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Abstract

The study investigated consumers in an emerging wine market with a view to gain an understanding of how to serve them best. The main objective of the study was to segment the consumers into serviceable groups using a combination of psychographic, socio-demographic and behavioural characteristics. A validated questionnaire was used to collect usable data from 487 respondents that represented 'purposive and convenience' sample from six major cities of Southern Nigeria. Data analysis was done using Strata 12 software. Principal component analysis method of factor analysis was carried out followed by reliability test. Cluster analysis was used to segment the consumers. The cluster analysis indicated three main groups of wine consumers in Nigeria. Cluster 1 showed characteristics of greenhorn wine consumers. They represent 50.1% of the consumers. Members in this segment will seek knowledge assistance about wine to make effective buying and consumption decisions. They require knowledge of taste, price and stores and the provision should be part of the marketing strategy for the group. Cluster 2 represented 44.8% of the consumers and were referred to as enthused wine consumers. They enjoy wine related activities and promote their social self-image. They require more information about wine use than how to make purchase choices. Cluster 3 members were only 5.1% of the surveyed respondents and were referred to as die-hard wine consumers. They use the consumption and wine related activities to promote and signal their social image. They desire more information that promote consumption of different varieties of wine. Market segmentation studies assist marketers in product advertisement, new product development, brand differentiation and niche marketing strategies.

Keyword: Consumers; Enduring involvement; Motivation; Psychographics; Segmentation; Socio-demographics

Introduction

The Nigeria Alcoholic beverage market is a young and growing one that requires effective coordination and strategies to fill the gaps in the market. The Nigerian wine consumers are perceived to have low purchase and consumption experience. An average wine consumer has little or no knowledge about wine and the market (Sobudu, 2014). While this assumption is interesting considering that wine consumption only started to gain momentum in the 1990s, it suffices to say that over this period in time, consumers would have graduated from one level of wine knowledge to another and the marketers have not taken sufficient cognitive notice of the changes in the consumers and the market.

The market provides an interactive environment where sellers exchange their products with the buyers at agreed prices. From a marketing angle, products must closely meet the requirements of a particular market and yield enough profit to justify their existence. For the buyers or consumers on the other hand, products must satisfy their want, whether it is tangible or intangible and must contain features, functions, uses or benefits that must be transferred or communicated (transaction) to interested parties for it to be relevant. These attributes technically sum up the value of a product based on how the evaluators or the users perceive the received or expected benefits relative to the price paid for it (Zeithaml 1988).

For the purpose of this paper the word buyer is substituted with consumer because the essence of buying is to achieve consumption directly or indirectly. Wine consumers are heterogeneous individuals that are exposed to different defining variables that make them

distinct from each other. These variables can be geographic, psychographic, socio-demographic or behavioural. To serve these heterogeneous individuals in a market is an unachievable task for the marketers in terms of product offering, positioning and targeting if this diverse individual wine consumers are not aggregated into groups whose members are similar within but different between groups.

To aggregate a market into homogeneous groups, the marketers must understand the drivers of consumers' motives and actions and obtain the important details relevant to the market (Bootzin, Loftus, & Zajonc, 1983). A clear knowledge of the internal characteristics such as culture, personality, self-concept, psychographics and activities, interest and opinion – AIO must be obtained. Also of importance to be known is the external characterisation of the consumers based on their socio-demographics, geographic or family life cycle (Cahill, 2006, Ogbeide, 2014). All these factors (internal and external) interact in a complex and dynamic manner to determine the wines consumers buy or where they buy and how much they pay.

The internal and external characterisations of wine consumers can be explored individually or combined to aggregate consumers into actionable homogeneous segments. There is a widespread acceptance of the concept of market segmentation in theory and practice. However, there appears to be limited scrutiny of the techniques used for segmentation. Several approaches - geographic, psychographic, socio-demographic and behavioural methods have been used as a stand-alone approach to segment wine market, while each of the methods has benefits and weaknesses, often time interact with each other to determine the market outcomes. In addition, while much has been written on the relationships between segmentation and marketing strategy there has been limited attention paid to the practicalities of integrating findings into functioning marketing tactic.

The aim of this paper is to segment the Nigerian wine market and to use the combination of different segmentation methods such as socio-demographics, psychographics and the demonstrated behaviour to aggregate the consumers into groups. The objectives of this study includes (1) to segment the Nigerian wine market into distinct market segments based on the combination of the psychographic, socio-demographics and behavioural variables, (2) to provide a combined psychographic, socio-demographic and behavioural profiles for each segment, and (3) to explore the differences between the segments as a functioning marketing tactic. This study is important considering there is relatively little or no scholarly information about the Nigerian wine market and the complexity surrounding the purchase and consumption of wine. It is a product that means different things for different consumers within and between contexts.

