WINE TOURISM AND THE GENERATION Y MARKET: ANY POSSIBILITIES?

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Abstract

Changes in the operating environment for the wine industry in Australia and New Zealand have led to an increasing focus on wine tourism as a potential distribution method to grow a winery's individual consumer base. Wine tourism is also seen as a strategy for encouraging growth in consumption amongst new markets. This research investigated the alcohol consumption behaviour of the Generation Y market to determine current purchasing behaviour, and their participation levels and interest in wine tourism. The aim of the research was to establish if potential for growth existed within the Generation Y market, and possible marketing strategies to increase levels of participation in wine consumption and wine tourism. To achieve this aim a survey was conducted of university students in Australia and New Zealand.

The results showed that wine purchasing was limited within this group, as other alcohol such as beer and spirits were seen as easier and cheaper alternatives. However, the responses did show a potential for growth within this market. The research found that a

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large proportion of the respondents thought of wine tourism as an appealing tourism activity, and many had visited a winery. The results suggested that marketing which focuses on the leisure aspects of wine tourism, rather than highlighting the technical elements of a winery such as production and cellaring, would be most effective on this market. Furthermore, highlighting convenient travel methods and value for money was also found to be important, as the Generation Y markets financial situation was noted frequently as a limiting factor in wine purchase.

1. Introduction

The wine industry in both Australia and New Zealand has been experiencing a period of substantial growth and change since the mid-1980s. Massive increases in output and profits, changes in the consumer market and developments within retail and distribution channels have dramatically altered the business environment for all wineries, offering multiple benefits for some and significant challenges for others.

In the last decade, the number of wineries in Australia and New Zealand has increased to levels not seen before. In Australia in 2001, the number of operating wineries was 1465, an increase of 764 from 1992, with 85 percent of these producing crushings of less than 500 tonnes (ACIL Consulting, 2002). In New Zealand, the growth has been similar with winery numbers increasing from 131 in 1990 to 390 by 2001 (Winegrowers of New Zealand 2003).

The primary catalyst for this growth has been the success of domestically produced wine in export markets, including 'old world' international markets, which have only recently started to focus their attention on the high quality and value priced Australian and New Zealand wines. In 2002, exports of Australian wine surpassed domestic consumption by almost 20 percent (AWBC, 2002). In New Zealand for the same year exports made up approximately a quarter of all production (Winegrowers of New Zealand 2003)

However, concern is now present within the Australasian wine industry about the long-term sustainability and economic viability of this growth (Winemakers Federation of Australia and Australian Wine and Brandy Corporation 2002). Predictions of an industry decline are common, and reports show that many wineries are starting to pull up some varieties of vines in anticipation of over-supply. According to the Winemakers Federation of Australia and Australian Wine and Brandy Corporation (2002, p.6), "There is a strong likelihood of oversupply if the industry fails to act – estimated at 150ML or in excess of 200,000 tonnes. The extent to which this is resolved depends on how the wine industry responds…" Furthermore, statistics for the 2001 vintage also indicated the possibility of over-supply, as 50 000 tonnes of grapes failed to find buyers (Adams, 2002).

In the past, the boom-bust nature of the wine industry has led to significant financial losses being sustained during times of over-supply and ultimately to government-sponsored vine-pull schemes in the 1970s and 1980s on both sides of the Tasman. This is heightening concerns amongst industry analysts and winegrowers that the current forecast downturn will lead to another period of decline. Several examples of business failure in the Australian wine industry provide evidence that the latest boom phase may now be over (Anderson, 2000). One of the most prominent examples is that of Norman's Wines (South Australia), one of Australia's oldest and biggest producers, which collapsed in late July 2001, under $70 million of debt including $11 million owed to nearly 200 contract growers (Baggio, 2001).

Concerns have also been voiced about changes within the marketplace which have led to a high proportion of production, and subsequently sales, achieved by only a small number of producers. In Australia, 94 percent of domestic wine sales, and 98 percent of exports, are produced by the 20 largest wineries (ACIL Consulting, 2002). A similar concentration of producer sales exists in New Zealand. The market power of large, well-known wineries is diminishing the accessibility of small to medium wineries to traditional retail and other distribution mediums. Retailers are looking for increased returns, and wineries that have created a presence in the marketplace through marketing, promotions and lower wholesale rates are in a stronger position due to their ability to create these returns. Larger producers are also not immune to changes in demand, with a recent article by Climo (2003) outlining concerns about recent discounting wars in the United Kingdom by major Australian producers and flagging share prices, mergers and take-overs amongst these same producers.

