

## **“A Presentation of the Primary Research on Visitation to Wine Festivals and Wineries in British Columbia”**

**Dr. Blair Baldwin J.D./M.B.A./B.A. Honours**

The Okanagan School of Business at Okanagan College, Kelowna, British Columbia, Canada  
[http://www.okanagan.bc.ca/Programs/Areas\\_of\\_Study/Business.html](http://www.okanagan.bc.ca/Programs/Areas_of_Study/Business.html)

### ***I. Caveat***

This summary conforms to the request of Dr. Gergely Szolnoki for a summary of the paper and does not contain detailed appendices of the primary research findings nor the survey design or list of wineries and events used as venues for the interviews. These are available if required.

### ***II. Introduction & Background***

The Okanagan Valley in British Columbia, Canada, is recognized for its successful wine industry and one of its success stories has been the development of a wine tourism sector that is attracting wine tourists. The wines being produced have contributed to the increased tourism for the Okanagan Valley but it is also recognized that Festivals and events attract destination tourists. The wineries of the Okanagan have collaborated to market themselves through the Okanagan Wine Festivals Society – a not for profit entity that is responsible for the development and management of a series of Okanagan Wine Festivals to market the region as well as Signature Wine Events outside of the Okanagan Wine Festivals where opportunities to promote the region’s wineries are presented.

The Okanagan Wine Festivals Society (“OWFS”) is headquartered in Kelowna, British Columbia and has a membership of 119 wineries and 40 tourism partners ([www.thewinefestivals.com](http://www.thewinefestivals.com)). The OWFS has created three 10 day wine festivals. The Spring Okanagan Wine Festival will enter its 20th year in 2014. It comprises an 80 plus event festival over 10 days that kicks off the main tourism season in the Okanagan on the first two weekends in May. It cross promotes heavily with the Okanagan golf tourism industry since Albertans are heavily attracted to the Okanagan for golf and wine. The Summer Signature Events Series comprises a number of different one time “wine and food” events in partnership with other organizations that also target a similar wine and food tourist. Currently, two partnerships exist with Silver Star Mountain Resort and the Okanagan Pride Society. The Fall Okanagan Fall Wine Festival will enter its 34th year in 2014 and has been ranked for over 13 consecutive years as one of the Top 100 Events in North America (American Bus Tour Association 2014). It offers over 150 events during the 10 days leading up to Thanksgiving. The Winter Okanagan Wine Festival at Sun Peaks Resort near Kamloops will enter its 17<sup>th</sup> year in January 2015 and has gained a reputation as an intimate gathering of wine education, fine cuisine and winter recreation.

### ***III. Research Problem***

The OWFS does not have adequate information on customers that visit wineries outside of a Wine Festival and it also does not have accurate information on its customers that come to visit each of its Okanagan Wine Festivals. It requires this information to make more informed decisions.

#### ***IV. Research Objectives & Purposes***

The purpose of the research is to advance the knowledge about visitors to wine festivals & wineries in British Columbia. The objectives of the research are: to gather information regarding tourists that visit wineries in the Okanagan both during an Okanagan Wine Festival and outside of an Okanagan Wine Festival; to identify visitor demographics, geographic origins, expenditure data and marketing influencers that motivate tourists to visit a winery in the Okanagan and to attend an Okanagan Wine Festival.

#### ***V. Research Methodology and Design and Approach***

The research methodology comprised primary research only conducted over the course of 12 months between September 2012 and August 2013. The research sample size comprised 981 personal interviews. An original survey was created to address the research problem. The research was conducted using a customer intercept method. It occurred at a sample of wineries in each appellation of the Okanagan Valley during the Winter Okanagan Wine Festival, the Spring Okanagan Wine Festival, and the Fall Okanagan Wine Festival. In addition, surveys were carried out at the same wineries outside of each Okanagan Wine Festival during the peak summer tourism season. The variation in location and timing of the survey implementation was an intentional attempt to balance the objectives of obtaining a high response rate as well as collect data from an appropriate distribution of the varieties of customers that visit Okanagan wineries and the Okanagan Wine Festivals.

Primary data collected from the survey was used to create and analyze information and formulate implications regarding the spending distribution, demographics and other components relevant to the knowledge of tourists that will help the OWFS make more informed marketing decisions.

#### ***VI. General Outcomes for Findings***

The results of the primary research provide useful new information about patterns of the visitors to the Okanagan both during the Okanagan Wine Festivals and during the peak summer tourism season. The information has allowed implications to be derived to assist the OWFS and its member wineries when making decisions about marketing strategies as they relate to the Okanagan Wine Festivals and for Signature Events to promote this tourism sector. The information offers practical implications including the importance of segmentation, targeting and positing of the Okanagan Wine Festivals as well as the allocation of resources to the integrated marketing communications strategy.

#### ***VII. Summary of Main Findings & Implications***

The following is a summary of the main findings of the primary research as presented to the Okanagan Wine Festivals Society at its 2014 annual general meeting of 119 wineries and 40 tourism partners as well as to the British Columbia Wine Institute and to the Government of the Province of British Columbia:

- A. Destination wine tourists spent significantly more on winery visits than Okanagan resident respondents. Destination wine tourists spent an average of \$473.68 (Cdn) per person per winery trip. Okanagan residents spent an average \$119.79 (Cdn) per winery trip. Along with the economic impact study of the wine tourism industry in the Okanagan (Okanagan Wine Tourism Industry Economic Impact Report; Baldwin; Okanagan College 2014), that valued the direct economic impact of wine tourism at \$80 million (Cdn) annually, this demonstrates that wine tourism is a significant tourism sector for the province of British Columbia. The direct spend also demonstrates the importance of promoting wine festivals and events, the importance of promoting wine touring to visit retail wine shops, and the importance of developing accommodation packages to attract destination tourists.

- B. Wine tourists are highly educated, earn high incomes, and are generally comprised of Generation X and Baby Boomers. The Okanagan Wine Festivals were found to draw in a significantly younger crowd than those only visiting wineries.
- C. The importance of culinary tourism and wine tourism is growing as demonstrated by the statistics showing the discretionary spend on wine sales and food purchases as well the importance of accommodation for destination wine tourists. Data collected also discloses that those wineries that have invested in food service are generating a positive economic impact and encourage visitors to stay longer, spend more and try more wines at the winery.
- D. The average party size for customers attending all venues was 2 (two), often couples on a date. This is important for the wineries and the Okanagan Wine Festivals to make informed choices on their messaging to attract customers and for the types of media selected as part of their integrated marketing communications strategy.
- E. Although all adult age categories were represented by wine tourists, baby boomers were the most common age group, with 48% of wine festival respondents between 46 – 60 years, and 42% of winery respondents of the same age. The greatest difference between the age distribution of wine festival and winery respondents was that wine festivals tended to have a greater representation of younger age groups (49% of festival respondents 19 – 45 years versus 39% for wineries), while wineries tended to have a greater proportion of senior customers (19% of winery respondents 61+ versus only 3% for festivals).
- F. Wine tourists possess high levels of education. More than half of respondents from both types of venue claimed to have successfully completed at least four years of post-secondary education. One main implication from this finding is that the events must largely create a level of innovation to keep these wine tourists loyal and a degree of interaction is typically desired by affluent well educated tourists who have the income to travel and want authenticity.
- G. Wine festival customers are equally balanced between destination tourists and regional residents. This indicates the critical importance to the Okanagan Wine Festivals of ensuring it equally targets regional residents and destination tourists as part of its overall strategy.
- H. Most respondents planned to stay in the Okanagan between 1 (one) and 4 (four) nights. 26% of winery customers planned to stay in the Okanagan for 5 (five) nights or more, while only 6% of wine festival customers planned to do the same. The length of stay is important to the Okanagan Wine Festivals. This finding implies that wine festivals attract wine tourists for overnight stays and is a reason for accommodators to become involved with the wine festivals.
- I. The cities of Kelowna and Penticton proved to be the main areas in which destination tourists plan to stay overnight.
- J. Most winery customers were interested in wine tasting/purchasing, and often chose a specific winery based on winery location and reputation. Price was less of a reason why customers decided to choose one winery over others. The other main reasons for visiting a winery included the recommendation of a friend/family decision; wanting to taste a favorite wine or wanting to attend a winery event. For the wineries, this shows the growing importance of maintaining a strong positive reputation, being authentic, and creating strong service skills. For the Okanagan Wine Festivals Society, it also highlights the growing importance of winery members needing to create innovative events at their wineries.

