

Wine Tourism Preferences: Developing the Wine Tourism Offer in the Loire Valley

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ABSTRACT

Purpose: Establish preferences for wine tourism visitation packages in a well-known wine-producing region of France in order to guide strategic decision-making and planning.

Design/methodology/approach: 189 questionnaires were collected using a Choice-Based Conjoint (CBC) methodology with additional demographic and behavioral data recorded.

Findings: Potential wine tourists display a preference for short travel times and multiple winery visits for the purpose of recreation and the inclusion of a meal in a restaurant. These tourists also have a significant negative reaction to the purpose of the visit to buy wine as well as eating a casual meal.

Practical implications: Wineries, local communities and regional tourism authorities are equipped with a better understanding of the drivers of wine tourism visitation. The methodology applied is demonstrated to be effective and warrants industry investment in further detailed research with a more representative sample.

Key words: Wine Tourism, Choice Based Conjoint, Loire Valley, Segmentation

1. INTRODUCTION

Wine tourism is growing globally. Due to the increasing number of small wineries who do not have the supply to access conventional retail channels, cellar doors exist as a profitable alternative. In addition, increased wine consumption, mainly in emerging markets, and an evolving culture of wineries becoming more experiential has created a demand for wine activities, as a component of or in some cases a complete, leisure or holiday experience. This study intends to discover what the most attractive package tour is for wine tourism day trips in the Loire valley in France and specifically what are the most important features for these wine tourists. This research intends to focus on domestic and furthermore local tourists in considering how to encourage increased wine leisure activity in the community. When considering wine tourism in the Loire valley, the potential tourists are not necessarily wine lovers. The region is well known in the presence of Châteaux and many of them stand in the heart of wine country, ideal for wine tasting and visits. The Loire Valley is also well known in gastronomy and different kinds of food, which makes it even more attractive for tourists. The key issues to investigate are what are the drivers of winery visitation and are there specific winery characteristics that deter visitation. Furthermore, this study will investigate whether choice experiments are a methodology well suited for wine tourism research.

2. LITERATURE REVIEW

Research has identified the benefits of wine tourism for wineries. Advantages to the producer include the opportunity to showcase new products and vintages, increase sales, build brand loyalty and educate consumers about wine (Dodd, 1995). Furthermore, the broader community benefits through the 'multiplier effect'. Money spent by visitors stays in the local community and repeatedly changes hands. The wine tourism experience is often part of an overall 'bundle-of-benefits', which includes a winery visit, wine tasting and other activities such as visiting local attractions, enjoying the surrounding scenery, dining and accommodation. Wine tourism stimulates the economic development of wine regions by increasing regional employment and tourism (Carlsen, 2004; Jaffe and Pasternak, 2004; Sanders, 2004).

There are many types of wine tourism such as tasting wine at the cellar door and visiting vineyards, wine events and festivals, food and wine pairing evening in restaurants, wine trails, wine museums, educational centers, interactive websites and experience in hand harvesting and wine making. Hence, a wine tourism experience typically includes a 'bundle-of-benefits' that includes a winery and wine region visits and other wine tourism activities and participating in other local activities and visiting attractions such as the scenery, children attractions and local festivals (Charters and Ali-Knight, 2000; 2002; Cohen and Ben-Nun, 2009; Dodd, 1995; Marzo-Navarro and Pedraja-Iglesias, 2011; Mitchell and Hall, 2004; Hall *et al.*, 2000; Sparks, 2007).

A majority of the academic research in this field has been conducted in "new world" wine producing countries and the published case studies emanate from non-conventional producing countries in Asia. There is some evidence of deconstructing the preferences and behaviour of wine tourists in Europe, but again these studies are conducted in specific regions with a dearth of wine tourism. France, one of the most renowned wine producers, is well known for its wine, but accessibility to cellar doors is somewhat lacking when compared to other major players particularly in "new world" countries.

Sampaio (2012) created a conceptual model of consumer behaviour and motivation that built upon the stream of research that posits that the experience is broader than simply wine and is driven by personal development (Beames, 2003). There are other models as

well, which are summarized by Zhang and Qiu (2011). There is value in being able to understand the wine tourism process, even in an abstract format. However, Charters and Ali-Knight (2002) and Weiner (2000) suggest that understanding the behaviour of wine tourists is critical to wine tourism management. Lee and Chang (2012) declare that marketing of wine tourism is essential for its success.