Literature review

Psychographic attributes

The Psychographic attribute for segmenting consumers in this study is enduring involvement. Involvement is defined as the arousal a consumer shows towards a product based on his or her inherent needs (Hupfer & Gardner, 1971; Zaichkowsky, 1985). Ogbeide, (2014) reported the enduring involvement is the heart and soul of involvement as a concept as it represents the durable, stable and ongoing motivational consumer-object relationship based on the inherent needs of the consumer. Therefore it is the driver of arousal of individuals towards a product in order to meet or satisfy their inner needs.

Houston and Rothschild (1978), Bloch and Richins (1983) and Bloch et al. (1986) noted that there is an emotionally linked relationship between the relevance of or the preference for a product and the personal values such as interest, self-image, pleasure and lifestyle of the

consumers as a going concern. Laurent and Kapferer (1985) proposed that enduring involvement of consumers with products varies based on what they accomplish in the need hierarchical order. Products that meet the needs of self-image, pleasure, lifestyle or serve as a social symbol to the consumers create more arousal and motivate the consumers to act (Beerli, Díaz, & Pérez, 2002; Bruwer & Li, 2007; Martin, 1998; Rosenberg, 1989; Sirgy, Grewal, & Mangleburg, 2000).

Andrews, Durvasula, and Akhter, (1990) and Schiffman and Kanuk (2006) noted that consumer involvement with products can be situational or enduring and thus influences the demonstrated behaviours. When a behaviour is towards some external rewards, it is referred to as situational involvement but when it is towards long-term goals or an individual's established preferences, it is referred to as enduring involvement (Bloch & Richins, 1983; Bloch, Sherrell, & Ridgway, 1986; Deci, 1975; Houston & Rothschild, 1978). Lockshin and Spawton (2001) stated that consumers' enduring involvement with different products are in levels and can range from low to high. Ogbeide (2014) classified consumer enduring involvement with wine into low, moderate and high levels while Traylor (1983) suggested it to be a continuum.

Socio-demographic attributes

Consumers belong to different social and demographic groups based on age, sex, marital status, education, occupation and income. Members of the same socio-demographic grouping often exhibit similar pattern of behaviour and share similar views and interests (Kotler & Armstrong 2010; Lancaster & Massingham 2011; Schiffman & Kanuk 2006). Considering gender and wine consumption, Wine Development Board - WDB (2008) noted that there are more female than male wine consumers in Ireland as 57% of wine purchases were made by women; a contrast to the Nigerian situation where it is male dominated (Ogbeide & Ele, 2015).

Tepper (2014) considering consumer age and wine consumption opined that not only is wine consumption growing among the young people, they are also more experimental and especially willing to purchase imported wines. Callinan and Ferris (2012) in specific term suggested that wine consumers in the age group 30 to 39 years consider wine as their first alcohol preference. In Ireland for example, the age groups 25-34 years and the 35-44 years accounted for 23% and 22% of wine drinkers respectively (WDB, 2004). Aging has been studied to change how information is processed. Comprehension of details especially in decisions that are unfamiliar or seldom encountered tends to decline with age (Peters et al. 2007a; Peters et al. 2007b). Age-related decline in the efficiency of deliberative processes, predict making poorer quality decision as one ages. Hence older adults are not wine adventurous or experimenter thus sticking to familiar wine brands with the tendency to remain localised within a market segment.

Callinan and Ferris (2012) stated that wine was consistently the most popular drink in high income household. Consumers' income determines their purchasing power (Hawkins, Del & Best 2003) and affects the level of willingness to make purchase of certain kinds of wine. Occupation and education can directly influence wine purchase. Wine enthusiasts and experimenters are mainly educated consumers (Johnson & Bruwer 2003) who apply their education to access information which helps them meet their wine needs from diverse relevant sources. About 75% of wine consumers in Ireland are engaged in employment mainly as self-employed, and at least 70% of wine drinkers are educated ranging from undergraduate to holders of postgraduate qualifications (Geraghty & Torres, 2009). Household income provides the means to satisfy and sustain wine consumption and the related lifestyle. In this respect, it influences buyer behaviour in terms of what brands they purchase and the stores where they make wine purchase.

Behavioural attributes

Consumers' attitude toward, use of, or response to a product is important in determining what they buy or consume. Kotler and Keller (2009) noted that behavioural variables such as occasions, benefits, user status, usage rate, buyer-readiness stage, loyalty status and attitude are vital behavioural factors relevant for aggregation of consumers into different segments.

