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**TOURISM
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**FOOD AND WINE
TOURISM IN
NEW SOUTH WALES**

Executive summary

JANUARY 2015



Image: Gemelli Estate, Hunter Valley Wine Region. Courtesy of Lisa Marée Williams/Destination NSW.

FOOD AND WINE TOURISM IN NEW SOUTH WALES

Tourism Research Australia and Destination New South Wales commissioned Instinct and Reason to conduct research during the first half of 2014 to better understand the perceptions, motivations, behaviours and experiences of domestic overnight food and wine visitors to New South Wales (NSW) from Sydney, Canberra, Brisbane and Melbourne.

INTRODUCTION

Food and wine tourism is an important element of the visitor experience in New South Wales (NSW). In the year ending September 2014, there were over 780,000 domestic overnight visitors to wineries in NSW, representing a quarter (25 per cent) of all those visiting wineries across Australia¹.

To inform the strategic development of food and wine visitation and experiences in NSW, this research sought to:

- profile food and wine visitors to NSW and identify market segments
- increase understanding of the attributes and complementary activities which define a 'good' food and wine tourism experience for visitors
- assess the level of awareness and satisfaction with NSW food and wine destinations, and identify opportunities for improvement
- determine tolerance to travel for a food and wine experience.

Findings from this research will help further develop the food and wine sector in NSW and enhance the profile of NSW's food and wine offering among domestic and international visitors.

Contact tourism.research@tra.gov.au to obtain the full report.

¹ Tourism Research Australia's National Visitor Survey



KEY FINDINGS

- People are becoming increasingly knowledgeable about, and engaged in food and wine. They are seeking 'authentic' experiences and products.
- As anticipated, some food and wine visitors were more passionate than others in their level of interest when travelling around to eat and drink local produce. These visitors can be classed as 'dedicated'; 'interested'; or 'accidental'.
- Aside from wine tasting and sales, the 'must have' activities essential to a winery visit included having a meal, and sampling local produce. There was also a high level of interest in educational activities (such as learning about the process of wine making) and unique offerings at wineries.
- Being able to eat fresh, locally grown food for breakfast, lunch and dinner was the number one desired attribute of a food and wine region.
- Having the ability to buy local produce and to take short drives to places of interest nearby to the main destination being visited were also important for a 'good' food and wine experience.
- The Hunter Valley was the most visited food and wine region in New South Wales, had the highest unprompted awareness and was most likely to be considered for future visits.
- Two-thirds of food and wine visitors were either extremely satisfied or satisfied with their NSW food and wine experience.
- Tolerance to travel varied among different types of food and wine visitors. Obviously, 'dedicated' food and wine visitors were the most willing to travel further away from home for a food and wine experience.
- Apart from distance from home, the top three factors influencing destination choice were the quality of customer service, the range of accommodation options and the ease of organising the food and wine trip.

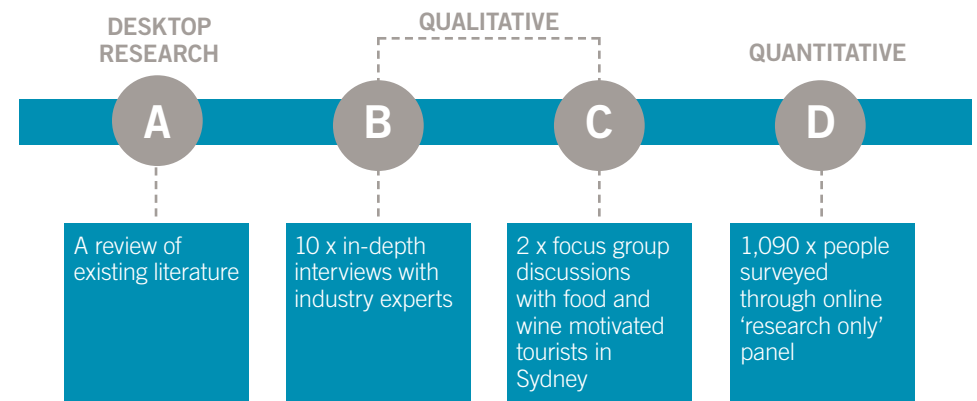
RESEARCH METHOD

This study used a multi-stage approach (Figure 1). The first (desk research) was followed by qualitative research including interviews with industry experts across NSW. These experts were chosen to provide a good representation of the food and wine tourism industry. They included the NSW Wine Industry Association, Taste Orange, NSW Farmer's Association, and Restaurant & Catering NSW. Focus groups with food and wine motivated tourists were conducted in Sydney.

