Beyond better wine: the impact of experiential and monetary value on wine tourists' loyalty intentions

Asia Pacific Journal of Tourism Research, 2016; 21(2):172-192

© 2015 Asia Pacific Tourism Association

“This is an Accepted Manuscript of an article published by Taylor & Francis in Asia Pacific Journal of Tourism Research, on 13 Apr 2015 available online: http://dx.doi.org/10.1080/10941665.2015.1029955

http://hdl.handle.net/2440/95133

PERMISSIONS

http://auauthorservices.taylorandfrancis.com/sharing-your-work/

Accepted Manuscript (AM)

As a Taylor & Francis author, you can post your Accepted Manuscript (AM) on your personal website at any point after publication of your article (this includes posting to Facebook, Google groups, and LinkedIn, and linking from Twitter). To encourage citation of your work we recommend that you insert a link from your posted AM to the published article on Taylor & Francis Online with the following text:

“This is an Accepted Manuscript of an article published by Taylor & Francis in [JOURNAL TITLE] on [date of publication], available online: http://www.tandfonline.com/[Article DOI].”

For example: “This is an Accepted Manuscript of an article published by Taylor & Francis Group in Africa Review on 17/04/2014, available online: http://www.tandfonline.com/10.1080/12345678.1234.123456.

N.B. Using a real DOI will form a link to the Version of Record on Taylor & Francis Online.

The AM is defined by the National Information Standards Organization as:

“The version of a journal article that has been accepted for publication in a journal.”

This means the version that has been through peer review and been accepted by a journal editor. When you receive the acceptance email from the Editorial Office we recommend that you retain this article for future posting.

Embargoes apply if you are posting the AM to an institutional or subject repository, or to academic social networks such as Mendeley, ResearchGate, or Academia.edu.

7 March 2017

http://hdl.handle.net/2440/95133
Beyond better wine: The Impact of Experiential and Monetary Value On Wine Tourists’ Loyalty Intentions

ABSTRACT:

Research on the experiential aspects of wine tourism has been advocated but the evolution of this approach in this field is still in its infancy. This exploratory study proposes a behavioral model to simultaneously examine the role of hedonic and utilitarian shopping value as well as monetary value perceptions in predicting cellar door visitors’ overall satisfaction and loyalty intentions. The application of Partial Least Squares (PLS) path modeling indicates that cellar door visitors are oriented toward the experiential aspects of the visit itself as much as to pragmatic considerations in purchasing wine. The insights are, therefore, directed toward the creation of a total cellar door experience. These findings contribute to the understanding of a cellar door visitors’ decision-making process, providing managers and researchers with insights into how to effectively accommodate cellar door visitors’ needs.

KEY WORDS: wine tourism; loyalty intentions; hedonic value; utilitarian value; monetary value; experiential value.
Introduction

Wine tourism provides wineries an opportunity for the direct sale of their wine (Alant & Bruwer, 2010). Many small wineries depend on cellar door visitors for their wine sales, while large companies with multiple wineries utilize their cellar doors as a brand home (Alant & Bruwer, 2010; Getz, 2000). The visits to cellar doors also offer wineries an opportunity to generate and/or reinforce brand loyalty among their visitors (Alant & Bruwer, 2010; Bruwer, 2002; Fountain, Fish, & Charters, 2008; Nowak & Newton, 2006). However, unlike a liquor store, the cellar door is characterized as a more service oriented, interactive marketing channel and the consumption and purchasing of wine in such a relational context involves more experiential, hedonic and or social motivations (Hollebeek & Brodie, 2009). As noted by Alant and Bruwer (2004), the visit to a cellar door is not only motivated by a need to buy or taste wine. Most cellar door visitors can be regarded as potential or actual wine consumers who are in search of a hedonic experience created around wine. It is evident that cellar door visitors seek “added value” from their winery visitation. By providing additional valuable elements to visitors, a complete perception of the winery as well as its wine can be established (O’Neill, Palmer, & Charters, 2002). For cellar door managers, it is important to provide a memorable cellar door experience so they can establish a long-term relationship with cellar door visitors by attracting repeat visits and purchasing of its wine (Bruwer & Alant, 2009; Bruwer, 2002).

Recent wine tourism studies have acknowledged the relevance of taking an experiential approach to understand the cellar door visitor’s consumption behavior (Bruwer & Alant, 2009; Quadri-Felitti & Fiore, 2012). Within this experiential approach, the delivery of “added value” has been advocated as a marketing strategy to achieve competitive advantage (de Chernatony, Harris, & Riley, 2000; Matthyssens & Vandenbempt, 2008). Despite the growing interest in the experiential aspect of wine
tourism consumption, the kind of “added value” that could be derived from cellar door visitation is rarely investigated.

Wine tourism is a relatively ‘young’ field within tourism and as such is not richly endowed with grounded theories and constructs. There is no previous study within the wine tourism literature that simultaneously examines the role of hedonic and utilitarian value as well as monetary value perceptions in predicting overall satisfaction and loyalty intentions. In considering that many cellar door operators still predominantly invest their money on the improvement of their wine’s technical quality to generate repeat customers, an empirical study like ours is necessary to ascertain whether cellar doors’ marketing focus should go beyond the boundary of the wine product itself to encompass experiential aspects. As far as we know, such empirical research has not been well developed in the wine tourism literature.

**Literature review and conceptual model establishment**

**Wine tourists’ value perceptions in the cellar door context**

A review of the literature reveals that there are two main approaches to the conceptualization of consumers’ value perceptions: the uni-dimensional approach and the multi-dimensional approach (Boksberger & Melsen 2011). The uni-dimensional approach treats perceived value as an overall uni-dimensional concept that can be defined as “the consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given” (Zeithaml 1988, p14). Taking this approach, the perceived value can be measured by one or a set of self-reported items reflecting a consumer’s value-for-money perception (e.g. McDougall & Levesque, 2000; Patterson & Spreng, 1997; Yang & Peterson, 2004).

