

Stellenbosch Wine Route wineries: Management's perspective on the advantages and key success factors of wine tourism

A. Kirkman, J.W. Strydom & C. van Zyl

ABSTRACT

The South African wine tourism industry is currently regarded as one of the best developed in the world. However, the Western Cape still earns approximately 70% less per tourist than its rival, Napa Valley in California. Research has shown that South African wineries are not organised to derive the maximum benefit from wine tourism. An exploratory study conducted in 2009 and 2010 investigated wineries' perceptions of wine tourism in the Stellenbosch region and identified some factors they deemed necessary for the development of a successful winery. This article presents the findings of the 2009–2010 study. These findings confirmed international research results that demonstrate that some aspects of wine tourism are perceived to be advantageous to the winery, such as the ability to create brand awareness and opportunities to spend time with consumers, which were deemed the principal advantages of wine tourism. Certain tourism-related services and facilities are perceived to contribute to the development of a successful winery. It is recommended that wineries should capitalise on the opportunities presented by wine tourism to increase their income and develop the winery successfully.

Key words: wineries, wine tourism, Stellenbosch Wine Route, key success factors, advantages and disadvantages

Ms A. Kirkman (Lecturer) and Prof. C. van Zyl are in the Department of Transport Economics, Logistics and Tourism, University of South Africa. Prof. J.W. Strydom is in the Department of Business Management, University of South Africa. E-mail: ventera@unisa.ac.za; vzylic@unisa.ac.za

Introduction

“The South African wine industry has over 101 thousand hectares under vine for wine production, but with the current economic crisis, wine producers are facing a dismal reality, both globally and nationally” (Evans 2011). According to Thomas (2010: 1), only 3 to 5% of wine farmers made a profit during 2009, as the wine industry faced a six-year down cycle in South Africa between 2004 and 2009. The down cycle can be attributed to a number of domestic and international factors, including, among others, the collapse of the world’s financial markets in 2008 and devastating weather conditions in late 2009 and early 2010, which caused some farmers’ production per hectare to be halved. In addition, the perpetual global oversupply of wine, a fluctuating exchange rate and a strong Rand have created a very unfavourable market environment for the wine industry (Business World 2008; Evans 2011; Ponte & Ewert 2007; Somogyi, Gyau, Li & Bruwer 2010; Thomas 2010: 1).

In the period 2009 to 2011, no or low profits for wine farmers were a cause for concern, as the wine industry is one of the primary agricultural sectors in South Africa and forms the backbone of the economy of many districts in the Western Cape (SAWIS 2009, 2011; Swanepoel & Bailey 2008). According to Van der Merwe (cited in SAinfo Reporter 2010), studies show that the wine industry contributed R26.2 billion or 2.2% to the gross domestic product (GDP) in 2008, which confirmed the importance of the wine industry as a creator of employment and generator of household income. The overall success of the wine industry was historically determined only by the quality of its wine; however, the development and value of the wine tourism experience has become just as important as the quality of the wine in securing wine sales (O’Neill & Palmer 2004; Storchmann 2010). In a keynote address, Marthinus van Schalkwyk, the Minister of Tourism, stated that the South African wine industry should focus on increasing its revenue from wine tourism, which could assist in offsetting some of the recent losses it had incurred (Business Report 2011).

Wine tourism has long been widely recognised as a potential source of income, with researchers pointing to the benefits (such as increased wine sales) that the wine industry could derive from a positive, mutually beneficial relationship with the tourism industry since the mid-1990s (Dodd 1995; Getz 2000; Hall, Sharples, Cambourne & Macionis 2000; Kolyesnikova & Dodd 2009). International research on wine tourism development conducted by Chaney (in Thach & Matz 2004: 118), Dodd (1995) and Howley and Van Westering (2008), in the USA, Spain and Australia respectively, demonstrated that the development of wine tourism has positive effects for growers in wine-producing areas, including increased wine sales, greater brand loyalty, the building of brand awareness and higher profits from winery sales (Hall

et al. 2000: 35; Getz 2000; Kolyesnikova & Dodd 2009; Roberts & Sparks in Carlsen & Charters 2006).

South African research on the role of wine tourism in establishing a successful South African wine industry has shown that wine tourism, although recognised as being potentially beneficial to the winery, has not been fully utilised, since attention has been focused on the *production* of wine (Loubser 2004). Recent statistics show that although South Africa has one of the best-developed wine tourism industries in the world, it still earns only US\$41 per tourist in contrast to US\$188 earned by the Napa Valley in California (South African Tourism 2012; WOSA 2012).