According to Schiffman and Kanuk (2006), Ogbeide (2014) and Bruwer and Li (2007), consumers generally display information seeking behaviours to acquire, clarify or enhance their wine knowledge. These behaviours aid their ability to consume the best wine appropriate for each occasion. These behaviours influence their consumption and spending patterns. For example, Irish consumers drink 1 to 30 bottles of wine in a month with a general average of over 7 bottles (Geraghty & Torres, 2009). In Australia, consumption per month is an average of 6 bottles (Ogbeide, 2014), while in Nigeria, the average monthly consumption is more than 8 bottles (Ogbeide & Ele 2015). These studies' results suggest that majority of the consumers would demonstrate low to moderate consumption behaviour if aggregation is carried out using consumption pattern that relates to the number of bottles of wine consumed per month.

Market segmentation

The concept of aggregating heterogeneous consumers into homogenous groups based on their similarity is referred to as market segmentation (Ogbeide, 2014). Similar consumers within the assorted consumer population can be aggregated to form serviceable buyer's groups referred to as segments. According to Freytag and Clarke (2001), market segmentation is a dynamic concept. Consumers move within and between segments; therefore segments must be updated as frequently as the need arises. Kotler, Brown, Adam, and Armstrong (2001) reported that a segmentation activity is properly carried out if the resultant segments are measurable, accessible, substantial, actionable, differentiable and serviceable.

There is no single best way to determine a market segments. Both apriori approaches and aposteriori techniques have numerous advantages and drawbacks. One option is to construct both data-driven and common-sense segments and investigate the association between them to gain the maximum possible insight into the market before selecting target segments (Dolnicar & Leisch 2004). However segmentation methods such as psychographic, geographic, demographic, product usage, adoption propensity and lifestyle have been used previously to aggregate consumers into actionable groups (Ogbeide, 2014, Bruwer & Li, 2007; Bruwer et al., 2001; Haley, 1984; Yankelovich & Meer, 2006; Geraghty & Torres, 2009). Socio-demographic based segmentation uses consumers within the same socio-demographic profile such as age, education and income groups not minding such group members could have different interest and lifestyle. Singh and Chandhok (2010) reported that demographic segmentation creates inconsistency within groups that are deemed to be homogeneous and makes the appropriate deployment of the right marketing mix difficult.

Dolnicar and Leisch (2004) reported that behavioural segmentation involves identifying or constructing segments on the basis of information that is evaluated as being highly relevant to the product experience or the pattern of behaviour the consumers demonstrate in the market. Such pattern of behaviour includes spending and consumption habits, usage rate and derived benefits. Segmenting wine consumers can be based on their enduring involvement (psychographics) which is predicated on the durability, stability and ongoing nature of the motivational consumer-object relationship based on the inherent needs of the consumers. The enduring involvement therefore forms the basis of a permanent arousal towards a product in order to meet or satisfy the intrinsic needs of consumers (Ogbeide, 2014;

Schiffman & Kanuk, 2006; Lockshin & Spawton, 2001). The permanency of enduring involvement makes it a viable segmentation tool.

Methodology

To conduct the survey, the research objectives were neatly weaved into a questionnaire as the choice instrument for obtaining information from respondents. The questionnaires consisted of psychographic, behavioural and socio-demographic statements. The psychographic statements were constructed into a 7 point Likert scale items. Some of the statements used in the questionnaire were adapted/adopted from previous proven questionnaires and the rest were designed with conceptual structures from literature reviewed. The questionnaires were administered to elucidate the relevant information about the respondents.

This survey was carried out in the metropolitan cities of Lagos, Ibadan, Enugu, Onitsha, Port Harcourt and Calabar, all in the southern part of Nigeria where there is no inhibition to alcoholic beverage consumption. A convenient sampling method based on intercept consumers at supermarket, and wine retail stores, restaurants and bar was used to obtain 487 useful sample of wine consumers, after the survey localities have been purposively determined. Each of the respondents was chosen on the premise that they had purchases or consumed at least a bottle of wine in every month in the last six months prior to the survey. This screening method was consistent with Bruwer and Li, (2007) definition of a basic wine drinker. First time wine purchasers were not surveyed as their intention for purchase and repeat purchase could not be guaranteed. Trained enumerators were used to collect data using the structured questionnaires.

All the analyses were conducted using Stata 12 software. Principal component analysis method of factor analysis was used to extract the variance of the observed variables used to represent the various dimensions of the enduring involvement of consumers with wine and the factors that account for the covariation between the variables. A reliability test was conducted for each dimension. The scale items that met factor analysis and reliability tests were used for the cluster analysis.

Cluster analysis was used to segment the consumers. Different cluster analysis methods subsist, a hierarchical cluster analysis using Ward method was used to segment the respondents on the premise that consumers in the various segments will display characteristics that aggregate them into groups. The Ward method involved the use of sum of squares within the clusters summed over all variables. Using the purified scale items for the psychographics of the consumers, the average of the nominal value – 1 to 7 (that represent strongly disagree to strongly agree) of the various enduring involvement dimensions was computed to ascertain the value of the scale items to the consumers.

