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Final Thesis

Wine and Millennials
A socio-behavioral analysis on emerging trends in the sector

Supervisor
Prof. Christine Mauracher

Graduand
Romina De Stefani
841524

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to my family
“The secret of change is to focus all your energy not on fighting the old, but on building the new.”

Dan Millman, *Way of the Peaceful Warrior*
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Abstract

Unlike other sectors, Food and Beverage is the one with the longest history and the brightest future as it responds to natural and physiological needs for survival. This means that unlike fads, fashion or technologies, the sector is surely meant to stay. Of course, as societies and economies develop, human beings allocate on food – and in this context, wine – different meanings: until about the Third Industrial Revolution and the Industrial Age in fact, Italy was mostly based on the primary sector and wine was seen as one of the main sources of nourishment and energy, and thus consumed on a daily basis.

As times have changed and economies developed, wine started been given different meanings, much more connected to an image of elegant, charm and fancy product to be consumed in quality time with friends or in professional networking events in wine bars or restaurants rather than at home.

It is for this reason that wine represents a very interesting study case: understanding consumers – and in particular the youngest generations – under a socio-behavioural point of view, has been considered the key for underlying upcoming trends, new-born attitudes and revisited perceptions of the product. It will be aim of the research testing Millennials’ ideas, opinions and consumption habits in order to comprehend whether relevant changes are characterizing the market. New marketing dynamics will be moreover studied: in particular, four new marketing tools will be given room for a deeper analysis.

(a) Promotion: Social medias and influencer marketing;

(b) Product: Alternative packaging and packaging design;

(c) Placement: Online distribution channels;

(d) Product/Promotion: Beyond the product: experience as a marketing lever.
Introduction

The wine sector is one of those with the longest history and the widest spread all over the world. Since the dawn of civilization and the first forms of religious beliefs, wine has been playing a significant role also as an icon, being associated to the deep essence of God, as symbol of his blood and vital energy.

That’s in part what makes wine so interesting: wine is not just a product but a multi-century piece of history whose meaning goes far beyond that of a simple everyday commodity and has been evolving during the years, experiencing a new phase just now.

With the boom of upcoming products entering the alcoholic beverage industry, together with a great increase of globalization - which made lifestyles much more converging and people always up-to-date on the new trends - the Italian culture and cuisine have undoubtedly been affected, and so have its consumers. The exposure to different ways to relate to wine and a new wave of technological transformation have led even the Italian culture - that having one of the longest and most profound wine traditions - to some changes. Emerging trends have spread and have become, through the power of the medias, influential and impactful.

Wine perception and consumption habits. The wine market is quite changing and is doing so in different ways. On the one side, Italian families may be less related to wine as a daily product to be consumed during the meal and more involved in its aspects linked to the charm of a fancy outdoor consumption. This is in part the effect of the attempts of Italian wineries and wine marketers to position wine as a product able to evoke images and emotions of elegance, delicacy, class and style. But what’s Millenial perception towards it?

Digital transformation and new marketing tools. On the other hand, the what has been named Digital Transformation is having an impact not just on companies and organizations but on consumers too, due to an ever-greater increase of digital devices and connecting platforms: object of this research will be studying these trends and sketching possible new routes for promotional and communicative campaigns.
A close look into Millennials under a behaviourism perspective is meant to illustrate their considerations of the product as well as their preferences in how the product is delivered, promoted, advertised, displayed and sold. An ever-greater deal is in fact associated to *every single aspect* of the marketing mix: as a consequence of the great development and spread of the medias and Internet-related technologies, communication and promotion are in particular two of the most relevant marketing levers in current times.

That may partially be the result of a real trend, and partially the product of a lack of knowledge and specific expertise on the sector, as “since consumers are unable to determine the quality prior purchase, they instead seek proxy indicators” (Chaney, 2000) – such as effective, appealing and engaging communication, price, packaging, testimonials’ reliability and so forth.

It is thus fundamental for wine sellers to study their current junior consumers in order to understand what they seek and how they can be effectively reached.

Different generations often have different values, lifestyles and behaviours: that’s why “generational aspects are elements that marketers should include in planning their marketing strategy” (Aristei, 2008).
Structure of the work, research questions.

The study is focused on Millennials and their attitude in the field of alcoholic beverage, particularly wine. The will is that of understanding how the new generations have a different behaviour towards the product, meaning testing the current available literature on generational aspects into the Italian scenario and within the wine case.

The first part of the essay is meant to outline the general market, globally speaking as well as locally. This means giving an overview of the current situation worldwide in terms of production and consumption values as well as a reference to the most active players in the industry. Recent data will be compared to the past ones in order to outline trends and give an estimate of how and where the market is moving. A deep consideration of the Italian internal market will follow, with reference to consumption dynamics and wine consumer’s common patterns and characteristics.

The second section will indeed contain reference to studies and findings based on – mostly U.S. - young generations. Data extracted from these works will be interpreted in order to better understand how the target audience is moving, and in order to test whether Italian Millennials are experiencing the same phase as their American counterparts, with the same peculiarities in habits, beliefs and consumption dynamics.

Italy represents for sure quite a different reality if compared to the American one, as food and wine boast centuries of story and are deeply embedded in the country’s heritage and culture. The launch of new marketing tools, such as e-commerce and mobile apps to mention some, have always been of a considerable impact in the United States, but have been adopted in a much slower pace in other countries, such as Italy. Interesting will be trying to understand whether digitalization is actually making a change in the wine market, or will do, in a tradition-based, conservative culture such as the Italian one.

The third chapter is meant to adopt an empirical approach to the research, by carrying out a comprehensive survey to a random sample of population. The object is that of verifying whether there is a common pattern in Millennials all over the country and among segments. Basic questions will be able to clarify age, gender, region, city
area, qualifications and occupation as considered the main variables to be taken into account when filtering responses.

The core research will consist of questioning whether digital tools and technological innovations - now available in the market and widely used in other countries and for other goods - may be a road to take in the wine market too. The study is considered having an interesting value for producers, sellers and marketers in wine as well as in other fields, as the same research questions can easily be applied in other industries and for other products. Final scope is that of finding areas of improvement and seizing opportunities the digital technologies are offering for boosting engagement, increasing awareness, educating and enhancing customer experience. The results want to provide clues on how the market is moving and whether interesting upcoming wants are emerging: questions are kept generic as the ongoing research is considered the first step for a more specific study: results are meant to provide baselines for future further research.

The empirical test wants to give a clue on the following research questions:

- *Is there evidence of a commonly shared behavioural pattern among Millennials throughout the country and among different areas?*
- *How does an Italian Millennial consumer perceive wine? How extent is he interested in the product?*
- *How does he perceive the use of digital technologies in the food and wine sector? Would these new trending tools have a real impact in wine?*

More details on the purpose and scope of the study are presented in-depth in Part Three.
PART ONE

Wine Market

INSIGHTS ON THE WINE INDUSTRY, REGULATORY ORGANIZATIONS, PRODUCTION AND CONSUMPTION DYNAMICS WORLDWIDE AND IN THE ITALIAN CONTEXT
1. **Overview**

1.1 **Historic background**

Wine is for sure a trending sector nowadays: sales numbers experienced a boom in the past few decades especially in new markets; social and economic researches on the other side confirmed the wave, and the press emphasised the movement even better.

Although some aspects may sound unusual and modern in the world of wine, the product and its origin are everything but new: the first forms of what is scientifically called *Vitis* – term usually referring to the plant from whose fruits wine is produced – date back, according to the available literature, to the Tertiary age and were located approximately in the area of Afghanistan, Egypt, Mexico, the Caribbean, and Central America, favoured by the mild climate.

It's though just between the 7000 and the 6000 b.C. that the first techniques of vine plantation and cultivation started to emerge, consolidate and be transmitted among groups. According to the sources, the discovery of wine - as we intend it today – happened quite randomly: history in fact claims that some Asian populations used to conserve grapes' juice in leather containers, and there, due to the high temperatures, the juice fermented becoming a tasty beverage, whose effects were inebriating.

Starting from the third Millennium, wine consumption and vine plantation spread all over the Mediterranean, especially after the Greek naves brought it into Syria, Egypt and Marseille, as a drink for celebrations, victories, and rites of veneration towards the gods.

Reached Sicily and the whole Italian peninsula, the Maritime Republics brought it into the inner Europe; with the discovery of America, new local varieties of vines were imported and started been used in the old continent too, and the European plantation system on the other hand was introduced in the overseas colonies. Finally, around 1788 the plants were introduced in Australia as well.

The most significant progress in this sector dates to the 1700-1800 with the discovery of treatments for few relevant plant diseases and with the increasing technological
progress fostering the evolution of plantation techniques, not anymore based on tradition, but empowered by the science, biology and chemistry.

Today, wine is a universal product consumed worldwide: consumption per capita has always been very high in Europe but is significantly increasing in other continents too, with a peak in the United States and Australia.

1.2 Wine regulation. CAP and OCM Vino

The Middle Ages and the Renaissance saw the first strict forms of regulations aimed at protecting and enhancing the prestige and the value of wines and vineyards by delimiting the production areas and by controlling the wine varieties produced.

In much more recent times, a big step forward was achieved with the first economic agreements among the European countries, which, throughout the years, lead to the genesis of the European Common Market and a political and economic organization named European Union (Maastricht Treaty, 1992).

In line with the above-mentioned agreements, the EU’s Common Agricultural Policy (CAP) was launched in 1962, as a mechanism for guaranteeing food and provisions in the post-war Europe. Today, the CAP aims at supporting farmers and improving agricultural productivity by promoting jobs in farms and other associated sectors, and by ensuring all workers can make a reasonable living out of it. Starting from the 80s new reforms were made: protecting the quality of certain products and keeping them competitive in the global market was set as a priority. Also, in order to improve and develop rural economies, special funds for supporting R&D and innovation in agriculture were allocated.

In Italy, in 2008 the so-called OCM Vino (Organizzazione Comune del Mercato del vino, a whole new branch of reforms concerning the agricultural sector and the wine industry in particular) designated resources for vineyards’ renovation, investments in wineries and for co-financing expenses for the promotion of Italian wine in extra-EU markets through active participation in fairs and wine-related events. Moreover, OCM Vino dictated new rules in the Italian wine classification system, going beyond the previously existing labels: PDO and PGI (Protected Designation of Origin and
Protected Geographical Indication). From 2009 in fact, OCM Vino introduced the denomination DOC and DOCG (Denomination of Origin Controlled and Denomination of Origin Controlled and Guaranteed) in order to better discriminate among wine qualities and in order to give record to the products grew in the historic areas.

*(See Paragraph 2.1 for an in-depth look into wine denominations’ laws in Italy and elsewhere.)*

### 1.3 Classification

As said in the first part of this chapter, wine has long been playing a critical role in the Mediterranean cuisine, becoming a real pillar of the Italian food culture. On the other hand, wine consumption is now well integrated in many societies, and few countries are experiencing a real boom in demand. *(See Part One, Paragraph 3 for an in-depth view of worldwide trends)*

Nevertheless, cultures and societies not used to this product, or whose history had little to do with it, have troubles in understanding quality prior purchase and in discriminating among alternatives; because of the complexity of the product and the several variables coming into play in quality issue, communication gets many times hard. This is notably one of the main obstacles wine has to face in the global scenario; thus, it’s in this context that classification finds room for clarifying ideas and shedding lights on confusion.

Wine is a particularly complex product coming from the fermentation of grapes through a process whereby yeast consumes the natural sugar contained in the grapes and converts it to ethanol, carbon dioxide and heat. The different types of grapes and yeasts, the soil where has been grown, the harvest year and the way wine is produced lead to the major factors of product’s differentiation.

According to what said, the product’s variety can be considered as depending on two general dimensions: the *horizontal dimension*, including physical and organoleptic characteristics, type of fermentation, soil and region of origin and a *vertical dimension*, connected to the wine-making process which lead to the
discrimination among table wines, quality wines and high-quality wines. Regulations govern and set rules in the classification of wine with the main aim of protecting certain wines from similar products grown elsewhere by restricting the use of certain labels to specific areas.

According to the country taken into account, norms vary significantly; generally speaking, the more the country is involved in the sector, the more articulated the norms. Let’s now have a quick overview of the regulations, starting from the general terms and then proceeding onto the European and the Italian level.

1.3.1 The worldwide level

At a worldwide level, the classification of wine can be done according to several different methods, including place of origin or appellation, vinification techniques, vintage and variety used.

(a) The appellation is a system whereby wines are given the name of the region the grapes come from. Such classification method is used in Europe more than anywhere else as it has been developed since the time of Bordeaux and Chianti, two of the most ancient and prestigious European wines. Appellations indicate the name of the wine, but they moreover refer to the region as well as to the particular grape’s variety and vinification system.

Following the same path, the United States introduced a similar system, the American Viticultural Area (AVA) with the aim of restricting the use of certain labels to specific valleys, such as the Napa Valley, Santa Barbara and Willamette Valley, although with much loosely law delimitations, as no mention of grape variety nor working techniques are officially included in the regulation. (Wikipedia, s.d.)

Most recently, other countries with less stringent location protection laws and with an interest in entering the worldwide wine market with more rights and greater recognition, have jointed the Napa Declaration to Protect Wine Place and Origin (also known as Napa Declaration of Place), a “declaration of joint principles stating the importance of location of wine and the need to protect place names”, agreeing
that protecting wine place names worldwide is the key element to overcome unfair competition on the one hand and to avoid consumer confusion on the other.

(b) The classification based on vinification method and style discriminates among red, white and rosè, sparkling, semi-sparkling or still, fortified or dessert wines, table and cooking wines.

(c) The vintage system is a way to classify wines according to the year during which grapes were grown;

(d) the classification by variety refers to the most dominant grape type used: depending on the country and its specific law, the percentage of prevalence of a particular grape variety changes. For instance, in the United States, a wine needs at least 75% of a particular grape type to be labelled as a varietal wine; in the European Union instead, where wine laws are much stricter, the minimum required is 85%.

1.3.2 The European level

Since its institution in 1992 with the Maastricht Treaty, the European Union was responsible for delineating common agricultural policies and a common regulation for what concerns the wine sector. Among the aspects that fell under the EU’s wine norms, classification and labelling got a primary role, as each country used to follow its own rules and dispositions before.

According to the norms, the EU wines are divided into two main categories: Table wines (TW), Quality Wines Produced in Specified Regions, to which belong wines with Protected Geographic Indication (PGI) and, since 2009, wines with DPO, Denomination of Protected Origin. EU recognizes that some member states may have more than two levels of classification, thus each one can keep its own method as far as all levels correspond to either TW, PGI or DPO, and are subject to the common minimum European standards.

In few words, the EU dictates that all wines must include specifications about their quality level, further information are considered optional.
1.3.3 The Italian level

Italy has now a dense and strict regulation in the wine field, as it’s something that has been slowly developed during the years.

When in 1861 Italy became a single nation, norms in the wine classification were not official nor uniform throughout the country and the only discriminating characteristic was the land of origin, which made the product get the general label of “Italian wine”. Back to that time, governments were only concerned about the nutritional aspects of wine rather than on authenticity or quality issues.

A step forward occurred in 1930, when the Ministry of Agriculture recognized delimited areas as accountable for production. A first qualitative distinction between generic wines and “Vini Tipici” was introduced; Vini Tipici were then split into three categories: Vini speciali (special wines), Vini superiori (superior) and Vini Fini (fine, prestigious). Nevertheless, the distinction was loose, so no relevant consequence in the market scenario actually occurred.

A radical change happened in 1963 with the emanation of the D.P.r. n.930 referring to the protection of Italian wines through a new set of denominations meant to emphasise the connection between the wine and its area and through the introduction of the practise of registration of the lots and the public declaration of amounts of grapes and wine produced within the year. Wines got classified in: Vino a Denominazione di Origine semplice (Denomination of
The DOC label refers to wine for whom is specified: geographic area of production, vines, type of soil, grapes/wine yield (resa dell’uva), vinification methods and technologies, product’s characteristics and style.

Further indications distinguish wines in:

- **DOC, Classic**: wines produced in the most ancient regions of production;
- **DOC, Riserva**: wines submitted to a longer ageing than usual;
- **DOC, Superior**: wines with highest characteristics, for instance thanks to the good climatic conditions of the year.

The **DOCG** is a label given to few selected wines, produced in areas classified as DOC lands for at least five years and after passing further tests of chemical-organoleptic nature and a sensorial analysis.

In 1992 the law n. 164 introduced the **IGT** (Indicazione Geografica Tipica), a label meant to indicate wines produced according to specific requirements but in generally wide areas.

In 2009 the EU introduced the label PDO and PGI. At the eye of Italy, that represented a step backward if considered the level of specificity the country had previously established. For this reason, as said above in the paragraph, the EU has reasonably legitimated the use of national acronyms if able to discriminate the product further.
1.3.4 Summary

To summary what has been explained in the previous paragraphs, it is convenient to look at the theme of wine classification as a subset of more realities, each representing a particular environment, with its own rules and different level of depth for what concerns quality distinction and style.

