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Developing new boutique winery businesses—Lessons from the Australian experience

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Abstract: The global wine industry has been growing strongly for many years with entrepreneurs often seeking to establish boutique wineries in new or established wine-producing regions, partly to indulge their passion for wine but also to develop successful, long-term business ventures. Within this context, Australia has successfully grown its wine industry over several decades and is now one of the world’s largest wine exporters. The country is known for its robust mix of large and small wine producers and wine tourism. This paper explores key issues that should be considered by entrepreneurs contemplating new boutique winery ventures to increase their chances of business success. This is done by reviewing the general wine industry in Australia and comparing the situations of five successful smaller wine producers scattered around the country. To carry out the comparisons, the authors reviewed public promotions, customer reviews, and other materials about the case businesses and industry and interviewed proprietors as needed. A representative convenience sample of successful boutique wineries from several major Australian wine regions was chosen for review so that the whole Australian industry was covered. Based on their analysis, the authors firmly believe that boutique winery entrepreneurs must examine all aspects of the business model for their proposed venture and especially their interface with wine tourism to improve their chances for long-term growth and business success. Like most real estate investments, the location of the vineyard is critically important. Then, as well as producing high-quality grapes and wines and developing strong cellar door sales, they should also incorporate food offerings that emphasize pairing their wines with local produce. In addition, they should establish onsite “experience” focused lodging options that showcase local arts and crafts, with “glamping” style accommodations providing a particularly suitable option. These are all matters which should be considered from the very outset when the venture is initially being conceptualized and plans are being formulated for the development of the chosen property. For the sake of clarity, within this study, the term “boutique winery” refers to a wine-making facility with an adjoining vineyard.

Keywords: new winery development process; beverage management; glamping; business case analysis; wine tourism

1. Introduction

Much of the available vineyard and winery research focuses on viticulture-specific issues such as matching grape varieties to terroir and vineyard micro-climates, the infrastructure and work needed to grow high-quality grapes, how to process these grapes to make good wines, and the characteristics of good wines and how to store and transport them. All of this is core to any successful boutique winery, but this paper would look more broadly, taking the viticulture aspects of the business as a given, and

instead focus on what else is needed to make it successful. As explained in this paper, there is much to be learned about building successful boutique winery businesses from the growth and development of the Australian wine industry and successful boutique wineries already operating within it.

Therefore, this paper begins by briefly introducing Australia and its wine industry. The paper then compares five smaller wine producers located in different wine regions throughout Australia to identify common threads that underpin their success, besides the quality of the wines that they make. It concludes by recommending key issues that entrepreneurs should consider to systematically develop a new wine venture with a strong wine tourism focus to increase its chances of business success.

2. Australia and its wine industry

“Australia” [1] is an ancient, dry island continent in the Southern Hemisphere between the Pacific and Indian oceans. It is about the same size as the contiguous 48 states of the USA, has been geologically isolated for millennia, and has evolved strikingly different fauna and flora to the rest of the world. The Tropic of Capricorn cuts across the middle of the continent so that the lower half has a mostly temperate climate with moderating sea breezes around the coasts and hotter desert areas inland. The top half is more tropical. It is all relatively flat, with the highest point (Mount Kosciuszko) having an elevation of just 2228 m.

Australia was home to many smaller tribes of mostly hunter-gatherer peoples for 50,000+ years, until the British established penal colonies beginning in the 1770s (after losing their American colonies in the US War of Independence). The separate colony states within Australia became a self-governing federation of democracies at the beginning of the 20th century but it still maintains constitutional and other links to the UK. Nonetheless, since the federation of Australia has had relatively welcoming immigration policies, it now has a very cosmopolitan population of around 26 million, with citizens that have originated from almost all world countries, and 30% of its population having been born overseas [2].

Australia now has an advanced mid-sized economy (US\$1.33 trillion GDP in 2020), and its major exports are minerals, oil & gas, agricultural products, education, and other services, mostly to Asia [3]. The country is heavily urbanized, with the population mostly concentrated in several cities down the eastern seaboard, but still has a reputation for open, nature-loving lifestyles and sports. Accordingly [4], Australia has the third highest average wealth/adult globally, after Switzerland and the USA. Full-time employees also normally enjoy a 38-hour working week and are entitled to 4 weeks of paid annual leave for every 12 months worked [5]. Melbourne and other major Australian cities regularly feature highly in global rankings of the world’s most livable cities [6].

2.1. Wine in Australia

Early European immigrants in the 1800s established vineyards in several parts of Australia, notably the Barossa and Clare Valleys north of Adelaide in South Australia, several places around Victoria including Bendigo, and in the Hunter Valley and other areas in New South Wales. The different colonies generally encouraged wine

production to offer a supposedly less socially damaging alternative to the consumption of distilled spirits. Building on increased immigration from Southern Europe, beginning in the 1960's there were concerted government and industry efforts to increase wine production, including expanding into new production regions like Margaret River, south of Perth in Western Australia. The country is now among the world's top 10 wine-producing regions and exports large quantities all around the world [7]. For clarity, the authors have produced a map of major Australian wine regions, as shown in **Figure 1**.

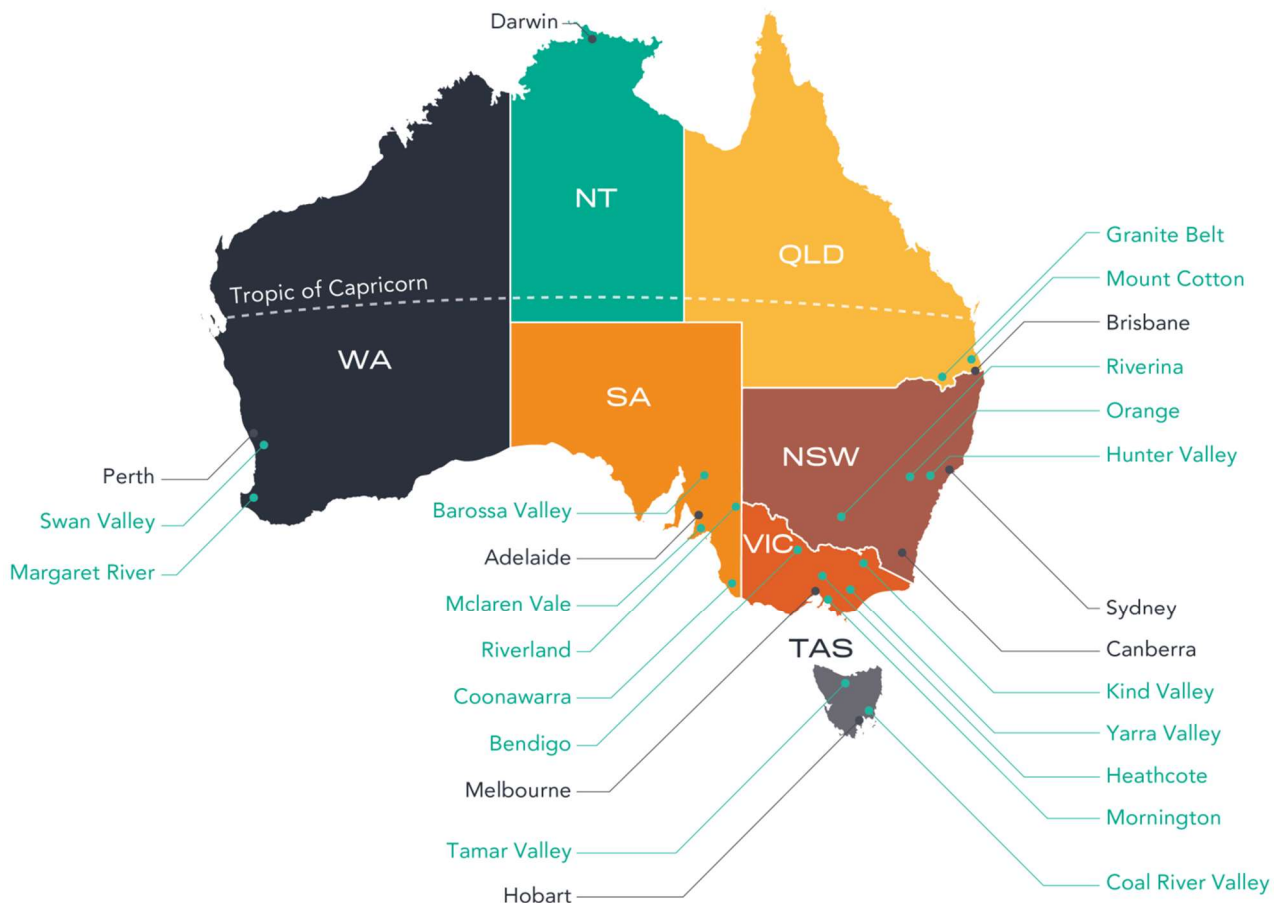


Figure 1. Major Australian wine regions.

