Wine Tourism Route Development and Marketing Strategies in Southwest Michigan

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WINE TOURISM ROUTE DEVELOPMENT AND MARKETING STRATEGIES IN SOUTHWEST MICHIGAN

by

Astrid Wargenau

A Thesis
Submitted to the
Faculty of The Graduate College
in partial fulfillment of the
requirements for the
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Lastly, I would like to dedicate this thesis to my wonderful and loving family, who, despite the distance, has always supported me and never lost faith in my abilities.

Astrid Wargenau
As many tourists find their way to the shorelines of Michigan every summer, Southwest Michigan’s fruit belt has begun to draw- visitors inland. Wine tourism has emerged as a new form of tourism. The vineyards in Southwest Michigan, depending on these visitors as their main customer market, therefore formed a wine route, connecting them and creating a wine region feel for tourists. In doing so, the wineries hope to establish a recognized wine region and sell their wines nationwide.

This study is based on semi-structured interviews conducted with General Managers and Marketing Officials of each of the vineyards. Based on literature reports from well-known wine regions (i.e. Europe, Australia) and their marketing concepts, the information gained from the interviews was analyzed with regard to existing horizontal and vertical alliances and the possibilities of expanding them.

Southwest Michigan’s wineries have formed a strong horizontal relationship, working and advertising jointly as part of the wine trail. Vertically, the larger vineyards have formed stronger alliances than the smaller ones. However, all of Southwest Michigan’s wineries underestimate and overlook the regional market as a target.
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CHAPTER I

Introduction and Background

Introduction

In the 1870s, when the Welch Grape and Juice Company started commercial grape growing in Michigan, juice-making grapes such as Concord and Niagara predominated, and shaped the image of Michigan's grape-growing industry significantly. The founding of both the Michigan Grape Society in 1978 and the Michigan Grape and Wine Industry Council in 1985 spurred winemaking in Michigan and helped to transform the local wine industry from jelly and juice production to large-, up-scale winemaking. Today, Michigan has four federally approved American Viticulture Areas and its vineyards produce about 200,000 cases of wine annually. This output ranks eighth nationwide for the production of wine. Michigan wines have won a significant number of medals in regional, national and international competitions (Michigan Grape and Wine Industry Council 1997).

In order to deal with global competition and declining commodity prices, farmers have been looking for new value-added products and attractions. As a result, farmers increasingly recognize tourism as a source of income. This new form of tourism, "agritourism", draws visitors to farms or other agricultural / horticulture businesses for the purpose of leisure, enjoyment and education (Lobo 2001). Recently, vineyards have become an important component of agritourism, drawing an increasing number of visitors into rural areas. At the wineries, visitors taste and purchase wines and wine-related goods, tour the
vineyards, learn about the winemaking process, and attend wine related seminars. Wine tourism, which generates local hotel and restaurant expenditures, can be seen as an important strategy in revitalizing rural communities. Such is the case in Michigan, as vineyards have become important tourist attractions for visitors. Every year about 600,000 tourists travel through the wine country of Michigan (Michigan Grape and Wine Industry Council 1997). Drawn by the lake and the beaches, visitors soon discover the scenic landscape as well as the charm and flair of the area and are invited to tour the back roads, discovering the vineyards. This "[…] use [of] tourism as a vehicle for generating business opportunities and additional revenues for rural regions" benefits the rural economies (Williams 2001:42).

Background

Michigan is a state known more for its shoreline as a tourist attraction than for its wineries. However, its wines and shoreline are linked, with most of Michigan's vineyards located near the shore of Lake Michigan. Four wine producing areas in two regions can be distinguished: Leelanaup Peninsula and Old Mission Peninsula in the northwest Lower Peninsula, as well as the Lake Michigan Shore and Fennville in the Southwest (Figure 1).
The entry of Michigan’s farmers into wine production may be surprising to many, as its climate does not resemble the classic Mediterranean climates found in Italy and California, areas long famous for viticulture. However, climate and soil conditions along the lakeshore provide good growing opportunities and allow vintners to grow and harvest European grape species. In particular, the “Lake Effect” on regional climates is of major importance to the growing of wine grapes (Figure 2). Extending 30 km (20 miles) inland from the shore, the farmland influenced by the “Lake Effect” actually delineates the fruit belt of Michigan (Heidorn 1998). The “Lake Effect” is created by “[…] the westerly prevailing winds, the warming effect of Lake Michigan on the nearby vineyards, the low variation between day and night temperatures, the low incidents of frost, stagnant humidity or fog, and a retarded spring”. All of these factors favor this area for viticulture (The Wineman 1999). Due to these conditions, Southwest Michigan’s
growing season in particular is extended to an average of 180 days, allowing the grapes to ripe sufficiently. During the winter months, winds pick up moisture from Lake Michigan, and the resulting snow covers and protects the vines from frost. In addition, the slow rise in spring temperatures prevents an early budding, until the dangers of frost have passed. These factors allow for the successful cultivation of most of the European grape species (e.g. Chardonnay, Pinot Noir) in Michigan, the first step in the production of quality wine. Currently, Michigan wines range from dry to sweet and include ice wines, sparkling wines, as well as wine brandies.

Another aspect leading to the successful cultivation of wine in Southwest Michigan are the geological conditions. The wine production regions are located in a glacial moraine and outwash plain, bounded by the Lake Michigan on the west, the Kalamazoo River to the north, and the Middle Fork of the Black River in the south. The dominant alfisols in this region are “sandy, light, and well-drained”
(Baxevanis 1992:168). Because of their naturally high nutrient content resulting from more humus, a higher mineral content, and the longer growing season, alfisols are ideal in particular for fruit growing and bedding plant production and allow for a greater variety of crops (Santer 1993, Schaetzel 2003).

Wineries all over the world have embraced tourism as a distribution channel and Michigan’s tour operators and tourist boards have recognized the impact of wine on the tourism industry. However, little research has been done on the co-evolution of Michigan’s wine and tourism industries. By investigating alliance marketing strategies of Southwest Michigan’s wineries, the goals of this study are to evaluate the current marketing status of the vineyards, identify opportunities as well as deficiencies of the existing Southwest Michigan Wine Trail, and suggest plans and ideas for future development. This study will examine Southwest Michigan’s possibilities to further develop its wine tourism industry and thus revitalize rural areas. This applied research will help advance Southwest Michigan’s development and reputation as a tourist destination, and as a renown wine producing area.

**Organization of the Study**

In order to examine the vineyards’ existing marketing processes and understand whether they are horizontal or vertical, as well as to develop suggestions regarding future marketing concepts for the Southwest Michigan wine route, the study is organized as follows. Chapter II first looks at the concept of wine tourism in general and its development, in three distinct wine growing
regions. This contextualization allows us to place the Southwest Michigan wine region as a tourist destination. Secondly, this chapter defines and details the use of alliance marketing: horizontal and vertical in tourism. Then it ends with alliance marketing as it applies to the wine industry. Chapter III explains in detail the objectives and methodology of the study, laying out its importance and benefit for the industry. Chapter IV first gives an in-depth look at the research area, the vineyards and their different characteristics, which provide an important basis for the following research results. These results show in detail how the alliance marketing principles are applied in the research area, based on the interviews conducted. Finally, Chapter V develops conclusions and recommendations for wine tourism development in Southwest Michigan.
CHAPTER II

Wine Tourism and Alliance Marketing

Wine Tourism

Definition

As tourists look for a wider variety of attractions and recreational possibilities during their vacations, wine tourism has grown in popularity. Wine tourism consists of the “visitation to vineyards, wineries, wine festivals, and wine shows for the purpose of recreation” (Johnson 1998:25). Different reasons can be seen as driving visitation for tourists, as well as for the destinations to engage in it,

Wine tourism is travel related to the appeal of wineries and wine country, a form of niche marketing and destination development, and an opportunity for direct sales and marketing on the part of the wine industry (Getz 2000:4).

Visitors include wine lovers and experts, as well as people whose main reasons to visit wineries are not related to wine or who see the visit as an additional attraction during their stay in the region (Getz 2000). People have historically traveled to specific regions for culinary purposes. While the connection between wine and tourism dates back to the Grand Tour in Europe, only recently has this connection become of major interest to the agricultural and tourism industries and the visitors. The main reason for this capitalizing on the beauty of the landscape and the old buildings related to wine production is economic restructuring. The “aesthetically pleasing” look of the vineyards and mild climate needed to grow grapes also add to the appeal of the attractions (Robinson 1994).
Hall, Sharples, and Camboure identify “the attractiveness of the destination” as the main incentive for people to travel to an area and thus he describes wine as an “important component” for the tourism industry (Hall et al 2000:1). Other benefits for the destinations include attracting visitors in the pre- and post-peak travel season and creating a unique image. Additionally, the wine industry uses tourism to establish links with potential customers, test new products, and educate visitors (Getz 2000). Furthermore, local governments find wine a means of providing steady incomes, generating jobs, and supporting local culture (Williams 2001). This is especially important in regard to the heavy dependency on agriculture in these rural areas. Here, tourism offers an alternative income generating business and is a vital economic force in the region.

While wineries have multiple motivations to engage in tourism, one of the main ones is distribution. In order to effectively market their products, owners of wineries must consider the best distribution method for their particular operation and location prior to entering the tourism industry (Beverland 2000). As tourists often buy the wines they taste at the wineries, which they learn about during vineyard tours, tourism is an essential way of distributing the wines. In addition to the pleasure derived from visiting the aesthetic landscape, people visit wineries to taste, learn about, and buy wines. Rather than using stores as outlets, selling the wines directly at the wineries, or “cellar door sales”, is the most common way of attracting people and selling the product. Tasting rooms form a main part of a winery, with the ambience of the setting and the helpful attitude of staff contributing to the success of the visit (Getz 2000). The learning experience is
concurrent with tasting. Most wineries offer seminars, hands-on exhibitions, and tours. In France, wine museums are a main attraction linked to the wine region. The sales of wine-related products, such as wine glasses, preserves, jellies and culinary products, as well as non-related items, chocolates, such as T-Shirts and canvas bags, also generate revenue and function as souvenirs for the region and its visitors (Hall et al. 2000). Wine festivals, wine competitions, and wine shows provide other opportunities to market the entire wine region as a destination, make the products known and attract new visitors.

**Wine Tourism Development**

As wine tourism is becoming of more interest to tourists, destinations and researchers interested in economic development, it is important to look at the variety of wine growing regions and their different approaches. While there are many large, highly successful growing areas all over the world, the focus will be on three distinct and well researched growing areas, in order to highlight the differences in strategies: Australia, California and Europe (Figure 3).