In addition to changes within the operating environment for all wineries, the threat of over-supply has been compounded by the reduced growth of world-wide and domestic wine consumption levels (Wine Institute of California 2003). Similarly, Lockshin noted that "recent research from Vinexpo shows that world wine sales are barely increasing at all" (2003, p.32).

Therefore, for small to medium wineries to remain competitive and economically viable, new and alternative distribution channels need to be developed and exploited, along with growth in each winery's consumer base. One distribution channel, which is receiving increasing attention in academic and industry literature, is the use of direct selling media such as the internet, mail order and, perhaps more importantly, the winery's cellar door. These methods are seen to be advantageous due to the removal of intermediary costs that reduce the company's profit, improved marketing options, and the possibility of creating loyalty within a company's consumer base.

1.1. Wine Tourism

Wine tourism, or winery visitation, is emerging as an increasingly significant sector of both the wine and tourism industries. While research into the area is in its infancy, many industry commentators and participants are now focusing on analysing winery visitation in order to evaluate the actual benefits to be gained by wineries and tourism operators. In addition to this, they are attempting to understand the nature of wine tourism and the wine tourist, in order to improve the success and profitability of this vital wine industry tangent.

Wine tourism has been defined by a number of different authors, all attempting to appropriately incorporate the unique mix of a winery's character, the tourism product and regional identity. For the purpose of this research, the definition developed by Hall and Macionis (1998) will be employed, which described wine tourism as: "visitation to vineyards, wineries, wine festivals and wine shows for which grape wine tasting and/or experiencing the attributes of a grape wine region are the prime motivating factors for visitors." (see also Hall et al. 2000).

The Australian *National Wine Tourism Strategy* (Winemakers Federation of Australia, 2001) suggests that wine tourism can offer many benefits for small wineries, particularly in relation to overcoming "significant profitability pressures being influenced by market consolidation on a global scale". O'Neill & Charters (2000, p.113) add that: "with its wide range of benefits, including foreign exchange earnings, the creation of a wide range of both full- and part-time jobs, and the generation of secondary economic activity (the multiplier effect), wine tourism is a very lucrative industry with the ability to generate substantial wealth and growth." Dodd (2000) also noted that wine tourism affords the opportunity of practising relationship marketing activities at the cellar door, suggesting that a positive cellar door experience with a winery has the ability to create loyal consumers and positive word-of-mouth marketing.

Although entering into the wine tourism industry does clearly offer many benefits to a winery, a number of authors have highlighted that care must be taken to minimise any negative effects that may occur (Hall et al. 2000). Charters & O'Neill (2000) noted that little empirical research has actually been conducted into the customer service needs of the wine tourist. Similarly, Macionis (1998) suggests that one of the major challenges now facing the wine tourism industry is the lack of service knowledge and experience of many winery operators. Many wineries have therefore entered the tourism and hospitality arena intuitively and not in a strategic manner.

ACIL Consulting (2002) released a report on small to medium wineries in Australia and found that government assistance is widely needed to support the growth of the wine tourism industry. They suggest that public infrastructure, signage, the creation of wine routes, and the need for region-wide marketing initiatives are vital, as most wineries lack the funding or authority to create their external tourism product independently. Similarly, suggestions were made in an international review of wine tourism and its value to small and medium wineries by Hall et al. (2000) and wine and food tourism (Hall et al. 2003). In addition, Beverland (1998) suggests that although a wine tourism focus appears to be a positive strategy in a difficult operating environment, winery owners need to ensure that they have a potential market before investing substantial capital into the creation of a wine tourism product.

The challenge for operators entering the wine tourism industry is further compounded by the limited academic or industry research into exactly who the wine tourist is, and their needs or expectations at the cellar door. Previous research has attempted to segment the wine tourist market largely based on demographics (Dodd and Bigotte, 1997, Mitchell and Hall 2001b), interest in wine (Hall, 1996), and wine knowledge (Mitchell and Hall 2001a, 2001b, 2003). Some studies into wine tourism have uncovered similarities in the travelling market, including that the wine tourist is predominantly female, generally university or higher educated and has a slightly higher than average income. Further, they are usually domestic or intrastate travellers and have had some experience with wine or wine education (refer Table 1 for summary).

