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Wine tourism: increasing champagne sales in China

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Abstract

◦**Purpose.** *The aim is to explore the role of wine tourism for the future sales of high reputation wine. Therefore, this paper assumes that a part of these sales is done thanks to the services linked to the wine tourism and which were proposed to future consumers.*

◦**Design/methodology/approach.** *Our study focuses on the champagne industry and the Chinese consumer's perception of this region. We Work on a sample of 123 Chinese consumers who were students of the Reims Management School between 1998 and 2008, and who went back to China. We asked them about their knowledge and perceptions of champagne when they arrived at Reims and now. This quantitative study has been led through a binary logistic analysis to understand the change of these consumers' behaviour between the past and now.*

◦**Findings:** *This study highlights the role of wine tourism for future sales. We show that the past services of wine tourism have a substantial and interactive effect on the behaviour of Chinese consumers who lived for a while in the Champagne region.*

◦**Practical implications:** *The results show that there is a real interest in improving wine tourism in Champagne, especially to attract foreign visitors. Conversely to the initial position of the champagne actors, wine tourism is positive for their image for foreign markets in the long term and eventually can be consider as powerful and quite cheap marketing tool to conquest new markets.*

Key words: Wine tourism, Future sales, High reputation wine

1. INTRODUCTION

Wine tourism is currently a key issue for the European wine industry. As wine production around the world continues to exceed consumption, techniques which develop brand loyalty and stimulate sales need to be developed. Whilst substantial research has been carried out into wine tourism in the New World (e.g. Dodd, 1997; Carlsen & Charters, 2006; Charters & Ali-Knight, 2002; Getz & Brown, 2006; Mitchell, Hall, & McIntosh, 2000) much less has been done in Europe, and little of that is primary research (for exceptions see Correia, Passos Ascensão, & Charters, 2004; Frochot, 2001). Wine tourism has existed in Europe since antiquity (Cambourne et al., 2000), and was developed in parts of Europe (particularly Germany) early in the 20th century; however, it has rarely been formally planned – again in comparison with its role in the United States, Canada, Australia, New Zealand and South Africa.

In France, there is now political interest in the role of wine tourism, driven by the agriculture ministry (Dubrule, 2007). In practice, wine tourism has operated in France for some time. France is the most popular tourist destination in the world, and many of those tourists visit wine regions and wine producers. However, anecdotally there is a perception that wine tourism is less well focused and organized in France than in the new world, and certainly much less academic research has been conducted there. The situation in France is also complicated by the fact that, in the face of a ‘crise viticole’ (Demossier, 2005; Jordan, Zidda, & Lockshin, 2007), as producers are increasingly struggling to sell their wine, they are turning to wine tourism as one possible solution. Europe interest in wine tourism amongst producers only develops when there is a viticultural crisis as a response to declining. Where there is a sudden crisis in sales, and perhaps a crisis in rural development generally, it is suddenly considered a solution to maintain local economical and social coherence (Bonnieux & Rainelli, 2000), without any real analysis of the preconditions for effective wine tourism or the attitudes and commitment required of producers to make it work.

However, this position seems quite restrictive. Several studies showed that wine tourism can impact on future wine sales. Houghton (2002) measured increases in postfestival purchases compared to prefestival purchasing. O’Neil, Palmer and Charters (2002) developed similar ways from the quality of service during the visit. Moreover, Mitchell (2004) showed that the period of post repeat visits can predispose visitors to longer-term loyalty. In this way, it should be necessary to go beyond the actual French position to justify the development of wine tourism. That should be especially shown for the highest quality wines as champagne where wine tourism will not add to goodwill and may even damage the producer’s image (Choisy, 1996). The reputation of champagne is the result of the region’s determination to continually improve its image. This wine enjoys currently very successful, while other French vineyards are in trouble. Currently, wine tourism is more sought after by the regional authorities than by the producers themselves. These latter consider it like a source of useless expenditure and time costs in the light of their current success (Charters, Menival, 2011). So, the issue is to know if there is a relation between the wine tourism and the future sales of high reputation wine as champagne.