Today, the Australian wine industry [8] is dominated by a small number of major producers, e.g., in 2021 just 46 wine grape levy payers crushed over 3000 tonnes each (and overall, about 83% of the total national wine crush), while 1247 levy payers crushed 10–3000t and 592 crushed less than 10t. The larger winery groups generally make standard “mass market” products that are widely distributed for sale both locally and internationally. These are complemented by many much smaller “boutique” producers who make distinctive products and sell through limited (and often domestic) distribution channels.

The large producers primarily make wines for export or distribution through large retail chains while the small producers rely on cellar door and domestic online sales and niche distributors. For ongoing sales, small boutique winemakers must develop

personalized customer connections, whereas large producers rely on mass marketing, branding, and widespread availability to generate sales.

In 2021 [9], there was an estimated total of 146,244 ha of vineyards in Australia operated by about 2156 wineries, along with another 6000 grape growers which mostly sell their harvested grapes to the wineries. Around 52% of these are based in South Australia, 24% in New South Wales, and 15% in Victoria. Also in 2021, around 203 million tonnes of grapes were crushed, with 27% being Shiraz, 19% Chardonnay, and 15% Cabernet Sauvignon. Overall, around 57% of the crush was red wine grapes, continuing the gradual trend towards red wines in recent years. Finally, in 2020–21, a total of about 1.5 GL of wine was made in Australia, of which about 0.4 GL was added to the total countrywide wine inventory, and about 60% of the remainder was exported. This equates to, a total of about AU\$5.89 billion in sales. By volume sold, Australia's main export markets were Europe (55%), North America (26%), and Asia (14%). Australia also imported substantial quantities of wine, equivalent to 18% of local consumption.

As already noted, sales of Australian wines have grown strongly since the 1960s, both domestically and internationally. Australian wines now dominate the domestic market and are well-known and well-regarded in most major international wine markets. The Australian industry was among the first to focus on varietal wines so that customers could initially identify the grape variety taste profiles that they enjoyed and then the individual wine producers that they favored. In more recent times, as the local and major international markets have matured, the growth has slowed somewhat but growth in sales to Asia has accelerated, albeit from a relatively low base [9]. Until recent political friction led to a major drop in sales, China was a key growth market for Australian wines. Nonetheless, recent sales growth to other parts of Asia, notably Japan, Korea, Taiwan, and Singapore, have partly compensated for the drop in China sales.

A recent Australian consumer survey [10] found that the direct-to-consumer (DTC) sales volume increased by 14% in 2020–21, while value increased by 17%. During 2020–21, Victoria was in Covid Pandemic lockdown for over 4 months (July–October) and all states were affected by continuing international border closures, cross-border restrictions, and limitations on retail and hospitality activities [11]. These factors contributed to a further shift towards online purchasing, which increased by 44% in volume (on top of an increase of 50% in 2019–20); however, cellar door sales also increased: up 22% in value and 5% in volume, indicating a shift to higher value experiences and strong support from local visitors.

2.2. Wine tourism

Many holidaymakers cite experiencing food or wine as a reason for their trip, and wine tourism is growing strongly in popularity and value in Australia. During the years 2000–2006, the average number of winery visitors grew by 6% per year for domestic tourists and 8% per year for international tourists [12]. This trend has continued more recently with around 3% growth/year over the last decade.

Food and wine are becoming an increasingly important part of promoting international tourism to Australia, where market research indicates that only 26% of

prospective international visitors associate the country with good food and wine, whereas past international visitors rank Australia 2nd across 15 major markets for its food and wine experiences [13].

Generally, food and wine tourists are looking for authentic and memorable experiences in attractive natural settings, involving unique local products and services which offer good value for money. They also want to interact with knowledgeable winemakers, chefs, and service staff to enhance their knowledge of food and wine and build memories to enrich their subsequent lives [14]. They also often prefer casual in/outdoor dining and picnic areas that pair local wines with local produce. The top reasons they give for visiting a wine region are:

- scenery/natural beauty (45%).
- good/great wines/wineries (31%).
- easy access from home (30%).
- knowledgeable/ friendly people and services (16%).
- food, including local produce and restaurants (15%).
- lots of wineries/wines nearby (14%).
- and other activities/things to do (10%).

Most wine tourism studies (e.g., [13,15–18]) primarily focus on food and wine pairings and encourage restaurant developments, but rarely consider the addition of lodging and how it adds another dimension to the mix. This has supported the growth of independent restaurants in many Australian wine-producing regions, along with onsite dining where development entitlements have been available and vineyard owners have made the necessary investments. However, relatively little has been said in past research regarding wine region accommodation, especially the introduction of accommodation options within boutique wineries. Nonetheless, boutique wineries that combine cellar door activities with restaurants or cafes, plus onsite accommodation and sales of other local produce and crafts are viewed as being more successful, especially if they also include tours and open viewing of wine-making processes [16].

Wine tourism is the most established channel through which small wine producers can promote their products and develop stronger customer connections [17]. In this regard, boutique wineries should aim to build relationships with visitors who are discerning and interested in both enology and gastronomy and who want to enhance their knowledge of wine production and enjoyment. As with most marketing, retaining existing customers over time is much more cost-effective than continually acquiring new customers. For long-term customers, an immersive experience is important, including dining with local wine and food pairings, enjoying local accommodations, history and culture, and special events. Subsequent ongoing communications with winery visitors are crucial for maintaining these customer relationships and building ongoing product sales [10,19,20], along with easy product delivery.

2.3. Lodging in wine regions

Within Australia, concern for preserving the natural environment, especially in rural areas, has driven the formulation of tight development controls and carefully crafted land use plans. Development entitlements for tourism accommodations are not

easy to secure in rural areas and the regulatory approval processes can take significant time. Notably, the regulatory approvals for campsites are often much simpler. By contrast, securing entitlements for the development of standalone cafes and restaurants is often easier. The potential for indigenous land claims and objections from residents and other action groups can add further obstacles. A recent example of these challenges can be seen at the proposed AU\$50 million Oscar Seppeltsfield winery hotel in the Barossa Valley which has only recently gained approval after facing extensive opposition from local residents [21].

Generally, there are many accommodation options on offer in most wine-producing regions, ranging from simple, un-serviced campsites and fully serviced caravan and motor-home sites to “glamping” tents and cabins plus motel rooms, right up to 5-star hotels. Interestingly, “grey nomads” (retired couples on extended self-driving travel holidays) are an important and relatively fast-growing part of the overall accommodation market [22]. Many grey nomads are relatively wealthy and are a good fit with the preferred wine tourist profile.

Logically, traditional hotel development is well suited to very large, well-established wineries that offer a wide range of onsite facilities, amenities, and experiences. Better still, they should be established within townships in well-known wine regions, so that the hotel can have the scale needed to attract a major brand and serve as a base for exploring the whole region. This is a very different situation to viable accommodation options within individual boutique wineries.

The business case for greatly favoring tented cabins or some other form of environmentally friendly “glamping” accommodations within boutique wineries, as against traditional hotel development is driven by several factors, e.g. [23,24]. These include the challenges associated with securing development approvals for larger scale, more permanent accommodations; the short construction timelines and relatively low costs of developing glamping accommodations; their low environmental impact and smaller carbon footprint; the ease of incrementally expanding capacity to match actual demand growth; and their portability and non-permanent nature.