The final phase involved an online survey of 1,090 residents from the primary food and wine source markets in NSW (Sydney and Canberra) as well as from the secondary markets (Brisbane and Melbourne). Respondents were those who had taken a food and wine motivated holiday/break in the last two years in NSW and had been involved in the decision-making for the trip. The survey sample reflected the profile of domestic food and wine visitors to NSW.

The survey included a choice model component that sought responses to hypothetical scenarios for food and wine destination offerings.

FIGURE 1: RESEARCH STAGES



WHAT DID THE INDUSTRY EXPERTS HAVE TO SAY?

People are becoming increasingly knowledgeable about, and engaged in, food and wine. Industry experts noted that many visitors wanted to make personal connections with winemakers, producers and proprietors as they sought 'authentic' experiences and products.

Savvy operators who understand the value of this relationship with consumers employ a number of successful strategies including:

REGIONAL HEROES



INTRODUCING THE IDEA OF 'REGIONAL HEROES' WHO INCLUDE WINE MAKERS, FOOD PRODUCERS, AND CHEFS AS PART OF THE REGIONAL BRAND.

'PADDOCK TO PLATE'



TELLING THE STORY OF FOOD/WINE PRODUCTION, EXPLAINING WHERE THE INGREDIENTS COME FROM, HOW THEY CAN BE USED, AND SUSTAINABLE PRACTICES.

FOOD AND WINE EVENTS



RUNNING EVENTS INCLUDING DINNERS TO SHOWCASE LOCAL PRODUCE USING FAMOUS CHEFS AND/OR WINEMAKERS AS DRAWCARDS.

FOOD AND WINE TRAILS



PROMOTING REGIONS RATHER THAN INDIVIDUAL ATTRACTIONS THROUGH COHESIVE MARKETING OF A VARIETY OF EXPERIENCES.

EXPERIENCED/ KNOWLEDGABLE STAFF



HAVING WAIT STAFF KNOWLEDGABLE ABOUT PRODUCE AND ITS ORIGINS.
HAVING CELLAR DOOR STAFF ABLE TO PROVIDE BOTH A SOCIAL AND EDUCATIONAL EXPERIENCE.

SOCIAL MEDIA PROMOTION



USING SOCIAL MEDIA TO CONNECT WITH CONSUMERS, PRODUCERS AND BUSINESS OWNERS.

INTERACTIVE EXPERIENCES



WINEMAKERS ALLOWING VISITORS TO OBSERVE OR TAKE PART IN THE 'VINTAGE' PROCESS.
ALLOWING VISITORS TO PICK THEIR OWN FRUIT.

*Vintage is the process of picking grapes and creating the finished product.



TYPICAL FOOD AND WINE BEHAVIOURS



TRAVEL PARTY

- 45% travelled as a couple
- 23% travelled as a family
- 23% travelled with friends or colleagues
- Fairly even split between young families where most of the children are under 16 years and older families where most of the children are over 16 years



TRIP LENGTH

- 32% two night trip
- 21% one night trip
- 14% day trip
- 38% went for longer trips:
 - ▶ 17% for three nights
 - ▶ 10% for four nights
 - ▶ 11% for more than five nights



DISTANCE TRAVELLED (ONE-WAY)

- Most travelled less than 299 km (70%) and 3.5 hours for a day trip
- 200–299 km was as far as most people (36%) would travel for a weekend trip; however, Canberra residents would travel further (36% 300–399 km)
- For a week-long trip, people were willing to travel further—40% would travel further than 400 km



TIME OF YEAR

- More than one-quarter of the total sample had no preference
- Spring (21%) and autumn (19%) had the greatest appeal
- Summer (9%) and winter (7%) had the lowest appeal



HOW MUCH WAS SPENT?

- \$572 per person per trip on food and wine travel in NSW
- \$366 per person on day trips only
- \$911 per person on trips for four or more nights, equating to \$130 per day.

For domestic travellers taking a food and wine holiday or short break in the last two years:

- Nearly half travelled as a couple
- More than half were away for one or two nights, usually on a weekend trip
- Spring and autumn had greater appeal than summer or winter
- On average, \$572 was spent per person on a food and wine trip in NSW.

As expected, people were willing to travel further away from home for longer trips. Around 40% would travel more than 400 kms for a week-long trip.

The main sources of information for food and wine holiday or short break were:

- Internet sites (82%)
- Word of mouth (78%)
- Previous experience (76%)
- TV and newspaper ads (64%).

The top three triggers for a food and wine experience were:

- Need for a short break
- Special occasions as a couple
- Wanted a luxury pampered weekend.

WHERE DID FOOD AND WINE VISITORS GO?

