than did the Millennials ($M = 3.1$, $SD = .9$) $t(176) = 2.47$, $p < .01$. When considering price per bottle and style of closure with different situational uses, there were significant generational differences. Both the Millennials ($M=4.2$, $SD = 1.2$) and Baby Boomers ($M = 4.1$, $SD = 1.0$) placed a high importance value on the price paid for a bottle of wine. However, when considering a bottle of wine for a party away from home, both price and generation were significant $F = 2.91$, $p < .05$, with a significant interaction between price and generation.

Under \$14 per bottle, Baby Boomers were more likely to purchase a bottle of wine under screw top closure than Millennials which confirms the Millennials view that screw top closures indicate cheap wines. For home consumption price and generation were significant $F = 3.41$, $p < .01$, with a

significant interaction between price and generation. Again, for prices under \$14 per bottle, Baby Boomers were more likely to select a bottle of wine under screw top closures for everyday consumption at home than Millennials.

Table 3 presents the levels of subjective and objective knowledge based upon specific survey questions. When asked about their perceived (subjective) level of wine knowledge, 47% reported some (25%) or low subjective (22%) wine knowledge. Subjective knowledge is based upon the consumers' self perceived knowledge; yet over 86% of respondents had high objective, or actual, wine knowledge.

Table 3. Respondents Knowledge

Characteristics	Percentage of Total for Each Characteristic		Total of all Respondents	
	Millennials (n=89)	Baby Boomers (n=90)		
Level of Overall Knowledge				
High Overall Knowledge	28%	29%	52%	127
Some Knowledge	33%	44%	26%	64
Low Overall Knowledge	50%	33%	22%	52
Level of Objective Knowledge				
High Objective Knowledge	30%	36%	86%	208
Some Objective Knowledge	56%	21%	13%	34
Low Objective Knowledge	100%	0%	1%	1
Level of Subjective Knowledge				
High Subjective Knowledge	28%	29%	52%	127
Some Subjective Knowledge	8%	44%	25%	62
Low Subjective Knowledge	50%	33%	22%	54

This conflict between subjective and objective knowledge may result from the respondents' level of self confidence. There was a significant generation difference with Baby Boomers reporting higher levels of some subjective knowledge $t(177) = 2.52$, $p < .01$ than Millennials. A significant difference was reported between generations on objective knowledge, with Millennials reporting a higher level of some objective knowledge compared to Baby Boomers $t(178) = 2.69$, $p < .01$ and Baby Boomers reporting a high level of objective knowledge $t(176) = 2.85$, $p < .01$ compared to Millennials.

As presented in Table 1, 71% of respondents preferred the natural cork closure with Millennials (35%) and Baby Boomers (34%) preferring them about the same. For screw top closures however, Millennials preferred them significantly more than Baby Boomers $t(177) = 2.68$, $p < .01$. Yet depending on situational use (Table 4), respondents would select the natural cork for all occasions except for every day wine use, where the preference for screw top closures and natural cork were about the same. In most all situations presented, Baby boomers preferred screw top closures more than the Millennials.

Table 4. Importance of Closure and Situational Use by Generation

Situational Use	Natural Cork		Synthetic Cork		Screw top closures	
	Millennial (n=89)	Baby Boomers (n=90)	Millennial (n=89)	Baby Boomers (n=90)	Millennial (n=89)	Baby Boomers (n=90)
Which style of closure would you consider appropriate for the following occasions?						
Dinner Party at Home	61	61	19	16	9	13
Dinner With Family at Home	45	40	26	25	18	25
Every day Wine at Home	36	32	20	26	33	32
Gift Giving	76	70	8	11	5	9
Dinner Party Away From Home	69	65	12	14	8	11
Special Occasion	77	68	7	13	5	9
Restaurant with Friends/Business	72	63	10	15	7	12

Significant differences were found between Millennials and Baby Boomers when considering which style of closure to purchase for either gift giving or special occasions. Millennials were significantly more likely $F = 9.05, p < .01$ to select a natural cork for gift giving than were Baby Boomers; and were significantly more likely than Baby Boomers $F = 4.51, p < .05$ to choose a natural cork for special occasions.

