

## UNDERSTANDING CONSUMER PREFERENCES FOR WINE: A COMPARISON BETWEEN MILLENNIALS AND GENERATION X

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### Abstract

*The present research explores particularities of consumer behaviour of Millennials and Generation X, aiming to a better understanding in order to increase the engagement of younger generations with wine. The study is based on a survey of 91 respondents aged 18 to 50 years, concerning their preferences, motivations and occasion of consumption in regards to wine and other alcoholic beverages. Results show that for Millennials alcoholic beverage consumption occurs most often outside their home, some contexts being identified where wine was not available but they would have liked it to be. They associate drinking with socialising, the strongest motivation of consumption being the enjoyment of the drink with friends and family, but they also consume wine mainly on special occasions, considering it a sophisticated drink or preferring a lower alcohol beverage for more frequent use.*

**Key words:** consumer behaviour, Millennials, generational marketing, wine marketing

### INTRODUCTION

In the US, the young generation is considered to be the driving force behind the increase in wine consumption (Kennedy and Mancini, 2008; Jones, 2013) [5, 6], while in traditional wine markets such as France, Italy, Spain, Portugal, the same age group shows a low interest in wine, opting for other types of alcoholic beverages and having limited (occasional) contact (encounter) with wine (Holter, 2009; Conibear, 2010; Lorey and Poutet, 2011) [2, 3, 7].

As studies reveal, some of the young consumers are not enticed by wine because they perceive it as obsolete, snobby and they don't find themselves in the associated symbolism and in the conventional wine image promoted (Thach and Olsen, 2006; Holter, 2009; Lorey and Poutet, 2011) [3, 7, 15], while others are deferred by the complexity of wine information (Thach and Olsen, 2006; Constellation Wines US, 2014) [15, 17].

In a highly competitive environment, one could benefit from a better focus on the potential of market segments left out of reach

and a better understanding of young consumers could have positive implication in wine industry.

Millennials (also known as *Generation Y* or *Echo Boomers*) are young adults aged 18-35 years<sup>1</sup>, while the so-called Generation X is represented by those in the age range of 36-50. Both are considered to have common characteristics as a generation (as an expression of shared experience of key historic events) in regard to beliefs, motivations and lifestyle, which impact their consumer behaviour. They represent two of the cohorts defined by Strauss and Howe (1991; Howe and Strauss, 2009) [4,13], whose theory about generations set the basis for generational marketing.

From the wine marketing perspective, Millennials are an important segment, due to their dimension and potential, as they are already consumers of alcoholic beverages, due to their power of influence in their families and in their groups (Neuborne, 1999) [10].

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<sup>1</sup> In generational marketing the defined year interval varies, depending on the source: starting with 1982 according to Strauss and Howe (1997), 1977-1994 according to Parment (2013), starting with 1981 according to Pew Research Center (2014)

Engaging the young consumers with wine could also have a positive impact on wine consumption over time, as studies suggests that consumption patterns formed now will last throughout their lifetime and creating a positive connection (relation) with them now will benefit the wine industry on the long term.

In Romania there are 4.84 millions of Millennials (National Institute of Statistics, 2014), representing approximately 24% of the total population. The present study explores their consumer behaviour in comparison with the previous generation, Generation X, which in Romania consists of 4.36 millions (National Institute of Statistics, 2014) [9].

This study contribute to a better understanding of the particularities of young consumers' needs and preferences, which could help marketing professionals and managers to improve their marketing strategies in order to deliver better adapted products, capable of attracting a higher segment of young consumers on the wine side.

## MATERIALS AND METHODS

The study is based on a survey methodology, using a questionnaire designed by the authors, aiming to find the differences between generations regarding their preferences for wine and alcoholic beverages in general.

The initially proposed questionnaire was pre-tested with respondents in different age groups and simplified by rephrasing or by changing the form of some of the answers.

The survey included both single answer and multiple answer questions, some being half-open, meaning that the respondents were allowed to include their own answer, if the already provided answers for selection did not describe their particular opinion/situation. For the questions which included an open answer, each answer was then reviewed and categorized using thematic coding.

