

Given more information about how wine is made, consumers less likely to pay for organic

June 26 2019



Credit: CC0 Public Domain

Consumers are more willing to pay for wine that comes with an organic

or organic grape label but providing information about certification standards and organic production practices reduces consumer willingness to pay for all wines, according to an Oregon State University-led study.

Further, the study found that additional information about conventional wine making practices restores consumer willingness to pay for wine labeled organic, but not for wines made with organic grapes, or conventional wines.

The study published today in the journal *PLOS ONE*.

The study provides insight on consumer perception of organic and organic grape labeling, and how labels that highlight the absence of ingredients are perceived by [consumers](#) who aren't familiar with standard production practices, said study lead author Nadia Streletskaya, an economist at Oregon State University who collaborated on the research with colleagues at Cornell University.

The difference between organic wine and wine made from organic grapes is the amount of sulfites added for preservation, and whether other ingredients used in production, such as [egg whites](#) or yeasts, are certified organic.

The results have implications for winemakers who are increasingly providing information to consumers about how wine is made, either on their websites or in their tasting rooms, said Streletskaya, an assistant professor in OSU's College of Agricultural Sciences.

"Not many wineries will take people through all of the steps of production, but there is a growing tendency to share more details on production, and that might be counterproductive," she said.

The researchers found that given no information about how wine is

made, consumers would be willing to pay more for wine labeled as either organic or made with organic grapes compared to conventional wine. When consumers were given information about certification standards for labeling wine as organic or made with organic grapes, willingness to pay for all wines declined, but willingness to pay for organic wine, wine made with organic grapes, and conventional wine remained the same.

Consumers were less willing to pay for two out of three types of wine—conventional or made with [organic grapes](#)—when they were given additional information about conventional wine production practices that consumers might be less familiar with, such as the use of yeasts, the protein casein or egg whites, among others, in wine production, or genetically modified wine yeast.

Willingness to pay for organic wine, however, rebounded to original levels when information about conventional wine making practices was provided.

Information about wine production practices might "remove the cultural and mythical appeal of wine," Streletskaya said.

"Wine is a very peculiar product," she said. "A lot of people who consume wine don't really know much about wine. They think it grows in a bottle in a wine cellar. For example, once people find out something is added that doesn't make it spoil they aren't as excited. Another strong possibility for their less willingness to pay is that adding information might make it harder for people to choose a product because they have more information to work through."

In their study, the researchers conducted a series of auctions with three different groups of people, in which each person was given \$35 to bid on a bottle of wine. In one case they weren't given any information about production practices. In the second, they were provided information

about organic and organic grape labels.

In the third, they were given information about conventional winemaking practices in addition to the information about organic and organic grape certification standards provided in the second treatment.

"This is where we found a very strong impact," Streletskaya said. "Suddenly their willingness to pay for pure organic wine shoots up, compared to organic [grape](#) wine and conventional wine. But their absolute level of willingness to pay for organic [wine](#) is the same as when no production [information](#) is given."

More information: *PLOS ONE* (2019). [DOI: 10.1371/journal.pone.0217934](https://doi.org/10.1371/journal.pone.0217934)

Provided by Oregon State University

Citation: Given more information about how wine is made, consumers less likely to pay for organic (2019, June 26) retrieved 3 April 2024 from <https://phys.org/news/2019-06-wine-consumers.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--