The Nature and Roles of a Wine Brand

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Introduction

Brands have existed for millennia. Ancient Egyptian brick makers proudly branded their bricks with personal symbols to allow users to recognise their products. Hieroglyphics (literally, ‘sacred carvings’) found in Egyptian pyramids show the vinification of wine and describe single vineyards. In Greece and Rome, vineyards reputed to make the best wine marked their amphorae with the name of the maker (Unwin 1996). These markings later developed into an appellation system for specifying the origins of wine in Europe and were carried to many New World wine growing areas.

Today, we see a proliferation of means of identifying wines, broadly ranging from country to region to vineyard, as well as more specifically by company, brand within a company, variety, and even winemaker. The purpose of this paper is to explore what the various roles and guises of a wine brand mean to the consumer. This will be accomplished, partially, through understanding the different wine consuming segments and how wine fits into their lives.

First, we review the literature on branding with some attention to both wine branding and branding theory for consumer goods. We then apply this theory to look at different types of wine branding and the roles they play for wine consumers. Finally, we examine the effect of these consumer-attributed-roles on different sized wineries and their implications for the management and branding of wine in the modern marketplace.

Literature Review

The definition of a brand

In 1951, David Ogilvy stated that: “a brand is a consumer’s idea of a product”. Importantly, Ogilvy acknowledges that brand is related to identification of a product by the consumer. However brand today encompasses such a variety of other definitions and roles – for both the consumer and the producer – that a review of branding literature can find no agreed modern definition of a brand. Doyle (1989) highlights this situation by stating that: “if you asked ten different marketing directors for their (brand) definitions, you are likely to get ten different
answers” (Doyle 1989 p26). While that view may be self evident, our review of branding literature did reveal that most branding definitions fall roughly into four broad categories:

1) **A brand is a statement of the marketing mix.**
Murphy (1988) states that:
“The ingredients of a brand are the product itself, the packaging, the brand name, the promotion, the advertising and the overall presentation” (Murphy 1988, p4).
This definition allows that a brand is the accumulation of all aspects of the marketing mix: in effect, what managers do with their product. What it does not consider, however, is how consumers will interpret and assess that accumulated information. The marketing mix attributes projected by a marketer may be perceived entirely differently by different consumers. This difference in consumer perception can alter the effectiveness of a brand for various segments in the marketplace – despite a marketer’s best intentions.

2) **A brand is a differentiation device.**
In 1987, the American Marketing Association (AMA) defined a brand as:
“A name, term, sign, symbol or design, or a combination of them which is intended to identify the goods and services of one seller or group of sellers and differentiate them from those of competitors” (McCarthy & Perreault 1987).
Doyle (1990) proposes a slight variation:
“A successful brand is a name, symbol, design, or some combination, which identifies the product of a particular organisation as having a sustainable differential advantage” (Doyle 1990, p6).
Doyle’s (1990) definition differs from the AMA’s only by adding the impetus of ‘success’ and through its inclusion of the term ‘sustainable advantage’. A sustainable advantage is one not easily copied by competitors; for example, developing an outstanding reputation for quality or an image-come-icon like Nike, Coca-Cola or BMW. Kapferer (1992) supports Doyle’s (1990) definition, and suggests that brands gain credibility through endurance (read sustainability) and reputation (read success), which form a kind of ‘contract’ between the producer and the consumer. This ‘contract’ demonstrates a commitment by the producer to making a consistent, quality product.

