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A Review of the Web Sites of Small Australian Wineries: Motivations, Goals and Success

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A Review of the Web Sites of Small Australian Wineries: Motivations, Goals and Success

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Abstract

Many Australian small and medium sized businesses have websites that offer a range of facilities for the consumer: information provision, online ordering, and community participation. In a study carried out on Australian winery web sites, it was observed that the smaller the winery, the less likely it was that it had a web site. However, those small wineries that do have web sites seem to be more innovative and are more likely to offer a wider range of Internet facilities than other small business web sites. This is almost the opposite of the general trend where the smaller the business the less innovative it is likely to be. An email interview conducted with owners of a sample of the wineries, indicated that the reason for this is the need for smaller wineries to attract a larger market, perhaps at a lower cost. This stage of the study indicated that there is also a lack of planning going into web site implementation and maintenance. Recommendations are made for governments and industry bodies to improve the level of understanding of the benefits of the Internet to small wineries in general, and to impress upon them the need for planning for their implementation and upkeep. These findings are important for the opportunities that they provide to the many small wineries that have not created a website and may provide the catalyst for some of them to do so.

Keywords

Small business; wineries; Internet; web sites; content; study

E-commerce is a growing aspect of modern consumer and business interactions. Australian businesses are being encouraged, by both State and Federal governments to embrace this new mode of doing business. As of February 2000 a general survey of Australian small and medium sized businesses found that some 60% of small and 89% of medium businesses were using the Internet [37]. This study was quite a general one and we wanted to examine a specialist sector of the small business market – wineries to see how it compared to the overall picture. This paper sets out the aspects of Internet usage we surveyed: information provision, ordering and sales, and opportunities for wine-lovers to become part of the online community. Some of the results reveal a few surprising trends.

We firstly discuss general aspects of wine on the Internet and the opportunities available to businesses that choose to use the Internet to enhance their business. Next we focus on wineries as small businesses on the Internet and then discuss the results of a study of the features of winery websites. Finally, there is an attempt to draw some conclusions and point to directions our future research will take.

1 Wineries as Internet Businesses

This section profiles the online wine consumer and examines the types of features that a winery could provide on its web site to attract sales of its goods.

1.1 The Online Wine Consumer

The online sale of wine is becoming a large industry. In 1998, online sales were estimated to be between \$US100-150 million [35]. The categories of consumers that purchase wine are not unlike the categories of consumers that are prepared to purchase goods over the Internet, so the two areas fit together well. A recent North American survey [28] found that most wine and beer manufacturers target men and women aged 21 to 35 years old. The most regular customers of the Australian online wine seller, Wine Planet, are well educated people with annual salaries of more than \$A60,000 (around \$US35,000) [20]. The more frequent online shoppers are highly educated, in professional occupations and aged between 25 to 35 years old [40].

In targeting consumers, beer and wine manufacturers generally outlay a higher proportion of their advertising budget on the Internet than other drink manufacturers. It occupies \$US0.13 of the advertising dollar, compared with print advertising (\$US0.50) and radio/event sponsorship (\$US0.21) [28].

There are three primary ways that a customer can buy wine over the Internet:

1. From a ‘general’ third party distributor, such as www.macy.com, who sell wine as part of a number of products that they sell.
2. From a ‘dedicated’ wine distributor, such as www.winetoday.com, an award-winning site with some 1700 wines from more than 400 wineries. These sites can offer information tailored to the wine industry [13]. One problem facing these types of sites is that potential customers can visit them to find comparative wine information and then use that information to make a purchase at their local liquor store ([21]; [20]).
3. Direct from the manufacturer (the winery’s own web site). Some 65% of breweries and wineries have web sites [27].

A South Australian Tourism Commission Report discovered a strong relationship between visits to wineries and purchases of the visited wineries’ wines during the visit [31]. All of this would tend to

indicate that an innovative winery wanting to increase cellar door sales should also examine the possibility of using the Internet to lure potential customers to their winery.

1.2 The Online Winery: Other than Sales, What to Offer?

Most wineries will set up a web site to assist with sales. If those sales do not occur online, they must occur through more traditional means (such as direct purchases at the winery or through a distributor). There are a number of features that can be implemented on a web site to assist with this.

1.2.1 Information

It is very inexpensive to provide basic information about the winery on a web site. At the very least, firms should promote their goods on their own web sites. They can do this by [6]:

- Supplying information about new offerings.
- Emphasising successes.
- Communicating interesting events.

Most winery web sites provide information about wines. Consumers are able to research these sites at their leisure, and can take time to make purchasing decisions ([34]; [20]). The Internet is a perfect medium for consumers to research wines in such a way. Many wine drinkers like to learn more about wine and the Internet is ideal as a tool for publishing such information in a timely manner ([18]; [7]; [20]). One of the problems with the traditional wine literature is that it is often out of date by the time it reaches the bookshop shelves [7]. Other, more advanced (and expensive) features can be set up on the web site to provide information for the consumer. For instance, Jacob's Creek allows consumers to take a 'virtual tour' of its Australian Vineyards [4].

1.2.2 Quality/ Branding

Brands create a basis for trust between a business and its customers. A business dealing with consumers over the Internet may require even stronger branding because the nature of hypertext makes it so easy for them to look elsewhere. In a physical location, such as a bottle shop or wine cellar, the customer would have to *move* to another location to consider another firm's product [6].

