

Copyright is owned by the Author of the thesis. Permission is given for a copy to be downloaded by an individual for the purpose of research and private study only. The thesis may not be reproduced elsewhere without the permission of the Author.

Wine Tourism in the Auckland Region:
an analysis of the relationship between the wine and tourism
industries as well as the significance of wine tourism as a
tourist attraction

A thesis presented in partial fulfillment of the requirements
for the degree
of Master of Business Studies
in Management at Massey University

William Nash Winter

2003

Abstract

Originally designed for a conservative domestic market, devoid of wine drinking traditions, wine production in New Zealand, by taking advantage of the recent trend in the liberalisation of legislation, has now expanded to the extent that other markets including wine tourism are becoming increasingly crucial if further enlargement of the industry is to continue.

Within New Zealand, as with many countries, tourism both international and domestic, has become a major contributor towards economic prosperity. Overtaking the more conventional hedonistic tourism pursuits of past years, special interest or activity based tourism is now gaining momentum both within New Zealand and overseas. The availability of suitable attractions and activities are vital if this burgeoning industry is to further expand in the future. Particularly this is so in the Auckland region which is struggling to maintain and increase visitation levels by both overseas and domestic tourists.

Wine tourism entails more than just visiting wineries and vineyards. Rather it is the summation of a number of unique experiences - the "winescape". This includes ambience, landscape, surrounding social environment, regional culture, cuisine, local wine styles, and a variety of unique leisure activities that makes wine tourism popular with a growing number of travellers. Wine tourism can be considered as a form of consumer behaviour, based not only on the appeal of wine and wine regions but also involving development, marketing and promotional strategies for both the wine industry and marketplace destination in which wineries and wine-related experiences are the predominant attractions.

Internationally wine tourism is expanding rapidly throughout most wine producing regions in the world, although New Zealand including Auckland, is further behind in both recognition and extent than other comparable New World countries. In the case of Auckland, the growth and nature of wine tourism varies considerably as between the five sub-regions constituting the

Auckland Wine Region. To further investigate wine tourism generally and more specifically in the Auckland Wine Region, a wine tourism market model has been constructed in order to consider the demand, supply and destination aspects of the wine tourism market-place.

Within the context of the Auckland Wine Region, the research was designed by using the model, to explain the various components of wine tourism and their interrelationships. At a more general level it also seeks to consider the positioning of wine tourism within the ambit of the tourism attractions of the greater Auckland area.

Acknowledgments

This thesis has been researched and written with the assistance and support of a number of exceptional people. I would especially like to thank my supervisor, Associate Professor John Monin of the Department of Management and International Business, for his forbearance and helpfulness during its progression. I would also like to thank Professor Stephen Page who prior to his departure from the University assisted me greatly in choosing a topic, in which I was enthused but was also consistent with both my background and interests.

Professor Michael Hall of the University of Otago also provided much (at the time) unpublished research material and in the earlier stages of my research contributed prompt guidance and assistance by e-mail whenever requested.

The Department of Statistics, of the Institute of Information and Mathematical Sciences also assisted in the data analysis. During the past year I have also received much support from both academic and administrative staff of the College of Business at the Albany Campus of Massey University in Auckland. Additionally, the staff of a number of ancillary service departments of the University have also assisted me greatly. Particularly I would like to thank the staff of the University Library, at both Albany and Palmerston North who provided me with copies of numerous articles from seemingly obscure Journals that I had not discovered. The wonderful reference librarians of Auckland City Libraries and Waitakere City Library also guided me as I delved through their archival material.

I would also like to thank all those members, too numerous to name, of both the wine and tourism industries, who in spite of business pressures, willingly gave of their expertise and time.

On a more personal level, I would like to acknowledge the generous support of my family, friends and colleagues at work who took the time to provide a listening and sympathetic ear, especially during the intermittent periods of

elation and despondency which inevitably occurs during the thesis writing process.

