

Wine tourism: A positive tool for reducing the range of geographical reputations within the champagne viticultural region.

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I. Introduction

The perceived quality of a product depends on consumers' global evaluation according to the available information. (Oude Ophuis, Van Trijp, 1995, 177). Usually, the characteristics of a product used for this judgment are known through experience. It is specifically true for food products, with both direct experience (from the consumer him or herself) and indirect (from other people) experience. This is information coming from the interaction between feeling and memories and reveals the learning processes of consumers (Bessy, Chateauraynaud, 1995, 196-197).

But, without the direct experience of the product, perceived quality will depend on received information (Holt, 1995, 13). In this sense, perceived quality comes from the available information to consumers. Each evaluation needs information about product characteristics, but this is only partially possible due to the transaction costs (Coase, 1937, 391).

These costs notably appear before or during the sale of a good or service (Williamson, 1994, 48). For Barzel (1982, 172), the measurements which are made of product information are subject to error. "The greater the variability of the measurement around the true value, the lesser the information about the commodity." These costs are explained by asymmetric information. According to Lancaster, price is the best signal of quality thanks to perfect information. However, Grossman and Stiglitz (1980, 405) showed that it is true only with easily available information, a situation which is very rare.

In this context, the geographical origin can affect wine purchase decisions. Consumers will pay much higher prices for a reputable location because they do not have sufficient information or they are uncertain about quality. Within the discipline of marketing most work has been carried out on the impact of country of origin on consumption (Schooler, 1965; Nagashima, 1970), including research on wine. This has been perceived to be important by UK consumers (Chaney, 2000). It has been noted that country of origin as a cue has had a bigger impact on perceived wine quality than on the intention to buy (Skuras & Vakrou, 2002). However, a second way in which origin operates for wine relates to region, where wine from a particular grape variety may be perceived to be superior because it comes from Coonawarra or Margaret River and displays characteristics typical of that place (Horowitz & Lockshin, 2002). In Spain, displaying a region of origin has become increasingly important as a cue to consumers of wine – reportedly more than price or brand (Gil & Sanchez, 1997). Further, and again in Spain, the origin of the grapes has been determined to be the key determinant of the price of wine, thus linking origin, price and perceived quality (Angulo, Gil, Gracia, & Sanchez, 2000). This must be interpreted with care, however, for the European attitude to the impact of origin on wine quality is rather different from that which operates in New World countries, where other cues may be more significant. Within Australia, nevertheless, research has supported origin as an important cue prior to purchase (followed by a particular price point), thus suggesting that it is a 'brand element' (Tustin & Lockshin, 2001). Interestingly, work in Greece suggests that willingness to pay a premium for wine due to its origin rises with education level, and also the more the consumer is explicitly associated or connected with that specific region of origin (Skuras & Vakrou, 2002). These results also found a significant interaction of region of origin with grape variety, again confirming that there is a distinct relationship between origin and particular varieties.

Therefore, some wines profit from a country's reputation and some profit from the local reputation of one specific region or vineyard. This reputation can result from a long historical process and creates a complex system of both individual and collective reputations. Sometimes, producers can rely on the reputation of their geographical position without any need to improve it themselves. Conversely, some providers suffer from a weak geographical reputation. There can be a split between producers within one vineyard or region depending on its geographical reputation. Consequently, we assume that the initial geographical situation can be either a spring of value or an obstacle to the creation of value.

It is the light of this geographical range that tourist activities may become a positive tool for the disadvantaged providers. Indeed, According to Getz (1999, 14), wine tourism offers strategies to improve the long-term market for the wine and its image.