In the marketing literature, a variety of terms have been employed by researchers to describe a consumer’s value-for-money perception, such as “perceived acquisition value” (Grewal, Monroe, & Krishnan, 1998), “perceived value” (Dodds, Monroe, & Grewal, 1991) or “perceived merchandise
value” (Baker, Parasuraman, Grewal, & Voss, 2002). Oliver (2010) further asserted that, the assessment of value involves two comparison processes. The first is an intra-product comparison between the perceived benefits and perceived sacrifices associated with the acquisition and using of products. The second process involves an inter-product comparison, which occurs when the value of a product is compared to its competitive alternatives.

The multi-dimensional approach theoretically broadens the value concept more comprehensively and more in depth than the uni-dimensional approach. It is suggested that the perceived benefits associated with a product should go beyond the quality-attributes to encompass emotional and social benefits (Sweeney & Soutar 2001). The perceived sacrifice should not be limited to monetary cost but also should include non-monetary costs such as time, risk or effort spent (Petrick 2002; Woodall 2003). Furthermore, researchers argue that value can be provided not only by the acquisition of products, but also by the consumption experience itself (Mathwick, Malhotra, & Rigdon 2001; Woodall 2003). In a recent study, Bruwer & Lesschaeve, (2012) found that, while wine tourists have the purpose of tasting and/or buying wines during their trips, the hedonic pleasure-seeking needs and pursuit of holiday experience are also crucial to understand what primarily motivates visitation to a wine region. Focusing on the experiential nature of customer value, Holbrook (2005, p.715) conceptually defined value as “an interactive relativistic preference experience”. According to this definition, the perceived value has four characteristics. First, it entails an interaction between the consumer and the product; Second, it is comparative, situational and personal (context-specific); Third, it embodies an attitude like preference judgment; and finally it resides in the experience of the product consumption (Holbrook, 2005).

Numerous frameworks and scales have been developed by marketing researchers to operationalize the multiple dimensions of the perceived value (See Sánchez-Fernández & Iniesta-Bonillo, (2007) and Boksberger & Melsen, (2011) for a comprehensive review). Among the
various attempts to measure the perceived value, the personal shopping value scale developed by Babin, Darden, & Griffin (1994) is of particular interest for the current study. Focusing on the worth of the shopping trip itself, Babin, et al. (1994) contended that two types of value can be derived from the shopping activities: the utilitarian and hedonic shopping value. The utilitarian shopping value is task-oriented and rational in its nature. It is realized when the needed products are obtained or intended shopping purposes are fulfilled (Babin & Attaway, 2000; Griffin, Babin, & Modianos, 2000). Therefore, the utilitarian value reflects the task-related worth of a shopping experience. Unlike the utilitarian shopping value, which depicts shopping as work, the hedonic value captures the emotional and entertainment worth of the shopping experience (Babin & Attaway 2000; Babin & Kim 2001). Value in hedonic form is considered as more personal and subjective than its utilitarian counterpart and results more from the multisensory, fantasy and emotive aspects of the consumption experience (Babin, et al. 1994; Hirschman & Holbrook 1982; Shukla & Babin 2013).

In the cellar door context, Bruwer & Alant (2009) found that, in addition to the purpose of tasting or buying wine, the same visitor could also be “indulging in the atmosphere” (p249) for a pleasure-seeking and self-gratifying experience. Similarly, Roberts & Sparks (2006, p.53) found that indulgent feelings such as “relaxing”, “decadence”, and “cosy” derived from a cellar door visit were important to visitors. Consistent with this rationale, we assert that visits to cellar door could generate a variety of benefits, which should go beyond the mere acquisition of wine. In order to understand cellar door visitors’ behavioral intentions, cellar door operators have to consider not only the value offered by their wine products but also the value of the cellar door visit itself. The insights are, therefore, directed toward the total experience provided by a cellar door. Given the above perspectives in the extant literature, the present study divides cellar door visitors’ value perceptions into three aspects:
The value-for-money perception of a cellar door’s wine products, which focuses on the net gain that visitors perceive they could obtain from acquiring a cellar door’s wine products.

The hedonic value derived from visiting a cellar door, which focuses on the emotional worth of the cellar door visit.

The utilitarian value derived from visiting a cellar door, which focuses on visitors’ perceptions of how well the cellar door can meet their task-related needs.

Relationship between wine tourists’ value-for-money perceptions of a cellar door’s wine products and their overall satisfaction with the visit

Researchers have confirmed that the value-for-money perception and consumer satisfaction are two complementary, yet distinct constructs. Overall satisfaction is usually viewed as a mainly affective construct resulting from the consumer’s appraisal of the product consumption experience (Babin & Griffin, 1998; Spreng, MacKenzie, & Olshavsky, 1996), whereas the value-for-money perception is a cognitive construct mainly arising from a consumer’s trade-off perception between the quality of product and the sacrifices made to the acquisition and using of the product (Dodds et al., 1991; Grewal et al., 1998; Zeithaml, 1988).

The role of value-for-money perception as an antecedent of overall satisfaction can find its theoretical foundations from the equity theory of satisfaction. The equity judgment refers to a consumer’s perception of fairness, rightness or deservingness based on a comparison of outcomes relative to inputs (Oliver, 2010). Bolton & Lemon (1999) used the term “payment equity” to capture the consumer’s fairness perception arising from the trade-off between the economic benefits and economic costs (payment) associated with the usage of service. Their research found that, the more equitable a consumer perceives the price/usage exchange to be, the more satisfied he or she will be with the service product. Although the perceived value-for-money of a product is different from the
equity perception in that the former focuses on the perceived net gain while the latter focuses on the perceived fairness, it (the perceived value-for-money) operates in a fashion similar to the equity perception and is viewed as a broader construct than the payment equity perception (Bolton & Lemon, 1999; Olsen & Johnson, 2003). In this sense, the value-for-money perception of a product could work as a direct antecedent of overall satisfaction. In the marketing literature, a number of studies have provided empirical evidences of the direct relationship between the value-for-money perception and the consumer satisfaction across leisure, service and tourism contexts (e.g. Cronin, Brady, & Hult, 2000; Williams & Soutar 2009; McDougall & Levesque, 2000; Gallarza & Saura, 2006; Yang & Peterson, 2004). However, none of these studies were specific to wine tourism, which makes this study useful to extend our knowledge in this field. Given this, it is hypothesized that, in the cellar door context:

**Hypothesis 1:** Wine tourists’ value-for-money perceptions of a cellar door’s wine products positively influence their overall satisfaction with the visit.