Table of Contents

Wine Tourism in the Auckland Region: an analysis of the relationship between the wine and tourism industries as well as the significance of wine tourism as a tourist attraction	i
Abstract	ii
Acknowledgments	iv
Table of Contents	vi
Tables Included in Text	xi
Table of Figures	xiii
Chapter one: Introduction	1
Chapter two: Historical Background	5
2.0 Introduction	5
2.1 Earliest Beginnings	6
2.2 Wine and the New World	6
2.3 Establishment of Grape Vines in Oceania	8
2.4 Historical Development of Wine-making in New Zealand	9
2.5 Viticulturists and Wine-makers of the Auckland Region	9
2.6 Current Characteristics of New Zealand's Wine industry	11
2.7 Current Characteristics of the Auckland Wine Region	15
2.8 Summary	18
Chapter three: The New Zealand Tourism Industry	20
3.0 Introduction	20
3.1 International Tourism	20
3.2 Tourism in New Zealand	22
3.3 Tourism in the Auckland Region	23
3.4 Special Interest Tourism	25
3.5 Industrial Tourism	27
3.6 Cultural Tourism	28

3.7 Rural Tourism	29
3.8 Summary	30
Chapter four: Wine Tourism	32
4.0 Introduction	32
4.1 History and Development of Wine Tourism	33
4.2 Definitions, Concepts and Models of Wine Tourism	36
4.3 Development of National, Regional and Local Wine Tourism Structures	39
4.4 International Wine Tourism	43
4.5 Wine Tourism in New Zealand	48
4.6 Wine Tourism in the Auckland Region	52
4.7 Summary	55
Chapter five: The Demand Side of Wine Tourism	57
5.0 Introduction	57
5.1 Consumer Behaviour	58
5.2 Wine Tourism Consumer Research	60
5.3 External Influences on Decision Making	62
5.4 Internal Influences on Decision Making	70
5.5 Typologies of Wine Tourists	75
5.6 Purchase Decisions	77
5.7 Information Sources	79
5.8 Recreational and Experiential Aspects of Wine Tourism	80
5.9 Temporal and Spatial Issues	81
5.10 Perceptions and Expectations Held by Wine Tourists	82
5.11 Summary	83
Chapter six: The Supply Side of Wine Tourism	85
6.0 Introduction	85
6.1 Wine Tourism Producer Research	86
6.2 Advantages and Disadvantages of Engaging in Wine Tourism	87
6.3 Availability of Wine Tourism Facilities and Visitor Services	91

	viii
6.4 Winery Attributes	94
6.5 Marketing and Promotional Activities	98
6.6 Critical Success Factors for Wineries Participating in Wine Tourism	103
6.7 Summary	104
Chapter seven: The Wine Tourism Destinalional Market-Place	106
7.0 Introduction	106
7.1 Wine Tourism Regional Destinalional Concepts	107
7.2 Synergy of Wine Tourism with other Destinalional Activities	112
7.3 Wine Tourism Destination Marketing and Promotional Issues	114
7.4 Sustainable Tourism and the Protection of Wine Tourism's Regional Resources	124
7.5 Critical Success Factors for Wine Tourism Destinalional Regions	126
7.6 Summary	128
Chapter eight: Laws and Industry Organisation	130
8.0 Introduction	130
8.1 Historical Perspective of Existing Governmental Regulations	130
8.2 Current Governmental Laws and Regulations for Wine-making	131
8.3 Taxation	131
8.4 Tariff Protection and Import Controls	132
8.5 Geographic Certification and Appellation	132
8.6 Wine Industry Organisation	135
8.7 Summary	137
Chapter nine: Research Design	139
9.0 Introduction	139
9.1 Basis of Tourism Research	139
9.2 Wine Tourism Research	141
9.3 Participants	142
9.4 Sampling	143
9.5 Design of Questionnaires	144
9.6 Finalisation of Research Questions and Item Development	146

