

## Customers Expectation towards Factors Driving Sustainable Choice: A Study on Organic Wine Consumption in Developed Economy

<sup>1</sup>Sujaya H. \*, <sup>2</sup>Meghana Salins, <sup>3</sup>Kavyashree K., <sup>4</sup>Ashwini V., <sup>5</sup>Shilpa K and <sup>6</sup>Sharmila S Shetty

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### Author's Affiliation:

<sup>1</sup> Assistant Professor, Institute of Management & Commerce, Srinivas University, Mangalore, Karnataka, India. Orcid ID, 0000-0002-8997-1641; Email, [sujayaloknath@gmail.com](mailto:sujayaloknath@gmail.com)

<sup>2</sup> Assistant Professor, Institute of Management & Commerce, Srinivas University, Mangalore, Karnataka, India. Orcid ID, 0000-0001-9579-5579; E-mail, [meghana.salins95@gmail.com](mailto:meghana.salins95@gmail.com)

<sup>3</sup> Assistant Professor, Institute of Management & Commerce, Srinivas University, Mangalore, Karnataka, India. Orcid ID, 0000-0003-1192-3479; E-mail, [kavyashree7734@gmail.com](mailto:kavyashree7734@gmail.com)

<sup>4</sup> Research Scholar, Institute of Management & Commerce, Srinivas University, Mangalore, Karnataka, India. Orcid ID, 0000-0003-1992-7394; E-mail, [ashviraashwini@gmail.com](mailto:ashviraashwini@gmail.com)

<sup>5</sup> Assistant Professor, Institute of Management & Commerce, Srinivas University, Mangalore, Karnataka, India. ORCID ID: 0000-0001-5611-9180; E-mail ID: [shilpakudroli@gmail.com](mailto:shilpakudroli@gmail.com)

<sup>6</sup> Assistant Professor, Institute of Management & Commerce, Srinivas University, Mangalore, Karnataka, India. Orcid ID, 0000-0001-9030-577X; E-mail, [sharmilasshetty21@gmail.com](mailto:sharmilasshetty21@gmail.com)

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### ABSTRACT

This paper aims to study consumer expectation of sustainable wine in three ways: first, by exploring the concept, and second, by looking into customers' choice towards organic wine consumption and finally, beliefs about environmental protection. The study includes the secondary data, with related literatures. This literature highlights the customers' expectation towards factors driving sustainable choice on organic wine consumption in developed economy and data is selected from case studies, reviews of literature, journal papers and other internet sources.

Research report asserts on non-organic labels on wine has been connected with low quality product, so people prefer organic wine unlike non-organic wines and positive vibe towards executing a environmental friendly act like purchasing ecological product plays a crucial role. By analysing how consumer attitudes about sustainable wine, environmental protection, and sustainable wine certifications differ among various groups, the paper contributes to the customers' expectation on wine consumption.

### HIGHLIGHTS

- Research examines the purchasing behaviour of consumers, focusing on their preferences for organic and domestic wines. Factors such as the origin, wine colour, and store location are considered.
- Studies reveal that consumer intention to purchase organic wines is largely driven by economic sustainability. This focus on eco-certification attracts existing customers and helps identify new market segments.
- Research has identified that the consumers of organic wine are ready to pay more for quality attributes, including certified and eco-friendly products. Additionally, studies highlight those

factors such as price, color preferences, age, gender, and income significantly influence wine consumption behaviour.

- A positive attitude toward engaging in environmentally friendly actions like buying sustainable product plays a crucial role.

## KEYWORDS

Customers Expectation, Sustainable Choice, Organic Wine, Developed Economy, SWOC Analysis

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## 1. Introduction

A decade study has delineated the competitive factors emerging in wine making industry, which is nevertheless, continue to exceed demand in developed economies. This growing competition has led to wineries opting for choice of organic wine consumption. Studies have noted that traditional wine-producing countries have seen a decrease in consumption over recent decades, while new markets have experienced significant growth, driven by consumer expectations for organic wine. However, background research indicates that while consumers are supportive of sustainable wine-making, they often lack detailed knowledge about it.