Keeping a general level, wine is classified according to its region of provenience; some of such regions have been declared as protected by the NAPA Declaration of Place, stating that only the wines whose grapes have grown in certain protected regions have the right to be given a certain appellation and no other products can be called the same way. Additional distinctive features refer to the vinification method, style, vintage year and grape variety.

Europe, as primary continent operating in the sector, felt the necessity to add to the general regulations some further directions dictating the need not just to report the area the grapes come from, but also the quality assessed, distinguishing the products among low quality wines (table wines, also called Vini di consumo corrente), wines produced in specified regions, PGI, and, since 2009, a higher dimension corresponding to the DPO (Denomination of Protected Region).

Italy presents a four-level classification: simple origin wines – wines with no particular indication of provenience (for instance, a simple “Vino frizzante” from a generic area) IGT wines, meaning wines whose grapes come from a particular area but with no mention of vinification methods, DOC and DOCG.
2. Worldwide wine market

Before proceeding further, it is fundamental to provide a framework of both, the current and past situation within the wine industry. An overview of the wine market in global terms will follow: in particular, the section is structured in a way that three areas of analysis will be considered and studied: (a) the major world areas devolved to wine; (b) production indexes and countries, (c) consumption data and countries.

2.1 Surface under vines

Unlike other consumer goods, wine and the whole wine market are strictly dependent upon all those aspects connected to geography, soil characteristics and climate. This means that only limited regions can actually be devolved to vine plantation. In addition, the ever-greater trend in urbanization plays a relevant role when it comes to agriculture.

It’s thus no surprise to acknowledge that in the past two decades, surfaces destined to vine plantations shrunk reasonably in Europe: on the other hand, vine cultivation increased in other continents, such as Australia and America: the world is in sum experiencing a phenomenon of slow redistribution of agricultural areas towards countries whose wine history is relatively recent.

Despite such transformations, Europe still maintains a leading position in vine areas when compared to the rest of the world, reaching in 2015 3.2 million hectares, about 45% of the world’s total vines area: in other words, almost half of the total is on European lands.

Among this, three countries make up three quarters of the EU areas under vines: 29.1% are Spanish, 24.9% French and 20.1% Italian. Portugal, Romania, Greece and Germany are the next largest grapes’ growers, followed by Hungary, Bulgaria, Austria, Croatia, the Czech Republic, Slovenia and Slovakia (Eurostat, 2015).
2.2 Production

**Production worldwide.** Although the European vine surface may have been reduced in the course of the past two decades, the total world wine production has slightly grown, with an increase of 4.5% in the periods 1992-1995 and 2000-2003 (Eurostat, 2015).

Nevertheless, as shown in Figure 9, if we enlarged the analysis, the aggregate values would be everything but positive: the line in red represents in fact the trend in world production in thirty years period (1984-2014). As we can see, wine market has been pretty unstable since 1988 as it registered several great up-and-downs even over one year. To some extent that can be considered predictable and normal, as the agricultural sector is strongly influenced by weather conditions which work as an exogenous variable in the production equation; but till which point does it refer to climate rather than a real shift in the market?

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1 The reported data refer to 2014, as no more recent data set is available.
Production per world region. FAO’s databases also provide interesting data on the distribution of production within continents: according to the most recent data available, Europe holds the highest value, with 60.7% of the world total wine produced, followed by the Americas (22.5%), Asia (7.2%), Oceania (5.2%) and Africa (4.4%). (Figure 6. Pie chart on the left)

Let’s now see whether a shift in the distribution actually occurred over the years, by plotting the same graph with 1984 data (Figure 7. Pie chart on the right).

The differential gaps in production quantities among continents between 1984 and 2014 are significant: America increased its production by +8.4% over thirty years, Asia and Oceania respectively by +6.3% and +3.8%, while Africa registered the least consistent growth (+1.2%) for clear reasons connected to climate, land characteristics as well as for the poor technological progress. The differentials in production in all
areas are relevant, and this well illustrates the redistribution trend early mentioned in this chapter.

**Production per country.** A last curious data to present when talking about wine production is the one referring to the single countries: again, two scenarios will be plotted (one relative to the most recent data available (2014) and the second dating back to 1984). Scope of this information is that of seeing whether dramatic changes in the top-players in the wine-producing arena occurred over thirty years, or if the product finds its main parent-countries still in the few big European old powers.

The columns below represent the total tonnes of wine produced by country in 2014: Italy, Spain and France hold the top three positions, immediately followed by the US, China and Argentina. Germany and all the other European countries are ranked further.

Using FAO database, it is possible to see the same ranking with any other date; the term of comparison will be 1984, as taken as point of reference representing the situation about thirty years earlier, an enough-big time gap for changes in a market to happen.
The outcome leads to several points of discussion. First of all, it is clear how in 1984
Italian and French production was much higher than that registered more recently. In
addition, a third party used to play a significant role back then, the USSR, as the
strategic sum of its several lands. The Soviet Union crashed in 1991 after a failed coup,
and so did its top position in the overall market.

The European countries were in large part the ones holding the highest positions in
production, though in within the time-gap proposed, an interesting new player entered
the game, destabilizing the status quo: that was China. Wine boasts a very long history
in the Eastern country, although its consumption and production have grown
dramatically only from the 80s. Around those years in fact, consistent economic
reforms took place, beginning from 1978 and carried on in two stages: the first involved
the de-collectivization of agriculture, the country’s openings to foreign investments
and the support and encouragement to entrepreneurs for starting new businesses. The
second refers instead to the process of privatization of industries previously state-
owned, controls over prices, new-born policies and additional regulations. Thanks to
all that, China grew as a country and as an economy in general terms as well as in this
specific sector.

2.3 Consumption

Consumption worldwide. According to OIV data, total wine consumption has been
relatively stable in the years. Consumptions reached in 2016 241 million hectolitres,
about one more than the prior year and three less than 2011. What have changed is,
more than anything, each country’s inner consumption: in the next paragraphs we’ll
see how certain regions experienced a great downturn, while others have just entered
the wine sector, as a response to an ever greater demand from consumers.

Consumption per country. The latest statistics available date to 2017 and are
provided again by OIV (International Organization of Vine and Wine), an
intergovernmental organization whose competences and works concern vines, wine
and other vine-based products. According to such data, in 2017 the United States were
the country with the highest consumption rate, reaching a total of 3.26 million litres and representing, with such value, the 13.43% of the overall world consumption.

Second in the ranking was France with 11.1% of the world consumption for 2015, followed by Italy and Germany (9.30%, 8.31%), China (7.36%) and the United Kingdom (5.22%).

<table>
<thead>
<tr>
<th>Country</th>
<th>Millions litres</th>
<th>Consumption in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>3.26</td>
<td>13.41%</td>
</tr>
<tr>
<td>France</td>
<td>27.0</td>
<td>11.11%</td>
</tr>
<tr>
<td>Italy</td>
<td>22.6</td>
<td>9.30%</td>
</tr>
<tr>
<td>Germany</td>
<td>20.2</td>
<td>8.31%</td>
</tr>
<tr>
<td>China</td>
<td>17.9</td>
<td>7.36%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>12.7</td>
<td>5.22%</td>
</tr>
<tr>
<td>Spain</td>
<td>10.3</td>
<td>4.23%</td>
</tr>
<tr>
<td>Argentina</td>
<td>8.9</td>
<td>3.66%</td>
</tr>
<tr>
<td>Russia</td>
<td>8.9</td>
<td>3.66%</td>
</tr>
<tr>
<td>Australia</td>
<td>5.8</td>
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<tr>
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<tr>
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<tr>
<td>South Africa</td>
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<td>1.85%</td>
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<tr>
<td>Romania</td>
<td>4.1</td>
<td>1.68%</td>
</tr>
<tr>
<td>Japan</td>
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</tr>
<tr>
<td>Netherlands</td>
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<td>1.44%</td>
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<tr>
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</tr>
<tr>
<td>Belgium</td>
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<td>1.23%</td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
<td>18.51%</td>
</tr>
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*Table 1. Wine consuming countries, 2017. (OIV, 2018)*
Consumption per-capita. The data presented are taken in absolute terms, thus it is necessary to go deeper in the analysis. In fact, like in the case of the US, as well as in that of China, values may be misleading, as the total surface and the number of population inevitably increase the total consumption value, even when the per-capita estimation may be much lower. Therefore, if per-capita consumption is considered, Vatican city (independent state but geographically incorporated in the Italian peninsula) is the first in the rank, followed by Andorra (small state in between Italy and France), Croatia, Slovenia, France and other European lands.

Interesting in this context is using interactive systems, like the one provided by OurWorldInData.org for plotting trending lines in per-person consumption habits among regions: countries like France, Italy and Spain, despite the high values of the 60s, experienced a dramatic turnaround. Italy for instance had a per-capita consumption value of about 17 litres/year in 1961; from the beginning of the Seventies though, the curve started presenting a negative slope till 2010-2014 when values recorded a per-person consumption of less than 5 litres/year. (cfr. Paragraph 3.1)

On the other hand, Australia and the United States which, in the Sixties, were not used to wine at all, started consuming it more and more, reaching 3.64 litres/year in the
Australian case and 1.63 for the U.S.: the per-capita consumption indexes among countries are slightly converging.

2.4 Summary

The brief overview of the sector in the previous paragraph leads to few basic points, which help in providing a general framework of the wine industry worldwide.

Europe has long been the main character of the story, not only because it holds the greatest lands devolved to grapes, but also because production itself reaches the highest volumes, especially in three main areas: Italy, Spain and France. Nevertheless, new players, such as the United States, China and Australia, have recently entered the game: these countries have lately been experiencing an increase in demand due either to a greater openness – as in the case of China after its recent economic reforms – or just due to the establishment of new businesses which in the past decade looked at the wine industry as a high potential and still underdeveloped market.

Three are the areas studied in the research as considered relevant indicators of past and future shifts in the market:

(a) **The surface under vines**: areas designated to vines have experienced a great redistribution trends from Europe towards the Americas, Asia and Oceania mostly.

(b) **Production**: Production aggregate indexes lately increased but were subject of a relevant shrink if considering a time lapse of thirty years. The most active producers are still Italy, Spain and France, now followed by the United States and China.

(c) **Consumption**: The greatest consumption data refer to the United States, representing nowadays the highest potential market for export. If considered in per-capita terms, European countries are still onwards, although strongly diminishing in volume if compared to the Sixties. Per-capita consumption between new entrants (the U.S. and Australia) and the European historic wine-consumers (Italy, France and Spain) seems converging.
3. Italian wine market

As we have seen in the previous paragraph, new nations have entered the wine market, as demand has been significantly increasing especially in recent times. On the one side, such demand has been satisfied by a greater production in the demanding country – examples are Australia and the United States, which have experienced both, increase in demand and increase in production – and on the other side by an ever-greater export from Europe. Italy is one of those countries which caught the opportunity and started shipping abroad and penetrating new markets.

The analysis will focus though just on the national consumption, as understanding how the inner demand is moving is a key point for structuring the research that will follow.

3.1 Consumption trends

Talking about consumption, it is possible to provide different datasets representing each a different scenario. For instance, consumption trends can be measured through total consumption values during the years as well as per-capita consumption trends or yet, the degree of penetration of wine on total population. For what concerns wine consumption in Italy, the data available comes from WHO (World Health Organization) and ISTAT (Italian National Institute of Statistics): the first in particular provides an estimate of per-person consumption values now and in the past, so to visualize how such values have moved throughout years.

As mentioned before, per-capita consumption experienced a great shrink in the past fifty years: the figure below well explains the trend. Starting from 1961 when values were about 15/16 litres per year per person, consumers have drastically changed their habits, till the point of consuming less than five litres a year. (WHO Global Health Observatory (GHO), s.d.)
On the other hand, statistics have recorded negative trends also in wine penetration itself, "maybe as the result of the new wave of sporadic consumption related to wine, as opposed to habitual behaviours." (Baccaglio, 2018). This means that not only the total amount of wine per-person (meaning litres consumed per year) has diminished, but the number of people not consuming the product at all is increasing too. Looking back to the past, wine drinkers in Italy have in fact been diminishing in the past decades, reaching the lowest value in 2014. Since then, data have been recovering, although at a very slow pace: Italy now counts 28.6 million wine consumers, meaning 52.6% of all population over eleven (ISTAT, 2017). Is this number meant to stay?

![Figure 11. Per-capita consumption since 1961, Italy. (WHO Global Health Observatory (GHO), s.d.)](image)

![Figure 12. Percentage of drinkers on total population per year. (OIV, 2018)](image)
ISTAT also provides general clues on consumers’ profiles.

Women who claimed being wine lovers increased in number in the past years reaching 40% of the total female drinkers, while males experienced a negative downturn, maybe due to a switched towards other beverages.

Together with a decrease in per-capita consumption, frequency of consumption also decreased in the past years: wine is not anymore considered a daily product, but it’s rather consumed only in special situations and events. Occasional consumption in fact, reached, in 2017, 28.1% of the population, after increasing year by year (Figure 12).

![Figure 13. Percentage of population consuming wine only occasionally (ISTAT, 2017)](image)

The increase of sporadic consumptions at the expenses of regular habits can be considered a real trend affecting all areas: from the North East to the North West, from the Centre to the South and the Islands.

*But where is wine most common as a drink?* According to ISTAT, among all macro-regions the Northern ones registered the highest values: the North-East registered in 2017 the 58.3% in terms of product penetration, the highest value since 2010. The North-West represents the second largest economy in within the country and relatively to wine, as the product reached 55.3% of the population in 2017. Central Italy is the third macro-region for wine consumption, with the South and the islands following.

For what concerns different consumption dynamics as consequence of age, ISTAT has divided the population in eleven subgroups according to the age at the time of the data collection. Given these data, it is possible to project patterns occurred in the population among years, which are able to provide clues on how consumption has moved as results of behavioural trends affecting different generation cohorts.
Paragraph --- will provide a visualization of how consumption dynamics have changed throughout the years, taken as reference point youngsters between 18 and 34.
PART TWO

Wine consumers:
Study of Millennials and Emerging trends in Wine marketing

STUDY OF WINE CONSUMERS AND RELATIVE BUYING BEHAVIORS.
FOCUS ON MILLENNIALS AS TARGET SEGMENT,
EMERGING TRENDS AND POSSIBLE IMPLICATIONS.
1. Wine Consumers’ profile

As the industry grows, the market develops and so do its customers. In such a populated ever-changing scenario, wine producers need to know their customers in order to be able to deliver the right offer at the right time and to the right person. In few words, knowing the customer is the key for maximizing returns.

The depth of knowledge is also a crucial element and it requires more than knowing just names, ages and basic information. Getting in contact with the buyers, being exposed to their hobbies, tastes and interests and understanding their behaviours are also ways driving to advantages, not necessarily just in terms of profits but also in terms of image, appreciation and brand awareness.

Companies that know what their clients want and expect can work on customizing the offer creating loyalty and retention, and since the wine industry in Italy is mostly made of small producers, such small-scale businesses have the enormous chance of leveraging their flexibility for providing quick and effective responses.

The next paragraph is meant to give a theoretical approach in how the market gets generally segmented: such insights will be helpful for understanding the wideness of the demand and will moreover work as point of reference later in the research when extracting the data from the empirical test.

*Paragraph 1.2* will focus on the factors influencing consumer behaviours, providing an optimal framework of the psychological processes occurring in the human brain when facing a purchase decision.

The third part will indeed analyse in-depth the categories wine consumers are generally divided in according to their behavioural patterns.
1.1 Wine market segmentation: a theoretical approach

“The global market is too wide and numerous for companies to keep adopting a mass marketing strategy” (Kotler P., Armstrong G., 2012). In line with this reasoning, most have moved away from this approach toward what is called target marketing: companies have recognized how much consumers can differ among each other, and how campaigns can easily be more customized in order to better appeal to each segment and reach their optimal return. For this reason, market segmentation is a necessary step as it involves dividing the market among groups, homogeneous by certain features. Once segments are clearly defined, the company evaluates each of them and decides whom to target its marketing effort and product, and how.

What is important to remind is that there is no single way to segment the market: different segmentation variables can be simultaneously taken into account, while excluding others if considered of minor importance. Each company, considering the product, the industry they’re working in, competitors’ actions, etc. selects and focuses on the most interesting variables accordingly.

The most common segmentations are the result of: a) geographic, b) demographic, c) psychographic and d) behavioural characteristics.

The geographic segmentation involves discriminating among world regions, continents and countries, cities, cities’ sizes, city areas (urban, suburban, exurban, rural) and sometimes even between climate, distinguishing between Southern and Northern regions (Kotler P., Armstrong G., 2012)

Many Italian wine sellers today operate on a worldwide level but only a few have developed special formats based on customized marketing plans and sales strategies for better appealing to particular regions.

The demographic segmentation divides the market into segments based on variables such as age, gender, family size, status, income, occupation, education, religion, race and nationality.
Demographic and geographical nuances are very attentive and explicative indicators of buyers' needs and wants as the context of living plays a fundamental role in shaping behaviours and building desires.