The relationship between wine tourists’ hedonic and utilitarian value perceptions and their overall satisfaction with the cellar door visit

Satisfaction has been defined as “the summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer’s prior feelings about the consumption experience” (Oliver, 1981, p.27). The relationships between consumers’ hedonic and utilitarian value perceptions and overall satisfaction are rooted in two theoretical reasons. Firstly, the satisfaction literature has demonstrated that both emotions and cognitions arise from product consumption lead to a consumer’s satisfaction response (Mano & Oliver, 1993; Oliver, 1993). The hedonic value captures the emotional benefits derived from the shopping trip whereas the utilitarian value represents the consumer cognitive evaluation about the completion of the shopping task.
(Babin & Attaway, 2000). Therefore, both of them should impact a consumer’s overall satisfaction. Secondly, according to the theory of needs satisfaction, satisfaction can be resulted from fulfilling the consumer’s needs (Oliver, 2010). Taking this perspective, Jones, Reynolds, & Arnold (2006) argued that the hedonic value can be regarded as the “monovalent satisfiers” which contributes to satisfaction by fulfilling consumers’ needs in an affective manner, while the utilitarian shopping value can be regarded as the “bivalent satisfiers” which could contribute to satisfaction or cause dissatisfaction in a cognitive manner.

In the field of wine tourism, there is a paucity of research that look at the relationship between visitors’ hedonic and utilitarian value perceptions and their overall satisfaction with cellar door visitation. However, unlike a pure tourism trip, the visit to a cellar door is in fact a blend of retail shopping activity (with the purpose of buying and/or tasting wines) and a tourism trip (with the pursuit of hedonic, indulging experience around wine). Taking this consideration, a literature review from not only the tourism/leisure area but also the retailing management area is necessary for developing research hypotheses.

Previous research in the hospitality and retailing area has suggested that both hedonic and utilitarian shopping value could influence customer satisfaction. Empirically, Babin, Lee, Kim, & Griffin, (2005) reported that the higher hedonic and utilitarian value customers derived from their dining experiences, the higher their level of customer satisfaction. The restaurant dining experience shares similarities with wine tourists’ cellar door experiences due to both experiences involving the tasting/purchasing of food/wine products and the pursuit of hedonic feelings from the occasion. In the retail shopping context, Jones et al. (2006) found that both hedonic and utilitarian shopping values positively affect consumers overall satisfaction with the retailer. Kim, Galliers, Shin, Ryoo, & Kim (2012) examined factors affecting consumers’ online shopping value perceptions and their subsequent repurchase intentions. Their research shows that both the utilitarian and hedonic online
shopping values are the antecedents of consumers’ satisfaction in the prediction of their repurchase intentions. Given these findings, it is hypothesized that,

Hypothesis 2: The perceived hedonic value derived from visiting a cellar door positively influences wine tourists’ overall satisfaction with the visit.

Hypothesis 3: The perceived utilitarian value derived from visiting a cellar door positively influences wine tourists’ overall satisfaction with the visit.

The relationship between wine tourists’ value perceptions and loyalty intentions

The role of value as a major driver of loyalty intentions can find its theoretical foundations in goal and action identification theories which posit that consumers regulate their behavior to ensure the attainment of superordinate goals at the highest level (Sirdeshmukh, Singh, & Sabol, 2002). Taking this perspective, Sirdeshmukh et al. (2002) and Yang & Peterson (2004) suggested that the cost/sacrifice-based value can be viewed as a superordinate goal at higher level whereas the loyalty intentions are subordinate goals at a lower level. As long as consumers can get superior value from the marketing exchange, they will show loyalty to their partners of the exchange. Meanwhile, the concept of value as a superordinate consumer goal should go beyond the value-for-money perception to encompass the hedonic and utilitarian values of the shopping trip itself (Chiu, Wang, Fang, & Huang, 2012). Prior empirical studies also revealed that the hedonic and utilitarian shopping values were antecedents of consumers’ behavioral intentions such as positive word-of-mouth, repatronage, store switching intentions. (e.g. Demangeot & Broderick, 2007; Jones et al., 2006; Shukla & Babin, 2013; Stoel, Wickliffe, & Lee, 2004). In the marketing literature, these stated behavioral intentions can be viewed as reflective indicators of consumer’s conative loyalty (Oliver 1999, Rundle-Thiele, 2005, Yüksel, Yüksel, & Bilim 2010). In light of the preceding discussion, it is hypothesized that, in the cellar door context:
Hypothesis 4: Wine tourists’ value-for-money perceptions of a cellar door’s wine products positively influence their loyalty intentions.

Hypothesis 5: The perceived hedonic value derived from visiting a cellar door positively influences wine tourists’ loyalty intentions toward the cellar door.

Hypothesis 6: The perceived utilitarian value derived from visiting a cellar door positively influences wine tourists’ loyalty intentions toward the cellar door.