The sample population consisted of people from Romania in the age range 18-50 years, all Internet literate, being safe to assume that they are mostly from urban areas. The survey was made available online and for its

spreading the snowball sampling method was used, via Facebook (Baltar and Brunet, 2012) [1].

A total of 91 responses were collected and the data was analysed in Excel, frequencies and averages being calculated and compared for the two age groups of interest: Millennials, aged 18-35, and Generation X, aged 36-50.

For the present marketing analysis the sample was divided into two age groups, according to segmentation based on generation cohorts (Strauss and Howe, 1991; Williams and Page, 2010) [13, 16]. The responses were analysed, interpreted and compared with findings from other countries.

## RESULTS AND DISCUSSIONS

The socio-demographic description of the sample is shown in Table 1. The most common respondent to our questionnaire was female (57% of the participants), aged 25-35 (66%), and single (49%), with a Bachelor's degree (59%).

Table 1. Demographic Characteristics of the Sample (n=91)

Gender	Female	57%
	Male	43%
Age category	18-24	13%
	25-35	66%
	36-50	21%
Social status	Single	49%
	Married with children	30%
	Married without children	18%
	Divorced	2%
	Widow	1%
Highest level of education completed	High School	14%
	Bachelor degree	59%
	Postgraduate degree	26%

Fig. 1 illustrates the frequency of wine consumption for the present sample, divided in 3 categories of consumers, adapted from Wine Market Council (2009), as follows: Core drinkers (once or a few times per week), Marginal drinkers (once or twice per month) and Occasional drinkers (rarely, once or a few times a year).

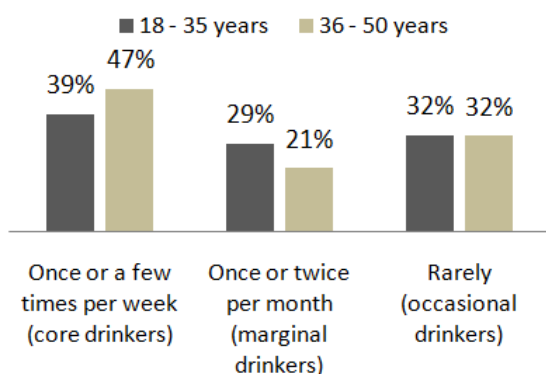


Fig. 1. Percentage of type of wine drinkers in the sample, Millennials (age 18-35) and Generation X (age 36-50)

As seen in Fig. 1, 39% of the Millennials (18-35 years old) in the sample are core drinkers, 29% are marginal drinkers and 32% rarely consume wine.

The participants were asked about their preference for the type of wine, taking into consideration the colour and the sugar content, in 2 different situations, when wine is consumed without food or with food, results being shown in Fig. 2 and Fig. 3, respectively. Results reveal that all respondents enjoy sweet and medium sweet wines to a great extent, 20% of Millennials and 22% of Generation X, followed by dry reds, preferred by 17% of each generation.

Millennials show a higher preference for cocktails with wine (11%) and sparkling wine (9%), more often than their older counterparts.

On the other hand, rose wines and medium dry red wines show higher prevalence in Generation X preferences (each preferred by 22% of the respondents). Cocktails with wine, which included wine spritzer, are preferred by 9% of the Millennials and by only 6% of the previous generation.

When consumed with food, a larger percentage of the consumers in the age range of 36-50 years prefer dry reds (32%, compared with 10% of Millennials) and medium dry whites (32%, compared with 19% of Millennials).

For Millennials, the top preferences are sweet and medium sweet wines (27%) and medium dry whites and reds (19%, respectively 17%). For a more complex understanding of the

consumer and to identify the potential areas of market penetration by attracting non-users (areas where wine is not as present, but other alcoholic beverages are widely consumed) the beginning of the survey focused on consumer behaviour in regards to alcoholic beverages in general.

Fig. 2 shows the preferred occasions of consumption for alcoholic beverages, for both generations analysed. The results shows that the most preferred context of consumption for Millennials is in clubs and bars (65%), in contrast with Generation X members who prefer to consume alcoholic beverages at home with the partner or family (68%).

