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South African wine routes: some perspectives on the wine tourism industry's structural dimensions and wine tourism product

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Abstract

Wine tourism has emerged as a strong and growing area of special-interest tourism in 'New World' wine countries in particular, and represents an increasingly significant component of the regional and rural tourism products of these countries. The development of wine routes throughout Europe, and increasingly in 'New World' wine countries, provides the link between wine and tourism. South Africa is believed to be one of the most aggressive in the short- to medium-term in getting out its wine tourism message.

The twofold purpose of this paper is to investigate the structural dimensions of the South African wine industry as these specifically relate to wine route estates and to determine the nature and extent of the wine tourism 'product' offered on the wine route estates. In this context, 125 face-to-face interviews were conducted with wine route estate enterprises.

Wine route estates have long recognised the potential of wine tourism and the implications of their involvement in wine tourism through their inclusion in wine routes are discussed.

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1. Introduction

The very nature of the wine industry lends itself to a marriage with tourism. Wine is a beverage that is associated with relaxation, communing with others, complementary to food consumption, learning about new things, and hospitality. Tourists will often seek some or all of these things while in movement or vacation (Dodd, 1995). Wine tourism is a form of special-interest tourism (Hall, 1998). In fact, the winery tour aspect is an example of a well-established special-interest tourism product (Weiler & Hall, 1992). Wine tourism and the active development and marketing of the wine tourism product is a relatively recent phenomenon. In Europe, wine tourism has largely been developed in the form of official wine roads or wine routes (Hall, Sharples, Cambourne, & Macionis, 2000).

Definitions of wine tourism abound as the discipline continues to evolve. A conceptual definition that encapsulates the focus of this study is that of Hall and

Macionis (1998): "...visitation to vineyards, wineries, wine festivals and wine shows for which grape wine tasting and/or experiencing the attributes of the grape wine region are the prime motivating factors for visitors." It must be recognised too that wine tourism also involves destination planning and marketing strategy (Getz, Dowling, Carlsen, & Anderson, 1999). This recognition manifests itself in the Western Australian Wine Tourism Strategy (2000), which defines wine tourism as: "...travel for the purpose of experiencing wineries and wine regions and their links to lifestyle. Wine tourism encompasses both service provision and destination marketing."

It is often said that the potential for wine tourism is enormous, but who are the stakeholders and who stands to gain most if and when it realises its true potential? Unfortunately wine tourism and its links with other tourism sectors have so far received little attention in the literature (Hall et al., 2000).

The increased focus on winery cellar-doors is a move that coincides with a rapid growth in wine tourism. It is all about relationship-building and getting the brand across to consumers and creating brand awareness. However, again the amount of published research on

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'cellar-door tourism' worldwide is sparse. A better understanding of cellar-door visitors to a region would enable wineries to develop more appropriate and improved wine tourism products.

The South African wine industry is one of a few national industries that is genuinely concentrated outside metropolitan areas and hence plays a vital role in regional development, employment generation, corporate investment, business growth, and tourism. Central in all of this is wine as the core product and associated with it, activities such as wine tourism, wine region brand building, and so on.

The South African wine industry is one of the 'oldest' outside of Europe with the first vineyards planted in the 1650s and wine being produced since then. This industry provides a good example of wine and tourism products that are both spatially fixed in a radius of between 100 and 200 km from Cape Town City as the centrepoint. The South African wine industry is therefore more regionally concentrated in the geographic sense than in most other wine countries with 95% of the country's 105,000 ha of wine grape vineyards concentrated in the Western Cape area. Throughout South Africa about 215,000 persons—farmers, employees and dependents are involved in the industry's primary, secondary and tertiary economic activities. The South African wine industry is the 8th largest wine industry in the world in terms of total wine volume (including distillates and juice) but the 11th largest in terms of table wine production (Spies, 2001). Annual wine production fluctuates between 800 and 900 million litres but bottled table wine (in 750 ml) 'only' comprise 450–550 million litres (SAWIS, 2001b) which places it at about half the size of the Australian and 60% of the Chilean wine industry. There are 355 registered wine estate enterprises in the South African wine industry compared with 1465 in Australia (Winetitles, 2002).

2. The wine route concept

The concept of a bounded space is vital to the idea of a wine route since it defines for its wine-producing members an identity that proclaims unique attributes for their wines and cultural heritage. In order to stress the attributes that distinguish them from their competitors, wine route associations tend to employ a rhetoric that stresses the nature of the grapes and the wines they produce, the soils and climate that give them distinctive character and the cultural heritage that nurtured them (Hall et al., 2000).

As a defining framework for this study a wine route is defined as basically a tourist route that connects several wine estates and wineries in a given area (German: 'weinstrasse'). This route is characterised by natural attractions (mountains and other scenery), physical

attractions (facilities such as wineries on wine estates), vineyards, and roads and markers (signposts) directing the tourist to the individual wine route estate enterprises. Most if not all wine routes are characterised by a bounded space in the form of an often officially demarcated wine region or geographical indication (GI) that has an identity in the form of a (branded) descriptive name such as Champagne (France) or Stellenbosch (South Africa). Wine routes are therefore the roadways to the core attractions in wine tourism—the wines and the winery. Expressed in another way "...usually a wine route consists of a designated itinerary (or several) through the wine region which is thematically signposted as well as being interpreted via a free leaflet and map, which notes the different vineyards and winemakers and provides information on sites of historical and other interest".... (Hall et al., 2000).