When considering objective and subjective wine knowledge with generations (Millennial and Baby Boomers), a significant interaction effect was reported for wine gift giving and special occasions. Millennials with high objective and subjective knowledge would choose a natural cork for gift giving and special occasions more than Baby Boomers with the same knowledge levels. Interestingly, both Millennials and Baby Boomers with high objective and no subjective knowledge would equally select natural cork for either occasion. For home consumption, Baby Boomers with high objective and subjective knowledge were more likely to select a screw top closure than Millennials for home consumption.

DISCUSSION AND IMPLICATIONS

For alternative closures such as screw tops to achieve success and acceptance in the United States wine market a large number of consumers need to become familiarized with and more comfortable making a purchase involving these closure innovations. The results of this study show that product importance and the perception of a products packaging attributes are critical in the consumer purchase decision making process during situational use, particularly where screw cap closures still have an image of being “cheap” and were perceived as inappropriate as a gift or for special occasions.

Although this study did not directly address self-confidence and its impact on the consumer decision process, the results may point to an interesting finding. Within the current realm of consumer behavior, self-confidence has been cited as an important construct (Bearden, Hardesty and Rose, 2001), and as a determinant of product-specific perceived risk (Locander & Hermann, 1979) by how it influences external search behavior (Wells & Prenskey, 1996). The concept most often used by consumer researchers to define perceived risk, in terms of the consumer's perceptions, involves the *uncertainty* and adverse *consequences* of buying a product or service

(Dowling & Staelin, 1994; Engel et al., 2000). Wine purchasers are highly risk-sensitive, given the diversity of product offerings, and their wine purchase behavior is governed by the dynamics of expectation and risk, modified by risk-reduction strategies.

Interestingly, this study found that Millennials with high subjective (self-assessed) and objective (actual) knowledge were more likely than Baby-Boomers with the same levels of knowledge to select a natural cork depending on the purchase or consumption situations. This result suggests that there may be a mediating factor causing this difference. In other words, despite the high level of knowledge, something maybe influencing the decision to purchase. For example, when subjective knowledge is low, or one believes they do not know about wine, in both generational groups natural cork was selected as the perceived “right” or risk adverse style of closure, indicating that when low subjective knowledge exists self-confidence may be influencing consumers’ decisions.

This was not the case with those with higher subjective knowledge. This level of confidence may result from years of wine consumption, or involvement as the Baby-Boomer generation has more years of consumption thus, have developed a stronger level of self-confident, whereas the Millennials have fewer years of consuming and involvement may view certain decisions more risky than others. This study did not address this issue of self-confidence directly, but future research needs to address the issue as a mediating effect on consumer choice and knowledge.

In the qualitative study by Barber, Meagher and Kolyesnikova (2008), they found winemakers and sommeliers have indicated consumer education will play a key role in whether screw caps become more socially acceptable. However there are no signs of a united front between wineries in the United States that parallels the efforts of the New Zealand Screw Cap Wine Seal Initiative. This effort proved crucial to the development of the critical consumer mass necessary for the widespread diffusion and acceptance of screw caps, and other alternative closures, in that market.

Wine attributes or the situation involved in the purchase are perceived differently by consumers; particularly between generations of wine consumers, and based upon the level of individual knowledge, they will choose closures differently. This study found that for Millennials and Baby Boomers the combination of price and the style of closure was most important when making a wine purchase decision, confirming the studies that have shown both groups placing importance on value and perceived social risk (Elan et al., 2005; Key Findings, 2004; Moriarty, 2004). The wine packaging attributes of varietal, country of origin and brand were significantly more important to Baby Boomers than Millennials and given Baby Boomers had a high level of objective knowledge; this may explain their comfort with alternative closures and other “packing knowledge” attributes when purchasing wine.