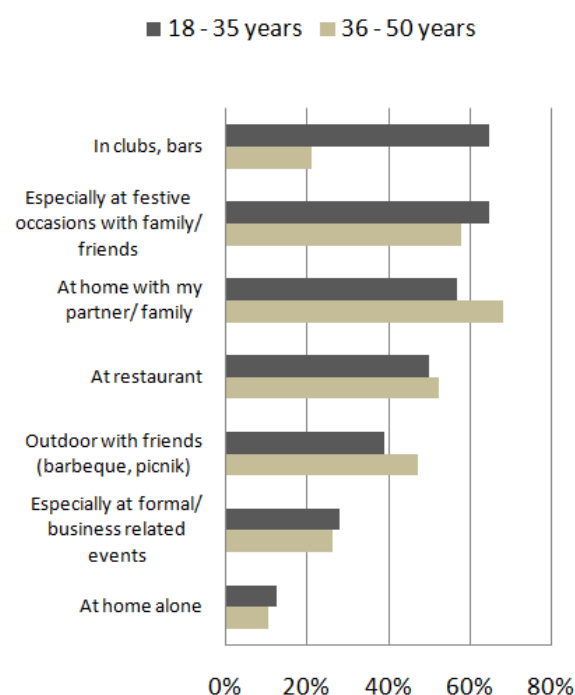


Fig. 2. Preferred consumption occasions for alcoholic beverages (% of age group; multiple answer question)

These aspects could be explained by the lifestyle differences related to age (life stage), but a better understanding of the young consumer could lead to a better targeted product and message, generating a better engagement of the Millennials.

Furthermore, different occasions of consumption for wine were investigated, as participants could give points, from 1 – never to 5 – very often (3 – sometimes), in accordance to their frequency of drinking wine in that context.