Both the wine and tourism industries rely on regional branding (Fuller, 1997; Hall & Macionis, 1998). In some cases, for example Bordeaux, Burgundy and Rioja, the geographical identity or regional origin of wine has been formalized through appellation controls (Hall et al., 2000). As wine routes are also regionally based, each wine route therefore seeks to articulate a set of attributes that endows it with a distinctive trademark or brand identity (Moran, 1993) or one that enables them to claim some unique feature. The mix of environmental, cultural and social features that convey a distinctive character to each wine route is usually perceptible. The tourist will recognise and value the difference in landscape and winescape when moving between wine routes (Hall et al., 2000).

The concept of a wine route also incorporates images that sustain the notion of exploration and discovery. It requires a journey during which a range of unexpected experiences may be encountered. This expectation is encouraged by (advertised) claims of distinctive attributes that are particular to the wine route. A wine route allows the tourist to engage with the diversity of the natural and cultural features of the landscape.

In today's world wine market what is important to acknowledge is that successful building of the brand identity and image of the winery, the wine region and the wine country of origin is, arguably, the single most important factor that will determine future success in the wine industry. Tourism is fundamentally about the difference of place (Relph, 1996) while wine is 'one of those rare commodities that is branded on the basis of its geographical origin (Merret & Whitwell, 1994).

It is obvious that the development of wine routes forms an integral part of the wine tourism industry. In fact, they are the 'roadways' to the core attraction in wine tourism—the wines and the winery production facility.

Besides these various kinds of attractions that are alleged to 'pull' people to a destination, there are other

factors that play a part in helping a tourist to choose a particular destination. One of these factors is the proximity of a destination to the generating region. In considering the question of proximity, the following factors may be taken into account:

- Geographical distance between the generating region and the tourist destination
- Travel time needed to cover the geographical distance
- Amount of money required by the tourist to cover the geographical distance
- Cognitive distance between the generating region and the destination.

The cognitive distance refers to one's perception of the distance (as opposed to the real distance). Geographical features (for example, winding mountain roads to vineyards) may make the distance seem longer. Great differences in culture and lifestyle between the generating region and the destination region may also give the impression of greater distance than is really the case. Wineries (or the wine tourist regional association) should conduct research to establish the distance that tourists are willing to travel on average for a day-trip. A research study pinpointed this at 180–200 km (one-way) in South Africa (Bruwer, 1990). Wineries not located within this radius should seriously consider forming liaisons with tour operators taking visitors on 2–3 day winery tours, with their local accommodation industry, or alternatively invest in their own overnight facilities.

Various wine regions establish wine tourism and wine trail organisations. For the regions that establish a wine route or trail (or road), it is the best framework for cooperative work between government, private enterprises and associations, the tourism industry, wineries and the local council. It is a productive factor that harnesses the energies of all involved with regional development, for the benefit of creating jobs and economic and cultural development (Europäische Weinstrassen, 1999). These cooperative associations can best be described as wine route networks.

Visiting wineries, attendance of wine and food festivals and wine shows, sightseeing and visiting other attractions, recreation and visiting relatives and friends are generally recognised as the main reasons for visiting wine regions (Maddern & Golledge, 1996).

3. Research study objectives

The main objectives of this research study were:

- To investigate the structural dimensions of South African wine routes and relate these to wine tourism;
- To determine the nature and extent of the wine tourism 'product' offered on South African wine route estates.

It needs to be understood that the South African wine and tourism industries have a common objective—to capture and present a unique sense of place to consumers. Judging only by the number of wine tourists on the wine routes (see Table 7), success is being achieved as far as the sense of place phenomenon is concerned.

4. Research methodology

As the focus of the study was primarily wine tourism and secondarily the winery cellar-door, a blanket cover survey of all wine regions and wine routes was conducted during the period December 2000–January 2001. The total size of the sample was 355 wine establishments (wineries and wine estates) (SAWIS, 2001a). Care was taken to stratify the actual sample to represent small, medium and large as proportionately accurate as possible. Face-to-face interviews were conducted with the most appropriate individual representing wine route estates situated within a radius of 100 km from Cape Town city and a mail survey for respondents situated at a further distance. A total response rate of 35% ($n = 125$ wine route enterprises) yielding a level of confidence for extrapolations at 95% with a 5.42% confidence level and 99% with a 7.14% confidence level. This is adequate for any study of this nature in the broader Human Sciences field.

In the subsections that follow, the research results are expounded, inferences made and specific findings highlighted. No sophisticated statistical analysis was attempted as the study conducted was essentially a baseline or benchmarking type study thus enabling comparisons in similar studies that may follow in other wine country tourism industries. As indicated, the final sample of wineries that participated in the study has an acceptable degree of fit with and proportionality to the universum of wineries. Only the Paarl and Franschhoek Wine Routes were slightly under-represented and hence the data obtained from these wine routes was adjusted by means of weighting for higher proportionality.

