



Preliminary Report
Survey on Community
Perceptions of Wine
Businesses

August 10, 2015

Topline Summary

Survey on Community Perceptions of Wine Businesses – August, 2015

Sonoma State University School of Business and Economics

For the most part, respondents of North Bay wine-producing counties (Sonoma, Napa and Lake) and those on the Central Coast (Santa Barbara, San Luis Obispo) expressed positive views of wine businesses in their area.

The respondents repeatedly cited jobs, increased tourism, and boosting the local economy as benefits that wine businesses bring.

Other benefits mentioned often included adding beauty and culture to the area, the ability to partake in tastings and wine-related events, the image wine businesses bring to the area, and giving back to the community.

While there were some differences in responses by county and region, for the most part, we see a commonality among both positive and negative views towards wine businesses regardless of the area surveyed.

To summarize, the data and comments suggest that most see wine businesses as a significant community asset, in economic terms, as a source of local pride, and as enjoyable for visitors and residents alike.

Some respondents expressed concerns regarding the impacts of the industry. Overall, positive views were expressed significantly more often than negative ones. In general, more of the things respondents liked about wine businesses were expressed in very positive terms or as contributing a great deal. The concerns expressed were generally described more as negative rather than very negative, or as just contributing some to problems.

However, acknowledging the concerns some expressed either through better communications of existing practices or changes to them can only help improve the largely positive relationship between wine businesses and the communities in which they reside.

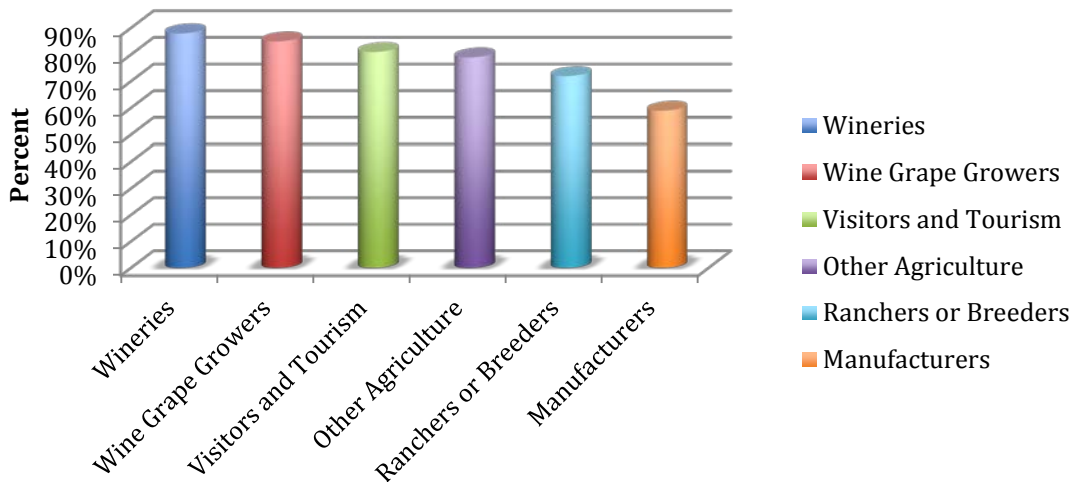
Summary of Key Findings
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(Unless otherwise noted, all numbers refer to North Bay Respondents)

Impacts of Wine Businesses

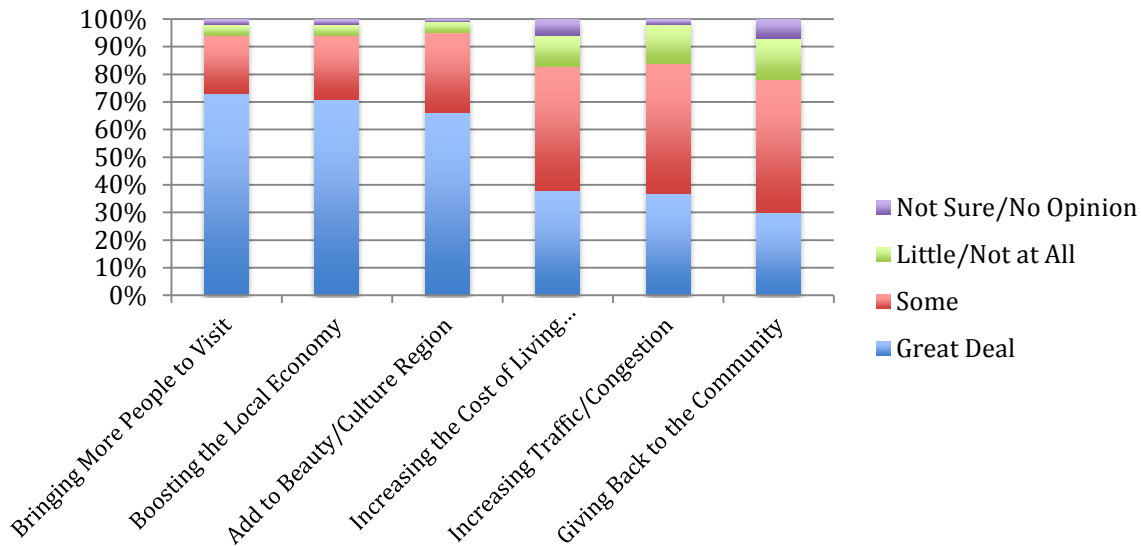
- Most North Bay respondents (88%) said that wineries have either a very positive (46%) or positive (42%) impact on the quality of life in their county;
- Similarly positive assessments (85%) were given to wine grape growers with 40% saying they had a very positive impact and 45% a positive impact on the quality of life in the area;