It is important to recognise that both of these definitions identify a brand as a name, term, symbol or the like. But what happens when a brand such as Nike becomes more than just a name for a pair of sneakers? Clearly, the above definitions of a brand fail to consider that a consumer may also associate Nike with status, fitness, self image or any number of other qualities. This view is supported by de Chernatony and McWilliam (1989) who propose that the American Marketing Association definition of a brand:
“fails to recognise the contribution of other marketing resources and is of limited strategic value since evidence shows (King 1984) that a brand will fail to survive if the organisation concentrated primarily on developing a symbol or a name as a differentiation device” (de Chernatony and McWilliam 1989, p160).
3) A brand is a layer of associations.
A seminal paper on branding theory written by Gardner and Levy (1955) highlights the
differences in this area of brand definition. They state that a brand is:
“more than a label employed to differentiate among manufacturers of a product. It is a complex
symbol that represents a variety of ideas and attributes. It tells the consumer many things, not
only by the way it sounds (and its literal meaning if it has one) but, more important, via the body
of associations it has built up and acquired as a public object over a period of time” (Gardner and
Levy 1955, p35).

In essence, this definition recognises (albeit somewhat ethereally) a more complex relationship
between consumers and their purchases. Rather than responding only to the marketing mix when
they make a purchase decision, the suggestion is that a consumer’s impetus to purchase is
 predicated upon brand associations built up in the consumer’s mind over time.

4) A brand is a short cut device for consumers.
Literature on consumer behaviour generally agrees that consumers use only a small amount of
the available information to make a purchase decision (Olshavshy and Granbois 1979). Krugman
(1975) believes this is due to consumers having a limited cognitive capacity and unwillingness to
expend mental effort in what is deemed a relatively trivial decision. To overcome this limited
capacity, consumers concentrate their attention on those attributes they consider important. A
considerable body of literature (Jacoby et al., 1971, 1977; Kendal and Fenwick, 1979; Park and
Winter, 1979) cites brand name as the most important
attribute because it acts as a surrogate for a
number of other attributes or qualities. In effect, for many product categories brand name acts as
a short cut for consumers when determining which product to purchase.

The value of strong brands
While argument about the precise constitution of a brand persists, there is little disagreement
about the value of a successful brand to a company. A strong brand becomes one of a company’s
most valuable assets; even rising in importance to become the primary capital of a firm. Rather
than tangible assets defining the worth of a company, their real value can lie outside the business
itself; in the minds of potential buyers (Kapferer 1992, p1). This is demonstrated by the fact that a
number of firms with good brands have sold for much higher prices than their book value.
Companies recognise that the value of a brand’s equity lies in its established customer base. They
will pay a premium for a place in the consumer’s mind because awareness, image, trust and
reputation, all painstakingly acquired over the years, are the best guarantees of future earnings
(Kapferer 1992, p2).

However Ehrenberg (1988) refutes the pre-eminence of specific brand attributes in determining
brand success, suggesting there is good evidence that for FMCGs (fast moving consumer goods)
what really matters is the size (or market share) of a brand. While on the face of it, it may appear
an unanswerable ‘chicken or the egg’ scenario: Is a brand big because of the popularity of its
specific attributes, or does a big brand’s attributes enjoy popularity merely because it is big?;
Ehrenberg asserts consumers mainly choose randomly from a group or repertoire of brands. Market share of a brand is simply predictive of how often that brand will be chosen compared to its competitors: Small brands are chosen less often because they are less available and less recognised by consumers; Big brands are chosen more often because they are big, widely available, and consumers are more aware of them. The result is that marketing strategies are then focused on growing brands to become big, and thus successful.

Although there is strong evidence to support this argument for other FMCGs, the wine sector may be different, at least for smaller brands. There are no wine brands enjoying the same magnitude of success (market share) as do leading breakfast cereals, instant coffees, washing powders and the like. In contrast to Ehrenberg’s ‘success breeds success’ argument, some wine consumers actually seek out small, unknown brands to try – though they may use cues that make up part of the brand salience or meaning, such as region, vintage, country and winemaker when they do so.

How then, may we apply this complex view of brands to the wine industry? Indeed; Do wine brands differ from other consumer product brands?

**Brands in the wine industry**

In seeking to define wine brands, Spawton (1998) adapts King’s (1973) original definition of a brand, embracing the definitions above:

“A wine product is something that is made in a winery: a brand is something that is bought by the consumer. A wine can be copied by a competitor: a brand is unique. A wine can be quickly outdated: a successful brand is timeless.”