In the last two years (2012–2014), food and wine enthusiasts from Sydney, Canberra, Brisbane and Melbourne have visited (Figure 2):

- Hunter Valley (39%)
- Blue Mountains (20%)
- Mudgee (13%)
- Southern Highlands (13%)
- Canberra District (12%).

As expected, food and wine visitors mostly travelled to the destinations adjacent to their home.

Sydney residents—most often travelled to Hunter Valley (58%), Blue Mountains (28%) and Southern Highlands (23%). Despite the further distance from Sydney, Mudgee (22%) was a popular destination for Sydney residents.

Canberra residents—mostly visited their local food and wine destination Canberra District/Poacher's Way (56%), and nearby Southern Highlands (32%). However, they were also willing to travel further away and visited Hunter Valley (27%) and the South Coast (20%).

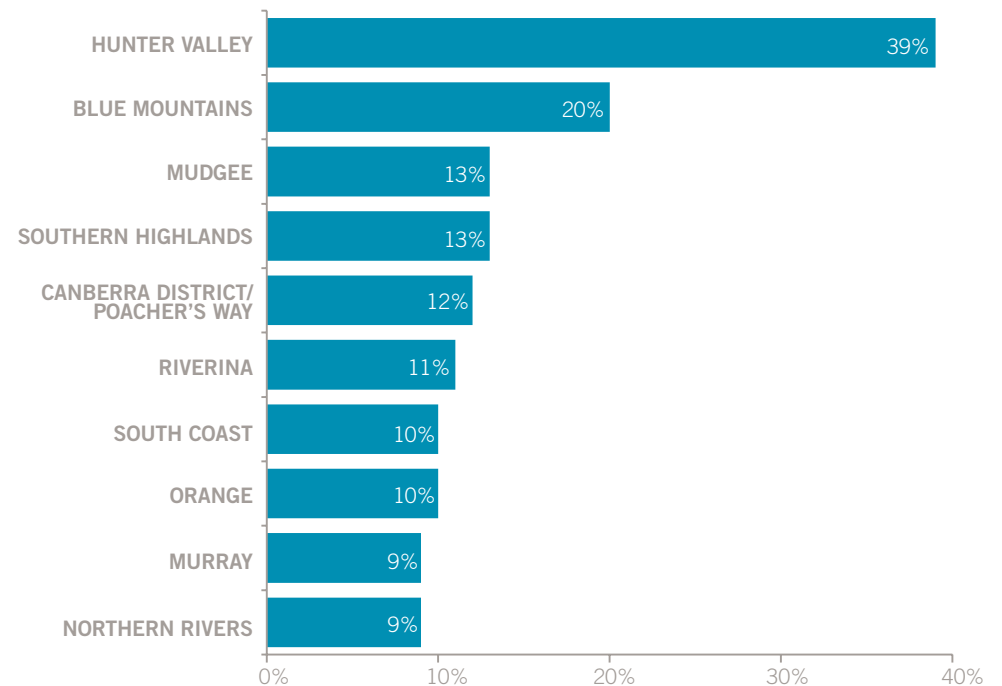
With not as many established food and wine regions close to home, Brisbane residents were willing to travel further away to the Hunter Valley and nearby NSW food and wine regions.

Brisbane residents—most commonly visited the Hunter Valley (35%), Northern Rivers (22%), North Coast (16%) and Blue Mountains (14%).

Despite having well-established food and wine destinations and closeness to the Yarra Valley, Melbourne residents managed to travel to the Hunter Valley and to nearby NSW food and wine regions.

Melbourne residents—most often visited the Hunter Valley (22%), the Murray (16%), Blue Mountains (14%) and Riverina (12%).

FIGURE 2: TOP 10 NSW FOOD AND WINE DESTINATIONS VISITED IN LAST TWO YEARS



Q. Which of NSW destinations known for its food and/or wine have you visited in the last two years?

Base: total (n = 1,090).

TYPES OF FOOD AND WINE VISITORS

Some food and wine visitors are more passionate than others. Survey respondents were asked to classify themselves as dedicated, interested or accidental visitors based on their interest for food and wine.

There were differences in these visitor types in terms of profile (age and travel party), food and wine interests and travel behaviour.

Dedicated—One in six (16%) described themselves as being passionate when it came to food and wine. Typical characteristics of these visitors included:

- aged between 25–44 years
- travelling as a couple or with a small group of friends
- more interested in attending a special event, wine lectures, information sessions, participating in master classes and wine club dinners
- liked to eat at wineries, to have conversations with winemakers, chefs, local food growers, and be able to eat fresh, organic food.

Interested—Accounted for the majority of food and wine visitors (60%). Typical characteristics of these visitors included:

- aged between 18–24 years
- liked to have conversations with winemakers, meet local food growers, and learn something new
- having a luxury/pampered break, or experiencing a food and wine festival likely triggered food and wine holiday or break.