The relationship between wine tourists’ overall satisfaction with visiting a cellar door and their loyalty intentions toward the cellar door

Since consumer satisfaction is primarily an affective/emotional response in its nature (Petrick, 2004), the satisfaction-loyalty relationship is in accordance with the cognition → affect → conation loyalty phase framework proposed by Oliver (1999). Similarly, Cronin et al. (2000) suggest that the overall satisfaction as an emotional construct can mediate the influence of value perceptions on consumers’ behavioral intentions. Research in retailing and service marketing literature has shown a consistent recognition that satisfaction directly influence consumers’ behavioral intentions (Baker & Crompton, 2000; Petrick & Backman, 2002; Sweeney, Soutar, & Johnson, 1997; Yang & Peterson, 2004). Therefore, it is hypothesized that in the cellar door context:

Hypothesis 7: Wine tourists’ overall satisfaction with their cellar door visit experience positively influences their loyalty intentions toward the cellar door.

The Conceptual Model

Given the aforementioned rationale, the proposed model of this study is presented in Figure 1. It posits that, in the cellar door context, visitors’ loyalty intentions are not only induced by their value-for-money perceptions of a cellar door’s wine product but also influenced by the hedonic and utilitarian experiential value derived from the cellar door visit. This model also assumes that both
the value-for-money perception of a cellar door’s wine and the two types of experiential value will contribute to visitors overall satisfaction with the cellar door visit. The overall satisfaction, in turn will impact wine tourists’ loyalty intentions toward the cellar door. Table 1 below consolidates all hypotheses (H1 to H7) for this research.

[Insert Figure 1 here]

[Insert Table 1 here]

Method

Data Collection Procedure

The research was conducted at two cellar doors in South Australia. One is located in the wine region of Adelaide Hills, which is about 26 kilometers from the city of Adelaide. The other one is located in the Barossa Valley wine region, which is about 80 kilometers from the city of Adelaide. A URL link and a short introduction of the online survey were included as a part of the cellar doors’ newsletters, which were then emailed to customers through each cellar door’s email database. In order to mitigate the distorted influence brought by the elapse of time on visitors’ recall of their cellar door experience and help them to more accurately evaluate the performance of a cellar door, two actions were adopted: First, a screening question was designed to exclude the respondents who did not visit the cellar door in the last twelve months. The twelve-month criterion was chosen based upon Brady & Cronin’s (2001) study of consumers’ service quality perceptions. Secondly, several pictures about the cellar door and its wines were first presented to respondents in the questionnaire as reminders before asking questions about their cellar door visits. A similar practice was adopted by Altschwager, Habel, & Goodman, (2011) in their study of cellar door visitors’ responses to servicescape. In order to minimize the carry over effects caused by question order, the encompassing questions such as overall satisfaction, and value perceptions were placed before the
specific questions (cf. Olsen, 2002). An incentive was provided in order to encourage responses. The incentive offered respondents an opportunity to win a case of premium wine upon their completion of the purpose-designed, structured questionnaire.

The survey ran from June to August, 2013. The collected information was further screened for missing data and outliers. The missing data were analyzed and remedies (deleting individual cases or imputing missing data) were applied based on the extent of the missing data. Outliers were identified using both the univariate and multivariate detection methods. A further examination of these outliers was executed to determine whether these should be retentions or deletions. The guidelines instructing the data screening procedure was based on Hair et al. (2010). After the data screening process was completed, 450 valid questionnaires were retained for the final data analysis.

The present study contains two limitations that should be noted. Firstly, because of the exploratory nature of the study and the budget limitation, an online survey was conducted in two cellar doors, both located in South Australia. Hence caution should be made attempting to generalize these findings. Secondly, because of the difficulty in tracking visitors’ post-visit behaviors, the current study uses visitors’ loyalty intentions as proxy for visitors’ actual loyalty behaviors. Future research could test to what extent the model can be valid to predict visitors’ actual loyalty behaviors.

**Operationalization of Latent Constructs**

The items for each latent construct were developed by reviewing existing marketing literature. In total, 26 items were initially developed to measure the latent constructs in the proposed model. These items were then examined by a wine marketing researcher and several other wine science researchers. Any items that were identified as redundant, ambiguous or otherwise faulty were eliminated. After this process, 19 items were retained for further analysis. Table 2 lists a summary of retained measurement items and their literature sources. The five-point Likert scale ranging from
“Strongly disagree” (1) to “Strongly agree” (5) was used for the items measuring value perceptions and loyalty intentions. Overall satisfaction was measured using five-point Likert scale ranging from “Not at all satisfactory” (1) to “Very much satisfactory” (5).

Data Analysis and Results

Data Analysis

In the marketing literature, the Structural Equation Modeling (SEM) techniques have been widely applied by researchers and regarded as a quasi-standard to test the theoretical models which explain the causal relationships among a set of variables (Hair, Sarstedt, Ringle, & Mena, 2012). While applying the SEM technique, there are generally two approaches: the covariance-based SEM (CB-SEM) and the partial least square SEM (PLS-SEM). Unlike the CB-SEM technique which estimates the model parameters by minimizing the difference between the estimated and sample covariance matrices, the PLS-SEM technique focuses on maximizing the variance of the endogenous variables explained by exogenous variables (Hair, Ringle, & Sarstedt, 2011). For the present study, the PLS-SEM is preferred to the CB-SEM. There are two reasons for this choice: Firstly, the PLS-SEM is deemed as more suitable for exploratory studies (Hair, Ringle, & Sarstedt, 2011). Secondly, an examination of the distribution properties of the data collected for the present study showed that most indicator variables are to some extent ‘non-normal’. The PLS-SEM method is more robust with non-normal data than CB-SEM method (Hair et al., 2011). The data were then analyzed using the software package SmartPLS 2.0.M3.

Demographic characteristics of respondents

The demographic characteristics of respondents are summarized in Table 3. Descriptive statistical analysis showed that the percentage of male respondents is slightly higher than female respondents,
representing a proportion of 53.6% and 46.4% respectively. This gender distribution is similar to Bruwer, Saliba, & Muller’s (2011) study of Australian cellar door visitors, in which males account for 52% and females account for 48%. The majority of respondents were over 35 years old, taking up 72.5% of the total respondents. The analysis of education status revealed that most respondents (85.6%) had some form of tertiary education. In terms of their annual household incomes, more than half of the respondents had relatively high levels of household income with 27.6% earning $100,001 to $150,000 annually, 14.0% earning $150,001 to $200,000 annually and 16.2% earning more than $200,000. These characteristics are also largely consistent with those reported by Bruwer, Saliba, & Muller (2011). In addition, the analysis also revealed that most respondents were frequent wine drinkers with more than half (58.2%) of the respondents consumed wine several times a week.