5. Research results

5.1. Wine routes, employment, business history, and industry structure

The Stellenbosch wine route became the first official wine route in South Africa when it was established in 1971 (Preston-Whyte, 2000). Since then, 15 more routes have been added and today the South African wine route system enjoys the reputation of being in a wine country with one of the best wine route infrastructure

Table 1
Wine routes and wine route estate sample breakdown

Wine route	<i>n</i>	(%)
Stellenbosch	45	36.0
Paarl	15	12.0
Franschhoek	15	12.0
Worcester	10	8.0
Helderberg	6	4.8
Robertson	6	4.8
Elgin/Walker Bay	5	4.0
Klein Karoo	5	4.0
Olifants River	4	3.2
Swartland	3	2.4
Wellington	2	1.6
Durbanville	2	1.6
Constantia	2	1.6
Orange River	2	1.6
Kuils River	2	1.6
Bottelary	1	0.8

Table 2
Number of full-time and part-time (casual/contract) employees per section working at wine route estates

Section	Full-time		Part-time		Total <i>n</i>
	<i>n</i>	Mean	<i>n</i>	Mean	
Winery	1240	10.2	1028	16.3	2268
Wine tourism/tourism-related	247	3.1	162	4.1	409
Restaurant/food-related	269	9.6	162	8.5	431
Rest of wine estate/winery	2772	30.5	1464	28.2	4667
Total	4528	37.4	2816	29.3	7775
Mean (total sample population)		36.2		22.5	

systems and winescapes in the world. Table 1 reflects the representation of wineries that participated in the study:

It is clear that the Stellenbosch Wine Route is still by far the largest (36%) and most influential in the South African wine tourism industry followed by its neighbouring regions, Paarl and Franschhoek.

The significance of the multiplier effect in creating additional employment is a well-known phenomenon in the tourism industry in particular and wine tourism is certainly no exception (Bruwer & Haydam, 1994). Table 2 shows the levels of both full- and part-time employment created in wine route estates in the South African wine tourism industry.

Since grape growing, harvesting, winemaking, and even wine tourism itself are seasonal activities performed in an agricultural sub-industry characterised by seasonal highs and lows as far as labour needs are concerned, a relatively high part-time (casual or contract) employee component (36%) exists. The wine industry is thus a significant source of employment in the region.

If the wine tourism/tourism-related 'component' at wine route estate enterprises is isolated from the rest, it

Table 3
Type of business form—wine route estate

Business form	<i>n</i>	(%)
Private company	61	48.8
Co-operative	19	15.2
Sole Trader	13	10.4
Partnership	97	2
Trust	9	7.2
Public company	8	6.4
Closed corporation	5	4.0
Non-Profit (Article 21)	1	0.8

is observed that it provides employment for only 5.2% of the total labour force. When the restaurant/food-related 'division' is examined in a similar way, it is found that employment for only 5.5% of the total labour force is provided. Therefore only marginally more than 10% of employment can be directly associated with wine and food tourism and hence with wine routes, although this is essentially an oversimplification obviated by the numbers themselves.

Most wine route enterprises (49%) are private companies (see Table 3). The wine co-operative movement is still quite prevalent (15%) in the South African wine industry but it is well known that it has been gradually diminishing in significance over a period spanning several years.

Other related statistics (not tabulated here) are: The number of years (mean) that the wine enterprise has been formally included in and/or registered as a destination on the wine route on which it is situated is 12.3 years. The distance (mean) between the wine enterprise and the nearest town or main centre is 11.5 km. The South African wine route system has stability in the sense that it is constituted by wine estate members that have had an involvement for a considerable period of time, in fact, several have been members for more than 25 years, which is more or less since the creation of the first wine routes. A definite comparative advantage that the South African wine tourism industry enjoys over, for example Australia is the proximity of its wine regions and wine routes to main city centres. In the case of South Africa, 74% of all wine estates are situated within a radius of 45–50 min easy driving time from the city centre of Cape Town.

The structure of any wine industry plays a very important role in the ways in which the industry positions itself and in the type of relationships that exist between the various players. Most often, the size of the wine enterprises determines the various business activities in which they engage and their degree of involvement therein. The degree of involvement in wine tourism is in turn to a point determined by the relative size of the wine enterprises. The degree of involvement in wine tourism is most often a direct function of the actual size of the wine enterprises with small wineries

known to have a higher degree of involvement (or reliance) on wine tourism than medium-size and larger enterprises. In the Australian wine industry 66% (961) of all wineries had an annual grape crush of less than 100 tons per year while a further 19% crushed between 100 and 500 tons/yr and only 15% crushed in excess of 500 tons/yr. However, this can also be somewhat misleading as it is also a fact that only 50 wineries produce in excess of 95% of Australia’s wine (Wine-titles, 2002). In the end, when analysing the structure of a country’s wine industry the bottomline in the context of this field of study is whether this ‘drives’ the industry towards a greater or lesser involvement in wine tourism.

Whereas it must be remembered that wine route estates are per se involved in wine tourism, the South African wine industry is nevertheless markedly different from the Australian industry in terms of the number of small versus large wineries (see Table 5). First, Table 4 shows the degree in which wine route estates are involved in producing and/or bottling wine in a winery on their own premises in the process creating one of the attractions of the winescape on wine routes.

Most wine route estates (66%) have their own winery and/or bottling plant on the premises. Of the remaining 34%, the vast majority has their wines bottled on contract off their premises. In fact, only 7% of all wine route estates do not provide tasting of their own wines while only 12% do not sell any wine through a cellar-door (see Table 9).

Following this, Table 5 provides an exposition of the vineyard size, annual crush tonnage and case production of the wine route estates that participated in this study.

Clearly, the wine route estates in South Africa are larger enterprises in general than is the case in for

example, Australia (Bruwer, 2002a). The average vineyard area is a sizeable 254 ha yielding 3,982 tons of grapes, which equates to 15.7 tons/ha (6.5 tons/acre). Wine route estates that participated in the study produced 5.525 million cases (15.693 million cases by the total population) but this was only 29% of the total industry production of 55.037 million cases (SAWIS, 2001b). It can therefore be cautiously concluded that the largest portion of the South African wine industry’s production is provided by large suppliers who do not necessarily participate actively in wine tourism, at least not through the mechanism of the wine routes.

