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A Profile of the Generation X Wine Consumer in California

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This research shows that the wine market in California is segmented by age. Wine consumption behavior differs between the generation X consumer and those that are not generation X. They purchase different types of wine at different locations. There are different attitudes toward wine between the two groups. Generation X consumers are more concerned with the quality and image attributes of wine.

Introduction

Research shows that there are wine purchasing behavior differences between the California wine consumer and the U.S. wine consumer (Wolf, 1999). Further, the wine market in California is segmented between heavy and lighter buyers (Wolf, 1999). Much research has shown that there are differences in attitudes and purchasing behavior between generations. In particular, Smith and Clurman's research shows general differences in attitudes and purchasing behavior between generation X and other generations (Smith and Clurman, 1997). The purpose of this research is to examine whether the wine consumption behavior of the California wine consumer differs between the generation X consumer and those that are not generation X.

This research shows that wine consumption behavior of the California wine consumer differs between the generation X consumer and those that are not generation X. Generation X consumers, GenXers or Xers, are those that were born between 1965 and 1976 (Smith and Clurman, 1997). A consumer survey of 251 wine purchasers in northern, central, and southern California was used to examine the generation X consumer compared to the non-generation X consumer. The survey instrument was administered through the use of a personal interview in October and November of 1998. The random sample was screened to ensure that respondents were 21 years or older and had purchased wine in the past year.

The generation X consumer has different wine consumption behavior than the non-generation X consumer. The generation X consumer is more likely to purchase wine at a liquor store. Further, the generation X consumer is more likely to purchase wine from Napa Valley and less likely to purchase wine from France than the non-generation X consumer. Genera-

tion X allocates a higher proportion of red wine to their purchases. Further, they allocate a smaller proportion of purchases to lowest/economy price wine and a higher proportion to premium wines. They spend the same but purchase fewer bottles.

Twelve characteristics which describe wine were rated on a five point desirability scale to examine the characteristics of wine that impact a consumer's purchase decision. Characteristics concerning quality, price, image, and use of wine were rated. Three attributes were more important to the generation X consumer: premium quality, relaxing, prestigious brand, and sleek label. The non-generation X consumers indicated that healthy was a more important attribute of wine to them.

The results of this research indicate that multiple segments exist in the wine market. Therefore, separately targeted marketing campaigns may be more effective than broad marketing campaigns for wine.

Research Sample

A consumer survey of 251 wine purchasers in northern, central, and southern California was used to examine consumer demographics and wine purchasing behavior for the California wine purchaser. The survey instrument was administered through the use of a personal interview in October and November of 1998. The random sample was screened to ensure that respondents were 21 years or older and had purchased wine in the past year. The research was conducted in three cities of California on the coast: Los Angeles, San Luis Obispo, and San Francisco. Since the research was conducted in coastal metropolitan areas, the demographics may be slightly skewed to higher income and education.

Generation X Wine Consumer Demographics Compared to non-Generation X Wine Consumer Demographics

Differences in the demographics of the generation X consumer and the non-generation X consumer are shown in Table 1. The generation X consumer is more likely to be a college graduate than is the non-generation X consumer. The generation X consumer is more likely to be employed full time while the non-generation X consumer is more likely to not be employed. The generation X consumer is more likely to be single and more likely not to have another adult that is employed in the household. Non-generation X wine consumers are more likely to have an income level over \$70,000.

Category Behavior

The generation X wine consumer appears to drink a greater variety of alcoholic beverages. The generation X wine consumer is more likely to purchase beer and mixed drinks than the non-generation X wine consumer. Thus, there are more alcoholic products competing for the generation X wine consumer's budget than for the non-generation X wine consumer's budget. The generation X consumer has different wine consumption behavior than the non-X consumer. The generation X consumer is more likely to purchase wine at a liquor store. Further, the generation X consumer is more likely to purchase wine from Napa Valley and less likely to purchase wine from France than the non-generation X consumer (Table 2).

