



# Wine Tourism Product

BUILDING TOURISM WITH INSIGHT

WINE

October 2009

This profile summarizes information on the British Columbia wine tourism sector. Wine tourism, for the purpose of this profile, includes the tasting, consumption or purchase of wine, often at or near the source, such as wineries. Wine tourism also includes organized education, travel and celebration (i.e. festivals) around the appreciation of, tasting of, and purchase of wine.

Information provided here includes an overview of BC's wine tourism sector, a demographic and travel profile of Canadian and American travellers who participated in wine tourism activities while on pleasure trips, detailed information on motivated wine travellers to BC, and other outdoor and cultural activities participated in by wine travellers. Also included are overall wine tourism trends as well as a review of Canadian and US wine consumption trends, motivation factors of wine tourists, and an overview of the BC wine industry from the supply side.

Research in this report has been compiled from several sources, including the 2006 Travel Activities and Motivations Study (TAMS), online reports (i.e. [www.winebusiness.com](http://www.winebusiness.com)), Statistics Canada, Wine Australia, (US) Wine Market Council, Winemakers Federation of Australia, Tourism New South Wales (Australia) and the BC Wine Institute.

For the purpose of this tourism product profile, when describing results from TAMS data, *participating* wine tourism travellers are defined as those who have taken at least one overnight trip in 2004/05 where they participated in at least one of three wine tourism activities (1) Cooking/Wine tasting course; (2) Winery day visits; or (3) Wine tasting school. Wine tourism *motivated* travellers are those who have taken at least one overnight trip in 2004/05 where the trip was *motivated* by at least one of the three wine tourism activities.

## Demographic Profile<sup>1</sup>

### DEMOGRAPHIC PROFILE OF WINE TOURISM TRAVELLERS

Canadian and US pleasure travellers participating in the 2006 Travel Activities and Motivations Survey (TAMS) who had been to British Columbia in the past two years were asked to indicate if they had participated in a wine tourism activity while on a trip. Those who had participated in these activities were further asked if a wine tourism activity had been a primary motivating factor for any of their trips.

- There were approximately 3.3 million Canadian travellers participated in wine tourism and 30 million American travellers in 2004/05. Of these, approximately, 45% (1.5 million Canadians) and 9.2% (2.7 million Americans) had made a trip to British Columbia within the past two years.
- Approximately half of wine tourism travellers from both Canada and the US who have been to British Columbia in the past two years and participated in a wine tourism activity while on an overnight trip were male. Among those travellers for whom wine tourism was the primary trip motivator the proportion of males increased to approximately 60% in both the Canadian and US market (Table 1).
- Adult pleasure travellers across all ages were likely to participate in wine tourism activities or were motivated by wine tourism when they travel. More than one third were aged 55 years or older and US Wine travellers (participate and motivate) were more likely to be older than their Canadian counterparts

<sup>1</sup> Unless otherwise noted, information in this report is from the 2006 Travel Activities and Motivations Survey.

- Wine tourism travellers tend to be higher income earners with at least 40% of Canadian and Americans wine travellers earning annual household incomes greater than \$100,000. The proportion of Canadian travellers who participated in wine tourism activities earning more than \$100,000 was higher among those motivated to travel by wine tourism. The overall income distribution of wine tourism travellers was notably much higher than that of typical pleasure Canadian or American travellers (Table 2).
- The majority of pleasure travellers who were motivated to travel by wine related activities were well-educated. Approximately 59% of Canadians and 72% of Americans categorized as wine motivated travellers had completed post-secondary education.