- K. The awareness of the Okanagan Wine Festivals indicates an opportunity to build loyalty which encourages the concept of customer database development and the need to inform customers of new events.
- L. The high percentage of new customers to events at the Okanagan Wine Festivals indicates that the Okanagan Wine Festivals shows the industry is still in its infancy and there is room to grow demand.
- M. The main marketing influencers comprise: word of mouth from friends and family; the reputation of the organizer and the quality of events.
- N. Almost 100% of visitors to an Okanagan Wine Festival indicated they plan to attend another wine festival in the future. Data suggests that those who visit Okanagan Wine Festivals also visit more wineries outside the festivals, implying that wineries stand to gain increased visitation if they participate at an Okanagan Wine Festival.
- O. A majority of visitors who have attended an Okanagan Wine Festival event in the past year have only done so 1 (one) – 2 (two) times suggesting that the average visitor has not visited every Okanagan Wine Festival. This demonstrates that there remains an untapped opportunity to market other wine festivals to current customers.
- P. 100% of those attending an event at one of the Okanagan Wine Festivals indicated that they intended to attend another wine festival. This demonstrates the success of festival and event execution. For the OWFS, one implication is that an appropriate amount of resources must be devoted to not only event planning but to event execution.

## VIII. *Primary Research Main Results*

The following is a summary of the primary research results consolidated from the main report.

### A. **Distribution of Spending at Wineries**

Winery survey respondents were asked what they tended to spend in a day on average at wineries on the categories listed below.

*Chart 1: Spending Allocation of Winery Visitors (Pie Chart)*



## Purpose

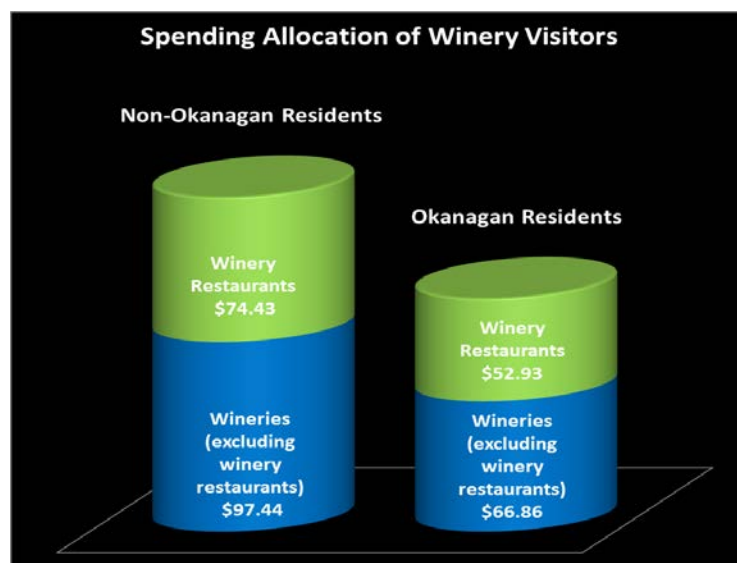
This chart shows an averaged allocation of what survey respondents claimed to be the amount of dollars spent on the listed categories, separated by residency location.

## Conclusions

Winery survey respondents who happened to reside outside the Okanagan spent much more on winery visits than did Okanagan resident respondents. Destination wine tourists spent an average of \$473.68 (Cdn) per person per winery trip. Okanagan residents spent an average \$119.79 (Cdn) per winery trip. In addition to spending more on their winery visits, non-Okanagan residents created the additional economic impacts of spending on accommodation and other general expenses which would not had been made without their travel to the region. Okanagan resident respondents spent an average of \$66.86 (Cdn) when visiting Okanagan wineries (excluding winery restaurants). Residents also spent an average of \$52.93 (Cdn). These destination tourist spending estimates are quite high supporting the conclusion that wine tourism is a very significant tourism sector. Non-Okanagan resident respondents spent a daily average of \$97.44 (Cdn) when visiting Okanagan wineries (excluding winery restaurants. Non-residents also spent an average of \$74.43 (Cdn) when visiting winery restaurants.

Non-residents spent a nightly average of \$142.21 (Cdn) on accommodation while in the Okanagan. Non-residents spent \$159.61 (Cdn) on a combination of transportation, general shopping and food during their stay in the Okanagan.

*Chart 2: Spending Allocation of Winery Visitors*



## Purpose

This chart shows an averaged allocation of what survey respondents claimed to be the amount of dollars spent on the listed categories, separated by residency location. This column chart was made from the same data as the previous pie chart (excluding extra spending made by non-Okanagan residents), but done so in a different style to accentuate the absolute dollar amount, rather than percentage differences.

## Conclusion

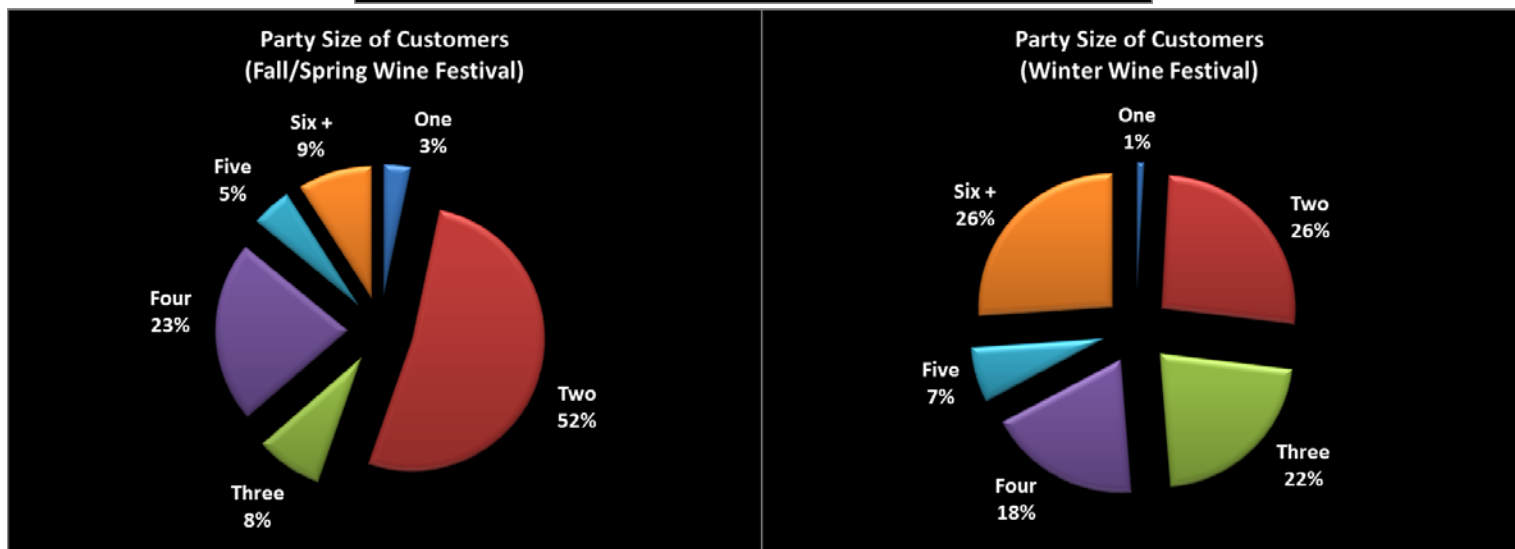
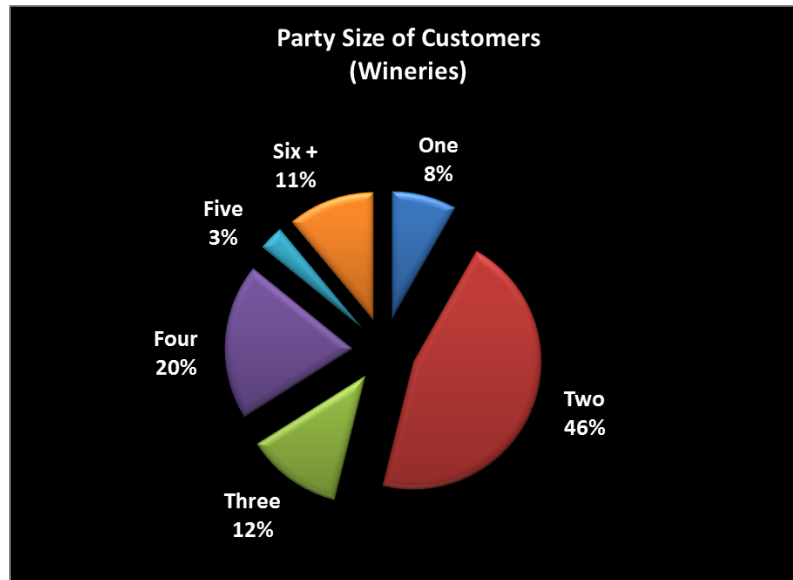
This chart shows that non-Okanagan residents spent more per winery visit than did Okanagan residents. However, this chart does not address the number of times individuals visit Okanagan wineries. It may be that locals visit wineries more often. What is evident is the importance of culinary tourism to the wineries.