![Figure 3](image)

*Figure 3: World Map Indicating the Focus Areas
The commercial wine industry in Australia began in the early 19th century in New South Wales (History of Wine 2003). The Hunter Valley, north of Sydney, quickly developed into one of the country’s leading wine regions. In the 1960s, many small wineries, which heavily depended on tourism and cellar door sales as their main distribution channels from the very beginning, opened across Australia (Hall et al. 2000). Recognizing the potential this development had for the rural economy, the Australian government started very early to actively support the wine areas in regard to tourism. Organizations supporting and helping the wineries in all different aspects were founded. These organizations assist in training vineyard staff with respect to tourism, teach the wineries about new marketing strategies and help them organize joint events and festivals (Hall et al. 2000). With the assistance of these organizations, Australia was able to compensate for its lack of infrastructure and accommodations needed to host the visitors. Today, Australia “leads the world in development of wine tourism strategies and planned destination incentives” and functions as an example for many new wine regions (Getz 2000:25).

In North America, California’s Napa Valley is the most established wine tourism region, with approximately 80% of the valley’s agricultural land used for grape growing (Wine Regions of the World 2003). First, Spanish settlers started cultivating European grapes in the area around San Francisco. After the gold rush in California, people that had settled in California turned to winemaking to support their families. In 1889, California wines won several prizes in competitions against French wines. California’s excellent reputation on the world
wine market was thus established (History of Wine 2003). As in Australia, the emergence and establishment of many wineries, which have depended on visitors right from the beginning, is strongly related to the tourism industry (Dodd and Bigotte 1995). Today, Napa Valley stands synonymously for vineyards and quality wine (Getz 2000). Apart from visiting vineyards and tasting wine, Napa offers many other tourist attractions, most of which evolve around wine, as vineyards realized early on that in order to keep attracting visitors and stand out, more is needed than wine. The American Center for Wine, Food & the Arts offers cooking seminars, lectures and exhibitions on everything to do with wine, such as the history and art of wine-making. Furthermore, the Napa Valley Wine Train, a historic train, offers a three-hour tour past the vineyards while dining and tasting wine, listening to on-board concerts, and purchasing local wines (Napa Valley Wine Train 2003). Different companies offer customized tours depending on the visitors’ wishes and background knowledge. Other attractions include winery tours by limousine, aerial tours over vineyards by plane or balloon, a wildlife sanctuary, and a wide variety of recreational activities including hiking, biking, and rafting (Napa Valley 2003). Thus, Napa Valley has been able to create a complete tourism experience for its visitors, much beyond tasting and touring.

The European wine growing countries can be considered the “traditional” wine areas, as most date back many centuries. Wineries were founded by convents and closely connected to the royal houses. Ever since, European wines have been well known for their excellent quality. In 1920, the first wine route was established in Germany (Hall et al. 2000). Within the next 50 years, most of the
other wine regions in Europe followed Germany's example. Eastern European countries are now beginning to develop these routes to promote and distribute their products most efficiently and to bring tourists to the area (Johnson 1986). The main distribution channels for all European vineyards are supermarkets and specialty stores, as well as food and agricultural fairs (i.e. the annual “Green Week" in Berlin). Recently, marketing associations are being formed in the wine growing areas to promote the wine tourism concept to both wineries and tourists. Collectively, vineyards create uniform opening hours, advertise each other and refer customers. Furthermore, they ensure trained and informative staff.

However, tourism is not viewed as central for the wine industry in European wine destinations, as it is in younger wine producing areas. The century-long growing traditions and the established reputation of the wines are still most often the sole guarantee for steady sales and they permit higher pricing. In contrast to California and Australia, the European vineyards restrict their visiting hours and seldom offer tours. In doing so, they intend to maintain an exclusive and elite status, which helps them to differentiate themselves from other vineyards (Ulin 1996). Interesting enough, the younger wine producing areas such as Australia and California have better-developed wine tourism industries. Getz (2000:19) concludes that “Wine tourism in Europe evolved differently from New World experiences, for many reasons, not the least of which is the enormous number of small grape growers and the dominance of a few large wine estates.” In Europe, one main reason to support tourism in recent years is the impact it has on the local economy. As most vineyards are located in
rural areas, some European destinations, such as Spain, have started to support the wine tourism industry in order to revitalize rural areas, improve regional economies and preserve the natural and cultural heritage of viticulture areas (Hall et al. 2000).

However, with increasing competition and demands from and customers, simply selling wine at the cellar door to tourists is no longer enough to survive. Thus, creative ways of marketing and innovative attractions have to be found to attract new visitors and keep drawing old ones. Joining with businesses in the same as well as in connected industries are therefore increasingly important to effectively market wineries and their products to locals and tourists. These strategic alliances have become a very significant aspect of wine tourism.

**Wine Tourism and Alliance Marketing**

**Alliance Marketing**

**Definition and Examples**

Alliances are best known in the airline industry, where several worldwide airlines formed a partnership to efficiently expand their businesses and to market their services to a larger number of customers. According to Doz and Hamel (1998:4) “Strategic alliances are a logical and timely response to intense and rapid changes in economic activities, technology and globalization [...]”. These economic changes lead to intensified competition for customers, who are presented with an increasing choice. As a result, there is less brand or business loyalty, and customers can make heavier demands to satisfy their needs,
becoming more difficult (Schätzel, Doka and Schäfer 1998). Alliances allow the involved partners to increase their profitability by expanding in current or new markets. In addition to reaching a wider customer market, a strategic alliance can also promote better and more efficient marketing (Blackett and Boad 1999), neutralize rivalries, combine different resources and skills, and learn new aspects of the industry from alliance partners (Doz and Hamel 1998). These strategic partnerships have long-range goals, and are formed between companies, which complement each other in certain fields, and businesses, either within the same industry or in related ones (Ball and Payne 1998).

**Strategic Alliances**

Strategic alliances can involve vertical and/or horizontal relationships. Horizontal relationships are collaborations with “organizations that are at the same point in the channel of distribution […]”, (Egan 2001:155-156). These companies, which may be competitors, form a partnership for mutual benefit. The aforementioned airline alliances or the to-be-discussed wine trails are examples of such horizontal relationships.

Vertical relationships occur with different partners within the supply chain, such as suppliers or related businesses. These collaborations often occur because organizations from different market sectors bring different skills, competencies and assets. The main goal of vertical relationships is to make the business routines of the involved companies more effective, to cover larger market segments and offer customers better and more diverse services (Egan
Both vertical and horizontal relationships can be found as part of strategic alliances in the wine marketing sector.

**Wine Alliance Marketing**

The wine industry includes farmers, wineries, restaurants and tour operators (Telfer 2001). Alliance marketing in the wine industry involves wineries working together in certain areas of the wine production and wine marketing. The involved partners are able to expand their services and products through a wider array of distribution channels and thus offer visitors not only higher quality products, but also a wider choice of attractions to ensure their loyalty (Antoun 2003). The supply and the demand sides both benefit from these horizontal and vertical alliances. In terms of supply, vineyards profit from new marketing possibilities, wider market reaches and new distribution channels, such as local lodgings, restaurants, stores and craft makers (i.e. glassblowing). Likewise, wineries can partner with events, such as golf tournaments to promote themselves and their products (Telfer 2001). In terms of demand, winery alliances can offer visitors a greater number of destination possibilities and high quality service, such as uniform opening hours, coordinated events and a wide variety of wine related seminars and accessories. In order to effectively market the wine product, vineyards have to seek both vertical and horizontal integrations.
Horizontal Integration: Developing a Wine Route

As more people travel on rural roads, searching for quiet, scenic places, the development of wine routes are a natural outcome in viticulture regions (Telfer 2001). According to Schätzel, Doka and Schäfer (1998:118), "Often, he [the visitor] connects an adventurous and informational trip to the wine growing area, including a visit to the vineyard, with the purchase itself." A tour through wine growing regions and a visit of the vineyards are often the main motivations for people to travel through these areas, which then leads to the tasting of wines and the purchase of products. Planned wine tours provide the best way to bring wineries and tourists together via a quality experience. Hall, Sharples, and Camboure (2000:72) write, "A wine route consists of designated itineraries through the wine region, the different vineyards and winemaking events." En route, the visitor is given information on local historical and other sights of interest. Visitors to wine areas can obtain free maps of wine routes at information centers or from the wineries. In addition, the wine routes are generally clearly marked with specific signs throughout the region to allow easy navigation along the wine route (Figure 4).

The Niagara Wine Route of Ontario, Canada provides a good example of such a wine route. Separated into three regions, Niagara Peninsula, Lake Erie North Shore and Toronto, the route encompasses 47 wineries. The free maps connect these wineries, allowing visitors to easily navigate between them. In addition, opening hours, admission fees and tasting opportunities are listed for

1 "Oft verbindet er mit dem Einkauf eine Erlebnis- und Informationsfahrt ins Weinbaugebiet und eine Besichtigung des Weingutes." (Author’s translation)
better coordination and trip planning. The wineries use the wine route connection to jointly advertise their offers and organize special events. In addition, opening hours, admission fees and tasting opportunities are listed for better coordination and trip planning.

![Ontario Niagara Wine Route Signage](image)

*Figure 4: Ontario Niagara Wine Route Signage*

*Source: Wines of Ontario 2003*

Furthermore, the vineyards work together in the wine making process. For instance, newly established wineries that join the Niagara Wine Route can easily benefit from the more experienced wineries that have been involved in the tourism industry for some time. While wineries do compete with each other, some of the larger wineries help the smaller ones with the bottling and storing of the wine. Wineries involved in this horizontal relationship share their knowledge and expertise, as well as pool research funds. Often, vineyards along the wine route recommend each other by word-of-mouth to visitors or have brochures of other wineries on display. Despite their competition on the wine selling market,
vineyards find their niche and the alliances enable newer wineries to get accepted and established (Telfer 2001).

The Ontario Wine Council brings the wineries together by promoting them as a group, while also guaranteeing the customers a certain level of service. Joint marketing and the organization of special events, coordinated and planned by the Wine Council (such as *Six Unforgettable Weeks in Summer* and different wine festivals), are the main focus of the vineyards. In addition to marketing, the Wine Council both helps reduce conflicts between wineries and collectively represents the industry in discussions with government agencies (Telfer 2001).

Despite the efforts to market themselves, it is important to realize that wine tasting alone is not enough of an attraction to guarantee a steady growth of visitors to the region (Hall 2000). Thus, wine routes need to include other, non-wine activities in the area to offer visitors a wider variety of entertainment. On the Niagara Wine Trail, wineries collaborate with local businesses frequented by tourists in order to market and sell their products.