**Table 1: Demographic profile of BC wine tourism travellers from Canada and the US**

Demographics of Wine tourism travellers from Canada and the US who have been to BC	Canada		US	
	Participate	Motivate	Participate	Motivate
Adults 18+	1,499,895	232,938	2,735,589	691,514
Unweighted Numbers	2,042	323	821	193
Gender				
Male	47.7%	60.2%	52.8%	57.1%
Female	52.3%	39.8%	47.2%	42.9%
Age				
18-34	23.0%	24.5%	16.4%	14.2%
35-44	17.9%	20.0%	14.8%	14.7%
45-54	21.6%	22.5%	23.3%	25.8%
55-64	21.8%	21.8%	22.4%	23.1%
65+	15.8%	11.2%	23.1%	22.2%
Household Income				
Under \$40,000	11.9%	15.2%	9.0%	8.3%
\$40,000-\$59,999	11.2%	9.1%	10.4%	11.1%
\$60,000-\$99,999	27.9%	19.8%	26.0%	26.6%
\$100,000 or more	39.6%	45.7%	43.3%	43.2%
Not stated	9.5%	10.1%	11.4%	10.8%
Education				
Less than Secondary	4.9%	5.2%	0.9%	1.0%
Completed Secondary	20.6%	22.9%	4.6%	6.1%
Some Post Secondary	10.6%	13.1%	20.3%	18.5%
Completed Post Secondary	63.3%	58.7%	72.3%	72.4%
Other	n/a	n/a	0.4%	0.0%
Not stated	0.7%	0.1%	1.5%	2.0%

Source: Travel Activities and Motivations Study 2006; special analysis by Tourism British Columbia. Table includes those who have visited British Columbia (at least once) in the past two years on an out-of-town pleasure or vacation trip of one or more nights.

\* Note: Cells with values displayed in red are based on small sample sizes (i.e. less than 50) and should be interpreted with caution.

## DEMOGRAPHICS BY SPECIFIC WINE TOURISM ACTIVITY – CANADIAN PLEASURE TRAVELLERS WHO HAVE TRAVELLED TO BRITISH COLUMBIA

- The gender distribution of Canadian pleasure travellers was evenly split, whereas Canadian wine tourism travellers were slightly more likely to be male. Both Canadian travellers who were motivated to travel to take part in a wine tasting course and/or visit a winery were more likely to be male than the typical Canadian pleasure traveller (61% & 60%, respectively).
- Canadian wine motivated travellers who also visited BC tend to be slightly older than the typical Canadian pleasure traveller who visited BC, with those who were motivated by wine tasting courses being the oldest group (37% aged 54 years or older).
- Canadian travellers motivated by wine tourism activities earn significantly higher incomes than the overall Canadian pleasure traveller visiting British Columbia. Three in ten Canadian travellers to British Columbia reported annual household incomes over \$100,000. This increases to 43% for wine travellers motivated to visit wineries and 56% of those motivated to travel to participate in wine tasting courses.

- The majority of Canadian pleasure travellers to British Columbia were well-educated, with more than half (55%) having completed post secondary education. Participating wine tourism travellers were even more likely to have attained this higher education level (62%). Similarly, 57% of Canadians motivated to visit wineries and 62% of those travelling to attend a wine tasting course completed post secondary education.

**Table 2: Demographics by specific wine tourism activity types for (motivated) travellers from Canada**

Demographics of Canadian Travellers who have been to BC by Wine Activity Type	All Canadian Travellers who Visited BC	Type of Wine Tourism (Motivated)	
		Wine – Tasting Course	Wine – Winery Day Visit
Unweighted Numbers	5,651,177	59,982	193,381
	7,315	79	278
<b>Gender</b>			
Male	49.9%	60.7%	59.7%
Female	50.1%	39.3%	40.3%
<b>Age</b>			
18-34	31.4%	22.3%	23.9%
35-44	18.8%	24.8%	18.7%
45-54	21.3%	15.7%	23.9%
55-64	14.9%	30.2%	21.1%
65+	13.5%	7.0%	12.4%
<b>Household Income</b>			
Under \$40,000	17.6%	6.4%	17.7%
\$40,000-\$59,999	13.9%	8.3%	8.9%
\$60,000-\$99,999	27.4%	19.4%	18.8%
\$100,000 or more	29.1%	56.2%	42.9%
Not stated	12.0%	9.6%	11.6%
<b>Education</b>			
Less than Secondary	7.2%	5.9%	5.2%
Completed Secondary	24.9%	30.9%	22.1%
Some Post Secondary	12.0%	0.9%	15.7%
Completed Post Secondary	55.1%	62.0%	56.9%
Not stated	0.7%	0.3%	0.1%

Source: Travel Activities and Motivations Study 2006; special analysis by Tourism British Columbia. Table includes those who have visited British Columbia (at least once) in the past two years on an out-of-town pleasure or vacation trip of one or more nights.