The question exists as to whether there is a holistic understanding of what drives visitation so that this marketing can be more focused. Cohen and Ben-Nun (2009) used factor analysis and best-worst to isolate the attributes that drive wine tourism. O'Neil and Charters (2000) and Jaffe and Pasternack (2004) addressed service quality perceptions. Marzo-Navarro and Pedraja-Iglesias (2010) looked at profiling user groups.

This paper focuses on one particular segment, local domestic visitors in France. The notion of winery visitation, specifically, investigating the benefits that potential visitors expect from a winery visit, is explored. The main objective of this paper is to examine the preferences of potential winery visitors regarding different winery package tours. There is not a theoretical model that supports this study. Rather an empirical approach is taken in an effort to provide a strong managerial contribution to the development of wine tourism in the sector investigated.

3. METHODOLOGY

A discrete choice experiment was designed to determine the relationship between the benefits of varied combinations of wine tourism features, by asking respondents to choose their most preferred experience from a set of package tours (or "bundle of benefits"). A Conjoint Based Experiment (CBE) was applied to establish the ideal wine tourism package for French (domestic) visitors in the Loire Valley. Each participant received 20 choice tasks, and in each choice task respondents were asked to select their most preferred "wine tourism package", out of a set of 4 packages.

Each wine tourism package consisted of 4 features and each feature contained 3-4 options ('levels'). The attributes and levels that comprise them are listed in Table 1 below.

Table 1: Attributes and Levels Chosen

Minutes to Travel to Destination	Number of Winery Visits	the Purpose of Visit	Lunch Option
30	1	Recreation	Restaurant
60	2	Education	Bakery
90	3	Wine Purchase	Picnic
120	4		

These attributes and levels were chosen based on a larger research program addressing wine tourism in this region. Both qualitative, depth interviews, and quantitative best-worst scaling, research methodologies were conducted to isolate key issues for wine tourism in the region investigated. The time to travel to the region was selected in line with realistic travel times to the varying wine regions adjacent to the city where this research was conducted. The number of visits is in line with declarations from those who have engaged in wine tourism activities. The purpose of the visit was chosen, as there appears to be some confusion amongst French tourists as to the perceived value of a winery visit. Finally, due to the fact that cellar doors are closed during lunch, dining options were included and the levels were established in line with the availability in the region and to address the various culinary and budgetary preferences of French domestic wine tourists.

Four options representing different combinations of wine tourism packages were presented to respondents. Each package tour consisted of one level from each of the four attributes. These levels were randomised across questionnaires generated by the Sawtooth Software's Choice-Based Conjoint Software (Sawtooth Software, 2000). This software has an algorithm which insures that each level of each attribute appears equally across the questionnaires, and that a specific combination would not appear more than once in the same questionnaire. In addition 10 versions of the experiment were prepared to account for ordering and placement effects. An example of a choice task is depicted in Figure 1 below.

Figure 1: Sample Choice Task

Assuming you are interested to visit a winery, the visit includes a winery tour and additional options. Which one of these packages would be your most preferred?

Travel time to destination 90 min	Travel time to destination 60 min	Travel time to destination 120 min	Travel time to destination 30 min
4 visits	1 visit	2 visits	2 visits
Recreation	Buying wine	Education	Education
Eating at bakery	Picnic	Eating at restaurant	Eating at bakery
1	2	3	4

The above choice set example is a translation into English. All aspects of this program were conducted in French. Recruitment was conducted by French speaking Masters' students in a European wine program. The data was collected by a team of six people who spent 1 week positioned around various populated shopping districts in the city. In addition, students from the University were targeted as well. Only subjects aged 18 and above were allowed to participate in this survey. In addition to the choice analysis, the questionnaire included demographic and behavioural questions regarding wine drinking frequency and wine involvement using a Likert-type scale. The subjects were asked to answer three questions related the importance of wine to their lifestyle: 1) I am very interested in wine; 2) Wine has an important place in my way of life; 3) I gain pleasure from consuming wine. Respondents were classified into two wine involvement categories based on the sum of the scores of the three questions: "high involved" and "low involved" (Aurifeille et al., 2002; Lockshin and Cohen, 2011). The median value of the sum of scores is the cut point for the involvement classification. The subjects were also classified into two categories of wine drinking frequency: "low" (once a week or less) and "high" (twice a week or more) wine drinking frequency.

A logit analysis was carried out in order to estimate the main effects of the choice attributes, using the Sawtooth Software Choice-Based Conjoint multinomial logit program (Sawtooth Software, 2000).

