

Abstract

Thesis: Sustainability labelling as a differentiating factor of Austrian wines
in terms of awareness and price difference for international consumers

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Objective: The main objective of my Weinakademiker thesis is to study, taking into consideration the previous research on sustainability labeling and communication, what is the influence of sustainability-focused promotion and communication of Austrian wine having sustainable certification on purchasing choices made by the consumers. Having a marketing background myself, with years of experience in studying and analyzing consumer behaviour, it was always of my interest to understand how really all sustainability communication via labels, digital channels and word of mouth influences the purchasing decision of consumers. On top of that it was curious to measure if the consumer is ready to pay premium for such wines and at what extent.

After spending time in Austria during my studies, I've come across numerous examples of sustainability-minded approach of the winemakers, in terms of economy (producing higher quality wines, creating jobs, etc.), environment (solar panels, water treatment, etc.) and social aspects (overall care about the wellbeing of the nature and their country), but what remained unclear to me and provoked to study this subject in depth is how this approach is communicated to consumers broadly, does it influence their purchasing decisions and what is the premium they are ready to pay for such product.

Special attention in the thesis surveys' results interpretation and discussion is be dedicated to the possibility of practical application of sustainability communication such as creating a target consumer profile, a communication checklist and establishing the range of premium-to-pay for the certified producers – all of which can serve as ready-to-use tools for sustainable-certified wineries in Austria in their communication with international consumers.

Methodology: As this thesis explores quite niche and innovative area of wine marketing, there has been not enough quantitative and qualitative data related to the topic of interest of the present thesis, so in order to gather the information and analyse consumers' preferences, the following research methods were applied: online surveys and interviews (by email or in person when possible).

The survey method is chosen as it allows to collect information from a fairly large group of people simultaneously by means of questionnaires. The type of survey used was a one-time survey, sent out to a sample of people at a set point of time. Questionnaires are generally considered a good way to collect information from a large number of people, as it gives people the freedom to take it at a convenient time for them, if they don't have time to do an interview or participate in an experiment. The questionnaire is anonymous, so the participants were free to share their honest opinions and feelings privately, without worrying about the reaction of their peers or the researcher. Respondents were be encouraged to answer the questions as honestly as possible in order for the researcher to be able to draw valid conclusions from the results, but there is always a chance that people would choose a more appropriate or socially acceptable answer.

The questionnaire was built combining various techniques, using multiple choice answers, attitude scale, closed questions and providing space for the respondents to give their own opinion ("Other" option). It was administered in a number of different ways online including email, social media, messengers, etc.

Findings: The results of the questionnaire help us build and understand the target consumers' profile, their awareness of the sustainability certifications, labelling and communication, as well as willingness to pay premium for sustainability-labelled wines. Based on the replies' analysis it is possible to form a consumer profile that can be used by producers as their target audience, it is also possible to estimate what are the best ways to communication about the sustainability to consumers and if they are ready to consider paying a premium (and to what extent) for a wine with sustainability certification. It was also possible to draft a communication checklist for a winery based on the replies and analyses of the replies of the consumers to help producers to actually benefit from their sustainability certification.

Research limitations: As mentioned in the methodology, when replying to surveys people might give socially acceptable answers even if the participation is anonymous. Another limitation is connected with the number of participants, ideally more than a hundred, in order to draw significant conclusions and see the results as applicable to a wider audience. Due to the way the survey was distributed - via digital channels (email, social media, messengers) - it might have been influenced by the fact, that a lot of my acquaintances are either involved in the wine industry or are passionate about it, so they might be more knowledgeable about the concept of sustainability and wine certifications.

Practical implications: As practical implications for producers in Austria that have a sustainability-labelled wine, based on the survey results, a target consumer profile was created in order to help them to better target the potential consumers of their wines. On top of it, also based on survey results, a communication checklist was developed as a practical tool for producers to organize communication regarding their sustainable approach to the consumers. Another practical implication is the estimation of the readiness to pay premium for the sustainability-labelled wine by the consumer which the producers can take into consideration.

Conclusion: We can state that sustainability can and should be a differentiating factor for wine regions to attract new consumers from new/established markets. In the example of the survey concluded among consumers from markets with a different stage of wine business development we could see that there is a growing awareness and concern about the state of environmental, economic and social sustainability. This could be used in order to promote and communicate sustainability-labelled wine in a different way.

Sustainability has become more than a trend, but a way of life. In the surveys' results presented in the thesis we could see that even the markets, that are considered less aware about the issues of sustainability, are considering the questions of sustainability when buying wine and would opt for a more sustainable option when given the option and informed about it. Moreover, we could see from the surveys' findings that consumers are willing to pay a premium for their sustainable choices, which shows a positive and promising trend.

Austria, being in the forefront of organic viticulture in Europe, should focus more on communicating sustainability practices that are already being adopted in winegrowing and winemaking. It for sure has a lot to offer in terms of variety of wines produced and compete with the other wine producing regions, focusing on sustainability could highlight the country for the new target of consumers, also working on its image of an innovative and forward-thinking country.

Key words: Sustainability, willingness to pay, consumer profile, sustainability-labelled wine, communication