\* Note: Cells with values displayed in red are based on small sample sizes (i.e. less than 50) and should be interpreted with caution. Survey sample for "Wine – Wine Tasting School" too small to provide analysis.

## DEMOGRAPHICS BY SPECIFIC WINE TOURISM ACTIVITY – AMERICAN PLEASURE TRAVELLERS WHO HAVE TRAVELLED TO BRITISH COLUMBIA

- Among all US travellers to British Columbia, males were slightly more likely to have visited (52% male and 48% female). When looking at the gender distribution across wine tourism activity types there was also a slight tendency for those motivated to travel to visit wineries more likely to be male (62%) compared to the other wine tourism activities.
- Nearly 70% of US wine travellers who had also visited BC in the two year period were aged 45 years or older. In comparison, 65% of the US pleasure travellers to BC were over 45 years of age. Those US pleasure travellers who were motivated to travel to partake in a wine tasting course were more likely to be between the ages of 45-54 years (35%) compared to both the typical US pleasure traveller to BC and US wine traveller motivated to visit wineries (22% for both).
- The proportion of US wine travellers who have also visited BC earning high household incomes, however, is greater than their Canadian counterparts. As much as 60% of those who were motivated to travel to attend a wine tasting course earn annual household incomes over \$100,000. Of the motivated wine travellers who visit wineries, 45% earn incomes over \$100,000. This is compared to the typical US pleasure traveller to BC, where only 35% earn incomes of \$100,000 or more.

- With regards to education levels attained, the US wine motivated travellers were well-educated. Over 74% have completed post secondary education, and those on a wine course were even more likely to be highly educated than those doing a winery day visit. US travellers to BC, as a whole, were also mostly educated at the post secondary level but the total proportion is lower than the wine traveller segment (65%).

**Table 3: Demographics by specific wine tourism activity types for travellers from the US who have also visited BC in 2004/05**

Demographics of US Travellers who have been to BC by Wine Activity Type	All US Travellers who Visited BC	Type of Wine Tourism (Motivated)	
		Wine Tasting Course	Winery Day Visit
Total	7,025,878	227,741	568,055
Unweighted Numbers	2,196	57	163
<b>Gender</b>			
Male	52.2%	52.7%	62.1%
Female	47.8%	47.3%	37.9%
<b>Age</b>			
18-34	21.5%	12.4%	14.8%
35-44	13.6%	16.8%	12.4%
45-54	21.9%	34.7%	21.8%
55-64	19.7%	16.7%	26.4%
65 +	23.3%	19.4%	24.7%
<b>Household Income</b>			
Under \$40,000	13.0%	6.7%	8.7%
\$40,000-\$59,999	13.6%	7.3%	11.9%
\$60,000-\$99,999	27.4%	24.0%	26.1%
\$100,000 or more	34.5%	57.1%	42.1%
Don't Know/Not Stated	11.6%	4.9%	11.2%
<b>Education</b>			
Less than Secondary	1.6%	0.0%	1.2%
Completed Secondary	7.9%	6.0%	5.2%
Some post Secondary	23.4%	12.3%	18.2%
Completed Post Secondary	64.7%	77.6%	74.2%
Other	0.5%	0.0%	0.0%
Not Stated	1.9%	4.1%	1.2%

Source: Travel Activities and Motivations Study 2006; special analysis by Tourism British Columbia. Table includes those who have visited British Columbia (at least once) in the past two years on an out-of-town pleasure or vacation trip of one or more nights.

\* Note: Cells with values displayed in red are based on small sample sizes (i.e. less than 50) and should be interpreted with caution. Survey sample for "Wine – Wine Tasting School" too small to provide analysis.

## Travel Profile

### TRAVEL BY CANADIAN AND US WINE PLEASURE TRAVELLERS

- The 2006 Travel Activities and Motivations Survey (TAMS) estimated that a total of 5.6 million Canadian travellers visited British Columbia at least once in 2004/05. Among these travellers, 27% participated in at least one wine tourism activity while on an overnight pleasure trip in the past two years. A much lesser proportion, approximately 4%, was motivated by wine tourism activities when they travelled (travellers for whom wine tourism was the primary reason for taking at least one trip in the two year period).
- Among the estimated 7 million US travellers who had visited BC at least once in 2004/05, as many as 39% participated in a form of wine tourism while on at least one trip during those two years. Nearly 10% were motivated by at least one of the wine tourism activities identified when they travelled (Table 4).

