Viticulture, enology and marketing for cold-hardy grapes

Informing Wineries' Tourism Decisions: Studies of Tasting Room Visitors and Wine Tourism Collaboration

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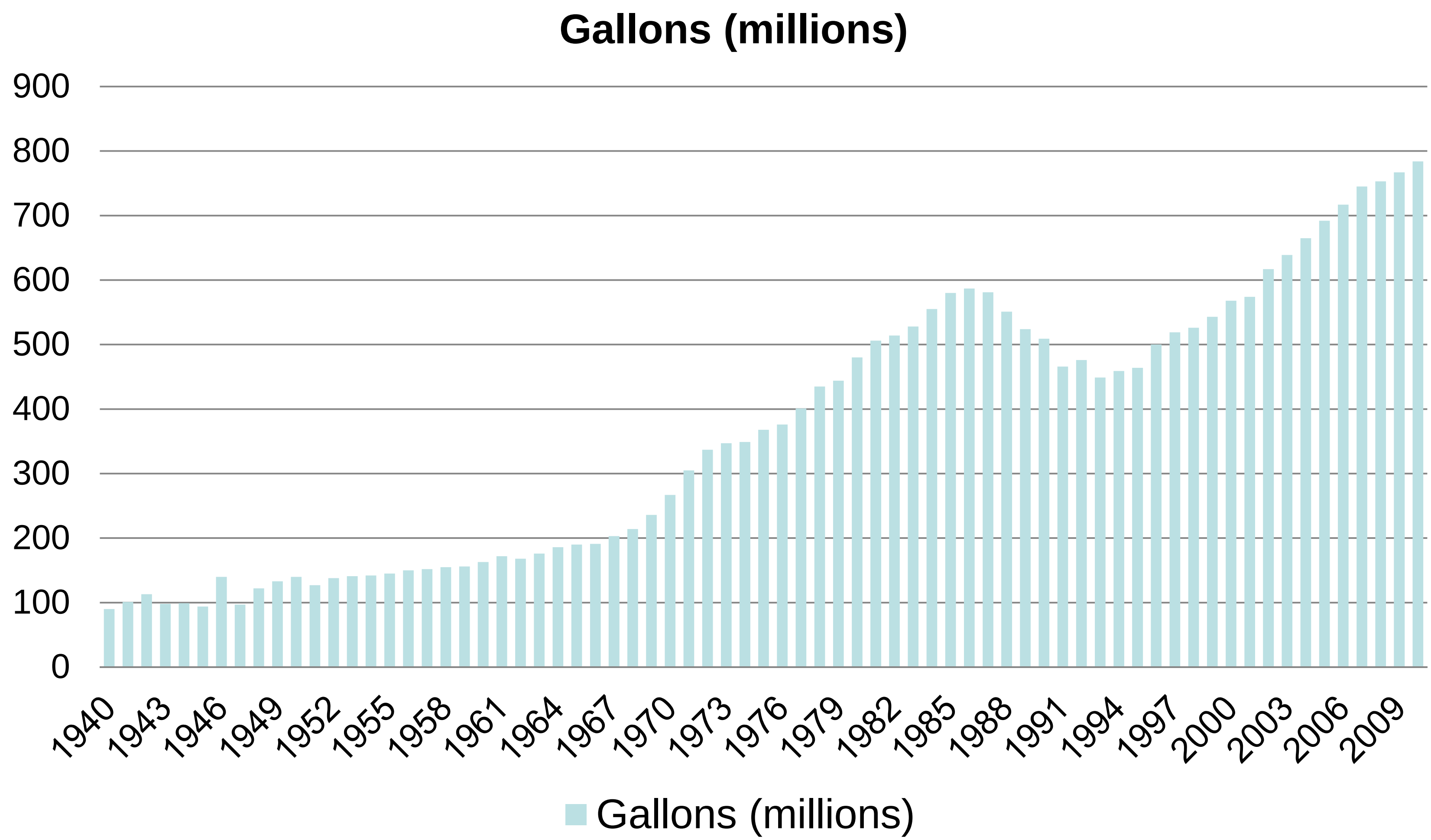
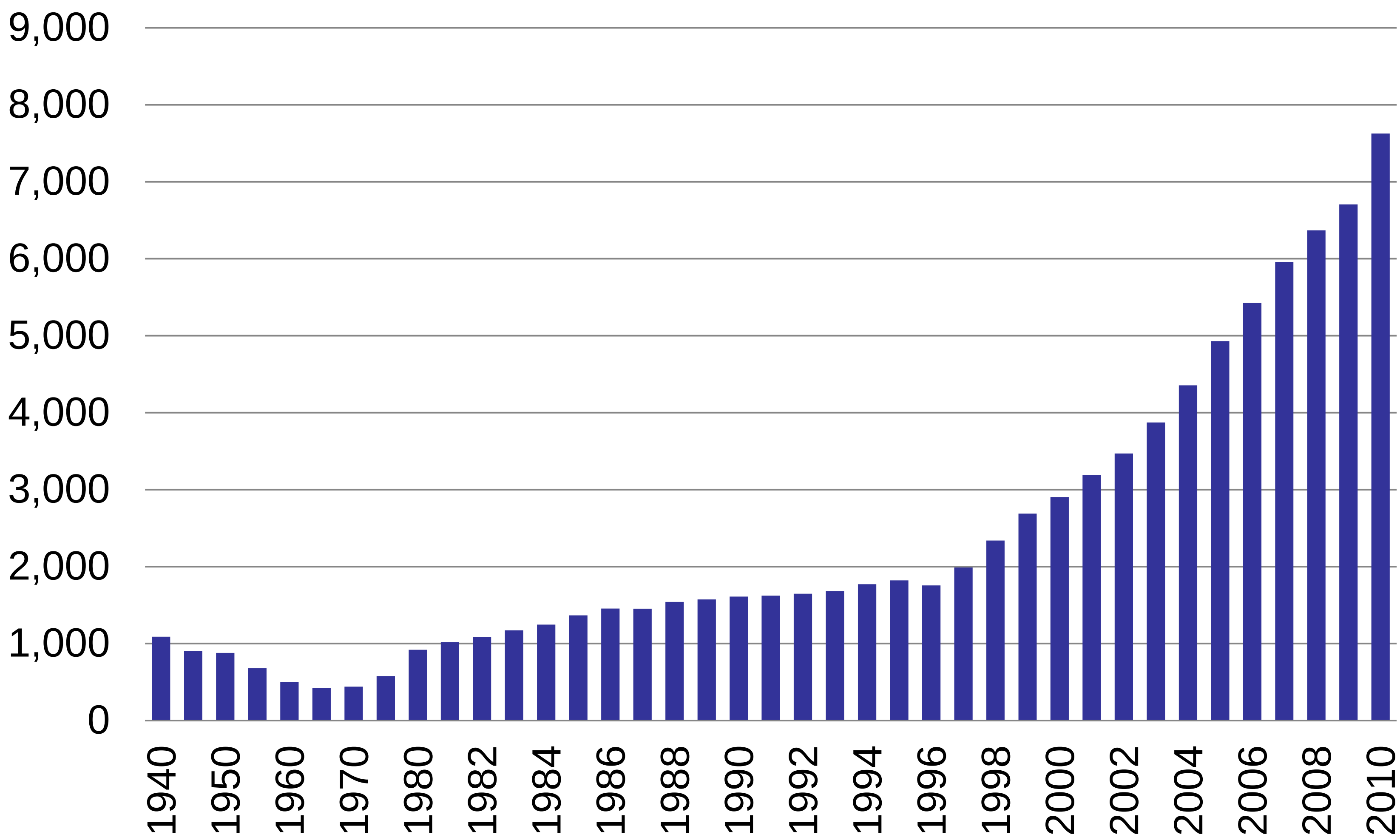
Wine Consumption in the U.S.



