The Evaluation of Mid-Atlantic Wineries Websites: A Comparative Analysis

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The internet is arguably the most powerful and accessible information tool we have ever seen in our lifetime. However, often wineries’ websites tend to be mere “electronic brochures” rather than a dynamic and efficient marketing tool, while others use social media channels (e.g. Twitter or Facebook) in lieu of a comprehensive online marketing strategy. This is not a trivial issue in the sense that local wineries in the United States are facing increasing challenges that include a worldwide oversupply of wine mainly from large domestic wine makers and emerging wine producing countries. Consequently, many small wineries are finding it increasingly difficult to influence distributors to market their products and to secure retail shelf space. In this new market environment, smaller wineries need to develop innovative and competitive marketing strategies. Unfortunately, many small wineries do not have the resources or the knowledge to implement innovative marketing strategies and are markedly vulnerable.

Despite the potential of Internet applications to enhance the effectiveness of wine marketing operations, little or any research has assessed its use by wineries in the Mid-Atlantic region. More specifically, this study looks at the wine industries of Virginia, Maryland and North Carolina, which are comparable in many dimensions due to the geographic proximity and a set of similar challenges and opportunities that they all share. The Mid-Atlantic wine industry dates back to the early 17th century at the Jamestown Colony, and continued with the efforts of Thomas Jefferson, George Washington, and James Madison to promote the development of an American wine industry. In all three states, increasing wine production has contributed to the diversification of agriculture and local economies, employment creation, and the development of new market opportunities in rural communities. This suffered from a change in market structure resulting in the decline of has been particularly important for areas that traditional crops and farming practices (i.e. tobacco or apples). Virginia is currently home to 230 wineries in comparison to 107 in 2005, and only a handful in 1980. North Carolina wineries have more than quadrupled since 2001, and there are now more than 100 operating wineries. Finally, the wine industry in Maryland has also
experienced an impressive growth in recent years. Currently, there are 61 licensed wineries in this state, and the number of bottles of Maryland wine sold has increased almost 300 percent from 2001 to 2011. Despite their growing economic importance, Mid-Atlantic wineries are predominantly small and family owned and operated businesses. Only a few wineries have established brands that are relatively well known and managed to access the competitive retail market. The remaining smaller wineries do not produce enough quantities to supply large supermarket chains, and they rely heavily on direct sells to consumers.

Unlike with other agricultural products, marketing wine is information intensive, and websites may be used as a marketing tool that can enhance the communication between a winery and its customers. More specifically, a well-designed website that is functional and easy to use represents a relatively inexpensive solution to these problems and offers particular advantages to wineries in reaching geographically dispersed consumers. Web-based marketing should be geared toward accomplishing important marketing goals, such as providing information about the product, providing a secure e-commerce channel, establishing and nurturing relationships with customers or attracting visitors to the winery. Previous research has demonstrated that consumers formulate beliefs and attitudes about the firm and its products from the way it represents itself on its website (Belanger et al., 2006). Most importantly, consumers will not return to websites that do not give them good experiences which may result in losses of direct wine sales or future visitors to the winery (Jakob Nielsen, 2000; 2002; 2003). In another study Johnston, Wade and McClean (2007) demonstrate that websites contribute to profitability for small and medium enterprises in all industries worldwide. In the case of California, the majority of wineries surveyed in one study claim that developing their websites increased tourism activities and direct wine sales (Stricker, Mueller, Sumner, 2007). Following the methodology developed by Yuan et al. (2004), nearly 350 wineries websites will be evaluated. This study will develop website evaluation criteria that measure the effectiveness of a winery’s website on four dimensions: (1) general features of a website; (2) wine tourism; (3) marketing; and (4) educational. Based on previous research, a list of website attributes is constructed for each dimension, and scores will be assigned to each winery using a dichotomous scale. In other words, the researchers will code 1 if a particular feature was present in the website and 0 if the feature is not included or it simply failed to meet a minimum standard. Finally, scores will then be computed for each dimension, for each winery, for each state, and for the overall region. This
study will also apply statistical and econometric analysis in order to identify variables (i.e. geographic location, size of the winery, etc…) that have a significant impact on the scores of the website. Finally, the primary contributions of this study include: (1) the development of a theoretical framework that identifies the benefits of developing a reputable winery website; (2) the definition and use of a website evaluation criteria that assesses the quality of Mid-Atlantic wineries websites; (3) the identification of strengths, weaknesses and discrepancies in quality within the region; (4) and a series of recommendations that will be presented to the various industry stakeholders.