White wine production is very dominant with 66% of all still wine produced in the white category (Table 6 shows the wine varietal types produced in terms of their importance in the form of sales turnover).

Whether climatically, economically and/or historically driven, the predominance of white wine in the South African industry is not congruent with recent world wine market trends where there is a manifested trend towards red varietal bottled lifestyle wines.

Table 4
Own winery and/or bottling plant on the wine route estate premises

	<i>n</i> = 125	(%)
Has own winery	82	65.6
Does not have own winery	43	34.4

Table 6
Most important wine varietal types in terms of sales turnover of wine route estates

	<i>n</i> = 125	(%)
Chardonnay	56	44.8
Cabernet sauvignon	53	42.4
Red blends	52	41.6
Sauvignon blanc	49	39.2
White blends	40	32.0
Merlot	34	27.2
Pinotage	28	22.4
Chenin Blanc	26	20.8
Shiraz	20	16.0
Pinot Noir	9	7.2
Port	9	7.2
Sparkling wine	6	4.8
Riesling	5	4.0
Muscat	5	4.0
Semillon	4	3.2
Cabernet Franc	2	1.6

Table 5
Vineyard size, grape crush tonnage and case production of wine route estates

	Total	Mean
Area under fully productive vineyard (> 3 years old)—hectares	26,680 ^a	254.1
Annual grape crush (own + contract)—tons	426,058	3,981.9
Annual case production (@ 12 × 750 ml bottles each):		
White still wine	3,222,134	39,779.4
Red still wine	1,694,507	19,935.4
Other alcoholic beverages (sparkling, fortified, etc.)	609,104	30,455.5
Sub-total	5,525,745	62,087.0
Mean (total sample population)	—	44,205.9

^aTotal industry vineyard size = 117,065 ha (SAWIS, 2000).

Table 7
Number of visitors to wine route estate sections

Section	<i>n</i>	Total	Mean	(%)
Winery/cellar to purchase/taste wine	(92)	845,996	9,195.6	46.6
Wine tourism/tourism-related reason(s)	(51)	512,952	10,057.9	28.3
Restaurant/food-related reason(s)	(21)	276,513	13,167.3	15.2
Overnight on estate (accommodation)	(11)	20,320	1,847.3	1.1
Visit rest of wine estate	(22)	158,103	7,186.5	8.8
Total	(97)	1,813,884 ^a	18,699.9	100.0
Mean (total sample population)			14,511.1	

^aNote: some visitors recorded more than once.

5.2. Wine tourism visitation

Most visitors labeled as ‘wine tourists’ would not associate themselves with that description (Charters & Ali-Knight, 2002). The market for wine tourism can be structured on the basis of region, overnight versus day-trip visitors and mode of transport (South Australian Tourism Commission, 2000). This framework was adopted in a broad sense in this study in the South African industry by requesting wine enterprises to indicate the measured foot traffic through the doors of the various sections of their enterprise (see Table 7).

The problematic issue is the inevitable ‘double-counting’ of visitors as they move through the various attractions during a visit. Furthermore, most wine tourists would visit 4–5 wineries per (day) trip usually in a region anyway, again further reducing the actual visitation figures.

In Table 7 it can be seen that 1.813 million visitors visited the South African wine route estates that participated in the study (extrapolation to the total wine industry universum would result in 5.151 million visitors). This is quite misleading as the study included two ‘icon’ 300 year-plus old heritage estates that each attracted between 200,000 to 550,000 visitors/yr on their own. The average visitation number is 18,700 visitors per wine route estate (adjusted to 14,511 visitors for the total population). The South African wine tourism industry is clearly quite successful in attracting a large number of visitors to its wine route estates.

5.3. Wine route associative networks

Due to the multi-dimensional nature of wine tourism, there are several stakeholders that should be recognised. The wine industry’s involvement in tourism per se is a clear example of what is described (Leiper, 1989) as the difference between ‘being in the business and being in the industry of tourism’. The business of an organisation is defined by the customer groups or functions with which it deals. An industry, on the other hand, is a collection of organisations in the same or related lines of

Table 8
Direct stakeholders in terms of wine estate’s wine route

	<i>n</i> = 125	(%)
Other Wineries in Area	55	44.0
Do Not Know	31	24.8
Other Wine Route Farms	18	14.4
Municipality/Local Authority	8	6.4
Farming community	6	4.8
Wine Industry Associations	5	4.0
Tourism in general (tourists)	5	4.0
KWV for surplus grapes	4	3.2
Trade And Industry	2	1.6
Public	2	1.6
The Wine Industry	2	1.6
Olifants River Wine Trust	2	1.6
Winemakers	1	0.8
Local Town	1	0.8
Stellenbosch Tourism Bureau	1	0.8
Vinfruco	1	0.8
Restaurants	1	0.8
Guest Houses	1	0.8
Paarl Tourism Bureau	1	0.8
Klein Karoo Wine Trust	1	0.8
Government	1	0.8
Agricultural Producer Organisations	1	0.8
Franschhoek Tourism Board	1	0.8
Other	1	0.8

business and that use common technologies. Although it can be recognised that many businesses and segments of the economy may benefit from tourism, it is only those organisations with a direct relationship to tourists and/or who actually perceive their customers as tourists that become actively involved in tourism development or tourism marketing (Hall et al., 2000).

