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The Semiotics of Wine Labeling:
A Study of Millennial Perception

A Thesis submitted to the University Honors College of Portland State University in partial fulfillment of the requirements for an Honors Bachelors of Science in Marketing and Advertising Management.

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ABSTRACT

Purpose: Research shows that Millennial customers rely on a front package label as their primary purchase factor when determining a product’s worth, but there is little research as to what each element on a label communicates to a customer, and specifically, to a Millennial customer.

Traditional semiotic analysis uses a qualitative approach to discover how attitudes and perceptions of brands are communicated to the consumer. The semiotic method looks to the subconscious consumer interpretations of emblems, icons, fonts, colors and other visually graphic components of a brand to uncover how different elements communicate to an individual.

It is also known that the wine industry has seen a substantial increase in consumption from the Millenial generation over the past decade, even though Millenials are extremely uninformed about the wine industry. Using wine labels as a field of investigation, this study uses a semiotic approach to determine the design elements and attributes that contribute to a Millenial’s interpretation of wine value.

Methodology: A random selection of twenty Millennials in Portland, Oregon, were asked to sort preselected wine bottles [representing a wide array of semiotic emblems] into lexical groups of semiotic perception. A qualitative semiotic analysis was conducted alongside a free word association test to determine the semiotic codes and lexical themes that produce idea associations to Millennial customers.

Findings: This study confirmed a range of previous research indicating the influence of semiotics in merchandising for markets with low concentration and high differentiation. Using intentional semiotic implementation, a merchandiser can strengthen idea associations surrounding a wine brand and predict how a Millenial consumer is likely to perceive their wine value.

Practical Implications: Semiotics will assist in differentiation of a brand in markets with low centration and high industry competition. This study will help merchandising managers position their brand through subconscious communication with the consumer in the form of semiotics.

Keywords: Semiotics, Wine Label, Millennial, Merchandising, Value
INTRODUCTION

As a subsector of advertising, merchandising has a unique role in influencing a consumer's purchase decision making. Merchandisers habitually search for innovative ways to communicate to consumers, while transcending the conspicuous tactics of traditional advertising. Semiotics is the study of meaning-making; catering to a host of consumer decision making processes to assimilate meaning with the emotions, attitudes, and beliefs consumers already hold. One could notice semiotics in play on everything from the colors chosen on a bottle of water, to the graphics used on a clothing label. This tactic is ideal for industry categories with high differentiation, high competition, and low product familiarity. The wine industry is one of those categories.

Semiotics can be useful in the wine industry as a way to help consumers make purchase decisions. The well-known wine brands (such as LVMH Moet Hennessy, E.& J. Gallo Winery, Constellation Brands Inc., and Diageo Plc.) only make up 12% of the market share, demonstrating a high diversity of brands in this industry. The largest category of consumer in this market are Millennials. Millennials currently hold 33% of the market share, whereas the secondary consumer segment, Baby Boomers, hold 30% (Wine Market Council, 2017).

This study will develop semiotic strategies that wine manufacturers could implement to distinguish their brand in the eyes of their largest and fastest growing segment base—Millennials (Tobias, 2017). This article will advance the established knowledge of how Millennials perceive wine labels through underlying semiotic elements.

THEORETICAL BACKGROUND

Semiotics in Merchandising

Semiotics is a tactic scarcely used by marketing professionals because very few acknowledge the profound impact it can have on consumer behavior if employed strategically. Rachel Lawes, an international Market Research Specialist, defines semiotics as different from traditional qualitative research, “which normally takes an inside-out perspective. Interviews and groups are geared to getting psychological phenomena such as perceptions, attitudes, and beliefs out of people's heads. Semiotics takes an outside-in approach. It asks how these things get into people's heads in the first place” (2002). The practice of semiotics taps into the subconscious lexicon of meaning for a consumer and guides customers without explicit advertising or merchandising. Using communicative codes that engage the consumer’s internal dialogue connects on a
subconscious level and provides an opportunity for companies to cut through the noise of traditional advertisement.

Semiotics should be used as a tactic for industries with high industry differentiation and high competitive potential to attract more customers—semiotic efforts minimize the decision-making process for the consumer. For example, when one goes shopping and desires a healthy purchase, most will go towards the package with earthy colors rather than flashy motifs because they communicate ‘health’ in the consumer’s eye, whereas, if one is looking for a snack their children will love, they will more frequently purchase products with familiar characters or bright colors because these elements communicate ‘child-friendliness’ (Goguen, 2012). This is semiotics at work.

