



Texas Wine Marketing Research Institute

College of Human Sciences • Texas Tech University

**Visitors to Texas Wineries
and
The Role of Gratitude in Wine Purchases**

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Tim H. Dodd, Ph.D.
Director

Natalia Kolyesnikova
Research Associate

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P.O. Box 41162 Lubbock, Texas 79409-1162 U.S.A.
Phone (806) 742-3077 Fax (806) 742-3042
Email: texaswine@ttu.edu
Website: ww.hs.ttu.edu/texaswine

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INTRODUCTION

Wine and tourism have been closely associated with each other for many years, but recently the importance of wine tourism as a major source of revenue has become increasingly recognized by researchers and industry specialists.

The Texas Wine Marketing Research Institute reported that the overall impact of the wine industry on the state economy is due to substantial expenditures in hospitality and tourism related to the wine industry. In 2004, tourists visiting Texas wineries spent an estimated \$27.7 million (Texas Wine Marketing Research Institute, 2004). These tourists purchased not only wine, but also souvenir items at the wineries. Tourists also spend money on food, lodging, and other items during their visits to wineries. Thus, tourism and wine can provide positive contributions to both the wine and tourism industries, as well as to regional economies.

Wine tourism is a significant source of revenue for many large and well-established wineries. These wineries rely on wine tourism as a sales channel, promotion for business, and a means for educating customers. For many small wineries, however, tourism is the core business and a key factor for viability of their production. For example, in Texas eighty percent of all wineries are small wineries with less than ten thousand gallons of annual wine production (Texas Wine Marketing Research Institute, 2004). These wineries often do not have sufficient production to distribute through

wholesale or retail channels. Therefore, small wineries are the ones that are most dependent on sales at their premises. Tourism becomes exceptionally important to such wineries in terms of their ability to sell wine either directly to visitors through their tasting rooms or to place customers on a direct mail order list. An understanding of why consumers visit wineries and why they make purchases at wineries can help increase direct sales to visitors.

PURPOSE OF THE STUDY

Despite the importance of wine tourism, little research outside proprietary studies by individual wineries has been conducted. To explore some of the issues concerning wine tourism, a study of winery visitors was undertaken during summer of 2005. The current study aimed to explore the influence of various wine visitors' characteristics on their decisions to buy wine and / or wine souvenirs at wineries. In particular, the study aimed to investigate the role of gratitude and obligation in purchasing at wineries. Visitors' feelings of gratitude and obligation may lead to what we suggest to be called "*gratuity purchases*". Gratuity purchases can be defined as products or services bought by consumers partially or wholly from a sense of gratitude or obligation towards a business or its employees; or purchases made fully or partly due to a perceived need to repay services received. Overall, the purpose of the study was to expand knowledge about wine visitors.

Specific objectives were:

1. To develop a suitable questionnaire for the wine industry that could be used in a variety of situations.
2. To determine the sociodemographic and behavioral characteristics of people who visit wineries.
3. To analyze visitors' purchasing behavior at wineries.
4. To examine visitors' overall perceptions of importance of various winery attributes, such as reputation, décor, personnel, etc.
5. To explore the role that gratitude plays in gratuity purchases at wineries.

RESEARCH METHODS

Sample

This study was particularly interested in visitors to wineries. Six wineries located in Texas were used as sites to gather data from visitors. The selection of wineries was determined by a variety of factors. First, the six wineries were geographically dispersed throughout the state. Additional attempts were made to choose wineries whose visitors may have diverse sociodemographic and other varying characteristics. Next, only wineries with tasting rooms were included in the study. And finally, attempts were made to include both wineries who charge a small fee for wine tasting and those who offer free wine tasting. This condition was specified because of the potential differences in visitors' perceptions about a need to purchase wine at the end of their visits depending on whether or not they had to pay a fee for wine tasting.

Data Collection Procedures

Data collection was conducted during the weekends over a three-month period (July, August, and September 2005). Weekends were selected as the best time for collecting the data because Saturday and Sunday are the busiest days for most wineries.

The data were collected by research personnel through personal distribution of the questionnaires to visitors at Texas wineries. As visitors were leaving the winery, the researchers approached them, introduced the purpose of the study, and asked if they were willing to participate in the survey in exchange for a small gift in appreciation for their participation. A guide of all Texas wineries was given as an incentive to participate. If the respondents agreed to participate, they were provided with the questionnaire and were asked to return it completed before leaving the winery in order to receive the guide. It is important to note that attempts were made to include both those visitors who bought wine and/or wine souvenirs at the end of the tour and those who did not make a purchase.