The empirical study (2009–2010) on which this article is based explored the role of wine tourism in the wineries of the Stellenbosch Wine Route in South Africa. This article reports mainly on (a) the perception that winery proprietors have of the advantages and disadvantages presented by wine tourism and (b) the wine tourism facilities and services that may be seen as critical to the success of the winery. Other aspects relating to wine tourism, such as its impact on revenue, the real cost of operating a cellar door and marketing, among other things, are beyond the scope of this article. Thus this article contributes to the existing South African literature base by providing both new and updated information on the supply of wine tourism.

The article commences with a brief overview of the relevant literature on the South African wine and wine tourism industries, and the characteristics and benefits of wine tourism are highlighted. The research methodology and the research findings are discussed, and some conclusions are reached, based on the interpretation of the results. Finally, some recommendations for winery management are suggested with regard to winery and wine tourism development. Further areas for future research are identified.

Literature review

Overview of the South African wine industry

Celebrating its 350th year of wine production in February 2009, South Africa is the oldest wine-producing country outside Europe (Blandy 2009; Bruwer 2003: 424). Events shaping the current South African wine industry commenced as early as the 1600s, with the first wine pressed on 2 February 1659. However, the wine industry did not show any progress until 1679 when Simon van der Stel, who produced excellent wine from the outset on his farm Constantia, succeeded Jan van Riebeeck as governor of the Cape (WOSA n.d.). In 1973, the Wine of Origin System, which divided South Africa's winelands into a series of official regions, districts, wards and

estates, was introduced, and the local wine industry's regulations were brought in line with those in Europe (Du Plessis & Boom 2008; Vineyard Varieties n.d.).

The majority of South Africa's vineyards are situated in the Western Cape, near the coast, as well as in the drier Northern and Eastern Cape regions, namely the Little Karoo, the Olifants River Valley and the lower Orange River (Whitehead & Uren 2011).

In 2010, South Africa had 3596 grape farmers, cultivating 347 352 275 vines, and 573 wine cellars producing wine (SAWIS 2011). In 2010, the country contributed 3.7% of the total amount of wine produced worldwide with only 1.7% of the world's vines, and ranked eighth in overall volume production (SAWIS 2011). Domestic sales of wine amounted to 333.4 million litres, with exports close to 378.5 million litres, and turnover of more than R3619 million in 2010 (SAWIS 2011). The wine industry as an economic generator is able to increase the value of the primary agricultural product five times by the time it is sold to the end consumer. The industry also generates income indirectly through wine tourism. In 2009, wine tourism, which is one of the fastest-growing and most lucrative sectors of the global tourism market, generated R4.3 billion (South African Tourism 2012; WOSA 2012).

Wine tourism concepts

Wine tourism is a form of special interest tourism and is classified as leisure tourism (Hall & Macionis 1998; Van Zyl 2005: 5). In the first official definition of wine tourism, Hall and Macionis describe it as being "[v]isitation to vineyards, wineries, wine festivals and wine shows for which grape wine tasting and/or experiencing the attributes of a grape wine region are the prime motivating factors for visitors" (1996, in Hall et al. 2000). Wine tourism often overlaps with other forms of tourism and is linked to agri-tourism, rural tourism, gastronomic tourism and experiential tourism (Loveseed 2009; Quadri-Felitti & Fiore 2012).

Wine tourism is characterised as a lifestyle experience that can be part of a broader tourism experience. It enhances the economic, social and cultural value of a wine region and is linked to the local lifestyle, that is, food, accommodation, arts and crafts and the environment (Dowling & Carlsen 1999). The wine tourism product can consist of a whole host of different facilities and services to cater to the winery tourist. These may include wine-tasting facilities, cellar door sales and self-guided and guided winery tours. Wineries may also sell fresh produce, host wine festivals or other festivals, run a restaurant and have overnight accommodation on site (Bruwer 2003: 429). By collating the wine tourism services and facilities identified by Dodd (2000), Getz (2000: 7), O'Neill and Charters (2000: 113), Treloar, Hall and Mitchell

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(2004: 6) and Bruwer (2003), a list (provided in Table 1) was compiled and used in the research on which this article is based.