In addition to maximizing product distinction, a company must also consider the target market they want to attract through semiotics, as dissimilar groups will interpret symbols differently (Wolf & Thomas, 2007).

Semiotics is typically defined as the study of making meaning through communicative symbols, logos, color, and text. Recently, semiotics has been described as an emerging research and analysis method to gain qualitative insight into the perception of consumers. Semiotics takes an outside-in approach to discover why perceptions, attitudes, and beliefs translate to common-held symbols for a particular group of people. The information gained by this version of research and the practice of communication then encodes a lexicon that can be used to communicate with a consumer’s subconscious and their predisposed adhesion of meaning to products. Semiotic strategies are often used across industries as a merchandising technique when brands target consumers who are uninformed about the purchase options (Lawes, 2002).

The most informative article found to break down the complexity of semiotics was written by Dr. Rachel Lawes, a Principal at Lawes Consulting (Lawes, 2002). This article aimed to ‘demystify’ semiotics and developed a toolkit by which semiotic analysis can be conducted. Lawes illustrated the strategic capabilities of semiotics and discussed the capabilities of semiotic analysis in marketing. This article validated the emerging need for semiotics and makes it more user-friendly through an illumination of how to use it in one’s repertoire of research methodologies and implementation strategies.

Wine Market in America

Semiotics can be used to differentiate product categories in markets with a low concentration and rapid growth trends such as the wine industry. Often times, using subconscious communication codes can break the ‘noise’ in crowded industries, such as the wine industry. The global wine
industry is extremely fragmented, with the top 10 manufacturers generating less than 12% of the industry revenue (IBISWorld, 2018). Because of this low level of revenue concentration and high level of competition, wine merchandisers increasingly aim to find strategies to differentiate themselves beyond the traditional differentiators of grape variety, origin and price. The wine industry is in a mature life cycle stage, which allows companies to implement new tactics (such as semiotics) with low risk of negatively impacting their industry share (IBISWorld, 2018).

Wine consumption has taken off in the last three decades, with Americans consuming 770 million gallons of wine per year, compared to the 370 gallons consumed in 1993 (see figure 1). However, this is likely to plateau with the price of grapes increasing [due to environmental factors] and the inflexibility of consumer price ceilings. The wine industry was valued at $287.39 billion in 2017 and has a strong trajectory continuing to grow over the next decade (Business Insights Global, 2018).

The wine industry saw double-digit sales gains in 2016 for wine over $11, and losses for those under $10, showing an opportunity for new marketing strategies to attract consumers that may not be as familiar with purchase wines at higher prices (Nielsen Total U.S. All Outlets, 2016). This is a $32 billion industry with profitability potential with overall industry revenue increasing linearly as Millennials age (Beverage Information Group, 2015).

Of this growing profitability, wine is succeeding on average better with women with 57% of wine sales made by women (Nielsen Spectra 2015). This finding led to a deeper study in 2016 on female wine drinkers by Nielsen, where it was found that 66% of female wine purchases are planned (Nielsen Bev Al Category Shopping Fundamentals 2014) — this is highly important to marketers, as it indicates that these purchases are not only considered in advance but that these consumers are committed to evaluating options and “shopping” their options rather than simply “picking up a bottle”.

![Figure 1: US wine consumption](image-url)
An important article for this research was written by Elizabeth C. Thach and Janeen E. Olsen and proves the target market profitability and size by delineating the difference between millennial buying power in comparison to previous generations’. The authors of this market segment analysis operate in the wine merchandising discourse community with specific interest towards future trend prediction. The article confirms that there are wine label traits to attract Millennial consumers to purchase; the traits that they associated with Millennials very closely align with the semiotic findings of this study and provide a foundation for those hoping to conduct further research on this subject.

*Why Millennials?*

The parallel relation of Millennial wine consumption and Millennial buying power became progressively apparent as the entire Millennial generation aged to legal drinking age as of 2017. Even outside of the wine industry, companies are increasingly targeting the Millennial generation because of their proven buying power in our economy (IBISWorld, 2017).