2. METHOD

In order to examine this issue further, our study focuses on the Chinese consumers. China is clearly becoming an important market for the future sales of Champagne, as for the other wines. Foreign wines are becoming more and more a lifestyle fashion especially for the emerging middle and upper class (Pan and al. 2006; Liu and al. 2007). However, a lot has to

be done toward Chinese people. Their knowledge about wine is still weak (Jin, 2004) even they now can find foreign wines such as champagne in their market thanks to more open politics since 2001 (Hu and al, 2008). Thus, the Comité Interprofessionnel du Vin de Champagne (CIVC) notes that in 2010, 50% of the consumption in China comes from expatriates, 11% comes from tourists, 11% from local consumers and 28% comes from Chinese people raised abroad. On this way, the wine tourism in Champagne could be interesting, 28% of consumers being directly influence by the consumer's experience abroad. That is especially true with the evolution of number of Chinese visitors in France. On the one hand, whilst 90% of the 77 millions of tourists in France come from Europe, the number of Chinese tourists strongly increases since 2004 and currently represent one third of Asian tourists, after Japanese people. Starting from the Mitchell's work (2004) which focused on the repeat visits as a good tool to increase the future sales, we decided to work on Chinese students. Pitifully, it is quite hard to currently find Chinese tourists who repeat their visits in Champagne. Few endeavours are done to attract foreign tourists and eventually this industry seems fully feed by the natural flow of visitors. Confronted to this absence of real Chinese tourists in Champagne, we search for a population who could be concern by the supply of wine tourism services in long term to be assimilated as the repeat visits effects. Students definitely cannot be considered as usual tourists due to the longer time of stay but they can benefit from activities of wine tourism. Therefore, we decided to measure the evolution of both purchasing and consumption behaviour of Chinese students from their coming to Champagne to their current behaviours. We questioned Chinese students of the Reims Management School who studied between 1998 and 2008, who went back to China, and who can be considered as people belonging to the Chinese upper class. We asked them about their knowledge and perceptions of champagne when they arrived at Reims and now. From this study, we obtained several useful variables of 123 answers.

The change of behaviour is quite hard to define and obviously harder to explain. Therefore we start from several assumptions.

1. The first assumption is to consider the change of consumers' behaviour through the evolution of the consumption frequency. Measured from 10 points-Osgood Scale, with no consumption and daily consumption as bounds, this frequency was initially very low with an average of 1.14 and then globally increases with an average of 2.62. Whilst this shift stays small, it allows us to create a variable which informs of the evolution or not. Thus, we obtain a binary variable with "same" and "more" as modalities, no frequency diminutions being observed.
2. The next assumption is to define wine tourism-related activities as intrinsic and extrinsic. For Roberts and Sparks (2006, 54), the visitor is rarely interested simply in wine tasting, rather the total experience is most important. For this reason it is necessary to consider a set of other activities as part of the overall offer (Hall, Johnson & Mitchell, 2000; Skinner, 2000; Hall & Mitchell, 2004; Gammack, 2006). Thus we consider several variables including visits to the champagne cellar of the favorite brand, visits to champagne cellars of *vignerons*, the visit to at least one site with link with champagne industry (museums, specific buildings, etc) and the visit to at least one site with no link with the champagne industry (Cathedral, Church, Museum, Lakes, Forests, etc.).
3. Lastly, it is necessary to consider demographic variables in order to prevent any false correlations. It is known that some socio-economic characteristics can have an impact on the willingness of a consumer to pay for wine (Lecocq, Magnac, Pichery, & Visser, 2005). In this research the gender, age and the monthly average income has been taken into account.

Therefore, we use 8 variables:

BehaviourShift: the level of shift of Chinese consumers' behaviour. This is a binary variable with "same" to indicate a motionless consumption frequency from the initial to the current situation and "More" to indicate an increase in frequency.

FBVisit: the visit to the champagne cellar of the favourite brand. This is a binary variable with "yes" or "no".