Branding is important on the Internet. Consumers will still generally buy brands that they know and trust [18]. A business should attempt to develop a particular logo, product identity or phrase that allows customers to relate to it on the Internet, as they would in the traditional mass media [36]. Whether this is the same brand that the business uses in its traditional market areas is a matter of conjecture. Birch et al. [6] argue that in most cases firms should consider setting up new brand names for operating over the Internet because:

- Consumers favour *young, modern brands* as the Internet is a young, modern medium.
- A new Internet brand may avoid damage to the *integrity of established brands*. Due to the nature of the Internet, a firm may have to offer its Internet brand at a lower cost than its established brands. Also, damage may be avoided if the Internet initiative is regarded as a failure. The established brand may not be affected.

- An Internet brand should be *capable of operating internationally* if that eventuates. A nationally recognised brand or a brand name that is somehow locally linked may not be suitable for international marketing.

There are some limited cases where the firm should use an established brand on the Internet [6]:

- Where the firm feels that the established brand is strong enough to counter *another firm's competitive lead* on the Internet.
- An established brand offers opportunities for *leveraging marketing activities with the traditional business*. For example, cross promotion can occur on the Internet and in traditional advertising areas for the firm (as indicated elsewhere in this section).

E&J Gallo winery has been able to build a brand name as a vineyard with some of the best new wines at affordable prices by printing an email address on each bottle and promptly replying to customer emails. This has provided valuable information about customer viewpoints of the vineyard's offerings [9]. It should also be pointed out that Gallo's is one of the largest wine businesses in the U.S. and would presumably have the resources available to do this.

1.2.3 Communities, Participation and Personalisation

1.2.3.1 Communities

The concept of 'building communities' on the Internet as a means of attracting visitors to a web site is an important one. Firms offering their site as the centrepiece for such a service can delineate their community a number of ways. Some of these are [25]:

- Geographic communities (such as a site that provides local information and chat)
- Special interest communities (such as specific sports, camping, appliances – or whatever the interests of the target market). Wine enthusiasts fall within this category and are therefore ideal candidates.

1.2.3.2 Personalisation

The major success factors in attracting new customers via the Internet are Internet promotion and website design. The major success factors for keeping existing customers are developing individual customer relationships and customer-oriented business processes [6].

In traditional mass media, attempts at targeted campaigns are very inefficient. One of the major advantages of Internet marketing is the opportunity available to firms to tailor (or personalise) their products and/or services to individuals. Products are tailored on an individual basis rather than on a mass level [36]. By gradually building customer profiles, the business may be able to eventually target individual customers. Electronic mail provides an instant and simple way in which to communicate with these customers [22].

1.2.3.3 Community and Personalisation Opportunities for Wineries

Customers react well to being treated as an individual and to have the chance to join ‘exclusive’ clubs that provide special services. Winetoday.com has introduced a number of personalised features. Members of the web site receive an email whenever a wine of the type they are interested in is added to their wine review database. Also, a program can be downloaded which operates on Palm Pilot handheld computers. Members can take reviews with them to stores or restaurants to help them with wine purchasing decisions [13]. Madaboutwine.com provides an ‘ask the expert’ feature, where web browsers can ask a specific wine-related question via email and receive an informed response within a day or so [38]. A competitor, the CERT group, notify customers about particular wines via email and WAP (Wireless Application Protocol) [10].

A level of specialisation approaching personalisation is to offer different web sites according to location. ChateauOnline, an online wine seller, have separate sites for the United Kingdom, France and Germany, with plans for other countries. The content is tailored for particular countries (for instance, recipes for ‘bangers and mash’ in the United Kingdom and foie gras in France) [15]. The Australian Jacob’s Creek site allows browsers to indicate their country (there are 21 to choose from) and be connected to a site containing specific tasting notes and food and wine matches [4].

2 Wineries as Small Businesses on the Internet

This section examines the category of wineries that are the focus of this paper, Australian small wineries. It examines small business use of the Internet, with an emphasis on the manufacturing industry and rural areas, two categories that a small winery is likely to fit into.

2.1 Using the Internet

A study of Australian small businesses by Telstra Corporation [37] determined that a business is ‘small’ if it has 1-19 employees. Some 75% of small businesses were using the Internet at the time of the study (April/May 2001), this proportion having increased from 5% in the 1995 study.

Table One: Levels of Internet Usage in Small and Medium Businesses (Source: Telstra Corporation, 2001).

Classification	Level of Internet Usage (%) – All businesses
1-2 employees	69
3-4 employees	86
5-9 employees	79
10-19 employees	89
Total Small	75
20-99 employees	95
100-200 employees	99
Total Medium	95

A business is generally more likely to have connected to the Internet if it has more employees. Levels of Internet usage in the manufacturing industry are slightly less than those in businesses overall.

2.2 *Having a Web Site*

The Telstra Corporation study also showed that nearly one in three Australian small businesses have web sites. Businesses that did not have a web site believed that they did not have access to the skills they need to design, build and maintain web sites [37].

For those with web sites, the main reasons for setting them up were competitive pressures, either as a reactive measure against competitors with web sites, or as a proactive measure to promote the business, providing information about products and services and the firm or for online ordering and payment. Resistance to web site adoption came in the form of a lack of understanding of the available benefits, doubt about the benefits a web site could provide, cost and the availability of the skills and time needed to set it up [37].

2.3 *Online features*

Close to all Australian small and medium businesses with web sites advertise their products and services (that is, provide information as described earlier), over half take orders and approximately 40% accept payments. Once they have made the decision to adopt a web site, medium business are no more likely to advertise, take orders and receive payments over the Internet than small business (figures derived from Telstra Corporation [37]).

Small and medium businesses sell to local customers (79%), intrastate customers (62%), interstate customers (62%) and overseas customers (47%) [37].