9.7 Procedure	147
9.8 Ethical Considerations	151
9.9 Summary	151
Chapter ten: Results of Consumers' Survey	154
10.0 Introduction	154
10.1 Administering the Survey Instrument	155
10.2 General Demographic Characteristics of Wine Tourists in the Auckland Wine Region	156
10.3 Socio-economic Characteristics of Wine Tourists in the Auckland Wine Region	160
10.4 Characteristics of Visits of International Wine Tourists to the Auckland Wine Region	162
10.5 Level of Wine Knowledge and Extent of Past Wine Experience of Visitors to the Auckland Wine Region	165
10.6 Motivations and Decision Making Processes of Visitors to the Auckland Wine Region	167
10.7 Information Sources Used by Visitors to the Auckland Wine Region	169
10.8 The Significance of Winery Attributes in the Decision to Purchase Wine at Wineries in the Auckland Wine Region	171
10.9 Purchases Made During Visits by Wine Tourists to the Auckland Wine Region	173
10.10 Overall Satisfaction/Dissatisfaction of Wine Tourists To the Auckland Wine Region	177
10.11 Summary	178
Chapter eleven: Results of Producers' Survey	181
11.0 Introduction	181
11.1 Administering the Survey Instrument	182
11.2 General Information About Wineries in the Auckland Wine Region	182
11.3 Viticultural Information About Wineries in The Auckland Wine Region	186
11.4 Advantages and Disadvantages of Wine Tourism as Perceived by Wineries in the Auckland Wine Region	187
11.5 Marketing Initiatives Used by Wineries in the Auckland Wine Region	189
11.6 Wine Tourism Facilities Available for Visitors to Wineries in the Auckland Wine Region	190
11.7 Winery Attributes as Perceived by Wineries in the Auckland Wine Region	192
11.8 Established Wine Industry and Tourism Industry Networks - Auckland Wine Region	193
11.9 Current, Anticipated Wine Sales Made to Visitors by Wineries - Auckland Wine Region	194
11.10 Overall Assessment of Wine Tourism by Wineries in the Auckland Wine Region	196

11.11 Summary	197
Chapter twelve - Discussion	200
12.0 Introduction	200
12.1 What are the characteristics of visitors to wineries?	201
12.2 What facilities and attributes of wineries are considered by visitors to be the most important?	203
12.3 Do wineries wish to attract additional visitors?	205
12.4 Can wineries attract greater levels of visitation by providing further facilities and by using market segmentation for promotional purposes?	205
12.5 What levels of networking currently exists as between wineries (Example: wine trails) and as between the wine and tourism industry generally?	206
12.6 How can these be enhanced in the future to further promote wine tourism?	207
12.7 Issues of Validity and Reliability	208
12.8 Summary	209
Chapter thirteen: Conclusion	212
13.0 Introduction	212
13.1 The Future of Wine Tourism as a Concept	213
13.2 Issues Related to Wine Tourism Consumers	214
13.3 Issues Related to Wine Tourism Producers	215
13.4 Issues Related to Wine Tourism Destinations	216
13.5 Future Research	219
13.6 Summary	220
References	222
Glossary	266
Appendices	279