In 2017, Millennials showed statistically significant advances in occasional wine drinking. Thirty-five percent of Millennials identify as an occasional wine drinker, compared to the secondary category of consumers which held 33% of Baby Boomer (born in the years 1946-1964) consumers identifying as occasional wine drinkers (Wine Market Council, 2017). People across all generations consume wine but the 2018 State of the Wine Industry report found that Millennials will surpass other generations to become “the largest fine wine consuming generation by 2026”.

With the surge of marketing towards this generation, many advertisement nuances are being considered by companies for the first time—Millennials are aware of advertisement in their daily lives and are hesitant to be persuaded by traditional advertising because of an elevated knowledge of its prevalence in society (Flanagin & Metzger, 2008).

*Millennial Wine Consumption Habits*

Millennial consumers are currently the generation with the largest purchasing power in the history of the US and are targeted across industries as the largest potentially profitable market segment (IBISWorld, 2017). Although the definition of a Millennial varies between sources, for this study they will be defined as those born between 1981 and 1997 (Fry, 2016). For the wine industry, Millennials are an important segment to reach, given that previous research has indicated consumers tend to retain their wine consumption patterns as they age, which imposes pressure on wineries to reach as many consumers in this market segment as possible before they reach stages of consumption habituality (Tobias, 2017). Between 2005 and 2010, there was a
surge in high-frequency wine drinkers from 7.9% to 13.9% of the population, driven by the Millennials, demonstrating that not only are millennials consuming wine, they are consuming at a higher frequency than ever before (Henley, Fowler, Yuan, Stout & Goh, 2010).

According to the latest study conducted by the Wine Market Council in 2015, Millennials make up the largest portion of highly involved female wine drinkers, and they tend to be urban educated professionals. This group of highly involved female Millennials also tend to be more ethnically diverse than the typical wine drinker (WMC Female Wine Drinker Survey 2015).

Millennials are generally uninformed about wine, which is peculiar because of their large consumption of the product. They put the most emphasis on price and variety when purchasing, which minimizes the desire to look further into the details of the wine (Thach and Olsen, 2006). It was discovered by Maddox (2012), that Millennials are generally uninformed and inexperienced wine consumers, and often look to the packaging of a wine to help them make their purchasing decision. Millennial consumers often look to the label to seek information about the value of the wine, rather than reading journals or industry reports, which is a shift from previous generations. While they are usually uninformed about this product category, these consumers make decisions at the point of purchase more often than researching before they shop, which indicates the importance of communicating through the label (Maddox, 2012).

The Millennial attitude surrounding wine is slightly different from previous generations, in that they consume wine more frequently on a social basis and are willing to spend more per bottle on average; Millennials view drinking wine as an elite yet accessible social activity (Teagle, 2010). Their attitudes will mature and fluctuate as they age, which is why targeting their tastes now will prime them to become lifetime consumers (Thach & Olsen, 2007).

This led researchers Henley et al. (2011) to discover that, while this age group isn’t necessarily more affected by the labeling strategies, the eye-catching and attractive packaging is ranked as the top choice factor for this age group when choosing wine.

There have been many specific studies within the last several years surrounding the use of wine labels as prime merchandising space (Barber, N., et. al, 2006; Henley, C. D., et. al, 2011; Rocchi, B. & Stefani, G., 2005; Thomas, A. & Pickering, G., 2003; Wolf, M., & Thomas, S., 2007). Millennials have peaked particular interest to wineries as they are the consumer segment with the largest spending potential. Millennials have also been dominating the wine industry, with millennials consuming at far higher volumes than previous generations (Thach & Olsen, 2006).

One of the most pivotal articles surrounding Millennial wine consumption habits is by Benedetto Rocchi and Gianluca Stefani (2006) of the University of Florence. The article aimed to discover...
how millennials perceive wine labels. They asked questions that aligned with this research such as, “what do consumers mainly see in a bottle at first glance? Which packaging elements are relevant in the comparison among alternative products? Which pattern of features is better at inducing purchase?” This study found that the attributes of bottles and labels represent the main factors underlying wine packaging perceptions. Characteristics on the label are the first aspects that consumers look to when evaluating the value of a bottle of wine, besides its price: “Consumers use them to define more abstract ‘‘constructs’’ (as distinction or tradition) they use while assessing alternative products and choosing among them” (Rocchi & Stefani, 2006).

Some insight has been collected specifically on the female wine consumer (which led this study into an inspiration to expand these findings to the entire Millennial cohort). It was established by the Wine Market Council that women are more likely to buy a wine they've never tried before based on the label or by a recommendation when browsing, rather than seek out a wine they've read about.