In New World wine regions such as the US, Australia, and Africa, the presence of various certified and government logos can sometimes confuse consumers and lead to uncertainty regarding green claims. Despite this, sustainable certifications and labels are crucial for establishing the authenticity of sustainable wines and building trust among wine enthusiasts. Research also emphasizes the importance of labels, such as the black label, in conveying environmental information. Empirical studies indicate that consumers are often sceptical of green claims, with concerns that producers may inflate prices by emphasizing environmental benefits. Despite this, organic wine is generally viewed as healthier than non-organic wine due to its production process, which excludes synthetic pesticides and additives (Giovanni *et al.* 2016). In response to recent findings, private organizations have increasingly promoted sustainable vineyard management and ecosystem practices. Various labels now emphasize different aspects of sustainability, and many wine producers are adopting practices that address environmental, social, and economic dimensions, claiming that their operations are fully sustainable (Giovanni *et al.* 2015).

Additional literature underscores that wine production is progressively moving away from synthetic chemical fertilizers and pesticides. Certification and labelling standards vary among "wine made with organic grapes" and the "organic wine" which is based on the proportion of organic grapes that is used on the level of chemical. In the European Union, the production of organic wine allows a less amount of sulphites, and, in the United States, the use of sulphites is prohibited. Before the 2012 harvest, EU regulations did not recognize "organic wine," but updated regulations now allow the term and the organic logo on labels. This change has clarified the distinction between organic and non-organic wines. By 2014, Europe represented 80% of the global organic grape-growing area. (Esahbel Schaufele & Ulrich Hamm, 2017).

## 2. Literature Review

Sustainable certifications and labels are essential for establishing the identity of sustainable wines and fostering trust among consumers, which leads to heightened expectations. This study utilized Google Scholar to search for published journals from 2009 to 2024, using keywords such as "Sustainable Certifications," "Eco-friendly Wines" and "Environment".

**Table 1:** Analysing the of the customers' expectation towards factors driving sustainable choice on

organic wine consumption in developed economy.

Sl. No	Focus/Area	Contribution	References
1.	Sustainable certifications in the wine production process.	Research highlights the various certifications that wine producers have adopted over recent decades in key wine-producing regions.	(Roberta Capitello & Lucie Sirieix. 2019)
2.	Consumer involvement with sustainable wine.	Previous studies in several countries indicate that about one-third of wine drinkers prioritize sustainability or have a strong interest in eco-friendly wines.	(Gary J. Pickering, 2023)
3.	Attitudes of consumers toward environmentally sustainable wine.	By believing its quality matches or exceeds that of traditionally produced wine, customer is willing to pay.	(Sharon L. Forbes, 2009).
4.	Key features of the organic wine of Italy and implementation of regulations.	The industry has experienced significant changes in recent decades due to evolving consumer preferences, lifestyle changes, and increased market globalization.	(Alessandra C, 2014)
5.	Engagement of consumers with sustainable wine consumption.	Research acknowledges that while sustainable wine is a growing category, there is limited investigation into consumer engagement and the complex factors driving that engagement.	(Lerro M, 2023)
6.	Comparison of sustainability performance between organic wine and conventional vineyard management.	Sustainable wine production practices are vital because organic viticulture focuses on reducing environmental impacts, unlike conventional practices that often aim to increase yield.	(Borsato, <i>et al.</i> 2021)
7.	Associated with wine bottles are the carbon footprints	Studies suggest that a thorough analysis is needed, as a single indicator does not effectively measure environmental impact. A combined assessment of carbon and water footprints is also necessary.	(Bonamente <i>et al.</i> 2016)
8.	Examination of life cycle assessment of packaged beer.	The cultivation and usage phases, fall outside the company's direct control.	(Luca Marrucci, <i>et al.</i> 2024)

### 3. Research Objectives

1. To study the concept of organic wine in developed economy
2. To study the customers' choice towards organic wine consumption.
3. To understand the factors driving sustainable choice towards organic wine consumption.

- To list out SWOC analysis of the study.