To determine and understand the traits and wine perceptions of the Millennial generation can be a useful exercise for wine marketers. This is a very large and well funded demographic group and many major consumer brands in the U.S. are focusing their marketing research efforts here. Even if a wine brand is successfully focused on the Baby Boomer generation, for strategic marketing purposes and long-term sustainability of a brand, it may benefit the brand to learn more about this new segment of wine drinkers, particularly with a significant portion of this group coming of legal drinking age over the next 10 years.

Finally, as part of this consumer segmentation, understanding the generational differences is important and the need for different marketing focus. For example, marketing to the Millennials would require direct and to the point advertisements that create a product image closest to this group's views, and by focusing on flexible and empathetic service. Overall, a “one-bottle” design or a “one-advertisement” marketing campaign will not fully develop or tap into the varying and complex wine consumer.

There still remains an arduous task in the United States to not only change the perception of wine consumers, but winemakers and sommeliers as well who are at the forefront of this movement, that screw caps are a reliable and consistent alternative to natural cork and that wines under screw cap closures are not poor quality. Successful acceptance of screw caps by consumers could just be a matter of finding the right combination of winemakers, sommeliers and media as well as giving the public more time to learn about and adapt to the technology (Mortensen & Marks, 2003).

It is therefore reasonable to expect that the American market will gradually grow more comfortable with alternative closures just as they have with many other new technologies over the years, such as bag-in-the-box wine packaging. Growing pains are inevitable when a radically new method of behavior challenges the traditions and customs that have existed within a society for hundreds of years. Ultimately, this is neither the beginning nor the end for alternative closures. Rather it is the start of more in-depth research needed in wine marketing to determine what consumers accept as an acceptable form of bottle closure.

There are some important implications for managers of restaurants, retail establishments, and wineries. Consumers exhibit varying perceptions towards alternative closure packaging strategies, such that a general feeling by them as to what a particular closure exactly means and how these closures play into different situational uses is important to understand.

In this sense, the general opinion should guide packaging designers to appropriately meet consumers' expectations, thereby taking into account the cues that packaging transmits (screw caps imply cheap wines), instead of just focusing on positioning the product through short-lived messages transmitted by the media. In sum, the proliferation of the number of brands in the market and the varied offerings and price points that purchasers find available force the efforts of marketing firms to achieve effective market differentiation.

This study can only serve as an indication that more factors need to be considered when attempting to determine if screw caps will be successful in the United States. It will take a more concerted effort among winemakers as well as sommeliers to carry some of the burden of proof that screw caps will need to achieve the critical mass of acceptance by the consumers in the American marketplace (Cork Quality Council, 2005).

A recommendation for future research would be to look at different purchase situations, how different packaging attributes and cues impact the choice of wine bottle selected, and how knowledge and self-confidence influence that decision. This would be a good follow up to studies done by Barber and Almanza (2006) and Barber et al. (2006), since each looked at how wine bottle packaging and gender influenced the wine purchase decision.

REFERENCES

- Ampuero, O. & Vila, N. (2006). Consumer perceptions of product packaging. *The Journal of Consumer Marketing*, 23(2), 102
- Barrie, S. (2005). "Cork Debate Rages On." (Accessed 22 September 2005
<http://www.corkmasters.com/index.php?article=485&layout=100&visual=1&view=cib&option=5>).
- Barber, N., & Almanza, B. (2006). Influence of wine packaging on consumers' decision to purchase. *Journal of Foodservice Business Research*, 9(4), 83-98.
- Barber, N., Almanza, B. & Donovan, J. (2006). Motivational Factors of Gender, Income and Age on Selecting a Bottle of Wine. *International Journal of Wine Marketing*, 18(3), 218-232.
- Barber, N., Meagher, M. & Kolyesnikova, N. (2008). Screw Cap Closures: Selling the Experience to United States Wine Consumers: A Qualitative Study. *Journal of Culinary Science and Technology*, 6(4), 325-342.