The psychographic segmentation is meant to divide consumers onto segments based on social classes, lifestyles and other personality characteristics. Such distinctions are as relevant as the geographic and demographic characteristics', as they reflect the most sincere sides of the inner individuals' personality traits.

Lifestyles are especially important for marketers today, as representing people's beliefs and attitude towards life; moreover, they often are the greatest reason why consumers buy a certain product or a particular brand: to feel represented and to represent at the same time, to show their beliefs, their values or their better self.

It is no coincidence that the major multinational companies' modern advertisings do not even display the product: they just refer to the way of being and living their followers aim at chasing and feel represented by: as a matter of facts, people's product choices are becoming real value choices: purchase decisions do not depend only on the taste, the aesthetic and the functionality of the good, but more and more on the way a brand reflects inner values and intangible ideologies. This topic will find room for discussion in Paragraph 1.2.

Finally, the behavioural segmentation distinguishes the population by knowledge of the product, attitude, reasons of purchase, use, response to market stimuli and so forth. Some of the most interesting indicators is the occasion of use: knowing when customers are going to use the product is fundamental for any promotional vehicle to be effective. Also, marketing strategies may take advantage of segmentations based on expected benefits, type of user (non-user, ex-user, potential user, first-time user, regular user, heavy user, etc), loyalty level, readiness stage (unaware, aware, informed, interested, expert), etc.

The types of segmentation described are only the most common marketers use in their analysis. Rarely they rely only on few variables; rather, they use multiple segmentation bases combined, with the attempt of identifying smaller, better-defined and well-understood target groups. Likewise, the research will not
only focus on the Millennial generation, but rather, within it, will distinguish further segments based on region, age, occupation, education, and so forth.

The overall aim is that of proving enough data for wine sellers to understand behavioural patterns as well as the perception of the product, and secondly, to give them enough data to enable them to:

(1) assess the differentiation gaps between generations;

(2) decide whether such differences are enough to carry on a differentiated marketing strategy;

(3) identify how to reach consumers and take advantage of new marketing channels for current and future marketing initiatives.

For this and other purposes, segmenting the market and analysing the demand is a step of primary relevance.

Before getting to the study of Millennials, a view of the major drivers leading to purchase will be presented: comprehending consumer decision-making and the psychological reasons explaining consumption is fundamental for defining and discriminating among different consumer profiles.
1.2 Reasons behind wine consumption: a cognitive approach

1.2.1 Factors affecting consumption

*How does the consumer’s mind work when facing a purchase decision? What are the main factors leading consumers to choose a product or a brand over another?*

These are all questions wine sellers should give a response to, and whose answers should be taken as precious treasure for building strategies on.

Among all different cognitive theories in consumer behaviour, the most widely accepted is the one proposed by Zeithaml in 1988. According to this theory, in any decision-making process, such as purchasing decisions, the human brain works at comparing the perceived value that comes from the purchase and the amount of effort and cost required.

Consumers’ mind acknowledges the value of a product in terms of functional, psychological, social and emotional benefits and on the other side evaluates monetary and non-monetary implications, such as costs for information seeking, costs of learning and adoption, costs of switching from previous goods to new ones, etc. Moreover, when the purchase refers to a new product, individuals perceive an additional factor in terms of intangible costs to face: the risk.

**The risk** comes anytime a product is unknown to the buyer or particularly new in the marketplace or just uncommon: the risk can be of functional nature (related to the performance, or in the specific case of wine, taste and quality), of economic/financial nature, of psycho/social nature (related to the social impact of the product, as it may be subjected to social scrutiny and judgment) and of physical nature (all what concerns safety reasons).

Focus of this section will be the major tangible and intangible forces playing in the decision-making process and affecting choices in wine. As said, consumers’ mind recognizes positive and negative sides of products – benefits, costs and risks involved. In the case of wine, five are the main factors having an impact on behaviours:
- **Biological Factors (such as taste, smell and alcoholic content):** unlike other industries, in wine, biologic factors are of primary importance for consumers, as quality depends on them. Taste and smell are thus extremely relevant for the evaluation of the product. Moreover, in this particular case, consumption - in terms of quantity and frequency - depends on an additional factor: the alcoholic content, which is taken into account as much as all the sensorial stimuli.

- **Economic Factors (income, purchasing power, prices, etc):** in most of the developed countries, the correlation between income and wine consumption is positive, since wine purchase increases as income increases. The relationship between prices and F&B consumption is generally quite inelastic instead, as any increase in prices cannot shrink food consumption that much and decreases in prices will not lead to long-term unlimited increase in demand. In few words, economics means greatly drive consumption up- or downwards.

- **Psychological Factors,** commonly distinguished among: motivation, perception, learning, beliefs and attitude.

**Motivational** aspects are of various nature, as they result from a multitude of different needs humans wish to satisfy. In such a context *Maslow’s Theory of Hierarchical Needs* finds its application. According to his studies, individuals have different levels of needs, starting from the basic ones, responding to physiological and safety issues, to those leading to recognitions, esteem, sense of belonging and self-realization. As a person satisfies the lowest levels, he’ll try to reach the upper ones in the pyramid. In our context, wine is not a strictly necessary good, therefore it does not respond to any primary need – such as hunger or thirst. It rather represents the desire to feel part of the group (satisfying social needs) and/or to represent and consolidate a status (esteem need). For this reason, wine is widely consumed in the richest nations, while in
underdeveloped countries, people allocate their incomes in goods more essential for the survival. Acknowledging what needs the product responds to will address the marketing efforts towards the right funnel.

Decisions depend moreover on other psychological aspects, such as perception and learning, meaning how the human brain elaborates information and connects it with previous experience, personal beliefs and natural attitudes. Beliefs in particular are strictly linked to the expected benefits but such expectations can be intentionally created in consumer’s mind through smart advertising actions and clever payoffs. For instance, Apple has long been offering products objectively on average in comparison to other market offers, but still consumers perceive its products as having all features they may need, and the correlation benefit-product is well established in their mind.

- Social Factors also play a role when it comes to purchasing decisions, as actions are inevitably subjected to social judgement. Such judgments come from the society at a primary level (family, friends and colleagues), and at a secondary level, whom belongs associations, religious or laic organizations, and other social groups. Besides these spheres of influence, consumers are also affected by opinion leaders, particularly known individuals within small or large groups, which can affect opinions significantly. Nowadays, such impact on society is amplified by the medias, and the voice of more and more influential people emerges through the social networks.

The social context also influences eating habits: wine in particular is given several social meanings related to certain class belongings and lifestyles. An interesting observation in this context is how social perception changes over time and according to regions: speaking about Italy, wine has always been a common drink in wine production regions. Until about the Seventies, the country was made of just a few towns and little urban areas while the
majority of the population was living in the countryside and was still connected to the primary sector, working in agriculture. In such times wine was not only commonly and widely consumed on a daily basis but had a totally different social connotation, being associated to the poorest social classes. *How is it perceived now by the youngest generations?*

- **Cultural and Anthropological Factors:** Culture is perhaps the most complex among the factors affecting consumer behaviour as it integrates and pull together social dynamics, group behaviours as well as psychological characteristics and personal values. **Values** are what move people and drive them through all their life decisions: they primarily come from the closest and most trustful people, are combined with the cultural and social context, and are enriched by experience.

Eating and drinking habits are also very much connected to the local culture, and this explains why in some cultures the wine industry has found high demand and consumer appreciation while in others is still subjected to restrictions, which had inevitably impeded its establishment and diffusion. Typical examples are Muslim countries, where alcohol consumption is very limited if not forbidden. Moreover, proofs of how cultural factors influence consumption are well visible during festivities: wine demand registers notable picks in Christmas time, Easter, New Years' Eve, Thanksgiving, and so forth.

As seen, consumers’ purchasing decisions are affected by a variegate mix of factors: the complexity of their cognitive process depends upon the **personal involvement with the product** and the perceived **degree of differentiation** among alternatives. (Busacca, 2012)

According to these elements, the evaluation becomes smoother or more complex. For instance, the more differentiated the products – or the more the differentiation is perceived -, the lower the amount of effort involved in product choices.
Prosecco has strategically ridden the wave, positioning itself as the happy-hour drink for excellence: it unconsciously gets evocated in consumers' mind, and the well-perceived differentiational aspects make purchasing choices simple and smooth. The same happens with Champagne, the choice number one for celebrations and fancy events. The clearer and the better communicated the differentiation purpose, the more the consumer will skip the process of alternatives evaluation and the least the perceived social risk run.

1.2.2 Types of Buying Behaviour

Buying behaviours differ greatly according to the good, its economic weight, the social implication involved, and other factors explained in the previous paragraph.

Involvement with the product and degree of differentiation are though the two main variables determining the degree of complexity in buying behaviours. (Assael, 1987)

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<td>Complex buying behaviour</td>
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<td>Habitual buying behaviour</td>
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</tbody>
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Table 2: Types of Buying Behaviour (Busacca, 2012)

The matrix is the result of the intersection of possible different scenarios:

a) Whenever the individual feels particularly involved with the product due to cultural, personal or social reasons and there are great differences among brands and among product choices, consumers show complex buying behaviours: typically, this is the situation where consumers know the product...
particularly well, acknowledge the differences among brands and among (wine) types and are therefore puzzled by the variety of opportunities they are facing.

b) **Dissonance-Reducing Buying Behaviours** occur when customers are highly involved with the product but the level of differentiation perceived among alternatives is little. Certain wine consumers may experience this type of situation, not being able to clearly distinguish among offers: as we'll see in the next paragraphs, many young wine consumers show this kind of behaviour, as they have a limited knowledge about wine, but feel involved with it. Inevitably, such situation may make them experience what is called post-purchase dissonance, as they may find the quality, the taste or further characteristics not matching their expectations.

c) Other customers may instead be characterized by **habitual buying behaviours** whenever they feel little involved with the product and perceive little differentiation. They commonly end up with the same product choice they experienced before, minimizing this way any risk or mistake.

d) Finally, others are **variety-seekers**: they show a greater deal of openness towards alternatives, acknowledging the complexity of the market offers, but still being little involved. They are the type of consumer which are generally not loyal to the same wine type or brand, preferring to always try something new.

Within the same industry and even within the same market segment, consumers’ behaviour varies widely. Out of the combination among the factors involved in the purchasing decision (biological, economic, social, psychological and cultural) and the personal buying behaviour, it is possible to profile wine consumers accordingly.
1.3 Types of Wine Consumer

In line with what said, wine consumers can be gathered into - and described by - five typical models²:

(1) Non-Experts: They may love drinking wine but they don’t really know much about it. Some present *dissonance-reducing buying behaviours* as they feel involved and open to advice, but still present great confusion in understanding product differences. Some others rely instead on previous experience, choosing always the same product and thus presenting *habitual behaviours*.

(2) Price-Driven: price is the main driver for this type of consumer. Because of this, they are not really involved with the product, nor with its image in the social sphere. The economic factor is the most relevant driver and this makes them *variety-seekers*, as they are not loyal but always choose according to economic convenience.

(3) Image Seekers: The social aspects are particularly influential for type of consumer. Wine knowledge is often little and as a consequence, brand prestige and notoriety - as well as packaging and design - acquire considerable relevance. They are generally risk averse in purchasing products they don’t know much about, as it can be costly in terms of social impact. In order to minimize the social exposure and social risk, many may present *habitual buying behaviours*.

(4) Enthusiastic and Pleasure seekers: They are true wine lovers and consider themselves knowledgeable about it. The most final aim is the sense of enjoyment, joy and pleasure in sharing memorable moments with their beloved ones. Psychological and social factors are strong; the buying behaviour is on average *complex*: they are highly involved and perceive a lot of discrepancies among wines and brands.

(5) Authenticity Seekers: This type of consumer prefers specialized shops or authentic familiar wineries. Well informed and very much involved with the

² The consumer segmentation presented is partially taken from a research carried on by Nielsen Co.’s Homescan, global measurement and data analytics company providing views on consumers and markets worldwide. The research dates back to 2008 and employed in-home bar code scanners and surveys to map consumer buying behaviour across different demographic areas.
product, they always need a wide range of alternatives to choose from: complex buying behaviours characterize these subjects.

(6) Engaged Newcomers: they are the typical youngsters which don’t know much about wine but are interested in learning, as they see wine a good socialization vehicle. They are open to alternatives, although some choices may end up being disappointing. Engaged newcomers generally present dissonance-reducing behaviours. (Nielsen Co.’s Homescan, 2014)

A more simplistic but clear classification is known as Semiotic Square of Italian Wine Lovers. The Semiotic Square is the result of the work of the Market Research Institute Quadrati of Milan, commissioned by Bosco Viticultori³ and presented during Vinitaly 2014.

The work is based on the analysis of the Web and social conversations, such as Twitter posts, Facebook and other interventions, opinions and comments found in the net. Four are the dimensions the consumers allocate their importance when speaking about wine: wine is nature, culture, sacred or profane. From the intersection of the poles four figures emerge, well describing consumer’s mind:

- **Radical Consumers (Wine is Authenticity and Genuineness):** Wine is for them sacred and natural at the same time: they boast a deep knowledge on the product, which is a given holy, intangible and superior meaning. Radical consumers look for natural wines purchasing them in original wineries and following the advice of experts. They may constitute the potential market for biologic and biodynamic wines. Authenticity and genuineness are their key words.

- **Wine Snob (Wine is Culture and Prestige):** they are the enthusiastic and pleasure seekers of the previous classification: they appreciate the product for its long history and cultural relevance.

- **Socialite (Wine is social cohesion, fun and entertainment):** wine is consumed in social events, wine festivals, tours, tastings, ceremonies,

³ Bosco Viticultori is a prestigious winery located in Treviso, Italy.
parties and networking aperitifs and is perceived as a chance for sharing a pleasant time in good company.

- **Down-to-Earth (Wine has no transcendent meaning)**: traditionalists and pragmatics, according to these consumers, wine is a common beverage with no real additional meanings.

This said, focus of the next part will be a deeper analysis of the target of our research: understanding the major characteristics differentiating Millennials, the generation grew in the digital age, and getting to know habits, peculiarities and expectations is a crucial element for comprehending consumers’ wants and unearth market vacuum and areas of improvement.
2. The Millennial Generation

Odd to say, an official definition of Millennial does not really exist, as researchers have always used different birth-year boundaries to define this generation, “perhaps because the exact boundaries are of little importance when compared to the events, trends and social changes characterizing this generation.” (Ng E. and McGinnis Johnson J., 2015)

According to the main studies available, the Millennials are a social and demographic group born between the early 1980s and the middle 1990s. Also called Generation Y – as it follows Gen X - or Net Generation, they represent the market segment of young consumers who just entered the labour force and the consumer market and whose habits are dramatically changing companies’ offers in terms both of products and services as well as in terms of communication, tone of voice and promotional levers through which to engage and retain customers.

Commonly portrayed as idealistic, overoptimistic and incessantly chilled, there is no doubt Millennials are driving the social and economic transformation, becoming the ambassadors of the great change coming from the development of ICT in corporate environments as well as in the everyday life, the spread of digital tools and the Internet of things.

It is thus important for companies to acknowledge and recognize the peculiarities characterizing the youngest generations, by observing habits, and testing stereotypes: this is the time of connectivity, and connection, the time where boundaries among people, nations and cultures have never been any lower. The world is moving at a faster rate and being too slow in innovation adoption can come at a very high cost.

As children of the so-called Baby Boomers (1946-1965), Millennials have been subjected to the influence of the trends affecting their parents, such as the high divorce rate, the empowerment of women taking part of the labour force and the rapid technological change, firstly led by radios and televisions, and then by mobiles, Internet and personal computers. In addition, their childhood was shaped

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4 It should be noted that Italian journalistic lexicon permits the use of the term “Millennials” for indicating people born from 2000 onwards.
by an educational approach both technological and neo-liberal, probably consequence of the profound social transformations of the Sixties. (Ng E. and McGinnis Johnson J., 2015)

According to the research of two U.S. academic scholars, Eddy S.W. Ng and Jasmine McGinnis Johnson from the George Washington University, on average, Millennials were raised in a middle-class socio-economic situation, i.e. in a much more prosperous time than that of their parents. As a consequence, this generation registered greater rates in high-level qualifications and post-secondary education attendance, becoming the most educated social cohort. But this did come with a consequence. The higher and longer education received made the youngsters more ambitious on the one hand and raised expectations toward working life on the other.

Many sociologists and market researchers also claim that this generation have an extremely optimistic attitude towards the future, are more entrepreneurial, competitive and self-confident. Others claim they are also very quantitative and detail-oriented people, who tend to read deeply in the issues and situations and who developed a very little tolerance towards ambiguity, maybe as result of an era where information is free and available anytime anywhere. (Deloitte, 2017)

Millennials seem also being more open towards diversity and liberal than their parents, maybe as a result of the increasing mobility – be it for study, work or leisure - thanks to relevant decreases in flight’s prices as well as to educational and professional opportunities all around the world. In addition, the boom of information technology and the instant and geographically-unconstrained communication let youngsters keep in touch above national borders. Moreover, the wide spread of English as primary working language in most part of the world decreased further the trans-national barriers.

