

Visitor spending at wine festivals: Perspectives on stakeholder benefits

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Abstract:

Economic benefit is a motivator for communities and wineries to participate in events (Byrd et al., 2016; Kim et al., 2008). Two primary stakeholders have a vested interest in the success of wine festivals: participating wineries and host communities. Tourism is a driver of local wine sales, since most regional wineries are small-scale and lack access to traditional distribution channels. Nonetheless, investment in festivals needs to be evaluated against the reality that events often fail to meet expectations for returns on stakeholder investment (Crompton & Lee, 2000).

Keywords: wine festivals | wineries | tourism

Article:

Introduction

Economic benefit is a motivator for communities and wineries to participate in events (Byrd et al., 2016; Kim et al., 2008). Two primary stakeholders have a vested interest in the success of wine festivals: participating wineries and host communities. Tourism is a driver of local wine sales, since most regional wineries are small-scale and lack access to traditional distribution channels. Nonetheless, investment in festivals needs to be evaluated against the reality that events often fail to meet expectations for returns on stakeholder investment (Crompton & Lee, 2000).

Research indicates that there may be differences in travel behaviour between first-time and repeat visitors (Gitelson & Crompton, 1984; Petrick, 2004), with repeat visitation often yielding a higher return on investment (Shani et al., 2009). Therefore, this study investigates visitors' spending patterns during a North American wine festival. One key question is "should festival planners prioritize first-timers or repeat visitors when marketing wine events?"

Methodology

A survey was distributed during an annual wine festival in North Carolina, USA. Attendance in 2018 was approximately 1,200. Thirteen wineries participated in this one-day event, offering tastings and bottle sales. The questionnaire was developed based on previous research (Crompton, 2010) and queried respondents about their current trip to the area, expenditures while attending the event, and demographic information. Data from 58 surveys were analysed, reflecting a completion rate of 5 percent. This is comparable with research using intercept surveys at large gatherings, particularly wine festivals (Park et al., 2008). The sample size was small, but the core comparison groups were well-balanced between first-time (n = 30) and repeat visitors (n = 28).

Results

Most respondents were female (70.7%; Table 1) and the majority (71.4%) were tourists visiting from the surrounding region. The average age of respondents was 51 years, and most had a college degree (63.2%). Over half of the sample were first-time attendees (51.7%).

Table 1. Sample profile characteristics

Characteristics	First-timers (n = 30; 51.7%)		Repeat attendees (n = 28; 48.3%)		Total sample (n = 58)	
Gender						
Male	8	26.7%	9	32.1%	17	29.3%
Female	22	73.3%	19	67.9%	41	70.7%
Origin						
Local	7	24.1%	9	33.3%	16	28.6%
Visitor	22	75.9%	18	66.7%	40	71.4%
Information source ^a						
WOM	8	33.3%	13	65.0%	21	47.7%
Online search	9	37.5%	5	25.0%	14	31.8%
Event ads/signage	7	29.2%	2	10.0%	9	20.5%
	Mean	S.D.	Mean	S.D.	Mean	S.D.
Age	51.17	13.34	51.82	13.43	51.20	14.28
Number of adults	2.81	1.39	2.48	.75	2.70	1.18
Length of stay (days)	2.00	1.60	1.47	.74	1.69	1.24
Trip \$ per adult	\$138.55	\$233.99	\$71.40	\$83.81	\$99.41	\$171.19
Alcohol \$ per adult ^b	\$15.86	\$14.53	\$27.06	\$17.76	\$20.78	\$16.75

^aSignificant difference in information source at $p < .01$ (Chi-Square = 12.880; d.f. = 3)

^bSignificant mean difference in alcohol dollars spent at $p < .05$ (t-value = 2.222; d.f. = 39)

Word of mouth (WOM) was the principal information source driving visitation (47.7%), followed by online searches (31.8%), and event ads/signage (20.5%). Repeat attendees were more likely to have initially heard of the festival by WOM (65.0%); whereas, first-time visitors most often found out about the event online (37.5%). Differences in information sources and alcohol expenditures were significant between visitor types.

The festival was generally attended by small groups (mean = 2.7; Table 1) staying an average of 1.69 days. First-timers were likely to stay longer (2.00 days) than repeat visitors (1.47 days). Average spending per trip was US\$99.41 per adult, with an average alcohol expenditure of

US\$20.78. First-time visitors spent an average of US\$138.55 per trip and 15.86 USD on alcohol. Conversely, repeat attendees spent less per trip (US\$71.40) and significantly more on alcohol (US\$27.06).

Significant differences were noted on two attitudinal factors: return intention and future winery visits. A significant difference was found between first-time ($M = 4.20$, $SD = .80$) and repeat attendees ($M = 4.89$, $SD = .32$) in their likelihood to return the following year; $t(56) = 4.369$, $p < 0.01$. Additionally, a significant difference was found between first-time ($M = 4.10$, $SD = 1.05$) and repeat attendees ($M = 4.68$, $SD = .61$) regarding how likely they were to visit a local winery because of the festival $t(55) = 2.543$, $p < .02$. Specifically, return attendees were more likely to indicate that they would return to the festival the following year and visit a local winery. Significant differences were not found for other items.

Conclusion

This study suggests return attendees differ from first-timers and permits insights into profitability for two types of stakeholders: communities and wineries. Wineries benefitted most from repeat visitation. Repeat visitors were more likely to return to the wine festival, visit local wineries, and spend more on alcohol consumption. While not statistically significant, first-time visitors spent more on trip purchases, which has been shown to positively impact local communities (Byrd et al., 2014).

Repeat attendees were also more likely to have heard about the event by WOM. Repeat visitors often help attract new visitors through WOM advertising (Lau & McKercher, 2004). This study demonstrates the importance of repeat visitors' WOM in the context of wine events. Given the greater overall return on investment, this study suggests participating wineries benefit from focusing marketing efforts on previous event attendees.

The most critical finding is that the two different stakeholders (communities versus wineries) differed in the benefits they accrued from partnering in festival programming. For an event to have the greatest chance of success, a blend of first-time and repeat visitors is necessary. First-time visitors support regional communities interested in generating broader economic impact and destination visibility and repeat visitors support increased wine sales. This research note demonstrates the complexity of interpreting the effects of festival attendee type on spending habits, which continues to be an important question for tourism researchers and practitioners.

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