

THE ROLE OF WINE TOURISM IN THE MARKETING OF WINERIES
IN THE STELLENBOSCH WINE ROUTE OF SOUTH AFRICA

by

ADRI KIRKMAN

submitted in accordance with the requirements

for the degree of

MASTER OF COMMERCE

in the subject of

BUSINESS MANAGEMENT

at the

UNIVERSITY OF SOUTH AFRICA

Supervisor: Prof JW Strydom

Co-supervisor: Prof C van Zyl

November 2010

DECLARATION

I declare that **The role of wine tourism in the marketing of wineries in the Stellenbosch Wine Route of South Africa** is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

Mrs Adri Kirkman

Date

ACKNOWLEDGEMENTS

All honour and glory and praise to my Lord and Saviour.

It is a pleasure to thank those who have made the completion of this dissertation possible.

I am deeply grateful for the guidance and encouragement of my two supervisors, Prof JW Strydom and Prof C Van Zyl. Thank you for your patience and willingness to invest your time, energy and expertise in me.

I would like to thank Mr A Morgenthal, Mr S Back, Mrs S Marx and Mr P Benade for providing me with invaluable insight into the industry.

A heartfelt thank you to Dr Pohl for assisting me with the statistics, without you I would still be staring at the datasheet!

Thank you to Mrs Koekemoer of the Bureau of Market Research for assisting me with the creation of the electronic questionnaire.

Mrs Joubert, thank you for editing my dissertation.

A special thank you to my colleagues, Dorothy, Jenny, Nadine, Nicolene, Ursula and Tracey, for listening, encouraging and advising. Your support has been amazing!

I would like to honour my parents and parents-in-law. Thank you for believing in me, praying continuously and laughing when I become too serious about life.

To the love of my life, Duncan, thank you for your unwavering support, encouragement and love. I love you forever.

ABSTRACT

Commercial reality demands that the South African wine industry convert from its current production orientation to a marketing orientation, by drawing on all new and existing marketing channels in order to ensure its continued success. International research has shown that wine tourism can add value to and benefit a winery as a direct marketing channel. This study investigated the role that wine tourism currently plays within the marketing strategies of wineries in the Stellenbosch Wine Route of South Africa. Findings of the exploratory research indicated that many wineries do not comprehend the positive influence of wine tourism and view it as a secondary marketing activity. It is concluded that South African wine marketers could profit from utilising wine tourism as an integral part of their marketing strategy in order to maintain and increase their share of the alcoholic beverage market.

Key terms

wine industry; wine tourism; marketing; branding; South Africa; Stellenbosch Wine Route; wineries

LIST OF ABBREVIATIONS

BEE	Black economic empowerment
BWI	Biodiversity Wine Initiative
FTSA	Fairtrade South Africa
GDP	Gross domestic product
IPW	Integrated Production of Wine Scheme
IWSR	International Wine and Spirit Record
KWV	Koöperatiewe Wijnbouwers Vereniging van Zuid-Afrika
MIS	Marketing information system
PESTE	Political, economic, social, technological and environmental (factors)
PET	Plastic polyethylene terephthalate
SAWIS	South African Wine Industry Information and Services
SAWIT	South African Wine Industry Trust
SIT	Special interest tourism
SWOT	Strengths weaknesses opportunities and threats (analysis)
VFR	Visiting friends and relatives
WIDA	Wine Industry Development Association
WOSA	Wines of South Africa
WTO	World Tourism Organisation
WTTC	World Travel and Tourism Council

TABLE OF CONTENTS

DECLARATION

ACKNOWLEDGEMENTS

ABSTRACT

LIST OF ABBREVIATIONS

CHAPTER 1: BACKGROUND AND PROBLEM STATEMENT	1
1.1 INTRODUCTION	1
1.2 BACKGROUND INFORMATION ON THE RESEARCH PROBLEM	1
1.3 PROBLEM STATEMENT	4
1.4 OBJECTIVES	7
1.4.1 PRIMARY OBJECTIVE	8
1.4.2 SECONDARY OBJECTIVES	8
1.5 RESEARCH METHODOLOGY	8
1.5.1 STAGE 1: SECONDARY RESEARCH	8
1.5.2 STAGE 2: PRIMARY RESEARCH	9
1.5.3 DATA PROCESSING AND ANALYSIS	10
1.5.3.1 Data preparation	10
1.5.3.2 Statistical analysis	10
1.5.3.3 Reliability and validity	11
1.6 LAYOUT OF THE CHAPTERS	12

CHAPTER 2: WINE AND WINE TOURISM IN SOUTH AFRICA	14
2.1 INTRODUCTION	14
2.2 THE SOUTH AFRICAN WINE INDUSTRY	15
2.2.1 THE HISTORY OF THE SOUTH AFRICAN WINE INDUSTRY	16
2.2.2 SOUTH AFRICA’S WINELANDS	20
2.2.3 THE SOUTH AFRICAN WINE INDUSTRY BUSINESS ENVIRONMENT	23
2.2.3.1 The macro-environment of the South African wine industry	23
2.2.3.2 The micro-environment of the South African wine industry	31
2.2.3.3 SWOT analysis of the South African wine industry	36
2.3 THE SOUTH AFRICAN WINE TOURISM INDUSTRY	38
2.3.1 DEVELOPMENT OF THE SOUTH AFRICA WINE TOURISM INDUSTRY	38
2.3.2 WINE TOURISM IN CONTEXT	40
2.3.3 WINE TOURISM SYSTEM	45
2.3.4 PROFILE AND MOTIVATIONS OF SOUTH AFRICAN WINE TOURISTS	48
2.3.5 WINE TOURISM PRODUCT CHARACTERISTICS AND BENEFITS	52
2.4 CONCLUSION	54
CHAPTER 3: MARKETING: THE THEORETICAL UNDERPINNINGS	55
3.1 INTRODUCTION	55
3.2 THE MARKETING PROCESS	56
3.3 THE MARKETING MIX OF THE WINE INDUSTRY	58
3.3.1 PRODUCT OF THE WINE INDUSTRY	59
3.3.1.1 Branding of wines	62
3.3.1.2 Packaging of wines	68
3.3.1.3 Labelling of wines	69

3.3.2	PRICING IN THE WINE INDUSTRY	70
3.3.3	PLACE IN THE WINE INDUSTRY	71
3.3.4	PROMOTION IN THE WINE INDUSTRY	75
3.3.4.1	Advertising of wine product	76
3.3.4.2	Personal selling of wine products	77
3.3.4.3	Sales promotion of wine products	77
3.3.4.4	Public relations of wineries	78
3.3.4.5	Direct marketing of wine products	78
3.4	CONCLUSION	79
CHAPTER 4: RESEARCH METHODOLOGY		80
4.1	INTRODUCTION	80
4.2	THE STUDY SITE	81
4.3.1	DEGREE TO WHICH THE RESEARCH QUESTION HAS BEEN CRYSTALLISED	84
4.3.3	RESEARCHER CONTROL OF VARIABLES	85
4.3.4	PURPOSE OF THE STUDY	85
4.3.5	THE TIME DIMENSION	85
4.3.6	THE TOPICAL SCOPE	86
4.3.7	THE RESEARCH ENVIRONMENT	86
4.3.8	PARTICIPANTS' PERCEPTUAL AWARENESS	86
4.4	THE SAMPLE PLAN	87
4.4.1	SURVEY POPULATION	87
4.4.2	SURVEY SAMPLE	87
4.4.3	SURVEY COLLECTION METHOD	88

4.5	DESIGN OF THE RESEARCH INSTRUMENT	88
4.5.1	QUESTION GENERATION	88
4.5.2	CONSTRUCTION OF THE QUESTIONNAIRE	90
4.5.3	PILOT TESTING OF QUESTIONNAIRE	93
4.6	DATA COLLECTION	94
4.7	DATA PROCESSING	96
4.7.1	DATA CAPTURING	96
4.7.2	DATA CODING	96
4.7.3	DATA EDITING	96
4.8	DATA ANALYSIS	97
4.8.1	DESCRIPTIVE STATISTICS	97
4.8.2	INFERENCE STATISTICS	98
4.8.3	RELIABILITY AND VALIDITY	100
4.9	PRESENTATION OF DATA FINDINGS	101
4.10	LIMITATIONS OF THE STUDY	101
4.11	CONCLUSION	102
CHAPTER 5: DATA ANALYSIS OF WINERIES IN THE STELLENBOSCH		
	WINE ROUTE	103
5.1	INTRODUCTION	103
5.2	DESCRIPTIVE ANALYSES OF THE RESEARCH FINDINGS	103
5.2.1	SECTION A: The corpographic profile and products and services	104
5.2.2	SECTION B: Visitor profile	112
5.2.3	SECTION C: Advantages and disadvantages of wine tourism	118
5.2.4	SECTION D: Wine tourism and the promotion of winery products	122

5.2.5	SECTION E: Wine tourism and brand equity	136
5.3	HYPOTHESIS TESTING	139
5.3.1	TESTING OF HYPOTHESES 1 to 5 (BINOMIAL TEST)	139
5.3.1.1	Hypothesis 1	139
5.3.1.2	Hypothesis 2	141
5.3.1.3	Hypothesis 3	143
5.3.1.4	Hypothesis 4	144
5.3.1.5	Hypothesis 5	146
5.3.2	TESTING OF HYPOTHESES 6 to 10 (MANN-WHITNEY U TEST)	148
5.3.2.1	Hypothesis 6	148
5.3.2.2	Hypothesis 7	150
5.3.2.3	Hypothesis 8	150
5.3.2.4	Hypothesis 9	151
5.3.2.5	Hypothesis 10	152
5.3.3	TESTING OF HYPOTHESES 11 TO 15 (KRUSKAL-WALLIS TEST)	153
5.3.3.1	Hypothesis 11	153
5.3.3.2	Hypothesis 12	155
5.3.3.3	Hypothesis 13	156
5.3.3.4	Hypothesis 14	157
5.3.3.5	Hypothesis 15	158
5.7	CONCLUSION	158

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS	159
6.1 INTRODUCTION	159
6.2 OVERVIEW OF THE STUDY PROCESS	159
6.3 LIMITATIONS OF THE STUDY	160
6.4 CONCLUSIONS OF THE DATA ANALYSES	161
6.5 RECOMMENDATIONS FOR SOUTH AFRICAN WINERIES	166
6.6 AREAS FOR FUTURE RESEARCH	168
6.7. CONCLUSION	169
REFERENCES	171
ANNEXURE A	201
ANNEXURE B	203
ANNEXURE C	205
ANNEXURE D	215

LIST OF FIGURES

Figure 1.1: Porter's value chain	5
Figure 1.2: Winery value chain	6
Figure 1.3: Layout of the chapters	12
Figure 2.1: Structure of Chapter 2	15
Figure 2.2: Map of the major New World wine countries	16
Figure 2.3: Timeline of the wine industry of South Africa	17
Figure 2.4: Map of South Africa's wine regions	22
Figure 2.5: Marketing environment of a winery	23
Figure 2.6: Porter's five forces model	32
Figure 2.7: Distribution channels of wineries	36
Figure 2.8: Tourism management mode	41
Figure 2.9: Primary travel motivations	41
Figure 2.10: Specific travel motivations	42
Figure 2.11: Types of special interest tourism	43
Figure 2.12: The wine tourism system	46
Figure 3.1: Structure of Chapter 3	55
Figure 3.2: The marketing process	57
Figure 3.3: The marketing mix	59
Figure 3.4: Three levels of the wine product	60
Figure 3.5: Model of brand equity for the wine industry	65
Figure 3.6: Consumer distribution channels	72
Figure 3.7: Wine business supply chain	73
Figure 3.8: Promotion mix	76

Figure 4.1: Structure of Chapter 4	81
Figure 4.2: The Stellenbosch Wine Route	82
Figure 4.3: Typology of research design types	83
Figure 5.1: Distribution of responses across the sub-routes (n=46)	105
Figure 5.2: Distribution of respondents' winery size (n=46)	106
Figure 5.3: Ownership status of wineries (n=43)	107
Figure 5.4: Tasting fee types (n=46)	108
Figure 5.5: Products and services offered by wineries in South Africa (n=45)	111
Figure 5.6: Systematic visitor count (n=46)	112
Figure 5.7: Visitor age profile	115
Figure 5.8: Types of promotional activities of wineries in South Africa (n=46)	123
Figure 5.9: Marketing spend (n=40)	127
Figure 5.10: Marketing spend – domestic vs international marketing (n=43)	128
Figure 5.11: Wine sales – domestic vs international sales (n=40)	129

LIST OF TABLES

Table 2.1: South Africa: area under vine and wine production for 2006	20
Table 2.2: The geographic distribution of South Africa's wine grape vineyards per region (excluding sultanas)	21
Table 2.3: Percentage share of alcoholic beverage market in South Africa	33
Table 2.4: SWOT analysis of the South African wine industry	37
Table 2.5: Definitions of wine tourism	43
Table 2.6: Primary and secondary motivations of wine tourists	50
Table 2.7: Specific visitor motivations to visit wine route estates in South Africa	51
Table 2.8: Wine tourism market segment descriptors	52
Table 2.9: Tourist facilities available at the winery	53
Table 2.10: Benefits of wine tourism	54
Table 3.1: Costs and benefits of distribution channels	74
Table 4.1: Research design descriptors	84
Table 4.2: Structure of the questionnaire	91
Table 4.3: Summary of responses received in the current study	95
Table 5.1: Members of Stellenbosch sub-routes	104
Table 5.2: Total number of employees per section/category of the winery (n=44)	109
Table 5.3: Domestic vs international tourists	113
Table 5.4: Gender distribution of tourists to wineries (n=43)	114
Table 5.5: Age profile of winery visitors to South African wineries (n=43)	115
Table 5.6: Motivations to visit a winery (n=46)	116
Table 5.7: Advantages and disadvantages of wine tourism (n=46)	118
Table 5.8: Types of wine sales (n=46)	124

Table 5.9: Factors influencing the success of a winery (n=46)	125
Table 5.10: Associated significance between variables	130
Table 5.11: Subroute trends with regards to marketing spend, marketing coverage and sales	131
Table 5.12: Correlation between winery size, percentage of revenue spent on marketing and place of sale	134
Table 5.13: Responsibility of wine tourism promotion (n=45)	136
Table 5.14: Wine tourism and brand equity (n=46)	137
Table 5.15: Motivations to visit a winery (n=46)	140
Table 5.16: Advantages and disadvantages of wine tourism (n=46)	142
Table 5.17: Cellar door sales (n=46)	144
Table 5.18: Factors influencing the success of a winery (n=46)	145
Table 5.19: Brand equity (n=46)	147
Table 5.20: Mann-Whitney U test results for motivations to visit a winery	149
Table 5.21: Mann-Whitney U test results for factors that influence the developing and marketing of a successful winery	151
Table 5.22: Mann-Whitney U test results for wine tourism and brand equity	152
Table 5.23: Kruskal-Wallis test results for motivations to visit a winery	154
Table 5.24: Kruskal-Wallis test results for the advantages of wine tourism to wineries	155
Table 5.25: Kruskal-Wallis test results for the factors that influence the development and marketing of a successful winery	157

CHAPTER 1: BACKGROUND AND PROBLEM STATEMENT

1.1 INTRODUCTION

The purpose of this chapter is to provide the reader with background to the study. The first section of this chapter provides information pertaining to the problem that will be researched. The research problem is then explained and the research objectives formulated. Next, a brief overview of the research process is given. In conclusion, a synopsis is provided of the various chapters in this dissertation.

1.2 BACKGROUND INFORMATION ON THE RESEARCH PROBLEM

The focus of this study is the wine industry and the role of tourism in the wine industry. Before embarking on a discussion of the wine industry and the role of tourism, it is necessary to first describe the main or key product produced by this industry, namely wine (Orth, Lockshin & d'Hauteville, 2007:5). Wine is a beverage made from the fermented juice of grapes and is defined by its place of production (Barreiro-Hurlé, Colombo & Cantos-Villar, 2008; Ling, 2010; Orth *et al.*, 2007:5). There are many different wine making methods and hundreds of different wine varieties, but the common denominator of all wine is that it is associated with relaxation, communing with others, food consumption, learning about new things and hospitality (Dodd in Bruwer, 2003).

The wine industry is a global industry (Bell & Giuliani, 2007; Hussain, Cholette & Castaldi, 2008). Wine is produced in almost every country in the world; fifty-two countries have wine industries large enough to contribute to the country's gross domestic product (GDP) (Wine Institute, 2009c). The International Wine and Spirit Record (IWSR) states that the global wine market was worth US\$151 817 billion in 2008 and is expected to grow by a further 8.05% in value between 2009 and 2013. This represents an 8.8% growth in volume with a 19.6% increase in value between 2004 and 2013, making the global wine business more valuable than the world's cosmetics industry (Vinexpo, 2010).

The wine¹ industry is one of the primary agricultural sectors in South Africa (SAinfo, 2010a). The South African wine industry ranks eighth in overall wine production in the world, with domestic sales of wine amounting to 356.1 million litres and exports reaching nearly 412 million litres in 2008. This amounted to more than R6 272 million in turnover. Imports to the country totalled almost R237 million, equivalent to 2% of domestic sales (South African Wine Industry Information and Systems [SAWIS], 2009a:4; SAWIS, 2009b:7; Swanepoel & Bailey, 2008).

During 2008, the wine industry contributed R26 223 million to the annual GDP and supported the employment opportunities of nearly 300 000 people. Household income worth R17 124 million was generated by the wine industry during the same period, of which R2 908 million was earned by lower-income groups. A significantly large portion of this money is spent in the Western Cape region where it was earned. By combining the annual expenditure of farmers on production inputs and household incomes earned through the wine industry it is easy to see that this industry forms the backbone of the economy of many districts in the Western Cape (SAWIS, 2009a; SAWIS, 2009b; Swanepoel & Bailey, 2008).

Hence the importance of the wine industry to the people and the economy of South Africa and specifically the Western Cape cannot be denied (Thomas, 2010a). The wine industry is currently (2010) in its sixth year of a down cycle, the longest decline in its history (Van Wyk in Thomas, 2010a). The industry also faces numerous challenges, both domestically and internationally (Gaiter & Brecher, 2008; Ponte & Ewert, 2007; Williams, 2005). These challenges include devastating weather conditions in late 2009 and early 2010 which halved production per hectare of some farmers in the Stellenbosch area, perpetual global oversupply, a fluctuating exchange rate and a strong rand (Business World, 2008; Le Roux, 2007; Reddy, 2006; Redford, 2008; Somogyi, Gyau, Li & Bruwer, 2010; Thiel in Thomas, 2010a; Thomas, 2010a). (These challenges are all discussed in detail in chapter 2, section 2.2.3). Joubert (in Thomas, 2010a) states that no more than 3 to 5% of wine farmers are currently making a profit. The four most significant challenges facing the South African wine industry include being a relatively new entrant into the world wine market, the collapse of world financial markets, problems with the South African wine industry's distribution chain and the production orientation philosophy that still prevails. These four challenges will now be discussed in more detail.

¹ When referring to the South African wine industry, wine encompasses natural, fortified and sparkling wine, as well as wine for brandy, distilling wine, brandy and other spirits distilled from distilling wine. Often, wine industry statistics also include grape juice and grape juice concentrate, which are used in wine, other alcoholic products and nonalcoholic products. In this study, the term "wine" will be used to refer only to natural, fortified and sparkling wine, unless specified otherwise (SAWIS, 2009a:3).

(i) Relatively new entrant to the world wine market

South Africa has a centuries' long tradition of winemaking; its first wine was pressed in 1659 (Du Plessis & Boom, 2008; Bruwer, 2003; WOSA History, n.d.). However, the industry was isolated from international competition during the years of 1934 to 1994 and catered mostly to the domestic market (Encyclopaedia Britannica, n.d.). This created a situation in which the South African wine industry only really began to compete internationally in 1995, making it one of the newest entrants to the international wine market (SA Wine Council, 2007; Mason, 2010). Competition is tough because South Africa has to compete with better quality wines made from more popular grape varieties, with competitors that are much larger, have better distribution channels and are better known brand names in the wine market (Ewert, 2005; Gaiter & Brecher, 2008).

(ii) Collapse of world financial markets

The collapse of world financial markets in 2008 had a major impact on the wine industry (Joubert in Thomas, 2010a). At the most simplistic level, inflationary conditions coupled with pressure on disposable income have resulted in consumers trading down (McNulty, 2010; Nielsen Company, 2009; SAWIS, 2009a; Fridjhon, 2008). This is true of the South African wine consumer as well as international wine consumers (*Cape Business News*, 2009b). This down trading has affected the entire wine market; from the most premium to the cheapest wines, and the fall back in prices seems to be worldwide (Smale, 2008; This is money, 2009; Veseth, 2008). The South African wine consumer is generally regarded as more price conscious and less likely to venture into the higher priced products (*Cape Business News*, 2009). This was confirmed by a wine industry survey conducted by South African Wine Industry Information and Systems (SAWIS) in 2009 (SAWIS, 2009b). Combined with consumers trading down, production costs have increased. The average cost of wine production rose from R19 000 per hectare to R26 580 per hectare between 2004 and 2009. In 2009 alone, the cost of wine production increased by 13%, more than double South Africa's overall inflation rate (Thomas, 2010a).

(iii) South African wine industry distribution chain

Another obstacle to the industry is the current wine distribution chain. The wine industry distribution chain is long, characterised by complex distribution structures, and as a result producers have largely lost direct contact with consumers of wine products (Bastian, Alant, Bruwer & Li, 2005:80; Miller & Bruwer, 2006). The long distribution chain has also led to an extremely low profit margin for wineries. Recent studies have shown that of the average retail (shelf) price of R24 for a 750ml bottle of wine, the producing winery receives only 44 cents. This is in stark contrast to the R1.07 per bottle (*i.e.* 4% of retail price) which is seen as a

reasonable remuneration and return on capital (SAWIS, 2009b; Conningarth Economists in Thomas 2010a).

(iv) Production orientation instead of marketing orientation

The origin of the grapes used to make a wine is used by consumers to make inferences about its quality and style, it can therefore be said that wine is defined by its place of production (Orth, Wolf & Dodd, 2005; Orth *et al.*, 2007). With the foundation of the wine industry based on agriculture, it comes as no surprise that the industry has been accused of being much more product-driven than market-oriented (Beverland & Lockshin, 2003; Orth *et al.*, 2007). Most wineries still focus on producing the best quality wine at a reasonable price, believing that the product would sell itself, spending very little on marketing and branding their product (Van Rooyen in Media Vision Consultants, 2008).

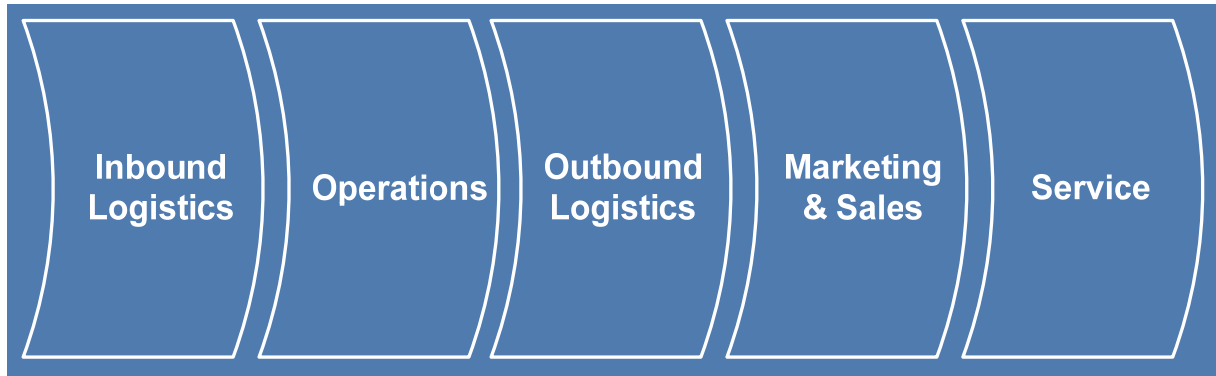
The above-mentioned challenges form the foundation upon which the research problem of this study was formulated. The research problem is explained in the next section.

1.3 PROBLEM STATEMENT

As previously mentioned, the South African wine industry currently faces numerous challenges (also discussed in detail in chapter 2, section 2.2.3). Van Rooyen (in Media Vision Consultants, 2008), CEO of Wines of South Africa, states that the wine industry will not be able to survive in the future if it continues to focus on production alone. Good quality wine and fair prices are not enough to sustain the industry, especially not with new competitors such as China and India entering the market (Van Rooyen in Media Vision Consultants, 2008; Castle, 2008). According to Bruwer (2006), South Africa will only be able to survive in the long term if it adopts a whole-of-wine-value-chain approach with a marketing orientation to its wine business.

How can South African wineries adopt a whole-of-wine-value-chain approach with a marketing orientation to its business? Before answering this question, it is first necessary to clarify the concept of a value chain. The best explanation of a value chain is Porter's value chain model. According to Porter (in Barnes, 2001), core products are received into the business and transformed into a final product by a series of value-adding processes. The final product is then distributed from the business through various distribution channels and sold to the end consumer by employing marketing and sales strategies. This process is illustrated in figure 1.1.

Figure 1.1: Porter's value chain



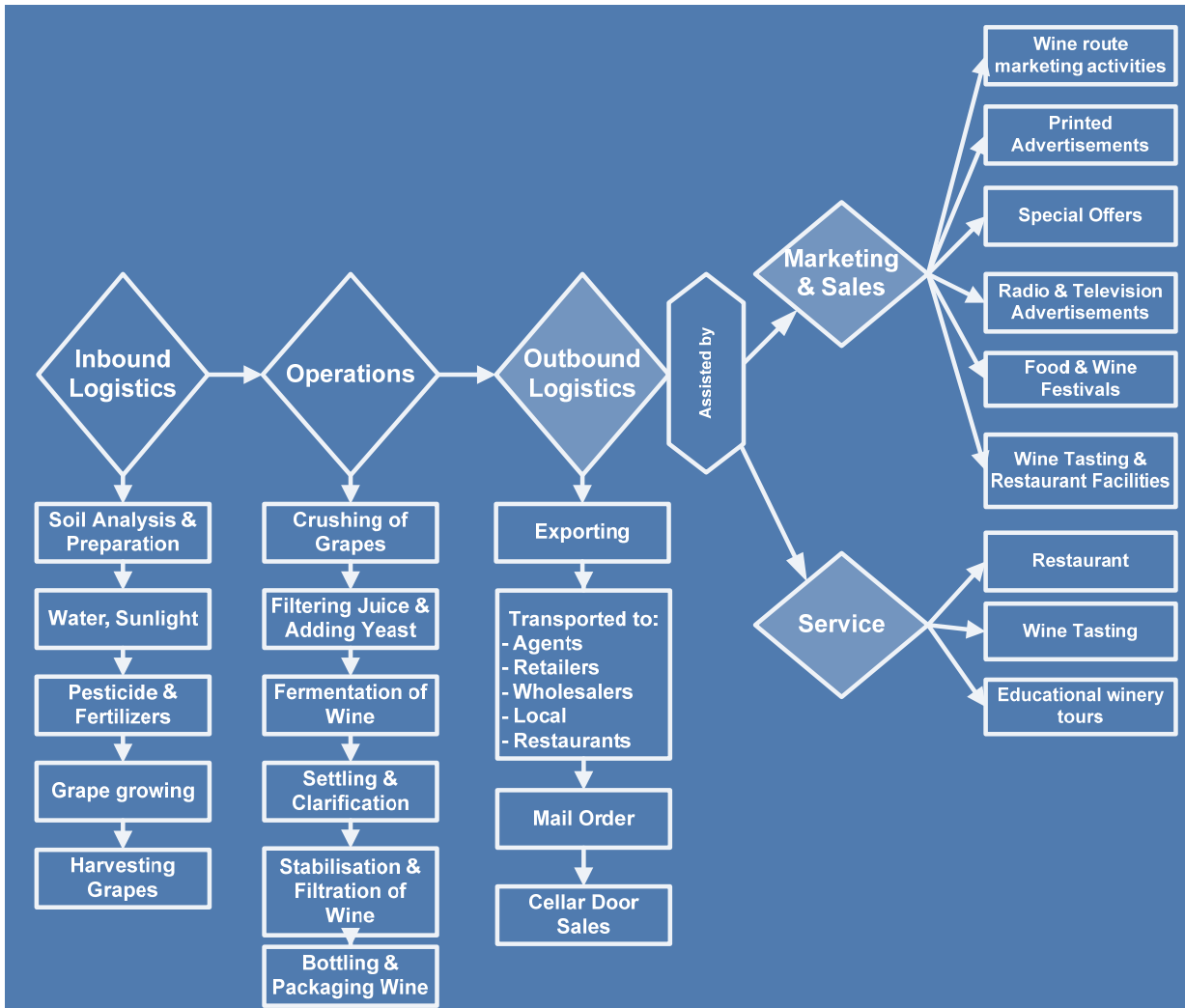
Source: Adapted from Dess & Lumpkin (2003:72); Ehlers & Lazenby (2007:90); Porter in Barnes (2001:52)

By applying Porter's value chain model to the wine industry, the value-adding processes in a winery² can be explained. The core product is the grapes that are grown in vineyards. Operations of a winery include the harvesting, crushing and fermentation and aging process of grapes (the core product) until wine is produced. The wine (final product) is then sold to the consumer through various distribution channels, for example, cellar door sales, mail order, wholesalers and retailers and food and wine festivals, which form part of the concept of wine tourism. Wine tourism is defined as travel relating to the appeal of wineries and wine country, a form of niche marketing and destination development and an opportunity for direct sales and marketing by the wine industry (Getz, 2000).

The wine sale process is assisted by various marketing and service strategies, such as wine route promotional activities and food and wine festivals. The winery value chain (based on Porter's value chain) is illustrated in figure 1.2.

² In South Africa, wine producers fall into three groups, namely estate wineries, cooperatives and independent cellars. *Estate wineries* make wine from grapes grown on the estate, *cooperatives* turn the grapes grown by cooperative members into wine and *independent cellars* buy in both grapes and wine and make wine for bottling under their brand name (Hall, Sharples, Cambourne & Macionis, 2000:105). In this study, all three different types of wine producers will be investigated, hereafter referred to simply as "wineries".

Figure 1.2: Winery value chain



Source: Adapted from Cooperative Research Centre for Viticulture (n.d.); AusWeb08 (2008); Chemical Engineering Tools & Information (n.d.)

By taking a closer look at figure 1.2, it is possible to ascertain the areas in which wine tourism can add value in the value chain of a winery. Activities such as food and wine festivals, cellar door sales, the promotional activities of a wine route, wine tasting and educational winery tours are all functions or activities of wine tourism. It can therefore be concluded that wine tourism can add value to the wine industry in the last three links of the value chain, namely outbound logistics, marketing and sales and service.

Since the mid-1990s, researchers have pointed to the benefits that the wine industry could derive from a positive, mutually beneficial relationship with the tourism industry (Dodd, 1995; Dodd & Bigotte, 1997; Getz, 2000; Hall, Sharples, Cambourne & Macionis, 2000). These benefits include increased wine sales, aiding cash flow, fostering brand loyalty and the creation of higher profits from winery sales (Fuller in Hall *et al.*, 2000:35; Getz, 2000; Roberts & Sparks in Carlsen & Charters, 2006).

International research by Chaney (in Thach & Matz, 2004:118), Dodd (1995) and Howley and Van Westering (2008) conducted in the USA, Spain and Australia has already demonstrated that the development of wine tourism has a positive effect for growers in wine-producing areas, confirming the financial benefits listed by Dodd (1995), Dodd and Bigotte (1997), Getz (2000) and Hall *et al.* (2000). Thus it can be concluded that wine tourism can add value to and benefit wineries in financial terms.

In the South African context, industry specialists have reiterated that if wineries do not move away from a production orientation to a marketing orientation, they will not survive in the future (Van Rooyen in Media Vision Consultants, 2008). As explained above, wine tourism is a marketing channel, which can add value to and benefit wineries. The question that arises is: Do South African wineries perceive that wine tourism adds value to or benefits their business and do they actively employ wine tourism as a tool in their marketing strategies?

This question forms the research question of this study. The study will endeavour to investigate the perception of wineries regarding wine tourism and the role that wine tourism currently plays in the marketing of wineries. The study is exploratory in nature, and to the researcher's knowledge, no such research has recently been conducted in South Africa. The bulk of the research that has been done in the South African context focused on the wine tourist and wine tourism product (Bruwer, 2003; Demhardt, 2003; Preston-Whyte in Hall *et al.*, 2000; Tassiopoulos & Haydam in Carlsen & Charters, 2006; Tassiopoulos, Nuntsu, & Haydam, 2003), while a few studies have focused on the supply of wine tourism (Bruwer, 2003; Loubser, 2004). This study will therefore add to the existing knowledge base of wine tourism and its role in helping to market the wine industry.

The study site that was selected for the primary research is the Stellenbosch Wine Route (see chapter 4, section 4.2 in this regard). Based on the research question, a primary and several secondary objectives were formulated for this study, which are listed in the next section.

1.4 OBJECTIVES

In the previous section, the research problem for this study was explained. The research problem provides the foundation for the objectives of the study, which are divided into a primary and several secondary objectives. These are listed next.

1.4.1 PRIMARY OBJECTIVE

To investigate the **role of wine tourism** in the **marketing of wineries** in the Stellenbosch Wine Route of South Africa

1.4.2 SECONDARY OBJECTIVES

- To compile a **corpographic profile of the wineries** in the Stellenbosch Wine Route of South Africa
- To investigate the range of **wine tourism products** available at wineries in the Stellenbosch Wine Route of South Africa
- To compile a **profile of the visitors** to the wineries in the Stellenbosch Wine Route of South Africa
- To determine the perceived **advantages and disadvantages of wine tourism** for wineries in the Stellenbosch Wine Route of South Africa
- To investigate whether wine tourism plays an important role in the **promotion strategy** of wineries in the Stellenbosch Wine Route of South Africa
- To determine the perception of wineries in the Stellenbosch Wine Route of South Africa regarding wine tourism in **branding** wineries

1.5 RESEARCH METHODOLOGY

The research in this dissertation consists of two stages, namely secondary research and primary research. The first stage is a review of relevant academic literature and the second stage involves a survey of the respondents and the subsequent analysis and interpretation of the data that were collected.

1.5.1 STAGE 1: SECONDARY RESEARCH

The secondary research in this study comprises an in-depth literature review of a range of concepts relevant to the primary research in this study. The research was conducted by consulting various scientific databases, magazines, newspapers, textbooks and other published academic material. Information obtained through this process was synthesised and simplified and is presented in chapters 2 and 3.

Chapter 2 explores the wine industry and the wine tourism industry in South Africa. This chapter includes relevant theory of important concepts pertaining to the wine industry and the wine tourism industry. These concepts include the history of these industries in South Africa, an overview of the wine regions, the current market environment and the profile of South African wine tourists. Chapter 3 provides a brief overview of the marketing process and attention is then focused on the marketing strategy and the marketing mix. Thereafter, the four P's of marketing are discussed in detail as they relate to wine tourism and the wine industry.

1.5.2 STAGE 2: PRIMARY RESEARCH

The primary research of this study was conducted in the wine-growing region of Stellenbosch, South Africa. (Refer to figure 2.4 in chapter 2, section 2.2.2 for a map of the region.) The population of the study consisted of all the wineries that are members of the Stellenbosch Wine Route, since it comprises more than 85% of the vineyards located in the Stellenbosch wine-growing region. The Stellenbosch region, in turn, made up 18% of the total vineyard footprint in South Africa in 2009. According to Frandsen (2005), the size and dominance of the Stellenbosch Wine Route in comparison with other wine routes provide a reasonably accurate indication of all the wine routes and wine tourism in the Western Cape (see Annexure A for a list of all the wineries in the population as accessed on 30/09/2009).

A census approach was used to survey the population since it consists of only 146 wineries which could be surveyed without too many time, financial and human resource constraints and the details of the population were easily accessible from the Stellenbosch Wine Route website (Weiers, 2008:118).

The survey instrument was constructed by the researcher in a process that included a visit to the study site and the 2008 Stellenbosch Wine Festival, telephonic interviews with wineries, secondary research, in-depth interviews with industry specialists and pilot testing. This process is discussed in detail in chapter 4, section 4.5. The majority of the questions were derived from previous research on New Zealand wineries, conducted by Christensen, Hall and Mitchell (2004) and South African wine routes and regions, conducted by Bruwer (2003), Demhardt (2003) and Preston-Whyte (in Hall *et al.*, 2000).

The primary data were collected using self-completion e-mail questionnaires. The completed electronic questionnaires were received by the electronic data bank of the Bureau for Market Research during the months of November and December 2009 and January 2010. Forty-six completed questionnaires were received during the data collection process and the response rate was calculated at 33%.

The data that were gathered using these questionnaires were processed and analysed. This process is discussed in the next section.

1.5.3 DATA PROCESSING AND ANALYSIS

1.5.3.1 Data preparation

The processing of the data in this study involved capturing, coding and editing the raw data. Since the respondents were required to complete the questionnaires online, the data were captured electronically on the Bureau for Market Research's database. Data were automatically converted into a Microsoft Excel spreadsheet. The questionnaire had been precoded since all the questions in the questionnaire were closed-ended and could be assigned categories and numbers beforehand.

The data in this study were edited in order to identify and minimise errors, incompleteness and inconsistencies, for example, the data were scrutinised in order to determine if there were any invalid numbers, such as a 3, appearing in a column where 1 indicates male and 2 indicates female (Van Zyl, 2002:75). Furthermore, data that were received in a format different to the "expected" format were consistently edited. The processed data were then subjected to various statistical analyses, which are discussed next.

1.5.3.2 Statistical analysis

The data in this study were analysed using both descriptive and statistical methods.

Descriptive statistics describes or summarises the data obtained for a group of individual units of analysis (Welman, Kruger & Mitchell, 2009:231; Weiers, 2008:842). Frequencies, means, medians and quartiles were the descriptive statistics used in the current study since nominal, ordinal and interval data were collected (Welman *et al.*, 2009:229-230).

The statistical methods used to derive inferential statistics in this study comprised various nonparametric tests. These tests include binomial tests, Mann-Whitney U tests and Kruskal-Wallis tests. They are all described in detail in chapter 4, section 4.8.2.

The next section discusses the reliability and validity of the research instrument that was used.

1.5.3.3 Reliability and validity

Babbie, Mouton, Vorster and Prozesky (2007:119), describe *reliability* as the ability of a measuring instrument to obtain the same results when the same thing is measured more than once. There are different types of reliability measurements, which include test-retest reliability, internal consistency reliability, equivalent forms reliability and interrater reliability (Leedy & Ormrod, 2010:93). None of the reliability tests could be conducted and the reliability of the measuring instrument in this study could not be measured owing to the nature of the study and the small sample size. This can be seen as a limitation of the scope of the study (see section 6.3.).

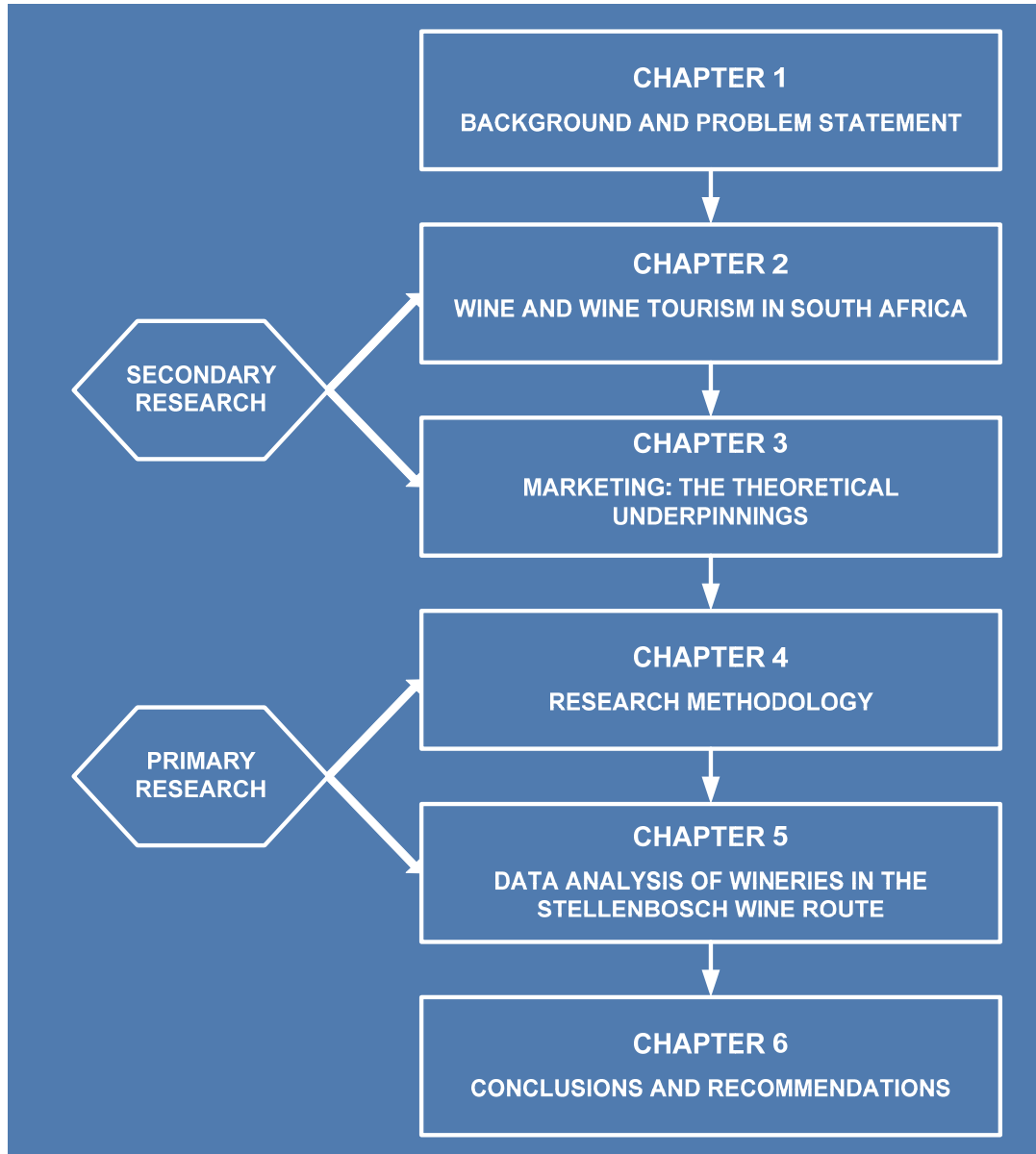
Validity is defined as the extent to which the instrument measures what it actually intends to measure. Validity can take on different forms, namely face validity, content validity and criterion validity (Neuman, 2007:118). In the current study, the type of validity used to establish the trustworthiness of the results from the survey is called *content validity*. A measurement instrument has high content validity if its items or questions represent the entire “universe of items” from which it is drawn (Salkind, 2009:118). After the questionnaire had been designed, four industry specialists were consulted about the content formulation and scope of the questions included in this survey instrument in order to ensure that it had an acceptable level of content validity.

A brief overview of the research process followed in this dissertation was provided in this section. The next section briefly outlines the content of the chapters in the dissertation.

1.6 LAYOUT OF THE CHAPTERS

This dissertation consists of six chapters, the structure of which is illustrated in figure 1.3.

Figure 1.3: Layout of the chapters



Chapter 1: Background and problem statement

Chapter 1 serves as a point of reference regarding the study. This chapter provides background information regarding the research and explains the research problem. Research objectives are listed and an overview of the research methodology used in the study is given. It then provides a synopsis of each chapter in the dissertation.

Chapter 2: Wine and wine tourism in South Africa

Chapter 2 consists of a literature review of the South African wine industry and the South African wine tourism industry. Topics that are discussed include the history of both the wine and the wine tourism industries, South Africa's wine regions, the current market environment of the wine industry, wine tourism and wine tourists and the product characteristics and benefits of wine tourism.

Chapter 3: Marketing: The theoretical underpinnings

Chapter 3 comprises of a literature review of the marketing process and the marketing mix with a focus on the four P's as they relate to wine tourism and the wine industry.

Chapter 4: Research methodology

Chapter four is a detailed discussion of the research methodology that was used in conducting the primary research in this study. The research process that was followed, the study site, the research population, the data collection process and the methods used in analysing the data are described. The chapter is concluded with a discussion of the validity and reliability of the measuring instrument and data.

Chapter 5: Data analysis of wineries in the Stellenbosch Wine Route

Chapter five is dedicated to a thorough discussion of the data analysis. In the first section the descriptive statistics are presented in a systematic manner. The second section is structured around hypotheses and the statistical tests that were conducted in order to prove or disprove these statements.

Chapter 6: Conclusions and recommendations

Chapter six is devoted to the conclusions that can be derived from the data analysis and the recommendations that can be made to management, based on the findings of the study.

CHAPTER 2: WINE AND WINE TOURISM IN SOUTH AFRICA

2.1 INTRODUCTION

As noted in chapter 1, the main objective of this research study was to investigate the role that wine tourism plays in marketing wineries that are part of the Stellenbosch Wine Route. Before primary research could be done in order to achieve this objective, it was necessary to have a theoretical foundation upon which primary research could be conducted. The purpose of this chapter is therefore to provide a theoretical background of the South African wine industry as well as the wine tourism industry in South Africa.

This chapter is divided into two main sections, firstly, the *South African Wine Industry* is discussed in section 2.2 and secondly the *South African Wine Tourism Industry* in section 2.3. The content of each section is indicated in figure 2.1.

Figure 2.1: Structure of Chapter 2



2.2 THE SOUTH AFRICAN WINE INDUSTRY

Section 2.2 pertains to the wine industry in South Africa and the discussion begins with a brief overview of its history. This is followed by an overview of the wine regions of South Africa. The section concludes with an in-depth discussion of the market environment and a SWOT analysis of the South African wine industry.

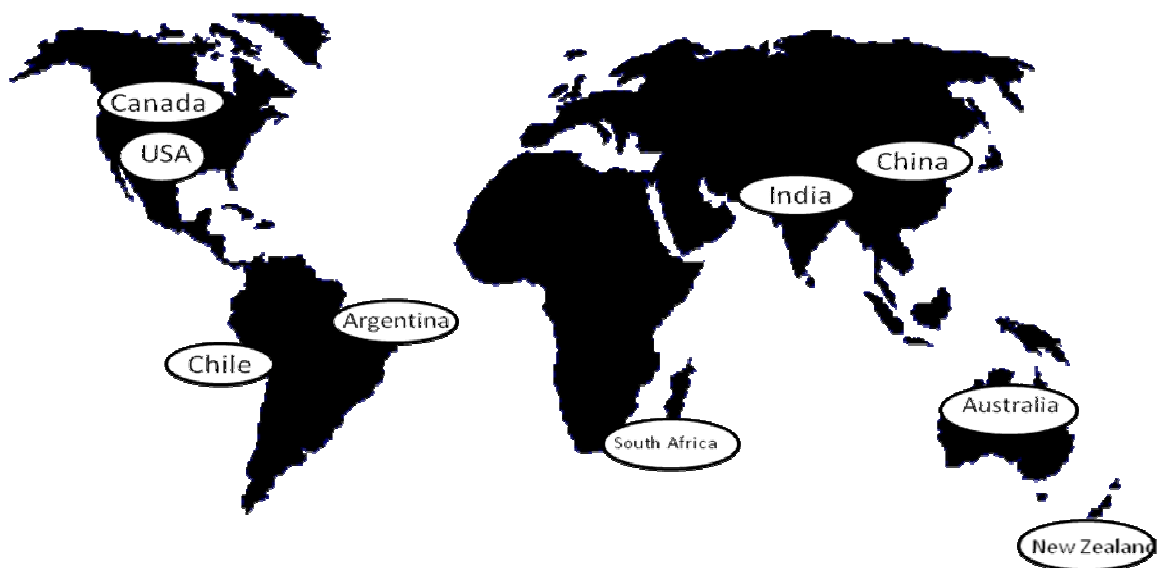
2.2.1 THE HISTORY OF THE SOUTH AFRICAN WINE INDUSTRY

Evidence of wine production dates back as far as 6000 BC and it is generally accepted that wine was made for the first time in Persia (Vineyard Varieties, n.d.). The cultivation of grapevines spread systematically from Persia to Egypt and Greece (2500 BC) and from there to Sicily, Italy and most of North Africa (1000 BC) (Unwin in Anderson, 2004:15; Vineyard Varieties, n.d.). Five-hundred years later, wine production spread to Spain, the South of France and Arabia (WOSA, n.d.[b]).

During the period of the Roman Empire, wine became a vital trading commodity and the Romans were responsible for spreading wine production into much of Western Europe, especially the Moselle and Rhine valley sections of France and Germany and the Danube River valley of Austria (Honeycreek Vineyards & Orchards, n.d.). France, Germany, Hungary, Italy and many other European countries proudly boast wine histories dating back to the Romans and Celts and are commonly known as “Old World” wine producing countries (Professional Friends of Wine, n.d.).

Between 1450 and 1650, grape cultivation was transported from Europe to North and South America, South Africa and Australia, following the voyages of Columbus (1492), Vasco da Gama (1498) and other explorers (Anderson, Norman & Wittwer in Anderson, 2004:15; Eyewitness to History, 2004; Timeline Index, n.d.). These countries are seen as newcomers to winemaking, and are commonly known as “New World” wine producers (Professional Friends of Wine, n.d.). The New World wine countries are indicated on the map in figure 2.2.

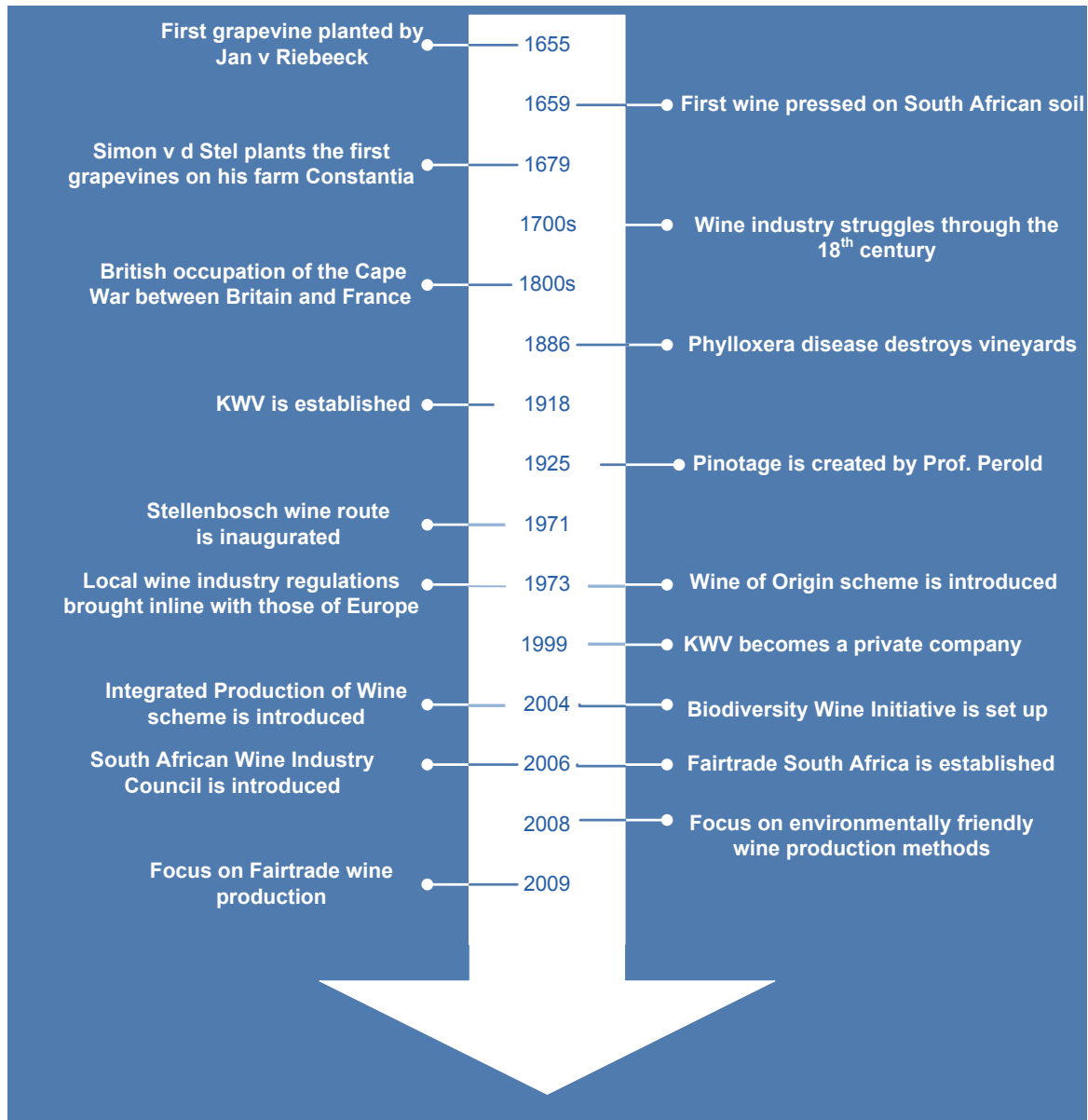
Figure 2.2: Map of the major New World wine countries



Source: Gastin & Schwing in Thach & Matz (2004:3)

South Africa, one of these New World wine producers, is one of the oldest wine producing countries outside Europe, celebrating its 350th year of wine production in February 2009 (Bruwer, 2003:424; Blandy, 2009). The timeline of various events in the history of the South African wine industry is illustrated in figure 2.3.

Figure 2.3: Timeline of the wine industry of South Africa



As indicated in figure 2.3, events shaping the current South African wine industry commenced from as early as the 1600s. In 1652, the Dutch East India Company established a refreshment station at the Cape of Good Hope to provide fresh food to the company's merchant fleet on their voyages to India and the surrounding areas (Vineyard Varieties, n.d.). Jan van Riebeeck, the first governor of the Cape, planted a vineyard on South African soil in 1655 (South African History Online, n.d.). The first wine was pressed on 2 February 1659,

from the cuttings imported from France (Du Plessis & Boom, 2008; Bruwer, 2003; WOSA, n.d.[b]). However, the wine industry did not show any progress until 1679 when Simon van der Stel succeeded Jan van Riebeeck as governor of the Cape (WOSA, n.d.[b]). Van der Stel was passionate and enthusiastic about wine and had considerable knowledge of viticulture and winemaking practices; he planted a vineyard on his farm, Constantia, which produced excellent wine from the outset and is still mentioned in discussions of the world's finest wines (Van Zyl, 2009).

The South African wine industry struggled through the 18th century. At that time, no pioneering work had yet been done and winemakers found it difficult to identify the best varieties and winemaking techniques for the area and climate. Added to that, a shortage of oak vats made it difficult to age wine properly, which resulted in substandard wines (WOSA, n.d.[b]).

The first half of the 19th century brought prosperity to the wine industry. The British occupation of the Cape, in addition to Britain's war with France, created a large new market for Cape wines. However, the prosperity was short-lived. Britain and France declared peace in 1861, and with that, South Africa's wine exports collapsed (WOSA, n.d.[b]). The decimation of the vineyards followed with the outbreak of the phylloxera disease in 1886 (Swanepoel & Bailey, 2008).

In 1918, the Koöperatiewe Wijnbouwers Vereniging (KWV) of South Africa was set up in an attempt to organise and market the industry. They provided services to farmers, established a quota system and sold South African wines internationally under the KWV label (Swanepoel & Bailey, 2008; Robinson, 2006).

Professor Perold created South Africa's very own varietal, called Pinotage, in 1925. The first pinotage was sold under the name 'Lieberstein' which topped sales of 31 million litres in 1964, making it the largest selling bottled wine in the world at that time (Pinotage Association, 2008; Swanepoel & Bailey, 2008).

The Wine of Origin System was introduced in 1973, which divided South Africa's winelands into a series of official regions, districts, wards and estates (Vineyard Varieties, n.d.). Furthermore, the local wine industry's regulations were brought in line with those in Europe (Du Plessis & Boom, 2008). The first wine route was also established in 1973, namely the Stellenbosch Wine Route, which still functions as a major tourist attraction in 2010 (Du Plessis & Boom, 2008; Stellenbosch Wine Route, 2010).

In 1998, the Integrated Production of Wine Scheme (IPW) was introduced, aiming to give guidelines for the processes from the vine to wine (IPW, n.d.). The purpose of the IPW scheme is to raise winemaking standards in the South African wine industry (Swanepoel & Bailey, 2008:22-23).

The KWV became a private company in 1999 and its industry responsibilities were taken over by the South African Wine Industry Trust (SAWIT) (SAWIT, n.d.). SAWIT was also entrusted with the role of developing previously disadvantaged producers in the wine industry (Swanepoel & Bailey, 2008).

During 2004, the Biodiversity Wine Initiative (BWI) was set up. The BWI is a partnership between conservation groups and private farms to ensure that the biodiversity of plant life is preserved and encouraged (Swanepoel & Bailey, 2008; BWI, 2010).

At the Second Annual Fairtrade Stakeholder meeting held in May 2005, the Fairtrade South Africa (FTSA) trust was established. Several steering committees were established, including a wine working committee for South African producers, processors and exporters (WOSA, n.d.[a]).

The South African Wine Industry Council was established in 2006 to represent the South African wine industry and enhance the strategic environment for the benefit of the South African wine industry. The council comprises four business units, Winetech, Wines of South Africa (WOSA), South African Wine Industry Information and Services (SAWIS) and the Wine Industry Development Association (WIDA) (economic, social and human resources programmes) (Du Plessis & Boom, 2008).

The year 2008 was characterised by the wine industry's move towards more environmentally friendly methods of farming and production (Swanepoel & Bailey, 2008), while 2009 saw an increase in focus on Fairtrade³ wines with South Africa winning the Ethical Award (SAinfo, 2010b).

This section outlined the history of the South African wine industry. The next section is dedicated to a discussion of South Africa's winelands.

³ Fairtrade was established in 1994 and is recognised in 20 national markets across Europe, North America, Japan and Mexico. Fairtrade is a development tool to aid disadvantaged farmers and workers in developing countries to earn more money by using the international Fairtrade Mark. Fairtrade addresses the injustices of conventional trade by requiring companies to pay sustainable prices (which must never fall lower than the market price). The Fairtrade mark represents better prices, decent working conditions, local sustainability, and fair terms of trade for farmers and workers in the developing world (Fairtrade Foundation, n.d.; WOSA, n.d.[a]).

2.2.2 SOUTH AFRICA'S WINELANDS

South Africa has 3 839 grape farmers who cultivate 304 461 939 vines (in 2008) (SAWIS, 2009a). The country contributes 3.6% of the total amount of wine produced worldwide with only 1.5% of the world's vines and in 2008 South Africa ranked eighth in overall volume production (SAWIS, 2009a; SAWIS, 2009b). Table 2.1 shows the area under vines and the total wine production for the top three Old World wine-producing countries, as well as the top five New World wine-producing countries that currently compete with South Africa. South Africa performs extremely well in terms of the percentage of world wine production in relation to the percentage of world surface area of grapes when compared to other New World wine countries.

Table 2.1: South Africa: area under vine and wine production for 2006

Country		Area under vines (Wine and table grapes)			Wine production (litres)		
		Hectares	% of total world surface area	Rank	Wine production	% of total world production	Rank
Old world	Spain	1 174 000	15.8	1	4 010 000 000	14.1	3
	France	842 000	11.3	2	5 340 000 000	18.8	1
	Italy	824 600	11.1	3	4 711 700 000	16.6	2
New world	China	483 200	6.5	5	689 600 000	2.4	11
	USA	379 200	5.1	6	2 338 000 000	8.2	4
	Argentina	219 000	2.9	8	1 539 600 000	5.4	5
	Chile	178 000	2.4	10	845 000 000	3.0	9
	Australia	158 200	2.1	11	1 429 800 000	5.0	6
	South Africa	112 700	1.5	14	1 013 000 000	3.6	7

Source: Australian Global Wine Statistical Compendium 1961 to 2005 & OIV Statistics 2006, in SAWIS (2009a:34)

Although South Africa's vineyards can be found across the entire country (Cob Creek, n.d.; Landzicht, n.d.; Mbendi Information Services, 2009; The Stable Wine Estate, n.d.; Toureagle, n.d.), most vineyards are situated in the Western Cape near the coast, as well as in the drier

Northern and Eastern Cape regions, namely the Little Karoo, the Olifants River Valley and the lower Orange River (Vineyard Varieties, n.d.).

The Western Cape is one of the prime vine-growing regions in the southern hemisphere since it has a mainly Mediterranean climate with warm, dry summers and wet winters (WOSA, n.d.[b]). The mountain slopes and valleys form the ideal habitat for the wine grape *Vitis vinifer* (WOSA, n.d.[b]; Swanepoel & Bailey, 2008).

There are four main areas of grape production, namely Breede River Valley, Coastal, Little Karoo and Olifants River, which encompass 21 diverse districts and some 61 smaller wards (Swanepoel & Bailey, 2008). These areas are indicated on the map in figure 2.4, while table 2.2 summarises the geographic distribution of South Africa's wine grape vineyards per region, from the largest to the smallest.

Table 2.2: The geographic distribution of South Africa's wine grape vineyards per region (excluding sultanas)

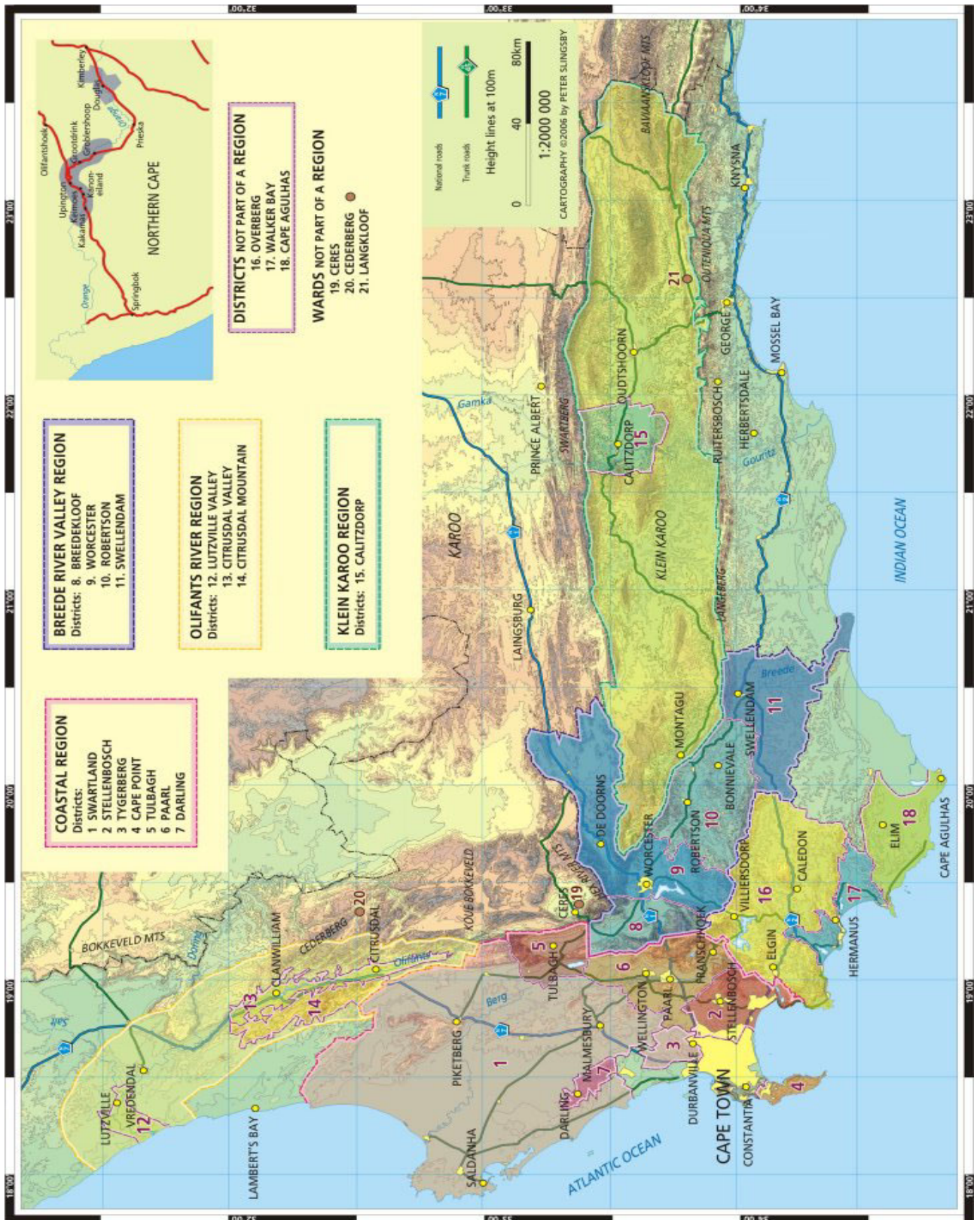
Wine region	Number of vines	% of total vines of SA	Area (hectares)	% of total hectares
Stellenbosch	52 508 434	17.25	17 137	16.91
Paarl	51 918 553	17.05	16 891	16.67
Malmesbury	36 903 012	12.12	14 567	14.38
Robertson	47 559 486	15.62	13 989	13.72
Breedekloof	40 764 205	13.39	12 361	12.20
Olifants River	27 640 470	9.08	9 996	9.87
Worcester	27 425 627	9.01	8 490	8.38
Orange River	10 612 596	3.49	5 029	4.96
Little Karoo	9 129 556	3.00	2 956	2.92
Total	304 461 939	100.00	101 325	100.00

Source: SAWIS (2009a:8)

Regions that produce the most wine grapes (Worcester, Olifants River and Robertson, respectively) also produce the highest yields per hectare, while farms in regions such as Paarl, Stellenbosch and Malmesbury produce lower yields⁴ (Vink, Williams & Kirsten in Anderson, 2004: 240).

⁴ Generally, grape yield per hectare of vineyard can vary as much as between 3 and 40 tons (Gawel, n.d.). The amount of grapes harvested from a particular vineyard is influenced by the type and age of vine, its *terroir*, the climate, viticultural techniques and plantation density (Ross, n.d.). Overall, South Africa has a high grape yield per hectare due to the excellent *terroir* and climate enjoyed by most wineries, as well as scientifically advanced viticultural techniques.

Figure 2.4: Map of South Africa's wine regions

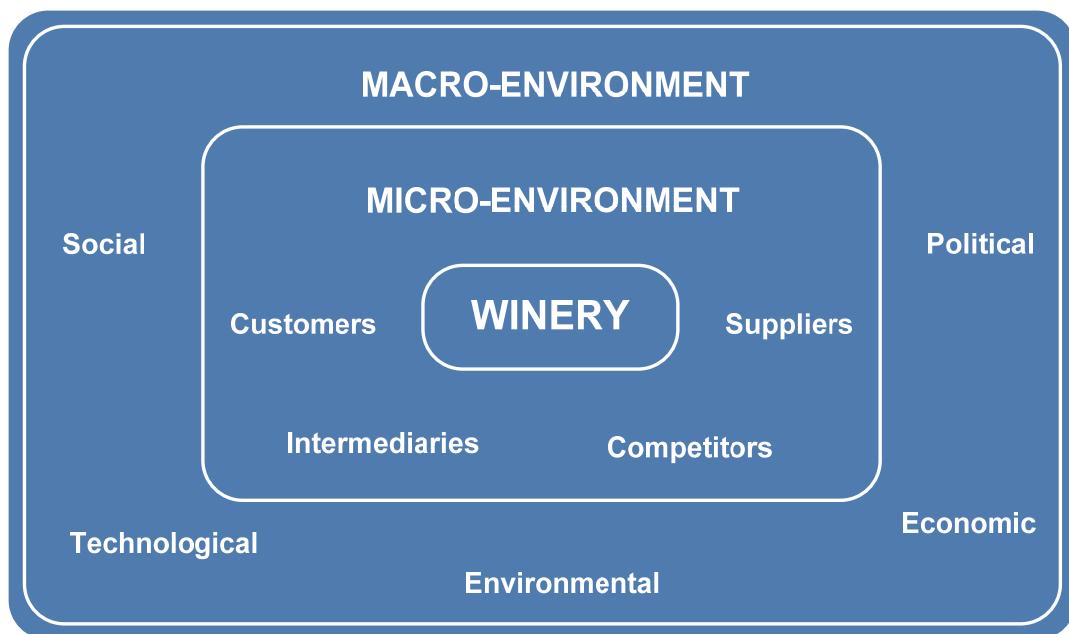


Source: Barrel Cave Wines (n.d.)

2.2.3 THE SOUTH AFRICAN WINE INDUSTRY BUSINESS ENVIRONMENT

All industries, including the wine industry, function or operate in the marketing environment (Bennett & Strydom, 2001:24). A winery's marketing environment consists of everything inside and outside the winery and can be defined as all the factors that influence the marketing activities of the winery, either directly or indirectly (Bennett & Strydom, 2001:24). The market environment of the wine industry is composed of the micro-environment and the macro-environment (Kotler & Armstrong, 2006:65). Within each component of the marketing environment are several variables that influence the winery, such as competitors, intermediaries and the political environment. This is illustrated in figure 2.5.

Figure 2.5: Marketing environment of a winery



For a winery to be successful, it must be aware of the influence of these variables and must be proactive in leading the business in the right direction. The wine industry's marketing environment will now be discussed in more detail, starting with the macro environment.

2.2.3.1 The macro-environment of the South African wine industry

The macro-environment is composed of all the dimensions in broader society that influence an industry and the organisations within it (Ehlers & Lazenby, 2007:103). Generally, organisations cannot directly control the external (macro) environment's segments and elements, but these elements and changes in the external environment have a major influence on organisations (Nieuwenhuizen & Rossouw, 2008:21). The elements in the external (macro-) environment are popularly referred to as PESTE factors. PESTE is an

acronym for political, economic, social, technological and environmental (Ehlers & Lazenby, 2007:104). These macro-environmental factors influence individual organisations, in this case, wineries, at four levels, namely, local, regional, national and global (George, 2007:44).

Each of the five factors in the macro-environment will now be discussed as it relates to the South African wine industry.

(i) Political environment of the South African wine industry

The political environment is defined as “the parameters within which organisations and interest groups compete for attention, resources and a voice in overseeing the body of laws and regulations that guide the interactions between the organisation and the environment” (Ehlers & Lazenby, 2007:107). The South African wine industry has been influenced both favourably and unfavourably by various elements within its political environment. The most notable aspects, namely the previous regulation of the wine industry, black economic empowerment requirements, minimum wage legislation and taxes and excise duties will now be discussed briefly.

- Regulation of the wine industry between 1918 and 1995

The South African wine industry was regulated between 1918 and 1995 by the KWV (Ewert, 2005). The KWV regulated planting quotas, minimum prices and guaranteed a minimum price for surplus grapes; it was also the only exporter of South African wine (Ewert, 2003). Grape farmers therefore focused on producing the required tons per hectare and not quality grapes or wines. Another result of regulation by the KWV was that wine makers were not required to have or develop any marketing skills (Ewert, 2005).

When the wine industry was deregulated in 1995, wine makers suddenly had to compete not only with each other, since domestic pricing regulations were done away with, but also internationally. Furthermore, imports from other countries quickly flooded the domestic market (Vink, Williams & Kirsten in Anderson, 2004).

- Black economic empowerment legislation

With the democratisation of the South African government in 1994, legislation was put in place for the empowerment of previously disadvantaged people. The process of empowerment, popularly called BEE or black economic empowerment, has taken many more years to implement than planned (Howe, 2008). Research conducted by the Wine Industry Development Association (WIDA) into the BEE status of the wine industry found that

38% of wine operations have empowerment initiatives, 4.4% of wine operations have some degree of black ownership and only 2.3% are black owned (Planting, 2010).

There are various reasons for the slow change in ownership of the wine industry, the most important of which are as follows:

- Wine businesses are not traditionally profitable and most wine makers are in the industry because of a love and passion for wine, not to make a profit (Birch in Planting, 2010).
- Wine was not traditionally consumed by black Africans and never pursued as a career, although this is starting to change with the new emerging middle class (Planting, 2010).

- *Minimum wage legislation*

Minimum wage legislation came into effect after the democratisation of South Africa (Van Wyk, 2010). This had a negative impact on the cash flow and profitability of wine farms and farmers have therefore resorted to contracting or outsourcing manual labour (SA Wine Council, 2007:15).

- *The proposed new liquor law (to be implemented in January 2011)*

New legislation can also radically influence the wine industry. The implementation of the proposed new liquor law will affect the wine industry in several ways including trading hours, selling on or off premises and marketing wines (Lordan, 2009). The new trading hours for alcohol in the Western Cape can potentially harm the wine industry since the opportunity to sell wines to consumers is now restricted to even fewer trading hours (*Cape Business News*, 2009a; WineNews Editorial Team, 2009). The South African transport department has also proposed that all advertising of alcoholic products that is visible from any public road be banned. This will have a major impact on how wines are currently advertised (Bizcommunity, 2008).

- *Taxes and excise duties*

Taxes and excise duties have a direct effect on the profitability and sustainability of wineries. In South Africa, taxes and excise duties have increased progressively since 1994. In 2005, the government's annual income out of excise duty and VAT on wine was more than the annual income received by primary wine producers from the sale of wine (Botha, 2010). According to Botha (2010), the continuous increase in excise duties, as well as other financial and economic pressures, will force many wine producers to stop farming or to switch to more lucrative branches of the industry.

(ii) Economic environment of the South African wine industry

The second factor in the macro-environment of wineries is the economic environment. The economic environment is defined as the totality of economic factors, including employment, income, inflation and interest rates that influence consumer behaviour and the organisation's decisions (*Business dictionary*, 2010a).

The South African wine industry operates in an unstable economic environment and the economic factors that have had the greatest impact during the last five years (2006 to 2010) include the collapse of the world's financial markets in 2008 and the consequent recession, the high unemployment rate and the level of disposable income. These economic factors impact the South African wine industry and will now be discussed.

- *Collapse of the world financial markets*

As discussed in chapter 1 (section 1.2), the collapse of the world's financial markets in 2008 had a major impact on the wine industry. Consumers are trading down because of a decrease in their disposable income (Fridjhon, 2008; McNulty, 2010; Nielsen Company, 2009; SAWIS, 2009a). This affects all wine products from the very expensive to the cheapest; the price consciousness of consumers has also increased worldwide and not only in South Africa (Smale, 2008; This is money, 2009; Veseth, 2008; *Cape Business News*, 2009b). Furthermore, the recession has not only caused consumers to buy less and cheaper wine, but the cost of making wine has also increased (SAWIS, 2009a; Thomas, 2010a).

- *Fluctuating exchange rate*

The value of the rand fell steadily after the democratisation of South Africa in 1994 and reached an all-time low of R13.26 to one US dollar in December 2001 (Afrol, 2002). The rand subsequently recovered to R7.22 in August 2010 (News24, 2010). There are various reasons for the currency's fall, which include high petroleum prices, inflation, political unrest and fewer than expected tourists visiting the country (South Africa Travel Net, 2009). This directly impacts the sales and profitability margins of wineries in South Africa, especially wineries with large export percentages.