VV: the visit to champagne cellars of vigneron. This is a binary variable with "yes" or "no".

WineVisit: the visit to at least one site with a link with the champagne industry

NonWineVisit: the visit to at least one site without a link with the champagne industry

G: gender of respondent. It is transformed in dummy with "Female" as referee.

A: age of respondent.

AMI: average monthly income of the respondent.

This binary position leads to the adoption of a binary logistic analysis. So we assume that the interaction of tourist activities improve the probability of having a change in the Chinese consumers' behaviours.

3. RESULTS

Our first step was to analyse the previous selected variables from a binary logistic analysis using a forward method to measure the impact of wine tourism on the change of champagne consumption.

According to type I error of 5 %, the forward method kept only a part of the initial model (table 1) after five steps.

So, we obtained the final model with fewer but useful variables (Table 1). This model respects the main fundamental conditions of a binomial analysis. Firstly, the Hosmer-Lemeshow statistic indicates that the model adequately fits the data (p value = 0.976) despite the small size of our sample. Secondly, each variable selected has significant changes in -2 log-likelihood.

This model has good relative global fit with a Nagelkerke's R² of 0.512 and increases the probability to move from the under limit to the over limit buyer's position about the willingness to pay. Indeed the overall percentage moves from 75.3 % without the chosen variables to 81.8 % with the final model.

The Exp(B) of the final model (table 1) shows that the level of shift of Chinese consumers' behaviour is mainly influenced by the interaction between the visit to the champagne cellar of the favourite brand and the visit to at least one site without a link with the champagne industry. That relation clearly shows that the visit to a champagne cellar has an impact only when it is combined with the visit to at least one site without a link to the champagne. This interaction is followed by demographic variables: the gender of Chinese consumer - the male consumers being more concerned compared to the female - and then their age.

Table 1: Variables in the final equation

	B	Exp(B)
Step 5 ^d FBvisit (yes) by NonWineVisit (yes)	20.920	1.217E9
A	-.335	.716
G(male)	1,831	6,241
Constant	10,104	24447,891

Variable(s) entered on step 4: G.

4. CONCLUSION

These results confirm the role of wine tourism on future sales in foreign markets and eventually confirm the impact of postvisit on the consumption of wine as shown by Houghton (2002) and Mitchell (2004). They highlight the impact of a combination of past visits linked and unlinked to the wine industry on the current Chinese consumers even for high reputation wine as champagne. A part of this impact on future sales is explained by the role of the experience of these consumers accumulated during their presence in the region, and this experience is influenced by services of wine tourism.

Further, the results confirm the definition of wine tourism as a combination of intern and extern activities from wine as assumed by Roberts and Sparks (2006). This is shown by the strong impact of series of visits to champagne cellars and other sites and no impact of these visits taken alone in the final model.

The results finally show that there is a real interest for the champagne industry to invest in wine tourism to conquest foreign markets. That reinforces a previous study (Charters and Menival, 2011) which showed the interest of wine tourism in improving the image of champagne for the sales at the cellar doors. Conversely to the initial position of the champagne actors, wine tourism is positive for their image within the French market in the short term and for foreign markets in the long term. That could justify a new politics of champagne industry to attract foreign visitors or at least lead a communication towards foreign students. That could be quite easy for the Chinese Students and quite useful. Indeed more and more Chinese students are present abroad, France becoming their second foreign destination after the USA. Presently, the region Champagne-Ardenne is few directly concerned by these new flows. This region receives around 4% of Chinese students and only 0.5% of the whole Chinese tourists who stay more than one night. However, it can benefit from daily flows of Chinese people who come from the Paris region.

However this study is limited: both parts of the data collection were small-scale and essentially exploratory. The conclusions must be treated as provisional and requiring further verification. Additionally, the study is limited to one region of France which, in terms of recent success and sales, has diverged from almost all the rest of the country. Nevertheless, it does offer new insights into the operation of wine tourism, some development of our theoretical understanding of how wine tourism is perceived and operates, not only in the short term but also in the long term for future sales of wine and even for high reputation wines.

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