Table 1: Visitor Demographics

Visitors at wineries in…	Within Region %	Inter-national %	Female %	Mid-Age %	Upper Income %	Profess-ional %	Graduate %
Texas	85	-	54	51	40	-	66
Victoria	79	3	52	48	-	67	-
Canberra	76	4	47	54	22	-	-
Augusta-Margaret River	62	9	48	29	67	-	-
Margaret River (2000)	85	4	47	41	-	73	-
Tasmania	n/a	17	56	45	40	45	36
Barossa Festival	78	7	51	51	21	-	-
New Zealand (supply)	-	18	50	24	-	-	-
NZ Winery Visitors' Survey	19	15	54	50	30	61	46
New Zealand (demand)	38	26	54	46	41	-	60
Hawkes Bay	-	20	58	50	37	76	55
West Auckland	80	8	-	41	-	66	57

Sources: Adapted from Mitchell, Hall and McIntosh (2000: 122). *Texas Wineries* = Dodd 1995; Dodd and Bigotte 1995, 1997; *Victoria Wineries* = Maddern and Golledge 1996; *Canberra Wineries* = Macionis 1997; *Barossa Festival* = Tourism South Australia 1991; *Augusta-Margaret River Wineries* = Morris and King 1997; *Margaret River (2000)* = O'Neill and Charters 2000; *New Zealand Wineries (supply)* = Johnson 1998; Tasmania = Patterson (2000); *NZ Winery Visitors' Survey* = Mitchell in progress; *New Zealand Wineries (demand)* = Longo 1999; *Hawkes Bay* = Machin 2000; *New Zealand Wine Drinker* and *New Zealand Visitor* = Advanced Business Research 1999; *West Auckland Wineries* = Beverland, James, James, Porter and Stace 1998.

Notes: All figures are the percentage of the sample. Figures for *Canberra Wineries* and *New Zealand Wineries (supply)* are based on wine producers' perspectives. *Mid-Age* is the percentage of visitors over 30/31-49/50, except *Victoria, Margaret River (2000)* and *Tasmania* where it is 35-54. *Upper Income* is the percentage of visitors in top third of income or occupation brackets,. *Region* is visitors from within the region, *Out-of-Region* is visitors outside the region or state (including overseas), *International* is international visitors only. For *Barossa Festival*, the region is South Australia, for *Canberra Wineries* the region is Australian Capital Territory and New South Wales and for *West Auckland* the region is Auckland. *New Zealand Winery (supply)* figures only distinguish between *domestic* (18.1%) and international (81.9%).

The Australian wine tourism industry is currently experiencing significant growth, with 11 percent of all international tourists visiting a winery during their stay, and frequent wine and tourism events throughout the year. Estimates predict the industry will be worth at least $1.1 billion by 2025 (WFA, 2001). However, it is clear that while growth forecasts are optimistic, the "range of critical development issues which have the potential to adversely affect its sustainability and long-term profitability" (O'Neill, Palmer and Charters, 2002, p.343) need to be considered and managed effectively. As with concerns noted earlier, the need to develop the market for wine tourism is essential to facilitate future growth and to achieve success targets. One such market, which has as yet received little attention in relation to both wine consumption and wine tourism, is the youth market, or Generation Y.

1.2. Generation Y

The concept of market segmentation based on demographic characteristics is not new, and has proven to be a successful marketing and positioning mechanism for many years (Furr, Bonn, and Hausman 2002). Development of demographic segmentation has led to more complex marketing models involving other elements of behaviour including psychographics, involvement and purpose for consumption (means-end); improving the understanding of consumer behaviour and allowing marketing activities to be more focused and economical than previous endeavours.

One market segmentation technique which incorporates a number of consumer characteristics is generational marketing. This technique attempts to segment consumers into generations based on their birth range, assuming that a consumer group which has grown-up with similar formative experiences, technology, culture and environmental changes is likely to desire similar products/product attributes (Furr, Bonn, and Hausman 2002). Strauss and Howe (1991 in Ritchie, 1995, p.17) describe generational characteristics as "peer personality", defining this as "patterns of behaviour and beliefs that are dominant among a group of people born during the same period of time".