4. RESULTS AND DISCUSSION

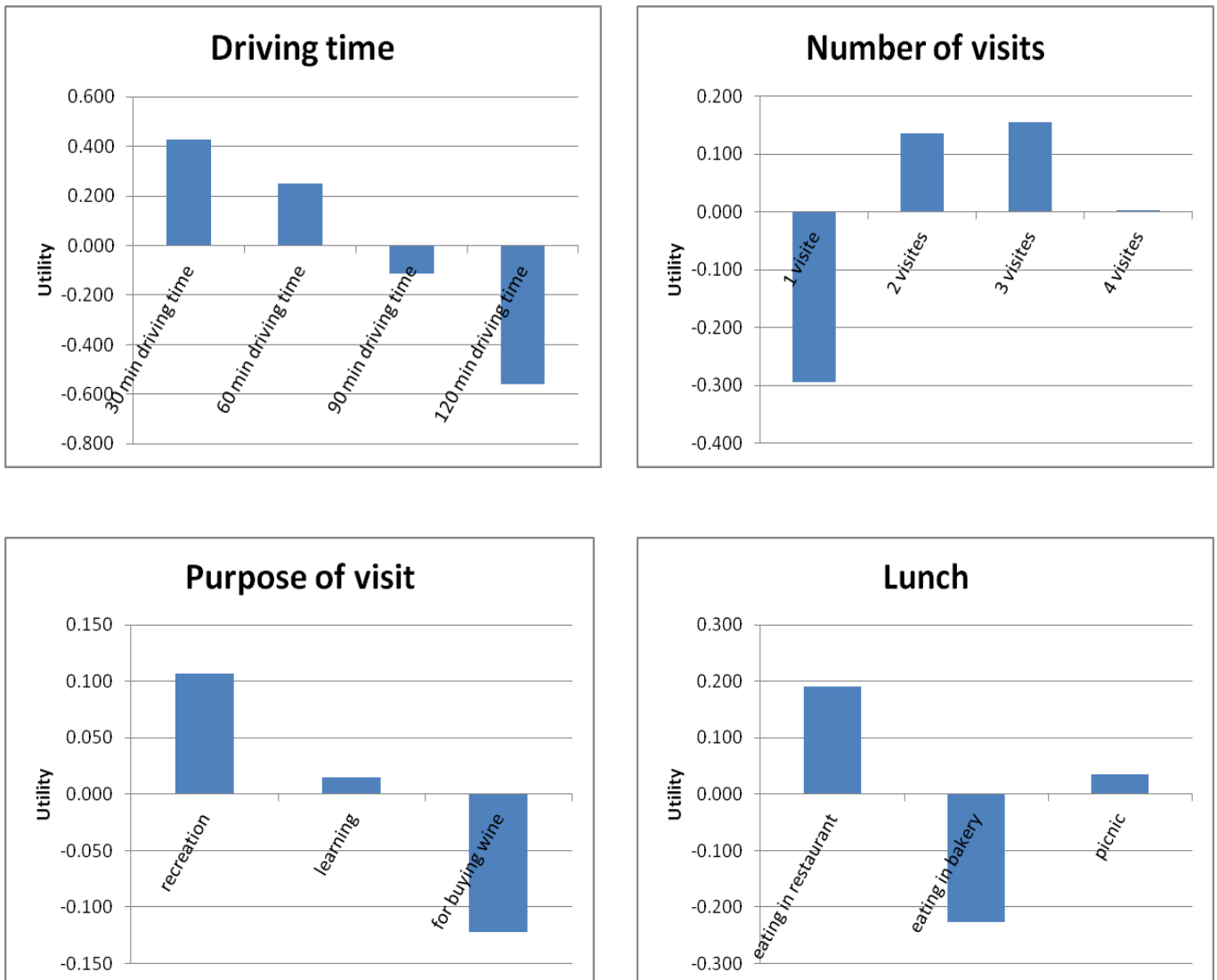
A total of 189 usable questionnaires were collected. The characteristics of the sample are presented in Table 2 below.