## B. Demographics

### Party Size

Respondents were asked how many individuals were in their party.

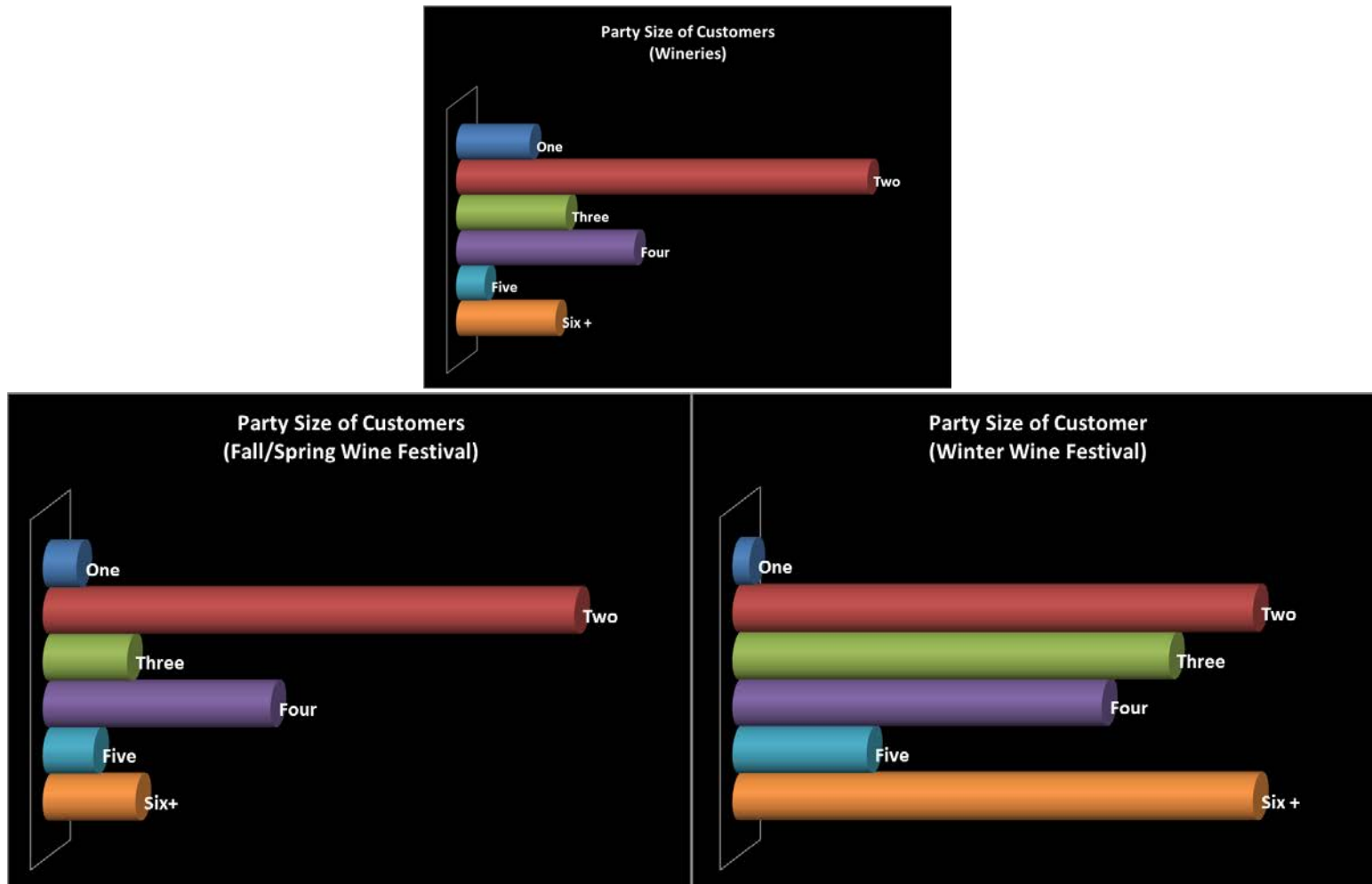
*Chart 3: Party Size of Customers (Pie Chart)*



### Purpose

This chart shows the percentage breakdown of party size of survey respondents separated by venue.

*Chart 4: Party Size of Customers*



### **Purpose**

This chart shows the difference in party sizes of survey respondents separated by venue. This column chart was made from the same data as the previous pie chart, but done so with a different style to accentuate the number of responses for each size category, rather than by percentage.