This paper focuses on the youth market, or those defined as Generation Y. Specific age group classifications vary from author to author, depending on which major events were selected as an influence on a particular generation. For example, Howard and Stonier (2001), Pontell (2000, in Wellner, 2000) and Almash (2000) offer various definitions, suggesting that the Generation Y cohort began life somewhere between 1977 and 1982. For this research, Scarpa's (1999) classification of generations has been employed, therefore defining Generation Y as those born between 1979 and 1994. However, in relation to wine consumption and wine tourism in Australia and New Zealand, this classification limits the target market to those aged in 2003 between 18 and 24 due to alcohol regulations. Using this definition, in 2002 those aged between 18 and 24 in Australia and New Zealand accounted for around 2.04 million and 0.34 million people respectively (Australian Bureau of Statistics, 2002; Statistics New Zealand, 2001).

Although studies into the general characteristics of this market are limited, and none have been conducted relating to wine consumption, most findings consistently highlight similar attributes for psychographics and purchase behaviour across researched industries (see Dias, 2003; Bakewell & Mitchell, 2003; Paul, 2001). Many industries and individual organisations are now realising the importance of attracting this market, as they have recently reached a life-stage where they are able to make their own decisions about spending. Further, it is believed that they have the potential of forming long-term loyalties with products which satisfy them at this vital stage (Paul, 2001).

While it is acknowledged that this group is still yet to go through a number of formative experiences in their life (Marconi, 2001), some general characteristics have been determined. The Generation Y group have grown through a period of relative world-wide stability; socially, economically and politically. This, combined with their relative independent wealth in comparison to previous generations, has created a group willing to spend their disposable income rather than to 'save for a rainy day'. Also, the changing character and significance of the family group, due to higher levels of divorce and working parents, has lead to an increase in the importance of the peer group. The peer group is used widely within the Generation Y cohort for opinion developing and the gathering of information, and creating the right presence or 'image' within their group is important for young consumers.

Further, it is clear that, as with the Generation X market, the Generation Y cohort has grown through a period where marketing and technology have played a large part in their lives, almost to a saturation point. Therefore, they are considered particularly sceptical of marketing messages, and rely heavily on their support group of friends and family for opinions, rather than marketers.

Bruwer (2002, after Stanford, 2000) comments that in relation to wine consumption, only 21 percent of the 18-24 age group are drinking wine regularly, compared to 31 percent of the entire population. Hoffman (2002), in a study into the wine consumption habits of Australians, found that while general wine consumption increased by 7.6 percent between 1995 and 1998, consumption within the youth market grew by only 1.55 percent.

A number of industry commentators have suggested that these figures are little to be concerned about, as typically young drinkers will move into wine in the future and complete their place in the cycle (Batt & Dean, 2000). However, many are concerned that young drinkers are not taking up wine as a drink of preference as did previous age cohorts, and that this could lead to a "demographic black-hole" in the wine consuming market (Kramer, 1997, in Ruthven, 1998; Larson, 2000).

While some marketing efforts have been implemented to draw the youth group towards wine consumption, and more specifically the female youth market (see Yalumba's use of Jamie Oliver in their commercials, the release of 'Wicked Wines' by BRL Hardy, Soho wines, and other new products like Fruity Wines in the U.S.), it appears more needs to be done to support the dramatic increases in production mentioned earlier. Some authors suggest that increasing the appeal of wine tourism to this market may be a solution to improving the attraction of general wine consumption (e.g. Bruwer, 2002; Beverland, 1999; Treloar, 2002). Furthermore, improving visitor levels at cellar door outlets could have a two-fold benefit. Not only could it increase overall wine consumption, but may also assist in improving the viability of small to medium wineries within the current business environment, as direct producer-consumer sales are likely to become increasingly significant.

This study aims to add to the limited understanding of the Generation Y market in Australia and New Zealand by investigating their current behaviour, interests and opinions towards alcohol consumption and wine tourism. This research is designed to lead to positive and justifiable marketing possibilities which may be implemented to increase the prevalence of the Generation Y market at cellar door operations.

2. Method

The preliminary results for this research were gathered through the distribution of a three-part quantitative survey to six universities in Australia and New Zealand, with participating students undertaking a variety of courses. As this area of research is relatively new, the survey was essentially a limited information gathering tool which asked respondents a variety of questions on their wine and other alcohol purchasing behaviour, and also their interest in and opinion of wine tourism.

The first section of the survey asked questions on wine purchasing in order to gain an insight into the current consumption levels of this market, and their behaviour in a purchase situation. The second section of the survey focused on wine tourism in order to evaluate current consumption levels and possible motivators or inhibitors for participating or not participating in wine tourism. Simple demographic data on the sample was also collected.