#### 4. Methodology

The study includes the secondary data, with related literatures. This literature highlights the customers' expectation towards factors driving sustainable choice on organic wine consumption in developed economy. The data is sourced from a range of case studies, literature reviews, journals, and online resources.

#### 5. Concept of Organic Wine in Developed Economy

In tracing the justification of the organic wine production, the organic grape growth area has increased in 2004 to 2017 from 87655 hectares to 403,047. Furthermore, the organic wine consumption has also intensified by 48.3% in same period globally. Germany is the leading country in organic wine consumption, holding a 23% market share, followed by France at 16.4%, the UK at 10.2%, and Italy at 2.4%. Despite Italy's lower consumption rate, the country has seen substantial growth in the production of organic wine, making it the top next highest producer of organic grapes after Spain. From the year of 2012 to 2016, the land of Italy was allocated to the grape cultivation which nearly doubled, which began rising from 57,347 to 103,545 hectares. Additionally, reports indicate that Italy's supermarket sales of organic wine surged to 21.6 million, marking an 88% increase from the previous year (Boncinelli *et al.* 2021).

Survey data suggest that non-organic wine labels are often associated with lower quality, leading consumers to favour organic wines. However, there remains a shortage of clarity regarding the additional advantage of organic production methods, with labels being crucial for some wineries that adopt these practices. In the Australian market, average wine consumers tend to place less value on organic wines and are generally reluctant to pay a for them. Despite the presence of organic labels, these consumers do not see organic products as superior to conventional ones (Giulia, 2021). Research also examines the purchasing behaviour of German consumers, focusing on their preferences for organic and domestic wines. Factors such as the origin, wine colour, and store location are considered. Studies on German wineries investigate how consumer attitudes and purchase intentions affect consumption patterns (Schaufele & Hamm, 2018).

**Table No 1:** CAGR during the forecast period 2022 to 2030



Source: Vision Research Report

## 5.1 Customers' Choice towards Organic Wine Consumption

Consumers' decisions to purchase organic wines are closely tied to the perceived benefits they derive from these products. Research has identified that the consumers of organic wine are ready to pay more for quality attributes, including certified and eco-friendly products. Additionally, studies highlight those factors such as price, color preferences, age, gender, and income significantly influence wine consumption behaviour (Stefan Mann, *et al.* 2012). Studies reveal that consumer intention to purchase organic wines is largely driven by economic sustainability. This focus on eco-certification attracts existing customers and helps identify new market segments. Suppliers are adapting to this trend, with global wine production having increased by 6.2%. Additionally, research highlights the importance of demographics, wine knowledge, preferences, and consumer attitudes. However, some studies suggest that verifying the authenticity of eco-certifications can be challenging for consumers, making it difficult to distinguish between eco-friendly and non-organic wines. As awareness grows and the gap between purchase intentions and eco-certification narrows, it is expected that both certifications and sales will increase. (Daniel Moscovici, *et al.* 2022).

Research on organic wine indicates that psychological and hedonic factors, including taste enjoyment, food pairing, and social aspects, significantly influence consumer preferences. Some studies emphasize the role of symbolic value, perceived health benefits, pleasure, lifestyle choices, and situational factors like health concerns. Although health-related motivations for wine consumption have been examined, results are varied. Evidence shows that moderate wine consumption can offer benefits, such as lowering the risk of stroke, diabetes, and heart disease. Demographic studies highlight that millennials and Asians tend to be more health-conscious about organic wine, whereas white consumers are less concerned. Furthermore, red wine is often viewed as the healthiest option compared to other types, with 80% of consumers favouring it over beer or spirits. However, half of the consumers believe that sulphites in wine may cause headaches. (Kathryn J. Chang, *et al.* 2016).

## 5.2 The Sustainable Choice towards Organic Wine Consumption.

The factors which drive sustainable choice is the vigorous behaviour of customers who feel their concern, interest and enthusiasm towards product brands. The environmental issues are the major concern towards consumers' sustainable choice, since it provides motivation towards customers' behavioural outcome. At the same time prior research under the intricacy of consumers' behaviour and knowledge on environment and how it has an impact. Studies also trace the justification that attitude is the driving force for factors affecting sustainable choice. A positive attitude toward engaging in environmentally friendly actions like buying sustainable product plays a crucial role. Recent study substantiates four among ten people have the intention for paying for the organic wines, which is better for environment. Similarly, a stream of literature arguably claims agree that 55% of people agree environmental are safe for maintain sustainability and also they are expensive (Barber. N. Taylor, 2009). Scholars have focused on relationship between utility levels and black label attributes of consumers.