Glamping accommodations offer a solution that fits in with a boutique winery environment in terms of closeness to nature and an emphasis on sustainability which will often characterize a small winery. They also cater to visitors seeking unique or immersive experiences and will, depending upon quality, generate a significant rate premium as compared to a more stereotypical hotel room. Even so, for small families, a glamping unit that comfortably accommodates 4 people will often still be a cheaper and more suitable option than two standard hotel rooms.

Because of Australia’s climate, its unique landscapes and wide-open spaces, its internationally recognized outdoor lifestyles, its vibrant culinary scene, and growing wine tourism, the glamping concept has gained strong traction. It was inevitable that luxury tented cabins and similar style accommodations, with their low environmental impacts, would become a type of accommodation that resonates favorably with both Australian and international wine tourists. A search of the Internet for “glamping sites in Australia” delivers a multiplicity of websites that identify glamping projects across every state, with more and more of these sites being located within wineries.

Above all else, the cost factor is especially significant. According to recent hotel construction costs data for Australia, single or two-story motel and hotel build costs

sit at around \$3000/m² [24,25]. While industry data is not readily available, based on private information, the authors' ballpark estimate that the cost for comparable glamping construction is under \$1500/m². Moreover, because glamping structures are much lighter and do not necessitate extensive site preparation works, they can be built much faster, often in less than 40% of the time needed for a comparable traditional hotel build. Thus, the payback periods and return on investment can be much better for glamping projects, compared to traditional hotels, for similar occupancy and room rental rates.

The minimal site preparation works needed also mean that glamping units can be easily added incrementally. As well as spreading capital investments over time as funds become available, this enables available capacity to be closely matched to actual demand growth so that capital is used more efficiently. The authors believe that the incremental investment, lower construction costs, and the room rate premium that can be achieved by the experiential elements on offer, can deliver glamping accommodation payback in approximately 4 years, compared to the 10+ years usually needed for traditional hotel construction.

As an even lower-cost alternative, boutique wineries can consider serviced or unserviced campsites as onsite accommodation. These enjoy many of the advantages of glamping with even lower costs, but campsite rental rates are much lower so that the potential income stream and synergies are correspondingly lower. It may be a cost-effective strategy to initially set up campsites and then later upgrade them to glamping sites or cabins once demand has proven itself.

2.4. Establishing a boutique winery venture

While it is beyond the scope of this study to examine the financial feasibility of small winery ventures, such work carried out in the USA indicates that a winery that produces 10,000 cases was best placed to achieve economies of scale and deliver the optimal IRR (Internal Rate of Return) and the shortest payback period [24,26]. Generally, mature vineyards produce about 5t/ha/year of grapes which can be crushed to produce about 1000 cases of wine [27]. Thus, new boutique wineries should aim to have about 10 ha of vineyard.

Successfully growing grapes requires suitable land and water access. Before grape trellises can be installed and suitable grape vines planted, extensive land formation works are often necessary to set up water storage dams and access roads and sculpt the land to ensure proper drainage and good machinery access for the grapes. After planting, grapes typically take 3+ years to grow to maturity and give a harvestable yield.

A winery then also requires land formation works for foundations, etc., and building construction, along with the installation and commissioning of grape processing and wine production equipment. A major item here can be cooperage costs for wood wine storage casks [26]. Wine production also consumes a lot of water and electrical power. Wineries also generally need to incorporate significant climate-controlled wine warehousing because wine maturation is a slow chemical process and the wine from each annual crush will not be ready for sale until 1–2 years later. Note that premium wines must often be stored for longer before they can be sold. Most

vineyards/wineries also incorporate cellar door sales which require visitor parking and tasting room spaces. Virtually all boutique wineries complement their cellar door with online sales via a website.

The reality is that entrepreneurs might experience 4+ years of negative income for a new vineyard/winery, especially if they are only marketing the wine produced from their grapes. This is not a venture for the fainthearted and there is a strong business case for examining other revenue-generating opportunities while getting the new venture established, especially where the location is pristine, easily accessible, and, ideally, close to other established wineries.

Therefore, many successful boutique wineries also combine their cellar door with an onsite restaurant and some visitor lodging options, often including campsites and glamping units. Moreover, glamping style accommodations linked to some authentic local food and wine experiences (possibly with a cellar door offering other local producers' wines) can effectively "kick-start" efforts to build a customer base, well before the new vineyard/winery has its own products ready for sale. Setting up a cellar door and website, restaurants and glamping lodgings can often be done in less than 1 year, depending on the complexity and scale of the facilities.

Location remains a very important factor when establishing a small winery. Efforts should be made to strongly encourage wine sales at the winery since onsite sales are the most profitable. The site selected for the winery also needs room for the buildings required for the startup operations along with room to grow. Adequate parking space for both employees and customers must also be a consideration.

3. Comparing wine regions and smaller boutique wineries

Here we compare publicly available information regarding five smaller wine businesses and one accommodation business located in different wine-growing regions around Australia. The six businesses compared are Balgownie Estate Bendigo-www.balgownie.com/bendigo (Victoria), Bellwether Wines-www.bellwetherwines.com.au (Coonawarra, South Australia), Boydell's-www.boydells.com.au (Hunter Valley, New South Wales), Mile End Glamping-www.mileendglamping.com.au (Margaret River, Western Australia), Nashdale Lane Wines-www.nashdalelane.com (Orange, New South Wales) and Sirromet-www.sirromet.com (Mount Cotton, Queensland).

These properties were all selected because they are reasonably successful, well-known, and respected, and information about them is readily available. They are also spread among several well- and lesser-known wine-growing regions all around Australia. Most are smaller wine producers, but one operates two wineries (Balgownie) and one (Mile End Glamping) only provides lodging. Most offer food as well as wine and most provide some small-scale lodging options, but two (Balgownie and Sirromet) have larger food and lodging operations. Thus, they are representative of better Australian boutique winery businesses, cover many of the country's wine-growing regions, and have some food and lodging operations, as well as being wine producers.

For this analysis, the authors have deliberately chosen to compare properties that incorporate food and lodging options because the preceding industry analysis indicates that smaller producers should blend wine production with wine tourism to develop a

loyal customer base as well as a more sustainable business model with several complimentary revenue streams.

Collectively, this study first considers the regions and properties and their market positioning to understand what kind of guests visit them and why they want to stay. Then their scale and the facilities and the amenities that guests can expect to use during their visits are examined. After this, the study identifies the common features and unique attractions of the different properties that underpin their success. To be clear, this analysis is largely derived from reviewing publicly available information about the different case businesses.

3.1. Regional locations and market positioning

Wine growing began in the 1800s in four of the six case study wine regions (Hunter Valley, Bendigo, Coonawarra, and Orange), while one started in the 1960s (Margaret River). The last case property (Mount Cotton) is not located in a recognized wine region and is more of an entertainment destination that was established in the year 2000. Most of the regions started with livestock grazing, but three were (and still are) associated with gold and other mining (Bendigo, Orange, and Hunter Valley). Interestingly, the original wine industry in Bendigo died out in the early 1900s but was then resurrected in the 1960s as part of Australia's deliberate wine-growing expansion [28].

Overall, wine tourism is an important part of Australia's regional economies. Accordingly [12], in the year ending September 2020, 5.5 million people visited Australian wineries and overall, they spent AU\$5.9 billion during their trips. This is about the same scale as Australia's core wine industry. Some 40% of these visitors were domestic day-trippers, and 51% were domestic visitors who stayed at least one night. 9% of these visitors were international tourists, which represents 12.5% of all the international tourists who visited the country. The top three wine regions visited by domestic tourists were Margaret River, Hunter Valley, and the Mornington Peninsula (on the outskirts of Melbourne). For international visitors, the top three destinations were the Yarra Valley (also outside Melbourne), Margaret River, and the Hunter Valley.

Generally, regional tourism is strongly supported by the government and businesses for all except one of the case study properties (Mount Cotton). They provide considerable information online and at local township tourist information centers and support and encourage visitors to enjoy various regional activities and experiences. They focus mostly on local food produce and dining, wine, and other drinks, lodging options, history and culture, outdoor nature and sports activities, spa & wellness, local arts and crafts, shopping, and events (especially those related to music, art, sport, culture, and food). Water-related activities are also emphasized for coastal regions (Margaret River, Coonawarra, and Mount Cotton), including coastal walks, marine animal observations, fishing, and water sports.