Tables Included in Text

Table 5.0 Wine tourism consumer research: supply focus	60
Table 5.1 Wine tourism consumer research: demand focus	61
Table 5.2 Wine tourism consumer research: miscellaneous focus	63
Table 5.3 Visitor demographics: international venues	65
Table 5.4 Visitor demographics: New Zealand venues	66
Table 5.5 Nature of regional experience for winery visitors: New Zealand venues	67
Table 5.6 Trip characteristics of inter-regional winery visitors - New Zealand venues	69
Table 5.7 Ranking of motivators for winery visitors	71
Table 5.8 Level of wine knowledge	73
Table 5.9 Margaret River - wine expenditure at the cellar door	78
Table 6.0 Wine tourism producer research - Australia and New Zealand	86
Table 6.1 Wine tourism producer research - France, USA, Canada, World-wide	87
Table 6.2 New Zealand visitor services and facilities	92
Table 6.3 Winery aesthetics - Correlation with attitudes, wine purchases and accessory purchases	95
Table 6.4 Wine attributes -Correlation with attitudes, wine purchases and accessory purchases	96
Table 6.5 Service Attributes - Correlation with attitudes, wine purchases and accessory purchases	96
Table 6.6 Price (wine) - Correlation with attitudes, wine purchases and accessory purchases	97
Table 7.0 Ranking of factors important for developing a successful wine tourism destination	127
Table 10.0 Participation rate by wine sub-region	155
Table 10.1 General demographic characteristics of Auckland's and New Zealand's adult population	156
Table 10.2 Demographic characteristics of wine tourists in the Auckland Wine Region	157
Table 10.3 Residential characteristics of New Zealand's population	158
Table 10.4 Nationality and residential characteristics of wine tourists in the Auckland Wine Region	159
Table 10.5 Socio -economic characteristics of Auckland's and New Zealand's population	161
Table 10.6 Socio-economic characteristics of wine tourists in the Auckland Wine Region	162
Table 10.7 Modes of transport of international wine tourists while in the Auckland Wine Region	163
Table 10.8 International wine tourists - particulars of visit to the Auckland Wine Region	164
Table 10.9 Characteristics of wine tourists in the Auckland Wine Region - wine knowledge	165
Table 10.10 Characteristics of wine tourists in the Auckland Wine Region - past wine experience	166
Table 10.11 Motivations of wine tourists to visit wineries in the Auckland Wine Region	168
Table 10.12 Visitor intention to visit additional wineries in the Auckland Wine Region	169

Table 10.13 Time elapsed between making a decision to visit a winery/vineyard and the actual visit in the Auckland Wine Region	170
Table 10.14 Sources of information used by wine tourists prior to visiting wineries in the Auckland Wine Region	170
Table 10.15 Winery attributes as ranked by wine tourism respondents in the Auckland Wine Region	171
Table 10.16 Wine purchased during current visit to a winery in the Auckland Wine Region	173
Table 10.17 Historic and current wine purchases from the winery visited by wine tourists to the Auckland Wine Region	174
Table 10.18 Intended purpose for wine purchased during the current visit to a winery in the Auckland Wine Region	175
Table 10.19 Purchase of goods and services other than wine while visiting a winery in the Auckland Wine Region	176
Table 10.20 Visitors' overall rating of visitation to a winery in the Auckland Wine Region	177
Table 11.0 Response rate by wine sub-region	182
Table 11.1 Length of time winery established	183
Table 11.2 Size indicators of wineries/vineyards	184
Table 11.3 Employee numbers at wineries/vineyards	185
Table 11.4 Wine produced by grape variety in the Auckland Wine Region	186
Table 11.5 Geographic origin of grapes crushed in (or equivalent musts transported to) the Auckland Wine Region	187
Table 11.6 Advantages and disadvantages of wine tourism as perceived by wineries in the Auckland Wine Region	188
Table 11.7 Sources of information provided by wineries in the Auckland Wine Region	189
Table 11.8 Wine tourism facilities available for visitors to wineries in the Auckland Wine Region	190
Table 11.9 Tasting fees charged/not charged in the Auckland Wine Region	191
Table 11.10 Winery attributes as ranked by winery respondents in the Auckland Wine Region	192
Table 11.11 Network relationships of wineries in the Auckland Wine Region	194
Table 11.12 Current wine sales made to winery visitors in the Auckland Wine Region	195
Table 11.13 Anticipated increases in wine sales	195
Table 11.14 Overall assessment of wine tourism in the Auckland Wine Region	197

Table of Figures

Figure 2.0 Cultivation of <i>Vitis vinifera</i> Around the World	7
Figure 2.1 Map of New Zealand's Wine Regions	12
Figure 2.2 Wine Imports Versus Domestic Sales of New Zealand Wine	15
Figure 2.3 Map of Auckland's Wine Sub-Regions	16
Figure 3.0 Conceptualisation of Rural Tourism	30
Figure 4.0 Wine Tourism Market Model	38
Figure 7.0 Components of a Wine Tourism Destination	109
Figure 7.1 Life-cycle of a hypothetical tourism destination	110
Figure 8.0 Current Industry Organisation and Governmental Relationships	136