Accidental—The remaining 24% were occasionally motivated to experience food and wine. Typical characteristics of these visitors included:

- aged 65 years or more and travelled as a couple
- had no preference on which season to travel
- more likely to have not taken a holiday for a food and wine experience in NSW in the last two years
- wanted food and wine experiences in nearby regional destinations.

WHAT MOTIVATES FOOD AND WINE VISITORS?

Not surprisingly, the number one motivator for travel was having the opportunity to try different foods and wine (63%). The element of nature and uniqueness about the destination, as well as the opportunity for indulgence were seen as important motivators:

- time to interact with nature as well as experience food and wine (54%)
- indulging in a food and wine weekend (51%)
- the desire to find what was unique about the destination (49%).

WHAT MAKES A GOOD FOOD AND WINE EXPERIENCE ANYWHERE?

Wine has widely been acknowledged as the core driver for food and wine tourism; however, this research highlights the rising prominence of food (Figure 3). The 'journey' to the destination is also increasing in importance. This highlights the need for information on things to see and do along the way, and for making tools available (e.g. trip planners on websites) to enable people to plan and maximise their food and wine experience. Important attributes cited included being able to:

- eat fresh, locally grown food for breakfast, lunch and dinner
- buy local produce in its various forms
- take short drives to places of interest near the main destination
- make the journey part of the break with 'interest' stops on the way there and back home.

The necessary infrastructure included:

- websites that allow visitors to plan their trip (including places to visit along the way)
- multiple attractions that can provide 1 to 2 days of activities.

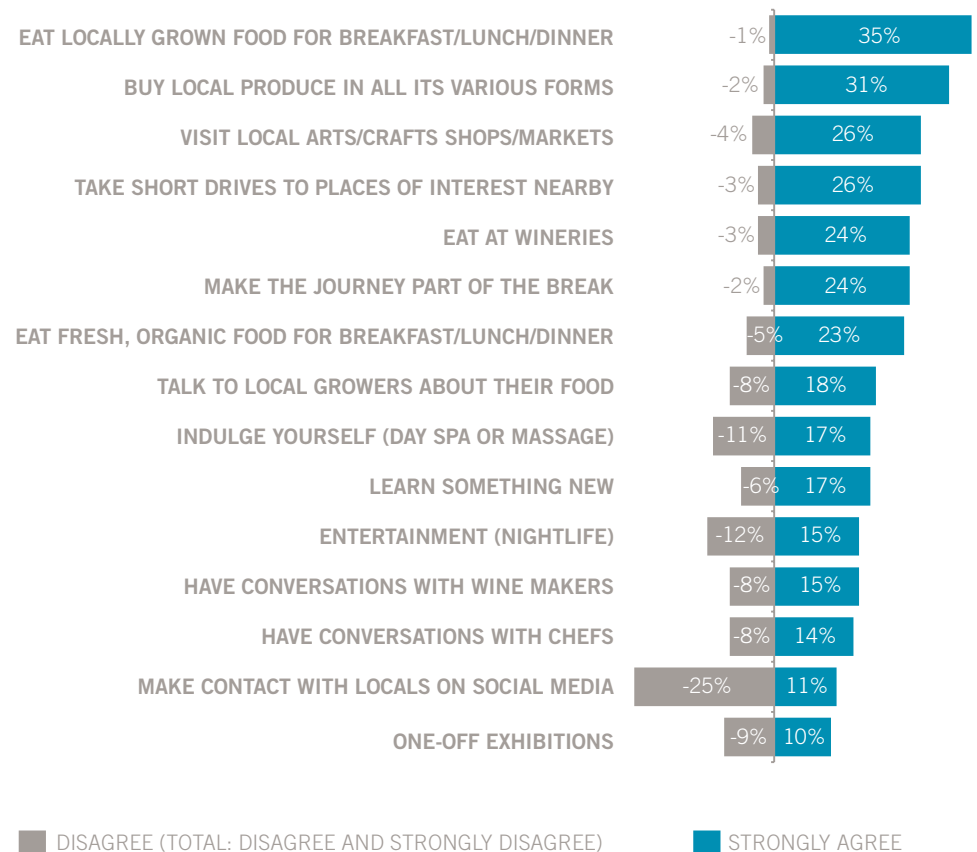
RECOMMENDATIONS

The journey is increasingly part of the food and wine experience. To enable people to plan their food and wine visit and make the most of the return journey, websites need to be:

- more than about the destination—they should also highlight how to get there, what to do and see along the way
- an interactive travel planning tool so that visitors can access information about the journey as they travel.