- The majority of both Canadian and American travellers to British Columbia indicated that they had taken 5 or more out-of-town pleasure trips in 2004/05 (58% and 65% respectively). An even higher percentage of frequent trips were reported among travellers who had either participated in or were motivated by wine tourism. A total of 66% of participating and 73% of motivated Canadian wine travellers could be considered frequent travellers with 5 or more overnight trips. In the US market, 76% of participating and 75% of motivated American wine tourism travellers reported travelling with the same frequency during the two year period.
- The appeal of British Columbia was rated very highly by the majority of all travellers across all categories. Of all Canadian travellers to BC, 88% rated British Columbia an 8 or higher (on a 10-point scale), while 76% of all US travellers to BC rated the province an 8 or higher on the same scale. Canadians who said they participate in wine tourism regard BC as a very appealing destination, as 90% of both participating and motivated Canadian wine tourism travellers rated BC on the scale at an 8 or higher. Most American wine tourism travellers also rated BC at the high end of the scale (+80% rated BC at 8 or higher) but they do not regard BC quite as highly as their Canadian counterparts. Wine travellers were more likely to have travelled in the summer compared to winter, although participation rates were very high for both seasons in all categories. Americans (all pleasure travellers as well as wine travellers) are even more likely than Canadians to travel in winter.

**Table 4: Travel profile of Canadian and American Wine Tourism Travellers**

	Canada			US		
	All Travellers who visited BC	Participate	Motivate	All Travellers who visited BC	Participate	Motivate
Total	5,651,177	1,499,895	232,938	7,025,878	2,735,589	691,514
Unweighted Numbers	7,315	2,042	323	2,196	821	193
Total number of out-of-town pleasure trips taken in past two years						
One	6.9%	4.8%	3.2%	3.3%	1.7%	1.4%
Two	11.8%	8.3%	4.1%	8.7%	5.1%	5.2%
Three	11.9%	8.90%	5.1%	9.5%	6.3%	5.4%
Four	11.5%	12.00%	15.1%	11.7%	9.9%	12.2%
Five Or More	57.9%	66.10%	72.5%	65.4%	76.0%	75.4%
Not Stated	0.0%	0.00%	0.0%	1.3%	1.1%	0.3%
Appeal Of British Columbia – Rated on a scale of 1 to 10						
8 to 10	87.5%	90.50%	90.3%	75.7%	80.0%	86.2%
4 to 7	9.6%	8.00%	8.8%	18.2%	14.0%	9.5%
1 to 3	1.1%	0.80%	0.4%	2.6%	3.1%	2.1%
Don't Know	0.6%	0.00%	0.0%	2.2%	1.4%	0.8%
Not Stated	1.2%	0.00%	0.0%	1.2%	n/a	n/a
Season travelled						
Summer	89.9%	92.30%	94.7%	87.7%	89.3%	88.5%
Winter	71.0%	78.60%	80.2%	77.4%	85.9%	86.7%

Source: Travel Activities and Motivations Study 2006; special analysis by Tourism British Columbia. Table includes those who have visited British Columbia (at least once) in the past two years on an out-of-town pleasure or vacation trip of one or more nights.

\* Note: Cells with values displayed in red are based on small sample sizes (i.e. less than 50) and should be interpreted with caution.

## OTHER DESTINATIONS VISITED

- Of the estimated 3.3 million Canadians who participated in or were motivated by a wine tourism activity as part of their travel in the past two years, 45% had travelled to British Columbia in the same time period.
- Canadian wine tourism travellers were well-travelled. They were as likely as other Canadians to have travelled to Alberta but were more likely to have travelled to Ontario, Quebec, somewhere in the US, Mexico and the Caribbean and/or Europe compared to the general Canadian traveller. Also, Canadian wine motivated travellers were more likely to have travelled to many different destinations.
- Of the estimated 30 million US wine tourism travellers, approximately 9% had made a trip to British Columbia in 2004/05.

- All American wine tourism travellers had travelled within the US in the two year period (2004/05). They were slightly more likely to travel to Ontario, Mexico/Caribbean, Europe and other destinations than the typical US pleasure traveller to BC.