This proves the significance of point of purchase strategy in labeling semiotics and indicates that labeling is one of the primary ways in which a consumer differentiates a product. Consumers will associate distinguishable symbols, colors, and fonts with experiences, preferences, and tastes (Henley et. al, 2010).

METHODS

Methodology

The importance of labels in a consumer’s purchase decision is commonly accepted across the wine industry. This study sought to find what semiotic elements put a wine label into that category, hence making it more desirable (Wolf, M. & Thomas, S., 2007). The current research indicates that there are a difference and an importance in how Millennial consumers perceive the value of wine (Thach & Olsen, 2007). It is also known that labels are a major choice factor in the purchase decision for these consumers (Maddox, 2012), but what is left to be identified is what aspects of a label actually communicate value to a consumer and how wine merchandisers can position their product to be a bottle that a Millennial consumer [with limited product knowledge] would want to purchase. The research conducted in this article explicates the semiotic aspects of a wine label and determines how Millennials interpret the individual elements as value.

For this study, sixty-five bottles of wine were collected and a sample of twenty wine bottles representing a diverse array of semiotic elements was selected for the study. The wine bottles selected for the study each featured at least three prominent semiotic elements (i.e. color, embossment, texture, animals, fonts, etc.), this was to ensure there were consistency and similarity available for comparison post-study.
Twenty participants were recruited through social media recruitment and were incentivized by $10 gift cards through a funding donation made by the Portland State University Urban Honors College. The participants were asked to sort preselected empty wine bottles [representing a wide array of semiotic emblems] into groups of semiotic perception across three categories: Cheap Wine, Best Value, and Fine Wine (see Appendix A). This aimed to uncover the elements that Millennials interpret wine through and indicate what semiotic emblems contribute to that interpretation.

Each subject participated individually to ensure independent responses. The participants were presented with the twenty wine bottles between the price points of $7.00 and $33.99, with two extreme outliers of $3.00 and $70.00 (N=20). The median price of the selection was $14.00, which followed the price point trends for Millennial wine purchases (Tobias, 2017). The sample included 58% red wine varietals, 31% white wine varietals, and 11% rosé varietals. There were several major geographical origins represented including Oregon (25%), Washington (10%), California (35%), Argentina (5%), Australia (5%), Italy (5%), France (5%), and unspecified (10%). Some of the bottles displayed their alcohol content of the front labels and some alcohol content appeared on the back label—since we were focused solely on the front labels, participants were only able to see alcohol content on two-thirds of the bottles.

Participants were asked to spend two minutes observing the wine bottles on their own. They were encouraged to look at the fonts, emblems, illustrations, logos, colors, paper, vintage, description, and any other defining factors that caught their attention. The participants were purposely given very loose instructions in this portion to encourage personal discoveries. Each participant was then given 10 minutes and asked to sort the bottles into categories of ‘Cheap Wine, ‘Best Value’ and ‘Fine Wine’ across a linear array.
Using a free word association test (Ares et. al, 2011), participants were then asked to first use one word to describe the reason they evaluated the bottle as such. Then, they were asked to briefly elaborate on their evaluation. This helped the participants to separately evaluate the different elements of the wine bottle and its label attributes to further differentiate the reasoning for their categorical placements.

**Screening**

The participants were asked four screening questions before proceeding to determine eligibility and consistency across results: 1) what is your age, 2) what is your experience purchasing wine, 3) how many days of the week do you consume wine, and, 4) how much do you pay attention to a label when making a purchase decision.

The average age was 23 years old, with the oldest being 35 years old and the youngest being 21 years old. The sample represented an array of racial diversity and ranging income levels.

They were next asked about their familiarity with buying wine. This was to determine the sample’s wine knowledge, given that higher familiarity would have determined bias towards the bottles of wine under the assumption that the participant would already know the quality of the wine from experience. They were asked to rate their experience level with buying wine on a Likert scale; 67% of the sample reported that their experience in buying wine was either ‘not familiar at all’ or ‘somewhat familiar’.

They were then asked how many days of the week they consumed wine. The objective of this question was to determine the intensity of their wine consumption. This sample was ultimately very moderate in their wine consumption, with only one participant stating that they consumed one glass of wine more than twice a week. On average, participants report consuming one glass of wine one day a week. This validated the objective for the sample to contain wine drinkers.