Results and discussions

The descriptive statistics of the social demographic variables

The descriptive analysis of the demographic variables indicates that 87.5% of the sampled consumers were male. This represented a high disparity when compared to the 12.5% of female drinkers. The sample's age group distribution was fairly consistent with previous studies e.g. (Duhan et al. 2014; Bruwer & Li, 2007; David, 2007; Riviezzo et al., 2011).

More than 83% of the respondents had tertiary qualification and more than 68% were either married or cohabiting. In terms of occupation, sole trader respondents represented the modal group – 23.6% of the sample. Consumers in the sample with monthly household income of ₦340,000 and above represented the modal respondents' groups and accounted for 41.3% of the sample. Table 1 shows the descriptive statistics of the social demographic variables of the respondents.

Table 1 Descriptive statistics of the demographic variables

Demographic variables	Number in sample	Percentage
Gender		
Male	426	87.5
female	61	12.5
Age group		
18 - 29 years	57	11.7
30 - 39 years	151	31.0
40 - 49 years	143	29.4
50 - 59 years	91	18.7
60 years and over	45	9.2
Educational Status		
First School leaving certificate	24	4.9
Secondary School certificate	56	11.5
OND/NCE	60	12.3
Bachelor's degree/HND	178	36.6
Higher degrees	153	31.4
Others (Please specify)	16	3.3
Marital status		
Single	119	24.4
Married/Cohabiting	334	68.6
Divorce/ separated	8	1.6
Widow/widower	26	5.4
Occupation		
Sole trader	115	23.6
Teacher/lecturer	105	21.6
Civil Servant	88	18.1
Banker/Accountant	36	7.4
Medical Doctor	20	4.1
Engineer	43	8.8
Others (Please specify)	80	16.4
Household annual income		
₦ 25,000 to ₦ 90,000	41	8.4
₦90,001 to ₦140,000	89	18.3
₦140,001 to ₦190,000	24	4.9
₦190,001 to ₦240,000	34	7.0
₦240,001 to ₦290,000	41	8.4
₦290,001 to ₦340,000	57	11.7
₦340,000 plus	201	41.3

The descriptive statistics of the psychographic variables

Tables 2 – 4 show the descriptive statistics of the psychographic variables used to measure the wine enduring involvement dimensions. Table 2 presents the descriptive statistics of consumer response to Self-image/sign value statements. In this Table, using the mean score of the various statements that represented the scale items for self-image dimension, any value above the nominal value of '4' represented a positive agreement. The scale item "I like shopping for wine as the wine I buy, says something about me" yielded the following descriptive statistics - 54.3% of respondents expressed varied degree of agreement, with 13.1% of the sample in strong agreement (strongly agree) to this item. This item had a mean score of 4.3 indicating more respondent consumers were in agreement with them scale item. This result suggests that wine

consumers take interest in their wine consumption activity; this helps to create and improve their product knowledge and also extend their social image.

More than 78% of respondents agreed varyingly to the scale item - “The wine I buy is important to me”, with a mean score of 5.1 suggesting that more consumers believe that the wine they buy is of importance to them. The implication is that more effort in terms of time and financial resources is put into the purchase and the consumption processes. Wine consumers are susceptible to psychological risk hence they make sure that the wine presented or consumed at occasions reflects their social image.

Table 2 Consumer response to Self-image/sign value statements

Self-image/sign value statements	Strongly disagree (%)	Disagree (%)	Somewhat disagree (%)	Undecided (%)	Somewhat agree (%)	Agree (%)	Strongly agree (%)	# of observation	Mean	Std Dev
I like shopping for wine as the wine I buy, says something about me.	10.1	6.6	16.0	13.0	32.0	9.2	13.1	487	4.3	1.8
The wine I buy is important to me.	6.8	1.6	6.0	7.4	38.6	23.0	16.6	487	5.1	1.6
Wine is my first choice of alcoholic beverage.	13.5	6.8	17.7	14.0	22.2	9.8	16.0	487	4.1	1.9
I will still drink wine even when price goes up.	8.4	4.1	9.9	10.7	32.0	15.4	19.5	487	4.8	1.8
I am confident in my ability to choose wine in a liquor store.	4.7	6.0	4.3	12.3	39.2	14.6	18.9	487	5.0	1.6

Table 2 shows the frequency distribution of consumer response to Self-image/sign value statements

In a similar manner, 48.0% of respondent consumers also expressed broad agreement to the effect that “Wine is my first choice of alcoholic beverage” with a mean score of 4.1. The implication is that many of the wine drinkers for social status purpose will purchase wine in preference to other alcoholic beverages, thereby creating a class of their own and as a signal to distinguish themselves from others. For the statement “I will still drink wine even when price goes up”, 66.9% of the surveyed consumers agreed varyingly with this statement, with a mean score of 4.8. From the result, it was inferred that most of the consumers were defined by wine consumption and that even in keeping with their social order needs, not even an increase in the price of wine will deter them from consumption.

