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The Emergence of Craft Distilling Tourism: The Role of Community Capitals

The production, procurement, and consumption of distilled spirits is an integral part of the heritage of North Carolina (NC, US). Moonshine, a product distilled from corn and other agricultural products, is most commonly associated with North Carolina's heritage. However, other spirits, such as rum, brandy, and vodka, also have a role in the story of North Carolina's distilled spirit heritage. Modern interpretations of this heritage are often romanticized and focus on the illegal production and distribution of spirits, but the reality is based on North Carolinians' need to preserve and maximize the value of their agricultural products.

Over the past five years entrepreneurial North Carolinians have added a new chapter to the story of the state's distilled spirits heritage. These entrepreneurs have started a craft distilling movement, which although building upon regional traditions, introduces modern approaches to craft distilling. They are not only concerned with crafting distilled spirits, but are committed to augmenting the sale of their spirits through the creation of a craft distilling tourism product which includes tasting room experiences, distillery tours, and special events. This initial effort to establish a craft distilling tourism product mirrors the development of more established products such as the Kentucky Bourbon Trail and its passport program, which attracted 60,000 participants in 2013 (Kornstein & Lockett, 2014). Tourists who participate in the Kentucky Bourbon Trail and its passport program represent a high impact traveler market, spending multiple nights and nearly \$1000 per trip (Kornstein & Lockett, 2014). With an existing heritage that goes back to the pioneers and an emerging –but vibrant– craft distilling movement, North Carolina is poised to capitalize on this market if a well-established craft distilling tourism product can be created. Many stakeholders, including the entrepreneurial distillers, the communities they work within, and tourism planning officials, would benefit from knowing how this product can be established.

This work utilizes qualitative research methods, specifically in-depth interviews, to examine the existing craft distilling tourism product in North Carolina. It is proposed that the Community Capitals Framework (Flora, 2004) would serve as an appropriate tool for examining the resources which support the establishment of a craft distilling tourism product. To this end, the following research question was examined:

How do craft distilling entrepreneurs utilize community capitals in their creation of craft distilling tourism products?

Literature Review

The aforementioned research question warrants investigation as the development of craft distilling tourism products has become a recent trend in many destinations, particularly in the United States (Kornstein & Lockett, 2014). This trend reflects the changing demands of leisure travelers, half of whom could be classified as culinary travelers, or those who identify food and beverages as an essential component of their travel motivations (Stone & Migacz, 2016). Among these culinary travelers 55% indicate that they are interested in experiences related to beer, wine, or spirits (Stone & Migacz, 2016). Tourists who are interested in experiences related to food and beverages demonstrate high impact characteristics such yielding greater expenditures than

typical leisure tourists (Everett & Aitchison, 2008) and holding interest in authentic cultural attractions (Robinson & Getz, 2014). While these tourists should not be considered a homogenous group (Green, Kline, Hao, & Crawford, 2015), they certainly could be considered a lucrative segment which many destinations would benefit to attract.

To attract those tourists motivated by food and beverage experiences, destinations need to ensure they can offer a unique and high quality food tourism product. A craft distilling product that integrates the heritage of the destination into their distillery tours, tasting room experiences, and special events, like the one being developed in North Carolina, could attract these tourists. Developing such a product however, requires considerable resources. These resources may be conceptualized using the Community Capitals framework, which Flora (2004) developed as a way to identify the resources which facilitate community development. These resources were grouped in seven types of capitals (Emery & and Flora, 2006): (1) Built, defined as infrastructure supporting community development; (2) Cultural, those comprising traditions of a community; (3) Financial, or the monetary resources available for investment, (4) Human, the skills and ability of community members, (5) Natural, resources such as geography, weather, natural beauty, (6) Political, community members' access to power, and (7) Social, connections among people and organizations. Communities capitals have been examined in the context of rural tourism (McGehee, Lee, O'Bannon, & Perdue, 2009) and ecotourism (Lima & d'Hauteserre, 2011) and offer a means of identifying which resources need greater investment and which are currently supporting the development of tourism.

Methods

Five in-depth interviews were conducted with craft distillers in North Carolina in 2016. Interview participants were identified by one of the interviewers who has close connections with North Carolina's craft distilling industry. These connections were established through the interviewer's prolonged engagement with the industry, which helped support the credibility of the data. Efforts were made to identify participants from multiple regions of the state, with different products, and philosophies on distilling. This purposive sampling supported the transferability of the data and findings. A second interviewer who was knowledgeable about the industry, but was not as closely connected as the other interviewer, assisted in the facilitation of the hour-long interviews which were hosted at the distilleries. The interviews were audio recorded and transcribed for analysis. Analysis was conducted in nVivo 11 by a member of the research team who was not involved with the interviews, to provide another perspective on the data. This investigator triangulation supported the confirmability and dependability of the findings described below.

Findings

To address the research question the data were coded based on distillers' use of community capitals in their efforts to create a craft distilling tourism product. This included their efforts to establish and sustain a distillery, introduce tourism products (e.g., tasting rooms, tours, special events), and market themselves. It was found that distillers relied upon Social, Human, Political, Financial, Cultural, and Natural Capital in these efforts.

