

The impact of New Zealand visitation on Chinese perceptions of New Zealand wine

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Abstract:

Purpose: The aim of this paper is to explore the effect of tourism to a destination, in this case, New Zealand, on the perception of Chinese visitors to New Zealand wines. In particular, we are interested in the wine tourism behaviour of these visitors, and the effect this has on brand awareness of New Zealand wine.

Methodology: We conducted an online survey of 330 Mainland Chinese wine consumers on their perceptions and wine consumption behaviour, and in particular, the influence of travel on these perceptions. For this paper, we focus on the 42 Chinese consumers in the sample who have travelled to New Zealand, and compare these consumers to the sample as a whole, using Chi square and t-tests.

Findings: Our exploratory study found the majority of Chinese visitors to New Zealand experienced the country's wine during their visit, through wine consumption or wine tourism. Analysis suggests a positive relationship exists between visitations to a country, and in particular, wine experiences whilst in the country, and post-visit brand awareness and loyalty. In particular, the experiential elements of the brand, and the perceived quality of the brand are positively enhanced by visitation.

Practical implications: This is an exploratory study, utilising a small sample of Chinese visitors to New Zealand. However, findings indicate the value in viewing tourism as an important avenue through which to build brand awareness in new markets; a topic that warrants further investigation.

Keywords: Wine tourism, Brand perception, Chinese consumers

1. INTRODUCTION

Over the past decade the New Zealand wine industry has become acutely aware of the potential of China as an export market, with sales of New Zealand wine into China increasing from \$2.4m in 2008 to \$24.8m in the year ended June 2014 (NZ Winegrowers, 2014, p. 21). Given the growing importance of wine as a status symbol amongst younger, wealthier and more educated consumers in China (Balestrini and Gamble, 2006; Camillo, 2012; Liu and Murphy, 2007; Noppe, 2012), there is plenty of scope for further expansion in this market, however at present the New Zealand wine brand is relatively unknown (New Zealand Winegrowers, 2014). While the range and availability of foreign wine in the Chinese market is growing, in general Chinese consumers' wine knowledge remains relatively limited (Jin, 2004; Hu et al., 2008). As with less knowledgeable wine consumers in other markets, Chinese wine consumers generally use extrinsic cues, including country of origin, in wine purchase decisions (Liu et al., 2014; Yu et al., 2009).

The growing wine culture amongst Chinese consumers is often ascribed at least in part to the exposure to wine during time spent overseas as tourists or students, who aspire to a western lifestyle (Camillo, 2012; Noppe, 2012). The role of wine tourism experiences in developing brand recognition and brand loyalty is widely recognised (Mitchell and Hall, 2004; Nowak and Newton, 2006; O'Mahony et al., 2005), whereby good experiences increases the sense of 'connection' to a brand, which may result in post-visit loyalty (Fountain et al., 2008). It might be expected that more general exposure to wine and wine culture in a destination could have a similar effect on knowledge and perceptions of wine from that country, and ultimately, wine consumption behaviour. The impact of these experiences on brand awareness and brand loyalty could be even greater for relatively new markets, such as the Chinese, where levels of wine knowledge are currently relatively low. Thus, a visit to New Zealand may increase Chinese consumers' knowledge of New Zealand wine, perhaps demystifying it in the process; an assumption held amongst wine tourism operators in New Zealand today (Fountain, 2014).

To date the impact of travel to the country on a destination's wine brand has received limited research attention, however Bowe and Lockshin (2011) report that experiencing a country as a tourist has a small influence on Chinese consumers' preferences for Australia wine. A recent study reports that providing information about the country of origin of a wine, in this case Australia, including information unrelated to the wine itself, can increase the likelihood of Australian wine purchase by Chinese consumers (Williamson et al., 2014). Further research has explored the influence of wine tourism on Chinese consumers' champagne brand recognition and future sales (Menival and Han, 2011, 2013; Menival, Fountain and Charters, 2015). Therefore, this paper explores the impact that visitation to New Zealand and their exposure to New Zealand wine by a small sample Chinese consumers has had on their brand perceptions and wine consumption behaviour toward New Zealand wine.

2. METHODS

We investigated this topic by means of an online survey of residents of Mainland China who are regular wine consumers. The survey asked about perceptions, attitudes and consumption behaviour towards wine in general, and in particular, wines from France and New Zealand. Because we were particularly interested in investigating the influence of travel to these two countries on the respondents' perceptions of the wines produced there, we used a purposive sampling method, advertising the survey on databases of alumni from educational institutions with which the researchers had affiliations, as well as through social media contacts with wine, and/or tourism connections to the countries in question. While this survey resulted in 330 respondents, this paper is particularly interested in the small sample of 42 respondents who had visited New Zealand.