Over the survey period between May and July 2003, 327 surveys were distributed to six universities, from which 266 valid responses were found, resulting in a response rate of 81.3 percent. Universities were selected as the location for distribution due to the nature of the current wine tourism market (the majority of whom are higher educated – refer Table 1), combined with the need for a convenient sampling method to target 18 to 24 year olds en masse. The information from the questionnaires was entered into and statistically analysed using SPSS Version 11 and frequencies, distributions and cross-tabulations were determined.

Table 2 highlights the demographic characteristics of the sample population. The mean age of respondents was 20.6 years, and the results showed more females than males. The majority of the sample had an income below $20 000 per annum and two thirds were not living with their parents. Further, just over half of respondents were from an Australian university. The wine knowledge level classification developed by Hall (1996), which organises people into four categories depending on their experience, personal knowledge and education in relation to wine, was used for this research. The sample received primarily had "Basic Knowledge" of wines (56.7%), although 21.2 percent did self-define themselves as having "Intermediate Knowledge", while 17.1 percent opted for "No Knowledge"

Table 2: Sample Characteristics (n=266)

Age	Mean – 20.55
Gender	66.0% Female 44.0% Male
Income	89.4% earn less than $20 000
Country	51.1% Australia 48.9% New Zealand
Living with parents	63.4 % Not living with parents
Wine Knowledge	Advanced Knowledge – 4.9% Intermediate Knowledge – 21.2% Basic Knowledge – 56.7% No Knowledge – 17.1%

3. Results

The initial findings from the quantitative investigation of the Generation Y market have highlighted a number of significant issues in relation to wine and alcohol consumption behaviour, and wine tourism. The results of the questionnaire are discussed individually in the following section.

3.1. Wine Purchasing and Consumption Behaviour

It was found that when purchasing wine, the price of the wine and any previous experience with the wine had the most significant influence over choice, with 82.2 percent and 82.6 percent respectively stating these factors as having a strong or very strong influence. Further, these two elements were also the primary information sources about the wine to be purchased, with 76.2 percent and 65.8 percent respectively stating that they often or always use these elements as information sources. The particular wine variety and whether or not a discount was available were other important influences on the purchase decision, as 59.8 percent and 54.6 percent rated these elements as a strong or very strong influence.

Friends were also considered important for both the purchase decision and as an information source about the wine. Interestingly, the retail attendant was rated as the least important element in both the purchase decision and as an information source. 57.0 percent of respondents stated that the retail attendant had little or no influence over their purchase decision, and 58.2 percent noted that they rarely or never used the attendant for information on the wines available.

Other elements tested included bottle design, wine reviews or awards, parents, partners and in-store promotions, although none of these resulted in frequencies which highlighted these elements as either an influence on the purchase decision or as an information source.

The survey also found that 49.2 percent of respondents did put some thought into the purchase decision and did not select wines randomly, although consideration of the purchase options only occurred at the point of sale and not before. Furthermore, 81.2 percent did not purchase wine for cellaring, and 66.8 percent prefer to use a Bring-Your-Own (BYO) option when dining, rather than purchasing at the restaurant.

The only element which really limited the purchasing of wine was the cost, with 56.1 percent claiming cost as a strong or very strong inhibitor. Other elements tested such as wine knowledge and wine packaging were rated as not important in the decision not to drink wine. A small number of respondents rose interesting 'other' reasons for non-consumption, including that many people prefer to drink other alcohol, that they are on probationary licences and therefore cannot drink, and that their friends do not drink wine so therefore neither will they. Another interesting comment was one which noted that there was too much of a selection, so it was easier to purchase alcohol that they already consumed.

The second half of the alcohol consumption section included questions on the frequency of consumption and spending on all alcohol types, in order to draw information about wine purchasing in relation to other alcoholic beverages. Table 3 clearly shows that spirits are the favoured beverage amongst the Generation Y sample population, with 45.7 percent of consumers drinking spirits weekly. Spirits also rated the lowest figure for the 'Never Consume' option (7.9%).

