

## **Collective Brands and Intention to Buy: A Preliminary Study on Wine Consumption**

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### **Abstract**

Agri-food collective brands are the outcome of long institutional and normative certification paths and aim to guarantee the preservation of tradition and to assert the unicity of products, depending on the area where they are produced or on the origin of their components. Because of their nature, they can be considered as institutional guarantee of goods' quality standard or of country/region of origin and, more important, they can be considered as instruments to reinforce and better communicate local and traditional products. Because of their potential ability to enhance product uniqueness perception, collective brands could be a powerful tool to preserve and reinforce firm market positioning: indeed, strong positive associations between products and places can highly support marketing success. This paper aims to test how awareness about collective brands impact on consumer intention to buy. More specifically, an empirical study has been carried out on 198 Italian wine consumers, that has been asked to describe their knowledge about wine, their wine consumption patterns, their attitude towards wine consumption, their commitment with the product and their intention to buy collective branded or generic branded wine. Respondents have also been distinguished on the basis of weak, medium or strong associations they were able to elicit about collective brands. Preliminary results show collective brands are preferred in social consumption contexts, as they probably guarantee good product performance and therefore social approval. Moreover, buying intention of consumers with strong associations are mainly driven by emotional judgment, whereas cognitive judgment prevail when consumers show weak collective brands associations.

**Keywords:** Collective brands, Purchase Intention, Involvement, Product Knowledge, Attitude toward wine drinkers

**JEL classification:** M31.

### **1. Introduction**

In agri-food industry PDO and PGI are collective brands that can help consumers to judge and choose among different products, making, in specific choice contexts, individual brand a less relevant attribute in buying decision making. Indeed, these brands can support consumers to recognize country or region of origin of goods and also play an informative role about quality standard and product performances. Fishman (2018) asserts that collective brands may have a positive impact on firms' strategic orientation: their membership to PDO (Protected by Designation of Origin) or PGI (Protected by Geographical Indication) consortia often motivates their intentions to contribute to high quality standards in order to protect and reinforce the reputation of the collective brand they are part of. Because of the frequently high commitment of producers with collective brands communication, these brands may become one of the first drivers in consumers' choice of experience goods. Indeed, consumers are often able to recall,

even if in an inaccurate way, description of collective brands but they aren't able, at least in part, to distinguish among the different individual brands sharing the same collective one. Parmesan cheese is, for example, produced by many small-medium producers that consumers hardly know and recognize; the same can happen with other products as ham, cheese and wine. With reference to wine, specifically, its nature of experience good make it difficult to correct identify its real value before consumption and signals and symbols from environment do have a crucial role in driving consumers choice. In these contexts, collective brands should have an important role to direct or re-direct buying intentions. In order to better understand their role, intention to buy generic branded and collective branded wines have been measured and compared, as final output of a model where involvement with the product class, product category knowledge, attitude toward wine drinkers and consumption model impact on buying intention in a direct or mediated way. These variables have been chosen as determinants of intention to buy because of the nature of wine. It is an experience good: its value cannot be completely appreciated before consumption and therefore may only be estimated throughout personal knowledge about the product class, acquired through previous experience, interpersonal and planned communication, involvement with the product category and attitude towards product consumption. Consumption models have been considered as mediators that can modify intention to buy generic and/or collective branded wines. Finally, to test the impact of PDO (Protected by Designation of Origin) or PGI (Protected by Geographical Indication) awareness on buying intention, respondents have been split into three groups, depending on their ability to correctly identify features that distinguish different collective brand labels (Aaker, 1991; Keller, 1993). If strong awareness of collective brand labels direct people to prefer them, collective brands should be considered a crucial driver in consumer choice.

