

HAWKES BAY WINE AUCTION: HISTORY, MOTIVATIONS AND BENEFITS

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Abstract

Introduction

This research examined the history of the annual Hawkes Bay Wine Auction in New Zealand, and identified the motivations of those involved, as well as the benefits gained. The Hawkes Bay Wine Auction is the oldest and most prestigious charity wine auction held in New Zealand. Charity wine auctions are held in many other wine producing areas around the world (e.g. the Hospices de Beaune in Burgundy, Auction Napa Valley in California, iSalud! Pinot Noir Auction in Oregon, and Tres Bonne Annee in Pennsylvania). Despite these, and many other charity wine auctions, these events have received no attention in academic literature. The limited literature about charity auctions (not specific to wine) has focused on the behaviour of bidders (Elfenbein & McManus, 2010; Haruvy & Popkowski Leszczyc, 2009; Popkowski et al., 2015), or the effectiveness of auction formats (Carpenter, Holmes & Turner, 2008; Schram & Onderstal, 2009).

Method

A case study method was adopted in order to examine the motivations and benefits of various entities involved in the Hawkes Bay Wine Auction. A semi-structured interview technique was used to obtain qualitative data from respondents involved in the auction. The interviews took place at the respondents' place of business in May 2018; these were recorded and transcribed verbatim prior to thematic analysis. Interviewees included:

- Owners or senior employees of nine Hawkes Bay wineries
- Members of the auction organising committee

Results and Discussion

In terms of history, the auction started in 1991 and provides financial support for the Cranford Hospice. Cranford is the only hospice caring for terminally-ill patients in the Hawkes Bay region. The auction raised \$202,000 in 2017, bringing the total amount raised for the Hospice to \$3 million over the past 27 years. The auction has grown since its inception in terms of the number of donating wineries and the proceeds raised. The Cranford Hospice is the sole beneficiary; they were chosen partly because of the historic link between wine regions and hospices. Many of the wine lots are unique in some way and not available through retailers; these include one-off blends, large-format bottles, unusual packaging, or the inclusion of a winery experience. The auction format has changed from a formal black-tie dinner to a pre-auction tasting with canapés event. Tickets sell out every year, and many bidders also regularly return. Recently, the auction has seen a growth in the number of corporate or syndicate bidding. Another change is the emergence of sponsor partnerships and associated business networking events held by the auction organisers.

In terms of motivations, the aims of the original auction organisers were to: (1) promote the premium wines from the Hawkes Bay region, and (2) give back to the local community. The motivations of winery donors were found to be grouped into (1) altruistic, (2) strategic and (3)

collaborative categories. Many talked of “giving back” and “helping others”, but “promotion” and “advertising” were also mentioned, as was being part of an industry-wide collaboration.

Finally, there were mixed results in terms of benefits. Many wineries did promote their support for the auction, but most did not have a planned communication strategy. Some thought that auction participation may impact indirectly on future sales. They believed they gained a “heightened profile” and “awareness of brand”, and some noted that participation had a positive effect on employee morale. They also noted that working with other wineries was a benefit, with comments such as “nice to be part of the community”. Respondents believed the auction brought positive benefits to the wine region as a whole.

Conclusions

This examination of the history, motivations and benefits relating to the Hawkes Bay Wine Auction may provide useful information for other wine regions that are considering holding a similar annual event for charity. In particular, collaboration amongst those who are normally competitors is identified as a motivation and a benefit for participants. Whilst the Hospice is clearly benefiting financially, further research would be needed to understand if the original aim of promoting the Hawkes Bay wine region is being achieved.

References

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