- Barber, N., Taylor, C. & Dodd, T. (2009). Twisting Tradition: Consumers' Perceptions of Alternative Closures. *Journal of Food Products Marketing*, 15(1), 80-103.
- Bearden, W., Hardesty, D. & Rose, R. (2001, June). Consumer self-confidence: Refinements in conceptualization and measurement. *Journal of Consumer Research*, 28, 121-134.
- Beatty, S. & Smith, S. (1987). External Search Effort: An Investigation Across Several Product Categories. *Journal of Consumer Research*, 14(1), 83 – 96.
- Belk, R. (1974), "An exploratory assessment of situational effects in buyer behaviour", *Journal of Marketing Research*, 11, pp.156-163
- Bennett, P. & Mandell, R. (1969). Prepurchase Information Seeking Behavior of New Car Purchasers: The Learning Hypothesis. *Journal of Marketing Research*, 6(4), 430-433
- Bleibaum, R., Lattey, K. & Francis, I. (2005). Conjoint Research for Consumer Perception of Wine Closure Options and Their Impact on Purchase Interest in the United States and Australia. *The Australia Wine Research Institute*. pp. 1 – 36.
- Bloch, P. & Richins, M. (1983). A theoretical Model for the Study of Product Importance Perceptions. *Journal of Marketing*, 47 (Summer), 69-81.
- BusinessWire (2004), "Editorial: available for hire: class of '04 college grads; with an entrepreneurial spirit, today's grads want to make an impact on the world", 13 May, <http://static.highbeam.com/b/businesswire/may132004/availableforhireclassof04collegegradswithanentrepr/index.html> . Retrieved October 11, 2007.
- Chaney, I. M. (2000). External Search Effort for Wine. *International Journal of Wine Marketing*, 12(2), 5-21.
- Cork Quality Council (2005). *Survey #1 – Consumer attitudes toward wine closures*. Retrieved September 20, 2005 from <http://www.corkqc.com/cqcsurve.htm>
- Dillman, D. (2000a). Mail and internet Surveys: The Tailored Design Method. 2nd Edition. New York: John Wiley Co.
- Dodd, T., Laverie, D., Wilcox, J., & Duhan, D. (2005). Differential Effects of Experience, Subjective Knowledge, and Objective Knowledge on Sources of Information Used in Consumer Wine Purchasing. *Journal of Hospitality & Tourism Research*, 29(1), 3-19.
- Dowling, G. & Staelin, R. (1994). A model of perceived risk and intended risk-handling activity. *Journal of Consumer Research*, 21(1), 119 – 129.
- Elan, E., Gould, A., Koteff, E., Martin, R., Garber, A., Liddle, A., Frumkin, P. & Ruggless, R. (2005). As baby boomers mature, industry may find that market, though aged, primed for more *Nation's Restaurant News*. Feb 21, 2005 Retrieved October 1, 2007.
http://findarticles.com/p/articles/mi_m3190/is_8_39/ai_n11831836
- Engel, J., Blackwell, R. & Miniard, P. (2001). Consumer Behaviour, New, York, The Dryden Press.
- Fernandez-Cruz, M. (2003), "Advertising agencies target generation Y", U-Wire, University of Kentucky, available at: www.youngmoney.com/lifestyles/campus_life/031202_01
- Flynn, L. & Goldsmith, R. (1999). A Short, Reliable Measure of Subjective Knowledge. *Journal of Business Research*, 46, 57–66.
- Fosters. (2006). Closures. Accessed December 15, 2006.
<http://fosters.com.au/enjoy/wine/621EF7823D0B43A0860B1C0BD3BA1AFF.htm>
- Hall, J., & Lockshin, L. (2000). Using Means-End Chains for Analyzing Occasions - Not Buyers. *Australian Marketing Journal*, 8(1), 45-54.
- Harris Interactive (2001), "Millennium's first college grads are 'connected, career-minded and confident – way'!", available at: www.harrisinteractive.com/news/allnewsbydate.asp?NewsID=292



Holbrook, M. (2000). The Millennial Consumer in the Texts of Our Times: Experience and Entertainment *Journal of Macromarketing*, 20(2). 178-192.