Evaluation of Measurement Model

The measurement model specifies the relationships between the observed indicator variables and the latent construct. In the present study, all the constructs are operationalized as reflective. Following the suggestions of Hair et al (2011) and Hair et al. (2012), we assessed the measurement model by examining indicator reliability, internal consistency, convergent validity, and discriminant validity (Hair et al., 2011).

Indicator reliability was assessed by examining the absolute standardized factor loading of each indicator on its corresponding construct. In the first run of PLS-SEM, the results showed that, all but five of the items had factor loading above the recommended criterion of 0.707 (Hulland, 1999). The exceptions were HV2, HV4, HV5, HV6 and UV4. A close examination of their factor loadings showed that, the two reversed items--HV6 and UV4--had factor loadings of 0.475 and 0.568, which were considerably lower than the criterion of 0.707, whereas the other three items--HV2, HV4 and HV5-- had factor loadings of 0.677, 0.679 and 0.697 respectively, which were only marginally
lower than 0.707. Therefore, the two reversed items (HV6 and UV4) were eliminated while the 328 other three items (HV2, HV4 and HV5) were retained. The refined measurement model was tested 329 again. As shown in Table 4, except the factor loadings of HV2 (0.697) and HV4 (0.685) were 331 marginally lower than 0.707, all other items have factor loadings higher than 0.707. All of the factor 332 loadings were significant at $P < 0.001$.

Internal consistency reliability was evaluated by calculating the composite reliability, which is 334 deemed more suitable than Cronbach’s alpha in PLS-SEM (Hair et al., 2012). In the present study, 335 the results (Table 4) showed that the composite reliabilities of the latent constructs varied from 336 0.860 for perceived utilitarian value (UV) to 0.933 for the perception of the wine product value 337 (PV), all of which were higher than the recommended threshold of 0.70 (Hair et al., 2011). 338 Therefore, the refined measurement model showed good internal consistency.

Convergent validity was assessed by checking the average variance extracted (AVE) for each 339 latent construct. To suggest adequate convergent validity, the AVE should be greater than 0.5 341 (Fornell & Larcker, 1981). As shown in Table 5, the AVE varied from 56.3% for the perceived 342 hedonic value of cellar door visit (HV) to 82.2% for the perceived value of wine (PV). Therefore, 343 the measurement model had adequate convergent validity.

A commonly used criterion for the evaluation of discriminant validity is the Fornell–Larcker 345 criterion (Fornell & Larcker, 1981). For the present study, as shown in Table 4, the square root of 347 AVE for each construct is higher than its correlation with any other constructs. Therefore the 348 Fornell–Larcker criterion was met. To evaluate the discriminant validity, it is also necessary to 349 check the cross loadings to make sure all the items had the highest factor loading on their 350 responding construct (Hair et al., 2011; Henseler, Ringle, & Sinkovics, 2009). The results (data not 351 shown) indicated that all the measurement items had highest factor loadings on their intended
constructs. Given the above results, the measurement model demonstrated discriminant validity among constructs.

[Insert Table 5 here]

Evaluation of structural model

The reliability and validity of the measurement model allow for the evaluation of the structural model. Following the guidelines of Hair et al. (2011) and Hair et al., (2012), the following criteria were used to evaluate the structural model: the variance explained ($R^2$) for each endogenous latent construct, the predictive relevance $Q^2$.

The amount of variance explained ($R^2$) for each endogenous latent construct is a key criterion for evaluating the explanatory power of structural model. According to Hair et al. (2011), the $R^2$ values of 0.25, 0.50 and 0.75 for endogenous variables can be considered as weak, moderate and substantial respectively. In the present study, the results showed that the model could explain 54.7% of the variance of overall satisfaction, and 58.2% variance of visitors’ loyalty intentions. Therefore, the $R^2$ values indicate a moderate explanatory power of the structural model.

The predictive relevance of the proposed model was assessed by examining the Stone–Geisser’s $Q^2$ value (Geisser, 1974; Stone, 1974). In PLS-SEM, the $Q^2$ value should be bigger than zero to indicate predictive relevance (Hair et al., 2011). In the present study, using omission distance of seven, the redundancy $Q^2$ values obtained for overall satisfaction (SAT) and loyalty intentions (LOYALTY) were 0.448 and 0.395 respectively, both were considerably larger than zero, indicating that the proposed model had large predictive relevance for cellar door visitors’ overall satisfaction and loyalty intentions.

In order to test the hypothesized relationships among latent constructs, we estimated the path coefficients and the significance of all paths using the nonparametric bootstrap re-sampling procedure with 5000 sub-subsamples and individual sign change (Hair et al., 2011; Henseler et al.,
2009). Figure 2 and Table 6 shows the results of hypotheses testing. The analysis revealed that all three types of value perceptions had positive influence on cellar door visitors’ overall satisfaction and loyalty intentions. All but one path were significant at $p < 0.001$ level. The exception was the path from the perceived utilitarian value (UV) to visitors’ overall satisfaction (SAT). The $t$ value of 1.468 ($p < 0.10$) showed that only H3 should be rejected for the present study.