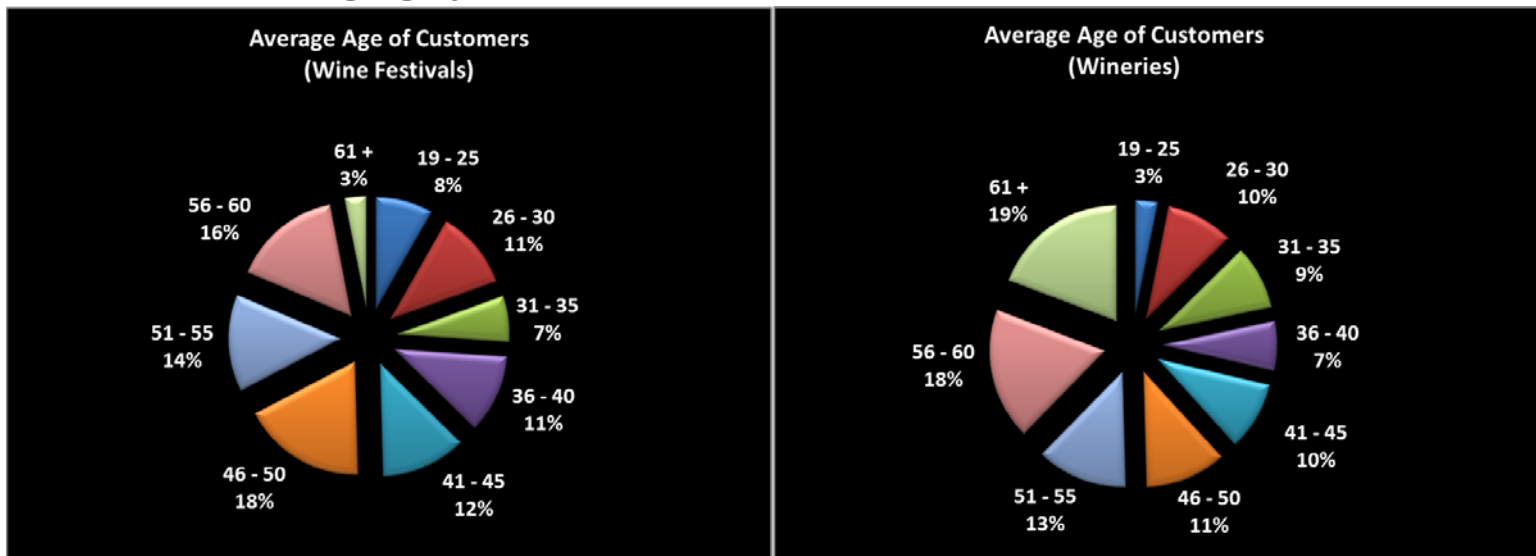
### **Conclusions**

It was discovered that the most common party size for customers attending all venues was 2 (two), often couples on a date. Party size at the Winter Wine Festival in particular deviated from the pattern of the other venues, mostly because of a relatively higher percentage of large parties and parties of three. This difference in party size reflects the unique group atmosphere for which the Winter Wine Festival at Sun Peaks is known.

## Age

Respondents were asked to give an average age for the party they were with at the time.

*Chart 5: Average Age of Customers*



## Purpose

This chart shows the average age of the parties of survey respondents, separated by venue.

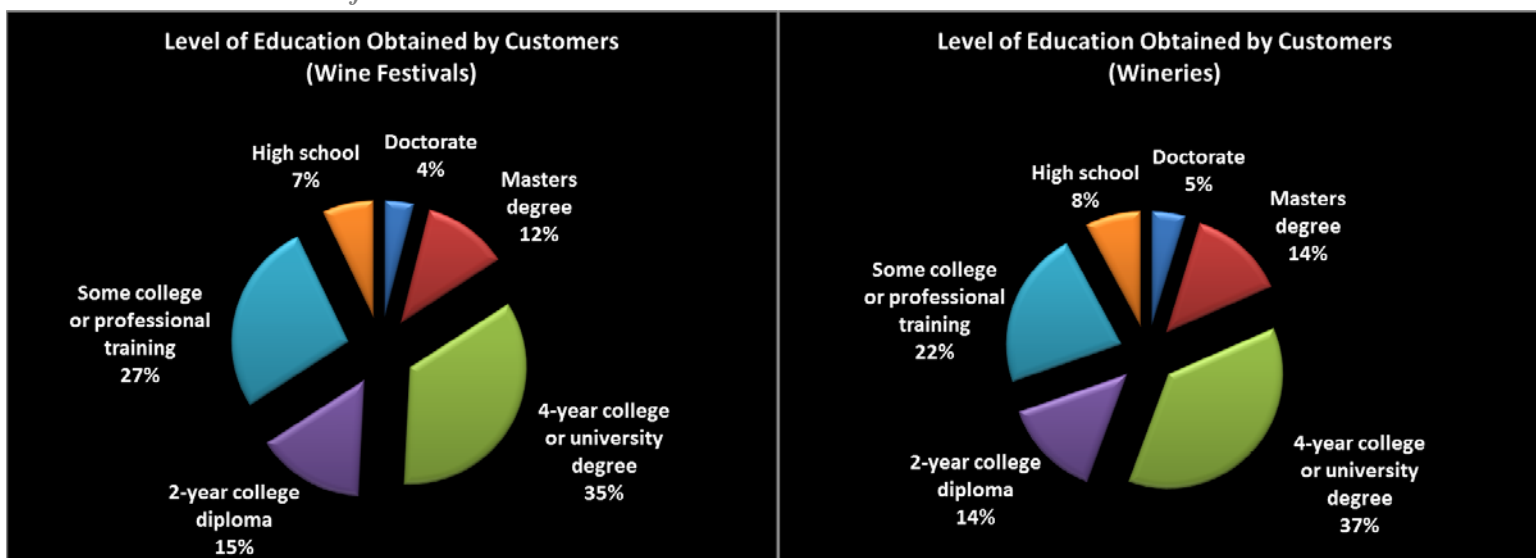
## Conclusions

Baby boomers were the most common age group, with 48% of wine festival respondents between 46 – 60 years, and 42% of winery respondents of the same age. The greatest difference between the age distribution of wine festival and winery respondents was that wine festivals tended to have a greater representation of younger age groups (49% of festival respondents 19 – 45 years versus 39% for wineries), while wineries tended to have a greater proportion of senior customers (19% of winery respondents 61+ versus only 3% for festivals).

## Education

Respondents were asked how much education they have thus far completed.

*Chart 6: Level of Education Obtained*





### **Purpose**

This chart shows the levels of education obtained by survey respondents, separated by venue.

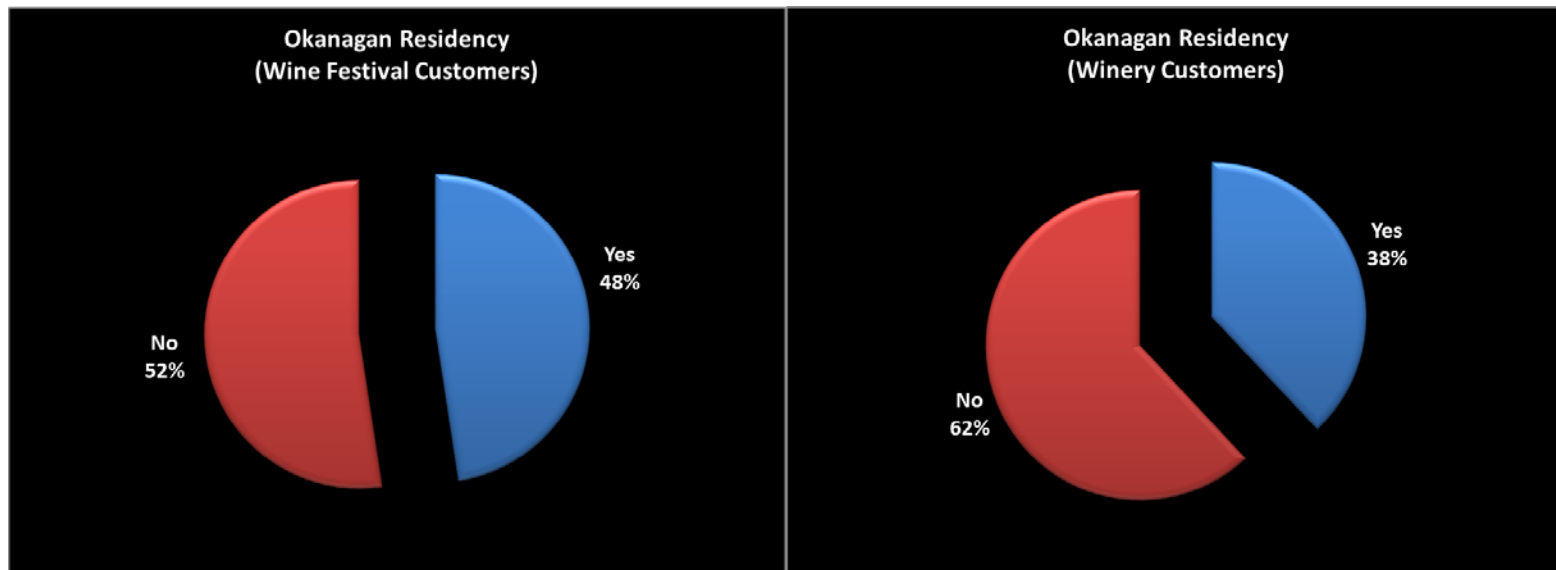
### **Conclusions**

Relatively high levels of education were claimed by survey respondents compared to the general public (The Conference Board of Canada, 2007). For example, more than half of respondents from both types of venue claimed to have successfully completed at least four years of post-secondary education. .