The cooperative associations formed through the establishment of wine routes between government, private enterprises and associations, the tourism industry, wineries and the local council are best described as networks. This ‘networking’ refers to a wide range of cooperative behaviour between otherwise competing organisations and between organisations linked through economic and social relationships and transactions (Hall, Cambourne, Macionis, & Johnson 1997). Networks are specific arrangements of inter-organisational cooperation and collaboration. A basic assumption of network relationships is that parties are mutually dependent upon resources, controlled by another, and that there are gains to be had by the pooling of resources (Hall et al., 2000).

Formal and informal agreements between wine route estates, tour operators and the food industry highlight the significance of horizontal and vertical linkages in the formed networks. Most often the commitment to wine tourism is in part related to the age of the wine estate enterprise and the finances available (Telfer, 2000).

Wine enterprises were consequently requested to identify the direct stakeholders in terms of their wine routes (see Table 8).

Not surprising, other wineries in the area (44%) are identified as the most important stakeholders in a wine route system. Clearly in the South African wine industry the associative networks are not particularly strong or non-existent, a fact highlighted by 25% of the respondents indicating that they don't know who the direct stakeholders in their wine routes are. Although synergy exists between wine and tourism, the winery organisations situated on wine routes do not regard tourism in general as a direct stakeholder with only 4% recognising tourism in that role. Relationship marketing is hence an area on which the South African industry should focus more.

The infrastructure of the industry appears to be quite developed, with 93% of the respondents acknowledging that there are signage systems in the vicinity of their winery/estate directing visitors to the wine route farms and 86% reporting the existence of a central wine information or visitors centre in their wine regions.

5.4. *Facilities, reasons for visiting and promotional activities*

The industry's infrastructural situation is further highlighted in Table 9 by reporting the tourist and visitor facilities available at wine(ry) estate enterprises on the wine routes.

Table 9 reflects an array of tourist and visitor facilities available at wineries and wine estates on the South African wine routes. The (logically) high incidence of a wine tasting service (93%) and selling of wine through the cellar-door (88%) aside, what manifests as disproportionately high when compared with the wine tourism facilities of other wine country industries (for example, Australia and New Zealand), are organised winery tours (53%) and meeting the winemaker (38%). Concomitantly, Table 4 showed that 66% of the wine route estates have their own winery or bottling plant on the estate's premises. The South African wine industry has a proud history of more than 350yr of winemaking and hence it probably believes that it is appropriate to 'show this off' to visitors. This is somewhat contradicted by the relatively low (21%) presence of historic buildings or museums at the wine estates.

The outdoor aspect of wine tourism is reflected in that 27% of the enterprises have picnic facilities while 17% permit vineyard walking by visitors. Restaurants feature prominently with 23% of the enterprises having a restaurant that operates 7-days per week while a further 14% operate restaurants that cater for visitors by prior arrangement. The industry is not very involved in the providing of overnight accommodation (13%) and this translates to a total of only 682 beds available on South African wine routes.

On the other hand, these findings may reflect a primarily production-oriented industry, an assertion

Table 9
Tourist and visitor facilities available at winery/wine estate

	<i>n</i> = 125	(%)
Wine tasting	116	92.8
Cellar-door sales	110	88.0
Winery organised tours	66	52.8
Meet the winemaker	47	37.6
Wheelchair facilities	46	36.8
Social function facilities	45	36.0
Picnic facilities	34	27.2
Conference facilities	29	23.2
Restaurant—all week	29	23.2
Wine/other festivals	26	20.8
Historic building/Museum	26	20.8
Educational tours	22	17.6
Vineyard walking	21	16.8
Craft/Gallery/Souvenir shop	19	15.2
Restaurant—arrangement only	17	13.6
Overnight accommodation	16	12.8
Children's playground facilities	15	12.0
Cellar lunches	15	12.0
Visitor centre	14	11.2
Barbeque facilities	14	11.2
Fresh produce sold (farmstall)	13	10.4
Animal feeding and/or watching	12	9.6
Hiking/biker trails	12	9.6
Horse/pony rides	9	7.2
Swimming	6	4.8
Restaurant—all weekend	5	4.0
Tractor/trailer rides	5	4.0
Fruit picking by visitors	4	3.2
Petrol/filling station	2	1.6
Spectacular views	2	1.6
Restaurant—Saturday only	1	0.8
Restaurant—Sunday only	1	0.8
Amphitheatre	1	0.8
Fireplace	1	0.8
4 × 4 Race track	1	0.8
No visitors received	1	0.8

also made in other published research attempting to explain this phenomenon (Macionis, 1998; Macionis & Cambourne, 1998; Hall et al., 2000). It could justifiably be questioned what value facilities such as 'hiking/biker trails; horse/pony rides; or swimming' (see Table 9) in reality add to the wine tourism product. In fact they may even detract the focus from the core product—wine.

Table 9 reflects 35 different tourist and visitor facilities identified in the South African wine industry through the research survey. Of these a total of 26 represent aspects not directly related to the winescape, namely wine, vineyards and the winery production facility. Upon closer analysis, a total of 381 (48%) of all the recorded responses for types of facilities are of a 'peripheral' nature, and hence to a certain degree confirms the previously mentioned research works. Benchmarking these findings regarding the South African wine routes against those of other wine countries will provide further perspectives.

Table 10
Specific visitor motivations to visit wine route estate

	<i>n</i> = 119	(%)
Wine purchasing	113	94.9
Wine tasting/sampling	113	94.9
Country setting/vineyards	84	70.6
Winery tour	64	53.8
Learning about wine and winemaking	56	47.1
Meeting the winemaker	50	42.0
Socialising with family/friends	46	38.7
Festivals or events	37	31.1
Eating at winery (restaurant/café)	32	26.9
Entertainment	22	18.5

A vitally important aspect of wine tourism is the unravelling of the specific reasons or motives that drive visitors to the winery or wine estate (see Table 10). Once these are established, they should form an integral part of the enterprise's promotional strategy to draw even more visitors.