2.4 *A Background of the Australian Wine Industry*

The Australian wine industry has undergone a renaissance over the last twenty years. Australian winegrowers and the wine industry widely being regarded as having global best practice in wine making and viticulture. Australia produces 2% of world wine, but holds 2.4% of the world wine market and 3.5% by value. 32% of Australian production is now exported (2% in the mid 1980's) ([2]; [17]).

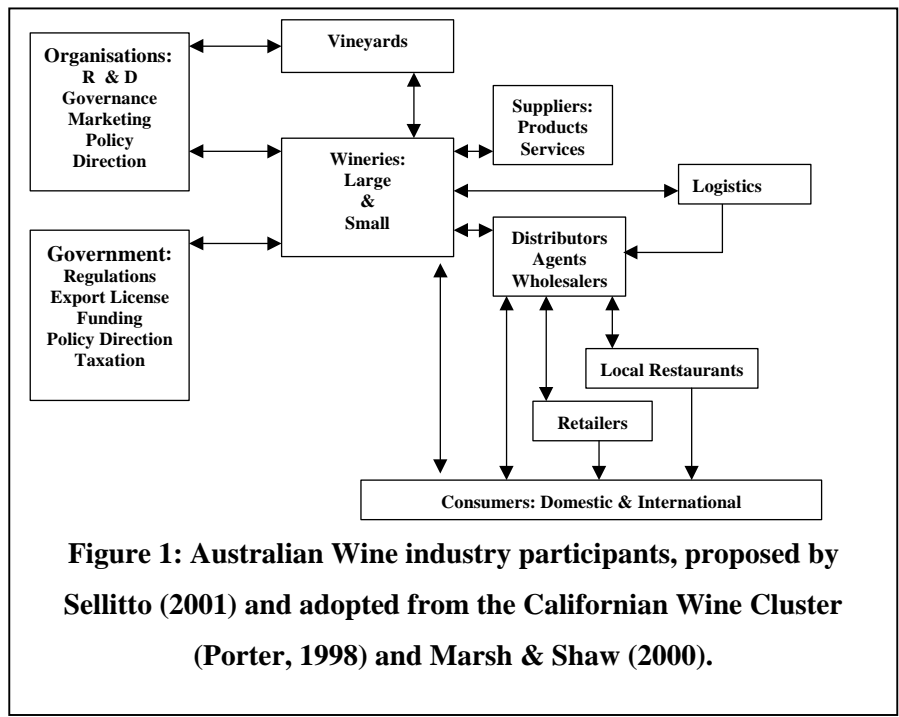
The last five years has been extremely successful for the industry with wine exports contributing some \$1.6 billion to the national economy to the end of June, 2001 [1]. In 1995, a comprehensive analysis of the entire wine industry was undertaken and coordinated by the Australian Wine Foundation, leading to the development of the industry's 30-year plan— Strategy 2025. Strategy 2025 provided a broad national blueprint for progress toward the target of \$4.5 billion in annual sales by 2025 by being the world's most influential and profitable supplier of branded wines, pioneering wine as a universal first choice lifestyle beverage ([19]; [17]; [24]).

Since 1998 the grape crush has increased some twelve fold, whilst in the same period the number of wineries has increased by 350—many of these new wineries being small in size. The industry structure is such that the top four wine groups (Southcorp Wines, BRL Hardy, Orlando Wyndham and Beringer Blass) account for some 70% of the wine production, with the top 20 wine producers accounting for some 90% of annual brand wine output [3]. Australian wineries (n=1318) are predominantly small to medium (SME) size rural businesses, which collectively interact with a cluster of specific industry suppliers (n=793), wine organisations (n= 269) and industry distributors (n=180). Sellitto [32] proposed a cluster arrangement for Australian wineries in the state of Victoria depicted in Figure One.

Figure One: Australian Wine Industry Participants, proposed by Sellitto (2001) and adopted from the Californian Wine Cluster (Porter, 1998) and Marsh & Shaw (2000).

There are four major online wine distributors – Wine Planet, Wine Pros, Coles Myers Vintage Cellars and Cellarmaster Wines [12]. These are mainly distributors for the larger wineries. Another site, Winerobot.com, will search each of these for the cheapest site! A ‘portal’ site, Worldwidewine, covers 300 Australian wineries and also wholesale distributors, retailers and customers. It also has a wine club.

The site lists details of each winery and has a searchable wine database in its Wine2go companion site (information provision). Remember these are websites that specialise in marketing wines from many wineries. What we set out to do was study wineries that actually have websites.



3 The Study

The aim of the study was to conduct a review of the web sites of Australian wineries (especially smaller wineries), compare them to other Australian small businesses and investigate some of the reasons for the differences (if any).