A final consideration is addressed to the Millennials’ view towards businesses today. A study carried on by Deloitte, *2018 Deloitte Millennial Survey*, examined thoughts and concerns about companies and corporate environments in the eyes of Millennials. The research found that the majority of respondents believed that success should be measured not just in terms of financial performances, but in
terms of social, environmental and ethical impact. In few words, profits are accepted as a priority as they are fundamental for the company’s survival, but so should be Corporate Social Responsibility and all what that involves.

For this reason, it seems like Millennials’ concerns are more related to issues such as making a positive impact on society, creating jobs and reducing unemployment, taking care of employees also in terms of non-monetary rewards, developing careers, providing mobility opportunities, overcoming diversity gaps and improving people’s lives in general. (Deloitte, 2018)

**High education, mobility, liberalism, social responsibility, technology and connection** are in sum the six basic key words which best describe the Generation Y.

A further step in the analysis of the target market involves the behavioural attitude towards the Food and Beverage sector, with focus on wine. Improving generational intelligence by understanding how social transformations and people peculiarities have an impact on product perception is the starting point of the research.

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Figure 14. The Millennial generation in six words (partially taken from PwC, Il settore del vino in Italia, 2017)

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Education | Mobility | Liberalism | CSR | Technology | Connection
3. Millennials and wine

Individuals make consumption decisions based on several factors. More than anything though, consumers are inclined to purchase products or brands they feel more represented by: when the message externalized from a campaign or a brand matches the personal self-concept – or the desired one -, the marketing offer is observably and objectively more successful. For this reason, understanding the target’s relationship with the product helps marketers in identifying what has to be communicated, meaning observe whether there is consistency between the values communicated by the company and those researched by the target.

Not just is important for companies to identify the keys able to unlock potential consumers, but they must moreover constantly test whether what is communicated corresponds to what the target perceives.

Studying the target also helps marketers in identifying how the message has to be delivered and communicated, i.e. how to reach the target most effectively in terms of tone of voice to be used as well as in terms of presence in certain channels rather than others.

Thus, the following paragraph will analyse Millennials in their relationships with the product, in order to understand perceptions, habits, ideas.

The references are both, national – for what concerns consumption data – as well as international for what concerns perceptions and wants: as no real literature concerning both aspects is yet available for what concerns the Italian context, the empirical test will be the tool able to test international trends and views within the Italian case.
3.1 Consumption and Perception

In the past few years, several studies analysing the relationship between youngsters and wine have been carried on. Among all, the one promoted by the Marche Institute of Wine Protection and executed by Gabriele Micozzi, Professor at Università Politecnica delle Marche, was presented in Vinitaly 2015. The research was based on a sample of 1500 Italians between 18 and 35, aimed at providing an overall framework of the existing interactions between Millennials and wine, in terms of preferences and consumption habits.

According to the research, nationwide, wine is preferred and thus more consumed than beer: wine is in fact the number one symbol of conviviality and togetherness. 87% of youngsters between 18 and 35 consumes wine; 49% prefers this product to beer, cocktails and spirits (Figure 15), with an increasing preference as consumers get older. (Micozzi, 2015)

![Distribution of Italian Millennials, 2015](image)

**Figure 15. Distribution of consumers between 18-35 by favourite drink. (Micozzi, 2015)**

Among Millennials, wine looks preferred to beer, cocktails and spirits: how has its consume changed during the years?

To respond to this question, ISTAT data will be used and re-elaborated in order to provide an answer: the National Institute of Statistics collected in fact data representing the percentage of wine consumers on total population, by age group and throughout ten years.
Data are reported below:

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<tbody>
<tr>
<td>18-19</td>
<td>35.7%</td>
<td>29.1%</td>
<td>33.0%</td>
<td>34.5%</td>
<td>33.3%</td>
<td>29.4%</td>
<td>32.0%</td>
<td>28.9%</td>
<td>34.5%</td>
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<tr>
<td>20-24</td>
<td>41.8%</td>
<td>43.3%</td>
<td>41.8%</td>
<td>42.5%</td>
<td>41.5%</td>
<td>43.3%</td>
<td>41.9%</td>
<td>40.4%</td>
<td>42.5%</td>
<td>45.7%</td>
<td>45.8%</td>
</tr>
<tr>
<td>25-34</td>
<td>55.5%</td>
<td>53.1%</td>
<td>54.7%</td>
<td>52.0%</td>
<td>54.9%</td>
<td>52.2%</td>
<td>53.1%</td>
<td>52.1%</td>
<td>54.5%</td>
<td>52.4%</td>
<td>54.9%</td>
</tr>
</tbody>
</table>

Table 3. Wine consumption per age group. (ISTAT, 2017)

Visualizing the data:

Looking at the chart, two observations are deducible:

- **The older the segment, the greater the number of consumers**, as an effect of disposable income, for reasons connected to the taste or to social influences;

- **No big variations have occurred in ten years gap** for what concerns wine consumers on total population. Much more relevant would be studying the trends of the young population in a wider range of years: unfortunately, the most historical ISTAT data in this sense date back to 2007.

For what concerns the occasions of consumption, 55% of Millennials prefers drinking wine outside, in bars or restaurants, while 45% consumes it at home, after purchasing the product mostly in the GDOs, at the producer’s or in a wine-shops. (ISTAT, 2017)
According to Gabriele Micozzi’s research on youngsters and wine, the most relevant drivers to the purchase are not the brand or the packaging, but rather the region of origin (18%) and the quality (12%).

![Figure 17. Drivers of wine choice by importance (Micozzi, 2015)](image)

In addition, 48% of the sample considered the biologic nature of wine as highly relevant when facing a purchase, and 86% states to be willing to spend more for a biologic product.

All these data reveal a great involvement in environmental sustainability and a deep orientation towards local and national production, with a great attention towards labels and indications of provenience. Respondents moreover claimed they rely on farmers, wine experts, sommeliers and wine shops, where they believe they can find trustful information and valuable advice. For this reason, most of them (88%) purchases wine directly in original wineries, any time possible. (Micozzi, 2015)

For what concerns the perception of the product, the sources – academic papers and public press - come mostly from the U.S. and Australia. In particular, more than one suggests that Millennials focus on two important dimensions when it comes to wine: the feeling of togetherness and experience.

First of all, they are driven by social and leisure purposes and see wine as a social product, representing a moment of social cohesion and appreciated for the air of sophistication it resembles.

Secondly, according to the Millennials interviewed, wine represents an experience, an interesting and engaging product able to provide learnings and
lessons, as well as a real mean for discussions on taste, preferences, brands and reputation.

This suggests that youngsters are not only attracted to the wine lifestyle as symbol of upper-class status, but they are prone to really get involved with it. This involvement translates on the other hand, into an active participation in wine-related activities, not just for the pure act of consumption but mostly for satisfying the seek for experiential moments and educational lessons. (Spielmann N., Babin B.J., Verghote C., 2016)

Finally, Millennials are changing the way ideas, products and projects get communicated in large scale. Keeping this in mind, PriceWaterhouse Coopers carried on a comprehensive study with the aim of understanding what best appeals to the youngest generations when it comes to present and promote a product. In particular, the study shows two patterns:

(a) Millennials appreciate authenticity, thus rely on authentic communication, able to tell the story of the winery, its culture and its people as well as to provide detailed information and tips for pairing wine and food;

(b) They seek to be actively involved in real 360° experience, which would immerse them in a world where they can learn, get to know the brand, the winery and the wine-shop, both off and online. Consulting websites, blogs, following influencers and using digital platforms and technological devices for a more interactive learning is considered as valuable and relevant as offline communication. (PwC, 2017)

Experientiality and a multi-channel strategy could then be the key for attracting Millennials and engage them: how extent is this statement true? How extent do these trends have a real impact on consumptions and on consumers in Italy?
4. Emerging trends in wine

Since the widespread development of Internet, almost all industries had to face the challenge this wave of innovation took with it: some have found ways to take advantage of it relatively quickly, while others are still having troubles in keeping the pace.

Something is slowly moving in the wine industry as well. The big beverage chains which, in the course of the years, had acquired small and medium-size wineries, have been the first adopting and introducing innovation in the market – not just in terms of new technologies but also in terms of new communication approaches as well as in all aspects of the customer journey. Still, small family enterprises – which in the Italian scenario are the greatest in number – tend being much more connected to the past and innovation-resistant. For instance, many recognized that holding an online presence is the only way to establish an image nationally and - even more importantly – internationally, but no real strategy has been set up in this sense.

Marketing communication goes far beyond promotional tools. The product’s design, meaning bottle shape, label and packaging in widest terms, as well as the distribution channels and its price all communicate something to the buyer. Thus, the entire marketing mix – promotion and product, place and price – must be coordinated for reaching the greatest impact.

In particular, the research aims at investigating reactions and appeals on four basic trends, each representing a different aspect of the marketing mix. Such trends are very common practises in other markets – thinking for instance at delivery and e-commerce – but have so far found little room of development in the Italian case. As Millennials are the market segment which seems having a higher degree of openness towards all what is new and distance itself from tradition, investigating this target within the wine industry has been considered as providing an interesting view on product perception and – perhaps - generational gaps.

The trends in question are the following:
1) **Communication in the Digital Age:** social medias and digital contents, effectiveness and actual use;

2) **Design and Alternative Packaging:** appeals and degree of involvement on packaging design for the Italian junior consumer;

3) **e-Commerce:** relation towards the new online distribution channels;

4) **Experiential marketing:** interest and degree of attractiveness on product-related activities.
4.1 Communication at the time of the Digital Medias

In the past few decades, marketers have developed and perfectioned effective mass marketing strategies, which could reach – with just one single ad such as a television spot – millions of potential customers around the world. Today, however, marketing paradigms have changed dramatically, and speaking about mass marketing strategies is for sure something both obsolete and risky if considering the multidimensional reality we are in.

This statement finds its proof in the study of today-consumers: Millennials more than anybody else have been raised with devices able to provide all kinds of information in all sectors. The consumer of the digital age is therefore considerably better informed, as well as more communication empowered. Rather than relying on market-provided information, consumers today google the product, compare prices among stores, connect with other consumers and ask for referrals or advice.

As a consequence, marketing strategies are changing too. Marketers started shaping focused marketing programs addressed to special segments of demand and designed not just to inform a passive user but rather to engage an active participant and build closer relationships through what has been called micromarketing.

Televisions, newspapers, magazines and other mass medias still remain very important, but their dominance greatly declined. To take their place new medias emerged, as they were the perfect instruments for marketers to build more specialized highly-targeted campaigns: social medias, e-mails, video contents, websites, blogs and online catalogues are just some of them, enabling companies to reach as many consumers as national TV ads but in a much more relevant, target-oriented and cheaper way.
4.1.1 Building an effective marketing strategy

The introduction of new forms of media communication tools posed marketers a great challenge, in the way all systems must integrate in the message, tone of voice and brand positioning.

Consumers in fact do not distinguish among medias used, as they perceive only one overall message: whenever conflicts among sources arise, confusion emerges, harming the company and its image. Integrating all communicative drivers is hard, as mass-media on the one side, digital-media on the other and offline communication are normally managed by different departments within the company, and coordination is not always a priority (Kotler P., Armstrong G., 2012). As the digital medias arises and their use spreads, it is fundamental to know how to integrate all channels to deliver a clear, consistent message.

Integrated marketing communication means in few words recognizing all touchpoints where the consumer may encounter the company – be it online or offline - and tie them together in one image and message, i.e. providing the same meanings, instilling the same feelings, evocating the same mental image.

Building an effective marketing communication plan comes with a multi-stage path, where the company has to make several decisions. It all starts with the definition of the target audience and the communication objectives meant to be delivered. If the target is relatively easy to identify and choose, so is not for the communication objectives, whose definition depends upon customers’ values, wants and expectations.

In particular, the company has to know where the target is in the Buyer-Readiness stages map in order to deliver the right content, and this means understanding if the consumer is aware of the product (Stage 1), has a knowledge at a deeper level (Stage 2), likes it (Stage 3), has a preference towards it (Stage 4), is convinced on it (Stage 5) or is about to purchase it (Stage 6). Thus, the communication purpose changes accordingly.

The message has then to be designed with deep consideration of aspects such as the content - which has to have emotional and moral appeals to the target -, the structure
and the format. Finally, promotional channels to be used in the campaign have to be selected.

As we have seen, the alternatives are numerous: television and movie ads, radio, blogs, emails, websites, affiliate programs, social networks, pop-up stores, door-to-door, PR and many others. For the sake of consistency with the research, only a few will be analysed: the most innovative, digitally-driven and large-scale. Acknowledging that many small and medium enterprises do have rigid budget constraints, the focus will be addressed to a little list of digital medias which are considered essential for establishing a brand reputation and image and on the other hand are still mostly underdeveloped, holding - though - a great potential in terms of return.

4.1.2 Social medias and digital contents

According to Clutch\textsuperscript{5} 2018 Digital Marketing Survey, more than 500 U.S. marketers interviewed reported the most used digital marketing strategies being Social Media Marketing (81%) as first in the rank, followed by websites and email (Figure 12).

![Figure 18. Most Profitable digital channels. (Clutch, 2018)](image)

Among all, four marketing levers have been considered interesting to the research as gaining in value and return, and will thus be analysed: Social Media, Influencer Outreach, Video Contents and Podcasts.

**Social medias.** The free access to Internet has changed the world drastically, since all people around the world have been given the right to speak their voice. As a

\textsuperscript{5} Clutch is a private web and digital agency based in Washington, DC.
consequence, countless independent websites as well as social media pages have arisen, giving the individuals the freedom to congregate, socialize, exchange views and information and build communities. It comes with no surprise that marketers have observed the new trends and behavioural patterns with the aim of taking advantage of the social networking wave in the quickest and most effective way. How?

Companies have indeed either create their own network – a community of like-minded people, sharing the same interests and passions – or use the most popular social networks, where they could find all kind of customers in all Buyer-Readiness stages: unaware (but interested), averagely acknowledged and expects.

As primary step, establishing an online presence where customers already are, seems like the most reasonable solution. The two major social networks where customers are present are in fact huge.

Social networks are valuable marketing instruments for several reasons: first of all, through social networks, individuals can easily obtain official and always up-to-date information directly from the company. This means that corporate pages may somehow become virtual catalogues of products and services but structured in a much more convenient, cost-saving and appealing way. In addition, active interactions through social media strengthen the relationship with actual and potential customers.

Part of what makes social networks effective marketing tools is in fact their closeness to the customer – especially in B2C businesses. Such relation let companies identifying
expectations and pain points, leading to better structured and more compelling contents, eventually improving sales conversions. In addition, unlike other marketing levers, social medias let marketers address campaigns and special contents to specific target groups, already segmented by region, age and interests.

Interesting to our analysis will be understanding how extent are Millennials on social medias in their free time and whether they use them also in seeking information before purchase.

**Influencer marketing.** Influencers are people with a wide social recognition and follower-base, thus able to significantly affect customers’ purchasing decisions. Their actions and contents commonly reach million users everyday as their main communication tools are highly accessible technologies, like social medias, blogs, vlogs, etc. Companies have recognized their marketing potential and are starting to build a dense net of partnerships and sponsorships: influencers in social networks are today what celebrity endorsers were at the time of television commercials.

What changes though, is that influencers are spontaneously supported by a loyal and sincere followers base, sharing the same passions and presenting feelings of trust and esteem. This premises let the resonance of their voice be much more impactful as it is supported by an established sense mutual real one-to-one interaction.

It is widely known that recommendations from a third party is more effective than brand’s advertising, and the level of trust between the influencer and the follower is impossible for a brand to build alone: according to some studies, Instagram's user-generated contents have 4.5% higher conversion rate than those posted by a brand. (Zaryouni, 2015)

**Video contents.** Not just channels have changed but contents have done it too. In such fast-paced world, videos – rather than articles or blogs - are increasing in usage and engagement rate, estimating to become the main source of information and educational contents in the early future: the world is facing what seems to be a shift
from books, articles and face-to-face classes to videos, infographics and audio-registered lectures.

Most of consumers reported that videos about the products they are about to purchase help them making decisions; other statistics, on the other hand, state that embedding videos in landing pages can increase conversion rates by 80%. (HubSpot, 2018)

Furthermore, videos are optimal instruments as they can embody all types of contents: texts, music, informative audios, photographs and links. As a consequence, information gets more understandable as it is supported by more than just one sense (users watch, read and listen all at the same time), and reaching and retaining consumers’ attention gets easier. Plus, videos can be shared in all main platforms and this drives additional traffic both to the social media pages and to the main website.

**Audio contents.** Podcasts are another instrument whose use is greatly increasing, as they let individuals listen to what they want, whenever they want, wherever they are and most importantly, whatever they are already doing.