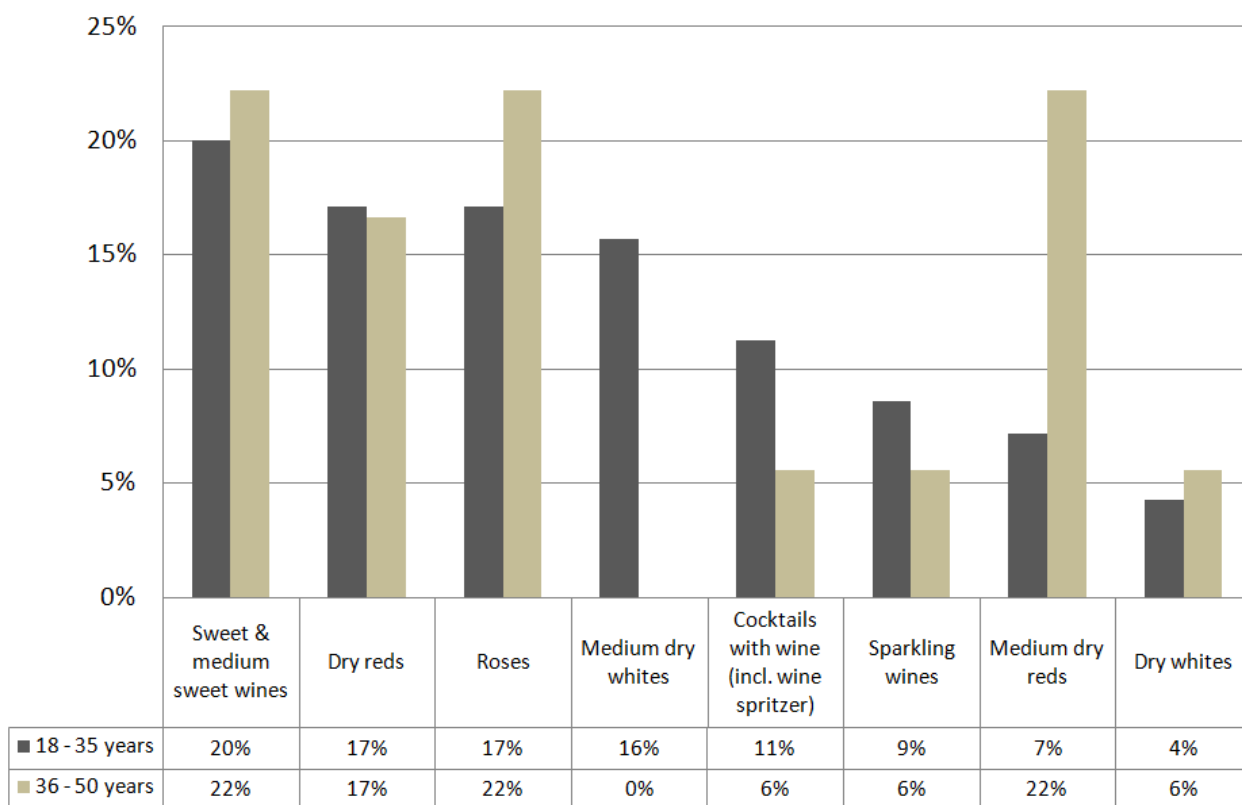


Fig. 3. Preferred types of wine, when not consumed with food, comparative Millennials (age 18-35) and Generation X (age 36-50)

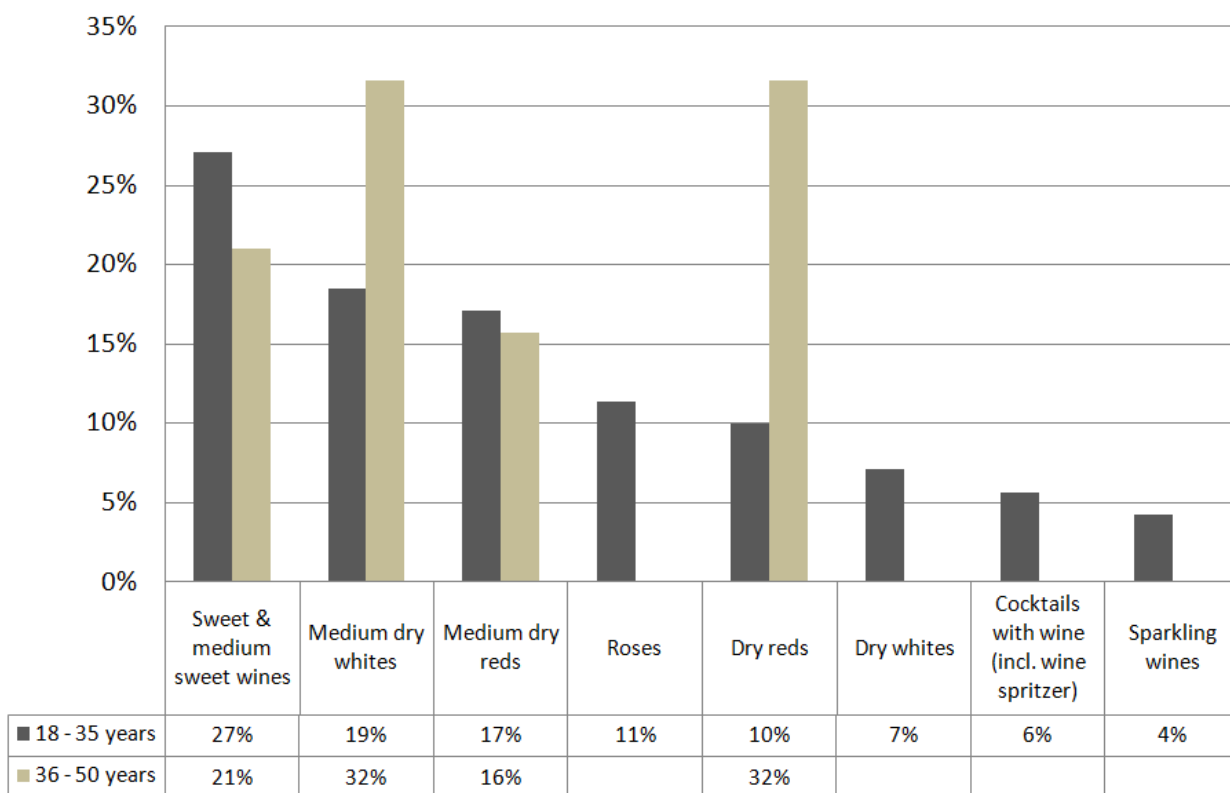


Fig. 4. Preferred types of wine with food/ meal, comparative Millennials (age 18-35) and Generation X (age 36-50)