- *Unemployment rate*

South Africa has a high unemployment rate with nearly 24% of the working population unemployed during the first six months of 2010 (Indexmundi, 2010). This has a direct impact on the level of disposable income available on the domestic market, which in turn affects the profit margins of wineries.

(iii) Socio-cultural environment of the South African wine industry

The third element in the macro-environment is called the socio-cultural environment. The socio-cultural environment is defined as “all the elements within the social and cultural environment that includes demographical changes and social trends which influences the organisation and its decisions” (Du Toit, Erasmus & Strydom, 2008:108). There are several socio-cultural trends that the South African wine industry should take note of, the most important of which include the shift towards healthier food products, the increasing significance of fair trade and ethically sourced products and the growing concern for the environment, that is, carbon footprints and food miles (Thach & Matz, 2004:10).

- A healthier lifestyle

Across the world people are moving towards a healthier lifestyle and making better, healthier food choices. People are starting to prefer organic products⁵ over chemically engineered and genetically modified foods. These trends affect the wine industry as health conscious consumers are starting to look out for wines that are organically made, meaning that no pesticides were used on the grapes and no chemicals were added to the fermented juice. South Africa is one of the leading organic wine-producing countries in the world (Howe, 2008).

- Environmental consciousness

Another socio-cultural trend that wineries should keep in mind for the future is consumers' concern for the environment and companies' carbon footprint. Consumers want to buy products that are environmentally friendly⁶, have low food miles⁷ and do not leave “heavy” carbon footprints⁸. In other words, consumers want products that do not use pesticides and chemicals that could harm the environment and products that are produced and transported

⁵ **Organic wines** – wine that is made from grapes that have been grown without the use of chemical fertilisers, pesticides, fungicides and herbicides. The wine is produced using methods that work in harmony with, and not against, nature. The aim is to eradicate the use of harmful chemicals by making effective use of nature's natural resources. All organic products are also free of genetically modified organisms (organisms that have had their basic gene structure modified by the addition of external organism genes) (Go-organic, n.d.).

⁶ **Environmentally friendly** – (also eco-friendly or nature friendly) refers to goods and services considered to inflict minimal or no harm on the environment (Kipfer, 2005).

⁷ **Food miles** – a term which refers to the distance food is transported from the time of its production until it reaches the consumer. It is one dimension used in assessing the environmental impact of food (Deneen, n.d.).

⁸ **Carbon footprint** - The total amount of greenhouse gases produced to directly and indirectly support human activities, usually expressed in equivalent tons of carbon dioxide (CO₂) (Time-for-change, n.d.).

using as little as possible of the world's natural energy sources, emitting as little as possible carbon dioxide gas into the environment.

In terms of the South African wine industry, its location on the globe dictates that most of its export markets are long-haul destinations. However, it should be kept in mind that distance travelled is not the only factor contributing to the carbon footprint and food miles of a product. For example, wine that is transported from South Africa via ship to New York in the United States of America (USA) accumulates less food miles than wine that is transported by truck from California (USA) to New York (USA), even though there is a huge difference in the distance travelled. South Africa is a world leader in producing both organic and environmentally friendly wines and a forerunner in terms of sound environmental legislation (Manuel, 2007).

South Africa is also the first country to bottle wine in a plastic polyethylene terephthalate (PET) bottle which is fully recyclable and has a much lower carbon footprint than glass. The PET bottles also weigh 50g instead of 400g which incurs huge savings in local and export transport costs (Chance, 2010).

- Fairtrade

Fairtrade and ethically sourced products have become a topic of consumer concern (Rose, 2009). As consumers become increasingly aware of the trading practices of wineries, especially in New World wine countries, the demand for fairtrade has dramatically increased (Wine Intelligence, 2009).

Consumers are willing to pay more for a wine that has been certified as Fairtrade knowing that workers are paid fair wages for their labour. With more than 22 Fairtrade certified wineries, constituting more than 50% of the global Fairtrade certified wine grape producers, South Africa has the largest number of Fairtrade certified wineries in the world (WOSA, n.d.[a]; Lordan, 2010).

(iv) Technological environment of the South African wine industry

The fourth factor in the macro-environment is the technological environment. The technological environment consists of those forces that affect technology used in a business and which can create new products, new markets, and new marketing opportunities (All Business, 2010). Some aspects of the technological environment that influence the wine industry of South Africa include UV-treated wines, the move towards screw caps, social media and internet marketing.

- *Ultra violet light energy*

The South African government has legalised the use of ultra violet (UV) light energy for liquid purification developed by SurePure (SurePure, 2010). The SurePure ultraviolet light machine is a new technological development that uses ultra violet rays to kill unwanted microbes and yeasts in fermenting wine juice which reduces the amount of sulphites that need to be added to wines (Miller, 2009). South Africa is on the forefront of this new technological development with the first UV-treated wine released in 2009 from L'Ormarins wine estate in Franschhoek (Evans, 2009) which underpins the South African wine industry's claim of "organic" wines (SurePure, 2010).

- *Screw caps*

There is a global move towards the use of screw caps instead of corks for closing wine bottles (Robinson, 2004; Slinkard, n.d.). The use of screw caps in South Africa is still limited, but increasingly more wineries are starting to switch to this new method. Although the industry is hesitant to move to a new form of closing because of the consumer perception that corks are used for expensive wine and screw caps for cheap wine (Stormhoek, 2008), the increasing number of problems encountered with traditional corks is encouraging the change to screw caps (Morrison, 2007). Also, by switching from natural cork to synthetic corks or screw caps, it is possible to save as much as R1 per bottle on costs (Brian in Thomas, 2010a).

- *Social media and internet advertising*

The use of social media, including Facebook, Twitter, Blogging, FourSquare, Twideo, YouTube, Google Maps Latitude and Nice to Meet You, by leading social media wine marketers such as Ratcliffe (in Von Ulmenstein, 2010), is revolutionising the way wine products are marketed with the use of print marketing rapidly declining (Pendock, 2010). Hobbs (in Von Ulmenstein, 2010) states that the short lead times in publishing reviews compared to traditional media has given a whole new dimension to word-of-mouth advertising. According to Marston (2010), viral media such as Twitter is a "non-negotiable" for wineries since it is a free service and does not need to be accommodated in a marketing budget.

- *Research and development budgets*

Wineries and wine industries across the world have varying research and development budgets. South Africa's research facilities and university resources compare well with those of other new world wine countries such as Chile, Argentina and India (Manuel, 2007).

(v) Natural environment of the South African wine industry

The last aspect of the macro-environment is the natural environment. This environment is defined as all the aspects within the natural environment such as weather patterns and natural resources that influence the decision making ability of an organisation (*Business dictionary*, 2010c). The South African wine industry is directly affected by many factors in its natural environment, which includes its *terroir*, the effects of global warming, natural disasters and vineyard viruses. These natural environmental impacts will be discussed as they relate to the South African wine industry.

- Unique terroir

South Africa has a unique natural environment with *terroir* that is envied by wine producers across the world. The many different soils and micro-climates ensure that South Africa is able to produce a host of unique wines. In addition to the many different *terroirs* available to South African wine grape growers, there is no regulatory framework that prescribes which varieties may be planted where, such as is the case in Old World wine countries. South African wine farmers may plant any variety of grapes, wherever they want to (Howe, 2008).

- Global warming

South Africa's position on the globe is more favourable than most countries with regard to global warming. On average, a 2°C increase in temperature over the growing season is expected for quality wine regions, the lowest increase being in South Africa at 0.88°C (Emmas, 2010). However, wine farmers have been cautioned to be prepared for changes in water supply due to global warming (Dodd in Hall, 2009).

- Natural disasters

Natural disasters like droughts, floods, fires and earthquakes all affect the wine industry. Examples of this include the bush fires in Australia, which destroyed many vineyards during 2009 (Max, 2009) and the ash clouds that descended on European vineyards after the eruption of Eyjafjallajökull volcano in Iceland in 2010 (*New York Times*, 2010). In South Africa, drought and fire are the most common threats to vineyards (Gibb, 2009), but the most serious threat is vineyard viruses (Hall, 2009).

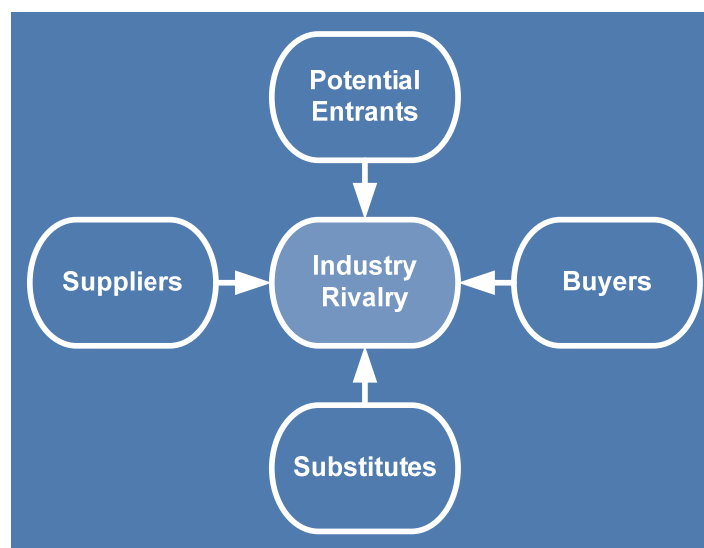
2.2.3.2 The micro-environment of the South African wine industry

The micro-environment of a winery can be defined as all the factors or elements in the winery's immediate area of operations that affect its performance and decision making freedom, and which the business has some control over (Nieuwenhuizen, 2007; *Business dictionary*, n.d.[b]). These factors or elements include the winery's competitors, suppliers, customers and intermediaries (Kotler & Armstrong, 2006:65). Each of the four elements in the South African wine industry's micro-environment will now be discussed.

(i) Wine industry competitors in the South African wine industry

The South African wine industry is an extremely competitive environment and comprises other local and international wine businesses (industry competitors), future wine-producing businesses (potential entrants) and other alcoholic and non-alcoholic beverages (substitute products). Porter's Five Forces model illustrates these competitors in figure 2.6 below.

Figure 2.6: Porter's five forces model



Source: Adapted from Ehlers & Lazenby (2007:113); Pearce & Robinson in Ehlers & Lazenby (2007)

- *Industry competitors*

South Africa is a relative newcomer to the international wine market. Sanctions (due to the previous political regime) were only lifted in 1994 when South Africa became a democratic nation. The industry is currently competing with competitors that have been in the market for much longer, are much bigger, have better-known brands and more popular wine varieties (Vink, Williams & Kirsten in Anderson, 2004). Competition has also been steadily increasing as more domestic and international wine brands become available in hotels, airlines, restaurants, speciality wine shops, supermarkets, grocery stores and through tasting rooms

and the internet, while the cost of switching brands for trade intermediaries and consumers remains low (Thach & Matz, 2004). On the domestic front, competition is even more intense than internationally with 3 999 primary wine producers and 560 wine cellars that crush grapes (SAWIS, 2009a:6), all competing for a share of the South African wine market.

- *Potential competitors*

Wine production is becoming a global phenomenon (Scherotter, 2010). Competition in the already highly competitive wine market is intensified by the numerous new vineyards that are being planted across the world. For example, since the 1990s, over 100 major vineyards have opened in China (Evans, 2010). Bulgaria, traditionally classified as an “Old World” country, has also started expanding its vineyards, adding 7 000 hectares and producing 170 million litres of wine (in 2007) (SeeNews, 2008; United Bulgarian Bank, 2008; Velianova, 2008). South Africa should be aware of not only its current competitors, such as Australia and New Zealand, but also new competitors entering the wine market.

- *Substitute products*

Numerous substitute products compete with wine; direct substitutes include alcoholic beverages such as beers and spirits while non-alcoholic beverages include sparkling drinks, water, juices, teas and coffees (Thach & Matz, 2004:15-17). Table 2.3 below shows the percentage share of the alcoholic beverage market in South Africa for the years 1998 to 2008. From this table it can be seen that the market share of wine has decreased for six consecutive years while the market share for fortified and sparkling wines has remained relatively stable.

Table 2.3: Percentage share of alcoholic beverage market in South Africa

Year	Alcoholic fruit beverages	Beer	Traditional African beer	Natural wine	Brandy	Other spirits	Whisky	Fortified wine	Sparkling wine	Total
1998	2.5	43.2	23.7	13.6	6.6	4.9	3.0	2.2	0.3	100
1999	1.7	44.3	23.3	13.7	6.0	4.9	2.7	2.0	0.4	100
2003	3.2	42.8	24.3	13.9	5.7	5.1	2.8	1.9	0.3	100
2001	3.3	42.6	24.1	14.0	6.0	4.9	2.8	2.0	0.3	100
2002	3.2	43.1	23.9	14.0	6.1	4.7	2.6	2.1	0.3	100
2003	3.2	44.6	23.7	12.3	6.3	4.7	2.6	2.3	0.3	100
2004	3.4	43.3	24.7	12.3	6.5	4.4	2.7	2.4	0.3	100
2005	3.7	43.0	25.4	11.6	6.6	4.1	2.9	2.4	0.3	100
2006	4.3	42.7	25.4	11.3	6.7	3.9	3.2	2.2	0.3	100
2007	4.9	43.1	24.4	11.5	6.4	3.8	3.4	2.2	0.3	100
2008	5.2	43.5	24.1	11.4	6.1	3.9	3.3	2.1	0.4	100

Source: SAWIS (2009a:31)

In South Africa, the main substitute product is beer, which dominates the alcoholic beverage market (Thomas, 2010c). Beer accounted for almost 80% of all liquor consumed by volume during 2009. In terms of value, beer accounted for 49%, spirits 26% and wine only 13.4% of the alcoholic beverage market (Thomas, 2010c). The remaining 11.6% of the alcoholic beverage market comprises other alcoholic beverages such as brandy and alcoholic fruit beverages.

(ii) Suppliers of the South African wine industry

The second factor in the micro-environment of the South African wine industry is its suppliers. Although the wine industry is primarily a producer industry, it still relies on certain suppliers of products needed for making wine. Supplies needed in the wine industry include glass bottles, corks, cardboard boxes, sugar and yeast, barrels, in some instances, grapes, electricity and labour. Suppliers affect the wine industry directly by, for example, increasing the price of their products or by producing less, which in turn affects wine producers' profit margins.

For example, oak wine casks, which are used to mature red wine, are imported from France. Each cask costs about R7 000 and is used no more than three times. The cost of the casks represents around R10 per bottle of wine (Brain in Thomas, 2010a). Any increase in the price of these casks directly impacts the profit margin of the wine aged in them.

The supply of electricity will be the South African wine industry's primary concern in years to come as the price of electricity is set to increase by as much as 300% between 2009 and 2012 (Human Sciences Research Council, 2008; Thomas, 2010a). Electricity costs significantly increase the cost of production and therefore the profit margins of wine.

(iii) Consumers in the South African wine industry

The third aspect in the micro-environment of the South African wine industry is the consumer. Two factors that the South African wine industry should take note of regarding consumers are their current consumption patterns and the emerging black middle class.

- Current consumption patterns of South African wine consumers

South Africa wine producers sell 52% of their wines locally and 48% of their wines internationally (SAWIS, 2009a). This means that the South African wine industry is extremely dependent on local consumers. However, only 11% of South African adults are regular wine consumers (SA Advertising Research Foundation in Thomas, 2010c).

According to SA Wine Industry Information and Systems, France consumed the most wine per inhabitant at 54 litres per annum, with other top 20 consuming countries averaging 31 litres per inhabitant. However, South African consumers bought only 297 million litres of wine during 2009, averaging to 6.3 litres per inhabitant, placing South Africa 32nd in the world (Thomas, 2010). Research by the SA Advertising Research Foundation found that wine consumption fell by just above 2% annually between 2000 and 2009 (Thomas, 2010c).

According to Thomas (2010c), there are a number of reasons for wine's declining popularity. The two most important reasons are as follows:

- (i) SABMiller's strategy of keeping beer price increases below the inflation rate. South Africans are mainly beer consumers and will not easily substitute beer for wine if it is marginally more expensive (SAARF, 2007; Foxcroft, 2009).
- (ii) The number of young whites that emigrated between 2000 and 2009. Pendock, (in Thomas, 2010c) states that the massive emigration numbers have reduced South Africa's core premium-price wine-buying market.

- *The emerging black middle class*

Research conducted by the UCT Unilever Institute of Strategic Marketing (2007) shows that 2.6 million South Africans (7% of the black population) fall within the category of black, middle class, salaried, well-educated people, otherwise known as Black Diamonds. Foxcroft (2009) identifies the following three main reasons why the black middle class is attractive to the wine industry:

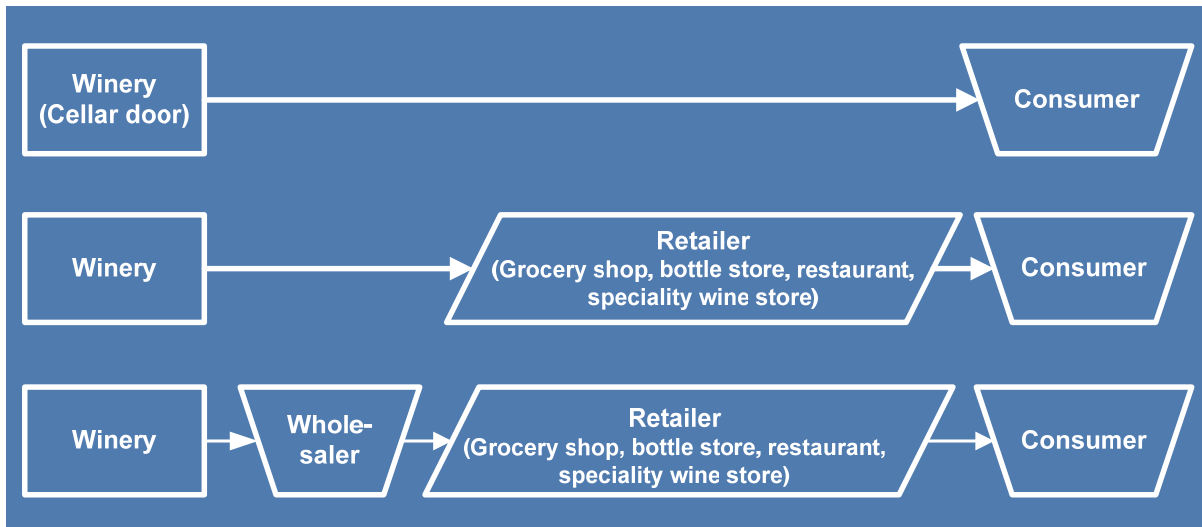
- The segment is growing rapidly.
- There is an increasing interest in wine.
- Rising affluence in this segment means buying power that increasingly accommodates luxuries.

Research conducted by Du Toit (in Foxcroft, 2009) in Soweto indicates that consumers in the township are most receptive to wine, with tavern owners reporting a keen demand for wines priced from R25 to R40 per bottle.

(iv) Intermediaries in the South African wine industry

The last aspect of the micro-environment of the South African wine industry is its intermediaries. The wine industry has several intermediaries in addition to its own direct sales to wine consumers. Intermediaries include wholesalers, retailers, restaurants, speciality wine shops and wine agents (for wine exports). There are thus many different types and combinations of distribution channels for wine. The most common channels are illustrated in figure 2.7.

Figure 2.7: Distribution channels of wineries



Source: Adapted from Kotler & Armstrong (2006:364); Atkin & Affonso (2004:155)

Intermediaries inevitably influence the wine industry in a very direct manner in that any change in price, profit margin, management, and so forth, is reflected either positively or negatively in the wine sold to the consumer.

The macro- and micro-environment of the wine industry has been discussed above. Based on this discussion, the next section provides a SWOT analysis of the South African wine industry.

2.2.3.3 SWOT analysis of the South African wine industry

Owing to the changing nature of the environment it is imperative for wineries to continuously analyse the external environment through scanning, monitoring, forecasting and assessing (Ehlers & Lazenby, 2007:102). A way in which environmental analysis is done in the wine industry is an assessment of the winery's strengths, weaknesses, opportunities and threats, called a SWOT analysis. This analysis is one way of monitoring the external and internal marketing environment (Kotler & Keller, 2009:89). A SWOT analysis is based on the assumption that an effective business strategy will maximise a winery's strengths and opportunities and minimise its weaknesses and threats (Bennett & Strydom, 2001:53).

From the discussion in the previous section it is easy to see that an analysis of the current business or marketing environment is crucial to the success of a winery (Bennett & Strydom, 2001:24). The winery must be able to understand (and even predict) these factors. Table 2.4 summarises the main aspects of a SWOT analysis of the South African wine industry.

Table 2.4: SWOT analysis of the South African wine industry

<p style="text-align: center;"><u>STRENGTHS</u></p> <ul style="list-style-type: none"> • The variety of wines and wine-growing regions. South Africa's unique <i>terroir</i> with many different soils and different micro-climates ensure that South Africa produces a host of unique wines. • Current consumer interest in organic wines. South Africa is a world leader in terms of producing organic wines. • South Africa's position on the globe is also favourable with regard to global warming. • South Africa's research facilities and excellent university resources compare well to other new world wine countries such as Chile, Argentina and India. • South Africa is one of the forerunners in terms of sound environmental legislation. 	<p style="text-align: center;"><u>WEAKNESSES</u></p> <ul style="list-style-type: none"> • Low domestic per capita consumption compared to other wine producing countries. • Industry newcomer to the international market (since 1994). • Wine industry is fragmented and production quality cannot be properly managed or predicted, the industry comprises of more than 600 estates which makes it difficult to coordinate and consolidate South Africa's marketing efforts internationally. • The BEE process put forward by government is still being implemented. Many wineries are still unsure or unaware of the full implications of BEE. • South Africa is isolated in its position on the globe. Exporting wine over large distances in order to reach many export markets increases the carbon footprint and 'food miles' of the wine.
<p style="text-align: center;"><u>OPPORTUNITIES</u></p> <ul style="list-style-type: none"> • Wine tourism • Good trade relations with new emerging wine markets – Brazil, China and India • Social trend towards a healthier, more environmentally conscious lifestyle (e.g. ultra violet light energy, organic, light carbon footprint) • Increasing importance of Fairtrade products. • Social-media marketing • Emerging black middle class • Increasing exports to USA - the USA will be the largest wine-consuming nation in 2010 (endorsement of South African wine by Barack Obama when he became president of the United States) 	<p style="text-align: center;"><u>THREATS</u></p> <ul style="list-style-type: none"> • Collapse of world financial markets • Fluctuating exchange rate makes the market very unpredictable to exporters • Competition by other beverages in the domestic market • Competition from other emerging wine markets (e.g. China) • Liquor laws – restricting alcohol retailers' trading hours • Over-production of wine worldwide • The BEE process put forward by government is still being implemented. Many wineries are still unsure or unaware of the full implications of BEE • Minimum wage legislation • Taxes and excise duties • Unemployment rate and the potential risk of social unrest • Global warming • Natural disasters

Source: Anderson (2004); *Cape Business News* (2009a); *Cape Business News* (2009b); Dodd (in Hall 2009); Emmas (2010); Ewert (2003); Ewert (2005); Howe (2008); Lordan (2009); Manuel (2007); Planting (2010); SAWIS (2009a); SAWIS (2009b); Thach & Matz (2004)

From table 2.4 it is clear that the South African wine industry faces many obstacles and challenges, but that it also has many strengths and opportunities that count in its favour. As discussed in chapter 1, this study focuses on the role of wine tourism in marketing wine, and creating opportunities and possible benefits for wineries. The next section therefore gives a theoretical overview of wine tourism.

2.3 THE SOUTH AFRICAN WINE TOURISM INDUSTRY

This section focuses on the wine tourism industry and starts with an overview of the development of wine tourism in South Africa. Thereafter, wine tourism is placed into context within the wider tourism industry and follows with an explanation of the wine tourism system. This is followed by a brief description of the wine tourism product and its characteristics. Finally, the profile of South African wine tourists is discussed.

2.3.1 DEVELOPMENT OF THE SOUTH AFRICAN WINE TOURISM INDUSTRY

The first official visits to vineyards were part of organised travel since the time of the Grand Tour, and likely even since the times of ancient Greece and Rome (Willey, 2006; Hall *et al.*, 2000:2). However, wine only became a specific travel interest during the mid-nineteenth century (Hall, Johnson, Cambourne, Macionis, Mitchell, & Sharples, 2000 in Hall, *et al.*, 2000). The reason for this is threefold. First, the *transport revolution* took place. The transport revolution was created by the development of the railways, which promoted greater accessibility to destinations that had previously been out of reach for most people (Bagwell, 1999). Second, the *social revolution* took place. A social revolution occurred in terms of the growth of a new middle class that began to seek quality wine along with the aristocracy (Bagwell, 1999). Finally, *The 1855 Classification of the Wine of the Gironde* was published. This publication officially gave wine and wine-growing regions a destination identity (Matthews, n.d.).

Wine trails have been part of the German tourism industry since the 1920s (Hall *et al.* in Hall *et al.*, 2000). The oldest wine route in the world, the Deutsche Weinstrasse, opened on 19 October 1935 (German Wine Route, n.d.). Today, the Old World or Europe (which includes countries such as Spain, Italy, France and Germany) (Wine Geeks, n.d.) has a large number of wine trails that are organised by various profit and non-profit organisations, for example, Route des Vins d'Alsace in France (Vins d'Alsace, n.d.) and the Ribeiro Wine Route Association in Spain, (Ruta do viño do Ribeiro, 2010).

In the New World, wine tourism has also become more significant in the last two decades (1990–2010). California's Napa Valley is a major draw card for tourists who spend more than \$1 billion annually (Napa Valley Destination Council, 2008). Other countries like Australia, New Zealand and Chile have also been quick to recognise the importance of the wine tourism market with well-thought-out offers such as exquisite restaurants, modern and romantic wine cellars, cable cars to spectacular viewpoints and luxury country hotels (South Australia Tourism, 2004-2008; Hall & Mitchell, 2002; Hall *et al.*, 2000; TrekkingChile, 2005; Tripadvisor, 2008).

South Africa's first wine route was established in 1973 in Stellenbosch (Avenue Vine, 2006). The initial idea of establishing a wine route was conceived by Frans Malan of the Simonsig Estate during a tour of the Route de Vins at Morey St Denis in Burgundy (Preston-Whyte in Hall *et al.*, 2000). Malan, together with Neil Joubert of the Spier Estate and Spatz Sperling of Delheim Estate, fought for changes in the liquor law to facilitate the tasting of wines on estates in order to establish a wine route (Avenue Vine, 2006; Preston-Whyte in Hall *et al.*, 2000). Their courage and foresight led to the birth of the wine tourism industry in South Africa. The pioneer Stellenbosch Wine Route was officially launched by the then Minister of Agriculture in April of 1973 (Stellenbosch Wine Route, 2008). The success of this venture, coupled with the importance of projecting a marketing image, prompted the development of other routes (Preston-Whyte in Hall *et al.*, 2000). South Africa's wine route system enjoys the reputation of having one of the best wine route infrastructure systems and winescapes in the world (Bruwer, 2003:425-426; Bruwer in Meyer, 2004).

There are 16 wine routes in the Western and Northern Cape, most within 100 km of Cape Town (Wines of South Africa, n.d.[e]). These routes include Breedekloof, Constantia Wine Route, Paarl Vintners, Tulbagh Wine Route and Wellington Wine Route (Wines of South Africa, n.d.[e]). By far the most popular wine route in the Western Cape is the Stellenbosch Wine Route, followed by the Paarl and Franschhoek Wine Routes (Frandsen, 2005:3).

Studies undertaken by Cape Metropolitan Tourism during the summer of 2008 and 2009 indicate that the visitation of the wine routes by international and domestic tourists was ranked as the fourth most popular tourist attraction in South Africa (Boekstein, 2009). Wine tourism contributed R4.3 billion towards the GDP of South Africa during 2008 (SAinfo, 2010a).

Now that the development of the wine tourism industry has been discussed, the next section will focus on the place of wine tourism within the tourism industry as a whole. Important concepts and terms regarding the wine tourism industry will be defined.

2.3.2 WINE TOURISM IN CONTEXT

Travel and tourism is regarded as the world's largest and most diverse industry (World Tourism Organisation [WTO], 2007b:1). Along with activities such as sports, hobbies and pastimes, tourism is a form of recreation, while recreation is defined in turn, as the discretionary use of people's leisure time (Burkart & Medlik, 1981; Carr, 2002; Hall & Page, 2006; Holloway, 2002; Sharma, 2005). Numerous tourism definitions have been put forward over the years (Chadwick, 1994; Hall & Page, 2006; Lumsdon, 1997; WTTC in Lubbe, 2003; WTO, 2007b). However, there is no single definition of tourism to which everyone adheres (Weaver & Lawton, 2002). For the purposes of this study, tourism will be defined as "...the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business or other purposes" (UN Statistical Commission in Holloway, 2002).

Tourism can be approached from three different perspectives, as an industry, an activity or a system (Leiper in Huybers, 2007). When tourism is approached as an *industry*, the definitions usually focus on the *supply* of tourism. An example of this is the World Travel and Tourism Council's (WTTC) definition of tourism as "the network of businesses that are engaged in the transport, accommodation, feeding, entertainment and care of the traveller" (WTTC, 2008). As an *activity*, tourism tends to focus on *demand* (Lubbe, 2003), for example: "... encompassing all travel with the exception of commuting, which includes any activity concerned with the temporary short-term movement of people to destinations outside the places where they normally live and work" (South African Tourism, 2007).

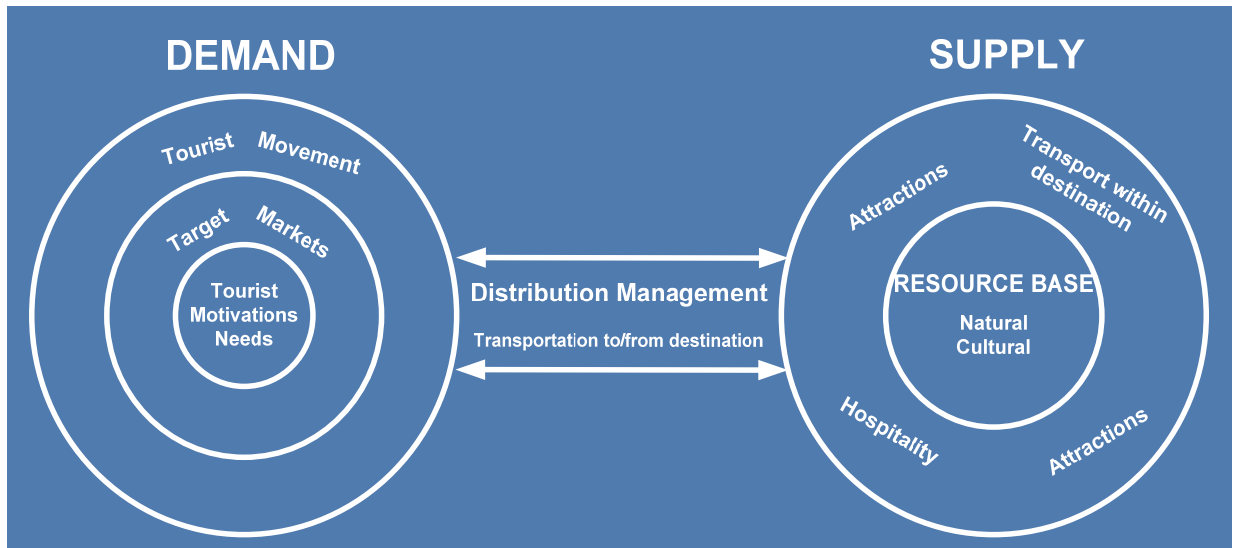
Tourism as a *system* combines the demand and supply of tourism (Hall & Page, 2006:114).

All the components that a tourist requires to satisfy his or her ultimate needs and desires essentially form the *supply* of tourism. The supply is made up of a destination's natural and cultural resource base, which is made up of an array of primary and secondary attractions, transport within the destination, hospitality products such as accommodation and food and beverage, and lastly, auxiliary services and facilities such as dry cleaners, medical facilities and postal services (Lubbe, 2003; Hall & Page, 2006:109).

Tourism *demand* is defined as the motivations that compel tourists to travel, where they travel to and how often they travel (Cooper, 2008). It comprises the unique motivations and needs of the tourist.

The demand and supply of the tourism system are illustrated in figure 2.8.

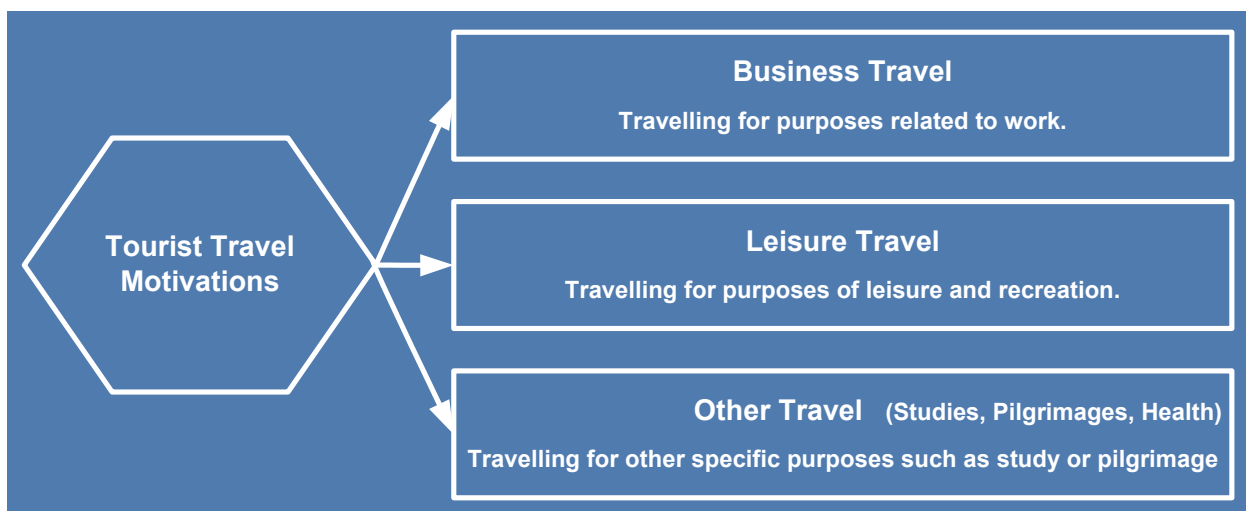
Figure 2.8: Tourism management model



Source: Adapted from Lubbe (2003)

Tourists with similar needs and motivations, who decide to travel to the same destination, make up a specific target market (Jang & Cai, 2003). Various categories of tourism motivation are reported in literature (Crompton, 1979; Crompton & McKay in Medet, Fatmugül & Uysal, 2009; Sparks, 2007). Holloway (2002) divides these motivations into three broad categories, namely business tourism, leisure tourism and other tourism (including study, religious pilgrimages, health, etc.). This division is illustrated in figure 2.9.

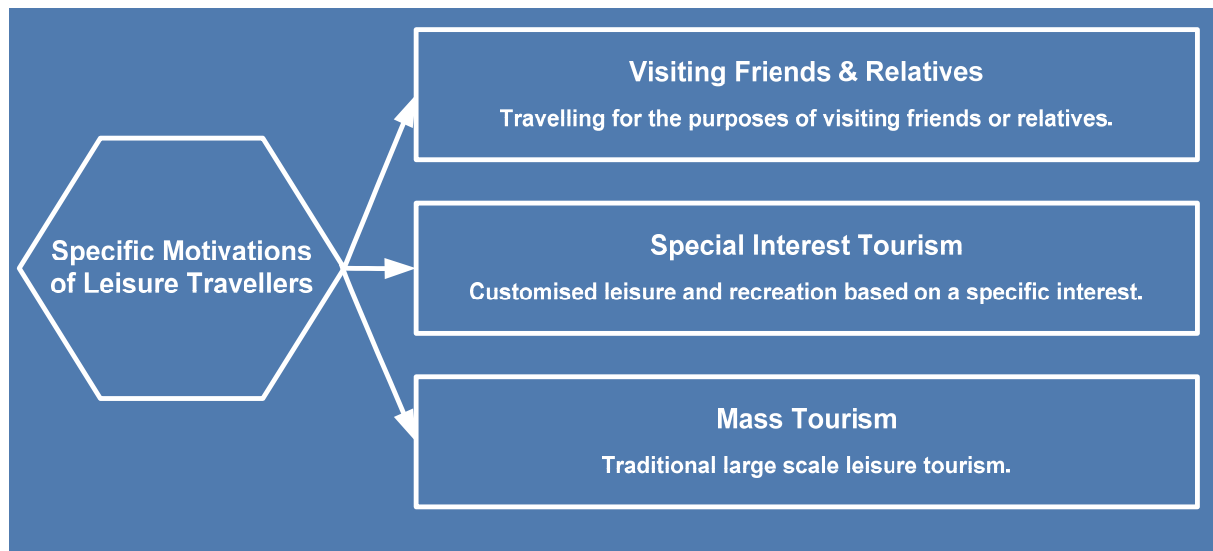
Figure 2.9: Primary travel motivations



Source: Adapted from Holloway (2002)

These broad categories (business, leisure and other) can be further divided into several subcategories according to the *specific motivations* that tourists have for travelling (Holloway, 2002). The *leisure travel category* can be divided into visiting friends and relatives (VFR) tourism, mass tourism and special interest tourism based on the different motivations that leisure tourists have for travelling. This categorisation is shown in figure 2.10 (Holloway, 2002; Van Zyl, 2002).

Figure 2.10: Specific travel motivations

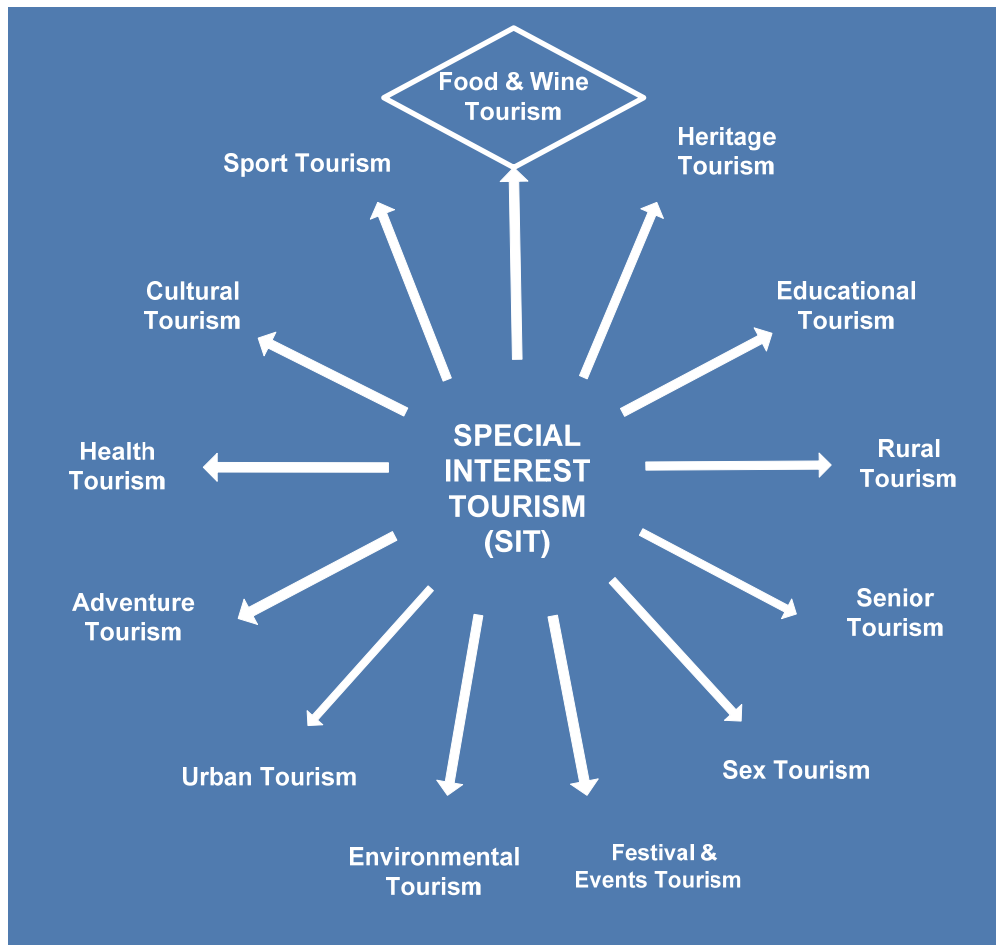


Source: Adapted from Holloway (2002); Van Zyl (2002)

Special interest tourism as a form of leisure tourism emerged as a result of the maturing of the tourism industry (Van Zyl, 2002). As tourists became more knowledgeable and sophisticated, special types of tourism services and products were developed to meet special and specific travel needs (Van Zyl, 2002). Special interest tourism (SIT) may be defined as “the provision of customised leisure and recreational experiences driven by the specific expressed interests of individuals and groups” (Douglas, Douglas & Derrett, 2001). A special interest tourist chooses to engage with a product or service that satisfies particular interests and needs, hence *SIT is tourism undertaken for a distinct or specific reason*. Special interest tourism embraces diverse activities such as gambling, adventure, sports and cultural pursuits (Douglas *et al.*, 2001).

SIT can be grouped into 13 categories, which include rural, cultural, sport, heritage and food and wine tourism. The different types of special interest tourism are illustrated in figure 2.11 (Van Zyl, 2005).

Figure 2.11: Types of special interest tourism



Source: Adapted from Van Zyl (2005:5)

Wine tourism, as can be observed in figure 2.11, is a form of special interest tourism and classified as leisure tourism. When a tourist travels to a wine region to visit vineyards, wineries and wine festivals, in order to experience a range of different activities, including wine tasting, educational tours and cultural activities, as well as the beauty of the wine country, it is known as wine tourism. There are numerous definitions of wine tourism, the most important of which are listed in chronological order in table 2.5.

Table 2.5: Definitions of wine tourism

Year	Author	Definition	Source
1996	Hall & Macionis	Visitation to vineyards, wineries, wine festivals and wine shows for which grape wine tasting and/or experiencing the attributes of a grape wine region are the prime motivating factors for visitors.	Hall & Macionis (in Hall <i>et al.</i> , 2000)

Year	Author	Definition	Source
1997	South Australian Tourism Commission	Any experience relating to wineries or wine production in which visitors participate when on a day trip or longer visit. Wine tourism can range from a visit to a single cellar door outlet while en-route to a main holiday destination, to an intensive week long, live-in experience focused on the wine process.	South Australian Tourism Commission (1997b:4)
1998	Johnson	Visitation to vineyards, wineries, wine festivals and wine shows for the purpose of recreation.	Johnson (in Hall <i>et al.</i> , 2000:5)
2000	Western Australian Wine Tourism Strategy	Travel for the purpose of experiencing wineries and wine regions and their links to lifestyle. Wine tourism encompasses both service provision and destination marketing.	Western Australian Wine Tourism Strategy 2000 (in Bruwer, 2003)
2000	Getz	Travel related to the appeal of wineries and wine country, a form of niche marketing and destination development and an opportunity for direct sales and marketing on the part of the wine industry.	Getz (2000)
2002	Winemakers Federation of Australia	Wine tourism is visitation to wineries and wine regions to experience the unique qualities of contemporary Australian lifestyle associated with the enjoyment of wine at its source – including wine and food, landscape and cultural activities.	Winemakers Federation of Australia (2002:5)
2009	South African Wine Tourism Conference 2009	Tourism whose purpose is or includes the tasting, consumption or purchase of wine, often at or near the source. Wine tourism can consist of visits to wineries, vineyards, and restaurants known to offer unique vintages, as well as organised wine tours, wine festivals or other special events.	Sleet (2009)

From the definitions listed in table 2.5 it is evident that there are at least three major perspectives from which wine tourism can be approached, namely the consumer, the wine producer and the tourism agent (Getz, 2000).

In this study, the following definition of wine tourism will be used as defined by Getz (2000): “Wine tourism is travel related to the appeal of wineries and wine country, a form of niche marketing and destination development and an opportunity for direct sales and marketing on the part of the wine industry.”

According to Getz (2000), wine tourism is simultaneously:

- a form of consumer behaviour;
- a strategy by which destinations develop and market wine-related attractions and imagery; and
- a marketing opportunity for wineries to educate, and to sell their products directly to consumers.

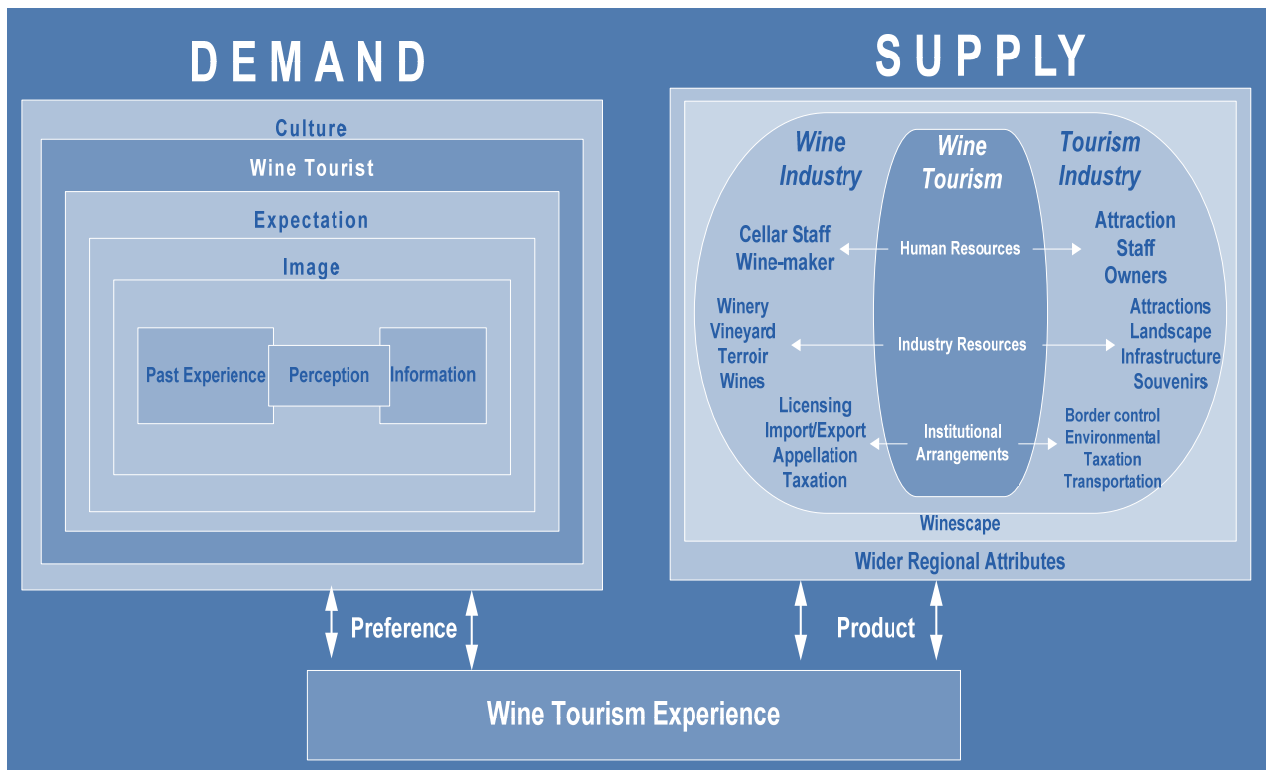
This definition is deemed as the most relevant to this specific study and its aim, since the study will be approached from the perspective of the wine producer by researching the role of wine tourism as an opportunity for direct sales and marketing for wineries.

By looking at the definition of wine tourism postulated by Getz (2000), it is clear that wine tourism is a multifaceted concept. In an attempt to explain the complex nature of wine tourism, Hall *et al.* (2000) propose a framework known as the Wine Tourism System. This system is discussed in the next section.

2.3.3 WINE TOURISM SYSTEM

The Wine Tourism System is a framework proposed by Hall *et al.* (2000) which attempts to explain the complex nature of wine tourism in a simple diagram, illustrated in figure 2.12. The model integrates the *consumer demand* for wine tourism and the *industry supply* of the wine tourism product to produce the *wine tourism experience*. The focal point of the model is the wine tourism experience, that is, the experience that the consumer or wine tourist has while he or she comes into contact with the elements that comprise the wine tourism product such as wineries, vineyards, festivals, winescapes, and wine.

Figure 2.12: The wine tourism system



Source: Adapted from Hall *et al.* (2000:7)

Figure 2.12 indicates that the *supply* side of wine tourism includes all the resources utilised by tourists for the purpose of wine tourism and the businesses and institutions which transform those resources into a wine tourism product (Hall *et al.*, 2000). These resources include *industry resources*, *human resources* and *institutional arrangements*.

Industry resources in the wine industry include wineries, and winery amenities, vineyards, festivals and shows, while those from the tourist industry include wine tours, accommodation and associated sectors such as the restaurant, hospitality and catering industries (Getz, 2000). The surrounding environment includes infrastructure, physical environment, scenery, regional cuisine and the social and cultural components of the wine region, also called the wine tourist *terroir* (Hall *et al.*, 2000).

Human resources in the wine industry include wine producers and other viticultural and oenological workers. In the tourism industry, human resources include cellar door staff, guides and tour operators (Hall *et al.*, 2000).

The *institutional arrangements* which affect wine tourism include not only all levels of government but also legislation, regulations and planning frameworks. In many parts of the world, the role of government in wine tourism is substantial in terms of the creation of appellation controls, the establishment of health and safety regulations, planning regulations

which affect what can be built and/or grown in certain locations, and the assistance which government may provide to support wine tourism infrastructure and networks (Hall *et al.*, 2000).

Figure 2.12 shows that *demand* comprises the perceptions, motivations and expectations of the *wine tourist*.⁹ The World Tourism Organisation (WTO) defines *tourists* as people who “travel to and stay in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited” (WTO, 2007b). However, this definition is extremely broad and does not give an adequate description of the wine tourist. In 1998, Johnson (in Hall *et al.*, 2000:15) put forward a definition of *wine tourists* as “visitors to vineyards, wineries, wine festivals and wine shows for the purpose of recreation”. This definition is based on the generally accepted definition of wine tourism formulated by Hall and Macionis (in Hall *et al.*, 2000).

The *expectation* and *image* of a certain wine region or winery that a tourist has is comprised of three different elements, these being, past experiences, preferences and information. The choice of destinations and visits to attractions will be affected by *previous experiences* and their relative enjoyment. For example, if a visitor to a winery has had a poor experience because of poor service, then not only may he not return to that winery, he may also not purchase that winery’s wine at other locations (Charters & O’Neill, 2001; O’Neill, Palmer & Charters, 2002).

Preferences refer to individual priorities, often reflecting the individual’s personality, in the search for the satisfaction of particular desires or needs (Murphy in Hall *et al.*, 2000). *Information* on the various wineries and their attractions comes from a variety of sources, some of the most obvious being the food, wine and travel pages in newspapers and magazines, visitor information centres and travel brochures. However, information can also come from various sources such as novels, guidebooks, the internet and friends, family and work associates.

Finally, the demand that a tourist has for wine tourism is influenced by *culture and social groups* (Pizam & Mansfeld, 1999; Seddighi, Nuttall & Theocharous, 2001; Terrien & Steichen, 2008:269). For example, research by Terrien and Steichen (2008:269) has shown

⁹ It is important to note that in recent years, the same-day visitor or excursionist (low involved tourism) has been included in tourism statistics (Van Zyl, 2005). Furthermore, visitors to wineries may also include people from the host community who frequent the winery as a retail outlet for wine and do not consume any tourism-related products. However, for the purposes of this study, the terms *wine tourist* and *visitor* will be used interchangeably and are defined as: “People who visit vineyards, wineries, wine festivals and wine shows for the purpose of recreation”.

that in an upper middle-class group of Americans, white Americans prefer wine while the Afro-American community favour Cognac.

The wine tourism system has been explained in order to describe the supply and demand of wine tourism. The next section focuses on the profile of the South African wine tourist.

2.3.4 PROFILE AND MOTIVATIONS OF SOUTH AFRICAN WINE TOURISTS

Consumers, wine tourists in this case, are commonly described or “profiled” based on specific geographic, demographic, psychographic and behavioural characteristics (Bruwer, 2004; Charters & Ali-Knight, 2002; Dodd & Bigotte, 1997; Getz, 2000; Kotler & Armstrong, 2006; Kotler & Keller, 2009; South Australian Tourism Commission, 1997b; Tassiopoulos, Nuntsu & Haydam, 2004; Williams & Young, 1999). In South Africa, the *Cellar Door Research Report on the Stellenbosch Wine Route*,¹⁰ profiles the socio-demographic and behavioural characteristics of wine tourists to this area.¹¹

The socio-demographic characteristics of wine tourists to the wine route can be summarised as:

- The largest visitor group is between the ages of 18 and 34 years (47%).
- Visitors are highly educated (76% have a post-high school qualification).
- Visitors are from high-income categories (83% earn more than R100 000 per annum, 71% more than R150 000 per annum, while 29% earn more than R400 000 per annum).
- Foreign visitors constitute a significant percentage (28%) of all cellar door visitors and are drawn primarily from South African’s main wine export markets, which include the UK, Germany and the USA. Sweden, the Netherlands and Denmark, which are emerging export markets, also feature prominently.
- Domestic wine tourists are mainly from the Western Cape (38%) and Gauteng (24% - in season / 19% - out of season) (Frandsen, 2005:12).

¹⁰ Although the information pertains only to the Stellenbosch Wine Route, the size and dominance of this wine route in comparison with the other wine routes provide a reasonably accurate indication of the all the wine routes and wine tourism in the Western Cape (Frandsen, 2005:12).

¹¹ See Annexure B for all the socio-demographic results of this survey mentioned above.

The behavioural characteristics of wine tourists to the wine route can be summarised as follows:

- The majority (72%) of all visitors have previously visited the region (average 6 visits).
- Almost half (48%) of all visitors were on their first visit to a specific winery cellar door (average 1.5 visits).
- A quarter (25%) of all visitors were on a multi-day trip spending an average of 6.2 days in the Stellenbosch region and only 15% stayed overnight.
- Wine tourists decision to visit the region was made a relatively short time before embarking on a trip with 30% deciding within 24 hours to visit the region or while driving in the vicinity, and 59% within one week of visiting.
- Word-of-mouth was the most important source of information about the Stellenbosch Wine Route (41%). The second most important source of information relates to previous visits to the Stellenbosch Wine Route (36%), with previous exposure to the individual winery's label the third most important source of information (16%). The Stellenbosch Visitor Information Bureau was the fourth largest source of information at 15%.
- More than a third (36%) of all visitors state that wine tourism is the main purpose of their visit to the area.
- Nearly 40% of visitors indicated that they visited while on holiday.
- Tasting wine and buying wine are the main motivating factors for visiting cellar doors.
- Only 4% of cellar door visitors were alone (Frandsen, 2005:12).

Aside from socio-demographic and behavioural descriptors, wine tourists' motivation for visiting wineries must also be discussed. There are a number of *motivations* for wine tourism, these include tasting, buying and enjoying different wines, relaxing and socialising with a partner, friends or family and learning more about a winery's products or wine in general (Alant & Bruwer, 2004; Bruwer, 2002; Hall *et al.*, 2000:127).

Motivations will not always be the same for an individual throughout his entire life but will vary according to past life experiences and stages in life (Crompton, 1979; Snepenger, King, Marshall & Uysal, 2006). Knowing the motivations of wine tourists is necessary to understanding their needs and expectations while they are visiting a wine cellar or region (Bruwer, 2002; Charters & Ali-Knight in Alant & Bruwer, 2004:28; Hall *et al.*, 2000). Hall *et al.* (2000:86) and Bruwer (2002) identify the primary or main motivation of wine tourists as sampling and buying wine, while secondary motivations include socialising, learning about wine, entertainment, and so forth (Hall *et al.*, 2000; Bruwer in Alant & Bruwer, 2004:28). These primary and secondary motivations are listed in table 2.6.

Table 2.6: Primary and secondary motivations of wine tourists

Primary motivations	Secondary motivations
Visiting wineries and tasting/buying wine	To taste wine
Experiencing a diversity of pleasures in local food and wine	To have a nice tasting experience
Holiday/travel trip	To buy wine
Sightseeing	To enjoy different wines
Relaxation	To find interesting and special wines
Short getaway or leisure	To experience the atmosphere at the winery
Recreation (eg sport or hobby)	To find information on the winery's products
Visiting friends or relatives	To have a relaxing day out
Business purposes	To socialise with partner, friends and/or family
Just passing through	To learn more about wines
Visiting attractions in the region	For the rural setting
	To eat at the cellar door restaurant
	To meet the winemaker
	To be entertained
	To go on a winery tour
	Other reasons

Source: Adapted from Alant & Bruwer (2004:32); Bruwer (in Alant & Bruwer 2004); Hall *et al.*, (2000)

In South Africa, research by Bruwer (2003) shows that the specific motivations of wine tourists to visit wineries in South Africa correlate strongly with the specific motivations identified by Cambourne and Macionis (in Hall *et al.*, 2000:86) in their research on the development of the tourism product in the Canberra district of Australia and Bruwer's (2002) research on the role and importance of the winery cellar door in the Coonawarra and McLaren Vale wine regions in South Australia. Bruwer's (2003) research shows wine purchasing and wine tasting as top motivators, while experiencing the countryside and vineyards, going on a winery tour and learning about wine and winemaking were also significant motivators (Bruwer, 2003:430). The specific motivations of visitors to South African wineries are listed in table 2.7 in order of the rate of incidence reported.

Table 2.7: Specific visitor motivations to visit wine route estates in South Africa

Motivation	Percentage	Motivation	Percentage
Wine purchasing	94.9%	Meeting the winemaker	42.0%
Wine tasting or sampling	94.9%	Socialising with family or friends	38.7%
Country setting or vineyards	70.6%	Festivals or events	31.1%
Winery tour	53.6%	Eating at winery (restaurant/deli)	26.9%
Learning about wine and winemaking	47.1%	Entertainment	18.5%

Source: Bruwer (2003:430)

Table 2.7 shows wine purchasing and the tasting and sampling of wine as top motivators for South African wine tourists. The country setting and taking a winery tour were also reported as a motivation by the majority of the respondents.

According to Hall *et al.* (2000) and Charters and Ali-Knight (2002), a wine tourist's level of interest in wine is the *best predictor* of his or her *motivation* to visit wineries in general. Hall posited three categories based on wine tourists' interest in wine, these being 'wine lovers', 'wine interested' and 'curious tourist' (Hall in Charters & Ali-Knight, 2002).

A *wine lover* is a tourist with a high level of interest in wine and is highly knowledgeable or knowledgeable about wine (Hall in Charters & Ali-Knight, 2002; Hall *et al.*, 2000). The majority of wine lovers read wine books, watch television programmes dealing with wine and attend wine tastings on a regular basis. *Wine interested* tourists are interested in learning more about wine, for example, the storing, ageing and tasting of wine. They have limited knowledge of wine, but enjoy the wine tourism experience (Hall in Charters & Ali-Knight, 2002; Hall *et al.*, 2000). The *wine novice* has both a limited interest in and knowledge of wine (Hall & Macionis, 1998; Hall *et al.*, 2000). *Wine novice* motivations for visiting wineries are less focused (Charters & Ali-Knight 2002:315-316). The description of each wine tourism market segment based on tourists' level of interest in wine is summarised in table 2.8.

Table 2.8: Wine tourism market segment descriptors

Wine lovers	Wine interested	Wine novice
Extremely interested in wines and winemaking	High interest in wine but not sole purpose of visit to destination	Moderately interested in wine but not familiar with winemaking
Wineries may be sole purpose of visit to destination	Moderate to high income bracket, tend to be university educated	Wineries seen as "just another attraction"

Wine lovers	Wine interested	Wine novice
May be employed in wine and food industry	Occasional purchaser of wine and food magazines. Regular purchaser of lifestyle magazines	Moderate income and education
Likely to be mature with high income and high education levels	Word-of-mouth and wine columns in newspapers may be important for creating interest in region	Winery tour a by-product of visit to region as visiting was for unrelated purposes
Likely to be a regular purchaser of wine and food magazines	Likely to have visited other wine regions	May have visited other wine regions
Will have visited other wine regions	Familiar with winemaking procedures	Curiosity aroused by drinking or seeing winery product or general tourism promotion or pamphlets
Highly likely to purchase at winery and add name to any mailing list	Likely to purchase at winery and add name to any mailing list	Opportunity for social interaction with friends or family
	Potential for repeat purchase of wine through having visited winery	May purchase at winery but will not join mailing list

Source: Hall & Macionis (1998:217)

In 2003, Bruwer conducted research on wine tourists to South African wine routes. Bruwer used Hall's wine tourist market segmentation and showed that more than 70% of wine tourists to South Africa were extremely or highly interested in wine with 53.3% categorised as wine lovers, 27.8% as wine interested and 15.9% as curious tourists (Bruwer, 2003:431).

The profile of the South African wine tourist and his or her motivations were described in this section. The next section focuses on the different characteristics and benefits of the wine tourism product.

2.3.5 WINE TOURISM PRODUCT CHARACTERISTICS AND BENEFITS

Wine tourism is characterised as a lifestyle experience that can be part of a broader tourism experience. It enhances the economic, social and cultural value of a wine region and is linked to the local lifestyle, that is, food, accommodation, arts and crafts and the environment (Dowling & Carlsen, 1999). The wine tourism *product* can consist of a whole host of different facilities and services to cater to the winery tourist. These include wine tasting facilities, cellar door sales and self-guided and guided winery tours. Wineries may also sell fresh produce, host wine or other festivals, run a restaurant and have overnight accommodation on

site (Bruwer 2003:429). Bruwer compiled a comprehensive list of facilities and services that comprise the wine tourism product at South African wineries. This list is reproduced in table 2.9 below.

Table 2.9: Tourist facilities available at the winery

Wine tasting	Restaurant or cellar lunches	Vineyard walking
Cellar door sales	Fresh produce sold (farmstall)	Fruit picking by visitors
Winery organised tours or educational tours	Craft or gallery or souvenir shop	Animal feeding or watching
Meet the winemaker	Social function facilities	Children's playground facilities
Visitor centre	Conference facilities	Hiking or biker trails
Historical building or museum	Overnight accommodation	4x4 race track
Wine or other festivals	Picnic facilities	Tractor or trailer rides
Amphitheatre	Barbeque facilities	Horse or pony rides
Wheelchair facilities	Fireplace	Petrol or filling station

Source: Adapted from Dodd (2000); Getz (2000:7); O'Neill & Charters (2000:113); Treloar, Hall & Mitchell (2004:6)

The wine industry, wine region and host community can benefit from these tourism services and facilities in a number of ways. The wine industry can, for example, benefit from increased wine sales, higher profits from cellar door sales and opportunities to test new products. Wine regions can also benefit from wine tourism activities, since wine tourism generates increased visitor number and spending in the area. Lastly, wine tourism can benefit the host community by, for example, attracting new investors, developing new facilities and amenities and fostering community pride. All these benefits are listed in table 2.10.

Table 2.10: Benefits of wine tourism

Benefits to the wine industry	Benefits to the wine regions	Benefits to host communities
<ul style="list-style-type: none"> • Increased wine sales • Educates visitors and foster brand loyalty • Attracts new market segments • Higher profits from winery sales • Improved links with the wine trade • New partnerships • Tests new products • Opportunity for relationship marketing 	<ul style="list-style-type: none"> • Generates increased visitor numbers and spending • Attracts new and repeat visitors • Develops a unique positive destination image • Overcomes slow demand periods • Earns foreign exchange 	<ul style="list-style-type: none"> • Attracts new investment • Develops new facilities and amenities • Fosters community pride • Creates successful events for residents and visitors • Creates part-time and full-time jobs • Generates secondary economic activity (multiplier effect)

Source: Adapted from Getz (2000:7-8); Treloar *et al.* (in Hall & Mitchell, 2004:6); Dodd (2000); O'Neill & Charters (2000:113)

Table 2.10 shows that wine tourism can significantly benefit the wine industry, the wine region and the host community in more ways than one.

2.4 CONCLUSION

This first section in this chapter was dedicated to the wine industry in South Africa and the second section to the wine tourism industry in South Africa. The purpose of this chapter was to provide a foundation of knowledge regarding these industries in South Africa. The next chapter is concerned with the theory and principles of marketing, the marketing process, the marketing mix and its tools and the four P's.

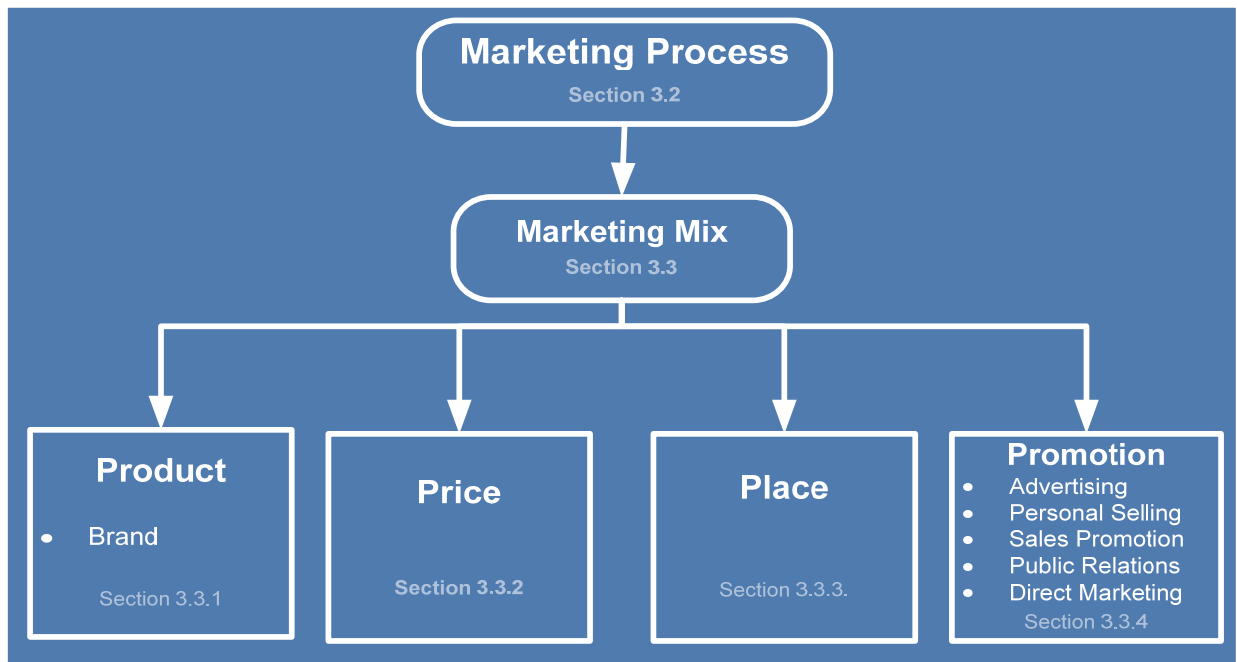
CHAPTER 3: MARKETING: THE THEORETICAL UNDERPINNINGS

3.1 INTRODUCTION

As explained in chapter 1, this study focuses on investigating the role that wine tourism can play in the marketing and branding of wine products. The purpose of this chapter is to provide solid theoretical knowledge regarding marketing, namely the marketing process and the marketing mix tools that are relevant to the marketing of wine and the wine industry. This chapter begins with a brief overview of the marketing process after which the marketing mix and each of the marketing mix tools are discussed in detail.

Figure 3.1 illustrates the layout of this chapter.

Figure 3.1: Layout of Chapter 3



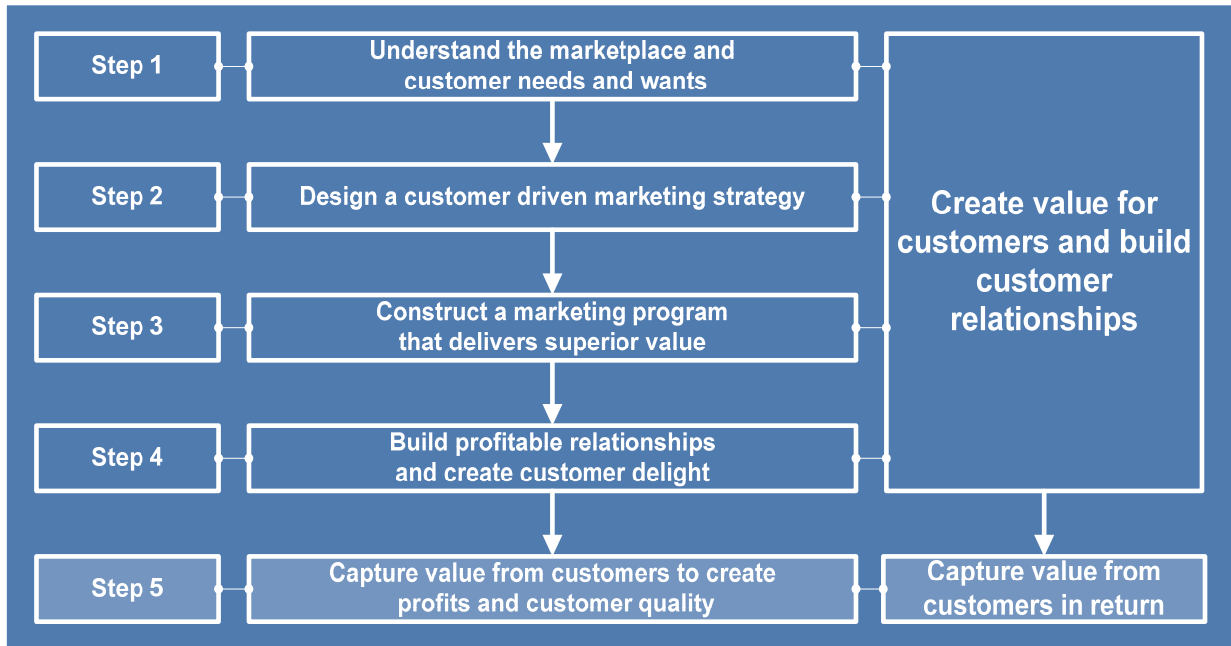
3.2 THE MARKETING PROCESS

According to Cant, Jooste, Strydom and Du Plessis (2007:3), the fundamental objectives of all business for profit industries are survival, profitability and growth. In order to obtain these objectives, businesses (in this case wineries) must build profitable and valuable exchange relationships with customers¹² (Kotler & Armstrong, 2006). Marketing management is essential to building profitable and valuable exchange relationships. This is apparent from the explanation by Kotler and Armstrong (2006) of marketing management as the process by which companies create value and build strong relationships with and for customers in order to capture value from them in return. Various definitions of marketing are proposed in the literature (Sheth & Uslay, 2007).

Marketing is formally defined by the American Marketing Association as: “The *process* of planning and executing the conception, pricing, marketing communication and distribution of ideas, products and services to create exchanges that satisfy individual and organisational goals” (own italics added) (Cant *et al.*, 2007:3). The South African Institute of Marketing Management (IMM) defines marketing as: “The management *process* responsible for identifying, anticipating, and satisfying customer requirements profitably, to meet organisational objectives” (own italics added) (George, 2007:4). Marketing in South Africa can therefore be seen as a *process*. The process of marketing is illustrated schematically in figure 3.2 (Kotler & Armstrong, 2006:5). In the first four steps, organisations work towards creating value for consumers and building strong customer relationships. In the final step, organisations reap the rewards of creating superior customer value in the form of sales, profits and long-term customer equity (Kotler & Armstrong, 2006:5).

¹² The term *customer* is defined as a person who purchases a product or service. The term *consumer* is defined as a person who consumes (uses) a product or service. Although a person who purchases wine may not necessarily be a consumer of wine, and vice versa, for the purposes of this study, the terms *customer* and *consumer* are used interchangeably.

Figure 3.2: The marketing process



Source: Adapted from Kotler & Armstrong (2006:5)

The marketing process can be applied to any organisation and thus also to any winery. In the first step of the marketing process, the winery must focus on understanding the marketplace by researching consumer needs and wants (Kotler & Armstrong, 2006:6). The winery must then design a customer-driven marketing strategy (step 2) based on two fundamental questions, namely (Kotler & Armstrong, 2006:8; Winer, 2007):

- (i) Which customers will be served? (market segmentation and targeting)
- (ii) How can the targeted customers best be served? (differentiation and positioning)

A marketing strategy therefore entails deciding which segment of the market the winery wants to target and then differentiating the winery and positioning its products in such a way that it will cater to the specific market segment that it has decided to target. After the marketing strategy has been decided, the winery must construct a marketing programme (step 3) that consists of the four marketing mix elements, or the four P's, which transform the marketing strategy into real value for customers (Kotler & Armstrong 2006:8,12; Kotler & Keller 2009; Kotler *et al.*, 2010:358).

The marketing programme commences with the development of product offers and brand identities by the winery (product). The winery then prices the wine products on offer to create real customer value (price) and distributes the offers to make them available to target consumers (place). Finally, the winery designs promotion programmes that communicate the value proposition to target consumers and persuade them to act on the marketing offer (promotion) (Kotler *et al.*, 2010:358; Kotler & Armstrong, 2006:13).

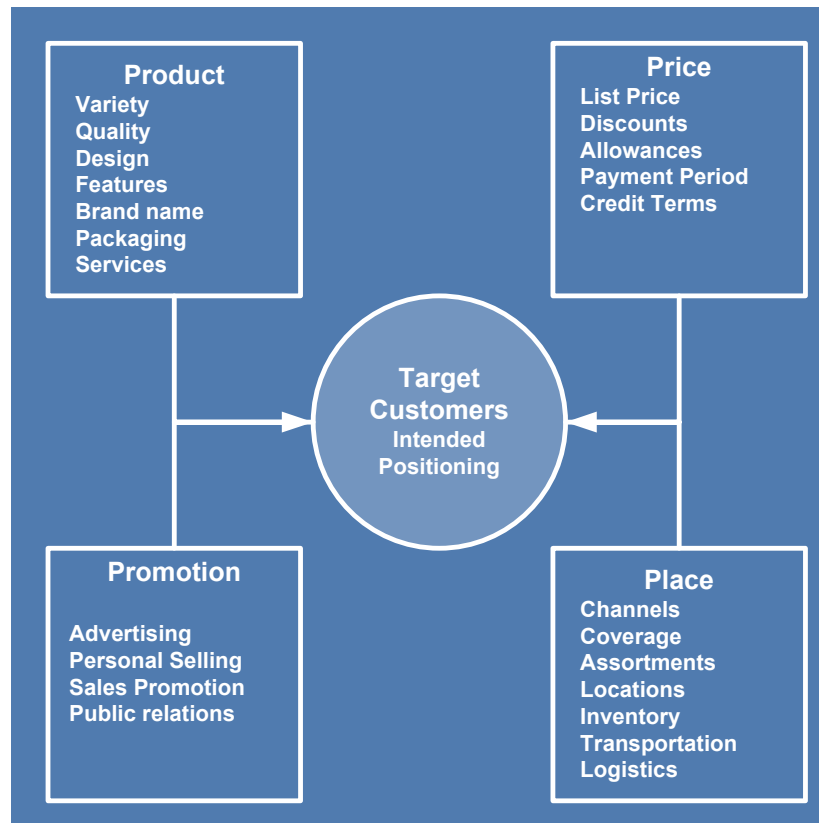
The fourth step of the marketing process involves building value-laden profitable relationships with target customers. The winery must work closely with marketing partners both inside the company and throughout the marketing system (Kotler & Armstrong 2006:13). The first four steps in the marketing process create value for customers. In the final step, the company reaps the rewards of strong customer relationships by capturing value from its customers. Delivering superior customer value creates satisfied customers who will buy more and will buy again. The result is increased long-term customer equity for the winery, which is necessary for the winery to survive, grow and be profitable (Kotler *et al.*, 2010:358; Kotler & Keller, 2009).

