

Segmenting the Sustainable Wine Consumer

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Abstract

There has been sizable growth in sustainably produced wines, with 40% of California producers participating in the Code of Sustainable Wine Growing Practices program. Research suggests that purchasers of sustainable foods have distinct personality, lifestyle, and behavior characteristics and that preferences for environmental characteristics of wine are based on consumer knowledge (Verain et al., 2012). Further, among international consumers, older female millennials living in urban areas and following healthy lifestyles are more likely to buy sustainable wines (Mollá-Bauzá et al., 2005; Forbes et al., 2009).

Prior research has developed an understanding of consumer preferences for sustainable products. However, while California leads the nation in wine production and consumption, little is known about which California wine consumers are most likely to purchase sustainable wines. The purpose of this research was to examine the attitudes of wine consumers regarding sustainable production practices and identify the segment most likely to pay for sustainable wine. Consumer understanding of sustainable practices and willingness to pay were also examined. Investment in “sustainability” can take multiple years; this research will help wineries identify their target markets.

A survey was conducted among 206 California wine consumers. Respondents were asked to rate the desirability of fourteen wine features. *Produced sustainably* was an extremely or very desirable characteristic for 42% of respondents, who were therefore identified as sustainable consumers. These consumers were more likely to be female, married, and well educated. The most important attributes of wine for these consumers were varietal, sustainable production,

good value, produced with concern for the health and well-being of employees, and water conserving methods. The top wine attributes for non-sustainable consumers were good value, brand, sale priced, and premium quality.

Almost two-thirds of sustainable consumers were somewhat familiar with sustainable production practices. When asked to describe wine that is *produced sustainably*, most respondents indicated minimal impact on the environment and water conservation. However, 7% of sustainable consumers and 20% of non-sustainable consumers indicated that they didn't know the meaning of *produced sustainably*. A quarter of consumers thought that organic and sustainable were the same, and almost 1/3 think sustainable produced wines are more expensive. Nearly 90% of sustainable wine consumers were willing to pay a premium of over \$5.00 for sustainable wine.

This research shows the importance of sustainability to a sizable consumer segment but suggests that consumer education related to sustainability claims is needed.

Keywords: consumer segmentation, sustainability, wine

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