To further explore the relative importance of cellar door visitors’ different value perceptions in predicting their loyalty intentions, we examined the direct, indirect and total effects of each value construct on the endogenous variable--loyalty intentions. The results (Table 7) showed that all of the three types of value perceptions had statistically significant influence on cellar door visitors’ loyalty intentions ($p < 0.001$). Among them, the perceived hedonic value (HV) had largest total impact on cellar door visitors’ loyalty intentions (0.372), including a direct effect (0.253) and an indirect effect mediated by overall satisfaction (0.119). The next was the perceived value of wine, whose total effect on visitors’ loyalty intentions was slightly smaller than the perceived hedonic value (0.357 vs. 0.372). The impact of perceived utilitarian value on visitors’ loyalty intentions was lowest and entirely came from the direct effect (0.146).

Discussion and Managerial Implications

The exploratory research presented here examines the impact of various kinds of value perceptions on cellar door visitors’ behavioral intentions. The proposed model exhibits a moderate explanatory power as demonstrated by the proportions of variance explained in the key latent variables. Several findings were drawn from the research with their associated managerial implication.
The results indicate that, the perceived hedonic value derived from the cellar door visit plays the most important role in predicting visitors’ loyalty intentions, such as continuous purchasing of its wine, recommending it to people around them and/or re-visit it in the future. This finding highlights the importance of making cellar door visits fun, fanciful, exciting and relaxing. Hence, for cellar door operators, an experience/value-driven approach may be more effective than the traditional product-driven approach in establishing visitor loyalty. Just as cellar door operators always try to offer better wine products than their competitors, they also have to provide a better hedonic experience than their competitors.

The findings concerning the relationships among visitor value-for-money perception of wine, overall satisfaction and loyalty intentions indicate that, cellar door managers should not count on visitor satisfaction alone to induce visitors’ favorable behavioral intentions. They should try to devise a more competitive pricing strategy, which captures and communicates value to their visitors. While this finding is intuitively true and consistent with previous studies in service and retail marketing literature (e.g. Baker et al., 2002; Cronin et al., 2000; Yang & Peterson, 2004), it is particularly important for cellar door managers as it reminds them that simply placing emphasis on the absolute quality of their wine products may not be enough. As Mazumdar (1993, p.29) states: “Today's value-conscious customers are neither impressed by the best product nor persuaded by the lowest price alone. Instead, customer purchase decisions are often guided by a careful assessment of what benefits they obtain in exchange for the costs they incur to acquire and consume the product.”

Although the results suggest that the perceived utilitarian value may not have significant impact on cellar door visitors’ overall satisfaction, it does have a direct and significant impact on visitors’ loyalty intentions. Therefore, cellar door managers need to pay attention to improving their cellar doors’ ability to meet consumers task related needs. In the cellar door context, the sources of the utilitarian value may include but not limited to, facilitating visitors’ to make the right assessment
of wine, providing the needed wine related information, appropriate service support, improving
visitors’ wine purchasing in an efficient and convenient manager, appropriate good delivery etc. (cf.
Smith & Colgate 2007).

In addition, as the results indicated that cellar door visitors pursue diversified value during
their visits, the value scales adopted in the present study may serve as an instrument for cellar door
managers to investigate the strength of each kind of value perceived by their visitors. By doing so,
cellar door managers could more accurately analyze their customers’ cellar door experience and
develop more practical strategies. Just as Charters & Ali-Knight, (2000) stated “the ability of the
winery to differentiate their product is often assessed on their provision-rather than just the 'taste' of
the wine on offer…By adding value to the visitors' experience and thus building a closer
relationship with them they may be adding value for their own organization.” (p.75)

In summary, the results of present study provide preliminary evidence that cellar door visitors
are oriented toward the experiential aspects of the visit itself as much as pragmatic considerations in
purchasing wine. In fact, the wine marketing environment is hyper-competitive with a huge number
of wine products. A cellar door’s wine quality based-advantage can be quickly imitated and
surpassed by competitors. For cellar door managers, their marketing differentiation strategy needs
to extend beyond the boundary of product focus to facilitate the creation of experience-based value.
The “added value” generated during a cellar door visit can provide extra competitive advantage for
the cellar door to differentiate itself from their competitors. By introducing the tourism aspect into
the wine tasting/purchasing process in cellar door context, wine tourists’ loyalty intention toward a
cellar door could be strengthened. This is because the whole wine tourism experience adds not only
monetary value, but more importantly, the hedonic and utilitarian experiential value to cellar door
visitors. This kind of value driven approach, requires “a focus not on the wine, but on the people
that are responsible for adding value to it and giving it its true brand value” (Hall & Mitchell, 2008,
Therefore, cellar doors should strive to facilitate not only the creation of monetary value, but also the hedonic and utilitarian experiential value on a consistent basis to maintain visitor satisfaction and enhance customer loyalty.

REFERENCES


<p>| Hypothesis 1: | Wine tourists’ value-for-money perceptions of a cellar door’s wine products positively influence their overall satisfaction with the visit. |
| Hypothesis 2: | The perceived hedonic value derived from visiting a cellar door positively influences wine tourists’ overall satisfaction with the visit. |
| Hypothesis 3: | The perceived utilitarian value derived from visiting a cellar door positively influences wine tourists’ overall satisfaction with the visit. |
| Hypothesis 4: | Wine tourists’ value-for-money perceptions of a cellar door’s wine products positively influence their loyalty intentions. |
| Hypothesis 5: | The perceived hedonic value derived from visiting a cellar door positively influences wine tourists’ loyalty intentions toward the cellar door. |
| Hypothesis 6: | The perceived utilitarian value derived from visiting a cellar door positively influences wine tourists’ loyalty intentions toward the cellar door. |
| Hypothesis 7: | Wine tourists’ overall satisfaction with their cellar door visit experience positively influences their loyalty intentions toward the cellar door. |</p>
<table>
<thead>
<tr>
<th>Items of latent constructs</th>
<th>Literature sources</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Value-for-money Perception of A Cellar Door’s Wine Products (PV)—3 items</strong></td>
<td></td>
</tr>
<tr>
<td>PV1: Overall, this cellar door offers wines that are worth their prices;</td>
<td>Wu &amp; Liang (2009)</td>
</tr>
<tr>
<td>PV2: Overall, the value of its wines compares favourably to other cellar doors;</td>
<td>Ruiz, Gremler, Washburn, &amp; Carrión, (2008)</td>
</tr>
<tr>
<td>PV3: Overall, I consider its wines to be a good buy;</td>
<td>Dodds et al. (1991)</td>
</tr>
</tbody>
</table>