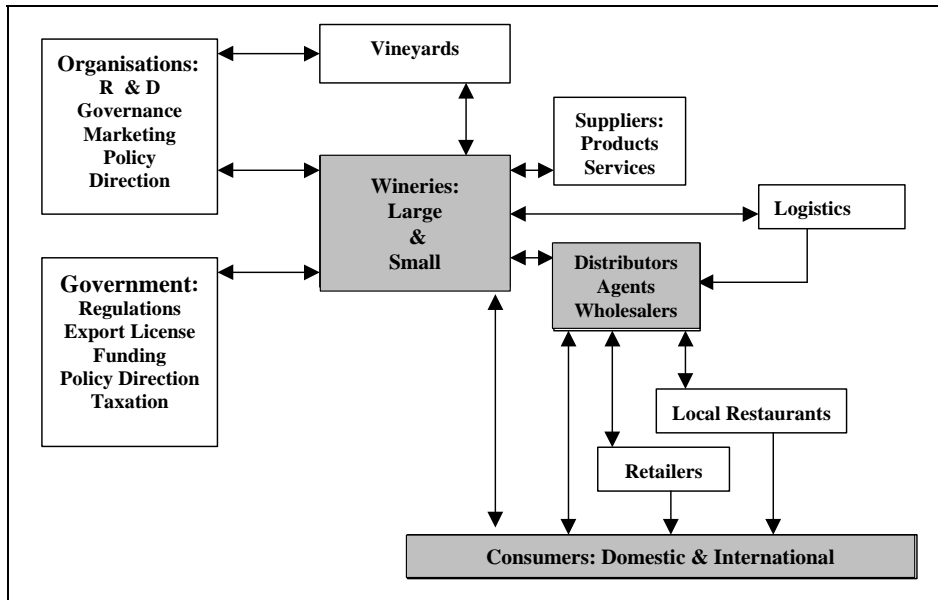


Figure Two: Context of the Study in Relation to the Sellitto (2001) Model

In the context of the Sellitto Model (refer Figure One), the main concern of the study is the relationship between wineries and their customers. The nature of the study also overlaps the sales of wine to consumers by distributors. These groups are represented in Figure Two.

3.1 Phase One: Review of the Web Sites of Australian Wineries

James Halliday’s Wine Companion CD (2000) [16] contains a comprehensive list of all most all wineries in Australia and New Zealand, listing 1210 wineries. Of those, 126 (10.4%) are listed as having web sites. This is much less than the average for even Australian **small** businesses (25%). A review of each of these sites occurred in January, 2001 by attempting to browse each site. Of the 126 web site links, 13 of the links did not lead to web sites, five were ‘under construction’, two lead to a site that was not the winery and one would only allow access to members. This meant that 105 of the sites could be visited.

3.1.1 Method of Classification

There seems to be no universally agreed method of classifying wineries in terms of size. Wineries do not generally list number of employees. In fact, this would be a fairly misleading statistic as most use seasonal labour and/or families and friends for the harvest. The South Australian Tourism Commission Report mentions amongst other things: production of premium wine grapes, number of wine awards

won, wine production areas, tonnes of grapes crushed, area of vineyards and volume of wine exports [31]. A report on the profitability of investing in a small vineyard and winery considers a small winery to be 10 – 60 hectares [11]. Vineyard output or yield is considered an important statistic and is connected with wine quality. Yield is measured either as weight of grapes/per unit of land or as a volume measurement per unit of [30]. But, of course, not all vineyards make wine. They may supply wineries with quality grapes for vinification. John Beeston, in his book ‘A Concise History of Australian Wine’ uses the average tonnes of grapes crushed per year as an indicator of winery output but like most wine writers does not attempt to use this to categorise size [5]. Tonnes of grapes crushed will give an indication of the size of the operation but does not give an idea of the area covered by the winery and as mentioned before wineries may buy in grapes to be crushed. The indicator we used and one used by writers such as Forrestal [14] and on James Halliday’s Wine Companion CD (2000) [16] is the number of cases produced per annum. The annual production figures were not provided in Halliday’s Wine Companion for 19 wineries, usually the larger wineries (this was known by reputation). This left 86 web sites for analysis.

Table Two: Classification of Winery Size Based on Output.

Classification	Output (cases per annum)	Number of Web Sites Accessible
Hobby	<2000	16
Micro	2000-9999	28
Small	10000-49999	21
Medium	50000-200000	12
Large	200000+	9

It is common for small businesses with 1-5 employees to be classified as ‘micro’ businesses. The authors felt that it was useful to introduce a category of wineries before this, ‘hobby’, for the smallest wineries. Using this classification we then tabulated the Internet features each winery website had.

3.1.2 Identifying Web Site Features

There has been some previous research into the features of web sites. A year 2000 Asia/Pacific study in Amsterdam examined the content of web sites for the purpose of developing standards for Internet storefronts [39]. Other studies have examined the quality and reliability of web site content [26]. A ‘competitor comparison matrix’ approach to classifying web site content in multiple businesses was introduced by Burgess and Schauder [8]. In this approach, a matrix is developed with the various businesses to be investigated being represented by columns and the possible Internet features they may have listed in rows. When a business has implemented a particular feature a cross is placed in the corresponding ‘business column’ and ‘Internet feature row’. The crosses in each row can then be counted and compared with the total number of business web sites being investigated.

This approach was used to classify web site content in the first part of this study to determine if they had implemented the following features:

3.1.2.1 *Information*

General Information - About the business (descriptive), Latest News, Press Releases, Map of the area

Product Information - About the wines, Customer reviews

Contact Information - Email address, Business address, Telephone, Fax

3.1.2.2 *Ordering and Sales*

Option to print an order form and send or fax it in

Fill in online form, which is then emailed to the winery

Order direct by through email link

Online interactive ordering and payment

3.1.2.3 *Community*

Membership club or Mailing List

A few other features were discovered, but only the above will be reported.

3.2 *Phase One Results*

3.2.1 **Information**

3.2.1.1 *General Information*

The following table shows the breakdown of wineries that displayed some type of general information on their web site.

Table Three: Percentage of Australian Wineries with General Information on their Web Site

Classification	About the Business	News	Press Releases	Map
Large	89%	78%	22%	22%
Medium	83%	75%	25%	42%
Small	81%	62%	0%	24%
Micro	79%	50%	11%	32%
Hobby	62%	38%	6%	44%

As expected, the majority of wineries provided some type of information, mostly about the business. Large and Medium wineries were more likely to provide 'latest news' and 'press releases', probably because they were more likely to have them! Less than two thirds of hobby businesses provide even basic information about the business.