#### OTHER ACTIVITIES (OUTDOOR AND CULTURAL) PARTICIPATED IN

- Overall, participation rates in other outdoor and cultural activities that wine travellers took part in were quite similar between British Columbian, Canadian and US markets (Table 5).
- The most popular travel activities included cultural activities like strolling to see city buildings and historic sites/buildings and well-known natural wonders. Sunbathing/sitting on a beach and swimming in lakes and oceans were the most popular outdoor activities for wine travellers.
- British Columbian wine travellers were twice as likely to include swimming in lakes in their travel compared to US travellers. Canadian wine travellers were also more likely to be swimmers than their US counterparts.
- US wine travellers had high participation rates in many heritage-type activities, such as strolling a city to see buildings (65% for participating and 71% for motivated US wine tourists), visiting historic sites or buildings (67%-75%), seeing well-known natural wonders (around 60%).
- Hiking, golf and downhill skiing were the most common complementary sports-related outdoor activities of interest to wine travellers. However, these activities had considerably lower incidence rates in comparison to other more general outdoor and/or culture related activities,
- US motivated wine travellers show particularly strong interest in cultural activities such as: museums-history/heritage (53%); art galleries (57%); farmers' markets/country fairs (59%); botanical gardens (50%); and, live theatre (51%). In all cases, the interest is strongest among motivated US wine travellers; however, US participating wine travellers were also more likely to enjoy these cultural activities than Canadian participating wine travellers.

**Table 5: Other outdoor and cultural activities participated in by Wine Tourism travellers**

Activities	BC		Canada		US	
	Participate	Motivate	Participate	Motivate	Participate	Motivate
Stroll A City To See Buildings	68.2%	61.2%	66.2%	64.7%	69.7%	70.9%
Sunbathing/Sitting On A Beach	65.1%	59.7%	53.7%	57.9%	44.7%	44.2%
Historic Site/Buildings	56.3%	48.6%	53.6%	58.8%	66.5%	74.9%
Nature Park- National/Provincial	65.0%	65.0%	46.5%	44.3%	56.4%	51.0%
Well Known Natural Wonders	38.8%	50.9%	44.8%	38.2%	57.9%	61.8%
Museum - History/Heritage	40.4%	41.8%	43.7%	45.5%	52.0%	52.6%
Art Galleries	40.1%	39.8%	43.0%	46.8%	49.1%	57.0%
Swimming In Lakes	59.3%	63.7%	42.8%	40.6%	22.7%	29.7%
Swimming In Oceans	50.7%	46.0%	42.2%	59.5%	42.0%	45.1%
Other Historic Sites/Buildings	48.2%	36.1%	41.8%	48.9%	58.0%	68.2%
Farmers' Markets/ Country Fair	45.1%	32.4%	39.4%	35.0%	46.2%	58.9%
Hiking – Same Day Excursion	21.0%	29.9%	37.7%	28.3%	43.0%	38.7%
Botanical Gardens	26.3%	33.4%	34.4%	27.9%	44.6%	50.2%
Live Theatre	23.3%	21.6%	27.6%	30.3%	40.2%	50.5%
Free Outdoor Performances	26.7%	23.7%	27.5%	26.3%	35.9%	42.6%
Golfing - Occasional Game	22.4%	30.4%	26.9%	30.4%	23.6%	23.1%
Aquariums	22.5%	34.8%	24.8%	28.0%	43.2%	45.2%
Firework Displays	23.4%	22.4%	23.9%	24.3%	32.7%	41.7%
Skiing – Downhill	20.00%	36.5%	23.5%	25.0%	20.6%	22.7%

Source: Travel Activities and Motivations Study 2006; special analysis by Tourism British Columbia. Table includes those who have visited British Columbia (at least once) in the past two years on an out-of-town pleasure or vacation trip of one of more nights.