Furthermore, studies delineate on black label which often describes the sensory features of the wine, winemaker's notes and also compatible meals for certain style of wine. Alongside sustainable factors consumers consider both the social and natural environmental factors as the growing trends. Studies try to evaluate the effectiveness of the wine black label to maintain sustainability consumption patterns which is a source of information for consumers to improve their efforts to sustain environment (Pomarici E. Amato, 2015).

## 6. SWOC ANALYSIS

**Table 2:** SWOT analysis on the customers' expectation (Sujaya, *et al.* 2019), towards factors driving sustainable choice (Mendon, *et al.* 2018), on organic wine consumption in developed economy (Sujaya, *et al.* 2019); (Rachana, & Sujaya H. 2023).

Constructs	Features
Strengths of the customers' expectation towards factors driving sustainable choice on organic wine consumption in developed economy.	<p>Is considered better than non-organic wine because it is produced without synthetic pesticides or additives.</p> <p>When comparing production of organic wine, EU regulations permit a limited number of sulphites, whereas U.S. organic wine production prohibits the use of any sulphites.</p>
Weakness of the customers' expectation towards factors driving sustainable choice on organic wine consumption in developed economy.	<p>The sustainable attributes may be difficult for the consumer to verify whether the eco-certification is set with compliance to norms or standards.</p> <p>The dearth of the study shows the clarity on value added with the production of organic.</p>
Opportunity of the customers' expectation towards factors driving sustainable choice on organic wine consumption in developed economy.	<p>In Italy, the supermarket sales alone reached a value of 21.6 million worth, representing an drastic increase.</p> <p>Empirical studies have shown that when wine is consumed moderately is linked to positive outcomes, such as a reduced risk of stroke, diabetes, and heart-related diseases.</p>
Threats of the customers' expectation towards factors driving sustainable choice on organic wine consumption in developed economy.	<p>Majority of the consumers assume the content sulphite found in wine cause headache during wine consumption.</p> <p>Highlighting the evolving perceptions of wine, particularly in countries which produce wine gives information on certified and government logos may prove confusion in the minds leading to effect in government revenue from wines.</p>

## 7. Findings

Research indicates that symbolic value, perceived health benefits, and factors such as pleasure, lifestyle habits, and health concerns significantly influence consumer behaviour.

A positive attitude engaging in environmentally concern actions, such as purchasing sustainability products, plays a vital role.

Survey report asserts on non-organic labels where wine has often been linked to perceptions of lower quality, so people prefer organic wine unlike non-organic wines.

In the European Union, regulations concerning organic wine production were revised in 2012. Before this change, EU rules did not use of the word "organic wine" on labels. The new regulations now allow winemakers to use the word "organic wine" and display with organic logo, though they still permit a limited number of chemicals in the wine. In contrast, production of these wines in the United States prohibits any use of sulphites.

## 8. Suggestion

Several key steps are essential for carrying out research on consumer expectations regarding the factors that influence sustainable choices, with an emphasis on the organic wine consumption in developed countries. The certifications and marketing tactics affect consumers' trust and propensity to purchase through the integration of these components, the research may offer a comprehensive comprehension of consumer demands and provide guidance for marketing tactics aimed at promoting organic wine in established countries.

## 9. Conclusion

To sum up, the research on consumers' expectations regarding the elements influencing sustainable choice – more especially, the consumption of organic wine in developed economies – reveals several important findings. The report also emphasizes how crucial certification marks and successful marketing techniques are to increasing customer confidence and boosting the allure of organic wines. Producers and marketers can better meet the increasing demand for sustainable goods by being aware of these aspects, which will ultimately lead to a more health-conscious and ecologically concerned wine market.

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