Table 1: Tourist services and facilities available at the winery

Wine tasting	Restaurant or cellar lunches	Vineyard walking trails
Cellar door sales	Overnight accommodation	Fruit picking by visitors
Organised or self-guided educational winery tours	Craft or gallery or souvenir shop	Children's playground facilities
Meeting the winemaker	Social function facilities	Animal feeding or watching
Visitor centre	Conference facilities	Hiking or biker trails
Historical building or museum	Fresh produce sold (farm stall)	4x4 race track
Wine or other festivals	Picnic facilities	Tractor or trailer rides
Amphitheatre	Barbeque (braai) facilities	Horse or pony rides
Wheelchair facilities	Fireplace	Petrol or filling station

Although the core built attraction of a winery is the cellar door, with wine as its core product, tourism services and facilities at the winery can provide competitive advantages to the winery (Bruwer 2003; Getz 2000). Getz, Dowling, Carlsen and Anderson (1999) conducted research among industry professionals in the USA and Australia in an attempt to establish which services and facilities are critical to the development of a successful winery. Services and facilities that were identified as critically important included having *friendly, service-oriented staff* as well as *staff that are knowledgeable* about wines. *Good signposting*, especially for small, out-of-the-way wineries, was indicated as one of the most important facilities. *Educating visitors* and *providing wine appreciation opportunities* were identified as very important services. In total, 14 items were tested in Getz et al.'s (1999) research, and these were included in the study on which this article reports.

Further research on critical success factors in developing a successful winery attraction was conducted from the demand side by Getz and Brown (2006) in Canada, and by Marzo-Navarro and Pedraja-Iglesias (2012) in Spain. A direct comparison of these factors is not possible, but a rough comparison shows that wine tourists place a high value on similar services and facilities, for example knowledgeable winery staff. In addition to services and facilities at the winery, wine tourism provides benefits to the winery.

The advantages that wineries can derive from wine tourism (as well as some disadvantages) have been identified by various researchers (Dodd 2000; O'Neill

& Charters 2000: 113; Treloar et al. 2004: 6). In the two foundational theoretical texts on wine tourism by Hall, et al. (2000) on wine tourism development and management, and by Getz (2000) on wine tourism management and destinations, the main advantages and disadvantages of wine tourism for wineries are described.

Hall et al. (2000) list a number of advantages of wine tourism. One of the primary advantages of wine tourism is *increased consumer exposure* to the wine product by providing additional opportunities to taste wine. Wine tourism also leads to *increased brand awareness and brand loyalty* by creating direct links between the wine producer and the wine consumer, as well as the purchasing of other company-branded products. Wineries may benefit from *increased profit margins* through direct sale to consumers due to the absence of distributors. Another advantage of the cellar door (wine tourism) is the creation of an *additional sales outlet*; for smaller wineries it may be the only outlet if sufficient quantities cannot be promised to distributors. Wine tourism also creates a unique opportunity for gathering *market intelligence on products*, since wine consumers can give instant feedback to wine producers during a wine tasting. Furthermore, wine tourism allows wineries to gather *market intelligence on consumers* by adding visitors to a mailing list for the creation of a customer database and targeted marketing. Lastly, wine tourism creates opportunities to *educate consumers* through wine tastings and educational winery tours that may result in increased consumption as a result of increased knowledge and interest generated.

The disadvantages of wine tourism described by Hall et al. (2000) include *increased costs and management time*, as it may be costly to operate a tasting room. The initial *capital required* to create suitable facilities for hosting visitors may be prohibitively expensive, especially for smaller wineries. Finally, there may be *no substantial increase in sales* if the numbers of visitors attracted to a winery are limited.

Although there are large overlaps between Hall et al. (200) and Getz (2000), Getz identified three additional advantages that should be noted: firstly, the ability of wine tourism to *attract new market segments*, secondly the ability to *improve links with the wine trade*, and lastly the ability to *form new partnerships* between the wine industry and the tourism industry. These advantages and disadvantages have been confirmed by various researchers, including Chaney (cited in Thach & Matz 2004: 118), Dodd (1995) and Howley and Van Westering (2008), in countries such as the USA, Spain and Australia.

Wine tourism in South Africa

Wine tourism is not new to the South African environment – the first wine route was established in Stellenbosch in 1973. The success of this venture, coupled with

the importance of projecting a marketing image, prompted the development of other routes (Stellenbosch Wine Route 2008; WOSA n.d.). There are 16 wine routes in the Western and Northern Cape, most within 100 km of Cape Town (WOSA n.d.). These routes include Breedekloof, the Constantia Wine Route, Paarl Vintners, the Tulbagh Wine Route and the Wellington Wine Route (WOSA n.d.). By far the most popular wine route in the Western Cape is the Stellenbosch Wine Route, followed by Paarl Vintners and the Franschhoek Wine Route (Frandsen 2005: 3).