The questionnaire was designed to measure a number of attributes that may affect consumer purchasing decisions at a winery, along with certain demographic characteristics.

RESULTS

Sociodemographic Characteristics

The sociodemographic background of visitors to Texas wineries was found to be similar to wine consumers in general. Forty-six percent of the visitors were male and 54% were

female. These results seem to be consistent with other studies about wine consumption which report that females generally refer to wine as their favorite beverage more often than males.

The average age of the visitors was 41 years old, with the youngest visitor being 21 years old and the oldest being 69 years old. Seventy-three percent of the respondents were under 51 years old. Notably, 18.5% of the visitors were a young group of consumers, 21 to 30 years old. This percentage represents the wine industry national and international trend of younger consumers developing more interest in wine.

The respondents had considerably higher levels of education than the general population, with two-thirds having earned either an undergraduate or graduate degree. Six percent of the respondents reported that they have earned an associate degree from vocational or technical schools. Only 5.6% of the visitors had not attended college.

Income levels were also substantially higher than the general population, with only 9.2% of the sample earning less than \$40,000 per year as a total household income. In a similar study conducted by Dodd and Bigotte in 1994, the percentage of people with an annual household income of \$40,000 and less was almost 33%. In addition, almost one-third of the respondents of the 2005 study reported that their annual household income exceeds \$100,000. A large part of the differences in the percentage is due to rising income levels during the past 10 years. In both studies, incomes of winery visitors were found to be above national averages.

Participants were also asked about their occupations. Their responses were later divided into groups according to the Occupational Classification System developed by the U.S. Department of Labor. The majority of the visitors' occupations (58%) were professional/technical and executive/managerial. Examples of the professional and technical occupational group include engineers, architects, lawyers, doctors, teachers, and scientists. Examples of the executive and managerial occupational group may include accountants, managers, administrators, and other business agents. Fourteen percent of the visitors were in sales, and over 12 percent were either retired or students. The detailed sociodemographic description of the visitors is summarized in Table 1.

Table 1
Sociodemographic Characteristics of Visitors to Texas Wineries

Characteristic	Percent of Respondents
Gender	
Male	46.5 %
Female	53.5 %
Education	
Some high school	.3 %
High school graduate	5.3 %
Vocational / technical school	5.6 %
Some college	23.8 %
Undergraduate degree	38.1 %
Graduate degree	26.6 %
Age	
21 - 30	18.5 %
31 - 40	28.6 %
41 - 50	25.8 %
51 - 60	19.0 %
61 +	8.1 %

Occupation

Professional and technical	39.8 %
Executive and managerial	18.2 %
Sales	14.0 %
Administrative support and clerical	3.4 %
Repair and transportation	3.6 %
Service	6.7 %
Farming	2.0 %
Retired, students, private sector	12.3 %

Income

Under \$20,000	7.0 %
\$20,000 - \$39,999	9.2 %
\$40,000 - \$59,999	16.0 %
\$60,000 - \$79,999	18.5 %
\$80,000 - \$ 99,999	16.5 %
\$100,000 - \$119,999	13.4 %
\$120,000 - \$139,999	4.8 %
Over \$140,000	14.0 %

Wine Consumption Behavior

On the average, visitors to Texas wineries consume 4.6 bottles of wine per month and spend about \$65.8 on wine monthly. However, these amounts should not be taken as absolute numbers as they represent overall averages. Averages can be misleading in reporting results since they can be greatly influenced by extreme scores. For example, about 5 percent of the visitors reported that they consume more than 20 bottles of wine a month and spend more than \$300 a month on wine. Since this is only a small percentage of the sample, these amounts do not represent the wine consumption behavior of the majority of the visitors. However, these extreme numbers were used for calculating the overall averages, which therefore increased.

Other statistics, such as the most frequently occurring number (mode) may be more informative and a better indicator of the visitors' behavior. The majority of people (over 50%) reported that they consume 2 to 3 bottles of wine per month and spend \$ 20 to \$40 on wine monthly.