Regional support organizations also generally encourage children and "pet-friendly" attractions, as well as those for adult singles, couples, and larger groups of different ages and with different interests. In all cases, food and wine tourism is an important part of the offering and the different regional organizations identify many

cellar doors that people can visit, around 100 for each of Margaret River and Hunter Valley, to around 30 for each of Coonawarra and Orange, to about 10 for Bendigo, with only 1 at Mount Cotton.

Mount Cotton is a picturesque less developed area on the outer edge of Brisbane (population 2.28 million) on the way to Queensland's Gold Coast (population 650,000), a nearby well-known beach resort area. Sirromet is the only winery in the area, which was not previously known for wine tourism, but since 2000 has established itself as a cellar door with winery tours, meals (picnic areas and restaurants), and overnight stopover accommodation (campsites, tents, and cabins), plus being a wedding, corporate and cultural event destination. By 2015 it was attracting more than 300,000 visitors per year [29]. Its expansion has continued, including recently expanding its glamping offering.

The Margaret River region is around a 3-hour drive south of Perth (population 2 million) and has been developed as an urban getaway location since the 1960s. Along with whale watching, surfing, other ocean activities, nature trails, and other cultural and sporting activities, it incorporates extensive wine tourism so that there are things to do for people with all interests. Its primary focus is day-trippers and shorter-stay tourists. It received about 1.59 million visitors who stayed an aggregate of 5.67 million nights in 2021, and these were virtually all local travelers because of the COVID restrictions on inter-state and international travel. Visitation was uneven, with many more visitors during school holidays and weekends and over the summer [30].

Bendigo is a 2–3-hour drive from Melbourne (population 5.15 million) and the Hunter Valley is a comparable distance from Sydney (population 5.35 million). Both are picturesque and have longer colonial histories and early agriculture, wine-making, and mining activities. Both have rich architectural and other infrastructure dating from their earlier agricultural and mining boom periods. Both are positioned as important regional centers with many cultural, sporting, and other activities. Both are known for wineries and local produce and crafts, as well as their range of restaurants and other food outlets. Both also extensively promote regional events and festivals, and they also have extensive inventories of accommodation options. Thus, they are both well able to interest and satisfy all kinds of tourists for day trips, weekend getaways, and somewhat longer stays.

Accordingly to Destination NSW [31], the Hunter Valley region received about 8.4 million visitors who stayed for 9.4 million visitor nights and spent AU\$2.3 billion in the year ended December 2021. Because of COVID, virtually all these visitors were domestic tourists, 89% came from within New South Wales, and 48% came from Sydney. While only 36% of visitors stayed overnight, they accounted for over 70% of the total tourism spending in the region demonstrating the high value of increasing visitor length of stay. Finally, 70% of the visitors came during the summer/autumn seasons. Similarly, according to a City of Greater Bendigo media release (23 January 2020), in the year ended September 2019, the region received 2.3 million day-trippers and 1.3 million overnight visitors who stayed a total of 2.6 million visitor-nights. 27,200 of the overnight visitors and 57,400 of the day trip visitors were from overseas. The release noted that a lot of effort had gone into increasing the number of visitors staying overnight. Compared to Hunter Valley, Bendigo seems to have more scope to significantly expand its regional tourism.

The Coonawarra wine growing area is famous for its Cabernet Sauvignon wines and is situated in the Limestone Coast region, which is 4+ hours' drive from Adelaide (population 1.36 million). Orange is a somewhat lesser distance inland from Sydney. Therefore, they are both more suitable for special interest visitors who plan to stay for at least a few days. Both also have a long wine history, with extensive and sophisticated wine production capacity. Both promote a full range of attractions for visitors.

According to a visitor analysis [32], the Limestone Coast region attracted 670,000 day-trippers who spent AU\$125 million, in the year ended March 2021. It also saw 596,000 domestic overnight visitors who stayed for a total of 1.4 million visitor nights with an average stay of 3 nights. 77% of the overnight visitors were from South Australia. Because of COVID-related border closures, there were no international visitors. Orange is part of the Central region of New South Wales, and in the year ended December 2021, the region received 4.4 million visitors who stayed for 5.9 million room nights and spent AU\$1.5 billion. 46% of visitors stayed overnight and accounted for 73% of the total spending [33].

As to be expected, each of the regions aims to attract a broad spectrum of visitors, mostly from nearer large cities. Regions that are closer to large cities (especially Bendigo and Hunter Valley) naturally have a stronger focus on day-trippers and generally seem to attract substantially more visitors. Nonetheless, as to be expected because of their higher spending on food, beverages, and lodging, overnight visitors are much preferred and highly prized in all wine regions. Interestingly, the Sirromet property, which is very close to Brisbane has a strong events and food and lodging focus as well and has also developed a golfing facility to add to its expanding amenity base. Other case study properties also focus specifically on different niche tourist groups, as discussed later, and summarized in **Table A1** in the Appendix.

All these wine regions have quite temperate climates, mostly with hot, dry summers and cooler, wetter winters (but little chance of frost) because this is the kind of climate needed to successfully grow grapes. They all have quite picturesque geography and a mix of native flora and fauna and agriculture. They also have architectural and other heritage and a broad range of cultural, sports, and adventure facilities. In addition, these regions all have substantial local wine, food, and lodging industries, and all the manpower and other resources and support services needed to operate food, wine, and lodging businesses. This all means that food and wine tourism can be a relatively steady year-round activity, albeit peaking during summer holidays and long weekends.

Based on the previously noted number of cellar doors, each of the regions contains a potentially overwhelming number of wineries that can be visited (except for Mount Cotton). Wine trails are a common way of minimizing this issue. Tourism authorities typically recommend collections of several wineries to visit that are relatively close to each other and which are particularly suited for specific sub-sets of visitors, e.g., "pet-friendly" wineries that are known for their red wines. A given wine trail may also include food outlets and accommodation options.

All except one of the case study wineries are in well-known and popular wine-growing regions with extensive and strongly promoted year-round food and wine tourism. These regions offer many recreational activities for a very broad spectrum of

visitors with all kinds of interests besides food and wine. The skilled manpower and infrastructure needed to develop and operate a new boutique winery business in these regions are also well established. This maximizes the potential customer base for each property and the manpower and other support they need to operate successfully is available. Even the singleton wine property (Sirromet) is on the outskirts of a major city and so has ready access to staff and support services but had to invest more to build a range of visitor attractions.

Clearly, a new boutique winery business venture is well advised to establish itself in a better-known wine tourism region close to a major city to maximize its potential customer pool and leverage regional attractions, marketing efforts and support infrastructure. The decision on whether to locate closer to a major city and focus more on day-trippers or to be in a more remote place and focus more on longer-stay visitors should also be carefully considered. Similarly, the available tourism and other needed business support infrastructure in different potential locations should be carefully weighed.

3.2. Property facilities and amenities

The case study properties are all situated in idyllic natural areas with rolling hills suitable for grape growing and other agriculture and with abundant native and other fauna and flora. The properties range in size from 24 to 227 hectares. The specific features and amenities of the different properties are summarized in **Table A1** in the Appendix.

Looking through the table one column at a time, 5 of the 6 properties have extensive cellar doors for wine tastings and direct wine sales to the public. The Boydell's cellar door is in the nearby Morpeth Village, but all the others are onsite with both indoor and outdoor seating for around 20–50 people. Four of the cellar doors also offer regional food platters to pair with their wines and at least 4 offer picnic and/or BBQ hampers that also include wines.

Three of the properties also have an indoor/outdoor licensed casual dining restaurant onsite, while one has an indoor licensed restaurant adjacent to their cellar door in a nearby town. Outdoor dining seems to be especially important and the photo galleries for each property feature images of groups of visitors enjoying relaxed summer lunches or candle-lit dinners at large open-air tables with picturesque landscapes as their backdrop. Picnic areas also seem to be important, and at least 2 of the properties also have BBQ areas and hampers for visitors. The lodging-only property can also arrange for picnic and BBQ hampers to be delivered to their glamping sites. Two of the larger properties (Balgownie and Sirromet) also have private function rooms and promote themselves as catered venues for weddings, business, and other functions. They can also arrange live music, and one regularly hosts public concerts (Sirromet).