**Vertical Integration: Links to Restaurants**

To market wine efficiently, vineyards can look for other, related or sometimes non-related distribution channels. Wine offers a great opportunity to be linked to a wide variety of events and topics. A recent important development of this type involves the connection of wine and food as a special attraction and as a way to boost sales (Macionis 2000). As wine and food are naturally linked, consumption provides a perfect basis for the promotion of regional products both in food and wine. It thus helps establish a culinary reputation for the area (Telfer
2001). As people are traveling to a region, they most likely dine out while staying at a hotel or bed & breakfast. Other people from the area enjoy dinners with wine as an accompaniment (Fattorini 1997). As the linkage of haute cuisine with high-end wine has become standard, the restaurant sector provides substantial opportunities for the marketing of regional wines and wine tourism (Macionis 2000). Some wineries do not depend on local restaurants to sell the wines. Instead, the winery includes a restaurant, which offers fine dining and the vineyard’s wines. As the restaurants often overlook the vineyards, food and wine are paired with scenic landscape. Thus, different elements of consumption are connected and guests are presented with a special experience or atmosphere (Figure 5). To provide guests with the perfect tasting experience even at home, wineries offer cooking seminars. Here, visitors learn about the pairing of foods and wines and can try small recipes. Other vineyards are affiliated with well-known chefs who come in on special occasions. In addition, visitors can hold parties or receptions at the wineries, which offer banquet hall space and thus promote the vineyard and its wines (Telfer 2001).

Figure 5: Dining with a View  
Source: EastDell Estates 2003
However, wineries often do not rely solely on local restaurants as distribution channels. *Tastes of Niagara* is an alliance formed specifically for industries associated with the food sector and the vineyards, such as food producers, hotels, restaurants, chefs and food distributors. In hosting special events centered around wine and food, wineries provide another tourist drawing attraction. At the same time, they promote the region using local food products and artifacts connected to wine and food (i.e. glassblowing) in the tourism industry (Telfer 2001).

Winery and restaurant operators are well aware of the positive, cooperative relationship between food, wine, and tourism (Macionis 2000). Furthermore, once guests have tasted wines during dinner, they are more likely to actively seek the same wine the next time they are at the supermarket. However, studies show that the local restaurants are all too often overlooked as a distribution channel. By providing their own on-site dining, the wineries do not "go outside" to promote alternatives. This can result in conflicts with local restaurants (Telfer 2001). At the same time, some restaurants underestimate the selling potential for properly marketed local wines. Consumers in dining locations can be advised that certain wines go with their foods. If the staff is adequately trained and informed, it can be a strong marketing tool and thus increase both the wineries' and the restaurants' revenues. Other marketing possibilities include suggestion cards on the table, which direct the guests' attention to specific local wines and emphasize a different wine every month. However, too often
restaurants fail to match wines with the menu and overprice the wines offered, seeing wine as an easy source of additional revenue (Macionis 2000).

The opportunity to pair and profit from the relationship of wine and food is recognized, but too often underestimated. It still holds a lot of potential. Both restaurants and wineries need to work on this alliance for mutual gain. Through actively building and strengthening this linkage, wineries can boost their sales. The region, in becoming a culinary destination, will increase the numbers of tourist visits and thus increase revenues (Macionis 2000).

The following chapter will show how horizontal and vertical alliances apply to wine tourism marketing in Southwest Michigan. Furthermore, the research methodology will be explained.
CHAPTER III

Methodology

Research Objectives

Both the Wine Council of Michigan and the Southwestern Michigan Tourism Council recognize the great potential of wine as a “pull factor” for tourists. As most tourists’ main target is the Michigan lakeshore, wine provides an important opportunity to draw visitors inland and boost local economies in transition, as well as offer additional attractions to extend the visitors’ stay. A small wine trail exists in Southwest Michigan, connecting all nine vineyards and three tasting rooms on a map and through joint events. Visitors can obtain wine trail maps as well as brochures to the other vineyards at each tasting location. Furthermore, the wine trail’s website offers details on opening hours, contacts, details on the three annual Wine Trail events, and links to the vineyards. However, additional information regarding every winery’s individual events cannot be found on the wine trail’s website. The wineries’ websites also do not offer any references about events at the other trail vineyards or seminars held in Southwest Michigan. In some cases, no online links to the other wineries’ websites were available.

Thus far, few studies have looked at the potential of wine as a tourist attraction in Southwest Michigan and of further marketing wine tourism there. The main purpose of this research is to analyze how the wineries of Southwest Michigan work together in establishing and maintaining horizontal and vertical strategic alliances. In regard to the wine industry and tourism in general, several
relevant questions have been identified: (1) Why did any given winery choose to join the wine trail and thus forge other horizontal alliances? (2) Are there any requirements for being part of the wine trail?, and (3) Have the expectations of owners been fulfilled, and what would they like to see in the future? In regard to marketing to a more diverse audience, I asked (4) Have restaurants been recognized as potential distribution channels and which other vertical businesses have been included in the marketing process? The wineries also were asked (5) What are possibilities and limitations for wine tourism in Southwest Michigan? Finally, looking at the more developed wine trail system in the Niagara wine region and the amenities offered to visitors, as well as those of the famous wine-growing areas such as Napa, an analysis will determine what the existing Michigan wine trail offers and what needs to be changed and improved to attract more visitors.

**Methodology**

This study will focus on marketing alliances among Southwest Michigan’s wineries, which are part of the Lake Michigan Shore and Fennville regions on the Southwest Michigan Wine Trail. This study will focus on wineries in southwest Michigan, in the Lake Michigan Shore and Fennville regions, which are all part of the Southwest Michigan Wine Trail. Namely these wineries are (1) Contessa Wine Cellars, Coloma; (2) Domaine Berrien Cellars, Berrien Springs; (3) Fenn Valley Vineyards, Fennville; (4) Heart of the Vineyard Winery, Baroda; (5) Karma Vista Vineyards, Coloma; (6) Lemon Creek Winery, Berrien Springs; (7) St.
Julian Wine Company, Paw Paw; (8) Tabor Hill Winery & Restaurant, Buchanan and (9) Warner Vineyards, Paw Paw. The latter, although part of the wine trail, was not available for interviews and therefore was not included in the study. While stops on this trail, tasting rooms of already represented wineries or wineries located outside the region, also were not surveyed.

The main research approach, which mirrors that Telfer (2001) utilized in his study of the Niagara wine trail, entailed a number of qualitative data collection methods. Apart from collecting general information regarding vineyard size, annual wine production, and annual tourist receipts, I specifically looked at existing horizontal and vertical alliances with other wineries, local restaurants and related businesses. A reconnaissance trip along the Southwest Michigan Wine Trail on May 17 and 18, 2003 provided insights on the tourist perspective, as well as on the wine marketing strategies. To obtain this data, semi-structured surveys and in-depth interviews were conducted with people in charge of the vineyards' marketing activities (i.e. marketing directors and members of the marketing departments, winery owners). I asked semi-structured, open-ended questions that focused on the motivations for wineries to join strategic alliances, the expectations, and the success of these strategies. These less structured, open questions allowed for insights and information on the motivations for wineries to join strategic alliances. During the data collection, I identified existing horizontal and/or vertical alliances of each of the winery, and then collected follow-up information concerning reasons for forming alliances, as well as experiences with and hopes for the wine trail. The interviews were recorded on tapes and later
transcribed. The detailed questionnaire can be found in Appendix A. During the visits of the vineyards, I additionally gathered photo documentation of objects of interest, including the tasting rooms, items for sale, and promotional signage in the surrounding area as well as signs at the vineyards, advertisements along highways, in supermarkets and in restaurants.

Following the data collection and the transcriptions of interviews, the information was analyzed using Telfer's main categories: (1) Why and how do the vineyards collaborate? (2) What other local businesses have they recognized as outlet channels? and (3) To what extent have restaurants been included in the marketing effort? Results and assessments follow in Chapter IV, while conclusions of vineyards' current marketing strategies and their potential, suggestions regarding possible improvements of marketing alliances, and future promotional ideas can be found in Chapter V.
CHAPTER IV

Horizontal and Vertical Alliances in Southwest Michigan

When looking at characteristics of wine growing regions (i.e. climate, history, heritage), which are associated with travel motivations, one can see that Southwest Michigan does not possess them. The climate is only mild from late spring through early fall, and hardly any of the wine estates are old estates or resemble them. However, Southwest Michigan has the key to attracting visitors in the first place. It has beautiful landscapes, just 90 minutes away from Chicago’s metropolitan area, which is a target market of eight million people. As the General Manager (GM) of Winery\textsuperscript{3} explained, “The biggest attraction we have is the big lake and it’s a phenomenal attraction for people [...] everything kind of feeds off the lake.” Its convenient connections along I-94 and 196 make it easily accessible for travelers; nearly 37,000 people travel on I-94 daily between Kalamazoo and the Indiana border through wine country (Michigan Department of Transportation 2003). Figures 6 and 7 illustrate these highly favorable location factors.

Due to the agreeable weather from spring to fall, the primary tourist months for the vineyards are July through October, when people are on vacation along the shoreline. But weather can also negatively impact visitation.

\textsuperscript{2} To maintain anonymity, I have only indicated the position held at a particular winery by the interviewee.
Figure 6: Southwest Michigan Wine Country with Major Access Roads
Source: Michigan Grape and Wine Industry Council
Due to the aforementioned “Lake Effect” with its average winter temperature of 26°F and snowfall average of 70” (Worldclimate 2004, MichiganWeb 2004), the winter season for the vineyards is very slow, with few visitors. During the winter, many wineries cut down on their opening hours and most of the local businesses stay closed, further reducing the attractions for visitors. Off-season attractions are needed to bring visitors into the area and to the vineyards, as will be discussed in length later on.

Southwest Michigan’s wine country consists of nine vineyards and three tasting rooms, located in Allegan, Berrien, and Van Buren County. It is spread over 2,009 square miles (light blue areas in Figure 8). 75% of Southwest Michigan’s wineries and two of the tasting rooms are located throughout Berrien County, while two wineries and the third tasting room are located in Van Buren County. One vineyard is in Allegan County.
Overall, the wineries are rather scattered and visitors often need to drive some time before reaching the next location. Visitors need to drive approximately 60 miles when going from Tabor Hill, the vineyard furthest south, to Fenn Valley, the one furthest north.

Southwest Michigan has three larger wineries, led in size by St. Julian, the oldest one in the region and the initiator of the wine trail. Next in size are Tabor Hill and Fenn Valley. All three are most likely to be represented in supermarkets, restaurants and in packages with accommodations. Furthermore, these large wineries offer a broad range of grape products, including between 20 and 50 different wine varieties, sparkling wines, and juices. They also have a larger number of staff at the tasting locations. Moreover, they advertise throughout the U.S. and have state or even nationwide distribution. For example, St. Julian’s wines can be found in supermarkets in Rhode Island and Tennessee. All three wineries offer guided vineyard tours that educate people about the winemaking
process and have reception areas or restaurants as part of their premises. Tabor Hill and St. Julian have one other tasting location within Southwest Michigan. Tabor Hill is the only vineyard in the region with its own restaurant. On the other side of the scale are the three smallest and newest vineyards in Southwest Michigan: Contessa, Domaine Berrien and Karma Vista, all of which just opened two years ago. These wineries are managed and operated by the owners, with additional staff only hired for busy weekends, special events and harvest season. In terms of scale of operation, Lemon Creek, originally only a fruit farm, and Heart of the Vineyard lie in between these small and large wineries.