## 2. Theoretical framework

As with the Country of Origin Effect (Amine et al. 2005), collective brands can be considered extrinsic cues that help, together with intrinsic ones, consumers to evaluate and choose among different products belonging to the same category. Even if the role of collective brands in consumers buying behavior has not still deeply studied, they can play a role similar to COE (Brodie, Benson Rea, 2016), which has been considered as a surrogate of product quality ... and other characteristics that cannot be evaluated directly" (Manray et. Al, 1998). If so, the preference to buy PDO (Protected by Designation of Origin) or PGI (Protected by Geographical Indication) labelled product instead of generic/ only individual labelled ones might be due to high quality standards and performances the collective brands can guarantee in consumers perception. Following main results from COE literature (Aboulnasr, 2007; Magnusson et al., 2011) and in order to better understand when and how collective brands can be considered a driver in consumer judgement and choice, the present research aims to test a model including major variables able to influence intention to buy generic or collective branded wine, under different strength of associations people show about collective brands. Previous researches on CO effect state that country of origin is context dependent and used to evaluate product when people don't deeply know features and attributes of the product category or when they have only limited product information. Moreover, the numerous contributes about COE assert its effect depends on a multitude of factors of both social and individual nature; among these studies Aboulnasr (2007) confirms the decreasing importance of CO effect on product evaluation when product class involvement increases, because of the natural attitude of involved consumers to refine search on product attributes and features. Because of these research findings, intention to buy generic labelled or collective brand labelled wine has been considered as depending on product knowledge and attitude towards wine drinkers, which, in turn, are conditioned by permanent product involvement. Moreover, in the model, product

knowledge and attitude towards drinkers are mediated by usage situations. As stated by, and especially in food and beverages experience, usage situation has a crucial role in determining which product attributes and features people retrieve from memory and use to evaluate choice alternatives and to decide their appropriateness. Attitude towards drinkers has been represented in the model because of attitude and beliefs relevance claimed by several authors in food choice. As asserted by Koster (2003) food choice depends on a multitude of variables; he identified extrinsic and intrinsic product characteristics, psychological factors, situational and socio-cultural factors among which he identified changing beliefs, norms habits and attitudes. Indeed, in order to represent the main dimensions that impact on of food and beverage intention to buy and to test collective brands effect on the track of last COE research findings, key variables cited by Koster (2003) in food choice have been retained – and represented in the model.

Product knowledge may be both objective or subjective: in the first case, it is measured referring to the ability of respondents to clear distinguish among different product attributes, features and brands and in the second case, only to the individual perception of his/her product knowledge. According to Brucks (1985), experiential knowledge, a third type of product knowledge based on previous experience, has only marginal impact on consumer buying behavior. Researches on relationship between subjective and objective knowledge and how they impact consumer decisions have not yet achieved conclusive results. Nevertheless, Park et al. (1994) results show as subjective knowledge is only partially determined by product information stored in memory and several authors outlined a negative correlation between subjective knowledge and amount of information acquired in consumers buying decisions. Anyway, since people perceptions mainly guide decision making process, subjective knowledge may be considered as the most relevant construct in this research context and it has been measured recurring to 3 four items Likert scale.

Product involvement has been defined as ‘an internal state variable that indicates the amount of arousal, interest or drive evoked by a product class’ (Dholakia 2000) and a measurement scale was first tested by Zaichkowsky (1985) who, in her article, suggested that high involvement with a product leads to a better ability of consumers to perceive differences among features and attributes of different brands of the product category. She developed a bipolar adjective scale (PII) based on twenty items. This scale has been adjusted and reduced over time by other research contributions (Couter et al, 2003; Micu et al. 2009) and an option has been retained, maintaining only items referring to image and auto-image traits of product class involvement. Product class involvement is therefore considered as construct that impacts on product knowledge which, in turn, shapes the adoption of specific wine consumption models. In food and beverage context, use situations can deeply shape consumers’ product perception and enjoyment and, because of the high impact of context on consumption experience, consumers choice of food and beverage products is considered highly use-situation dependent. Several literature contributions, even if with different research objectives, assert the key role usage situations have in product consumer choice, preferences and, thereby, intention to buy. Indeed, products belonging to different categories may be considered more or less appropriate for a specific use (Piqueras-Fiszman, Jaeger 2014; GIACALONE, Jaeger, 2016). Extending the reasoning, different attributes and features of products belonging to the same category may better suit some usage situations than others and therefore consumer choice can highly be conditioned by perceived fit of specific product traits to specific consumption situations. So, an alternative, among competing ones, is chosen also, and sometimes exclusively, because it’s well fitting with the consumption circumstances. For the purposes of this paper, the identification of different usage situations is amply partial, in particular if compared to analytic results obtained with in depth researches on this subject. In order to depict the potential impact