Spawton’s definition helps, subtly, to distinguish the qualities of wine and wine marketing deserving of special consideration. We propose three main areas of difference between wine brands and other consumer goods brands. The first lies in the nature of the product, the second has to do with how the consumer perceives the product and the third relates to the complex hierarchy of brand components. Let’s examine each difference in detail.

*The Nature of the Product*

The agricultural nature and complex production requirements of wine make it a different market proposition than many manufactured consumer goods. The production cycle is annual and much longer than most other FMCGs and, like all agricultural products, nature determines the final quantity. Once vintage is fixed, there is a 12 month wait until the next vintage. Increasing the supply to meet extra demand requires both foresight and long term planning. Quality vineyards take at least three to five years to start producing premium fruit and then the product itself may require storage for anything up to five or six years (and even longer for fortified wines). Even if the appropriate supply of grapes is secured, wine manufacturers need to ensure they have significant winemaking and storage facilities available.
This high level of complexity extends from production to marketing through to retail. Not only
must marketing managers predict what types of wine consumers will want in five or ten years
time, they must also predict how much they will want – or more to the point, how much the
winery can sell.
“This degree of complexity in ordering and stocking is beyond that found in most FMCG
categories. Because wine can be made only once per year during harvest, it is more difficult to
match supply and demand. Stock-outs and over stocks are likely” (Lockshin et al 1999, p95).

In addition to the agricultural nature of wine, the heavy focus on a wine’s specific geographic
origin (compared to other consumer goods) leads to a plethora of product variants and types.
Production that is complex and variable leads to a complex buying situation for consumers – the
second difference between wine and other consumer goods.

Consumer Behaviour
In 1990 Spawton concluded, based on data collected by David McKinna in 1986, that the
Australian wine market could be divided into four consumer segments. These segments,
characterised by their different attitudes, levels of knowledge, perceptions and behaviours
towards wine are as follows:
- the connoisseur (wine knowledgeable)
- the aspirational drinker (wine pretentious)
- the beverage wine consumer
- the new wine drinker

The connoisseur segment is a well-known lifestyle group, who is involved in learning and
thinking about wine (Lockshin et al 1997). The aspirational drinker is one who is more concerned
with the social standing that arises from consuming certain brands among certain groups of
people. The beverage wine consumer is one who buys from a small repertoire of brands and is
more concerned with the low price of the wine, rather than its image or complexity.

Winchester and Hall (1999) confirmed the first three segments with new data collected in Victoria,
however they claimed that Spawton’s new wine drinkers and young wine drinkers (a fifth
segment identified by McKinna but discarded by Spawton) were really ‘enjoyment-led’ drinkers.
This fourth segment was not pretentious or interested in knowledge; they just drank wine
because it was fun.

The key issue is that different wine consumer groups’ use of wine brands varies greatly – not just
because of the segment they are in, but also because of the occasion they are buying for. While a
connoisseur may remain a connoisseur, they may also go ‘down-market’ when buying a bottle of
wine to drink at a casual BBQ, for example. This, of course, creates an even more complex
scenario as they bring the connoisseur’s more mature taste, attitude and experience to bear upon
an essentially price driven beverage segment buying experience. The opposite situation can
equally arise when a beverage drinker is called upon to step outside their usual buying habits to provide a ‘special’ bottle of wine for an important occasion – say, a dinner for the boss.

Gluckman (1990) asserts that for many consumers purchasing wine is filled with uncertainty and risk. Many people are afraid of appearing ignorant or unworldly and any marketing activity that offers reassurance is likely to win consumer support from some segments. Risk reduction is a reasonable branding strategy for many wineries aiming at the beverage or ‘enjoyment led’ consumers (Spawton 1999). Having confidence that a company’s products are crafted with care, are well presented and are acceptable - even recognisable - to other consumers, benefits customers by reducing the risk of making a mistake; of appearing ignorant of the complexities of wine.