Table 2
Wine Consumption Behavior

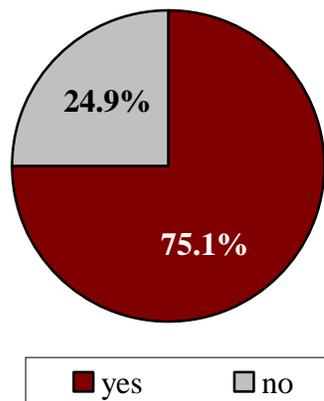
Wine Consumption Behavior	Consume / Spend MONTHLY
Number of bottles	2.67
Dollar amount spent on wine	30.2

Purchasing Wine and Souvenirs at Wineries

During their visits to the wineries, 75.1 percent of the visitors did purchased wine or wine souvenirs, and 24.9 percent did not make a purchase (Figure 1)

Figure 1
Percentage of Visitors Who Purchased Wine and / or Wine Souvenirs

Did you purchase wine or other items at [winery name] TODAY?



On the average, visitors spent \$31.81 during their visits to the wineries. This amount represents an average total spending. It was further divided into wine sales of \$27.62 and \$4.19 on winery souvenirs.

Table 3
Amount of Money Spent at Wineries

Items	\$ Spent	Percentage
Wine	\$27.62	86.8%
Souvenirs	\$4.19	13.2%
Total	\$31.81	100%

In- State versus Out-of-State Visitors and Distance Traveled to Wineries

The results of the survey indicate that 78.2% of visitors were from Texas and 21% were from other US states. Out-of-state respondents represented visitors from 22 U.S. states. The majority of out-of-state visitors came from Louisiana, New Mexico, Colorado, California, and North Carolina. Less than one percent of respondents were international visitors.

Figure 2
Percentage of Texas and Out-of-State visitors

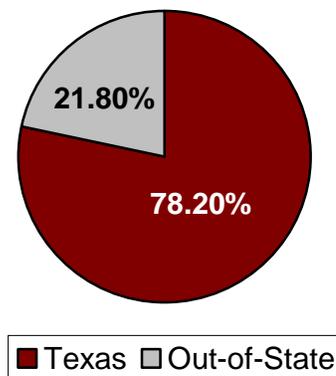


Table 4
Texas, Other U.S. States and International Visitors

Visitors from	Percent of Respondents
Texas	78.2%
Other U.S. States	21%
International	0.8%

Distance traveled to wineries was measured by estimating the total distance from the participants' places of residence to the winery's location. In the survey, respondents were asked to indicate their residential zip codes. Distance traveled to the winery was later estimated for each participant individually by the research personnel. An online program (www.mapquest.com) was used for these purposes.

The minimum distance traveled to wineries from the respondents' places of residence was one mile and the maximum was a little over 2,000 miles for those visitors who traveled within the United States. The majority of visitors (52%) traveled less than 100 miles to get to the winery.

The sample was divided into four groups:

- (a) visitors who traveled less than 100 miles
- (b) visitors who traveled between 101 and 500 miles
- (c) visitors who traveled between 501 and 1000 miles
- (d) visitors who traveled more than 1001 miles

Table 5
Distance Traveled to Wineries

Distance Traveled to Winery	Percent of Respondents
Less than 100 miles	52%
101- 500 miles	28%
501 – 1000 miles	14.4%
More than 1001 miles	5.6%

Differences in wine purchasing behavior were found based on the distance that visitors had to travel to the wineries. The results indicated that visitors who traveled less than 100 miles tend to buy more wine than those who traveled longer distances. This fact can be accounted for the ease of transportation of wine. Visitors who travel shorter distances are usually on a one-day trip. The winery can be one of a very few, if not the only, destination of that trip. In addition, trips of 100 miles and less are usually done by car and therefore, do not require considerations of packaging and transporting wine. On the contrary, those visitors who travel longer distances may encounter difficulties associated with carrying wine on the airplane. Table 6 summarizes the results of purchasing behavior based on the distance traveled to the wineries.