Two of the properties have camping sites, some with electrical power. All six properties have large glamping tents that can house 2–4 people each, ranging from 1 to 18 sites for the different properties. These are not the rustic camping tents that may come to mind, and in 5 cases they are on decks and are air-conditioned with ensuite bathrooms, and most have kitchenettes and outdoor BBQs, and sometimes outdoor

bathing and jacuzzies. Bellwether Wines makes their communal kitchen and in/outdoor guest dining and relaxation spaces a feature of the experience of staying at their property.

As well as glamping tents, two of the properties also have small numbers of cottages and more typical hotel rooms for guest stays. All the properties emphasize the natural and relaxed location of their accommodation offerings so that guests can “commune with nature” and “unwind” during their stays. Generally, because of their unusual location, the tent rates are as high or higher than comparable hotel room charges. It should also be noted that in some cases, only adults can stay on the properties (no children or pets), and one property (Mile End Glamping) limits property access for guests to well-defined roads near the stay sites.

To focus on one example, Mile End Glamping is clearly successful and popular, with rates comparable to 5-star hotel rooms. It is normally fully booked for 2–4 months in advance. In addition, it has many highly complimentary guest reviews and repeat customers who return annually. Surprisingly, there are only 2 sites on the 58 ha grazing property and the most common reviewer complaints are that they are too close together. After examining a map, the authors believe that the property could very comfortably accommodate 10+ glamping units without compromising the quality of the experience of staying there, or the agricultural productivity of the land.

At least 3 of the properties strongly emphasize romantic getaways for couples for overnight stays but most are more flexible for day visitors, and welcome singles, couples, families, and smaller groups for day visits. Some of the case properties are “pet friendly” but most are not.

To encourage visitors to spend more time at the winery, build stronger customer relationships, and increase cellar door sales, 4 of the 5 properties also offer winery tours. One also offers other tours of the property, and another offers wine-tasting courses. Three properties can also arrange vineyard picnics, and one regularly arranges “long table” lunches in their vineyard. Two of the properties can also host weddings and conferences and one organizes corporate retreats and school formals and has regular live music. For guests staying at the property, Mile End Glamping can arrange various personalized activities, including training & fitness sessions, art classes, massage sessions, scenic helicopter flights, and chauffeured winery and town tours.

As outlined in **Table A1** in the Appendix, all the case study properties have strong and sophisticated online presences, and this is clearly a crucial part of developing and maintaining the large and loyal groups of repeat customers that are undoubtedly the lifeblood of these businesses. All the case study websites give basic information about the properties and their histories, nearly always supported by extensive photo galleries and YouTube videos. For all except Mile End Glamping, home-delivered online wine sales are core website functions, in combination with wine clubs that offer discounts and special deals for regular wine purchases. In 3 cases, these are further supported by online blogs or email newsletters.

As already noted, 5 of the properties have cellar doors and 4 have full-service restaurants; all are onsite except for Boydell’s Wines where the cellar door and restaurant are in the nearby Morpeth Village. All the corresponding websites provide extensive cellar door/restaurant information and enable online bookings, along with home-delivered wine purchasing. All the case study websites also describe their

lodging offerings in detail and enable online bookings for these as well. Finally, 5 of the 6 websites explain the different events and activities that will be happening on premises and enable website visitors to book their attendance; 4 of the websites also promote regional activities that their customers may be interested in. As well as their websites, all the case study properties are active on social media, especially Facebook and Instagram, and some are also active on X (formerly Twitter) and Pinterest.

3.3. Common features and attractions

Clearly, cellar door and online wine sales are the core of all boutique winery businesses and thus developing and maintaining strong and loyal customer relationships are crucial. Grape growing and winemaking in an attractive landscape that is within a recognized and popular wine-growing region is central to initially attracting potential customers. Tastings, meals, and other onsite activities are very important for getting visitors to stay on the property longer to build customer rapport. This effect is strongly enhanced by adding functional spaces and lodging options to the property.

Based on the background industry information and the cases examined here, new boutique wine ventures should target more sophisticated and wealthier food and wine aficionados because they have the discretionary spending power and desire to become wine tourists and may like to establish long-term relationships with smaller, high-quality wineries. Additionally, new wineries should consider setting up in already established wine regions where climate and terroir are already proven to help produce excellent fruit. This will also maximize the “passing trade”, which is crucial for their long-term success. New winery ventures need to have a strong online presence that includes a capability for home-delivered wine sales and subscription newsletters for upcoming events and special offers. These are good ways to maintain ongoing communications with past winery visitors.

While any of these components (grape growing, winemaking, cellar door, food, lodging, online) can be left out for a particular boutique winery business, it is very clear that they all work together synergistically to greatly enhance the chances of business success and to provide complementary revenue streams to strengthen customer relationships and business resilience. Combining these revenue streams can also greatly reduce the time till initial income is generated by the venture.

Where possible, it seems best to concentrate all business activities at a single site to strengthen brand identity and give more reasons for repeat visits by customers. Where Boydell’s chose to split the vineyard/winery from the cellar door/restaurant, it located the latter in a historic town to maximize visitor traffic. Once it has built initial relationships with customers Boydell’s then offers them private tours and related vineyard/winery activities.

Having a range of food offerings from platters and picnic and BBQ hampers to full meals in attractive indoor and especially natural outdoor locations seems to be a particularly good way of showcasing food and wine pairings and getting visitors to stay longer and become friendly with staff. Bellwether Wines seems particularly adept at this by adding a market garden, bread-making and winery tours, regular guest gatherings, and communal wine-paired meals. The catered function spaces for

weddings and other events and regular music concerts offered by Balgownie Estate and Sirromet also add another important dimension to onsite customer experiences.

Glamping accommodation and other lodging options add a further valuable complementary revenue stream that can be very attractive for many visitors. However, it seems unwise and limiting to unduly focus on romantic getaways, as some of the case study properties do, and restrict access for families with children. The common caveat against pets also seems overly restrictive in some cases. Provided there are suitable vendors nearby, the range of additional personal guest services offered by Mile End Glamping seem very worthwhile (and range from food hampers to personal chefs, fitness trainers, art lessons, scenic helicopter flights, and chauffeured winery and town tours).

For small wineries that are located further from major population centers, accommodation is an especially important onsite amenity. In this context, glamping tents and cabins provide a cost-effective means for adding high-quality accommodation at a fraction of the cost of traditional boutique hotel or bungalow construction, with the ability to scale up in line with growing demand and as investment funds become available.

The very small number of glamping sites at some of the properties is puzzling. More sites would not impact vineyard/winery operations and would significantly increase economies of scale to lower proportional operating costs and increase revenues and wine sales synergies.

Some readers may question combining grape and wine production with food and beverage sales and lodging because it increases business complexity and risk and dilutes business focus. However, the authors strongly argue that the combination of functions and other activities with food and beverage and lodging has been normal practice in the hotel and hospitality industry for centuries. This amply demonstrates that the benefits deriving from the synergies between these business elements far outweigh the additional complexities and risks in most cases. It is a matter of suitably structuring the organization and partitioning responsibilities. Many vineyards/wineries already draw on specialist consulting and other expertise for managing their grape and wine production activities and can adopt similar strategies for their wine sales and food and beverage and lodging operations.

4. A process for developing a boutique winery business

Based on the preceding Australian wine industry and case analyses, the authors believe that entrepreneurs should initially devote considerable efforts to conceptualizing the mature operating scope and scale of their proposed boutique winery business. Resources to implement their vision should only be deployed after it has been fully crystallized and analyzed for financial and economic feasibility.

To guide this initial analysis and introspection, this study proposes the generic business model for a boutique winery business shown below in **Figure 2**. The foundation of this model is the geographic location, topology, flora, and fauna at the location for the proposed business, along with the proposed agricultural, building, and other infrastructure to be built on it. Closely related to this is the online presence of the proposed business as the major conduit for marketing it and managing customer

orders for the products and services that it will provide. Making use of all this, four major business lines should be common, in varying degrees, to all successful boutique winery businesses. Foremost among these are the growing of grapes, the production of wines, and the sale of these (and other) products through the cellar door, online, and distributors. Supporting and complementing wine production and sales, many boutique wineries will also have lodging and food operations. Finally, every boutique winery business must clearly define its preferred customer audience and tailor its product and service offering to meet the specific needs of this customer base.