Podcasts are pre-recorded audio programs, either published on websites or available in streaming or for download in the most widely used music apps. Companies have been acknowledging the high potential of it as marketing tool developing great interest as considered a highly innovative and additional touchpoint through which to connect with the customer, increase the reach and engage at a very low cost of production.

In 2017, Discover Pods⁶ carried on a survey on this theme, aimed at better understanding the listeners with a view to estimate the potential return from podcasts’ advertising.

Out of 542 respondents, 40% identified themselves as podcasters and 69.2% claimed listening more podcasts than the prior year. What is even more surprising is that the majority of respondents (66.8%) state listening more than seven hours a week,

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⁶ Discover Pods is a web platform born with the goal of spreading the voice and the use of podcasts around the world and suggesting and discussing trends in the industry.
consum ing more podcasts than books, magazines, radio, and even TV. (Discover Pods, 2017)

As such data refer to the U.S. population, interesting will be understanding how extent such tool is known and used by Italian youngest generations.

**Mobile Apps, QR Code and Augmented Reality.** Mobile apps are also tools able to provide information and access to online purchases in quicker and smoother ways. In the U.S. market, apps on wine are highly popular, as they help even the least expert consumers going through their purchase decisions.

The most popular wine-related apps are those involving *label scan*: the QR code on the bottle in fact lands the user to an in-App page with all major details about the product, features, taste, vintage year, grape variety, best occasion for its consumption, but also ratings, reviews, price, nearest stores where to find it and the possibility to buy it directly by mobile. Others recommend food and wine pairings, notify the user when a wine exhibition or a wine fair is around, compare prices, recommend wine shops, wineries and restaurants.

Finally, some apps have been created only for pure experiential marketing and entertainment purposes, in the hope of creating word-of-month and attracting the most curious.

An example is *19 Crimes*, an American brand born with a totally innovative concept of wine with respect to the most traditional, historical and prestigious wineries of the wine producing continent for excellence, Europe.

Understanding that the demand was very different to what Europeans’ wine brands were offering in the United States, 19 Crimes studied the market and understood that what was most important to many was not the prestige of the region of provenience, the complexity of the taste, nor the grape variety used. Rather, some American wine consumers were mostly looking for a simple wine, not too difficult to understand and which could give a sense of entertainment, engagement and able to tell a story connected to their routes.
Thus, labels representing nineteen criminals at the time of the colonies were displayed on wine bottles. Consumers were invited to download the app and through it, criminals on the labels would tell their story, thanks to use of augmented reality.

This is a perfect example of how Hi-Tech and tradition could well fit together. For sure, again, the market is different: it will be aim of the empirical research testing whether the Millennial consumer would be open to wine-related mobile apps and more disruptive and techno-friendly attitudes towards a product which - in Italy - boasts century and century of history.
4.2 Design and Alternative Packaging

4.2.1 Canned wines

In the American market, from 2017 to 2018 sales of canned wine grew by 43%, becoming one of the fastest growing categories within the wine industry. Such growth can be explained by the appeal canned wines find on Millennials: cans are in fact easy to manage and carry (as well as to recycle), they give an image of fun and easy-going situations and are much less expensive than entire bottles. In addition, canned wines are appealing also to non-consumers: in fact, non-users claim they would be willing to try a new wine if they didn’t have to buy a whole bottle. Finally, over the last three years, the number of canned wine brands has grown for about twelve to over one hundred, including private label’s brands such as Trader Joe’s. (Whitten, 2018)

In Italy the market is notably different, and consumers may not accept wine in anything but glass bottles. Nonetheless, in 1978 requests for the usage of alternative types of packaging, such as cans, were presented to the Ministry of Health and Agriculture, obtaining the permit of trading and selling cans for the variety of still wines. From the sources available, it seems that canned wines were indeed a success in Italy too, being presented in the main television channels and available to all major GDOs.

All ended with the removal of the permit some years later, which turned off the enthusiasm on new packaging materials and formats; foreigner operators instead, were able to ride the wave and got acclaimed for been pioneers and great innovators. (Giacobazzi)

For what concerns the understanding of perception and reaction towards new packaging materials, a study conducted by two PhD students at Texas Tech University will be taken as reference.
American Millennials coming from all major U.S. states and regions (West, Midwest, North-East and South) were asked to respond to a survey, testing the appeal and attitude on different brands, where brands were displayed in four different packaging materials and style: organic paper box, designed paper box, plastic bottles and aluminium cans.

**Aluminium cans** in particular were found being appreciated for their colourfulness (64.2% of the times), sense of modernity, sophistication and feel of excitement. They were moreover considered convenient (52.8% of responses), practical (48.7%) and useful (48.3%). Comparing all of four packaging alternatives, aluminium cans got the highest scores for what concerns Attractiveness and Aesthetics and Quality of Product.

Table 4. recaptures the study, underlying the four variables according to which alternative packaging were evaluated and ranked.\(^7\)

<table>
<thead>
<tr>
<th></th>
<th>Type 1: Organic paper box</th>
<th>Type 2: Designed paper box</th>
<th>Type 3: Aluminium cans</th>
<th>Type 4: Plastic bottles</th>
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</thead>
<tbody>
<tr>
<td>Attractiveness and Aesthetics</td>
<td>3.34</td>
<td>3.14</td>
<td>3.67</td>
<td>3.33</td>
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<tr>
<td>Functionality</td>
<td>3.58</td>
<td>3.53</td>
<td>3.61</td>
<td>3.83</td>
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<tr>
<td>Value</td>
<td>3.51</td>
<td>3.31</td>
<td>3.37</td>
<td>3.83</td>
</tr>
<tr>
<td>Quality of Product</td>
<td>3.45</td>
<td>3.08</td>
<td>3.61</td>
<td>3.38</td>
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*Table 4. Packaging Perceptions – points (Johnston N.E., Velikova N., 2017)*

From the study it is possible to conclude, U.S. Millennials not only liked the product in alternative packaging and looked willing to accept it in more innovative shapes and outlook, but they moreover considered cans as more attractive and functional than alternatives.

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\(^7\) The reported values are the average score each features received per type proposed. A 5-point Likert scale was used, where 1 = strongly disagree and 5 = strongly agree. (Johnston N.E., Velikova N., 2017)
It will be aim of the empirical research testing whether such perceptions are shared within Italian Millennials too, or whether they look more concerned on other issues, such as quality and conservation.

4.2.2 Packaging and label design

The second trend on packaging that will be analysed is all what relates to packaging design. Looking at data as well as qualitative aspects, Millennials look more inclined towards aesthetic than previous generations in the sense that they have developed a greater interest and a more sophisticated taste towards the outside appearance, as they demand for new, exciting, convenient and eco-friendly packaging.

U.S. studies on this field has shown that wine packaging design affects – among others – quality perception; the research taken as reference point moreover tested what factors had a higher impact on wine purchasing decisions; in other words, what influences purchase the most.

Price, variety and brand got the highest positions in the rank, immediately followed by label design, package design and label information. Surprisingly, the country of origin (indications of provenience) and location on the shelf had the lowest score. (Johnston N.E., Velikova N., 2017)

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<td><strong>1</strong></td>
<td>Price</td>
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<td><strong>2</strong></td>
<td>Variety</td>
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<td><strong>3</strong></td>
<td>Brand</td>
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<tr>
<td><strong>4</strong></td>
<td>Label design</td>
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<tr>
<td><strong>5</strong></td>
<td>Package design</td>
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<td><strong>6</strong></td>
<td>Label information</td>
</tr>
<tr>
<td><strong>7</strong></td>
<td>Country of origin</td>
</tr>
<tr>
<td><strong>8</strong></td>
<td>Location on shelf</td>
</tr>
</tbody>
</table>

*Table 5. Most important factors in wine choices. (Johnston N.E., Velikova N., 2017)*
4.3 Online Distribution channels: e-commerce

4.3.1 e-Commerce: a general overview

The first forms of online transactions which can be considered as the precursors of the today commonly called e-commerce, date back to the Seventies in the American soil, when MIT students developed a network called ARPANET for exchanging, buying and selling goods within the campus.

Years later new forms of Internet-related shopping systems entered the market and became available to all: in 1995 Amazon.com was launched as the first commercial-free 24-hour Internet-only platform, followed, some time later, by eBay, Alibaba Group and all the other minor competitors.

   e-Commerce is a global phenomenon, experiencing increasing growth rate in almost any developed market. The United States, birthplace of this new retail channel was the largest and most profitable market until 2016-2017, with an e-commerce share of total retail sales of 7.5% in 2017. (Edquid, 2017)

Since China’s economic reforms and the consequence boom of China’s economy, online shopping experienced a great expansion in the Eastern continent too. Because of the increase in Internet use and thanks to the vast population, China’s online shopping sales reached 1.1 trillion U.S. dollar in 2017 with an increase of +32% from the previous year. Accounting for 15.9% of Chinese retail sales of physical goods in 2017 and representing more than 17% of total world web purchases, China soon became the world’s biggest online market outpacing the United States.

   Despite the small size, United Kingdom is the third big e-commerce player, followed by Japan, Germany, France, South Korea and Canada.

   e-Commerce is for sure a pervasive phenomenon in all scenarios, be it in the B2B, in the B2C and even in the C2C, especially through those platforms which enabled - and encouraged - single individuals in putting their product online for sale.
As Sven Callebaut, member of the Division of Technology and Logistic at UNCTAD (United Nation Conference on Trade And Development) pointed out at a UN Conference in Bangkok on June 2017 though, “[e-Commerce] takes more than [just] Internet access”: its development, spread and use do not necessarily follow the same path as other Internet platforms, such as social networks.

![Figure 21. Share of Internet users involved in buying online and social networking. (UNCTAD, based on ITU data and other sources)](image)

As the chart above shows, participation in social networks and growth of online shopping rarely proceed in parallel: in most of developed countries, they found more or less the same number of active users, while in others e-commerce is still underused despite the high percentage in social networks’ use.

Reasons may rely on a low-inclinalational and cultural predisposition towards innovation when some risk takes place: poorer nations allocate more importance on savings and online shopping is very much perceived as a highly risky operation. In addition, online payments request credit cards or debit cards and still a great number of the population in these countries use cash for most of their purchases.
4.3.2 The Italian case

Italy falls exactly under the just mentioned category: Internet has reached 89.9% of the population between 11 and 74; e-commerce increased in revenues, but its development occurs at a much lower rate than Internet adoption or social networks’ spread. Nevertheless, e-commerce growth rate is stable and positive since its introduction (2004).

![Figure 22. e-Commerce revenues in Italy from 2004. (Casaleggio Associati, 2018)](image)

When considering e-commerce related-revenues distribution by sector, leisure and tourism are those where online payments occur more often. Together in fact, they generate up to 70% of the total e-commerce revenues.

Other sectors recently experienced a considerable growth thanks to investments from big players and new national and international entrants: Health & Wellness registered +39% with respect to 2016, Fashion +28%, Food & Beverage +24%, Electronics +21% and Furniture +19% (Casaleggio Associati, 2018). Despite the positive trends, revenues are still modest in absolute terms and if compared to the two main sectors.
In the last few years, many small and medium-size shops shut down, and reason for that was given to the big foreign players – mostly wholesalers - which entered the market, enforced by their large budgets and vast offers. Such crisis Italian retailers are facing may though rather be attributed to the real and profound evolution which is spreading all over the country and is strongly crashing towards traditional systems: consumers rely on online retailers such as Amazon not because they like its products better, but because it provides a 24/7 marketplace where to easily get anything they might need.

Changes in technology, business models and market structure have been disrupting the whole retail experience, creating new winners and new losers: responding quickly to the changes is the real discriminating factor determining who will survive and who will fade away.

For sure, legislation plays a fundamental role in such context: governments are in fact responsible of handling the battle between national and international players, and they can do it either by protecting the inside small businesses from the external competition imposing protectionist barriers or by encouraging and incentivizing their technological development.

Finally, consumers look for a seamless experience between on- and offline: the physical store is becoming a touch point where consumers get in contact with the brand, get to know values, lifestyles and products. For the most, physical stores are
likely to stay, but their role will progressively switch from market-place where to buy the product, to showrooms where to get to know the brand. Engaging activities, events and combined used of technological devices such as augmented reality would boost consumers’ satisfaction, and a well-set path would let the user to the purchase. (Paragraph 4.4)

4.3.2 e-Commerce of Wine

e-Commerce of wine appears as a real worldwide challenge: even the United States are struggling in succeeding through the online channel.

**Grocery** sales in general have been moving at a much slower pace if compared to other sectors not just in the Italian market – where Food & Beverage’s represents just 2.7% of the whole e-commerce revenues – but also in the American one.

Nevertheless, although numbers are still modest, growth rate is slightly positive: considering the industry a high-potential market and a good-fit for the business, the world wholesale leader Amazon acquired the widely known biologic supermarket chain Whole Foods in 2017, attempting at boosting sales in the grocery sector through the online channel.

**Wine**’s e-commerce revenues – together with the other alcoholic beverages – are even smaller than the already modest returns from the grocery sector: online penetration of wine in Italy remains one of the lowest worldwide registering a 0.2% on the total wine sales in the country (*Figure 23*), against 11% of the UK, 10% of France, 8% of Spain and 5% of Germany.

---

**Figure 24. e-Commerce sales of wine over total sales. (Svinando Wine Club, 2016)**

---

<table>
<thead>
<tr>
<th>Wine: e-Commerce sales over total sales. Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td>99,80%</td>
</tr>
<tr>
<td>0,20%</td>
</tr>
</tbody>
</table>
The reasons explaining such delays in wine are greatly connected to the general delays in e-commerce adoption nationwide, as online purchasing does not yet represent deeply-installed habits for Italian consumers. Companies’ digital transformation is moving slowly too and online payments are still perceived as highly unsafe.

Additional obstacles are related to the fear of sellers of running into excessive costs due to marketing expenses, training, software-related costs, and other platform-management related costs as well as the fear of not being able to manage sales because of a lack of expertise within the organization. (Faraoni, 2015). Logistic efficiencies and inefficiencies play also a relevant role in the final outcome and so does the level of competition within and outside national borders.

Finally, food - and wine especially – have a totally different value for the Italian consumer if compared to the rest of the world: the consumer is highly selective and on average very informed, worry about the taste as well as the nutritional aspects, loves grocery shopping just for the experience itself, touches products, imagines pairings and makes up receipts. The connection between consumer and food is in the Italian case something very particular and deep, and this makes of Italy a country where installing online purchasing habits is a hard challenge.

Next to such obstacles it is though fundamental to acknowledge the successful factors which may lead consumers to rely to this channel, if not today, in the early future. The possibility to order the product in advance, 24 hours a day, 7 days a week and without costs related to the traditional physical purchase (such as costs in terms of time and transfer) are just some. To these others can be added: easy, on-demand and instant purchase by mobile, the possibility to look for reviews and customers’ comments and opinions, shipping within 24/48 hours, lower prices, products’ portfolio variety, and convenience in general.

The questionnaire will try to respond to the following questions:

- *How extent is the Italian Millennial consumer used to purchase products (not considering tourism or leisure-related activities) online?*
- How frequently do they rely on online services of food delivery or grocery shopping?
- How open are Millennials to innovation adoption in terms of online shopping platforms for products such as wine?
4.4 Beyond wine: Engaging customers offline with experiential marketing

Experience can probably be considered as the number one keyword when it comes to marketing nowadays. In a time where almost all people have access to almost any product, what makes the difference is what stands behind and provides emotional vibe: adventures, exciting activities, challenging tasks, intriguing hobbies. Through experience, customers are given the possibility to explore the brand or the product and be educated on certain aspects: here relies the great market potential of this instrument. With a return hard to measure, experiential marketing has undoubtedly a strong appeal on customers and help brands in building their image and gaining in brand value and equity.

Wine tastings and wine fairs are the oldest forms of experiential marketing: they have been used for decades as ways to educate and introduce people to the world of wine. But experience nowadays is much more than just that.

**Wine tastings and wine fairs.** Highly common in Food and Beverage, tastings and fairs are good instruments for all customers which are open to try new products; moreover, they are very impactful for industries where the trial is highly relevant: see the product and taste it can dramatically change consumer’s mind, leading them to a loyal purchase.

**Pop-up stores.** Pop-up retails – also called pop-up stores or pop-up shops – are temporary short-term sales spaces which open either for strategic product marketing launches or for seasonal or periodical events, such as Halloween and Christmas time. These shops are used by companies for increasing interest in their products in a unique environment that engages customers and interacts with them. Often, various benefits come with the store visit, such as the possibility of testing products, been given extra free samples, fun photoshoots, branded merchandising, or just meeting the VIP endorsing the brand.

In order to engage customers further, new digital technologies find application: the user can in this context get to know the product through interactive devices which adopt innovative software like augmented reality, 3D and 4D gaming and so forth.
For what concerns wine, Tesco, British grocery store and general merchandise retailer, opened a two-week pop-up store/wine bar out of an old art gallery in London’s Soho, giving customers a more personalized, intimate and immersive experience. Masterclasses were offered to visitors for in-depth looks at specific products. The same format was then replicated elsewhere.