The frequencies of consumption in the respective contexts are shown as averages, based on the number of points received, and can be seen in Fig. 5 for drinking without food occasions and in Fig. 6 for drink with meal occasions.

The results show that the highest ranking occasions for wine consumption (non-meal) for both age categories is *Special occasion*, with an average of 3.58 for Millennials and 3.32 for Generation X.

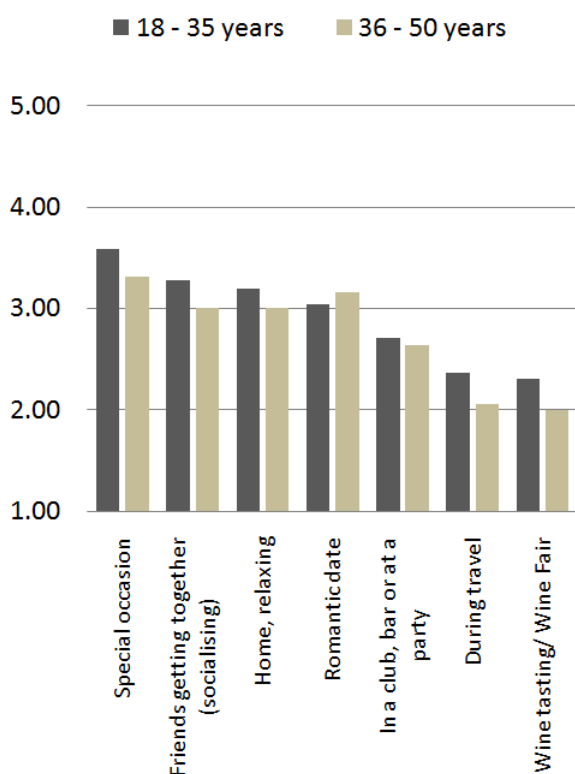


Fig. 5. Non-meal occasions of wine consumption (Average; 1 – Never to 5 – Very often) for Millennials (age 18-35) and Generation X (age 36-50)

This is followed with a high ranking for the younger generation for *Friends get together* with an average of 3.28, Generation X's second ranked frequency of consumption being *Romantic date* with an average of 3.16. When consumed with food (Fig. 6), the most frequent occasion of wine consumption was *special occasion dinner at home* (Millennials – 3.57; Generation X – 3.37), followed by *dinner at friends* for Millennials (3.17) and by *restaurant* for Generation X (2.95).

Analysing the results, a higher correlation can be noticed between drinking and socialising

for Millennials, wine consumption during *friends getting together* and *dinner at friends* ranking higher than for Generation X, as well as a higher interest for consuming alcoholic beverages outside their home, in clubs, bars or at restaurant, in comparison with their counterparts.