Together, Southwest Michigan’s wineries host three wine tasting events per year. Apart from these, most vineyards have their own events throughout the year, such as *Performing Arts in the Vineyard* at Fenn Valley or *Jazz Night* at Heart of the Vineyard. Most wineries also schedule different types of classes (i.e. winemaking, wine-food pairing). Offering diverse programs and seminars is a great way to introduce visitors to a wide range of choices, and thus keep the program diverse and interesting. As the GM of Winery explained, "[...] there's enough other places where you can do that [wine making seminars], you know. We don't all need to do the same thing." He thus pointed out an important fact: this strategy allows a vineyard to share and recommend customers to other vineyards and to work together as part of a wine region. In doing so, each winery has found its own characteristics and niche that distinguishes it from the others in the wine trail. This concept creates room for a wide customer base and allows each of the wineries to have a unique position.
The following sections show how Southwest Michigan’s wineries work to create a well-known wine region and thus sell a unique experience to visitors. As will be seen, the cooperation varies greatly, from as little as marketing through the wine trail, to as much as sharing equipment and helping with the wine making process.

**Horizontal Alliances**

The wine trail was put together to be a marketing effort. That’s what it’s underlying, to promote wine in Southwest Michigan and that’s what it’s function is (GM of winery®).

Created in 2002, the Southwest Michigan Wine Trail promotes Southwest Michigan as a wine region and assists member vineyards with advertising and event planning. All of the vineyards and tasting rooms located in the region are members of the wine trail, and meet on a monthly basis to discuss upcoming marketing ideas and events. Currently, the wine trail does not have specific requirements for membership eligibility. Existing members vote on whether to admit new ones. However, with the prospect of more vineyards opening up, the members of the wine trail have started to consider establishing certain requirements. Thus far, quality concerns have not been an issue for the wine trail and its members, since as the GM of Winery® noted, “Nobody wants to have bad wine and be known as the 10th winery out of 10, you know.” The trail, which links like businesses (i.e. wineries), has two main purposes: to build the Southwest Michigan wine region and to market it.
Building a Region

In order to build a region with a recognizable reputation and name, as Sonoma and Napa Valley have done, it is necessary to create and sell an experience, which gives people a reason to travel to the area. Later, tourists will associate that experience and the rewarding relaxation with that region, recommend it based on those feelings and continue coming. The vintners of Southwest Michigan’s Lake Shore wine growing region have acknowledged this behavior and have started to build a recognized region by working together to create a special experience for visitors.

Building Southwest Michigan into a Regional Tourism Destination

Southwest Michigan’s main tourist attraction is the Lake Michigan shore, with its beaches and scenic villages. Furthermore, golf courses, antique stores, and art galleries draw visitors and provide activities during their stay. It is therefore an ideal destination for people in the surrounding areas, where “ [...] somebody from Illinois or Indiana can get away 48 or 24 hours and feel like they have been gone a week,” as the GM of Winery® pointed out. This atmosphere attracts guests to the region. The vineyards are actively working on becoming recognized first as a local attraction and later as the experience people seek when coming to Southwest Michigan. “You literally are not selling wine [...] everybody sells wine, you are selling, you know, the view, the conversation, the chance to relax, all these other things,” continued the GM. But given the importance of the scenery and other activities in attracting visitors and building a region, the vineyards “try and promote [local businesses] since we are interested
having their facilities open [...],” according to the Marketing official (MO) of Winery®. To encourage stores, galleries and restaurants to remain open all year and extend hours in the summer, the aforementioned trail signs are placed in such a way “[...] to bring them [the tourists] through little towns [...] so they do some local patronizing and those things,” said the GM of Winery®, who was responsible for establishing the trail signage. This concept will help all the area’s businesses understand that they can profit from an increase in visitors, even if their products or services are not related to wine. When the tourists come to Southwest Michigan and have a pleasant experience, created by the wineries and all the connected businesses tourists stop at, they are more likely to recommend this experience and come back.

In particular, wineries have started to work with orchards. This linkage connects wine tourism to Michigan’s “Lake Effect” fruit belt. In addition to reinforcing a region, the connections with orchards enable wineries to use ruralness as a marketing tool. The GM of Winery® explained this by pointing at how he would like the region to be promoted to the Chicago metro area, “You know you can get from asparagus right through to apples, peaches, wine, wine grapes, everything, 90 miles from you. [...] you can drink Cab Sauvignon, buy apples and pick fruit, 90 miles away from you.” These linkages make sense, since at least two of the wineries started out as fruit farms. Winery® still operates its own U-pick business during the summer. Its MO indicated, “People come here and they taste wine, drink wine and they pick fruits off the trees in the orchards with their family.” Winery-orchard linkages make Southwest Michigan an
agricultural tourism destination for families. This connection is also used in joint advertising, which can be seen on the example of Contessa Vineyard’s shared billboard advertising with Jollay Orchards along I-94 (Figure 9). Many of the other vineyards distribute flyers for the orchards in the area. Furthermore, vineyards “[...] sometimes sample [orchards’] fresh fruits throughout the year with wine tasting,” said the GM of Winery®. Others use the products as part of their wine production, such as Winery®, “[...] every year we’re making blueberry wine. Every year we have an apple wine. Both of those we try to source products locally.”

**Building Southwest Michigan into a Regional Wine Tourism Destination**

Promoting all the vineyards collectively creates a larger draw for wine. As MO of Winery® explained, “[...] they may not think to be coming into this area to see Tabor Hill is enough to do, but to come in and have 10 wineries to visit that brings more people in.” To support this image of a wine region, all of the
vineyards and tasting rooms hold three yearly joint events as part of the wine trail: *Cupid’s Arrow* in February, *Spring into Summer* in April and *Holiday Spice* in November. These occasions are designed to attract visitors, particularly in slow months. As part of these events, all the members of the trail offer wine tasting and different accompanying hors d’oeuvres. As a souvenir, visitors receive a wine glass with the trail logo engraved (Figure 10). The goal is to create the

![Southwest Michigan Wine Trail Souvenir Glass](image)

*Figure 10: Southwest Michigan Wine Trail Souvenir Glass*

*Source:* Dr. Deborah Che

image of a region, similar to Napa Valley or Sonoma, which are now associated with wine. Advertising slogans such as “The other West Coast”, as well as the many interviewee references to California show that Southwest Michigan’s winemakers understand that building a recognized region is crucial for success. This regional image however can only be achieved with all the vineyards working hand in hand, and making sure the visitors continue on the trail to neighboring vineyards. “We all help point people to each other,” said the MO of Winery."
This cooperation benefits wineries as well as customers. As mentioned earlier, with each winery offering different attractions, programs, and products for sale, the wine trail’s diversity is promoted via word-of-mouth, with the aim of increasing customer satisfaction and winery sales. “If we don’t have a product the customer is looking for, we send them to where we think they will find it,” explained Winery®’s MO.

As seen in the case of the Niagara Wine Trail, signage is an important means to create the feeling of a wine region. While Southwest Michigan’s vineyards individually posted signs to direct visitors from the highways to their location, only since the summer of 2004 have 23 signs been erected along the Red Arrow Highway and throughout the wine country. Such signage has helped create the image of the Lake Michigan Shore wine region for visitors and wine consumers (Figure 11). General Manager of Winery® and the one in charge of putting up these signs underlined the importance of uniform signage: “[...] you can just stay on this road and it will take you all around the wineries.”
Joint Marketing

The most important tool in achieving the goal of becoming a recognized wine region is joint marketing, from word-of-mouth to color advertisements in glossy magazines. Joint marketing allows for a larger advertising budget. It also presents the vineyards as one experience and one region. “[…] we decided it would be better to market Southwest Michigan as a whole, rather than each winery trying to go out there and market themselves,” explained Winery®’s MO. This concept particularly helps the smaller vineyards and gives them greater exposure. The main medium of advertising is the wine trail and its brochure, according to the GM of Winery®, “Probably the number one way to market and advertise is the Wine Trail map itself […]” (Figure 6). This map is available at each of the wineries, as well as at Convention and Visitor Bureaus (CVBs), accommodations and tourist information centers. Wine grapes on a map indicate tasting locations. Around the edge of the map, visitors can find small ads of each
vineyard that lists opening times and contact information. Furthermore, accommodation and restaurant tips in the region are listed, helping visitors navigate through the region. Every winery makes sure that visitors have both the map and another winery as a destination in mind before leaving. Winery®’s GM explained the idea behind this concept, “All you got to do is get them through the door, you know. Most of the people, once they come through the door they’re gonna buy something and they’re gonna be surprised.”

In addition to the map, the wine trail participants place joint ads in different publications, such as Lake Magazine. Together they decide where to advertise. By pooling resources, they also have a larger budget available. According to the GM of Winery®, “We can all go together and get a bigger ad rather than each of us having small ads [...] it will be a banner ad for Southwest Michigan.” Such joint advertising shows people that Southwest Michigan is a destination with not just one winery to stop at, but several.

Apart from joint print ads, each winery chooses different mediums (i.e. TV, radio, print) for individual promotions. In doing so, the larger vineyards and their budgets promote the entire wine region, thus attracting visitors from a much larger market. The MO of Winery® noted, “We are doing a lot of advertising in other markets, like Chicago, Toledo, Detroit, [...] to get our name out there, a little bit more as a region and as a winery.” The wine trail also advertises on billboards, which draw some of the traffic into the wine country and show how close the different tasting locations are to one another (Figure 12). As a result of
such joint marketing, Winery’s GM said, “Marketing the wine trail as a whole really brings in a larger number of people.”

In addition to wine trail billboards, all of the vineyards have individual billboards, which promote their own events (Figure 13) or their location near other wineries, particularly when they are on the same exit (Figure 14).

Directional signs at highway exits help guide visitors and provide additional advertising for the vineyards (Figure 15). However, given the size and distraction of other ads, it is doubtful how successful these marketing efforts are.
Apart from joint or individual advertising campaigns, free publicity also helps the region attract new visitors. As the result of a *Cincinnati Inquirer* article on the area, the number of visitors from Ohio increased. Additionally, *Midwest Living* listed the wine trail as one of Michigan’s premier attractions. Within Michigan, the *Detroit News* has two wine columns per week, which lists the wine related events and provides news on Michigan’s wine makers. All these help raise awareness of Southwest Michigan as a wine producing region and a wine tourism destination.

