

# Weekly Wine Consumption and Consumer Response to Price Information

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**Abstract** Little is known of how, with increasing rates of consumption, we become conditioned by extrinsic cues. In consumer research, for example, at what rate of product consumption do our associative processes begin to twin price with quality so as ultimately to deploy the price cue as a surrogate for genuine quality? Further, does this association deepen with increasing rates of consumption?

This study reports the results of a synthesised analysis of three randomized tasting room experiments conducted in South Africa using local brands: orange juice, coffee and (merlot) wine. In each experiment, subjects assessed seven products first blind (round one) and then sighted (round two). In the orange juice experiment, 105 respondents tasted 1-l juices ranging in price between R7.50 and R69.00. In the coffee experiment, 100 respondents tasted products with prices per 200 g ranging between R22.00 and R97.00. In the wine experiment, 73 respondents tasted wines with prices points ranging between R25.00 and R160.00. Collating the seven paired ratings of each of the 278 subjects, a dataset of 1946 corresponding blind and sighted product assessments was assembled to gauge the conditioning effects of price across a range of consumption-rate segmentations.

On the basis of the above, across three different product classes, this study aims *firstly* to assess the strength of the price cue in sighted tastings when controlling for intrinsic merit and individual bias. Given a set of price points, the literature would anticipate a positive correlation between price and sighted merit. *Secondly*, this study aims to examine the prevalence of price-effect errors as they might manifest across a range of consumption-rate strata. A priori it is predicted that increases in consumption per week will see an increasing magnitude of System 1 errors signalled by bias towards disclosures of price information.

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The results of this study outline the extent to which price cues impact upon the sighted appreciation of a product, in this instance, either orange juice, coffee or wine. Through a cross-section of prices ranging between R7.50 and R160, this study finds, *ceteris paribus*, that a R25 increment in product price will increase its sighted appreciation by one-third of a star.

Additionally, results indicate how such System 1 judgement errors accrue and increase progressively with consumption. Across the three models of weekly consumption the increase in affectation is 21 %, a finding which is novel and seemingly significant. Certainly, from this paper we can observe from the ongoing amplification of the price cue, how “knowing without knowing” becomes merely a function of a memory conditioned by ever increasing rates of consumption to recognize and appropriate cues as they appear to be helpful to situations potentially requiring interpretation.

**Keywords** Wine • Price • Consumer Behavior • Consumption-rate

## References

References Available Upon Request