3.2.1.2 *Product Information*

Table Four shows the breakdown of wineries that displayed some type of product information on their web site.

Table Four: Percentage of Australian Wineries with Product Information on their Web Site

Classification	About the wines	Customer reviews
Large	89%	22%
Medium	92%	17%
Small	95%	33%
Micro	71%	18%
Hobby	62%	12%

Again, the level of information provided about products drops off for Micro and Hobby wineries. They could be missing out on an opportunity to inform potential customers about their products.

3.2.1.3 *Business Contact Information*

The Internet provides an opportunity for a business to tell its customers how to contact it. The following table shows the breakdown of Australian wineries that displayed some type of business contact information on their web site.

Table Five: Percentage of Australian Wineries with Business Contact Information on their Web Site

Classification	Email	Address	Telephone	Fax
Large	100%	100%	100%	100%
Medium	92%	92%	75%	75%
Small	86%	90%	90%	86%
Micro	93%	93%	93%	89%
Hobby	100%	100%	100%	100%

There seems to be no ‘size related’ reason as to why a business would not provide contact details. All web sites had at least one type of contact information. It is interesting that there were a few web sites that neither included address nor telephone contact details!

3.2.2 Ordering and Sales

Table Six shows the breakdown of Australian wineries that allowed some type of ordering and/or sales to occur on their web site. The first column, Print Order Form and Fax’ did not allow submission of the order through the web site. The final column, Total ‘Online’ Ordering, represents the percentage of wineries that had some type of online sales (refer the previous three columns). The total of the previous

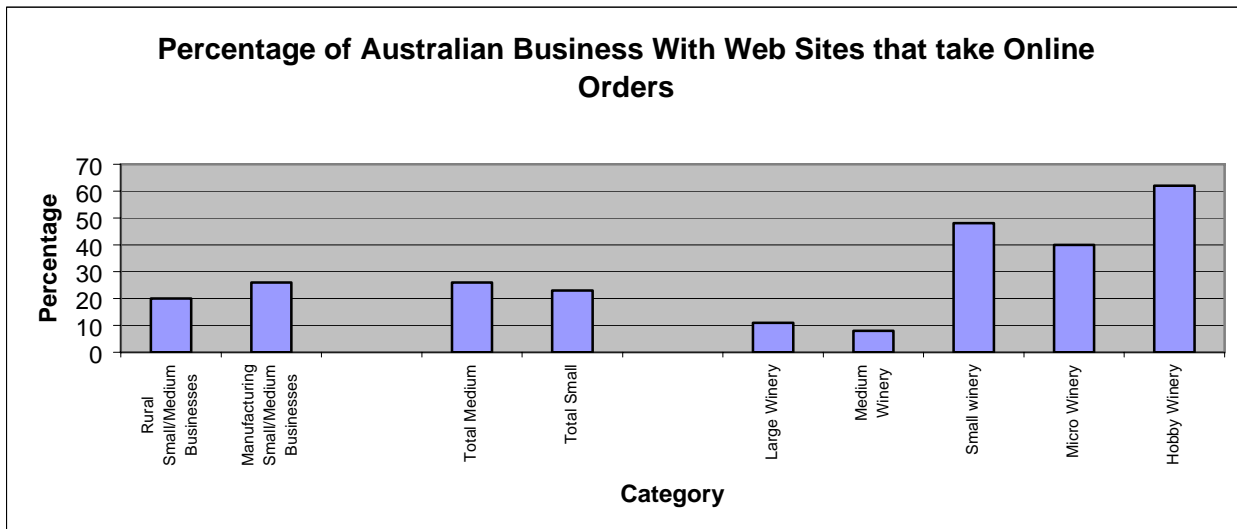
three columns and the final column do not match for Micro and Hobby Wineries as some of them had more than one type of online ordering facility on their web sites.

Table Six: Percentage of Australian Wineries with Ordering and Sales Facilities on their Web Site

Classification	Print Order form and Fax	Email Ordering by Form	Order Direct by Email	Online Sales (Wine)	Total 'Online' Ordering
Large	0%	11%	0%	0%	11%
Medium	17%	8%	0%	0%	8%
Small	14%	19%	0%	29%	48%
Micro	25%	18%	4%	29%	40%
Hobby	12%	50%	0%	19%	62%

Results show that Large and Medium Wineries DO NOT sell directly on their own web sites and not many take orders. They rely mainly on online distributors and traditional markets. Small, Micro and Hobby wineries DO allow ordering in some form over the Internet. This is typical of the trend for rural small and medium businesses. The difference here is that it seems to become **more likely** as the production becomes **smaller** – which definitely does not match the small business trend.

Refer to Figure Three. When comparing the results of the study with all Australian small and medium businesses [37], it is obvious that the winery industry is unique.



3.2.3 Community

The following table shows the breakdown of Australian wineries that displayed some type of club membership or mailing list facility on their web site.

Table Seven: Percentage of Australian Wineries with Club Memberships/Mailing Lists on their Web Site

Classification	Membership/ Mailing List
Large	33%
Medium	42%
Small	33%
Micro	36%
Hobby	19%

Many wineries publish regular newsletters to keep enthusiasts informed about the latest developments in many aspects of their business be it crop reports to news of recent releases. It will also contain mail-order details. Thus there is an attempt to involve wine drinkers in the winery community. It is thus hardly surprising that a substantial number of wineries have online membership and mailing lists. The interesting anomaly here is the fact that just 19% of Hobby wineries offer membership/ mailing lists compared with over 30% for the other categories. Unfortunately we didn't have access to the data on the number of general small businesses that offer a comparable online facility.