**Percent Very Positive or Positive Impact
on Quality of Life in North Bay Region**



- The overall positive ratings for wineries (88%) and wine grape growers (85%) were higher than those for five other industries we tested, visitors and tourism (81%), other agricultural growers (79%), livestock ranchers or breeders (72%), manufacturers (59%), and food processors (51%);
- 84% said that wine businesses are either very important (54%) or important (30%) in terms of producing jobs and economic activity in their county;

How Much Do Wine Businesses Contribute to North Bay Region

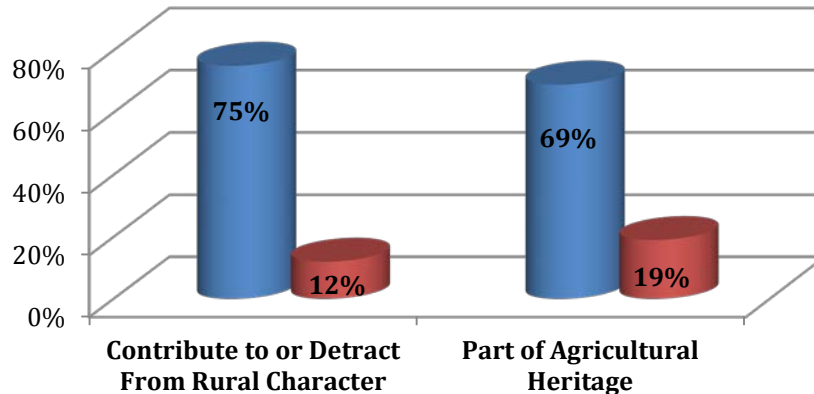


- 94% said that wine businesses contribute either a great deal (73%) or some (21%) to bringing more people to visit their area;
- 94% said that wine businesses contribute either a great deal (71%) or some (23%) to boosting the local economy;
- 94% said that wine businesses contribute either a great deal (65%) or some (29%) to adding beauty and culture to the region;
- 83% feel wine businesses contribute either a great deal (38%) or some (45%) to increasing the cost of living in their county;
- 84% feel that wine businesses contribute either a great deal (37%) or some (47%) to increasing traffic and congestion;
- 78% feel that wine businesses contribute either a great deal (30%) or some (48%) to giving back to their communities.

Perceptions of Wine Businesses

- A large majority (83%) said they feel that wine businesses help to create a mostly positive image for their county compared with just 2% who feel they help to create a negative image. 10% thought they create both a positive and negative image;
- 35% said they thought most wine businesses are composed of small to medium-sized businesses compared with 13% who think they are mostly large businesses or farms owned by corporations. 46% said they thought there are roughly equal percentages of both.

Do North Bay Wine Businesses Contribute to Rural Character and Are they Part of Agricultural Heritage



- By a 75% to 12% margin, respondents felt that most wine businesses contribute to rather than detract from the rural character of their county;
- A slightly smaller though still significant majority (69%) said that most wine businesses are part of their county's agricultural heritage compared with 19% who feel they are not;
- By a 50% to 19% margin, respondents said that most wine businesses are responsive to community concerns. 31% were uncertain or had no opinion about this.