**Joint Production**

As part of creating a region, the wineries not only point visitors to one another, but also work together in the wine making process. However the extent to which the vineyards work together in producing wine varies greatly, with the smaller vineyards being more dependent on the larger one’s equipment, as the GM of Winery® noted, “[…] they [St. Julian winery] do my bottling for me when I need to. You know, I do a lot of my testing up there and lab work and that.”
Others lend tools for loading or unloading, particularly to wineries situated close by. Wineries also buy grapes from each other. 

"[... we use about 20% of the production for ourselves and sell the remainder of it to other wineries, mostly in Michigan [...]," said the MO of Winery®. To reduce costs, wineries also share bottle purchases and combine stocking products. Working together like this is a give and take, and helps all the parties involved and at the same time makes the wineries more compatible. The GM of Winery® summarized the central idea of working hand in hand saying, "[If] I'm having a problem, there's a good chance someone else either had or has the same problem and we work together for solutions." All the wineries interviewed thus agreed that working together has been vital for the continued success of the wine trail, and it has helped the popularity and perception of the Southwest Michigan wine region significantly.

When asked about the outcome of the wine trail, the MO of Winery® explained, "And that's part of working with the wine trail, to actually say 'we're a region in the world' [... there's more awareness."

However, with alternative destinations for tourists becoming more numerous and tourists becoming more fastidious, businesses are forced to react faster to changing demand. Thus in addition to better cooperation with businesses in the same field, many have started looking for other outlet channels through businesses in related industries via vertical alliances. With regard to the wine industry, there are some natural alliances, particularly with food services and providers. Such vertical alliances will be discussed in the following section.
Vertical Alliances

Several reasons motivate businesses to form vertical alliances. Such alliances are especially dominant in the tourism industry so that guests' changing wishes and desires can be accommodated. Wine offers many possibilities for alliances: tourism related businesses, restaurants and supermarkets. This section details alliances Southwest Michigan's vineyards have formed with organizations tourists use from the first moment they enter the region, to the end of their stay. Furthermore, it will also point out underutilized possibilities with great potential for increasing wine sales and tourism.

Tourism Councils

Upon coming into an unfamiliar region, tourists look for guidance and information about it. Many stop at tourist information centers and CVBs for brochures and regional information. Such locations are therefore ideal to advertise to tourists and attract them to the different locations and activities. The Southwest Michigan wine trail has made its map available at these places. Additionally, all of the vineyards are members of tourism councils within their areas, "[...] because that's what you are in the business of, you know. You want them [tourism councils] to point people your way [...]", explained the GM of Winery. Tourism councils, such as the West Michigan Tourist Association, mention the vineyards in their publications and advertisements on the region. According to the GM of Winery, "They do a lot of collaborate marketing, and that is again directed towards the tourists, which is really our target market."
Working with the councils gives wineries a low-cost way to directly reach their main target group. As winemaking has become a tourist attraction with sales increasingly dependent on tourism than on wholesaling, it is important for the vineyards to be represented in Southwest Michigan’s tourism associations so they can reach their main customers.

Accommodation Providers

The linkage of vineyards and accommodations is mutually beneficial as vineyards bring people into the region for overnight stays (Mahoney et al. 2002), and visitors at the accommodations are interested in activities during their stay. During their stay, tourists look for attractions, activities to do, and things to explore. Often the planning of the stay starts at the accommodation, based on brochures and employee referrals. It is therefore important that every business seeking to attract tourists works closely with different accommodations. In doing so, businesses are able to reach Southwest Michigan’s tourists and turn them into customers. The vineyards have started to form cooperative linkages with the different accommodations in the area, on a formal level (i.e. contracts, events), as well as on an informal level (i.e. referrals). Many visitors look for regional information at the hotels, motels, or Bed & Breakfasts (B&B). These accommodations list the wineries as area adventures or attractions in their brochures, as can be seen in Figures 16 (Best Western Plaza Hotel) and 17 (Castle in the Country B&B). The accommodations’ staffs also refer visitors to wineries.
ATTRACTIONS
• 1/2 mile from Lake Michigan, boat, sailing, and jet skiing
• 1 mile from New Buffalo Railroad Museum, Harbor Country
• 1 mile from Whitaker Woods Golf, premier golf course
• 1 mile from antique shops and galleries in downtown New Buffalo
• 6 miles from St. Julian Winery Store, winery outlet mall and tastery
• 6 miles from Union Pier
• 7 miles from Blue Chip Casino, Boating, casino with 6 full acres of parking
• 8 miles from Warren Dunes State Park, most popular state park in Michigan
• 13 miles from Cook Energy Center Nuclear Plant, exhibit, shows and nature trails
• 15 miles from Tabor Hill Winery, premier winery and restaurant
• 18 miles from Lantern House, Mall of the Great Lakes, outlet stores
• 90 miles from Chicago

Figure 16: Wineries as Local Attraction
Source: Best Western Plaza Hotel

Area Adventures
• Antiquing at many area shops/malls or the Allegan Antique market and Pierce Auction.
• Hiking and Biking on nearby Kai-Haven Trail
• Golfing at Lynx of Allegan, Cheshire Hills, Ravine’s or Clearbrook.
• Downhill Skiing at Bittersweet and Timber Ridge Ski Resorts
• Cross Country Skiing at Allegan State Game Area or Kai-Haven Trail
• Horseback Riding at Wild West Ranch or Flying Horseshoe Ranch.
• Canoe/Kayaking at Old Allegan Canoe Rental or Running Rivers
• Wine Tasting at St. Julian’s, Black Star Farms, Warner’s and Fenn Valley.

Figure 17: Accommodation Listing Wineries
Source: Castle in the Country Inn

It is interesting to note that only the larger and more known wineries and tasting locations are listed by the accommodation providers, even though some of the lesser-known ones are just as close. This situation results because many of the larger vineyards have contracts and offer packages with different accommodations. Winery® noted, “We do work with the Quality Inn and Suites here in Paw Paw. They do packages for us and they have wine dinners and stuff.” As part of these packages, people stay at the hotels and then have free wine tasting or wine dinners at the vineyards. For example, The Grand Escape Inns of Saugatuck offers winery weekend packages (Figure 18) or individual dinners in collaboration with the vineyards of Tabor Hill and Fenn Valley. Packaging encourages visitors to come to the tasting location, buy wine, and visit other vineyards in the area. Winery®, which is in the process of starting partnership advertising with local hotels, expected to see a resulting increase in visitors and sales.
SAUGATUCK WINERY WEEKEND
February 20 & 21, 2004

Enjoy a gourmet dinner with award-winning wines from Michigan wineries! Join other guests for hors d'oeuvres, desserts, and wine-tasting during the Friday evening welcome party at Tabor Hill Wine Port. Saturday afternoon, take a special tour of Fenn Valley Winery, nestled in the rolling hills of Lake Michigan. On Saturday evening, prepare your palate for a gourmet dinner with special vintner-selected recipes. This is the perfect weekend for those thirsting for knowledge, or just thirsting!

**Figure 18: Weekend Package Including Wine Events**
**Source:** Grand Escape Inns of Saugatuck

Only one Southwest Michigan winery had a two room B&B attached to the vineyard, but had not used this as an advertising tool for the time being.

The smaller vineyards tend to operate more on a word of mouth basis with accommodations. The GM of Winery\(\textsuperscript{1}\) explained, “For the most part we are just basically exchanging information. We hand out flyers for them [accommodations], they hand out flyers for us and make it available for their guests […].” Other wineries point visitors to certain places they personally know, but do not have any contract with them. But increasingly the small vineyards, such as Winery\(\textsuperscript{2}\), have become more involved with local accommodations, as its GM noted, “We are starting a new program where they are able to give their guests a complimentary coupon that will say ‘for two free wine tasting glasses’.” This linkage is an inexpensive way for the wineries to advertise and bring visitors to the vineyards. Similarly, accommodations can provide their guests with something special, in an inexpensive way.

As mentioned, vineyards and their events create a reason for people to come to the region and thus look for accommodation. “We […] do events that
help them attract people [...] we are a marketing tool that they can use to come to the area," said the GM of Winery®. These linkages are evident during the wine trail events, when accommodations offer "[...] special weekend rates for those people who are coming over for that." Thus, some vineyards would like to see more hotels in the region, seeing a potential for an increase in visitors.

The B&B crowd is a main target group for all these vineyards because as the GM of Winery® explained, "[...] they're taking a longer more leisurely weekend." Most B&B visitors are retired, which allows them to take longer vacations. Furthermore, as they look for smaller, less crowded places and unique experiences, they are the demographic group most likely to single out vineyards and tour them. Not surprisingly, primarily country inns and B&B are the accommodations listed as part of the wine trail map.

Linkage of Wine with the Consumption of Food

Wine can be linked to food channels in different ways. The most obvious and thus important channel is restaurants. Nevertheless, other possibilities are just as important in educating people on the pairing of food and wine, such as seminars and catered events at the vineyards, which connect consumption with experience.

Culinary Events at the Vineyards

As part of their special events and seminars, most of the vineyards work with local caterers or chefs that come to the wineries. The MO of Winery® explained, "What you will do, like we'll have a cooking class here with a
restaurant chef.” Guest chefs allow the vineyards to offer fine dining at their premises for different occasions and thus connect the dining experience with their wines (Figure 19). The wineries create events where people come to eat or celebrate, while learning about which wine to consume. Instead of finding the customers at the restaurants, they bring the restaurant crowd directly to their winery. Once people have visited a winery, they are more likely to return or make recommendations. The smaller vineyards are therefore interested in providing food on site, as the GM of Winery© noted, “Eventually I would like to get it to the point were we have a chef that would come in and you know do the presentation of the food as well […].” Special events can further the creation of a culinary region, with recognized wines and chefs. Gastronomic events could become attractions that bring more people into the region on special occasions (i.e. Mother’s Day). Other wineries work with a local caterer to connect their wines with food and thus educate people. These caterers, as well as chefs, are particularly looking to use Michigan grown products.
Restaurants

As the consumption of food and wine is naturally linked, restaurants are a great outlet-channel for wineries. After consuming Michigan wines at a restaurant, people are interested in coming to the vineyards, continuing tasting and eventually purchasing wines. Nevertheless, in order for consumers to become aware of Michigan wines, restaurants have to offer and recommend them, which does not always occur. With restaurants, the same pattern exists as with accommodations. The smaller vineyards have linkages with certain restaurants, which they have some kind of personal connection with, as the GM of Winery® stated, “You know, there’s a really nice pizza place outside of town that serves our wine [...] we know the owners and developed a really nice relationship.” Yet, many smaller wineries face barriers in increasing other restaurant sales. The same GM pointed out the limitations, saying, “I’m not interested in being on a wine list [...] and nobody knows who you are and the people working there don’t know you.” Likewise, Winery®’s MO noted, “I always see on their menus it says ‘fresh Michigan grown produce’ but the Michigan wines are in the back of the list.”