In order to examine this role, our study focuses on the champagne industry. The Champagne region of France has been making wine for around 1500 years (Unwin, 1996). As with all French quality wine regions, it has an Appellation, so that the area within which vines can be planted has been delineated. Around 34,000 hectares have been delimited in this way, and this area is now almost completely planted. Four sub-regions constitute the vineyard: the Montagne de Reims, the Vallée de la Marne, the Cote des Blancs and – about 120 kilometres south of the main areas of production – the Aube. Historically, each of the first three has been perceived to have different viticultural strengths. The Montagne de Reims and the Cote de Blancs have especially high quality reputations, and are also close to the major centres of population – so receive a lot of attention from visitors. The Vallée de la Marne, which stretches out for 60 kilometres to the west of Epernay is less well known and probably less visited. The Aube is well beyond the major tourist focus on champagne, and traditionally made less wine but has been a key supplier of grapes to the large houses further north. Thus, the viticultural centres of Champagne are Reims and Epernay, with some of the larger, well-known negociants ('the houses') based in one or other of them. Therefore, we will analyse two issues: does this geographical reputation can have an impact the champagne providers? In the affirmative context, do tourist activities can modify this impact?

II. Data

We start with an explanatory sample of 600 providers of champagne who completed and returned a questionnaire about their sales at the cellar door. It displays a statistical similarity to the overall structure of producers, following the proportion of growers, négociants and co-operatives and their repartition in the four sub-regions. Its initial purpose was not to measure the impact of wine tourism but analyse the role of the sales at the cellar door. However, several variables can be used to check our assumptions.

The impact of the geographical reputation on the champagne providers

The measure of value is among the hardest task in economies. Usually, the value of goods depends on the characteristics which define their quality. From these characteristics, consumers offer a price to obtain a bundle of characteristics (Rosen, 1974). Eventually, price becomes the mirror of intrinsic quality (Lancaster, 1966, 1991). However, the hedonic approaches quickly showed the complex relationship between quality and price. Prices may not only reflect consumer preferences but also factors determined by production. To solve the identification problem, it is necessary to separate supply and demand conditions (Schamel, 2006). Several approaches have worked in this sense to analyse the bundle of factors which influence price (Nerlove, 1995; Angulo et al., 2000; Landon & Smith, 1997). Some of them detected intrinsic factors to understand the consumer's behaviour about prices: the role of reputation of a producer as signal of quality (Landon & Smith, 1998; Haeger and Storchmann, 2006) or the jury grade (Combris, Lecocq, & Visser, 1997, 2000). Others detected extrinsic factors like the regional reputation (Horowitz & Lockshin, 2002; Schale & Anderson, 2003).

From these latter results, we use two variables: a geographical variable defined by the *echelle de crus* of champagne, and the nationality of the most important buyers of champagne. This second variable result from our previous study which showed that foreign buyers at the cellar door are willing to pay more for a bottle of standard quality champagne compared with the French (Menival & Charters, 2008).

The modification of the geographical location impact by the wine tourism

Although many activities can be involved in wine tourism, such as accommodation, food, events, tours and festivals, we decided to focus solely on the wine producers' activities. We made this choice to measure only the proactive actions of the champagne providers. Therefore, we use only one more variable constituted by the degree of involvement of the champagne providers in tourist activities.

EDC: "echelle de crus" is an ordinal measure constituted by three levels: *grand cru*, *1er cru* and *standard*.

MINOB: "Most Important Nationality of Buyers" is a binary dummy with French buyers as reference, the alternative being any other nationality whatsoever.

IWT: "Involvement in Wine Tourism" is an ordinal measure constituted by three levels: *High*, *Medium*, *Low*. This hierarchy results from the numbers of activities belonging to tourism. Low: no wine tourism activity, Medium: between one and two activities, High: at least three.