3.3 Phase Two: Further Investigation

The Phase One investigation was useful in delivering an overview of the types of features implemented on the web sites of Australian wineries. This particular phase of the investigation did not delve into the thought processes of the businesses as they determined which features to implement. In order to investigate the reasoning behind the inclusion of some of the web site features on the sites of Australian wineries, an email interview of selected wineries from Phase One of the study was conducted.

3.3.1 Email Interviews in Information Systems

Electronic mail interviews have been used in the past to collect information about the usage of information technology within businesses. In 2000, an email was used in the United States to examine use of the Internet to validate a technology acceptance model [23]. Response levels to these types of uses of electronic mail have been found to vary a great deal (from 6% to 75%). The major advantage of using them is that responses generally are received quickly, and the data collection technique is relatively inexpensive to use. There is an argument that this technique is popular because it is still a relatively novel approach and, more importantly, the request for feedback occurs when potential respondents are opening their email and are prepared for interaction [41]. In some instances, the fact that people are prepared to respond via electronic mail may bias the results. It does seem appropriate, however, when electronic mail is used to investigate Internet related topics [33]. In this instance, the authors were hoping for 'richer' responses by providing open-ended questions. The nature of the instrument allowed its use as a means to contact businesses again when further clarification of their responses was required.

3.3.2 Interview Details

The email interview consisted of questions relating to the motivation behind setting up the web site, the goals targetted, the success in achieving the goals and the reasons for including/ excluding certain features.

In order to receive a spread of responses, emails were sent out to five large, four medium, four small, five micro and five hobby sized wineries from the population. These were selected by picking the first winery in the each list, and then each *n*th winery (*n* being the number required to return four or five wineries in the category overall). In two cases (both large wineries), extra wineries had to be selected (the second winery and the *n*th+1 winery) as **no email address** was listed for the winery in James Halliday's Wine Companion, nor was one listed on their web site!

Table Eight shows the details of problems incurred and responses received.

Table Eight: Details of Australian Wineries Selection and Responses for Phase Two of the Study

Classification	Wineries contacted	Problem Occurred	Possible Replies	Actual Replies
Large	5	1	4	0
Medium	4	0	4	3
Small	4	1	3	1
Micro	5	2	3	0
Hobby	5	2	3	1

Problems that occurred were the email address ‘bouncing’ (1 case), the email contact form not working (1 case), the server being ‘down’ (2 cases) and the email account being over quota (2 cases).

This is an important statistic in itself! Of the 25 wineries **with web sites** that the authors tried to contact (including the two large wineries without email addresses), they were not able to contact **eight** of them (32%) via email! The two sites with the server down could indicate the level of investment in the web site by the winery (no backup web site?). The two wineries where the email quota was exceeded perhaps indicated that the wineries were receiving emails, but not checking them regularly.

This meant the overall response to the email interviews was five out of a possible seventeen (29.4%). Interestingly, three of these replies were from medium sized wineries.

3.4 Phase Two Results

Responses tended to fall into two categories that were relatively consistent with the results found in Phase One of the study: the ‘medium’ responses (three) and the responses from the ‘small’ and ‘hobby’ wineries (two).

3.4.1 Motivation for Implementing the Web Site

The main reason that medium sized wineries establish a web site was for some form of information provision. All three respondents indicated this. Two of the three respondents indicated that they ‘needed a presence’, without necessarily indicating that they put a lot of thought into it. One of the medium wineries indicated the future potential for online shopping.

The smaller wineries responded in different ways. The small winery indicated that it was important to take advantage of a new technology to increase awareness of the site through information provision. The hobby winery indicated that the decision to go online was mainly to try to cut the costs of running a ‘cellar door’ and shift as many sales as possible to online.

3.4.2 Specific Goals

Responses to this were consistent with the responses to ‘motivation’ and also phase one of the study. Two of the wineries (one medium and the small) indicated that they had no specific goals in setting up the web site – a trait not unusual for small businesses [8]! Two of the three medium wineries indicated the provision of information and the ‘education of customers’ as being important. Again, only the small and hobby respondents indicated that a goal of the site was to sell wine online. This seems to be

consistent with the level of online sales indicated in Phase One in small, micro and hobby sized wineries.

3.4.3 Success of the Web Site

Two of the three medium sized wineries indicated that the web site had resulted in an increased amount of feedback and a larger number of enquiries. The small winery also reported an increased 'general' level of interest shown (such as job applications, students surveys and so forth). One medium winery indicated that they had received orders for their products via email. Consistent with the earlier results, both of the smaller wineries indicated increased sales, one also indicating that restaurant bookings had also increased!

3.4.4 Inclusion or Exclusion of Certain Web Site Features

This was a fairly open ended question, allowing respondents to explore why they included or excluded certain web site features. The medium wineries mainly discussed how they included information for marketing reasons, including promotion and branding. Two of the medium wineries indicated that they were 'exploring' online sales, One indicated that it was a much more difficult decision than just 'selling online' and that logistics and costs needed to be investigated. The other medium winery indicated that online sales would result in 'cutting out' online distributors and retail outlets. The same winery indicated that they were thinking of selling wine accessories on their site, and also of **buying** raw materials from suppliers online (refer Figure One). The two smaller wineries indicated that online sales were a motivation for setting up the site and that was why those features were included.

Many of the respondents discussed the value of having news sections (informing readers of events, and so forth), tasting sections and information about recent releases. The small winery indicated that it was the only Australian winery to have specialised Japanese web information, and indicated that there was 'good traffic' coming from Japan.

