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Wine Tourism and Consumer Behaviors Related to Wine Purchases

by

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Abstract

As the wine industry keeps growing there is an ever more pressing concern to understand not only who wine consumers are, but how different sets of wine enthusiasts purchase and consume wine. This research looks at a group of wine enthusiasts known as wine tourists. Furthermore, specifically it investigates consumer behaviors of wine festival attendees and their unique perspectives related to purchasing wine. It explored where wine festival attendees purchase wine, what types of wines they purchase, and what criteria they base their wine purchase decisions on. The results show that informed wine drinkers purchase wines from distribution centers more often than grocery stores. The research also shows that uninformed wine drinkers base their wine preferences solely on a certain price point, while informed wine drinkers base their consumption decisions on prior wine knowledge.

Introduction

Wine tourism can serve a central or supportive role in tourism destination management. It can be the focal point of a community's tourism effort in a rural destination area, or complementary to urban attractions in city locations. Often, communities create wine festivals to attract the wine tourist with hopes of enhancing its existing visitor market share. In wine producing regions, a wine and food festival assists local wineries in a variety of ways. One way is by providing an additional distribution outlet. Others include providing the winery an opportunity to increase its awareness or to convert wine novices into enthusiasts with the potential of becoming lifetime customers (Brewer, 2002).

Wine tourism, or winery visitation, is emerging as an increasingly significant sector of both the wine and tourism industries (Trelor, Hall, and Mitchell, 2004). So what do wine enthusiasts look for in an area not known as a wine producing region, how do we entice people to attend a wine festival in this area, and what does this mean for local area businesses? There has been considerable previous research that has looked into understanding various segments of wine tourists based on many different variables such as demographics (Dodd and Bigotte, 1997), wine interest (Hall, 1996), and wine knowledge (Mitchell and Hall, 2003). However, limited studies have been conducted that investigate the wine knowledge and purchase behaviors of tourists attending a wine festival. This research explores the purchase patterns of wine festival attendees in a resort destination.

Literature Review

Wine Tourism

Some researchers have sought to explore wine tourism as a form of consumer behavior in which wine lovers and those interested in wine regions travel to preferred destinations (Charters and Knight, 2001). To put it concisely wine tourism can be defined as travel for the purpose of experiencing wineries and wine regions and their links to lifestyles. Wine tourism encompasses both service provision and destination marketing. The wine industry lends itself to a marriage with tourism. It is a beverage associated with relaxation, communing with others, complementary to food consumption, learning about new things, and hospitality. Tourists will often seek some or all of these things while in movement or vacation (Dodd, 1997). The wine tourism experience can therefore be provided in a number of ways, the most notable being events and festivals (Charters and Knight, 2001). However wine tourism and its links with other tourism sectors have received little attention in literature (Telfer, 1999).

Wine Knowledge

Much research has been conducted to segment connoisseurs and consumers into having different levels of wine knowledge (Lawless, 1985; Solomon, 1997; and Hughson and Boakes, 2002). Wine tasting expertise involves advanced discriminative and descriptive abilities with respect to wine (Hughson and Boakes, 2002). Lawless (1985) suggested that a component of wine expertise is knowledge about various wine styles and their sensory attributes (1985). Solomon's (1997) research indicated that wine experts were able to better differentiate and describe wines when compared to non-expert tasters. Charters and Knight (2001) asserted that there is no single

stereotypical “wine tourist”- nor therefore, a unilateral definition of him or her (Charters and Knight, 2001). However, they segmented wine enthusiasts into four categories: wine lovers, the connoisseur, wine interested and wine novices. Common to segments was an appreciation for the setting of the winery.

Consumer Behavior and Wine

Producers sell wine through three marketing channels: wholesale, retail sales, and consumer direct (Salazar and Burhmaster, 2004). There are many characteristics that influence consumer decisions to buy wine. Lockshin, Spawton, and Macintosh's (1997) research indicated that “choosy buyers” that were more brand and product conscious tended to buy wine at specialty stores and wine shops, while “lazy involved shoppers” purchased low cost wines and wines in large volume casks at discount shops. Previous research has indicated the importance of price within the purchase decision making process, due to the fact that consumers may use it as an indicator to reduce the risk within the purchase decision and therefore as a product cue comparable to brand (Halstead, 2002). The number one decision-making reason for selecting wine in a retail store according to Thatch (2008) was prior experience in tasting the wine. This was followed by a recommendation from a friend or someone working in the store followed by varietal, then origin and brand. A medal on the wine was a reason for selection, and having read about the wine was listed next. Unfortunately for wine merchandisers, front and back label information, as well as shelf talkers and displays, did not score highly in terms of decision-making on selecting wine in retail settings (Thatch, 2008). However, Dodd, Laverie, Wilcox, and Duhan's (2005) results indicated that wine guides, reviews, and advertising were used to make purchase decisions.