of collective brands on buying intentions, it's particularly relevant to distinguish between two opposite consumption experience, the 'individual' one, where people drink wine in their ordinary life, and the 'social' one, where people drink wine in 'special, public or celebration' contexts, as parties, events and, in any case, together with relatives, friends or colleagues. This distinction can help to profile situations where different products attributes and traits are evoked and evaluated in order to make a choice or elicit intention to buy. Specifically, in the individual situation a more 'technical/functional' evaluation of the alternatives should emerge, whereas in public context people should be guided both by functional and emotional dimensions. For example, wine type and brand chosen for a social happening could lead to approval or disapproval by other dining companions or event participants. So, situation usage can lead to elicit buying intention towards generic or, in contrast, collective branded wine, on the basis of a different appropriateness of use consumers perceive.

Familiarity with the product has been proved to support consumers in their product-usage matching process and it has been conceived as composed by three different constructs: objective product knowledge, subjective knowledge and experience. On the basis of evaluations based on knowledge and previous experience people should be able to better evaluate appropriateness of use (Piqueras-Fizman, Jaeger 2014; GIACALONE, Jaeger, 2016). Wine consumption, both in individual and social contexts, often creates and consolidates in people minds strong beliefs about drinkers: they might be represented as attractive or boring or smart and so on. The individual image consumers have about wine consumption can therefore forge their willingness to experience this good both in an individual or social context. Together with subjective knowledge, which has a more rational/cognitive nature, attitude towards drinkers, with its more affective connotation, is the second constructs that might influence consumption model adoption.

### 3. Methodology, data analysis and results

The questionnaire contained constructs measures derived from literature and partially adapted to the research questions of this paper and hypothesized to be antecedents and, therefore, possible causes of intention to by generic branded and/or collective branded wines. In particular, involvement with the product category was measured through 4 items, attitude towards wine consumption 4 items, knowledge of product category 4 items, individual and social consumption models through 5 items each, generic labelled wine intention to buy 3 items and collective branded wine intention 5 items (tab.2) Questionnaires also included other measures individual involvement with product category not further used for this investigation and, in the last section, demographics. Questionnaires were submitted online to 198 people in January and February 2018 and respondents met first items corresponding to consumption model, involvement, attitude, knowledge and then they had to declare their agreement with statements referring to main features of PDO and PGI wines. All collected questionnaires were divided into 3 groups representing increasing awareness about PDO and PGI labels.

The collected data were analysed using descriptive statistics, exploratory factor analysis and regression. Descriptive statistics helped to distinguish different levels of perceived risk and complexity and purchase intention in the three sets submitted to respondents (low awareness; medium awareness; high awareness) (table 1).

*Table 1. Involvement, Knowledge, Attitude, individual and social consumption means at low, medium and high awareness*

Measures	LOW Awareness	Medium Awareness	High Awareness	F (sig)
INV (Involvement)	2,43	2,62	3,12	3,96 (0,021)
ATT (Attitude)	2,25	2,95	3,51	12,42 (0,00)

KNOW (Knowledge)	3,86	4,33	4,82	13,12 (0,00)
IN_MOD (Individual consumption model)	3,38	4,21	4,94	9,69 (0,00)
SOC_MOD (Social consumption model)	4,70	4,83	5,70	26,71 (0,00)
GEN_INT (Intention to buy generic-labelled wine)	3,04	3,31	4,38	10,77 (0,00)
COLL_INT (Intention to buy collective-labelled wine)	2,71	3,50	4,60	6,56 (0,002)

The three sets show significantly different levels of involvement, attitude, intention to buy generic- and collective-branded wine and different individual and social consumption models. In particular high-aware people show also the highest involvement, knowledge and intention to buy both generic and collective-branded wine. Moreover, they are frequent wine consumer both in individual and social context.

Structural equation model was then employed to estimate the relationships among model constructs, according to the main advantage SEM has in estimating and testing causal relationships among constructs (Weston and Gore, 2006). According to Anderson and Gerbing (1988) a two-step path was adopted and first the measurement model was estimated. The measurement model contained 24 items and 7 factors and yielded an adequate fit (Chi-squared=581,38; df=231; CFI=0,97; RMSEA=0,066); all items loading on their constructs were significant with the lowest T-value being 8,78 and the average variance captured by each construct always greater than 0,50 (except for social consumption model = 0,49) (Fornell & Larcker, 1981) (table 2).