4 Recommendations

There are many opportunities for small Australian wineries to adopt a web site presence. Presently, only a small number of wineries have web sites when compared with other Australian small businesses (refer Phase One results). Governments and powerbrokers in the wine industry have a responsibility to inform wineries of the potential benefits of the Internet.

Those small Australian wineries that have set up web sites have shown themselves to be innovative in many ways. Online sales are seen by those wineries as a way in which they may be able to increase their sales, and there is some indication that this is occurring. Larger wineries are more wary of the value of direct online sales via a web site, as they tend to have more established retail distributors (either online or physical retail outlets). Even so, there is an indication that many online wineries are not effectively planning and evaluating their online presence. Phase two of this study showed that many email address contact details were inaccurate, backup facilities were not in place when servers were 'down' and emails were seemingly not being answered promptly. In addition to this, some respondents to the email interview indicated that they had adopted a web site presence with little planning, a failing often associated with the use of information technology by small businesses.

There is a responsibility for government to not only inform wineries of the advantages of Internet technologies, but also to warn them of the need to plan the web site implementation effectively and to consider long term upkeep and evaluation of the web site.

5 Conclusion

The results of this study of the web sites of Australian ‘small’ wineries shows that they are unique when compared with Australian small businesses in general. The adoption rate of web sites by Australian wineries is less than that of other Australian small and medium businesses. In general, Australian businesses will be more likely to offer online ordering and payment facilities as they become larger (this, of course, depends upon the type of goods they are offering amongst other things). In the case of small wineries, once they have overcome the hurdle of creating the web site in the first place, they are more likely to adopt online ordering and sales than their larger counterparts. Although the products of larger wineries are offered on the Internet through other distributors, there is still a very large percentage of small wineries with web sites that have adopted online ordering and sales when compared with small businesses in general. Phase two of this study indicated that the reason for this is the need for smaller wineries to attract a larger market, perhaps at a lower cost. This stage of the study indicated that there is also a lack of planning going into web site implementation and upkeep, and that smaller wineries with web sites needed to understand the importance of this.

These findings are important for the opportunities that they provide to the many small wineries that have not created a website and may provide the catalyst for some of them to do so.

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Tables

Table One: Levels of Internet Usage in Small and Medium Businesses (Source: Telstra Corporation, 2001).

Classification	Level of Internet Usage (%) – All businesses
1-2 employees	69
3-4 employees	86
5-9 employees	79
10-19 employees	89
Total Small	75
20-99 employees	95
100-200 employees	99
Total Medium	95

Table Two: Classification of Winery Size Based on Output.

Classification	Output (cases per annum)	Number of Web Sites Accessible
Hobby	<2000	16
Micro	2000-9999	28
Small	10000-49999	21
Medium	50000-200000	12
Large	200000+	9

Table Three: Percentage of Australian Wineries with General Information on their Web Site

Classification	About the Business	News	Press Releases	Map
Large	89%	78%	22%	22%
Medium	83%	75%	25%	42%
Small	81%	62%	0%	24%
Micro	79%	50%	11%	32%
Hobby	62%	38%	6%	44%

Table Four: Percentage of Australian Wineries with Product Information on their Web Site

Classification	About the wines	Customer reviews
Large	89%	22%
Medium	92%	17%
Small	95%	33%
Micro	71%	18%
Hobby	62%	12%

Table Five: Percentage of Australian Wineries with Business Contact Information on their Web Site

Classification	Email	Address	Telephone	Fax
Large	100%	100%	100%	100%
Medium	92%	92%	75%	75%
Small	86%	90%	90%	86%
Micro	93%	93%	93%	89%
Hobby	100%	100%	100%	100%

Table Six: Percentage of Australian Wineries with Ordering and Sales Facilities on their Web Site

Classification	Print Order form and Fax	Email Ordering by Form	Order Direct by Email	Online Sales (Wine)	Total 'Online' Ordering
Large	0%	11%	0%	0%	11%
Medium	17%	8%	0%	0%	8%
Small	14%	19%	0%	29%	48%
Micro	25%	18%	4%	29%	40%
Hobby	12%	50%	0%	19%	62%

Table Seven: Percentage of Australian Wineries with Club Memberships or Mailing Lists on their Web Site

Classification	Membership/ Mailing List
Large	33%
Medium	42%
Small	33%
Micro	36%
Hobby	19%

Table Eight: Details of Australian Wineries Selection and Responses for Phase Two of the Study

Classification	Wineries contacted	Problem Occurred	Possible Replies	Actual Replies
Large	5	1	4	0
Medium	4	0	4	3
Small	4	1	3	1
Micro	5	2	3	0
Hobby	5	2	3	1