The last screening question brought label choice factor into the conversation. The participants were asked to demonstrate on a Likert scale the degree to which wine labels impacted their purchase decisions. The average participant claimed moderately high label importance, 4 (important) out of 5 (very important), showing that labels were significant in their purchase decision making process.

The profile of this sample ultimately exemplified a group of occasional wine drinkers who fall into the Millennial generation with low wine buying experience. The screening questions
validated the prior research done in this discourse community and allowed the study to proceed with credibility.

**FINDINGS**

*Primary: Lexical Themes*

One of the primary findings discovered in the initial stage of the research was that the participants rarely looked exclusively at the graphic elements of the label when evaluating the value of the wine. Participants also looked at the weight of the bottle, the texture of the label, and the color of the sealing foil to make their interpretation. This suggests that consumers intuitively examine the entire product before making a purchase choice, rather than simply observing the label.

The overarching semiotic elements from the wine bottles that emerged through the focus groups were the colors, the name of the winery, the texture of the label, description copy, alcohol content display, de/embossing, the colors of the label, the color of the bottle, the font, bottle weight, locality, iconography and vintage.

Within in the “Cheap Wine” category, there were five bottles that were prominently identified from nearly all participants as being “cheap”. The bottles were, in fact, of less expense and sold at a price point between $6.29-12.00. The semiotics elements that were present in the discussion of these bottles surrounded the name of the winery, color, label texture, perceived quality of the imagery, and the animals or icons on the label. These semiotic elements are common on less-expensive wine bottles because they communicate ease and simplicity. Label texture is often used to disguise cheap wine bottles as more expensive ones because it is an inexpensive fix that can make a bottle look artisanal (Celhay et al., 2017).

In the “Best Value” category, a majority of the participants selected the same six bottles to represent this sector of the industry sample. These bottles fell within the price point of $10-14.00. The major semiotic elements distinguished in this category were colors, de/embossing, use of whitespace, label texture and iconography. While iconography is something that is used in every category, it is often found on average bottles of wine to establish a brand and advocate for a purchase decision based on familiarity. De/embossment is a feature that begins to appears in this category of wine because it can be costly to implement but makes a large difference for the consumer (Calhay et al., 2017).

For the final category, “Fine Wines”, there were seven bottles that were consistently selected for this section. The price point for these bottles fell between $15-70.00. The semiotic elements that
were identified by participants to represent a “fine wine” were bottle weight, label texture, a name of winery, simplicity, iconography (or lack thereof), and use of foiling. Bottle weight, label texture, and foiling are all semiotic elements that communicate value through inherent high cost for implementation outside of the normal expectations for a wine bottle label (Calhay et al., 2017).

There were also two bottles that were split between the “Best Value” and “Fine Wine” categories. The elements that made participants most conflicted were the use of metallic and color, locality, and font. Often participants were conflicted over one of the bottles that was flourished with gold foiling and embossing.

Secondary: Semiotic Elements

After the lexical themes became identified through the first stage of the study, the participants were then asked to specify why they made their categorical choices. In the initial selection of wine bottles for the study, there was deliberate attention paid towards ensuring an even spread of semiotic emblem representations. Several semiotics identifiers stood out to participants, and generally, they all communicated similarly to the sample of participants. Below are the different comments and themes related to each semiotic element from the wine bottles:

Embossment: Embossment is an ornamental feature on label surfaces where symbols, texts, or images are raised usually with wax, foil or silicon. This is something that is usually only found on expensive bottles of wine because it is a time consuming and expensive addition to a label. Within this category, 70% of the bottles with embossing were perceived as being a Fine Wine. However, the wine bottles with embossing were not necessarily higher in monetary value, with an average price point of $17.00. When there was a gloss on the embossment, it increased in perceived value. Some of the comments in the focus group for bottles with embossment were:

“The label is embossed, which looks more involved”
“The logo appears to have been painstakingly embossed, making it look very thoughtful.”

Color: The element of color was one of the most acknowledged elements across all of the categories of wine bottles. When the wine was perceived as cheap, it overwhelmingly contained bright vivid colors. Generally, jewel tones such as royal blue, purple and orange, determined to be tacky, and look as if they were marketed to children. The bottles of the wine perceived to be Cheap Wine were priced on average at $8.00. The bottles with a palette of primary colors on their label received comments such as:

“It looks like it would cost more but it's too colorful.”
“It is super colorful and maybe they are trying to attract younger people.”
“It seems really eye catching, but in a bad way.”

