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

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Prepared for the Northern Grapes Project Team and Project Advisory Council Meeting, February 5, 2013, Rochester, NY
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

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

**Overall Trip to Region**
- Reason for travel
- Length of trip
- Group composition
- Lodging
- Number of wineries visited
- Other activities

**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)*

- 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:
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Percent

0 10 20 30

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- **Most common reasons for visiting winery?**

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

<table>
<thead>
<tr>
<th>Collaborative Initiative</th>
<th>% That Collaborate</th>
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<tbody>
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<th>Return on Investment</th>
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<td>55%</td>
<td>1</td>
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<td>Wine Trails</td>
<td>95%</td>
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<td>3</td>
</tr>
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<th>Collaboration with Tourism Organizations</th>
<th>% of Wineries That Collaborate</th>
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<tr>
<td>Destination Marketing Organizations</td>
<td>77%</td>
</tr>
<tr>
<td>Restaurants</td>
<td>77%</td>
</tr>
<tr>
<td>Bed &amp; Breakfasts</td>
<td>77%</td>
</tr>
<tr>
<td>Hotels and Motels</td>
<td>73%</td>
</tr>
<tr>
<td>Tour Operators</td>
<td>68%</td>
</tr>
<tr>
<td>Retailers</td>
<td>55%</td>
</tr>
<tr>
<td>Non-Grape Agri-tourism</td>
<td>55%</td>
</tr>
<tr>
<td>Recreation Providers</td>
<td>55%</td>
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<tr>
<td>Other Food and Beverage</td>
<td>50%</td>
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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