Source: Wine Institute/ Gomberg, Fredrikson & Associates

Number of Wineries in the U.S.

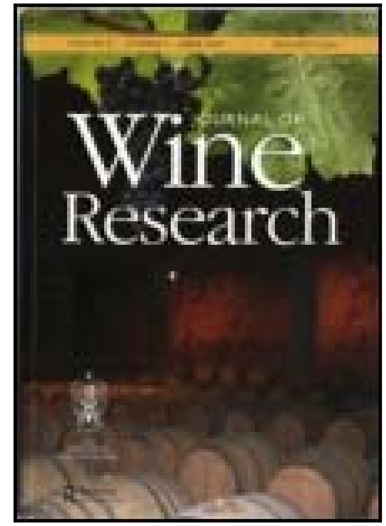


Source: U.S. Tax and Trade Bureau and Wine Institute.

Wineries Can Be Great for Rural Economic Development

- A crop that's growing in demand
- "Value added" usually occurs in local area
- Economic impact of tourism often surpasses growing and winemaking

Is There Sufficient Research to Help These New Wineries?



- Much is known about visitors to established wine regions
- Collaboration is especially important for new wineries/regions *(Rasch, 2008)*
  - Less experienced growers/winemakers/tourism business owners
  - Speed up learning curve with technical aspects of growing/winemaking with new varieties of grapes
  - Establishing a new region that is recognized
  - Converting experienced wine drinkers to local varietals
  - Converting non-wine drinkers

How Are Emerging Wine Regions Different?

- Do the wineries in emerging wine regions face different marketing and economic challenges than established regions?
  - *(e.g., Are they more dependent on tasting room visitors/wine tourism?)*

- Are winery visitors different in emerging regions?
  - *(e.g., Do visitors have different reasons for visiting wineries in these regions?)*

Two Research Projects

Study of Visitors to Michigan Tasting Rooms

Winter 2012

- Interviews with 55 wineries

June – November 2012

- Survey study of over 1,500 visitors to MI tasting rooms

Study of Collaboration Between Wineries and with Tourism Industry

Fall 2012

- Interviews with 15 wineries & 15 tourism businesses in wine regions

Winter 2013

- Pilot survey study of 25 wineries and 45 tourism businesses

Tasting Room Survey

Tasting Room Visit

- Tasting room experience
- Group composition
- Reasons for visit
- Activities at winery
- Purchase behavior
- Tasting fee preference

Overall Trip to Region

- Reason for travel
- Length of trip
- Group composition
- Lodging
- Number of wineries visited
- Other activities

Wine Experience

- Wine consumption *(At home, restaurants, special occasions)*
- Wine purchase behavior
- Taste preferences
- Wine tourism experience

