Understanding the Value of Fresno State Wine in the Market

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Fresno State’s Jordan College utilizes profits from “student produced and marketed” value-added products marketed under the university’s brand to provide supplemental funding for its educational mission. This study attempted to increase understanding of the value of Fresno State wine, its most widely distributed product, in the local market. Objectives of the study included: 1) examining the purchasing behavior and demographic profile of local wine consumers; 2) identifying the most important determinants of wine purchases; and 3) analyzing the impact of specific product attributes (brand, color, price and student involvement) on consumers’ willingness to pay (WTP) for Fresno State wine. Data were gathered using a survey administered online and at two local retail locations. The online survey was distributed to a pre-filtered database reflecting individuals with an interest in food and wine. A logit model was used to estimate the impact of select variables on wine choice, and a choice-based conjoint (CBC) analysis was used to determine consumer WTP for specific Fresno State wine attributes.

Descriptive results indicate: 64% of participants were female and 36% male; 50% were over the age of 54; 68% were married or cohabitating; 54% were employed full time; and 61% had either a college or advanced college degree. Approximately 33% of respondents were Fresno State alumni and of that third, 69% reported purchasing Fresno State Wine. Of the two thirds that were not alumni, 56% purchase Fresno State Wine. Those who purchase Fresno State wine cited Good Taste, Good Value for the Money, Premium Quality, Reasonable Price and Special Occasion as the top attributes they value when purchasing wine; the two least important attributes were Attractive Label and Prestigious Brand. Logit analysis results indicate brand, color and student participation in production and marketing of wine all had a statistically significant and positive impact on wine choice. On a per bottle basis local consumers were willing to pay at least: 1) $1.54 more for the Fresno State brand; 2) $0.54 more depending on color of wine; and 3) $1.34 more because production and marketing involved Fresno State students.

Study results provide Fresno State’s winery and the regional wine industry with valuable information about wine purchasing behavior in connection with consumer demographics. A better understanding of consumers affords wineries the opportunity to more fully engage and satisfy them by offering products that better meet their needs; an endeavor that typically translates into increased profits. Findings are of special interest to Fresno State in determining its level of brand equity in the local wine market and the degree of alumni/community support for its product. Understanding purchase behavior, consumer demographics, desired product attributes and WTP for those attributes will lead to development of more effective marketing strategies; the monetary returns from which ultimately support and enhance the learning experience of Fresno State students since proceeds are reinvested in educational pursuits.

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