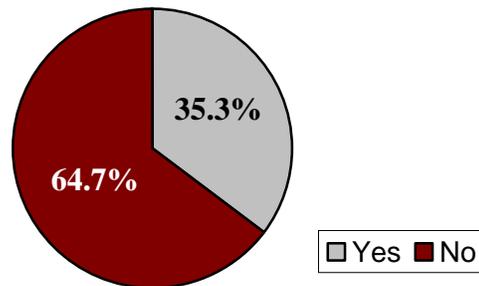
Table 6
Amount Spent at Wineries Based on Distance Traveled to Wineries

Distance Traveled to Winery	Amount Spent at Wineries
Less than 100 miles	\$31.63
101- 500 miles	\$30.78
501 – 1000 miles	\$28.50
More than 1001 miles	\$27.42

Differences between First-time Visitors and People Who Have Visited the Winery Previously

Almost 65% of visitors visited the particular winery for the first time. Figure 2 represents the percentage of first-time visitors to Texas wineries versus repeat visitors.

Figure 3
*Have you visited the [winery name]
BEFORE today's visit?*



Of those visitors who had previously visited the winery, almost 13% of respondents had visited the winery once and 22.7% had visited the winery two or more times. These percentages are substantially different from a similar study of visitors to Texas wineries conducted eleven years ago (Dodd & Bigotte, 1994). In the 1994 study, the percent of first-time visitors was significantly larger (75%). And the percentage of people who visited the winery two or more times was twice as less in 1994, only 11%. Table 7 summarizes the comparison of the two studies.

Table 7
Previous Visits to Wineries
Results of 2005 Study versus 1994 Study

Number of Times Visited Winery Previously	2005 Study	1994 Study
	Percent of Respondents	Percent of Respondents
0	64.7%	75%
1	12.6%	14%
2	7.3%	4%
3	3.9%	3%
4 +	11.5%	4%

Substantial differences were found in purchasing behavior of people who were first-time visitors and those who had visited the winery previously. First-time visitors spent \$8.55 less on wine and \$3.30 less on wine souvenirs than people who had visited the winery in the past on one or more occasions. Therefore, repeat visitors spent an average of \$11.85 more at Texas wineries than those people who had not visited the winery before.

Table 8
Previous Visits to Wineries and Purchasing Behavior

Number of Previous Visits to the Winery	Amount Spent on Wine	Amount Spent on Wine Souvenirs
No previous visits	\$24.60	\$3.03
Visited winery previously	\$33.15	\$6.33

Number of People in a Group

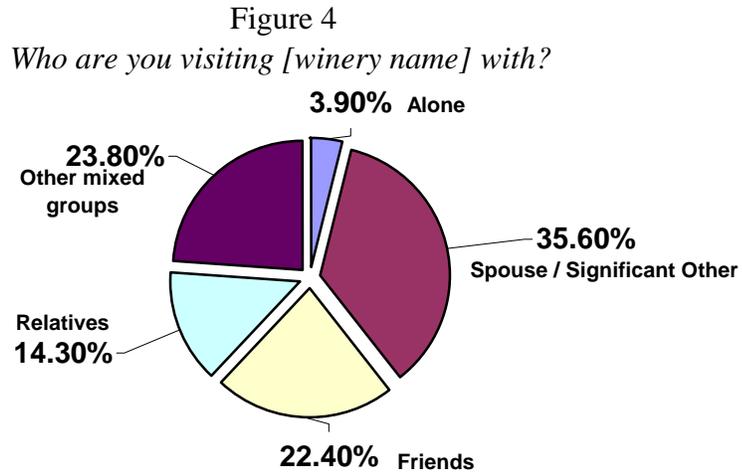
Respondents were asked how many people there were in their group and to specify who they were traveling with. On the average, each group consisted of approximately 3

people. Over 40% of visitors came in a group of two. The majority of the visitors tend to visit the wineries in smaller groups. Almost 60% of all the respondents had three or less people in their groups. One-third of the sample visited the wineries in groups larger than 5 people. The largest group consisted of 20 people. No differences were found in purchasing behavior of visitors depending on the size of a group they visited the winery with.

Table 9
Number of People in a Group

Number of People in a Group	Percent of Respondents
1	3.9%
2	40.9%
3	14.3%
4	15.4%
5 +	25.5%

When asked who they were traveling with, 35.6% of respondents answered that they came with spouses or significant others. Almost 4% of visitors came to the wineries alone. Twenty-two percent visited the wineries with their friends, and 14.3% came with families and relatives. Other responses indicated mixed groups (e.g. spouse and friends, friends and relatives, business associates, etc.) and constituted 23.8% of the sample.