Providing information on attractions that include one to two days of activities (i.e. museums, galleries, local markets, arts/crafts stores and lookouts) could also add value to the journey.

FIGURE 3: IMPORTANT ELEMENTS OF A GOOD FOOD AND WINE EXPERIENCE



Q. For each of the following elements, how strongly do you agree they are important elements of a good food and wine/tourism experience? Base total (n = 1,090).

WHAT DO VISITORS WANT TO DO AT WINERIES?

While people still visit wineries and take the opportunity to taste and purchase wine, there was a growing interest in sampling food at wineries. The survey explored eight activities available at wineries. Four were considered essential elements to a winery visit (i.e. aspects deemed important by nearly all respondents):

- have meals at wineries (92% of respondents)
- wine tasting (88%)
- sample local produce at wineries (87%)
- purchase wine (87%).

The remainder were seen as differentiating elements (i.e. important to a majority but not to all). There was also a high interest in educational activities and a desire for unique offerings such as:

- taking part in a wine tour (77%)
- attending a special event (music, drama) (72%)
- taking part in a food and wine master class (57%)
- attending a wine club dinner (57%).

FIGURE 4: ACTIVITIES VISITORS WOULD CONSIDER WHEN VISITING A WINERY



Q. Would you consider participating in any of the following activities when visiting a winery? Base: total (n = 1,090).

RECOMMENDATIONS

- Food and wine visitors are seeking more 'unique' offerings. Wine tasting, meals, local produce sampling and wine purchase should all be offered as a minimum.
- To stand out from the rest, wineries could consider offering wine tours, special events, food and wine master classes and wine club dinners.

AWARENESS OF NSW FOOD AND WINE DESTINATIONS

Awareness is a critical indicator of whether a destination has presence in the minds of the consumer. It is therefore a key factor in consumers' choice of a destination.

The Hunter Valley was the most mentioned (unprompted and prompted) food and wine destination in NSW.

As expected, however, people were more aware of the destinations closer to them:

- The Hunter Valley was the most mentioned (unprompted) food and wine destination by those from Sydney (79%) and least by Melbourne residents, though still significant at 52%.
- Many food and wine visitors from Canberra mentioned the Canberra District/Poacher's Way (unprompted, 33%). They were also well aware of the Southern Highlands (25%).
- Food and wine visitors from Brisbane tended to be more aware of the nearby North Coast region of NSW (unprompted, 28%).

Food and wine destinations with low proximity to the population centres had low spontaneous awareness (i.e. they required prompting). When prompted, however:

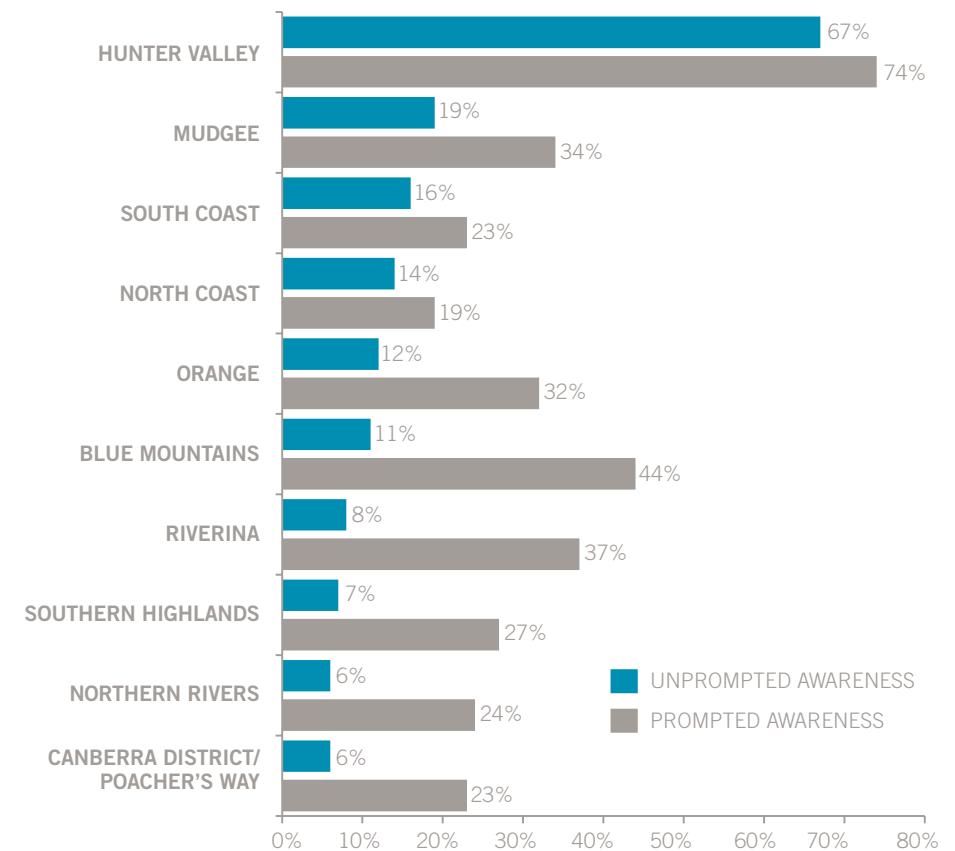
- About half of the Sydney respondents were aware of Mudgee (53%), while Brisbane (22%) and Melbourne (18%) respondents had low awareness.
- The Murray was recognised by residents of Melbourne (38%), much more than those from the other cities.

