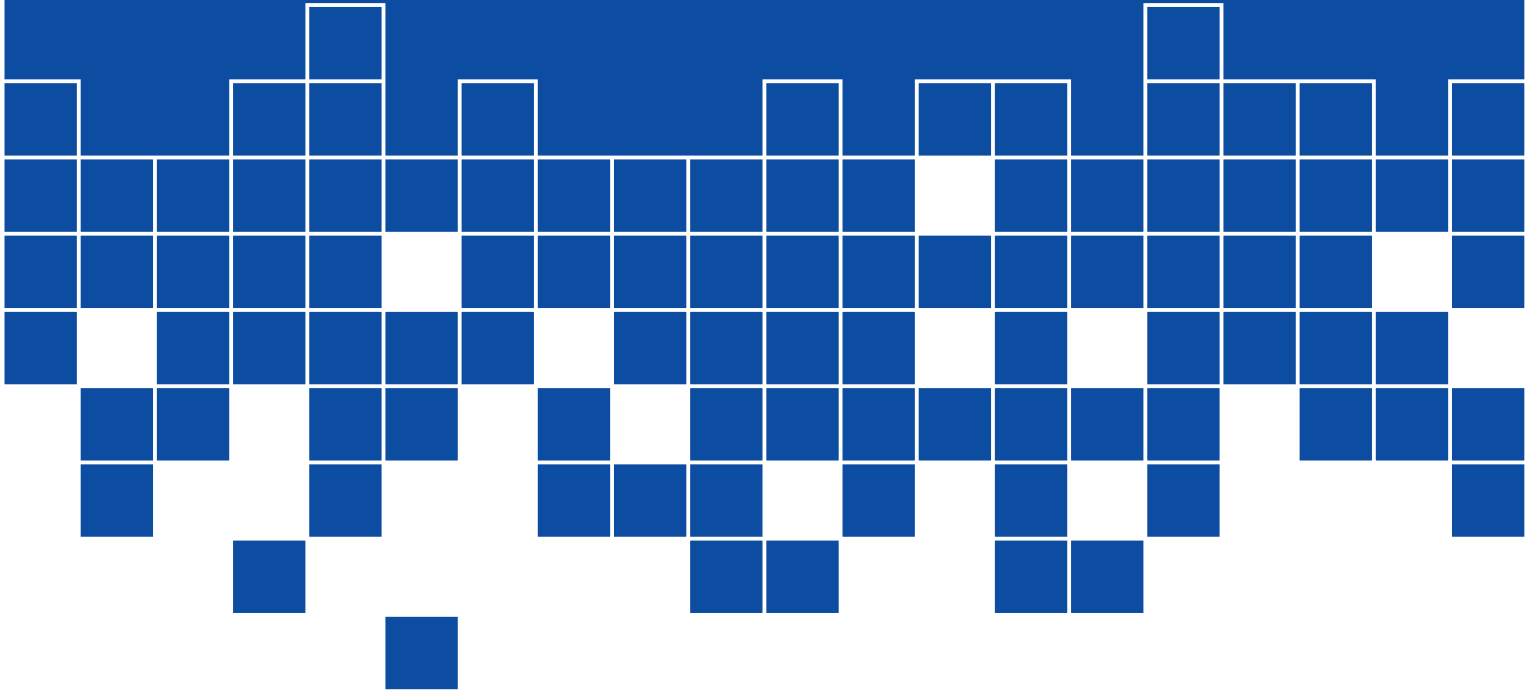




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Benchmarking branding practices in the Australian wine industry

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Declaration

This thesis received financial support from the Wolf Blass Foundation, which I hereby gratefully acknowledge.

I declare that this thesis presents work carried out by myself and does not include, without acknowledgement, any material previously submitted for a degree or diploma in any university. To the best of my knowledge, it does not contain any materials already published or written by another person except where due reference is made in the text; and all substantive contributions by others to the work presented, including jointly authored publications, is clearly acknowledged.

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Tayla Jeffery

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Abstract

The Australian wine industry consists of a plethora of brands and contains a myriad of possible choice cues, i.e. brand name, variety, region, year, country of origin (COO), and awards. Consumers find choosing a wine to be a complex decision, therefore they rely on wine attributes to help provide them with knowledge of the product before trying it, and to make a purchase decision (Bruwer et al. 2013). Variety, region, and brand are frequently found to be the top three extrinsic wine attributes for consumers in Australia (Goodman 2009; Lockshin & Halstead 2005; Lockshin & Cohen 2015). Although this research is extensive, spanning multiple countries and different buying conditions e.g. retail versus on-premise (Casini et al. 2009), much of the research either uses an experimental design and limits branding to the brand name only. Branding literature characterises a brand as not just the brand name but as all the associations the brand has. Fundamentally, branding can be categorised into two types: direct branding – the brand name; - and indirect branding – logo images, fonts, and colours (Hartnett et al. 2016). These elements assist consumers in identifying a brand on shelf (Hartnett & Romaniuk 2008; Romaniuk & Caruso 2018), which is vital in the cluttered wine category.