There are many types and kinds of wines. Wines originate not only from traditional wine countries such as France, Italy, and Spain, but also from new world countries such as Argentina, Australia, Chile, New Zealand, and the USA. These countries produce expensive and inexpensive wines, young wines that are ready to drink as well as wines that improve even after decades of keeping, wines that are made of different combinations and proportions of grape varieties, and wines that originate from various sorts of soils (Lecocq and Visser, 2002). However, to predict wine demand by grape region and variety can require extensive economic modeling involving elastic and inelastic factors on both the supply and demand side. Specifically, Wittwer, Berger, and Anderson's (2003) model had to account for the

uncertainty of taste swings toward premium wines. While wine tastes change yearly, in 2007 the most popular varietals consisted of Pinot Noir (+89%), Riesling (+45%), and Pinot Grigio (+22.5%) according to Cyril Penn, (2008).

Tourism destinations are increasingly reliant on festivals to increase tourism during shoulder and off seasons. In addition, festivals allow the destinations to target a demographic that compliments the destination. Hilton Head Island Hospitality Association currently hosts the Hilton Head Island Wine and Food Festival. The event is privately funded and local tax revenues sponsor a portion of the event. Hilton Head is not a region known for its abundance of local wineries, but the event continues to increase both its reach and its attendance numbers.

The Hilton Head Island Wine and Food Festival was touted as one of the largest outdoor, tented public wine tasting on the East Coast. The festival offers connoisseurs and novices the opportunity to sample wines from around the world. Therefore, researchers explored the self-reported wine knowledge of wine festival attendees, and how that level of wine knowledge influenced the following four attributes: 1) the types of wine purchased, 2) where the wine is purchased from, 3) if it is normally purchased by the glass or the bottle, 4) and to which criteria they base their wine purchases on.

Methodology

Approximately, 5,000 people attended the 2008 Hilton Head Island Wine and Food Festival (Hilton Head Island Hospitality Association, 2008). In order to conduct the research, a computer survey center was placed adjacent to the gate entrance within the event. A convenience sample was recruited by researchers who requested attendees complete the 38 item survey for a small incentive. The 5-10 minute survey queried attendees for origin of residence, wine knowledge, and wine purchase behaviors. Researchers used students from the local hospitality management program to help facilitate collecting the surveys in order to give them exposure to local tourism research.

Two hundred eighty-eight (n=288) attendees completed the computerized survey. Approximately 40% (n=116) considered themselves residents of the region because they resided within 50 miles of the event. Sixty percent (n=172) either resided outside of a 50-mile radius but within South Carolina, within another state in the US, or a foreign visitor.

For this analysis, four items were examined to explore the relationship between wine knowledge and wine purchase behaviors. Attendees were asked to provide a self-reported rating of their wine knowledge. Additionally, they were queried for their purchase behaviors such as the retail location where they normally purchase wine, what types of wines do they purchase, how do they purchase wine when dining, and on what criteria do they base their wine purchases. Cross-tabulations and Chi Square analyses were conducted to explore for the relationship between attendee wine knowledge and wine purchase behaviors.

Findings

Of the surveyed respondents, almost 60% (n=163) were female and a reported 70% (n=200) had a combined household income greater than \$70,000 annually. Additionally, over 68% (n=191) reported having at least a bachelor's degree. Over 58% (n=162) reported to be married without children living at home. Forty percent (n=109) of attendees reported this to be their first wine festival. The previous year's data showed 54% of attendees were attending their first wine festival. Twenty-four percent (n=65) of people reported attending this wine festival more than five times. Almost 93% (n=257) of respondents reported that they are either extremely or very likely to return to the wine festival in the coming years.