RECOMMENDATIONS

Many NSW regions had low spontaneous awareness when it came to food and wine experiences. To generate awareness:

- 'new news' is needed about the regions' food and wine offers to attract dedicated food and wine visitors
- promotional material should not only highlight food and wine experiences, but also the attractions, museums, activities, arts/crafts, shops and markets offered by the local area.

FIGURE 5: AWARENESS OF TOP 10 NSW FOOD AND WINE DESTINATIONS



Q. Thinking about the food and/or wine destinations in NSW, which destinations can you think of? Base: total (n = 1,090)

WHICH DESTINATIONS WERE FOOD AND WINE VISITORS CONSIDERING VISITING IN NSW?

The Hunter Valley was the number one food and wine destination being considered for future visits. More than half of the respondents would consider visiting the Hunter Valley—with 56% indicating a future trip was probable, through to indicating a future trip was a certainty.

As expected, people were considering future visits to destinations closer to home.

Sydney residents were most likely to consider visiting the Hunter Valley (69%), the Blue Mountains (60%), the Southern Highlands (48%) and the South Coast (47%).

Canberra residents were most likely to consider visiting the Canberra District/Poacher's Way (69%), followed by the Hunter Valley (48%), the South Coast (47%), the Southern Highlands (44%) and the Snowy Mountains (41%).

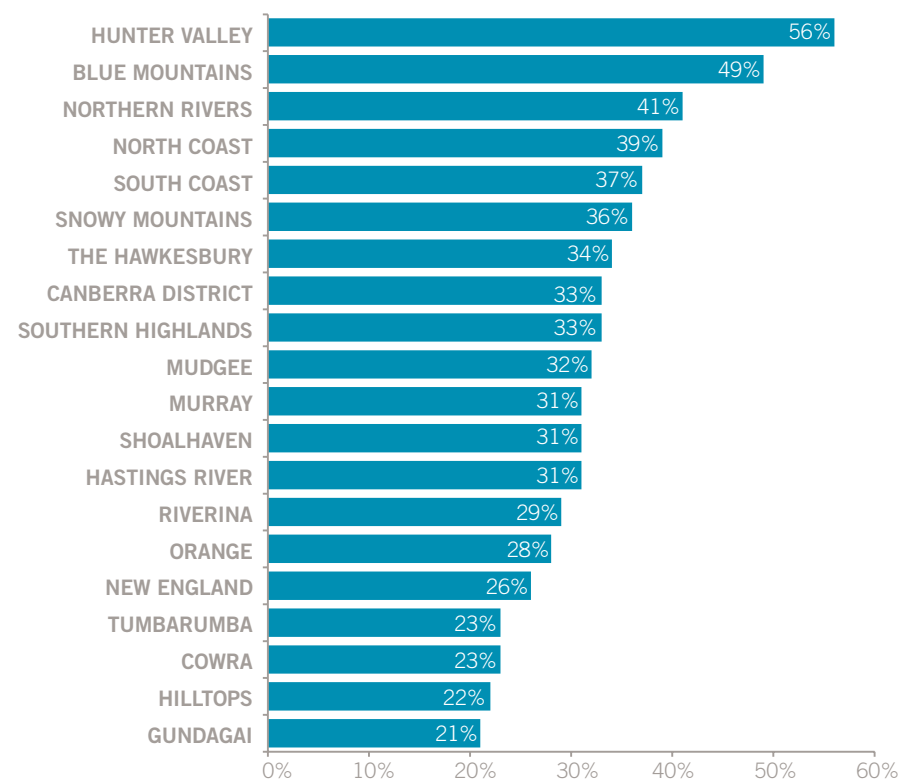
Brisbane residents were most likely to consider visiting the Hunter Valley (54%), Northern Rivers (51%), North Coast (45%), and the Blue Mountains (41%).