**Wine tourism and other outdoor activities.** Taking part of seasonal walks in the land of special wines is also a highly loved and widespread activity. People are generally invited to visit the wineries they find along the way, taking breaks trying local food and wine. Such events host million participants every year and are a good way to show the small towns where wine has its origin and the green landscapes in the surroundings. Such practice enables the user in getting to know the product and enhance the image of the land for more touristic purposes. Other activities related to tourism are organized throughout the year and special agreements with tour operators or advertisements on digital platforms are constantly updated and available.
PART THREE

Empirical Research

DATA COLLECTION AND ANALYSIS. AN EMPIRICAL APPROACH TO THE STUDY OF ITALIAN MILLENNIALS IN WINE.
1. The empirical research: an introduction

The first part of the essay focused on the wine industry as a whole in the attempt of contextualizing the sector before proceeding deeper in the analysis of the Italian case with respect to a particular generational cohort. Little research has so far been carried on for what concerns Millennials and wine: the available literature on the topic in fact are mostly American and Australian works and thus represents precious and interesting hints to be tested but that may significantly differ from the Italian scenario.

Conducting a marketing research in this field has therefore been considered an optimal way to gather data able to predict consumers’ behaviours and able to define perceptions and orientations towards the product. The research can moreover help in assessing market potential and in measuring effectiveness of – for instance - new distribution channels, promotional activities and other marketing tools.

The research has so far collected basic but reliable information coming from several sources, both in academic publications as well as in knowledgeable websites. These are all secondary data and represent the starting point for the marketing research, which will be enriched by additional insights collected more on-the-field. In particular, a quantitative – rather than qualitative - method of data-gathering will be applied: methodology of the research will be given room in Paragraph 3.
2. Purpose of the research

The research aims at uncovering Millennials’ perceptions of wine as well as their involvement with the product, questioning the literature and few starting hypothesis.

Young wine consumers have been the focus of numerous studies: the majority of the research in this field focused on wine in terms of quantity consumed and preference over other alcoholic beverages and in terms of penetration on total population rather than on more personality-based aspects.

For this reason, having a 360° view on the relationship between these two actors – wine on the one side and Millennials on the other - is considered valuable for gaining a better idea of how to react to future consumers’ expectations and demands.

In particular, the research wants to shed light on the following issues:

1. **Is there a common behavioural pattern among Millennials all over the country?**

   In other words, are Millennials’ responses generally homogeneous or highly variegate?

   What we know from the theoretical research so far conducted is that the Millennial generation presents a set of common characteristics: because these type of consumers have been born in very close years one another, have been raised in the same times and have experienced the same social changes, it may be reasonable to expect a great concentration of the same responses rather than a wide spectrum of dissimilarities.

   Hence, the data analysis will test the following hypothesis:

   **H1:** **Millennials present similar attitudes towards the product and similar inclinations towards the trends taken into account.**

2. **How does an Italian Millennial consumer perceive wine? How extent is he/she interested in the product?**
In a time when wine is experiencing a brilliant success both nationally and – even more - internationally, the product is gaining an ever-greater position in the economic, cultural and social life. The real questions meant to be answered in this sense are: are Millennial consumers sincerely involved with wine? Are they actually interested in learning more about it? Also, considering all the varieties of wine that can be found in the market, how do they relate with the complexity of the offer, and thus of the product?

According to the literature, wine is a highly appreciated product not just for the taste or the meaning it may have across cultures and within societies, but also for being a good which well suits to occasions of learning, experiencing and discovering something new. Nonetheless, those who speak about wine and are engaged with the product might be less that what appearance shows; the research will thus test the following hypothesis:

**H2:** Although the literature may say the opposite, a great deal of Millennials is indeed not actually interested in the product.

**H3:** Wine is considered too complex to Millennials, which may look for a simpler and more clear communication.

3. **Where and how best to reach young consumers?**

As we have seen in Part Two, Paragraph 2, Technology and Connection are two of the keywords which best describe the Millennial generation: the spread and use of mobiles and laptops, combined with free access to the Internet in more and more devices, have seen a progressive shift from offline to online lives. People live connected 24 hours a day and the time spent on digital devices is increasing in a highly conspicuous and very evident way. For this reason, being where the consumer relies is essential.

In specific, the questionnaire asks consumers:

(a) where they generally look for information when it comes to wine;
(b) how extent they follow influencers in the sector and where;
(c) how they spend the majority of their free time.
In addition, respondents are asked for opinions on packaging, online shopping’s habits and degree of openness towards e-commerce in the sector. Finally, a more offline aspect wants to understand which – among the alternatives proposed – finds more appeal.

The starting hypothesis in this field rely on the expectation that Millennials spend much of their free time online. For this reason, they may have started to gather information and collect opinions through the web, at least as much as through the people surrounding them – being they relatives, colleagues or trusted experts.

At the same time, the survey questions their online consumption habits and their willingness to open up to new formats and distribution channels.

Hypothesis can be summed up as follows:

**H4:** Millennials are starting looking for information about wine in the web and tv programs.

**H5:** They allocate a great deal of importance on aspects related to design, graphics and packaging.

**H6:** They highly welcome high-tech in the process of wine discovery. Adding interactive systems to educate consumers would boast Millennials’ engagement with the product.
3. Methodology

The research on Millennials and their relationship with wine has found its foundation on the literature and has been then executed on-the-field through a survey. Below some insights on how the survey has been developed are reported:

**Channel.** The questionnaire has been spread through two social medias: *Facebook*, as it is still the most popular worldwide (second only to YouTube in the Italian case) and able to easily reach both, youngest Millennials as well as those who are currently in their thirties – which may not be as active on other platforms.

Respondents have been reached through the network of personal contacts as well as through the help of colleagues which embraced the cause and spread the questionnaire themselves to their own network.

Groups and communities have been leveraged for gathering extra data; in particular, the greatest effort has been addressed to university groups and students' associations all over the country, as well as extra groups not connected to university life, but still presided by Millennials, as to reach different profiles.

Personal networks and personal contacts have for sure gained the greatest success in terms of response rate, but joining groups permitted the exposure of the survey to a much more variegated audience, in terms of age and geographical provenience.

The second channel used was *LinkedIn*, as considered an optimal online place where to reach young professionals with higher qualifications.

**Target.** The survey's description well defines who the target of the research is: the 'Millennial generation', as we have seen in the second part of the research, is a very vague term, which is often used to indicate young consumers born in between early 1980s and 2000. Since legal age for drinking is eighteen, such questionnaire addressed its attention to a population not younger than 18 and up to 34 – like the most behavioural researches targeted to this generation. Respondents are asked to indicate their birth year among the ones presented; those who did not match the age requirements have not been taken into account in the analysis.

**Structure.** The survey is structured in 24 questions: among these, six refer to the consumer's personal characteristics, such as birth year, gender, region of residence,
city area, highest qualification achieved and current occupation. These details are highly important for testing hypothesis on connections between behavioural patterns and personal traits.

One final question is meant to provide to the respondents additional space for considerations, hints or extra comments.

All others – which represent the largest part of the questionnaire - refer instead on behavioural and attitudinal decisions. They are presented in three ways:

- **Multiple-choice questions**, where respondents have to choose one answer among the ones provided;
- **Scale questions**, where they are asked to provide an estimate of the weight – in terms of importance or degree of agreement with a statement – for certain propositions;
- **Open fields**, where respondents are invited to answer with their own words, whenever they feel that no option represents their thought completely.

The entire questionnaire is reported in Appendix I.
4. Sample’s profile

Age & Gender. The survey reached a total of 363 responses: eight, among these, claimed being under 18 or over 34 and thus are excluded from our analysis, as not matching the target’s requirements set in the research. The 97.8% of the respondents are indeed of our interest: 102 (28.1%) are in between 18 and 22, the vast majority, 204 (56.2%), in between 23 and 28 and 49 (13.5%) between 29 and 34. The test has thus successfully reached all ages in the age-range of the studied generation: this represents an important aspect as it allows to carry on analysis based on different age groups in order to see whether consistent behavioural differences emerge.

Out-of-target respondents being excluded, 34.65% of the sample are male while 65.35% are female.

Region of provenience. A further discriminatory variable among respondents is the region of provenience, meaning the region of residence or anyway the region the subject feels more representing him/herself, for instance because of the time spent there or because it’s the place where he/she was raised.

The goal of reaching responses from almost all regions was accomplished: the data collected refers to 13 different regions, which, for the sake of the analysis, have been gathered in two big macro-areas:

- North, counting up to 328 responses (92.39%);
- Center, South and Islands, with a total of 27 responses (7.61%)

Although reaching all major regions, responses present a high concentration on North-East, while being scarce for what concerns the other areas: unfortunately, the total amount of data collected elsewhere is not relevant enough for carrying out a tailored analysis.

Nonetheless, it is possible to divide responses by city area: 182 over 355 (51.27%) comes from urban areas, while 173 (48.73%) from extra-urban/rural ones.
Qualifications. The sample can be moreover distinguished by highest qualification accomplished; the table below well describes respondents’ profiles:

<table>
<thead>
<tr>
<th>Qualification</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>none</td>
<td>2</td>
<td>0.56%</td>
</tr>
<tr>
<td>undergraduate</td>
<td>123</td>
<td>34.65%</td>
</tr>
<tr>
<td>graduate</td>
<td>136</td>
<td>38.31%</td>
</tr>
<tr>
<td>master, MBA, PhD…</td>
<td>94</td>
<td>26.48%</td>
</tr>
</tbody>
</table>

*Table 6. Sample by educational level*

Occupation. Finally, 150 (42.25%) are students, 122 (34.37%) workers, 60 (16.9%) working students and 23 (6.48%) are indeed unemployed.

The following schemas illustrate and visualize the sample in its characteristics:

<table>
<thead>
<tr>
<th>Age</th>
<th>Total</th>
<th>Matching the target</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996-2000</td>
<td>102</td>
<td>39.08%</td>
</tr>
<tr>
<td>1990-1995</td>
<td>204</td>
<td>78.16%</td>
</tr>
<tr>
<td>1984-1989</td>
<td>49</td>
<td>18.77%</td>
</tr>
<tr>
<td>other</td>
<td>8</td>
<td>3.07%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>M</td>
<td>123</td>
<td>34.65%</td>
</tr>
<tr>
<td>F</td>
<td>232</td>
<td>65.35%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>328</td>
<td>92.39%</td>
</tr>
<tr>
<td>C,S,islands</td>
<td>27</td>
<td>7.61%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City area</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>urban</td>
<td>182</td>
<td>51.27%</td>
</tr>
<tr>
<td>sub-urban</td>
<td>173</td>
<td>48.73%</td>
</tr>
</tbody>
</table>

*Table 7. Sample’s profile*
5. Analysis of the results

The analysis will proceed in two steps: the first is meant to analyse responses concerning consumption frequency, product perception and interest and product information seeking. The second will analyse appeals and opinions relative to the four specific marketing fields explained in Part Two, Paragraph 4.

5.1 Consumption, perception, interest.

5.1.1 Frequency

In order to understand product perception and interest it has been considered fundamental to question respondents on their consumption habits, first of all in terms of frequency. The majority (48.17%) claims consuming wine about one to two times a week, immediately followed by those consuming the product a little less frequently – one to two times a month (30.14% of respondents). Such value is – as we can see - not polarized: besides some exceptions, consumption tends being homogeneous among respondents, which present occasional consumption habits rather than habitual (daily consumption reaches only 4.79% of respondents). The trend towards occasional consumption described by ISTAT and reported in Figure 12 finds then proof in this research.

Observation 1: Occasional consumption drives Millennials’ wine-related habits. This means than Millennials do not generally consume wine on a daily basis; they are rather what we can name as frequent/occasional users, consuming the product in between 1/2 times a week to 1/2 times a month.
5.1.2 Perception

For what concerns perception, respondents were asked to associate a word which would best describe the product. The alternatives proposed were: elegance, quality, fun, complexity, social status.

Elegance and Quality received the most numerous answers – respectively 32.32% and 32.04%. To these follows Fun (15.19%), Complexity (7.46%) and Social status (3.31%). 35 respondents added instead their own attributes, which have been clustered in the following categories:

- Company, Conviviality and Shared times (3.31%);
- Tradition (1.66%);
- Relax (1.38%);
- Taste (0.83%);
- Negative attributes (0.83%);
- No particular meaning (0.83%);
- Other (0.83%).
Observation 2: Among Millennials, wine is strictly connected to images of Elegance and Quality. Though, up to 7.46% of respondents associate to the product a feeling of Complexity, whose attribute is given room in the following questions.

In testing hypothesis 3 (H3: Wine is considered too complex to Millennials, which may look for a simpler and more clear communication.), question four provides a clue: respondents were asked to indicate their degree of personal agreement with the following sentences: 1 corresponds to the maximum level of disagreement, while 4 to the maximum degree of agreement.

a. If there was a simple, easy-going and medium-quality wine/brand, I would get it.
b. Wine in Italy is a very complex product.

![Bar chart showing level of agreement with statement b]

Figure 28. Level of agreement with the statement above, according to the sample

c. Vendors should learn to communicate to the non-experts too.

![Bar chart showing level of agreement with statement c]

Figure 29. Level of agreement with the statement above, according to the sample

d. I believe it is important to deeply know this product.

![Bar chart showing level of agreement with statement d]

Figure 30. Level of agreement with the statement above, according to the sample
Results indicate that Millennials do consider wine a complex product (*statement b*) but are interested in learning and believe that having a knowledge of the sector is important (*statement d*), although they would like vendors to ease the communication (*statement c*). Anyways, they would not purchase a medium-quality wine only because of its communication, i.e. they would not purchase a trendy brand if of questionable quality (*statement a*).

**Observation 3:** On average, Millennials consider wine and wine communication complex. In particular, 32.96% totally agree with the statement and 38.03% partially agree with it (three points of agreement over four). They think wine sellers should find a way to ease the communication (41.41% of respondents), although they would not switch to an easier brand (for instance with a more simple communication) at the expenses of quality: they still believe it is important to put effort in knowing the product deeply (32.96%).

### 5.1.3 Interest

For what concerns interest, 8.17% claim not being interested at all in wine, 23.10% are wine drinkers but not interested in the product, while the vast majority (52.96%) is interested and wants to know more. 15.77% consider themselves as knowing already a lot about the sector, being anyway interested and involved with it.

![Figure 31. Level of interest in the product according to the sample](image)

Although interested, it seems like **Millennials do not look for information so frequently.** They may love getting to know the product, but they don’t really get
informed very often. In fact, 14.93% never look for information and 47.32% look for information just now and then. 37.75% are instead those which take each occasion as a good lesson for knowing more.

When they do it, they rely most frequently on relatives, friends and trusted people (34.65% of respondents use this channel very often) and in places of consumption, such as bars, wine shops, wineries and restaurants (33.52%), while the most never rely on tv programs instead (only 1.97% use that as main source of information).

The Internet, YouTube, blogs and websites present instead a particular scenario, which needs to be discussed further. In fact, the population is interestingly divided in two – almost equal – parts: 49.01% never use these instruments for gathering information about wines, while 50.99% do it (34.65% use them sometimes and up to 16.34% do it very often).

Interestingly, tasting events are not seen either as a way to get informed, maybe because seen as moments of networking and entertainment more than educating activities.

The table below reports all specifications:

<table>
<thead>
<tr>
<th>Source of Information</th>
<th>never</th>
<th>sometimes</th>
<th>very often</th>
</tr>
</thead>
<tbody>
<tr>
<td>relatives, friends, trusted experts</td>
<td>8.17%</td>
<td>57.18%</td>
<td>34.65%</td>
</tr>
<tr>
<td>in the place of consumption (bar, wine shop, winery, restaurant)</td>
<td>22.82%</td>
<td>43.66%</td>
<td>33.52%</td>
</tr>
<tr>
<td>tv programs</td>
<td>79.72%</td>
<td>18.31%</td>
<td>1.97%</td>
</tr>
<tr>
<td>internet, youtube, blog, experts' websites</td>
<td>49.01%</td>
<td>34.65%</td>
<td>16.34%</td>
</tr>
<tr>
<td>tasting events</td>
<td>48.17%</td>
<td>37.46%</td>
<td>14.37%</td>
</tr>
</tbody>
</table>

Table 8. Source of information and relative frequency according to the sample

Given these data, it’s interesting to visualize which channel is used most frequently.

Here’s what we get:
Observation 4: Although raised in the Digital Era, Millennials still rely mostly on opinions of few trusted and familiar people. TV programs is the least used channel for gathering information and looking for advice. Even wine tastings are mostly seen as entertaining events more than educational ones, ranking as fourth (second to last) informative channel.

The digital technologies are increasing in use till the point that 16.34% use Internet, YouTube, blogs and specialized websites as main vehicle when in the process of information seeking.
5.2 Emerging trends

As seen before, among all trends in wine marketing, four have been studied and discussed in the research: (1) digital communication and social medias, (2) packaging and design, (3) online shopping, (4) experiential marketing.