Step 3 of the marketing process, the marketing mix, will now be discussed as it relates to the South African wine industry in order to provide an adequate theoretical background to the research problem before the primary research for this study can be conducted.

3.3 THE MARKETING MIX OF THE WINE INDUSTRY

As mentioned above, step 2 of the marketing process, the marketing strategy, is used by a winery to segment the market, decide on a target market and then position the winery in such a way as to market effectively to its target market (Kotler & Armstrong, 2006). Step 3 is the implementation of the marketing strategy through the marketing mix tools, also known as the 4P's, or product, price, place and promotion (George, 2007:11). The marketing mix is a set of controllable, tactical marketing tools that the company brings together to produce the response it desires from its target market (Kotler *et al.*, 2010:358). These marketing tools consist of everything that a company can possibly do in order to create and influence a demand for its products (Kotler & Keller, 2009:63). The various factors relating to each of the four P's are illustrated in figure 3.3.

Figure 3.3: The marketing mix



Source: Adapted from Kotler & Armstrong (2006); George (2007)

Marketing mix planning for wineries begins with formulating a wine product offering that brings value to wine consumers. This offering becomes the basis upon which the winery builds profitable relationships with customers (Kotler & Armstrong, 2006:233; Winer, 2007).

The tools or four P's of the marketing mix as they can be applied to wineries will now be discussed in more detail, starting with the first P, which is Product.

3.3.1 PRODUCT OF THE WINE INDUSTRY

The first P in the marketing mix of wineries is Product. Product is defined as anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need (Kotler & Keller, 2009). A product can be a tangible, physical product but can also include services, events, persons and places or a mix of these different entities (Strydom, 2004:105). In the case of a winery, its product may include a tangible product (e.g. wine), services (e.g. wine tasting), persons (e.g. the wine maker), events (e.g. wine festivals and shows) and place (e.g. the wine regions).

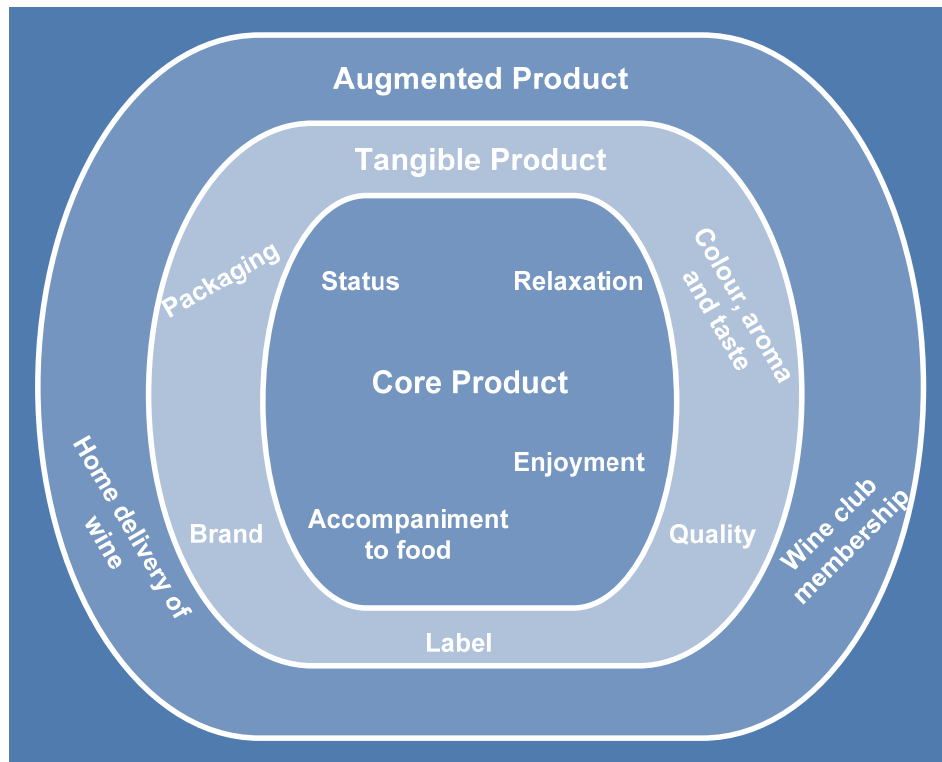
Products not only comprise different elements, but they also exist at three levels (Kotler & Armstrong, 2006:233). The most basic level is the core benefit, in other words “What is the buyer really buying?”. The core offering is intangible and represents the main benefits that satisfy consumer needs (George, 2007:189). In the case of wine, the core benefit (that which the consumer actually wants or needs) may comprise many things, including status, enjoyment, relaxation and may also exist as an accompaniment to food.

At the second level, the core benefit must be turned into an actual tangible product (Kotler & Armstrong, 2006:234; George, 2007:189). As a tangible product, wine consists of the colour, aroma and taste of the wine, its packaging, label, quality and branding. A tangible product consists of the product and service’s features, design, quality level, brand name and packaging (Kotler *et al.*, 2010:233).

Finally, at the third level, an augmented product, which is both tangible and intangible, is created around the core benefit and actual product by offering additional consumer services and benefits (George, 2007). The augmented product of wine could include the home delivery of wine or club membership opportunities.

Hence wine is viewed as a complex bundle of benefits by the consumer, as illustrated in figure 3.4.

Figure 3.4: Three levels of the wine product



Source: Adapted from Kotler *et al.* (2010:231)

Wine can be further described as a consumer product, that is, a product bought by final consumers for their personal or family consumption (Cant, Strydom, Jooste & Du Plessis, 2007:201). Consumer products are further classified according to the amount of time, money and risk involved in making the purchase decision (Kotler in Cant *et al.*, 2007:201). This classification scheme includes convenience products, shopping products, speciality products and unsought products (Kotler & Keller, 2009:360). Wine can be classified as either a convenience product, shopping product or speciality product, depending on the purchase motivation of the customer.

Wine is seen as a convenience product when it is purchased frequently, immediately and with a minimum of comparison or buying effort (Kotler & Armstrong, 2006:234). For example, a favourite, relatively inexpensive wine that is bought on a regular basis along with other monthly grocery items is a convenience product. Shopping products are less frequently purchased consumer products that the customer is likely to spend more time on comparing suitability, quality, price and style (Cant *et al.*, 2007:204). When wine is carefully selected by the consumer who spends time comparing different brands and prices, it is seen as a shopping product.

A consumer product is regarded as a speciality product when it has unique characteristics and brand identification for which consumers are willing to make a special effort during purchase (Kotler & Keller, 2009:360). Certain exceptional wines are seen as speciality products on account of their cost, unique characteristics and brand. An example of a speciality wine is Bollinger 1996 champagne from Champagne Valley in France, purchased at a fine wine auction in France (Bollinger, n.d.).

As a product category, wine is one of the most complex (Orth *et al.*, 2007). A large product category such as cereal is typically represented by as many as 80 different products in a large retail store while other product categories have much fewer products. In contrast, there are often more than 350 different wine products available in a retail store while some speciality stores have up to 3 500 different products. The massive variety available is due to the range of attributes defining a wine as well as the number of levels within each attribute (Orth *et al.*, 2007).

Wine can be red, white or pink, still or sparkling, with different levels of residual sugar, alcohol, tannin and acid levels. There are also a wide variety of packaging types, sizes and shapes (e.g. bottle, box, can) available. Each wine also has its own name, grape variety or blend, vintage year, country, region of origin and winemaker. This array of different variables results in a complex product category which means a lot of confusion in the marketplace and uncertainty and risk experienced by consumers (Orth *et al.*, 2007).

The risk can be minimised by wine marketers by developing and building strong brand names for their wines. Brands identify the source or maker of a product and allow consumers to assign responsibility for its performance to a particular manufacturer or distributor, which minimises the risk they experience when buying wine (Kotler & Keller, 2009: 277). In the same way, packaging and labelling give identity to a product (Strydom, 2004:111). Often, branding, packaging and labelling are more important than the physical features of the product itself. These three factors will now be discussed in more detail as they pertain to the wine product.

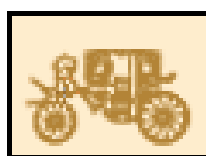
3.3.1.1 Branding of wines

Branding is a centuries old concept. Identifying products created by specific craftsmen was the original motivation for branding. Branding (in the form of trademarks) can be traced to pottery and stonemasonry in ancient Greece and Rome (Keller, 2008:43). This concept was later applied to every product, giving each product a unique design or insignia to enable consumers to tell one product from another (Keller, 2008:43). Kotler and Armstrong (2006:243) define branding as follows: “A name, term, sign, symbol, or design, or a combination of these intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.”

Not only does a brand *identify* a product from competitors’ products, but it also *differentiates* it (Kotler & Keller, 2009:361). The different components of a brand, which identify and distinguish it from other products, are referred to as brand *identities* (Keller, 2008). Brand identities consist of the brand name, the trademark, the brand mark and the logo, which are the trademarkable devices that identify and differentiate a brand (Keller, 2003:175).

A *brand name* is the portion of a brand that can be expressed verbally, including letters, words or numbers and is any word or illustration that clearly distinguishes one seller from another, examples being Spier, Delheim or Muratie (Cant *et al.*, 2007:214).

The portion of a brand that can be recognised but cannot be expressed verbally is called a *brand mark* (Cant *et al.*, 2007:214). The brand mark is the visual brand identity that does not consist of words, but of a design or symbol, such as the vintage coach of Blaauwklippen, the canon of Kanonkop or the giraffe of Tall Horse, as illustrated below (George, 2007:192).



Blaauwklippen



Kanonkop



Tall Horse

A unique symbol or a brand name written in a distinctive type style that represents a specific company, called the *logo*, is the third brand identity, for example, Simonsig, Wellington and Graceland, illustrated below (George, 2007:194; Danesi, 2008).



Finally, a name, symbol, motto or emblem that identifies a product, service or firm and that has been legally registered as the property of the firm is called a *trademark* (*Small business dictionary*, 2008; George, 2007:191). Trademarks grant the owner the right to prevent competitors from using similar marks in selling or advertising. Once a brand has been established, the brand name and trademark serve to remind and reinforce the beliefs that have been formed (Hoffman, 2003:261).

According to Kotler (2003:240), a brand is essentially an organisation's promise to deliver a specific set of features, benefits and services consistently to the consumer. The messages that the brand communicates to consumers form the foundation upon which consumers form their opinions, beliefs and perceptions about the product's attributes and image.

Branding benefits both wine consumers and wineries. Brands simplify buying decisions for consumers by identifying specific wine products with attributes that they do and do not like. This reduces the different kinds of risk (e.g. social risk, financial risk) normally experienced by consumers when buying a wine. This, in turn, facilitates the purchase of wines that satisfy these consumers' needs and reduces the time required to make the purchase decision.

Without brands, consumers would also have no assurance that they are purchasing a wine they prefer (Brodie, Whittome & Brush, 2009; Nowak, Thach & Olsen, 2006).

Wineries also benefit from branding since each brand identifies a specific wine, which makes repeat purchasing easier for consumers. However, branding may also affect wines negatively in that consumers may become confused by too many alternatives, with imperceptible differences (Walsh, Hennig-Thurau & Mitchell, 2007). A good brand should therefore attract attention, be memorable, help communicate the positioning of the product and distinguish the product from competing brands (Hoffman, 2003:261).

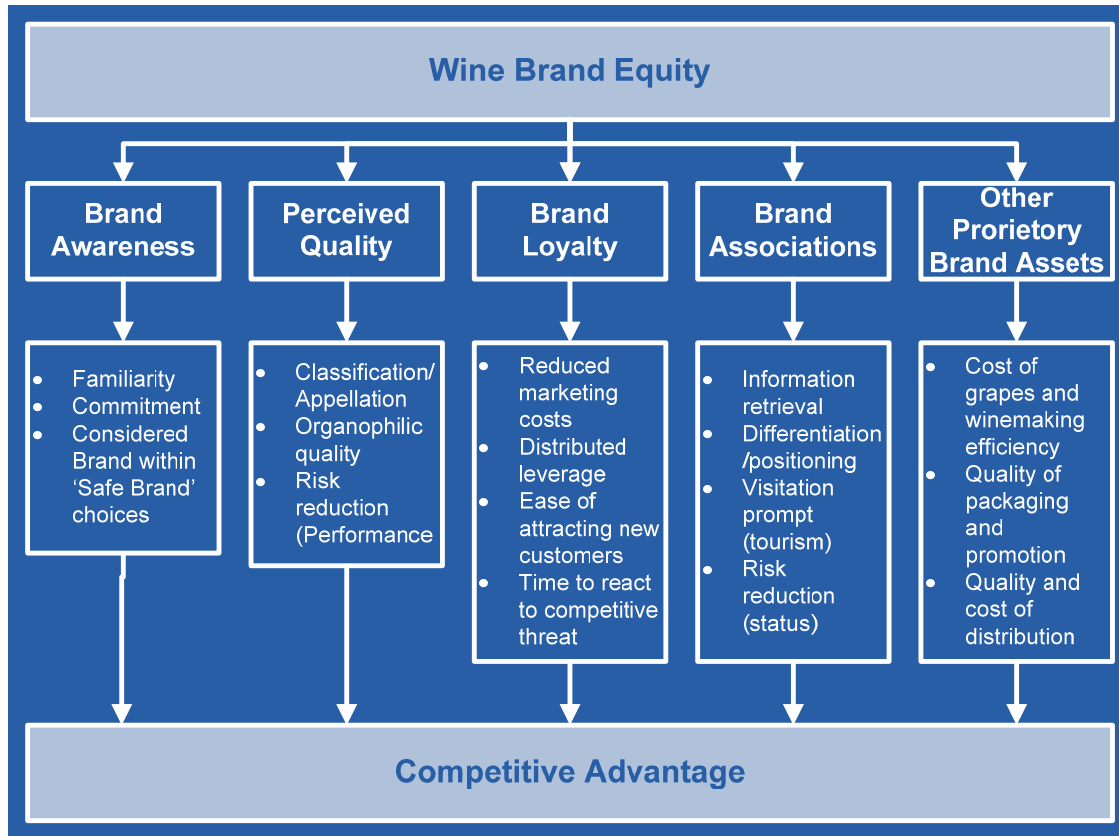
Building a strong brand therefore involves emphasising its key benefits and attributes for consumers. In order for organisations to be able to build a strong brand, they must recognise that a brand consists of a bundle of tangible, functional attributes, as well as intangible, emotional attributes (Aufreiter, Elzinga & Gordon, 2003:33).

The combination of its tangible attributes, intangible attributes and its brand identity becomes the basis for an organisation's differentiation strategy in competing with competitors (Aufreiter, Elzinga & Gordon, 2003:33). For many organisations brands have become the primary drivers of growth and are seen as valuable commodities (Clifton & Simmons, 2003:27). Coca-Cola, for example, was the world's most valuable brand in 2009, valued at \$68.764 billion, with IBM in the number two position at \$60.211 billion. In the wine industry, Moët & Chandon topped the industry as the most valuable brand at \$3.754 billion during 2009 (Interbrand, 2010).

Brand equity is the value of a brand related to the brand's ability to attract future customers reliably (Solomon & Stuart, 1997:348). In other words, it is the marketing and financial value associated with a brand's strength in the market (Pride & Ferrell, 2003:299). Aaker (in Kapferer, 2008) defines brand equity as a set of five categories of brand assets (and liabilities) linked to a brand that adds to or subtracts from the value provided by a product or service to an organisation, its customers, or both. These categories of brand assets are (1) *brand loyalty*, (2) *brand awareness*, (3) *perceived quality*, (4) *brand associations*, and (5) *other proprietary assets* (e.g. patents, trademarks and channel relationships.) As a measurable asset, brand equity has the ability to increase cash flow to the winery and create a competitive advantage (Kapferer, 2008). The equity of each wine brand is reflected in the price premiums that customers are willing to pay for a particular wine brand as well as the loyalty or commitment that consumers have towards a brand.

The concept of brand equity has filtered into the wine industry from its base in fast-moving consumer goods (FMCG) (Spawton in Lockshin & Spawton, 2001:72). In figure 3.5 below, brand equity and its set of five categories are illustrated as they apply to the wine industry (Lockshin & Spawton, 2001) based on one of the most commonly utilised brand equity models derived from Aaker (in Jooste, Strydom, Berndt & Du Plessis, 2009:369). Each wine brand equity category will now be discussed.

Figure 3.5: Model of brand equity for the wine industry



Source: Lockshin & Spawton (2001:74)

(i) Brand awareness

Brand awareness refers to the strength of a brand's presence in the consumer's mind and is measured by recognition and recall (Jooste *et al.*, 2009:368). Wineries can create awareness among their target audience through repetitive advertising and publicity (Strydom, Jooste & Cant, 2000:388). A brand with high brand awareness and positive distinguishing associations will have a high added value for consumers (Riezebos, 2003:249). The competitive advantages that brand awareness can provide to a winery can be summarised as follows (Aaker in Kapferer, 2008):

- Providing the brand with a sense of familiarity which will indicate presence, commitment and substance.
- The salience or essence of a brand will determine if it is recalled at a key time in the purchasing process as a "safe brand".
- Brand awareness is an asset that is potentially durable and sustainable by being extremely difficult to dislodge once a brand has achieved a dominant awareness level in the consumer's mind.

Wineries can create brand awareness by, firstly, having a broad sales base, and secondly, becoming skilled at operating outside the normal media channels. The challenge therefore facing the marketers of a winery is to build awareness and presence both economically and efficiently (Kapferer, 2008; Vukasovic, 2009).

(ii) Brand loyalty

The second asset category, brand loyalty, refers to the level of commitment that customers have towards a given brand, represented by their continuing purchase thereof (Vukasovic, 2009). Brand loyalty is a form of repeat purchasing behaviour, which is based on a conscious decision by the consumer to continue buying a product with a particular brand or trademark (Russell-Bennett, McColl-Kennedy & Coote, 2007). In other words, brand loyalty involves a consumer repeatedly seeking out and buying one brand instead of another (Gerber-Nel, 2006). Brand loyal customers provide a sustainable competitive advantage for wineries which include the following (Aaker in Gerber-Nel, 2006):

- Existing customers are usually relatively easy to hold, and they reduce the marketing costs of doing business.
- The loyalty of existing customers represents a substantial entry barrier to competitors.
- A relatively large satisfied customer base provides an image of a brand as an accepted, successful and enduring product.
- Brand loyalty provides the time to respond to competitive moves.

Building brand loyalty involves continuing to serve a customer in a satisfactory way (Ismail & Melewar, 2008). Managing brand loyalty is thus a key to achieving strategic success as well as brand equity. Wineries that manage brand loyalty well are likely to do the following (Aaker in Gerber-Nel, 2006):

- Place a value on the future purchases expected from customers so that existing customers receive appropriate resources.
- Measure the loyalty of existing customers.
- Make customers feel that they are “part” of the winery (wine clubs).
- Have continuing communication with customers.
- Conduct exit interviews with those who leave the brand to locate points of vulnerability.
- Have a customer culture, whereby people throughout the winery are empowered and motivated to keep the customer happy.
- Reward loyal customers with frequent-buyer programmes or special unexpected benefits or premiums.

Product attributes and customer benefits are the associations that have obvious relevance, because they provide a reason to buy a product and thus a basis for brand loyalty. Customer loyalty is key to generating long-term financial performance (Strydom *et al.*, 2000:239).

(iii) Perceived quality

The third asset category of brand equity is perceived quality. Keller describes this as customers' perception of the overall quality or superiority of a product or service compared to alternatives and with respect to intended purpose (Keller, 2008:195). Consumers' beliefs or perceptions about products' characteristics such as performance, features, reliability, style and design often define quality, and in turn, influence attitudes and behaviour toward a brand (Keller, 2008:195). If consumers perceive a winery's products as quality (value for money), it will drive financial performance and influence other aspects of how a brand is perceived.

Part of a consumer's image of a brand is based on actual facts and experiences, while another part of that image is based on perceptions formed from a product's reputation, media coverage and other indirect sources of information (Bovée, Houston & Thill in Gerber-Nel, 2006). Wine marketers can create perceived quality for a product by understanding what quality means to the consumer, by having a supportive culture and having a quality improvement process that will enable the winery to deliver ever-increasing quality of product (Gerber-Nel, 2006).

(iv) Brand associations

A powerful brand not only enjoys a high level of consumer brand loyalty and perceived quality, but also has positive associations in consumers' minds (Kotler & Armstrong, 2001:302). Brand associations are perceptions and images that people link with particular brands (Kapferer, 2008) and fall into the fourth brand equity asset category. A positive brand image is created by marketing programmes that link strong, favourable, unique and admirable associations to the brand in the consumer's memory (Keller, 2003:70). The associations attached to a winery and its brands can therefore be key enduring business assets.

As can be seen from the above discussion, the sources of brand equity lead to a number of competitive advantages for the winery.

Some of the competitive advantages provided by high brand equity are as follows (Kotler, 2003:406):

- A winery will enjoy reduced marketing costs because of consumer brand awareness and loyalty.
- A winery will have more trade leverage in bargaining with distributors and retailers because consumers expect them to carry the brand.
- A winery can charge a higher price than its competitors because the brand is perceived as being of higher quality.
- A winery can more easily launch extensions, because the brand name carries high credibility.
- The brand offers the company some defense against price competition.

Now that branding has been discussed, the next aspect of Product, namely packaging, will be discussed.

3.3.1.2 Packaging of wines

After branding, the second important product consideration pertains to its packaging. Van der Walt, Strydom, Marx and Jooste (in Cant *et al.*, 2007) define packaging as "... activities in the product decision which pertain to the design, manufacturing and filling of the container or wrapper with the product item, in such a way that the product item can be protected, stored, handled, transported and identified effectively and marketed successfully". Packaging includes a product's primary container, in the wine industry this is usually a glass bottle, box or can that contains the wine. The bottle may include a secondary package, for example, a cardboard box, which is thrown away when the product is about to be used. Finally, it can include a shipping package necessary to store, identify and ship the product. Wine bottles are usually stored in cases made of either cardboard or plastic.

Although the primary function of packaging is to protect the product, often its secondary function as a tool in the promotion strategy to identify a product, is far more important (Cant *et al.*, 2007:221). Packaging has several functions. In the wine industry, the first function of packaging is the enclosure and protection of the wine. Wine cannot be handled, stored or transported without some form of container, usually a glass bottle or cardboard box. The second function of packaging wine is distribution. The needs of wholesalers, retailers and consumers must be satisfied by packaging - for example, wine must be stackable to enable optimum use of truck and storage facility space. In the wine industry, glass bottles are packed into cardboard or plastic crates of 6 or 12 bottles, which can be easily stacked.

The third, and often most important, function of packaging wine is communication and differentiation. Packaging communicates a specific product image through its design, label, colour and brand name which differentiates it from other wines. Wine bottles come in a vast variety of shapes and sizes, each with its own label and brand name. This is also true of wine packaged in cans, glasses and boxes. The last function of packaging is consumer oriented, namely reusability. Wine is normally sold in quantities of 750 millilitres, two litres or five litres. The packaging should be designed in such a way that the wine can be stored for a short period of time after opening, since it often happens that consumers do not want to consume the entire contents all at once (Cant *et al.*, 2007:223).

The last factor that should be considered regarding a product is labelling, which is discussed next.

3.3.1.3 Labelling of wines

The third factor relating to product, is labelling. The label is the printed material that appears on a product package. Labels have a strong functional dimension in that they include warnings and instructions, as well as information required by law or best industry practices (Cant *et al.*, 2007:223).

In South Africa, the Label Committee has to approve all labels before they may be used on certified wines. The particular requirements of each label are prescribed by the Wine of Origin Scheme's regulations. All the compulsory particulars, which include the class name, alcohol content, name and address or code number of the responsible seller and the origin appellation (geographical area) must appear in the same visual field on each bottle of wine (Wosa, n.d.).

The following information is compulsory for certified South African wines (Wosa, n.d.[c]):

- name of the area which is defined as a wine ward, district, region or geographical unit;
- name of the grape cultivar(s);
- vintage;
- the words "estate", "vineyard", "origin" and "vintage"; and
- the term "Wine of Origin".

Now that the three aspects of product (branding, packaging and labelling) have been discussed, the discussion will move to the second P in the marketing mix, namely price.

3.3.2 PRICING IN THE WINE INDUSTRY

Price is the second P in the marketing mix. Price is the amount of money that a consumer must pay for the benefits of having or using a product or service (Clarke & Chen, 2007:155). In the wine industry, price is the amount of money that consumers pay for a glass, bottle, box or case of wine. The price of wine is affected by factors internal to the winery as well as external environmental factors (Kotler & Armstrong, 2006:309).

Internal factors include the winery's marketing objectives and the marketing mix strategy that the winery wants to use (Kotler, Bowen & Makens, 2010:291). Before the winery can set a price, it must decide on a strategy for each wine that it produces (Kotler & Armstrong, 2006:309). Next, price decisions must be coordinated with product design, distribution and promotion decisions in order to create a consistent and effective marketing programme (Kotler, Bowen & Makens, 2010:294). Cost is also an internal factor that demands careful consideration since costs set the floor price that the winery can charge for its wine (Cant *et al.*, 2007:335). Ideally, a winery must charge a price that covers both all its costs for producing, distributing and selling wine, while it delivers a fair rate of return for effort and risk (Kotler & Armstrong, 2006:312). Finally, organisational considerations must be taken into account when setting the price (Kotler, Bowen & Makens, 2010:295). The winery should decide who sets the prices. Small wineries' prices are most often set by the owner, whereas larger wineries that sell their produce to companies like Distell make use of their marketing and sales department to set the price (Benade, 2009).

The *external factors* that affect pricing decisions include the nature of the market and demand, competition and other environmental elements (Kotler *et al.*, 2010:295). Whereas costs incurred in producing a wine set the lower limit of prices, the nature of the market and demand for the specific wine sets the upper limit of the price. The perception of the consumer regarding price and value will determine whether the product is priced right or not. Pricing decisions, like other marketing mix decisions, must be buyer orientated (Kotler & Armstrong, 2006:9). Effective, buyer-oriented pricing involves understanding how much value consumers place on the benefits they receive from the product and setting a price that fits the value (Kotler *et al.*, 2010:296). Each price that the winery might charge for its wine will lead to a different level of demand. For example, with *Tassenberg* wine, a blended wine, the lower the price, the higher the demand, since it is perceived as a low-quality, low-priced wine. Whereas with *Moët en Chandon*, a champagne (sparkling wine) from France, the higher the price, the higher the demand since it is seen as a prestige or status item (Kotler & Armstrong, 2006:317; Interbrand, 2010).

The second external factor that influences pricing is competition. When a winery sets its prices, it must consider competitor's costs and prices as well as possible competitor reactions to a change in the winery's prices. Other external factors that influence the pricing decision include economic conditions, political stability, social concerns and technological advancements (Kotler & Armstrong, 2006:319; Kotler *et al.*, 2010).

When setting prices, the winery must also consider a number of other factors in its external environment (Kotler & Armstrong 2006:319). Economic conditions greatly influence a winery's pricing strategy. Economic factors such as recession, inflation, foreign exchange rates and interest rates affect pricing decisions because they affect both the costs of producing wine as well as consumer perceptions of the wine's price and value (Strydom, 2004:168).

The winery must also consider what impact its prices will have on other parties in its environment. The winery should set prices that give resellers a fair profit, encourage their support, and help them to sell the product effectively (Kotler & Armstrong, 2006:319). Another important external influence is the government, for example, the new by-law in the Western Cape which limits the trading hours of alcohol retailers has a direct impact on wineries (Kotler & Armstrong, 2006:319; Lordan, 2009). Finally, wineries must also consider the community and the impact that their prices will have (Kotler & Armstrong, 2006:319).

Price is the only element in the marketing mix that generates income while all the other elements represent costs (Strydom, 2004:165). Since prices can be changed relatively quickly, they are also one of the most flexible elements of the marketing mix (Kotler *et al.*, 2010). For this reason, price plays a vital role in marketing the wine product. If the winery has selected its target market and positioning carefully, the pricing decision is fairly straightforward.

The next P in the marketing mix is Place, which is discussed below.

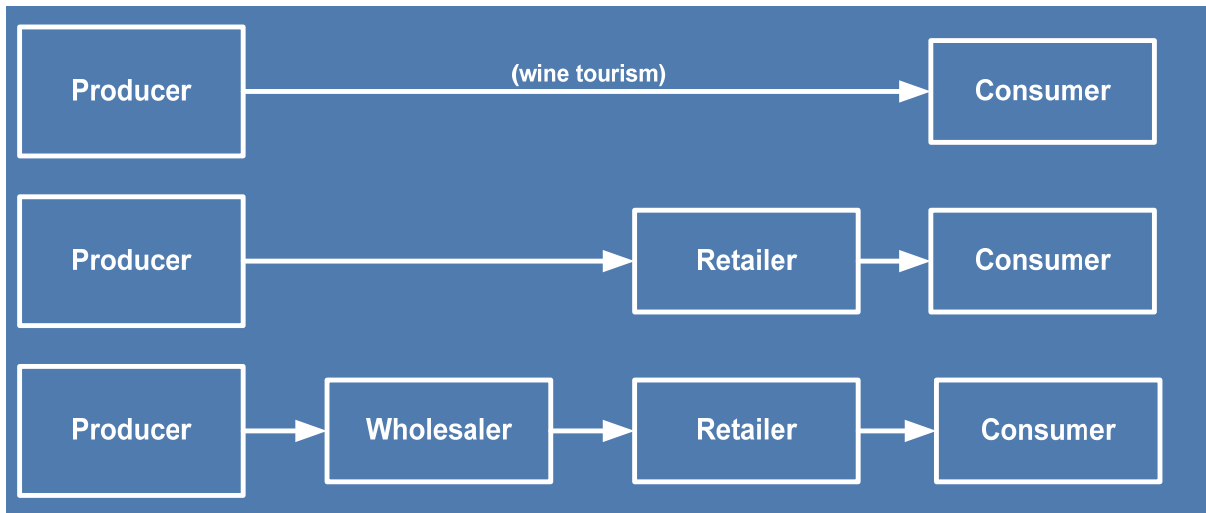
3.3.3 PLACE IN THE WINE INDUSTRY

The third P in the marketing mix is Place. In order for customers to be able to buy wine, they must have access to it - in other words, wine must be available in places where customers can buy it (Winer, 2007:328). The distribution channel is the marketing instrument that delivers the product or service through a group of individuals or organisations to the final consumer (Strydom, 2004:122). Different distribution channels make products and services available to customers in different ways (Cant *et al.*, 2007:407). The more intermediaries involved in a distribution channel, the longer the channel length will be (Kotler & Armstrong, 2006:364).

The terms “distribution channel” and “supply chain” are interchangeable, depending on the direction. Smith and Xiao (2008:291) describe the concepts in terms of a river, looking upstream at suppliers refers to a supply chain while looking downstream at consumers refers to a distribution channel.

There are three generic consumer distribution channels, which are illustrated in figure 3.6.

Figure 3.6: Consumer distribution channels



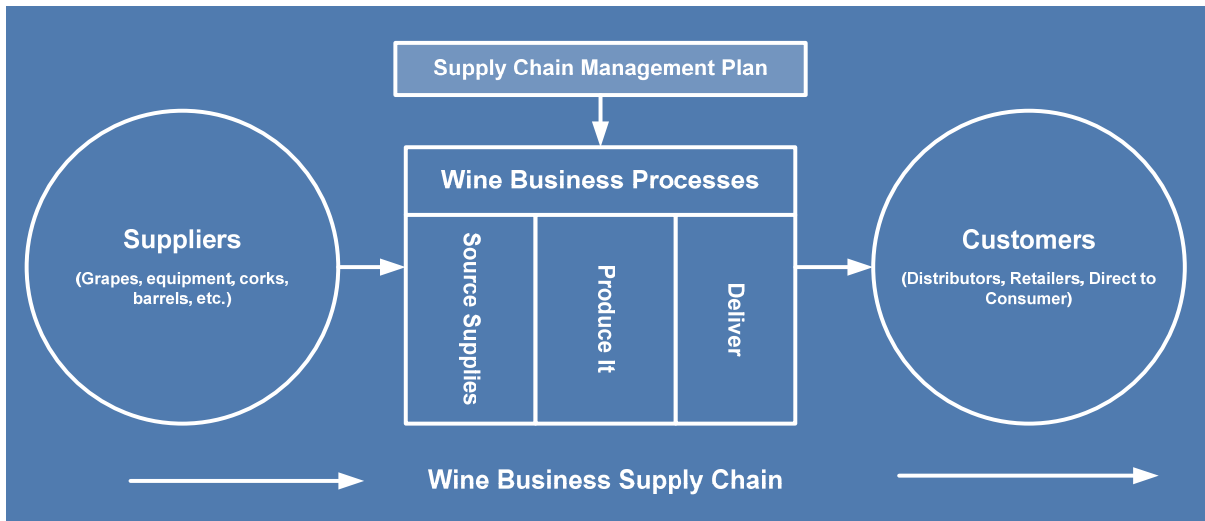
Source: Adapted from Kotler & Armstrong (2006:364); Kotler *et al.* (2010:331)

All wineries use some form of distribution, whether they sell directly to end customers using wine cellar sales staff (a wine tourism activity) or use a multilevel system made up of several different companies (Winer, 2007:328). A generic South African winery supply or distribution chain consists of three components (Smith & Xiao, 2008:292):

- (i) Suppliers of inputs such as grapes, barrels, corks and bottles.
- (ii) Wine business processes consisting of supply procurement, vinification, and the delivery of the final product.
- (iii) Customers who include distributors, retailers and consumers.

This generic supply or distribution chain is illustrated in figure 3.7.

Figure 3.7: Wine business supply chain



Source: Atkin & Affonso (2004:155)

In figure 3.7 it can be observed that the generic supply or distribution chain of South African wineries includes different types of consumers, that is, tourists or residents, wine stores, restaurants and hotels, wholesalers and mail order customers. These distribution channels can be classified into four types. Firstly, there are direct sales at the cellar door, which include sales to residents and tourists. Secondly, there are direct sales to wine stores, restaurants and hotels. Thirdly, there are sales to wholesalers, which would include domestic and export sales. Lastly, there is the mail order, which entails consumers ordering directly from the winery and the wine being sent via mail.

Getz describes these four different distribution channels for wines and identifies the different costs and benefits associated with each channel (Getz, 2000:66). For example, direct sales at the cellar door would require that the winery invest capital in wine tasting rooms and other necessary facilities. Furthermore, wineries would be required to hire special staff and train them accordingly. Benefits would include higher profit margins since the winery would not incur any transportation and intermediary costs. Also, the winery would be in a position to gather market intelligence on its target market. The four winery distribution channels with their associated costs and benefits are tabulated in table 3.1.

Table 3.1: Costs and benefits of distribution channels

Distribution channels	Costs to the winery	Benefits to the winery
Direct sales at the cellar door (residents & tourists)	<ul style="list-style-type: none"> - Capital for facilities - Special staffing and training - Participation in events and other promotions to market the winery and the destination - Possible interference with vineyard and winery operations 	<ul style="list-style-type: none"> - Higher profit margins - Creation of brand loyalty - Allows database development for mail-order sales - Market intelligence - Enable consumer education - Savings on advertising and sales visit costs
Direct sales to wine stores, restaurants and hotels	<ul style="list-style-type: none"> - Sales visits (might require special sales staff) - Might require incentives to gain acceptance - Price discounting often required for volume sales 	<ul style="list-style-type: none"> - Higher volume sales - Wider distribution and awareness of products
Wholesale (domestic & export)	<ul style="list-style-type: none"> - Requires reliability in production volumes (potential penalties for non-delivery) - Must ensure consistent high quality in products - Might require domestic and foreign sales trips - More sophisticated business management (professional staff) - Risk of dependence on specific markets or wholesalers 	<ul style="list-style-type: none"> - Highest possible sales potential - Widest exposure to product leading to brand development and extensions
Mail order	<ul style="list-style-type: none"> - Maintain computer database - Regular mail-outs - Shipping costs - Discounts or reward programmes to loyal customers 	<ul style="list-style-type: none"> - Can quickly expand from local to national and international sales - Higher volume of sales - Larger purchases (usually by the case) - Fosters brand loyalty through relationship marketing

Source: Getz (2000:66)

Place is a crucial element of the marketing mix. The winery's channel decisions directly affect every other marketing decision (Kotler *at al.*, 2010). For example, a wine's price depends largely on how it is distributed. The price of wines distributed through large retailers such as Pick 'n Pay and Checkers would differ from wines distributed through high-quality specialty

restaurants. Distribution channels also involve long-term commitments to other businesses (Kotler & Armstrong, 2006:364). Hence wineries must design their channels with today and the future's market environment in mind. Promotion of wines is also affected by the distribution channel chosen since marketing of wines directly from the cellar door differs from the marketing of wines to restaurant chains.

Promotion is the last P in the marketing mix and is discussed in the next section.

3.3.4 PROMOTION IN THE WINE INDUSTRY

The final P in the marketing mix is Promotion. Promotion is essentially communicating with current and potential customers about a specific product (Kotler & Armstrong, 2006:427). A winery cannot simply expect to sell wine by producing a good wine, pricing it attractively and making it available to target consumers. Wineries need to communicate with their consumers about their wines. According to Kotler and Armstrong (2006:427), all communication efforts must be combined into a consistent and coordinated communications programme or promotion mix. Boyd (in Strydom, 2004) defines a promotion mix as "... an integrated programme of promotion mix elements designed to present an organisation and its products to prospective customers; to communicate need-satisfying attributes of products; to facilitate sales; and thus contribute to long-term profit performance".

Each winery's promotion mix consists of the specific blend of advertising, sales promotion, public relations, personal selling and direct-marketing tools that are each classified as "below the line", "above the line" or "through the line" advertising (Kotler & Armstrong 2006:327; Smith & Taylor 2004:23). Above the line refers to advertising that is paid for. Below the line advertising refers communication that is not paid for, such as sales promotions and public relations (Smith & Taylor, 2004:23). Personal selling and other direct marketing tools used by the sales force of a winery is known as through the line advertising (Smith & Taylor, 2004:23).

The winery uses the promotion mix to pursue its advertising and marketing objectives (Kotler *et al.*, 2010). These promotion mix elements are illustrated in figure 3.8 and will now be discussed in more detail.

Figure 3.8: Promotion mix



Source: Adapted from Kotler *et al.* (2010); Kotler & Armstrong (2006)

3.3.4.1 Advertising of wine products

The first element in the promotion mix is advertising. It has been said that advertising is perhaps the most powerful component of the promotional mix (George, 2007:244). The difference between advertising and the other promotional tools is that advertising is paid for, allowing the company to control the advertising message. Advertising is defined as a paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor (the marketer) (Kotler *et al.*, 2010; Schoell & Guiltinan in Strydom, 2004:142). The advertising message is transmitted through a variety of media, namely television, radio, newspapers, magazines, the Internet, public transport and outside displays (Cant *et al.*, 2007:444).

Wineries in South Africa make use of different media in order to communicate their advertising message. Some of the most popular ways include the following:

- magazine advertising (e.g. Wine or Decanter)
- direct mail advertising (e.g. e-mails to wine club members)
- radio advertising (e.g. Talk Radio 702)
- out-of-home advertising (e.g. airport passages)

3.3.4.2 Personal selling of wine products

Personal selling is the most effective tool at certain stages of the buying process, particularly in building up buyers' preferences, convictions and actions (Kotler *et al.*, 2010:375). Defined as: "... personal, face-to-face presentation of a product or idea by the firm's sales force to the potential consumer for the purpose of making sales and building customer relationships" (Kotler & Armstrong, 2006:442; Koekemoer in Strydom, 2004:150), personal selling involves personal interaction between two or more people, to enable each person to observe the other's needs and characteristics and make quick adjustments (Kotler & Armstrong, 2006:443; Kotler *et al.*, 2010:375).

Personal selling is a vital part of most South African wineries' sales promotion strategies. Almost all wineries have wine cellar staff that act as a personal sales force.

3.3.4.3 Sales promotion of wine products

The next promotion mix element is called sales promotion. Sales promotion consists of a set of short-term incentive tools to stimulate or encourage the purchase or sale of a product or service (Kotler & Armstrong, 2006:443; Cant *et al.*, 2007:462). Various incentive tools can be used to encourage sales, all of which have unique qualities, and include coupons, free-trials, tie-in promotions, contests, cents-off deals and premiums (Kotler *et al.*, 2010:376; Cant *et al.*, 2007:462). Sales promotions are about "buying the product now," the effect is often short-lived and not as effective as advertising or personal selling in building long-term customer brand loyalty (Kotler & Armstrong, 2006:443).

South African wineries make use of different sales promotion incentive tools in order to market their wines. Some of the most popular tools include the following:

- discounts (e.g. reduced prices at retailers);
- tie-in promotions (e.g. enjoy free dessert at a restaurant if a certain bottle of wine is purchased);
- patronage awards (e.g. wine club members can buy wines at reduced rates).

3.3.4.4 Public relations of wineries

Public relations is another promotion mix element, defined as building good relations with the company's various publics by obtaining favourable publicity, building up a good corporate image, and handling or heading off unfavourable rumours, stories and events (Kotler *et al.*, 2010:376; Cant *et al.*, 2007:462). News stories, features, sponsorships and events are all forms of public relations communications and tend to be more believable to consumers than advertisements (Kotler & Armstrong, 2006:476).

In South Africa, wineries often make use of public relations through press releases, editorials (e.g. in the *Wine* magazine) and staged events such as concerts or festivals at the wine cellar.

3.3.4.5 Direct marketing of wine products

Another promotion mix element is direct marketing. Direct marketing is the direct contact between carefully targeted individual consumers and the company to obtain an immediate response and build long-term relationships by using catalogues, direct mail, telemarketing, mail order, direct-response advertising and e-communications (Kotler *et al.*, 2010:375). The use of advertising methods as direct marketing represents all or some percentage of the selling process that is generally handled by personal selling (face-to-face contact) (Miles in Strydom, 2004:156).

There are many forms of direct marketing, for example, catalogues, telemarketing and direct-response advertising, but they all share four distinctive characteristics, namely that (Kotler & Armstrong, 2006:443):

- They are non-public.
- They are directed at a specific person.
- They are immediate and customised, that is, messages can be prepared quickly and tailored individually.
- They are interactive in that they allow for dialogue between marketer and consumer.

Wineries in South Africa can make use of direct marketing in various ways. Some of the direct marketing tools that wineries are currently using include the following:

- direct mail (e.g. Warwick sends newsletters to all its wine club members);
- catalogues (e.g. wine guides are included in wine and food-related magazines).

These five promotion elements combine to form a winery's promotion mix. Each winery should adjust the promotion mix according to its promotional objectives and marketing situation and thus the promotion may consist of only one or a combination of all of these elements (George, 2007:244).

However, communication with potential consumers is more than only the combination of promotion mix elements, but rather the wine product, its labelling and packaging, its price and its availability all "communicate" with consumers as well. Therefore, although the promotion mix is the winery's primary communication activity, the entire marketing mix (promotion, product, price and place) must be managed and coordinated in order to communicate the desired message and build the correct image of the winery in the minds of consumers (Kotler & Armstrong, 2006:327; Kotler *et al.*, 2010:358).

3.4 CONCLUSION

This chapter provided the background theory on the marketing process and the marketing mix and its tools as they relate to the wine industry of South Africa. This concludes the secondary research for this study. The next chapter discusses the research methodology used in the primary research of the study.

CHAPTER 4: RESEARCH METHODOLOGY

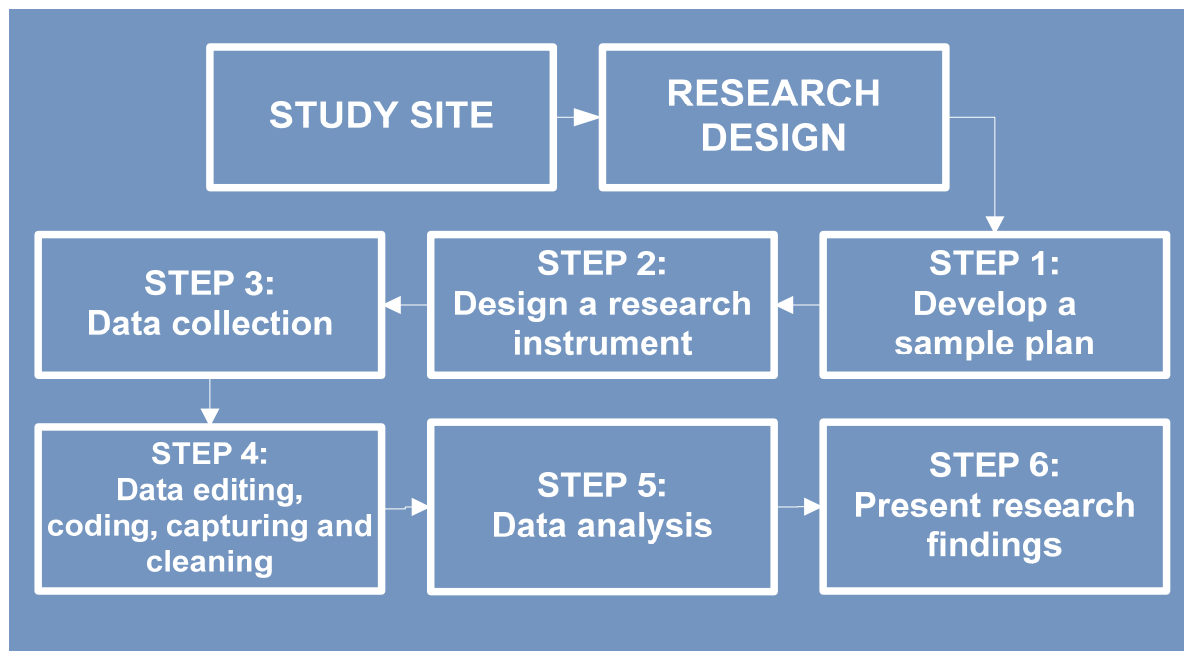
4.1 INTRODUCTION

Chapters 2 and 3 comprised the secondary research for this study. These chapters provided the theoretical foundation on which the primary research is based. Key concepts such as the wine industry, the wine tourism industry and the marketing mix tools were reviewed. The focus of this chapter turns to the primary research conducted on the wineries that make up the Stellenbosch Wine Route in South Africa.

The primary research objective of this study is to investigate the current role that wine tourism plays in the marketing of wineries in the Stellenbosch Wine Route. This objective is underpinned by several secondary research objectives. The first secondary objective is to compile a corpographic profile of the wineries in this route. This is followed by the second secondary objective, which is to determine the current wine tourism offering by the Stellenbosch Wine Route. The third secondary objective pertains to the perceived advantages and disadvantages of wine tourism experienced by the wineries in the Stellenbosch Wine Route. The role that wine tourism plays in the promotion strategies of these wineries makes up secondary objective 4. The final secondary objective relates to the importance that the wineries of the Stellenbosch Wine Route attaches to wine tourism in the building of their brand equity.

This chapter begins with a description of the study site for the primary research, which is followed by a description of the research design of the study. The remainder of the chapter is devoted to the various steps of the research process as postulated by Tustin, Ligthelm, Martins and Van Wyk in 2005 and Cooper and Schindler in 2008. Consequently, this chapter is divided into eight sections as illustrated in figure 4.1.

Figure 4.1: Layout of Chapter 4



Source: Adapted from Tustin *et al.* (2005); Cooper & Schindler (2008:80)

The next section deals with the first topic, namely the study site.

4.2 THE STUDY SITE

The study site for the research conducted in this dissertation is the Stellenbosch Wine Route situated in the wine-growing region of Stellenbosch as demarcated by the Wine of Origin Scheme¹³ (Stellenbosch Wine Route, n.d.[a]; Du Plessis & Boom, 2008). The Stellenbosch Wine Route was selected as the study site since it comprised more than 85% of the vineyards located in the Stellenbosch wine-growing region. This region made up 18% of the total vineyard footprint in South Africa in 2009. According to Frandsen (2005), the size and dominance of the Stellenbosch Wine Route in comparison with other wine routes provide a reasonably accurate indication of all the wine routes and wine tourism in the Western Cape.

Swanepoel and Bailey (2008) reported that the Stellenbosch Wine Route was established in 1973 as the first and the largest (2008) wine route in South Africa. It holds the honour of winning more wine awards than any other wine route in the country. Owing to its size, the route has been subdivided into five subroutes namely Greater Simonsberg, Stellenbosch Mountain, Helderberg, Stellenbosch Hills and Bottelary Hills, with 30, 17, 42, 33 and 24 members respectively making up a total of 146 wineries (Stellenbosch Wine Route, n.d.[a]).

¹³ See Appendix A for a list of the wineries on the Stellenbosch Wine Route. These wineries are also the survey population for this study.

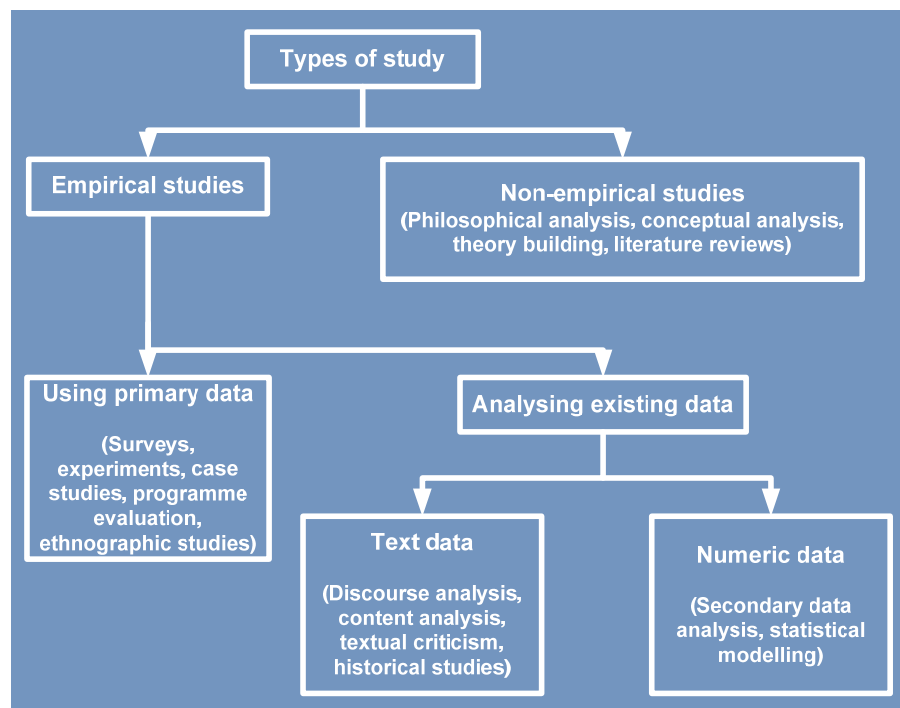
The route was divided into subroutes in order to make it more manageable for tourists. The subroutes are not based on the Wine of Origin System or related to any wards within the Stellenbosch region; they are based on physical location and vary in size.

Figure 4.3, on the next page, is a map of the Stellenbosch Wine Route and each individual winery is indicated by an icon (Stellenbosch Wine Route n.d.[a]). All the wineries in this wine route (total of 146) make up the population of this study. The research design of this study is discussed in the next section.

4.3 THE RESEARCH DESIGN

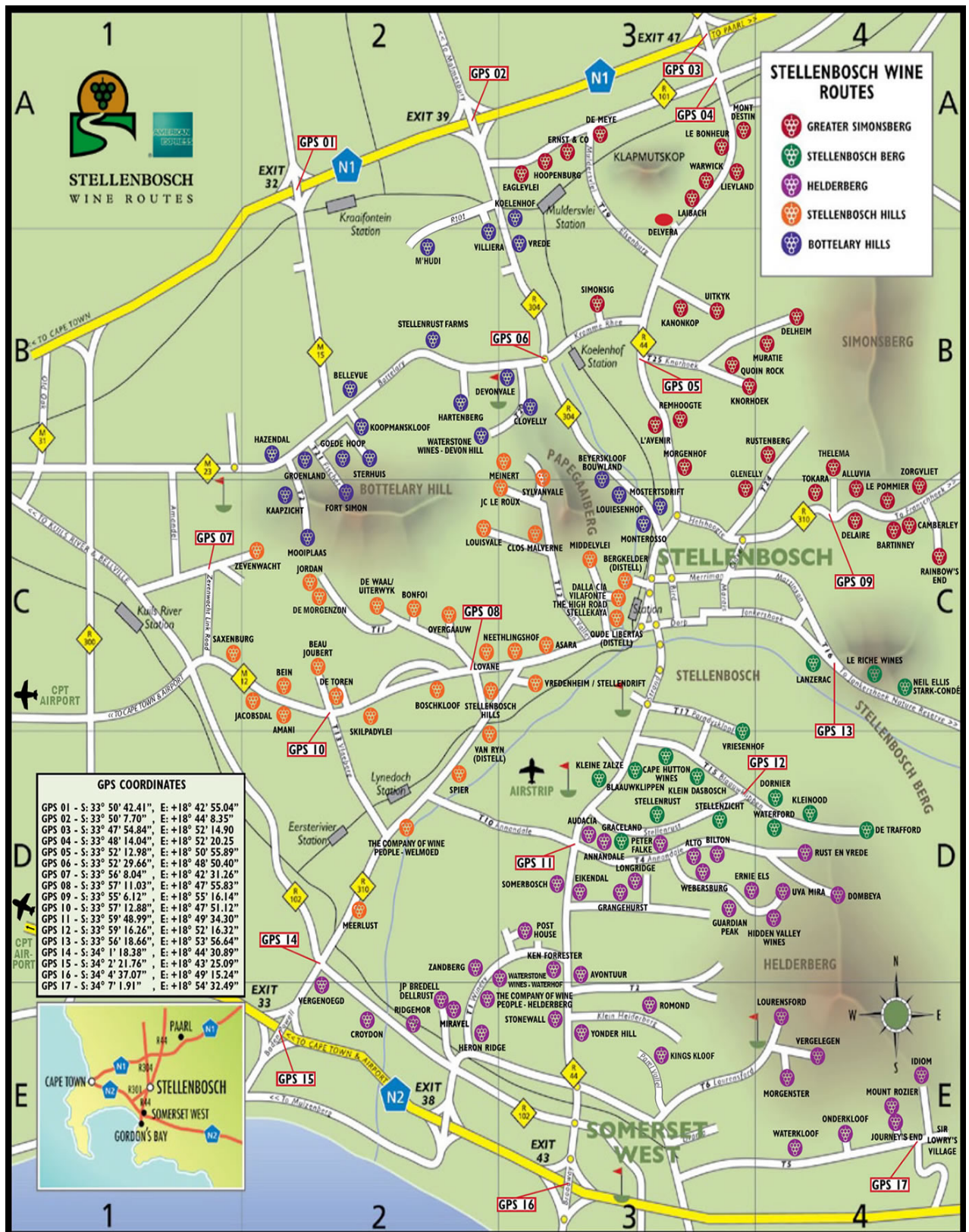
Following the description of the study site of this dissertation, and before the research process can be discussed, the research design used in this study is outlined. Research design relates to the type of study conducted to provide answers to the research problem and can be seen as the blueprint for fulfilling research objectives (Cooper & Schindler, 2008:89; Mouton, 2005:49). Babbie *et al.* (2007:78), describe a typology of research design types to be either of an *empirical* or *non-empirical* nature. Empirical studies are divided into studies where *primary data* from sources such as surveys and experiments are used and *secondary data* where existing textual or numeric data are used. Non-empirical studies include philosophical and conceptual analysis, theory building and literature reviews. The typology of research design types are illustrated in figure 4.2 below.

Figure 4.2: Typology of research design types



Source: Babbie *et al.* (2007:78)

Figure 4.3: The Stellenbosch Wine Route



Source: Stellenbosch Wine Route (n.d.[c])

According to Babbie *et al.*'s (2007) typology, this dissertation is an *empirical study*, using a survey to collect primary data. Primary data are obtained from original research and consist of information collected by the researcher for the purposes of the study (Welman *et al.*, 2009:149). The specific research design used in a study can be described by a number of different design dimensions. Cooper and Schindler (2008:141) list eight different descriptors, for example, degree of research question crystallisation, method of data collection and researcher control of variables. All eight categories of descriptors of research design are listed in table 4.1 below.

Table 4.1: Research design descriptors

Category	Descriptor for this study
The degree to which the research question has been crystallised	Formal study
The method of data collection	Communication study
The power of the researcher to produce effects in the variables under study	<i>Ex post facto</i>
The purpose of the study	Descriptive
The time dimension	Cross-sectional
The topical scope of the study	Statistical study
The research environment	Field setting
The participants' perceptions of research activity	Modified routine

Source: Adapted from Cooper & Schindler (2008:141)

These eight descriptors will now be discussed as they apply to this study.

4.3.1 DEGREE TO WHICH THE RESEARCH QUESTION HAS BEEN CRYSTALLISED

Research is classified as either exploratory or formal according to the degree of structure and the immediate objective of the study (Cooper & Schindler, 2008:141). This is a *formal study* since research questions were formulated at the beginning of the study and then a structured approach to the research was used in order to obtain answers to these research questions.

4.3.2 METHOD OF DATA COLLECTION

The method of data collection can be classified as either a monitoring or a communication process (Blumberg, Cooper & Schindler, 2005:128). Monitoring includes inspection by the researcher of the activities of a subject or the nature of some material without receiving any responses (Cooper & Schindler, 2008:143). In a communication study, respondents are questioned and responses are collected by either personal or impersonal means (Blumberg *et al.*, 2005:128). This study is therefore a *communication study* where data was collected by means of a self-administered survey sent to respondents electronically.

4.3.3 RESEARCHER CONTROL OF VARIABLES

Studies are either experimental or *ex post facto*, depending on the researcher's ability to manipulate variables during the data collection process (Salkind, 2009:13; Cooper & Schindler, 2008:143). When a researcher attempts to control or manipulate variables, it is called an experiment (Welman *et al.*, 2009:79; Cooper & Schindler, 2008:143). In an *ex post facto* study, the researcher has no control over the variables in the sense of being able to manipulate any of them (Welman *et al.*, 2009:88). The researcher had no control over variables in this study and can only report what happened. The study is therefore classified as *ex post facto*.

4.3.4 PURPOSE OF THE STUDY

The purpose of a study can be described as either reporting, descriptive, causal-explanatory or causal-predictive (McDaniel & Gates, 2001:28-29; Cooper & Schindler, 2008:143-144). The difference between these descriptors lies in their objectives. This study is *descriptive* in nature since it focuses on the "who, what, when, where and how" of a topic and provides a picture of the specific details of a situation (Neuman, 2007:16).

4.3.5 THE TIME DIMENSION

The time dimension of a study indicates whether it is conducted once (cross-sectional) or will be repeated over an extended period of time (longitudinal) (Leedy & Ormrod, 2010:186). In this study, data were collected over a nine-week period, which provides a snapshot of a single point in time and was only carried out once - hence this study can be described as a *cross-sectional study* (Neuman, 2007:17).

4.3.6 THE TOPICAL SCOPE

The topical scope of a study refers to either a statistical study or a case study (Leedy & Ormrod, 2010:108; Blumberg *et al.*, 2005:131). A case study places more emphasis on a full contextual analysis of fewer events and their interrelationship, while statistical studies attempt to capture a population's characteristics by making inferences from a sample's characteristics (Cooper & Schindler, 2008:144). Statistical analysis will be done on the data collected in this study in an attempt to describe some of the characteristics of the whole population and make inferences about certain aspects of the population (Weiers, 2008:5,102). The topical scope of this study is therefore *statistical*.

4.3.7 THE RESEARCH ENVIRONMENT

The research environment describes the conditions under which the data are collected (McDaniel & Gates, 2001:214). Primary research data can be collected under actual environmental conditions or under staged or manipulated conditions (Cooper & Schindler, 2008:145). Respondents were required to complete the survey on their own computer at the winery, and the data were therefore collected under actual environmental or *field conditions*.

4.3.8 PARTICIPANTS' PERCEPTUAL AWARENESS

Participants' perceptual awareness is described as the subtle or major changes that occur in their responses when they perceive that a research study is being conducted (Cooper & Schindler, 2008:708). There are three levels of perception, as highlighted below (Blumberg *et al.*, 2005:131):

- (i) Participants perceive no deviations from everyday routines.
- (ii) Participants perceive deviations, but as being unrelated to the researcher.
- (iii) Participants perceive deviations as researcher induced.

In this study, participants are aware of the research being conducted. Each participant was contacted telephonically, the reason for the research was explained, and the participant was then asked to participate in the study. The level of awareness for this study is therefore level 3: *Participants perceive deviations as researcher induced*.

Now that the research design that was used in this study has been described using Cooper and Schindler's (2008) eight descriptors, the first step in the research process, namely the sample plan, will be discussed.

4.4 THE SAMPLE PLAN

The first step in the research process entails developing a sample plan. In this section the sample plan that was used for this study will be discussed under the following headings: survey population, survey sample and survey collection method.

4.4.1 SURVEY POPULATION

Welman *et al.* (2009:52), define a population as "... the total collection of all units of analysis about which the researcher wishes to make specific conclusions". In other words, a population consists of all the elements (e.g. all the visitors to South African wineries during 2008, or all the wine produced by Meerlust during the 2009 harvest) that relate to a specific research problem about which certain conclusions are drawn. The survey population for this study consists of all the wineries that form part of the Stellenbosch Wine Route of South Africa, a total of 146 wineries. See Annexure A for a list of all these wineries as listed by the Stellenbosch Wine Route (accessed 03/04/2009).

4.4.2 SURVEY SAMPLE

When conducting a survey, researchers may undertake either a census or sampling in order to be able to draw conclusions about the behaviour or characteristics of the entire population (Cooper & Schindler, 2008:374). Weiers (2008:840, 850) defines a census as "the actual measurement or observation of all possible elements from the population, this can be viewed as a 'sample' that includes the entire population," whereas a sample is defined as "a smaller number, or subset, of the people or objects that exist within the population".

A census is favoured above a sample only when the population size is small enough to survey each element and when the data regarding the population is easily accessible (Weiers, 2008:118). Thus the population of this study complies with these requirements and can be classified as a census due to the following reasons:

- (i) The population consists of 146 wineries in the Stellenbosch Wine Route, which is small enough to be subjected to a census without too many time, financial and human resource constraints.
- (ii) The details regarding the population are easily accessible in that they are recorded by the Stellenbosch Wine Route and can be easily obtained from the website (accessed 03/04/2009).

4.4.3 SURVEY COLLECTION METHOD

There are several ways in which data can be collected from respondents, for example, observations, interviews, focus groups and surveys (Kumar, 2005:118). Each data collection method is also used to obtain certain types of information. Information such as biographical details, typical behaviour, opinions, beliefs and attitudes, consistent with the type of information that the researcher wanted to acquire, can be obtained through the use of survey questionnaires (Welman *et al.*, 2009:152). Cooper and Schindler (2008:711) define a self-administered survey as follows: “An instrument delivered to the participant via personal (intercept) or non-personal (computer-delivered, mail-delivered) means that is completed by the participant without additional contact with an interviewer”. In this study, the data collection instrument was a *self-administered email questionnaire*.

The population, sample and survey collection method were briefly discussed in this section. In the next section, the process of designing the research instrument will be discussed.

4.5 DESIGN OF THE RESEARCH INSTRUMENT

Designing a research instrument is step 2 in the research process illustrated in figure 4.4. This section provides an overview of the activities involved in designing the self-administered email questionnaire for this study. Topics that will be covered include question generation, construction of the questionnaire and pilot testing of the questionnaire.

4.5.1 QUESTION GENERATION

As mentioned in the previous section, the data collection instrument for this study was a self-completion email questionnaire. In order to design and pretest the questionnaire, the researcher went through the following process:

- (i) *Visit to the 2008 Stellenbosch Wine Festival and the study site.* The researcher visited the Stellenbosch Wine Festival in 2008. At the festival, the researcher observed the various wineries on show and participated in the festival by visiting each stall, tasting various wines, watching a fashion and food show and attending a food and wine tutorial hosted by Mr Beyers Truter. The researcher then visited various wineries (including Delheim, Muratie, Blaauwklippen, Kanonkop, Bergkelder and Guardian Peak) to observe their facilities and the products on offer. The researcher also used the visit to establish industry contacts, who were subsequently interviewed as part of the study.

(ii) *Telephonic interviews with three wineries in the Stellenbosch wine region.* The researcher conducted an informal telephonic interview with managers at three wineries that form part of the study population. The wineries were questioned on the marketing of their winery, their attitude towards wine tourism and whether research into wine tourism as a promotion and branding tool would be valuable to them.

The results of the interviews can be summarised as follows:

Winery A: The manager at Winery A indicated that they had no official marketing department and that no one employed by the winery had any formal marketing education. Their marketing is done by the owner and is based primarily on past experience and what wineries in the surrounding area (competitors) were doing to market their wines. The winery stated a need for any relevant information on marketing and branding and was also open to using wine tourism as a marketing and branding tool even though they did not currently have any facilities or offer any products to wine tourists.

Winery B: Winery B has a large marketing department with three full-time staff devoted to branding and promoting their wines. The manager stated that the winery staff are enthusiastic about wine tourism and have regular winery tours, a tasting room and a restaurant and that they facilitate a harvest festival specifically aimed at attracting tourists to the winery premises. She stated that they were planning on spending R400 000 in 2009 on developing the premises in anticipation of tourists visiting the area in 2010. The manager also indicated that the winery would consider any information on wine consumers, wine tourists, marketing techniques and branding methods as valuable. She specifically wanted to know whether personal contact with consumers (such as a winery tour, meeting the wine maker and wine festivals) were creating more brand loyalty than other less personal marketing methods (e.g. magazine or radio advertisements).

Winery C: Winery C outsources their marketing. The manager of the winery also indicated that the winery has no interest in wine tourism. The manager stated that the winery was paying the South African Wine Route Association to develop wine tourism for them and that they were not willing to do anything more in this regard. The manager said that although people are excited about tourism, he feels that it is mere hype and does not have any substance. This winery believes that wine tourism is a waste of money and that other marketing methods are more efficient.

(iii) *Secondary research.* Based on the visit to the 2008 Stellenbosch Wine Festival, visiting wineries in the Stellenbosch region and the telephonic interviews conducted with three wineries, extensive secondary research was conducted. The New Zealand Winery Survey conducted by Christensen, Hall and Mitchell (2004) was instrumental in the development of the questionnaire, as many of the questions were derived from the research it contains.

Also significant in developing the questionnaire was South African research on wine routes conducted by Bruwer (2003). The rest of the questions in the questionnaire were derived from previous research done both inside and outside South Africa (Demhardt 2003; Preston-Whyte in Hall et al., 2000; Getz, 1999; Getz, 2000) that relates to wine tourism, marketing and branding.

(iv) *Interviews with industry specialists.* After the questionnaire had been designed, four industry specialists were consulted regarding the content formulation and scope of the questions included in this instrument. Their input was invaluable in ensuring that the questionnaire was relevant to the South African wine industry.

All these inputs were used in the construction of the questionnaire, which is discussed next.

4.5.2 CONSTRUCTION OF THE QUESTIONNAIRE

The self-administered email questionnaire of this study comprised an introductory paragraph and five sections, from A to E. A copy of the questionnaire is included in Appendix C. The introductory paragraph briefly explains the purpose of the study to respondents, gives an indication of the amount of time that it would take to complete the questionnaire, as well as assuring them of the confidentiality of their answers.

The five sections of the questionnaire are as follows:

Section A - Corpographic profile and tourism products and services

Section B - Visitor profile

Section C - Advantages and disadvantages of wine tourism to wineries

Section D - Wine tourism and promotion of the winery product

Section E - Wine tourism and brand equity

According to Kumar (2005:138), the underlying principle of constructing the questionnaire is to ensure that each question relates to a research objective, and that each research objective is adequately covered in the questionnaire. Table 4.2 below indicates which questions in the survey answer the various research objectives that were stated in chapter 1.

Table 4.2: Structure of the questionnaire

Research objective	Corresponding section of questionnaire				Type	Sources used in question generation
	Section	Number	Question	Classification		
To compile a corpographic profile of wineries in the Stellenbosch Wine Route of South Africa	A	1	Subroute	Nominal	Multiple-choice questions requiring a single or multiple-choice response	<ul style="list-style-type: none"> • Stellenbosch Wine Route (2009a) • Benade (2009) • Bruwer (2003) • Hall, Christensen & Mitchell (2004) • Thomas (2009)
		2	Size of winery	Ordinal		
		3	Ownership status	Nominal		
		5	Number of employees	Interval		
		6	Cellar door opening times	Nominal		
		4	Tasting fee structure	Nominal		
To investigate the range of wine tourism products available in the Stellenbosch Wine Route of South Africa	A	7	Products and services offered	Nominal	Multiple-choice questions requiring a single or multiple-choice response.	<ul style="list-style-type: none"> • Benade (2009) • Bruwer (2003) • Hall, Christensen & Mitchell (2004)
		8	Visitor count – yes or no	Nominal		
To compile a profile of the visitors to the wineries in the Stellenbosch Wine Route of South Africa	B	9	Profile of domestic vs international tourists	Interval	<p>Q8: Multiple-choice questions requiring a single or multiple-choice response.</p> <p>Q9 to 11: Single response questions requiring a percentage value to be attributed to each variable.</p> <p>Q12: A five-point Likert scale question measuring agreement, ranging from strongly disagree (1) to strongly agree (5).</p>	<ul style="list-style-type: none"> • Back (2009) • Benade (2009) • Christensen, Hall & Mitchell (2004) • Getz1(999) • Marx (2009)
		10	Gender profile of visitors	Interval		
		11	Age profile of visitors	Interval		
		12	Tourist motivations to visit winery	Ordinal		

To determine the perceived advantages and disadvantages of wine tourism to wineries in the Stellenbosch Wine Route of South Africa	C	13	Advantages and disadvantages of wine tourism	Ordinal	A five-point Likert scale measuring importance, ranging from irrelevant (1) to very important (5).	<ul style="list-style-type: none"> Christensen, Hall & Mitchell (2004) Getz (2000:7) Hall, Sharples, Cambourne & Macionis (2000:11) 	
							D
	15	Selling/distribution points of winery	Ordinal	Q15 & 16: A five-point Likert scale question measuring importance, ranging from irrelevant (1) to very important (5).			
	16	Factors in developing a successful winery	Ordinal	Q17 & 20: Multiple-choice questions requiring a single response.			
	17	Revenue spent on marketing	Nominal	Q18 & 19: Single-response questions requiring a percentage value to be attributed to each variable.			
	18	Marketing spend on domestic vs international promotion	Interval	A five-point Likert scale measuring agreement, ranging from strongly disagree (1) to strongly agree (5).			
	19	Sales: domestic vs exported	Interval				
	20	Responsibility of wine tourism promotion	Nominal				
	21	Wine tourism and brand equity	Ordinal				
	E						
	To determine the perception of wineries in the Stellenbosch Wine Route of South Africa regarding wine tourism in branding wineries						

Once a new survey instrument has been designed, it should be tested before it is sent to the survey population of the study. Pretesting of the questionnaire is discussed next.

4.5.3 PILOT TESTING OF QUESTIONNAIRE

When a new survey is developed, it is useful to test it before it is distributed to the entire study sample. In this study, before the questionnaire was sent to the entire survey population, a pilot or pretest was conducted. A pilot or pretest is a field test of the data collection instrument on a small group of individuals who are representative of the population for which the instrument is intended. A pilot test is designed to discover questions that will cause the respondent problems or discomfort, that are unclear and need to be reworded, that have flawed measurement procedures and questions that need to be dropped, added or repositioned (Blumberg *et al.*, 2005:68; Welman *et al.*, 2009:148).

The survey instrument in this study was pretested in the following way:

- (i) The questionnaire was completed by seven colleagues to test for
 - (a) the general layout of questions;
 - (b) the fact that the questions were clear and easily understood;
 - (c) the time that it would take to complete it.
- (ii) In four in-depth interviews, the questionnaire was discussed at length with four industry specialists for their opinion and input.
- (iii) The questionnaire was then analysed by a statistician to ensure that the information gained from this instrument would be sufficient in answering all the objectives formulated in chapter 1.

After each step in the pretest, minor adjustments were made to the questions, items and layout of the questionnaire.

The process involved in designing the research instrument was discussed in this section. Section 4.6 looks at the next step in the research process, namely data collection.

4.6 DATA COLLECTION

Data collection is the third step in the research process and is often referred to as the 'fieldwork' (Tustin *et al.*, 2005:99). In this study, primary data were collected in the following way:

- (i) The final questionnaire was converted into an electronic format by the Bureau for Market Research at Unisa.
- (ii) The researcher contacted each respondent telephonically.
 - The purpose of the research was explained and any questions that the respondent might have, were answered. Their assistance in completing the survey was requested.
- (iii) An email was sent to each respondent who had agreed to complete the survey.
 - Each email consisted of a brief cover letter again stating the purpose of the study as well as an electronic link to the questionnaire (see Appendix C for a copy of the cover letter).
- (iv) After a period of two weeks, another email was sent to each respondent to remind them of the survey and again request their assistance.

The completed electronic questionnaires were received by the electronic data bank of the Bureau for Market Research during the months of November and December 2009 and January 2010.

The original population for this study consisted of all the wineries in the Stellenbosch Wine Route, that is, 146 wineries in total. Of these wineries, seven were removed from the population because they did not constitute an individual wine farm, but formed part of other wineries. The population for this study thus decreased from 146 to 139 wineries.

In the sample population of 139 wineries, 138 were contacted telephonically; one winery could not be reached telephonically and was only contacted via email. A total of 92 wineries agreed to complete the questionnaire, six refused and 41 did not commit to completing the questionnaire. Of the 92 wineries that agreed to complete the questionnaire, 82 respondents attempted to fill in the questionnaire, but only 46 respondents completed the entire questionnaire. Based on these numbers, the response rate was calculated at 33%.

Table 4.3 provides a summary of the responses received from the respondents.

Table 4.3: Summary of responses received in the current study

Responses	Number	Percentage of population
Agreed to complete the questionnaire	92	66%
Refused to complete the questionnaire	6	4%
Did not commit to completing the questionnaire	41	29%
Attempted to complete the questionnaire	82	59%
Actually completed the questionnaire	46	33%

According to Maylor and Blackman (2005:198), “most surveys are lucky to achieve a 10-15% return rate”. The 33% response rate received in this study can therefore be viewed as a fairly positive response rate. Part of the satisfactory response rate can be attributed to the personal telephone contact that the researcher made with each of the respondents, since people are more likely to complete a survey when asked personally than receiving a written request via email. Comparable studies conducted locally and internationally have shown similar response rates. Bruwer’s (2003) research in South Africa attained a 35% response rate, while Christensen, Hall and Mitchell’s research in New Zealand had a 31% response rate (Bruwer, 2003:425; Christensen *et al.*, 2004:4).