We aimed to measure the impact of tourism on the New Zealand wines as a whole, therefore we considered them under a collective brand – “New Zealand wines”. A collective brand is a brand shared by several firms and which fit the same purposes as individual brands. Whilst scholars have critically discussed the different forms and mechanisms of collective brands in relation to wine (Charters et al., 2013, Charters and Spielmann, 2014), in this context we focused only on brand perception, and examined the different elements which define a consumer's conception of a brand, including functional needs, symbolic needs and experiential needs (Park et al., 1986). Park et al. (1986) claims that symbolic needs relate to the desire to be socially recognised, experience needs are the desire to enjoy sensory, or hedonic, pleasures and functional needs are those which explain the initial reason to search for the product. Anselmsson et al. (2014) developed this functional dimension further into three components:

- a. Awareness, which reflects the customer's ability to identify the brand under different circumstances
- b. Perceived quality, which reflects the subjective mental notion of quality.
- c. Uniqueness, which reflects the financial equity of brand from its perceived associations before purchase.

We used several seven point scales (1 for not important and 7 for extremely important) to measure the different components of these three dimensions adapted to the territorial brand “New Zealand wines”.

3. RESULTS AND DISCUSSION

3.1. Characteristics of the sample and New Zealand trip

The sub-sample of 42 respondents who had visited New Zealand did not differ significantly from the broader sample of 330 respondents, although they were more likely to be female (52.4% cf. 43.5%), single (47.6% cf. 30.8%) and under 40 years of age (88.1% cf. 75.1%). While most respondents were university graduates, those who had visited New Zealand were less likely to have completed a Masters level degree or higher than the overall sample (38.1% vs 55.8%). Half of those who had visited New Zealand (52.4%) reported consuming wine at least once a week (compared to 36.4% of the whole sample), suggesting wine consumption is part of their everyday lifestyle. Chi square tests revealed that those who had visited New

Zealand were significantly more likely to agree to the statement 'I like having wine with my meal' ($p < .001$), and a significantly higher proportion of New Zealand visitors strongly agreed with the statement 'I am knowledgeable about wine' (23.8% vs 11.1%; $p < .05$). There were no differences on the mean scores on this measure, however, with neither sample expressing a great deal of confidence in their wine knowledge, with means of 4.21 (New Zealand visitors) and 4.03 respectively.

Respondents were asked about the nature and purpose of their trip to New Zealand. All of the respondents had visited since New Zealand received ADS status in 1999, and over half (59.5%) had visited in the previous two years (2013 or 2014). A third of these respondents (35.7%) had visited New Zealand on a holiday, while 23.8% had visited for education or study, and 21.4% for business. While 21.4% had stayed in the country for a week or less, cumulatively, 71.4% had stayed a month, and 19% a year, meaning these respondents differ considerably from the average Chinese visitor to New Zealand, for whom the average length of stay is 18.2 days for all visitors, and 8.1 days for holidaymakers (Tourism New Zealand, 2015). While the sample in this study differs considerably from the average Chinese visitor, it does match the characteristics of wine tourists in New Zealand (Tourism New Zealand, 2014), and is a segment of the Chinese market of growing importance to the country (Tourism New Zealand, 2015).

Three-quarters of this sample (76.2%) had visited a winery during their New Zealand stay, with most visits occurring in Central Otago, or the Auckland region. However this wasn't their only exposure to the New Zealand wine brand; in total 92.9% stated they had consumed New Zealand wines while in the country.

3.2. Influence of trip on New Zealand wine brand

Winery visitors were asked about the effect of this visit on their perceptions and attitudes towards New Zealand wine (Table 1). While this is a small sample ($n = 30$), the impression on the wine, and the likelihood of purchase or consumption of New Zealand wine increased for two thirds of respondents. Somewhat surprisingly, only half of the sample felt their winery visit had increased their knowledge of New Zealand wine, with 40% disagreeing with this statement. This could mean their expectation for learning was not met through this experience, or that perhaps learning was not an important motive (Fountain, Menival and Wen, 2014).

Table 1: Perceived impact of winery visit on perceptions of New Zealand wines

Visiting a New Zealand winery ...	Agree %	Neutral %	Disagree %
has made me more knowledgeable about New Zealand wine	50.0	10.0	40.0
has increased my positive impression of New Zealand wine	63.4	13.3	23.3
has made me more likely to purchase New Zealand wine	69.9	6.7	23.4
has made me more likely to consume New Zealand wine	66.7	13.3	20.0

While these results reflect subjective assessments by respondents of the impact of their winery visit on their perceptions of New Zealand wine, the researchers were interested also to know whether a visit to New Zealand influences perceptions of New Zealand wine compared to those who had not visited. To this end, all respondents in the survey were asked to rate their knowledge and experience of New Zealand wine. In the total sample, fifty-nine respondents agreed with the statement: ‘I know something about New Zealand wines and I have tasted them’ (n=59), of these, 28.8% stated that they consumed New Zealand wine frequently, while a further 44.1% state they consumed wine from the country regularly, but not frequently. A further 16 respondents agreed with the statement: ‘I know something about New Zealand wines but haven’t tasted them’. Those who stated that they were knowledgeable were presented with a series of statements to rank on a seven-point Likert scale about New Zealand wines. Of the respondents presented with these statements, 66 respondents answered these questions; Table 2 presents the results of this analysis.