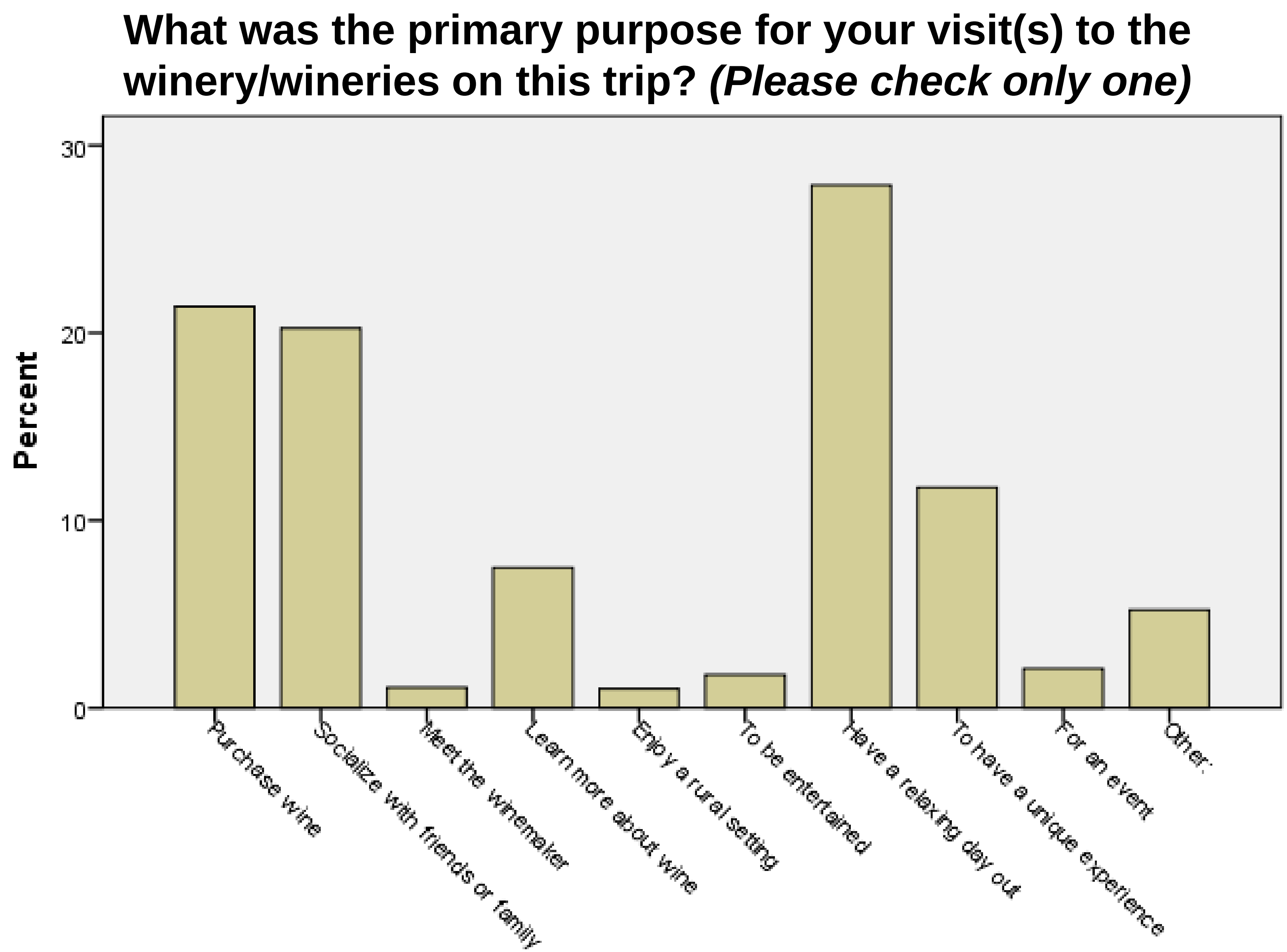
Cold Hardy Wines

- Awareness of cold hardy wines
- Experience with Cold Hardy wines
- Test preferences