Branding and wine attributes are primarily presented to consumers via the wine label. The label is therefore the focus of this research, as it is an important source of information for consumers when shopping (Chaney 2000). In this research the incidence (frequency of use on label) and prominence (proportion of label) of wine attributes and brand elements are explored through three research questions across small (>5,00-19,999 cases produced), medium (20,000-99,999 cases produced), and large (>100,000 cases produced) wine brands. Wine brands of different sizes are likely to have varying degrees of marketing and branding expertise available to them, and smaller wineries may not have enough expertise to create good branding. The effect this might have on the quality of branding and labelling practices is unknown. This research, therefore, will provide a descriptive understanding of the use of wine attributes and brand elements in the Australian wine industry. It will also provide insight into the relative importance of the attributes perceived by brand owners via the amount of space (prominence) they are given on label.

RQ1: What is the a) incidence and b) prominence of direct and indirect branding on label in the Australian wine industry, and do these differ by winery size?

RQ2: What is the a) incidence and b) prominence of wine attributes on label, and do these differ by winery size?

RQ3: To what extent do indirect and direct branding and wine attributes vary across all labels in; a) incidence b) prominence?

Consistency is an important part of branding as it is what allows consumers to perceive disparate products as part of the same brand (Romaniuk 2018e). When inconsistencies occur within brand families, e.g. the logo colour changes, brands 1) lose an opportunity to reinforce the brand in consumer memory and 2) potentially weaken current brand memory links or create new links that can confuse consumers when shopping the category (Romaniuk 2018d). Branding in this research was measured through the consistency of use and look of direct and indirect branding across brands' product variants.

RQ4 a: To what extent is direct and indirect branding consistent within a brand and its variants on Australian wine labels and does this differ by winery size?

The size (market share) of the brand, region, price tier, (Sharp et al. 2011) and variety (Cohen et al. 2012) can influence how consumers shop the wine category, that is to say larger share brands, varieties, regions, and price tiers have more buyers who are slightly more loyal. This thesis explores if brands are distinguishing their labels by region, price, variety or sub brand rather than presenting a cohesive brand image. This research provides insights to industry professionals about which wine attributes or brand elements most influence branding consistency.

RQ4 b: To what extent does the variation in price, region, variety, and sub brand influence branding consistency?

RQ4 c: What brand elements (direct and indirect) drive branding consistency within a brand product portfolio?

Two coding frameworks were created to answer the research questions. The first coding framework records the presence of brand elements and wine attributes, and used Photoshop to measure the size of these elements on label in pixels. The second framework coded wine brands based on the consistency of various brand elements, e.g. logo image or colour. Only the front label was measured in order to simulate how consumers shop. Three coders individually coded 300 wine labels across $n=20$ small, $n=20$ medium, and $n=20$ large wine brands with five brand variants tested for each key brand. The main findings of this research are:

- Font, logo image, and sub brand name were used more frequently on large wine brand labels
- Large wine brands present the logo larger on label compared to small, and medium wine brands
- Large wine brands dedicate less space on label to the brand name (direct branding) than small and medium wine brands

- Medium wine brands use region more frequently on label than small and large wine brands
- Country of origin (COO) is more frequently used by large wine brands on label than small or medium wine brands
- Variety, brand name (direct branding), and region are used across >90% of labels
- Indirect and direct branding are presented larger on label than wine attributes
- Brand size, region, sub brand, price, and variety did not influence branding consistency
- Logo image presence, and 'other' image colour contributes the greatest to the variation in branding consistency

Theoretical contributions of this thesis are the objective ranking of wine attributes and brand elements in terms of frequency of use and size on label, providing insights for choice modelling research and how these aspects of wine are being used in industry. The second contribution is to branding literature, extending the research of indirect and direct branding in consumer-packaged goods (CPG) categories into the wine industry which provides insights into how brand elements are leveraged across product variants in a category with a multitude of important choice cues. The third contribution is the development of two methods tailored to measure branding in the wine sector used to record the prominence of wine attributes and brand elements on label by measuring their size in pixels, and the method for measuring brand consistency. The two methods created for this research can extend into any packaged good category by altering the variables measured to the specific category.

Practical contributions include the influence of logo presence and the value of maintaining a consistent use of 'other' image (image on label that is not the logo) colour to keep a consistent brand look across a product range. That is, the logo and 'other' image elements contributed the most to the variance in brand consistency. Common branding practices in the industry have also been identified; it is more common to have the brand prominent on label while wine attributes take up a smaller proportion of the label. This indicates wine brands can, and are, using more space for their branding and that wine attributes do not necessarily need to take up a large amount of space on label to be used as a cue by consumers. This research advances the industry understanding of what types of brand elements are used and how branding differs across different wine brand sizes.