An unforeseen obstacle was also encountered during the data collection process, which decreased the number of responses received. In some instances, as many as five wineries employed one person to do all the marketing. When contacted, the marketer was unwilling to complete questionnaires for each of the four or five wineries for which he or she worked. This phenomenon influenced 23 wineries of the survey population with a total of five marketers responsible for the marketing of these wineries. In such cases, the researcher requested the respondent to pick one winery and complete the questionnaire specifically for that one company.

The process that the researcher followed to collect the primary data for this study was described in this section. In the next section, the processing of this data will be discussed.

4.7 DATA PROCESSING

In the research process, step 4 is referred to as data processing. The processing of data involves capturing, coding and editing of the raw data. Each of these steps will be discussed in more detail in this section.

4.7.1 DATA CAPTURING

The data were captured electronically on the Bureau for Market Research's database as soon as the respondents had completed their questionnaires online. Data were then automatically converted into a Microsoft Excel spreadsheet, which was updated on a continuous basis throughout the nine-week data collection period.

4.7.2 DATA CODING

McDaniel and Gates (2001:393) define coding as the process of grouping and assigning numeric numbers or codes to various responses in a particular question. All the questions in the questionnaire were closed-ended and assigned categories and numbers were built into the design of the questionnaire, thus precoded.

4.7.3 DATA EDITING

Editing involves a thorough and critical examination of each questionnaire to ensure that it is acceptable for use and to prepare it for coding and capturing. In order for data to be deemed usable, it must comply with certain criteria such as adhering to sample requirements, being relevant to the question, the completeness of the questionnaire and the consistency of answers (Tustin *et al.*, 2005:455).

The data in this study were edited in order to identify and minimise errors, incompleteness and inconsistencies - for example, the data were scrutinised in order to determine whether there are any invalid numbers, such as a 3, appearing in a column where 1 indicates male and 2 indicates female (Van Zyl, 2002:75). Furthermore, data that were received in a format different to the "expected" format were edited in a consistent manner. A case in point is where respondents were required to indicate the number of employees employed in the different sections of the winery (Question 5). A whole number, such as 5 or 6 was expected, but, in some instances, answers such as "10-20" or "10 in October" were received. In cases where respondents gave a range, such as "10-20", the rounded-

up average was taken (15) and in cases like “10 in October”, the data were omitted entirely.

This section explained the data processing involved in the study. Data analysis, the next step in the research process, will now be discussed.

4.8 DATA ANALYSIS

Step 5 in the research process is analysing the data that was collected and processed. Data analysis is a key step since data that have been collected are of little use to the researcher until it has been organised and represented in a form that makes the information understandable and meaningful (Tustin *et al.*, 2005:451). By organising data, it is easier to identify trends, patterns and other characteristics that would not be apparent during a simple shuffle through a pile of questionnaires or other forms of data collection (Weiers, 2008:16).

The data in this study were analysed using both descriptive and statistical methods. These methods, as well as the reliability and validity of the data that were collected, will be discussed in this section.

4.8.1 DESCRIPTIVE STATISTICS

Descriptive statistics describes or summarises the data obtained for a group of individual units of analysis. Frequencies, means, medians and quartiles are the descriptive statistics used in the current study since nominal, ordinal and interval data were collected (Weiers, 2008:842; Welman *et al.*, 2009:229-231).

Frequencies refer to the number of times a certain response was given (Wordnet, n.d.). A *mean* is the sum of the values for all observations divided by the number of observations (McDaniel & Gates, 2001:363,410). The *median* is the midpoint or numerical centre of a set of data, with exactly as many observations above it as below it, dividing the data into two (Leedy & Ormrod, 2010:265). Just as the median divides the data into two groups of equal size, *quartiles* divide data into four groups of equal size (Weiers, 2008:70). Each quartile comprises 25% of the observations (the median is also the second quartile).

Graphs and tables are used to present the statistics in a succinct manner.

4.8.2 INFERENCE STATISTICS

In this section, inferential techniques used to derive inferential statistics will be discussed. However, it is necessary to first discuss a concept of great importance in all inferential statistics namely *statistical significance*. This concept is explained below.

Statistical significance

When the whole population is not tested, it may happen that the differences, which appear to exist between groups, do not exist in reality (in the real population). The p-value is calculated to indicate the probability that the difference is due to chance.

There are guidelines, which determine which differences are large enough to be considered real and which may be due to chance (Van Zyl, 2002). The most common practice is to state the level of significance that the probability value should attain. A significance level is a statement of the probability that an observed difference is due to chance. The most frequently used levels of statistical significance are 0.10, 0.05 and 0.01 (Tustin *et al.*, 2005:590). For the purpose of this study, the level of 0.05 (except where indicated otherwise) was used as the level of statistical significance indicated as a two-tailed p-value which means that if the p-value is smaller than 0.05, it can be accepted that the observed difference is real and not due to chance.

The term two-tailed (non-directional) p-value means that the hypothesis (H_1) did not predict in which probability distribution the significance would be, that is it did not specify a direction (Tustin *et al.*, 2005:588). Since the current study was only exploratory and no expected results were predicted, the two-tailed p-value was used.

Non-parametric tests

Parametric tests make use of assumptions about the distribution and variances of populations (Welman *et al.*, 2009:230). Tests that do not value such stringent assumptions are known as non-parametric tests (Tustin *et al.*, 2005:591).

In this study, non-parametric tests were used because:

- They are free of assumptions that are made when using parametric tests.
- The data used is ordinal.
- The realised sample size was quite small.

The first non-parametric test that was conducted is called a binomial test.

Binomial test

A binomial test is a statistical procedure used to examine the distribution of a single dichotomous variable in the case of small samples (Blumberg *et al.*, 2005:666-667). The test has two versions, depending on the size of the sample (n) and the population proportions (π and $1 - \pi$) (Tustin *et al.*, 2005:617).

When $n\pi$ or $n(1 - \pi)$ is less than 5, the test uses the binomial distribution and provides an exact probability value (small sample case). When $n\pi$ and $n(1 - \pi)$ are both greater than 5, the test uses the normal approximation to the binomial to calculate a probability value (large sample case) (Tustin *et al.*, 2005:617).

In this study, the binomial test was used to examine the difference between a sample proportion and a given proportion (0.5 in this case). The normal (z) approximation was used since $n\pi$, $n(1 - \pi)$ was larger than 5.

The second non-parametric test conducted is called the Mann-Whitney U test.

Mann-Whitney U test

The Mann-Whitney U test is the non-parametric counterpart of the t-test for independent groups without the t-test's limiting assumptions (Welman *et al.*, 2009:230). The U-test is used with two independent samples given that the data are at least ordinal (Blumberg *et al.*, 2005:580).

In calculating the U-test, all the observations were combined and ranked algebraically from the smallest to the largest. The largest negative score received the lowest rank and where ties occurred, the average rank was assigned like in other tests (Blumberg *et al.*, 2005:580).

The null hypothesis test by the Mann-Whitney U-test is that there is no difference between the two groups in terms of location, focusing on the median as a measure of central tendency (Tustin *et al.*, 2005:624).

The last non-parametric test used in this study is called the Kruskal-Wallis test.

Kruskal-Wallis test

The Kruskal-Wallis test is regarded as the non-parametric alternative to the regular one-way analysis of variance and is used to compare the medians of three or more independent samples (Welman *et al.*, 2009:230; Weiers, 2008:519, 845). The test is a generalised version of the Mann-Whitney U test and does not assume that the samples have been drawn from normally distributed populations with equal variances (Weiers, 2008:519).

All the scores in the entire pool of observations are ranked from the smallest to the largest. The rank sum of each sample is then calculated, with ties being distributed (Blumberg *et al.*, 2005:582).

The non-parametric tests conducted in this study have now been explained. Next, the reliability and validity of the questionnaire will be discussed.

4.8.3 RELIABILITY AND VALIDITY

According to Salkind (2001:105), "Reliability and validity are the hallmarks of good measurement." The reliability and validity of a measurement instrument should be calculated in order to determine whether the instrument has actually measured the intended concepts, as well as verify the consistency with which the concepts were measured (Leedy & Ormrod, 2010:28-29).

Babbie *et al.* (2007:119), describes *reliability* as the ability of a measuring instrument to obtain the same results when the same thing is measured more than once. There are different types of reliability measurements, which include test-retest reliability, internal consistency reliability, equivalent forms reliability and interrater reliability (Leedy & Ormrod, 2010:93).

Owing to the nature of the study, the only form of reliability that could be considered is internal consistency reliability. The most widely used measure of internal consistency is the Cronbach alpha, which requires a sample size of at least 300 to be considered an unbiased estimator of internal consistency.

New research by Yurdugül (2008) has indicated that the Cronbach alpha value will be unbiased for small sample sizes provided certain assumptions are met. Since the number of respondents in this study was only 46, and some of the required assumptions as stated in Yurdugül were not met, no calculations were made. Thus, the reliability of the measuring instrument was not measured.

The other important aspect to discuss is *validity*, which is the extent to which the instrument measures what it is actually intended to measure. Validity can take on different forms, namely face validity, content validity and criterion validity (Neuman, 2007:118).

In the current study, the type of validity used to establish the trustworthiness of the results from the survey is called *content validity*. A measurement instrument has high content validity if its items or questions represent the entire “universe of items” from which it is drawn (Salkind, 2009:118). After the questionnaire design had been completed, four industry specialists were consulted about the content formulation and scope of the questions included in this survey instrument to ensure that it had an acceptable level of content validity.

4.9 PRESENTATION OF DATA FINDINGS

The last step in the research process is the presentation of data findings. Findings must be presented in such a way that it is clear and easily understood, making use of data-display techniques where necessary (Kumar 2005:248). The next chapter deals with the detailed presentation of the research findings in this study.

4.10 LIMITATIONS OF THE STUDY

No researcher ever encounters a perfect research environment where perfect data can be collected (Van Zyl, 2002). Results obtained through research should always be interpreted and used in light of the limitations of the data collected and statistical tests conducted in the study.

This study is no exception and the researcher did encounter limitations, which should be kept in mind when reading through the results of the study in chapter 5.

Firstly, the response rate can be seen as a limitation to the research study in that 44% of respondents that started the questionnaire failed to complete it and only 33% of the entire population completed the survey. Reasons for this might include that it was too long or too difficult. In the questionnaire pilot phase, it was made clear that the questionnaire could not be completed in less than 15 minutes.

The targeted respondents are people involved with the running of the winery and they are pressed for time. Fifteen minutes may have been too long to commit to completing a questionnaire. Furthermore, there is also the general problem of too many people distracting them and the general inertia or dislike of people to fill in forms.

Secondly, bias was introduced as the result of the subroutes not being proportionally representative. In other words, the subroutes had varying response rates, which could have skewed the research results.

However, it should be noted that the responses received are representative in terms of winery size in the South African wine industry. The fact that the sample is representative of winery size of the entire South African wine industry contributes to the validity of this study. This is discussed in chapter 5, section 5.2.1, under heading A2.

4.11 CONCLUSION

This chapter addressed the research methodology used in the study. The first part of the chapter gave a brief overview of the study site where the research was conducted and then a detailed explanation of the research design that was used. The remainder of the chapter was dedicated to the application of the research process to this study.

A sample plan was developed and the research instrument and a self-administered email questionnaire designed. Thereafter primary data were collected which were subsequently edited, captured, coded and cleaned. The data were then analysed using various statistical analysis tools. The outcome of the data analysis as well as the research findings will be discussed in detail in the next chapter. The chapter concluded with a brief discussion of the reliability and validity of the research instrument as well as the limitations of the data collected in the research process.

CHAPTER 5: DATA ANALYSIS OF WINERIES IN THE STELLENBOSCH WINE ROUTE

5.1 INTRODUCTION

In the previous chapter, the research methodology that was used in this study was explained by describing the research design and primary research process that was followed. Primary data were collected and statistical analyses conducted to address the primary and secondary research objectives of the study. The purpose of this chapter is to present the analysis of the data in an orderly manner.

This chapter is divided into two sections; section 5.2 focuses on the descriptive analyses of the research findings, while section 5.3 explains the testing of the hypothesis by using different statistical tests and analysing the inferential statistics. The discussion of the data analyses is presented in the same order in which the data were collected in the questionnaire.

The descriptive and inferential statistics in this study, which include charts and tables, were constructed with the use of statistical software packages, namely SPSS 17.0 for Windows and Excel for Windows 2007.

5.2 DESCRIPTIVE ANALYSES OF THE RESEARCH FINDINGS

The descriptive analysis of the research findings describes the corpographic profile of wineries in the Stellenbosch Wine Route as well as the products and services currently offered by these wineries. The next section analyses the visitor profile to the wineries. This is followed by a discussion of the analyses of responses regarding the advantages and disadvantages of wine tourism to wineries and its role in the promotion of winery products. Lastly, the findings on the influence of wine tourism on brand equity are highlighted. The descriptive analyses of the corpographic profile of wineries and their products and services will now be discussed.

5.2.1 SECTION A: The corpographic profile and products and services of wineries

Section A of the questionnaire attempted to survey the corpographic profile of the wineries. This included which subroute they were part of, their size, ownership status, tasting fee structure, number of permanent and temporary employees, days and times the wineries are open to the public, as well as the products and services that they currently offer visitors.

A1: Subroutes

The Stellenbosch Wine Route consists of five subroutes, namely Greater Simonsberg, Stellenbosch Berg, Helderberg, Bottelary Hills and Stellenbosch Hills (Stellenbosch Wine Route, n.d.[a]). The first question required respondents to identify the subroute they belong to.

The result for this question is presented statistically in table 5.1 and graphically in figure 5.1. Table 5.1 tabulates the number of responses received from each subroute as well as the percentage of responses in relation to the entire population.

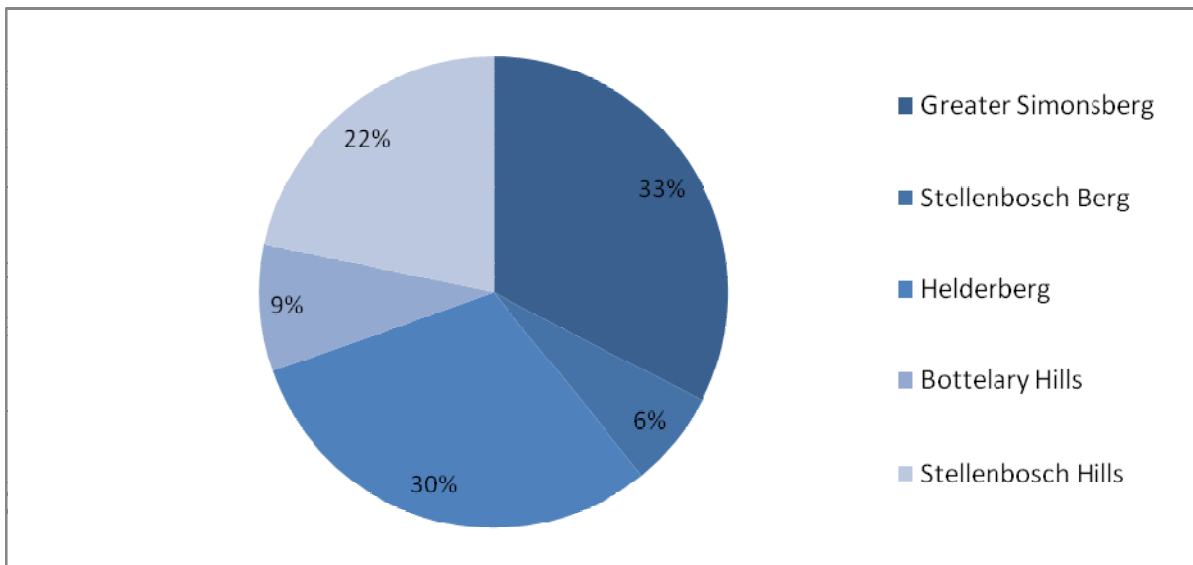
Table 5.1: Members of Stellenbosch subroutes

Sub-routes	Number of members per subroute	Number of responses per subroute	Percentage response per subroute	Percentage response of total population
Greater Simonsberg	29	15	52%	11%
Stellenbosch Mountain	17	3	18%	2%
Helderberg	38	14	37%	10%
Bottelary Hills	22	4	18%	3%
Stellenbosch Hills	33	10	30%	7%
Total	139	46		33%

The table indicates that the most responses were received from the Greater Simonsberg (11%) and Helderberg (10%) subroutes.

Figure 5.1 indicates the distribution of all the responses received across the various subroutes.

Figure 5.1: Distribution of responses across the subroutes (n=46)



According to the figure, the majority of responses were received from the Greater Simonsberg (33%), the Helderberg (30%) and Stellenbosch Hills (22%) subroutes. Very few responses were received from Bottelary Hills (9%) and Stellenbosch Berg (6%).

No clear pattern emerged from the responses received from the subroutes. The response rate could not be linked to subroute size or location.

A2: Winery size

The second question required respondents to classify the size of their winery based on the amount of grapes that are pressed to produce wine. Wineries that pressed between 1 and 250 tons were classified as small, those that pressed between 251 and 1 000 tons as medium and those that pressed more than 1 000 tons as large (Thomas, 2009).

The result of this question, the distribution of winery sizes, is presented graphically in figure 5.2.

Figure 5.2: Distribution of respondents' winery size (n=46)

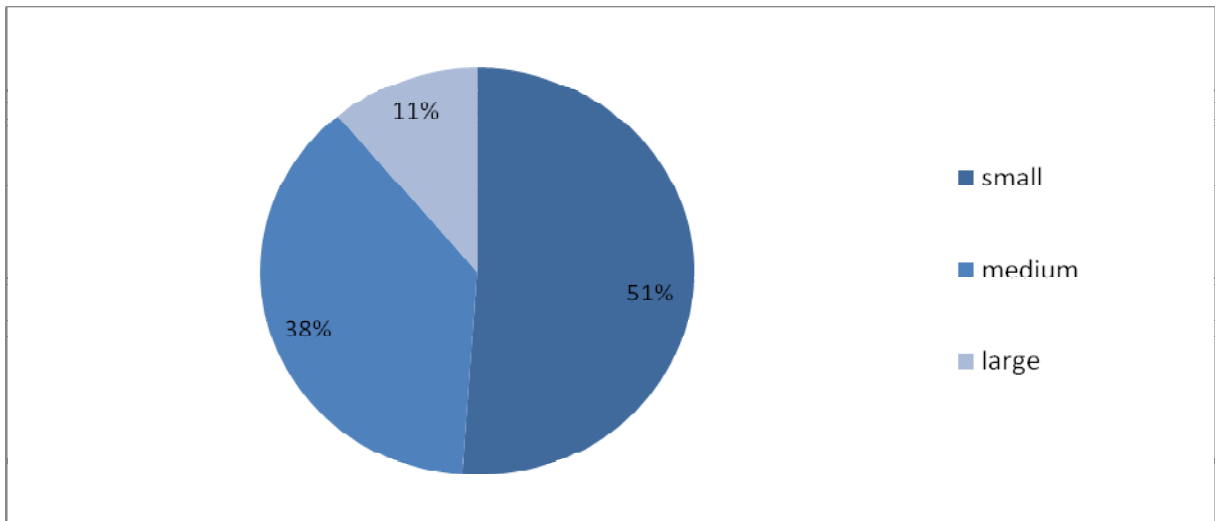


Figure 5.2 indicates that a little more than half of the respondents (51%) are classified as small, while medium wineries account for 38% of respondents. The minority (11%) of wineries are classified as large.

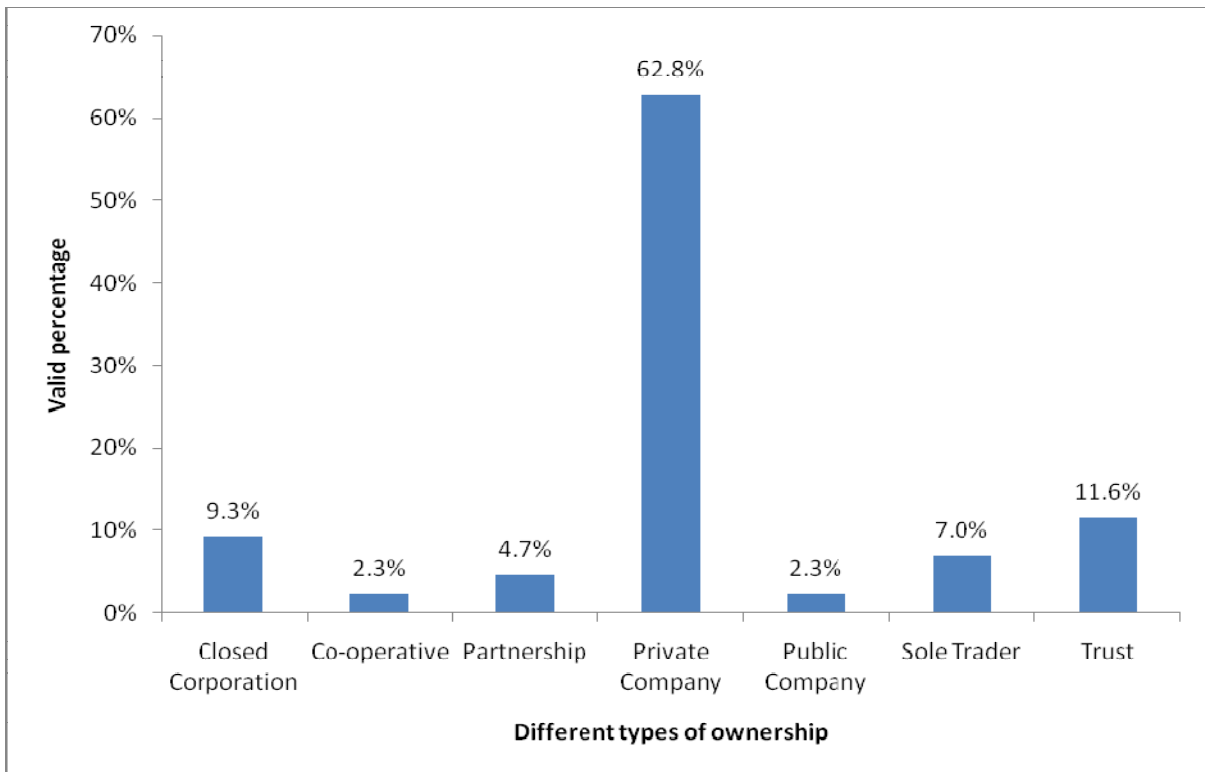
The distribution of winery size in the study is similar to the structure of the entire South African wine industry. Statistics show that 90% of all wineries in South Africa are classified as small to medium (1 to 1 000 tons), with 10% of producers classified as large (1 001 tons and more) (SAWIS 2009a:6). In this study, 89% of respondents are small to medium wineries, while only 11% are classified as large.

A3: Ownership status of the winery

Question 3 required respondents to classify the ownership status of their winery as either a private company, public company, sole trader, cooperative, closed corporation, trust, nonprofit company, partnership or BEE partnership (Bruwer, 2003:426).

The result of this question is presented graphically in figure 5.3, which illustrates the distribution of the different types of ownership status of wineries in the study.

Figure 5.3: Ownership status of wineries (n=43)



The results show that a significant number of respondents function as private companies (62.8%), while some are closed corporations (9.3%) and trusts (11.6%). A minority indicated their wineries as sole traders (7.0%), partnerships (4.7%), cooperatives (2.3%) and public companies (2.3%). None of the respondents were nonprofit organisations or BEE partnerships.

The results in this study show a shift in the ownership type of wineries in the Stellenbosch region from the results obtained in a similar study conducted across South Africa by Bruwer in 2003. By comparing Bruwer's results with the results of this study, two significant changes in winery ownership can be observed. In Bruwer's study, 48.8% of wineries indicated that they were private companies (also the highest score); compared to this study, there was an increase of nearly 14% in private companies in the preceding six years (2004–2009).

The second significant change is evident in the number of cooperatives. Cooperatives had the second highest ranking in Bruwer's study at 15.2%. The results of this study show a significant decrease in the number of cooperatives of 12.9% to only 2.3%. The observed decline is consistent with the overall trend in the agricultural sector of South Africa (during 1998–2008). A growing number of cooperatives are converting to

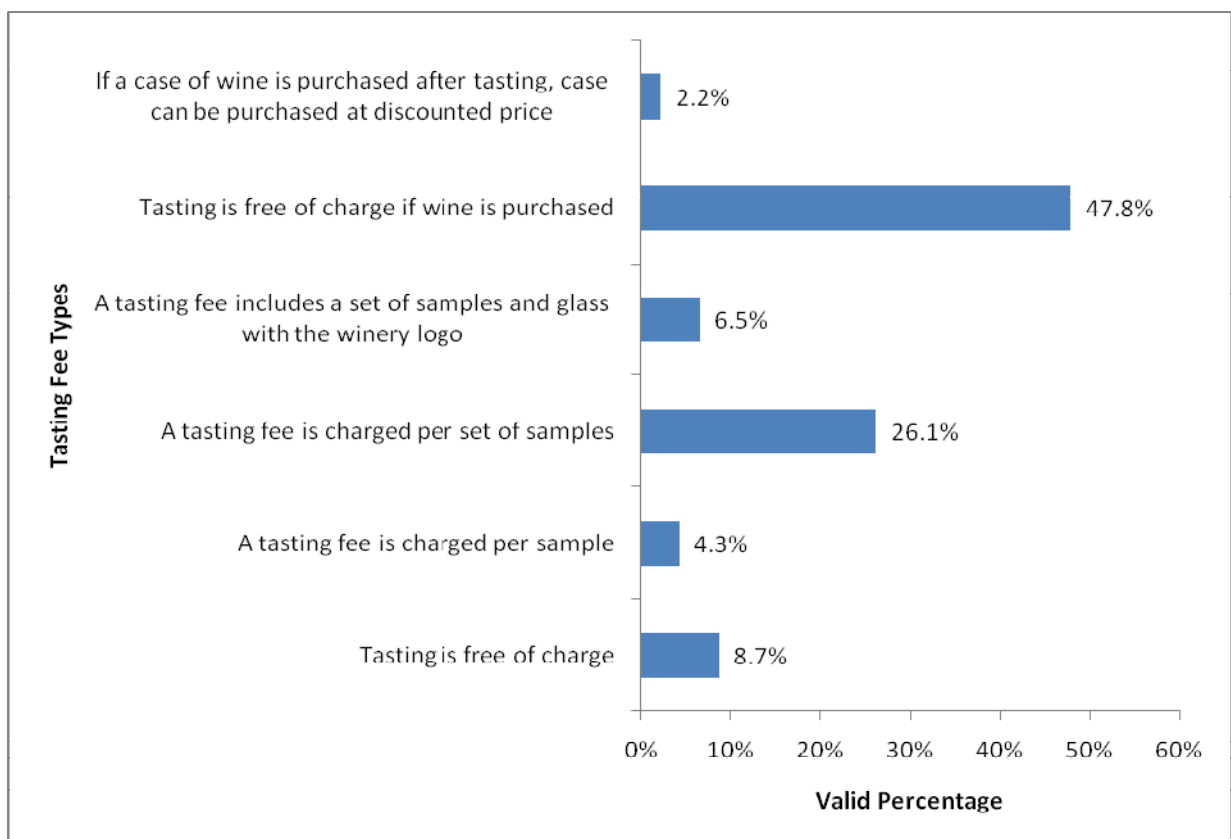
companies and listing on the Johannesburg Stock Exchange because of a need for capital formation as well as to release cooperative member's funds (Van Huyssteen, n.d.).

A4: Tasting fees

The fourth question required respondents to indicate all the different types of tasting fees that apply to the winery, for example, whether tasting is free of charge or charged per sample or per set of samples (Christensen *et al.*, 2004).

The result of this question is presented graphically in figure 5.4, which illustrates the distribution of the different types of tasting fees of wineries.

Figure 5.4: Tasting fee types (n=46)



The results show that the most popular type of tasting fee used by wineries is charging a tasting fee but then discounting the price if a bottle of wine is purchased from the winery (47.8%). The second most popular type of tasting fee used is charging a fee for a set of samples (26.1%). Very few respondents indicated the use of other methods which included the following: tasting that is free of charge (8.7%), fee per sample (4.3%), fee

which includes a glass (6.5%) and giving a discounted rate if case of wine is purchased after tasting (2.2%).

Bruwer's (2003) research showed that 59% of wineries charged no fee at all, while 41% charged some form of tasting fee. The results in this study indicated that only 28% of wineries provide tasting free of charge, with 72% charge some form of tasting fee. This indicates a noticeably large increase of 31% in wineries that charge tasting fees in the Stellenbosch region from 2003 to 2009.

However, the results of this question are consistent with other New World wine-growing regions where it is common practice to charge a tasting fee and apply the fee towards any bottle purchased by the customer (Kelley, 2006; Kolyesnikova, 2006).

A5: Number of employees

Question 5 asked respondents to indicate how many people the winery employed for each section of the wine estate, divided into full-time, part-time and outsourced positions. Table 5.2 shows the total number of employees per section (*n*) as well as the total number of employees per employment category (Total *n*). The mean indicates the average number of people working either full time, part time or on contract per employment category of the winery.

Table 5.2: Total number of employees per section/category of the winery (n=44)

Employment category	Full time		Part time		Outsourced		Total <i>n</i>
	<i>N</i>	Mean	<i>n</i>	Mean	<i>n</i>	Mean	
Wine production or wine making	145	3.3	105	2.4	83	1.9	333
Wine tourism or tourism related	121	2.8	88	2.0	7	0.2	216
Restaurant or food related	175	4.0	129	2.9	1	n.a.	305
Rest of the wine estate activities (e.g. vineyard/farm related)	398	9.0	368	8.4	108	2.5	874
Total	839	19.1	690	15.7	199	4.5	

Table 5.2 indicates that the area of the winery that requires the most labour is the vineyard itself. The results confirm that the agricultural section of a winery is extremely labour intensive (Thach, 2007; SA Wine Council, 2007).

Furthermore, the results of the question presented in table 5.2 show that the employment structure of wineries has remained largely unchanged compared to Bruwer's (2003) research results. Wine production or wine making and the rest of the wine estate activities still comprise the largest number of people in both the full-time and part-time/outsourced employee categories, while a smaller number of employees are still employed in the wine tourism and restaurant or food-related sections of the winery.

A6: Operating hours of the winery

Question 6 required respondents to indicate when the winery is open to the public. The question was twofold. The first part of the question asked respondents when the winery was open during the year and respondents could choose more than one option as it applied to their winery. The second part of the question required respondents to indicate the specific operating hours of the winery.

The results of the first part of the question showed that most cellars are open the entire year and that hardly any distinction is made between summer and winter. Nearly 20% of wineries are only open by appointment and only 2.2% are only open during festival times.

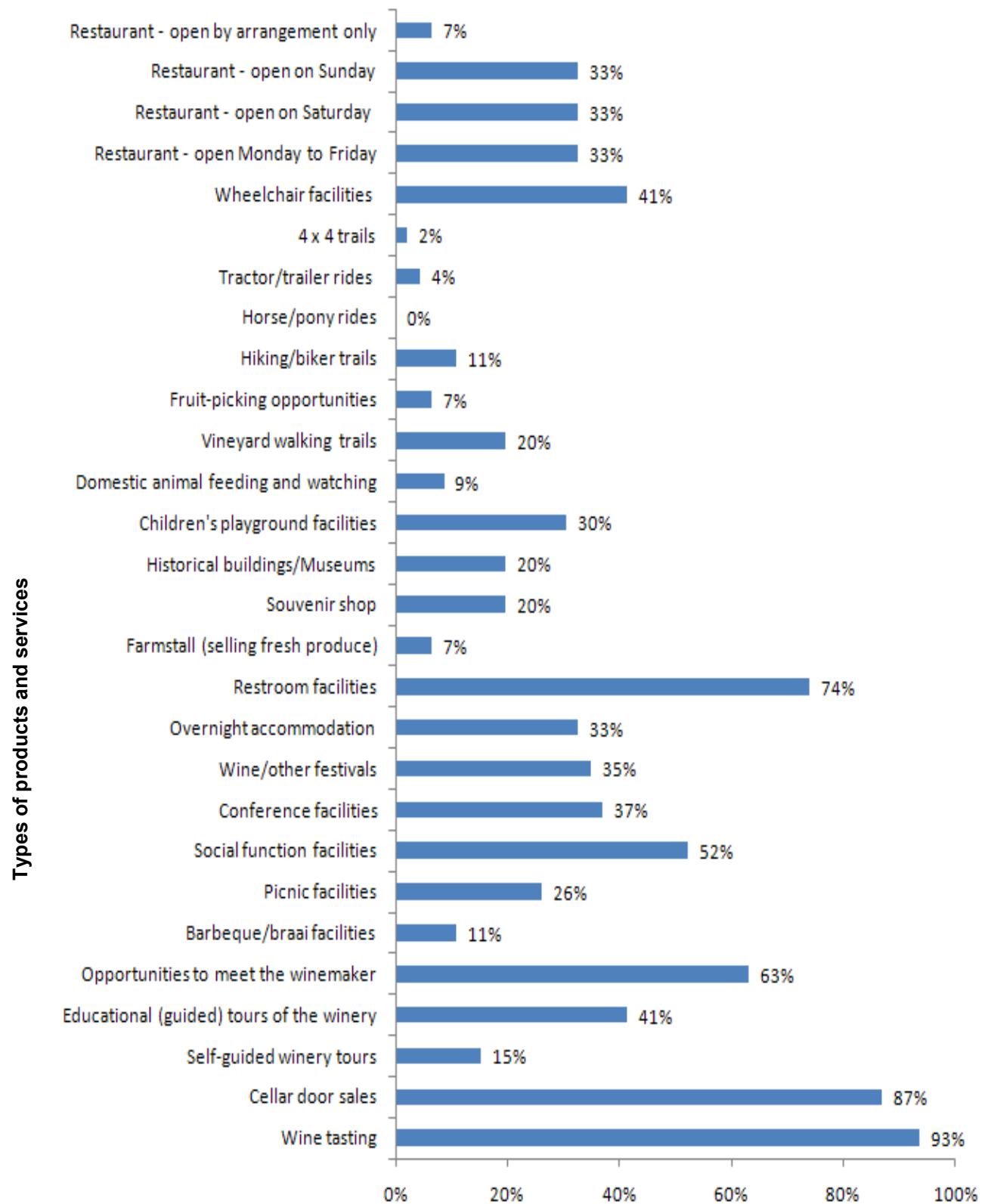
The results of the second part of the question showed that the vast majority (92.7%) of wineries are open the whole day, from Mondays to Fridays. A large percentage of wineries are also open most of the day on Saturdays (68.3%), Sundays (51.2%) and most public holidays (51.2%).

A7: Products and services offered by wineries

The last question in section A related to the products and services that wineries offer. These products and services include, for example, cellar door sales, self-guided winery tours, overnight accommodation and picnic facilities at the winery.

The results of this question are depicted graphically in figure 5.5, which presents the results of the different products and services offered at wineries.

Figure 5.5: Products and services offered by wineries in South Africa (n=45)



The results show that the products and services offered by the majority of wineries include wine tasting (93.4%), cellar door sales (87.0%) and restroom facilities for the public (73.9%). More than 50% of respondents indicated that there are opportunities to meet the winemaker (63.0%) and social function facilities (52.2%). Less than 50% of respondents indicated that they offered educational winery tours (41.3%), have conference facilities (37%), overnight accommodation (32.6%), children's playground facilities (30.4%), wheelchair facilities (41.3%), host wine and other festivals (34.0%) and have restaurants that are open Monday to Sunday (32.6%). The minority of wineries offered the remaining products and services on the list, which include a self-guided winery tour (15.2%), tractor rides (4.3%) and having a restaurant that is only open by arrangement (6.5%).

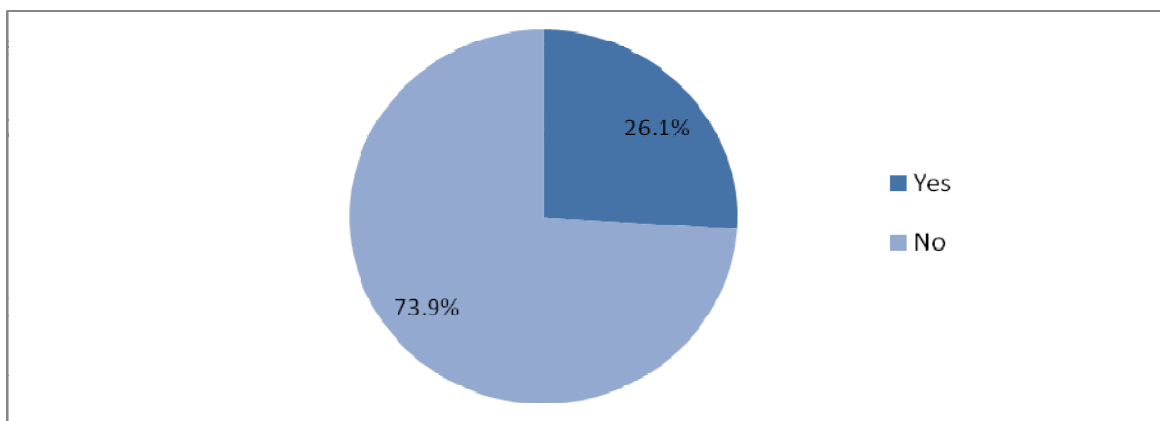
The results obtained by Bruwer in 2003 also listed wine tasting and cellar door sales as the services most offered by wineries in South Africa with 92.8% and 88.0% respectively. Regarding the rest of the products and services, there seemed to be a general increase in the frequency with which these products and services are offered. This is consistent with the overall growth of wine tourism and its popularity in South Africa between 2003 to 2008 (SAinfo, 2010b).

5.2.2 SECTION B: Visitor profile

B8: Visitor count

Question 8 required respondents to indicate whether they counted the number of visitors to the winery on a systematic basis. The results of this question are presented graphically in figure 5.6, which shows the percentage of wineries that do and do not count the number of visitors.

Figure 5.6: Systematic visitor count (n=46)



Haydam, 2006:142) that research data in the South African wine tourism industry are often not recorded.

B9: Domestic tourists vs international tourists

The second question in section B required respondents to indicate what percentage of the visitors to their wineries were domestic tourists and what percentage were international tourists. The results of this question are presented statistically in table 5.3, which shows the mean, median and quartiles relating to the distribution of domestic and international tourists.

Table 5.3: Domestic vs international tourists

Visitor nationality	Mean	Median	Q1	Q3
Domestic	50.465	50.000	40.000	60.000
International	49.535	50.000	40.000	60.000

From this table, it is clear that on average, respondents perceive the distribution between domestic (50.5%) and international (49.5%) visitors to be fairly equal.

To the researcher’s knowledge, there are no national data currently available to empirically quantify the number of foreign or domestic wine tourists with which the results in this question can be compared. Surveys conducted to date (2010) have generally not included questions on the wine visitation habits of international and domestic tourists. The few comprehensive empirical studies that have been conducted on wine tourism statistics in South Africa have used varying methodologies with widely differing market size estimates. This makes the determination of the actual tourism market between domestic and international tourists very difficult (Tassiopoulos & Haydam, 2006:148).

B10: Gender profile of visitors to the winery

Question 10 required respondents to indicate the profile of the gender of visitors to their wineries. The results of this question are presented statistically in table 5.4, which shows the mean, median and quartiles relating to the distribution of the gender of visitors to the wineries.

Table 5.4: Gender distribution of tourists to wineries (n=43)

Gender	Mean	Median	Q1	Q3
Male	50.465	50.000	40.000	60.000
Female	49.535	50.000	40.000	60.000

The results show that on average, respondents perceived there to be slightly fewer female visitors (46.6%) than male visitors (53.4%).

The result of the gender profile is confirmed by research on the gender distribution of wine tourists internationally conducted by Hall, Longo, Mitchell and Johnson (in Hall *et al.*, 2000), Mitchell and Hall (2001), Mitchell and Hall (2004) and Ignatov and Smith (2006) in other New World wine countries such as New Zealand, Australia and Canada as well as by local research conducted by Frandsen (2005) and Bruwer (2003). The small variation between male and female visitors shows that wine tourism is not gender specific, but an activity enjoyed by all.

B11: Age profile of visitors

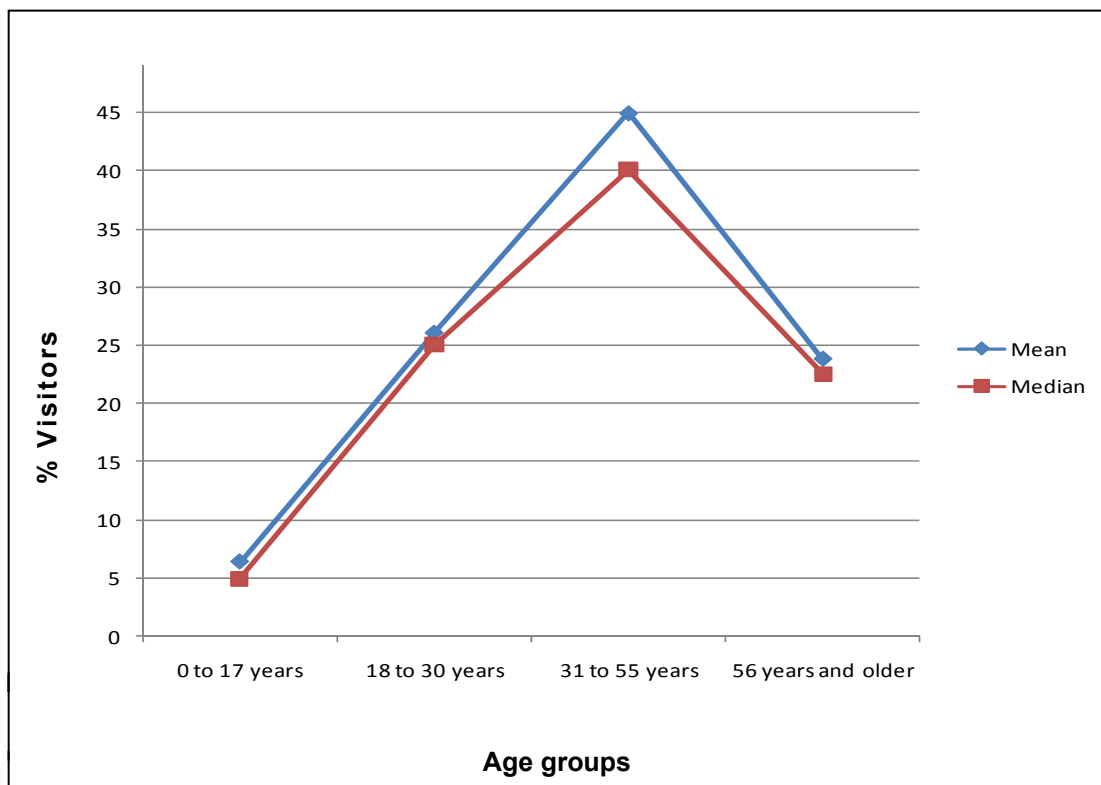
In question 11, respondents were required to indicate the age profile of visitors to the winery. Visitor age was divided into four categories namely, 0 to 17 years, 18 to 30 years, 31 to 55 years and 56 years and older.

The results of this question are presented statistically in table 5.5 and depicted graphically in figure 5.7.

Table 5.5: Age profile of winery visitors to South African wineries (n=43)

Age	Mean	Median	Q1	Q3
0 to 17 years	6.378	5.000	0.000	10.000
18 to 30 years	26.070	25.000	20.000	40.000
31 to 55 years	44.953	40.000	35.000	55.000
56 years and older	23.833	22.500	17.250	30.000

Figure 5.7: Visitor age profile



The results indicate that on average, the largest age group of visitors is between 31 and 55 years (45%). The age groups 18 to 30 and 56 and older have similar average distributions with 26% and 24% respectively. The smallest group of visitors is from the youngest age group, 17 or younger, with an average of only 5%, the reason being that the legal drinking age in South Africa is 18 years or older.

Reviews of the literature conducted by Mitchell, Hall and McIntosh (2000) and Mitchell and Hall (2006) show that the majority of wine tourists are usually between the ages of 30 and 50. The results of this question with the largest age group between the ages of 31 and 55 are thus confirmed by the findings in the literature. To the researcher's knowledge, the most recent research on the wine tourist profile was conducted in 2009 by Marzo-Navarro and Pedraja-Iglesias (2009:679) in Spain. Their results showed 30- to 49-year-olds as the largest age group, with 45.2% and equal sizes of 26.4% for 18- to 29-year-olds and 50- to 64-year-olds. Their results are remarkably similar to the results obtained in this study.

B12: Tourist motivations to visit wineries

Question 12 was comprised 16 items regarding tourist motivations for visiting wineries. Respondents were required to rate their level of agreement with each statement on a five-point Likert scale, ranging from strongly disagree (1) to strongly agree (5).

The results of this question are presented statistically in table 5.6, which indicates the mean, median and first and third quartiles for each statement. The frequency distribution for each statement is presented graphically in Annexure D, figures D1 to D16.

Table 5.6: Motivations to visit a winery (n=46)

Motivations to visit a winery	Mean	Median	Q1	Q3
1. To taste quality wine	4.065	4.000	4.000	5.000
2. To taste a wine before purchasing it	3.913	4.000	3.750	5.000
3. To make use of special offers at the winery	3.348	3.000	3.000	4.000
4. To experience the ambiance of the winery	4.196	4.000	4.000	5.000
5. To experience the wine region	4.174	4.000	4.000	5.000
6. As a general outing or activity	4.109	4.000	3.750	5.000
7. To talk to owners or winemakers	3.109	3.000	2.000	4.000
8. For the total winery experience	4.109	4.000	4.000	5.000
9. Knowledgeable cellar door staff	3.609	4.000	3.000	4.000

Motivations to visit a winery	Mean	Median	Q1	Q3
10. To learn more about wine	4.087	4.000	3.000	5.000
11. Friendly reception from cellar staff	3.870	4.000	3.000	5.000
12. To experience a winery tour	3.3670	3.000	2.000	5.000
13. Reputation (brand) of wine	4.109	4.000	4.000	5.000
14. Medal winning wines	3.522	3.000	3.000	5.000
15. John Platter's Wine Guide	3.826	4.000	3.000	5.000
16. Knowledge of the Great Wine Capitals of the World	3.196	3.000	2.000	4.000

Of the 16 motivation statements, seven were strongly confirmed with the majority of respondents either agreeing or strongly agreeing with these statements (listed in descending order):

- To experience the ambiance of the winery (84.8%).
- For the total winery experience (82.7%).
- To taste quality wine (82.6%).
- To experience the wine region (80.5%).
- Reputation (brand) of the wine (78.2%).
- As a general outing or activity (76.1%).
- To learn more about wine (69.6%).

This study therefore confirms, *inter alia*, some of the motivations for tourists to visit wineries, as postulated by Hall *et al.* (2000:127), Bruwer (in Alant & Bruwer, 2004) and Macionis (in Getz, 2000:59) such as experiencing the ambiance of the winery and wine region, tasting and learning about wine and the wine brand. Tourist motivations were discussed in chapter 2, section 2.3.4.

5.2.3 SECTION C: Advantages and disadvantages of wine tourism

Section C had only one question and comprised 30 statements regarding the advantages and disadvantages of wine tourism. Respondents were required to rate their level of agreement with each statement on a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5).

The results of this question are presented statistically in table 5.7, which indicates the mean, median and first and third quartiles for each statement. The frequency distribution for each statement is presented graphically in Annexure D, D18 to D47.

Table 5.7: Advantages and disadvantages of wine tourism (n=46)

Advantages and disadvantages	Mean	Median	Q1	Q3
1. Wine tourism contributes to increased wine sales	3.957	4.000	4.000	5.000
2. Wine tourism creates brand awareness	3.978	4.000	4.000	5.000
3. Wine tourism fosters brand loyalty	3.652	4.000	3.000	5.000
4. Sales from the cellar door are an important contributor to overall sales volumes	3.870	4.000	3.000	5.000
5. Wine tourism opens the door for new partnerships with tourism organisations	3.674	4.000	3.000	4.000
6. Wine tourism leads to an increase in visitor numbers	4.000	4.000	4.000	5.000
7. Wine tourism leads to an increase in spending at my winery	3.674	4.000	3.000	4.000
8. Wine tourism assists my winery in overcoming slow demand periods	3.848	4.000	3.000	4.000
9. Wine tourism is an opportunity to educate customers	3.848	4.000	3.000	4.000
10. Wine tourism enables me to increase my profit margin on wines	3.630	4.000	3.000	4.000
11. Wine tourism attracts new domestic market segments to my winery's products	3.565	4.000	3.000	4.000

Advantages and disadvantages	Mean	Median	Q1	Q3
12. Wine tourism attracts new international market segments to my winery's products	3.696	4.000	3.000	4.000
13. Wine tourism has improved links with the wine trade	3.500	3.500	3.000	4.000
14. Wine tourism is an opportunity to test new products on customers	3.239	3.000	3.000	4.000
15. Wine tourism contributes to developing a unique positive destination image	3.826	4.000	3.750	4.000
16. Wine tourism is a way to acquire market intelligence on customers	3.500	4.000	3.000	4.000
17. Wine tourism leads to increased costs and management time at my winery	3.348	3.500	2.000	4.000
18. Wine tourism requires a large capital investment	3.174	3.500	2.000	4.000
19. Wine tourism does not substantially increase sales of wine	2.696	2.000	2.000	3.250
20. Wine tourism helps to develop mail order sales	3.326	4.000	2.750	4.000
21. Wine tourism differentiates my wine from others	3.087	3.000	2.000	4.000
22. Cellar door visitors do not buy a lot of wine	3.087	3.000	2.000	4.000
23. Tourists are valuable to my winery	3.848	4.000	3.000	5.000
24. Wine tourism attracts a wide range of customers to my winery	3.674	4.000	3.000	4.000
25. Wine tourism offers important marketing opportunities	3.696	4.000	3.000	4.000
26. Wine tourism positively impacts the sales of my wine offshore	3.174	3.000	2.000	4.000
27. Time spent with visitors to my winery is valuable	3.978	4.000	4.000	5.000
28. Wine tourism contributes greatly to my business success	3.370	3.500	3.000	4.000
29. The overall benefits of wine tourism outweigh the negative impacts	3.717	4.000	3.750	4.000

Advantages and disadvantages	Mean	Median	Q1	Q3
30. Wine tourism does not attract the kind of visitors that I want to my winery	2.130	2.000	1.750	3.000

The results of this question show that the two main advantages of wine tourism experienced by respondents in this study are that *wine tourism creates brand awareness* and that *time spent with visitors to wineries is valuable* (more than 80% of respondents either agreed or strongly agreed with these advantages). This compares well with the results of The New Zealand Winery Survey conducted by Christensen, Hall and Mitchell in New Zealand during 2004. In their study, 72.3% of respondents agreed or strongly agreed that wine tourism enhances brand awareness, while 85% of respondents indicated that time spent with visitors at wineries is valuable.

The majority of remaining statements pertaining to the advantages offered by wine tourism received a more than 60% agree or strongly agree response. These advantages included the following:

- Wine tourism contributes to increased wine sales (78.3%).
- Wine tourism leads to an increase in visitor numbers (78.3%).
- The overall benefits of wine tourism outweigh the negative impacts (76.1%).
- Wine tourism contributes to developing a unique positive destination image (76.1%).
- Tourists are valuable to wineries (74.0%).
- Wine tourism is an opportunity to educate customers (73.9%).
- Wine tourism attracts the kind of visitors that are wanted to the winery (69.6%).
- Wine tourism attracts a wide range of customers to the winery (67.4%).
- Sales from the cellar door are an important contributor to overall sales volumes (65.3%).
- Wine tourism opens the door for new partnerships with tourism organisations (65.2%).
- Wine tourism facilitates an increase in the profit margin on wines (65.2%).
- Wine tourism leads to an increase in spending at wineries (63.1%).
- Wine tourism attracts new international market segments to the winery's products (63.1%).
- Wine tourism offers important marketing opportunities (63.0%).

This confirms the advantages or benefits of wine tourism postulated by Dodd and Bigotte (in Hall *et al.*, 2000:11), Day (in Hall *et al.*, 2000:11), Dodd (in Getz, 2000:64) and Getz (2000:7) in the various studies conducted by them.

In many respects, these results are also similar to the results obtained by Christensen *et al.* (2004), in their New Zealand study. For example, the statement “Benefits of wine tourism outweigh the negative impacts” received an agree or strongly agree response from 77.1% of respondents in New Zealand compared to 76.1% in this study.

The majority of respondents **disagreed with** or were **neutral** towards the following wine tourism attributes:

- Cellar door visitors buy a lot of wine (60.9% disagreed or were neutral).
- Wine tourism is an opportunity to test new products on customers (60.9%).
- Wine tourism positively impacts the sales of my wine offshore (58.7%).
- Wine tourism differentiates my wine from others (58.7%).
- Wine tourism assists my winery in overcoming slow demand periods (52.1%).

The results show that the majority of respondents (60.9%) do not use the opportunity offered by wine tourism to test new products on consumers. This confirms the conclusion by Loubser (2004) that although wine tourism is said to be one of the main strategic approaches of wineries, in reality, it is still treated as a secondary activity. The results clearly show that the majority of wineries are still not utilising wine tourism to its fullest by not using the cellar door to do market research.

The results of the statement “Cellar door visitors buy a lot of wine” show that respondents do not believe that wine tourism actually contributes to their bottom line. The 58.7% disagreement with the statement “Wine tourism positively impacts sales of wine offshore” show that respondents do not view wine tourism as an effective marketing tool in the international market. This once again confirms Loubser’s (2004) view that wine tourism is only considered a secondary activity by wineries.

Of great significance in these results is the statement: “Wine tourism differentiates my wine from others”. It is interesting to note that although a large percentage (58.7%) of respondents indicated that wine tourism **does not** have the ability to differentiate their wine, the majority (80.4%) **do** perceive wine tourism to enhance or create brand awareness. The results are remarkably similar to those of Christensen *et al.* (2004) in New Zealand, where 73.2% of respondents agreed or strongly agreed that wine tourism enhances product brand awareness, yet 55.2% of respondents indicated that wine tourism is **not** of any value as a differentiation strategy.

5.2.4 SECTION D: Wine tourism and the promotion of winery products

D14: Promotional activities

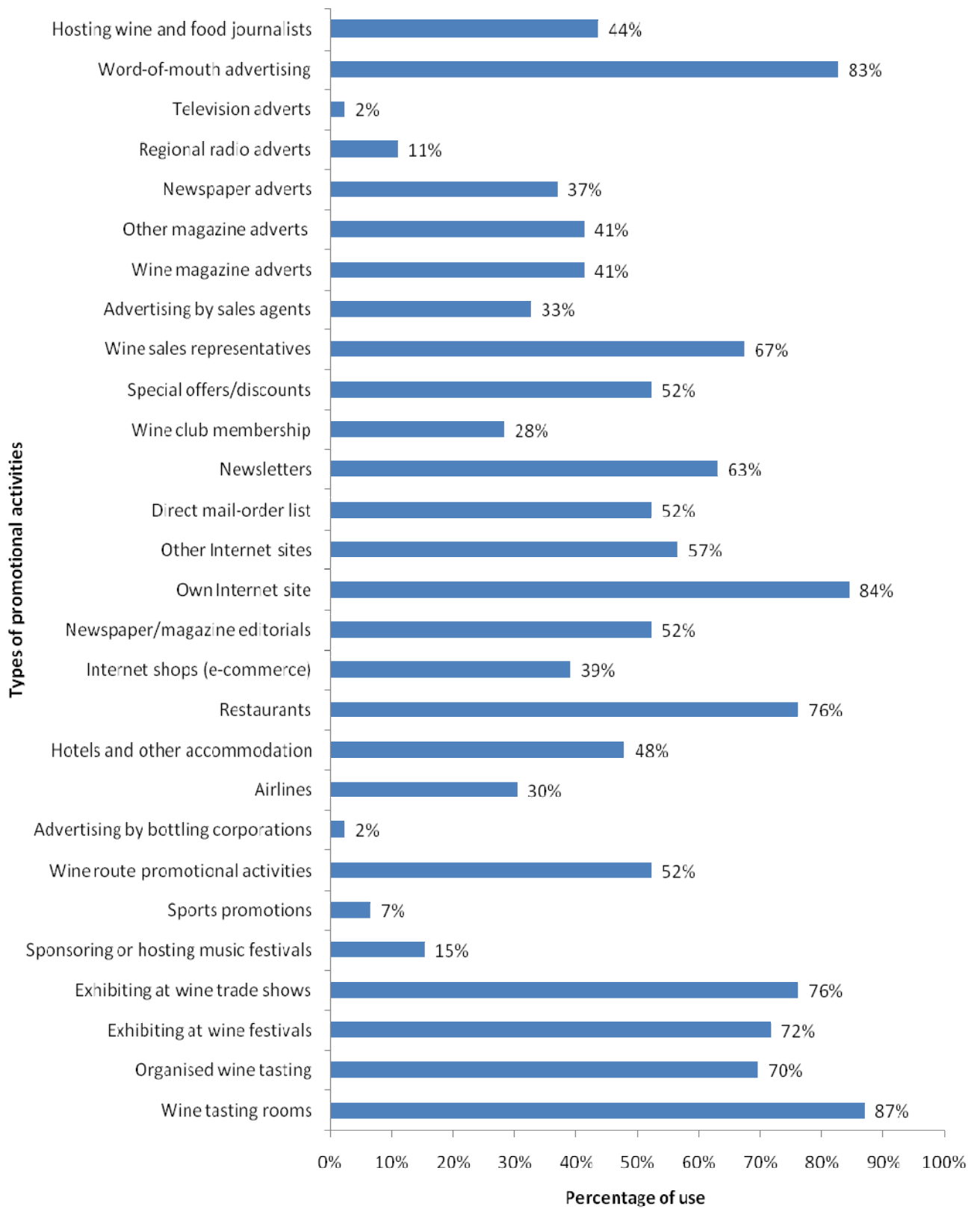
Question 14 listed 28 different promotional activities that wineries could use to promote their wines. Respondents were required to indicate which methods form part of their promotion strategies. The results of this question are presented graphically in figure 5.8, which shows the frequency with which each different form of promotion is used by wineries.

Figure 5.8 shows that the greater majority (>80%) of wineries have their own wine-tasting rooms and internet sites and that they rely heavily on word-of-mouth advertising. Other forms of promotion that are used by the majority (>50%) of wineries include the following:

- Organised wine tastings and special offers or discounts
- Attending wine festivals and trade shows
- Wine route promotional activities
- Wine sales representatives
- Newsletters and direct mail-order lists
- Newspaper and magazine editorials
- Other Internet sites
- Restaurants

Of significance in the results in this study is the increase in frequency with which own internet sites are used. In 2003, Bruwer's study showed that 50% of wineries in South Africa had their own internet sites. This study shows that in 2009, 84% of wineries in the sample had their own internet sites, a 44% increase from 2003. Also, 57% of wineries used other internet sites to advertise. This is consistent with the overall growth of the internet and its importance over the past ten years (2000-2009). In Africa alone, internet usage grew by a staggering 1809.8% (Internet World Stats 2009) between 2000 and 2009.

Figure 5.8: Types of promotional activities of wineries in South Africa (n=46)



D15: Wine distribution points

Question 15 required respondents to rate the importance of the different points of sale to their winery. The question comprised ten different points of sale that could be rated on a five-point Likert scale, ranging from irrelevant (1) to very important (5).

The results of this question are presented statistically in table 5.8, which indicates the mean, median and first and third quartiles for each statement. The frequency distribution for each statement is presented graphically in Annexure D, D48 to D57.

Table 5.8: Types of wine sales (n=46)

Type of sale	Mean	Median	Q1	Q3
1. Cellar door sales	4.239	4.500	4.000	5.000
2. Wholesale	4.022	4.000	3.750	5.000
3. Retail	4.478	5.000	4.000	5.000
4. Exporting	4.457	5.000	4.000	5.000
5. Own restaurant	3.174	3.500	1.000	5.000
6. Other restaurants	4.283	4.000	4.000	5.000
7. Mail order	3.587	4.000	3.000	4.000
8. Hotels and other accommodation establishments	3.935	4.000	3.000	5.000
9. Embassies	2.717	3.000	2.000	3.000
10. Wine clubs	3.652	4.000	3.000	4.250

The results show that the majority of respondents rated cellar door sales, wholesale, retail, exporting and other restaurants as important and very important points of sale. Wine sales to embassies received the lowest level of agreement from respondents, with mostly neutral or disagree responses. The results in this question could not be compared to any previous research, although it should be noted that the two types of sale identified as the most important to wineries namely, retail and exporting, also have the highest volume of sales in South Africa (SAWIS, 2009a).

D16: Factors influencing the success of a winery

Factors influencing the success of a winery were measured in question 16. The question required respondents to rate the importance of 15 different factors to the success of their winery on a five-point Likert scale, ranging from irrelevant (1) to very important (5).

The results of this question are presented statistically in table 5.9, which indicates the mean, median and first and third quartiles for each statement. The frequency distribution for each statement is presented graphically in Annexure B, D58 to D71.

Table 5.9: Factors influencing the success of a winery (n=46)

Factors influencing the success of a winery	Mean	Median	Q1	Q3
1. Having a restaurant or café	3.739	4.000	3.000	4.250
2. Employing staff who are knowledgeable about wines	4.565	5.000	4.000	5.000
3. Providing education and interpretation for visitors	4.065	4.000	4.000	5.000
4. Providing winery tours for visitors	3.761	4.000	3.000	4.250
5. Accommodating large tour groups	3.043	3.000	2.000	4.000
6. Having the correct accreditation - (i.e.cellar door standards)	3.717	4.000	3.000	5.000
7. Producing and selling organic wines	2.587	3.000	2.000	3.000
8. Retailing both wine and other products	3.261	3.000	3.000	4.000
9. Providing wine appreciation opportunities	3.804	4.000	3.000	4.000
10. Hosting special events and functions	3.739	4.000	3.000	4.000
11. Having overnight accommodation on site	3.087	3.000	2.750	4.000
12. Having an attractive, well-designed winery	3.761	4.000	3.000	4.250
13. Good sign posting	4.348	4.000	4.000	5.000
14. Friendly, service oriented staff	4.739	5.000	5.000	5.000

Four factors were rated as being either important or very important to the success of a winery, which is apparent from table 5.9 with a mean ranking of 4.00 or more. These factors are as follows:

- Employing staff who are knowledgeable about wines (mean ranking 4.56)
- Friendly, service-oriented staff (mean ranking 4.73)
- Good sign posting (mean ranking 4.34)
- Providing education and interpretation for visitors (mean ranking 4.06)

Research conducted by Getz, Dowling, Carlsen and Anderson (1999) on wineries in Washington, USA and Australia, ten years prior to this study (1999), shows remarkably similar results. These four factors were also considered to be the four most important factors in a winery's success by respondents in both the USA and Australia.

Factors that were rated as important in this study (mean ranking of 3.70 to 4.00) include the following:

- Providing wine appreciation opportunities (mean ranking 3.80)
- Providing winery tours for visitors (mean ranking 3.76)
- Having an attractive, well-designed winery (mean ranking 3.76)
- Hosting special events and functions (mean ranking 3.73)
- Having a restaurant or café (mean ranking 3.73)
- Having the correct accreditation (mean ranking 3.71)

These results again correspond very closely to the results received by Getz *et al.* (1999). The factor, which was attributed to being the least important, that is producing and selling organic wines, was also given the least importance by respondents in both Australia and Washington.

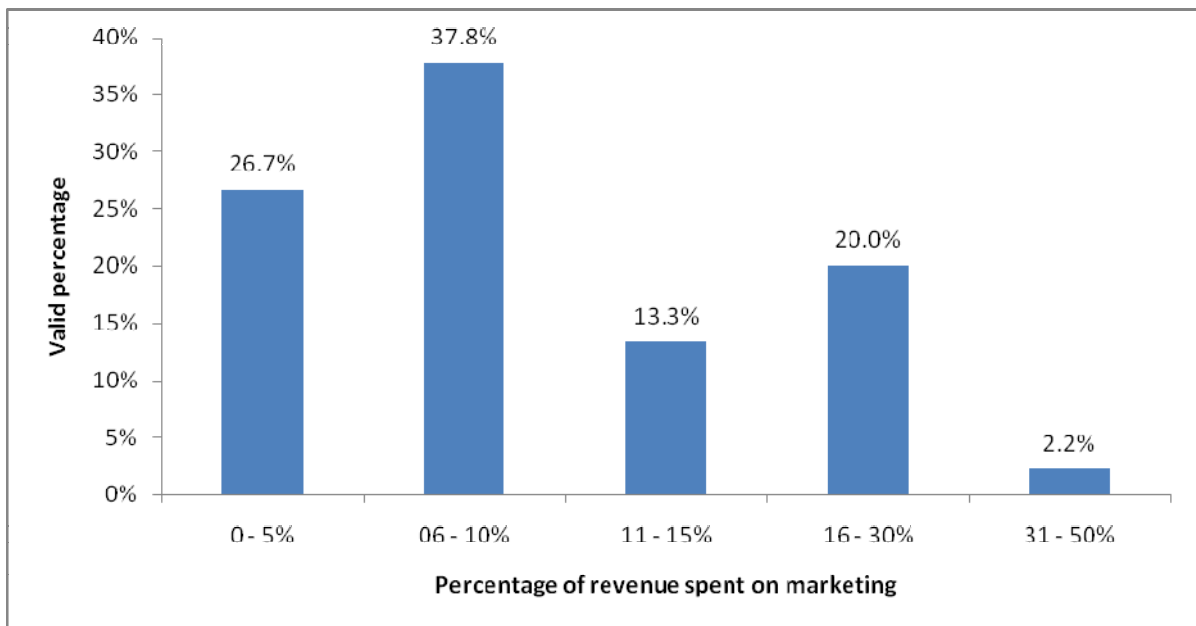
It is interesting to note that even though the research was conducted a decade before this study, respondents' opinion of factors important to the success of a winery has changed little, if at all. Also of significance here is the fact that even though respondents are geographically distributed across three continents, they still rate each factor in a similar fashion.

D17: Revenue spent on marketing

Question 17 required respondents to indicate the approximate percentage of their total revenue that is spent on marketing. The question comprised seven categories ranging from 0 to 100%.

The results of this question are presented graphically in figure 5.9, which illustrates the distribution of the marketing spend of the various wineries.

Figure 5.9: Marketing spend (n=40)



From the results it can be seen that the majority (64.5%) of wineries spend between 0 and 10% of their revenue on marketing activities.

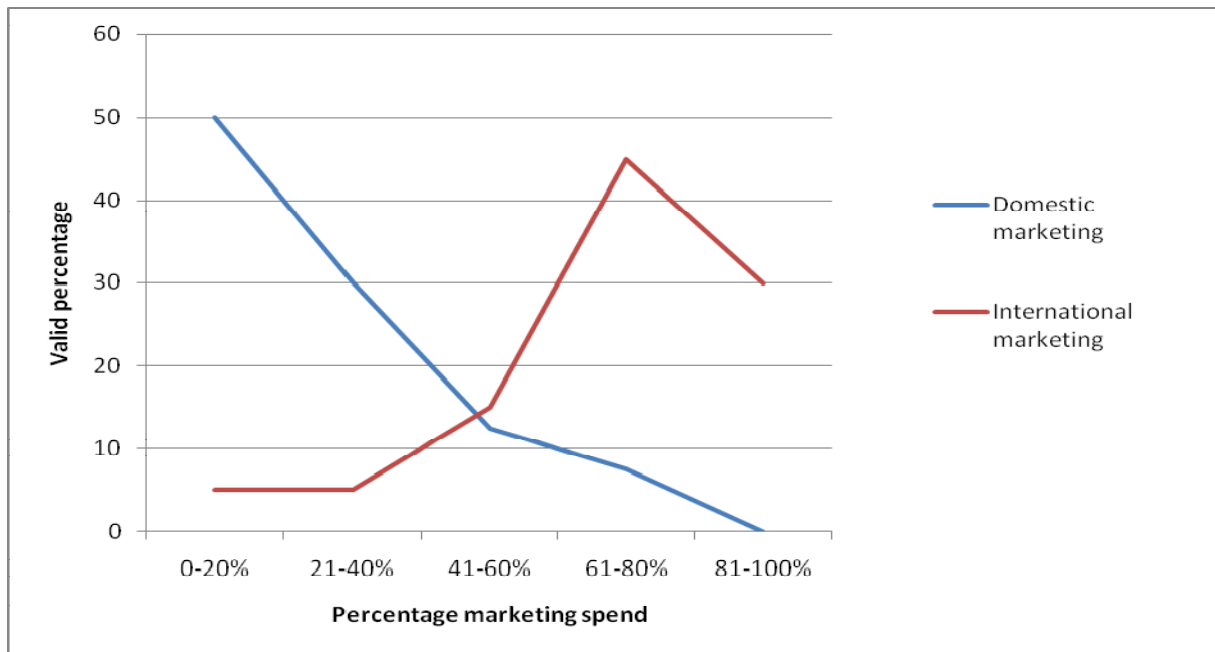
It should be noted that one respondent indicated that between 71 and 100% of the winery's total revenue is spent on marketing. Based on the rest of the responses received (64.5% between 0 and 10% and 34.5% between 11 and 50%), it is possible to assume that this respondent misinterpreted this question. This response was regarded as an outlier and therefore omitted from the statistical analysis, since it would provide a skewed statistical result.

D18: Marketing spend: international marketing vs domestic marketing of wine

In question 18, respondents were required to indicate the approximate percentage of their marketing that was spent on international marketing versus the amount spent on domestic marketing of wine.

The results of this question are depicted graphically in figure 5.10.

Figure 5.10: Marketing spend – domestic vs international marketing (n=43)



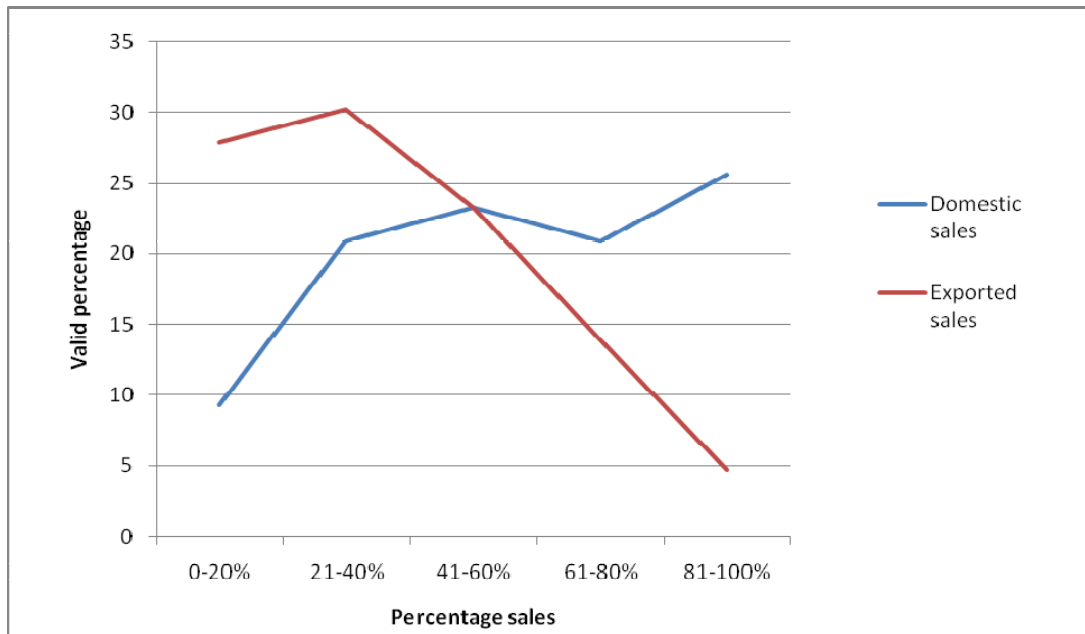
The results show that the majority (80%) of wineries spend more money on international marketing than on domestic marketing. A reason for this could be that it is much more expensive to advertise internationally than locally since the rand is a weak currency against most of South Africa's major export markets.

D19: Local wines sales vs exported

Question 19 asked respondents to indicate the percentage of their wines that is sold locally as opposed to the percentage of wine that is exported.

The results of the question are presented graphically in figure 5.11.

Figure 5.11: Wine sales – domestic vs international sales (n=40)



The results show that the majority (60%) of wine is sold in the domestic market. In 2003, Bruwer’s research showed domestic sales of 58.8% and exports of 41.2%. This indicates that there has been very little change in South Africa’s domestic and export markets, despite wineries’ marketing efforts to increase international sales of wine.

A reason for this could be that wineries still do not experience a huge difference in profit made from locally sold wine to profit made from exported wine. Historically, South Africa has marketed wine internationally based on price largely owing to the weak exchange of the rand against other major currencies and the fact that South African wine is relatively unknown in the international market. Although producers are trying to change international perception and move away from the value segment, South African wines still tend to compete based on price (SAinfo 2010b).

Relationship between marketing and sales (Q18 and Q19)

Now that the results of the marketing done internationally and domestically and the sales of wine to the international and domestic markets have been discussed, one could ask whether there is a relationship between marketing location and sales location.

In order to determine whether there is a statistically significant relationship between these two variables, a Pearson correlation coefficient was calculated. The Pearson correlation coefficient is a measure of linear association between two variables (Tustin *et al.*,

2005:638). Values of the correlation coefficient range from -1 to 1. The absolute value of the correlation coefficient indicates the strength of the linear relationship between the variables, with larger absolute values indicating stronger relationships. The sign of the coefficient indicates the direction of the relationship.

A two-tailed significance level tests a null hypothesis in which the direction of an effect is not specified in advance. The null hypothesis tested is that a correlation coefficient is equal to zero, with the hypothesis of interest that the coefficient is actually not zero (either greater or less than zero). The results of the test are presented in table 5.10.

Table 5.10: Associated significance between variables

Variables – marketing vs sales		Correlation coefficient	P value	Significant
Domestic marketing	Domestic sales	0.6098	0	Yes
Domestic marketing	Exported	-0.6181	0	Yes
International marketing	Domestic sales	-0.5773	0	Yes
International marketing	Export	0.5862	0	Yes

The results show a positive value for the correlation between domestic marketing and domestic sales, which implies a positive association (large values of domestic marketing tend to be association with large values of domestic sales and small values of domestic marketing tend to be associated with small values of domestic sales). A negative value for the correlation between domestic marketing and export sales implies a negative or inverse association (large values of domestic marketing tend to be associated with small values of export sales).

For international marketing, the results show a positive value for the correlation between international marketing and export sales, which implies a positive association (large values of international marketing tend to be associated with large values of export sales and small values of international marketing tend to be associated with small values of export sales). A negative value for the correlation between international marketing and domestic sales implies a negative or inverse association (large values of international marketing tend to be associated with small values of domestic sales).

The results therefore indicate that marketing is positively linked to sales. Sales increase where marketing increases.

Sub-route trends with regard to marketing spend, marketing coverage and sales (Q1, Q17, Q18 and Q19)

The differences between the various subroutes with regard to their marketing spend, domestic and international marketing as well as exported and domestic sale of wines are shown in table 5.11 below. The table shows each subroute's percentage of revenue spent on marketing, the division between international and domestic marketing (mean value) and the average percentage of sales domestically and internationally.