About the question “I am confident in my ability to choose wine in a liquor store”, more than 72% of respondent consumers agreed varyingly to the claim, with a mean score of 5.0. Ability breeds confidence and social acceptance, can cumulate into improved self-image. As most of the consumers surveyed were able to choose wine by themselves, they are also a source of knowledge to others. Their wine reputation improve among inexperienced and non-wine consumers who see them as valued members in the wine consuming communities.

Table 3 - descriptive statistics of consumer response to pleasure/interest statements shows that more than 57% of respondent consumers also expressed broad agreement to the statement “I enjoy shopping for wine” with a mean score of 4.2. The uniqueness imparted in wine results from a lot of features – intrinsic and extrinsic. The different grapes, vineyards, countries or packaging have peculiar attributes that make them different. For the most part, this individual difference results in distinctive characteristics imparted to the wine by geographic

conditions, viticulture methods, the winemaking process and marketing strategies. All these led to the production of several thousands of wine brands that make purchase activities interesting and pleasurable experience. Therefore interest in wine purchase create opinion leadership and referrers particularly for word of mouth campaign.

Table 3 Consumer response to pleasure/interest statements

Question	Strongly disagree (%)	Disagree (%)	Somewhat disagree (%)	Undecided (%)	Somewhat agree (%)	Agree (%)	Strongly agree (%)	# of observation	Mean	Std Dev
I enjoy shopping for wine.	16.4	5.8	12.7	7.6	38.6	5.8	13.1	487	4.2	1.9
It gives me pleasure to share a bottle of wine with friends.	6.6	1.6	2.5	3.3	29.0	30.0	27.0	487	5.5	1.6
I enjoy trying different wines.	11.5	3.5	9.7	8.2	39.0	12.5	15.6	487	4.6	1.8
I have enough wine knowledge to make the right purchase decisions all the time.	14.2	6.6	14.0	14.2	28.0	8.2	14.8	487	4.2	1.9
I drink wine because I like the taste.	8.2	3.3	4.9	8.2	33.5	19.5	22.4	487	5.0	1.7

Table 3 shows the frequency distribution of consumer response to pleasure/interest statements

The statement - “It gives me pleasure to share a bottle of wine with friends” had a mean score of 5.5 and 86% of respondent consumers expressed varied degree of agreement, with 27% of the sample in strong agreement (strongly agree) with the statement. From a domestic perspective, for wine consuming couples, it can be inferred that sharing a bottle of wine gives pleasure, enhances social relationship and satisfy domestic life. Sharing a bottle of wine with friends create an atmosphere of enjoyment, friendship and trust and is suitable for business discussions and networking.

In terms of “I enjoy trying different wines”, 67.1% of the surveyed consumers agreed varyingly with this statement, with a mean score of 4.6. The result indicates that a majority of the consumers are experiential and are keen to test different types of wine. This is an indication of hedonistic behaviour entrenched in pleasure derived from social and emotional benefits of trying different wines.

In regards to the statement “I have enough wine knowledge to make the right purchase decisions all the time”, 51% of respondent consumers agreed varyingly to the statement with a mean score of 4.2. Consumers with adequate knowledge take pride and enjoy shopping for wine. Consumers despite the complexity of the product are able to make informed and independent choice of wine to purchase. Therefore knowledgeable consumers are able to extend their knowledge to assist others and potential wine consumers in making wine related decisions.

On the statement “I drink wine because I like the taste”, more than 75% of respondent consumers agreed varyingly to the claim, with a mean score of 5.0. The taste of wine gives it the social acceptance it enjoys and drives the consumers’ pleasure and the enjoyment they derive from the consumption. The taste of wine during consumption therefore gives pleasure in terms of the derived social and psychological benefits. It is safe to suggest that the taste of wine causes emotional and sensory attributes of consumers to interplay in the consumption experience.

Table 4 Consumer response to wine related lifestyle statements

Wine related lifestyle statements	Strongly disagree (%)	Disagree (%)	Somewhat disagree (%)	Undecided (%)	Somewhat agree (%)	Agree (%)	Strongly agree (%)	# of observation	Mean	Std Dev
I would like to join a wine club.	14.0	6.4	18.9	12.3	27.5	7.8	13.1	487	4.1	1.9
I like to have a collection of wine.	4.9	5.7	13.8	9.0	30.2	17.7	18.7	487	4.8	1.7
I have made good friends through wine related activities.	11.1	5.1	22.6	9.9	23.8	12.7	14.8	487	4.3	1.9
I drink a glass of wine every day.	20.1	7.4	43.7	9.9	11.1	4.5	3.3	487	3.1	1.5

Table 4 shows the frequency distribution of consumer response to wine related lifestyle statements