Table 1 - Descriptive statistics of variables

EDC					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Grand cru	119	17,7	17,8	17,8
	1er cru	114	16,9	17,0	34,8
	Standard	437	64,9	65,2	100,0
	Total	670	99,6	100,0	
Missing	System	3	0,4		
Total		673	100,0		

MINOB					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	457	67,9	76,2	76,2
	no	143	21,2	23,8	100,0
	Total	600	89,2	100,0	
Missing	System	73	10,8		
Total		673	100,0		

IWT					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High	62	9,2	9,3	9,3
	Medium	145	21,5	21,8	31,1
	Low	458	68,1	68,9	100,0
	Total	665	98,8	100,0	
Missing	System	8	1,2		
Total		673	100,0		

III. Results

The first step of our analysis is to analyse the association between the most frequent nationality of buyers and the *echelle de crus*. Therefore, we test this relation with a chi square test. This analysis shows the relationship between the *echelle de crus* and the most frequent nationality of buyers (Table 2). The measure of this association is quite good with a Cramer's V of 0.246 (Table 3). We can say that the numbers of foreigners as most frequent buyers increases as the level of cru increases. The higher the scale is, the weaker the likelihood of French as first nationality is (Table 4).

Table 2 - Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	36,074(a)	2	,000
Likelihood Ratio	34,329	2	,000
Linear-by-Linear Association	35,787	1	,000
N of Valid Cases	598		

(a) 0 cells (,0%) have expected count less than 5. The minimum expected count is 25,59.

Table 3 - Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	,246	,000
	Cramer's V	,246	,000
N of Valid Cases		598	

- a Not assuming the null hypothesis.
- b Using the asymptotic standard error assuming the null hypothesis.

Table 4 - EDC * MINOB Crosstabulation

			MINOB		Total
			yes	no	
EDC	Grand cru	Count	62	46	108
		Expected Count	82,2	25,8	108,0
	1er cru	Count	73	34	107
		Expected Count	81,4	25,6	107,0
	Standard	Count	320	63	383
		Expected Count	291,4	91,6	383,0
Total	Count	455	143	598	
	Expected Count	455,0	143,0	598,0	

These first results can be used to analyse the possible impact of wine tourism as a positive level for the value of providers. This role should be detected if wine tourism can reduce the gap between producers.

Therefore, after a split of data from the range of *crus*, we use a chi square test to measure the relationship between the degree of involvement in wine tourism and the first nationality of buyers. This second analysis demonstrates this relationship for producers based in a geographical area without any *cru* which is designated as *premier* or *grand* (table 5). Whilst the Cramer's V is only 0,181 (table 6), the results are interesting as they show the role of wine tourism in the creation of value for producers of champagne who suffer from the weaker geographical reputation. The higher the involvement with tourism is, the weaker the likelihood that the first nationality of visitors will be French for producers outside the *premiers* and *grand crus* villages (table 7).

Table 5 - Chi-Square Tests(b)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12,497(a)	2	,002
Likelihood Ratio	11,437	2	,003
Linear-by-Linear Association	12,391	1	,000
N of Valid Cases	380		

- a 0 cells (.0%) have expected count less than 5. The minimum expected count is 7,83.
- b EDC = Standard

Table 6 - Symmetric Measures(c)

		Value	Approx. Sig.
Nominal by Nominal	Phi	,181	,002
	Cramer's V	,181	,002
N of Valid Cases		380	

- a Not assuming the null hypothesis.
- b Using the asymptotic standard error assuming the null hypothesis.
- c EDC = Standard

Table 7 - IWT * MINOB Crosstabulation(a)

			MINOB		Total
			yes	no	
IWT	High	Count	33	15	48
		Expected Count	40,2	7,8	48,0
	Medium	Count	75	19	94
		Expected Count	78,7	15,3	94,0
	Low	Count	210	28	238
		Expected Count	199,2	38,8	238,0
Total		Count	318	62	380
		Expected Count	318,0	62,0	380,0

- a EDC = Standard

IV. Conclusion

This study adds to previous empirical studies, realized in the new world, about the role of tourism in improving the image of a vineyard or wine. We started with the impact of the geographical location on the consumer's behaviour. With the existence of this impact on the champagne providers, we showed that wine tourism could be a positive tool for the providers without any formal vineyard classification or grading to attract foreign buyers.

Of course, these analyses are quite simple and only focused on three variables. However these results could be used as a first step to highlight the use of wine tourism enhancing the value of a standard champagne.

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