Table 10 indicates that apart from the primary reasons of wine purchasing (95%) and wine tasting (95%), the scenic beauty of the South African winescape is a strong motivation (71%) for visiting wine route estates. As indicated earlier, organised winery tours have a relatively high degree of importance (54%) relative to, for example, Australia whereas the educational aspect is viewed as less important (47%) than for example found in recent a similar study in Australia (72%) (Bruwer, 2002b).

Once consumer needs and wants (and behaviour) are known (as reflected in Table 10) a wine route organisation can effectively design its marketing mix and target its customers. Table 11 exposit the various promotional activities used by wine estates on South African wine routes to increase or maintain the level of cellar-door sales.

Again, the sensory aspect of wine is employed by most wine route organisations with 75% using wine tastings as a promotional vehicle. The educational aspect of wine tastings provides an added dimension that makes sense in view of the fact that 'learning about wine and winemaking' is one of the primary motivations for visitors to visit the wine route estate (Table 10).

The second most important promotional activity is to engage in wine events, namely wine festivals (64%) and wine shows (59%). Prominent below-the-line promotional activities are direct mailorder lists (47%), newsletters (46%) and wine club membership (21%). E-commerce, through Internet advertising, features prominently at 43% which is a direct function of the fact that 50% of the wine route estates have an own website (see Table 12).

The relatively 'high-cost' promotional activities appear to be extensively used by the wine route estates with wine magazine adverts (51%), newspaper adverts

Table 11
Promotional activities used by wine route estates to increase/maintain cellar-door sales

	<i>n</i> = 115	(%)
Wine tastings	86	74.8
Wine festivals	74	64.3
Wine shows	68	59.1
Wine magazine adverts	59	51.3
Direct mailorder list	54	47.0
Newsletters	53	46.1
Internet (E-Commerce)	50	43.4
Newspapers adverts	47	40.9
Special offers/discounts	30	26.1
Other magazine adverts	27	23.5
Wine club membership	24	20.9
Regional radio adverts	23	20.0
Television adverts	3	2.6
Agents advertise	3	2.6
Bottling Corporation advertise	2	1.7
Sport promotions	2	1.7
Jazz festival (Valentines Day)	1	0.9
Hot air balloons/aeroplane banners	1	0.9
Airways	1	0.9
Wine route promotional activities	1	0.9
Hotels and restaurants	1	0.9
Synergy deals	1	0.9
Wine sales representatives	1	0.9
Word-of-mouth only—no promotions	1	0.9
Wine tasting rooms	1	0.9
None whatsoever	3	2.6

Table 12
Own website on the Internet for winery/wine estate

	<i>n</i> = 120	
Yes	60	50.0
No	60	50.0

(41%), other magazine adverts (24%), and regional radio adverts (20%) generally requiring relatively high spending on these activities at whatever level. Television advertisements (3%) are relatively low-key in importance.

5.5. Wine tourist segments

In order to understand the wine tourism phenomenon it is important that a profile of the wine tourist (consumer) be developed (Hall et al., 2000). The lack of and quality of available market research information confirms that this is an area where extensive focused research is needed. The available knowledge base ranges from descriptions such as 'wine connoisseurs' (Edwards, 1989) to 'mobile drunks' (Spawton, 1986) to 'winery crawls' (McKinna, 1986)... inadequate to say the least. Encouraging is that some studies yielding better insights and higher quality data have been executed.

Charters and Ali-Knight (2002) assert that there is no single, stereotypical wine tourist and that wineries

therefore generally adopt an intuitive approach to the segmentation of their wine tourists. The self-classification segmentation method adopted by Charters and Ali-Knight (2002) yielded four wine tourist market segments, namely the ‘wine lover’, ‘connoisseur’, ‘wine interested’ and ‘wine novice’ segments.

While demographics can provide the basis for simple wine tourist market segmentation, psychographic data (lifestyles, interests, attitudes and values) generally provide more powerful and actionable research information in particular as wine clearly plays an important part in consumer lifestyles (Hall et al., 2000). Lifestyle measurement has been widely used in marketing, namely for guiding advertising strategy, segmentation and product development. A research instrument called wine-related lifestyle (WRL) was recently developed that is geared towards market surveillance in the wine industry (Bruwer, Li & Reid, 2001). The rationale for this was that segmenting consumers according to how they perceive value in wine products would improve understanding of consumers on any particular market.

For practical reasons in this study, the suggested intuitive approach (Charters & Ali-Knight, 2002) to the segmentation of their wine tourists by wineries was used adopting the basic landmark framework developed by Hall and Macionis (1998). This framework identified three wine tourism market segments—‘wine lovers’, ‘wine interested’, and the ‘curious tourist’. Table 13 exhibits the main characteristics of these market segments.

Furthermore, the size of each of these market segments depends on (Hall & Macionis, 1998):

- The individual characteristics of each winery and wine region in terms of accessibility;
- The profile of the wine;
- The types of wine produced;
- Marketing and promotion;
- Attractiveness; and
- Facilities.

Based on this framework the relative sizes of these segments in the South African wine tourism market were determined and are exhibited in Table 14.

