Using Discrete Choice Experiment to measure wine tourists' sensitivity for winery tours' packages
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Wine tourism was often considered as a part of an overall tour and includes a 'bundle-of-benefits' such as winery visit, wine tasting, enjoying scenery and participating in other local activities and attractions. The main purpose of this paper is to explore the preferences of potential winery visitors regarding different winery package tours, and their willingness to pay for each package. We used discrete choice experiment for determining "utilities" of different benefits. In order to do so, respondents received 8 different choice tasks. In each choice task respondents were asked to choose their preferred "winery package tour" during their visit in a winery, out of a set of 4 winery tour packages. Each winery package tour included 4 attributes (information given during the visit; a possibility to taste wine during the visit; a possibility of purchasing special products from the winery; and different prices of the winery package tour). Each attribute consisted of 2-3 options, also called 'levels'.
Based on the respondents' choices we used the multinomial logit to measure the utilities of each attribute and each level, in order to estimate its' importance level. The next step was to measure the market share of each winery package tour by using the software market simulator. The simulation was carried out by changing one attribute at a time, in order to understand the consumers' preferences of the attributes in the winery package tour. Results show that consumers are willing to pay an extra fee for the opportunity to purchase special products during the visit in the winery. Decreasing the entrance fee will increase the market share of a package to 66.41% and a free entrance will increase the market share to 76.35%.
From marketing and managerial point of view, it is important for the wineries to identify the most attractive winery package(s) tours that could be offered to the visitors. The wineries can build alliances with other tourist operators in the region and offer a 'bundle of activities' with various attractions, and not only a single winery tour.