Despite the proximity of Yarra Valley to Melbourne, nearly half of the interviewed **Melbourne residents** indicated that they were most likely to consider visiting the Hunter Valley (42%), the Blue Mountains (41%) and the Murray (40%).

RECOMMENDATIONS

As proximity to home is linked to awareness and consideration of food and wine destinations, marketing campaigns and communications need to be targeted to specific geographic areas. For example, increasing advertising of Northern Rivers as a food and wine destination to Brisbane residents and the Murray to Melbourne residents.

FIGURE 6: NSW FOOD AND WINE DESTINATIONS PEOPLE CONSIDER VISITING*



Q. Would you consider visiting? Base: total (n = 1,090)

*Results above indicate total responses for 7, 8, 9 and 10 on a 10 point scale (i.e. probable through to a certainty).

SATISFACTION

Overall, around one-quarter (23%) of food and wine visitors to NSW were extremely satisfied with their experience. A further 44% were satisfied, 21% neutral and 2% dissatisfied. Sydney residents were the most likely to be 'extremely satisfied' (33%) with NSW food and wine experiences, followed by Canberra residents (24%).

When measuring the satisfaction of aspects of the food and wine trip (Figure 7):

- the quality of NSW wines topped the list of trip aspects with which visitors were satisfied (91% satisfied/extremely satisfied), followed by quality of food products (89%)
- visitors were less likely to be satisfied with nightlife and entertainment (60%) and shopping (73%).

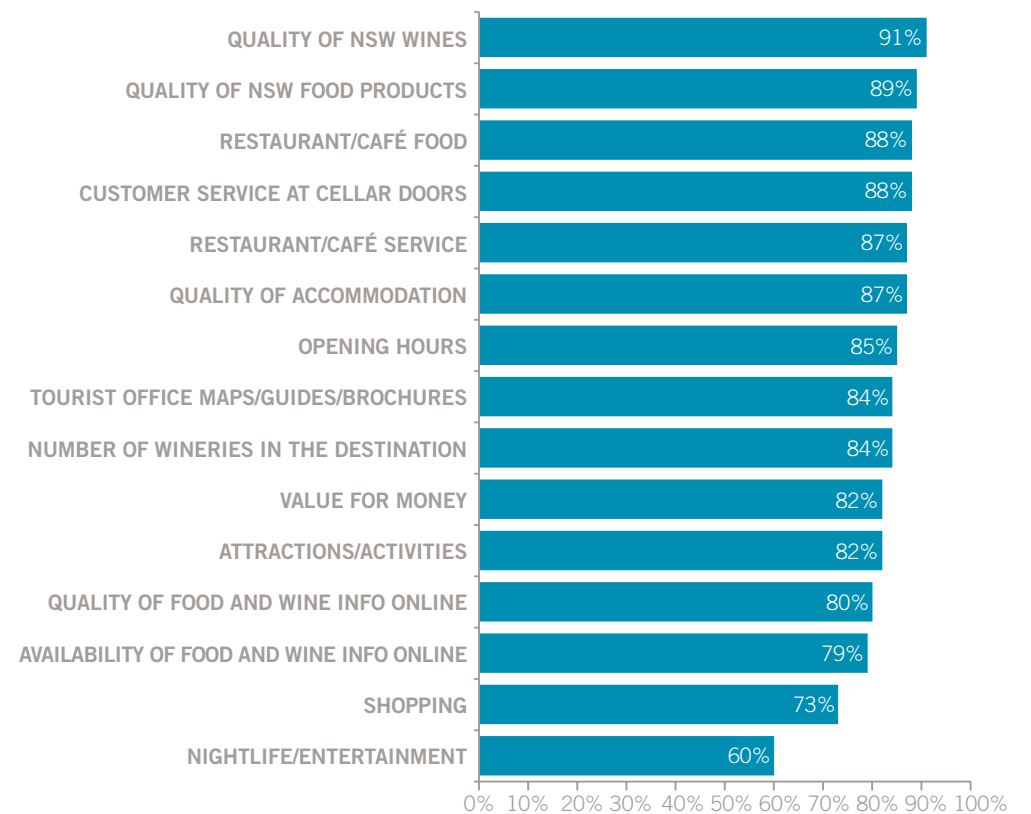
When measuring the satisfaction of food and wine experienced in destinations across NSW:

- visitors were most satisfied with Orange (89%) and Mudgee (88%)
- Hunter Valley, the number one food and wine destination in terms of awareness and consideration, was also rated highly (87%) in overall satisfaction.