Table 3: Alcohol Consumption Results (n=260)

Alcohol	Primary Frequency	Frequency for "Never Consume"	Average Monthly Spend	Average Monthly Spend (Male)	Average Monthly Spend (Female)
Beer	37.7% Weekly	25.7%	$60.55	$81.86	$33.17
Wine	35.1% Monthly	11.7%	$31.37	$29.75	$32.16
Spirits	45.7% Weekly	7.9%	$38.78	$41.78	$37.19
RTDs*	34.5% Monthly	15.9%	$24.52	$16.60	$27.50

*** RTDs – Ready-to-drink (pre-mixed spirits)**

Beer was consumed regularly (37.7% consumed beer weekly) and also recorded the highest average monthly spend at $60.55. However, this figure may be slightly distorted by a small number of respondents who spent in excess of $150 per month on beer. Wine and Ready-To-Drink (RTD) beverages both received similar frequency of consumption results, with around 35 percent of the sample consuming these beverages monthly.

A gender breakdown of alcohol spending highlighted a number of differences between the two groups. Table 3 indicates that the male population spent far more on beer per month than did the females, with an average monthly spend of almost $50 higher. Further, male respondents reported a more frequent consumption of beer than females, with 73.3 percent of males consuming beer daily or weekly and 58.0 percent of females never consuming beer or only consuming it several times a year.

In most other categories the average monthly spend was consistent across genders, although female respondents claimed a slightly higher monthly spend on wine and spent 66 percent more on RTDs. This compares with the consumption frequency noted by respondents, with 67.6 percent of females stating that they consume RTDs daily or weekly, compared to 50.6 percent of males stating that they never consume RTDs.

These results highlight that wine is not the beverage of choice for the majority of respondents. In summary, wine had the second lowest average monthly spend and the lowest rating for frequency of consumption. However, it did receive the second lowest result from respondents who never consume particular products. However, it should be noted that 25.6 percent of the sample do not *purchase* wine, while only 11.7 percent stated that they never *consume* wine.

3.2. Wine Tourism Behaviour

The second section of the questionnaire explored current participation levels for wine tourism, the appeal of the industry's offering and what is impeding participation in wine tourism activities.

It was found that 59.0 percent of respondents had visited a winery previously, 70.8 percent of those having visited three wineries or less (including 25.3% who had visited wineries earlier than twelve months prior to being surveyed). 75.3 percent of winery visits did not involve the use of an organised tour, and 57.8 percent did not purchase wine on any of their visits. However, of those who did purchase, the average spend per winery was $100.84 (n=62).

Interestingly, although 72.4 percent of respondents felt satisfied or very satisfied with their service and experience at the cellar door, 77.9 percent of respondents felt that their visit had limited or no influence on their future purchasing behaviour. Of the entire sample, 67.2 percent stated that they found wine tourism an appealing activity.

Table 4 is a summary of the significant findings in relation to attractors and deterrents for the Generation Y market in relation to wine tourism. 'Tasting' and 'Enjoying the day out' were the most appealing elements of the wine tourism product mix, with 64.1 percent and 74.9 percent respectively stating that these two elements were significantly or very important influences on their motivation to travel.

Table 4: Attractors and Detractors for Participating in Wine Tourism

Element	Frequency	Mean*	Std. Dev.
Motivators for participating in wine tourism (n=253)			
Tasting	64.1% Significantly or Very Important	3.63	1.197
Enjoying a day out	74.9% Significantly or Very Important	4.03	1.057
Learning about cellaring	71.9% Somewhat to Not Important	2.67	1.244
Meeting the winemaker	86.2% Somewhat to Not Important	2.27	1.148
Getting Drunk	74.4% Somewhat to Not Important (41.3%)	2.35	1.413
Motivators for *not* participating in wine tourism (n=190)			
Cost	68.0% Somewhat to Very Important	3.13	1.284
Wineries are intimidating	75% A little or not important	1.87	0.98
Wineries are all the same	88.9% Somewhat to not important	2.29	1.002
Lack of Events	81.0% Somewhat to not important	2.49	1.174
Wine tasting is too serious	81.0% Somewhat to not important	2.28	1.202

Note: 1=not important, 5= very important.

Learning about cellaring and meeting the winemaker both rated as unimportant influences on the motivation to travel (71.9% and 86.2% respectively rated these somewhat or not important). Despite the potential of images to the contrary, 'getting drunk' also rated of little importance, with 41.3 percent stating it as not important and 18.3 percent noting it of little importance.

In relation to detractors from participation in wine tourism, cost was found to be the primary inhibitor, with 68.0 percent stating that costs involved with wine tourism were somewhat to very important influences on their decision not to travel. Other elements tested were found to be not important, with over 75 percent of the sample rating them between somewhat and not important on the scale. The elements included whether wineries were intimidating, whether wineries were 'all the same', the importance of a lack of special events and whether the sample felt that wine tasting was too serious.