The Stellenbosch Wine Route is situated in the wine-growing region of Stellenbosch (as demarcated by the Wine of Origin Scheme) and comprises 85% of the vineyards in the region. In 2010, the Stellenbosch Wine Route encompassed 17% of the total vineyard footprint in South Africa (Whitehead & Uren 2011). The size and dominance of this wine route, compared to other wine routes, gave a reasonably accurate indication of all the wine routes and wine tourism in the Western Cape at that time (Frandsen 2005). For this reason, the Stellenbosch Wine Route was selected as the study site for the research reported in this article. An explanation of the methodology used is described in the next section.

Methodology

The primary research reported in this study was conducted in the wine-growing region of Stellenbosch, South Africa. The survey population consisted of all the wineries that form part of the Stellenbosch Wine Route – a total of 146 wineries. A census, the actual measurement of all possible elements in the population, was conducted (Weiers 2008: 840, 850). A census was deemed to be appropriate for this study, since the population was small enough to be subjected to a census without many constraints in terms of time, financial and human resources, and the details of the population were easily accessible from the Stellenbosch Wine Route website (2008).

The data collection instrument was a self-administered email questionnaire compiled from secondary research and refined to the specific study requirements. In order to contextualise the questionnaire to South Africa, the researcher visited the 2008 Stellenbosch Wine Festival and several wineries. Then three telephonic interviews with wineries in the Stellenbosch wine region were conducted. Pre-testing of the questionnaire involved completion by seven colleagues to test the general layout and clarity of the questions. Then four in-depth interviews with industry specialists were conducted, which contributed to the content validity of the questionnaire. Finally, the questionnaire was analysed by a statistician to ensure that the data would answer all the research objectives.

The survey instrument consisted of five sections: (1) the winery's corpographic profile and tourism products and services, (2) the winery visitor profile, (3) the advantages and disadvantages of wine tourism, (4) the promotional activities of the winery and (5) wine tourism and brand equity. This article reports on section 3 as well as part of section 4 of the questionnaire.

In section 3, the respondents' perceptions of the advantages and disadvantages of wine tourism to wineries were tested using a five-point Likert scale ranging from 'strongly disagree' (1) to 'strongly agree' (5). Thirty items that were identified from secondary research on the New Zealand wine industry by Christensen, Hall and Mitchell (2004), as well as two academic texts that have formed the foundation of wine tourism theory by Getz (2000: 7) and Hall et al. (2000: 11), were tested.

In part of section 4, the importance attributed by respondents to the different factors that could influence the success of a winery was tested using a five-point Likert scale ranging from 'irrelevant' (1) to 'very important' (5). Fourteen items (listed in Table 4) were tested, as identified from research conducted by Getz and Brown (2006) among industry professionals in Australia and Washington State (USA) and wine consumers in Calgary (Canada).

The completed electronic questionnaires were received by the electronic data bank of the Bureau of Market Research (BMR) at the University of South Africa during the months of November and December 2009, and January 2010. A response rate of 33% was achieved, which compares well with similar wine tourism studies conducted locally and internationally. Bruwer's (2003) research on South African Wine Routes attained a 35% response rate, while Christensen, Hall and Mitchell's research on wineries in New Zealand had a 31% response rate (Bruwer 2003: 425; Christensen et al. 2004: 4).

The collected data were coded, edited and processed before being analysed using both descriptive and statistical methods. The statistical method used to derive inferential statistics is a nonparametric binomial test. A binomial test is a statistical procedure used to examine the distribution of a single dichotomous variable in the case of small samples (Blumberg, Cooper & Schindler 2005: 666–667). The relevant results are presented in the next section.

Results

In the first part of this section, the results of the perceptions of the managements of the relevant wineries regarding the advantages and disadvantages of wine tourism are described. The second part of the section is dedicated to the results of the perceived success factors of wineries.

Perceptions of winery management regarding the advantages and disadvantages of wine tourism as identified in the literature

Respondents indicated their level of agreement with 30 advantages and disadvantages of wine tourism. The results are presented in Table 2, which indicates the mean, median and first and third quartiles for each statement, as well as the percentage of respondents that either agreed or strongly agreed with the statement.

The results show that the two main advantages of wine tourism experienced by respondents are that *wine tourism creates brand awareness* and that *time spent with visitors to wineries is valuable* (more than 80% of respondents either agreed or strongly agreed with these advantages). This compares well with the results of the New Zealand Winery Survey conducted by Christensen, Hall and Mitchell in New Zealand during 2004. In their study, 72.3% of respondents agreed or strongly agreed that wine tourism enhances brand awareness, while 85% of respondents indicated that time spent with visitors at wineries is valuable.