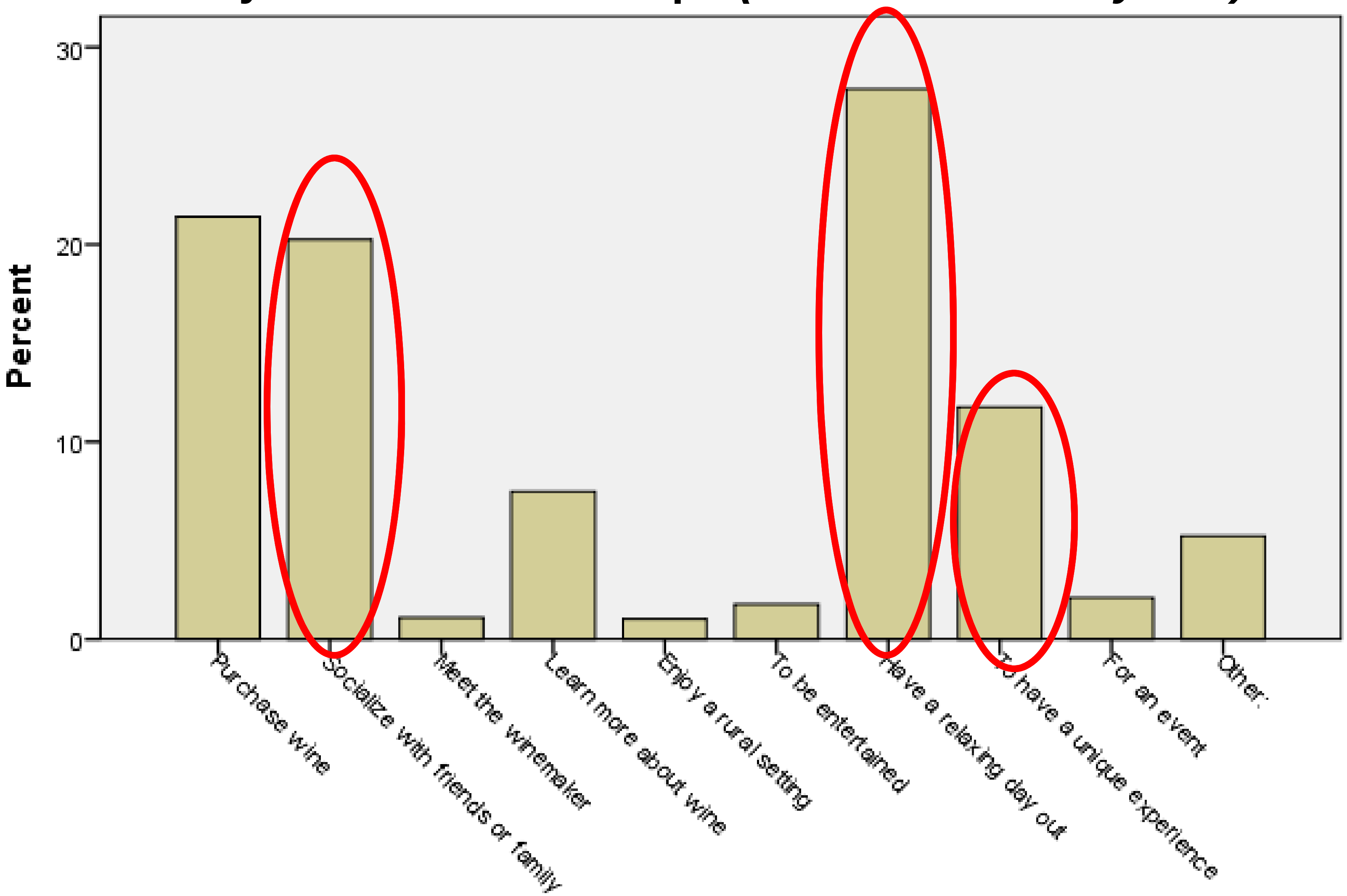
Tasting Room Survey Key Findings

Respondents

- Avg. age of respondent: 47
  - Most common age group: 51-60 (26%)
  - 2nd most common age group: 21-30 (21%)
- First time to winery: 8.5%
  - 30% had been to wineries 21+ times
- 23% have visited wineries outside U.S.
- Most common reasons for visiting winery?


What was the primary purpose for your visit(s) to the winery/wineries on this trip? (Please check only one)