Table 4 represents descriptive statistics of consumer response to wine related lifestyle statements. The Table shows that more than 48.0% of respondent consumers also expressed broad agreement to the statement “I would like to join a wine club” with a mean score of 4.1. The implication is that many of the wine drinkers see wine consumption and the related activities in the light of a lifestyle as ways of social interaction, association and building friendship. They are able to come together for sharing of wine knowledge, enjoyment and social networking. Wine club may not be popular now in Nigeria; the response to the statement suggest its viability for wine consumers. “I like to have a collection of wine” statement had a mean score of 4.8; more than 66% of respondents expressed varied degree of agreement, with 18.7% of the sample in strong agreement (strongly agree) to the statement. This result suggests that wine consumers not only consume wine but were also into the collection and cellaring of it. This provides opportunity to enjoy aged wine, create history for the product and extension of knowledge. These are attributes associated with consumers with wine related lifestyle.

In terms of “I have made good friends through wine related activities”, 51.3% of the surveyed consumers agreed varyingly with this statement, with a mean score of 4.3. From the result, it was inferred that most of the consumers value friendship and wine related activities have afforded them the opportunity. It give them pleasure and stimulate their interest in participating in activities. This also reinforces the social benefits of sharing and social networking that are required for societal development.

Less than 19% of respondents agreed varyingly to the statement “I drink a glass of wine every day” with a mean score of 3.1 suggesting that fewer consumers in the survey are high enduring involvement consumers. Frequency of consumption measures the level of wine consumption indulgence and enduring involvement of the consumers with the product. Considering that the culture of wine consumption in Nigeria is relatively new, the number of high enduring involvement consumers drinking a glass of wine per day will only increase *ceteris paribus*.

Factor analysis

Table 5: Result of Exploratory Factor Analysis and Reliability test

Factors and adaptation sources	Enduring involvement dimension	Variance extracted	Cronbach Alpha
I like shopping for wine as the wine I buy, says something about me. <i>(Adapted from literature)</i>	Self-image /sign value	0.70	0.75
The wine I buy is important to me. <i>(Ogbeide & Bruwer 2013)</i>	Self-image /sign value	0.54	
Wine is my first choice of alcoholic beverage. <i>(Ogbeide & Bruwer 2013)</i>	Self-image /sign value	0.53	
I will still drink wine even when price goes up. <i>(Ogbeide & Bruwer 2013)</i>	Self-image /sign value	0.57	
I am confident in my ability to choose wine in a liquor store. <i>(Kapferer & Laurent, 1993)</i>	Self-image /sign value	0.64	
I enjoy shopping for wine. <i>(Adapted from literature)</i>	Pleasure /Interest	0.68	0.73
It gives me pleasure to share a bottle of wine with friends. <i>(Adapted from literature)</i>	Pleasure /Interest	0.66	
I enjoy trying different wines. <i>(Adapted from literature)</i>	Pleasure /Interest	0.80	
I have enough wine knowledge to make the right purchase decisions all the time. <i>(Adapted from literature)</i>	Pleasure /Interest	0.58	
I drink wine because I like the taste. <i>(Ogbeide & Bruwer 2013; Espejel, Fandos, & Flavian, 2009)</i>	Pleasure /Interest	0.61	
I would like join a wine club. Adapted from <i>David (2007)</i>	Wine related lifestyle	0.77	0.75
I like to have a collection of wine. <i>(Bruwer & Li, 2007; Ogbeide & Bruwer 2013)</i>	Wine related lifestyle	0.75	
I have made good friends through wine related activities. <i>(Adapted from literature)</i>	Wine related lifestyle	0.75	
I drink a glass of wine every day. <i>(Adapted from literature)</i>	Wine related lifestyle	0.68	

Note: Extracted variance of 0.50 and above indicates good item correlation to the construct it represents.

The exploratory factor analysis result shows 14 variables indicated the three enduring involvement dimensions. The acceptance of these variables was predicated on their individual factor loading of 0.50 and above. Factor loading of 0.30 - 0.40 represents the minimum acceptance, however, for practical significance, a loading of 0.50 and above was used to accept the factors (Hair et al., 2010). All crossed loaded variables and those with less than 0.50 extracted variance were eliminated. The reliability test shows that all the latent variables had Cronbach's alpha of more than 0.70, which indicated good internal consistency among the variables used in the study and is consistent with Nunnally (1979), Peter (1979) and Hair et al. (2010) that Cronbach Alpha of .70 is a good measure of reliability.