Table 1. Demographics.

Education	Xer Percentage (N= 102)	Non-Xer Percentage (N-152)	P-value ¹
Grade School/or less	1.9	1.3	.05*
Some High School	1.0	2.0	
High School	8.7	10.5	
Some College	31.1	26.1	
College Graduate	49.5	37.9	
Post Grad. Work	7.8	22.2	
Employment			
Employed, Full time	68.9	47.1	0
Employed, Part time	16.5	12.4	
Not employed/ retired	14.6	40.5	
Employment of Other Adult			
Full time	41.7	41.5	.009*
Part time	15.5	10.5	
Not employed/ retired	8.7	24.2	
Not other adult	34	24.2	
Income			
Under \$20k	19.4	8	.001*
\$21,000-24,999	9.7	5.3	
\$25,000-29,999	7.8	7.3	
\$30,000-34,999	12.6	6	
\$35,000-39,999	9.7	3.3	
\$40,000-49,999	9.7	13.3	
\$50,000-59,999	7.8	15.3	
\$60,000-69,999	9.7	8	
\$70k+	11.7	28.7	
Marital Status			
Married/Co-habiting	35.9%	71.2*	0*
Single	64.1*	23.5	
Widowed	0	5.2*	

¹ Significance level of Chi-square statistic.

Significant at 5% level. ** Significant at the 10% level.

Table 2. Category Behavior.

<u>Beverages Purchase</u>	Xer Percentage (N= 102)	Non-Xer Percentage (N-152)	P-value¹
Beer	92.9%	67.8%	0*
Wine	100	100	1
Sparkling Wine	41.4	31.4	.105
Mixed Drinks	81.4	56.2	0*
<u>Locations Purchase</u>			
<u>Wine</u>			
Trader Joes	37.9%	41.8%	.526
Specialty Shop	17.5	19	.760
Grocery Store	89.3	82.4	.124
Liquor Store	52.4	31.4	.001*
Winery	32.4	28.1	.467
Costco	19.4	23	.492
Natural Food Store	1.9	3.3	.523
<u>Purchase Wine by</u>			
Bottle	95.1%	93.5%	.574
Case	17.6	19.6	.143
Box	9.7	15.7	.167
Gift	33.3	25.5	.175
<u>Wine Regions</u>			
Napa	76.2%	65.1%	.06**
Sonoma	52.5	43.9	.184
France	2.9	12.4	.008*
Chile	7.8	9.8	.574
Australia	4.9	9.8	.154
Other USA	11.7	9.2	.516
Other Country	9.7	9.2	.894

¹ Significance level of Chi-square statistic.

* Significant at 5% level. ** Significant at the 10% level.

The generation X wine consumer spends approximately the same on wine as the non-generation X wine consumer. However, the generation X wine consumer purchases fewer bottles than the non-generation X wine consumer (Table 3).

This apparent paradox is explained by the allocation of wine purchases by price. Generation X is more likely to buy wine in the \$10-14.99 range and non-Xer's are more likely to purchase wines below \$5 (Table 4).

The generation X wine consumer allocates more than half of their wine purchases to red wine and approximately a third of their wine purchases to red wine while the non-generation X wine consumer allocates approximately 40% to each (Table 5).

Almost a third of non-generation X wine consumers are likely to try a new wine at home while only approximately 10% of generation X wine consumers are likely to try a new wine at home. Generation X is more likely to try a new wine at a friend's home, at a party, or at a wine tasting room (Table 6).

Table 3. Wine Purchasing Volume.

	Xer Mean (N= 102)	Non-Xer Mean (N-152)	P-value¹
Dollars per Month	\$36.46	\$43.2	.120
Number of bottles in three months	8.14	14.61	0*

¹ Significance level of t statistic.

* Significant at 5% level. ** Significant at the 10% level.

Table 4. Wine Purchasing Volume by Price of Wine.