RECOMMENDATIONS

- Drive positive 'word-of-mouth' by leveraging off high levels of satisfaction.
- Customer service was a key differentiator when it came to cellar doors and restaurants and associated word-of-mouth recommendations. Improvements in this area are needed as they will determine the telling and re-telling of great food and wine experiences.
- Enhance the range of accommodation, restaurants and other services available. Ensure there are a number of options available to provide all types of experiences at varying costs.
- Extend trading hours for wineries, restaurants and entertainment venues to cater for breakfast, lunch and dinner.

FIGURE 7: SATISFACTION WITH ASPECTS OF FOOD AND WINE TRIPS – SATISFIED AND EXTREMELY SATISFIED



Q. How would you rate your satisfaction with? Base: those satisfied and extremely satisfied (n = 673)

KEY DRIVERS OF DESTINATION CHOICE

Respondents were shown eight hypothetical destination offerings based on 13 different attributes¹ and were asked to assess each offering. This showed the degree of influence each attribute has in the choices people make for food and wine destinations.

One of the research objectives was to determine how far people were willing to travel for a food and wine experience. Tolerance to distance was one of the 13 attributes assessed. The main highlights from this analysis (Table 1) were:

- distance from home (36%) was the most important attribute for food and wine visitors when choosing a destination. Tolerance to distance varied among the identified types of food and wine visitors, with the dedicated visitor (24%) being the most tolerant to it
- tolerance to distance also varied among different geographic markets. Brisbane residents (28%) were more comfortable travelling long distances to visit food and wine regions compared with people living in Sydney (41%); this could be due to a wider choice of established food and wine destinations in NSW
- the quality of customer service received and the range of accommodation were the next two most likely factors to influence choice. Quality customer service means destinations and attractions working together to provide food and wine visitors with a complete experience
- other key attributes included an easy and convenient way of being able to organise/plan the entire food and wine visit; the range of restaurants available and other services a regional destination can provide. These other services could include food and wine storage and delivery, provision of drivers to take you around, whether food growers allow food tasting, etc
- the remaining attributes (e.g. things to do, special drawcards) had only a minor impact on demand but they can increase demand for a food and wine destination, if done effectively.

TABLE 1: TOP 6 INFLUENCING ATTRIBUTES FOR EACH FOOD AND WINE SEGMENT

ALL		DEDICATED		INTERESTED		ACCIDENTAL	
Distance from home	36%	Distance from home	24%	Distance from home	38%	Distance from home	42%
Customer service	11%	Customer service	13%	Accommodation	11%	Accommodation	12%
Accommodation	11%	Accommodation	11%	Customer service	10%	Customer service	12%
Planning	7%	Restaurant	8%	Planning	7%	Planning	7%
Restaurant	6%	Reputation	7%	Other services	6%	Restaurant	6%
Other services	6%	Other services	6%	Restaurant	6%	Other services	4%

RECOMMENDATIONS

- Destinations can overcome the barrier of distance by delivering a great service experience (working together as an integrated region) and building a reputation for a unique offer.
- Food and wine visitors were seeking less 'mainstream' and more 'unique' offerings. Wine tasting, meals, local produce sampling and wine purchase should all be offered as a minimum. To stand out from the rest, consider offering wine tours, special events, food and wine master classes and wine club dinners.

¹ 13 attributes included: distance from home; service; accommodation; ways of organising the food and wine trip; restaurants; other services; reputation; wineries; transport options; people you will meet; things to do (museums, galleries etc.); special draw cards; and rural environment.

CONCLUSION

- Food and wine tourism is an important driver of visitation to NSW destinations.
- Not all food and wine visitors were equally interested in food and wine experiences—marketing strategies need to consider each type of food and wine visitor. In terms of percentage, the segments of the market were broadly:
 - ▶ 60% ‘interested’
 - ▶ 16% ‘dedicated’
 - ▶ 24% ‘accidental’.
- ‘Dedicated’ food and wine visitors will seek out information about food and wine tourism opportunities, and desire the following food and wine experiences:
 - ▶ eat at wineries
 - ▶ have conversations with winemakers
 - ▶ eat and have conversations with chefs about the food
 - ▶ meet local food growers and talk about food and the way it is grown
 - ▶ eat fresh, organic food for breakfast, lunch and dinner
 - ▶ opportunities to indulge (day spa or massage).
- Tolerance to distance was an important factor in destination choice. Dedicated food and wine visitors were most tolerant to distance as they seek unique and complete food and wine experiences.
- Customer service was another important differentiator on destination choice. Visitors were looking for consistent high quality service across the whole destination, where the destination and attractions work together to provide a complete food and wine experience.
- Enhancements in experiences available, particularly more ‘unique offerings’ can assist overcome the barrier of distance and entice more food and wine visitors.