The following insight comes from Wine Business Monthly<sup>2</sup>

- Wine tourism is linked with culinary, eco- and agri-tourism and is expanding in most major wine growing regions around the world including: France, Spain, Germany, Italy, the U.S., South Africa, Australia, New Zealand, Austria, Chile and others such as BC.
- One of the reasons wine tourism is growing is because of government or regional strategies to promote or increase wine tourism due the economic returns.
- The infrastructure around wine tourism often includes wine education centres, hotels, restaurants, wine trails and other components which promote the industry.
- Wine tourism is also growing due to an increased interest in environmental issues, which has led to growth in eco- and agri-tourism that encompasses vineyards. There has been further consumer growth and interest in dining and cooking, which is reflected in the rise in restaurant revenues as well as the number of new TV cooking shows.
- A “café society” trend has been identified where people want to enjoy life more through the culinary arts and take time to enjoy conversation with friends and family over a meal. Wine is a natural part of this trend, and therefore helps to explain not only the growth in wine tourism but also the growth in wine consumption – especially in the US.
- There has been growth in the number of wineries worldwide. In the US, there were 26% more wineries in 2007 than in 2005.
- Increased global competition in wine has spurred many small wineries to unite with their otherwise neighbouring competitors and implement a strategy to attract more visitors to their wine region.
- In Canada, the wineries of the Okanagan Valley and Niagara Peninsula are the most well-known. These regions have devised successful strategies to increase the number of visitors (domestic and international) as well as repeat visits. In addition they have developed cooperative marketing efforts to promote their regions’ wine tourism product, together with golf and culinary specialties. These complementary activities further increase the potential for greater visitor satisfaction and longer lengths of stay in the region.
- The obvious benefit of increased wine tourism for wineries is related to increased sales due to more visitors. It is estimated that a purchase of some sort will be generated by upwards of 50%-90% of wine tourist visits. The invitation to taste wine usually encourages visitors to make a purchase.
- Other benefits to wineries include: higher margins because the sale is made directly from the winery, the opportunity to attract new customers, the potential to enhance brand loyalty, and obtain customer feedback on wine products.
- Ultimately, the whole community can benefit as wine tourism visitors generate revenues for stores, restaurants, hotels and all the employees who work in those establishments.
- Successful implementation of a wine tourism strategy requires high levels of cooperation, partnership and commitment from the wineries and the community.

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<sup>2</sup> Trends in Wine Tourism, August 15, 2007 article in Wine Business Monthly. Available from [www.winebusiness.com](http://www.winebusiness.com).

## MOTIVATIONS OF WINE TOURISTS

WineBusiness.com<sup>3</sup> identifies the following 10 major factors that motivate people to visit wine regions:

- To taste wine
- To gain wine knowledge
- To experience the wine setting (e.g. meet the winemaker, tour cellars and vineyards)
- To be in a rural setting (beauty of vineyards, learn about farming, agri-tourism)
- To match food and wine – culinary tourism
- To have fun (wine festivals and events)
- To enjoy wine culture (romance and elegance)
- To appreciate the architecture and art
- To learn about the green aspects and eco-tourism of the region
- To enjoy the health aspects of wine

In “New World” wine regions such as those in BC, visitors are typically most interested in tasting wine, gaining knowledge, experiencing the wine setting and having fun.

## OTHER TRENDS IN THE CANADIAN AND BRITISH COLUMBIAN WINE INDUSTRIES

Statistics Canada<sup>4</sup> research suggests that Canadians are changing their alcohol purchase patterns:

- Beer remains the alcoholic drink of choice for Canadians in terms of both volume and dollar value, but its dominance has steadily declined as consumers turn more to wine.
- Canadians are purchasing more wine as evidenced by increases in wine sales which grew from an average of 11.7 litres per capita in 2000 to 15.0 litres in 2007.
- Wine has grown in popularity in BC in particular, with wine sales reaching 17.3 litres per capita in 2007. Overall, BC had the third highest wine sales (litres) per capita in Canada, after Yukon (21.0) and Quebec (20.1).
- In 2007/2008, BC had the second highest wine sales per capita (15 years and older) at \$240.60, following the province of Quebec.
- Total BC wine sales were up 11.5% for the year ending March 31, 2008 over the previous year.
- There is a trend for Canadians to purchase higher volumes of domestically produced wines.