| **The Perceived Hedonic Value of Visiting A Cellar Door (HV)—6 items** | |
| HV1: Visiting this cellar door gave me pleasure; | Duman & Mattila, (2005); Otto & Ritchie, (1996); |
| HV2: Visiting this cellar door truly felt like an escape; | Babin et al., (1994); Jones et al. (2006); Yüksel, (2007); |
| HV3: The time spent at this cellar door was truly enjoyable. | |
| HV4: I enjoyed visiting this cellar door for its own sake, not just for the items I may have purchased; | Duman & Mattila, (2005); Otto & Ritchie, (1996) |
| HV5: Visiting this cellar door was something I felt relaxed about; | Babin et al., (1994); Jones et al. (2006); |
| HV6: Visiting this cellar door was not a very nice time out (reversed)*; | |

| **The Perceived Utilitarian Value of Visiting A Cellar Door (UV)—4 items** | |
| UV1: I accomplished just what I wanted to while I was at this cellar door; | Babin et al., (1994); Yüksel, (2007); |
| UV2: I couldn’t get what I really needed at this cellar door (reversed)*; | |
| UV3: While visiting this cellar door, I found just the wine I was looking for; | |
| UV4: I was disappointed because I had to go to another cellar door to complete my wine purchasing (reversed)*; | |
### Overall Satisfaction (SAT)--2 items

SAT1: Overall how would you describe your experience at this cellar door?  
Bigne, Sanchez, & Sanchez (2001);

SAT2: I am satisfied with my experience at this cellar door;  
Oliver (2010);

### Loyalty Intentions (LTY)--4 items

LTY 1: I will recommend this cellar door to my friends or relatives;  
Rundle-Thiele (2005);

LTY2: I will continue to purchase wines made by this winery in the future;  
Sirohi, McLaughlin, & Wittink (1998);

LTY3: I probably will revisit this cellar door the next time I travel to this region;  
Soderlund & Ohman (2003);

LTY4: I will continue to be a loyal customer of this cellar door;  
Fullerton (2005);

Note: * indicated reversed items
### Table 3
Demographic Characteristics of Respondents

<table>
<thead>
<tr>
<th>Demographic characteristics</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>53.6</td>
</tr>
<tr>
<td>Female</td>
<td>46.4</td>
</tr>
<tr>
<td><strong>Age group</strong></td>
<td></td>
</tr>
<tr>
<td>18~24</td>
<td>3.1</td>
</tr>
<tr>
<td>25~34</td>
<td>24.4</td>
</tr>
<tr>
<td>35~45</td>
<td>23.6</td>
</tr>
<tr>
<td>46~54</td>
<td>20.0</td>
</tr>
<tr>
<td>55~65</td>
<td>20.9</td>
</tr>
<tr>
<td>65+</td>
<td>8.0</td>
</tr>
<tr>
<td><strong>Household annual income (pre-tax)</strong></td>
<td></td>
</tr>
<tr>
<td>less than AU $ 25,000</td>
<td>0.9</td>
</tr>
<tr>
<td>AU $ 25,001 to AU $ 50,000</td>
<td>6.9</td>
</tr>
<tr>
<td>AU $ 50,001 to AU $ 75,000</td>
<td>14.7</td>
</tr>
<tr>
<td>AU $ 75,001 to AU $ 100,000</td>
<td>19.8</td>
</tr>
<tr>
<td>AU $ 100,001 to AU $ 150,000</td>
<td>27.6</td>
</tr>
<tr>
<td>AU $ 150,001 to AU $ 200,000</td>
<td>14.0</td>
</tr>
<tr>
<td>AU $ 200,000 plus</td>
<td>16.2</td>
</tr>
<tr>
<td><strong>Education status</strong></td>
<td></td>
</tr>
<tr>
<td>School Leaver’s Certificate (15 yrs+)</td>
<td>7.3</td>
</tr>
<tr>
<td>HSC</td>
<td>7.1</td>
</tr>
<tr>
<td>TAFE certificate/diploma</td>
<td>23.1</td>
</tr>
<tr>
<td>Bachelor’s degree</td>
<td>26.2</td>
</tr>
<tr>
<td>Graduate/Postgraduate diploma</td>
<td>17.8</td>
</tr>
<tr>
<td>Master’s degree</td>
<td>12.7</td>
</tr>
<tr>
<td>Doctorate degree</td>
<td>3.3</td>
</tr>
</tbody>
</table>
### Household monthly spend on wine

<table>
<thead>
<tr>
<th>Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>AU $100 or less</td>
<td>40.5</td>
</tr>
<tr>
<td>AU $101–200</td>
<td>32.9</td>
</tr>
<tr>
<td>AU $201–300</td>
<td>12.6</td>
</tr>
<tr>
<td>AU $301–400</td>
<td>4.4</td>
</tr>
<tr>
<td>AU $400+</td>
<td>9.6</td>
</tr>
</tbody>
</table>

### Wine drinking frequency

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Every day</td>
<td>22.4</td>
</tr>
<tr>
<td>A few times a week</td>
<td>58.2</td>
</tr>
<tr>
<td>Once a week</td>
<td>14.2</td>
</tr>
<tr>
<td>Once a fortnight</td>
<td>3.3</td>
</tr>
<tr>
<td>Once a month</td>
<td>0.9</td>
</tr>
<tr>
<td>Less often than once a month</td>
<td>0.9</td>
</tr>
</tbody>
</table>