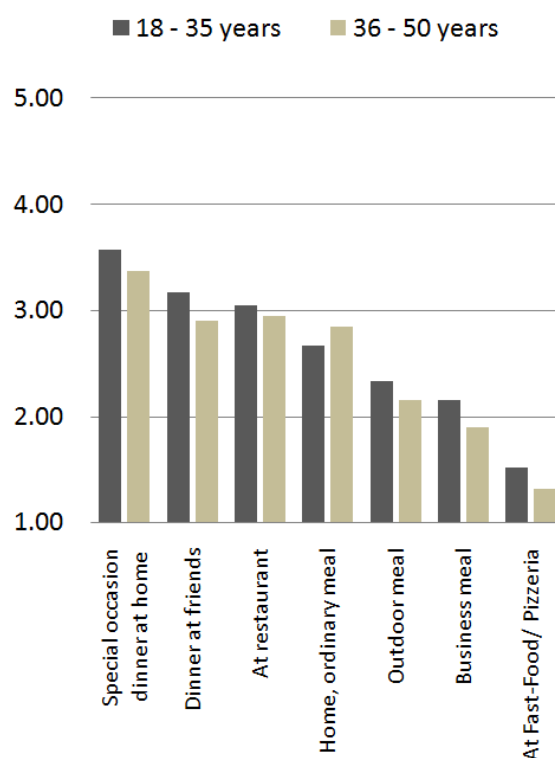


Fig. 6. Meal occasions of wine consumption (Average; 1 – Never to 5 – Very often) for Millennials (age 18-35) and Generation X (age 36-50)

The relationship between drinking and socialising for the young generation is recurrent in other previous studies (Marinelli *et. al.*, 2014) [8], but the good news here is that wine is considered by the young a drink well suited for socialising.

Generation X shows a higher interest in consuming beverages at home with partner or family (Fig. 4) and has a stronger preference for wine with a (ordinary) meal at home (Fig. 6) or for a romantic date (Fig. 5).

For both generations, wine is most frequently consumed in special occasions.

The questionnaire allowed an open answer regarding the contexts where respondents wanted to drink wine, but they could not.

A percent of 19% of respondents identified

contexts where they would have consumed wine but wine was not available – in clubs or pubs, at concerts, in team-building, at work, at the movie, in train – or they were not satisfied with the selection available in a place they were.

This can indicate some potential gaps in the market and therefore lost opportunities for wine, which can be further investigated and exploited.

The results on the motivation for consuming alcoholic beverages in general are shown in Fig. 7, the question allowed only one answer, as the strongest motivation.

Thus, for Millennials the top reasons to consume alcoholic beverages were *enjoying the drink with friends or family* (32%), for *relaxation* (27%) and for *being a good accompaniment to food* (20%); and Generation X members drink alcoholic beverage mainly for *relaxation* (33%), for the *drink taste* and for *enjoying it with friends or family* (each 28%).

Furthermore, the respondents were asked about the reasons they prefer wine to other alcoholic beverages – Table 2 – or why they prefer other alcoholic beverages to wine – Table 3. The respondents could choose to answer to one question, the most appropriate to their situation, or to both; both questions allowed multiple answers.

The results show that wine is preferred by both generations due to, in order: its taste, its health benefits and being seen as well suited for socializing. Also, 17% of the Millennials are being interested in wine as the perfect drink for romantic occasions.

The main reason for preferring other alcoholic drinks to wine is due to its alcoholic content, 21% of Millennials and 37% of Generation X stating they prefer a lower alcoholic drink. For 17% of the Millennials wine is perceived as a sophisticated drink and considered not suited for their usual context of drinking and 7% of them consider it difficult to choose, avoiding it.