The factors above set the stage for why the wine sector is different from many consumer product sectors. There are thousands of wine brands offering hundreds of styles with huge variability. Where many consumers can find buying premium wine to be a painful, confusing and time-consuming experience, brand building helps alleviate these problems. Brand building in the wine industry (more so than in any other beverage and food category) actually provides the invaluable service of facilitating and demystifying a somewhat daunting purchase. A strong wine brand can be extremely influential in guiding consumers to a clear choice; a recognisable wine label.

Bonnie Tonneson (1999) writes of ‘The importance of brand building in the premium wine industry’, and states that in 1998, roughly 45 percent of all US premium wine purchases were made in self-serve environments: supermarkets, drug stores, and club stores. This is almost a two-fold increase since 1987, and that’s without considering the emerging impact of on-line wine shopping. The increasing consolidation of the retail sector of the wine industry (Rabobank 1999) will elevate the percentage of self-serve wine purchases and increase the importance of brand awareness and recognition. For wineries that seize this opportunity to exploit brands, the rewards will be incremental word-of-mouth endorsements which generate gains in sales and ultimately deliver meaningful gains in market share. It is exactly that opportunity which has fuelled the emergence of ‘instant wineries’ in the US. In effect, these wineries are virtual; existing only as a wine brand name and out-sourcing everything from fruit to manufacturing and then manipulating brand building attributes to their particular advantage. But is that manipulation so unusual?

Unlike many beverage and food categories, the wine industry has a multitude of brand building sources to draw upon that go beyond basic product attributes. Indeed, brand facets used to build awareness are often extrinsic to a wine or grape variety: consider region of origin, family heritage, the actual production facility and equipment, the winemaker (who ever knows the soap maker or peanut butter maker?), the specific vineyard, type of soil, climate and even regional tourism and cuisine. The role of each of these on the label, and in promotion, creates a much more intricate matrix of brand elements than for other consumer products. That leads us to our third main area of difference between wine brands and other consumer goods brands.
Brand Hierarchies

Wines are not simple products. As we noted above, wines historically have been identified by country and/or region of origin as well as by the producer. Spawton (1990) supports a multifaceted view of a wine brand including:

- Country of Origin
- Region/Appellation
- Domain/Bodega/Estate
- Producer Label(s) and also
- Negotiant (Distributor Labels)
- Retailer Labels.

We add the variety of grape from which the wine is made. Additionally, in countries where wine is marketed using varietal descriptions (USA, UK, Australia, New Zealand, Canada, Chile and increasingly in Old World wine producing countries), these varieties are gaining ‘generic brand status’ (Spawton 1999). So which are elements of the wine brand and which are not? We turn to the concept of brand hierarchy for a conceptual framework.

Keller (1998, p410) defines a brand hierarchy as ‘an explicit ordering of brand elements by displaying the number and nature of common and distinctive brand elements across the firm’s products.’ He refers to potential levels of brand elements as:

1. Corporate (or company) brand
2. Family brand
3. Individual brand
4. Modifier (sub-brand designating item or model)

Aaker (1996 p243) extends the hierarchy by suggesting that after the modifier (sub-brand) the brand can be further delineated by the branding of product features or of services associated with the product. For example in the case of a bottle of Penfold’s Grange, the hierarchy would become:

- Corporate - Southcorp
- Family brand - Penfold’s
- Individual brand - Grange
- Modifier - the vintage, eg. 1994

Branded feature/component/service – Country: Australia and Regions: Barossa Valley, McLaren Vale & Coonawarra

Aaker (1996) believes the brand elements at each level of the hierarchy may contribute to brand equity through their ability to create awareness and foster strong, unique and favourable brand associations. We note that the hierarchy does not necessarily represent the most important to least important consumer cues: Most wine consumers would not know or care that Jacobs Creek is
produced by a company, Orlando-Wyndham, or that Penfold’s Grange is produced by Southcorp Wines. In fact, previous research places taste and the family name of the brand foremost, but the order of the elements can change depending on the consumption situation (Hall and Lockshin 1998). To acknowledge this, we propose these elements be called a *brand constellation* or *cluster* of brand elements. They should be viewed as a descriptive tool which helps managers understand the complexity of a brand.