### **C. Okanagan Residency**

Respondents were asked whether or not they live in the Okanagan.

*Chart 7: Okanagan Residency*



### **Purpose**

This chart shows the percentage of survey respondents claiming to be residents of the Okanagan, separated by venue. A 'No' answer indicates non-Okanagan residency.

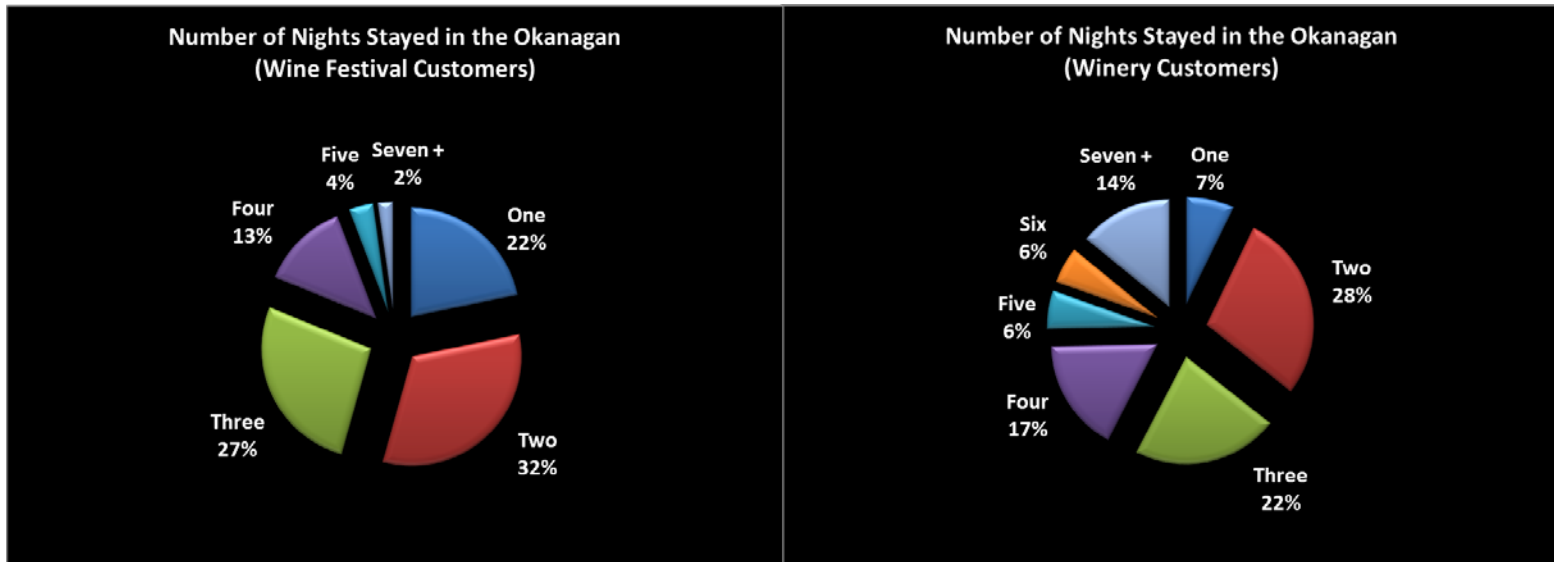
### **Conclusions**

Wine festival customers were slightly more likely to be Okanagan residents than winery visitors. However, non-Okanagan residents made up the majority of customers at both venues. This indicates the critical importance to the Okanagan Wine Festivals of ensuring it equally targets regional residents and destination wine tourists to ensure its events and overall Festivals are an economic success.

### D. Number of Nights Stayed in the Okanagan

Non-Okanagan resident respondents were asked how many nights they planned to stay in the Okanagan.

*Chart 8: Number of Nights Stayed in the Okanagan*



#### Purpose

This chart shows the number of nights non-Okanagan resident respondents planned to spend in the Okanagan, separated by venue.

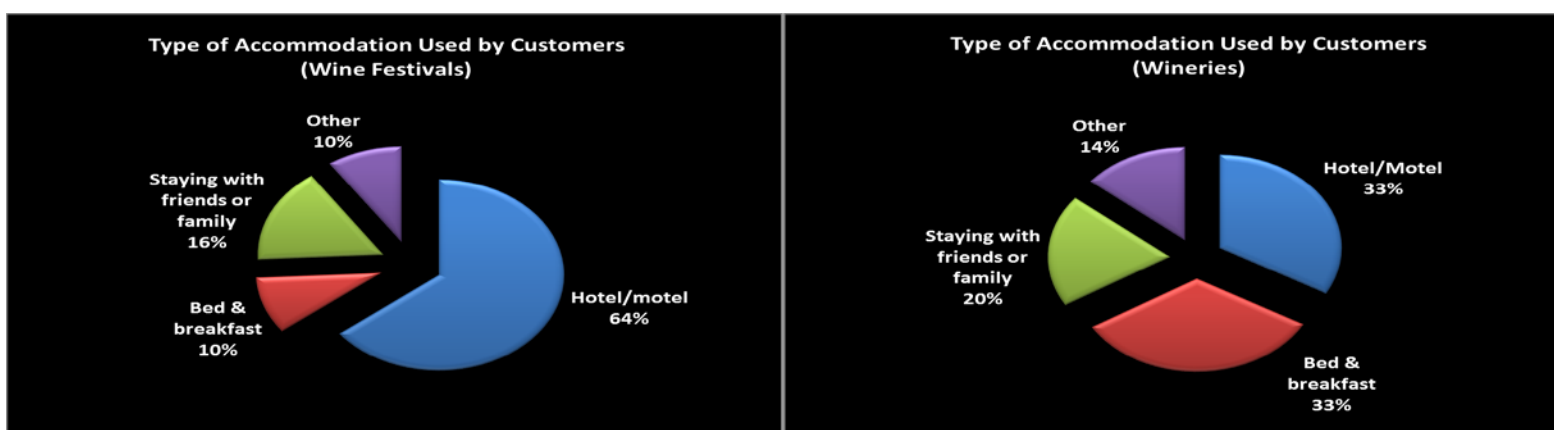
#### Conclusions

Most respondents planned to stay in the Okanagan between one and four nights. 26% of winery customers planned to stay in the Okanagan for five nights or more. The length of stay is important to the Okanagan Wine Festivals as it demonstrates that the Festivals do attract wine tourists for overnight stays and is a reason for accommodators to support this tourism sector.

### E. Type of Accommodation

Non-Okanagan respondents were asked what type of accommodation was used during their stay in the Okanagan.

*Chart 9: Type of Accommodation*



**Purpose**

This chart shows the type of accommodation non-Okanagan resident respondents used.