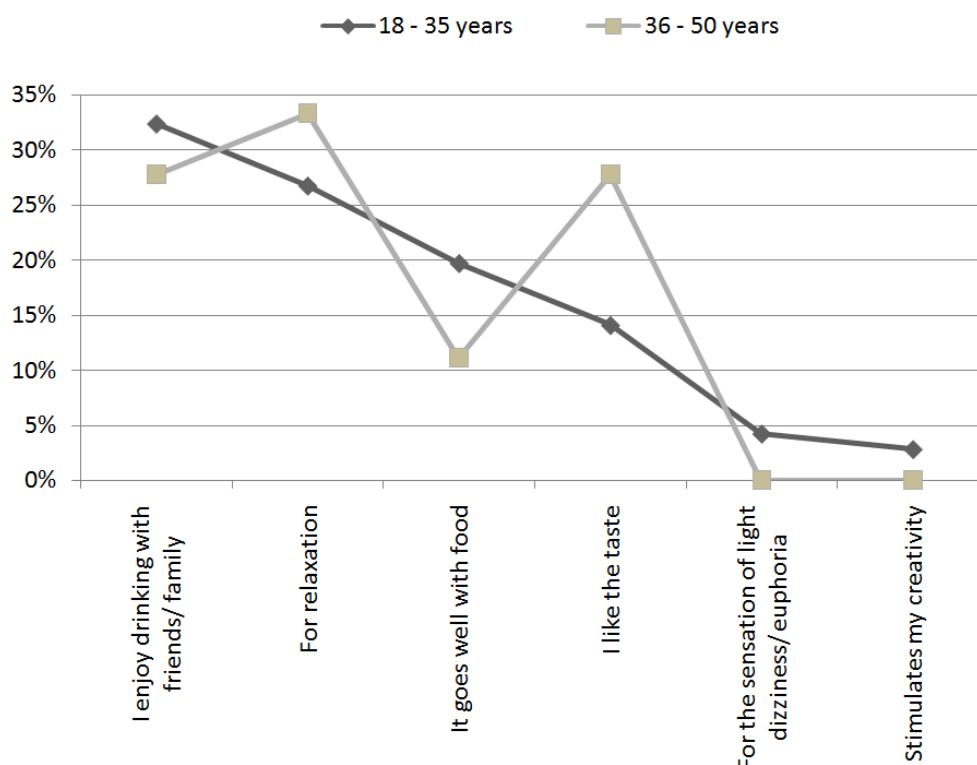


Fig.7. The motivation for consuming alcoholic beverages for Millennials (age 18-35) and Generation X (age 36-50)

Table 2. Reasons Millennials and Generation X prefer wine to other alcoholic beverages (n=91; multiple answer question)

Reasons	age 18 - 35 years	age 36 - 50 years
I like the taste	43%	32%
It is healthy	32%	37%
It's suitable for socializing	19%	21%
It's suitable for romantic occasions	17%	5%
I like the effect it has on me/ the sensation it gives me	17%	0%
It's suited to my lifestyle	17%	11%
Passion for wine	13%	5%

Table 3. Reasons Millennials (age 18-35) and Generation X (age 36-50) prefer other alcoholic beverages to wine (n=91; multiple answer question)

Reasons	age 18 - 35 years	age 36 - 50 years
Too strong – prefer a lower alcoholic drink	21%	37%
Doesn't fit the context where I consume, I consider wine a sophisticated drink for special occasions	17%	11%
It is difficult to choose	7%	5%
I don't trust the quality of the products	7%	16%
Is not for me, I feel that is not intended for me	6%	0%
Price – prefer more affordable drinks	4%	0%
Don't like the taste	3%	16%
Packaging - prefer drinks in smaller formats	3%	0%