	Xer Mean (N= 102)	Non-Xer Mean (N=152)	P-value ¹
\$0-4.99	7%	13%	.053**
\$5-9.99	40%	47%	.152
\$10-14.99	40%	29%	.017*
\$15-19.99	10%	9%	.573
\$20+	3%	3%	.845

¹ Significance level of t statistic.

* Significant at 5% level. ** Significant at the 10% level.

Table 5. Wine Purchasing Volume by Type of Wine.

	Xer Mean (N= 102)	Non-Xer Mean (N=152)	P-value ¹
White	34%	40%	.133
Blush	10%	14%	.240
Red	52%	42%	.031*
Sparkle	4%	4%	.953

¹ Significance level of t statistic.

* Significant at 5% level. ** Significant at the 10% level.

Table 6. Location Where Likely to Try a New Wine.

N=254	Xer Percentage (N= 102)	Non-Xer Percentage (N=152)	P-value ¹
At home	9.7%	30.3%	.014*
At friends home	29.1	22.9	
A party	6.8	2.6	
Bar	0	.7	
Restaurant by the bottle	7.8	7.2	
Restaurant by the glass	19.4	18.3	
Wine tasting room	21.4	14.4	
Other	3.9	2	

¹ Significance level of Chi-square statistic.

* Significant at 5% level. ** Significant at the 10% level.

Desirability of Wine Characteristics

Twelve characteristics which describe wine were rated on a five point desirability scale (Clancy, Shulman, and Wolf, 1994) to examine the characteristics of wine that impact a consumer's purchase decision. Characteristics concerning quality, price, image, and use of wine were rated. Consumers were asked the following question:

Please rate the following characteristics you look for when shopping for wine where: 100 = Extremely Desirable; 80 = Very Desirable; 60 = Somewhat Desirable; 40 = Slightly Desirable; 20= Not At All Desirable.

Analysis of the mean ratings of the interval data indicates that the characteristics are divided into three groups: somewhat to very desirable characteristics, somewhat desirable characteristics, and slightly to somewhat desirable characteristics. The desirability mean ratings are presented in Table 7. The very desirable characteristics for California consumers when shopping for wine are those concerning taste, quality, price, and use. The somewhat desirable characteristics are those concerning the image of the wine: prestigious brand and relaxing. The slightly to somewhat desirable characteristics concern the label and healthiness of the wine.

Table 7. Desirability Ratings of Wine Characteristics for the California Wine Consumer.

Desirability of Attributes	Xer Mean (N= 102)	Non-Xer Mean (N-152)	P-value¹
Somewhat to Very			
Value	78.25	81.69	.222
Price	79.80	80.13	.907
Special Occasion	80.38	78.02	.381
Complements Food	79.41	77.10	.425
Premium Quality	79.22	73.98	.050*
Somewhat			
Relaxing	67.18	58.82	.015*
Prestigious Brand	62.91	57.36	.049*
Slightly to Somewhat			
Attractive Label	58.44	55.16	.324
Sleek Label	58.05	47.10	.001*
Natural	49.01	52.67	.296
Healthy	42.91	50.98	.014*
Earthy	41.74	42.26	.871

¹ Significance level of t statistic.

Significant at 5% level. ** Significant at the 10% level.

Conclusions

The generation X wine consumer differs from the non-generation X consumer. They differ in demographics, their attitudes toward wine, and purchasing behavior of alcoholic beverages. Generation X wine consumers are more likely to purchase beer and other alcoholic beverages than are non-generation X wine consumers. Therefore, they appear to be less loyal to wine as a choice for an alcoholic beverage. They purchase a smaller volume of wine compared to non-generation X wine consumers. However, they are more likely to purchase premium and red wines. Therefore, they spend the same on wine than the non-generation X wine consumer. Attributes of wine that are more important to generation X wine consumers seem to be related to quality and image. Therefore, these findings indicate that separately targeted marketing campaigns may be more effective than broad marketing campaigns for wine.

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