Knowing which elements of the brand cluster are important to which segments and for which occasions is imperative if a brand is to be properly positioned and marketed. To that end, we next discuss the roles a wine brand plays before turning our focus to managerial concerns.

**Roles a brand plays**

The constellation of brand elements and associations is used and viewed differently, not only by different consuming segments, but also by the producing company and its trade partners. In the marketing literature, there have been several streams of research investigating the role of a brand. In this paper we will concentrate on the recent works of de Chernatony et al (1989) de Chernatony (1993), Goodyear (1996) and de Dall’Olmo Riley (with de Chernatony) (1997).

The first observation that can be made from the above mentioned articles is the many different terms used to express conceptually identical brand roles. Secondly, although there is an overlap of several of the brand roles, both Goodyear (1996) and de Chernatony and Dall’Olmo Riley (1997) neglect the functional roles of brands, and de Chernatony (1993) neglects the symbolic roles.

It is evident from these articles that the roles a brand can play fall into two broad areas: functional and symbolic. The functional area includes the producers/channels’ perspective relating to legal protection and trade assurance, and the consumers’ perspective relating to the specific uses and attributes of the brand. The symbolic area is the province of consumer perceptions. In this paper we will concentrate solely on the roles a brand can play in a consumer’s mind. We provide a table (Table 1) of the market segments (Hall and Winchester 1999) with the outcomes for each and propose the functional and symbolic brand roles a brand plays for each segment. This table provides the basis for developing managerial guidelines for brand management.

**Table 1: Brand Roles for Wine Consuming Segments**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Functional</th>
<th>Symbolic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connoisseur</td>
<td>Detailed information on geographic origin, production techniques and the winemaker is used to make purchase decision and determine usage situation</td>
<td>Image connects with user’s self-image and self-expression; high involvement leads to increase self-esteem with proper brand choice. Symbolic use is an outcome of functional information provided.</td>
</tr>
<tr>
<td>Aspirational</td>
<td>Brand triggers recognition for symbolic uses. Detailed information acts as a risk reducer</td>
<td>Self-image based on other’s perceptions of the brand. Imagery important for conveying</td>
</tr>
</tbody>
</table>
and has a secondary role for creating symbolic role.  

<table>
<thead>
<tr>
<th>Beverage wine drinker</th>
<th>Brand is the recognition key within a set of ‘safe brands.’ Consistency in style and price. Risk reduction key.</th>
<th>Little overt symbolism. Brand appears ‘safe’ at both personal and social level.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enjoyment drinker</td>
<td>Brand recognition for functional qualities of easy to drink, uncomplicated, tastes good.</td>
<td>Wine is a means to an end: it creates warm social feelings, enhances relationships, and creates a mood.</td>
</tr>
</tbody>
</table>

Managerial Activities

It is important for marketing practitioners to have a clear understanding of how consumers view their brand in order that they may take appropriate actions to increase the effectiveness of the brand. For example, if consumers make purchase decisions based on functional attributes of brands, marketing practitioners should seek to develop functional associations with their brands in order to maintain awareness and salience.

In many cases, a brand can play both a functional and symbolic role in the mind of a consumer. A recent study by Bhat and Reddy (1998) suggests that consumers see a brand’s functionality and symbolism as separate phenomena. The implication is not that they are mutually exclusive, rather that consumers accept that brands can simultaneously have both functional and symbolic appeal.

There is a small amount of marketing literature that supports the suggestion that a wine brand plays more of a symbolic role than a functional role (Polhemus 1988). As Table 1 shows, the symbolic role is more important for connoisseurs and aspirational drinkers than for the other segments. Accordingly, it is important for wine marketing practitioners to seek to build a strong brand image and focus on brand associations, while still fostering functional differences. In this circumstance, it is equally as important to build a brand personality as it is to make continuous improvements to the product.