Table 5.11: Sub-route trends with regard to marketing spend, marketing coverage and sales

Stellenbosch subroutes	Percentage of revenue spent on marketing		International marketing	Domestic marketing	Domestic sales	Exported sales
Greater Simonsberg	0-5%	Mean	27.500	72.500	63.250	35.500
		N	4	4	4	4
	6-10%	Mean	30.000	70.000	49.286	50.714
		N	7	7	7	7
	11-15%	Mean	50.000	50.000	50.000	50.000
		N	1	1	1	1
	16-30%	Mean	30.000	70.000	20.000	80.000
		N	1	1	1	1
	31-50%	Mean	30.000	70.000	20.000	80.000
		N	1	1	1	1
	Total	Mean	32.000	68.000	49.200	50.467
		N	15	15	15	15

Stellenbosch subroutes	Percentage of revenue spent on marketing		International marketing	Domestic marketing	Domestic sales	Exported sales
Stellenbosch Berg	0-5%	Mean	25.000	75.000	60.000	40.000
		N	1	1	1	1
	6-10%	Mean	35.000	65.000	25.000	75.000
		N	2	2	2	2
	Total	Mean	31.667	68.333	36.667	63.333
		N	3	3	3	3
Helderberg	0-5%	Mean	5.000	95.000	90.000	10.000
		N	1	1	1	1
	6-10%	Mean	25.000	75.000	61.000	39.000
		N	4	4	5	5
	11-15%	Mean	10.000	90.000	70.000	30.000
		N	1	1	1	1
	16-30%	Mean	37.500	62.500	58.750	41.250
		N	4	4	4	4
	Total	Mean	26.500	73.500	63.636	36.364
		N	10	10	11	11
Bottelary Hills	0-5%	Mean	40.000	60.000	72.500	27.500
		N	1	1	2	2
	11-15%	Mean	0.000	100.000	90.000	10.000
		N	1	1	1	1
	16-30%	Mean	50.000	50.000	60.000	40.000
		N	1	1	1	1
Total	Mean	30.000	70.000	73.750	26.250	
	N	3	3	4	4	

Stellenbosch subroutes	Percentage of revenue spent on marketing		International marketing	Domestic marketing	Domestic sales	Exported sales
Stellenbosch Hills	0-5%	Mean	35.000	65.000	51.667	48.333
		N	2	2	3	3
	6-10%	Mean	10.000	90.000	85.000	15.000
		N	3	3	3	3
	11-15%	Mean	20.000	80.000	97.500	2.500
		N	2	2	2	2
	16-30%	Mean	10.000	90.000	70.000	30.000
		N	2	2	2	2
	Total	Mean	17.778	82.222	74.500	25.500
		N	9	9	10	10

Across the five subroutes, in almost all the marketing spend categories, wineries indicated that domestic marketing spend was more than international marketing spend, and that domestic sales are more than exported sales. The only exception to this trend are wineries of the Greater Simonsberg subroute, which spend between 16 and 50% of their total revenue on marketing, and wineries of Stellenbosch Berg, which that spend between 6 and 10% of their total revenue on marketing (note that these wineries make up a significantly small percentage of the total responses received).

There seems to be no significant difference between the five different subroutes of the Stellenbosch Wine Route regarding marketing spend, area of marketing and location of sale.

Winery size trends with regard to marketing spend, marketing coverage and sales (Q2, Q17, Q18 and Q19)

The relationship between the size of the winery and the percentage of marketing spend, domestic and international marketing as well as exported and domestic sales of wine is indicated in table 5.12. The table shows the marketing spend, the division between international and domestic marketing (mean value) and the average percentage of sales domestically and internationally with regard to winery size.

Table 5.12: Correlation between winery size, percentage of revenue spent on marketing and place of sale

Winery size	Percentage of revenue spent on marketing		International marketing	Domestic marketing	Domestic sales	Exported sales	
Small (1 to 250 ton)	0-5%	Mean	18.000	82.000	64.286	35.000	
		N	5	5	7	7	
	6-10%	Mean	20.714	79.286	66.429	33.571	
		N	7	7	7	7	
	11-15%	Mean	5.000	95.000	80.000	20.000	
		N	2	2	2	2	
	16-30%	Mean	30.000	70.000	53.333	46.667	
		N	6	6	6	6	
	31-50%	Mean	30.000	70.000	20.000	80.000	
		N	1	1	1	1	
	Total	Mean	21.667	78.333	61.522	38.261	
		N	21	21	23	23	
	Medium (251 to 1 000 tons)	0-5%	Mean	40.000	60.000	63.250	36.750
			N	4	4	4	4
6-10%		Mean	30.000	70.000	55.000	45.000	
		N	7	7	8	8	
11-15%		Mean	20.000	80.000	100.000	.000	
		N	1	1	1	1	
16-30%		Mean	35.000	65.000	67.500	32.500	
		N	2	2	2	2	
		71-100%	Mean	50.000	50.000	50.000	50.000
			N	1	1	1	1
	Total	Mean	34.000	66.000	61.125	38.875	
		N	15	15	16	16	

Large (1 001 to 10 000 tons)	6-10%	Mean	27.500	72.500	25.000	75.000
		N	2	2	2	2
	11-15%	Mean	35.000	65.000	72.500	27.500
		N	2	2	2	2
	Total	Mean	31.250	68.750	48.750	51.250
		N	4	4	4	4

Small and medium-sized wineries spent most of their budget on domestic marketing and also sold the majority of their wines locally. It can be assumed that the majority of these wineries have a small marketing budget. Most individual wineries will therefore not have the ability to market internationally or export the bulk of their wines. Thus, smaller wineries are more dependent on the local market.

Large wineries that spent between 11 and 15% of their revenue on marketing also indicated that the bulk of their marketing budget is spent on domestic marketing and that domestic sales are more. However, in the case of large wineries that spend between 6 and 10% of their total revenue on marketing, wineries spent more on domestic marketing, but sold more wine through exports.

The result confirms that international marketing and exporting in South Africa are largely left to organisations such as WOSA and internationally competitive companies such as Distell, since the majority of wineries are small to medium and do not have the financial capability to do extensive international marketing and exporting.

D20: Responsibility for wine tourism promotion

The last question in section D asked respondents to indicate who they felt should be responsible for the promotion of wine tourism. Respondents were given a list of seven organisations or entities and could mark all the organisations they felt should be responsible for the promotion of wine tourism. Table 5.13 shows the frequency and valid percentage of the results received for this question (listed in descending order).

Table 5.13: Responsibility for wine tourism promotion (n=45)

Organisation	Frequency	Valid percentage
Wine Routes	38	82.6%
SA Tourism	38	82.6%
Regional Tourism Offices	35	76.1%
Each individual winery	33	71.7%
Tourism organisations	31	67.4%
WOSA	28	60.9%
Government	24	52.2%

From table 5.13 it can be seen that the majority of respondents feel that all the listed organisations are responsible for the promotion of wine tourism, with the main onus on wine routes and SA Tourism. Although a high number of respondents indicated that each individual winery is responsible for wine tourism promotion, nearly 30% of wineries feel that they are not at all responsible for the promotion of tourism. This shows that some wineries still view tourism as a secondary activity, unrelated to the sale of their wines, confirming Loubser's (2004) research conclusions in his study of South African wineries.

5.2.5 SECTION E: Wine tourism and brand equity

Section E had only one question comprising 12 statements relating to wine tourism and its relationship with brand equity. This question was exploratory in nature, its aim being to determine which factors relating to wine tourism are considered important by wineries in terms of brand equity. Respondents were required to indicate their level of agreement with each statement, where 1 indicated strongly disagree and 5 strongly agree.

The results are illustrated in figures D72 to D83 in Annexure D, and the mean, median, first quartile and third quartile for this question are presented in table 5.14.

Table 5.14: Wine tourism and brand equity (n=46)

	Mean	Median	Q1	Q3
1. I can increase loyalty to my wine by exhibiting at a wine festival	3.370	4.000	3.000	4.000
2. I can increase perceived quality of my wine by having an up-market tasting room	3.457	4.000	3.000	4.000
3. Consumers will make positive brand associations with my wine if I host a wine festival	3.043	3.000	2.000	4.000
4. Sponsoring a music event helps create awareness of my brand	3.022	3.000	2.000	3.000
5. Hosting a book club in my wine cellar helps create a positive association with my brand	3.043	3.000	2.000	4.000
6. Being graded by the Wine Route Association increases the perceived quality of my wine	3.348	3.000	3.000	4.000
7. A souvenir shop with several branded souvenirs (e.g. caps, hats, T-shirts) increases brand awareness of my winery	3.261	3.000	3.000	4.000
8. Winery tasting fosters brand loyalty for my winery	3.935	4.000	4.000	4.000
9. Celebrity endorsements increase the perceived quality of my wine	3.478	4.000	3.000	4.000
10. Wine festivals increase positive brand associations with my wine	3.304	3.000	3.000	4.000
11. Cinema and photography festivals increase positive brand associations with my wine	3.109	3.000	2.750	4.000
12. Festivals help create brand awareness of my winery	3.739	1.000	3.000	4.000

Only two statements, pertaining to brand loyalty and brand awareness, received a majority agree or strongly agree response from respondents (considered significant where the mean was above 3.7):

- Wine tourism fosters brand loyalty for my winery (80.5% agreement).
- Festivals help create brand awareness (71.7% agreement).

The following three statements received agree or strongly agree responses from between 50 and 60% of respondents:

- I can increase perceived quality of my wine by having an upmarket tasting room (56.6% agreement).
- I can increase loyalty to my wine by exhibiting at a wine festival (56.5% agreement).
- Celebrity endorsements increase the perceived quality of my wine (52.2% agreement).

The remainder of the statements received a majority disagree or strongly disagree response from respondents. The results show that wineries do not perceive certain wine tourism activities to be contributors to their brand equity. These include the following:

- Cinema and photography festivals and hosting wine festivals (69.6% disagreement)
- Hosting a book club (65.2% disagreement)
- Sponsoring music events (60.8% disagreement)
- Grading by the Wine Route Association (54.3% disagreement)
- Having branded souvenirs on sale (52.1% disagreement)

Since this question was exploratory, it cannot be directly compared to previous research findings. However, what can be seen from the results is that festivals, a core element of wine tourism, are perceived to create brand awareness. This agrees with research by Christensen *et al.* (2004), which shows that 73.2% of respondents agreed or strongly agreed that wine tourism enhances or increases brand awareness.

Also interesting with regard to the results is that just a little over 50% of respondents perceived celebrity endorsements to increase the perceived quality of wine. The use of celebrities to endorse products has become a major phenomenon within the last 20 years (1990-2010). However, Halstead (in Justdrinks.com, 2007) warns that celebrity endorsements could be a “two-edged sword” for wineries. Halstead states the following: “A proliferation of celebrity wines would rather defeat the point-of-difference argument and undermine any momentum in the market.”

In South Africa, the latest celebrity wine news is the breakup of a long-standing business partnership between Ernie Els (PGA golfer) and Jean Engelbrecht (son of Jannie Engelbrecht, former Springbok rugby player) (Huisman, 2010). Els will have a smaller range of wines and will need to work extremely hard to market them as quality wines without the famous Engelbrecht name (Bisseker, 2010).

Regarding the statements that respondents disagreed with, it is interesting to note that more than half of the respondents (54.3%) do not perceive grading by a wine route association as something that will contribute to their brand equity. The perception is incorrect since star grading increases consumers' confidence as the organisation is then seen as legitimate and credible (Tourism Grading Council of South Africa, n.d.).

This concludes the descriptive statistic section; the next section is dedicated to testing the hypotheses.

5.3 HYPOTHESIS TESTING

Based on the data collected during the primary research phase, several hypotheses were postulated. In order to test the hypotheses, a number of statistical tests were conducted on the data collected in the survey process. The rationale for accepting or rejecting the null hypothesis will now be discussed.

5.3.1 TESTING OF HYPOTHESES 1 to 5 (BINOMIAL TEST)

5.3.1.1 Hypothesis 1

H_0 : Wineries do not perceive wine tourism as a motivation to visit a winery.

H_1 : Wineries perceive wine tourism as a motivation to visit a winery.

Respondents were required to indicate their level of agreement with 16 statements relating to the motivations that visitors have to visit a winery.

In order to test hypothesis 1, a binomial test was conducted to determine whether wineries perceive wine tourism as a motivation to visit a winery. A significance level of 5% ($\alpha = 0.05$) was used.

For the purposes of the binomial test, responses, which are considered "negative" include "strongly disagree", "disagree" and "neutral" (coded as 1, 2 and 3) and were grouped together (labelled "Group 1"). Responses that could be considered "positive", meaning "agree" and "strongly agree" (coded as 4 and 5 respectively), were grouped together (labelled "Group 2").

The results of the binomial test for each of the statements regarding visitor motivations are presented in table D9 in Annexure D. The null hypothesis could not be rejected for 11 of the 16 statements. Only five motivations relating to wine tourism are statistically

significant ($p < 0.05$ in this case) and are presented in table 5.15. The table shows the frequency, observed proportions, test proportions and the two-tailed P value.

Table 5.15: Motivations to visit a winery (n=46)

Motivation	Variable	N	Observed prop.	Test prop.	Asymp. sig. (2-tailed)	Statistical significance (P < 0.05)
To experience the ambiance of the winery	Group 1	7	.15	.50	.000 ^a	Significant
	Group 2	39	.85			
	Total	46	1.00			
To experience the wine region	Group 1	9	.20	.50	.000 ^a	Significant
	Group 2	37	.80			
	Total	46	1.00			
As a general outing or activity	Group 1	11	.24	.50	.001 ^a	Significant
	Group 2	35	.76			
	Total	46	1.00			
For the total winery experience	Group 1	8	.17	.50	.000 ^a	Significant
	Group 2	38	.83			
	Total	46	1.00			
To learn more about wine	Group 1	14	.30	.50	.011 ^a	Significant
	Group 2	32	.70			
	Total	46	1.00			

The binomial test showed that the proportion of the respondents in the two groups differs significantly from 0.5 for the five wine tourism-related motivations (listed in table 5.15). The majority of respondents agree or strongly agree that these aspects are motivations for visiting the winery.

The items listed in table 5.15 above are all related to wine tourism in one-way or another. The deduction can be made that wineries perceive wine tourism to be part of the motivation of visitors to visit the winery. Based on previous research (Bruwer in Alant and Bruwer, 2004; Hall *et al.*, 2000:127; Macionis in Getz, 2000:59) regarding the motivations of tourists to visit wineries, it can be concluded that the perception that wineries have regarding visitor motivations are correct.

5.3.1.2 Hypothesis 2

H_0 : Wineries do not perceive wine tourism as an advantage to the winery.

H_1 : Wineries perceive wine tourism as an advantage to the winery.

Respondents were required to indicate their level of agreement with 30 statements relating to the advantages of wine tourism to a winery.

In order to test hypothesis 2, a binomial test was conducted to determine whether wineries perceive wine tourism as being advantageous to a winery. A significance level of 5% ($\alpha = 0.05$) was used.

For the purposes of the binomial test, responses, which are considered “negative” included “strongly disagree”, “disagree” and “neutral” (coded as 1, 2 and 3) were grouped together (labelled “Group 1”). Responses that could be considered “positive”, meaning “agree” and “strongly agree” (coded as 4 and 5 respectively), were grouped together (labelled “Group 2”).

The results of the binomial test for each of the statements regarding the advantages of wine tourism are presented in table D10 in Annexure D. The null hypothesis could not be rejected for 19 of the 30 statements. Eleven statements were deemed to be statistically significant ($p < 0.05$ in this case) and are presented in table 5.16. The table shows the frequency, observed proportions, test proportions and the two-tailed P value.

Table 5.16: Advantages and disadvantages of wine tourism (n=46)

Advantages and disadvantages of wine tourism		N	Observed prop.	Test prop.	Asymp. sig. (2-tailed)	Significant
1. Wine tourism contributes to increased wine sales	Group 1	10	.22	.50	.000 ^a	Yes
	Group 2	36	.78			
	Total	46	1.00			
2. Wine tourism creates brand awareness	Group 1	9	.20	.50	.000 ^a	Yes
	Group 2	37	.80			
	Total	46	1.00			
3. Wine tourism leads to an increase in visitor numbers	Group 1	10	.22	.50	.000 ^a	Yes
	Group 2	36	.78			
	Total	46	1.00			
4. Wine tourism is an opportunity to educate customers	Group 1	12	.26	.50	.002 ^a	Yes
	Group 2	34	.74			
	Total	46	1.00			
5. Wine tourism contributes to developing a unique positive destination image	Group 1	11	.24	.50	.001 ^a	Yes
	Group 2	35	.76			
	Total	46	1.00			
6. Wine tourism substantially increases sales of wine	Group 1	11	.24	.50	.001 ^a	Yes
	Group 2	35	.76			
	Total	46	1.00			
7. Tourists are valuable to my winery	Group 1	12	.26	.50	.002 ^a	Yes
	Group 2	34	.74			
	Total	46	1.00			
8. Wine tourism attracts a wide range of customers to my winery	Group 1	15	.33	.50	.026 ^a	Yes
	Group 2	31	.67			
	Total	46	1.00			
9. Time spent with visitors to my winery is valuable	Group 1	7	.15	.50	.000 ^a	Yes
	Group 2	39	.85			
	Total	46	1.00			

Advantages and disadvantages of wine tourism		N	Observed prop.	Test prop.	Asymp. sig. (2-tailed)	Significant
10. The overall benefits of wine tourism outweigh the negative impacts	Group 1	11	.24	.50	.001 ^a	Yes
	Group 2	35	.76			
	Total	46	1.00			
11. Wine tourism attracts the kind of visit visitors that I want to my winery	Group 1	2	.04	.50	.000 ^a	Yes
	Group 2	44	.96			
	Total	46	1.00			

The binomial test showed that the proportion of the respondents in the two groups differs significantly from 0.5 for 11 advantages of wine tourism to a winery. The majority of respondents agree or strongly agree that these aspects of wine tourism are advantageous to a winery.

This confirms some of the advantages or benefits of wine tourism postulated by Dodd and Bigotte (Hall *et al.*, 2000:11), Day (in Hall *et al.*, 2000:11), Dodd (in Getz, 2000:64) and Getz (2000:7). By comparing the results of this study on the Stellenbosch Wine Route with results of a study conducted on wineries in New Zealand, it can be concluded that wineries in both these populations perceive some aspects of wine tourism to be advantageous to their businesses.

5.3.1.3 Hypothesis 3

H₀: Wineries do not perceive cellar door sales as important.

H₁: Wineries perceive cellar door sales as important.

Respondents were required to rate the importance of the different points of sale to their winery. The question comprised ten different points of sale that could be rated on a five-point Likert scale, ranging from irrelevant (1) to very important (5).

In order to test whether the null hypothesis can be rejected, the data collected on cellar door sales were subjected to a binomial test to see whether wineries perceive cellar door sales as important to the winery.

For the purposes of the binomial test, responses, which are considered negative, “irrelevant”, “unimportant” and “neutral”, were coded as 1, 2 and 3 and grouped together and coded as a 1 (labelled “Group 1”). Responses that could be considered positive, meaning “important” and “very important”, were coded as 4 and 5 respectively and grouped together and coded as a 2 (labelled “Group 2”).

The results of the binomial test on the data collected on cellar door sales were deemed statistically significant ($p < 0.05$ in this case) – hence the null hypothesis is rejected. The results are presented in table 5.17. The table shows the frequency, observed proportions, test proportions and the two-tailed P value.

Table 5.17: Cellar door sales (n=46)

Type of Sale		N	Observed prop.	Test prop.	Asymp. sig. (2-tailed)	Significant
1. Cellar door sales	Group 1	8	.17	.50	.000 ^a	Yes
	Group 2	38	.83			
	Total	46	1.00			

The binomial test shows that the proportion of respondents in the two groups differs significantly from 0.5 regarding the importance of cellar door sales to a winery. The majority of respondents rated cellar door sales as important or very important to a winery.

This result correlates well with the results of other studies that found that cellar door sales account for, on average, 15 to 20% of overall wine sales (Hall *et al.* in Hall *et al.*, 2000; Christensen *et al.*, 2004).

5.3.1.4 Hypothesis 4

H₀: Wine tourism related services and facilities do not contribute to the development and marketing of a successful winery.

H₁: Wine tourism related services and facilities contribute to the development and marketing of a successful winery.

Respondents were required to indicate the level of importance of 14 statements relating to wine tourism-related services and facilities in terms of their contribution to the development and marketing of a successful winery.

In order to test hypothesis 4, a binomial test was conducted to determine whether wineries perceive wine tourism related services and facilities to be important to the development and marketing of a successful winery. A significance level of 5% ($\alpha = 0.05$) was used.

For the purposes of the binomial test, responses, which are considered “negative”, included “irrelevant”, “unimportant” and “neutral”, (coded as 1, 2 and 3) were grouped together (labelled “Group 1”). Responses that could be considered “positive”, meaning “important” and “very important”, (coded as 4 and 5 respectively) were grouped together (labelled “Group 2”).

The results of the binomial test for each of the statements on the factors that influence the development and marketing of a successful winery are presented in table D12 in Annexure D. The null hypothesis could not be rejected for two of the ten statements. Eight statements were deemed statistically significant ($p < 0.05$) and are presented in table 5.18. The table shows the frequency, observed proportions, test proportions and the two-tailed P value.

Table 5.18: Factors influencing the success of a winery (n=46)

Factors influencing the success of a winery		N	Observed prop.	Test prop.	Asymp. sig. (2-tailed)	Statistically significant ($p < 0.05$)
1. Having a restaurant or café	Group 1	12	.26	.50	.002 ^a	Yes
	Group 2	34	.74			
	Total	46	1.00			
2. Employing staff who are knowledgeable about wines	Group 1	3	.07	.50	.000 ^a	Yes
	Group 2	43	.93			
	Total	46	1.00			
3. Providing education and interpretation for visitors	Group 1	8	.17	.50	.000 ^a	Yes
	Group 2	38	.83			
	Total	46	1.00			
4. Providing wine appreciation opportunities	Group 1	12	.26	.50	.002 ^a	Yes
	Group 2	34	.74			
	Total	46	1.00			
5. Hosting special events and functions	Group 1	14	.30	.50	.011 ^a	Yes
	Group 2	32	.70			
	Total	46	1.00			

6. Having an attractive, well-designed winery	Group 1	13	.28	.50	.005 ^a	Yes
	Group 2	33	.72			
	Total	46	1.00			
7. Good sign posting	Group 1	3	.07	.50	.000 ^a	Yes
	Group 2	43	.93			
	Total	46	1.00			
8. Friendly, service-oriented staff	Group 1	1	.02	.50	.000 ^a	Yes
	Group 2	45	.98			
	Total	46	1.00			

The binomial test showed that the proportion of the respondents in the two groups differs significantly from 0.5 for the eight statements listed in table 5.18. The majority of respondents indicated that these services or facilities of wine tourism are important or very important to the successful development and marketing of the winery.

It can therefore be concluded that elements of wine tourism are vital in order to develop and market a winery successfully. This confirms some of the elements listed by Getz, Dowling, Carlsen and Anderson (1999) as important for the marketing and development of a successful winery.

5.3.1.5 Hypothesis 5

H_0 : Wineries do not perceive wine tourism as contributing to their brand equity.

H_1 : Wineries perceive wine tourism as contributing to their brand equity.

Respondents were required to indicate their level of agreement with 12 statements relating to wine tourism and its relationship or contribution to a winery's brand equity.

In order to test hypothesis 5, a binomial test was conducted to determine whether wineries perceive wine tourism as contributing to brand equity. A significance level of 5% ($\alpha = 0.05$) was used.

For the purposes of the binomial test, responses, which are considered "negative", included "strongly disagree", "disagree" and "neutral" (coded as 1, 2 and 3) were grouped together (labelled "Group 1"). Responses, which are considered "positive", meaning "agree" and "strongly agree" (coded as 4 and 5 respectively) were grouped together (labelled "Group 2").

The results of the binomial test for each of the statements on brand equity are presented in table D13 in Annexure D. The null hypothesis could not be rejected for ten of the 12 statements. Only two statements are statistically significant ($p < 0.05$) and are presented in table 5.19. The table shows the frequency, observed proportions, test proportions and the two-tailed P value.

Table 5.19: Brand equity (n=46)

Wine tourism influence on brand equity		N	Observed prop.	Test prop.	Asymp. sig. (2-tailed)	Statistically significant ($p < 0.05$)
1. Winery tasting fosters, brand loyalty for my winery	Group 1	9	.20	.50	.000 ^a	Significant
	Group 2	37	.80			
	Total	46	1.00			
2. Festivals help create brand awareness of my winery	Group 1	13	.28	.50	.005 ^a	Significant
	Group 2	33	.72			
	Total	46	1.00			

The binomial test showed that the proportion of the respondents in the two groups differs significantly from 0.5 for the two statements “*Wine tasting fosters brand loyalty*” and “*Festivals help create brand awareness*”. The majority of respondents agreed or strongly agreed that these areas of wine tourism contribute to their brand equity.

The first statement that tested statistically significant, “*Wine tasting fosters brand loyalty*”, verifies the research conducted by Christensen *et al.* (2003), Getz (2000) and Hall, Sharples, Cambourne and Macionis (2000) that concludes that wine tasting could be used as a tool to create brand loyalty to a wine. Research conducted by Vrontis and Pappasolomou (2007) showed that wine tasting is perceived as the most influential promotional tool used by the wine industry. The reasoning is that wine tasting affords consumers the opportunity to experience the wine’s flavour, aroma and colour. Vrontis and Pappasolomou state that this experience (tasting the wine) has the potential to create strong preferences towards a certain wine brand, that is, brand loyalty.

“*Festivals help create brand awareness*”, the second statement that tested statistically significant, shows that South African wineries perceive wine festivals as a tool that can be used to create brand awareness for their wines. Yuan and Jang (2008) and Brown and Getz (2005) conducted research among wine festival visitors and found that festival goers are likely to visit a winery on the basis of their awareness of what the winery has to offer. It can therefore be concluded that wineries are correct in their perception that festivals help to create brand awareness for their wines.

5.3.2 TESTING OF HYPOTHESES 6 to 10 (MANN-WHITNEY U TEST)

The Mann-Whitney U test was used to test hypotheses 6 to 10. This test is the nonparametric counterpart of the t-test for independent groups without the t-test's limiting assumptions (Welman *et al.* 2009:230; Blumberg *et al.* 2005:580).

In this case, the two independent groups consist of wineries that are classified as either small or medium (Question 2 required respondents to classify their winery as small, medium or large. The majority of respondents (91%) indicated that they were either small or medium. The results for "large" were not tested because there were too few responses).

The Mann-Whitney U test was conducted to see whether there was a significant difference between the answers given to questions 12, 13, 15, 16 and 21 based on whether the winery was classified as small or medium.

5.3.2.1 Hypothesis 6

H_0 : There is no difference in the perception of visitor motivations between small and medium-sized wineries.

H_1 : There is a difference in the perception of visitor motivations between small and medium-sized wineries.

Respondents were required to indicate their level of agreement with 16 statements relating to the motivations that visitors have to visit a winery.

The results of the Mann-Whitney U test for each of the statements regarding visitor motivations are presented in table D14 in Annexure D. The null hypothesis could not be rejected for 13 of the 16 statements. Only three statements were statistically significant ($p < 0.10$ in this case) and are presented here in table 5.20. The table shows the two-tailed P value.

Table 5.20: Mann-Whitney U test results for motivations to visit a winery

Motivations to visit a winery	2-tailed P value
To taste quality wine	.033
To talk to owners or winemakers	.088
Friendly reception from cellar staff	.070

The Mann-Whitney U test showed that small and medium-sized wineries' perceptions differ significantly regarding the items "To taste quality wine", "To talk to owners or winemakers" and "Friendly reception from cellar staff".

The level of agreement regarding the motivation "To taste quality wine" is higher for small wineries, indicated by a mean ranking of 23.61, as opposed to medium-sized wineries with a mean ranking of 16.29. For the motivation, "To talk to owners or winemakers", the level of agreement was also higher for small wineries with a mean ranking of 23.09 and medium-sized wineries with a mean ranking of 17.00.

Small wineries often do not have large marketing budgets or large sums of capital to invest in wine tourism facilities at the winery. Smaller wineries regularly focus more on producing smaller quantities of excellent wine and creating an intimate atmosphere where visitors can taste wine and talk to the owner or winemaker. This may be a reason for the higher ranking of the items, "Tasting of quality wine" and "Talking to the owner or winemaker", as motivations for tourists to visit the winery.

The level of agreement for the motivation "Friendly reception from cellar staff" is higher for medium wineries with a mean ranking of 24.21 than small wineries with a mean ranking of 17.76.

Almost all medium wineries have an official tasting room or cellar door, which is permanently manned by one or more staff members. To medium-sized wineries it is important that visitors receive a friendly reception from cellar staff. One of the reasons why small wineries do not view friendly reception from cellar staff as such an important motivation may be because small wineries often do not have official tasting room facilities, and of those that do, they are often not permanently staffed by a receptionist. Instead, many smaller wineries have staff members who are otherwise employed and "help out" when a visitor arrives. These staff members may not necessarily always be in a position to give a friendly reception to visitors.

5.3.2.2 Hypothesis 7

H₀: There is no difference in the perception of the advantages and disadvantages of wine tourism to wineries between small and medium-sized wineries.

H₁: There is a difference in the perception of the advantages and disadvantages of wine tourism to wineries between small and medium-sized wineries.

Respondents were required to indicate their level of agreement with 30 statements relating to the advantages and disadvantages of wine tourism to wineries.

The results of the Mann-Whitney U test for each of the statements regarding the advantages and disadvantages of wine tourism to wineries are presented in table D15 in Annexure D. The null hypothesis could not be rejected for any of the 30 statements and none of the statements were statistically significant ($p < 0.10$ in this case).

It can therefore be deduced that there is no difference in the way that small and medium-sized wineries perceive the advantages and disadvantages of wine tourism.

5.3.2.3 Hypothesis 8

H₀: There is no difference in perception of the importance of wine distribution points to wineries between small and medium-sized wineries.

H₁: There is a difference in the perception of the importance of wine distribution points to wineries between small and medium-sized wineries.

Respondents were required to indicate the level of importance of ten different points of distribution to the sales of a winery.

The results of the Mann-Whitney U test for each of the ten different distribution points are presented in table D16 in Annexure D. The null hypothesis could not be rejected for any of the items and none of the distribution points was statistically significant ($p < 0.10$ in this case).

Based on the results, it can be deduced that there is no difference in the way that small and medium-sized wineries perceive the importance of the different distribution channels of wine. Usually, cellar door sales comprise a larger amount of sales early in the development of a winery and are particularly important for the smaller wineries, where there are examples where more than 75% of revenue is gained through the cellar door (Christensen *et al.*, 2004; McDonnell & Hall 2008; Mitchell & Hall 2006).

5.3.2.4 Hypothesis 9

H₀: There is no difference in the perception of the factors that influence the developing and marketing of a successful winery between small and medium-sized wineries.

H₁: There is a difference in the perception of the factors that influence the developing and marketing of a successful winery between small and medium-sized wineries.

Respondents were required to indicate the level of importance of 14 items relating to the development and marketing of a successful winery.

The results of the Mann-Whitney U test for each of the items regarding the development and marketing of a successful winery are presented in table D17 in Annexure D. The null hypothesis could not be rejected for 13 of the 14 statements. Only one statement was statistically significant ($p < 0.10$ in this case) and is presented here in table 5.21. The table shows the two-tailed P value.

Table 5.21: Mann-Whitney U test results for factors that influence the development and marketing of a successful winery

Development and marketing of a successful winery	2-tailed P value
Having overnight accommodation on site	.086

The Mann-Whitney U test showed that small and medium-sized wineries' perceptions differ significantly regarding having overnight accommodation on site.

The level of importance regarding the motivation, "Having overnight accommodation on site", is higher for medium wineries, indicated by a mean ranking of 24.03, as opposed to small wineries with a mean ranking of 17.89.

Small wineries generally do not have the capital to invest in building overnight accommodation on the wine farm, and therefore do not view having overnight accommodation as essential to the success of the winery.

5.3.2.5 Hypothesis 10

H₀: There is no difference in the perception of the contribution of wine tourism to brand equity between small and medium-sized wineries.

H₁: There is a difference in the perception of the contribution of wine tourism to brand equity between small and medium-sized wineries.

Respondents were required to indicate their level of agreement with 12 statements relating to the development or growth of the brand equity of a winery through wine tourism.

The results of the Mann-Whitney U test for each of the items relating to the development or growth of the brand equity of a winery are presented in table D18 in Annexure D. The null hypothesis could not be rejected for eight of the 12 statements. Four statements were statistically significant ($p < 0.10$ in this case) and are presented here in table 5.22. The table shows the two-tailed P value.

Table 5.22: Mann-Whitney U test results for wine tourism and brand equity

Wine tourism and brand equity	2-tailed P value	Mean ranking	
I can increase loyalty to my wine by exhibiting at a wine festival	.040	Small	23.57
		Medium	16.35
Consumers will make positive brand associations with my wine if I host a wine festival	.096	Small	23.57
		Medium	16.35
Hosting a book club in my wine cellar helps create a positive association with my brand	.046	Small	23.57
		Medium	16.35
Being graded by the Wine Route Association increases the perceived quality of my wine	.022	Small	23.98
		Medium	15.79

The Mann-Whitney U test showed that small and medium-sized wineries' perception differs regarding the items, "Increasing loyalty by exhibiting at a wine festival", "Positive brand association results from hosting a wine festival", "Hosting a book club creates positive brand association" and "Grading by the Wine Route Association increases the perceived quality of wine".

As can be seen from table 5.22, the level of agreement for each of the four items relating to wine tourism and brand equity is higher for small wineries than medium-sized wineries.

Small wineries often do not have the same marketing budget as medium-sized wineries. Small wineries have to rely more heavily on certain types of marketing activities, such as exhibiting at or hosting a wine festival, which may be less important to medium-sized wineries. The exposure given by exhibiting at or hosting a wine festival may be more valuable to a small winery than a medium-sized winery since the cost to exhibit at a wine festival would be the same for both small and medium-sized wineries.

Small wineries also need to market their wines in ways that do not cost a lot of money (such as hosting a book club or being graded by the Wine Route Association) more than medium-sized wineries, which may be able to afford other types of marketing activities.

5.3.3 TESTING OF HYPOTHESES 11 TO 15 (KRUSKAL-WALLIS TEST)

In order to test hypotheses 11 to 15, the Kruskal-Wallis test was used. The Kruskal-Wallis test is regarded as the nonparametric alternative to the regular one-way analysis of variance (Anova) and is used to compare the medians of three or more independent samples (Welman *et al.*, 2009:230; Weiers, 2008:519, 845).

In this case, the three independent groups consist of three subroutes of the Stellenbosch wine route, namely Greater Simonsberg, Helderberg and Stellenbosch Hills (the other two subroutes, Stellenbosch Berg and Bottelary Hills, had too few responses to be tested).

The Kruskal-Wallis one-way Anova test was conducted to see whether there was a significant difference between the answers given to questions 12, 13, 15, 16 and 21 based on which subroute the winery was part of.

5.3.3.1 Hypothesis 11

H_0 : There is no difference in the perception of visitor motivations between wineries of the Greater Simonsberg, Helderberg and Stellenbosch Hills subroutes.

H_1 : There is a difference in the perception of visitor motivations between wineries of the Greater Simonsberg, Helderberg and Stellenbosch Hills subroutes.

Respondents were required to indicate their level of agreement with 16 statements relating to the motivations that visitors have to visit a winery.

The results of the Kruskal-Wallis test for each of the statements on visitor motivations are presented in table D19 in Annexure D. The null hypothesis could not be rejected for 14 of the 16 statements. Only two statements were statistically significant ($p < 0.10$ in this case) and are presented here in table 5.23. The table shows the two-tailed P value and mean ranking of each subroute.

Table 5.23: Kruskal-Wallis test results for motivations to visit a winery

Motivations to visit a winery	2-tailed P value	Mean ranking	
Friendly reception from cellar staff	.019	Greater Simonsberg	22.70
		Helderberg	23.07
		Stellenbosch Hills	11.65
Knowledge of the Great Wine Capitals of the World	.061	Greater Simonsberg	19.87
		Helderberg	24.57
		Stellenbosch Hills	13.80

The Kruskal-Wallis test showed that wineries in the Greater Simonsberg, Helderberg and Stellenbosch Hills subroutes differ significantly in respect of the item, “Friendly reception from cellar staff”. Wineries in the Greater Simonsberg and Helderberg subroutes indicated a higher mean ranking (22.70 and 23.07 respectively) than wineries in the Stellenbosch Hills subroute (11.65).

Another item that tested statistically significant using the Kruskal-Wallis test is “Knowledge of the Great Wine Capitals of the World”. Wineries from the Greater Simonsberg and Helderberg subroutes indicated a higher mean ranking (19.87 and 24.57 respectively) than wineries from the Stellenbosch Hills subroute (13.80).

Based on the results of this test, no meaningful deductions could be made about the differences in perception between the subroutes.

5.3.3.2 Hypothesis 12

H_0 : There is no difference in the perception of the advantages of wine tourism between wineries of the Greater Simonsberg, Helderberg and Stellenbosch Hills subroutes.

H_1 : There is a difference in the perception of the advantages of wine tourism between wineries of the Greater Simonsberg, Helderberg and Stellenbosch Hills subroutes.

Respondents were required to indicate their level of agreement with 30 statements relating to the advantages and disadvantages of wine tourism to a winery.

The results of the Kruskal-Wallis test for each of the statements on the advantages of wine tourism are presented in table D20 in Annexure D. The null hypothesis could not be rejected for 27 of the 30 statements. Only three statements were statistically significant ($p < 0.10$ in this case) and are presented here in table 5.24. The table shows the two-tailed P value and mean ranking of each subroute.

Table 5.24: Kruskal-Wallis test results for the advantages of wine tourism to wineries

Advantages of wine tourism	2-tailed P value	Mean ranking
Wine tourism has improved links with the wine trade	.061	Greater Simonsberg 24.93
		Helderberg 17.43
		Stellenbosch Hills 16.20
Wine tourism helps to develop mail order sales	.060	Greater Simonsberg 24.63
		Helderberg 15.39
		Stellenbosch Hills 19.50
Wine tourism attracts a wide range of customers to my winery	.079	Greater Simonsberg 18.20
		Helderberg 25.00
		Stellenbosch Hills 15.70

The Kruskal-Wallis test shows that wineries in the Helderberg, Stellenbosch Hills and Greater Simonsberg subroutes differ significantly in respect of the item "Wine tourism has improved links with the wine trade". Wineries in the Helderberg and Stellenbosch Hills subroutes indicated a lower mean ranking (17.43 and 16.20 respectively) than wineries from the Greater Simonsberg subroute (24.93).

The results also show that wineries in the Helderberg, Stellenbosch Hills and Greater Simonsberg subroutes differ significantly regarding the item “Wine tourism helps to develop mail order sales”. Wineries in the Helderberg and Stellenbosch Hills subroutes indicated a lower mean ranking (15.39 and 19.50 respectively) than wineries in the Greater Simonsberg subroute (24.63).

Lastly, the results show that wineries in the Greater Simonsberg, Stellenbosch Hills and Helderberg subroutes differ significantly in respect of the item “Wine tourism attracts a wide range of customers to my winery”. The wineries in the Greater Simonsberg and Stellenbosch Hills subroutes indicated a lower mean ranking (18.20 and 15.70 respectively) than wineries in the Helderberg subroute (25.00).

Although the test indicates significant differences in perception between subroutes regarding three advantages of wine tourism, no meaningful deductions could be made to explain these differences. This could also be ascribed to the limited number of responses.

5.3.3.3 Hypothesis 13

H_0 : There is no difference in the perception of the importance of the different distribution points of wine between wineries of the Greater Simonsberg, Helderberg and Stellenbosch Hills subroutes.

H_1 : There is a difference in the perception of the importance of the different distribution points of wine between wineries of the Greater Simonsberg, Helderberg and Stellenbosch Hills subroutes.

Respondents were required to indicate the level of importance of ten points of distribution to the sales of a winery.

The results of the Kruskal-Wallis test for each of the statements relating to the different points of distribution are presented in table D21 in Annexure D. The null hypothesis could not be rejected for any of the items and none of the distribution points was statistically significant ($p < 0.10$ in this case).

Based on the results, there is no significant difference between the subroutes’ perception of the different points of distribution.

5.3.3.4 Hypothesis 14

H₀: There is no difference in the perception of the factors that influence the developing and marketing of a successful winery between wineries of the Greater Simonsberg, Helderberg and Stellenbosch Hills subroutes.

H₁: There is a difference in the perception of the factors that influence the developing and marketing of a successful winery between wineries of the Greater Simonsberg, Helderberg and Stellenbosch Hills subroutes.

Respondents were required to indicate the level of importance of 14 items relating to the development and marketing of a successful winery.

The results of the Kruskal-Wallis test for each of the statements relating to the factors that influence the development and marketing of a successful winery are presented in table D22 in Annexure D. The null hypothesis could not be rejected for 12 of the 14 statements. Only two statements were statistically significant ($p < 0.10$ in this case) and are presented here in table 5.25. The table shows the two-tailed P value and mean ranking of each subroute.

Table 5.25: Kruskal-Wallis test results for the factors that influence the development and marketing of a successful winery

Developing and marketing a successful winery	2-tailed P value	Mean
Providing wine appreciation opportunities	.036	Greater Simonsberg 17.93
		Helderberg 19.50
		Stellenbosch Hills 23.80
Good sign posting	.033	Greater Simonsberg 23.37
		Helderberg 21.50
		Stellenbosch Hills 12.85

The Kruskal-Wallis test shows that wineries in the Greater Simonsberg, Helderberg and Stellenbosch Hills subroutes differ significantly in respect of the items “Providing wine appreciation opportunities” and “Good sign posting”.

The Kruskal-Wallis test shows that wineries in the Helderberg, Stellenbosch Hills and Greater Simonsberg subroutes differ significantly with regard to the item “Providing wine appreciation opportunities”. Wineries in the Greater Simonsberg and Helderberg subroutes indicated a lower mean ranking (17.93 and 19.50 respectively) than wineries from the Stellenbosch Hills subroute (23.80).

The results also showed that wineries in the Helderberg, Stellenbosch Hills and Greater Simonsberg subroutes differ significantly in respect of the item “Good sign posting”. Wineries in the Greater Simonsberg and Helderberg subroutes indicated a higher mean ranking (23.37 and 21.50 respectively) than wineries in the Stellenbosch Hills subroute (12.85).

The test results indicate significant differences in perception between subroutes in respect of two factors that may influence the development and marketing of a winery. No meaningful deductions could be made to explain these differences.

5.3.3.5 Hypothesis 15

H_0 : There is no difference in the perception of the contribution of wine tourism to brand equity between wineries of the Greater Simonsberg, Helderberg and Stellenbosch Hills subroutes.

H_1 : There is a difference in the perception of the contribution of wine tourism to brand equity between wineries of the Greater Simonsberg, Helderberg and Stellenbosch Hills subroutes.

Respondents were required to indicate their level of agreement with 12 statements relating to the development or growth of the brand equity of a winery through wine tourism.

The results of the Kruskal-Wallis test for each of the statements relating to wine tourism and its contribution to brand equity are presented in table D23 in Annexure D. The null hypothesis could not be rejected for any of the items and none of the distribution points was statistically significant ($p < 0.10$ in this case).

On other words, there is no significant difference between the subroutes’ perception of the contribution of wine tourism to brand equity.

5.7 CONCLUSION

This chapter presented the results of the data analysis conducted on the data gathered in this research study. The first section of the chapter focused on the descriptive analyses of the data and the second section presented the inferential data analysis results.

The chapter that follows is the last chapter of this dissertation and discusses the recommendations and conclusions that can be drawn from the research.

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

The purpose of this chapter is to summarise the conclusions that were made in the previous chapter and to provide recommendations based on the research results. This chapter comprises five sections, starting with an overview of the study process in section 6.2. The limitations of this study are highlighted in section 6.3. The conclusions and recommendations for management are discussed in sections 6.4 and 6.5. Lastly, recommendations for future research are set out in section 6.6.

6.2 OVERVIEW OF THE STUDY PROCESS

The South African wine industry is currently operating within an extremely volatile and challenging business environment, both domestically and internationally. Chapter 1 notes that unless the South African wine industry shifts from its current production orientation to a marketing orientation, it will ultimately drift into oblivion in the long term.

International research has shown that one way towards developing a marketing orientation that has proven highly successful and profitable for wineries globally is that of wine tourism (Dodd, 1995; Dodd & Bigotte, 1997; Christensen, Hall & Mitchell, 2003; Getz, 2000; Hall, Sharples, Cambourne & Macionis, 2000; Roberts & Sparks, 2006:47 in Carlsen & Charters, 2006). The following question was postulated: Do South African wineries make use of wine tourism when marketing their wines? This study investigated the role that wine tourism currently plays in the marketing strategies of wineries in the Stellenbosch Wine Route in South Africa.

First, secondary research was conducted and topics such as South Africa's wine regions, wine tourism and the marketing process were discussed in chapters 2 and 3. Primary research was conducted among all the wineries included in the Stellenbosch Wine Route using a self-administered email questionnaire in an effort to achieve the primary and secondary objectives formulated in chapter 1.

The questionnaire was used to obtain information on the following:

- the corpography of wineries in the Stellenbosch Wine Route
- the range of wine tourism products and services currently available at wineries
- the perceived profile of visitors to the wine route
- the perceived advantages and disadvantages of wine tourism to the wineries
- the importance of wine tourism within the promotion strategy of the winery
- the perception of wine tourism's contribution to the brand equity of a winery

The methodology used in conducting the primary research was explained in chapter 4. The data gathered by the survey instrument were analysed and the findings derived from the analysis of the data were discussed in chapter 5. The conclusions and recommendations that can be derived from the analysis are discussed in sections 6.4 and 6.5 of this chapter.

Management of wineries in the Stellenbosch Wine Route, as well as the rest of the Western Cape, could implement the recommendations in order to optimise their marketing strategies. By understanding the current role that wine tourism plays within its own marketing strategies as well as those of competitors, management could probably improve their current position within the wine market *vis-à-vis* competitors.

6.3 LIMITATIONS OF THE STUDY

As with almost all research, the perfect research environment is seldom encountered where perfect data can be collected (Van Zyl 2002). This research study is no exception and is subject to certain limitations, as highlighted below.

- The primary research was conducted over a nine-week period from November 2009 to January 2010. The Soccer World Cup held during June of 2010 may have influenced some respondents' perceptions of tourism. Large numbers of tourists were expected during 2010 and the overall attitude towards tourism may have been more positive than usual.
- The initial population size was small (146 wineries). Although a 33% response rate was achieved, which can be regarded as fairly positive (Maylor & Blackman, 2005), the small population size translates a 33% response rate into a small number of actual respondents. Owing to the response rate, only nonparametric tests could be conducted on the data because there are constraints regarding parametric statistical tests. This can be regarded as a limitation to the study.
- Response bias may have influenced the data in that respondents might have completed the questionnaire in a hurry and questions could have been interpreted

differently to the researcher's intended meaning, despite pilot testing and industry consultation done beforehand.

- A large number of questionnaires were submitted partially completed and could not be used in the study. Owing to the complete anonymity of the respondents of the questionnaire, the researcher was unable to contact these respondents in an attempt to complete the questionnaire. This limited the amount of usable data.
- The data pertain to wineries in the study population and in some cases cannot be reliably generalised beyond the Stellenbosch Wine Route.

6.4 CONCLUSIONS OF THE DATA ANALYSES

The following conclusions can be drawn on the basis of the analysis of the data collected during the primary research phase.

Corpographical information of wineries in the Stellenbosch Wine Route

The Stellenbosch Wine Route comprises mostly small and medium-sized wineries (89%), with only a small percentage of wineries classified as large (11%). The distribution of winery size in the wine route is similar to the distribution of winery size throughout the entire South African wine industry. Statistics show that 90% of all wineries in South Africa are classified as small to medium (1 to 1 000 tons), with 10% of producers classified as large (1 001 tons and more) (SAWIS 2009a:6). According to Frandsen (2005), the size and dominance of the Stellenbosch Wine Route provide a reasonably accurate indication of all the wine routes and wine tourism in the Western Cape. It can be concluded that the Stellenbosch Wine Route is a sound representation of the entire South African wine industry and its wine routes and therefore is a reasonably good study sample.

In the Stellenbosch Wine Route, the majority of wineries are private companies (63%), although a small percentage are trusts (9%) and closed corporations (11%). Few wineries are sole traders (7.0%), partnerships (4.7%), cooperatives (2.3%) and public companies (2.3%). Compared to Bruwer's (2003) research, a significant increase in the number of private companies and a decline in the number of cooperatives can be observed. This confirms Van Huyssteen's (n.d.) statement that some cooperatives are converting to companies because of the need for capital formation.

Among the Stellenbosch Wine Route wineries, the most popular form of tasting fee is charging for a set of samples but discounting the price if a bottle of wine is purchased. This form of tasting fee is consistent with that used by other New World wine-growing

regions (Kelly, 2006; Kolyesnikova, 2006). The practice of charging a tasting fee and applying it to a purchase is therefore on a par with what can be expected in other New World wine countries.

Wine production or wine making and the resultant primary activities involved still comprise the largest number of people in both the full-time and part-time or outsourced employee categories. Employment in the wine tourism and restaurant or food-related sections of the winery still attracts smaller numbers of employees. Although physical wine farm activities require far more labour than tourism activities, the comparatively small numbers in the wine tourism-related sections of wineries may indicate that wine tourism is still regarded as a secondary activity – hence as an afterthought.

Nearly all the wineries are open the entire year, from Monday to Friday, with more than half of the wineries also opening on Saturday, Sunday and most public holidays. It can be concluded that the majority of wineries in the Stellenbosch Wine Route are mostly accessible to wine tourists.

Wine tourism products and services available in the Stellenbosch Wine Route

A host of wine tourism-related services and facilities are offered by wineries within the Stellenbosch Wine Route. The most widely offered services and facilities include wine tasting (93.4%), cellar door sales (87.0%), restroom facilities for the public (73.9%), opportunities to meet the winemaker (63%) and social function facilities (52.2%). There has been a general increase in the number of wine tourism products and services offered compared to similar research conducted by Bruwer in 2003. This increase is consistent with the overall growth of wine tourism and its popularity in South Africa between 2003 and 2008 (SA.info 2010b).

Perceived profile of tourists to the wine route

The majority (74%) of wineries on the Stellenbosch Wine Route do not count visitors to their premises. Hence the statistics are based primarily on the respondent's perception and not on recorded research data.

Wineries perceive that an almost equal amount of domestic (50.5%) and international (49.5%) visitors frequent their wineries. No accredited published data are currently available with which to verify their perception and no substantial conclusion can be drawn.

The perception among respondents was that there is little difference between the number of male (53.4%) and female (46.6%) visitors. The small variation in gender may indicate

that wine consumption and visiting a winery is not gender specific, but an activity that is enjoyed equally by both men and women.

The largest age group of visitors is the category 31 to 55 (45%), while 18 to 30 and 56 and older comprise 26 and 24% respectively. The smallest group of visitors are from the youngest age group, 17 or younger, with an average of only 5% – the reason being that the legal drinking age in South Africa is 18 years or older. These age group distributions are similar to those found in other New World wine countries (Mitchell & Hall, 2006).

Wineries in the Stellenbosch Wine Route perceive the following seven motivations of visitors as the most significant:

- To experience the ambiance of the winery
- For the total winery experience
- To taste quality wine
- To experience the wine region
- Reputation (brand) of the wine
- As a general outing or activity
- To learn more about wine

Based on this, the deduction can be made that elements of wine tourism are perceived as important motivations for visitors to visit a cellar door.

Advantages and disadvantages of wine tourism for the wineries

The various advantages and disadvantages of wine tourism identified in the literature were tested in this study. Overall, wineries in the Stellenbosch Wine Route perceive some aspects of wine tourism as advantageous to their business. Wine tourism's ability to create brand awareness (80.4%) and the time spent with visitors (84.8%) are perceived as the principal advantages of wine tourism. The majority (76%) of respondents indicated that the advantages of wine tourism outweigh the disadvantages.

Using wine tourism to promote the winery

The greater majority (>80%) of respondents in the Stellenbosch Wine Route indicate that they have their own wine tasting rooms and internet sites and that they rely heavily on word-of-mouth advertising.

Other forms of wine tourism-related promotion that are used by most (>50%) wineries include the following:

- Organised wine tastings and special offers or discounts
- Attending wine festivals and trade shows
- Wine route promotional activities
- Other internet sites
- Restaurants

Cellar door sales, primarily related to wine tourism, were rated as important or very important to the overall sales of 83% of respondents. Studies have shown that cellar door sales could account for as much as 75% of overall wine sales in small and medium-sized wineries (Hall *et al.* in Hall *et al.*, 2000; Christensen *et al.*, 2004). Since most of the wineries in the Stellenbosch Wine Route are small or medium-sized, and 83% of respondents rated cellar door sales as important, it can be concluded that many wineries are in some way dependent on attracting visitors through wine tourism to the cellar door.

Regarding the marketing and development of a winery, four factors were rated as being either important or very important to a winery. These factors are as follows:

- Employing staff who are knowledgeable about wines
- Providing education and interpretation for visitors
- Good sign posting
- Friendly, service-oriented staff

All of these factors relate to wine tourism in some way. It can therefore be concluded that wine tourism is regarded as essential to the marketing and development of a successful winery.

The majority of wineries in the sample population spend between 0 and 10% of their revenue on marketing. Domestic marketing spend is positively correlated with domestic sales and negatively correlated with export sales. International marketing spend is positively correlated with export sales and negatively correlated with domestic sales. Thus, when marketing spend increases, sales increase, in both the domestic and international markets. More of the marketing budget is spent on international marketing than domestic marketing. A possible reason is that the rand is a weak currency against most of South Africa's major export markets. It stands to reason that it would be more expensive to advertise in these countries than locally.

Marketing of wine tourism itself is done by wine route associations, SA Tourism, regional tourism offices, WOSA, the government, other tourism organisations and individual wineries. The majority of respondents stated that all these organisations are responsible for the promotion of wine tourism, with the main onus on wine route associations and SA Tourism. Although more than 70% of respondents indicated some responsibility for promoting wine tourism, nearly 30% of wineries still feel that they have no responsibility for the promotion of tourism. From this, it can be deduced that some wineries still view tourism as a secondary activity, unrelated to the sale of their wines.

Using wine tourism to build brand equity

According to the majority of respondents (>70%), wine tourism can assist in building brand equity in that it has the ability to foster brand loyalty and create brand awareness. Fewer respondents (50–60%) indicated that wine tourism can increase brand loyalty and perceived quality. It can therefore be concluded that wineries do in fact perceive wine tourism to assist in building brand equity of wine products.

6.5 RECOMMENDATIONS FOR SOUTH AFRICAN WINERIES

Each winery, be it large, medium or small in size, has different business goals and marketing needs. While the use of tourism as a marketing tool may not fit into every winery's marketing strategy, it is in the best interest of wineries to consider the following recommendations regarding the use of wine tourism as a strategic marketing tool:

- *Develop a marketing information system (MIS) database*

It is recommended that a MIS database be developed per winery in order to record as much data as possible on visitors to the cellar door. This will provide valuable information on wine tourists and their needs and expectations. The database can then be used to develop specific wine tourism products and improve the marketing strategy as well as develop a one-on-one marketing strategy for each individual customer.

- *Actively pursue wine tourism as an avenue for market research, product testing and building the brand equity of the winery and its brands*

Wine tourism afford each winery a unique opportunity to gather research data, test new wine products and build or improve its branding. Management, especially that of wineries that already have an existing wine tourism product, should make use of the opportunity

offered by wine tourism. Conducting market research would not require much investment and testing new products would be virtually free to the winery. The positive spin-off of building the winery brand can also not be ignored. Internationally, wineries are continuously increasing the use of wine tourism as a sound source of market information and testing new products on visitors to the winery. Wineries not utilising this source of information will lose their competitive edge. It should be reiterated that wine tourism could be one of the single most important ways to build brand equity, especially for smaller wineries in South Africa.

- *Consider the practice of charging a tasting fee*

The results indicate that the most popular form of tasting fee is charging for a set of samples but discounting the price if a bottle of wine is purchased. Although this practice is in line with what other New World wine countries are doing, recent research has shown that charging a tasting fee could be detrimental to wine sales (Kolyesnikova & Dodd, 2009). Kolyesnikova and Dodd (2009) found that visitors who receive complimentary wine tasting spend significantly more money at wineries than visitors who pay a fee for tasting. Visitors who do not pay to taste wine were also more appreciative of cellar door personnel and report feeling a higher level of obligation to make a purchase than visitors who pay for tasting. Winery management could benefit from carefully considering their current tasting fee structure and testing the effects of free tasting on cellar sales.

- *Segmenting the markets and products of the winery*

Wineries could benefit from streamlining their marketing and wine tourism products and facilities to target specific age and education groups. The largest group of visitors is between 31 and 55 years of age and this is also the primary consumer group (Barber, Dodd & Ghiselli, 2008). However, younger consumers, 18- to 30-year-olds, should not be ignored. Not only is wine consumption of younger consumers increasing, but within a few years, they will be the largest consumer group. Research also shows that there is a strong link between wine consumers and their level of education. The majority of wine consumers and visitors to wineries are well educated. Wineries could benefit from building brand loyalty in younger, well-educated consumers. It is therefore recommended that wineries target tertiary learning institutions, where potential younger, educated consumers can be found.

- *Star grading by the Wine Route Associations*

The majority of respondents indicated that star grading of the winery by the Wine Route Association does not contribute to the brand equity of the winery. This perception is not only incorrect, but could be potentially costly to wineries that disregard the influence that star grading has on consumer perceptions of a brand. Wineries could benefit from a star grading by the Wine Route Association and could increase their bottom line by leveraging this grading to build brand equity.

- *Compliance regarding black economic empowerment (BEE) legislation*

The results indicated that none of the wineries in the sample had any form of BEE partnership running. Although the majority of wineries are small and many private, family owned businesses, it is necessary to keep the legal requirements in mind as the business expands. BEE compliance could be a massive problem for the wine industry in the future since the lack of equity in this sector is already being discussed in government circles.

6.6 AREAS FOR FUTURE RESEARCH

Considering the results of this study in light of its limitations, the following areas may be researched in the future:

- *Specific tourism products and services at South African wineries*

Wine tourism is very broad in scope and includes many different types of products, services and facilities. An investigation into the specific products and services that are most enjoyed by South African wine tourists could be done. This would enable the industry to streamline its current wine tourism product and offer tourists what they most desire.

- *Increasing cellar sales to wine tourists at South African wineries*

This study notes that wineries' perception of wine tourists is that they do not substantially contribute to cellar door sales – in other words, that they do not buy a lot of wine. Research into the reasons for low levels of wine purchasing by wine tourists could be beneficial to the wine industry by identifying possible obstacles and making recommendations in this regard.

- *Gender-specific activities at wineries in South Africa*

This study, along with other South African based studies (Bruwer, 2003; Frandsen, 2005), indicates that the number of men and women who visit wineries is perceived to be similar. Future research into which individual activities and facilities are important to men and women would enable wineries to improve their wine tourism products and marketing strategies.

- *Influence of social media on wine tourism*

A relatively new phenomenon is social media and its impact as a marketing tool. Research into the influence of social media on the wine tourism product and its impact on wine tourism as a marketing channel would provide valuable insight into the future of wine marketing.

- *Wine tourism as a differentiation strategy*

This study, as well as research by Christensen *et al.* (2004), notes that wineries perceive wine tourism as a tool that can create brand awareness, but not brand differentiation. Research could be done to establish whether this perception is correct. Further research into the ways in which wine tourism can be used to differentiate a wine would also provide wineries with valuable insight into their differentiation strategies.

- *Winery visitors' point of origin*

Wineries in the Stellenbosch Wine Route perceive there to be an almost equal amount of domestic (50.5%) and international (49.5%) visitors that frequent their cellar doors. To the researcher's knowledge, there are no national data currently available to empirically quantify the number of foreign or domestic wine tourists or visitors with which this perception can be compared or validated. Research into the actual market will enable wineries to improve their domestic and international marketing strategies.

- *Research into developing a MIS database*

As previously discussed, there is a need for a market information system at wineries. Research into the best way in which to operate and collect data for the database would be valuable to wineries to ensure the sustainability thereof.

6.7. CONCLUSION

This chapter provided an overview of the study process and listed the limitations of the study. Conclusions derived from the data analysis were discussed and a number of recommendations made for management. The researcher also listed a number of areas in which future research could be conducted that would be beneficial to the South African wine industry.

This chapter concludes the study, which investigated the perception of wineries in the Stellenbosch Wine Route regarding wine tourism and the current role that wine tourism plays in their marketing strategies. The research was primarily based on a New Zealand winery survey conducted by Christensen, Hall and Mitchell (2004) and research on South African wine routes conducted by Bruwer (2003). The findings of the exploratory research showed noticeable similarities when compared with the results of these studies with almost no perceptible differences. The research confirms that although wineries are aware of the possible benefits of wine tourism, many still view it as a secondary marketing activity. Only when South African wineries fully value the positive influence of wine tourism as an integral part of their marketing strategies, will they be able to maintain and grow their share of the alcoholic beverage market.

REFERENCES

- Afrol News. 2002. Currency crisis hits hard Southern Africa. *Afrol News*, 28 January. [Online] Available from: http://www.afrol.com/Categories/Economy_Develop/econ012_rand_crisis.htm [Accessed: 2010-08-05].
- Alant, K. & Bruwer, J. 2004. Wine tourism behaviour in the context of a motivational framework for wine regions and cellar doors. *Journal of Wine Research*, 15(1):27-37.
- All Business. 2010. Definition: Technological environment. *Business glossary*. [Online] Available from: <http://www.allbusiness.com/glossaries/technological-environment/4961457-1.html> [Accessed: 2010-08-06].
- Anderson, K. 2004. *The world's wine markets: globalization at work*. Cheltenham, UK: Edward Elgar.
- Anderson, K., Norman, D. & Wittwer, G. 2004. The global picture, in *The world's wine markets: globalization at work*, edited by K. Anderson. Cheltenham, UK: Edward Elgar.
- Anon. 2004. *Black economic empowerment in the wine industry: a general guideline for the wine cellars*. 4 October. Distributed by Cliffe Dekker Attorneys. [Online] Available from: http://bee.sabinet.co.za/charters/NCD_Cellar.pdf [Downloaded: 2009-02-25].
- Avenue Vine. 2006. *South Africa wine tourism a hit with international wine routes*. Avenue Vine, March 16. [Online] Available from: <http://www.avenuevine.com/archives/000958.html> [Accessed: 2008-08-20].
- Aufreiter, N.A., Elzinga, D. & Gordon, J.W. 2003. Better branding. *The Marketing Quarterly*, (4).
- AusWeb 08. 2008. *The fourteenth Australasian world wide web conference*. AusWeb. [Online] Available from: <http://ausweb.scu.edu.au/aw03/papers/sellitto/figure1.gif> [Accessed: 2008-08-03].
- Atkin, T. & Affonso, J. 2004. Wine supply chain management, in *Wine: a global business*, edited by L. Thach & T. Matz, T. New York: Miranda Press.
- Babbie, E., Mouton, J., Vorster, P. & Prozesky, B. 2007. *The practice of social research*. South African edition. Cape Town: Oxford University Press.

- Back, S. 2009. Verbal communication with the author on 22 July. Cape Town. (Notes in possession of author.) [Marketing manager at Backsberg winery, Stellenbosch.]
- Bagwell, P.S. 1999. *The transport revolution*. London, UK: Routledge.
- Barber, N., Dodd, T.H. & Ghiselli, R. 2008. Capturing the younger wine consumer. *Journal of Wine Research*, 19(2):123–144.
- Barreiro-Hurlé, J., Colombo, S. & Cantos-Villar, E. 2008. Is there a market for functional wines? Consumer preferences and willingness to pay for resveratrol-enriched red wine. *Food Quality and Preference*, 19(4):360–371.
- Barrel Cave Wines. n.d. *Map of South Africa's wine regions*. [Online] Available from: <http://www.barrelcave.com> [Accessed: 2010-09-28].
- Bastian, S., Alant, K., Bruwer, J. & Li, E. 2005. Wine consumers and makers: are they speaking the same language? *The Australian and New Zealand Grapegrower and Winemaker*, (5):80–84.
- Benade, P. 2009. Verbal communication with the author on 24 July. Stellenbosch. (Notes in possession of author.) [Cape Wine Master, previously owner and winemaker at Lievland in Stellenbosch.]
- Bell, M. & Giuliani, E. 2007. Catching up in the global wine industry: innovation systems, cluster knowledge networks and firm-level capabilities in Italy and Chile. *International Journal of Technology and Globalisation*, 3(2/3):197–223.
- Bennett, J.A. & Strydom, J.W. (eds.) 2001. *Introduction to travel and tourism marketing*. Lansdowne, Cape Town: Juta.
- Beverland, M. & Lockshin, L. 2003. A longitudinal study of customers' desired value change in business-to-business markets. *Industrial Marketing Management*, 32:653-666.
- Biodiversity Wine Initiative (BWI). 2010. *What is the biodiversity and wine initiative (BWI)?* BWI. [Online] Available from: <http://www.bwi.co.za/> [Accessed: 2010-06-30].
- Bisseker, C. 2010. No rest till its best. *Financial Mail*, 22 July. [Online] Available from: <http://www.fm.co.za/Article.aspx?id=115589> [Accessed: 2010-08-26].

- Bizcommunity. 2008. ACA on proposed alcohol advertising ban. *Bizcommunity*, 12 December. [Online] Available from: <http://www.bizcommunity.com/Article/196/12/31249.html> [Accessed: 2010-08-05].
- Blandy, F. 2009. South African wine industry ages well. *Mail & Guardian Online*, 01 February. [Online] Available from: <http://www.mg.co.za/article/2009-02-01-south-african-wine-industry-ages-well> [Accessed: 2009-02-24].
- Blumberg, B., Cooper, D.R. & Schindler, P.S. 2005. *Business research methods*. New York, NY: McGraw-Hill Education.
- Boekstein, M. 2009. Visitor tracking survey, 2008–2009. *Cape Metropolitan Tourism*. [Online] Available from: http://www.tourismcapetown.co.za/ctru/action/media/downloadFile?media_fileid=12555 [Accessed: 2010-06-30].
- Bollinger. n.d. *The essence of Bollinger*. [Online] Available from: <http://www.champagne-bollinger.com/uk/#!/auction/> [Accessed: 2009-09-03].
- Botha, P. 2010. Increased excise duty on wine threatens industry jobs. *Business Report*, 20 May. [Online] Available from: <http://www.busrep.co.za/index.php?fSectionId=561&fArticleId=5477423> [Accessed: 2010-08-05].
- Brodie, R.J., Whittome, J.R.M. & Brush, G.J. 2009. Investigating the service brand: a customer value perspective. *Journal of Business Research*, 62:345–355.
- Brown, G. & Getz, D. 2005. Linking wine preferences to the choice of wine tourism destination. *Journal of Travel Research*, 23:266–267.
- Bruwer, J. 2002. The important and role of the winery cellar door in the Australian wine industry: some perspectives. *The Australian and New Zealand Grape Grower and Winemaker*, 8(463):96–99.
- Bruwer, J. 2003. South African wine routes: some perspectives on the wine tourism industry's structural dimensions and wine tourism product. *Tourism Management*, 24:424–435.
- Bruwer, J. 2004. The love affair of generation X consumers with the winery cellar door. *The Australian and New Zealand Grapegrower and Winemaker*, 12:19–24.

Bruwer, J. 2006. *Snapshot: wine marketing knowledge base*. Unpublished course notes. The University of Adelaide, Australia, 1-9.

Bruwer, J., Li, E. & Reid, M. 2002. Segmentation of the Australian wine market using a wine-related lifestyle approach. *Journal of Wine Research*, 13(3):217–242.

Burkart, A. & Medlik, R. 1981. *Tourism, past, present and future*. 2nd edition. London: Heinemann.

Business dictionary. n.d.[a]. *Economic environment*. [Online] Available from: <http://www.businessdictionary.com/search.php?search=technological+environment> [Accessed: 2010-05-25].

Business dictionary. n.d.[b]. *Micro environment*. [Online] Available from: <http://www.businessdictionary.com/definition/microenvironment.html> [Accessed: 2010-05-25].

Business dictionary. n.d.[c]. *Natural environment*. [Online] Available from: www.businessdictionary.com/definition/natural-environment.html [Accessed: 2010-05-25].

Business World. 2008. Bordeaux wine makers rethink sales in the face of global overproduction. *Business World*, 06 November. 22(74). [Online] Available from: <http://www.bworldonline.com/BW110608/content.php?id=123> [Accessed: 2009-09-09].

Cant, M.C., Strydom, J.W., Jooste, C.J. & Du Plessis, P.J. 2007. *Marketing management*. 5th edition. Cape Town, South Africa: Juta.

Cape Business News. 2009a. City meets liquor industry. *Cape Business News*, 23 February. [Online] Available from: <http://www.cbn.co.za/dailynews/3524.html> [Accessed: 2009-04-29].

Cape Business News. 2009b. The swing is to red wines. *Cape Business News*, 17 February. [Online] Available from: http://www.cbn.co.za/index.php?Page=daily&daily_id=4403 [Accessed: 2010-06-30].

Carlsen, J. & Charters, S. (eds.) 2006. *Global wine tourism: research, management and marketing*. Oxon, UK: CAB International.

Carr, N. 2002. The tourism-leisure behavioural continuum. *Annals of Tourism Research*, 29(4):972-986.

Castle, G. 2008. SA wine industry needs collaborative strategic marketing. *Bizcommunity*, 5 December. [Online] Available from: <http://www.bizcommunity.com/Article/196/423/31040.html> [Accessed: 2010-08-05].

Chadwick, R. 1994. Concepts, definitions and measurement used in travel and tourism research, in *Travel, tourism and hospitality research: a handbook for managers and researchers*, edited by J.R.B. Ritchie & C. Goeldner. 2nd edition. New York, NY: Wiley.

Charters, S. & Ali-Knight, J. 2002. Who is the wine tourist? *Tourism Management*, 23:311–319.

Charters, S. & O'Neill, M. 2001. Service quality at the cellar door: a comparison between regions. *International Journal of Wine Marketing*, 13(3):7–17.

Chance, K. 2010. "Plastic" bottles for wine are "not inferior". *Wine.co.za*, 15 July. [Online] Available from: <http://www.wine.co.za/news/news.aspx?NEWSID=16035&Source=News> [Accessed: 2010-08-03].

Chemical Engineering Tools and Information. n.d. Wine production diagram. *Chemical Engineering Tools and Information*. [Online] Available from: <http://www.cheresources.com/wine2.gif> [Accessed: 2008-04-03].

Christensen, T. 2008. The big debate at Cape Wine 2008. *Wines of South Africa*, 29 September. [Online] Available from: <http://www.wine.co.za/news/news.aspx?NEWSID=12575&Source=Newsfeed> [Accessed: 2009-06-22].

Christensen, D., Hall, C.M. & Mitchell, R. 2004. The 2003 New Zealand wineries survey. Working paper. CAUTHE Conference, Brisbane, Queensland.

Clarke, A. & Chen, W. 2007. *International hospitality management: concepts and cases*. Oxford, UK: Butterworth-Heinemann.

Clifton, R. & Simmons, J. 2003. *Brands and branding*. London: The Economist.

Cob Creek. n.d. Cob Creek wine estate. [Online] Available from: <http://www.wine.cobcreek.com/> [Accessed: 2010-08-30].

Cooper, C. 2008. *Tourism: principles and practice*. Oxford, UK: Prentice Hall.

Cooper, D.R. & Schindler, P.S. 2008. *Business research methods*. 10th edition. Singapore: McGraw-Hill Education.

Cooperative Research Centre for Viticulture. n.d. Research programs. *Chemical Engineering Tools and Information*. [Online] Available from: <http://www.crcv.com.au/research/programs/one/bramley1.pdf> [Accessed: 2008-04-02].

Crompton, J. 1979. Motivations for pleasure vacation. *Annals of Tourism Research*, 6:404–424.

Danesi, M. 2008. *Why it sells: decoding the meanings of brand names, logos, ads, and other marketing and advertising ploys*. Lanham, M.D.: Rowman & Littlefield.

Demhardt, I.J. 2003. Wine and tourism at the “Fairest Cape”: post-apartheid trends in the Western Cape province and Stellenbosch (South Africa). *Journal of Travel and Tourism Marketing*, 14(3/4):113–130.

Deneen, S. n.d. Food miles. *thedailygreen.com*. [Online] Available from: <http://www.thedailygreen.com/living-green/definitions/Food-Miles> [Accessed: 2010-09-29].

Dess, G.G. & Lumpkin, G.T. 2003. *Strategic management: creating competitive advantages*. New York: McGraw-Hill.

Dodd, T. 1995. Opportunities and pitfalls of tourism in a developing wine industry. *International Journal of Wine Marketing*, 7(1):5-16.

Dodd, T. 2000. Influences on cellar door sales and determinants of wine tourism success: results from Texas wineries, in *Wine tourism around the world: development, management and markets*, edited by C.M. Hall, L. Sharples, B. Cambourne & N. Macionis. Oxford, UK: Elsevier Science.

Dodd, T. & Bigotte, V. 1997. Perceptual differences among visitor groups to wineries. *Journal of Travel Research*, 46–51.

Douglas, N., Douglas, N. & Derrett, R. 2001. *Special interest tourism*. Brisbane, Australia: Wiley.

Dowling, R.K. & Carlsen, J. (eds.) 1999. Wine tourism: perfect partners. *Proceedings of the First Australian Wine Tourism Conference, 7-9 May 1998*. Margaret River, Western Australia: Canberra Bureau of Tourism Research.

- Du Plessis, C. & Boom, R. (eds.) 2008. *South African wine industry directory, 2008*. 9th edition. Suider-Paarl, South Africa: Wineland Publications.
- Du Plessis, P.J., Jooste, C.J. & Strydom, J.W. 2001. *Applied strategic marketing*. Sandown: Heinemann.
- Du Toit, G.S., Erasmus, B.J. & Strydom, J.W. (eds.) 2008. *Introduction to business management*. 7th edition. Cape Town, South Africa: Oxford Press.
- Ehlers, T. & Lazenby, K. 2007. *Strategic management: Southern African concepts and cases*. 2nd edition. Pretoria: Van Schaik.
- Ellwood, I. 2002. *The essential brand book: over 100 techniques to increase brand value*. 2nd edition. London: Kogan Page.
- Emmas, C. 2010. Global warming and its impact on wine. *WineAnorak.com*. [Online] Available from: <http://www.wineanorak.com/global%20warming.htm> [Accessed: 2010-08-05].
- Encyclopedia Britannica. n.d. Apartheid years. *Encyclopedia Britannica*. [Online] Available from: <http://www.britannica.com/EBchecked/topic/555568/South-Africa/259494/The-apartheid-years> [Accessed: 2009-02-29].
- Evans, I. 2009. The first UV treated wine to be available this year. *Decanter*, 29 January. [Online] Available from: <http://www.decanter.com/news/275962.html> [Accessed: 2009-04-28].
- Evans, L. 2010. Chinese wine production soars. *FoodEditorials.com*. [Online] Available from: http://www.streetdirectory.com/food_editorials/beverages/wine/chinese_wine_production_soars.html [Accessed: 2010-09-02].
- Ewert, J. 2003. Co-operatives to companies: the South African wine industry in the face of globalisation, in *Globalisation, localisation and sustainable livelihoods*, edited by R. Almas & G. Lawrence. Aldershot, Ashgate: Not known.
- Ewert, J. 2005. How competitive is South Africa? Advances and challenges in the transformation of the Cape wine industry. *Les Cahiers d'Outre-Mer*, July–October. [Online] Available from: <http://com.revues.org/index305.html> [Accessed: 2010-06-29].
- EyeWitness to History. 2004. Christopher Columbus Discovers America, 1492. *EyeWitness to History*. [Online] Available from: www.eyewitnesstohistory.com [Accessed: 2010-04-18].

