

Factors in the Development of Wine Tourism in Arkansas

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ABSTRACT

Wine tourism is one of the fastest growing segments of the tourism industry. Every state in the U.S. has a winery, and wine trails play an important part in state tourism marketing. Arkansas has a flourishing tourism industry and a long history of wine production. However, wine tourism has not been developed in that state to take advantage of the existing tourist base and the growing interest in local wines. This paper looks at factors in the development of wine tourism around the world, the current wine tourism environment in Arkansas, and suggests tools for state winemakers to use to increase their exposure to tourists.

Keywords: *wine trails, wine tourism, cellar door, American Viticulture Area*

INTRODUCTION

Wine trails for tourists are popping up in states across the country. State tourism departments are putting their dollars into marketing this trend to people hard hit by the declining economy and choosing to vacation in their own backyard. A day trip to a local winery satisfies the urge to take a diversion and sample something. Arkansas is geographically positioned to capitalize on the developing trend in wine tourism, located between two states with moderately advanced wine industries: Texas and Missouri (U.S. Department of Commerce, 2008).

LITERATURE REVIEW

Most wineries are situated in rural settings that suffer a lack of economic diversity. Development of the wine tourist industry offers economic stimulus to the surrounding area through tourism, jobs, related business development and corporate investment (King & Morris, 1997). The typical rural setting of a winery gives visitors looking for respite from the urban pace a chance to slow down and experience a natural environment and wine made from local grapes grown in that area. The face-to-face conversation with the wine maker adds an educational element in discovering the history of the winery, the various grape varieties used in the production of the wine, and wine-making techniques.

The research indicates that winery visits are secondary to a planned destination. Wineries in proximity to other attractions provide an interesting and educational sidebar to the main vacation focus (Carlsen, 2004). Tourism is one of the largest industries in Arkansas due to the natural attractions and parks that exist all over the state bringing in over \$5.4 billion in 2009 (Arkansas Department of Parks & Tourism, 2010). Arkansas' national parks, forests, rivers, lakes, and campgrounds draw over 23 million visitors annually. Tourists visiting Arkansas seek recreation that offers fast-paced boating and water activities, heart-pounding rock climbing and mountain biking, invigorating hikes, and relaxed fishing and canoeing. Visiting a winery offers a diverse, experiential activity to the mix.

Wine has been produced in Arkansas since the 1880's when German, Swiss, and Italian immigrants brought their culture of wine with meals and their wine-making techniques to an area they found very suitable for growing grapes. Prior to Prohibition, the wine industry flourished in the state. State wineries suffered a dramatic decline in numbers as a result of Prohibition (University of Arkansas, n.d.). However, a few hung on to thrive today with new winery startups occurring occasionally in the three designated American Viticulture Area's (AVA's) in the state. Two Arkansas wineries (Wiederkehr and Post) are among the top 100 wine producers in the United States in terms of gallons produced, exhibiting the vitality of the industry (Lancaster, 2010). Locally produced wines continue to earn medals in regional and international wine competitions annually, testifying to the quality of wine produced in Arkansas.

While surrounding states enjoy the benefit of state-run marketing organizations for their respective wine industries, the wineries in Arkansas have no such state depository for cohesive marketing efforts. Surrounding states Mississippi, Oklahoma, Texas, and Tennessee have established state associations that support and promote those states' wine industries through websites, published wine trails, and sponsored events. A portion of state tourism dollars are allocated to the wine industry in those states.

Nor is the Arkansas legislative environment supportive of this cottage industry. Wineries are caught in a battle between the powerful distributor lobby and state representatives of the counties where wine is produced. Wineries are prohibited from shipping wines to consumers in state or out-of-state. Therefore, marketing is restricted by individual wineries to their in-house communications and municipal advertising committee. Wineries must rely on word-of-mouth and visibility on established tourist routes to draw visitors. The shipping restriction has severe impact on the economic status of the wineries. They derive the most profit from wine they sell direct to the consumer (cellar door sales), without the associated costs of a middle man in the distribution chain. The distributor lobby's opposition is obvious, as is the strong traditional Bible belt philosophy of alcohol abstinence. Hence, the movement to "free the grapes" and authorize shipment of wine inter- and intrastate is currently stalled in the state legislature (Arkansas Wine Drinkers Unite, 2009).

Wineries in surrounding states have acknowledged the economic advantage of a published wine trail, which does not exist in Arkansas. A wine trail provides a visitor with a suggested itinerary and a map of all of the wineries in a specified geographic area. Information such as business hours, whether tastings are offered, tasting fees, and style of wines offered is included to encourage the tourist to plan their visit. The geographical setting of Arkansas wineries would provide a logical wine trail for tourists crossing the state for other recreational diversions to expand their vacation experience.

METHODS

This paper looks at the factors in the development of wine tourism around the world, assesses the current wine tourism environment in Arkansas, and suggests tools for state winemakers to use to enhance their cellar door sales and promote the state wine industry.

The research methodology in this study consists of two parts: 1.) an interview of the winemakers and winery operators to assess wine production, cellar door volume, and existing marketing efforts and 2.) a questionnaire submitted to winery visitors and wine festival-goers to assess motivation for visiting the winery or festival, effectiveness of existing marketing efforts, and demographic data. The interview will be done face-to-face with six of the seven wine makers/winery operators in Arkansas. Interview questions focus on wine production and revenue, existing marketing channels and strategies, types of nearby tourist attractions, and the wine maker/operator's view of tourism relative to his agricultural operation.

After completion of the interviews, using the wine makers' responses, a questionnaire will be developed to assess tourist motivations to visit a winery or wine festival, level of knowledge of Arkansas wines, effectiveness of current marketing strategies, and demographic information such as state of residence, gender, education, income level, level of general wine knowledge, and interests. Visitors to all six wineries and three wine festivals will be surveyed.

The demographic data will be tabulated using frequency and percentages. Correlations will be run to determine relationships between demographic data and motivation. The remainder of the data will be subjected to the *t*-test for homogeneity of variance, using dependent and independent samples. The results of the study will be submitted to Arkansas wineries and the Arkansas State Department of Parks & Tourism for use in potential marketing strategies to develop a potentially lucrative spinoff of a thriving existing tourist industry.

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