Table 2: Sample Characteristics (n=189)

	Frequency	%
<u>Gender</u>		
Male	88	46.6
Female	101	53.4
<u>Age</u>		
Young 18-24 years	90	47.6
Adults over 24 years	99	52.4
<u>Wine Involvement</u>		
Low involved	87	46.0
High involved	102	54.0
<u>Frequency of drinking wine</u>		
Once a week or less	92	48.7
More than once a week	97	51.3
<u>Income</u>		
below the average national income	110	58.2
above the national average income	79	41.8
<u>Education</u>		
High school	44	23.3
University	145	76.7

The conjoint based experiment responses were used to measure the utilities of each attribute and level for the whole sample. The results are presented in the collection of bar graphs presented in Figure 2 below.

Figure 2: Utilities of Wine Tourism Visits

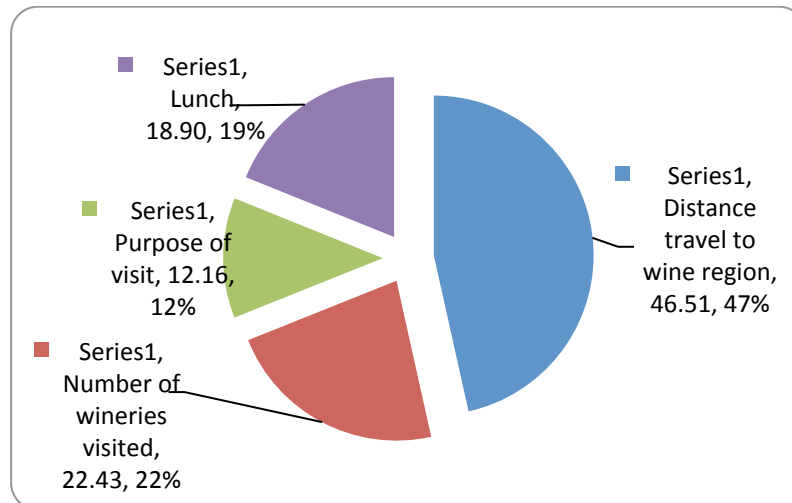


It is clear that subjects display a preference for shorter driving time (30 minutes) with a negative effect viewed for time beyond 60 minutes. This is logical as the city where the data was collected has well known wine regions only 30 minutes away, but also provides valuable insight in that the regions located beyond 60 minutes from this city who are currently engaged in wine visitation promotion with the local tourist authority are facing a challenge. One winery visit is considered significantly negative. This is somewhat surprising as a visitation at a cellar door can take nearly two hours if a full visit and tasting occur. There are also many other tourism options in these regions such as visiting Châteaux so clearly winery visits are viewed as a potential full days trip. There is a preference for multiple visits (2-3 visits). A possible explanation of the indifference to 4 visits could be that this is not possible because it is common in France to have a lunch break and the wineries might be closed. This result shows promise in the desire for full day wine tourism activities with the preference for multiple visits. Recreation has a strong positive utility while buying wine was significantly negative. This poses as a barrier to wineries who struggle to get their wines listed at hypermarkets in France due to their limited production. New world wine countries do utilise cellar door sales as a method to

sell stock and increase profitability. It seems that there could be benefit in attempting to educate wine tourists on the value of purchasing at the cellar door. Finally, eating at restaurant has the highest utility while eating at bakery was considered significantly negative. Despite the apparent aversion to buying wines, spending money on a sit-down meal is attractive to potential wine tourists as opposed to a frugal lunch of a sandwich purchased at a bakery.

The average importance of the winery tour attributes are depicted in Figure 3 below.