Percent
30
20
10
0
Purchase wine
Socialize with friends or family
Meet the winemaker
Learn more about wine
Enjoy a rural setting
To be entertained
Have a relaxing day out
To have a unique experience
For an event
Other:

What was the primary purpose for your visit(s) to the winery/wineries on this trip? *(Please check only one)*



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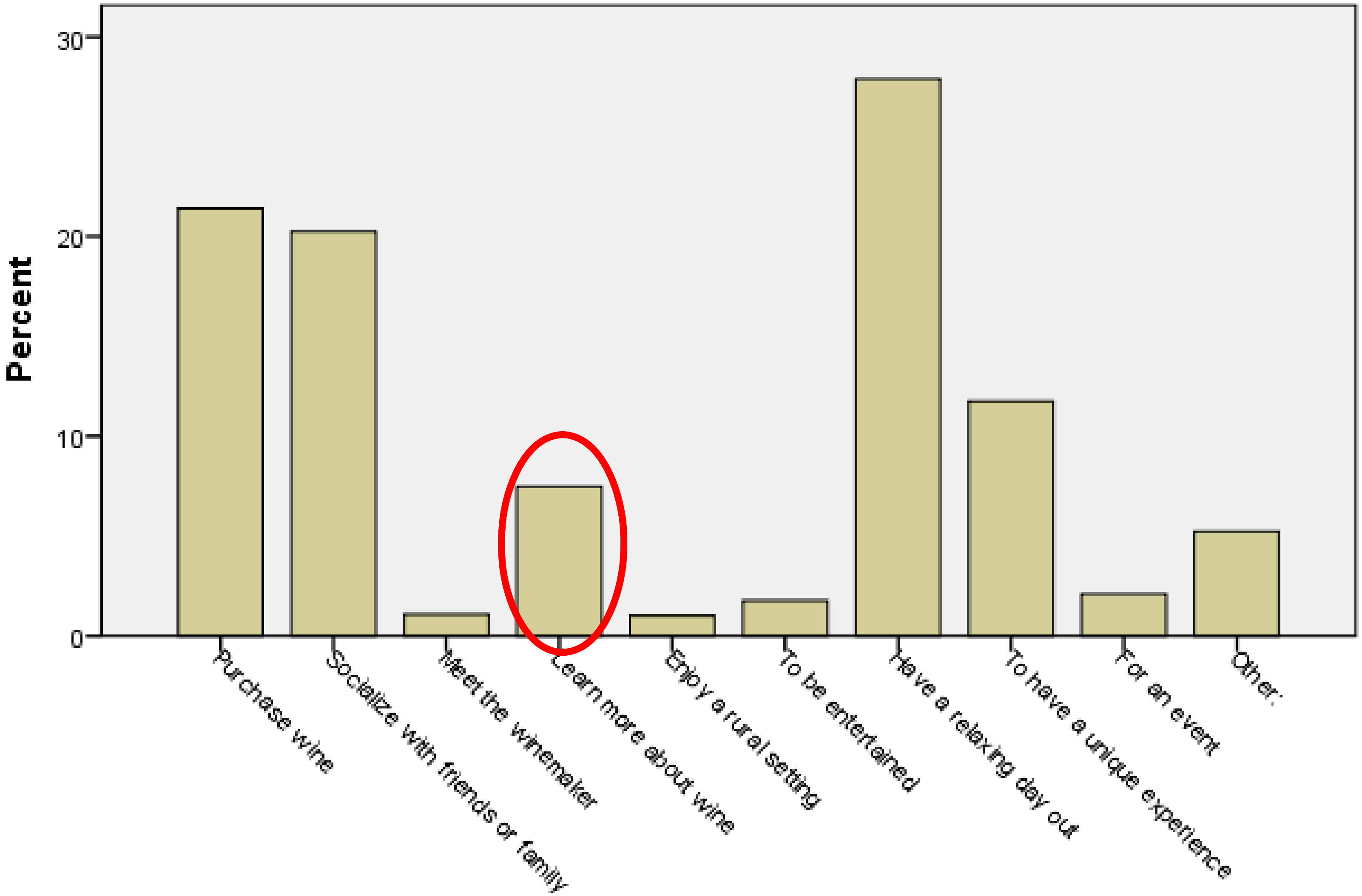