The majority of remaining statements pertaining to the advantages offered by wine tourism received a more than 60% 'agree' or 'strongly agree' response. This confirms many of the advantages or benefits of wine tourism postulated by Dodd and Bigotte (in Hall et al. 2000: 11), Day (in Hall et al. 2000: 11), Dodd (in Getz 2000: 64) and Getz (2000: 7) in their various studies.

In many respects, these results are also similar to the results obtained by Christensen et al. (2004) in their New Zealand study on wineries. For example, the statement 'Benefits of wine tourism outweigh the negative impacts' received an 'agree' or 'strongly agree' response from 77.1% of respondents in New Zealand, compared to 76.1% in the study on which this article is based.

The majority of respondents *disagreed with* or were *neutral* towards the following wine tourism attributes:

- Cellar door visitors buy a lot of wine (60.9% disagreed or were neutral).
- Wine tourism is an opportunity to test new products on customers (60.9%).
- Wine tourism positively impacts the sales of my wine offshore (58.7%).
- Wine tourism differentiates my wine from others (58.7%).
- Wine tourism assists my winery in overcoming slow demand periods (52.1%).

The results show that the majority of respondents (60.9%) did not use the opportunity offered by wine tourism to test new products on consumers. This confirms Loubser's (2004) conclusion that although wine tourism is perceived to be one of the main strategic approaches of wineries, in reality it is still treated as a secondary act-

Table 2: Advantages and disadvantages of wine tourism (n=46)

Advantages and disadvantages		Mean	Median	Q1	Q3	Agree or strongly agree
1	Wine tourism contributes to increased wine sales	3.957	4.000	4.000	5.000	78.3%
2	Sales from the cellar door are an important contributor to overall sales volumes	3.870	4.000	3.000	5.000	65.3%
3	Wine tourism creates brand awareness	3.978	4.000	4.000	5.000	80.4%
4	Wine tourism fosters brand loyalty	3.652	4.000	3.000	5.000	56.5%
5	Wine tourism differentiates my wine from others	3.087	3.000	2.000	4.000	41.3%
6	Wine tourism opens the door for new partnerships with tourism organisations	3.674	4.000	3.000	4.000	65.2%
7	Wine tourism attracts a wide range of customers to my winery	3.674	4.000	3.000	4.000	67.4%
8	Wine tourism leads to an increase in visitor numbers	4.000	4.000	4.000	5.000	78.3%
9	Wine tourism leads to an increase in spending at my winery	3.674	4.000	3.000	4.000	63.1%
10	Wine tourism substantially increases sales of wine	2.696	2.000	2.000	3.250	52.2%
11	Wine tourism assists my winery in overcoming slow demand periods	3.848	4.000	3.000	4.000	47.9%
12	Wine tourism is an opportunity to educate customers	3.848	4.000	3.000	4.000	74.9%
13	Wine tourism enables me to increase my profit margin on wines	3.630	4.000	3.000	4.000	65.2%
14	Wine tourism attracts new domestic market segments to my winery's products	3.565	4.000	3.000	4.000	58.7%
15	Wine tourism attracts new international market segments to my winery's products	3.696	4.000	3.000	4.000	63.1%
16	Wine tourism positively impacts the sales of my wine offshore	3.174	3.000	2.000	4.000	41.3%
17	Wine tourism has improved links with the wine trade	3.500	3.500	3.000	4.000	50.0%
18	Wine tourism is an opportunity to test new products on customers	3.239	3.000	3.000	4.000	39.1%
19	Wine tourism contributes to developing a unique positive destination image	3.826	4.000	3.750	4.000	76.1%
20	Wine tourism is a way to acquire market intelligence on customers	3.500	4.000	3.000	4.000	56.5%
21	Wine tourism leads to increased costs and management time at my winery	3.348	3.500	2.000	4.000	50.0%
22	Wine tourism requires a large capital investment	3.174	3.500	2.000	4.000	50.0%
23	Wine tourism helps to develop mail order sales	3.326	4.000	2.750	4.000	54.3%
24	Cellar door visitors buy a lot of wine	3.087	3.000	2.000	4.000	39.1%
25	Tourists are valuable to my winery	3.848	4.000	3.000	5.000	74.0%
26	Wine tourism offers important marketing opportunities	3.696	4.000	3.000	4.000	63.0%
27	Time spent with visitors to my winery is valuable	3.978	4.000	4.000	5.000	84.8%
28	Wine tourism contributes greatly to my business success	3.370	3.500	3.000	4.000	50.0%
29	The overall benefits of wine tourism outweigh the negative impacts	3.717	4.000	3.750	4.000	76.1%
30	Wine tourism attracts the kind of visitors that I want to my winery	2.130	2.000	1.750	3.000	69.6%

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ivity. The results indicate that the majority of wineries are still not utilising wine tourism to its fullest, since they do not use the cellar door to do market research.

