

DEVELOPING A MEASUREMENT INSTRUMENT TO EVALUATE THE E-MARKETING EFFORTS OF SMALL WINERIES

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Abstract

The Internet is becoming an important sales tool for wineries. In recent years, an increasing number of wineries have developed Websites allowing customers to purchase wines directly through the cyber shop (Mitchell & Hall, 2000). From New York to California, responses by different wineries all indicated that Websites mean increased sales and online revenue (Jones, 2000). A survey of 56 wineries from five key regions in California showed that wineries selling wine on the Internet grew from 54 percent in 2001 to 65 percent in 2002. In addition, the Internet sales channel experienced the most impressive growth amongst any forms of direct selling to consumers, showing a 184.8 percent increase in volume over 2001 (Wine Trends Quarterly Report, 2003, cited in Wine Business Online, 2003). Wineries indicated that many of their customers prefer to order directly online rather than receiving a print catalog (Benson, 2003). Consumer preference for the online channel is driving wineries to embrace e-commerce and upgrade their cyber service technology. Wineries, particularly small-scale properties, overcome poor distribution channels and expand sales by capitalizing on direct Internet selling (Mitchell & Hall, 2000).

It would be misleading to perceive the online sales option or e-commerce as the most significant feature of a small winery's Website. Wineries, in essence, should invest in brand building and long-term customer loyalty (Wine Business Online, 2003). Effectively designed Websites can assist in generating brand awareness and consumer loyalty (Benson, 2003). In addition, small wineries' dependence on tasting room sales determines their involvement with wine tourism (Bruwer, 2003) as the need to clearly and uniquely position a winery in wine tourism continues to grow (Williams, 2001). The use of Websites has been recognized as a necessity in the development of a wine

tourism strategy to promote the wine, the winery and the wine growing region to targeted customers and potential visitors (Beverland, 1999).

The Web-based marketing by wineries has finally come of age (Benson, 2003). Yet the investigation of these marketing efforts and the overall effectiveness of winery Websites have not received close enough attention. The study of Web-based marketing activities and efforts in the wine industry is still at an early stage (Bernert & Stricker, 2001). What constitutes a good winery Website? What components should be included in the Website to effectively promote a winery and its wine? What items on the Web page can increase wine sales and build brand loyalty? As such, an evaluation instrument needs to be developed to tap into these areas, particularly for small wineries.

This exploratory study is intended to develop a procedure to evaluate small winery Websites and test an instrument to assess small winery's Web-based marketing efforts. It is expected to benefit both wine producers and those involved in wine tourism. The primary objectives of this research are to: (1) develop e-business marketing evaluation criteria to measure the effectiveness of small winery Websites from multiple perspectives; and (2) test the reliability and validity of the measurement instrument based upon some small wineries located in a Southwestern state.