These smaller wineries in particular pointed out that this connection between wineries and restaurants is highly underused, mainly by the restaurants. Winery®’s GM explained, “[...] you’re hard pressed to find a Michigan wine on it [menu], [...] but restaurants have to do their part too to promote the new local wines. I would like to see an improvement of working with restaurants.” Restaurants seem to underestimate the appeal of local wines and thus do not offer them, or list them last on their menus. The MO of Winery® tried to find an
explanation, "[...] it’s basically like we’re looked upon like they’re almost doing us a favor for some of that, and you know, what they don’t understand is that we’re no different than they are.” Smaller vineyards in Southwest Michigan thus perceive a lack of interest, and as a result support from restaurants. They would like to see this change, but understand that it takes time and education to achieve that. However, the limited linkages between smaller wineries and restaurants are in part due to the formers’ limited production. Most of the small vineyards have their largest sales on site, and one even mentioned they sold out without doing any wholesaling at all. When asked if local restaurants served their wine, the GM of Winery© explained, “They would like to serve the wine, but I promised them as soon as I have enough they’ll get the first shot to have it on the wine list.” Given an increase in production, as all of the vineyards hope to do within the next five years, the smaller wineries would also like to have their wines exposed to restaurant customers. Nevertheless, it is necessary for restaurants to recognize the potential local wines offer in building a region.

The larger wineries on the other hand, can be found on different menus and actively work with the restaurants. “Yeah, most of the restaurants in the area sell our wine,” said the MO of Winery©, a statement confirmed by the other large wineries. Their wholesaler is responsible for finding restaurants and delivering wines to them. The wineries themselves are not involved in this process. These restaurants include fine dining locations, smaller family restaurants, as well as restaurant chains such as Pizza Hut. Its Kalamazoo Westnedge Ave. location advertised St. Julian wine on a banner on the middle wall of the restaurant.
Furthermore, it had a separate wine menu, naming St. Julian wines before California wines (Figure 20). However, a second Pizza Hut franchise in Kalamazoo did not advertise St. Julian wine at all. Therefore, this cooperation seems to vary from location to location and is not consistent for all Pizza Huts in Southwest Michigan.

![Pizza Hut on Kalamazoo’s Westnedge Ave Promoting St. Julian Wine](image)

**Figure 20**: Pizza Hut on Kalamazoo’s Westnedge Ave Promoting St. Julian Wine  
*Source*: Dr. Deborah Che

The wineries understand the importance of trained restaurant staff to selling their wines. However, most of the larger wineries leave this task up to the wholesaler. But all of the vineyards pointed out that they were willing to train restaurant staff, even though there does not seem to be a large demand for this. The MO of Winery® noted, “[…] if they would like us to come in and do a wine seminar we are happy to do that, but I have only done that three times.” One employee of Schu’s Grill and Bar in St. Joseph, which carries local wines and beers, informed me that at the beginning of every wine season, the management holds classes for its employees. In doing so, this restaurant ensures that its staff
points out local wines when making recommendations. This service contributes
to an overall impression of a region for tourists. In return, a regional image will
likely bring them into the tasting locations to purchase the wines they have had or
to continue tasting.

Restaurants and vineyards are increasingly working together to create a
tourist region. As people show increasing interest in local wines, their demand
encourages restaurants to offer Michigan wines. In return, if restaurant guests
are recommended a local wine with their dinner, they are more likely to come to
the tasting locations to continue sampling or to make a purchase. Additionally
with the growing popularity and success of Michigan wines, restaurants are
adding local wines to their selection. "[...] in the last 10 or 15 years they're
becoming much more supportive about what we are doing here," explained the
MO of Winery®. Michigan wines successfully compete in nationwide
competitions and they are increasingly recognized throughout the region and
country. Their "quality is very good, very clean and very correct for the variety,"
according to the owner of a Kalamazoo spirit store (Miron 2004). Many
restaurants in Southwest Michigan have begun to include regional wines on their
menus, particularly those listed on the wine trail map. But most of the wineries
hope for even more restaurants in the region to draw visitors as they could help
the vineyards. The GM of Winery® said, "We also need, we need some
restaurants, you know, these are the things that get, bring people out. We need
some high-end restaurants [...]" Only one of Southwest Michigan’s vineyards
has its own on-site restaurant. Its MO explained, “Because that’s something
that's not done [...] and that’s what sets us aside from all the other wineries.”

Their billboard nicely summarizes this connection between food, wine and creating an experience (Figure 21).

![Figure 21: I-94 Billboard of Tabor Hill Advertising All of Its Amenities](image)

Source: Author

However, this winery does not believe it takes customers away from local restaurants. It would much rather recommend places when it is unable to accommodate visitors. At the same time the winery sees its restaurant venture as a motivation for local restaurants to offer local wines and attract more visitors. If possible, the kitchen uses locally grown products, thus pairing local cuisine with local wine.

If people have been exposed to local wines in restaurants, they either go to the wineries for more tasting or will look in supermarkets to find the same wine for home. At the same time, if people have picked up a Southwest Michigan-produced wine in a supermarket that they enjoyed, they are more likely to request it in a restaurant. The MO of Winery® summarized this connection, “I mean, we haven’t been in the supermarkets and in the liquor stores to...for people to even recognize us on the menu [...].” Restaurants are therefore an
important outlet channel to increase recognition and to trigger demand at different levels.

Supermarkets

When looking at the wines available at large and small supermarkets throughout Southwest Michigan, one can see that Michigan wines are difficult to find due their shelf location and/or their not being stocked (with the exception of St. Julian, and, depending on the supermarket and its location, Tabor Hill and Fenn Valley. The Michigan wines one can find in the supermarkets are widely recognized by customers. The MO of Winery® indicated that “Martin’s supermarket, Meijer, D&W, and Harding’s, a lot of the smaller chains as well” are their wholesale points. In some cases, the larger vineyards not only sell in Michigan, but also in Illinois, Indiana, Ohio, Kentucky, Rhode Island and Tennessee, as is the case with Winery®. Specialty stores and some liquor stores throughout Southwest Michigan not only carry these three wine brands, but also smaller vineyards’ selections, as a liquor store in Mattawan does (Figure 22).

Figure 22: Warner Vineyard Wines Sold at Mattawan Store
Source: Author
Most of the smaller vineyards sell all their wines exclusively at the cellar, mainly because they do not produce enough of it to go through a wholesaler. "If I can sell it all out of my tasting room at full retail, why would I give a wholesale price to put into the market," said the GM of Winery®. Others such as Winery® are just beginning to use wholesale as an outlet channel, "Up until last year we haven't produced a quantity and enough to wholesale wine," noted its MO. Their target market in wholesale is therefore "Locally, I mean a 30 mile radius is where we are going at." Another reason some of the smaller wineries are not too interested in entering wholesale is due to the lack of recognition. As a result, their varieties have lower shelf places and are hardly sold in the highly competitive wine market. It is therefore important to differentiate between shelf sales and point of sales, when looking at how the vineyards work with the supermarkets.

**Shelf Sales**

[...] you know, the people that put your wines out on the shelves [...] aren't gonna be as, give you the good spot in the store, which makes a big difference of where your wine sits in the grocery store or liquor store. You know, they give you a little corner spot down on the lower bottom shelf and then you are not going to sell anymore wine there (MO Winery®).

Walking through different supermarket aisles, everyone understands that product location is an important aspect of marketing and thus crucial for sales. Placement is especially important the larger the selection the customer has.

Every product below eye-level is more likely to be overlooked. These products are usually store or less-recognizable brands. Southwest Michigan wines compete against a large number of wines from around the world and one has to
take a good look at the shelves and search for some time to find regional brands (Figure 23). Furthermore, one can see that the regional wines are stocked on the two lower shelves and customers can only find them if they are purposely looking for them. Unplanned purchases are therefore very unlikely.

![Figure 23: Shelf Location of Southwest Michigan Wines at Meijer on Westnedge Ave](image)

*Figure 23: Shelf Location of Southwest Michigan Wines at Meijer on Westnedge Ave*  
*Source: Author*

In other words, Southwest Michigan wines are easily overlooked by most people. One possibility the stores have is to highlight regional wines, for example via the Michigan Department of Agriculture’s “Select Michigan” signage (Figure 24). This signage and labeling can attract the buyers’ attention.
The MO of Winery\(^7\) described a local store’s marketing strategy for local wines as “He has, you know, a sign hanging over the wines of Michigan. It’s a little corner spot but yet you walk in, you look in the store, it’s right in front of you, ‘Michigan wines.’”

As soon as the demand for Southwest Michigan wines has been created, people will search for them in the supermarkets. However, this can only be achieved with the supermarkets’ cooperation, or as the MO of Winery\(^8\) suggested with the help of the Michigan Department of Agriculture and the Michigan Grape and Wine Industry Council who can “[…] try and push Michigan businesses, ‘cause they can give incentives.” Nevertheless, the businesses need more incentives to offer and emphasize Southwest Michigan wines; they have to see that there is a demand for these products. “But I think it’s a little bit of an education process, to educate the people in Michigan to ask for Michigan wine,” said Winery\(^7\)'s GM on this matter. Vineyards are trying to raise awareness of
Southwest Michigan wines in order to increase the demand. However if the customers do not seek out the vineyards themselves, the vineyards have to go out and seek the customers in supermarkets, the environment where buyers are likely to be found. One marketing strategy to attract consumers’ attention is through the use of point of sale displays in the supermarkets.

**Special Point of Sale Displays**

To help set brands or products apart from similar products and thus be noticed faster, point of sale displays are a frequently used marketing strategy. The most frequent type are end shelves, which are those that are set-up perpendicular to the aisles. When searching for items, consumers know that end of aisle shelves hold either special promotions or special products and thus tend to look at them (Figure 25). However, even this strategy might fail, if no noticeable signs are set-up for customers to be drawn to the shelves. As Figure 25 shows, no sign informs passerbys that the shelves contain exclusively Michigan-produced wines. If people already made their choice of wine coming out of the main wine aisle to the right, they are less likely to stop at this point of sale. Therefore, it is not enough for the supermarkets to set-up these special shelves. It also matters where they are located (i.e. end or beginning of aisle) and whether they are specially marked.
Another type of point of sale display is those completely separate from the aisles. These displays could be located at the checkout aisles or throughout the store. Special displays with St. Julian wines can be found in different sections of the grocery stores, although not necessarily in connection to wine. Customers stumble across St. Julian wines throughout the stores and are eventually prompted to make a purchase. Figures 26 and 27 show two such examples from Kalamazoo Meijer stores. Although St. Julian, as the largest winery in Southwest Michigan, is the only one that uses these point-of-sales throughout the year, it helps all of the wineries. Upon purchasing St. Julian wines, customers are more likely to come to St. Julian’s tasting locations. Once there, customers can obtain brochures of the other wineries or referrals. As a result, awareness of other regional wines is increased.
St. Julian also makes use of special occasions and celebrations to draw customers’ attention and direct customer sales to local wines. Before Independence Day, customers entering Kalamazoo Meijer stores found a large St. Julian wine display, inviting them to “Celebrate with Michigan’s favorite wines” (Figure 28). Thus, before customers even went to the wine aisle to make a choice they saw the display, which potentially could have prompted a purchase. At the same time, St. Julian linked their wines with national holidays, which could result in increased recognition.