The bottles with neutral colors were perceived as Best Value and averaged at a price point of $12.50. The bottles in this category had very neutral tones, with tans, ivories, and coppers. These muted tones made participants feel torn—they thought that perhaps there wasn't much thought put into the labeling given the muted tones, but then they pondered that possibly it was minimal effort appearance was what made it a finer wine. Some comments made in this category are as follows:

“The mustard color makes it seem more mature.”
“The colors are very well paired with the type of wine.”
“The light colors look like they are trying without giving off pretentious undertones. It looks approachable.”

There were also several bottles of wine whose colors made participants believe that the wine was of higher value. The average price of wine bottles in this category was $27.00. Within this category, rich metallics, mixed with mature dark colors convinced participants that they were looking at a wine with high monetary value. This was true in most cases, but some of the bottles of wine placed in this category were as low as $15.00, showing the impact that color choice can make on customer perception. Many of the comments made were very strong statements:

“The gold ‘S’ with the navy background looks incredibly expensive and beautiful. The simplicity shows they are good at what they do.”
“The colors sell me; the black label signals expensive to me.”
“Sharp and bright color should not be on wine.”

**Label Texture:** Label texture is another element that communicated high value to the participants. The average price point for these bottles was $22.00, and a majority of them were perceived either as a Fine Wine or a Best Value. The visual suggestion of texture on the label often made participants pick up the bottle for physical inspection. The different textures in the sample were linen labels, handcrafted paper, and glossy imagery. The participants would rub the bottle as they spoke about its value and tended to pay more attention when observing the bottle. There was one case where the label had a thin plastic label, and this bottle was the only one whose label texture made people feel opposite; the texture of the plastic label made it appears extremely cheap. An unexpected element under this semiotic feature was the bottle weight—the heavy bottles were met with an immediate assumption of high value. Some of the comments for this element are as follows:
“I love all the different textures.”
“The textured pattern makes it look designer.”
“I know the difference in texture is expensive and the big gold texture is stunning.”

**Locality:** Of the bottles in the sample only a small portion indicated locality, but of this small selection, participants immediately noticed when the city, region or state mentioned on the label. To this sample of participants, the more familiar they were with the region’s capacity to produce wine, the more valuable they thought it was. Something noteworthy is that this sample indicted bottles coming from the Pacific Northwest as being of a higher value and the international bottles [from Italy and France] were not as valued. This group of participants valued the aspect of having something made locally.

“*I know it is an Oregon wine, which is local and nice.*”
“*I saw Willamette Valley, and that origin indicates value.*”
“*I saw Sonoma and I know the origin is nice.*”
“*I saw Oregon which made me think it would be more expensive because its local*”

From the other point of view, a comment about an international wine was, “I think this is a cheap wine, because it is from Australia, and I thought of [an infamous Australian wine] Yellowtail”.

**Metallic Foiling:** This element was unanimously interpreted as a high-value label element. There were no differing perceptions across the color of foiling— silver, bronze, gold, and black were all considered a high-quality addition to a label and made the label appear expensive to produce equating to a more expensive wine. Many participants explicitly said in their explanations that they, “associate[d] gold with value”. The texture that foiling provides also contributed to this perception.

“*I know the difference of texture is expensive and the big gold texture is so unique.*”
“*The embossed symbol and silver on top just look like ‘luxury’; I would give this to a boss.*”
“*Anything with gold leaf looks more expensive.*”

However, there was one bottle that was covered entirely in gold colors and gold foiling, and this was the one label that participants felt was “dishonest”, demonstrating the fine balance between luxury and overcompensation. Some of the comments about this label are as follows:

“*The description says ‘gold and extravagance’— it makes me think they’re lying to me.*”
“*The gold leaf looks like they are trying to be fancy, but honestly it just looks like overcompensation.*”
Iconography: Animals, portraits and large logos were not perceived as valuable within this sample. However, there was a vast spread of opinion across whether the large icons made the bottle appear as a Cheap Wine or a Best Value. For the participants that categorized the bottles with large icons into the Cheap Wine category, bottles with animals tended to communicate cheapness. The natural icons such as trees, vines, and flowers, communicate growth and life to participants and were generally perceived as highly valuable icons. When bottles had large floral prints or abstract design, it was interpreted as a more valuable wine. The bottle with iconographical emblems that were categorized as Cheap Wine and Best Value received the following comments:

“I can't related to the illustration; it doesn't remind me of fine wine.”
“The [animal on the label] makes me think of something really [average] and not high class.”
“The label is very graphic which I am not a huge fan of. I would never buy this.”