The results related to the statement 'Cellar door visitors buy a lot of wine' show that respondents do not believe that wine tourism actually contributes to their bottom line. However, research has shown direct links between a positive wine tourism experience and future sales and brand loyalty (O'Neill & Palmer 2004). Therefore, it appears that the current perception among Stellenbosch Wine Route wineries is not correct.

The 58.7% disagreement with the statement 'Wine tourism positively impacts sales of wine offshore' shows that respondents do not view wine tourism as an effective marketing tool in the international market. This once again confirms Loubser's (2004) view that wineries consider wine tourism to be no more than a secondary activity.

Significantly, the statement 'Wine tourism differentiates my wine from others' received 58.7% disagreement from respondents, indicating that they do not believe that wine tourism has the ability to differentiate their wine. This result is in stark contrast to the 80.4% of respondents who indicated that wine tourism enhances or creates brand awareness. These results are remarkably similar to those of Christensen et al. (2004) in New Zealand, where 73.2% of respondents agreed or strongly agreed that wine tourism enhances product brand awareness, while 55.2% of respondents indicated that wine tourism is *not* of any value as a differentiation strategy.

Upon completion of the descriptive statistics, the hypothesis 'Wineries perceive wine tourism as an advantage to the winery' was tested by conducting a binomial test, using a significance level of 5% ($\alpha = 0.05$).

For the purposes of the binomial test, responses that could be considered 'negative', namely 'strongly disagree', 'disagree' and 'neutral' (coded as 1, 2 and 3), were grouped together (labelled 'Group 1'). Responses that could be considered 'positive', namely 'agree' and 'strongly agree' (coded as 4 and 5 respectively), were grouped together (labelled 'Group 2').

The results indicated that 11 statements were statistically significant ($p < 0.05$ in this case), which indicates that the majority of respondents agreed or strongly agreed that some aspects of wine tourism, such as that creating brand awareness increases wine sales, are advantageous to a winery. These constructs are listed in Table 3, which also shows the frequency, observed proportions, test proportions and the two-tailed P value.

The results confirm some of the advantages of wine tourism postulated by Dodd and Bigotte (in Hall et al. 2000: 11), Day (in Hall et al. 2000: 11), Dodd (in Getz 2000: 64) and Getz (2000: 7). In comparing the results of this study on the Stellenbosch

Table 3: Advantages and disadvantages of wine tourism (n=46)

Advantages and disadvantages of wine tourism	N	Observed prop.	Test prop.	Asymp. sig. (2-tailed)	
1. Wine tourism contributes to increased wine sales	Group 1	10	0.22	0.50	0.000 ^a
	Group 2	36	0.78		
	Total	46	1.00		
2. Wine tourism creates brand awareness	Group 1	9	0.20	0.50	0.000 ^a
	Group 2	37	0.80		
	Total	46	1.00		
3. Wine tourism leads to an increase in visitor numbers	Group 1	10	0.22	0.50	0.000 ^a
	Group 2	36	0.78		
	Total	46	1.00		
4. Wine tourism is an opportunity to educate customers	Group 1	12	0.26	0.50	0.002 ^a
	Group 2	34	0.74		
	Total	46	1.00		
5. Wine tourism contributes to developing a unique positive destination image	Group 1	11	0.24	0.50	0.001 ^a
	Group 2	35	0.76		
	Total	46	1.00		
6. Wine tourism substantially increases sales of wine	Group 1	11	0.24	0.50	0.001 ^a
	Group 2	35	0.76		
	Total	46	1.00		
7. Tourists are valuable to my winery	Group 1	12	0.26	0.50	0.002 ^a
	Group 2	34	0.74		
	Total	46	1.00		
8. Wine tourism attracts a wide range of customers to my winery	Group 1	15	0.33	0.50	0.026 ^a
	Group 2	31	0.67		
	Total	46	1.00		
9. Time spent with visitors to my winery is valuable	Group 1	7	0.15	0.50	0.000 ^a
	Group 2	39	0.85		
	Total	46	1.00		
10. The overall benefits of wine tourism outweigh the negative impacts	Group 1	11	0.24	0.50	0.001 ^a
	Group 2	35	0.76		
	Total	46	1.00		
11. Wine tourism attracts the kind of visitors that I want to my winery	Group 1	2	0.04	0.50	0.000 ^a
	Group 2	44	0.96		
	Total	46	1.00		

Wine Route with results of a study conducted on wineries in New Zealand, it can be concluded that wineries in both these populations perceive certain aspects of

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wine tourism, for example the opportunity to spend time with consumers, as being advantageous to their businesses.