Figures

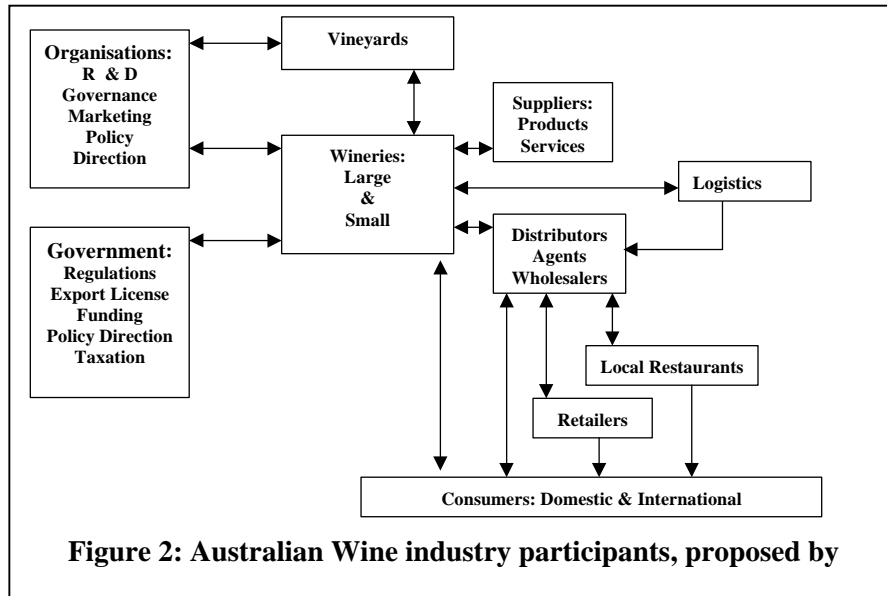


Figure One: Australian Wine industry participants, proposed by Sellitto (2001) and adopted from the Californian Wine Cluster (Porter, 1998) and Marsh & Shaw (2000).

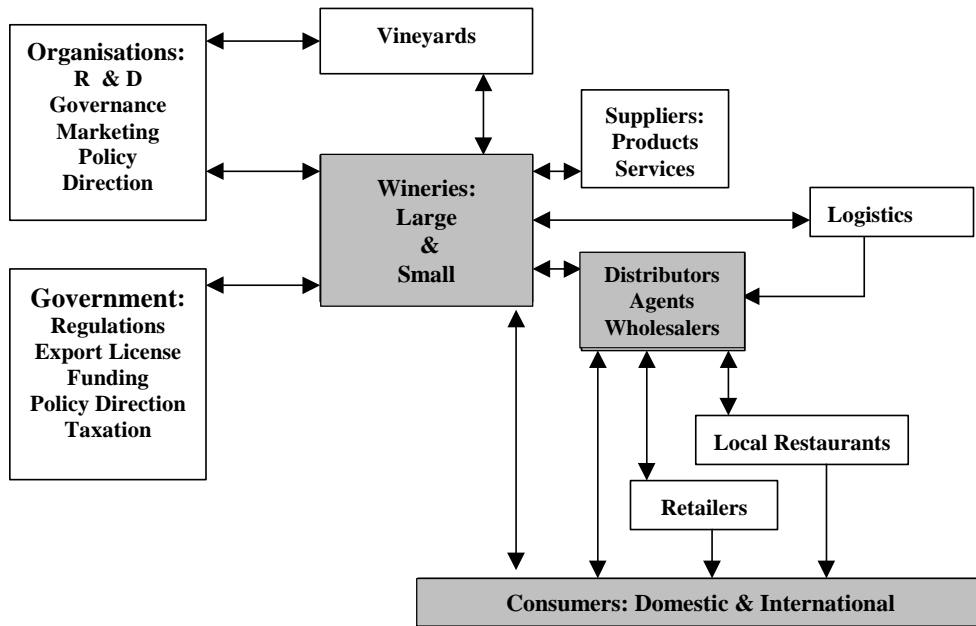


Figure Two: Context of the Study in Relation to the Sellitto (2001) Model

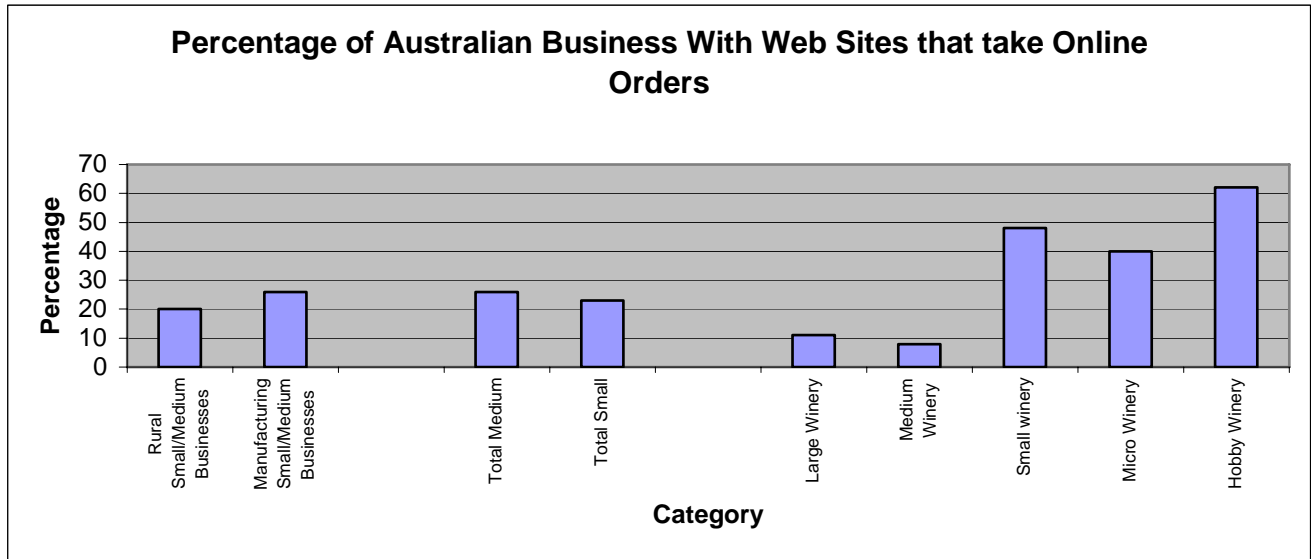


Figure Three: Percentage of Australian Businesses with Web Sites that take Online Orders