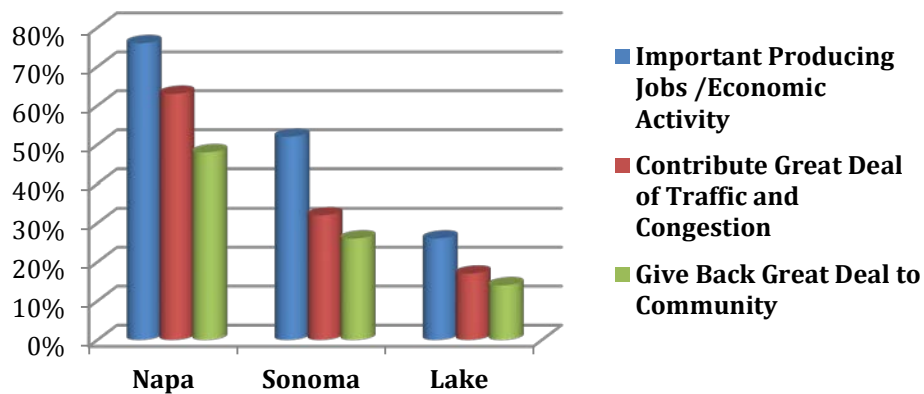
Personal Use and Interactions With Wine Businesses

- 47% said that wine businesses are either very important (25%) or important (22%) to them personally. 25% said they are of some importance while 26% said they are of little or importance to them;

- 34% said they enjoy consuming wine on a regular basis, 28% said they enjoy drinking wine periodically, 12%, on special occasions, and 23% said they rarely or never consume wine;
- In terms of participating in wine-related activities, 51% said they visit tasting rooms, 23% attend wine events such as barrel tastings and passport events to tastings at multiple wineries, 17%, wine release events, and 16% , winemaker dinners;

Similarities and Differences in Opinions Between North Bay Counties

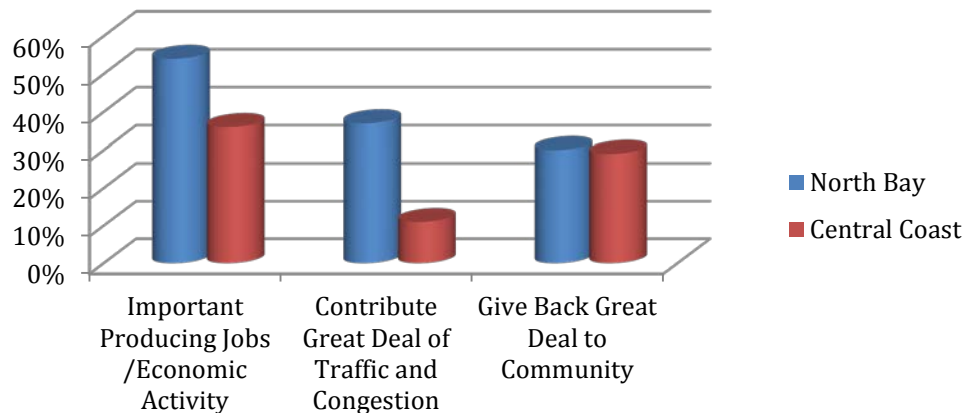
Wine Business Impact by North Bay County



- Napa County respondents (76%) were more likely than those in Sonoma (52%) or Lake County (26%) to say that wine businesses are very important in terms of producing jobs and economic activity in their county;
- Napa County respondents (63%) were much more likely than those in Sonoma (32%) or Lake (17%) to say wine businesses contribute a great deal to traffic and congestion in their county;
- Napa County respondents (48%) were also more likely than those in Sonoma (26%) or Lake County (14%) to say that wine businesses give a great deal back to the community;
- Lake County respondents (57%) were more likely than Sonoma (33%) or Napa County (28%) respondents to hold the view that most wineries in their county were small to medium size businesses or family farms rather than large businesses or farms owned by corporations;
- Those in Napa County (63%) were slightly more likely than Sonoma County respondents (50%) and considerably more likely than those in Lake County (29%) to feel that most wine businesses are responsive to community concerns;
- In many measurements, Lake County respondents were less likely to be impacted by wine businesses or to participate wine-related events.

