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# **The Growing Texas Wine Industry: Product Distribution Problems and Consumer Preferences for Texas-Produced Wines**

by

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## **Problem**

The Texas wine and wine grape industry has experienced phenomenal growth in the past fourteen years. In 1975, only one winery existed in Texas while, in 1989, twenty-nine wineries were in operation. The increased competition and growth in this industry have enhanced the need for research regarding consumer behavior patterns of wine consumers in Texas, where approximately 90 percent of all Texas-produced wines are sold. In this study, wine consumers in Texas were surveyed with regard to their preferences, purchase patterns on and off premises, patterns of consumption of substitute goods, and attitudes toward Texas-produced wines. Demographic characteristics of consumers are also included.

## **Methodology**

In September 1989, a consumer profile questionnaire was mailed to 3,700 randomly selected "wine enthusiasts" residing in Texas. A response rate of 25.2 percent was obtained (934 returned). The questionnaire attempted to target current wine consumers, and thus the list of "wine enthusiasts" reflects those consumers in Texas with interests in the product. These consumers were identified by having subscribed to wine-related periodicals, ordered wine-related mail-

order items, or participated in winery visits. In addition to reporting results of the questionnaire, anticipated research includes probit analysis to relate socioeconomic characteristics of wine consumers to attitudes, purchase patterns, consumption trends by variety, container size, and brand loyalty.

Stage two of this consumer profile, scheduled for 1990, will target prospective wine consumers in Texas. This information will be used in anticipated generic promotion and advertising in addition to planning marketing strategies for expanding the demand for Texas-produced wines.

## **Implications**

Communication with regard to consumer preferences in the wine-marketing channel must flow readily for quality and market share to be maintained. This information must be available to all groups in the marketing channel: grape growers, vintners, distributors/retailers, and the hospitality/restaurant industry. By knowing the profile of consumers and trends in the marketplace, this particular industry, which is quality driven, can operate more efficiently; and expansion of the market for Texas wine will take place with vital communication of market trends among those in the marketing channel.

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