Only 22 of those who had visited New Zealand, or a little more than half, perceived themselves to be knowledgeable about New Zealand wines, despite their exposure, however those who had visited a winery in New Zealand were significantly more likely to state they were knowledgeable about New Zealand wines (66.7%) than those who had not visited a winery (25.0%), and almost all of those who responded to the questions about perceptions of New Zealand wines had visited a winery during their trip (90.9%, or 20 of 22 responding).

When comparing those who had visited New Zealand and were knowledgeable about New Zealand wines with those who had not visited the country, the former generally had much more positive perceptions of New Zealand wine than the latter. Most clearly, visitation to New Zealand, and in particular a winery, had an impact on experiential needs. This confirms the important role of these activities in developing good memories of hedonic experiences of enjoyment and relaxation (Charters, et al., 2009). There were no significant differences in results regarding symbolic needs, which is understandable, given the low awareness of New Zealand wines amongst other Chinese consumers.

In terms of the elements of functional needs, the uniqueness aspects are positively impacted by visitation to New Zealand, with visitors to New Zealand rating all of these more highly than those who had not visited, however the small sample size means that the differences were not significant, however perceived quality was significantly higher for New Zealand visitors on two measures – ‘New Zealand wines appear to be of good quality’, and ‘I view New Zealand wines positively’. A trip to New Zealand, and New Zealand wineries, had no significant effect on the statement ‘New Zealand wines are produced in an environmentally sustainable manner’ or ‘New Zealand wines are safe and without chemical additives’, with just over half of New Zealand visitors agreeing with these statements. This is perhaps surprising and concerning, given the priority given to the branding of New Zealand’s agri-food products in general, and wine industry in particular, as sustainably produced and ‘clean and green’ (Stanley, 2012; NZ Winegrowers, 2015). This suggests that these messages are not being conveyed effectively to Chinese visitors at wineries.

Table 2: Agreement with statements about New Zealand wines (%)

	Visited NZ	Not visited	Chi test
	n=22	n=44	p. value
Symbolic needs			
New Zealand wines help me to feel acceptable	54.5	29.5	ns
New Zealand wines improve the way I am perceived	45.5	20.5	ns
New Zealand wines make a good impression on other people	31.8	18.2	ns
Experiential needs			
New Zealand wines are those I would enjoy	86.4	52.3	.012
New Zealand wines would make me want to drink them	86.4	54.5	.031
New Zealand wines are those I would feel relaxed about drinking	81.8	40.9	.004
Functional needs (uniqueness)			
New Zealand wines are reasonably priced	63.6	36.4	ns
New Zealand wines are good products for the price	59.1	34.1	ns
Functional needs (perceived quality)			
New Zealand wines appear to be of good quality	81.8	45.5	.017
I view New Zealand wines positively	95.5	59.1	.008
New Zealand wines are produced in an environmentally sustainable manner	50.0	38.6	ns
New Zealand wines are safe and without chemical additives	59.1	38.6	ns
Functional needs (Awareness)			
New Zealand wines are a luxury product	22.7	34.1	ns
New Zealand wines are for everyday drinking	61.2	31.8	.018

The effect of tourism on the awareness aspects of the functional needs are interesting; it seems that exposure to New Zealand wines has led to their democratisation. Indeed, Chinese consumers who had visited New Zealand considered New Zealand wines as more accessible than those who had not visited. Because they know more about these wines, they are more likely to consider New Zealand wines for everyday drinking. Conversely having visited and been exposed to New Zealand wine, they are *less* likely to consider the wine as a luxury product. Whilst this point is not statistically significant, it underlines the complex definition of luxury goods. This does not seem to be reflected in perceptions of the price of New Zealand wine, which New Zealand visitors view more favourably than those who have not visited as noticed in the uniqueness aspects, rather it relates to the perception of accessibility of the wine.

4. CONCLUSIONS

As stated at the outset, this is an exploratory study, involving a small sample of Chinese wine consumers who have visited New Zealand, who differ considerably from the average Chinese visitor to New Zealand. Findings tend to suggest the positive relationship which exists between visiting New Zealand, and in particular, wine tourism experiences whilst in the country, and post-visit brand awareness and loyalty. A number of elements identified here could be further investigated in a larger study. For example, it would be interesting to explore the reason why respondents felt that their winery experience had not increased their knowledge of New Zealand wine; is this due to motivations for the visit not including learning, or could it be the nature of the winery product failed to meet Chinese consumers' need for knowledge? Similarly, the finding that exposure to New Zealand wines led to a decreased perception of luxury in the brand, but at the same time, a greater likelihood of consumption of wines from this country is fascinating, and suggests wine tourism may contribute to the democratisation and demystification of wine amongst Chinese consumers. The fact that exposure to New Zealand wines did not result in greater awareness of the sustainability efforts of the New Zealand wine industry is surprising, and further exploration about how this message could be more clearly disseminated may be important for the New Zealand wine brand if it is to expand its brand recognition in the Chinese market.

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