Hornik, J. (1982), "Situational effects on the consumption of time", *Journal of Marketing*, Vol. 46 pp.44-55.

Hu, M. & Burning, E. (1986). Decomposing Instrumental Product Importance to Predict Purchase Behavior. *Journal of Travel Research*, 25(2). 24-28.

Jennings, D., & Wood, C. (1994). Wine: Achieving Competitive Advantage Through Design. *International Journal of Wine Marketing* 6(1), 49-62.

Jones, J. (2006). U.S. Drinkers Consuming Alcohol more Regularly. Retrieved November 5, 2007. <http://www.gallup.com/search/default.aspx?q=beverage+survey+gallop&s=&b=SEARCH>

Jones, J. (2007). Beer Again Edge out Wine as Americans Drink of Choice. Retrieved November 1, 2007. <http://www.gallup.com/search/default.aspx?q=beverage+survey+gallop&s=&b=SEARCH>

Katona, G. and E. Mueller (1955), "A Study of Purchasing Decisions," in *Consumer Behavior: The Dynamics of Consumer Reaction*, L. H. Clark, ed. New York: New York University Press.

Key Findings (2004), "Understanding the Millennials: who they are and how you can reach this young, affluent market segment", Key Findings Newsletter, November/December, available at: www.keyfindings.com/healthcare/article2.htm

Kitsap, S. (2006) New Synthetic Stopper Passes the Wine Buff's Sniff Tests. Accessed December 10, 2006. http://www.kitsapsun.com/bsun/fe_food/article/0,2403,BSUN_19071_4837394,00.html

Kolyesnikova, N. (2006). Gratuity purchasing at wineries: The role of gratitude and obligation in purchases by wine visitors. Unpublished Dissertation, Texas Tech University, Lubbock, TX.

Lancaster, L. and Stillman, D. (2002), *When Generations Collide*, HarperCollins Publishing, New York, NY.

Lazer, W. & Layton, R. (1999). Marketing of Hospitality Services. *Educational institute, Lansing Michigan*.

Lee, K., Zhao, J., & Ko, J.-Y. (2005). Exploring the Korean Wine Market. *Journal of Hospitality & Tourism Research*, 29(1), 20-41.

Locander, W. & Herman, P. (1979, May). The effect of self-confidence and anxiety on information seeking in consumer risk reduction. *Journal of Marketing Research*, 16. 268-274.

Lockshin, L. (2002). The Business of Wine. Proceedings of Bacchus to the Future Wine Conference, Brock University, St Catharines, May 23- 25, pp 488 - 493.

Lockshin, L. (2003). Consumer Purchasing Behaviour for Wine: What We Know and Where We Going. *Marches et Marketing du Vin* (1), 1-30

McDonald, M., & Dunbar, I., (1995). *Market Segmentation: A step-by-step approach to creating profitable market segments*, Macmillan: London.

Merrill, P. (2006) How to Evaluate Your Wine's Packaging. *Wine Business Monthly*. Volume XIII Number 4. WINE BUSINESS MONTHLY.mht Accessed March 21, 2007.

Mookerjee, A. (2001). A Study of the Influence of Source Characteristics and Product Importance on Consumer Word of Mouth Based on Personal Sources. *Global Business Review*, 2(2), 177 – 193.

Moore, W. & Lehmann, D. (1980), "Individual differences in search behavior for a nondurable", *Journal of Consumer Research*, Vol. 7, December, pp. 296-307.

Moriarty, R. (2004), "Marketers target savvy 'Y' spenders: hip imagery, sophisticated sales pitches, web sites are designed to appeal to youth", *The Post Standard*, 8 February, p. 2004.