The results provide, for the South African industry, an empirical benchmark, that most wine tourists are ‘wine lovers’ (53%) or at least ‘wine interested’ (28%). The relatively ‘low’ representation of the ‘curious tourist’ segment (16%) could be an indication that the South African wine tourism industry is highly successful in attracting wine focused tourists who actually buy the wine products during visits to wine route estates.

It must be remembered however that profiles of wine tourists in one country or region should not automatically be assumed to be the same as in another, or even between one wine estate and another. Recent research

Table 13
Wine tourism market segment descriptions

Wine lovers	Extremely interested in wines and winemaking Wineries may be sole purpose of visit to destination May be employed in wine and food industry Likely to be mature with high income and high education levels Likely to be regular purchaser of wine and food magazines Will have visited other wine regions Highly likely to purchase at winery and add name to any mailing list
Wine interested	High interest in wine but not sole purpose of visit to destination Moderate to high income bracket, tend to be university educated Occasional purchaser of wine and food magazines, regular purchaser of ‘lifestyle’ magazines ‘Word-of-mouth’ and wine columns in newspapers may be important for arousing interest in region Likely to have visited other wine regions Familiar with winemaking procedures Likely to purchase at winery and add name to any mailing list Potential for repeat purchase of wine through having visited winery
Curious tourists procedures	Moderately interested in wine but not familiar with winemaking Wineries seen as ‘just another attraction’ Moderate income and education Winery tour a by-product of visit to region as visiting was for unrelated purposes May have visited other wine regions Curiosity aroused by drinking or seeing winery product or general tourism promotion or pamphlets Opportunity for social interaction with friends and/or family May purchase at winery but will not join mailing list

Source: Hall and Macionis (1998, p. 217).

Table 14
South African wine tourism market segments

	(%)
Wine lovers	53.3
Wine interested	27.8
Curious tourists	15.9
Other	3.0

indeed shows that there are significant differences in wine estate visitors between regions, let alone between countries. For example, in a study (O’Neill and Charters, 2000) in the Margaret River wine region in Western Australia it was found that most wine tourists were 25–34 years old. More specifically, in the Coonawarra wine region in South Australia most wine tourists

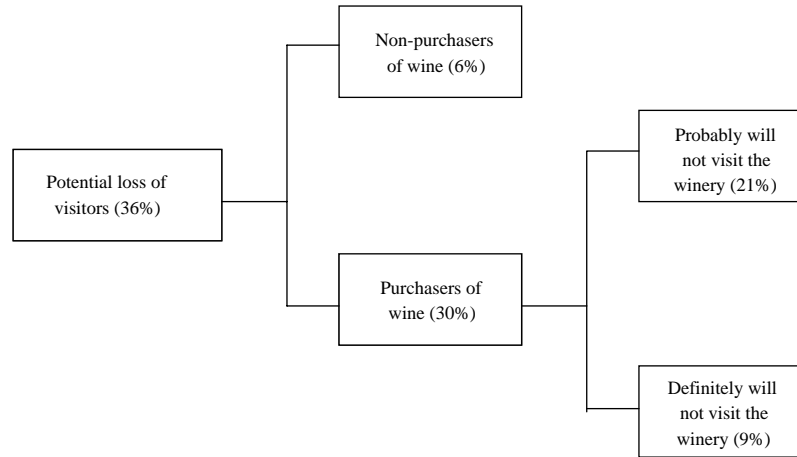


Fig. 1. Composition of visitors who would not visit winery if a tasting fee was introduced

were 18–34 years old (39%), while 59% had a tertiary level education and 31% had a total household income of more than \$100,000/yr (Bruwer, 2002c). Whereas in the West Auckland wine region in New Zealand, 59% of wine tourists were under 45 years old, while 57% had university degrees and 66% were in professional or managerial occupations (Beverland, James, James, Porter, & Stace, 1998).

The rather contentious issue whether or not to charge a tasting fee at the winery cellar-door remains country and region-specific in particular in terms of its occurrence, extent and rationale. The wine route estate on the one hand is faced with the challenge to provide wine tasting to visitors that is affordable for the wine estate and to meet the expectations of the wine tourist at the same time. On the other hand, the dilemma is that wine tourists’ expectations of the cellar-door experience is that wine tasting is an augmented service that should be provided to them free of charge (King & Morris, 1997). In a study conducted in the Margaret River region of Western Australia to measure the danger of introducing a tasting fee at wineries that did not previously charge a fee, it was found that 36% of visitors could be potentially lost at the cellar-door if a \$2 fee was to be introduced (Fig. 1 expositis this situation).

On the other hand in the case of South Africa, charging a tasting fee is clearly quite common with 41% of the wine route estates charging a tasting fee of amounting to an average of R7.08 (South African Rand) while the remainder did not charge a tasting fee. For groups such as organised bus tours, the average fee per person at R8.95 is about 26% higher than for individuals (see Table 15).

5.6. *Income from wine tourism*

The income earned by wine route estates can be split into two main categories—income from wine sales

Table 15

Amount of charge fee for wine tasting (individuals and groups)

	Mean (cents ^a)
Individuals	708.30
Groups	895.10

^a exchange rate equivalent at time of survey: \$US 1.00 = SAR 6.50. The tasting fee charged per person equates to between \$US 1.00–2.00.

Table 16

Wine sold by wine route estate per market channel (excludes bulk sales)

	N	Cases	Cases (mean)	(%)
Cellar-door	(75)	588,605	7,848.1	20.2
Domestic retail (inside RSA)	(70)	1,122,901	16,041.4	38.6
Inter-continental (inside Africa)	(22)	95,403	4,336.5	3.3
Export to other continents	(69)	1,100,797	15,953.6	37.9
Total	(78)	2,907,706	37,278.3	100.0
Mean (total sample population)	(125)		23,261.6	

through the cellar-door and income from other wine tourism-related activities. Table 16 shows the total wine case sales and percentages sold per market channel by the wine route estates.