However, it is difficult to measure the success rate of such displays. Most wineries found that the effect is disproportional to the financial cost. Thus most of Southwest Michigan wineries do not even consider displays an option at this point because as the MO Winery® explained, “[...] point of sale is low.” Instead,
they have an agreement with different supermarkets to put up posters and signs for special events.

Figure 28: St. Julian’s Fourth of July Display at Meijer on Westnedge Ave  
Source: Author

As could be seen in the previous section on restaurants, supermarkets are also an important outlet channel for Southwest Michigan’s vineyards. However, this cooperation is underused. Partially due to lack of customer demand and resulting low promotional dollars, supermarkets stock some varieties of Southwest Michigan wines, but do not try to push advertising and sales. Most stores wait for customers to discover local wines on their own.

Tour operators

Through organized bus tours, people travel throughout the country. Often they underlie a specific theme and stops are scheduled accordingly. With regard
to the vineyards and their tastings, bus tours seem like an ideal, large source of customers. However, when asked about their work with tour operators, almost all the vineyards answered that they prefer not to welcome any. Most of the vineyards are too small to host larger groups of people at the same time. Their appeal also is built on their family-friendly atmosphere. The GM of Winery\(^1\) noted, "We do not encourage that [tour buses], because we are usually not staffed more than two people on weekends, and if 50 people showed up at my door at one time it would be very hard to service them in the way I prefer to service people." This situation holds true for almost all of the smaller vineyards. More notably, the wineries do not consider the tour busses a good source of patrons, as the GM of Winery\(^2\) explained, "The clientele that are gonna be on tour, [...] are usually older people, looking to kill a day and they drink all your wines and use all your toilet paper and they don't buy nothing." All of the smaller vineyards mentioned a lack of interest in wine among the clientele of these large tour buses. They only create more costs for the vineyards. Thus according to the GM of Winery\(^3\), "Unless it's a bus group that is specifically interested in wine and wine touring we don't want [to do this]. You end up having to hire extra people." Therefore, none of the smaller wineries has any contracted cooperation with tour bus operators. Winery\(^2\), once active with tour busses, withdrew from this business. Its MO described the situation as, "It was kind of like 'oh this is fantastic, I can't believe you guys built this and moved this, but oh, thanks, bye'. And so, we spend an awful lot of time and effort on that and really for no benefit."
However, all three of Southwest Michigan’s larger vineyards work with tour operators. In their case, the effort connected to hosting tour busses is much smaller relative to the benefit. “We are big enough to accommodate them, so if they come in and they don’t spend a lot that’s ok,” noted the MO of Winery©. The lack of purchases by the motorcoach clientele is in part acceptable because these wineries take busses on a reservation basis and have a per-bus charge for tastings. The MO of Winery© explained: “[...] there is a charge per bus. They [tour buses] have to pay that and put that up in advance and then they can come in for tour and tasting.” Some of the smaller vineyards located closely to the larger ones benefit from their tour busses. “Occasionally we do get some busses in, basically...and that’s all from Tabor Hill. [Tabor Hill] usually only sends these better groups over, so I haven’t had a problem with it,” noted the MO of Winery©.

In order to bring more customers to the vineyards and at the same time guarantee that they are interested in tasting and purchasing wines, all of the vineyards are highly interested in welcoming organized wine tours. The GM of Winery© said, “They’d have to be small, smaller groups, or if they were bussed up into those mini vans that would hold 15-20 people [...]”

Southwest Michigan’s wineries have developed a good working relationship with one another to build a wine region and an experience for visitors. They give each other input and assistance. Furthermore, the vineyards understand that in this early development stage of the wine trail that it is vital to form alliances with businesses in related industries, which target the same markets. However, these alliances do not exist evenly among the members of the
wine trail. The larger vineyards are more formally linked to restaurants, supermarkets and accommodations. Nevertheless, by creating these vertical alliances, larger vineyards promote the region. In the long run, they attract people to the different tasting locations. This study showed that there is a lot of potential for Southwest Michigan as a wine region. The following chapter will discuss what the vineyards could do to increase the awareness of the region, and thus the number of customers. It will also look at how other businesses in the region need to be approached in order to further build the region.
Southwest Michigan's wineries have established a strong network with one another. Through the wine trail, the vineyards have started creating a wine region in the Midwest, which people have begun to recognize and travel to. The GM of Winery© noted, “I think that's one of the real benefits of the wine trail because people are starting to learn about the wines in Southwest Michigan.”

The wineries have found which methods of advertising best reach potential customers (i.e. wine trail map, billboards and word-of-mouth). To allow each of the trail members to perform at their optimum, which is in everyone’s interest, wineries share equipment, research and most importantly, customers. All of the wineries have found their niche and created their unique image. Customers can choose from a variety of wines, programs, and ambience. Southwest Michigan's wineries work individually as well as jointly to develop a recognized wine-growing region and tourist destination. The larger vineyards, with St. Julian the most widely known, have entered vertical alliances with restaurants, supermarkets and accommodations, to not only promote their own wines, but also the region and the other wineries. However, this process has only slowly got under way.

Based on the literature reviews from other wine-growing regions and the interviews conducted with Southwest Michigan’s vineyards, the following recommendations can be made with regard to promoting the image of a wine region and increasing awareness of Southwest Michigan as a wine tourism destination.
Increase Pressure on Outlet Channels

As one could see, there is a need to encourage restaurants and supermarkets in particular to offer wines from Southwest Michigan. Restaurants and supermarkets need to understand that if they close the cycle at their end, everyone benefits. Once people learn about wines at the vineyards, they taste them and take a bottle or two home. Later, they come to the supermarkets to purchase locally produced wines, even though they often cost more than most other wines. Through their tasting and visitation experience, people gain knowledge and form a bond with Michigan wines. They thus feel safe buying them. This process is equally true for the restaurants. Though the larger Southwest Michigan wineries are represented in supermarkets and restaurants, the other wineries in the region will only benefit from their exposure if customers come to the larger wineries’ tasting locations. There they can obtain a wine trail map and learn about the other vineyards. To accelerate this learning process, the vineyards also need the support of wine and agriculture related organizations as the Michigan Grape and Wine Industry Council, established within the Michigan Department of Agriculture and to promote the Michigan wine grape and wine industry.

Year-Round Stores

In addition to restaurants and supermarkets offering Southwest Michigan wines, stores and attractions in the area need to remain open year-round to bring people into the area. Due to the cold temperatures and snow, few visitors now find their way to Southwest Michigan in the winter. The shore, summer’s main
draw, is not matched by an equally attractive wintertime one. The MO of Winery® pointed out, "I mean, St. Joe is almost a ghost town in the winter time," when asked about the visitors during the off season. With visitors wanting, stores close down or limit their opening hours. As a result, many people avoid this region for their weekend travels. Thus the vineyards, which largely depend on tourists as their source of income, have shortened opening hours during the off-season. The wineries would therefore, as the MO of Winery® said, "like to see all the stores and shops stay open, every day, year-round." The aforementioned, recently installed wine trail signs, are also meant to direct visitors through the towns and thus encourage them to stop along the way. The wine trail enables the stores to actively benefit from wine tourism, and to recognize that their being open year-round will help build a region and increase their sales. As the signs have been in full use for the first time this summer, it will require some time before local businesses adjust to the visitors and their demands, but they will certainly recognize their roles and benefits as part of the region. Once the local businesses have extended their hours to welcome visitors, the wineries will follow. All-season attractions will bring in more tourists.

**Southwest Michigan Wine Festival**

Many of Southwest Michigan’s vineyards participate in different local events, such as art shows, concerts, or the Paw Paw Wine and Harvest Festival and St. Julian Film Fest. But in all of those cases, local wines are not the main attraction. Thus, the impact on their sales and recognition is very limited. What
the region needs is a wine featured event “that would really, really highlight what
our product is,” explained the GM of Winery®. This is an opinion about area
attractions that would bring in more visitors was shared by all the vineyards. The
GM of Winery® said, “I would like to see other wine and food events in the area
getting established throughout the year.” These events would raise the
awareness of the area as a wine tourism destination, showcase the award
winning wines, and bring people out to the vineyards and their tasting locations.
As such events involve the entire region and its businesses through promotions,
local businesses would recognize the opportunity of being part of a well-known
wine region.

Already, the vineyards use different means of advertising for their joint and
individual events. Local TV and radio were seen as less efficient, as their main
target markets (i.e. Chicagoland) lies outside the stations’ range. However, a
wine featured event in Southwest Michigan could positively impact the following
two suggestions for the vineyards.

Radio as a Promotional Tool

One rather inexpensive, underutilized way of marketing to reach many
potential customers is radio. The GM of Winery® explained the lack of interest in
radio, saying, “We tried radio […] ads, but just don’t find that we get a large
return for every dollar amount.” As Chicago is their main target, many vineyards
believe that advertising on local stations will miss this group, as the GM of
Winery® noted, “Odds are, they [Chicago visitors] don’t know what radio station
is the local station." However, many radio stations from Chicago can be received well into Michigan while traveling along I-94. Instead of searching for a local station, most people will listen to their home-station for as long as possible. Audio advertising paired with the visual billboards could increase visitors leaving the interstate to stop at one of the wineries. Then, after the initial visit, chances are the customer will return or recommend visiting the wineries. Another possibility is to advertise jointly with local radio stations by sharing a billboard. Local radio stations are particularly important in reaching one of the vineyards' most important, but largely neglected markets: locals.

Developing New Markets

I mean, look at all the huge abundance of wineries in California, and how they are based three to four hours from L.A., you know the [...] second largest population center in the United States. [...] That being as close, so close to Chicago and so close to Grand Rapids that with the right marketing that this could be, I mean, a scaled down version, but we should be able to draw in that kind of people and money and numbers that the wineries out there can do. (Winery®)

Southwest Michigan’s wineries are constantly looking to increase visitations to the vineyards, tastings, and resulting sales. They therefore have found the optimal advertising medium, highway billboards; have started wholesaling widely; and are aiming at new outlet channels to reach their main target market, the Chicago metropolitan area. However other regions, such as the developing Illinois vineyards north and south of Chicago, have targeted individuals who are interested in vineyards and wine activities in that same market. It is therefore important for Southwest Michigan wineries to focus on new
markets. Southwest Michigan’s wineries have opened tasting locations on the recently established Pioneer Wine Trail in Southeast Michigan, with the idea being, that its metro Detroit visitors will later travel to the main vineyards. Involvement in the Pioneer Wine Trail could also potentially attract visitors from Ohio, although it is uncertain whether they will travel a significantly longer distance to the main vineyards in Southwest Michigan.