5.2.1 Digital Communication and Social medias

The first question in this sense wants to uncover Millennials’ habits in their free time in order to understand where they are more present – whether off or online, and where.

Again, five options have been assumed: Social network, Netflix/YouTube video watching, music/radio/podcast listening, on the Internet in general, and reading books/magazine/newspapers.

To this, others have been added: Sport/outdoor activities, Family & Friends time, watching tv and others.

38.01% claimed spending their free time on social networks, 23.45% watching videos, 14.82% reading and 10.24% listening to music.

If we gather all aspects in two categories – off- and online activities – 243 respondents (65.50%) fall into the online sphere, while 22.91% likes being entertained offline. Since listening to music is both an on- and off-line activity – depending on the platform used

![Figure 33. Most usual free time activities according to the sample](image-url)
Figure 34. Clustering of the sample’s main free time activities by their nature

Although the majority seems spending the free time online, just 58 looks for information on wine primarily through this channel. 31.83% of respondents currently follow influencers on food and wine (it is though not specified whether for food or for wine), and they do it mostly through social networks and secondly though YouTube.

Podcasts on the other hand are still not common as only 3.94% listen to them on a - almost – daily basis, while more than 20% does not even know what the term refers to.

**Observation 5:** Millennials are said to be digital ambassadors, and for good reasons: according to the data extracted in fact, up to 75.74% likes spending their free time in online activities. Nonetheless, wine is not well embraced in this prospect, as just a minority (31.83%) currently follow pages or people talking about the sector (including food).
5.2.2 Packaging and Design

According to the literature, Millennials allocate a great deal of importance to aspects such as packaging, design, shape, colour and label in its aesthetic aspects. Italians have been asked about how they perceive wine and a wine-related beverage, in different packaging, such as cans.

With no surprises, the vast majority rejected canned spritz (73.24%), although up to 26.76% are either sceptical (12.39%) or open to the new packaging (14.37%). Visualizing such data:

For what concerns wine, respondents are a little less willing to try cans, but still those who would and/or are sceptical about it reach up to 22.54% of the total sample.

Additionally, the questionnaire has shed light on other aspects related to packaging, in order to detect Millennials’ appeal towards what goes beyond the product itself and its quality.

As it results from the literature in fact, the youngsters look more inclined to aesthetics than previous generations: they seem appreciating a good design, well studied and minimalistic graphics, both in labels and in packaging. Moreover, academic papers and publications resulting from researches on new generations and upcoming trends, have depicted Millennials as great sustainability supporters, as they look having a keen eye
for social responsibility and all what falls under the umbrella of planet care such as recyclable materials, corporate ethics and moral values.

Five aspects have therefore been analysed:

- **[Importance of aesthetics]**: Label’s design, colours and graphics;
- **[Importance of aesthetics]**: Packaging’s aesthetics;
- **[Social Responsibility]**: Sustainability aspects;
- **[Nutritional Information & Quality]**: Nutritional information;
- **[Nutritional Information & Quality]**: Indications of area of provenience.

The chart below visualizes the data collected from the empirical test.

Among all alternatives proposed, the highest values have been allocated to ‘*indications of area of provenience*’ – being considered *highly important* by 64.41% of respondents: no other features in packaging reached such a cohesive response. Label’s design, colours and graphics also gained high scores in terms of importance, and so did packaging aesthetics. Sustainable aspects such as the use of recyclable materials is considered averagely important, and so nutritional information.

![Figure 37. Packaging aspects and relative importance according to the sample](image-url)
In order to have one overall ranking, the arithmetic mean has been computed: this way it’s possible – for each alternative – to weight the relative degree of importance with the number of respondents voting that value. According to these calculations, the ranking results as follows:

<table>
<thead>
<tr>
<th></th>
<th>mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. indications of area of provenience</td>
<td>3.55</td>
</tr>
<tr>
<td>2. label’s design, colours and graphics</td>
<td>2.96</td>
</tr>
<tr>
<td>3. packaging’s aesthetics</td>
<td>2.90</td>
</tr>
<tr>
<td>4. nutritional information</td>
<td>2.84</td>
</tr>
<tr>
<td>5. sustainability aspects</td>
<td>2.81</td>
</tr>
</tbody>
</table>

Table 9. Average importance on packaging aspects according to the sample

Observation 6: On the one side, hypothesis 5 (H5: Millennials allocate a great deal of importance on aspects related to design, graphics and packaging) is neglected in favour of the indications of provenience. This packaging aspect is considered of primary importance for the Italian young consumer, as considered a guarantor of authenticity and quality of the product. On the other side though, it is very surprising how label and packaging design and aesthetics are – relatively - second and third in the ranking, been thus considered more important than nutritional information.

Sustainability issues – although very much proclaimed as Millennials’ characteristics – still take the last spot in the list.
5.2.3 Online shopping

The topic of e-commerce and online shopping for food and wine has also been studied in the questionnaire. In order to test the degree of use of such platforms, three questions have been addressed:

1- Use of e-commerce in the past year period (Tourism and Entertainment sectors excluded).

The first relate to how extent respondents have used the online channel in the past year for purchasing products – hotels, flights and other tickets excluded. As we have seen in Part Two, Paragraph 4.3.2, Tourism and Leisure are the sectors where e-commerce is most developed and used the country. Thus, it was interesting to exclude these categories from the research, so to understand Millennials’ use of online shopping channels for other purposes, such as products’ purchase.

The majority (32.39%) claimed having bought something online between zero to five times in the past year, followed by the 5-10 range (22.82%) and the 10-15 one (16.34%).

The chart below helps in visualizing the records:
2- Use of e-commerce for food (both for delivery and grocery shopping).

The second question addressed to the audience concerned the online channel used for purchasing food – both for delivery and for grocery shopping.

As expected, when considering food, up to 57.18% of respondents claimed they never used e-commerce in the course of the past year.

Such data demonstrate and reaffirm the statistics on the Italian population: even among youngsters, online shopping is not of frequent use. Nevertheless, 26.76% have bought food online 0-5 times in the past year: this means that more than one fourth has tried the online distribution channel: unfortunately, from the data we have we are not able to determine how their experience was and whether they would do it again.

3- Openness to online purchase of wine.

Finally, interesting to the scope of the project is to evaluate the relative level of openness to the online channel for what concerns the specific product focus of the research. Survey’s gathered data reveal that 5.07% have already purchased wine online some time in the past. An aggregate value of 76.06% claim instead being willing to do it: with no particular excuses (19.15%), only if from the official website (19.72%) and just whether they desire a wine which cannot be found nearby (37.18%). Hence,
the demand for online shopping in the wine industry does exist and is already consistent enough for moving on in this prospect.

Observation 7: e-Commerce is not yet a primary purchasing channel, not even among Millennials: only 15.49% claimed having shopped online more than twenty times in the past year (i.e. on a regular basis), and more than half the sample never bought any food online (but one forth did try it). e-Commerce for wine seems instead receiving a warmer welcome, as 5.07% already tried it and 81.13% would do it.
5.2.4 Experiential marketing

The last point in the questionnaire reveals instead the appeal in the eye of Millennials of five experiential marketing ideas:

- Visiting a pop-up store where to try virtual reality, augmented reality games and other technologies for getting to know the product;
- Wine tastings;
- Taking part of group walks in the vineyards and wineries;
- Visiting ancient wineries;
- Working, for a day, in vineyards with local farmers.

The most voted were group walks and wine tastings, followed by visits to ancient wineries. The technology-friendly experience was instead – against expectations – the least appreciated.

Figure 39. Appeal of experiential marketing ideas according to the sample
Computing the mean and ranking options:

<table>
<thead>
<tr>
<th></th>
<th>mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. group walks</td>
<td>2.66</td>
</tr>
<tr>
<td>2. wine tastings</td>
<td>2.64</td>
</tr>
<tr>
<td>3. visit to ancient wineries</td>
<td>2.61</td>
</tr>
<tr>
<td>4. working with locals</td>
<td>2.00</td>
</tr>
<tr>
<td>5. Hi-Tech store</td>
<td>1.92</td>
</tr>
</tbody>
</table>

*Table 10. Marketing activities' average scores according to the sample*

Observation 8: In terms of product-related activities, wine tastings and group walks in vineyards and wineries are still the most liked among Millennials. This is a quite surprising result, as they are often pictured as highly involved with technology and innovation lovers.
6. Study of correlations among variables

The bivariate analysis is the simultaneous analysis of two attributes in a way that it is possible to understand and sketch patterns and uncover relationships and associations among variables. In our specific case, it’s interesting to understand whether the generation presents homogeneous rather than heterogeneous responses according to aspects which are considered as potentially influencing behaviours in consistent ways.

In order to understand how extent the target population is similar – or variegate - three comprehensive bivariate analysis have been carried on.

6.1 Millennials’ behavioural gap by gender

The following paragraph will provide a general overview of the main differences in behavioural and attitudinal terms by gender.

What is observable is that the two categories taken into account do present two different scenarios, but the greatest gap never exceeds 16.20% of variance (recorded just once).

The work was structured in a way that all inputs were analysed. This means that for each answer (to both, multiple choice questions as well as to scale questions) the penetration – meaning the degree of agreement with the particular answer – of males and females got recorded. In a second moment, such values have been analysed and the gap between them computed – the difference between each score.

This is a simplistic but immediate way to figuring out whether, and where, consistent differences in responses had emerged in the survey.

**Frequency.** We find the first point of divergence already at the beginning of the questionnaire, and in particular for what concerns the frequency of consumption. **Men show a higher inclination towards a more frequent consumption:** in fact, up to 52.85% claimed consuming the product at least once a week – against the 45.69% of women, which look as being much more occasional consumers.
Perception. As seen in the previous analysis, two are the questions meant to provide a general consideration of wine perception in the target: the first asks respondents to associate to wine the most fitting adjective; the second asks for their level of agreement to certain statements.

Little difference has been recorded in the first case – variations among male and female do not reach relevant values. In the second case instead, males and females presented some incongruences. For reasons of practicality, only the questions presenting great differences among gender groups will be reported.

Recorded level of agreement with the following statements:

a. If there was a simple, young, medium-quality wine/brand, I would get it.
Females look 8.63% more prone to purchase a wine just based on the simplicity of its communication and the appeal of the brand than their male counterpart. In fact, while 7.32% of males totally agree with the statement, almost 16% of female do.

b. Wine in Italy is a very complex product.

While females presented variegated answers - besides the maximum level of disagreement, answered by only 5.17%, all other levels of agreement got similar (high) scores – males’ responses concentrate much more on point 3 and 4 in the scale, to the point that up to 78.05% of total male population consider wine a complex product and/or highly complex product.

c. Vendors should learn to communicate to the non-experts too.
d. I think it’s important to deeply know this product.

In these last two case, responses were homogeneous between gender groups: for what concerns statement c, degree of agreement 4 and 3 got the highest score. In the case of statement d, again, the majority totally agreed (4) and agreed (agreement level 3). No big variations among genders occurred.

**Interest.** For what concerns interest, both males and females look interested in wine, although men consider themselves 5.72% more knowledgeable about it.
In both cases, the most used channel is (1) personal contacts, followed by (2) place of consumption. For what concerns males, they rely more on the Internet that the counterparts, as use this channel more often than tasting events. Tv programs are the least used information seeking platform for both, probably because of the limited offer in product-related programs or because of its nature of little interaction.

**Digital Communication and Social Medias.** Males affirm relying on the Internet, but their use of social network in free time seems 15.70% lower. In addition, males follow influencers or product-related social network pages 10.14% less than females. We can therefore imagine that when looking for information or just consulting the Internet, they do not consider social network a good fit for their purposes, while the web more in general, specialized blogs or YouTube may instead be. Podcast are also a tool they use 13.53% more: while up to 27.59% of females do not even know what the term refers to, males claim listening to podcasts between once a month to - almost - once a day.

**Packaging and Design.** Alternative packaging, such as cans, obtained a similar feedback for both categories: in the only case of wine, women look more skeptic than men in accepting the product that way. In general terms, women are 3.38% more open (considering positive feedbacks as well as sceptical ones).

Women allocate moreover more importance on the aesthetics, meaning design, colours, graphics of the label (+10.35%) and of the packaging (+9.70%). They also consider sustainability an important character to be taken into account: 29% of female respondents associated to these issues the greatest importance value, while only 21.95% of men did. Data say that nutritional aspects are also considered more important for women than for men.

Both agree instead in giving the maximum weight on indications of provenience, which, as we have seen in the previous paragraph, is considered the most important factor when talking about packaging. Graphics is gaining importance but not at the expenses of product’s information.
Comparing the means:

![Average importance of the following packaging aspects by gender](image)

**Online shopping.** Males are those purchasing products online more frequently: according to the data extracted, 21.95% of men interviewed seem having purchased more than 20 items, in the past year: a difference of 9.88% with respect to women.

![Use of e-commerce in the past year by gender](image)

The second question referred to the use of e-commerce applied to food for both, grocery shopping and delivery. In this context, behaviours do not change much among gender: 57.72% of males and 56.90% of female have never purchased food online in the past year. Females though, said they used the online channel from zero to five times 6.12% more than males, while men who actually ordered some delivery or
grocery online have done it from five to ten times in the past year about 4.10% more than the counterpart. In few words it is possible to say that the great majority, with no significant gender gap, do not use this channel for purchasing food.

The third question in online purchasing habits concerns to the willingness to purchase wine online.

From the data it is possible to state that men look more willing to purchase wine online: 8.94% already did it in the past and up to 84.55 would do it. Females seem instead less open to the online experience: those who would not consider this channel are in fact 5.24% more than males.

![Figure 48. Willingness to purchase wine online by gender](image)

**Experiential Marketing.** The last consideration refers instead to the promotional tools involved in operational marketing: **which marketing lever appeals best to the one group, and which to the other?**

Computing the average of the options – meaning, weighting each option for the relative importance allocated – males’ preferences rank as follows:

<table>
<thead>
<tr>
<th></th>
<th>mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Wine tasting</td>
<td>2.65</td>
</tr>
<tr>
<td>2. Group walks</td>
<td>2.56</td>
</tr>
<tr>
<td>3. Visits to ancient wineries</td>
<td>2.51</td>
</tr>
<tr>
<td>4. Hi-Tech experience</td>
<td>1.88</td>
</tr>
<tr>
<td>5. Working with locals</td>
<td>1.85</td>
</tr>
</tbody>
</table>

*Table 11. Average appeal on marketing activities according to males*
Females’ one instead:

<table>
<thead>
<tr>
<th></th>
<th>mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Group walks</td>
</tr>
<tr>
<td>2.</td>
<td>Visit to ancient wineries</td>
</tr>
<tr>
<td>3.</td>
<td>Wine tasting</td>
</tr>
<tr>
<td>4.</td>
<td>Working with locals</td>
</tr>
<tr>
<td>5.</td>
<td>Hi-Tech experience</td>
</tr>
</tbody>
</table>

Table 12. Average appeal on marketing activities according to females

Considering the data at once, female seem preferring local and group activities like Group walks, Visits to ancient wineries and Working with locals much more than men.

Figure 49. Average appeal of marketing activities by gender
6.2 Millennials’ behavioural gap by age group

The analysis can be further executed by considering the relation between responses and the target, studying different age groups.

To make the research and the evaluation consistent, respondents have been divided in just two categories: older Millennials (taking 1984 and 1992 as extreme birth years) and younger Millennials (born starting from 1993).

The two sub-samples count, relatively, 119 respondents among the older group and 236 respondents among the youngest.

Object of the research is understanding whether there are consistent behavioural gap among the two sub-categories. Again, only values which drastically differ among the groups will be reported.

**Frequency.** Frequency of consumption does not change much among age groups: older Millennials consume the product a little more often than the counterpart: 52.10% of them are frequent consumers (consuming wine one to two times a week), while only 46.19% of young Millennials are – being instead 3.63% more occasional in their habits.

![Frequency of information seeking by age group](image)

**Perception and Interest.** Older Millennials are less open to purchase a new brand just because of the ease of its communication at the expenses of quality, and more of them consider important to deeply know the product. Because of this, and because they are – on average – more interested in wine, 42.02% of older Millennials try to get
information about wine any time they have the chance to: 6.42% more than their counterpart.

Youngest Millennials rely more on relatives, friends and trusted experts than the older, which seem looking for information in the place of consumption (11.52% more often) and in wine-related events, such as tastings (6.20% more often).

![Channel used most often when looking for information by age group](image)

**Emerging trends.** Older Millennials spend 12.47% less time on social network than younger ones in favour of books, newspaper and magazines reading. They are also 7.39% more reluctant in accepting spritz in cans, but – interestingly – more open to drink wine in the same packaging material.

For what concerns packaging aspects, older Millennials place less importance on labels and packaging’s graphics and design than the youngest cohort.