Canadian wine drinkers are a key market for the Australian wine industry and British Columbians purchase the most Australian wine in Canada. The Australian wine industry<sup>5</sup> has determined the following characteristics about Canadian consumers;

- Canadians are sophisticated wine drinkers who tend to rate quality over price. High-quality imports are leading the growth in this category over domestic products and imported blends.
- The increasing disposable incomes in Canada have resulted in trading-up to more expensive wines. Particularly, as the population ages, health concerns prompt more red wine consumption and the increased disposable incomes support this purchase behaviour.
- Growth in Canadian wine drinking is also partially due to the increasing consumption among young professionals. Reports suggest young Canadians drink more wine than their parents.
- Red wine is expected to continue to lead the growth in both volume and value terms, with white and rosé expected to grow in smaller volumes. Cabernet Sauvignon is the most popular red varietal, followed by Merlot and Shiraz. In fact, Shiraz has been the success story of recent years, driven largely by imports from Australia.
- Chardonnay and Sauvignon Blanc are the most popular white varieties. Single varietal wines are increasing in popularity at the expense of blends.
- Grape variety and origin are a major focus for many consumers.

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<sup>3</sup> Ibid.

<sup>4</sup> The Control and Sale of Alcoholic Beverages in Canada. Statistics Canada Catalogue no.63-202-X. Released June 12, 2008.

<sup>5</sup> Wineaustralia.com. Wine Australia is the strategic marketing arm of the Australian Wine Industry in Canada.



## OTHER TRENDS IN THE US WINE MARKET

The following research is derived from the US Wine Market Council's 2008 Consumer Tracking Study<sup>6</sup>.

- The US wine market continues to grow. In 2008, overall table wine consumption and the adult per capita consumption of table wine set record high levels with 15 consecutive years of increases recorded.
- Per capita consumption was only 1.89 gallons per adult in 1991, compared to an all-time high of 2.97 gallons in 2007.
- The surge in popularity of wine is coming from young adults of the Millennial<sup>7</sup> generation and the fact that beer and spirits drinkers are also increasingly finding that they like wine as well.
- In addition, there has been growth in choosing wine as an accompaniment to meals in casual chain restaurants and at home when the family dines all-together.
- Wine consumption increases are also attributed to the continuing assimilation of news relating moderate wine consumption to positive health outcomes, more effective brand marketing and ongoing media campaigns conducted by the wine agencies which together have changed consumer attitudes about the occasion appropriateness of wine.

## INTERNATIONAL WINE TOURISM MARKETS

Research into wine tourism and international wine tourists in particular by the Australian state tourism department of New South Wales<sup>8</sup> provides the following insight:

- International visitors who travel to wineries have a higher interest than other visitors in cultural attractions (museums, art galleries, wine festivals – particularly those reflecting local customs and heritage).
- Proportionately more winery visitors also go to national parks and botanical or other public gardens than do other visitors.
- Wine tourism is a “broad” area of interest that is popular among overseas visitors, and is particularly of interest to visitors from the UK, Europe and North America.

## Wineries and Wine in British Columbia

According to the British Columbia Wine Institute (BCWI), there are five wine regions (designated viticultural<sup>9</sup> areas) in BC:

- Okanagan Valley
- Similkameen Valley
- Fraser Valley
- Vancouver Island
- Gulf Islands

In 2009, there are 160 licensed grape wine wineries or 710 wineries and independent grape growing vineyards in BC. The Okanagan's grape production currently covers some 5,000 acres and is the oldest and largest wine-producing region in the province. The Okanagan has more than 70 wineries supplying 90% of the province's wine production.

Over 60 grape varietals are produced in BC and the ratio of white to red is: 51% to 49%. The top ten varietals of each are as listed in Table 6.

<sup>6</sup> Consumer Tracking Study prepared by Merrill Research for the (US) Wine Market Council. 2007.

<sup>7</sup> The Millennial generation, also known as Generation Y, is a term used to describe the demographic cohort following Generation X. Its members are often referred to as "Millennials" or "Echo Boomers". There are no precise dates for when Gen Y starts and ends. Most commentators use dates from the early 1980s to early 1990s. Members of Generation Y are primarily the offspring of the Baby Boom Generation.

<sup>8</sup> Journal of the Bureau of Tourism Research. Part of Factsheet series: Wine Tourism Development Information: Understanding your tourism market. Prepared by Tourism New South Wales, Australia.

<sup>9</sup> Viticulture (from the Latin word for vine) is the science, production and study of grapes which deals with the series of events that occur in the vineyard.