Similarities and Differences in Opinions Between Regions

Wine Business Impact By Wine Growing Region



- Respondents the North Bay and Central Coast regions had similar views on many questions;
- North Bay respondents (54%) were more likely than those on the Central Coast (36%) to feel that wine businesses are very important in terms of producing jobs and economic activity in their area;
- Those in the North Bay (66%) were slightly more likely than Central Coast respondents (56%) to feel that wine businesses contribute a great deal to the beauty and culture of the region;
- North Bay respondents (37%) were considerably more likely than those in the Central Coast (11%) to feel that wine businesses contribute a great deal to traffic in their counties;
- Those in the North Bay (71%) were somewhat more likely than Central Coast respondents (57%) to feel that wine businesses contribute a great deal to boosting the local economy;
- Similar differences were apparent in comparing the views of North Bay respondents (73%) with those on the Central Coast (63%) when it comes to bringing more visitors to the area;
- North Bay respondents (38%) were also more likely than those on the Central Coast (16%) to feel that wine businesses contribute a great deal to increasing the cost of living in the area;
- Central Coast respondents (57%) were considerably more likely than those in the North Bay (35%) to believe that most wine businesses are small to medium in size rather than large businesses or farms owned by corporations;

- North Bay respondents (69%) were slightly more likely than those in the Central Coast (56%) to feel that most wine businesses were part of their county's agricultural heritage;
- Respondents in both regions said they consumed wine and participated in similar numbers in several types of wine-themed events;
- For the most part, respondents in Santa Barbara and San Luis Obispo expressed similar views on many questions.

About This Survey

Survey on Community Perceptions of Wine Businesses - August, 2015

Sonoma State University School of Business and Economics

The survey was conducted for the Wine Business Institute of the School of Business and Economics at Sonoma State University . Interviews were conducted from July 14 – 30, 2015

Its main goals were to determine public attitudes towards wine businesses in Sonoma, Napa, and Lake counties. For comparative purposes, we also sampled the opinions of residents in Santa Barbara and San Luis Obispo counties, two other areas in California with substantial wine grape growing and winemaking operations.

Survey Scope

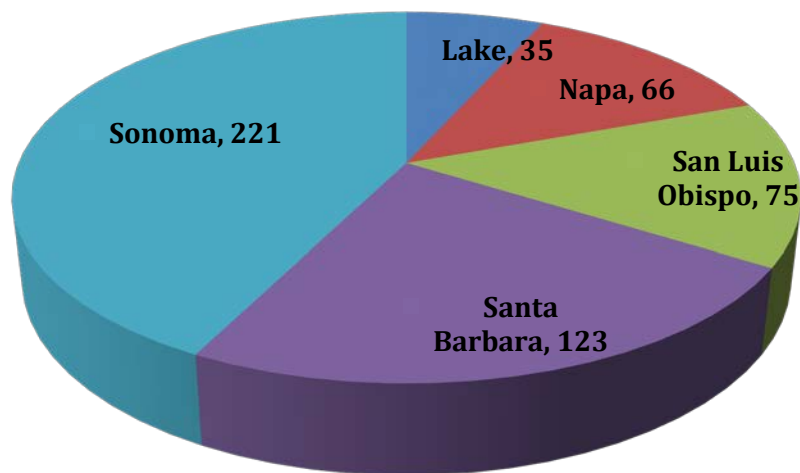
The survey is most authoritative in describing the opinions of residents of each region as a whole and in Sonoma County where the largest number of interviews (221) were conducted. The data is also most definitive in comparing the opinions of residents between the two regions.

Because of the relatively small number of interviews conducted in Napa (66) and Lake (35) counties, the results from those areas should be viewed with that in mind. This data is still helpful in understanding the generalized views of residents of those areas. Good examples of its reflectiveness are the greater concerns about traffic in Napa County and the lower economic circumstances of many in Lake County.

Methodology

A total of 520 interviews were conducted with 322 in the North Bay region and 198 on the Central Coast. Within each region, interviews were conducted in proportion to each county's percentage of the regional population.

Number of Interviews by County



The interviews were conducted online using respondents provided by Survey Sampling International, a leading global provider of online and telephone samples, and other research partners. SSI research panels are recruited using proven processes to make them balanced and representative, control overlap, validate respondent data and provide stringent quality checks. Respondents have opted in with rewards designed to promote engagement and motivation. Each participant is profiled on demographics, lifestyle, occupation, location and more.

All surveys, regardless of the methodology in which they are conducted, are potentially affected by a number of factors that may influence their accuracy. A common source for survey inaccuracy is sampling error. The number of respondents largely determines sampling error. Statistical theory indicates that in the case of a poll with the sample size of the North Bay Counties (322 Total Interviews), 95 percent of the time the results of a survey of this size would be the same as interviewing the entire population of those counties, give or take approximately +/- 6%. This is not a probability sample.

However, other sources of error also can impact the accuracy of poll results conducted online and with other techniques. These include but are not limited to the percentage of the population choosing to participate, the likelihood a possible respondent is at home or connected to the Internet, the wording, and ordering of questions, and the techniques used to determine possible survey participants. The cumulative impact of all of these potential sources of error is impossible to assess precisely.