Title
The price of winery cellar visits

I want to submit an abstract for:
Conference Presentation

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Keywords
wine tourism, cellar visit, hedonic pricing

Research Question
How do wineries price their wine tours?

Methods
Using a hedonic pricing approach and an original dataset of more than 1,000 wine tours, we analyse the main determinants of winery visit prices.

Results
The results suggest that wineries price their cellar tours according to four main criteria: duration of the tour, number of wines tasted, maximum guests, available languages and winery reputation.

Abstract
Wineries, some of them at least, can be seen as tourism attractions, i.e. tourism products attracting visitors, offering recreational activities as well as tangible and intangible agricultural and cultural heritage (Farsani et al., 2019). In that case, charging a fee to tourists who visit the attraction is the norm and wine tours can contribute significantly to a winery’s turnover and become an alternative source of income. Wine tourism is particularly of interest to consumers in times of crises, when it becomes a substitute to urban tourism in case of terrorism (Song et al., 2019), or in a post-pandemic context (Gastaldello et al., 2022). How do wineries price their wine tours? Given
the growth of the tourism sector in general, and wine tourism in particular, it is important to examine what factors affect the pricing of wine tours. In this article, using a hedonic pricing approach, we analyse the main determinants of winery visit prices.

If hedonic pricing models (HPM) have been widely applied to wine, to the best of our knowledge, they haven’t been applied to wine tours. HPM traditionally focuses on the price of accommodation. Agriculture in general, and viticulture in particular, provide not only market goods but also public amenities like pleasing scenery and cultural preservation. Vanslembrouck et al. (2005) get that landscape features associated with agricultural activities have a positive impact on the price tourists are willing to pay for rural accommodation. In the case of wine regions, viticultural landscape factors exert an effect on accommodation prices (Guedes and Rebelo, 2019). To the best of our knowledge, the pricing of attractions related to the wine industry, i.e. wine tours, has not been analyzed yet. However, wine tours, in particular winery visits, can be seen as a suitable case for hedonic pricing analysis, as they are often package of diverse attributes provided by the tourism and agricultural sectors, that can’t be repackaged. Indeed, it can include a tasting, as well as a tour in the vineyard or in the cellar, a meeting with the winemaker, a food and wine pairing experience, present a creative architecture, etc. In that case, as noted by Thrane (2005, p. 302), “consumers must choose from a finite number of multiattribute bundles rather than create their own bundle by buying a number of single-attribute services”. Tourism and hospitality researchers have considered holiday tour or inclusive tour prices as dependent variables in hedonic pricing approaches, but not wine tour prices.

Thanks to original data collected from the winalist.com website, we adopt a hedonic pricing modelling approach to regress the price of a winery cellar visit against a series of objective attributes of the tour and some detailed winery fixed effects. The winalist.com website provide very detailed information for more than 1,000 wine tours located in several Western European countries (France, Portugal, Italy, Spain, Switzerland, Germany). Using a log-log specification, we estimate a series of regressions where price is a function of several characteristics of the wine tours. Depending on empirical models, the exogenous controls include the type and style of experience offered (number of wines tasted, duration of the tour, available languages, instant booking, etc.), amenities (free parking, panoramic view, families welcome, romantic place, wheelchair access, bicycle parking, wifi available, etc.), region, but also wine production characteristics (organic, biodynamic, reasoned viticulture) as well as the number of local competitors (in the same village). The results suggest that wineries price their cellar tours according to four main criteria: duration of the tour, number of wines tasted, maximum number of guests, number of available languages and winery reputation. In particular, a general OLS regression show that prices increase with the number of local competitors. Fixed effect regressions allow to control for the winery’s individual reputation. Quartile regressions show that the number of wines tasted matters with premiumization of the wine tour.

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