**Table 2. Measurement model (total sample, n=198)**

Latent factors	Std. coeff.	Ave. Var.
<b>Individual consumption model (IN_MOD)</b>		0,69
I drink wine when I am with my family	0,86	
I drink wine at lunch and/or at dinner	0,80	
<b>Social consumption model (SOC_MOD)</b>		0,49
I drink wine when I am with my friends	0,71	
Wine is my favourite drink during meeting and/or special events	0,69	
<b>Involvement with the product category (INV)</b>		0,63
wine is part of my self-image	0,75	
wine portrays an image of me to others	0,79	
wine tells others about me	0,89	
wine tells me about other people	0,74	
<b>Knowledge of the product class (KNOW)</b>		0,73
I think to have a good knowledge about wine	0,91	
I have a good knowledge about all important things to consider when buying wine	0,81	
I have a better knowledge about wine than my friends	0,84	
<b>Attitude toward wine drinkers (ATT)</b>		0,60
I think people who drink wine are uncool/cool	0,74	
I think people who drink wine are traditional/trendy	0,49	
I think people who drink wine are unappealing/appealing	0,89	
I think people who drink wine are dumb/smart	0,93	
I think people who drink wine are incompetent/competent	0,74	
<b>Buying intention - Generic labelled wine (GEN_INT)</b>		0,72
Next time I go shopping, I'll buy a bottle of wine	0,81	
I will buy a bottle of wine within the next 15 days	0,87	

Shortly I will buy a bottle of wine	0,86	
<b>Buying intention - PDO/PGI labelled wine</b> (COLL_INT)		0,66
I will buy a bottle of wine within the next 15 days only if it's PDO labelled	0,68	
Shortly I want to buy a PDO labelled bottle of wine	0,76	
Next time I go shopping, I'll buy a PGI labelled bottle of wine	0,80	
I will buy a bottle of wine within the next 15 days only if it's PGI labelled	0,89	
Shortly I want to buy a PGI labelled bottle of wine	0,91	

For discriminant validity (Anderson & Gerbing, 1988; Bagozzi, 1981) the unconstrained models were statistically better than the constrained ones, on the basis of the chi-squared difference tests between each pair of scales correlation unconstrained and constrained to 1. Figure 1 depicts the structural model with involvement impacting both on knowledge and attitude, that, in turn, affect intention to buy generic labelled and collective-labelled wine.

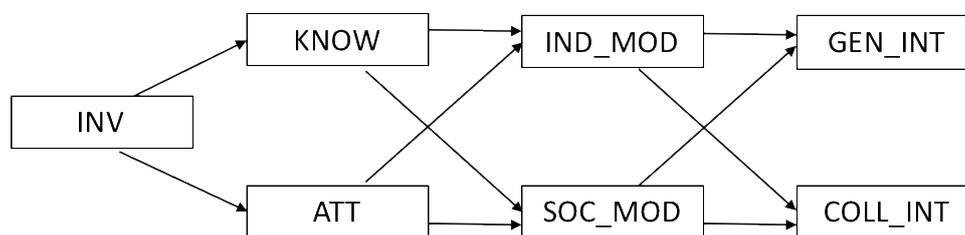


Figure 1. General model

The model was first tested with the inclusion of all cases (Low, medium and High Awareness set and 198 respondents) and then separately for each set, with results showed in table 3.

Table 3. The structural models – Results – (t-value)