Comparing averages:
Behaviours in online shopping does not differ consistently among age group, and nor does the willingness to purchase wine online. Appeals on the experiential marketing ideas proposed are also very similar between younger and older Millennials.

In sum, besides a slightly greater interest in the product and the difference in preference for what concerns the channel where to gather information, **Millennials do not present relevant behavioural gaps among age groups.**

![Figure 52. Average importance of packaging aspects by age group](image-url)
6.3 Millennials’ behavioural gap by residential area

Original purpose of the research was that of collecting enough data from all main country areas (North-East, North-West, Center, South and Islands) in order to investigate whether different locations lead to relevant dissimilarities in behaviours and wine consumption and perception.

Unfortunately, that was not possible, as the test reached a very limited number of responses from certain regions, hence not permitting to carry on a customed analysis. To overcome the obstacle but still integrating the location variable in the research, a second factor has been taken into account and has become the final factor of discrimination among responses: the residential area. Respondents have thus been divided into two sub-groups: those living in the country side (rural areas) and those in the city center (urban). Again, as we will see more in details in the next Paragraph (Research delimitations), the distinction was quite loose and unspecific, and almost subjected to personal evaluation more than to observable and scientific rigor. Respondents were in fact ask to specify whether they lived in the city center or in sub-urban areas without strict guidelines on what was considered center and what countryside. Nonetheless, assuming a reasonable and legitimate correlation between respondents and area of resident declared, a final analysis has been addressed, so to highlight, again, differential gaps in behvaioural terms.

182 over 355 respondents are urban residents, 173 claimed coming from rural areas instead. How this personal characteristic affects consumer behavior and product consumption?

In the following paragraph the major points of dissimilarities among responses will be reported.

Frequency. Respondents from urban areas look as 4.88% more frequent wine consumers, probably because of a greater exposition to bars, restaurants and other place of consumption, being in their neighbourhood.
Interest. According to the data extracted, urban people look more involved with the product, claiming that they would like to know more about it 9.72% more than their counterpart living in rural areas. Also, the first ones consider themselves 5.31% less knowledgeable in the topic.

In the context of information seeking, both groups tend to have similar behaviours: they majority seldom look for information on purpose, some do it any time they have the chance to (37.36% of urban people and 38.15% of rural ones, with a very little gap of 0.79%).

Figure 53. Frequency of wine consumption by residential area

Figure 54. Degree of interest in the product by residential area
Digital communication and social media. When they do it, they both rely on relatives, friends and trusted ones as well as on bartenders and advisors in the place of consumption. 5.56% more rural people follow influencers of wine and food on – primary - social networks and on YouTube.

Packaging and Design. For what concerns alternative packaging formats and materials, the two sub-groups present a very similar degree of openness vs. rejection on canned wine and derivatives; even packaging features are evaluated quite the same way. Urban people have a slightly greater taste for design in label and packaging, which is nonetheless never bigger than 7% gap.

![Average importance of packaging aspects by residential area](image)

**Figure 55. Average importance of packaging aspects by residential area**

e-Commerce. As expected, urban people declared they used the online shopping channel more than 20 times in the past year 5.42% more than people from rural areas. For what concern food though, the expectation was of much bigger differentiation gaps between the two categories: the city life is known for having long shifts at work, reducing the time spent for cooking or grocery shopping. For this reason, people from urban areas were expected to leverage e-commerce – especially food delivery – much more than what data actually reveals: in aggregate terms urban people do use e-commerce for food more often, but the differentiation with their counterpart is absolutely inconsistent (it never exceeds 3.50%).
Urban people are also a little more prone to purchase and/or order bottles online: about 5% more than what rural people would be willing to.

**Experiential marketing.** Chart 56 well highlights how urban people look much more inclined to marketing activities than those living in rural areas, which present instead a very limited interest towards any of the alternatives proposed. Looking at the data, the great majority of respondents come indeed from the North East Italy, a widely known and very prestigious region for agriculture and vine plantation. People claimed as coming from the countryside may then be used to hang around vineyards, wineries and may have daily and close relationships with such environments, so that are on average less involved in marketing campaigns generally.

A blank spot at the end of the questionnaire was also dedicated to observations and comments for respondents who wanted to leave any further extra note. One in particular seemed confirming the explanation given to the low scores in marketing activities in the case of rural inhabitants:

“I voted 1 in Working with locals not because I don’t consider it interesting for knowing the product and the backstage of wine better but because I use to do it for work every September.”

This attempt of finding an explanation to the phenomenon finds a further solid demonstration from the fact that the highest average has been attributed to the High-Tech marketing purpose, which is probably the most unusual and appealing to such consumers. On the other hand, people living in urban areas, are more into group walks, wine tastings and ancient wineries visit.

In few words, assuming that all Millennials reason the same way and evaluate options very similarly is not always the right way to approach the market. Observations and considerations on this will be further discussed in the final paragraph.
Figure 56. Appeal of marketing activities by residential area
7. Research Delimitations

The quantitative approach used in the analysis has been a good way to collect approximations on Millennials’ perceptions and attitudes towards the product, as set as goal of the research in Part Three, Paragraph Two. It is though important to highlight the delimitations such approach encountered.

Multiple choice questions are a great tool for a fast and efficient data collection, but present some deficiencies: first of all, through this system, respondents may misunderstand questions or misinterpret meanings, thus their answers may be different according to the way questions are made or may be influenced by the provided answerer. Moreover, some alternatives may have been missed at all, leading to slightly different results overall.

Despite these delimitations, it is possible to make up a framework of general results: data have been analysed and the major insights will be presented below.

8. Conclusions

The wine market is undergoing significant changes worldwide, especially if considered the great value export has reached in the past decades. What was interesting to our research though, was understanding how the Italian internal market of wine has been changing overtime, i.e. how extent consumers have been affected – and are affected - by trends having success in other markets or in other sectors and how social dynamics have changed if compared to the times of our ancestors.

Uncover changes in behaviours or perceptions in the segment of young consumers may in fact result in great opportunities to grasp for wine sellers and the wine industry as a whole.

Research on this field have already been mentioning upcoming ideas floating around including new offers of products with lower alcohol levels and less calories for women’s palates and preferences, evolving packaging – both in materials as well as in formats – and innovative flavours, such as mocha or vanilla. (Castellini, A., Samoggia, A., 2018)
The topic of innovation in the wine market is hot, and a good way to predict the years to come is studying reactions and responses of the youngest generations.

The first of the discoveries coming out from the research conducted in these months concerns consumption habits: in particular, data collected reveal that Millennials drink wine frequently (once or twice a week) but not on a daily basis as it used to be in the past. Consumption is limited and even more that of women, which claimed consuming wine even less: ISTAT data presented in the theoretical part (Part One, Paragraph 3.1) suggesting a great increase in occasional consumption at the expenses of daily habits is indeed confirmed.

Wine is connected to the image of elegance and quality more than anything else: it’s a drink to be consumed in special events, with the right company and at the right occasion: table wines have nothing to do with this generation, which seem preferring consuming less but of a better quality. Wine is then considered a complex product but worth being involved with and worth studying. In fact, Millennials would not purchase a trendy brand just because of its easy communication at the expenses of quality: again, quality is first and in order to have a high-quality product, consumers would go through information collection, opinions gathering and personal evaluation. In few words, wine is something that needs to be understand before purchase.

Knowing the product is important; although Millennials spend much of their free time online, they actually look for information about wine offline, relying on trusted relatives, friends or advisors in the place of consumption.

Design and graphics are of increasing importance, but still on a secondary level when compared to indications of provenience; e-commerce is increasing in its use but have almost no application in the food sector. In addition, the majority consider themselves open to online purchase of wine in theoretical terms, but do not really put that into practise.

Finally, the most loved marketing activities are still the most traditional ones: although pictured as technology-lovers, Millennials are little prone to Hi-Tech devices when applied to such an ancient and traditional product.
No big differences differentiate the generation per gender, age group nor city area: the only great gap refers to urban and rural people, the first been more into marketing activities rather than the second ones, which may be used to hang around wineries and vineyards and may see little fun and appeal in doing that when sponsored by someone.

It is in this context interesting to remind that the whole research started with meeting American Millennials and getting in contact with their lifestyles, consumption habits and overall consideration of the alcoholic beverage sector.

In particular, the main starting point was that of understanding how extent Italian young consumers presented similar features in the way they are involved with the product, consider it and consume it.

What was expected was to find a great deal of Millennials which were not really into the product, although the long tradition and prestige wine still boasts in the Italian peninsula. As according to the hypothesis of Paragraph Two and the results coming out from the analysis, Italian young consumers do present homogeneous behaviours both for what concerns consumption, perception and interest in the product as well as their reactions towards marketing trends. In fact, among the population no very big gaps have been ever recorded (the average variations among responses rarely reach 10%).

Hypothesis Two and Three (H2: A great deal of Millennials is not interested in the product and H3: Wine is considered too complex to Millennials, which may look for a simpler and more clear communication) are rejected: they are greatly involved with wine and look at its very wide offer in terms of brand, type, taste, vintage year, etc as a way to learn, discover and go deeper in their traditions and ancient routes.

Looking also at the other results it feels like Italians reconfirmed themselves in the way they keep their feet on the ground, loyal to their old history and proud of the prestige of the products of their land. All other features, which may be appealing and may attract markets other that theirs – such as a smart digital marketing strategy, packaging design, interactive hi-tech experience - are given little room if compared to tradition, quality and health.
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Hello people!
Questo questionario nasce da una ricerca indirizzata ai Millennial italiani (18-34 anni d'età) volta a testare la loro percezione di prodotto e reazione a nuovi trend.

Se ti va di collaborare a questo progetto, compila il questionario e lascia un commento nello spazio dedicato!

♥ Romina, Università Cà Foscari di Venezia

*Campo obbligatorio

1. quanto spesso consumes vino? *
   
   Contrassegna solo un ovale.

   [ ] mai, non bevo vino
   [ ] una volta ogni 2/3 mesi
   [ ] 1/2 volte al mese
   [ ] 1/2 volte a settimana
   [ ] ogni giorno

2. valuta il tuo interesse nel vino *
   
   Contrassegna solo un ovale.

   [ ] non mi interessa per niente
   [ ] lo bevo, ma non mi interessa approfondire
   [ ] mi interessa e vorrei saperne di più
   [ ] mi interessa e già conosco parecchio di questo settore
3. vino per te è sinonimo di *
Contrassegna solo un ovale.

☐ divertimento
☐ eleganza
☐ complessità
☐ status sociale
☐ qualità
☐ Altro: ___________________________

4. Quanto sei d'accordo con le seguenti affermazioni: *
Contrassegna solo un ovale per riga.

<table>
<thead>
<tr>
<th>Affermazione</th>
<th>1 (assolutamente in disaccordo)</th>
<th>2</th>
<th>3</th>
<th>4 (pienamente d'accordo)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Se esistesse un vino/brand semplice e giovanile e di qualità media, lo prenderei</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Il vino in Italia è un prodotto molto complesso</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I venditori dovrebbero imparare a comunicare anche con i non-esperti</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Penso sia importante conoscere a fondo questo prodotto</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

5. quanto spesso ti informi sui tipi di vino e loro caratteristiche? *
Contrassegna solo un ovale.

☐ Mai
☐ Molto raramente
☐ Ogni volta che ne ho occasione

6. quando lo fai, dove ti informi più spesso su tipi di vino e loro caratteristiche? *
Contrassegna solo un ovale per riga.

<table>
<thead>
<tr>
<th>Fonte informazione</th>
<th>mai</th>
<th>qualche volta</th>
<th>molto spesso</th>
</tr>
</thead>
<tbody>
<tr>
<td>parenti, amici e conoscenti</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>nel luogo di consumo (bar, enoteca, cantina, ristorante)</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>programmi tv</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>internet, youtube, blog, siti di esperti</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>eventi di degustazione</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

7. come passi la maggior parte dei tuoi momenti morti/tempo libero? *
Contrassegna solo un ovale.

☐ sui social network (instagram, facebook, etc)
☐ leggendo libri/riviste/giornali
☐ ascoltando musica/radio/podcast
☐ guardando video su youtube/netflix
☐ nel web/blog
☐ Altro: ___________________________
8. segui, online, esperti (o influencer) che parlano di cibo e vino? *
   Contrassegna solo un ovale.
   - [ ] si
   - [ ] no

9. dove? *
   Contrassegna solo un ovale.
   - [ ] leggo i suoi blog
   - [ ] video youtube
   - [ ] social network
   - [ ] podcast
   - [ ] non seguo
   - [ ] Altro: 

10. quanto spesso ascolti podcast, in generale? *
    Contrassegna solo un ovale.
    - [ ] cosa sono?
    - [ ] mai
    - [ ] 1 volta al mese
    - [ ] 1 volta a settimana
    - [ ] quasi tutti i giorni
11. **Spritz in lattina: che ne pensi?**

Contrassegna solo un ovale.

- [ ] lo proverei!
- [ ] non lo prenderei, piuttosto lo faccio io al momento
- [ ] non so

12. **Vino in lattina**

Contrassegna solo un ovale.

- [ ] dipende dall’occasione ma lo prenderei
- [ ] no, preferisco vino di qualità
- [ ] non so

13. **Nel packaging di un prodotto, quanto sono rilevanti per te i seguenti aspetti:**

Contrassegna solo un ovale per riga.

<table>
<thead>
<tr>
<th></th>
<th>1 (poco importante)</th>
<th>2</th>
<th>3</th>
<th>4 (molto importante)</th>
</tr>
</thead>
<tbody>
<tr>
<td>design, colori e grafica</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>dell’etichetta</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>design, colori e forma della confezione</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>aspetti di sostenibilità (utilizzo di materiali riciclabili,...)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>informazioni nutrizionali</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>indicazioni chiare sul luogo di provenienza</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
14. quante volte ti è capitato di acquistare qualcosa online nell'ultimo anno? (eccetto strutture alberghiere, voli e altri ticket) *

Contrassegna solo un ovale.

- 0
- 0-5
- 5-10
- 10-15
- 15-20
- 20+

15. quante volte ti è capitato di acquistare CIBO online nell'ultimo anno? (sia di acquisto che di delivery) *

Contrassegna solo un ovale.

- 0
- 0-5
- 5-10
- 10-15
- 15-20
- 20+

16. ordineresti mai del vino online? *

Contrassegna solo un ovale.

- si, già fatto in passato
- si
- si ma solo se direttamente dal sito dell'azienda
- si ma solo qualora volessi un particolare vino che non posso trovare vicino a me
- no

17. a quale tra queste attività - su tema vino - ti piacerebbe maggiormente partecipare? *

Contrassegna solo un ovale per riga.

<table>
<thead>
<tr>
<th>1 (non mi piacerebbe per niente)</th>
<th>2 (non particolarmente)</th>
<th>3 (mi piacerebbe molto)</th>
</tr>
</thead>
<tbody>
<tr>
<td>visitare un pop-up store in cui provare la virtual reality, giochi in realtà aumentata e altre tecnologie per conoscere il prodotto</td>
<td></td>
<td></td>
</tr>
<tr>
<td>partecipare a degustazioni di vino</td>
<td></td>
<td></td>
</tr>
<tr>
<td>partecipare a camminate in compagnia tra vigneti e cantine</td>
<td></td>
<td></td>
</tr>
<tr>
<td>prendere parte a visite guidate di antiche cantine</td>
<td></td>
<td></td>
</tr>
<tr>
<td>lavorare, per un giorno, tra i vigneti insieme alla gente del luogo</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
18. anno di nascita *
Contrassegna solo un ovale.

- [ ] 2000
- [ ] 1999
- [ ] 1998
- [ ] 1997
- [ ] 1996
- [ ] 1995
- [ ] 1994
- [ ] 1993
- [ ] 1992
- [ ] 1991
- [ ] 1990
- [ ] 1989
- [ ] 1988
- [ ] 1987
- [ ] 1986
- [ ] 1985
- [ ] 1984
- [ ] altro

19. genere *
Contrassegna solo un ovale.

- [ ] M
- [ ] F
20. **regione di residenza** *
   *Contrassegna solo un ovale.*
   - abruzzo
   - basilicata
   - calabria
   - campania
   - emilia romagna
   - friuli venezia giulia
   - lazio
   - liguria
   - lombardia
   - marche
   - molise
   - piemonte
   - puglia
   - sardegna
   - sicilia
   - toscana
   - trentino alto adige
   - umbria
   - valle d'aosta
   - veneto

21. **area di residenza**
   *Contrassegna solo un ovale.*
   - urbana
   - extra-urbana

22. **max titolo di studio conseguito** *
   *Contrassegna solo un ovale.*
   - nessuno
   - licenza elementare
   - licenza media
   - diploma superiore
   - laurea breve
   - laurea specialistica
   - master I livello
   - master II livello
   - dottorato
23. **occupazione** *
   *Contrassegna solo un ovale.*
   - [ ] studente
   - [ ] studente lavoratore
   - [ ] lavoratore
   - [ ] disoccupato

24. **Note, appunti, considerazioni**

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