Mortensen, W., & Marks, B. (2003). An innovation in the wine closure industry: Screwcaps threaten the dominance of cork. *Victoria University School of Management Working Paper Series*. Victoria University, Wellington, New Zealand. Retrieved April 20, 2006 from



http://www.businessandlaw.vu.edu/mgt/pdf/working_papers/2002/wp18_2002_mortensen_marks.pdf

Muschis, G, Lee, E, Mathur, A. & Strautman, J (2000). *The maturing marketplace: Buying habits of baby boomers and their parents*. Quorum Books: West Port, Ct.

Neuborne, E. (1999), "Generation Y today's teens – the biggest bulge since the boomers – may force marketers to toss their old tricks", *Business Week*, 15 February.

Newman, J. & Staelin, R. (1972). Prepurchase Information Seeking for New Cars and Major Household Appliances. *Journal of Marketing Research*. 9(3). 249 – 257.

Nowak, L., Thach, L. & Olsen, J. (2006). Wowing the Millennials creating brand equity in the wine industry. *Journal of Product & Brand Management*. 15(5). 316-323.

Park, C. & Lessig, P. (1981). Familiarity and its impacts on consumer decision biases and heuristics. *Journal of Consumer Research*. * (September). 144 – 151.

Pinney, T. (2005). A history of Wine In America, from Prohibition to the Present. University of California Press. Berkeley, CA.

Prendergast, G. & Pitt, L. (1996), Packaging, marketing logistics and the environment: is there trade-offs. *International Journal of Physical Distribution & Logistics Management*. 26(6). 60-72.

Raju, P, Lonial, S. & Mangold, W. (1995). Differential Effects of Subjective Knowledge, Objective Knowledge and Usage Experience on Decision Making: An Exploratory Investigation. *Journal of Consumer Psychology*. 4(2). 153-180

Reidick, O. (2003). People Buy the Wine Label, Not the Wine. *Graphics 1*, 1-27.

Saad, L (2005), Wine Gains Momentum as Americans' Favorite Adult Beverage. *The Gallup Poll Survey, July 18, 2005*. Retrieved October 17, 2007 <http://www.gallup.com/search/default.aspx?q=beverage+survey+gallop&s=&b=SEARCH>

Spawton, T. (1991). Of Wine and Live Asses: An Introduction to the Wine Economy and State of Wine Marketing. *European Journal of Wine Marketing*, 25(3), 1-48.

Thomas, A. (2000). Elements influencing wine purchasing: A New Zealand view. *International Journal of Wine Marketing* 12(2), 1-16.

Tinney, M.(2006). Sales of Screw-Capped Wine Grow 51 Percent Over 2005. *Wine Business Monthly*. Accessed December 1, 2006. <http://www.winebusiness.com/ReferenceLibrary/webarticle.cfm?dataId=43364>

Unwin, T. (1999). Hedonic Price Index and the Qualities of Wine. *Journal of Wine Research*, 10(2), 95-104.

Wells, W. & Premsky, D. (1996). *Consumer Behavior*. New York: Wiley.

Wine Institute. (2006). 2005 California Wine Sales Continue Growth Trend As Wine Enters Mainstream U.S. Lifestyle April 3, 2006 Wine Institute 425 Market Street Suite 1000, San Francisco, CA 94105. http://www.wineinstitute.org/industry/statistics/2006/wine_sales.php

Wine Market Council (2003), *Wine Consumer Tracking Study Summary – 2003*, Wine Market Council, St Helena, CA, available at: www.winemarketcouncil.com/research_summary.asp (Retrieved 10 October, 2007),

Wine Market Council (2006), *Wine Market Council Consumer Tracking Study 2006*, available at: www.winemarketcouncil.com (Retrieved 15 March 2006).

Wyner, G.A., (1995). Segmentation analysis, then and now. *Marketing Research: A Magazine of Management and Applications*, Vol 7(1), 40-41.

Yuan, J. (2004). A Model of Wine Tourism Behavior: A Festival Approach. *Unpublished Doctoral Dissertation*, Purdue University, Indiana.