Figure 3: Average Importance of Winery Tour Attributes in Winery Tour Packages

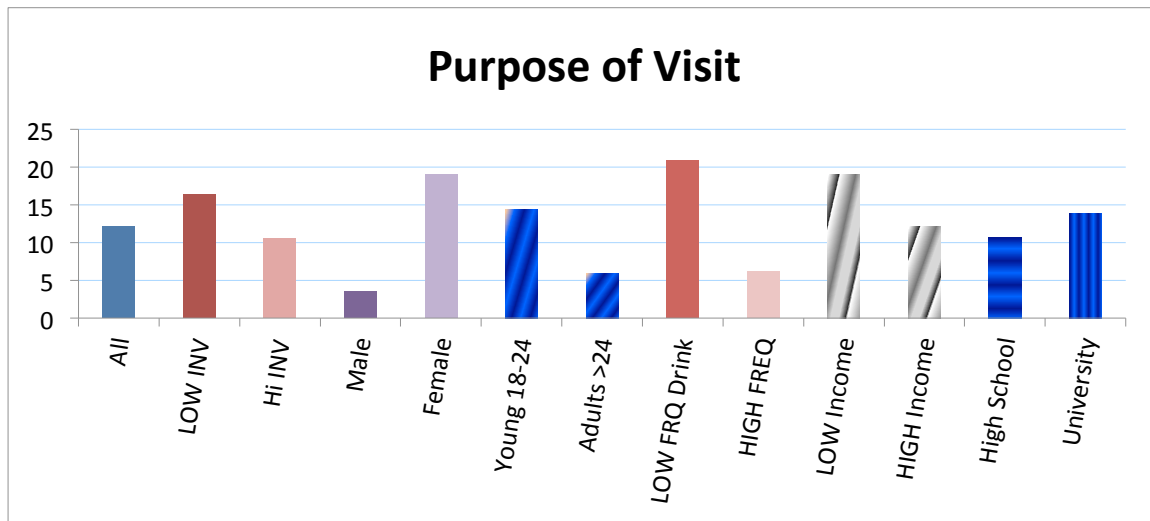


It is clear that driving time to the wine region is the most important attribute (47%) followed by number of winery visits and eating lunch (22% and 19% respectively). The purpose of the visit was the least important. This is valuable information in that it is clear that the functional components of the tour packages (i.e. driving time and number of visits) account for about 2/3 of the decision making process.

The same analysis was then performed separately for different segments: gender (male, female), age (18-24, 25 years old and above), wine drinking frequency (low, high), wine involvement (low, high), education (high school, University) and income (below the average national income and above the average national income). The decision whether any improvement in the model was observed through segmentation was based on the amount of improvement in the log likelihood for the segments comparing to the total sample. The total log likelihood of the whole sample (LL0) was subtracted from the sum of log likelihood for each of the split samples (LL1). The total $[2*(LL1)-(LL0)]$ is distributed as a chi-square (Louviere *et al.* 2000). Significant improvement was observed using the segmentation based on all segmentation criteria presented in Table 2. However, it is not possible to compare utilities across different experiments (Louviere, et al., 2000) but the relative importance of the features and the ranking of the “levels” of each attribute could be compared.

Differences of the relative importance of the visits attributes were observed between several segments. Although the “purpose of the visit” was considered as the least important feature, there were considerable differences between segments and the most appropriate vehicle to demonstrate the added value of this technique. This is displayed in Figure 4 below.

Figure 4: Average Importance of the Purpose of Visit by Different Segments



For the purpose of visit 'recreation' presents significant positive utility for low involved visitors, female, young visitors, low frequency wine drinkers and low income while 'buying wine' show significantly negative utilities for these segments. Insignificant differences are observed between low and high wine involved visitors, male and female, young and adults, low and high frequency drink wine, low and high income and education segments for 'learning'.

6. CONCLUSIONS AND LIMITATIONS

From a marketing and managerial point of view, it is important for wineries to identify the most attractive wine tourism package to appeal to visitors. The reach is broad with benefits to the entire community as these potential visitors will utilise other facilities and inject needed income into these rural areas.

The findings elicited from this research are of moderate value to the sub-regions of the Loire Valley in France encompassed in this research. A greater understanding of the interest, preference and value of the main components of wine visitation can assist the regional tourism authority in the promotion of wine tourism to local domestic visitation. Furthermore, the methodologies applied can be replicated on a France wide or international sample if marketing campaigns to target these demographics are developed. Obviously, this could be expanded to the entire country or even a European Union level to establish how to encourage wine tourism across Europe. Generalisation of this study is limited because of the number of respondents and their demographic properties. Conclusions should not be extrapolated to the whole population. Other attributes might influence potential visitation decisions and should be taken into account and examined in the future under a full industry funded project. The current research is exploratory and designed to demonstrate the value of the application of such methodologies.

Wineries should be aware of competition that might exist within the broader region and particularly the pull of non-wine related activities. It is necessary to build alliances with other tourist operators and services providers (restaurants, accommodation, etc.) in the region and offer a 'bundle of activities' with various attractions, instead of relying on a single winery tour. Success will be based on mutually beneficial marketing activities and individual businesses should focus on developing salience for their particular sub-region to draw interest and tourist visitation.

On an individual level, wineries must acknowledge the value of wine tourism. Understanding how their particular offer fits amongst the preferences of potential wine tourists is imperative. Obviously, there is nothing that can be done to deal with the distance to travel for a visit, but this can be taken into consideration in the types of value-added services provided at the cellar door or in partnership with other local businesses in an effort to draw interest.

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