Implications for Small Wine Companies

Small wineries, such as Fox Creek and Devil’s Lair, specialise in high quality, super premium wine found in the higher price brackets. These wineries concentrate on certain varietals and due to their low yield, they produce a small number of cases each vintage and only release the wine of that vintage if it is of certain quality.

We suggest that due to these characteristics, small companies should concentrate on creating brands that target the connoisseur segment. This segment is not particularly price sensitive, drinks wine on a regular basis and is primarily concerned with a wine’s quality and production excellence. The connoisseur segment uses the brand in a functional manner and is particularly interested in the vintage, grape variety, region of origin and wine maker, as these elements of the
wine brand signals quality and excellence. Accordingly, small company brands should place these elements on the product and recognise the functional role each of these elements plays in a connoisseur’s consumer behaviour.

A connoisseur considers purchasing wine as a hobby or interest. They search out further information about wines from a selection of sources they believe knowledgeable, such as a Master of Wine, wine writers and publications. For this reason, small companies need to spend marketing resources gaining recommendations from those specific sources.

The symbolic roles that a brand can play for the connoisseur segment are linked to their high level of product involvement. A connoisseur spends a great deal of time and effort purchasing a brand, so once it is purchased the brand acts as a form of self-expression of the individual’s interests and is regarded as a sign of their self-image.

With the limited marketing resources available to most small companies, it is best tie any brand association firmly to the company name. The benefits of all brand support activities undertaken by the company, or any brand awareness or associations created (regardless of vintage, varietal or brand, brand), will then flow to each company-branded product in the company’s range.

**Implications for Medium Wine Companies**

At present medium sized wine companies are finding life difficult. They are unable to produce a sufficient number of cases to compete with the Southcorps of the wine world, who successfully (and comfortably) supply the ‘average beverage drinker’ segment. The stock-in-trade of most medium sized companies is premium quality wine, which attracts a higher price than the average cask or BBQ wine. For these reasons, it is our belief that they should focus on the aspirational or image segment of consumers.

The aspirational segment is primarily concerned with the symbolic roles a brand can play; including the status attached to the brand and the effect the brand has on their self-image. Accordingly, a brand targeting the aspirational segment needs to be one that is viewed as fashionable, and projects an appropriate image and status for the user.

This segment makes most of its purchases from a repertoire of previously tasted wines which they perceive to be socially appropriate. The long-term strategy for any medium sized company should therefore focus on making their brands a part of the consumer’s repertoire.

In order to target the image segment, a wine company needs to highlight elements which already have some brand awareness or brand associations. These may include elements such as region of origin (Barossa Valley), grape variety (Pinot Noir) and wine maker (Tim Adams). The existing brand awareness and brand associations then play a functional role in the mind of the consumer, signalling a wine’s ‘inherent’ quality, style and status. These signals act as risk reducing agents and so increase the likelihood of repeat purchase and thus inclusion in the consumer’s repertoire.
One method of achieving this is to allocate marketing resources to brand the company name and the bottle dress to ensure it is stylish and appealing. A prime example of a middle sized wine company using this strategy successfully is Peter Lehman wines and their art series labels.

A competitive middle sized company also needs to consider brand advertising in media that will influence the purchasing patterns of this segment, such as The Weekend Australian, Sydney Morning Herald and Winestate. Another option when attempting to influence this segment is to seek recommendation from high profile wine writers such as James Halliday and Max Allen.

Although marketing activities centred on the company brand are important due to spill on effects it has on any individual or family brands held by that company, medium sized wineries should also concentrate branding activities on their family brands. These activities will ensure that all family brands owned by the company are differentiated - each regarded by consumers as having their own brand personality - thus reducing the risk of brand cannibalisation. A successful example of these marketing activities is the branding activities of Mitchelton’s Preece family brand. These branding activities ensure that the Preece family brand is differentiated from the Classic Release family brand.