Importance of Winery Attributes

Visitors were asked to indicate how important certain wine and winery attributes were for them. For the purposes of this study, a list of important attributes was developed based on the previous wine marketing literature review. Dodd and Bigotte (1994) used the panel of experts to develop a list of attributes of wine, winery tasting rooms, winery building, and tour guides. The panel of 23 experts was asked to review a list of 110 attributes and decide on the extent to which these features were important for consumers. For this project, this list was modified and a few additional attributes were added.

The participants were asked to indicate how important each attribute was for them by placing a check mark on a 7-point scale, with 1 meaning “Not at all important” and 7 meaning “Extremely important”. The results of their answers are summarized in Table 10, where attributes are listed in descending order depending on how much importance was assigned to a certain attribute by visitors.

Overall, taste of wine and knowledgeable winery personnel were the most important elements for visitors, while the bottle label was the least important. However, certain considerations need to be taken into account for these results interpretation. For example, the label may be a very important element when a consumer makes a decision about purchasing wine at a store or a restaurant. However, most wines offered at the winery usually have similar labels. Therefore, the label may not be of significant importance for consumers when at wineries. Other attributes such as price or taste may become important.

Table 10
The Importance of Wine Attributes to Visitors

Attributes	Number of Respondents	Min Score	Max Score	Mean
Taste of wine	357	1.00	7.00	6.47
Knowledgeable personnel	356	1.00	7.00	6.24
Wine tasting	357	1.00	7.00	6.15
Customer service	357	1.00	7.00	5.97
Friendly personnel	357	1.00	7.00	5.73
Price of wine	357	1.00	7.00	5.20
Reputation of winery	354	1.00	7.00	5.05
Variety of wines	357	1.00	7.00	4.99
Winery décor	357	1.00	7.00	4.95
Entertaining personnel	356	1.00	7.00	4.83
Display of wines	356	1.00	7.00	4.73
Tour	168*	1.00	7.00	4.69
Bottle label	357	1.00	7.00	3.58

* Not all wineries offered tour

The Role of Gratitude in Wine Purchases

Previous studies of winery visitors purchasing behavior explained why or why not people buy wine at wineries based on the characteristics of the product and the experience. For example, the price of the wine or the length of the tour. Other visitors' preferences that may influence purchasing decisions were also examined, such as perceptions of the atmosphere in the tasting room, enjoyment of the tour, or taste of the wine.

In many instances, however, the real reasons for purchases can be subconscious and difficult to identify. For example, visitors to wineries may feel a need to buy wine in order to show their appreciation to winery personnel for their time providing tours, wine tasting, and other educational assistance. These feelings of gratitude were investigated in this research.

A number of statements were designed to examine whether or not visitors feel gratitude while visiting wineries. Examples of these statements included:

“I bought wine as a desire to say “thank you” to the winery personnel”

“I bought wine because I felt it was a socially proper thing to do”

“I wanted to buy wine in return for wine tasting”

Visitors were asked to what extent these factors affected their decision to buy wine at the end of their visits. They marked their answers on a 7-point scale, with 1 standing for “Did not at all affect my decision to buy wine” and 7 meaning “Strongly affected my decision to buy wine”.

The results indicated that of the five factors listed, visitors referred to the appreciation of winery personnel as the number one factor in their desire to buy wine. On the contrary, pressure or purchase expectation from the personnel was the least desirable factor.

Table 11
The Role of Gratitude in Decision to Purchase Wine at Wineries

Factors	Number of Respondents	Min Score	Max Score	Mean
Desire to say thank you to winery personnel	356	1.00	7.00	4.61
It was a socially proper thing	356	1.00	7.00	4.56
In return for tour	168*	1.00	7.00	4.10
In return for wine tasting	356	1.00	7.00	3.95
Felt purchase expectation from winery personnel	356	1.00	7.00	2.92

* Not all wineries offered tour

Further examination for the gratuity feelings was conducted based on a number of visitors' and wineries' characteristics. The sample was divided into two groups depending on the level of gratitude that visitors indicated in their responses. An examination of the total spending at the wineries was done for both groups. The results indicated that those visitors who expressed higher levels of gratitude spent significantly larger amounts at wineries than visitors with lower levels of gratitude feelings. In terms

of the average spending on wine and wine souvenirs, if customers felt gratitude to winery personnel, they spent \$30.68 more than if they didn't feel gratitude.