**Table 6: Top Ten Red and White Wine Varietals in BC (by acreage planted)**

Red Wine Varietals	White Wine Varietals
Merlot	Pinot Gris
Pinot Noir	Chardonnay
Cabernet Sauvignon	Gewurtztraminer
Syrah (Shiraz)	Sauvignon Blanc
Cabernet Franc	Pinot Blanc
Gamay Noir	Riesling
Marechal Foch	Viognier
Malbec	Ehrenfelser
Petit Verdot	Semillon
Zweigelt	Bacchus

Source: BC Wine Institute

The BC wine industry has seen overall growth in the harvesting of wine growing grapes and the production of wine in the province over the past 10 years (Table 7). The volume of both harvesting and production more than doubled in the last 10 years. The number of wineries tripled during the same time period.

**Table 7: Total BC Grape Wine Harvest and Wine Production**

Year	Harvest (short tons – 2,000 lbs)	Production (litres, est.)
2008	22,200	14,996,100
2007	19,777	13,394,757
2006	20,369	13,802,563
2005	14,084	8,450,400
2004	16,642	9,985,200
2003	16,897	10,138,200
2002	15,523	9,313,800
2001	14,137	8,482,200
2000	10,022	6,013,200
1999	10,957	6,574,200

Source: BC Wine Institute

## VQA WINE<sup>10</sup>

Introduced to BC in 1990, the VQA is an “Appellation of Origin” system that guarantees authenticity of origin and stipulates minimum quality standards for Canadian wines. The VQA defines and mandates standards for wine production and certification. Wines bearing the VQA symbol must be made entirely from grapes grown in specific provinces and regions in Canada, produced to a set of production standards, and must pass a sensory evaluation procedure. Participation in the VQA program is voluntary.

- In 1990, VQA wine sales in BC totalled 600,000 litres. In 2008 they totalled approximately 6.6 million litres.
- Since 2000, British Columbia VQA wine sales have more than doubled to over \$160 million in 2008/09.
- In 2008, BC VQA became the second-best selling category in the BC market, capturing 20% of dollar sales in the market, ahead of all wine-importing countries and behind only cellared-in-Canada non-VQA wines.

BC is also known internationally for its ice wines. In 2008, 420 tons of grapes were harvested to produce ice wine in BC, yielding an estimated 126,000 litres.

<sup>10</sup> British Columbia Wine Institute

## Overview of BC Wine Tourism Sector

- Tourism British Columbia and partners recently completed an Okanagan Valley Wine Tourism Visitor Study (2008). The purpose was to develop a profile of travellers who visited Okanagan Valley wineries in terms of traveller and trip characteristics. Some highlights of the research results are outlined below<sup>11</sup>.
  - The majority of travellers in the Okanagan Valley wineries were between the ages of 35 to 64 years with the most frequently stated age category being 45 to 54 years of age (27%).
  - Half (52%) of the respondents had annual household incomes of at least \$100,000 and another quarter (25%) had incomes between \$65,000 and \$99,999.
  - Slightly over three quarters (79%) of respondents indicated that this was not their first time wine touring.
  - Overall, the average travel party size was 2.8 people and 14% of wine travellers were travelling with children. Those parties with children had an average of 4.6 people travelling in their group. Parties travelling without children had an average travel party size of 2.6 people.
  - The majority (55%) of travellers indicated that wine touring played at least some importance in planning their trip (known as high interest wine travellers). Over a quarter (27%) indicated it was the primary reason with an additional 27% rating it an important reason.
  - On average, wine travellers intended to visit a total of 9 wineries during their trip averaging 3.5 wineries on the actual interview day. High interest wine travellers were more likely to visit more wineries in total (11.7) and also more wineries in the Okanagan Valley (9.4) and per day (4.3)
  - High interest wine travellers were 'very likely' to take another trip to the Okanagan to visit wineries (79%, Very likely).
  - Travellers at the Okanagan Valley wineries spent an average of \$304.99 per party per day. High interest wine travellers reported considerably higher per diem expenditures than low interest wine travellers (\$356.71 & \$243.62, respectively).

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<sup>11</sup> For the full report, please visit: <http://www.tourismbc.com/Research/ResearchByRegion/ThompsonOkanagan.aspx>