### Past visits frequency

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>One time</td>
<td>30.0</td>
</tr>
<tr>
<td>2~3 times</td>
<td>29.6</td>
</tr>
<tr>
<td>4~5 times</td>
<td>19.8</td>
</tr>
<tr>
<td>6~10 times</td>
<td>10.4</td>
</tr>
<tr>
<td>More than 10 times</td>
<td>10.2</td>
</tr>
</tbody>
</table>
### Table 4
Factor Loadings, Composite Reliability and Average Variance Extracted

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Items</th>
<th>Factor Loading</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Value-for-money Perception of A Cellar Door’s Wine Products (PV)</td>
<td>PV1</td>
<td>0.935</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PV2</td>
<td>0.913</td>
<td>0.933</td>
<td>82.2%</td>
</tr>
<tr>
<td></td>
<td>PV3</td>
<td>0.870</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HV1</td>
<td>0.839</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HV2</td>
<td>0.697</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Perceived Hedonic Value of Visiting A Cellar Door (HV)</td>
<td>HV3</td>
<td>0.710</td>
<td>0.865</td>
<td>56.3%</td>
</tr>
<tr>
<td></td>
<td>HV4</td>
<td>0.685</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HV5</td>
<td>0.710</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HV6*</td>
<td>dropped</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>UV1</td>
<td>0.856</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Perceived Utilitarian Value of Visiting A Cellar Door (UV)</td>
<td>UV2</td>
<td>0.715</td>
<td>0.860</td>
<td>67.4%</td>
</tr>
<tr>
<td></td>
<td>UV3</td>
<td>0.882</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>UV4*</td>
<td>dropped</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall Satisfaction (SAT)</td>
<td>SAT1</td>
<td>0.866</td>
<td>0.878</td>
<td>78.3%</td>
</tr>
<tr>
<td></td>
<td>SAT2</td>
<td>0.903</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>LTY 1</td>
<td>0.796</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loyalty Intentions (LTY)</td>
<td>LTY 2</td>
<td>0.806</td>
<td>0.882</td>
<td>65.1%</td>
</tr>
<tr>
<td></td>
<td>LTY 3</td>
<td>0.776</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>LTY 4</td>
<td>0.847</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: All the items were significant at p<0.001 level; * indicates dropped items;
Table 5

Discriminant Validity

<table>
<thead>
<tr>
<th>Variable</th>
<th>PV</th>
<th>HV</th>
<th>UV</th>
<th>SAT</th>
<th>LTY</th>
</tr>
</thead>
<tbody>
<tr>
<td>PV</td>
<td>(0.907)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HV</td>
<td>0.552</td>
<td>(0.750)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UV</td>
<td>0.539</td>
<td>0.486</td>
<td>(0.821)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAT</td>
<td>0.646</td>
<td>0.654</td>
<td>0.473</td>
<td>(0.885)</td>
<td></td>
</tr>
<tr>
<td>LTY</td>
<td>0.642</td>
<td>0.640</td>
<td>0.520</td>
<td>0.675</td>
<td>(0.807)</td>
</tr>
</tbody>
</table>

Notes: The numbers in the brackets are the square root of AVE for each construct. The correlations between constructs are presented in the lower triangle of the matrix.
### Table 6
Results of Hypothesis Testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path coefficients (standardized)</th>
<th>t values</th>
<th>Supported or not</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: PV → SAT</td>
<td>0.383*</td>
<td>8.593</td>
<td>Yes</td>
</tr>
<tr>
<td>H2: HV → SAT</td>
<td>0.409*</td>
<td>9.308</td>
<td>Yes</td>
</tr>
<tr>
<td>H3: UV → SAT</td>
<td>0.068</td>
<td>1.468</td>
<td>No</td>
</tr>
<tr>
<td>H4: PV → LTY</td>
<td>0.246*</td>
<td>5.543</td>
<td>Yes</td>
</tr>
<tr>
<td>H5: HV → LTY</td>
<td>0.253*</td>
<td>5.170</td>
<td>Yes</td>
</tr>
<tr>
<td>H6: UV → LTY</td>
<td>0.126*</td>
<td>2.932</td>
<td>Yes</td>
</tr>
<tr>
<td>H7: SAT → LTY</td>
<td>0.291*</td>
<td>5.818</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Note: * indicates p<0.001, bootstrap sample=5000, individual sign change
Table 7
Direct, Indirect and Total Effect of Wine Tourists’ Value Perceptions on Their Loyalty Intentions

<table>
<thead>
<tr>
<th>Exogenous variable</th>
<th>Direct effect</th>
<th>Indirect effect</th>
<th>Total effect</th>
<th>t value for total effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Value-for-money Perception of A Cellar Door’s Wine Products (PV)</td>
<td>0.246</td>
<td>0.111</td>
<td>0.357</td>
<td>8.344*</td>
</tr>
<tr>
<td>The Perceived Hedonic Value of Visiting A Cellar Door (HV)</td>
<td>0.253</td>
<td>0.119</td>
<td>0.372</td>
<td>8.447*</td>
</tr>
<tr>
<td>The Perceived Utilitarian Value of Visiting A Cellar Door (UV)</td>
<td>0.126</td>
<td>---</td>
<td>0.146</td>
<td>3.144*</td>
</tr>
</tbody>
</table>

Note: --- indicates that the indirect effect was not calculated because the hypothesized relationship between UV and SAT was rejected. * indicates p<0.001
The Perceived Hedonic Value of Visiting A Cellar Door (HV)

The Value-for-money Perception of A Cellar Door’s Wine Products (PV)

The Perceived Utilitarian Value of Visiting A Cellar Door (UV)

Overall Satisfaction (SAT)

Loyalty Intentions (LTY)

H1

H2

H3

H4

H5

H6

H7
Note: Dashed line indicates the non-significant relationship. PV: The Value-for-money perception of a Cellar Door’s wine products; HV: The perceived hedonic value of visiting a cellar door; UV: The perceived utilitarian value of visiting a cellar door; SAT: Overall satisfaction; LTY: Loyalty intentions.