Result of cluster analysis

Table 6. Descriptive statistics of cluster analysis (segmentation)

Cluster	No of respondents	Proportion (%)
1	244	50.1
2	218	44.8
3	25	5.1
Total	487	100%

The psychographic, behavioural and socio-demographic characteristics were used to cluster the consumers. The result of the cluster analysis indicated three main groups of wine consumers based on the segmentation criteria. Of importance, apart from the characteristics of the group, is the proportion of consumers in the various groups or segments. Consumers in cluster 1 represented 50.1% of the respondent consumers, 44.8% of the sample represented cluster 2 while 5.1% of the sample were in cluster 3. Despite the consumers having a reasonable household income, the proportion of consumers in cluster 3 is very small relative to studies in the developed countries. This can be attributed to the use of wine as being new and the consumption and the related knowledge of the product are just evolving.

Characterisation of the clusters

Table 7. Characteristics of the identified clusters (segments)

Segmentation variables/class used to cluster the respondents	Cluster 1 mean	Cluster 2 mean	Cluster 3 mean
How often do you drink wine - <i>Behavioural</i>	2.9	2.1	1.5
Average monthly spend on wine (Naira) - <i>Behavioural</i>	₦3,804.92	₦14,807.34	₦56,000.00
Average number of bottles of wine consumed in a month - <i>Behavioural</i>	5	9	11
Amount spend per bottle of wine (Naira) - <i>Behavioural</i>	₦760.98	₦1645.26	₦5090.91
Self-image/sign value dimension of enduring involvement - <i>Psychographics</i>	4.3	5.0	5.0
Pleasure/interest dimension of enduring involvement - <i>Psychographics</i>	4.1	5.0	5.4
Wine-related lifestyle dimension of enduring involvement - <i>Psychographics</i>	3.5	4.6	5.0
Gender - <i>Socio-demographics</i>	1	1	1
Age - <i>Socio-demographics</i>	3	3	2
Educational qualification - <i>Socio-demographics</i>	4	4	4
Marital status - <i>Socio-demographics</i>	2	2	2
Occupation - <i>Socio-demographics</i>	3	4	3
Monthly household income - <i>Socio-demographics</i>	5	5	6

Note: 'How often do you drink wine?' The values assigned are the mean of number codes assigned to the options relating to the question. 2.9 and 2.1 = Drink few times a week or less; 1.5 = Drink daily or less. \$1.00 US = ₦174.00 at the time of the survey.

The consumption pattern parameters, the mean value of the responses to the psychographic scale items for enduring involvement dimensions and the representative codes

for the socio-demographics – refer to Appendix 1 were used to discriminate and express the segments characteristics. The clusters identified were similar to those in Ogbeide (2014) Australian study, in terms of characteristics but different in the proportion of sampled respondents in the each cluster.

Cluster 1 (Greenhorn wine consumers)

This cluster tagged ‘greenhorn wine consumers’ represents more than 50% of the surveyed consumers. Wine consumers in the group were majorly married males between the ages 40 - 49 years. They were mainly civil servants who were mostly Bachelor degree/Higher National Diploma holders with monthly household income of between ₦240,001.00 to ₦290,000.00.

The majority of consumers in the group drink wine once a week with average consumption of five bottles of wine in a month. Average household spending on wine was ₦3,804.92 in a Month with ₦760.98 spent per bottle. It could be inferred that consumers in this group are not wine-related lifestyle oriented consumers but use consumption and related activities to enhance their social self-image and signal group membership to wine and other alcoholic beverage drinkers.

This group members are not concerned about wine quality but want to be seen as consuming it. From a marketer perspective, this consumer group will seek knowledge assistance about wine to make effective buying and consumption decision. The information about taste, price and store could be of importance to this group.

Cluster 2 (Enthusied wine consumers)

The consumers in this group constituted 44.8% of the surveyed consumers. It was a married males dominated consumers group mainly in the age range 40 - 49 years. Consumers in this group were mostly people that work in the financial institutions as bankers and Accountants. This wine consumer group was principally holders of first degree/Higher National Diploma with monthly household income of between ₦240,001.00 to ₦290,000.00.

The majority of consumers in the group drink wine once a week with a higher spend - ₦1645.26 per bottle compared to low enduring involvement consumers. On average, this consumer group members consumed nine bottles of wine in a month. Average household spending on wine was about ₦14,807.34 per month. This group of consumers enjoyed wine-related lifestyle and are interested and obtained pleasure from participation in wine related activities. The members use wine consumption and related activities to promote and signal their social self-image and group membership to the wine consuming and non-consuming communities.

X-raying this consumer group, the segment appears a complex and transitioning one, the direction of movement of the consumers in this segment is not certain. It consists of a mix of consumers with moderate product preference transitioning to high enduring involvement or reversing from high to a lower level due to changes in life circumstances or availability of preferred alternatives. It also includes those wanting to know more about wine and those whose interest may be dwindling. The sustenance of this group is important, more so migrating them to higher involvement level. A blend of information that provide ‘use’ knowledge can be beneficial. Marketers should include an information note or a food recipe as part of packaging possible food and wine combination that will guarantee great pleasure to consumers in a typical consumption situation. Information such as this would stimulate consumer to trial the food and wine combinations thus expanding their consumption experience.