	General model	Low_Awareness	Medium_Awareness	High Awareness
Inv→Know	0,54 (7.12)	0,42 (3.42)	0,49 (4.27)	0,54 (4.39)
Inv→Att	0,31 (3.12)	0,22 (1.40)	0,26 (1.41)	0,47 (3.11)
Know→Ind_Mod	0,36 (4.41)	0,39 (2.37)	0,39 (2.79)	0,11 (0.83)
Know→Soc_Mod	0,49 (5.47)	0,52 (3.14)	0,59 (3.59)	0,26 (1.84)
Att→Ind_Mod	0,27 (3.37)	0,11 (0.86)	0,04 (0.30)	0,51 (4.29)
Att→Soc_Mod	0,43 (5.64)	0,39 (3.19)	0,35 (2.11)	0,59 (3.54)
Ind_Mod →Gen_Int	0,26 (3.67)	0,28 (2.48)	0,12 (0.92)	0,31 (2.55)
Ind_Mod →Coll_Int	0,11 (1.25)	0,02 (0.12)	-0,12 (-0.71)	-0,04 (-0.24)
Soc_Mod →Gen_Int	0,67 (7.13)	0,76 (4.78)	0,73 (3.98)	0,55 (3.23)
Soc_Mod →Coll_Int	0,47 (5.03)	0,27 (1.72)	0,52 (3.32)	0,53 (3.05)
<i>Fit indices</i>				
Chi.-squared	568,11	453,51	440,83	445,44
df	242	242	242	242
RMSEA	0,069	0,086	0,073	0,077
CFI	0,97	0,93	0,94	0,95

In the general model, involvement with the product category impacts both on knowledge of product class and attitude toward wine drinkers. The cognitive (knowledge) and emotional (attitude) dimensions have significant relationships with individual and social consumption models: when competence and positive attitude increase people appreciate wine both in private and public situations. Nevertheless, individual consumption impacts only on generic-labelled wine intention to buy while the appreciation of wine also in social contexts lead people to increase their intention to buy collective-branded products.

In the low-awareness set, involvement still affects knowledge that has a major role in defining both individual and social consumption models. Attitude has a more marginal role and it impacts only on social consumption model. More important, when people show low awareness, increasing knowledge and attitude only impact on intention to buy generic labelled wine. In the medium-awareness set, involvement still affects knowledge, which forges both individual and social consumption models, but it doesn't impact on attitude, which, in turn, plays a role in co-defining social consumption model. The most important result is that only social consumption model affect intention to buy both generic-branded and collective-branded wines. In the high-awareness set, involvement affects both knowledge and attitude, but knowledge loses its ability to forge individual and social consumption models. Indeed, only attitude affects consumption models. In turn, individual consumption model impacts on intention to buy both generic-labelled and collective-labelled wines while social consumption model impacts only on intention to buy collective-branded wines.

#### **4. Limits, further research and implications**

This study has been conducted on a limited number of cases and needs to be extended to different food and beverages categories to be opportunely corroborated. Moreover, the number of respondents belonging to low, medium and high-awareness subset are really limited and these partial results must be interpreted only as explorative ones. Individual and social consumption models have been depicted only through two variables and a more variegated and complete representation of them is needed in order to reach more complete and strong results. Differently from what expected, there isn't a gradual increase of perceived risk and complexity moving from the official online store to the online multi-brand retailer. To correctly test the model, there should be significant differences among the different sets. Anyway, online buying behaviour is confirmed to be riskier and more complex than offline one. To complete the model, also trust toward retailer, that is store trust, should be measured to evaluate its interaction with brand trust, perceived risk and complexity.

Even with the limits described, some results could be considered interesting. First of all, as stated in literature, when involvement with product category increases, knowledge of product class increases. But involvement doesn't only impact on knowledge but also on attitude toward wine drinkers, that can be considered a more emotional dimension able to affect intention to buy, even if moderated by individual and social consumption models. This first conclusion has an important implication: involvement, even if in different ways, is able to activate both cognitive and emotional evaluations that, in turn, forge consumption model selection. Again, as stated in literature, preferences in food and beverages are strongly conditioned by the adoption of specific and, sometimes, contingent consumption models: knowledge and attitude do not impact directly on intention to buy both generic-branded and collective-branded wines. Finally, because of a lack of in-depth study on collective brands, an analogous role of collective brands and COE could be hypothesized but these first results seem to disconfirm preceding conclusions reached in COE studies. According to them, CO effect importance decreases when involvement with product category and therefore knowledge of product class increase. First findings of this paper seem to suggest that knowledge, and in this model also attitude, are always mediated by consumption model selection and therefore they can't directly impact on consumer preferences. Moreover, collective brands, especially in high awareness set, are considered as guarantees of social success. When people want to drink wine in social context they prefer to buy collective-brands that attest quality levels of products that aren't been experienced yet.

So, even if people show high involvement and high knowledge, they still continue to use collective brands as drivers in their decision-making process and generic- or collective-labelled

wines choice.

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