Some respondents did note other reasons for not participating in wine tourism, including the time and distance involved in travelling to wine regions, a lack of interest from friends ('hard to get a group organised') and that they were just not interested in wine and therefore would rather engage in other activities.

4. Discussion

The results above highlight a number of interesting behavioural characteristics and opinion's of the Generation Y sample, suggesting a number of possible marketing techniques which could improve consumption levels in both the wine and wine tourism areas.

Given their generally low income levels and interest in a wide variety of beverages and activities it is readily apparent that cost and value for money are a significant factor for this market. The cost of wine and whether discounts were available significantly impacted their purchase decision and their decision to consume wine at all, as well as their decision to participate in wine tourism. Further, it was clear that wine marketing efforts which are undertaken including in-store promotions, wine reviews and awards and bottle design alterations may have little impact on this segment, as previous experience and the influence of friends were found to be more important than those elements. This clearly relates with the literature (Marconi, 2001) on this market about the significance of the peer group and suggests that marketing focusing on creating a personal or individual knowledge of the wine could have an important effect on the purchase decision - one of the primary elements of the wine tourism product.

It is also clear from the results that there are differences between genders in the Generation Y alcohol purchasing population, with the female sample showing a greater interest in wine consumption than their male counterparts. This suggests that current marketing which is more focused on attracting the female demographic either is having an effective impact, or is justified.

In relation to wine tourism, 67.2 percent of the sample claimed that they found wine tourism an appealing activity, while 59 percent of respondents had visited a winery previously. Therefore only a small proportion of the sample that was interested in wine tourism had yet to experience a winery's tourism product. Interestingly, many of the elements offered by the current range of wine tourism products are not important to the Generation Y market such as touring the winery and learning about the wine making process, whereas tasting the wines and enjoying a day out in a rural environment were important. Further, cellaring wine or learning about cellaring was rated as clearly not important.

Wine tourism marketing efforts, in response to this information, may wish to highlight the regional characteristics and the leisure elements of their product. Enjoying the day with friends is clearly an important antecedent to their decision to travel and this should be clearly demonstrated. In response to the negative elements noted for wine tourism, wineries need to focus on providing a value for money product and should attempt to communicate the ease of access to their product, as travel distance and cost were noted as strong inhibitors. Further, as cellaring is not considered of interest, wineries may wish to highlight the ready to drink stock that they have (or even museum stock) so that their Generation Y clients do not have to consider cellaring the wine.

5. Conclusions and Implications

Dramatic changes in the operating environment for wineries in Australia and New Zealand, characterised by over-production, industry consolidation, changes in the marketplace and the emerging significance of wine exports, suggests that development of sustainability strategies for small to medium wineries is essential for their long-term success. Direct sales are seen as a method for these wineries to overcome current operating constraints and to assist in the growth of the domestic wine consumption market. Wine tourism has been identified as a positive avenue of operation for many wineries, not only for improved distribution and the satisfaction and loyalty of the current consumer base, but also for the possible development of new wine consuming markets, including the Generation Y market.

This research has highlighted that the Generation Y market does show potential for growth both in terms of wine consumption and wine tourism. Already, a worthwhile proportion of this group is consuming wine and participating in wine tourism activities, although it is clear that simple marketing efforts focused on the specific needs and characteristics of this group could overcome many of the current involvement inhibitors and lead to positive growth and development. Primarily, it has been shown that value for money, general enjoyment and the importance of a peer group need to be taken into consideration for this market, while traditional wine consumption and wine tourism marketing efforts involving product design, awards, reviews and technical wine information appear to have little effect.

However, it is clear that the current position and marketing power of many wineries is limited and that, if wine tourism is to be successful, co-ordinated marketing and the development of networks will need to occur for the efficient use of limited capital and the creation of a region-wide market position which is appealing to this vital market segment

The researchers would like to note that these preliminary findings of the current research are constrained by the scope and relative infancy of the research area. Further investigation into the characteristics and lifestyle issues of the Generation Y market is vital to facilitate further growth. An understanding of the wine industry's perception of this market, especially at a cellar door, would be useful to understand current practices and opinions, as well as a cellar door survey of Generation Y consumers to evaluate their satisfaction levels and opinions. An understanding of the specific needs of this market at the cellar door would be useful for future product and marketing considerations.

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