Fairtrade Foundation. n.d. What is Fairtrade? *Fairtrade Foundation*. [Online] Available from: http://www.fairtrade.org.uk/what_is_fairtrade/default.aspx [Accessed: 2010-08-25].

Foxcroft, M. 2009. Growing the consumption of wine amongst emerging market consumers in South Africa. *Cape Wine Academy*. [Online] Available from: http://www.capewineacademy.co.za/seminars/CWM_Foxcroft_20090322.pdf [Downloaded: 2010-08-05].

Frandsen, D. 2005. Wine tourism marketing strategy for Cape Town and the Western Cape. *Cape Town Routes Unlimited Wine Tourism Forum*, 3–6 December.

Fridjhon, M. 2008. Wine. *Business Day*, 06 November. [Online] Available from: <http://www.businessday.co.za/articles/leisure.aspx?ID=BD4A877895> [Accessed: 2009-03-03].

Gaiter, D. & Brecher, J. 2008. White wines from an overlooked country offer focus, weight and value. *The Wall Street Journal*, 25 April. [Online] Available from: http://online.wsj.com/article/SB120908197436643427.html?mod=pj_main_hs_coll [Accessed: 2010-06-06].

Gastin, D. & Schwing, M. 2004. The landscape of new world wine, in *Wine: a global business*, edited by L. Thach & T. Matz. New York, NY: Miranda Press.

Gawel, R. n.d. Every vintage better than the last! [Online] Available from: http://www.aromadictionary.com/articles/grapeyield_article.html [Accessed: 2010-09-30].

German Wine Route. n.d. *The German wine road*. [Online] Available from: <http://www.germanwineroute.com/index.html> [Accessed: 2010-10-01].

George, R. (ed.) 2007. *Marketing South African tourism*. 2nd edition. Cape Town, South Africa: Oxford University Press.

Gerber-Nel, C. 2006. Determination of brand equity of the provincial, regional and national rugby teams of South Africa. D.Com thesis, University of South Africa, Pretoria.

Getz, D. 2000. *Explore wine tourism: management, development and destinations*. New York, NY: Cognizant Communication.

Getz, D., Dowling, R., Carlsen, J. & Anderson, D. 1999. Critical success factors for wine tourism. *International Journal of Wine Marketing*, 11(3):20.

Getz, D. & Brown, G. 2006. Critical success factors for wine tourism regions: a demand analysis. *Tourism Management*, 27(1):146–158.

Gibb, R. 2009. South African wineries fight fires. *Decanter*, 23 February. [Online] Available from: <http://www.decanter.com/news/277558.html> [Accessed: 2009-04-29].

Go-organic. n.d. Organic wines. *Go-organic*. [Online] Available from: <http://www.go-organic.co.za/info.asp#1> [Accessed: 2009-09-09].

Hall, C.M., Longo, A.M., Mitchell, R. & Johnson, G. 2000. Wine tourism in New Zealand, in *Wine tourism around the world: development, management and markets*, edited by C.M. Hall, E. Sharples, B. Cambourne. & N. Macionis. Oxford, UK: Butterworth-Heinemann.

Hall, C.M. & Macionis, N. 1998. Wine tourism in Australia and New Zealand, in *Tourism and recreation in rural areas*, edited by R.W. Butler, C.M. Hall & J.M. Jenkins. Oxford, England: Wiley.

Hall, C.M. & Mitchell, M. 2000. Wine tourism in the Mediterranean: a tool for restructuring and development. *International Business Review*, 42(4):445–465.

Hall, C.M. & Mitchell, M. 2002. The changing nature of the relationship between cuisine and tourism in Australia and New Zealand: from fusion cuisine to food networks, in *Tourism and gastronomy*, edited by A. Hjalager & G. Richards. London: Routledge.

Hall, C.M., Johnson, G., Cambourne, B., Macionis, N., Mitchell, R. & Sharples, L. 2000. Wine tourism: an introduction, in *Wine tourism around the world: development, management and markets* C.M. Hall, L. Sharples, B. Cambourne, & N. Macionis. Oxford: Butterworth-Heinemann.

Hall, C.M. & Page, S. 2006. *The geography of tourism and recreation: environment, place and space*. 3rd edition. Oxford, UK: Routledge.

Hall, C.M., Sharples, L., Cambourne, B. & Macionis, N. 2000. *Wine tourism around the world: development, management and markets*. Oxford, UK: Butterworth-Heinemann.

Hall, L.S. 2009. Cape wine report – part 2. *Wine Business.com*, 30 April. [Online] Available from: <http://www.winebusiness.com/news/?go=getArticle&dataid=64094> [Accessed: 2009-04-30].

Hoffman, K.D. (ed.) 2003. *Marketing: best practices*. 2nd edition. Mason, Ohio: Thomson South-Western.

- Holloway, J.C. 2002. *The business of tourism*. Essex, UK: Pearson Education.
- Holt, D.B. 2002. *Brand and branding*. Boston, Mass: Harvard Business School Publishing.
- Honeycreek Vineyards and Orchards. n.d. A brief history of wine. *Honeycreek Vineyards and Orchards*. [Online] Available from: <http://www.honeycreek.us/history.php> [Accessed: 2008-07-17].
- Howe, G. 2008. The big debate at Cape Wine 2008. *Wines of South Africa*, 29 September. [Online] Available from: http://www.wosa.co.za/wosa_news_article.php?wine_id=12575 [Accessed: 2009-02-25].
- Howley, M. & Van Westering, J. 2008. Developing wine tourism: a case study of the attitude of English wine producers to wine tourism. *Journal of Vacation Marketing*, 14(1):87–95.
- Huisman, B. 2010. Engelbrecht, Els split doesn't bode well for SA wines. *Times*, 6 June. [Online] Available from: <http://www.timeslive.co.za/sundaytimes/article489492.ece/Engelbrecht-Els-split-doesnt-bode-well-for-SA-wines> [Accessed: 2010-08-26].
- Human Sciences Research Council (HSRC). 2008. The impact of electricity price increases and rationing on the South African Economy – Final report to the National Electricity Response Team (NERT) Economic impact task team. *Human Sciences Research Council*. [Online] Available from: http://www.hsrc.ac.za/research/output/outputDocuments/5687_Altman_Theimpactofelectricitypriceincreases.pdf [Downloaded: 2010-08-05].
- Hussain, M., Cholette, S. & Castaldi, R.M. 2008. An analysis of globalization forces in the wine industry: implications and recommendations for wineries. *Journal of Global Marketing*, 21(1):33–47.
- Huybers, T. (ed.) 2007. *Tourism in developing countries*. Northampton, MA: Edward Elgar.
- Indexmundi. 2010. *South Africa unemployment rate*. [Online] Available from: http://www.indexmundi.com/south_africa/unemployment_rate.html [Accessed: 2010-08-05].
- Ignatov E. & Smith, S. 2006. Segmenting Canadian culinary tourists. *Current Issues in Tourism*, 9(3):235–255.
- Integrated Production of Wine Scheme (IPW). n.d. *Functions of the Scheme for Integrated Wine Production*. [Online] Available from: <http://www.ipw.co.za/> [Accessed: 2010-06-30].

Interbrand. 2010. *Best global brands – 2009 rankings*. [Online] Available from: http://www.interbrand.com/best_global_brands.aspx [Accessed: 2010-08-05].

Internet World Statistics. 2009. *Internet usage statistics for Africa*. [Online] Available from: <http://www.internetworldstats.com/stats1.htm> [Accessed: 2010-05-03].

Ismail, A.R. & Melewar, T.C. 2008. The role of customer experience in building brand loyalty within the service context. *Proceedings of the 13th International Conference on Corporate and Marketing Communications*. Ljubljana, Slovenia, 24–26 April.

Israel-Palestine Info. 2010. An online guide to middle-east conflict. *Israel-Palestine Info*, 19 August. [Online] Available from: http://www.israel-palestina.info/english_section.html [Accessed: 2010-08-25].

Jaffe, E. & Pasternak, H. 2004. Developing wine trails as a tourist attraction in Israel. *The International Journal of Tourism Research*, 6(4):237.

Jang, S. & Cai, L.A. 2003. Travel motivations and destination choice: a study of British outbound market. *Journal of Travel and Tourism Marketing*, 13(3):111–133.

Jooste, C.J., Strydom, J.W., Berndt, A. & Du Plessis, P.J. (eds.) 2009. *Applied strategic marketing*, 3rd edition. Sandton: Heinemann.

Justdrinks.com. 2007. Spotlight – celebrity endorsement a two-edged sword for wineries. *Just-drinks*, 20 November. [Online] Available from: http://www.just-drinks.com/analysis/spotlight-celebrity-endorsement-a-two-edged-sword-for-wineries_id92269.aspx [Accessed: 2010-07-26].

Kapferer, J. 2008. *The new strategic brand management: creating and sustaining brand equity long term*. London: Kogan Page.

Kipfer, B.A. (ed.) 2005. Environmentally friendly. *Webster's New Millennium dictionary of English, Preview Edition*. Long Beach, CA: Lexico.

Keller, K.L. 2003. *Strategic brand management: building, measuring and managing brand equity*. 2nd edition. Upper Saddle River, NJ: Prentice-Hall.

Keller, K.L. 2008. *Strategic brand management: building measuring and managing brand equity*. 3rd edition. Upper Saddle River, NJ: Prentice-Hall.

Kelley, K.M. 2006. *Winery tasting room essentials: value-added marketing*. College of Agricultural Sciences: Cooperative extension. Department of Agricultural Economics and Rural Sociology: Penn State.

Kolyesnikova, N. 2006. *Gratuity purchasing at wineries: the role of gratitude and obligation in purchases by winery visitors*. PhD. thesis, Texas Tech University, Texas.

Kolyesnikova, N. & Dodd, T. 2009. There is no such thing as a free wine tasting: the effect of a tasting fee on obligation to buy. *Journal of Travel and Tourism Marketing*, 26:806–819.

Kotler, P. 2000. *Marketing management, the millennium edition*. Upper Saddle River, NJ: Prentice Hall.

Kotler, P. 2003. *Marketing management*. 11th edition. Upper-Saddle River, NJ: Prentice-Hall.

Kotler, P. & Armstrong, G. 2001. *Principles of marketing*. 9th edition. Upper Saddle River, NJ: Prentice-Hall.

Kotler, P. & Armstrong, G. 2006. *Principles of marketing*. 11th edition. Upper Saddle River, NJ: Prentice-Hall.

Kotler, P., Bowen J.T. & Makens, J.C. 2010. *Marketing for hospitality and tourism*. 5th edition. Upper Saddle River, NJ: Prentice Hall.

Kotler, P. & Keller, K.L. 2009. *Marketing management*. 13th edition. Upper Saddle River, NJ: Prentice-Hall.

Kumar, R. 2005. *Research methodology: a step-by-step guide for beginners*. 2nd edition. London: Sage.

Lamb, C.W., Hair, J.F., McDaniel, C., Boshoff, C. & Terblanché, N.S. 2002. *Marketing*. Cape Town: Oxford.

Landzicht. n.d. Landzicht cellar. [Online] Available from: <http://www.landzicht.co.za/pg/ourcell.php> [Accessed: 2010-08-30].

Leedy, P.D. & Ormrod, J.E. 2010. *Practical research: planning and design*. 9th edition. Boston: Pearson Education International.

Le Roux, M. 2007. Has the wine industry bubble burst? *Business News*, 19 March. [Online] Available from: <http://lifestyle.iafrica.com/wine/news/700887.htm> [Accessed: 05-05-2007].

Ling, G. 2010. How wine is made. *How products are made*. [Online] Available from: www.madehow.com/Volume-1/Wine.html [Accessed: 2010-07-08].

Lockshin, L. & Spawton, T. 2001. Using involvement and brand equity to develop a wine tourism strategy. *International Journal of Wine Marketing*, 13(1):72–81.

Lordan, N. 2009. New liquor act puts strain on wine industry. *Wine.co.za*, 12 August. [Online] Available from: <http://www.wine.co.za/News/news.aspx?NEWSID=14360&Source=News> [Accessed: 2010-08-05].

Lordan, N. 2010. Is Fairtrade fair? *Wine.co.za*, 16 March. [Online] Available from: <http://www.wine.co.za/News/news.aspx?NEWSID=15451&Source=News> [Accessed: 2010-06-23].

Loubser, S.S. 2004. The role of wine tourism in establishing a successful South African wine industry. Paper presented at the International Wine Tourism Conference, Margaret River, Western Australia, 2–5 May.

Lubbe, B. (ed.) 2003. *Tourism management in Southern Africa*. Cape Town: Pearson Education.

Lumsdon, L. 1997. *Tourism marketing*. London: Thomson Learning.

Manuel, T.A. 2007. *The South African wine industry: challenges and opportunities*. Freedom Day Lecture – South African Wine Council, 3 May. Groot Constantia, Cape Town. [Online] Available from: http://www.sawit.co.za/news/news_articles_09.asp [Accessed: 2009-02-28].

Marston, C. 2010. Twitter sippers: a small encouragement for any winery not in the tweet-zone. *Wine.co.za*, 14 July. [Online] Available from: <http://www.wine.co.za/News/news.aspx?NEWSID=16023&Source=News> [Accessed: 2010-08-02].

Marx, S. 2009 Verbal communication with the author on 23 July. Cape Town. (Notes in possession of author.) [Marketing manager of Golden Kaan Wines.]

Marzo-Navarro, M. & Pedraja-Iglesias, M. 2009. *Profile of a wine tourist and the correspondence between destination and preferred wine: A study in Aragon, Spain*. Department of Economics and Business Management, Faculty of Economic and Business Sciences at the University of Zaragoza, 50005-Zaragoza, Spain. 10 November. [Online] Available from:

<http://www.informaworld.com/smpp/content~content=a916730876~db=all~jumptype=rss>
[Accessed: 2010-04-07].

Mason, J. 2010. South Africa overtakes France in UK wine market. *Wines of South Africa*, 23 February. [Online] Available from: <http://www.wine.co.za/news/news.aspx?NEWSID=15349&Source=News> [Accessed: 2010-06-22].

Matthews, T. n.d. The official 1855 classification. *ABC's of Wine*. [Online] Available from: http://www.winespectator.com/Wine/Wine_Basics/Wine_Basics_Template/0,,144,00.html [Accessed: 2008-08-20].

Maylor, H. & Blackman, K. 2005. *Researching business and management*. Houndmills, Basingstoke, Hampshire: Palgrave MacMillan.

Max, A. 2009. Australian bushfires: eyewitness reports from Punt Road, Oakridge, Wedgetail. *Decanter.com*, 09 February. [Online] Available from: <http://www.decanter.com/news/276634.html> [Accessed: 29-04-2009].

Mbendi Information Services. 2009. Rottcher (Orange) Wineries. [Online] Available from: <http://www.mbendi.com/travel/attr/49/f641.htm> [Accessed: 2010-08-30].

McDaniel, C. & Gates, R. 2001. *Marketing research essentials*. 3rd edition. Mason, Ohio: South-Western College Publishing.

McDonnell, A. & Hall, C.M. 2008. A framework for the evaluation of winery servicescapes: a New Zealand case. PASOS. *Revista de Furismory Patrimonia Cultural*, Special issue 6(2): 231–247. [Online] Available from: <http://www.pasosonline.org/Publicados/6208special/PASOS14.pdf#page=104> [Accessed: 2010-08-19].

McNulty, A. 2010. Enough to lift its spirits? *Financial Mail*, 26 February. [Online] Available from: <http://free.financialmail.co.za/10/0226/moneyinvest/bmoney.htm> [Accessed: 2010-06-30].

Medet, Y., Fatmagül, Ç. & Uysal, M. 2009. An examination of festival motivation and perceived benefits relationship: Eskişehir International Festival. *Journal of Convention and Event Tourism*, (4):276–291.

Media Vision Consultants. 2008. *Foreign investment underscores potential of South African wine industry*. 05 February. [Online] Available from: <http://www.wine.co.za/news/news.aspx?NEWSID=11275&Source=Newsfeed> [Accessed: 06-06-2008].

Meyer, D. 2004. Tourism routes and gateways: key issues for the development of tourism routes and gateways and their potential for pro-poor tourism. *Overseas Development Institute*. [Online] Available from: http://docs.google.com/viewer?a=v&q=cache:15uaUIERVW4J:195.130.87.21:8080/dspace/bitstream/123456789/519/1/Tourism%2520routes%2520and%2520getaways%2520%2520Key%2520issues%2520for%2520the%2520development%2520of%2520tourism%2520routes%2520and%2520gateways%2520and....pdf+South+African+wine+route+system+enjoys+the+r+reputation+of+being+a+wine+country+with+one+of+the+best+wine+route+infrastructure+syst+ems+and+winescapes+in+the+world&hl=en&gl=za&pid=bl&srcid=ADGEESh4GrpnFFib4AMPGaAAf4EN_JaL07M5ue7T-XO7jdlz8zxFKjsoliFly6C0oDQoWBaX_BOm5EzY4I9aYeC2W32QLfppCboWH3FVE9MI7AprZM0ixeKvDpj73RCeRGYb-pOe7uZQ&sig=AHIEtbShcVVNrIDaCf92zSeacSmFpSMC6g [Accessed: 2010-07-09].

Miller, S. 2009. South Africa set to revolutionise wine world. *Wines of South Africa*, 26 August. [Online] Available from: <http://www.wine.co.za/news/news.aspx?NEWSID=14443&Source=Newsfeed> [Accessed: 2010-06-22].

Miller, B. & Bruwer, J. 2006. Exploring gender differences in sensory preferences in wine. *The Australian and New Zealand Grapegrower and Winemaker*, December:66–69.

Mitchell, R., Hall, C. M., & McIntosh, A. 2000. Wine tourism and consumer behavior, in *Wine tourism around the world: development, management and markets*, edited by C.M. Hall, L. Sharples, B. Cambourne & N. Macionis. Oxford, UK: Butterworth-Heinemann.

Mitchell, R. & Hall, C.M. 2001. Lifestyle behaviours of New Zealand winery visitors: wine club activities, wine cellars and place of purchase. *International Journal of Wine Marketing*, 13(3):82–93.

Mitchell, R. & Hall, CM. 2004. The post-visit consumer behaviour of New Zealand winery visitors. *Journal of Wine Research*, 15(1):39–49.

Mitchell, R. & Hall, C.M. 2006. Wine tourism research: the state of play. *Tourism Review International*, 9(4):307-332.

Morgenthal, A. 2009. Verbal communication with the author on 23 July. Cape Town. (Notes in possession of author.) [Marketing manager of WOSA.]

Morrison, F. 2007. Screwcaps. *Number wine*. [Online] Available from: <http://www.numberwine.eu/screw-caps.html> [Accessed: 2010-08-05].

Mouton, J. 2005. *How to succeed in your master's and doctoral studies: a South African guide and resource book*. Paarl, South Africa: Van Schaik.

Napa Valley Destination Council. 2008. The NVDC and the importance of tourism in Napa County. *The Napa Valley*. [Online] Available from: <http://204.17.36.204/docs/cats/1%20The%20NVDC%20and%20the%20Importance%20of%20Tourism.pdf> [Downloaded: 2010-09-29].

Neuman, W.L. 2007. *Basics of social research: qualitative and quantitative approaches*. 2nd edition. Boston, MA: Pearson Education.

News24. 2010. Exchange rate. *News24*, 05 August. [Online] Available from: <http://www.news24.com/> [Accessed: 2010-08-05].

Nielsen Company. 2009. "Recession-Resilient" alcoholic beverage industry shows signs of strain in tough economic times. [Online] Available from: http://en-us.nielsen.com/content/nielsen/en_us/news/news_releases/2009/may/nielsen_recession_resilient.html [Accessed: 29-06-2010].

Nieuwenhuizen, C. 2007. *Business management for entrepreneurs*. Cape Town, South Africa: Juta.

Nieuwenhuizen, C. & Rossouw, D. 2008. *Business management: a contemporary approach*. Cape Town, South Africa: Juta.

Nowak, L., Thach, L. & Olsen, J.E. 2006. Wowing the millennials: creating brand equity in the wine industry. *Journal of Product and Brand Management*, 15(5):316–323.

O'Neill, M. & Charters, S. 2000. Service quality at the cellar door: implications for Western Australia's developing wine tourism industry. *Managing Service Quality*, 10(2):112–122.

- O'Neill, M.A. & Palmer, A. 2004. Wine production and tourism: adding service to a perfect partnership. *Cornell Hotel and Restaurant Administration Quarterly*, August:269–284.
- O'Neill, M., Palmer, A. & Charters, S. 2002. Wine production as a service experience: the effects of service quality on wine sales. *Journal of Services Marketing*, 16(4):342-362.
- Orth, U.R., Lockshin, L. & d'Hauteville, F. 2007. The global wine business as a research field. *International Journal of Wine Business Research*, 19(1):5–13.
- Orth, U.R., Wolf, M.M. & Dodd, T. 2005. Dimensions of wine region equity and their impact on consumer preferences. *Journal of Brand Management*, 14(2):88–97.
- Pendock, N. 2010. Can the iPad save Stellenbosch? *Wine.co.za*, 21 July. [Online] Available from: <http://www.wine.co.za/News/news.aspx?NEWSID=16061&Source=News> [Accessed: 2010-08-02].
- Pinotage Association. 2008 *Absa top ten pinotage*. [Online] Available from: <http://www.pinotage.co.za/index.php?page=27&PHPSESSID=1e16af71d553c7885553ed86b978d8b6> [Accessed: 2009-01-07].
- Pizam, A. & Mansfield, Y. (eds.) 1999. *Consumer behaviour in travel and tourism*. New York: Haworth Press.
- Planting, S. 2010. A slow blend. *Financial Mail*, 24 June. [Online] Available from: <http://www.fm.co.za/Article.aspx?id=112790> [Accessed: 2010-07-06].
- Preston-Whyte, R. 2000. Wine route in South Africa, in *Wine tourism around the world: development, management and markets*, edited by C.M. Hall, L. Sharples, B. Cambourne & N. Macionis. Oxford: Butterworth-Heinemann.
- Pricewaterhouse Coopers. 2008. *The South African wine industry benchmarking of producer cellars – 2008 harvest*. [Online] Available from: <http://www.pwc.com/za/en/publications/wine-benchmarking-survey-2009.jhtml> [Accessed: 2010-06-08].
- Pride, W.M. & Ferrell, O.C. 2003. *Marketing: concepts and strategies*. 12th edition. Boston, Mass: Houghton Mifflin.
- Professional Friends of Wine. n.d. *Wine 101: wine history*. [Online] Available from: <http://www.winepros.org/wine101/history.htm> [Accessed: 17-07-2008].

Ponte, S. & Ewert, J. 2007. South African wine: an industry in ferment. Working paper no. 8. Danish Institute for International Studies and Department of Sociology and Social Anthropology, University of Stellenbosch, October.

Porter, M. 2001. The value chain and competitive advantage, in *Understanding business process*, edited by D.W. Barnes London, UK: Routledge.

Reddy, C. 2006. Wine body stresses exports, tourism. *Engineering News*, 17 November. [Online] Available from: <http://www.engineeringnews.co.za/searchadvanced.php?searchString=wine+tourism> [Accessed: 03-12-2007].

Redford, S. 2008. The effect of exchange rate volatility on the volume of South African exports. *South African Reserve Bank*. [Online] Available from: <http://www.tips.org.za/publication/effect-exchange-rate-volatility-volume-south-african-exports> [Accessed: 2010-08-25].

Ruta do vinho do Ribeiro. 2010. *Menu principal*. [Online] Available from: <http://www.rutadelvinoribeiro.com/> [Accessed: 2010-10-01].

Riezebos, R. 2003. *Brand management: a theoretical and practical approach*. London: Prentice-Hall.

Roberts, L. & Sparks, B. 2006. Enhancing the wine tourism experience: the customers' viewpoint, in *Global wine tourism: research, management & marketing*, edited by J. Carlsen, & S. Charters. London, UK: CAB International.

Robinson, J. 2004. Will our grandchildren need a corkscrew? JancisRobinson.com, 11 June. [Online] Available from: <http://www.jancisrobinson.com/articles/winenews0612?searchterm=corkscrew> [Accessed: 2010-09-01].

Robinson, J. (ed.) 2006. *The Oxford companion to wine*. 3rd edition. Oxford, UK: Oxford University Press.

Rose, A. 2009. The Fairtrade logo alone is not enough: the wines have to stack up against similarly priced bottles on merit. *The Independent*, 21 February. [Online] Available from: <http://www.independent.co.uk/life-style/food-and-drink/features/anthony-rose-the-fairtrade-logo-alone-is-not-enough-ndash-the-wines-have-to-stack-up-against-similarly-priced-bottles-on-merit-1625740.html> [Accessed: 29-04-2009].

Rosnow, R. & Rosenthal, R. 1999. *Beginning behaviour research: a conceptual primer*. Upper Saddle River, NJ: Prentice-Hall.

Ross, J. n.d. Yield versus quality. Enology International. [Online] Available from: <http://www.enologyinternational.com/yield/yieldvsq.html> [Accessed: 2010-09-30].

Russell-Bennett, R., McColl-Kennedy, J.R. & Coote, L.V. 2007. Involvement, satisfaction, and brand loyalty in a small business services setting. *Journal of Business Research*, 60(12):1253–1260.

SA Wine Council. 2007. *The wine industry transformation charter*. September. [Online] Available from: <http://www.sawit.co.za/downloads/TransformationCharter.pdf> [Downloaded: 08-06-2010].

SAinfo. 2010a. Ethical practice awards for SA wines. *SAinfo*, 08 January. [Online] Available from: <http://www.southafrica.info/business/economy/development/wine-080110.htm> [Accessed: 2010-06-30].

SAinfo. 2010b. SA wine industry driving jobs, GDP. *SAinfo*, 16 February. [Online] Available from: <http://www.southafrica.info/business/economy/wine-160210.htm> [Accessed: 08-06-2010].

SAinfo. 2010c. South African wines hit in the UK. *SAinfo*, 02 February. [Online] Available from: <http://www.southafrica.info/business/trade/export/ukwine-020210.htm> [Accessed: 2010-05-11].

Salkind, N.J. 2000. *Exploring research*. 4th edition. Cape Town: Prentice-Hall.

Salkind, N.J. 2009. *Exploring research*. 5th edition. Cape Town: Prentice-Hall.

SAWIS (South African Wine Industry Information and Systems). 2009a. *South African wine industry statistics*. 09 December. Paarl: SAWIS.

SAWIS (South African Wine Industry Information and Systems). 2009b. *Macro-economic impact of the wine industry on the South African economy (also with reference to the impacts on the Western Cape)*. 09 December. Pretoria, South Africa: Conningarth Economists. [Online] Available: www.sawis.co.za/info/download/Macro_study_2009.pdf [Downloaded: 2010-06-30].

Scherotter, N. 2010. Chinese wineries to rival Australia and California. *Cork'd*, 26 July. [Online] Available from: <http://content.corkd.com/2010/07/26/chinese-wineries-to-rival-australia-and-california/> [Accessed: 2010-08-25].

Seddighi, H.R., Nuttall, M.W. & Theocharous, A.L. 2001. Does cultural background of tourists influence the destination choice? An empirical study with special reference to political instability. *Tourism Management*, 22:181-191.

SeeNews. 2008. UBB: trends in the wine sector development. 13 February. [Online] Available from: <http://www.seenews.com/news/latestnews/ubb-trendsinthewinesectordevelopment-feb2008-094608/> [Accessed: 2010-09-01].

Sharma, K.K. 2005. *Tourism and development*. New Delhi, India: Sarup.

Sheth, J.N. & Uslay, C. 2007. Implications of the revised definition of marketing: from exchange to value creation. *Journal of Public and Policy Marketing*, 26(2):302–307.

Sleet, R. 2009. From ordinary to extraordinary: a route to a coordinated wine tourism strategy. Paper presented at the South African Wine Tourism Conference, 22–23 July, Vineyard Hotel and Spa, Cape Town.

Slinkard, S. n.d. Screw cap closures on the rise. *About.com: Wine*. [Online] Available from: <http://wine.about.com/od/storingwines/a/Screwcaps.htm> [Accessed: 2010-08-05].

Smale, W. 2008. Wine prices go into the red. *BBC News*, 17 November. [Online] Available from: <http://news.bbc.co.uk/2/hi/business/7725589.stm> [Accessed: 2008-12-12].

Small business dictionary. 2008. Trademark. [Online] Available from: <http://www.smbtn.com/smallbusinessdictionary/#t> [Accessed: 12-06-2008].

Smith, P.R. & Taylor, J. 2004. *Marketing communications: an integrated approach*. 4th edition. London, UK: Kogan Page.

Smith, S.L.J. & Xiao, H. 2008. Culinary tourism supply chains: a preliminary examination. *Journal of Travel Research*, 46:289–299.

Snepenger, D., King, J., Marshall, E. & Uysal, M. 2006. Modeling Iso-Ahola's motivation theory in the tourism context. *Journal of Travel Research*, 45:140.

Solomon, M.R. & Stuart, E.W. 1997. *Marketing: real people, real choices*. Upper Saddle River, NJ: Prentice-Hall.

Somogyi, S., Gyau, A., Li, E.L. & Bruwer, J. 2010. Enhancing long-term grape grower/winery relationships in the Australian wine industry. *International Journal of Wine Business Research*, 22(1).

South African Advertising and Research Foundation (SAARF). 2007. *SAARF trends 2001–2007*. December. Johannesburg: South African Advertising Research Foundation.

South African History Online. n.d. *Jan van Riebeeck biography*. [Online] Available from: <http://www.sahistory.org.za/pages/people/bios/vanRiebeeck,j.htm> [Accessed: 2010-08-19].

South Africa Travel Net. 2009. *South Africa's currency and finance*. [Online] Available from: http://www.southafrica-travel.net/economy/e_rand.htm [Accessed: 2010-08-05].

South Africa Tourism. 2007. *Gearing up to be globally competitive: tourism growth strategy 2008–2010*. 3rd edition. [Online] Available from: <http://www.southafrica.net/satourism/research/research.cfm> [Accessed: 2008-01-15].

South African Wine Industry Trust (SAWIT). n.d. About SAWIT. [Online] Available from: <http://www.sawit.co.za/> [Accessed: 2010-08-30].

South Australia Tourism. 2008. *South Australia Wine Tourism Strategy, 2004–2008*. [Online] Available from: http://www.tourism.sa.gov.au/tourism/plan/Wine_Tourism_Strategy.pdf [Downloaded: 2008-08-20].

South Australian Tourism Commission (SATC). 1997a. *Wine and tourism: a background research report*. Adelaide: SATC.

South Australian Tourism Commission (SATC). 1997b. *SATC corporate plan 1998–2003*. Adelaide: SATC.

Sparks, B. 2007. Planning a wine tourism vacation? Factors that help to predict tourist behavioural intentions, *Tourism Management* 28(5):1180–1192.

Stellenbosch Wine Route. n.d.[a] *Subroutes*. [Online] Available from: <http://www.wineroute.co.za/subroutes.asp> [Accessed: 2008-11-06].

Stellenbosch Wine Route. n.d.[b] *Welcome*. [Online] Available from: <http://www.wineroute.co.za/welcome.aspx> [Accessed: 2008-12-06].

Stellenbosch Wine Route. n.d.[c] *Wine route map*. [Online] Available from: http://www.wineroute.co.za/images/maps/map_stellenbosch.jpg [Accessed: 2008-11-06].

Stellenbosch Wine Route. 2008. *Stellenbosch wine routes: still leading the way*. 6 November. [Online] Available from: <http://www.wine.co.za/news/news.aspx?NEWSID=12791&Source=Newsfeed> [Accessed: 2008-11-06].

Stormhoek. 2008. Cork vs screwcap debate. 31 January. [Online] Available from: <http://www.stormhoek.com/blog/index.php/2008/01/31/cork-vs-screw-cap-debate/> [Accessed: 2010-08-05].

Strydom, J.W. 2004. *Introduction to marketing*. Cape Town, South Africa: Juta.

Strydom, J.W., Jooste, C.J. & Cant, M.C. 2000. *Marketing management*. 4th edition. Kenwyn: Juta.

SurePure. 2010. New legislation opens up sustainable opportunities for winemakers. *Wine.co.za*, 22 July. [Online] Available from: <http://www.wine.co.za/news/news.aspx?NEWSID=16063&Source=News> [Accessed: 2010-08-02].

Swanepoel, S. & Bailey, L. (eds.) 2008. *Wine tourism handbook: South Africa's ultimate guide to the Cape winelands*. Cape Town: The World's Favourite Publications.

Tassiopoulos, D. & Haydam, N. 2006. Wine tourists in South Africa: a demand side study, in *Global wine tourism: research management and marketing*, edited by J. Carlsen & S. Charters. London, UK: CAB International.

Tassiopoulos, D., Nuntsu, N. & Haydam, N. 2003. *Wine tourist in South Africa*. Report for the Tourism Department. Potsdam, South Africa: Border Technikon.

Tassiopoulos, D., Nuntsu, N. & Haydam, N. 2004. Wine tourism in South Africa: a demographic and psychographic study. *Journal of Wine Research*, 15(1):51–64.

Telfer, D.J. 2001. Strategic alliances along the Niagara wine route. *Tourism Management*, 22:21-30.

Terrien, C. & Steichen, D. 2008. Accounting for social taste: application to the demand for wine. *International Journal of Wine Business Research*, 20(3):260–275.

Thach, L. 2007. Trends in wine tourism. *Wine Business Monthly*, 15 August. [Online] Available from: <http://www.winebusiness.com/wbm/?go=getArticle&dataId=50125> [Accessed: 2010-08-16].

Thach, L. & Matz, T. (eds.) 2004. *Wine: a global business*. New York, NY: Miranda Press.

The New York Times. 2010. Iceland volcano eruption of 2010 (Eyhafjallajokull volcano). *The New York Times*, 20 April. [Online] Available from: <http://topics.nytimes.com/top/news/international/countriesandterritories/iceland/eyhafjallajokull/index.html> [Accessed: 2010-08-05].

The Stables Wine Estate. n.d. *KZN wine history*. [Online] Available from: <http://www.stableswine.co.za/kznhistory.html> [Accessed: 2010-08-30].

This is money. 2009. *Downtrading: top brands to cheap brands*. 7 May. Thisismoney.co.uk. [Online] Available from: http://www.thisismoney.co.uk/30-second-guides/article.html?in_article_id=484056&in_page_id=53611 [Accessed: 2010-06-30].

Thomas, R. 2009. Verbal communication with the author on 24 June. Cape Town. (Notes in possession of author.) [Information manager: SAWIS.]

Thomas, S. 2010a. Down to a drop. *Financial Mail*, 24 June. [Online] Available from: <http://www.fm.co.za/Article.aspx?id=112787> [Accessed: 2010-07-06].

Thomas, S. 2010b. *What SA's wine industry contributes*. *Financial Mail*, 24 June. [Online] Available from: <http://www.fm.co.za/Article.aspx?id=112789> [Accessed: 2010-07-06].

Thomas, S. 2010c. *Lots to whine about*. *Financial Mail*, 24 June. [Online] Available from: <http://www.fm.co.za/Article.aspx?id=112791> [Accessed: 2010-07-06].

Time for change. n.d. *What is a carbon footprint: definition*. [Online] Available from: <http://timeforchange.org/what-is-a-carbon-footprint-definition> [Accessed: 2010-08-05].

Timeline Index. 2005. *Vasco Da Gama, sails to India – 1498*. [Online] Available from: <http://www.timelineindex.com/content/view/511> [Accessed 2010/04/18].

Toureagle. n.d. Francolin Creek. [Online] Available from: <http://www.toureagle.com/Activities/za/heilbron/vineyards> [Accessed: 2010-08-30].

Tourism Grading Council of South Africa (TGCSA). n.d. *The benefits of being star graded*. [Online] Available from: <http://www.tourismgrading.co.za/default.aspx?pid=41&stepid=1&oid=80> [Accessed: 2010-09-30].

TrekkingChile. 2005. *Discovering Chile and its wine and wineries*. [Online] Available from: <http://www.trekkingchile.com/EN/wineries/index.php> [Accessed: 2009-01-27].

Treloar, P., Hall, C.M. & Mitchell, R. 2004. *Wine tourism and the generation Y market: any possibilities?* Refereed research paper. [Online] Available from: <http://eprints.otago.ac.nz/158/1/Treloar%20et%20al.%20CAUTHE%20full.pdf> [Downloaded: 2009-01-07].

Tripadvisor. 2008. *Chile overview*. [Online] Available from: www.tripadvisor.com/Tourism-g294291-Chile-Vacations.html [Accessed: 2008-11-06].

Tustin, D.H., Ligthelm, A.A., Martins, J.H. & Van Wyk, H.J. 2005. *Marketing research in practice*. Pretoria, South Africa: Unisa Press.

UCT Unilever Institute of Strategic Marketing. 2007. Black diamond presentation. *UCT Unilever Institute of Strategic Marketing*. [Online] Available from: http://www.unileverinstitute.co.za/index.php?Itemid=34&id=72&option=com_content&task=view [Accessed: 2010-08-25].

United Bulgarian Bank. 2008. Trends in the wine sector development. Business analyses. United Bulgarian Bank. [Online] Available from: http://reports.aiidatapro.com/BBB/UBB/Wine_Sector_Development_Feb08.pdf [Downloaded: 2010-09-01].

Van Huyssteen, A. n.d. Making hay while the sun shines. *Financial Mail*. [Online] Available from: <http://secure.financialmail.co.za/topcomp/topagri.html> [Accessed: 2010-05-04].

Van Wyk, M. 2010. Picking the fruits of our labour: equity-sharing schemes on wine farms in South Africa. 14 July. Consultancy Africa Intelligence. [Online] Available from: http://www.consultancyafrica.com/index.php?option=com_content&view=article&id=470:picking-the-fruits-of-our-labour-equity-sharing-schemes-on-wine-farms-in-south-africa&catid=90:optimistic-africa&Itemid=295 [Accessed: 2010-08-04].

Van Zyl, C. 2002. The participation of the host community in the Aardklop National Arts Festival. M.Com dissertation, University of Pretoria, Pretoria.

Van Zyl, C. 2005. Optimum market-positioning models for South African arts festival scenarios. D.Com thesis, University of South Africa, Pretoria.

- Van Zyl, J. 2009. Groot Constantia: the great grandmother of wine production. *Winemagazine*, 5 June. [Online] Available from: <http://www.winemag.co.za/article/groot-constantia-2009-06-05> [Accessed: 2010-06-30].
- Velianova, E. 2008. A new wine industry emerges in Bulgaria. *Meininger's Wine Business International*, 28 February. [Online] Available from: http://www.wine-business-international.com/156-bWVtb2lyX2lkPTI4NiZtZW51ZV9jYXRfaWQ9--en-magazine-magazine_detail.html# [Accessed: 2010-08-25].
- Veseth, M. 2008. Trading down: wine and recession. *The Wine Economist*, October, 25. [Online] Available from: <http://wineeconomist.com/2008/10/25/trading-down/> [Accessed: 2010-06-08].
- Vinexpo. 2010. *The world wine and spirits market with forecasts to 2013 from the Vinexpo/ The IWSR 2010 Study*. Vinexpo Asia-Pacific, Hong Kong, 25–27 May. [Online] Available from: <http://www.vinexpo.com/dyn/press/synthese-monde-2010---anglais.pdf> [Downloaded: 2010-07-08].
- Vineyard Varieties. n.d. *Wine beginnings*. [Online] Available from: <http://www.vineyardvarieties.com/history.php#beginning> [Accessed: 2008-07-17].
- Vink, N., Williams, G. & Kirsten, J. 2004. South Africa, in *The world's wine markets: globalization at work*, edited by K. Anderson. Cheltenham, UK: Edward Elgar.
- Vins d'Alsace. n.d. [Online] Available from: http://www.vinsalsace.com/en/#SlideFrame_1 [Accessed: 2010-10-01].
- Von Ulmenstein, C. 2010. Blogging is "vanity publishing", food & wine bloggers told. *Wine.co.za*, 03 August. [Online] Available from: <http://www.wine.co.za/News/news.aspx?NEWSID=16133&Source=News> [Accessed: 2010-08-03].
- Vrontis, D. & Pappasolomou, I. 2007. Brand and product building: the case of the Cyprus wine industry. *Journal of Product and Brand Management*, 16(3):159–167.
- Vukasovic, T. 2009. Searching for competitive advantage with the aid of the brand potential index. *Journal of Product and Brand Management*, 18(3):165–176.

Walsh, G., Hennig-Thurau, T. & Mitchell, V. 2007. Consumer confusion proneness: scale development, validation and application. *Journal of Marketing Management* 23 (7&8):697–721.

Weaver, D. & Lawton, L. 2002. *Tourism management*. Milton, Australia: Wiley.

Weiers, R. M. 2008. *Introduction to business statistics*. 6th edition. Mason, Ohio: Thomson Higher Education.

Welman, J.C., Kruger, S.J. & Mitchell, B.M. 2009. *Research methodology*. 3rd edition. Cape Town, South Africa: Oxford University Press.

Willey, J. 2006. Italian wine provides a taste of ancient Rome. *Amore Travel Guides*. [Online] Available from: <http://www.amoretravelguides.com/blog/italian-wine-provides-a-taste-of-ancient-rome.php> [Accessed: 2009-01-06].

Williams, G. 2005. Black economic empowerment in the South African wine industry. *Journal of Agrarian Change*, 5(4):476–504.

Williams, A. & Young, I. 1999. *Wine tourists: white wine casks or bottled reds?* Paper presented at the Second Australian Wine Tourism Conference, August, Rutherglen, Australia.

Wine Geeks. n.d. *Wine regulations: old world countries*. [Online] Available from: <http://winegeeks.com/resources/106> [Accessed: 2009-01-06].

Wine Institute. 2009a. *Per capita wine consumption of countries*. 23 July. [Online] Available from: <http://www.wineinstitute.org/files/PerCapitaWineConsumptionCountries.pdf> [Downloaded: 2010-06-25].

Wine Institute. 2009b. *World wine consumption by volume*. 23 July. [Online] Available from: <http://www.wineinstitute.org/files/WorldWine%20ConsumptionbyVolume.pdf> [Downloaded: 2010-06-25].

Wine Institute. 2009c. *World wine production by country*. 23 July. [Online] Available from: <http://www.wineinstitute.org/files/WorldWine%20ConsumptionbyVolume.pdf> [Downloaded: 2010-06-25].

Wine Intelligence. 2009 Awareness of Fair Trade wines continues to grow. *Wine.co.za*, 23 February. [Online] Available from:

<http://www.wine.co.za/news/news.aspx?NEWSID=13278&Source=Newsfeed> [Accessed: 2009-04-28].

WineNews Editorial Team. 2009. Western Cape: the proposed liquor bylaw. *Wine.co.za*, 11 February. [Online] Available from: <http://www.wine.co.za/news/news.aspx?NEWSID=13213&Source=Newsfeed> [Accessed: 2009-04-29].

Winemakers Federation of Australia. 2002. Wine tourism strategic business plan 2002–2005. Embrace the challenge. *Winemakers Federation of Australia*, November. [Online] Available from: <http://www.wfa.org.au/PDF/NWTS%20Strategic%20Plan.pdf> [Downloaded: 2009-01-06].

Winer, R.S. 2007. *Marketing management*. 3rd edition. Upper Saddle River, NJ: Prentice-Hall.

Wines of South Africa (WOSA). n.d.[a] *Fairtrade*. [Online] Available from: http://www.wosa.co.za/sa/news_article.php?id=800 [Accessed: 31-11-2009].

Wines of South Africa (WOSA). n.d.[b] *History*. [Online] Available from: http://www.wosa.co.za/sa/history_3centuries.php [Accessed: 2008-07-31].

Wines of South Africa (WOSA). n.d.[c] *Labelling*. [Online] Available from: http://www.wosa.co.za/sa/origin_label.php [Accessed: 2009-09-04].

Wines of South Africa. (WOSA). n.d.[d] *Unpacking fair-trade part 2*. [Online] Available from: http://www.wosa.co.za/sa/news_article.php?id=800 [Accessed: 2008-08-20].

Wines of South Africa (WOSA). n.d.[e] *Wine routes*. [Online] Available from: http://www.wosa.co.za/sa/tourism_routes.php [Accessed: 2008-08-20].

Wines of South Africa (WOSA). 2007. *Update on the South African wine industry*. [Online] Available from: <http://www.wosa.co.za/download/WOSA%20Press%20release%20final.pdf> [Accessed: 2008-11-05].

WordNet. n.d. *Frequency*. Princeton Education. [Online] Available from: <http://wordnetweb.princeton.edu/perl/webwn?s=frequency> [Accessed: 2010-04-03].

World Travel and Tourism Council. 2008. *Progress and priorities 2007/2008*. [Online] Available from: http://www.wttc.travel/bin/pdf/temp/finpp_2007.html [Accessed: 2008-01-17].

World Tourism Organisation. 2007a. *Promoting climate friendly travel. United Nations joint press kit for Bali climate change conference.* [Online] Available from: <http://www.un.org/climatechange/pdfs/bali/wto-bali07-14.pdf> [Downloaded: 2007-12-17].

World Tourism Organisation. 2007b. *World Tourism Barometer.* [Online] Available from: http://unwto.org/facts/eng/pdf/barometer/unwto_barom07_2_en.pdf [Downloaded: 2008-11-11].

World Travel and Tourism Council (WTTC). 2002. *South Africa: the impact of travel and tourism on jobs and the economy.* [Online] Available from: http://www.wttc.org/eng/Tourism_News/Press_Releases/Press_Releases_2002/South_Africa_Tourism/ [Accessed: 2010-08-25].

Yuan, J., Cai, L.A., Morrison, A.M. & Linton, S. 2005. An analysis of wine festival attendees' motivations: a synergy of wine, travel and special events? *Journal of Vacation Marketing*, 11(1):41.

Yuan, J. & Jang, S. 2008. The effects of quality and satisfaction on awareness and behavioural intentions: exploring the role of a wine festival. *Journal of Travel Research*, 46:279. [Online] Available from: <http://jtr.sagepub.com/cgi/content/abstract/46/3/279> [Accessed: 2010-07-09].

Yurdugül, H. 2008. Minimum sample size for Cronbach's coefficient alpha: a Monte Carlo study. *H.U. Journal of Education*, 35:397–405.

ANNEXURE A

Survey Population

SURVEY POPULATION

Alluvia Boutique Winery	Guardian Peak	Morgenster Wine Estate
Alto	Hartenberg Estate	Mostersdrift Noble Wines
Amani	HaskellVineyards	Mount Rozier
Amarava Wines	Hazendal	Mulderbosch
Annandale Wines	Heron Ridge	Muratie Wine Estate
Anwilka	Hidden Valley Wines	Neethlingshof
Asara Wine Estate	Hoopenburg Wines	Neil Ellis Wines
Audacia wines	House of JC le Roux	Nietvoorbij
Baarsma SA	Idiom Wines	Onderkloof
Bartinney Cellars	Ingwe	Oude Libertas
Beau Joubert Vineyards	JJ Wines	Overgaauw Wine Estate
Bein Wine Cellar	JP Bredell Wines	Post House
Bellevue Estate	Jacobsdal	Quoin Rock
Bergkelder	Jordan	Rainbows End Estate
Beyerskloof	Kaapzicht Estate/Steiytdal	Remhoogte Wine Estate
Bilton Wines	Kanonkop Estate	Ridgemor Wines
Blaauwklippen Wine Estate	Kanu Wines	Romond Wines
Bonfoi Wine Estate	Ken Forrester Wines	Rust en Vrede Wine Estate
Boschkloof Wines	Klawervlei	Rustenberg
Bouwland	Klein DasBosch	Saxenburg Wine Farm
Camberley	Klein Gustrouw	Simonsig Family Vineyards
Cape Hutton Wines	Kleine Zalze Wines	Skilpadvlei
Clos Malverne	Kleinood	Somberbosch Wines
Clovelly Wines	Knorhoek Wines	Spier
Cordoba Winery	Koelenhof Wine Cellar	Stellenrust
Croydon Vineyards	Koopmanskloof Wingerde	Stellekaya
Dalla Cia Wines	Laibach Vineyards	Stellenbosch Hills
De Meye Wines	Lanzerac Wines	Stellendrift
De Toren	L'Auberge du Paysan	Stellenzicht
De Trafford Wines	L'Avenir Wine Estate	Sterhuis

ANNEXURE B

Profile of the South African Wine Tourist

Gender, Age and Household Size

Age Group

18-24 years	10.4%	41-45 years	8.5%
25-28 years	18.4%	46-54 years	17.0%
29-34 years	18.4%	55-65 years	6.6%
35-40 years	20.2%	65+ years	0.5%

Gender

Male	51.4%
Female	48.6%

People living in household (<18 years) People in household consuming wine

0.73 persons
2.16 persons

Highest Educational Qualification

School leavers' certificate (15 yrs+)	2.4%
Matric certificate	9.5%
Technical College certificate/diploma	12.3%
Technicon diploma/degree	18.0%

Bachelor university degree	28.4%
Honours university degree	18.0%
Masters degree	8.1%
Doctorate degree	3.3%

Annual Total Household Income (Before Taxes)

R25,000	3.8%
R25,000 to R50,000	3.3%
R50,001 to R100 000	9.8%
R100, 001 to R150 000	12.0%
R150, 001 to R250 000	7.1%

R200 001 to R250000	10.9%
R250 001 to R300 000	13.1%
R300 001 to R400 000	11.5%
>R400 000	28.00%
Confidential	13.7%

Occupational Category

Professionals	25.0%
Managers and administrators	14.9%
Associate/ professionals	10.3%
Intermediate clerical, sales and service workers	8.7%
Elementary clerical, sales and service workers	7.7%
Tradespersons and related workers	7.2%
Student	6.2%

Homemaker	5.6%
Self-employed	3.6%
Advanced clerical and service workers	3.1%
Intermediate production and transport workers	3.1%
Labourers and related workers	3.1%
Retired	1.0%
Unemployed	0.5%

¹ Frandsen, 2005: Appendix A

ANNEXURE C

Cover Letter

Questionnaire

Dear _____

I am currently gathering research data for my masters degree in marketing at Unisa. My research focuses on the role of wine tourism in promoting and branding wineries in South Africa.

It will be greatly appreciated if you could complete an online survey for _____ which should not take more than 15 minutes of your time.

Please click on the [link](#) and then complete and submit the survey.

If you would like to receive a summary of the results, please click on the [link](#) to send an automatic response. The survey is completely anonymous and therefore I am unable to automatically send results to respondents.

Kind regards,

Adri Kirkman

Lecturer: Diploma in Tourism Management
BCom Tourism Management



Department of Transport Economics, Logistics and Tourism

Tel: 012 429 2549 **Email:** ventera@unisa.ac.za

Promoting and Branding Wineries through Wine Tourism

Dear Respondent

You are invited to participate in an academic research study in the area of commerce, at the University of South Africa. The **purpose** of the study is to investigate the **role of wine tourism in promoting and branding wineries that form part of the Stellenbosch Wine Route.**

I value your participation and will appreciate it if you can complete this questionnaire. It should not take more than 15 minutes of your time; all information will be treated as strictly confidential.

Section A: Corpographic Profile and Tourism Products and Services of Wineries

1. Which sub-route does the winery form part of?

Please indicate the correct answer by circling the appropriate option.

Stellenbosch Sub-routes	
Greater Simonsberg	1
Stellenbosch Berg	2
Helderberg	3
Bottelary Hills	4
Stellenbosch Hills	5

2. How would you classify the size of the winery based on the amount of grapes pressed to produce wine?

Please circle the option that best describes your answer.

Size of Winery	
Small (1 to 250 tons)	1
Medium (251 to 1000 tons)	2
Large (1001 to 10 000 tons)	3

3. How would you classify the ownership status of the winery? Please circle the option that best describes your answer.

Ownership Status	
Private Company	1
Public Company	2
Sole Trader	3
Co-operative	4
Closed Corporation	5
Trust	6
Non-profit (Article 21)	7
Partnership	8
BEE partnership	9

4. What is the tasting fee structure of the winery?

Please circle ALL the options that apply to your winery.

Tasting Fee Structures	
Tasting is free of charge	1
A tasting fee is charged per sample	2
A tasting fee is charged per set of samples	3
A tasting fee includes a set of samples and glass with the winery logo	4
Tasting is free of charge if wine is purchased	5
If you buy a box/case after tasting, box can be purchased at a discounted price	6
Other, please specify...	7

5. How many employees does the winery make use of?

Please indicate the correct number in each box by choosing the option where the majority of each employee's work time is spent.

Type	Full Time	Part Time Casual/Contract	Outsourced Agency
Wine production or wine making			
Wine tourism or tourism related			
Restaurant or food related			
Rest of the wine estate activities (e.g. vineyard/farm related)			

6. Please indicate when the winery is open to the public.

Circle ALL the options that best reflect the times that your winery is open to the public.

Complete the box next to each day with the times that best reflects the winery's trading hours.

Open to Public	
Never	1
Only by appointment	2
Only during summer (September to April)	3
The whole year	4
Only during festivals	5
Other, please specify...	6

Days	Hours
Monday to Friday	
Saturday	
Sunday	
Most Public Holidays	

7. Which of the following products and services does the winery offer to customers?

Please indicate ALL the options that apply by circling the correct box.

Winery Products and Services			
Wine tasting	1	Farmstall (selling fresh produce)	2
Cellar-door sales	3	Souvenir shop	4
Self-guided winery tours	5	Historic buildings/Museum	6
Educational (guided) tours of the winery	7	Children's playground facilities	8
Opportunities to meet the winemaker	9	Domestic animal feeding and watching	10
Barbeque/Braai facilities	11	Vineyard walking trails	12
Picnic facilities	13	Fruit picking opportunities	14
Social function facilities	15	Hiking/biker trails	16
Conference facilities	17	Horse/pony rides	18
Wine/other festivals	19	Tractor/trailer rides	20
Overnight accommodation	21	4 x 4 trails	22
Restroom facilities	23	Wheelchair facilities	24
Restaurant – Open Mon. to Fri.	25	Restaurant – Open on Sunday	26
Restaurant – Open on Saturday	27	Restaurant – By arrangement only	28

Section B: Visitor Profile

8. Do you count visitors to the winery on a systematic basis?

Please circle the option that applies to the winery.

Yes	1
No	2

9. In your opinion, how many visitors to the winery are domestic tourists and how many are international tourists?

Please indicate the approximate percentages by completing the blocks provided.

Domestic	%
International	%

10. In your opinion, what is the general composition of the gender of visitors to the winery?

Please indicate the approximate percentages by completing the blocks provided.

Male	%
Female	%

11. In your opinion, what is the age profile of visitors to the winery?

Please indicate the approximate percentages by completing the blocks provided.

17 years or younger	%
18-30 years	%
31-55 years	%
56 years or older	%

12. What, in your opinion, motivates people to visit the winery?

Please read each statement below and circle the option that best reflects your view.

Motivations to Visit a Winery	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. To taste quality wine	1	2	3	4	5
2. To taste a wine before purchasing it	1	2	3	4	5
3. To make use of a special offers at the winery	1	2	3	4	5
4. To experience the ambiance of the winery	1	2	3	4	5
5. To experience the wine region	1	2	3	4	5
6. As a general outing or activity	1	2	3	4	5
7. To talk to owners or winemakers	1	2	3	4	5
8. For the total winery experience	1	2	3	4	5
9. Knowledgeable cellar door staff	1	2	3	4	5
10. To learn more about wines	1	2	3	4	5
11. Friendly reception from cellar staff	1	2	3	4	5
12. To experience a winery tour	1	2	3	4	5
13. Reputation (brand) of your wine	1	2	3	4	5
14. Medal winning wines	1	2	3	4	5
15. John Platter's Wine Guide	1	2	3	4	5
16. Knowledge of the Great Wine Capitals	1	2	3	4	5

Section C: Advantages and Disadvantages of Wine Tourism to Wineries

13. Please indicate how much you agree or disagree with the following statements regarding the advantages and disadvantages of wine tourism. Please circle the option that best reflects your view.

Advantages and Disadvantages of Wine Tourism	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1. Wine tourism contributes to increased wine sales	1	2	3	4	5
2. Wine tourism creates brand awareness	1	2	3	4	5
3. Wine tourism fosters brand loyalty	1	2	3	4	5
4. Sales from the cellar door is an important contributor to overall sales volume	1	2	3	4	5
5. Wine tourism opens the door for new partnerships with tourism organisations	1	2	3	4	5
6. Wine tourism leads to an increase in visitor numbers	1	2	3	4	5
7. Wine tourism leads to an increase in spending at my winery	1	2	3	4	5
8. Wine tourism assists my winery in overcoming slow demand periods	1	2	3	4	5
9. Wine tourism is an opportunity to educate customers	1	2	3	4	5
10. Wine tourism enables me to increase my profit margin on wines	1	2	3	4	5
11. Wine tourism attracts new domestic market segments to my winery's products	1	2	3	4	5
12. Wine tourism attracts new international market segments to my winery's products	1	2	3	4	5
13. Wine tourism has improved links with the wine trade	1	2	3	4	5
14. Wine tourism is an opportunity to test new products on customers	1	2	3	4	5
15. Wine tourism contributes to developing a unique positive destination image	1	2	3	4	5
16. Wine tourism is a way to acquire market intelligence on customers	1	2	3	4	5
17. Wine tourism leads to increased costs and management time at my winery	1	2	3	4	5
18. Wine tourism requires a large capital investment	1	2	3	4	5
19. Wine tourism does not substantially increase sales of wine	1	2	3	4	5
20. Wine tourism helps to develop mail order sales	1	2	3	4	5
21. Wine tourism differentiates my wine from others	1	2	3	4	5
22. Cellar door visitors do not buy a lot of wine	1	2	3	4	5
23. Tourists are valuable to my winery	1	2	3	4	5
24. Wine tourism attracts a wide range of customers to my winery	1	2	3	4	5
25. Wine tourism offers important marketing opportunities	1	2	3	4	5
26. Wine tourism positively impacts the sales of my wine offshore	1	2	3	4	5
27. Time spent with visitors to my winery is valuable	1	2	3	4	5
28. Wine tourism contributes greatly to my business success	1	2	3	4	5
29. The overall benefits of wine tourism outweigh the negative impacts	1	2	3	4	5
30. Wine tourism does not attract the kind of visitors that I want to my winery	1	2	3	4	5

Section D: Wine Tourism and Promotion of the Winery Product

- 14. Which of the following promotional activities does your winery use to market its products?**
Please circle ALL the options that apply to your winery.

Promotional Activities

Wine tasting rooms	1	Direct mail-order list	16
Organised wine tastings	2	Newsletters	17
Attending wine festivals	3	Wine club membership	18
Attending wine trade shows	4	Special offers/discounts	19
Sponsoring or hosting music festivals	5	Wine sales representatives	20
Sports promotions	6	Advertising by sales agents	21
Wine route promotional activities	7	Wine magazine adverts	22
Advertising by bottling corporations	8	Other magazine adverts	23
Airlines	9	Newspaper adverts	24
Hotels and other accommodation	10	Regional radio adverts	25
Restaurants	11	Television adverts	26
Internet shops (e-commerce)	12	Word-of-mouth advertising	27
Newspaper/Magazine editorials	13	Hosting wine and food journalists	28
Own internet site	14	Other, please specify...	29
Other internet sites	15		

- 15. Please rate the importance of the following elements with regards to selling the winery's wine.**
Please circle the options that apply to your winery.

Type of Sale	Irrelevant	Unimportant	Neutral	Important	Very Important
1. Cellar door sales	1	2	3	4	5
2. Wholesale	1	2	3	4	5
3. Retail	1	2	3	4	5
4. Exporting	1	2	3	4	5
5. Own restaurant	1	2	3	4	5
6. Other restaurants	1	2	3	4	5
7. Mail order	1	2	3	4	5
8. Hotels and other accommodation establishments	1	2	3	4	5
9. Embassies	1	2	3	4	5
10. Wine clubs	1	2	3	4	5

- 16. How important do you think each of the following factors are in developing and marketing a successful winery?**
Please indicate the option that best reflects your opinion by circling the appropriate number.

Developing and Marketing a Successful Winery	Irrelevant	Unimportant	Neutral	Important	Very Important
Having a restaurant or café	1	2	3	4	5

Employing staff that are knowledgeable about wines	1	2	3	4	5
Providing education and interpretation for visitors	1	2	3	4	5
Providing winery tours for visitors	1	2	3	4	5
Accommodating large tour groups	1	2	3	4	5
Having the correct accreditation (i.e. cellar door standards)	1	2	3	4	5
Producing and selling organic wines	1	2	3	4	5
Retailing both wine and other products	1	2	3	4	5
Providing wine appreciation opportunities	1	2	3	4	5
Hosting special events and functions	1	2	3	4	5
Having overnight accommodation on site	1	2	3	4	5
Having an attractive, well-designed winery	1	2	3	4	5
Good sign posting	1	2	3	4	5
Friendly, service oriented staff	1	2	3	4	5

17. **What percentage of the winery's total revenue is spent on marketing?**

Please circle the approximate percentage.

0-5%	1
6-10%	2
11-15%	3
16-30%	4
31-50%	5
51-70%	6
71-100%	7

18. What percentage of the marketing spend is spent on international marketing as opposed to domestic marketing?

Please indicate the relevant percentages in the blocks provided.

International	%
Domestic	%

19. Of the total amount of wine sold, how much of the wine is sold locally and how much is exported?

Please indicate the relevant percentages in the blocks provided.

Domestic Sales	%
Exported	%

20. In your opinion, who should be responsible for wine tourism promotion?

Please indicate your answer by circling ALL the options that reflect your view.

Government	1
Regional Tourism Offices	2
SA Tourism	3
Tourism Organisations	4
Wine Routes	5
Each Individual Winery	6
WOSA	7

SECTION E: Wine Tourism and Brand Equity

21. Please indicate how much you agree or disagree with the following statements by circling the relevant option.

Brand Equity	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. I can increase loyalty to my wine by exhibiting at a wine festival	1	2	3	4	5
2. I can increase perceived quality of my wine by having an upmarket tasting room	1	2	3	4	5
3. Consumers will make positive brand associations with my wine if I host a wine festival	1	2	3	4	5
4. Sponsoring a music event helps create awareness of my brand	1	2	3	4	5
5. Hosting a book club in my wine cellar helps create a positive association with my brand	1	2	3	4	5
6. Being graded by the Wine Route Association increases the perceived quality of my wine	1	2	3	4	5
A souvenir shop with several branded souvenirs (eg caps, hats, T-shirts) increases brand awareness of my winery	1	2	3	4	5
7. Winery tasting fosters brand loyalty for my winery	1	2	3	4	5
8. Celebrity endorsements increases the perceived quality of my wine	1	2	3	4	5
9. Wine festivals increases positive brand associations with my wine	1	2	3	4	
10. Cinema and photography festivals increases positive brand associations with my wine	1	2	3	4	5
11. Festivals help create brand awareness of my winery	1	2	3	4	5

Thank you very much for your participation.

The results of the study will be used for academic purposes only and may be published in an academic journal. I will provide you with a summary of findings on request.

ANNEXURE D

Statistical Tables and Graphs

DESCRIPTIVE STATISTICS

Table D1: Winery size

Winery size	Frequency	Valid percentage	Cumulative percentage
Small (1 to 250 tons)	23	51%	51%
Medium (251 to 1000 tons)	17	38%	89%
Large (1001 to 10 000 tons)	5	11%	100%

Table D2: Ownership status

Ownership status	Frequency	Valid percentage	Cumulative percentage
Private Company	27	62.8%	62.8%
Public Company	1	2.3%	65.1%
Sole Trade	3	7.0%	72.1%
Co-operative	1	2.3%	74.4%
Closed Corporation	4	9.3%	83.7%
Trust	5	11.6%	95.3%
Non-profit (Article 21)	0	0%	95.3%
Partnership	2	4.7%	100%
BEE Partnership	0	0%	100%

Table D3: Tasting fees

Tasting fees	Frequency	Valid percentage
Tasting is free of charge	4	8.7%
A tasting fee is charged per sample	2	4.3%
A tasting fee is charged per set of samples	12	26.1%
A tasting fee includes a set of samples and glass with the winery logo	3	6.5%
Tasting is free of charge if wine is purchased	22	47.8%
If you buy a box/case after tasting, box can be purchased at a discounted price	1	2.2%

Table D4: Operating times of wineries (n=45)

Opening times during the year		Operating hours during the week	
The whole year	82.6%	Monday to Friday	92.7%
Only by appointment	19.6%	Saturday	68.3%
Only during summer (Sept to April)	2.2%	Sunday	51.2%
Only during festivals	2.2%	Most public holidays	51.2%

Table D5: Products and services offered by wineries

Products and services	% yes	Products and services	% yes
Wine tasting	93.4%	Horse/pony rides	2.2%
Cellar-door sales	87.0%	Tractor/trailer rides	4.3%
Self-guided winery tours	15.2%	4 x 4 trails	4.3%
Educational (guided) tours of the winery	41.3%	Wheelchair facilities	41.3%
Opportunities to meet the winemaker	65.2%	Restaurant – Open Mon. to Fri.	32.6%
Barbeque/Braai facilities	10.9%	Restaurant – Open on Saturday	32.6%
Picnic facilities	26.1%	Restaurant – Open on Sunday	32.6%
Social function facilities	52.2%	Restaurant – By arrangement only	6.5%
Conference facilities	37.0%	Children’s playground facilities	32.6%
Wine/other festivals	37.0%	Domestic animal feeding and watching	8.70%
Overnight accommodation	34.8%	Vineyard walking trails	21.7%
Restroom facilities	73.9%	Fruit picking opportunities	6.5%
Farmstall (selling fresh produce)	6.5%	Hiking/biker trails	10.9%
Souvenir shop	19.6%	Historic buildings/Museum	19.6%

Table D6: Systematic visitor count

Counting Visitors	Frequency	Valid percentage	Cumulative percentage
Yes	12	26.1%	26.1%
No	34	73.9%	100%