The branding activities we have suggested target the aspirational/image segment, however these activities would also appeal to the enjoyment segment as they purchase fashionable and fun brands. Similar to the aspirational segment, the enjoyment segment uses wine brands in a symbolic manner. The enjoyment drinker seeks out brands that help generate a mood and build an occasion. For these reasons, we expect that the suggested branding activities would create interest and promote purchase among enjoyment drinkers.

Implications for Large Companies and the Export Market.

Whilst the symbolic and functional brand roles for wine consuming segments are identical regardless of the size of the parent company, large companies are at an advantage in that they can compete in each price segment and target all wine consuming segments.

As we have discussed earlier, for a brand to be marketed successfully the brand’s image needs to match the consumer’s functional or symbolic requirements.

Connoisseur

Take the example of a large company targeting the connoisseur market with a specific brand. A larger company has the necessary financial resources to fulfil all the connoisseur’s functional requirements but they must ensure they portray an image of a quality, rather than quantity, wine producer. Failure to do this may serve to alienate the very market they seek to entice. Several large wine companies achieve this by appearing to be - indeed, by promoting themselves as - a small, boutique winery.
To that end, the connoisseur’s brand label or neck tag includes detailed information on the production of the wine and its geographic origin. The winemaker appears as the ‘hero’ of the brand and their own tasting notes are included on the back label with a signature. The winemaker’s profile is also developed exclusively in association with the brand.

Direct marketing and, more recently, sales on the Internet are important in providing the required functional roles to the connoisseur; an Internet site is usually information dense, providing vintage details, wine auction prices, detailed geographic information and an interactive question and answer forum. All serve to strengthen the connoisseur’s relationship with a brand. In addition, the brand could have its own club with special offers, events and members only special releases.

A large company can rationalise the investment in the connoisseur’s brand (or flagship brand) as being vital to raising the company’s profile, which can then act as a risk reduction key to the company’s brands in the Beverage Wine Drinker segment.

Aspirational
The aspirational wine consumer purchases primarily on a symbolic level, motivated by the status conveyed by a brand’s image. A large wine company can successfully convey this image and style through its labelling, packaging, advertising and promotion.

A vital element for the aspirational consumer - and one more readily exploited by larger wine companies - is third party endorsement of the brand. Whilst the connoisseur may respect the opinion of selected wine writers whom they consider to have similar palates and judgement as themselves, the aspirational consumer holds in high regard the views of a large selection of magazines and newspapers. Other third party endorsements include show results and the wine’s inclusion on the wine list of the latest, most fashionable wine bar or restaurant.

Research by McEnally and de Chernatony (1999) states that consumers who regard brands as symbolic are very concerned with the behaviour of the parent company. Large wine companies meet aspirational wine consumer’s symbolic requirements by associating their brand with other prestige products: sponsoring high profile events for example, or identifying with a successful parent brand such as Yalumba ‘D’ sparkling wine.

Beverage Wine Drinker
The beverage wine drinker purchases on a functional level, being more attracted to a set of ‘safe brands’ they consider to be reliable and consistent in both style and price. Larger companies are once again at an advantage as they have a selection of grape growing areas from which to source their grapes, eliminating the problem of a poor vintage in a particular region. This blending of wine from different areas allows for consistent (and thus safe) product quality.
In addition, larger company’s gain instant kudos launching a new brand by associating it with positive images from the umbrella (parent company) brand which may compete in the connoisseur and aspirational segments. Examples of this are evident in the marketplace with many wine brands, such as Galway Hermitage, having close associations with the parent company.

A potential downside to an association with the parent company, is if the Beverage Wine Drinker brand damages the personality of the parent company and flagship brand. For example, what is the difference to the consumer between the personality of Poet’s Corner, Half Mile Creek and Rawson’s Retreat? Whilst they are all around the same price with a similar sounding name, Rawson’s Retreat is positioned under the Penfold’s umbrella brand. The other two brands, owned by Orlando Wyndham and Mildara Blass respectively, do not actively associate themselves with their parent companies. While this strategy denies them the positive attributes of being associated with the parent company, it also reduces the risk of damage to the parent company. Another important benefit for large wine companies is that as the beverage wine drinker’s palate matures into higher priced wines, they will feel more comfortable with parent brands they have a positive association with.