Cluster 3 (Die hard wine consumer)

This group represented 5.1% of the surveyed consumers. They were mainly married males between the ages 30 - 39 years. Consumers in this group were mostly civil servants who were mainly holders of first degree/Higher National Diploma with monthly household income of between ₦290,001.00 to ₦340,000.00.

The majority of consumers in the group drink wine few times a week with average consumption of 11 bottles in a month. Average household spending on wine was about ₦56,000.00 in a month with an average of ₦5090.91 spent per bottle of wine. This group of consumers enjoyed more, wine-related lifestyle compared to members in the other two groups. Members are interested in wine and are motivated by the pleasure derived from participating in wine related activity. Members used the consumption and related activities to strongly promote and signal their social self-image to the wine consuming and non-consuming members of the public.

The occupation of most members of this segment was civil servant i.e. they work for the government. However what could not be deduced with certainty was whether members in the occupation were career civil servants or it included political appointees serving in government. Despite the small size of the segment, considering career civil servants generally earned less than their counterpart in the private sectors at the same level, created suspicions that some of respondents who indicated that they were civil servants could be political appointees as they live a more flamboyant lifestyle.

From a marketing perspectives, this consumer group will include those drinkers that are contemplating downward transitioning in their level of enduring involvement and these consumers should be of interest to the marketers too. For consumers that will be contemplating transition, adoption of retention strategy should be of importance to the marketers. Strategies that motivate or create emotional appeal to consumers are important to maintaining their high enduring involvement level. Strategies that include foods and wines complementarities programs should be encouraged. As consumers in this group are experimental variety seekers, they are interested in the information that promotes consumption of different wines. However the size of the segment - 5.1% is relatively small but with high spending capacity. A boutique wine retailing/stores with opportunities for wine tasting environment can be an introductory step towards wine tourism. This can lead to the growth of this segment.

Conclusion

The Nigerian wine market is growing, with little scholarly information from a marketing perspective. This study explored the market to determine the characteristics of the consumers using a 487 consumer sample. Three wine consumer clusters were determined – ‘greenhorn wine consumers’ 50.1%, ‘Enthused wine consumers’ 44.8% and ‘Die hard wine consumer’ 5.1%. The justification for the segmentation was to provide the wine marketers with information that will assist them to extend the appropriate communication strategy to the identified consumer groups. As the groups are diverse so will the communication strategy to reach them be different. Marketers must package products for the different segments as bundles of information, enjoyment and experience in accordance with the marketing needs of the different segments. This approach will be consistent with the designed targeting and positioning programs for each of the segments.

For marketers, segmenting consumers by combination of methods is an important approach to be used to know the consumers and to serve them in a way that meet or exceed their expectation. This method of creating consumer groups is a pointer to understanding the market better and developing wine brands.

The different cluster characterisations showed the distinctions among the segments; in terms of knowledge, product relevancy and the demonstrated behaviours. It is important that when communicating to consumers, the strategies to be adopted are appropriate to each segment such that they enhance marketer's competitive position by providing direction and focus for targeted advertising, new product development and brand differentiation, customised and niche marketing strategies.

For future research, wine comes in different names, from different sources and in different colours. It is important to investigate consumer preference for wine types. Furthermore, the changes in the segment over time are rarely accounted for and can cause marketer to work with outdated information. A strategy to account for these changes in segment – real or potential must be developed without actually reviewing the segments.

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Appendix

Appendix 1 Socio-demographics and their coding

Socio-demographics	Coding
How often do you drink wine?	1 = Every day, 2 = A few times a week, 3 = Once a week, 4 = Once a fortnight, 5 = Once a month, 6= Others (Please specify)
Gender	1 = Male, 2 = Female
Age	1 = 18 - 29 years, 2 = 30 - 39 years, 3 = 40 - 49 years, 4 = 50 - 59 years, 5 = 60 years and over
Educational status	1 = First School leaving certificate, 2 = Secondary School certificate, 3 = OND/NCE, 4 = Bachelor's degree/HND, 5 = Higher degrees, 6= Others (Please specify)
your Occupation	1 = Sole trader, 2 = Teacher/lecturer, 3 = Civil Servant), 4 = Banker/Accountant, 5 = Medical Doctor, 6 = Engineer, 7 = Others (Please specify)
Marital status	1 = Single, 2 = Married/Cohabiting, 3 = Divorce/ separated, 4 = Widow/widower.
household's annual income	1 = ₦ 90,000, 2 = ₦90,001 to ₦140,000, 3 = ₦140,001 to ₦190,000, 4 = ₦190,001 to ₦240,000, 5 = ₦240,001 to ₦290,000, 6 = ₦290,001 to ₦340,000, 7 = ₦340,000 plus