In addition to focusing on metro Chicago and Detroit, Southwest Michigan’s wineries should also target the large, close, and overlooked regional market. The MO of Winery® noted this potential, saying, “The wineries here produce wine that if we could get a real awareness just in Southwest Michigan, I mean, that’s a big market.” However, the vast majority of the vineyards overlook this market, as the GM of Winery® explained, “The target market is the Chicago, Indiana tourist, you know, it’s 90% of your audience probably.” When asked for a reason for overlooking locals, the MO of Winery® noted, “[...] there’s just not enough interest in it. [...] I found the local people is not who’s buying the wine.” While this is likely true, it does not mean that there is no market in West Michigan. The local market just has to be created.

A local interest for the vineyards does exist. While conducting the interview at Winery®, people came in to taste wine. These customers were locals who brought visitors from abroad to the vineyard. Americans’ growing interest has been recognized. “Americans are getting past the snobbery – and discover wine’s simple pleasures,” stated an article in the Wall Street Journal titled, “The Real Wine Expert: You” (Gaiter and Brecher 2004). The frequent
reports on the health benefits of red wine draw people to the grocery store wine aisles, which are unfamiliar for many. However, most do not know which wine to buy and how to serve it.

Additionally, the image associated with wine puts off many otherwise interested people. 'Which wine is good, how do I serve wine and what do I have to keep in mind' are some of the questions and concerns. Rant (2004) noted, "[T]he average person in America regards the enjoyment of wine to be the realm of the Frenchman or the sophisticate." Currently, he finds, people serve and consume wine more to portray a certain image than to enjoy its taste and varieties. Many people have heard that certain wines are to be served with certain foods (i.e. red wines with meat, white wines with fish). But other than that, few know and understand the food-wine pairing principles. The GM of Winery® described such a case by saying, "People don't realize, they associate beer with spicy food and man, wine goes good with it." This information on food-wine pairing therefore needs to be given to the customers at the point of purchase, making them feel more knowledgeable and comfortable. The easiest way to do so is by giving food suggestions for each wine on their wine lists, as Winery® does (Figure 29). As can be seen on this list as well as many others, these suggestions only appear sporadically and are inconsistent, leaving the potential customer to him-/herself. Newcomers to the wine market are unlikely to know what "nice meld of red hybrid and red vinefera grape" means in terms of the taste. Thus the potential for gaining a customer may be lost. Vineyards should help to lower inhibitions and clear misconceptions.
<table>
<thead>
<tr>
<th>Wine</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>'00 Cabernet Sauvignon</td>
<td>This superb dry red is well structured with a rich body that enhances its</td>
</tr>
<tr>
<td>Dry</td>
<td>fruit and tannins.</td>
</tr>
<tr>
<td>'00 Merlot</td>
<td>A balanced vinifera wine with a good color, and tannin flavors.</td>
</tr>
<tr>
<td>Dry</td>
<td></td>
</tr>
<tr>
<td>'02 Pinot Noir</td>
<td>This French oak aged wine is wonderful to drink, and will go well with</td>
</tr>
<tr>
<td>Dry</td>
<td>steak or chicken.</td>
</tr>
<tr>
<td>Pheasant Run Red</td>
<td>This soft fruity wine is a nice meld of red hybrid and red vinifera grapes.</td>
</tr>
<tr>
<td>Off-Dry</td>
<td></td>
</tr>
<tr>
<td>Vineyard Select Red</td>
<td>A warm blend of Chambourcin and Chancellor grapes. A soft wine with</td>
</tr>
<tr>
<td>Semi-Dry</td>
<td>just a hint of sweetness.</td>
</tr>
<tr>
<td>Baco Rose</td>
<td>An old favorite that has recently been absent from out cellar, but is</td>
</tr>
<tr>
<td>Semi-Sweet</td>
<td>back and better than ever.</td>
</tr>
<tr>
<td>Ruby Rose</td>
<td>Sweet, rich, deep colored wine that is delicious anytime. Serve chilled</td>
</tr>
<tr>
<td>Sweet</td>
<td>before or after dinner.</td>
</tr>
</tbody>
</table>

Figure 29: Wine List with Description of Taste

Source: Lemon Creek

Direct food-wine pairings at the vineyards can also bring people closer to wine and lessen their concerns about buying the wrong bottle. On a small scale, these pairings are done during the three annual joint wine trail events. Each winery offers small hors d’oeuvres to pair with the glass of wine. The winery later puts their recipes online. Furthermore, some of Southwest Michigan’s vineyards offer food-wine pairing seminars. Lastly, the dinners with guest chefs and caterers at the vineyards provide an ideal opportunity for the vineyards to educate people and help them overcome their initial fears. People get a first-hand impression which wine to pair with which food and to learn about different wines. However, when looking at the menus offered during these events, one can clearly see that the food is special and guaranteed to leave a lasting impression. But few people will cook such dishes at home (Figure 30). As a result, the learning experience is almost non-existent, and people may feel only
high-end food goes with wine. As a result, people may feel more comfortable having beer with their dinner.

Wine may be saved for special occasions or only consumed when eating out. The MO of Winery® noted, “You know, wine is every man’s drink in Europe and Budweiser is every man’s drink here,” when discussing American drinking habits. Vineyards would like to change people’s perception so that wine is consumed on an everyday basis.

Educational institutions have always looked for ways to link their programs and lectures to current issues and real-life examples. With regard to wine and creating a wine region, this could be an excellent way to educate people about wines and increase their awareness of local wine production.
Wine Geography Classes

Among geographers, there is a growing interest in the geography of wine. In 2004, wine specialty group of the Association of American Geographers (AAG) was established to encourage geographic research and knowledge about the geography of wine. This specialty group sponsored a session entitled "Geography of Wine I: Wine and Regional Geography". This session featured a paper offered by two professors of New Mexico State University's Geography Department. Brown and Czerniak shared their experience leading a wine class, which teaches physical and cultural geography, map making and marketing through a focus on wine. Students learn about wine growing regions and their influence on the wines, how to serve wine, and pair particular foods and wines. As part of the class, students sample different wines and tour the only recognized vineyard in New Mexico. This course is not meant to increase consumption of alcoholic beverages. It rather links the different areas of geography with the local economy, as well as increases awareness of changes in North American agriculture (Brown and Czerniak 2004). Such a class focusing on Southwest Michigan would be ideal as many people from Michigan are surprised to learn that there is such a thing as Michigan grown wine. Teaching this class as part of the geography program at local universities and colleges will increase the number of people knowledgeable about wines, how to serve them, and which foods to pair wines with. Furthermore, the class will increase the awareness among locals, thus encouraging them to visit the vineyards and taste the wines. Increased knowledge and interest are important in building a wine region. As
students from Western Michigan University come from different areas of Southwest Michigan, this class could also have a positive impact on opening hours of local stores and restaurants offering regional wines.

The above recommendations show some of the concepts that can further the alliances needed to increase awareness and interest in Southwest Michigan's wineries. As mentioned earlier, the interest in wine consumption in the United States is growing and the image of Southwest Michigan's wines changing. The local vineyards seek to increase their production and to start online businesses to ship their products throughout the country. In their undertakings the vineyards see what has been proven successful in California's wine growing regions and which strategies can be applied in along the Southwest Michigan wine trail as well. Southwest Michigan's vineyards understand that they are just at the beginning of creating a recognized wine region, but that the location, the target market and the existing attractions are a good start.

You go out to Napa and Sonoma and it took them 20 years to get the restaurants and everything going out there, you know. We've already got, you know all the infrastructure here waiting, the population is here. Winery
Appendices
Appendix A

QUESTIONNAIRE
1. History
   a. Since when have you been growing / bottling wine commercially?

   b. Did you start the winery or purchased it?

   c. How much wine do you produce annually (estimate)?

   d. How many different varieties of wine do you produce?

   e. Where / how do you sell the majority of the wine?

   f. What is your target market (demographics)?

   g. From where do visitors come and estimate percentage of each?

   h. Do you keep track of the visitors (compile list)?

2. Background Information
   a. Is your winery open to the public? (all year?)

   b. What are the primary tasting room months?
c. Which three days are the most visited?

d. Do you have a second tasting room? Where?

e. Are guided / self-guided tours available?
   i. Of the winery or production facility or both?
   ii. Opening times?

f. What are the main activities people engage in when visiting the winery?

g. Which products do you sell at the winery?

h. Do you work with local artisans?

i. What is the average number of sales per week?
   i. Peak season 
   ii. Low season 

j. What is the average dollar value of sales transactions last year?
3. Relationship Marketing

a. Alliances between wineries

I. Are you a member of a wine / hospitality association? Which?

II. What is the role of that association?

III. Why did you choose to join?

IV. What other organizations are members in the same association?

V. Describe the work with other wineries

VI. Do you work with other businesses (local, regional...)?

VII. How and where do you advertise?

VIII. Do you advertise jointly with other businesses / wineries?

IX. Which events do you plan and hold at the winery?

X. For this, do you work with other wineries / businesses?
XI. Do you sponsor any events outside of the winery?
   (Golf...)

XII. In what other ways do you collaborate with other wineries?

XIII. How important is it to work with other wineries / businesses?

XIV. How satisfied are you with the work of the wine trail?
   (Changes?)

b. Alliance with wine and food

I. Do you have any food service associated with your winery?
   Type?
   ii. IF NOT: do you intend to open a restaurant?
   iii. IF YES: do you see any potential conflicts with local restaurants?

II. Are local restaurants used as outlet channels for the wine?
III. Do you offer food related seminars / demonstrations / events?

IV. Do you have the possibility for catering events with top chefs?

V. Do you appear in food magazines?

VI. Do you work with local food producers?

VII. Do you offer lodging at your winery?
   i. IF NO: do you work with a specific accommodation?
   ii. IF YES: what type, number of rooms

c. Tour operators

I. Do you work with a tour operator?

II. What type? With a formal agreement?
4. Future

a. What are your plans for the future?

b. What attractions are you hoping for?

c. How do you like the area to be promoted?

d. What is the key to attract and keep attracting visitors?

e. Who would you like to work with?
Appendix B

HSIRB APPROVAL FORM
Date: October 6, 2003

To: Astrid Wargenau, Student Investigator

From: Mary Lagerwey, Chair

Re: Approval not needed

This letter will serve as confirmation that your project “Wine Tourism Trail Development and Marketing Strategies in Southwest Michigan” has been reviewed by the Human Subjects Institutional Review Board (HSIRB). Based on that review, the HSIRB has determined that approval is not required for you to conduct this project because you are not gathering information about individuals. Thank you for your concerns about protecting the rights and welfare of human subjects.

A copy of your protocol and a copy of this letter will be maintained in the HSIRB files.
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