Preliminary analyses indicated that 55% (n=155) of the attendees considered themselves to be informed or highly informed about wine. Approximately 42% (n=119) normally purchased wine from liquor stores, while 25% (n=70) purchased wine from grocery stores. When purchasing wine by the bottle, attendees indicated that Cabernet Sauvignon was procured most, followed by Chardonnay, and Pinot Noir. However, when dining out approximately 62% (n=171) bought wine by the bottle. Lastly, when purchasing wine approximately 48% (n=134) base their wine buying on personal preference and 15% (n=41) indicate that price is a primary factor.

Chi Squared analyses indicated that less informed and informed wine drinkers showed a significant preference of where to purchase wine. Less informed wine drinkers generally purchased wine from grocery stores, while informed drinkers purchased from wine distributors: $X^2(6, n=282) = 33.77, p < .05$. There was no significant relationship between the level of wine knowledge and the types of wines purchased: $X^2(1, n=186) = 2.37, p = .123$.

Less informed and informed drinkers showed a significant preference on how they purchased wine: $X^2(2, n=278) = 25.51, p < .05$. Finally, less informed and informed drinkers showed a significant preference toward the criteria they used to purchase wines: $X^2(3, n=278) = 17.85, p < .05$.

Discussion/Conclusions

Results showed that less informed and informed wine drinkers showed a significant preference of where to purchase wine. The researchers feel that there are a couple of reasons why informed wine drinkers choose to purchase their wine from distribution centers and not grocery stores. The main reason to purchase wine from a distribution center is a more cost effective approach to purchase a better quality wine. Also, these informed wine drinkers already understand their wine drinking preferences and know what wine they are looking for. In addition, buying in bulk from a distribution center provides even more savings to the informed wine drinker.

There was no significant relationship between the level of wine knowledge and the types of wine purchased. This could be due to the fact that everyone, despite level of knowledge, has unique preferences and also likes a variety of wine. Level of knowledge does not show a specific orientation towards a white or red varietal.

Less informed and informed drinkers showed a significant preference in how they purchased wine with a meal. Less informed wine drinkers preferred to purchase wine by the glass, while informed drinkers purchased wine by the bottle. Informed wine drinkers have a base of knowledge that allows them to know how certain wine varietals pair with meals. Less informed wine drinkers are still compiling their wine identities and often choose wines differently. They may choose a wine solely from a certain price point, or they may try a wine they have never heard of before to increase their level of knowledge. Informed wine drinkers are rounding out the wine and food experience with a wine chosen from a prior experience, one that would best compliment the meal. Less informed wine drinkers are attempting to expand their base of knowledge in order to be able to make informed wine decisions at a later point in time.

Lastly, less informed and informed wine drinkers showed a significant preference toward the criteria they used to purchase wines. Less informed wine drinkers most often choose a specific wine based on price. Informed wine drinkers chose a specific wine based on food pairing,

grape type, or region of origin. This result is similar to findings in other research. The researchers believe that this shows informed wine drinkers had a plan in mind. They were purchasing a wine based on previous knowledge for a specific function or purpose. However, uninformed wine drinkers were choosing wine based solely limiting their financial risk.

This study found that informed wine drinkers are more knowledgeable about the intricacies of purchasing and consuming wine. They knew that there were alternatives to purchasing wine at a grocery store where the wines may have been improperly handled and marked-up in price. It also found, as other studies have, that less informed wine drinkers tend to base their wine drinking decisions on a certain price point and not any prior knowledge or experience. Overall, more informed wine drinkers tended to base decisions on experience with grape varieties, wine regions, and planned their wine experiences with particular wines in mind. This shows that informed wine drinkers pursue their wine like they would any other hobby with an end goal in mind. Less informed wine drinkers, on the other hand, pursued wine based on a price point not with a goal or purpose in mind.

Future Research

The researchers acknowledge that the research needs to look at income and its relationship with wine knowledge as income may be a covariate. It is also understood that the results from Hilton Head Island may not be generalizable as it is not a major wine market. It is also understood that this research should look at replication with larger sample sizes in other markets to make sure the research has a broader reach. Other studies could also use this information to build other hypothesis and continue to expand research in the area of wine festivals and how they can impact the economic development of a region.

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