Factors influencing the development of a successful winery

Respondents were required to indicate the level of importance of 14 items that could influence their winery's success. These success factors are listed in Table 4, which also indicates the mean, median and first and third quartiles for each statement, as well as the percentage of respondents who indicated that the item is important or very important.

Table 4: Factors influencing the success of a winery (n=46)

Factors influencing the success of a winery	Mean	Median	Q1	Q3	Important & very important
Having a restaurant or café	3.739	4.000	3.000	4.250	73.9%
Employing staff who are knowledgeable about wines	4.565	5.000	4.000	5.000	93.5%
Providing education and interpretation for visitors	4.065	4.000	4.000	5.000	82.6%
Providing winery tours for visitors	3.761	4.000	3.000	4.250	63.0%
Accommodating large tour groups	3.043	3.000	2.000	4.000	34.8%
Having the correct accreditation (i.e.cellar door standards)	3.717	4.000	3.000	5.000	62.2%
Producing and selling organic wines	2.587	3.000	2.000	3.000	67.4%
Retailing both wine and other products	3.261	3.000	3.000	4.000	43.5%
Providing wine appreciation opportunities	3.804	4.000	3.000	4.000	73.9%
Hosting special events and functions	3.739	4.000	3.000	4.000	69.6%
Having overnight accommodation on site	3.087	3.000	2.750	4.000	39.1%
Having an attractive, well-designed winery	3.761	4.000	3.000	4.250	71.7%
Good signposting	4.348	4.000	4.000	5.000	93.5%
Friendly, service-oriented staff	4.739	5.000	5.000	5.000	97.8%

The results show four factors to be either important or very important to the success of a winery, with a mean ranking of 4.00 or more, namely:

- Employing staff who are knowledgeable about wines (mean ranking 4.56)
- Friendly, service-oriented staff (mean ranking 4.73)

- Good signposting (mean ranking 4.34)
- Providing education and interpretation for visitors (mean ranking 4.06).

Research conducted by Getz et al. (1999) on wineries in Washington, USA and Australia ten years prior to this study (1999) show remarkably similar results. Respondents in both the USA and Australia also considered these four factors to be the four most important factors in a winery's success.

Factors that were rated as important in this study (mean ranking of 3.70 to 4.00) include the following:

- Providing wine appreciation opportunities (mean ranking 3.80)
- Providing winery tours for visitors (mean ranking 3.76)
- Having an attractive, well-designed winery (mean ranking 3.76)
- Hosting special events and functions (mean ranking 3.73)
- Having a restaurant or café (mean ranking 3.73)
- Having the correct accreditation (mean ranking 3.71).

These results correspond very closely with the results obtained by Getz et al. (1999). The factor that was regarded as being the least important, 'producing and selling organic wines', was also perceived as being the least important by respondents in both Australia and Washington.

It is interesting to note that even though the research was conducted a decade before this study, respondents' opinions of factors that are important to the success of a winery have changed little, if at all. It is also noteworthy that even though respondents were geographically distributed across three continents, they still rated each factor in a similar fashion.

Upon completion of the descriptive statistics, an attempt was made to ascertain whether wineries perceived wine tourism-related services and facilities as important to the overall development of a successful winery. A binomial test was conducted to test the hypothesis, and a significance level of 5% ($\alpha = 0.05$) was used.

For the purposes of the binomial test, responses that were considered to be 'negative' included 'irrelevant', 'unimportant' and 'neutral' (coded as 1, 2 and 3) and were grouped together (labelled 'Group 1'). Responses that could be considered to be 'positive' included 'important' and 'very important' (coded as 4 and 5) and were grouped together (labelled 'Group 2').

The results of the binomial test showed eight constructs as statistically significant ($p < 0.05$). These constructs are presented in Table 5, along with the frequency, observed proportions, test proportions and the two-tailed P value of each.