Social Capital was found to be particularly important for the distillers as they worked to establish a collective image and product that would be recognized for its quality. Distiller 1 describes the necessity of Social Capital:

We're not seeing each other as competition and trying to hide all our secrets. We've been very collaborative to work together to produce a cohesive presence to encourage our industry, both from a legislative level and also from industry knowledge level and being able to help one another increase our efficiency or to do cooperative buying to reduce our costs, to make the process more efficient, and to find, so to speak, companionship...

This illustrates the importance of bonding social connections between distillers across the state. These resources are different from those associated with Human Capital, which many distillers required when they were first establishing their operation. Most distillers talked about the value of Human Capital in the form of having access to someone with knowledge about distilling. For some distillers this was a neighbor or family member who passed on knowledge. Others sought Human Capital through formal courses and instruction in distilling as Distiller 5 described:

So having that knowledge of fermentation—it was just an extra added step—to do the distilling. So we took classes at Michigan State, and we took classes in Arizona just to fine-tune those skills before we had to go in on our own.

The participants noted that knowledge of how to distill was only a small part of the challenge in getting started. All of them required access to significant Financial Capital to establish a distillery and many of them found the greater difficulty was sustaining a source of Financial Capital to maintain and grow their operations. Distiller 2 talks about their need for access to Financial Capital:

I would say, help from the financing standpoint would be key to where craft, small craft distilleries getting started could go to capitalize their growth needs. Because when you're on a growing trend, every dollar you've got and every dollar that's not nailed down anywhere else is going into that business to grow it.

Sale of the distilled product is the main source of revenue for the distillers. However, until recently, state law prevented distillers from selling their products directly to consumers. This had a negative impact on the development of the craft distilling tourism product. Several of the state's distillers invested in Political Capital and successfully lobbied to enact a state law (NC House Bill 909) which allowed the on-site sale of one bottle per customer per year. While this is not an ideal solution it has helped in the expansion of the craft distilling tourism product as Distiller 4 described:

Then we got this law—went to the legislature and fought to get this law passed where we could sell one bottle per person here. And what had happened is I gambled on it—I said, I'll go ahead and do this tasting room and gift shop in hopes that this law was gonna pass. If the law had not have passed, I would probably not be here right now.

The analysis revealed that distillers actively worked to invest in Human, Social, and Political Capitals. However, Cultural and Natural Capital were two Community Capitals that required less investment by the distillers. Rather, they served as attractive resources for starting a distillery and craft distilling tourism product in North Carolina. Distillers utilized Cultural Capital in the development and marketing of their distilled spirits and associated tourism products. Many felt that North Carolina's historic cultural connections to moonshine had the potential to improve their product and make it stand out in the marketplace as Distiller 2 explained:

So, like Kentucky has just been the place that's talked about their whiskey-making, but that doesn't mean that North Carolina doesn't have a heritage. North Carolina probably has a stronger whiskey-making heritage than, than Kentucky does, but it just wasn't talked about or marketed or showcased or people weren't made aware of it. But we've got a huge ability to leverage that.

There were differing opinions on the degree to which moonshine should be associated with the North Carolina craft distilling tourism product. Distiller 3 illustrates how some tried to distance themselves from the images of moonshining culture, "But man, I really hate it—and this happens—that people ask me to dress up in overalls and dance around like a moonshiner or something."

While there may have been disagreements upon the utilization of existing Cultural Capital, such as the moonshining heritage of North Carolina, all distillers recognized the value of existing Natural Capital in the state. They specifically spoke to how the state's agricultural products (e.g., wheat, corn, pecans) provided ingredients that made high quality distilled spirits which stood out in the marketplace. Distiller 3 makes the connection between North Carolina's agricultural products and the quality of their distilled spirits "So the point is, is that we have the agriculture—we have the agricultural byproduct to do really good liquor."

Discussion

The findings of this study indicate that Social, Human, Financial, Political, Cultural, and Natural Capital have helped to initiate the development of a craft distilling tourism product in North Carolina. Further investment in these Capitals is needed to continue the development of this tourism product, and in turn attract the lucrative market of tourists interested in local craft distilling. It is evident that distillers actively invest in Social, Human, Financial, and Political Capital to establish and sustain their distilleries and associated tourism products. This finding suggests that assistance in accessing these Capitals would be helpful, particularly for distillers who are new to the industry. Organization such as the Distillers Association of North Carolina may be able to assist in helping distillers access and invest in these Capitals.

North Carolina is rich in Cultural and Natural Capital. But efforts are needed to sustain the value of these capitals so they continue to be attractive to distillers and use them to further advance the craft distilling product. These efforts may be supported by organizations such as the State Departments of Agriculture or Natural and Cultural Resources. Determining how best to integrate the state's heritage associated with moonshine will be a challenge that needs to be addressed in continued tourism product development efforts. And, as with all tourism

development efforts it will be imperative to consult with local stakeholders to determine their perceived impact of craft distilling tourism. Not all stakeholders may support the cultivation of a craft distilling tourism product, especially in a state rooted in conservative values. Further research may attempt to identify how the craft distilling tourism product contributes to Community Capitals and in turns supports the sustainability of the communities across the state.

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