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Trip to Region

- Percentage who traveled 100+ miles to winery: 57%
- How important was winery to decision to travel to the area: 68% “Very Important” or “Only Reason”
- Part of overnight trip: 65%
  - Average nights: 3.5
- Avg. Number of wineries visited per day: 2.7
  - 6.1 per entire trip
- During trip, respondents bought an avg. of 7.4 bottles of wine at$16.50/bottle
- Avg. amount spent during trip: $780

Tasting Room Survey Key Findings

Overall Wine Consumption

- Drink wine at home almost everyday: 19%
  - 59% 1 or more times/week
- 43% typically pay $9-$11.99 for wine at home
- 72% willing to pay more for local foods
  - 69% for local wines
  - 58% for MI wines

Cold Hardy Wines

- 65% said they'd tasted wines from cold hardy grapes
- 42% "Liked a Lot"
  - 30% "Liked a Little"
  - 4% "Disliked" or "Strongly Disliked"
- Most common cold hardy grapes they'd heard of
  - Edelweiss (17%)
  - Frontenac (16%)
  - Marquette (6%)
- More had heard of Snow Bird than
  - Brianna
  - La Crescent
  - St. Pepin
  - La Crosse
- 42% hadn't heard of any

Theoretical Constructs of Collaboration Studies

- Social and economic exchange theories
- Expectancy Theory
  - How likely will collaboration lead to certain outcomes?
  - How important are those outcomes to the success of the individual organization?

Preliminary Collaboration Findings

- Wineries collaborate more with each other than with tourism organizations
- Wineries indicated that collaboration with tourism organizations is more important to the success of their winery than collaboration with other wineries
- Wineries felt strongly that collaboration with other wineries was important to the success of the wine region
- The two most likely benefits from winery collaboration:
  - ROI on marketing
  - Improved visitor experience

  (These were also the most important to the success of the winery)

Preliminary Collaboration Findings

Collaborative Initiative	% That Collaborate
Sharing Equipment	55%
Wine Trails	95%
Cross Promotion	82%
Funding/Producing Promotions	59%
Events Festivals	95%
Purchasing Supplies	64%
Signage	45%
Wine Quality Improvement	82%
Bottling	36%
Funding Research	27%
Participating in Research	55%

Preliminary Collaboration Findings

Collaborative Initiative	% That Collaborate	Return on Investment
Sharing Equipment	55%	1
Wine Trails	95%	2
Cross Promotion	82%	3
Funding/Producing Promotions	59%	4
Events Festivals	95%	5
Purchasing Supplies	64%	6
Signage	45%	7
Wine Quality Improvement	82%	8
Bottling	36%	9
Funding Research	27%	10
Participating in Research	55%	11

Preliminary Collaboration Findings

Collaboration with Tourism Organizations	% of Wineries That Collaborate
Destination Marketing Organizations	77%
Restaurants	77%
Bed & Breakfasts	77%
Hotels and Motels	73%
Tour Operators	68%
Retailers	55%
Non-Grape Agri-tourism	55%
Recreation Providers	55%
Other Food and Beverage	50%

Pitfalls:

- Low priority for wineries
- Not ideal sampling design (wineries recruited participants)

Opportunities:

- Extend the study to other states participating in the project
- Compare relevant results to general population

Questions for Advisory Group

- How can we better engage winery partners in our research
  - Messages to convince them to help
  - Concerns about over-surveying
  - Appropriate person to talk to
  - Best times to contact
    - Time of year
    - Day of week
    - Time of day