Figure D1: Tasting quality wine

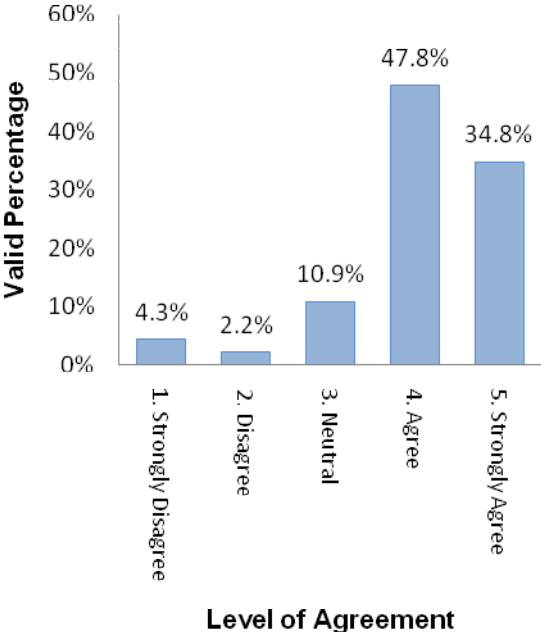


Figure D2: Tasting wine before purchase

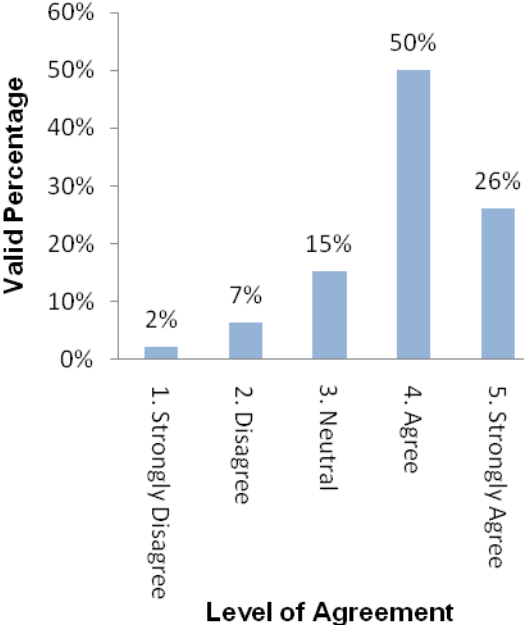


Figure D3: Making use of special offers

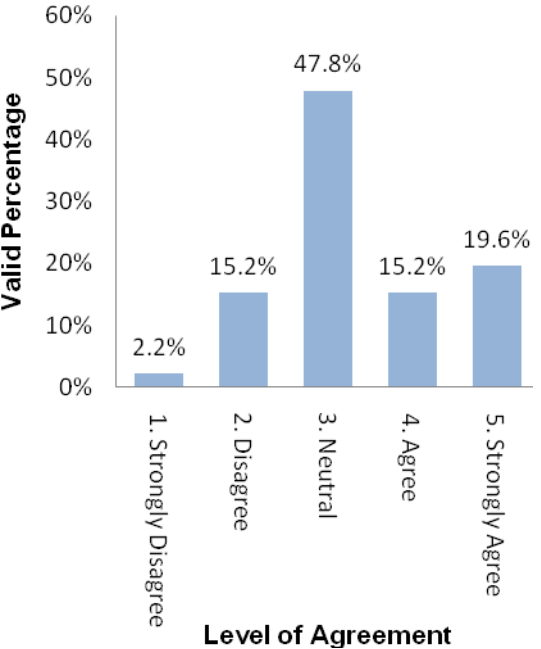


Figure D4: Experiencing the ambiance of a winery

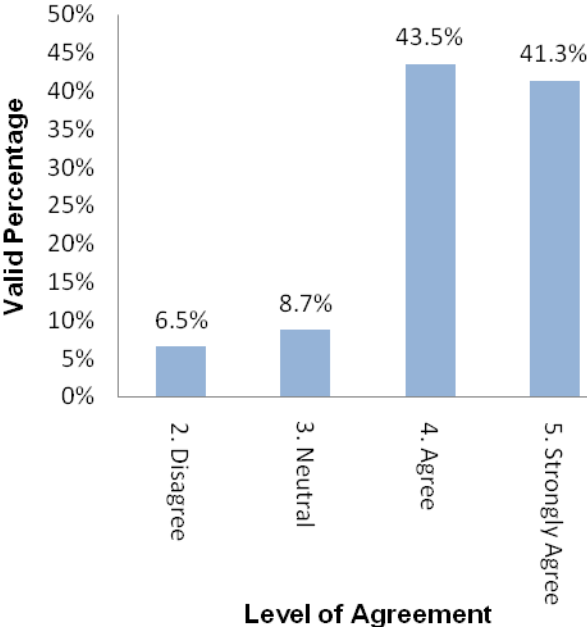


Figure D5: Experiencing the wine region

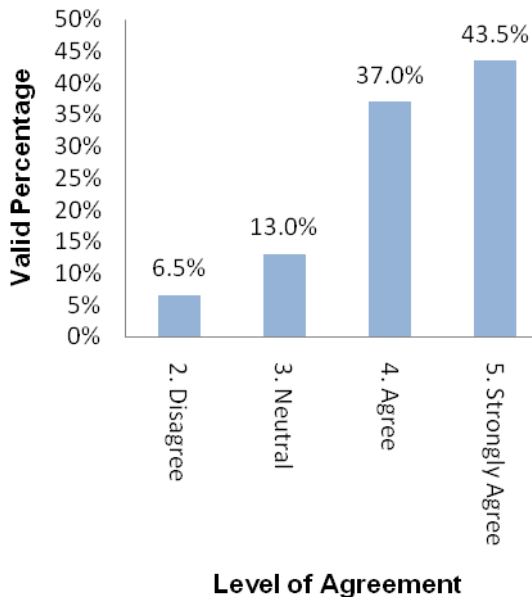


Figure D6: General outing or activity

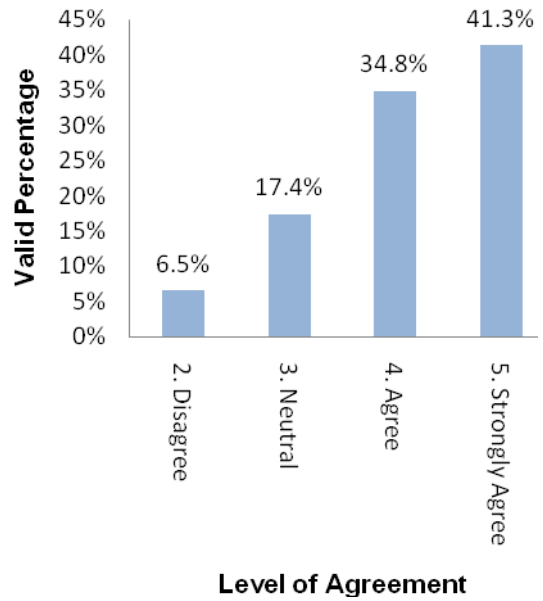


Figure D7: Talking to owner or winemaker

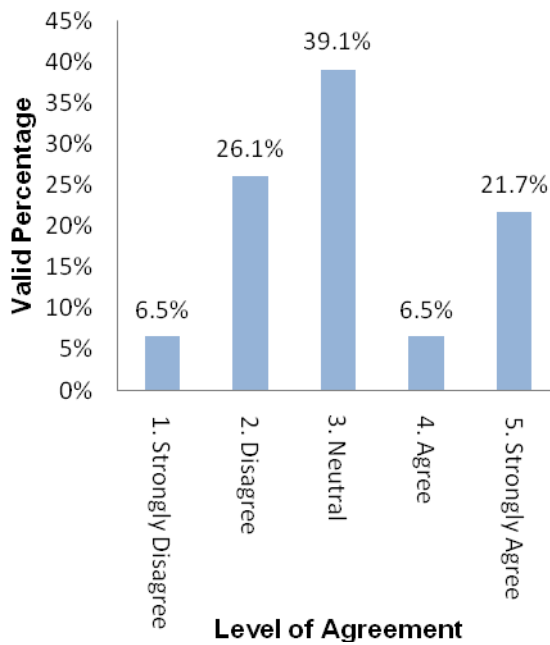


Figure D8: The total winery experience

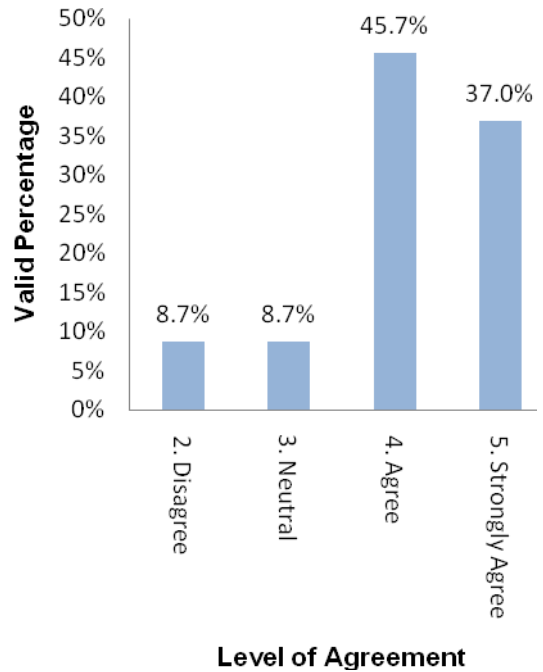


Figure D9: Knowledgeable cellar door staff

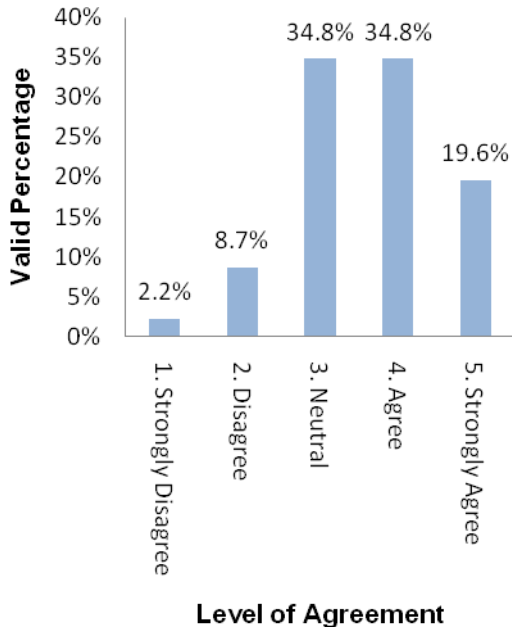


Figure 10: Wine education

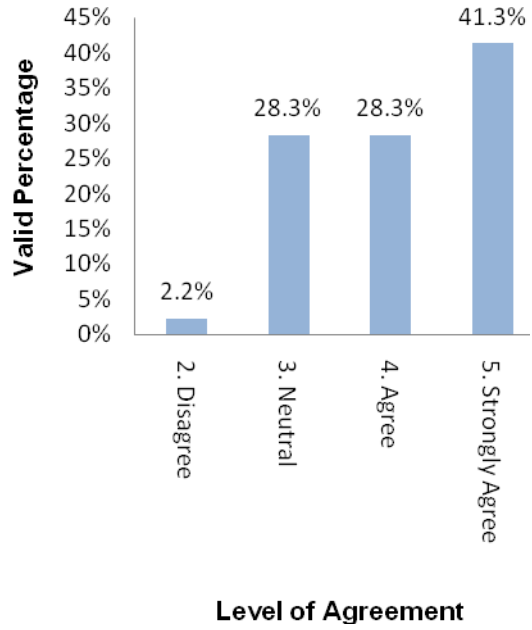


Figure D11: Friendly reception from cellar staff

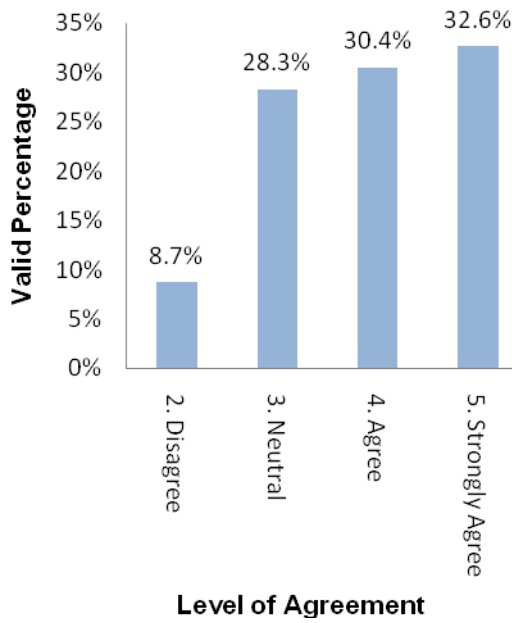


Figure D12: Winery tours

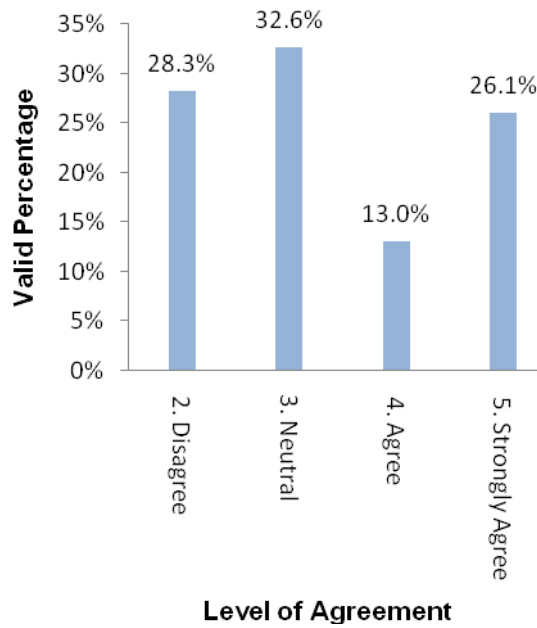


Figure D13: Reputation of wine

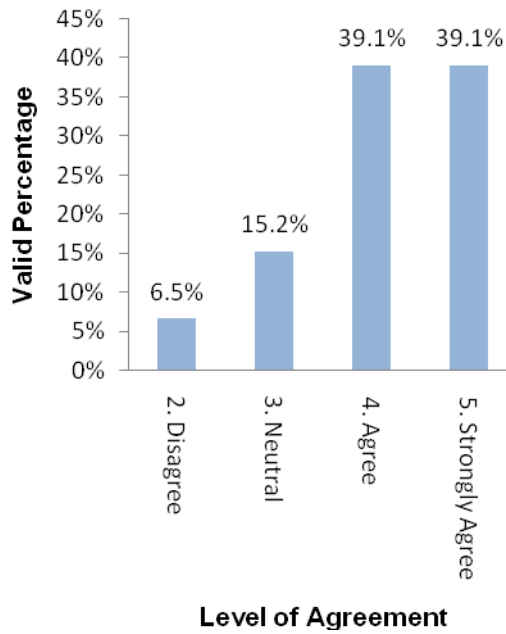


Figure D14: Medal winning wines

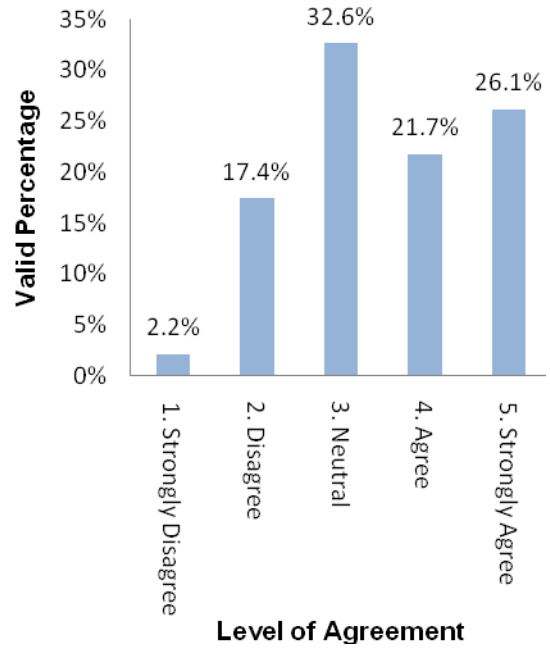


Figure D15: John Platter's Wine Guide

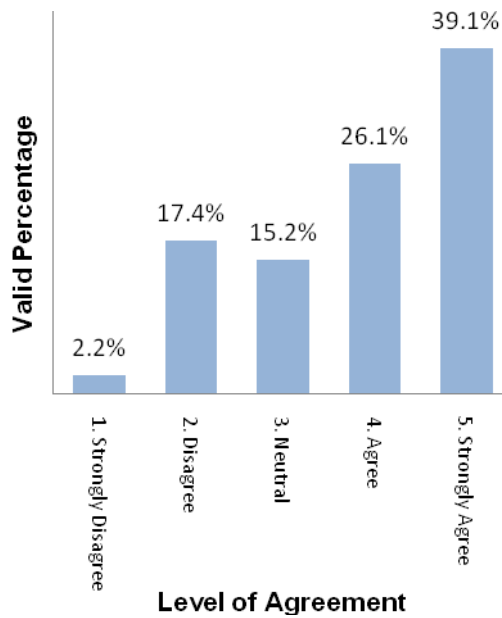


Figure D16: Knowledge of the Great Wine Capitals of the World

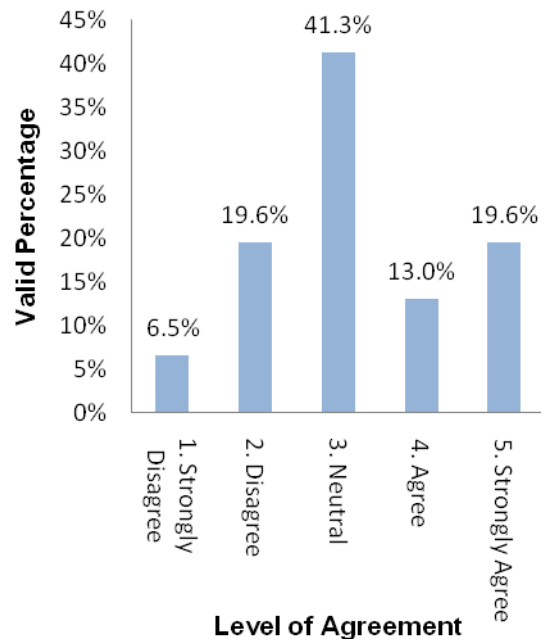


Figure D17: Responsibility of wine tourism promotion

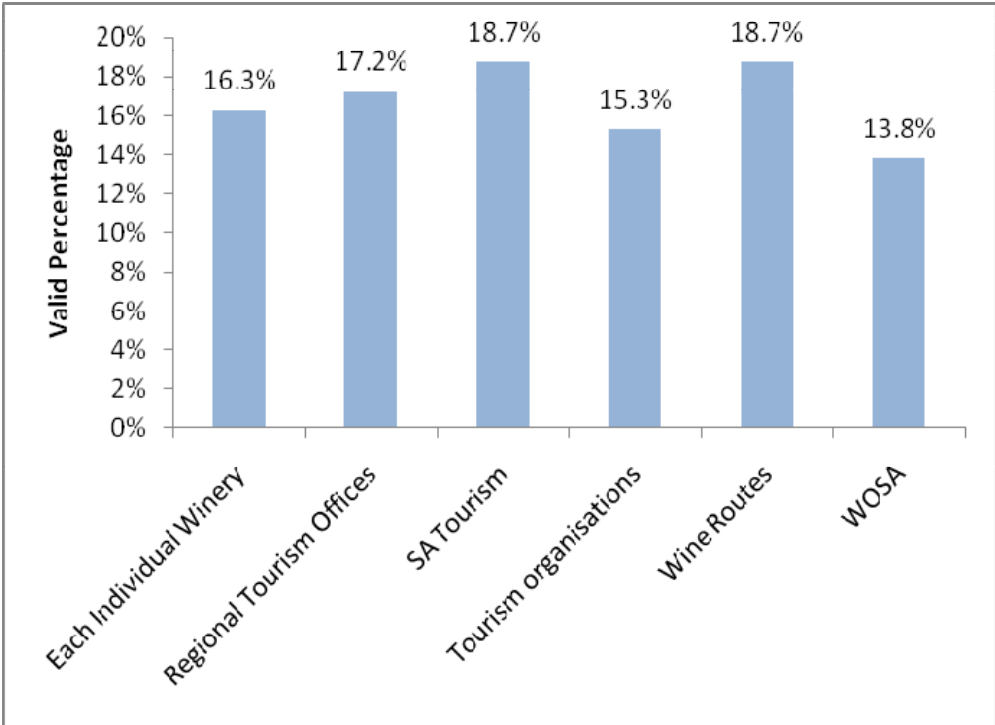


Figure D18: Wine tourism: contributes to increased wine sales

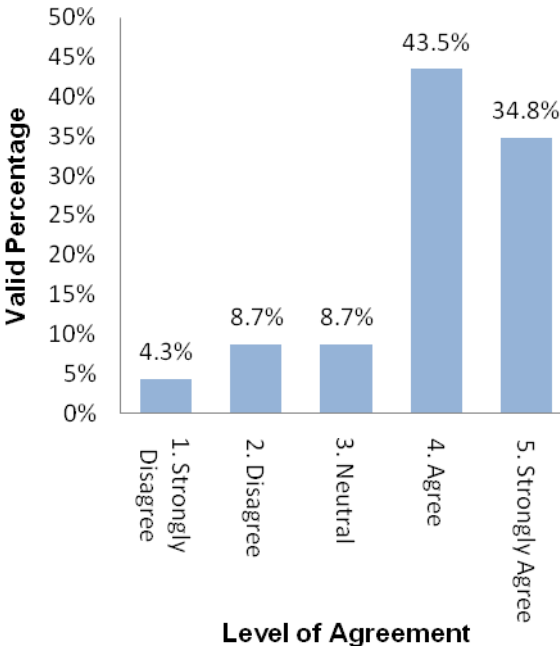


Figure D19: Wine tourism creates brand awareness

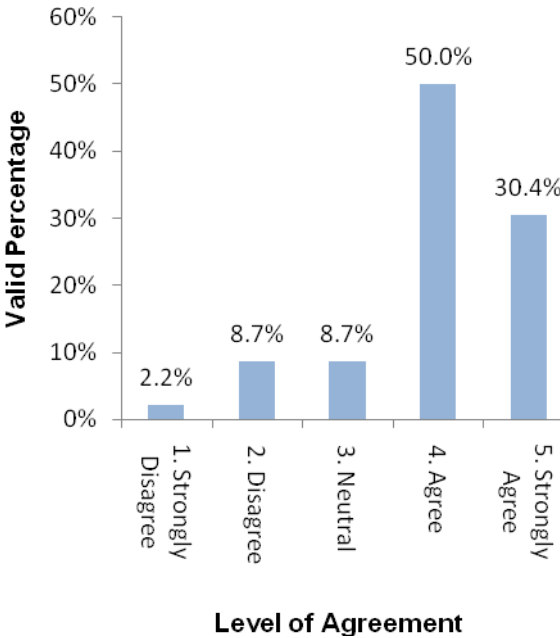


Figure D20: Wine tourism fosters brand loyalty

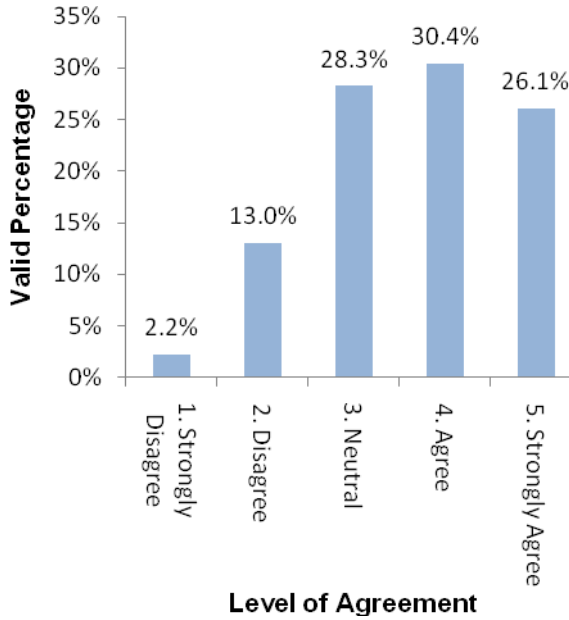


Figure D21: Cellar door sales is an important contributor to overall sales volume

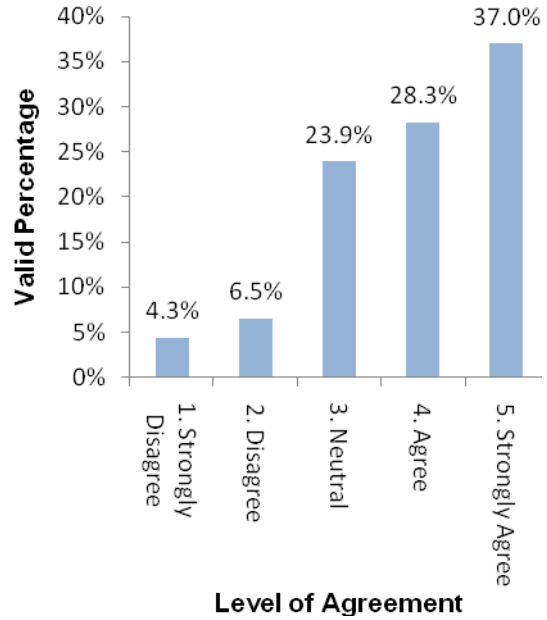


Figure D22: Wine tourism opens doors for new partnerships with tourism organisations

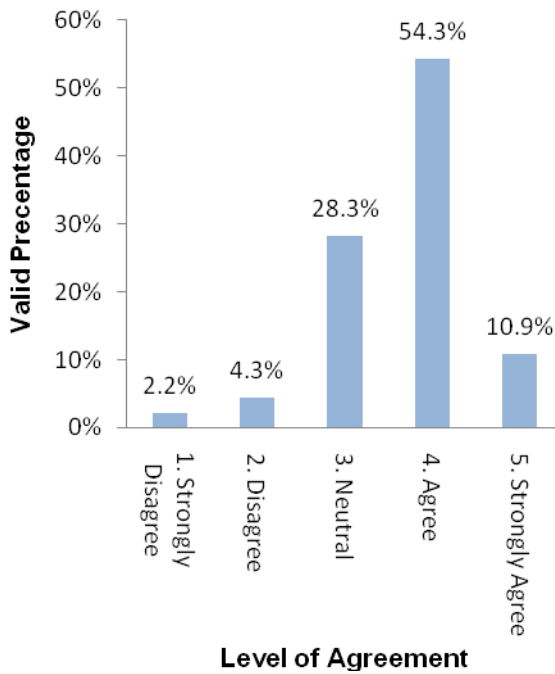


Figure D23: Wine tourism leads to an increase in visitor numbers

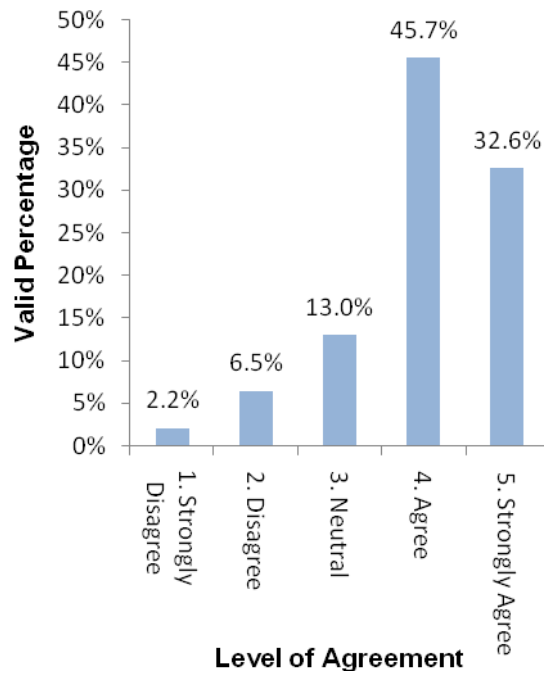


Figure D24: Wine tourism leads to an increase in spending at the winery

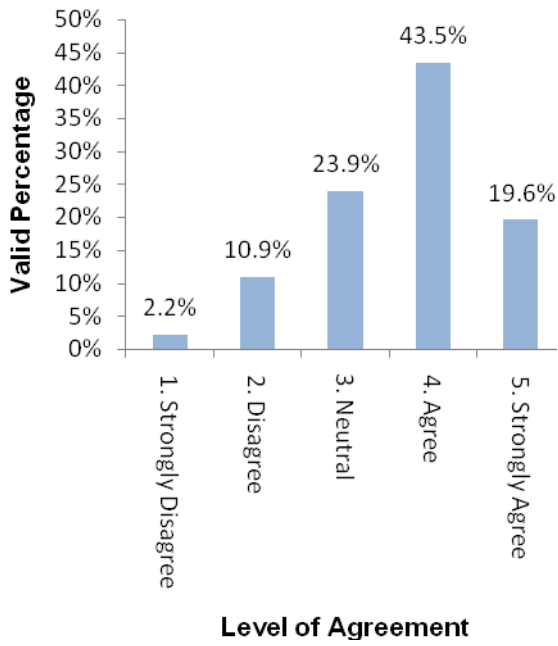


Figure D25: Wine tourism assists in overcoming slow demand periods

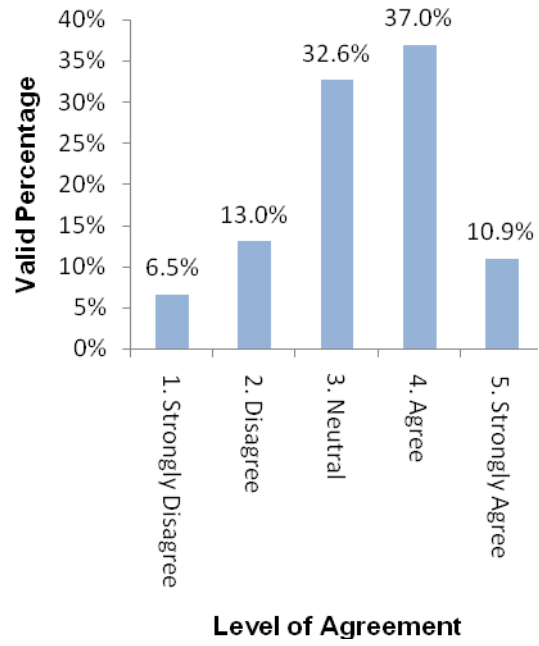


Figure D26: Wine tourism is an opportunity to educate customers

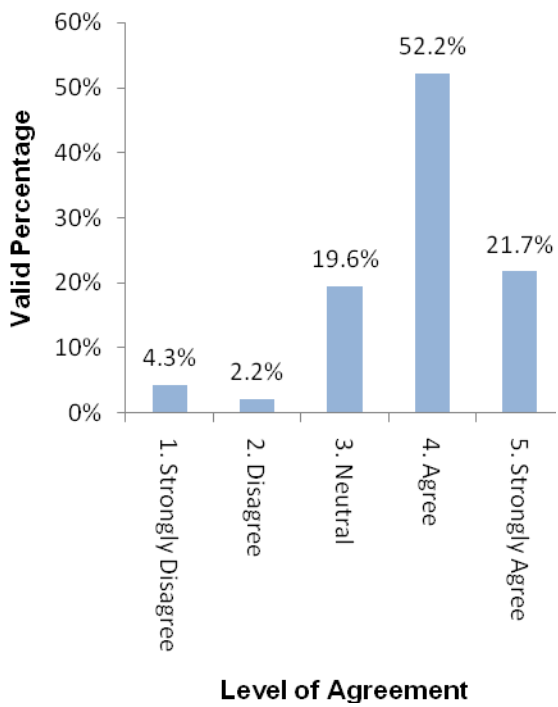


Figure D27: Wine tourism increases the profit margin on wines

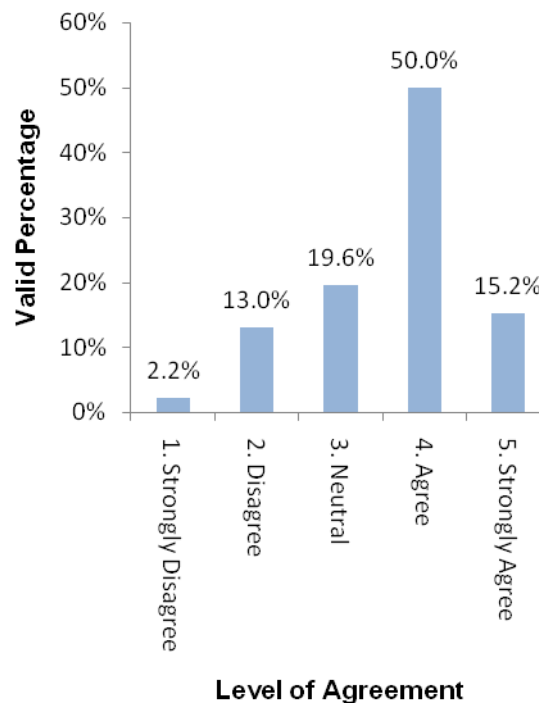


Figure D28: Wine tourism attracts new domestic market segments

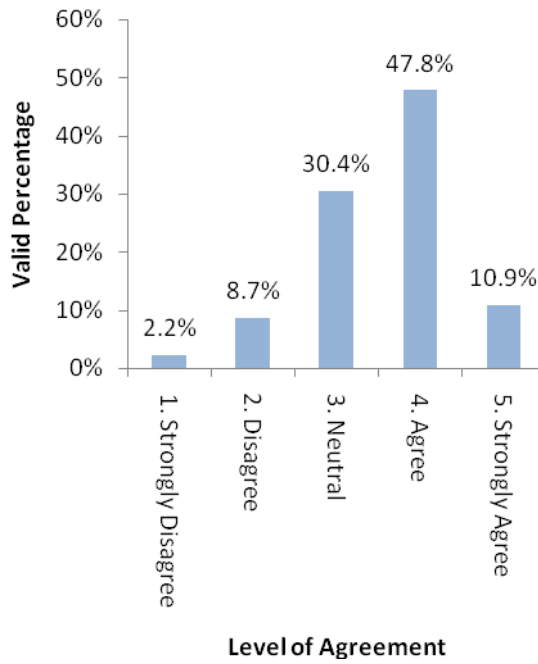


Figure D29: Wine tourism attracts new international market segments

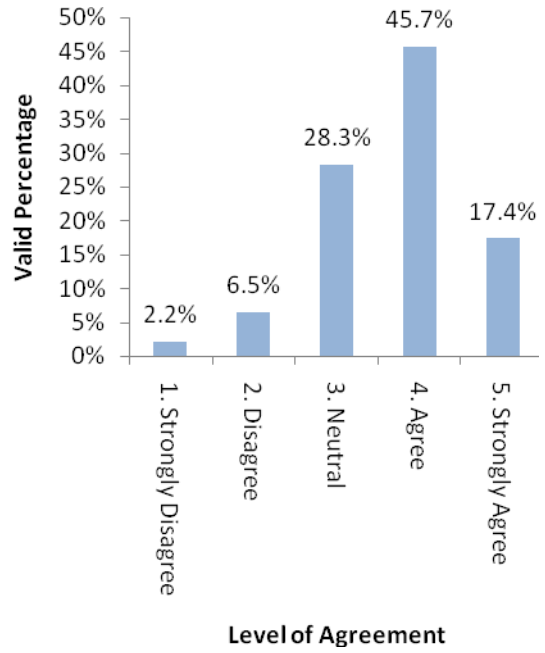


Figure D30: Wine tourism improves links with the wine trade

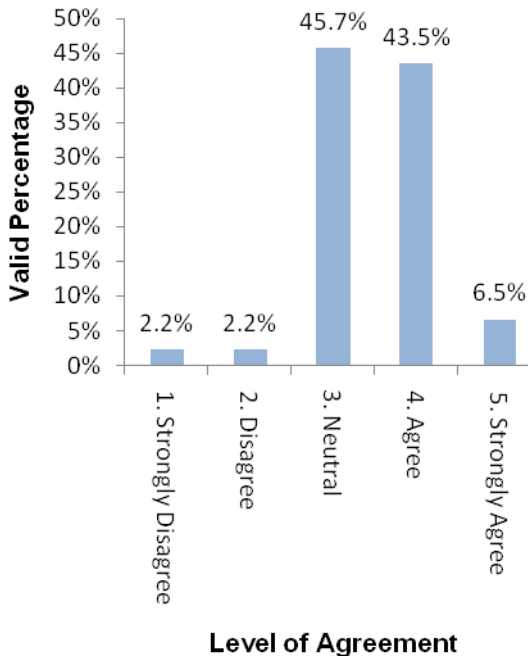


Figure D31: Wine tourism is an opportunity to test new products

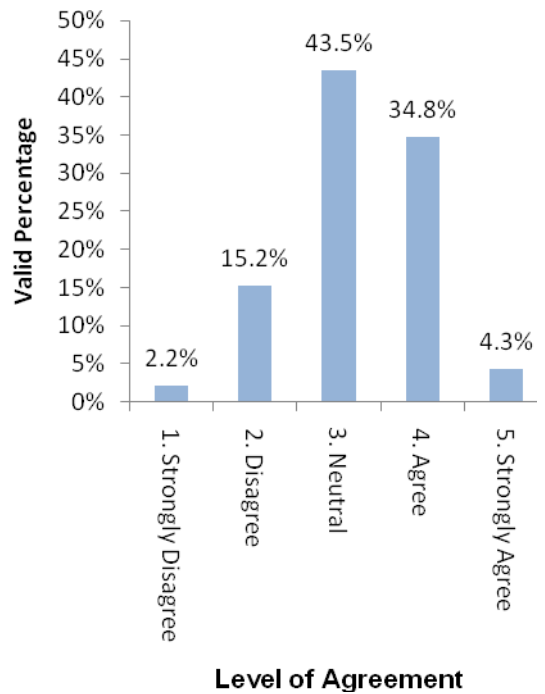


Figure D32: Wine tourism contributes to developing a unique positive destination image

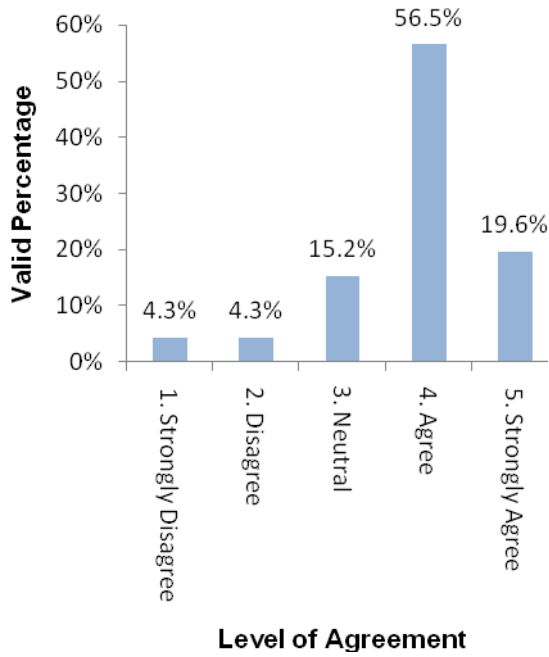


Figure D33: Wine tourism is used to acquire market intelligence on customers

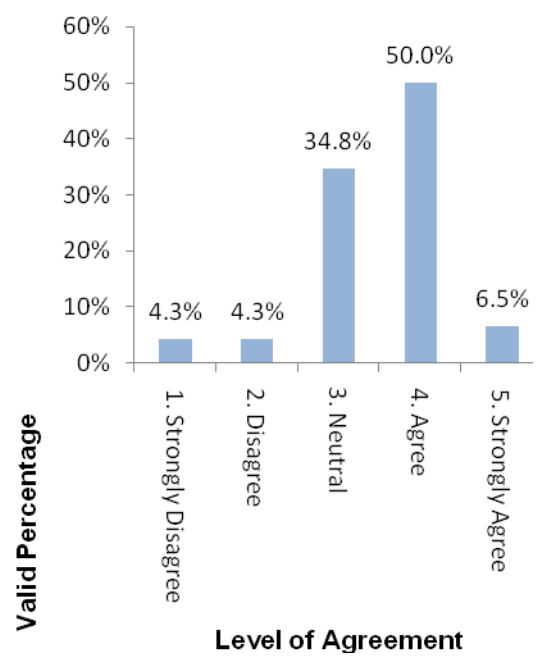


Figure D34: Wine tourism increases costs and management time

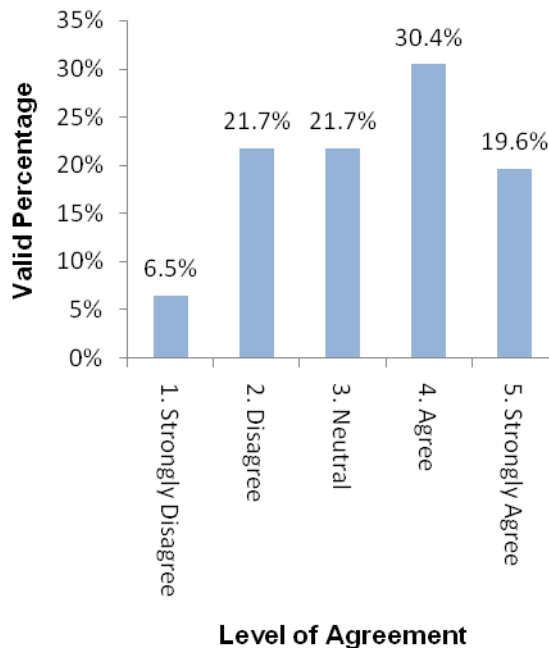


Figure D35: Wine tourism require a large capital investment

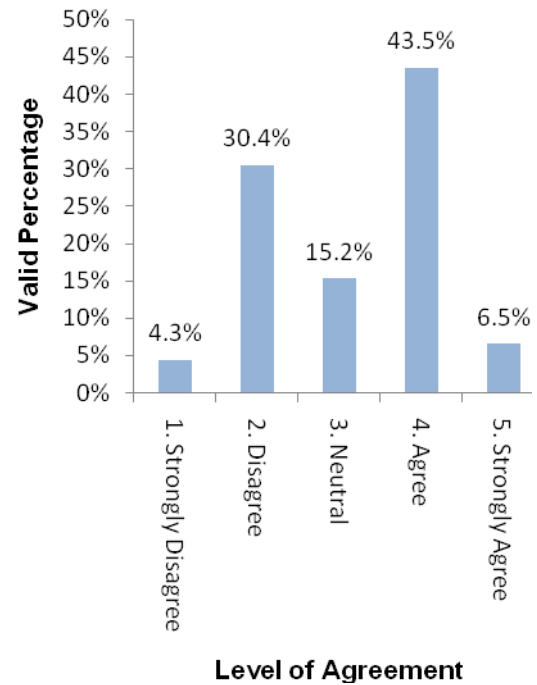


Figure D36: Wine tourism substantially increases wine sales

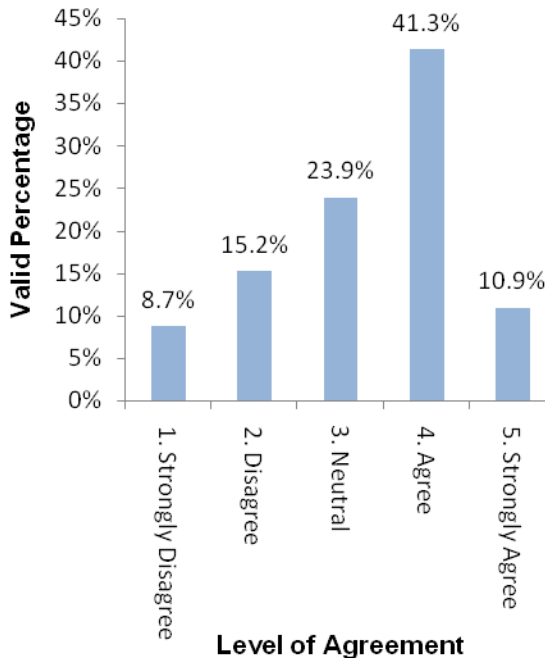


Figure D37: Wine tourism assists in developing mail order sales

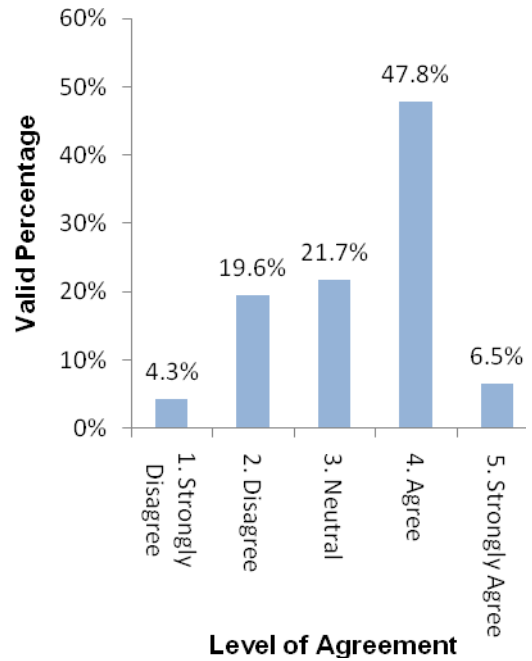


Figure D38: Wine tourism differentiates wine from other wine

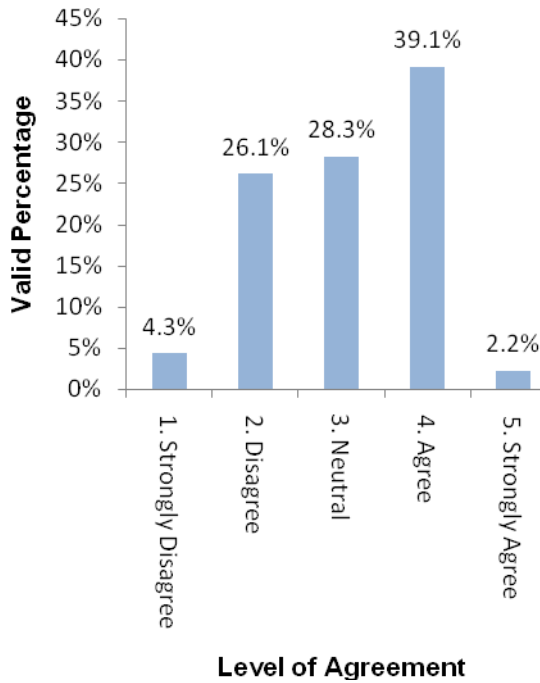


Figure D39: Cellar door visitors buy a lot of wine

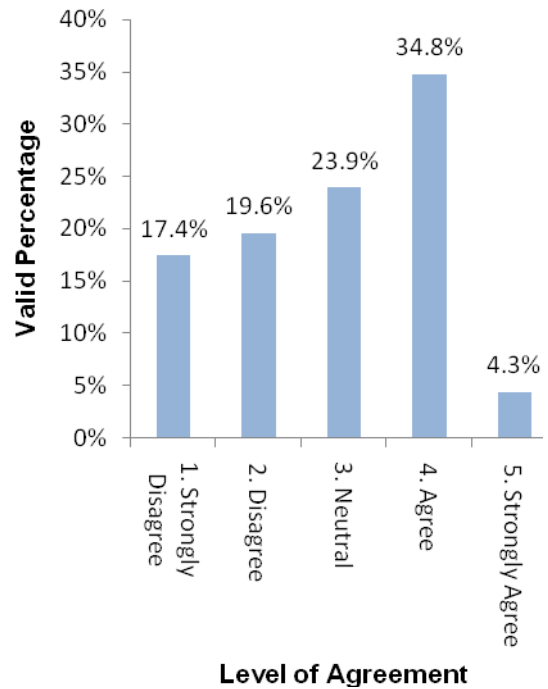


Figure D40: Wine tourists are valuable to my winery

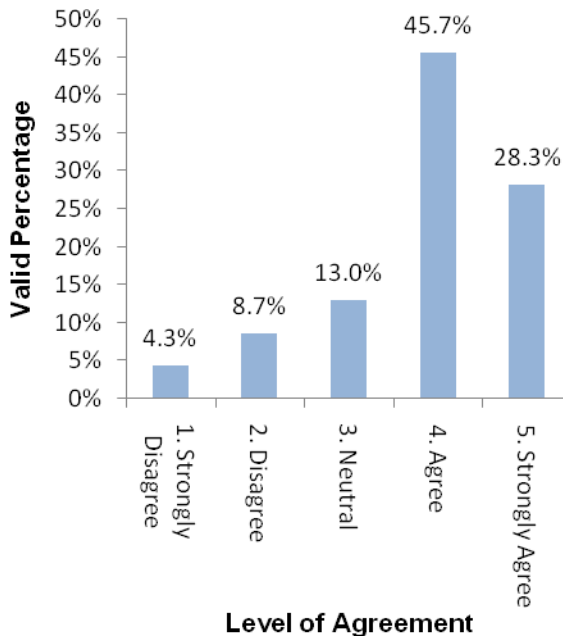


Figure D41: Wine tourism attracts a wide range of customers to my winery

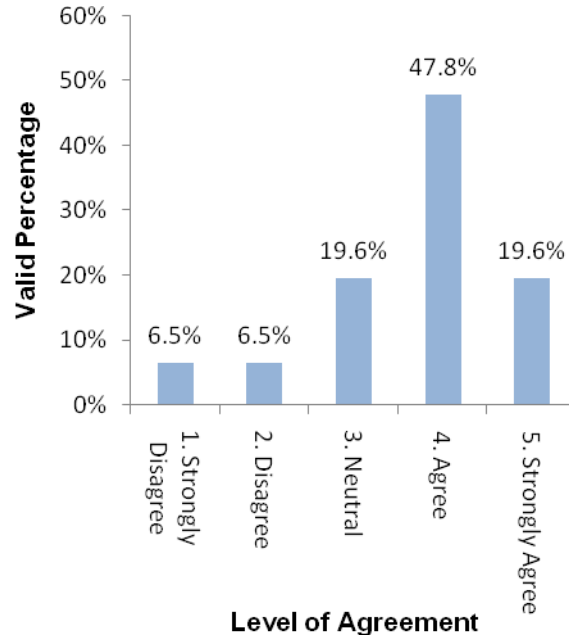


Figure D42: Wine tourism offers important marketing opportunities

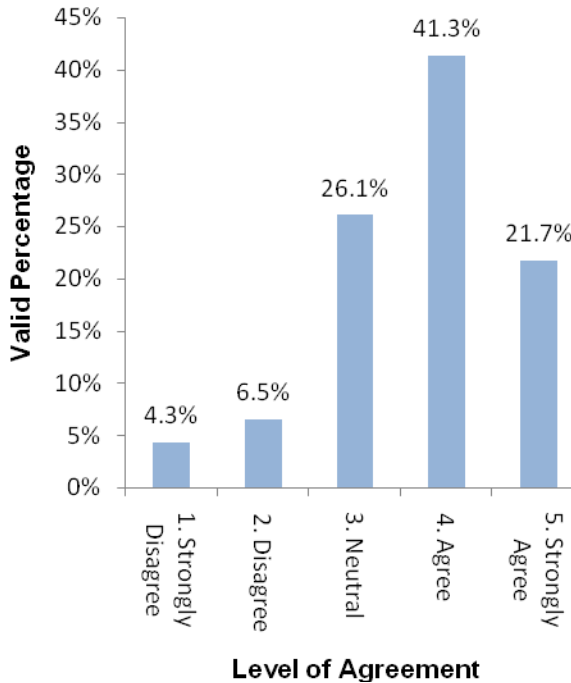


Figure D43: Wine tourism positively impacts offshore wine sales

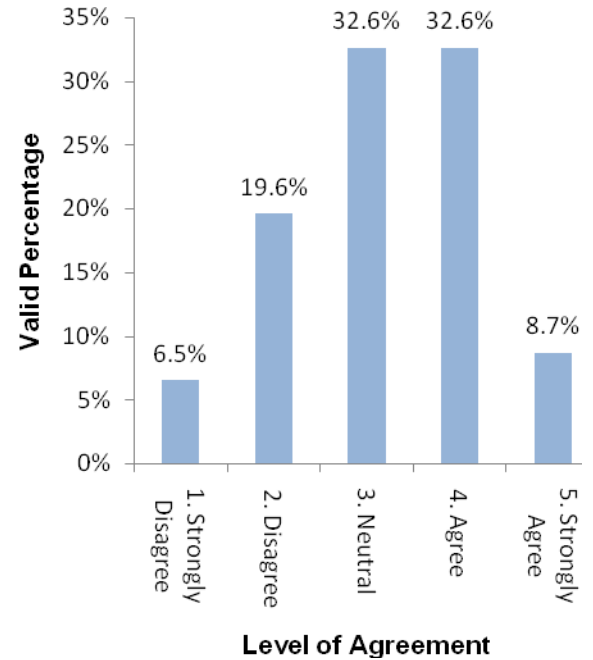


Figure D44: Time spent with visitors is valuable

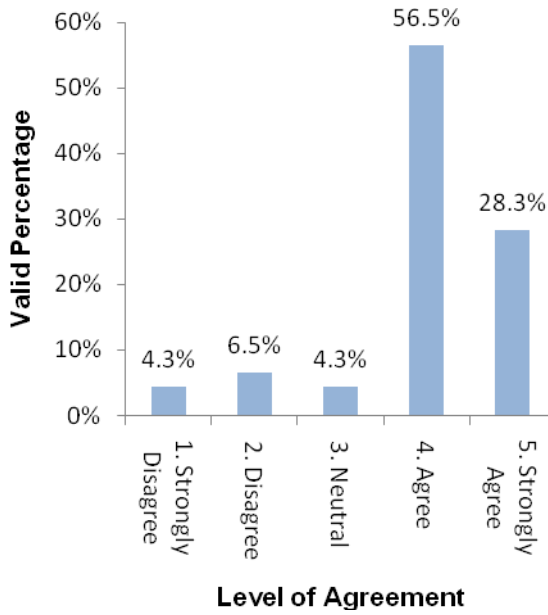


Figure D45: wine tourism contributes greatly to wine business success

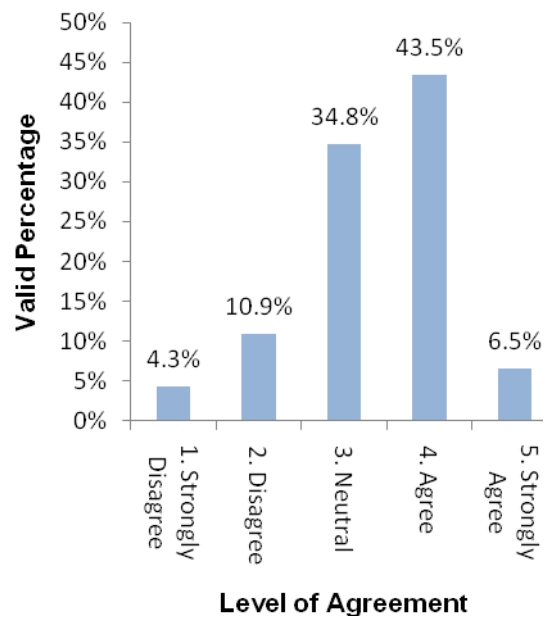


Figure D46: Wine tourism benefits outweigh the negative impacts

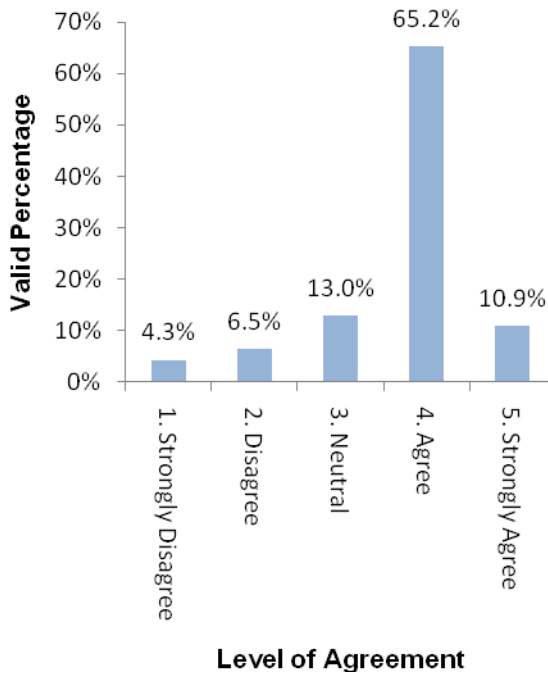


Figure D47: Wine tourism attracts the kind of visitors that is wanted to the winery

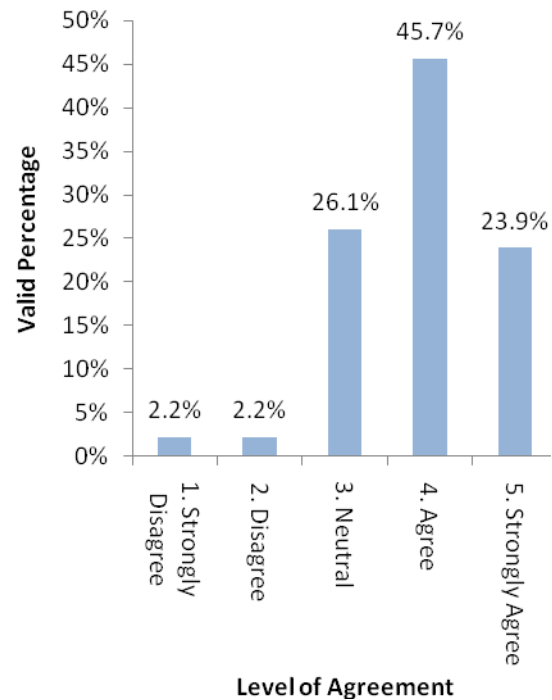


Figure D48: Importance of cellar door sales

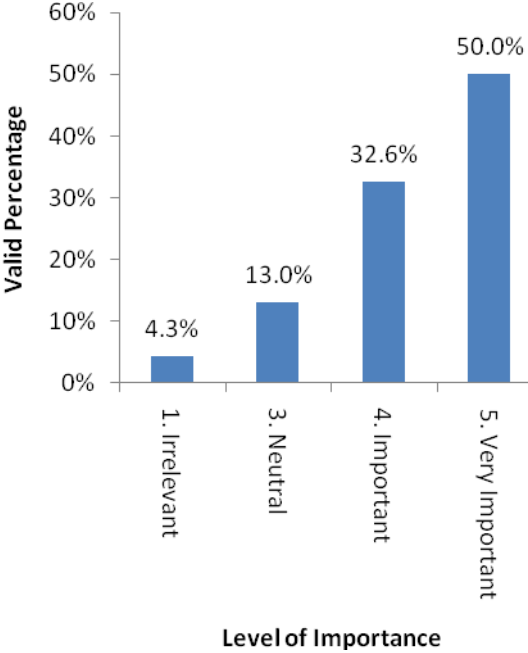


Figure D49: Importance of wholesalers

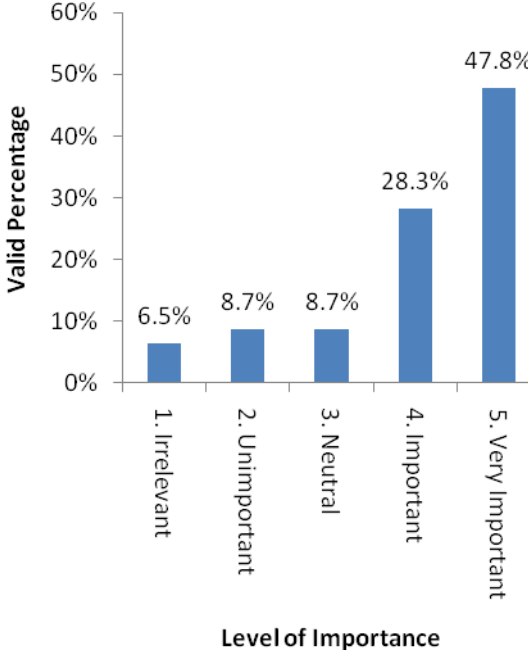


Figure D50: Importance of retail

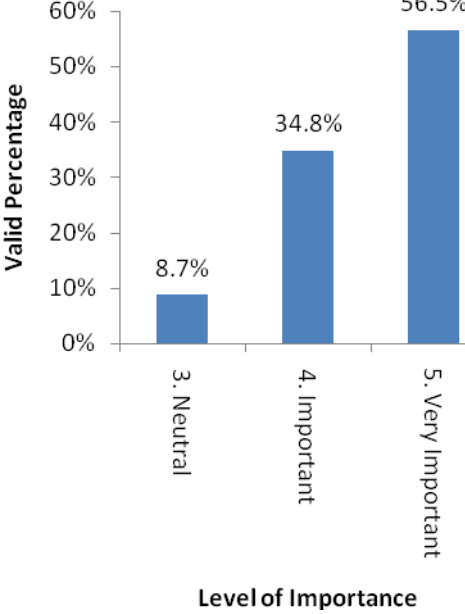


Figure D51: Importance of exporting

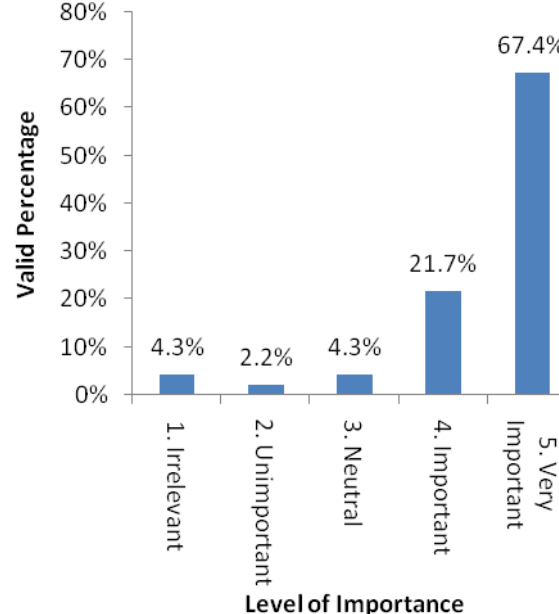


Figure D52: Importance of own restaurant

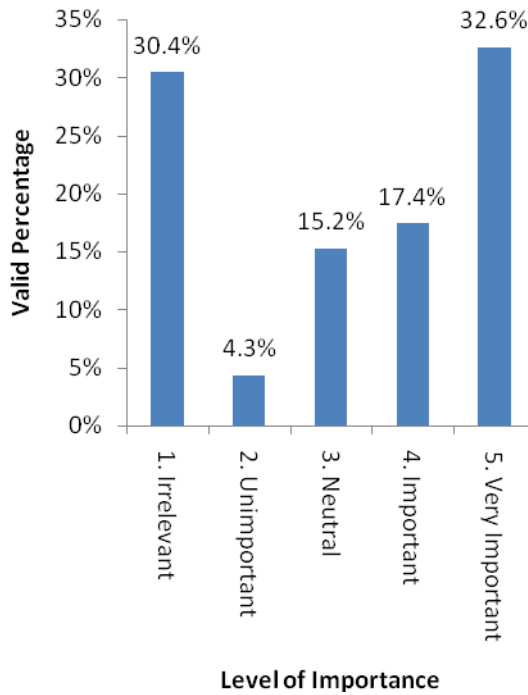


Figure D53: Importance of other restaurants

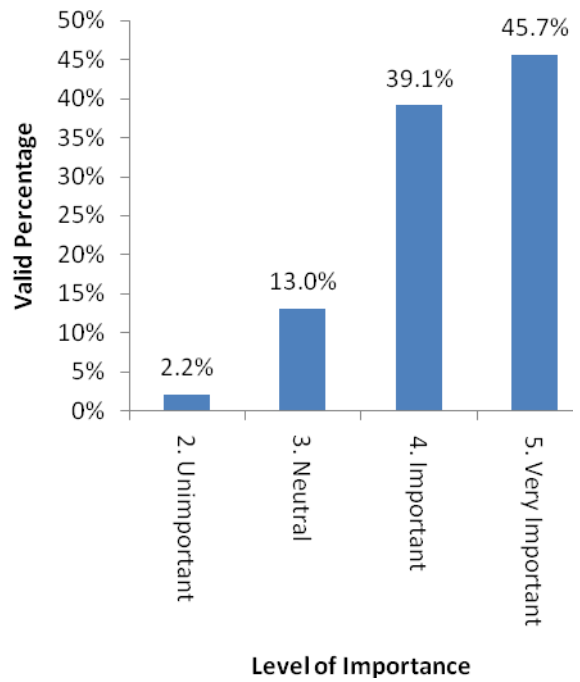


Figure D54: Importance of mail orders

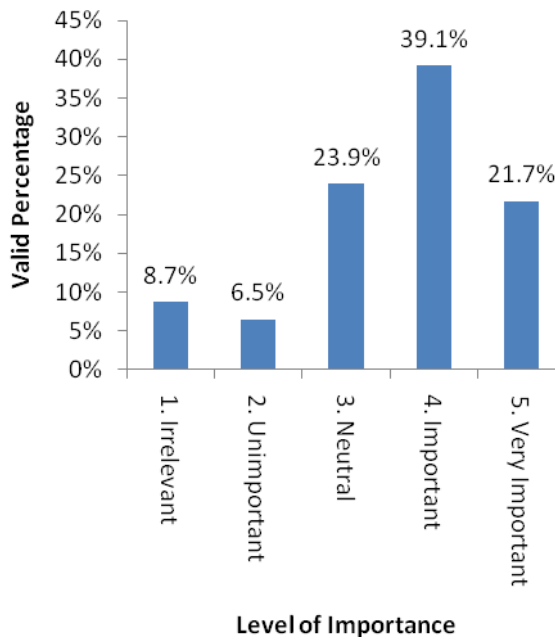


Figure D55: Importance of hotels and other accommodation establishments

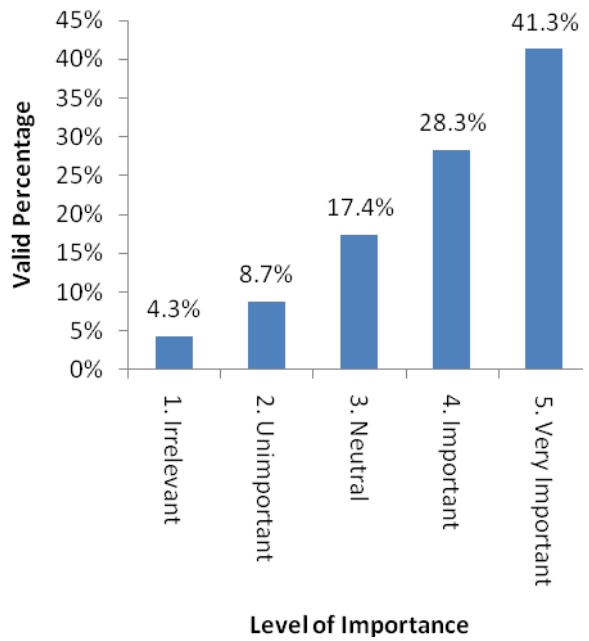


Figure D56: Importance of embassies

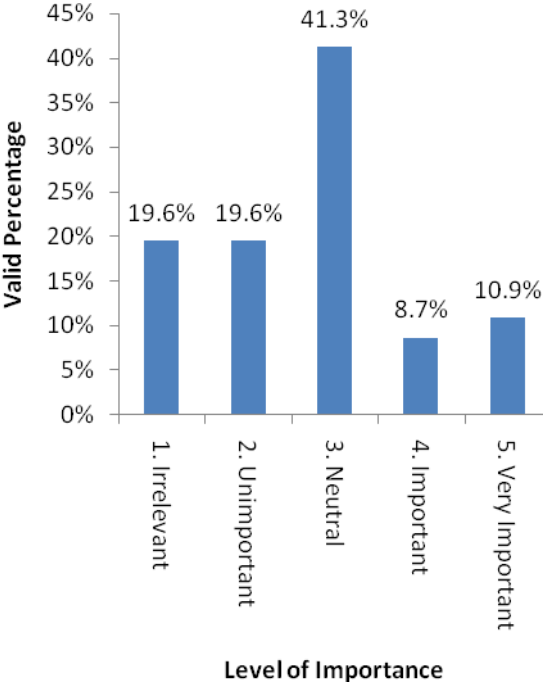


Figure D57: Importance of wine clubs

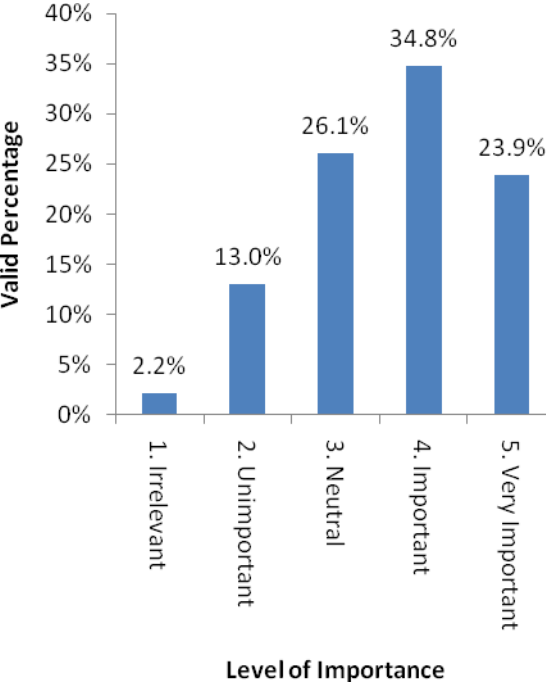


Figure D58: Having a restaurant or cafe

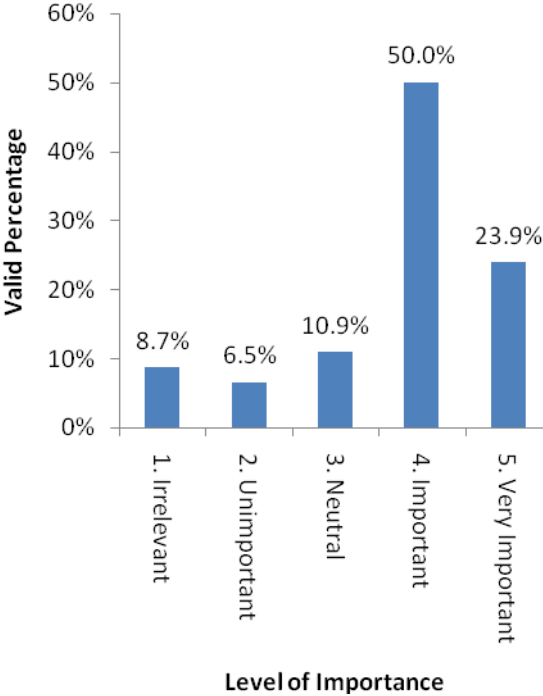


Figure D59: Knowledgeable staff

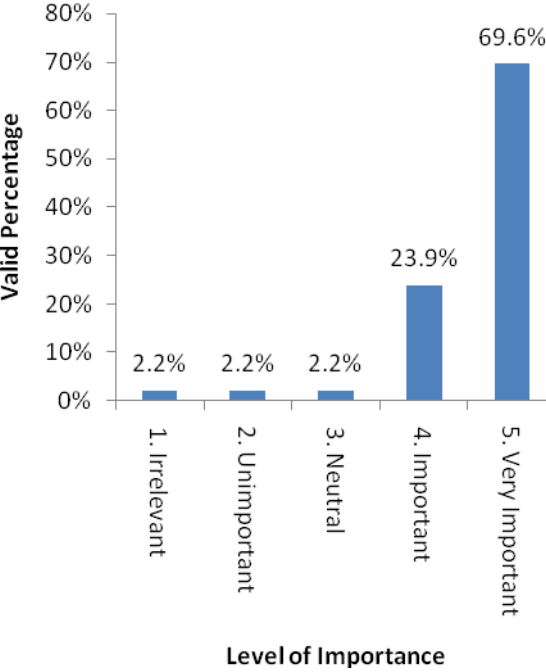


Figure D60: Providing education and interpretation for visitors

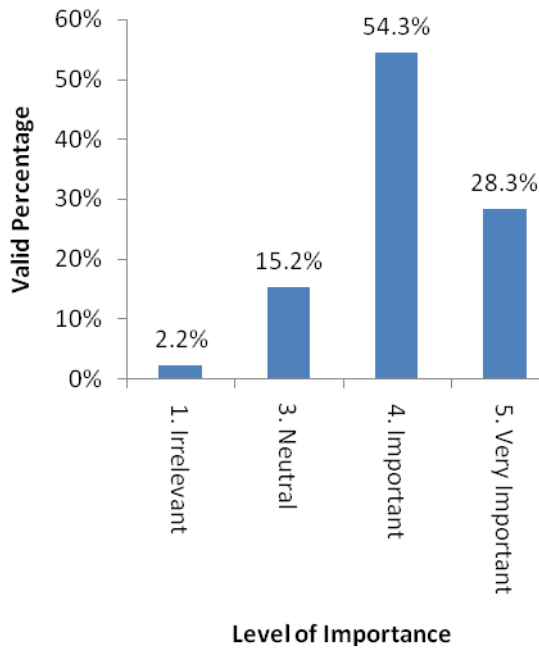


Figure D61: Providing winery tours for visitors

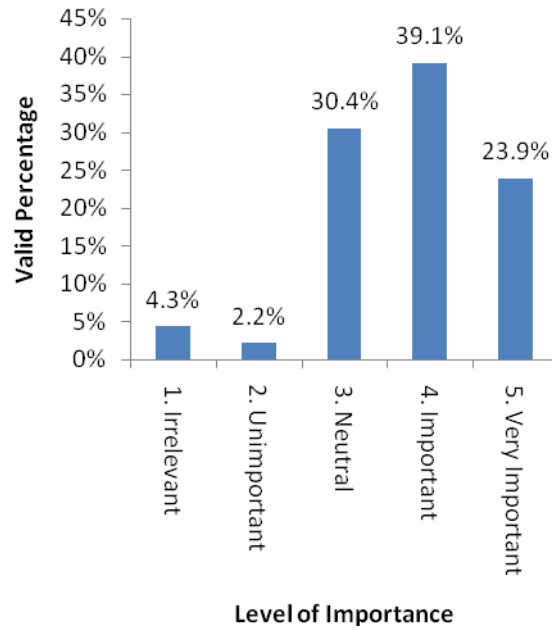


Figure D62: Accommodating large tour groups

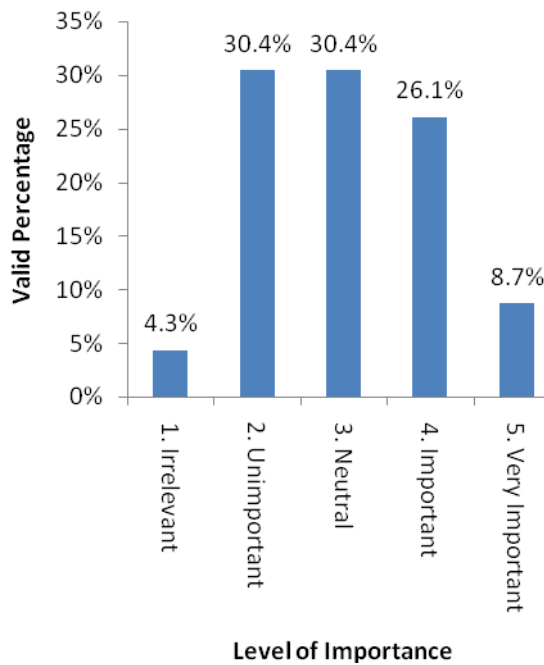


Figure D63: Having the correct accreditation

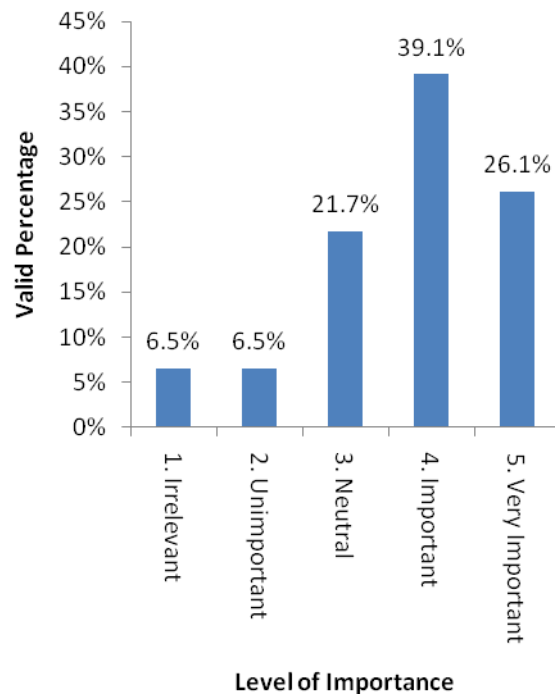


Figure D64: Producing and selling organic wines

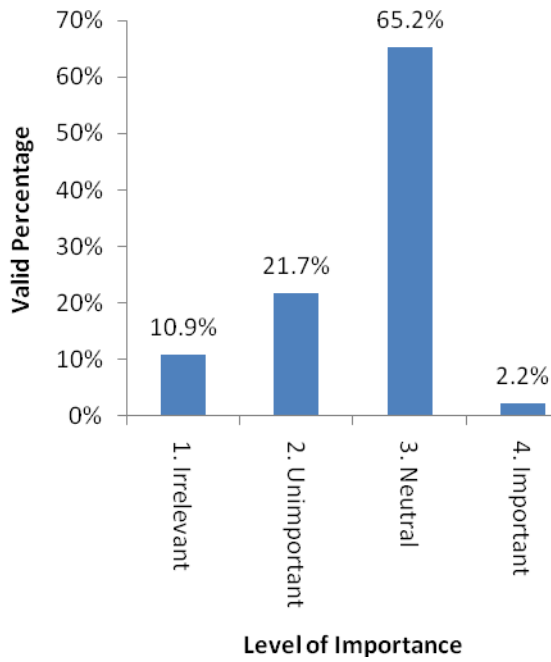


Figure D65: Retailing both wine and other products

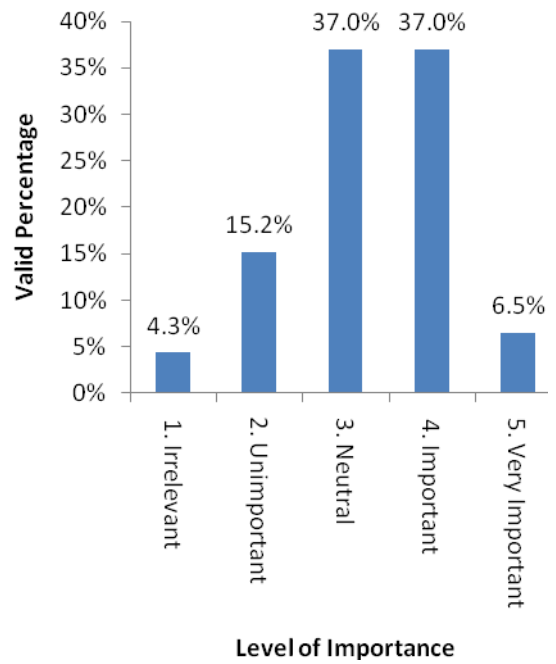


Figure D66: Providing wine appreciation opportunities

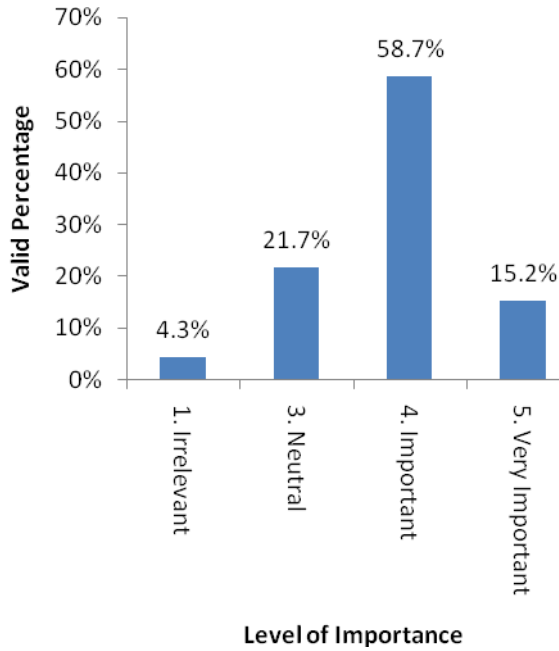


Figure D67: Hosting special events and functions

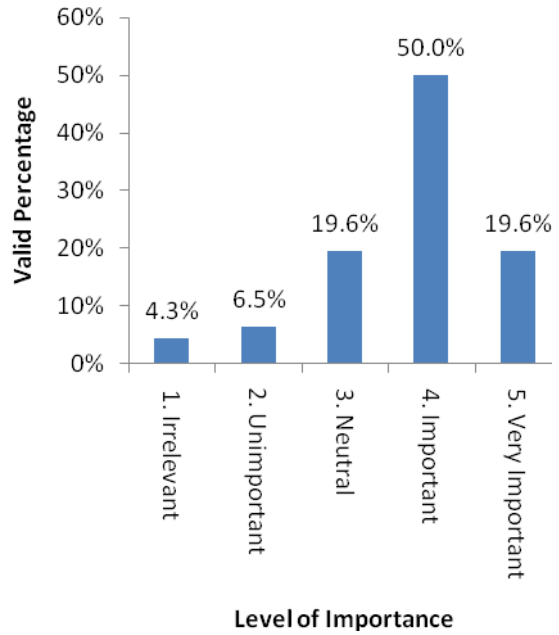


Figure D68: Having overnight accommodation on site

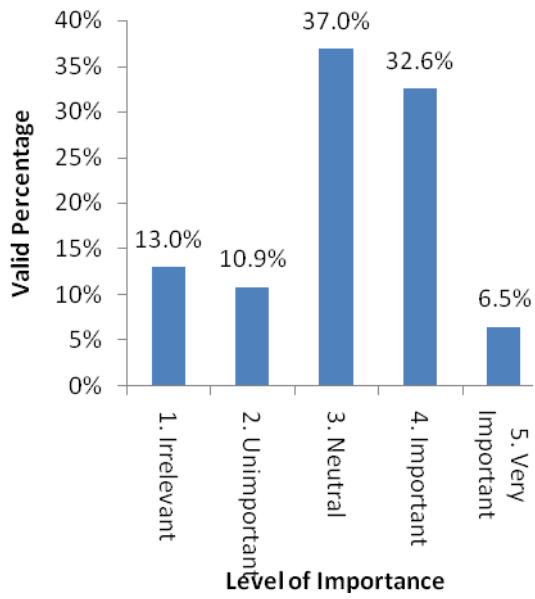


Figure D69: Having an attractive well designed winery

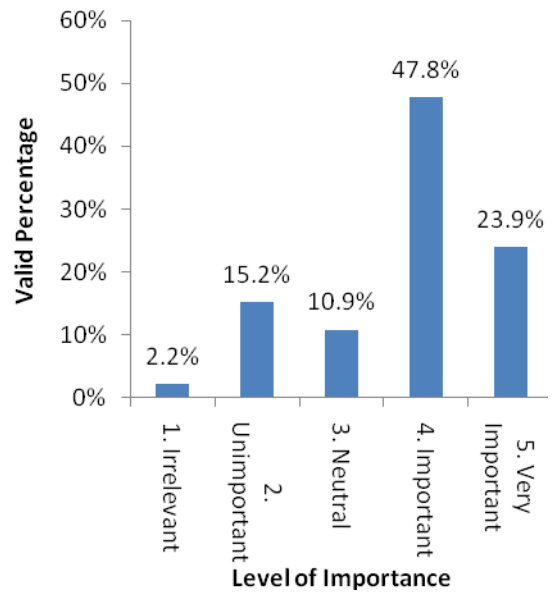


Figure D70: Good sign posting

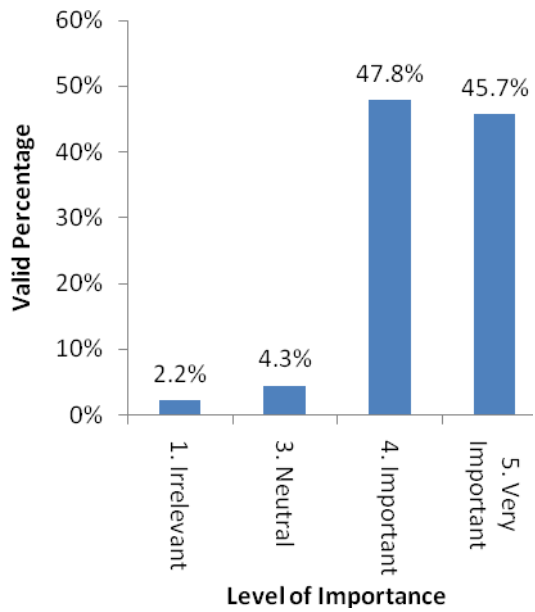


Figure D71: Friendly, service oriented staff

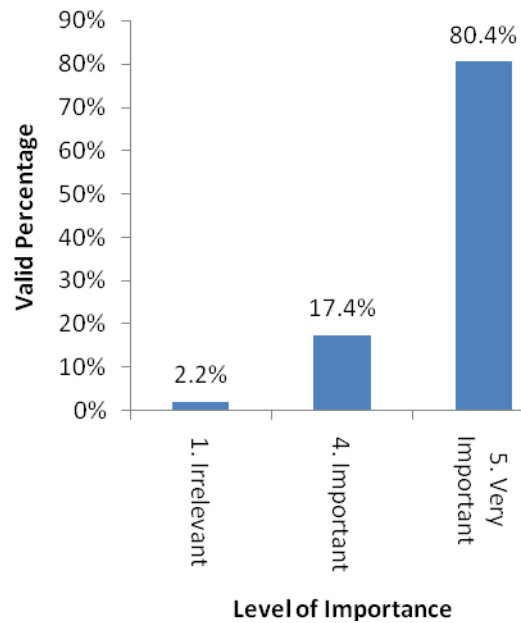


Figure D72: Exhibiting at a wine festival increases loyalty

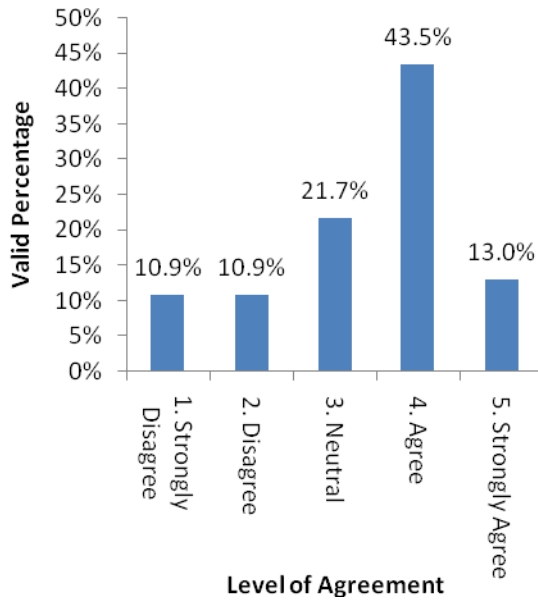


Figure D73: An upmarket tasting room increases the perceived quality of the wine

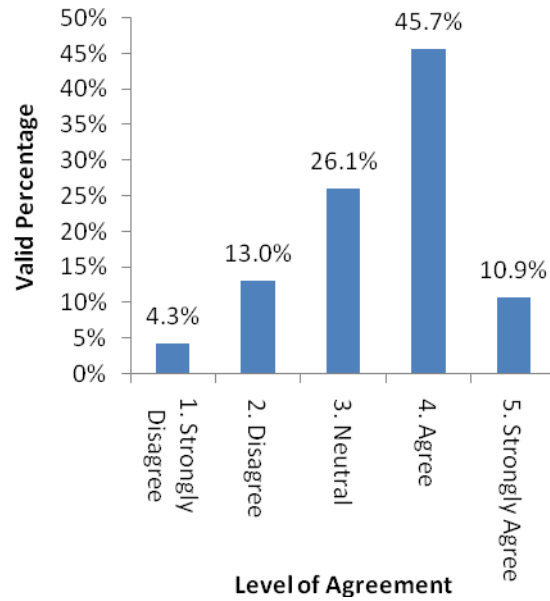


Figure D74: Wine festivals increases positive brand associations

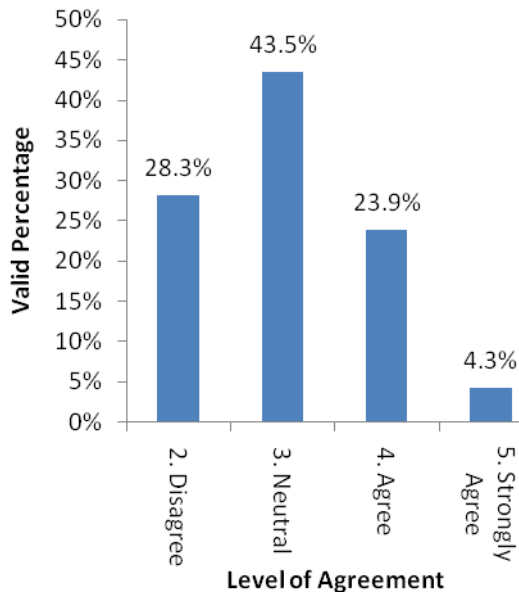


Figure D75: Sponsoring a music event helps create brand awareness

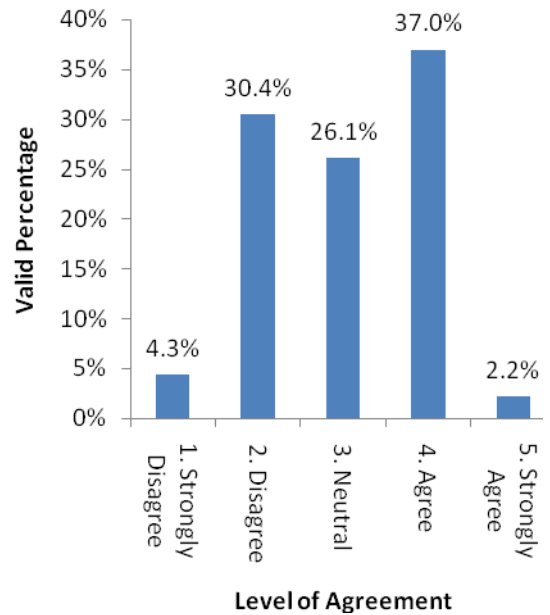


Figure D76: Hosting a book club creates positive wine brand associations

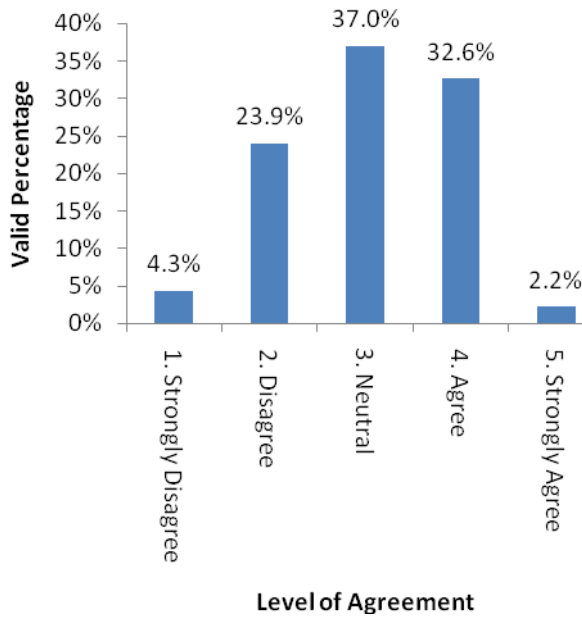


Figure D77: Grading by the Wine Route Association increases perceived quality of wine

