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Conference Presentation

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Keywords
Winery visitors, Winery tasting room, Spending, Loyalty

Research Question
The goal of this study is to explore what factors are associated with winery visitors’ spending.

Methods
The sample for this study is visitors of a winery located in Sonoma County, California.

Results
The results of the study revealed that individuals’ age and the frequency of visits were correlated positively with winery visitors’ spending at the winery; whereas, female and the price of

Abstract
Exploring the key factors affecting winery visitors’ spending? A case study of a winery in Sonoma County, California

Abstract
Wine is a complex hedonic product which requires education to appreciate wine (Latour and Latour, 2010). Often, wine drinkers, including even wine aficionado, who do not receive wine education may not be capable of discerning good quality wine objectively. Furthermore, there are more than 100,000 wine brands in U.S. and each wine has distinctive flavors and tastes depending on the winery’s terroir which could complicate wine consumers’ purchase decision. The issue is further exacerbated by the fact that the influence of service received at a winery on winery “on site” sales has not been examined empirically. Given the unique characteristics of the wine product, it may be worthwhile to examine the key factors associated with winery visitors’ spending at a winery.

The goal of this study is to explore what factors are associated with winery visitors’ spending. The sample for this study is visitors of a winery located in Sonoma County, California. The winery is of medium size and produces mainly Chardonnay and Pinot Noir. Cellar door sales account for about 90 percent of the winery’s total revenues, which was the main reason for selecting this winery for the study. The price of wines range from $20 to $100. The study used an online survey sent to 2,300 customers who visited the winery in the past to gauge the winery visitors’ satisfaction with services and products provided by the winery. A total of 447 complete responses
constitute our usable final sample. To explore major service attributes associated with winery customers’ spending at a winery, the researchers used internal spending data of the winery visitors who corresponded to the customer satisfaction survey.

First, participants completed an online satisfaction survey. Then, the internal spending data for the past 12 months of those who participated in the online survey was obtained. The expenditure of the study’s sample encompasses purchases wines through the winery’s website as well as purchasing wines by visiting the winery. The results of the study revealed that individuals’ age and the frequency of visits were correlated positively with winery visitors’ spending at the winery; whereas, female and the price of wine were correlated negatively with a winery visitor’s spending. Older visitors spend more money at the winery and those who visit the winery more frequently than other visitors tend to spend more money at the winery. Interestingly, male visitors spend more money than female visitors at the winery.

The results of the study on the winery visitors’ actual spending on buying wine suggest that winery operators need to develop marketing strategies to attract winery visitors. For example, a winery may create a variety of events such as barrel tastings and “farm to table” events to entice winery visitors. In addition, a winery might consider introducing wines with different price ranges because the results of the study indicate that price of wine is negatively correlated with a winery visitor’s actual spending. Depending on the winery’s positioning, a winery may create some affordable wine brands that winery visitors can sample without going through price pressures. In 2015, millennial population is expected to reach 70 million in the U.S. and the millennial wine consumers would account for 29% of wine consumption in the U.S. (Wine Market Council, 2015).

Therefore, offering affordable wines to entice young wine consumers can be of paramount importance for the long-term viability of some wineries. In addition, the results of the study suggest that a winery may consider introducing more wines designed specifically for female wine drinkers. The results of this study indicate that male winery consumers spend more money than female wine consumers. Apparently, most wines are branded by targeting male rather than female wine consumers in terms of bottle shape, color of package, and taste of wine.

The results of the study reveal that wine quality, winery reputation, and staff hospitality are positively correlated with the winery visitor’s spending at the winery after the winery visitor visited the winery. However, the relationship between wine quality, winery reputation, and staff hospitality and post winery visit spending is not significant. Despite the insights gained from the results of the study, this study has limitations that restrict the generalization of its results. Data is collected from visitors from a single winery. Thus, the study’s sample may not represent the entire population of winery visitors.

Consumers drink wine for a hedonic purpose and consumers may have simply allocated a budget for buying wine. Thus, the results of the study imply that consumers may not overspend on wine after they visit a winery even though the winery’s wine quality, winery’ staff hospitality and winery reputation exceed their expectations. Rather, the results of the study illuminate that demographic variables such as gender and age affect winery visitor’s “on site” spending significantly. Future studies should use longitudinal data to ascertain whether the influence of demographic characteristics persists for both satisfied and dissatisfied consumers.

References