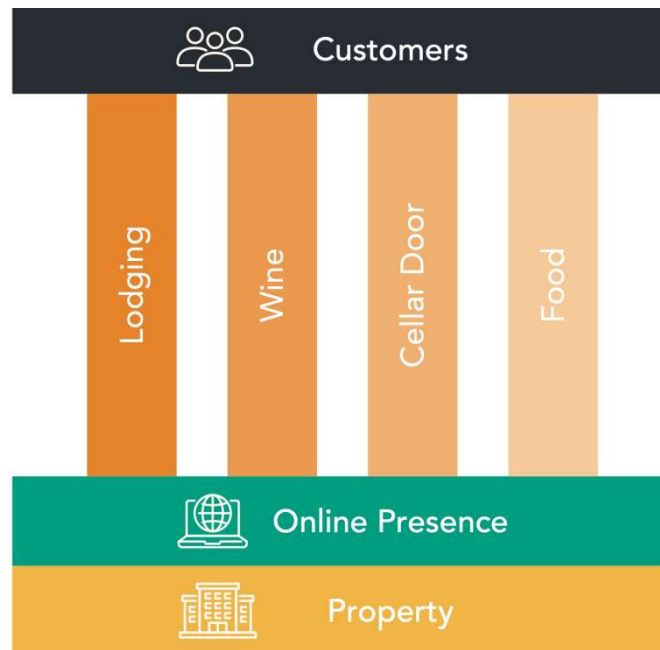


Figure 2. A general boutique winery business model.

Source: Dean et al. (2022).

The timelines needed to establish the different potential business lines for boutique wineries must also always be borne in mind. After planting, it generally takes at least 3 years for a vineyard to start producing harvestable crops, and then the first wines produced need to be aged for at least 1–2 years before they are ready for sale. To be prudent, entrepreneurs should assume a 5-year period from initial planting to first own wine sales. By contrast, licensing for straightforward cellar doors and food sales might take around 6 months. Then construction of the supporting facilities may take another year, so that income from food and beverage sales can often be achieved within 18 months of initiating the project. Lastly, licensing for a camping operation may take about 1 year, but for a permanent onsite hotel, the licensing approval may take several years if it can be obtained at all. Constructing camping facilities may take 6 months, depending on scale, but construction of even a small hotel can take well over 1 year. Thus, entrepreneurs should allow 18 months for the development of an onsite camping facility, but possibly 4 years for a small hotel development. The implementation sequencing and scale of these different potential business lines will have a major impact on the timing and scale of the investments to establish the proposed business and their subsequent corresponding income streams.

The business location will always somewhat constrain the chosen market segment to be served and this will in turn shape and guide the emphasis and focus of the products and services offered and thus the investments in facilities and equipment needed to establish the business and to develop it over time as the market situation evolves.

All these concerns should be thoroughly considered when initially conceptualizing any proposed new boutique winery business. The outcome of this analysis should be a clear and comprehensive long-term vision for the mature and complete business and the development pathway that should be followed to achieve this vision. This conceptualization must incorporate a strong understanding of the risks that may be faced along the way and how these can be minimized.

Having specific and achievable end goals, along with a clear plan for how to achieve them is widely accepted as a key approach to minimizing the risks in successfully completing any project. This approach minimizes the chances of missteps and rework as the project proceeds, which is a major cause of project time and cost overruns. For example, the last thing you want to be doing as you develop a new boutique winery is planting your vineyard and some time (possibly a few years) later deciding that it should be moved so you can build an onsite restaurant in its current location.

The following sub-sections consider the major issues and risks that should be addressed when first conceptualizing a new boutique winery business based on the preceding analysis of the Australian wine industry and the existing successful case businesses.

4.1. Regional location and customer positioning

As explained in the earlier industry and case analyses, boutique wineries need to focus their marketing on attracting customers who are not well served by large mass-market wine producers, i.e., attract and develop longer-lasting relationships with wealthier and more discerning customers, who are passionate about expanding their knowledge of wine and food. If these relationships can be developed, the winery should enjoy repeat sales to these customers. Moreover, boutique wineries should prioritize attracting domestic rather than international customers. It is easier to maintain ongoing relationships with the domestic market, who are more likely to become repeat visitors to the winery. In addition, product delivery to them is quicker, simpler, and less expensive (especially when international tax and import regimes are considered).

Generally, what might be termed “edutainment”, is important for this kind of boutique winery customer. Getting to know the local wines and how they are produced becomes both educational as well as entertaining. The same is true when considering local foods that can be paired with wines. Often, local craft and nature activities can add an even further dimension for engaging with customers. Suitable target customers generally value all these experiences, especially when interacting with the winery owners and winemakers. The more unique and memorable the specific experiences that customers can associate with the winery, the more they will be persuaded to

purchase its products and services, and the more likely they will be to return for repeat visits.

The importance of pairing the wines on offer with food should not be underestimated. The same is also true for accommodation, especially for boutique wineries further from major cities. Regional support for tourism is very important and should be another important factor considered when deciding where to locate a new boutique winery business and the full range of products and services to be offered.

Many demographic groups fit within the umbrella of nature-loving, domestic food and wine aficionados. These can include independently traveling retirees and other couples, families with children, and individuals and groups of friends on holiday. As for most new business development planning, boutique winery businesses are well advised to focus their efforts on specific demographic groups and tailor their product and service offerings accordingly.

4.2. Grape growing and wine production

As the industry analysis and successful cases make clear, boutique wineries usually involve multiple coordinated land uses. As noted earlier in Section 2.4, for grape growing and wine production there are many detailed technical issues related to grape selection and planting and the associated land formation, water management, machinery access, winery construction works, and so on. These are all very technical and specialized matters and expert advice should be sought to help with all these decisions. Nonetheless, the actual vineyards and winery may only occupy a minor part of the entire property.

It should also be recognized that some vineyards do not actually incorporate a winery, and simply sell their grape harvests to other producers. Moreover, there is nothing to prevent a vineyard from having a cellar door that sells wines from several different local wineries, and also having food & beverage outlets, and lodging.

For wine, there is a substantial initial investment to carry out land formation works and to plant the grape vines. Another substantial investment is needed to build and fit out the winery if this is part of the concept for the venture. There is little returning income until the grapevines are mature which can easily take 3+ years. If bulk grapes can be purchased, wine production can begin before the onsite grape vines mature. However, it still takes 2+ years to set up production and build a wine inventory.

Taking the viticulture and grape harvest processing and wine production and storage concerns as a given, other overall business issues should be considered. Vineyard and winery tours are usually important for increasing customer engagement and support for the business and these should be considered as part of the design and implementation. Similarly, it may be important to also incorporate attractive outdoor dining and restaurant facilities and visitor accommodation options near the vineyards and wine-making facilities. Finally, there may be other related onsite agricultural activities, such as olive groves, restaurant market gardens, herb gardens, and animal grazing that need to be incorporated. Generally, all these considerations should form a coherent whole.

4.3. Wine and related sales

For most boutique wineries, cellar doors and online sales of their own wines are key long-term lines of business. They may also sell through niche distributors, but this is often less desirable because of the additional direct and indirect selling costs.

Nonetheless, it is increasingly popular to use wine-making wastes to also make and sell distilled spirits. Similarly, olive groves and olive oils can be a good complementary business line that can increase the utilization of farm labor and processing equipment. In some circumstances, beers and ciders may also be made and sold. Finally, it is very reasonable for a boutique winery to also sell products from other producers. The Wild Dog Estate [23] is a good example of a comprehensive boutique winery that incorporates several different complementary business lines.

It can easily take several years for a new boutique winery to develop a good quality range of wines. Thus, to establish an initial market presence and the required logistics infrastructure, a very good strategy for a new boutique winery can be to begin by selling known wines and other related products sourced from nearby producers. Then selling their wines and other products once they are established and proven.