There is incongruence between the total case production reflected in Tables 5 and 16 as comparison of these show that only 53% of the wine produced by the wine route estates, was in fact sold that is if the 2000 production figures reflected a ‘normal’ year. Viewed differently, a substantial portion of the produced wine remained in stock.....all the more reason to increase cellar-door sales by focusing more on wine tourism.

The wine sales component of the wine tourism ‘product’ of wine route estates accounted for 20% of their total volume sales, while the domestic market

Table 17
Top 15 export countries for wine route estates' wines

	<i>n</i> = 89	(%)
United Kingdom (UK)	87	97.8
Germany	73	82.0
United States of America (USA)	54	60.7
Netherlands	44	49.4
Canada	37	41.6
Japan	31	34.8
Belgium-Luxembourg	27	30.3
Switzerland	23	25.8
Sweden	16	18.0
Australia	14	15.7
Denmark	9	10.1
Norway	7	7.9
France	7	7.9
Mainland China	6	6.7
USSR (Russia)	6	6.7

Table 18
Income from wine tourism by wine route estates^a

	<i>n</i>	Total	Mean	(%)
Cellar-door direct	(42)	R42,473,083	R1,011,263.80	78.1
Other wine tourism activities	(14)	R11,908,043	R850,574.50	21.9
Total		R54,381,043	R1,294,786.70	100.0

^a exchange rate equivalent at time of survey: \$US 1.00 = SAR 6.50.

component was 39%. Export sales (Africa inter-continental and to other continents) accounted for a significant 41% of the sales volume. A study conducted in Greece found that consumers bought 39–48% of their wine at cellar-doors (Tzimitra-Kalogianni, Papadaki-Klavdianou, Alexaki, & Tsakiridou, 1999). Previous research (Getz, Dowling, Carlsen, & Anderson, 1999) asserts that most foreign wine tourists visiting wineries, are from the countries to which exports go, the visitor numbers related to country of origin often even being in direct proportion to export sales to those specific countries (see Table 17).

Wine route estates export to a total of 36 different countries with the United Kingdom (98%), Germany (82%), United States of America (61%), the Netherlands (49%) and Canada (42%) accounting for most cases.

Arguably the most important indicator of wine tourism involvement (and success) is the income derived by wine route estates from their wine tourism activities (see Table 18).

Comparisons of this nature are problematic but in a study conducted in the United States East Coast States, wineries derived 39% of their total wine volume sales through the cellar-door (Bruwer & Gilliver, 2003). In another study (King & Morris, 1997) conducted in the Margaret River Region in Western Australia, it was

found that cellar-door sales accounted for 34% of sales revenue for wineries, with 15% of the wineries reporting this to be in excess of 80% of sales revenue. As far as wine route estates on South African wine routes are therefore concerned, they derive a significant portion of their income from direct wine sales at cellar-door and other wine-tourism related activities as had been illustrated earlier. The cellar-door is indisputably the highest income earning strategic business unit (SBU) of wine route estates accounting for 78% of the total income derived from wine tourism.

6. Conclusions and further research

The development of wine routes forms an integral part of the wine tourism industry. The structural dimensions of a wine industry largely determine how wine tourism is positioned in that industry. Wine tourism offers small to medium-size wine estates in particular, many advantages. In today's world wine market, with retail consolidation manifesting itself more and more, competition for shelf space increasing, and the number of wine estates also increasing every year, selling more wine through the cellar-door may enable wine estates to lower costs and increase revenue at very little cost. Wine routes are therefore the roadways to the core attractions in wine tourism—the wines and the winery.

In this study it was shown that the South African wine industry has an active wine tourism market and well-developed facilities and infrastructure. It was found that the average wine route estate in South Africa is generally a larger concern than for example is the case in Australia. However, despite the fact that the first South African wine route was already established in 1971, at present the associative networks are either non-existent or not strongly developed. Further research into this and the relationship marketing aspect within the wine tourism industry is recommended.

The South African wine route estates are heavily involved in the offering of organised winery tours and the opportunity of meeting the winemaker as one of the 'actors' in this 'play' is very common. Charging a tasting fee at the cellar-door is also quite common in the South African wine tourism industry.

The specific visitor motivations to visit a wine route estate are a function of the industry's 'winescape', that is its vineyards, wineries and wines. Other than the common primary motivations of wine purchasing and wine tasting, the magnificent beauty and splendor of the South African wine industry's setting manifests itself in the high rating (3rd) that this achieves as a motivating factor.

Most wine tourists are in the market segment described as 'wine lovers' who are the most likely buyers

of wine during a visit to the wine route estate. Of interest is the high incidence of wine route estates involved in exporting of wine although 20% of all their wine sales are through the cellar-door that in turn equates to 78% of their total income being derived from wine tourism activities.

This study also found that the South African wine tourism industry has a well-developed infrastructure and is quite progressive in the offering of its various wine tourism products. Visitation figures of wine tourists to wine route estates are high and present an excellent opportunity for individual wine estates to market their wines and build brand loyalty among visitors. At the same time, opportunities for regional branding and creating a 'wine brand South Africa' image abound.

Further research into the demographic profiles and consumer behavioural characteristics of wine tourists and their perception of the total wine tourism experience will benefit the South African wine tourism industry considerably.

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