Table 12
Gratitude to Winery Personnel and Visitors' Purchasing Behavior

Feelings of Gratitude	Amount Spent on Wine	Amount Spent on Wine Souvenirs	TOTAL SPENDING AT WINERY
Low level of gratitude	\$13.68	\$2.45	\$16.13
High level of gratitude	\$40.95	\$5.86	\$46.81

Feelings of gratitude were checked for different age groups. The results showed that older visitors (61 years and older) have the highest level of gratitude to winery personnel, while younger group of visitors have the lowest level of these feelings.

Table 13
Gratitude to Winery Personnel and Age of Visitors

Age groups	Number of Respondents	Mean of Gratuity Feelings
21 - 30	66	3.40
31 - 40	102	3.82
41 - 50	92	3.62
51 - 60	68	3.77
61 +	28	4.00
Total	356	

Charge for Tasting versus Free Wine Tasting

Visitors' feelings of gratitude were further compared based on whether or not they had to pay a fee for wine tasting. Visitors of those wineries who charge a small fee for wine tasting reported considerably less gratitude to personnel than visitors of those wineries who offer free wine tasting.

Table 14
Gratitude to Winery Personnel and Charge for Tasting

Charge for Tasting	Number of Respondents	Mean of Gratuity Feelings
Paid fee for wine tasting	138	3.24
Free wine tasting	218	3.98

And finally, a comparison was made of visitors' spending at wineries for those visitors who paid for wine tasting and those who tasted wine for free. If visitors did not have to pay a fee for wine tasting, they spent more money on wine purchases at the end of their visits to the wineries. When visitors had to pay for tasting, they spent \$8.61 less on their final purchases.

Table 15
Visitors' Purchasing Behavior and Charge for Tasting

Charge for tasting	Amount Spent on Wine	Amount Spent on Wine Souvenirs	TOTAL SPENDING AT WINERY
Paid fee for wine tasting	\$24.22	\$2.31	\$26.53
Free wine tasting	\$29.76	\$5.38	\$35.14

DISCUSSION AND CONCLUSIONS

This study of wine tourists provides interesting insights into visitors' characteristics. The information about visitors to wineries and their purchasing decisions can assist marketers from wineries to develop their marketing programs.

The importance of attracting local visitors to the success of the Texas wine industry was highlighted in this study. Rather than having Texans spend money on California or other states /countries wines, the state economy can benefit greatly from the demand of local wines. The development of wine tourism is a critical step in building customer loyalty to Texas wines. The current study found that visitors from Texas spent significantly more money at wineries than out-of-state visitors, especially those tourists who traveled 100 miles and less. In addition, repeat consumers tend to spend more money at wineries than first-time visitors. A positive change was found with regards to repeat visitations to Texas wineries. Eleven years ago, 75% of all visitors to Texas wineries were first-time visitors. In 2005, this number was considerably lower – only 64 percent were first-time visitors. Also, there were more people who were loyal to the specific winery and had visited it more than four times previously. The percentage of such visitors reached 11 percent (versus 4% in 1994).

The results of the study indicated that consumers perceive that visits to wineries provide an excellent opportunity to taste wines and to increase their knowledge about wine. Of the thirteen product and service attributes listed in the survey, visitors assigned the most importance to the taste of wine and knowledgeable winery personnel. Therefore, from

the visitor viewpoint, the most valuable characteristic of the tasting rooms is the opportunity to try wines before making a purchase. In addition, tourists visit wineries for educational opportunities. These findings can serve as important considerations in building strategies for attracting visitors to wineries.

The study also investigated the role that gratitude plays in wine purchases. It was found that visitors who feel gratitude to winery personnel for the time and services provided, are more likely to buy wine at wineries. Moreover, such visitors tend to spend significantly larger amounts of money on wine and / or souvenirs than those visitors who feel less, if any, gratitude while visiting wineries. These are important findings since sales and increasing number of visitors may be the outcome of developing close relationships with customers and ensuring they have a positive attitude towards the winery and its wines. Gratitude was found to be one of the factors that greatly influence visitors' decisions to purchase wine at the tasting rooms. When customers feel thankful for the time that the hosts spent with them providing tours, tasting, and other educational assistance, they may feel that buying a bottle of wine is the least they can do to repay the kindness. In addition, when consumers feel appreciative, not only they spend more money, but they also become more loyal to the business. Customer loyalty is the key objective for tasting room management as loyal customers tend to spend more money on subsequent visits.