The entrepreneur proposing to establish the business should properly evaluate the desired long-term range of products to be sold—in-house wines, outside-sourced wines, spirits, olive oils, and so on. This will depend on many factors, including regional expertise and capabilities, land suitability, and potential market scale and customers. The availability of funding and the timing and extent of the needed investments to establish the different products will also affect the decision-making.

Nonetheless, to avoid rework and missteps, the entrepreneur should make initial land use allocations for all the facilities needed to support all of the potential products at the beginning, and then plan the sequence of work and investments and the timeline to establish the full range within a practicable timeframe. This means that locations for all potential vineyards, olive groves, and other agricultural plantings should be decided, along with any associated land formation works (access roads, water storage dams, irrigation lines, etc.). Similarly, placements for all the harvested plant processing equipment must also be decided, along with suitably located product storage facilities. Then decisions can be made regarding the sequence for completing the works, depending on the availability of funding and desired production establishment project deadlines.

It should also be borne in mind that successful onsite sales imply significant traffic to the cellar door so the parking and sales facilities should be located near to a major road to be easily visible. The facilities should also be attractive and inviting for target customers and adequate wayfinding and signage are also important. Cellar door sales are crucial for building the winery's customer base and the focus should be on acquiring repeat customers with high discretionary spending power.

4.4. Food offering

Clearly, from the Australian wine tourism industry analysis and the case studies, food should be a natural complement to wine sales for all boutique wineries and should be an important revenue generator for them. As well as direct sales, pairing food with wine gives winery visitors a strong reason to spend more time at the property and build

stronger relationships with the business, thus increasing the probability of repeat visits and stronger future sales. The investments and returns for food sales are lower than for setting up grape and wine production, but the incremental returns arrive much quicker and will increase individual customer spending (thus reducing proportional marketing costs), and synergistically stimulate wine sales.

Moreover, there is a natural progression from the provision of carry-out food and picnic hampers through to outdoor/indoor casual and fine dining, where increased investment positively correlates with increased spending per customer. To minimize risk and to cost-effectively build paired food and wine sales, the best strategy is to begin by offering tasting platters and carry-out picnic hampers because these involve minimal kitchen, food storage, and dining space investments. Then once demand has proven itself; further kitchen, storage, and seating space investments can be incrementally made to support onsite picnics, BBQs, and outdoor dining events. Finally, further investments can be made to establish outdoor/indoor casual dining restaurant spaces; depending on demand these may sometimes be further complemented by food and wine paired fine dining. These investments can be paced and staged to match growth in actual demand and the progressive development of business expertise in these areas.

Whatever the food offerings, the preceding industry and case analysis indicate that the boutique winery should emphasize the inclusion of local produce and pair its wines with the food it has on offer. Where appropriate, the winery should also feature local arts, crafts, and toiletries, to maximize the resonance between the property and the wider region. Most visitors will value and appreciate the added uniqueness and wish to support local industries. The authors believe that stylish and picturesque outdoor eating spaces are important for boutique wineries because they are symbolic of the relaxed, sophisticated lifestyle they want to project to customers. All onsite catering should focus on high-quality, locally sourced products, and should offer good service and value to attract discerning, high-income customers.

Prudent boutique winery entrepreneurs will initially decide their long-term food offering goals when envisioning their proposed new business. They should conceptualize the fully established and mature paired wine and food offerings for the business and then identify their best strategy for progressively implementing this vision. To minimize risks, this strategy should phase investments in lockstep with the achievement of specific and measurable sales goals and the business reaching specific capability milestones.

4.5. Guest accommodations

Especially for boutique wineries further from major cities, accommodation is a very important attraction for repeat customers. More remote properties are more likely to attract dedicated food and wine aficionados who want to stay longer, learn more, and develop closer relationships with their hosts. For these customers, attractive onsite accommodation can be very important. Current drink-driving laws also mean that many customers visiting boutique wineries close to their home city can still very much like the option to stay overnight after a longer food and wine-paired meal. The

preceding industry and case study analyses clearly indicated the high value that longer-staying repeat customers bring to all boutique winery businesses.

Thinking about onsite accommodation there is a natural progression in the sophistication and the cost and time needed to develop the facilities. There are also definite trends in the potential profitability of these facilities. Finally, different customer profiles for the proposed business can have very different preferences, such as extended self-directed travel with a caravan or motorhome is very popular among recent retirees, and serviced campsites are often their preferred choice.

In particular, the simplest, easiest, and least expensive option is unserviced campsites, i.e. just access roads to designated sites where visitors can pitch and use their own tents for a relatively small fee. These often do not require licensing, and the land formation work and other support infrastructure are also minimal.

Next in difficulty are serviced campsites, followed by glamping tents and cabins. Serviced campsites add water, electricity, and possibly, sewage and Internet connection points at the sites, often along with shared bathrooms, washing, and food preparation facilities. They require licensing (which is relatively easily obtained) and the land formation work, utilities, and other infrastructure are significantly more complex than for simple unserviced campsites.

Glamping tents and cabins are facilities semi-permanently located at serviced campsites and rented to visitors, and they are often quite glamorous with good amenities. The licensing for glamping tents and cabins is somewhat more difficult than serviced campsites, and the land formation work, utilities, and other infrastructure are comparable, but there is the added cost of the tents and/or cabins. Many food and wine tourists are nature lovers, making staying in environment-friendly accommodations very attractive. Off-site modular construction also enables the relatively easy construction of such facilities [34].

The most expensive and complex option is a full-service hotel, with all its expected facilities and services. Glamping tents and cabins are significantly less expensive to get licensed and built than traditional hotels. They are also much less expensive to operate because they rarely provide the typical hotel concierge, daily cleaning and turn-down services, meals, etc. Nonetheless, because of their more exotic nature, glamping tents and cabins can often be rented for higher rates than equivalent traditional hotel rooms making them substantially more profitable.

Logically, a good strategy for a new boutique winery is to start by setting up several unserviced campsites. Then as demand increases, further sites can be added and/or progressively upgraded to become serviced campsites and then glamping tents or cabins. In some circumstances, it may be desirable to eventually upgrade some glamping tents and cabins to become a full-service hotel, but this is likely to be quite rare. The added licensing difficulties and higher construction and operating costs, along with minimal increases in room rental rates, typically make onsite hotels difficult to justify for boutique wineries.

Given this progression, it is very prudent for a boutique winery entrepreneur to envision the mature business mix of unserviced and serviced campsites and glamping tents and cabins (and possibly a hotel) from the outset. The distribution of the final accommodation units around the property and the accompanying land formation works and supporting facilities can be planned in their entirety. The integration of

accommodation with the other land uses on the property can also be fully considered. Then, the implementation of all the accommodation elements can be phased and staged to match actual demand growth and the availability of funds with minimal rework and missteps. As is well known in the construction industry, it is very inefficient and expensive to initially put facilities in place and then have to later remove and replace them with others.

4.6. The property and online presence

Maximizing onsite attractions is very important for attracting new customers and encouraging them to repeat their visits. Thus, other onsite events and activities can complement the cellar door, food, and lodging at boutique wineries that should also feature local arts, crafts, and toiletries to emphasize the regional connection. Most customers will appreciate the local connection, and many will want to get unique local mementos of their stay. The types of events and activities to further immerse guests and give reasons for repeat visits, might (non-exhaustively) include:

- Music concerts.
- Showcases of local arts and crafts within a well-designed onsite gallery.
- Fine dining events.
- Weddings and other celebrations.
- Winery tours, fruit picking, and cooking classes.
- Walking and/or biking tracks.
- Petting zoos for domesticated animals and wildlife
- Onsite Spa using local ingredients and treatments if demand exists.
- Wellness and exercise spaces.
- Ziplines and/or other sports spaces (paintball, laser clay pigeon shooting, and so forth).

Yet again, the entrepreneur should consider all this when initially envisioning the mature business and planning for its establishment and evolution. In this, land use allocations are key.

