Assessing the role of wine in shaping destination image: a Discrete Choice Model approach

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Conference Presentation

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Keywords

place image, Discrete Choice Models, wine tourism, urban destination

Research Question

Analyse similarities and differences in consumer preferences in relation to expectations of visitors and the country of provenance of tourists. Measure the importance of city image components in WTP terms.

Methods

A discrete choice experiment was applied and respondents’ stated choices were collected for alternative tourism packages, involving a sample of 4,375 people from four countries.

Results

Tourists require a link between wine and tourism experience, and this link should be based on entertainment rather than culture. It should leverage on esthetics and elegance rather than liveliness.

Abstract

Although many studies have shown that the typical wine and food offer is a pivotal component of the tourist experience also for an urban destination (Lu et al., 2015), its actual weight in tourists’ choice and satisfaction is still unknown. Being aware about their own relevance by wineries in contributing to the place image is crucial to find new opportunities for wine tourism.

The aim of this research is to understand the role of wine as a perceived component of the image of an urban tourism destination and measure the weight of wine in shaping the destination image. In particular, the
objectives of the study are: i) to analyse similarities and differences in consumer preferences in relation to the experience versus the expectation of visitors; ii) to analyse similarities and differences in relation to the country of provenance of tourists; iii) to measure the importance of city image components in willingness to pay (WTP) terms.

The research is focused on an Old World Wine tourist destination, Verona (Italy). Verona is among the top 10 most visited cities in Italy. It adjoins two reasonably well-known wine producing regions: Soave (white wine) and Valpolicella (red wine), which have traditionally added to its appeal. Further, Verona is the location for one of the main wine exhibition in the world, Vinitaly.

Concerning the choice of the most appropriate methodology, Zenker (2011) highlighted some research limitations of place branding research, mainly due to the prevalence of a descriptive-exploratory approach. Many issues arise in establishing a comprehensive place brand measurement and classifying different dimensions in general categories. Some gaps were pointed out in the classification between tangible and intangible elements and in the evaluation of place through positive or negative measures (Parkerson and Saunders, 2004; Trueman et al., 2007)

On these bases, respondents’ preferences have been quantified by indirect importance measures (Mueller et al., 2010). A discrete choice experiment was applied and respondents’ stated choices were collected for alternative tourism packages. Respondents were asked to imagine to spend a day in Verona and to choose the preferred tourism package for every one of the proposed twelve groups of hypothetical tourism packages. These groups, or choice sets, were built thanks to a preliminary research and constructing a Bayesian D-efficient design (Ferretti and Scarpa, 2007). Every set was composed of four hypothetical tourism packages, combining the main: 1) tourism locations of the surveyed city (Arena amphitheatre, Juliet’s balcony, churches or squares); 2) activities (wine and food tasting, guided visit, attendance to a concert or a theatrical event or shopping discount); 3) atmospheres (quite, elegant or lively); 4) experiences (as proposed by Pine and Gilmore in 1999, education, escapism, esthetics or entertainment); 5) tourism package prices (30, 60 or 90 euros).

The questionnaire was online administrated in Russia, China, Germany and United Kingdom by a panel provider society. A sample of 4,375 respondents aware of Verona completed the survey. Discrete choice models (Train, 2009) were applied to explore the utility of attributes and levels composing the hypothetical tourism packages. Preferences were compared estimating part-worth utilities of the attributes and WTPs for the attribute levels.

Results confirm the primary role of wine in attracting tourists, especially for people who have not visited the city yet or who have a different culture than that of the destination. Wine plays a leading role in the choice of a tourism package, and it should be better combined with other attributes of the city to enhance the connection between destination image and identity.

Both similarities and differences emerge if the different nationalities of respondents are taken into account. While the utility of visitors from UK and Germany is mainly driven by the price, Chinese visitors place lower importance to price, being mainly driven by the proposed activities. Even Russians mainly choose on price, but they also take particular attention to the activity. Russian and Chinese respondents place more importance to intangible attributes than European respondents. Wine and food tasting becomes an essential activity during a journey, for which no expense is spared, with negative consequences for the other activities proposed by tourism packages.

Relevant wine tourism implications based on this case study can be suggested to wineries. Tourists require a link between wine and tourism experience, and this link should be based on entertainment rather than culture. It should leverage on esthetics and elegance rather than liveliness. Wine should be connected to events of different nature rather than to activities having nothing to do with the specificity of the destination or implying an active involvement by the tourist.

Many benefits can arouse for wine industry. Firstly, this can stimulate business networks to connect the urban destination with the wine-growing area. Secondly, the ‘memorability’ of tourist experience can trigger new business opportunities in wine export markets. Finally, also the tourism industry can find new sources of attractiveness and loyalty in the typical offering and in the link with local producers.

Future research will analyse data in willingness-to-pay space in order to improve the explanatory power of the model and better assess visitor preferences.