Limitations and Opportunities for Future Research:

One of the largest limitations of this study is the use of demographic market segmentation. Casually, demographics can and should be used to distinguish a large group of the market and to gain a general understanding of the needs of consumers and what motivates them to purchase, however it would be wise to expand this study to accommodate the semiotic merchandising tactics to address the needs of individual market segments within the Millennial demographic group. This would provide a more focused marketing mix and merchandising strategy. The participants in the sample represented an extremely wide range of Millennials, that there is no logical way to create one merchandising technique to meet all of their consumer needs. Selecting and defining a sample of participants by psychographics would have been a wiser tactic for future realistic segmentation purposes.

This study was also limited by the number of participants available to the focus groups. This study could become more impactful if the sample of participants was increased to provide one hundred samples instead of only 20. If there had been more options for participants, the study would have been able to become more selective which would have decreased the number of null responses.

There was additionally a confusion with one participant who spoke English as a second language, in that “Fine Wine” to this participant was synonymous with “average wine” rather than “lavish wine” or “exquisite wine”. This could have been avoided if there had been a better description of the categories. This participant's results were discarded from the sample.
There is an opportunity to continue this study into other highly differentiated markets through a cross-industry analysis to validate the Millennial perception commonalities in lexical themes across industries and validate that semiotic elements communicate alternative meanings to different groups of people.

CONCLUSION

With the results discovered, there are several directions that wine merchandisers could take to increase the perceived value and purchase rate of wine in this highly uninformed group of emerging consumers. The primary recommendations to make your bottle as valuable as possible in the eye of the Millennial consumer are as follows:

- **Be selective about embossment.** The bottles that had a balanced amount of text and/or emblems embossed were among the highest to be deciphered as a Fine Wine. While it can be a costly addition, it was apparent that the detail of embossment indicated higher value to Millennials. However, one must be conscious about the amount of embossing because, as shown in this sample, when the label had more embossed than non-embossed area, the value decreased and confused the consumer about its credibility.

- **Increase color contrast and decrease color abundance.** The labels that contained more than three colors were categorized as a Cheap Wine or Best Value. This was especially true when the colors were drastically different from each other, rather than just shades of the same color. To make a label look more valuable, one should limit the label colors to two to three. When choosing colors, one should be sure that they are contrasting and complementary colors to each other [an example of this is the 2014 Stoller].

- **Promote your origin (if your customers are nearby).** The sample participants were extremely attentive to the origin of the wine, showing that a wine label should highlight its origin on the front label, rather than on the back label or seal. The locality was a major theme in participants perceiving a bottle as a Fine Wine, but this could be influenced by the participants' knowledge of wine regionality. Oregon, Washington, and California wines were all evaluated as valuable bottles, which could be attributed to the Millennial tendency to value local goods (Calhay et al., 2017). The bottles that were from traditionally well-known wine origins, such as Italy and France, were also perceived to be of high value, but the bottles from Australia and Argentina were perceived to be among the least valuable.

- **Label texture can be a make-or-break moment.** When a bottle label had texture (generally to make it appear handcrafted) the perceived value increased. Bottles such as the 2017 Stoller, 2015 Illahe, and 2015 Love Noir all exemplified this. Embossing and foiling also contribute to the label texture, but the texture of the label paper was the
primarily noted as the source of texture. Contrarily, when the label had no texture or was made of vinyl or plastic, the value of the bottle immediately depreciated regardless of the other semiotic features on the label [an example of this is the 2008 Michel Torino]. Using label textured to make the label look thoughtful and artisan immediately make the wine look more valuable in the eye of the Millennial consumer. This is consistent with the trend of locality, and the appreciation that Millennials have for artisan and handcrafted products.

- **Increase the weight of the bottle.** Across the participant sample, the bottles with the most weight were automatically perceived as a finer quality. Often the participant could not formulate why it was that they thought a certain bottle was of better quality, but the commonality around these nondescript Fine Wines was that they all were subtly heavier than the others in the sample. The wine bottles with this element were not even necessarily of finer quality or high monetary value, but they all appeared as is they were. While this is not explicitly a semiotic element to the study, it was still a prominent finding across all participants and an easy way to instantly increase the perceived value.