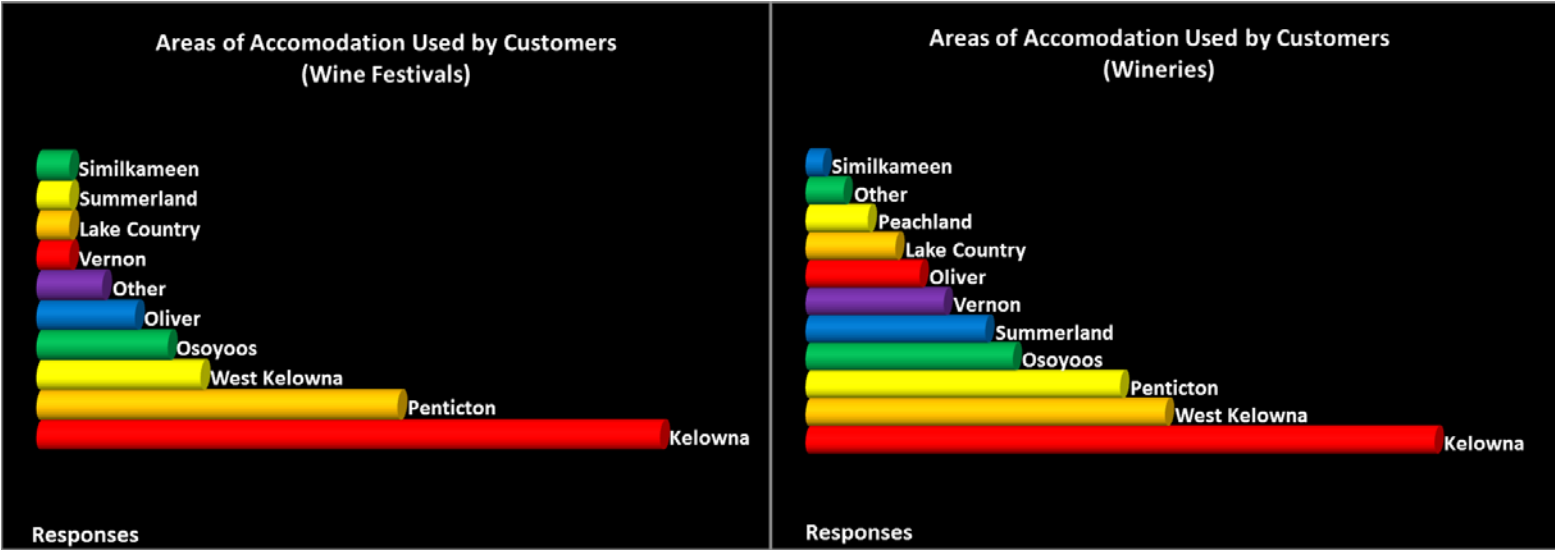
**Conclusions**

The majority of non-Okanagan resident wine festival attendees claimed to use a hotel/motel for accommodation. Non-Okanagan resident winery attendees were just as likely to use a Bed and Breakfast as a hotel/motel.

**F. Areas of Accommodation**

Non-Okanagan resident respondents were asked where they were staying during their trip.

*Chart 10: Areas of Accommodation*



**Purpose**

This chart shows the places non-Okanagan residents stayed at during their trip to the Okanagan.

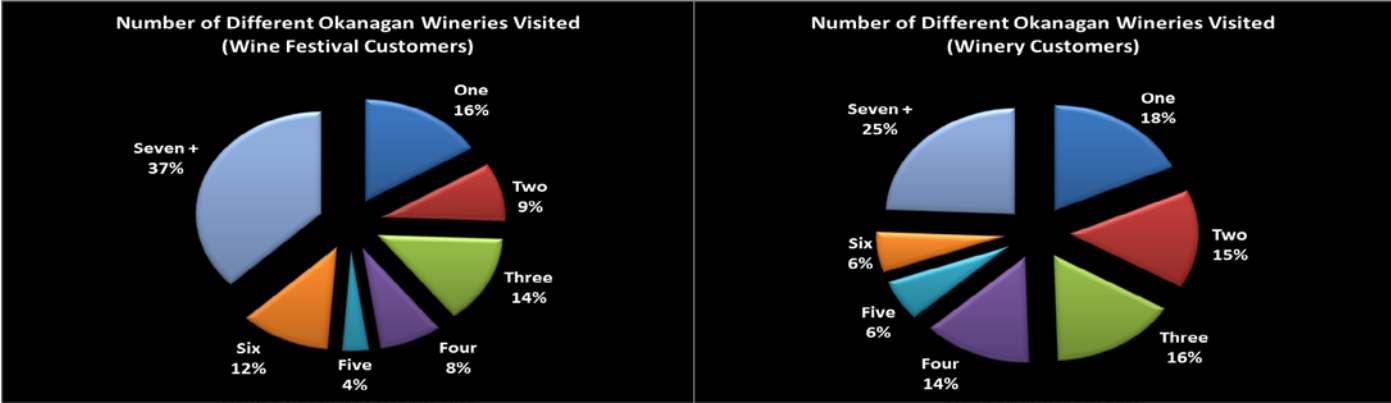
**Conclusions**

West Kelowna, Kelowna and Penticton proved to be the main areas non-Okanagan wine customers planned to stay overnight during their time in the Okanagan.

**G. Number of Different Okanagan Wineries Visited**

Respondents were asked how many different wineries they visited during the last two months.

*Chart 11: Number of Okanagan Wineries Visited*



### Purpose

This chart shows the number of different Okanagan wineries customers claimed to have visited in the two months prior to answering the survey, separated by venue.

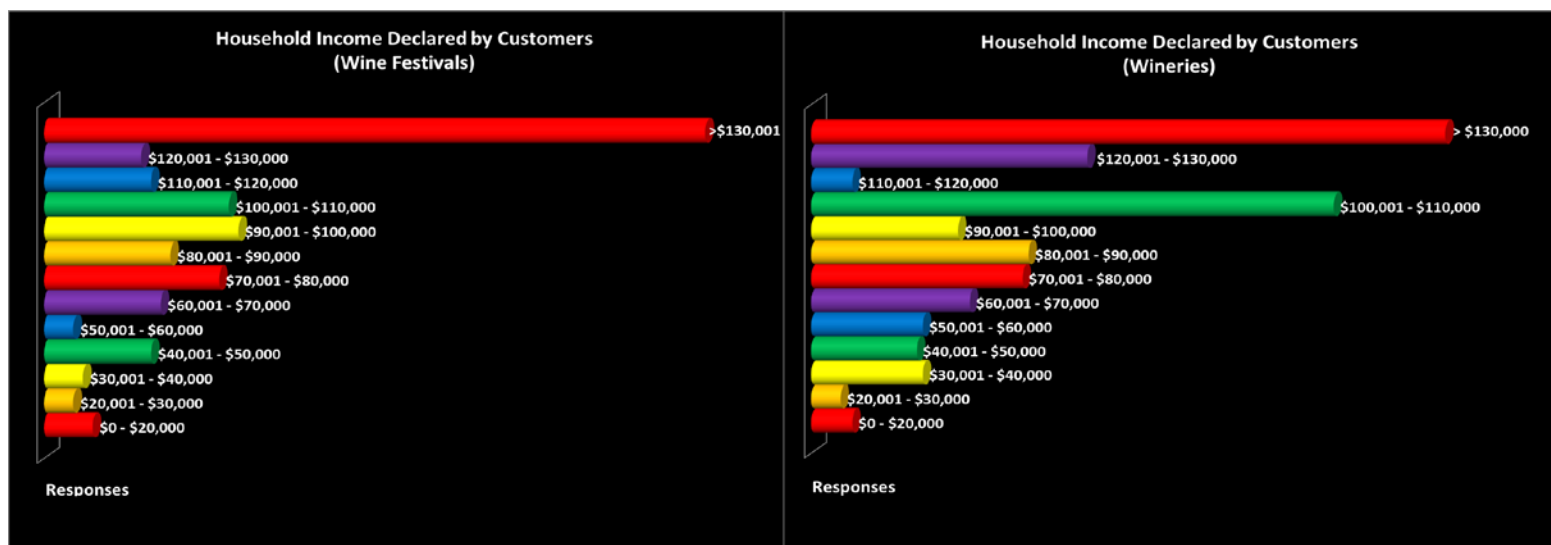
### Conclusions

A significant proportion of customers at both venues claimed to have visited seven or more different Okanagan wineries in the past two months. The higher percentage of wine festival customers that visited more than seven wineries could be explained by the Wine Festivals Passport which encourages customers to visit more wineries with the use of draw prize incentives. Most winery customers visited between one and four different wineries. It also demonstrates the higher amount of travel and winery visitation that wine tourists are willing to undertake during an Okanagan Wine Festival.

## H. Household Income

Respondents were asked how much income their household earned on an annual basis.

Chart 12: Household Income



### Purpose

This chart shows what customers claimed to be their annual household income, separated by venue.