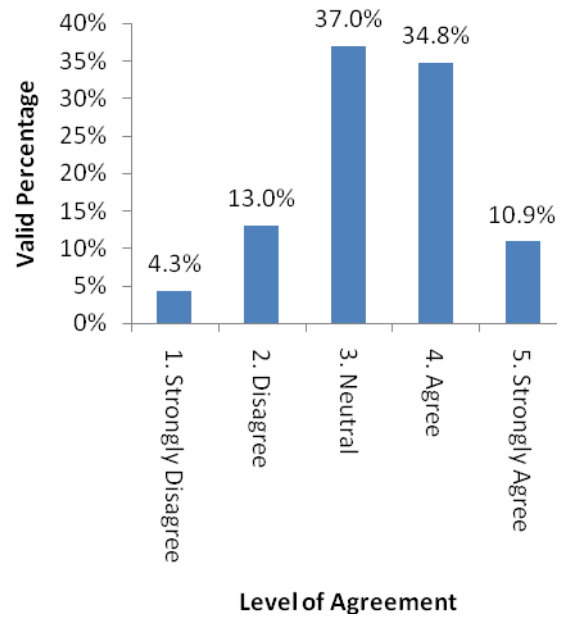


Figure D78: Branded souvenirs increases brand awareness of wines

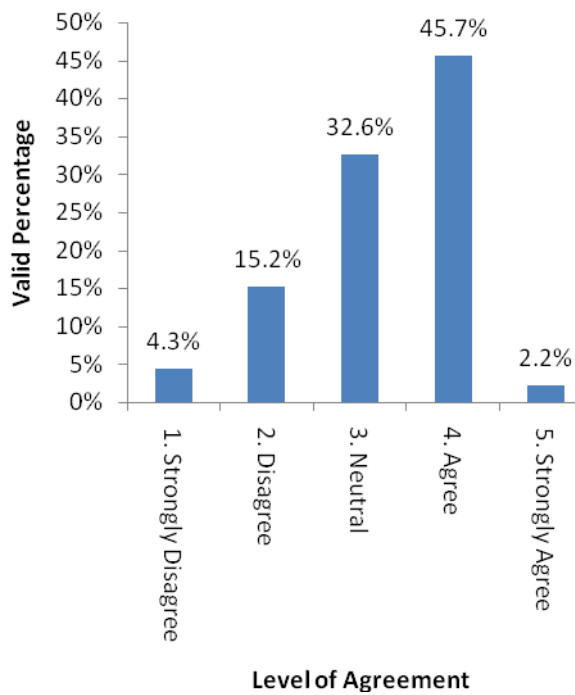


Figure D79: Wine tastings foster brand loyalty

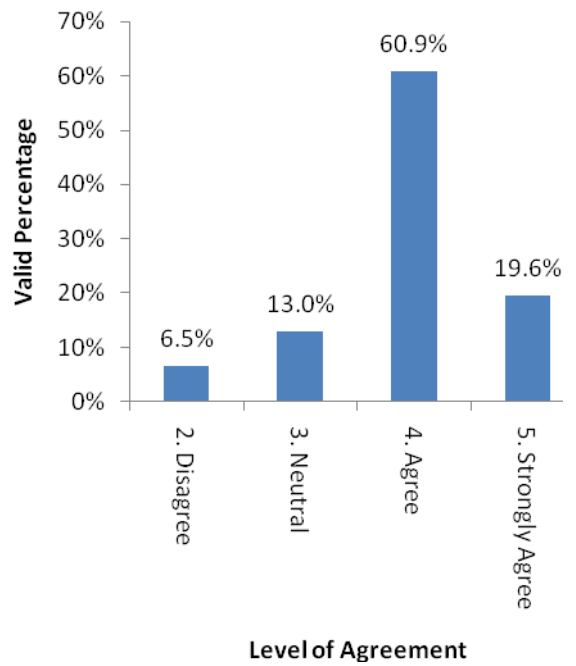


Figure D80: Celebrity endorsements increases positive brand associations

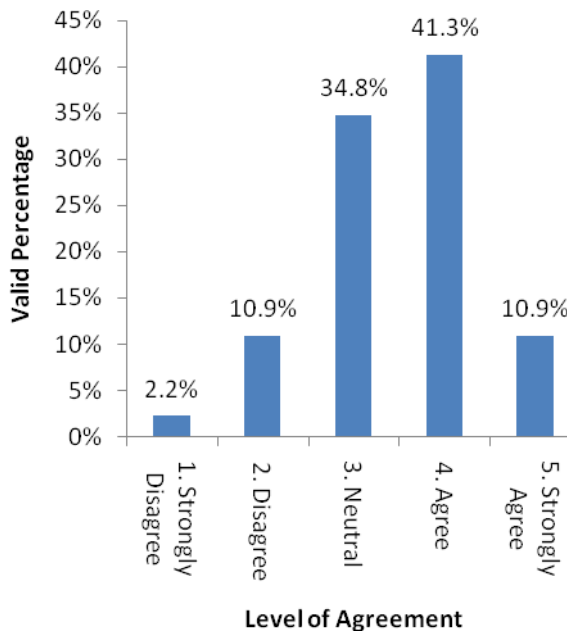


Figure D81: wine festivals increases positive brand associations

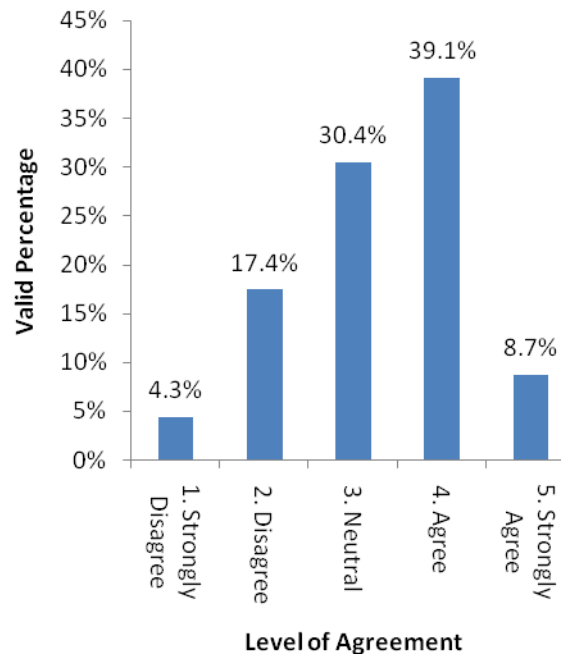


Figure D82: Cinema and photography festivals increases positive brand associations

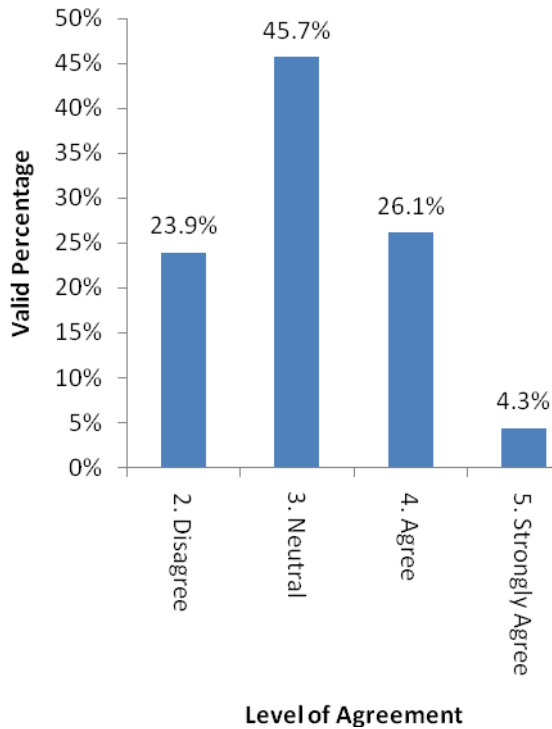


Figure D83: Festivals help create brand awareness

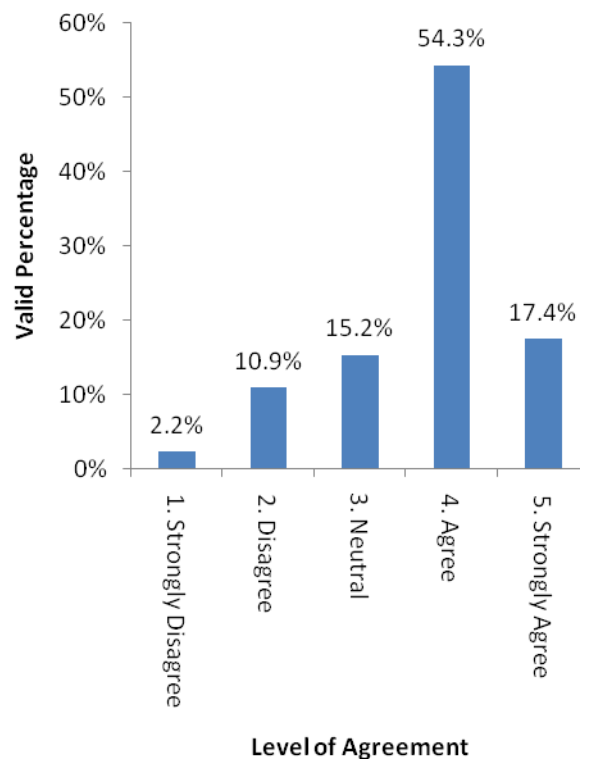


Table D7: Subroute trends with regards to marketing spend, marketing coverage and sales

Stellenbosch sub-routes	Percentage of revenue spent on marketing		International marketing	Domestic marketing	Domestic sales	Exported sales
Greater Simonsberg	0-5%	Mean	27.500	72.500	63.250	35.500
		N	4	4	4	4
	6-10%	Mean	30.000	70.000	49.286	50.714
		N	7	7	7	7
	11-15%	Mean	50.000	50.000	50.000	50.000
		N	1	1	1	1
	16-30%	Mean	30.000	70.000	20.000	80.000
		N	1	1	1	1
	31-50%	Mean	30.000	70.000	20.000	80.000
		N	1	1	1	1
	71-100%	Mean	50.000	50.000	50.000	50.000
		N	1	1	1	1
Total	Mean	32.000	68.000	49.200	50.467	
	N	15	15	15	15	
Stellenbosch Berg	0-5%	Mean	25.000	75.000	60.000	40.000
		N	1	1	1	1
	6-10%	Mean	35.000	65.000	25.000	75.000
		N	2	2	2	2
	Total	Mean	31.667	68.333	36.667	63.333
		N	3	3	3	3
Helderberg	0-5%	Mean	5.000	95.000	90.000	10.000
		N	1	1	1	1
	6-10%	Mean	25.000	75.000	61.000	39.000
		N	4	4	5	5
	11-15%	Mean	10.000	90.000	70.000	30.000
		N	1	1	1	1
	16-30%	Mean	37.500	62.500	58.750	41.250
		N	4	4	4	4
	Total	Mean	26.500	73.500	63.636	36.364
		N	10	10	11	11
Bottelary Hills	0-5%	Mean	40.000	60.000	72.500	27.500
		N	1	1	2	2
	11-15%	Mean	.000	100.000	90.000	10.000
		N	1	1	1	1
	16-30%	Mean	50.000	50.000	60.000	40.000
		N	1	1	1	1
	Total	Mean	30.000	70.000	73.750	26.250
N		3	3	4	4	

Stellenbosch Hills	0-5%	Mean	35.000	65.000	51.667	48.333
		N	2	2	3	3
	6-10%	Mean	10.000	90.000	85.000	15.000
		N	3	3	3	3
	11-15%	Mean	20.000	80.000	97.500	2.500
		N	2	2	2	2
	16-30%	Mean	10.000	90.000	70.000	30.000
		N	2	2	2	2
	Total	Mean	17.778	82.222	74.500	25.500
		N	9	9	10	10
Total	0-5%	Mean	27.778	72.222	63.909	35.636
		N	9	9	11	11
	6-10%	Mean	25.625	74.375	56.176	43.824
		N	16	16	17	17
	11-15%	Mean	20.000	80.000	81.000	19.000
		N	5	5	5	5
	16-30%	Mean	31.250	68.750	56.875	43.125
		N	8	8	8	8
	31-50%	Mean	30.000	70.000	20.000	80.000
		N	1	1	1	1
	Total	Mean	27.250	72.750	60.186	39.698
		N	40	40	43	43

Table D8: Correlation between winery size, percentage of revenue spent on marketing, marketing coverage and sales

Winery Size	Percentage of revenue spent on marketing		International marketing	Domestic marketing	Domestic sales	Exported sales	
Small (1 to 250 ton)	0-5%	Mean	18.000	82.000	64.286	35.000	
		N	5	5	7	7	
	6-10%	Mean	20.714	79.286	66.429	33.571	
		N	7	7	7	7	
	11-15%	Mean	5.000	95.000	80.000	20.000	
		N	2	2	2	2	
	16-30%	Mean	30.000	70.000	53.333	46.667	
		N	6	6	6	6	
	31-50%	Mean	30.000	70.000	20.000	80.000	
		N	1	1	1	1	
	Medium (251 to 1000 tons)	0-5%	Mean	40.000	60.000	63.250	36.750
			N	4	4	4	4
6-10%		Mean	30.000	70.000	55.000	45.000	
		N	7	7	8	8	
11-15%		Mean	20.000	80.000	100.000	.000	
		N	1	1	1	1	
16-30%		Mean	35.000	65.000	67.500	32.500	
		N	2	2	2	2	
71-100%		Mean	50.000	50.000	50.000	50.000	
		N	1	1	1	1	
Large (1001 to 10 000 tons)	6-10%	Mean	27.500	72.500	25.000	75.000	
		N	2	2	2	2	
	11-15%	Mean	35.000	65.000	72.500	27.500	
		N	2	2	2	2	
	Total	Mean	31.250	68.750	48.750	51.250	
		N	4	4	4	4	
Total	0-5%	Mean	27.778	72.222	63.909	35.636	
		N	9	9	11	11	
	6-10%	Mean	25.625	74.375	56.176	43.824	
		N	16	16	17	17	
	11-15%	Mean	20.000	80.000	81.000	19.000	
		N	5	5	5	5	
	16-30%	Mean	31.250	68.750	56.875	43.125	
		N	8	8	8	8	
	31-50%	Mean	30.000	70.000	20.000	80.000	
		N	1	1	1	1	
	71-100%	Mean	50.000	50.000	50.000	50.000	
		N	1	1	1	1	

STATISTICAL TEST STATISTICS

Binomial Test

Table D9: Binomial test results for motivations to visit a winery (n=46)

Question 12	Variable	N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)	Significant
To taste quality wine	Group 1	8	.17	.50	.000 ^a	Significant
	Group 2	38	.83			
	Total	46	1.00			
To taste a wine before purchasing it	Group 1	11	.24	.50	.001 ^a	Significant
	Group 2	35	.76			
	Total	46	1.00			
To make use of a special offers at the winery	Group 1	30	.65	.50	.054 ^a	No
	Group 2	16	.35			
	Total	46	1.00			
To experience the ambiance of the winery	Group 1	7	.15	.50	.000 ^a	Significant
	Group 2	39	.85			
	Total	46	1.00			
To experience the wine region	Group 1	9	.20	.50	.000 ^a	Significant
	Group 2	37	.80			
	Total	46	1.00			
As a general outing or activity	Group 1	11	.24	.50	.001 ^a	Significant
	Group 2	35	.76			
	Total	46	1.00			
To talk to owners or winemakers	Group 1	33	.72	.50	.005 ^a	Significant
	Group 2	13	.28			
	Total	46	1.00			
For the total winery experience	Group 1	8	.17	.50	.000 ^a	Significant
	Group 2	38	.83			
	Total	46	1.00			
Knowledgeable cellar door staff	Group 1	21	.46	.50	.659 ^a	No
	Group 2	25	.54			
	Total	46	1.00			
To learn more about wine	Group 1	14	.30	.50	.011 ^a	Significant
	Group 2	32	.70			
	Total	46	1.00			

Friendly reception from cellar staff	Group 1	17	.37	.50	.104 ^a	No
	Group 2	29	.63			
	Total	46	1.00			
To experience a winery tour	Group 1	28	.61	.50	.184 ^a	No
	Group 2	18	.39			
	Total	46	1.00			
Reputation (brand) of your wine	Group 1	10	.22	.50	.000 ^a	Significant
	Group 2	36	.78			
	Total	46	1.00			
Medal winning wines	Group 1	24	.52	.50	.883 ^a	No
	Group 2	22	.48			
	Total	46	1.00			
John Platter's Wine Guide	Group 1	16	.35	.50	.054 ^a	No
	Group 2	30	.65			
	Total	46	1.00			
Knowledge of the Great Wine Capitals of the World	Group 1	31	.67	.50	.026 ^a	Significant
	Group 2	15	.33			
	Total	46	1.00			

Table D10: Binomial test results for the advantages and disadvantages of wine tourism to wineries (n=46)

Advantages and disadvantages of wine tourism		N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)	Significant
Wine tourism contributes to increased wine sales	Group 1	10	.22	.50	.000 ^a	
	Group 2	36	.78			
	Total	46	1.00			
Wine tourism creates brand awareness	Group 1	9	.20	.50	.000 ^a	
	Group 2	37	.80			
	Total	46	1.00			
Wine tourism fosters brand loyalty	Group 1	20	.43	.50	.461 ^a	
	Group 2	26	.57			
	Total	46	1.00			
Sales from the cellar door is an important contributor to overall sales volume	Group 1	16	.35	.50	.054 ^a	
	Group 2	30	.65			
	Total	46	1.00			

Wine tourism opens the door for new partnerships with tourism organisations	Group 1	16	.35	.50	.054 ^a	
	Group 2	30	.65			
	Total	46	1.00			
Wine tourism leads to an increase in visitor numbers	Group 1	10	.22	.50	.000 ^a	
	Group 2	36	.78			
	Total	46	1.00			
Wine tourism leads to an increase in spending at my winery	Group 1	17	.37	.50	.104 ^a	
	Group 2	29	.63			
	Total	46	1.00			
Wine tourism assists my winery in overcoming slow demand periods	Group 1	24	.52	.50	.883 ^a	
	Group 2	22	.48			
	Total	46	1.00			
Wine tourism is an opportunity to educate customers	Group 1	12	.26	.50	.002 ^a	
	Group 2	34	.74			
	Total	46	1.00			
Wine tourism enables me to increase my profit margin on wines	Group 1	16	.35	.50	.054 ^a	
	Group 2	30	.65			
	Total	46	1.00			
Wine tourism attracts new domestic market segments to my winery's products	Group 1	19	.41	.50	.302 ^a	
	Group 2	27	.59			
	Total	46	1.00			
Wine tourism attracts new international market segments to my winery's products	Group 1	17	.37	.50	.104 ^a	
	Group 2	29	.63			
	Total	46	1.00			
Wine tourism has improved links with the wine trade	Group 1	23	.50	.50	1.000 ^a	
	Group 2	23	.50			
	Total	46	1.00			
Wine tourism is an opportunity to test new products on customers	Group 1	28	.61	.50	.184 ^a	
	Group 2	18	.39			
	Total	46	1.00			
Wine tourism contributes to developing a unique positive destination image	Group 1	11	.24	.50	.001 ^a	
	Group 2	35	.76			
	Total	46	1.00			
Wine tourism is a way to acquire market intelligence on customers	Group 1	20	.43	.50	.461 ^a	
	Group 2	26	.57			
	Total	46	1.00			

Wine tourism leads to increased costs and management time at my winery	Group 1	23	.50	.50	1.00 ^a	
	Group 2	23	.50			
	Total	46	1.00			
Wine tourism requires a large capital investment	Group 1	23	.50	.50	1.00 ^a	
	Group 2	23	.50			
	Total	46	1.00			
Wine tourism does not substantially increase sales of wine	Group 1	35	.76	.50	.001 ^a	
	Group 2	11	.24			
	Total	46	1.00			
Wine tourism helps to develop mail order sales	Group 1	21	.46	.50	.659 ^a	
	Group 2	25	.54			
	Total	46	1.00			
Wine tourism differentiates my wine from other	Group 1	27	.59	.50	.302 ^a	
	Group 2	19	.41			
	Total	46	1.00			
Cellar door visitors do not buy a lot of wine	Group 1	29	.63	.50	.104 ^a	
	Group 2	17	.37			
	Total	46	1.00			
Tourists are valuable to my winery	Group 1	12	.26	.50	.002 ^a	
	Group 2	34	.74			
	Total	46	1.00			
Wine tourism attracts a wide range of customers to my winery	Group 1	15	.33	.50	.026 ^a	
	Group 2	31	.67			
	Total	46	1.00			
Wine tourism offers important marketing opportunities	Group 1	17	.37	.50	.104 ^a	
	Group 2	29	.63			
	Total	46	1.00			
Wine tourism positively impacts the sales of my wine offshore	Group 1	27	.59	.50	.302 ^a	
	Group 2	19	.41			
	Total	46	1.00			
Time spent with visitors to my winery is valuable	Group 1	7	.15	.50	.000 ^a	
	Group 2	39	.85			
	Total	46	1.00			
Wine tourism contributes greatly to my business success	Group 1	23	.50	.50	1.00 ^a	
	Group 2	23	.50			
	Total	46	1.00			

The overall benefits of wine tourism outweigh the negative impacts	Group 1	11	.24	.50	.001 ^a	
	Group 2	35	.76			
	Total	46	1.00			
Wine tourism does not attract the kind of visitors that I want to my winery	Group 1	44	.96	.50	.000 ^a	
	Group 2	2	.04			
	Total	46	1.00			

Table D11: Binomial test results for the different types of sale (n=46)

Type of Sale		N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)	Significant
1. Cellar door sales	Group 1	38	.83	.50	.000 ^a	Yes
	Group 2	8	.17			
	Total	46	1.00			
2. Wholesale	Group 1	35	.76	.50	.001 ^a	Yes
	Group 2	11	.24			
	Total	46	1.00			
3. Retail	Group 1	42	.91	.50	.000 ^a	Yes
	Group 2	4	.09			
	Total	46	1.00			
4. Exporting	Group 1	41	.89	.50	.000 ^a	Yes
	Group 2	5	.11			
	Total	46	1.00			
5. Own restaurant	Group 1	23	.50	.50	1.000 ^a	No
	Group 2	23	.50			
	Total	46	1.00			
6. Other restaurants	Group 1	39	.85	.50	.000 ^a	Yes
	Group 2	7	.15			
	Total	46	1.00			
7. Mail order	Group 1	28	.61	.50	.184 ^a	No
	Group 2	18	.39			
	Total	46	1.00			
8. Hotels and other accommodation establishments	Group 1	32	.70	.50	.011 ^a	Yes
	Group 2	14	.30			
	Total	46	1.00			

9. Embassies	Group 1	9	.20	.50	.000 ^a	Yes
	Group 2	37	.80			
	Total	46	1.00			
10. Wine clubs	Group 1	27	.59	.50	.302 ^a	No
	Group 2	19	.41			
	Total	46	1.00			

Table D12: Binomial test results for factors influencing the success of a winery (n=46)

Factors influencing the success of a winery		N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)	Significant
1. Having a restaurant or café	Group 1	12	.26	.50	.002 ^a	Yes
	Group 2	34	.74			
	Total	46	1.00			
2. Employing staff that are knowledgeable about wines	Group 1	3	.07	.50	.000 ^a	Yes
	Group 2	43	.93			
	Total	46	1.00			
3. Providing education and interpretation for visitors	Group 1	8	.17	.50	.000 ^a	Yes
	Group 2	38	.83			
	Total	46	1.00			
4. Providing winery tours for visitors	Group 1	17	.37	.50	.104 ^a	No
	Group 2	29	.63			
	Total	46	1.00			
5. Accommodating large tour groups	Group 1	30	.65	.50	.054 ^a	No
	Group 2	16	.35			
	Total	46	1.00			
6. Having the correct accreditation (i.e. cellar door standards)	Group 1	16	.35	.50	.054 ^a	No
	Group 2	30	.65			
	Total	46	1.00			
7. Producing and selling organic wines	Group 1	45	.98	.50	.000 ^a	Yes
	Group 2	1	.02			
	Total	46	1.00			
8. Retailing both wine and other products	Group 1	26	.57	.50	.461 ^a	No
	Group 2	20	.43			
	Total	46	1.00			
9. Providing wine appreciation opportunities	Group 1	12	.26	.50	.002 ^a	Yes
	Group 2	34	.74			
	Total	46	1.00			

10. Hosting special events and functions	Group 1	14	.30	.50	.011 ^a	Yes
	Group 2	32	.70			
	Total	46	1.00			
11. Having overnight accommodation on site	Group 1	28	.61	.50	.184 ^a	No
	Group 2	18	.39			
	Total	46	1.00			
12. Having an attractive, well-designed winery	Group 1	13	.28	.50	.005 ^a	Yes
	Group 2	33	.72			
	Total	46	1.00			
13. Good sign posting	Group 1	3	.07	.50	.000 ^a	Yes
	Group 2	43	.93			
	Total	46	1.00			
14. Friendly, service oriented staff	Group 1	1	.02	.50	.000 ^a	Yes
	Group 2	45	.98			
	Total	46	1.00			

Table D13: Binomial test results for wine tourism's contribution to brand equity (n=46)

Wine tourism and brand equity		N	Observed Prop.	Test Prop.	Asymp. Sig. (2-tailed)	Significant
1. I can increase loyalty to my wine by exhibiting at a wine festival	Group 1	20	.43	.50	.461 ^a	No
	Group 2	26	.57			
	Total	46	1.00			
2. I can increase perceived quality of my wine by having an upmarket tasting room	Group 1	20	.43	.50	.461 ^a	No
	Group 2	26	.57			
	Total	46	1.00			
3. Consumers will make positive brand associations with my wine if I host a wine festival	Group 1	33	.72	.50	.005 ^a	Yes
	Group 2	13	.28			
	Total	46	1.00			
4. Sponsoring a music event helps create awareness of my brand	Group 1	28	.61	.50	.184 ^a	No
	Group 2	18	.39			
	Total	46	1.00			
5. Hosting a book club in my wine cellar helps create a positive association with my brand	Group 1	30	.65	.50	.054 ^a	No
	Group 2	16	.35			
	Total	46	1.00			

6. Being graded by the Wine Route Association increases the perceived quality of my wine	Group 1	25	.54	.50	.659 ^a	No
	Group 2	21	.46			
	Total	46	1.00			
7. A souvenir shop with several branded souvenirs (e.g. caps, hats, T-shirts) increases brand awareness of my winery	Group 1	24	.52	.50	.883 ^a	No
	Group 2	22	.48			
	Total	46	1.00			
8. Winery tasting fosters brand loyalty for my winery	Group 1	9	.20	.50	.000 ^a	Yes
	Group 2	37	.80			
	Total	46	1.00			
9. Celebrity endorsements increases the perceived quality of my wine	Group 1	22	.48	.50	.883 ^a	No
	Group 2	24	.52			
	Total	46	1.00			
10. Wine festivals increases positive brand associations with my wine	Group 1	24	.52	.50	.883 ^a	No
	Group 2	22	.48			
	Total	46	1.00			
11. Cinema and photography festivals increases positive brand associations with my wine	Group 1	32	.70	.50	.011 ^a	Yes
	Group 2	14	.30			
	Total	46	1.00			
12. Festivals help create brand awareness of my winery	Group 1	13	.28	.50	.005 ^a	Yes
	Group 2	33	.72			
	Total	46	1.00			

Mann-Whitney Test Results

Table D14: Mann-Whitney test results for motivations to visit a winery

Motivations to visit a winery	Size of Winery	N	Mean Rank	Sum of Ranks
To taste quality wine	Small (1 to 250 tons)	23	23.61	543.00
	Medium (251 to 1000 tons)	17	16.29	277.00
	Total	40		
To taste a wine before purchasing it	Small (1 to 250 tons)	23	22.37	514.50
	Medium (251 to 1000 tons)	17	17.97	305.50
	Total	40		
To make use of a special offers at the winery	Small (1 to 250 tons)	23	19.93	458.50
	Medium (251 to 1000 tons)	17	21.26	361.50
	Total	40		
To experience the ambiance of the winery	Small (1 to 250 tons)	23	20.63	474.50
	Medium (251 to 1000 tons)	17	20.32	345.50
	Total	40		
To experience the wine region	Small (1 to 250 tons)	23	22.37	514.50
	Medium (251 to 1000 tons)	17	17.97	305.50
	Total	40		
As a general outing or activity	Small (1 to 250 tons)	23	21.89	503.50
	Medium (251 to 1000 tons)	17	18.62	316.50
	Total	40		
To talk to owners or winemakers	Small (1 to 250 tons)	23	23.09	531.00
	Medium (251 to 1000 tons)	17	17.00	289.00
	Total	40		
For the total winery experience	Small (1 to 250 tons)	23	20.63	474.50
	Medium (251 to 1000 tons)	17	20.32	345.50
	Total	40		
Knowledgeable cellar door staff	Small (1 to 250 tons)	23	20.37	468.50
	Medium (251 to 1000 tons)	17	20.68	351.50
	Total	40		
To learn more about wines	Small (1 to 250 tons)	23	20.74	477.00
	Medium (251 to 1000 tons)	17	20.18	343.00
	Total	40		
Friendly reception from cellar staff	Small (1 to 250 tons)	23	17.76	408.50
	Medium (251 to 1000 tons)	17	24.21	411.50
	Total	40		
To experience a winery tour	Small (1 to 250 tons)	23	18.70	430.00
	Medium (251 to 1000 tons)	17	22.94	390.00
	Total	40		

Reputation (brand) of your wine	Small (1 to 250 tons)	23	21.41	492.50
	Medium (251 to 1000 tons)	17	19.26	327.50
	Total	40		
Medal winning wines	Small (1 to 250 tons)	23	21.30	490.00
	Medium (251 to 1000 tons)	17	19.41	330.00
	Total	40		
John Platter's Wine Guide	Small (1 to 250 tons)	23	19.41	446.50
	Medium (251 to 1000 tons)	17	21.97	373.50
	Total	40		
Knowledge of the Great Wine Capitals of the World	Small (1 to 250 tons)	23	20.93	481.50
	Medium (251 to 1000 tons)	17	19.91	338.50
	Total	40		

	B12_1	B12_2	B12_3	B12_4	B12_5	B12_6
Mann-Whitney U	124.000	152.500	182.500	192.500	152.500	163.500
Wilcoxon W	277.000	305.500	458.500	345.500	305.500	316.500
Z	-2.130	-1.277	-.387	-.090	-1.266	-.930
Asymp. Sig. (2-tailed)	.033	.202	.699	.928	.205	.352
Exact Sig. [2*(1-tailed Sig.)]	.051 ^a	.242 ^a	.725 ^a	.935 ^a	.242 ^a	.386 ^a

	B12_7	B12_8	B12_9	B12_10	B12_11	B12_12
Mann-Whitney U	136.000	192.500	192.500	190.000	132.500	154.000
Wilcoxon W	289.000	345.500	468.500	343.000	408.500	430.000
Z	-1.704	-.090	-.087	-.160	-1.810	-1.182
Asymp. Sig. (2-tailed)	.088	.929	.931	.873	.070	.237
Exact Sig. [2*(1-tailed Sig.)]	.107 ^a	.935 ^a	.935 ^a	.892 ^a	.085 ^a	.265 ^a

	B12_13	B12_14	B12_15	B12_16
Mann-Whitney U	174.500	177.000	170.500	185.500
Wilcoxon W	327.500	330.000	446.500	338.500
Z	-.616	-.527	-.716	-.289
Asymp. Sig. (2-tailed)	.538	.598	.474	.773
Exact Sig. [2*(1-tailed Sig.)]	.570 ^a	.626 ^a	.498 ^a	.787 ^a

Table D15: Mann-Whitney U test results for advantages and disadvantages of wine tourism to wineries

Advantages of wine tourism	Size of Winery	N	Mean Rank	Sum of Ranks
Wine tourism contributes to increased wine sales	Small (1 to 250 tons)	23	20.98	482.50
	Medium (251 to 1000 tons)	17	19.85	337.50
	Total	40		
Wine tourism creates brand awareness	Small (1 to 250 tons)	23	18.74	431.00
	Medium (251 to 1000 tons)	17	22.88	389.00
	Total	40		
Wine tourism fosters brand loyalty	Small (1 to 250 tons)	23	19.13	440.00
	Medium (251 to 1000 tons)	17	22.35	380.00
	Total	40		
Sales from the cellar door is an important contributor to overall sales volume	Small (1 to 250 tons)	23	18.93	435.50
	Medium (251 to 1000 tons)	17	22.62	384.50
	Total	40		
Wine tourism opens the door for new partnerships with tourism organisations	Small (1 to 250 tons)	23	20.96	482.00
	Medium (251 to 1000 tons)	17	19.88	338.00
	Total	40		
Wine tourism leads to an increase in visitor numbers	Small (1 to 250 tons)	23	20.09	462.00
	Medium (251 to 1000 tons)	17	21.06	358.00
	Total	40		
Wine tourism leads to an increase in spending at my winery	Small (1 to 250 tons)	23	20.91	481.00
	Medium (251 to 1000 tons)	17	19.94	339.00
	Total	40		
Wine tourism assists my winery in overcoming slow demand periods	Small (1 to 250 tons)	23	20.39	469.00
	Medium (251 to 1000 tons)	17	20.65	351.00
	Total	40		
Wine tourism is an opportunity to educate customers	Small (1 to 250 tons)	23	19.15	440.50
	Medium (251 to 1000 tons)	17	22.32	379.50
	Total	40		
Wine tourism enables me to increase my profit margin on wines	Small (1 to 250 tons)	23	20.74	477.00
	Medium (251 to 1000 tons)	17	20.18	343.00
	Total	40		
Wine tourism attracts new domestic market segments to my winery's products	Small (1 to 250 tons)	23	19.93	458.50
	Medium (251 to 1000 tons)	17	21.26	361.50
	Total	40		
Wine tourism attracts new international market segments to my winery's products	Small (1 to 250 tons)	23	19.93	458.50
	Medium (251 to 1000 tons)	17	21.26	361.50
	Total	40		

Wine tourism has improved links with the wine trade	Small (1 to 250 tons)	23	22.83	525.00
	Medium (251 to 1000 tons)	17	17.35	295.00
	Total	40		
Wine tourism is an opportunity to test new products on customers	Small (1 to 250 tons)	23	21.93	504.50
	Medium (251 to 1000 tons)	17	18.56	315.50
	Total	40		
Wine tourism contributes to developing a unique positive destination image	Small (1 to 250 tons)	23	21.74	500.00
	Medium (251 to 1000 tons)	17	18.82	320.00
	Total	40		
Wine tourism is a way to acquire market intelligence on customers	Small (1 to 250 tons)	23	20.78	478.00
	Medium (251 to 1000 tons)	17	20.12	342.00
	Total	40		
Wine tourism leads to increased costs and management time at my winery	Small (1 to 250 tons)	23	20.20	464.50
	Medium (251 to 1000 tons)	17	20.91	355.50
	Total	40		
Wine tourism requires a large capital investment	Small (1 to 250 tons)	23	18.61	428.00
	Medium (251 to 1000 tons)	17	23.06	392.00
	Total	40		
Wine tourism does not substantially increase sales of wine	Small (1 to 250 tons)	23	19.91	458.00
	Medium (251 to 1000 tons)	17	21.29	362.00
	Total	40		
Wine tourism helps to develop mail order sales	Small (1 to 250 tons)	23	22.17	510.00
	Medium (251 to 1000 tons)	17	18.24	310.00
	Total	40		
Wine tourism differentiates my wine from others	Small (1 to 250 tons)	23	20.89	480.50
	Medium (251 to 1000 tons)	17	19.97	339.50
	Total	40		
Cellar door visitors do not buy a lot of wine	Small (1 to 250 tons)	23	20.76	477.50
	Medium (251 to 1000 tons)	17	20.15	342.50
	Total	40		
Tourists are valuable to my winery	Small (1 to 250 tons)	23	20.46	470.50
	Medium (251 to 1000 tons)	17	20.56	349.50
	Total	40		
Wine tourism attracts a wide range of customers to my winery	Small (1 to 250 tons)	23	19.24	442.50
	Medium (251 to 1000 tons)	17	22.21	377.50
	Total	40		
Wine tourism offers important marketing opportunities	Small (1 to 250 tons)	23	19.83	456.00
	Medium (251 to 1000 tons)	17	21.41	364.00
	Total	40		

Wine tourism positively impacts the sales of my wine offshore	Small (1 to 250 tons)	23	20.48	471.00
	Medium (251 to 1000 tons)	17	20.53	349.00
	Total	40		
Time spent with visitors to my winery is valuable	Small (1 to 250 tons)	23	19.22	442.00
	Medium (251 to 1000 tons)	17	22.24	378.00
	Total	40		
Wine tourism contributes greatly to my business success	Small (1 to 250 tons)	23	19.54	449.50
	Medium (251 to 1000 tons)	17	21.79	370.50
	Total	40		
The overall benefits of wine tourism outweigh the negative impacts	Small (1 to 250 tons)	23	20.93	481.50
	Medium (251 to 1000 tons)	17	19.91	338.50
	Total	40		
Wine tourism does not attract the kind of visitors that I want to my winery	Small (1 to 250 tons)	23	20.87	480.00
	Medium (251 to 1000 tons)	17	20.00	340.00
	Total	40		

	C13_1	C13_2	c13_3	c13_4	c13_5	c13_6
Mann-Whitney U	184.500	155.000	164.000	159.500	185.000	186.000
Wilcoxon W	337.500	431.000	440.000	435.500	338.000	462.000
Z	-.328	-1.230	-.899	-1.035	-.319	-.281
Asymp. Sig. (2-tailed)	.743	.219	.369	.301	.750	.779
Exact Sig. [2*(1-tailed Sig.)]	.766 ^a	.277 ^a	.401 ^a	.329 ^a	.787 ^a	.808 ^a

	c13_7	c13_8	c13_9	c13_10	c13_11	c13_12
Mann-Whitney U	186.000	193.000	164.500	190.000	182.500	182.500
Wilcoxon W	339.000	469.000	440.500	343.000	458.500	458.500
Z	-.281	-.072	-.940	-.164	-.383	-.380
Asymp. Sig. (2-tailed)	.779	.943	.347	.870	.702	.704
Exact Sig. [2*(1-tailed Sig.)]	.808 ^a	.957 ^a	.401 ^a	.892 ^a	.725 ^a	.725 ^a

	c13_13	c13_14	c13_15	c13_16	c13_17	c13_18
Mann-Whitney U	142.000	162.500	167.000	189.000	188.500	152.000
Wilcoxon W	295.000	315.500	320.000	342.000	464.500	428.000
Z	-1.625	-.968	-.873	-.196	-.197	-1.274
Asymp. Sig. (2-tailed)	.104	.333	.382	.845	.843	.203
Exact Sig. [2*(1-tailed Sig.)]	.149 ^a	.371 ^a	.448 ^a	.871 ^a	.850 ^a	.242 ^a

	c13_19	c13_20	c13_21	c13_22	c13_23	c13_24
Mann-Whitney U	182.000	157.000	186.500	189.500	194.500	166.500
Wilcoxon W	458.000	310.000	339.500	342.500	470.500	442.500
Z	-.395	-1.121	-.260	-.171	-.029	-.849
Asymp. Sig. (2-tailed)	.693	.262	.795	.864	.977	.396
Exact Sig. [2*(1-tailed Sig.)]	.725 ^a	.302 ^a	.808 ^a	.871 ^a	.978 ^a	.432 ^a

	c13_25	c13_26	c13_27	c13_28	c13_29	c13_30
Mann-Whitney U	180.000	195.000	166.000	173.500	185.500	187.000
Wilcoxon W	456.000	471.000	442.000	449.500	338.500	340.000
Z	-.449	-.014	-.912	-.650	-.322	-.249
Asymp. Sig. (2-tailed)	.653	.989	.362	.516	.747	.803
Exact Sig. [2*(1-tailed Sig.)]	.685 ^a	1.000 ^a	.432 ^a	.551 ^a	.787 ^a	.829 ^a

Table D16: Mann-Whitney U test results for the different types of sales

Distribution points of wine	Size of Winery	N	Mean Rank	Sum of Ranks
Cellar door sales	Small (1 to 250 tons)	23	19.43	447.00
	Medium (251 to 1000 tons)	17	21.94	373.00
	Total	40		
Wholesale	Small (1 to 250 tons)	23	21.57	496.00
	Medium (251 to 1000 tons)	17	19.06	324.00
	Total	40		
Retail	Small (1 to 250 tons)	23	21.07	484.50
	Medium (251 to 1000 tons)	17	19.74	335.50
	Total	40		
Exporting	Small (1 to 250 tons)	23	19.41	446.50
	Medium (251 to 1000 tons)	17	21.97	373.50
	Total	40		
Own restaurant	Small (1 to 250 tons)	23	19.02	437.50
	Medium (251 to 1000 tons)	17	22.50	382.50
	Total	40		
Other restaurants	Small (1 to 250 tons)	23	21.33	490.50
	Medium (251 to 1000 tons)	17	19.38	329.50
	Total	40		
Mail order	Small (1 to 250 tons)	23	19.85	456.50
	Medium (251 to 1000 tons)	17	21.38	363.50
	Total	40		

Hotels and other accommodation establishments	Small (1 to 250 tons)	23	19.20	441.50
	Medium (251 to 1000 tons)	17	22.26	378.50
	Total	40		
Embassies	Small (1 to 250 tons)	23	18.70	430.00
	Medium (251 to 1000 tons)	17	22.94	390.00
	Total	40		
Wine clubs	Small (1 to 250 tons)	23	20.63	474.50
	Medium (251 to 1000 tons)	17	20.32	345.50
	Total	40		

	d15_1	d15_2	d15_3	d15_4	d15_5	d15_6
Mann-Whitney U	171.000	171.000	182.500	170.500	161.500	176.500
Wilcoxon W	447.000	324.000	335.500	446.500	437.500	329.500
Z	-.738	-.721	-.402	-.829	-.965	-.563
Asymp. Sig. (2-tailed)	.461	.471	.687	.407	.334	.574
Exact Sig. [2*(1-tailed Sig.)]	.516 ^a	.516 ^a	.725 ^a	.498 ^a	.356 ^a	.607 ^a

	d15_7	d15_8	d15_9	d15_10
Mann-Whitney U	180.500	165.500	154.000	192.500
Wilcoxon W	456.500	441.500	430.000	345.500
Z	-.429	-.863	-1.186	-.085
Asymp. Sig. (2-tailed)	.668	.388	.235	.932
Exact Sig. [2*(1-tailed Sig.)]	.685 ^a	.416 ^a	.265 ^a	.935 ^a

Table D17: Mann-Whitney U test results for the critical success factors in marketing a successful winery

Critical success factors	Size of Winery	N	Mean Rank	Sum of Ranks
Having a restaurant or café	Small (1 to 250 tons)	23	20.98	482.50
	Medium (251 to 1000 tons)	17	19.85	337.50
	Total	40		
Employing staff that are knowledgeable about wines	Small (1 to 250 tons)	23	19.72	453.50
	Medium (251 to 1000 tons)	17	21.56	366.50
	Total	40		
Providing education and interpretation for visitors	Small (1 to 250 tons)	23	20.33	467.50
	Medium (251 to 1000 tons)	17	20.74	352.50
	Total	40		
Providing winery tours for visitors	Small (1 to 250 tons)	23	19.85	456.50
	Medium (251 to 1000 tons)	17	21.38	363.50
	Total	40		
Accommodating large tour groups	Small (1 to 250 tons)	23	21.15	486.50
	Medium (251 to 1000 tons)	17	19.62	333.50
	Total	40		
Having the correct accreditation (i.e. cellar door standards)	Small (1 to 250 tons)	23	18.67	429.50
	Medium (251 to 1000 tons)	17	22.97	390.50
	Total	40		
Producing and selling organic wines	Small (1 to 250 tons)	23	19.78	455.00
	Medium (251 to 1000 tons)	17	21.47	365.00
	Total	40		
Retailing both wine and other products	Small (1 to 250 tons)	23	22.00	506.00
	Medium (251 to 1000 tons)	17	18.47	314.00
	Total	40		
Providing wine appreciation opportunities	Small (1 to 250 tons)	23	22.00	506.00
	Medium (251 to 1000 tons)	17	18.47	314.00
	Total	40		
Hosting special events and functions	Small (1 to 250 tons)	23	21.50	494.50
	Medium (251 to 1000 tons)	17	19.15	325.50
	Total	40		
Having overnight accommodation on site	Small (1 to 250 tons)	23	17.89	411.50
	Medium (251 to 1000 tons)	17	24.03	408.50
	Total	40		
Having an attractive, well-designed winery	Small (1 to 250 tons)	23	21.09	485.00
	Medium (251 to 1000 tons)	17	19.71	335.00
	Total	40		

Good sign posting	Small (1 to 250 tons)	23	21.93	504.50
	Medium (251 to 1000 tons)	17	18.56	315.50
	Total	40		
Friendly, service oriented staff	Small (1 to 250 tons)	23	19.65	452.00
	Medium (251 to 1000 tons)	17	21.65	368.00
	Total	40		

	d16_1	d16_2	d16_3	d16_4	d16_5	d16_6
Mann-Whitney U	184.500	177.500	191.500	180.500	180.500	153.500
Wilcoxon W	337.500	453.500	467.500	456.500	333.500	429.500
Z	-.334	-.617	-.125	-.434	-.428	-1.201
Asymp. Sig. (2-tailed)	.738	.537	.900	.664	.668	.230
Exact Sig. [2*(1-tailed Sig.)]	.766 ^a	.626 ^a	.914 ^a	.685 ^a	.685 ^a	.254 ^a

	d16_7	d16_8	d16_9	d16_10	d16_11	d16_12
Mann-Whitney U	179.000	161.000	161.000	172.500	135.500	182.000
Wilcoxon W	455.000	314.000	314.000	325.500	411.500	335.000
Z	-.560	-1.012	-1.077	-.687	-1.719	-.393
Asymp. Sig. (2-tailed)	.575	.311	.281	.492	.086	.694
Exact Sig. [2*(1-tailed Sig.)]	.665 ^a	.356 ^a	.356 ^a	.533 ^a	.101 ^a	.725 ^a

	d16_13	d16_14
Mann-Whitney U	162.500	176.000
Wilcoxon W	315.500	452.000
Z	-1.020	-.810
Asymp. Sig. (2-tailed)	.308	.418
Exact Sig. [2*(1-tailed Sig.)]	.371 ^a	.607 ^a

Table D18: Mann-Whitney U test results for wine tourism and brand equity

Wine tourism and brand equity	Size of Winery	N	Mean Rank	Sum of Ranks
I can increase loyalty to my wine by exhibiting at a wine festival	Small (1 to 250 tons)	23	23.57	542.00
	Medium (251 to 1000 tons)	17	16.35	278.00
	Total	40		
I can increase perceived quality of my wine by having an upmarket tasting room	Small (1 to 250 tons)	23	21.70	499.00
	Medium (251 to 1000 tons)	17	18.88	321.00
	Total	40		
Consumers will make positive brand associations with my wine if I host a wine festival	Small (1 to 250 tons)	23	23.00	529.00
	Medium (251 to 1000 tons)	17	17.12	291.00
	Total	40		
Sponsoring a music event helps create awareness of my brand	Small (1 to 250 tons)	23	20.74	477.00
	Medium (251 to 1000 tons)	17	20.18	343.00
	Total	40		
Hosting a book club in my wine cellar helps create a positive association with my brand	Small (1 to 250 tons)	23	23.50	540.50
	Medium (251 to 1000 tons)	17	16.44	279.50
	Total	40		
Being graded by the Wine Route Association increases the perceived quality of my wine	Small (1 to 250 tons)	23	23.98	551.50
	Medium (251 to 1000 tons)	17	15.79	268.50
	Total	40		
A souvenir shop with several branded souvenirs (e.g. caps, hats, T-shirts) increases brand awareness of my winery	Small (1 to 250 tons)	23	19.59	450.50
	Medium (251 to 1000 tons)	17	21.74	369.50
	Total	40		
Winery tasting fosters brand loyalty for my winery	Small (1 to 250 tons)	23	22.35	514.00
	Medium (251 to 1000 tons)	17	18.00	306.00
	Total	40		
Celebrity endorsements increases the perceived quality of my wine	Small (1 to 250 tons)	23	20.96	482.00
	Medium (251 to 1000 tons)	17	19.88	338.00
	Total	40		
Wine festivals increases positive brand associations with my wine	Small (1 to 250 tons)	23	21.54	495.50
	Medium (251 to 1000 tons)	17	19.09	324.50
	Total	40		
Cinema and photography festivals increases positive brand associations with my wine	Small (1 to 250 tons)	23	21.24	488.50
	Medium (251 to 1000 tons)	17	19.50	331.50
	Total	40		
Festivals help create brand awareness of my winery	Small (1 to 250 tons)	23	21.80	501.50
	Medium (251 to 1000 tons)	17	18.74	318.50
	Total	40		

	d21_1	d21_2	d21_3	d21_4	d21_5	d21_6
Mann-Whitney U	125.000	168.000	138.000	190.000	126.500	115.500
Wilcoxon W	278.000	321.000	291.000	343.000	279.500	268.500
Z	-2.053	-.803	-1.663	-.158	-1.997	-2.295
Asymp. Sig. (2-tailed)	.040	.422	.096	.874	.046	.022
Exact Sig. [2*(1-tailed Sig.)]	.055 ^a	.464 ^a	.120 ^a	.892 ^a	.058 ^a	.027 ^a

	d21_7	d21_8	d21_9	d21_10	d21_11	d21_12
Mann-Whitney U	174.500	153.000	185.000	171.500	178.500	165.500
Wilcoxon W	450.500	306.000	338.000	324.500	331.500	318.500
Z	-.625	-1.346	-.309	-.689	-.496	-.903
Asymp. Sig. (2-tailed)	.532	.178	.757	.491	.620	.366
Exact Sig. [2*(1-tailed Sig.)]	.570 ^a	.254 ^a	.787 ^a	.516 ^a	.645 ^a	.416 ^a

Kruskal-Wallis test results

Table D19: Kruskal-Wallis test results for motivations to visit a winery

Motivations to visit a winery	Sub-routes	N	Mean Rank
To taste quality wine	Greater Simonsberg	15	19.50
	Helderberg	14	18.61
	Stellenbosch Hills	10	22.70
	Total	39	
To taste a wine before purchasing it	Greater Simonsberg	15	19.73
	Helderberg	14	20.14
	Stellenbosch Hills	10	20.20
	Total	39	
To make use of a special offers at the winery	Greater Simonsberg	15	18.47
	Helderberg	14	19.36
	Stellenbosch Hills	10	23.20
	Total	39	
To experience the ambiance of the winery	Greater Simonsberg	15	20.33
	Helderberg	14	18.82
	Stellenbosch Hills	10	21.15
	Total	39	
To experience the wine region	Greater Simonsberg	15	20.30
	Helderberg	14	19.14
	Stellenbosch Hills	10	20.75
	Total	39	
For the total winery experience	Greater Simonsberg	15	24.13
	Helderberg	14	16.54
	Stellenbosch Hills	10	18.65
	Total	39	
As a general outing or activity	Greater Simonsberg	15	21.40
	Helderberg	14	17.36
	Stellenbosch Hills	10	21.60
	Total	39	
To talk to owners or winemakers	Greater Simonsberg	15	19.63
	Helderberg	14	20.07
	Stellenbosch Hills	10	20.45
	Total	39	
Knowledgeable cellar door staff	Greater Simonsberg	15	18.87
	Helderberg	14	24.39
	Stellenbosch Hills	10	15.55
	Total	39	

To learn more about wines	Greater Simonsberg	15	21.37
	Helderberg	14	19.25
	Stellenbosch Hills	10	19.00
	Total	39	
Friendly reception from cellar staff	Greater Simonsberg	15	22.70
	Helderberg	14	23.07
	Stellenbosch Hills	10	11.65
	Total	39	
To experience a winery tour	Greater Simonsberg	15	21.50
	Helderberg	14	21.07
	Stellenbosch Hills	10	16.25
	Total	39	
Knowledge of the Great Wine Capitals of the World	Greater Simonsberg	15	22.77
	Helderberg	14	17.82
	Stellenbosch Hills	10	18.90
	Total	39	
Reputation (brand) of your wine	Greater Simonsberg	15	22.43
	Helderberg	14	18.57
	Stellenbosch Hills	10	18.35
	Total	39	
Medal winning wines	Greater Simonsberg	15	16.90
	Helderberg	14	22.75
	Stellenbosch Hills	10	20.80
	Total	39	
John Platter's Wine Guide	Greater Simonsberg	15	19.87
	Helderberg	14	24.57
	Stellenbosch Hills	10	13.80
	Total	39	

	B12_1	B12_2	B12_3	B12_4	B12_5	B12_6	B12_7	B12_8
Chi-Square	.943	.016	1.226	.307	.153	3.903	1.292	.037
df	2	2	2	2	2	2	2	2
Asymp. Sig.	.624	.992	.542	.858	.926	.142	.524	.982

	B12_9	B12_10	B12_11	B12_12	B12_13	B12_14	B12_15	B12_16
Chi-Square	4.109	.398	7.907	1.581	1.731	1.189	2.173	5.589
df	2	2	2	2	2	2	2	2
Asymp. Sig.	.128	.819	.019	.454	.421	.552	.337	.061

Table D20: Kruskal-Wallis test results for the advantages of wine tourism to wineries

Advantages of wine tourism	Sub-routes	N	Mean Rank
Wine tourism contributes to increased wine sales	Greater Simonsberg	15	20.13
	Helderberg	14	22.04
	Stellenbosch Hills	10	16.95
	Total	39	
Wine tourism creates brand awareness	Greater Simonsberg	15	18.87
	Helderberg	14	20.89
	Stellenbosch Hills	10	20.45
	Total	39	
Wine tourism fosters brand loyalty	Greater Simonsberg	15	18.97
	Helderberg	14	23.11
	Stellenbosch Hills	10	17.20
	Total	39	
Sales from the cellar door is an important contributor to overall sales volume	Greater Simonsberg	15	22.13
	Helderberg	14	17.68
	Stellenbosch Hills	10	20.05
	Total	39	
Wine tourism opens the door for new partnerships with tourism organisations	Greater Simonsberg	15	19.20
	Helderberg	14	21.43
	Stellenbosch Hills	10	19.20
	Total	39	
Wine tourism leads to an increase in visitor numbers	Greater Simonsberg	15	20.23
	Helderberg	14	20.04
	Stellenbosch Hills	10	19.60
	Total	39	
Wine tourism leads to an increase in spending at my winery	Greater Simonsberg	15	20.07
	Helderberg	14	21.11
	Stellenbosch Hills	10	18.35
	Total	39	
Wine tourism assists my winery in overcoming slow demand periods	Greater Simonsberg	15	20.17
	Helderberg	14	20.54
	Stellenbosch Hills	10	19.00
	Total	39	
Wine tourism is an opportunity to educate customers	Greater Simonsberg	15	19.17
	Helderberg	14	20.32
	Stellenbosch Hills	10	20.80
	Total	39	

Wine tourism enables me to increase my profit margin on wines	Greater Simonsberg	15	21.37
	Helderberg	14	19.11
	Stellenbosch Hills	10	19.20
	Total	39	
Wine tourism attracts new domestic market segments to my winery's products	Greater Simonsberg	15	20.83
	Helderberg	14	20.96
	Stellenbosch Hills	10	17.40
	Total	39	
Wine tourism attracts new international market segments to my winery's products	Greater Simonsberg	15	20.07
	Helderberg	14	23.36
	Stellenbosch Hills	10	15.20
	Total	39	
Wine tourism has improved links with the wine trade	Greater Simonsberg	15	24.93
	Helderberg	14	17.43
	Stellenbosch Hills	10	16.20
	Total	39	
Wine tourism is an opportunity to test new products on customers	Greater Simonsberg	15	21.50
	Helderberg	14	18.04
	Stellenbosch Hills	10	20.50
	Total	39	
Wine tourism contributes to developing a unique positive destination image	Greater Simonsberg	15	18.30
	Helderberg	14	22.21
	Stellenbosch Hills	10	19.45
	Total	39	
Wine tourism is a way to acquire market intelligence on customers	Greater Simonsberg	15	21.17
	Helderberg	14	20.64
	Stellenbosch Hills	10	17.35
	Total	39	
Wine tourism leads to increased costs and management time at my winery	Greater Simonsberg	15	19.37
	Helderberg	14	20.61
	Stellenbosch Hills	10	20.10
	Total	39	
Wine tourism requires a large capital investment	Greater Simonsberg	15	17.50
	Helderberg	14	21.11
	Stellenbosch Hills	10	22.20
	Total	39	
Wine tourism does not substantially increase sales of wine	Greater Simonsberg	15	20.23
	Helderberg	14	19.54
	Stellenbosch Hills	10	20.30
	Total	39	

Wine tourism helps to develop mail order sales	Greater Simonsberg	15	24.63
	Helderberg	14	15.39
	Stellenbosch Hills	10	19.50
	Total	39	
Wine tourism differentiates my wine from others	Greater Simonsberg	15	23.30
	Helderberg	14	18.07
	Stellenbosch Hills	10	17.75
	Total	39	
Cellar door visitors do not buy a lot of wine	Greater Simonsberg	15	20.17
	Helderberg	14	20.00
	Stellenbosch Hills	10	19.75
	Total	39	
Tourists are valuable to my winery	Greater Simonsberg	15	18.43
	Helderberg	14	23.11
	Stellenbosch Hills	10	18.00
	Total	39	
Wine tourism attracts a wide range of customers to my winery	Greater Simonsberg	15	18.20
	Helderberg	14	
	Stellenbosch Hills	10	15.70
	Total	39	
Wine tourism offers important marketing opportunities	Greater Simonsberg	15	17.37
	Helderberg	14	22.36
	Stellenbosch Hills	10	20.65
	Total	39	
Wine tourism positively impacts the sales of my wine offshore	Greater Simonsberg	15	21.07
	Helderberg	14	19.29
	Stellenbosch Hills	10	19.40
	Total	39	
Time spent with visitors to my winery is valuable	Greater Simonsberg	15	18.90
	Helderberg	14	21.11
	Stellenbosch Hills	10	20.10
	Total	39	
Wine tourism contributes greatly to my business success	Greater Simonsberg	15	19.10
	Helderberg	14	20.54
	Stellenbosch Hills	10	20.60
	Total	39	
The overall benefits of wine tourism outweigh the negative impacts	Greater Simonsberg	15	19.00
	Helderberg	14	20.68
	Stellenbosch Hills	10	20.55
	Total	39	

Wine tourism does not attract the kind of visitors that I want to my winery	Greater Simonsberg	15	22.40
	Helderberg	14	17.39
	Stellenbosch Hills	10	20.05
	Total	39	

	C13_1	C13_2	c13_3	c13_4	c13_5	c13_6	c13_7
Chi-Square	1.347	.297	1.913	1.214	.439	.022	.389
df	2	2	2	2	2	2	2
Asymp. Sig.	.510	.862	.384	.545	.803	.989	.823

	c13_8	c13_9	c13_10	c13_11	c13_12	c13_13	c13_14
Chi-Square	.125	.166	.420	.827	3.397	5.596	.788
df	2	2	2	2	2	2	2
Asymp. Sig.	.939	.920	.811	.661	.183	.061	.674

	c13_15	c13_16	c13_17	c13_18	c13_19	c13_20	c13_21	c13_22
Chi-Square	1.092	.887	.092	1.356	.040	5.629	2.308	.009
df	2	2	2	2	2	2	2	2
Asymp. Sig.	.579	.642	.955	.508	.980	.060	.315	.996

	c13_23	c13_24	c13_25	c13_26	c13_27	c13_28	c13_29	c13_30
Chi-Square	1.843	5.080	1.579	.234	.326	.176	.269	1.603
df	2	2	2	2	2	2	2	2
Asymp. Sig.	.398	.079	.454	.890	.850	.916	.874	.449

Table D21: Kruskal-Wallis test results for the different points of distribution of wine

Points of distribution	Sub-routes	N	Mean Rank
Cellar door sales	Greater Simonsberg	15	17.73
	Helderberg	14	21.43
	Stellenbosch Hills	10	21.40
	Total	39	
Wholesale	Greater Simonsberg	15	18.27
	Helderberg	14	22.43
	Stellenbosch Hills	10	19.20
	Total	39	
Retail	Greater Simonsberg	15	19.03
	Helderberg	14	24.00
	Stellenbosch Hills	10	15.85
	Total	39	
Exporting	Greater Simonsberg	15	21.43
	Helderberg	14	21.50
	Stellenbosch Hills	10	15.75
	Total	39	
Own restaurant	Greater Simonsberg	15	20.30
	Helderberg	14	21.25
	Stellenbosch Hills	10	17.80
	Total	39	
Other restaurants	Greater Simonsberg	15	19.93
	Helderberg	14	20.57
	Stellenbosch Hills	10	19.30
	Total	39	
Mail order	Greater Simonsberg	15	18.47
	Helderberg	14	23.61
	Stellenbosch Hills	10	17.25
	Total	39	
Hotels and other accommodation establishments	Greater Simonsberg	15	20.47
	Helderberg	14	21.39
	Stellenbosch Hills	10	17.35
	Total	39	
Embassies	Greater Simonsberg	15	20.40
	Helderberg	14	20.14
	Stellenbosch Hills	10	19.20
	Total	39	

Wine clubs	Greater Simonsberg	15	16.70
	Helderberg	14	21.32
	Stellenbosch Hills	10	23.10
	Total	39	

	d15_1	d15_2	d15_3	d15_4	d15_5	d15_6	d15_7
Chi-Square	1.155	1.168	3.959	2.702	.599	.088	2.478
df	2	2	2	2	2	2	2
Asymp. Sig.	.561	.558	.138	.259	.741	.957	.290

	d15_8	d15_9	d15_10
Chi-Square	.856	.074	2.366
df	2	2	2
Asymp. Sig.	.652	.963	.306

Table D22: Kruskal-Wallis test results for the factors influencing the development and marketing of a successful winery

Critical success factors	Sub-routes	N	Mean Rank
Having a restaurant or café	Greater Simonsberg	15	20.50
	Helderberg	14	20.79
	Stellenbosch Hills	10	18.15
	Total	39	
Employing staff that are knowledgeable about wines	Greater Simonsberg	15	20.47
	Helderberg	14	20.36
	Stellenbosch Hills	10	18.80
	Total	39	
Providing education and interpretation for visitors	Greater Simonsberg	15	20.90
	Helderberg	14	22.71
	Stellenbosch Hills	10	14.85
	Total	39	
Providing winery tours for visitors	Greater Simonsberg	15	20.87
	Helderberg	14	22.64
	Stellenbosch Hills	10	18.96
	Total	39	

Accommodating large tour groups	Greater Simonsberg	15	19.80
	Helderberg	14	18.71
	Stellenbosch Hills	10	22.10
	Total	39	
Having the correct accreditation	Greater Simonsberg	15	16.63
	Helderberg	14	24.54
	Stellenbosch Hills	10	18.70
	Total	39	
Producing and selling organic wines	Greater Simonsberg	15	19.63
	Helderberg	14	22.93
	Stellenbosch Hills	10	16.45
	Total	39	
Retailing both wine and other products	Greater Simonsberg	15	20.00
	Helderberg	14	20.54
	Stellenbosch Hills	10	19.25
	Total	39	
Providing wine appreciation opportunities	Greater Simonsberg	15	25.32
	Helderberg	14	24.32
	Stellenbosch Hills	10	21.45
	Total	39	
Hosting special events and functions	Greater Simonsberg	15	17.93
	Helderberg	14	19.50
	Stellenbosch Hills	10	23.80
	Total	39	
Having overnight accommodation on site	Greater Simonsberg	15	19.77
	Helderberg	14	19.89
	Stellenbosch Hills	10	20.50
	Total	39	
Having an attractive, well-designed winery	Greater Simonsberg	15	21.30
	Helderberg	14	21.93
	Stellenbosch Hills	10	15.35
	Total	39	
Good sign posting	Greater Simonsberg	15	23.37
	Helderberg	14	21.50
	Stellenbosch Hills	10	12.85
	Total	39	
Friendly, service oriented staff	Greater Simonsberg	15	20.97
	Helderberg	14	20.54
	Stellenbosch Hills	10	17.80
	Total	39	

	d16_1	d16_2	d16_3	d16_4	d16_5	d16_6	d16_7
Chi-Square	.412	.228	3.467	3.080	.562	4.039	2.628
df	2	2	2	2	2	2	2
Asymp. Sig.	.814	.892	.177	.214	.755	.133	.269

	d16_8	d16_9	d16_10	d16_11	d16_12	d16_13	d16_14
Chi-Square	.081	6.673	1.844	.029	2.536	6.837	1.150
df	2	2	2	2	2	2	2
Asymp. Sig.	.960	.036	.398	.986	.281	.033	.563

Table D23: Kruskal-Wallis test results for wine tourism and its relationship to brand equity

Wine tourism and brand equity	Sub-routes	N	Mean Rank
I can increase loyalty to my wine by exhibiting at a wine festival	Greater Simonsberg	15	16.77
	Helderberg	14	22.21
	Stellenbosch Hills	10	21.75
	Total	39	
I can increase perceived quality of my wine by having an upmarket tasting room	Greater Simonsberg	15	20.40
	Helderberg	14	20.64
	Stellenbosch Hills	10	18.50
	Total	39	
Consumers will make positive brand associations with my wine if I host a wine festival	Greater Simonsberg	15	19.37
	Helderberg	14	23.39
	Stellenbosch Hills	10	16.20
	Total	39	
Sponsoring a music event helps create awareness of my brand	Greater Simonsberg	15	20.73
	Helderberg	14	20.07
	Stellenbosch Hills	10	18.80
	Total	39	
Hosting a book club in my wine cellar helps create a positive association with my brand	Greater Simonsberg	15	18.07
	Helderberg	14	18.79
	Stellenbosch Hills	10	24.60
	Total	39	
Being graded by the Wine Route Association increases the perceived quality of my wine	Greater Simonsberg	15	17.20
	Helderberg	14	22.46
	Stellenbosch Hills	10	20.75
	Total	39	

A souvenir shop with several branded souvenirs (e.g. caps, hats, T-shirts) increases brand awareness of my winery	Greater Simonsberg	15	18.00
	Helderberg	14	22.64
	Stellenbosch Hills	10	19.30
	Total	39	
Winery tasting fosters brand loyalty for my winery	Greater Simonsberg	15	21.80
	Helderberg	14	17.93
	Stellenbosch Hills	10	20.20
	Total	39	
Celebrity endorsements increases the perceived quality of my wine	Greater Simonsberg	15	19.40
	Helderberg	14	18.43
	Stellenbosch Hills	10	23.10
	Total	39	
Wine festivals increases positive brand associations with my wine	Greater Simonsberg	15	16.13
	Helderberg	14	24.46
	Stellenbosch Hills	10	19.55
	Total	39	
Cinema and photography festivals increases positive brand associations with my wine	Greater Simonsberg	15	18.30
	Helderberg	14	20.29
	Stellenbosch Hills	10	22.15
	Total	39	
Festivals help create brand awareness of my winery	Greater Simonsberg	15	16.27
	Helderberg	14	23.21
	Stellenbosch Hills	10	21.10
	Total	39	

	d21_1	d21_2	d21_3	d21_4	d21_5	d21_6	d21_7
Chi-Square	2.252	.268	2.786	.193	2.488	1.791	1.480
df	2	2	2	2	2	2	2
Asymp. Sig.	.324	.875	.248	.908	.288	.408	.477

	d21_8	d21_9	d21_10	d21_11	d21_12
Chi-Square	1.151	1.185	4.299	.828	3.386
df	2	2	2	2	2
Asymp. Sig.	.562	.553	.117	.661	.184