

Chapter 6

Wine Labels: The Impact on Customer Perception and Intention to Buy Wine

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ABSTRACT

The study investigates the influence of wine labels on consumer attitudes and purchasing intentions. It uses a quantitative study with diverse adult demographics and an online survey to test three approaches to wine label design. The research, inspired by a case study by the Australian winery “19 Crimes GBL,” found that wine with novelty labels provokes more attention to buy, followed by traditional labels. Contemporary labels showed the lowest intention to buy. The expected perception of novelty wine labels as appealing, exciting, and enjoyable was confirmed, but the expected perception of adding value for money was not confirmed. This research has practical implications for the wine industry, demonstrating how implementing label design approaches can strengthen customer perception and influence purchasing intentions. The study contributes to the advancement of research on wine label design practices by developing a research framework and providing evidence on the direct and indirect effects on customer choices.

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INTRODUCTION

Nowadays the wine market offers an extensive selection of wines, making consumer choices complex. In these competitive conditions, wine producers must differentiate their products to attract customers and maximise profits (Piqueras-Fiszman & Spence, 2015). The first thing on which customers pay attention, even before reading the information on the bottle, is the design of wine labels; especially in shops, where 86% of wine buyers make purchases. Consequently, it plays an important role in the act of buying and often the main reason to base a decision (Schwab, 2021). Therefore, the packaging design has been transformed into an important marketing tool. The wine labels influence customers' perception of the brand, positioning, and contribute to the storytelling (Krishna et al., 2017; Pelet et al., 2020). It impacts the understanding of values, product functionality, consumption and future experience. That is the main reason why wine companies and brands try to stand out by creating captivating designs of the wine labels and provide a valuable experience for the customer even before tasting the wine (Escandon-Barbosa & Rialp-Criado, 2019). These strategies include using different technologies, such as QR codes and Augmented Reality (AR) on the wine labels, which provide the pre-experience for customers and give the first impression of the winery in a virtual form and increase revenues (Garibaldi, 2022).

General trend is that wine labels are making a revolution via e-label: it is a tool that puts the sector at the forefront and that, by exploiting the potential of digital communication, fosters dialogue and trust between producer and consumer (*EU Wine, the Label Revolution Begins with Nutritional and Other Information. Via "e-Label"*, 2021). One of the famous examples of introducing innovation to wine labels is the case of an Australian wine company "19 Crimes GBL" that created wine labels with AR. The new approach resulted in sales increasing from 4 million to 18 million a year in just 18 months. The innovation also made a significant impact on the winery's presence in the public space: many videos of the "Ask the Doggfather" wine labels have millions of views online (Garibaldi, 2022; Schwab, 2021).

Therefore, launching new design of wine labels, which are distinctive from traditional ones, may lead to reaching a new target audience (especially, the young generation of consumers and not experts in wine) and be a beneficial attribute on the competitive market (Garibaldi, 2022; Pelet et al., 2020). Further, it was identified that design attributes of the labels can influence customer's opinion about wine quality and taste (Garibaldi, 2022; Yamshchikova, 2023). The previous researches on the wine labels have been focused on visual characteristics on labels and its correlation between the content, customer perception, intention to buy the wine, willingness to pay more (Barbierato et al., 2023; Escandon-Barbosa & Rialp-Criado, 2019; Lunardo & Rickard, 2019; Pelet et al., 2020). Besides, there have been conducted researches on the AR and QR codes of wine labels as a way to promote and to enrich the consumer's final experience (Acuti et al., 2022; Vrigkas et al., 2022; Yamshchikova, 2023). However, there may be a need for further research to compare and analyse customers' perception and intention to buy the wine based on the label categorization (Sherman & Tuten, 2011): traditional, contemporary and novelty; as well as, the intention to scan a QR code and willingness to pay more than usual for novelty labels.

Thus, the study aims to provide the valuable insight of customer behaviour, aiming to answer the following questions: are regular consumers concerned about the wine labels? Does the design of the wine label influence the intention to buy? Which label design has the most impact? How likely are people to scan a QR code and what information are they willing to see there?

It was assumed that new innovative labels (QR-codes and AR) tend to influence customer's willingness to buy the wine with these labels. The acquired results showed that the novelty labels have the biggest impact on the intention to buy, however, contemporary wine labels showed the lowest intention to buy.

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