In the case of brand extension, brands that are already known are generally assumed to require lower marketing expenses, such as advertising, trade deals and price promotions to generate awareness and obtain distribution, than would be the case for a new brand name (Aaker 1991).

The beverage wine drinker is also ideal to target for membership of a wine club, where they can expect to receive their functional requirements of consistently good wine at a reasonable price.

Enjoyment Drinker
The Enjoyment Drinker purchases wine on a symbolic level, using wine to create or improve a mood; pasta with a glass of wine becomes an occasion, rather than just a bowl of noodles. Similarly, a Melbourne Cup Breakfast would not be the same without sparkling wine to accompany the croissants.

The Enjoyment Drinker is less inclined to purchase on the functional criteria that the connoisseur finds so important; that of regional areas, winemaker, production techniques and reviews from wine writers. Instead, the Enjoyment Drinker relies on previously tasted wines and price. Advertising is very effective with this group to emphasise the symbolic functions of wine, both in media and at point of sale. Advertising can reinforce the warm, social feelings that wine creates; a group of friends together...a relaxing night with a spouse...a celebration or a party. It is evident from the success of brands like Soho that new forms of packaging attract the enjoyment drinker, as they do not have the same traditional views as the connoisseur segment.
Export Market

Whilst the necessary research on Australia’s key export markets has not been completed, there is enough evidence to suggest that wine consuming segments similar to those listed above (with their concomitant relationship to the size of a wine company) appear the world over.

For wine companies exploring export markets, Country of Origin cue is at least an element in the brand constellation when attempting to properly position and market the brand. Australian wine enjoys an image of consistency in style and price with research relating the appeal of Australian wine to the area of risk reduction.

"Australia has managed to bring to the magic of winemaking, the added value of consistency - this is what people want. Reliability is very attractive to the High Street shopper"
Allan Cheesman, Senior Buying Director for Sainsbury Supermarkets, 1999.

It would be fair to argue that the majority of Australian wine sales in the UK and USA are in the Beverage Wine Drinker market. While further research is needed to determine the importance of specific brand elements (which segments and for which occasions), large companies have a demonstrably clear advantage in export markets for the reasons discussed above.

Conclusion

Brands play a vital role in the successful marketing of wine. In this paper we have introduced various definitions of a brand and highlighted some of the unique differences between wine and other consumer goods. A review of the segmentation bases that exists in the Australian wine market gives wine marketers a greater understanding of consumer behaviour in the marketplace. However, these segmentation bases are more meaningful when you consider the role a brand can play in the consumer’s mind. We have provided a matrix of the functional and symbolic roles a brand can play for each market segment. This table is important for marketing practitioners when determining the appropriate action required to increase the effectiveness of their brands.

Finally, we have suggested marketing activities and strategies for small, medium and large wine companies that are in accordance with the symbolic and functional roles a brand plays in each consumer segment. These strategies and activities should focus marketing efforts, encourage better use of marketing resources and, over time, increase the equity of the brand.

References


This study investigated the role that wine tourism currently plays within the marketing strategies of wineries in the Stellenbosch Wine Route of South Africa. Findings of the exploratory research indicated that many wineries do not comprehend the positive influence of wine tourism and view it as a secondary marketing activity.

environment of a winery

Figure 2.6: Porter’s five forces model

Figure 2.7: Distribution channels of wineries

Figure 2.8: Tourism management mode

Figure 2.9: Primary travel motivations

Figure 2.10: Specific travel motivations

Figure 2.11: Types of special interest tourism

Figure 2.12: The wine tourism system

Figure 3.1: Structure of Chapter 3

Figure 3.2: The.