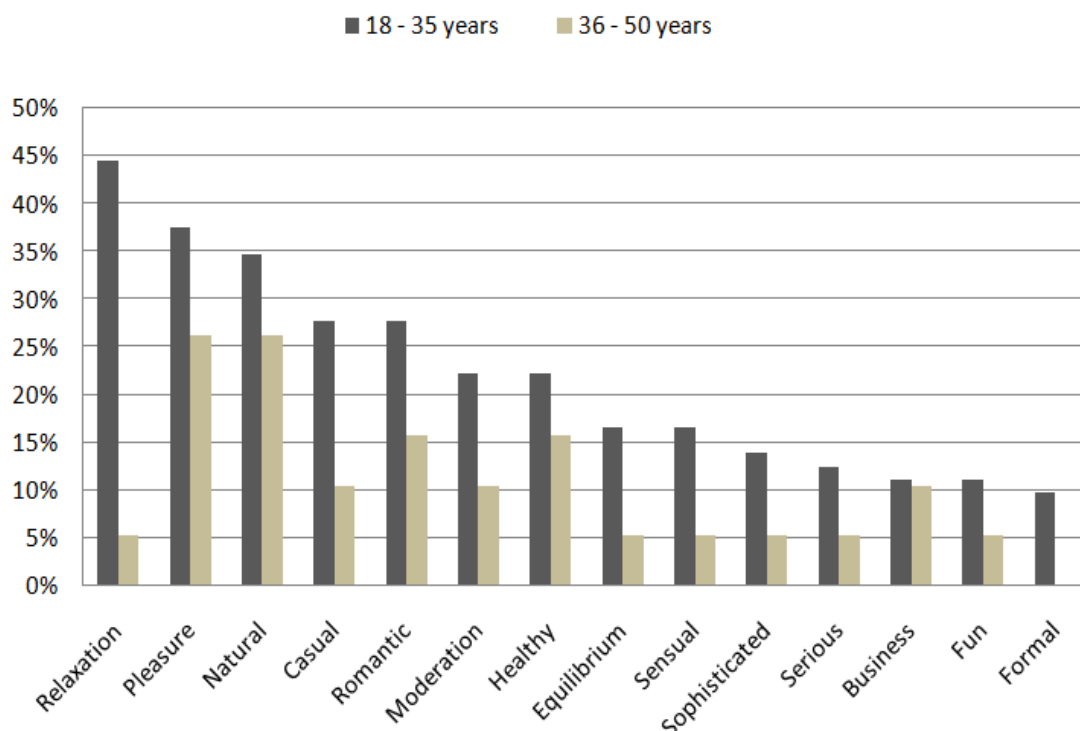


Fig 8. Words associated with wine by Millennials (age 18-35) and Generation X (age 36-50) (% of respondents; multiple answer question)

For Generation X, 16% don't like the taste and 11% don't consider wine suited for their usual context of drinking. Both generations

show quality related concerns, with a higher prevalence in Generation X, 16% compared with 7% of Millennials, saying they don't

trust the quality of the products.

When asked to choose the best descriptors that characterize their experience with wine, Millennials mostly associated their experience with hedonic and emotional-intimate attributes – *Relaxation, Pleasure, Romantic, Sensual* – and with *Casual*, most frequently than their older counterparts. This difference is maintained also in the recurrence of descriptors such as *Equilibrium* and *Moderation* and *Sophisticated* and *Serious*. The descriptors are shown by the frequency in Fig 8. Results also illustrate that both age categories perceive wine as a natural and healthy drink, with a rather higher occurrence among Millennials.

Consumers were also asked about what improvement they consider necessary in wine presentation, the results being illustrated in Fig. 9. The findings show that Millennials would be interested in more easily to understand information (43%) and communicated in a fun manner (28%), in a larger proportion than Generation X (21% and, respectively, 11%).



Fig. 9. Suggestions regarding improvements in wine presentation from Millennials and Generation X (% of age group; multiple answer question)

On the other hand, Generation X is much more interested in wine available in smaller packaging, 63% comparative with 26% of the

Millennials, but both age groups would want more easy to carry and easy to open packaging (26% of Millennials and 32% of Generation X).

## CONCLUSIONS

The preset study intended to improve the understanding of the young consumer's behaviour in relation with wine and alcoholic beverages in general, in order to create better targeted products, which would generate a better engagement of the Millennials with wine.

The findings show that Millennials consume alcoholic beverages most often outside their home, preferred locations being the clubs and bars, and they also identified contexts outside home where they would have liked to drink wine and it was not available: in clubs or pubs, at concerts, at movies, in team-building or at work (after working hours).

The preferences of these young consumers show a stronger correlation between drinking and socialising, the strongest motivation of consumption being related to enjoying the drink with friends and family. They prefer wine to other beverages because they like the taste, they consider it healthy, find it suitable for socialising and for romantic occasions.

However, they drink it mainly on special occasions, considering wine a sophisticated drink or too strong, preferring lower alcohol beverages.

Generation X would rather consume alcoholic beverages at home with the partner or family, and show a higher preference for consuming wine at home with meal with no special occasion or at a romantic date.

Millennials would prefer wine to be communicated in an easier to understand, less pretentious and more fun manner, and would be interested in easier to carry and easier to open packaging.

Even though the sophisticated allure of the wine is appealing for the passionate/enthusiast consumer, the conventional style of communicating in the wine category could eventually have a boomerang effect for Millennials. These consumers cannot identify themselves with the typical/ usual image of



wine, which is obsolete for them.

If wine it is to be present more into the young consumers' lives, a better understanding of this segment is needed, in order to create some new category of products that could better communicate to and engage with them.

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