The tactics that are available to be implemented into a wine label are vast and varied, but there are several elements that can be easily incorporated into a label to immediately increase value to the Millennial consumer and break through the noise of traditional wine merchandising. A holistic label including the recommendations set above will communicate value to the Millennial consumer through subconscious and conscious tactics to increase conversion at the place of purchase.

**ACKNOWLEDGMENTS**

A special thanks to Maureen O’Connor— an inspirational and dedicated professor that I was honored to work within my final year at Portland State University. Professor O’Connor’s talent, passion, and commitment to the progress of her students is what compels others to do their best work. I am thankful for her faith in my work, for without which I would not have had the resources to complete this research. The Portland State community is immensely luckily to have her.
## APPENDIX A

<table>
<thead>
<tr>
<th>Majority Rating</th>
<th>Price</th>
<th>Vintage</th>
<th>Region</th>
<th>Brand Name</th>
<th>Varietal</th>
<th>Label</th>
<th>Top Semiotic Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fine Wine (65%)</td>
<td>$70.00</td>
<td>2014</td>
<td>N/A</td>
<td>Stoller</td>
<td>N/A</td>
<td></td>
<td>Foiling; color; texture</td>
</tr>
<tr>
<td>Fine Wine (40%)</td>
<td>$20.99</td>
<td>2016</td>
<td>Oregon</td>
<td>Stoller</td>
<td>Chardonnay</td>
<td></td>
<td>Color; texture; font</td>
</tr>
<tr>
<td>Fine Wine (40%)</td>
<td>$16.99</td>
<td>2015</td>
<td>Oregon</td>
<td>Illahe</td>
<td>Pinot Noir</td>
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<td>Texture; inverse; locality</td>
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<td>2016</td>
<td>California</td>
<td>Chalk Hill</td>
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<td>Foil; inverse; color</td>
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<tr>
<td>Fine Wine (40%)</td>
<td>$19.99</td>
<td>2014</td>
<td>California</td>
<td>True Myth</td>
<td>Cabernet Sauvignon</td>
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<td>Fine Wine (40%)</td>
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<td>2015</td>
<td>California</td>
<td>Love Noir</td>
<td>Pinot Noir</td>
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<td>Foil; font; texture</td>
</tr>
<tr>
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<td>2015</td>
<td>Washington</td>
<td>Maryhill</td>
<td>Viognier</td>
<td>Foil; font; colors</td>
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<tr>
<td>Fine Wine / Best Value (50%)</td>
<td>$17.00</td>
<td>2015</td>
<td>Oregon</td>
<td>Unconditional</td>
<td>Pinot Noir</td>
<td>Texture; iconography; locality</td>
<td></td>
</tr>
<tr>
<td>Fine Wine / Best Value (50%)</td>
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<td>2015</td>
<td>California</td>
<td>Menage A Trois</td>
<td>Chardonnay</td>
<td>Foil; embossing; font</td>
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<tr>
<td>Best Value (65%)</td>
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<td>2014</td>
<td>California</td>
<td>The Dreaming Tree</td>
<td>Chardonnay</td>
<td>Incongraphy; Color; Inverse</td>
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<tr>
<td>Best Value (60%)</td>
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<td>2016</td>
<td>France</td>
<td>La Vieille Ferme</td>
<td>Recolte</td>
<td>Iconography; color; locality</td>
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<td>Iconography; color; font</td>
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<td>Swallow</td>
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<td>Iconography; color; font</td>
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<td>Price</td>
<td>Year</td>
<td>Origin</td>
<td>Winery</td>
<td>Variety</td>
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<td>---------------------------------------------</td>
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<td>N/A</td>
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<td>Barnard Griffin</td>
<td>Rose</td>
<td>Inverse; iconography; embossment</td>
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<td>Cheap Wine (75%)</td>
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<td>Michel Torino</td>
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<td>Color; texture; iconography</td>
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<td>Bubo</td>
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<td>Grow Canyon Vineyards</td>
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<td>N/A</td>
<td>Rare Find</td>
<td>Zinfandel</td>
<td>Color; font; texture</td>
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</table>
REFERENCES


Maddox, Alison. (2012)“Redesigned Wine Labels and Consumer Preferences.” *California Polytechnic University*.