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Table 5: Factors influencing the success of a winery (n=46)

Factors influencing the success of a winery		N	Observed prop.	Test prop.	Asymp. sig. (2-tailed)
Having a restaurant or café	Group 1	12	0.26	0.50	0.002 ^a
	Group 2	34	0.74		
	Total	46	1.00		
Employing staff who are knowledgeable about wines	Group 1	3	0.07	0.50	0.000 ^a
	Group 2	43	0.93		
	Total	46	1.00		
Providing education and interpretation for visitors	Group 1	8	0.17	0.50	0.000 ^a
	Group 2	38	0.83		
	Total	46	1.00		
Providing wine appreciation opportunities	Group 1	12	0.26	0.50	0.002 ^a
	Group 2	34	0.74		
	Total	46	1.00		
Hosting special events and functions	Group 1	14	0.30	0.50	0.011 ^a
	Group 2	32	0.70		
	Total	46	1.00		
Having an attractive, well-designed winery	Group 1	13	0.28	0.50	.005 ^a
	Group 2	33	0.72		
	Total	46	1.00		
Good signposting	Group 1	3	0.07	0.50	0.000 ^a
	Group 2	43	0.93		
	Total	46	1.00		
Friendly, service-oriented staff	Group 1	1	0.02	0.50	0.000 ^a
	Group 2	45	0.98		
	Total	46	1.00		

As Table 5 illustrates, the majority of respondents regarded these services or facilities, which are related directly or indirectly to wine tourism, as important to the success of the winery. This confirms some of the elements listed by Getz et al. (1999) as important to the development of a successful winery (*success factors*).

The binomial test showed that the proportion of the respondents in the two groups differs significantly from 0.5 for the eight statements listed in Table 5. The majority of respondents indicated that these services or facilities related to wine tourism are important or very important to the successful development of the winery.

The results confirm some of the elements listed by Getz et al. (1999) as important to the development of a successful winery. Therefore it can be concluded that some elements of wine tourism are vital in developing a winery successfully.

Conclusion

The collapse of the world's financial markets, the recent recession and perpetual global oversupply are among the numerous challenges in the current wine industry market environment that have a negative effect on wine farmers' bottom line (Evans 2011; Somogyi et al. 2010; Thomas 2010: 1). Since many wine farms are showing low or no profit, they have become aware that opportunities to increase the revenue of the winery should be utilised. Research has shown that the development of wine tourism has benefited wine producers in other parts of the world (Dodd 1995; Howley & Van Westering 2008; Thach & Matz 2004). This article has reported on the perception of winery management in the Stellenbosch Wine Route with regard to (a) the advantages and disadvantages of wine tourism and (b) the wine tourism facilities and services that may be seen as critical to the success of the winery.

The findings of the exploratory research confirmed many of the constructs identified in the literature and correlate very well with similar research studies, notably Christensen et al.'s (2004) New Zealand Winery Survey and Getz et al.'s (1999) research on wineries in the USA and Australia. The discussion reveals that, overall, wineries on the Stellenbosch Wine Route perceive some aspects of wine tourism as being advantageous to their business. Wine tourism's ability to *create brand awareness* and the *time spent with visitors* were perceived as the principal advantages of wine tourism. The majority (76%) of respondents indicated that the advantages of wine tourism outweigh the disadvantages, indicating that tourism could be a worthwhile investment for wineries.

Regarding the services and facilities that influence the development of a successful winery, the following four factors were rated as being either important or very important:

- Employing staff who are knowledgeable about wines
- Providing education and interpretation for visitors
- Good signposting
- Friendly, service-oriented staff

All of these factors relate to wine tourism, either directly or indirectly, showing that wine tourism is perceived as contributing to the development of a successful winery.

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It is recommended that winery management, especially where wineries already have an existing wine tourism product, should make use of the opportunity offered by wine tourism to increase wine sales and brand loyalty, as well as to create higher profits from winery sales. Winery management could also use the opportunities presented by wine tourism to gather research data, test new wine products and build or improve the brand equity of the wine product (Getz 2000; Hall et al. 2000; O'Neill & Charters 2000: 113; O'Neill & Palmer 2004; Treloar et al. 2004: 6). Wineries that do not utilise this possible source of information may lose their competitive edge in the long term.

Further research with regard to the perceived low levels of wine sales to wine tourists, and the apparent inability of wine tourism to differentiate a wine product, may be beneficial to the wine industry. It is suggested that the wine industry may benefit from research that identifies the reasons for these perceptions and finds ways of addressing any of the related obstacles.

In conclusion, the research confirms that despite wineries' perception that wine tourism can make a positive contribution to developing a successful winery, they often do not utilise the many opportunities presented by wine tourism. It is therefore recommended that wineries should make every effort to capitalise fully on the opportunities presented by wine tourism in order to navigate the prevailing market conditions successfully and sustain their business.

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