



ARC Training Centre for Innovative Wine Production

Technical note

Innovating Traditional Products: “Self-Sacrifice vs. Product Authenticity” *The Case of Wine*

Introduction

Products are continuously innovated to improve organization efficiency and meet consumer expectations¹. Although satisfying consumer expectations in a society where buyers expect continuous product improvement is imperative to survival in today’s competitive environment, consumers reject 50-80% of innovated products². While this could be due to the perceived lack of authenticity of an innovated product leading to diminished perceived value, existing knowledge about the relationship between authenticity and value creation is limited. Moreover, there is no explanation specific to how consumers react when a traditional product, like wine, is modified and how consumers’ characteristics moderate any trade-off between loss of authenticity and gained functional benefits. Wine, in cultures where consumption is a part of life, is a traditional product carrying a high symbolic value³. However, consumers becoming more conscious of their alcohol consumption and demanding ‘healthier’ products⁴ have stressed the need to innovate, develop and market new products of high quality with lower alcohol strength⁵. Research reports that consumers react negatively to the dealcoholization cue, which influences the success of these products in the market. Thus, it becomes important to analyse consumers’ perceptions and find out whether the innovation of a product like wine will elicit a stronger influence on perceived authenticity when the product is traditional rather than non-traditional.

Methodology and key outcomes

Methodology: Seven focus groups and wine tastings were conducted in Jakarta, where wine is non-traditional product, and Adelaide, where wine consumption has a longer history. The focus groups were conducted in two different countries with the purpose of understanding the influence of product traditionality on perceptions towards the product innovation. The investigation was conducted through wine tastings, where participants were given eight different wines (3 red wines, 2 rosé wines, and 3 white wines) of varying degrees of alcohol (from 0 to 14.5%) and were asked to discuss and rate them before and after any information about the wines shared.

Key outcomes: No alcohol wines were considered to have the lowest quality overall, irrespective of varietal and style. Regardless of experience, participants had trouble associating the character of the wine with the alcohol level, and overestimated the level of alcohol in the wine. The type of wine played a role in influencing consumer perceptions as rosé wine was met with the most positive reaction, and was characterized as ‘refreshing’ and ‘easy to drink’. Men were the most against the dealcoholized wines, however the history of drinking and frequency (years



of drinking wine) played a moderating role. Men that had not been drinking wine for long were more open to accepting lower alcohol wines. The same acceptance of these wines was indicated by females. However, situation also played a role as a moderator, as participants were more open to the idea of consuming these wines on occasion (e.g. when wanting to relax after a long day of work, when not eating and when not wanting to get drunk). For the majority of the Indonesian participants, wine was not considered a traditional product. These participants reacted more positively to the innovation and saw the benefits of the innovated product as overcoming the downfalls in particular situations. The innovated product was still perceived as authentic. On the other hand, the participants that were raised with the culture of drinking wine reacted more negatively towards the innovation, seeing the new product as not authentic, and the perceived sacrifice from the innovation as high. Product traditionality played the same role for the Australian participants.

Recommendations

When considering launching wines with a lower alcohol level the following points should be considered:

- Females are more open to consuming low alcohol wines.
- A low alcohol red wine is likely to be less accepted than a white or rosé wine.
- Consumers with a shorter history of drinking and lower level of involvement are more likely to accept the innovation.
- Context plays an important role in influencing feelings of perceived sacrifice and gain from the innovation, thus it could be an important selling point when marketing the product.
- Traditionality perceptions influence the degree of perceived gain from the innovation.

What's next?

The next step is to conduct a quantitative study (surveys) in France, Singapore and Australia with the purpose of understanding relationships between product traditionality, congruence of the innovation, loss of authenticity, perceived gain and sacrifice from the innovation, consumer characteristics (involvement, history of drinking etc.), situation and purchase intention.

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Contact

For further information, please contact:

Associate Prof **Roberta Crouch**: roberta.crouch@adelaide.edu.au

Bora Qesja: bora.qesja@adelaide.edu.au

ARC Training Centre for Innovative Wine Production

The University of Adelaide, Faculty of the Professions, Business School

Phone: +618 8313 1559; Fax: +618 8313 4368

<http://www.adelaide.edu.au/tc-iwp/>