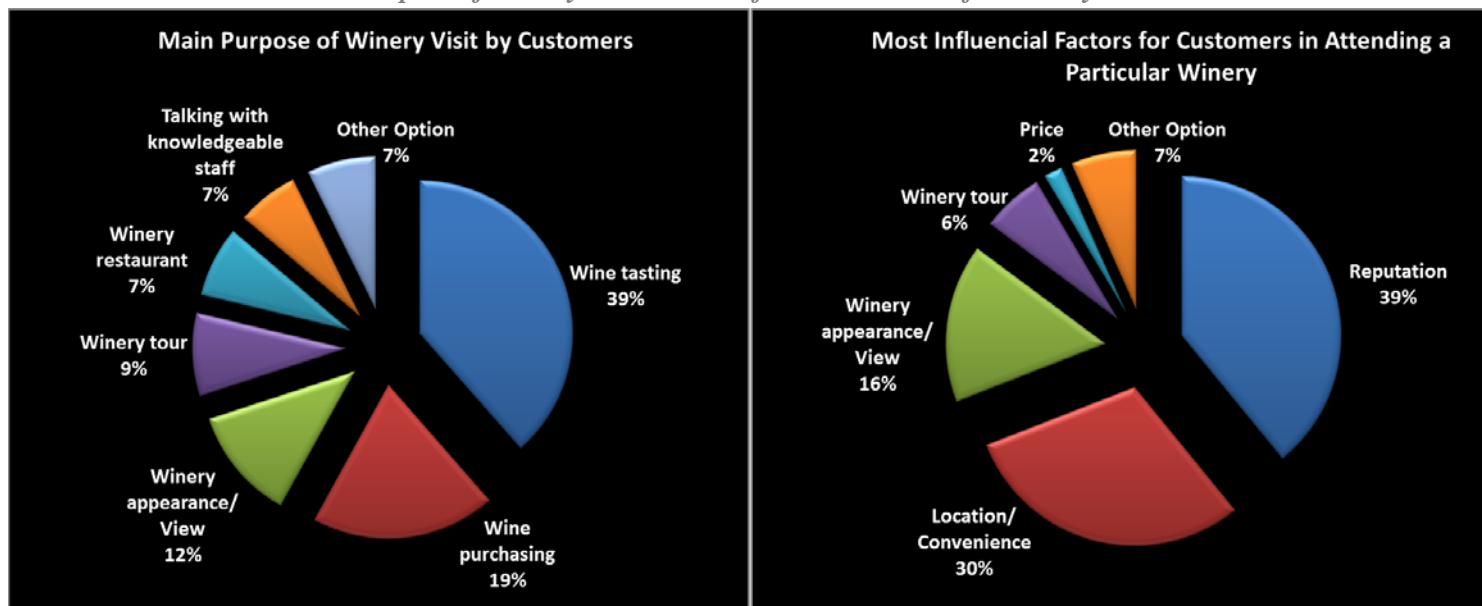
### Conclusions

Customers from both venues reported relatively high levels of income.

## I. Winery Marketing Data

Winery respondents were asked two related questions. The first dealt with their main purpose of visiting the winery; and the second question dealt with the most influential factors in attending a particular winery.

*Chart 13: Main Purpose of Winery Visit/ Most Influential Factors for Winery Attendance*



### **Purpose**

This chart shows what customers were hoping to achieve during their winery visit, as well as what drew their attention to the particular winery they had chosen.

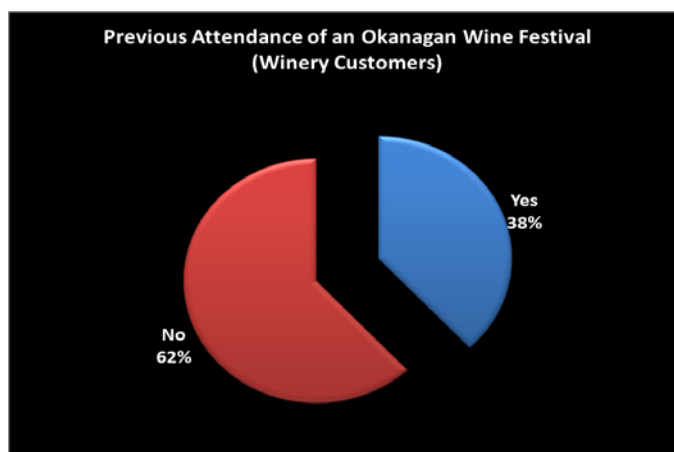
### **Conclusions**

Most winery customers were interested in wine tasting/purchasing, and often chose a specific winery based on winery location and reputation. Price was not a dominant reason why customers decided to choose one winery over others. The other option was often elaborated by the customer as being a friend/family decision, a favorite wine or a special winery event. For the wineries, this shows the growing importance of maintaining a strong positive reputation, being authentic, and creating strong service skills. For the Okanagan Wine Festivals Society, it also highlights the growing importance of winery members needing to create innovative events at their wineries.

### **J. Wine Festival Attendance**

Winery customers were asked whether or not they had previously attended an Okanagan Wine Festival in the past.

*Chart 14: Winery Customers That Have Previously Attended an Okanagan Wine Festival*



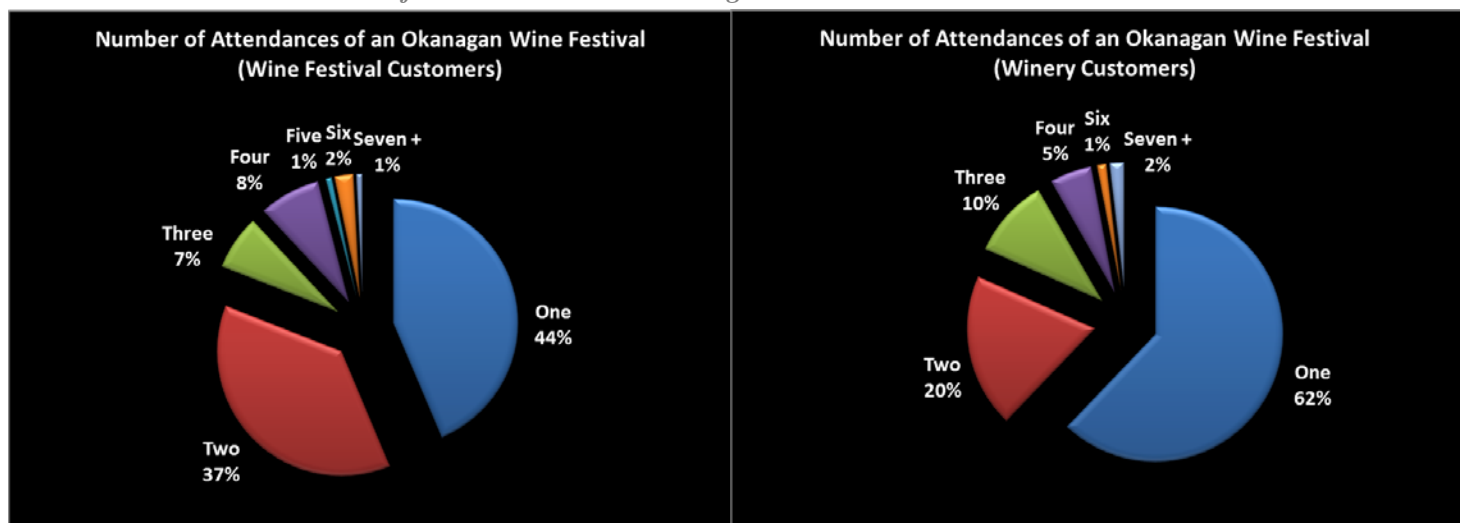
### Purpose

The above chart shows how many winery customers claimed to have attended an Okanagan Wine Festival in the past, ‘Yes’ meaning they have, ‘No’ meaning they have not. The results reveal that slightly less than 40% are loyal customers while just over 60% are new to the Okanagan Wine Festivals.

### Conclusions

Approximately one third of winery customers claimed to have attended an Okanagan Wine Festival event in the past. This can be interpreted in a number of ways. There is a strong degree of loyalty to the Okanagan Wine Festivals which is encouraging for customer database development and keeping loyal customers apprised of new developments. The large percentage of new customers indicates that the Okanagan Wine Festivals is reaching out and achieving its goal for market development of wine tourists and is attracting a new market of wine tourists. It also indicates that different segments exist that will require different messaging.

*Chart 15: Number of Attendances to an Okanagan Wine Festival*



### Purpose

This chart shows the number of times customers claimed to have attended an Okanagan Wine Festival event within the past year, separated by venue. Wine tourists who attend an Okanagan Wine Festival are more likely to attend other Okanagan Wine Festivals than those who only visit wineries.

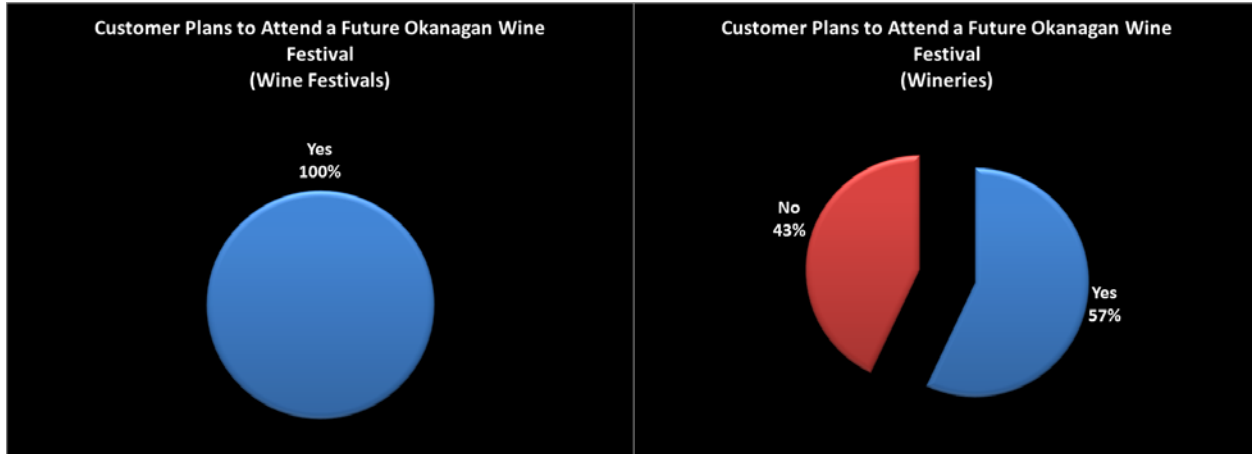
### Conclusions

Most people who have attended an Okanagan Wine Festival event in the past year have only done so one or two times, suggesting that the average Okanagan Wine Festival customer has not visited every Okanagan Wine Festival. This is positive news for “wine festivals” as it demonstrates that there is a segment of wine tourists that are more focussed on events and festivals.

## K. Future Okanagan Wine Festival Attendance Plans

Customers were asked whether or not they planned to attend an Okanagan Wine Festival in the future.

*Chart 16: Customer Plans to Attend a Future Okanagan Wine Festival*



### Purpose

This chart shows whether customers planned to attend a future Okanagan Wine Festival, separated by venue. The results indicate the Okanagan Wine Festivals customers are unanimously looking forward to returning to another Okanagan Wine Festival. The wine tourist who is visiting a winery only does have a positive response – over 50% - that they would like to attend an Okanagan Wine Festival in the future.

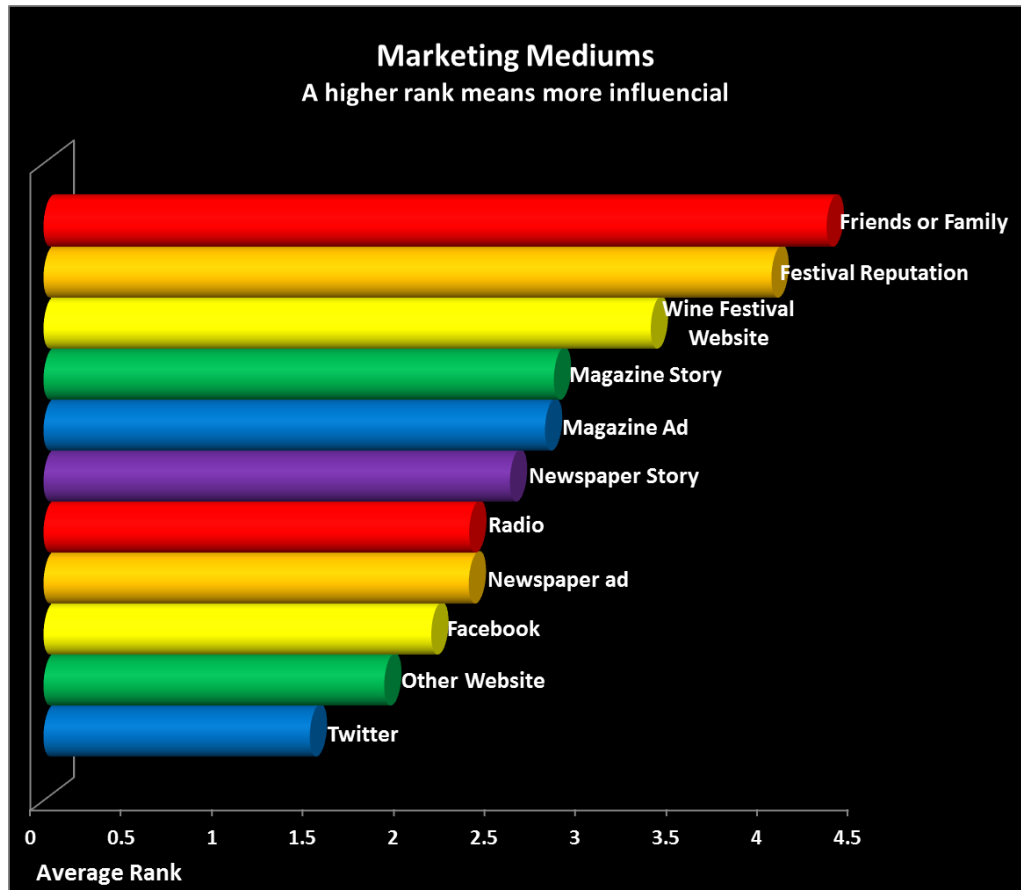
### Conclusions

Those already in attendance at an Okanagan Wine Festival unanimously claimed that they intended to attend another wine festival, while those who were asked the same question at wineries were more divided. This shows the importance of festival execution and the existence of a strong probability of repeat visitation. With the Okanagan Wine Festivals Society offering two Valley wide Wine Festivals; a winter Festival in partnership with Sun Peaks Resort Municipality; and other Signature Events, it demonstrates the importance of cross promotion to educate and attract wine tourists to attend different Okanagan Wine Festivals and Signature Events.

## L. Influence of Various Marketing Mediums, Okanagan Wine Festivals

Respondents were asked to rank various marketing mediums regarding their potential to influence their decision to attend an Okanagan Wine Festival.

*Chart 17: Averaged Rank of Marketing Mediums by Influence, Okanagan Wine Festivals*



### Purpose

This chart shows the averaged ranking of what respondents claimed to be the most influential marketing mediums regarding attendance to an Okanagan Wine Festival.

### Conclusions

A good reputation conveyed through trusted family and friends is the best way to market Okanagan Wine Festivals to individuals. This means that the execution of the Okanagan Wine Festivals events is critical to success and that an appropriate amount of resources must be devoted to not only event planning but to execution. It also demonstrates the importance of the website as a catalyst to create awareness and sales. Finally the ranking of stories on the Festivals underlines the importance of “earned” media and the efforts made to plan wine media familiarization trips need to be maintained. Social media was given the lowest ranking by survey respondents, suggesting that advertising Okanagan Wine Festivals through sites such as Twitter or Facebook are likely in the development stage.



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