An online presence that is sophisticated and extensive should be a major feature of all new boutique winery ventures. Their websites should contain extensive information about their businesses. Most should also provide subscription-based online wine sales, and email newsletters with promotions to maintain personalized contact with customers. Convenient online bookings and purchases for all the winery's products and services must also be possible, along with moderated customer reviews. A strong online presence is clearly a crucial part of developing and maintaining a boutique winery's customer base. A large, loyal group of repeat customers is the lifeblood of such businesses. Again, the nature of the whole mature business should be considered in the website design from the outset. Then it can be progressively implemented in line with the actual development of the different business lines.

5. Conclusions

This paper has briefly reviewed the development of Australia's wine industry and the position and role of successful boutique wineries within it. Importantly, wine tourism is growing and is now an increasingly important element of the global wine

industry. Ideally, wine tourism pairs wine with food and lodging to create more comprehensive, attractive, and memorable experiences for participants. It is a vital element of the business model for smaller wine producers because it is one of their primary channels for developing a loyal and growing customer base. In this way, food and lodging are nearly always very important complementary business lines, in addition to the core wine production and sales. Additionally, and very importantly, they help to diversify and de-risk the business by developing complementary income streams. It also greatly strengthens and expands the regional economies that underpin the viability of individual local wine businesses.

To maximize their business potential, boutique wineries should combine wine production and both online and distributor-based wine sales with strong food, lodging, and other wine tourism activities. Luckily, there are natural progressions in the development of a new boutique winery so that investments can be made incrementally over time to “test the waters” as anticipated market demand proves itself and the business evolves. These investments can be paced to the growth and maturity of the business and can be at least partially funded from initial revenues to lower the overall financial burden on the entrepreneurs backing the venture.

To minimize risk and avoid too many missteps and backtracking, it is crucial that boutique winery entrepreneurs thoroughly consider and fully crystallize an overall vision for the entire mature business at the very beginning. In this way, the business can be systematically developed according to a well-considered master plan and not evolve chaotically, based on random observations and whims.

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Appendix

Table A1. Summary of the case study properties.

Property	Cellar door	Food & beverage	Lodging	Other attractions	Target customer	Online presence
Balgownie Estate Bendigo www.balgownie.com/bendigo/ 33ha vineyard/winery 2-3 hours driving from Melbourne	<ul style="list-style-type: none"> • book or walk-in • onsite in/out door seating • wine tastings/sales • snacks and regional tasting platters 	<ul style="list-style-type: none"> • in/out door restaurant • meals focused on regional produce • catered private functions (events & weddings) • picnic hampers 	<ul style="list-style-type: none"> • 10 x Bell Tents (single/ twin) • private deck • air-conditioning • 5 x Safari Tents • private deck • air-conditioning • ensuite & kitchenette • deck tub • 7 x Hermitage Rooms • standard/deluxe • air-conditioning • ensuite • communal kitchen • communal lounge • 2 x Cottages • air-conditioning • ensuite (with spa) & kitchenette • living area 	<ul style="list-style-type: none"> • winery tours • weddings • conferences • vineyard picnics 	<ul style="list-style-type: none"> • romantic getaways • singles, couples, families & small groups • child friendly • pet friendly • free property access 	<ul style="list-style-type: none"> • wine sales • wine club (purchase discounts) • promote and book onsite activities • promotion of regional activities • facebook, instagram, twitter • youtube videos
Bellwether Wines (Coonawarra) www.bellwetherwines.com.au 4 hours driving from Adelaide	<ul style="list-style-type: none"> • book or walk-in • onsite in/out door seating • wine tastings/sales • snacks and regional tasting platters • picnic hampers 	<ul style="list-style-type: none"> • in/out door restaurant • meals focused on regional produce • picnic & BBQ hampers • catered meals 	<ul style="list-style-type: none"> • 6 x Campsites • some powered • 6 x Bell Tents • Communal kitchen & living areas • Communal shower block 	<ul style="list-style-type: none"> • winery tours • garden tours • bread making • guest gatherings 	<ul style="list-style-type: none"> • singles, couples, families & small groups • child friendly • pet friendly • free property access 	<ul style="list-style-type: none"> • wine sales • wine club (purchase discounts) • promote and book onsite activities • facebook, instagram, twitter • youtube videos
Boydells Vinyard (Hunter Valley) www.boydells.com.au 80ha vineyard/winery 2-3 hours driving from Sydney	<ul style="list-style-type: none"> • book or walk-in • offsite in Morpeth village • indoor seating • wine tasting/sales 	<ul style="list-style-type: none"> • indoor restaurant • offsite in Morpeth village • meals focused on regional produce 	<ul style="list-style-type: none"> • 1 x Safari Tent • private deck • air-conditioning • ensuite & kitchenette • partly covered deck with BBQ 	<ul style="list-style-type: none"> • vineyard "long table" lunches • vineyard picnics 	<ul style="list-style-type: none"> • romantic getaways • no children • no pets • free property access 	<ul style="list-style-type: none"> • wine sales • wine club (purchase discounts) • promote and book onsite activities • facebook, instagram • email newsletter
Property	Cellar door	Food & beverage	Lodging	Other attractions	Target customer	Online presence
Mile End Glamping (Margaret River) www.mileendglamping.com.au 58ha livestock farm 3 hours driving from Perth		<ul style="list-style-type: none"> • For lodging guests only • picnic & BBQ hampers • catered meals 	<ul style="list-style-type: none"> • 2 x Geodesic Domes • air-conditioning • ensuite • kitchenette • living area • partly covered deck with BBQ and jacuzzi 	<ul style="list-style-type: none"> • personal training & fitness • private art classes • massage • scenic helicopter flights • chauffeured winery and town tours 	<ul style="list-style-type: none"> • romantic getaways • no children • no pets • very limited property access 	<ul style="list-style-type: none"> • gift vouchers • promote and book lodging and onsite activities • promotion of regional activities • photo gallery and youtube videos
Nashdale Lane (Orange) www.nashdalelane.com 24ha vineyard/winery 4+ hours driving from Sydney	<ul style="list-style-type: none"> • book or walk-in • onsite in/out door seating • wine tastings/sales • snacks and regional tasting platters • no pets inside 		<ul style="list-style-type: none"> • 2 x Tents • air-conditioning • ensuite • kitchenette • deck with BBQ 		<ul style="list-style-type: none"> • romantic getaways • no children • no pets • free property access 	<ul style="list-style-type: none"> • wine sales • wine club (purchase discounts) • promote and book onsite activities • selected promotion of regional activities • facebook, instagram, pinterest • photo gallery and youtube videos • email newsletter

Table A1. (Continued).

Property	Cellar door	Food & beverage	Lodging	Other attractions	Target customer	Online presence
Sirromet (Mount Cotton) www.sirromet.com 227ha vineyard/winery 1 hour driving from Brisbane	<ul style="list-style-type: none"> • book or walk-in • onsite • in/out door seating • wine tastings and sales • snacks and regional tasting platters 	<ul style="list-style-type: none"> • in/out door restaurant & cafe • function rooms • meals focused on regional produce • catered private functions (events & weddings) • picnic hampers 	<ul style="list-style-type: none"> • 40 x caravan sites • no facilities/power • 18 x Pavilion Tents (single/twin) • air-conditioning • ensuite • kitchenette • deck with BBQ • 2 x Cottages • air-conditioning • ensuite • kitchenette • deck with BBQ 	<ul style="list-style-type: none"> • winery tours & wine tasting courses • weddings • conferences • vineyard picnics • corporate retreats • school formals • music concerts 	<ul style="list-style-type: none"> • romantic getaways • singles, couples, families & small groups • child friendly • pet friendly • free property access 	<ul style="list-style-type: none"> • wine sales • wine club (purchase discounts) • promote and book onsite activities • extensive promotion of regional activities • facebook, instagram, twitter • photo gallery and youtube videos • blog posts
Balgownie Estate Bendigo www.balgownie.com/bendigo/ 33ha vineyard/ winery 2-3 hours driving from Melbourne	<ul style="list-style-type: none"> • book or walk-in • onsite in/out door seating • wine tastings/sales • snacks and regional tasting platters 	<ul style="list-style-type: none"> • in/out door restaurant • meals focused on regional produce • catered private functions (events & weddings) • picnic hampers 	<ul style="list-style-type: none"> • 10 x Bell Tents (single/twin) • private deck • air-conditioning • 5 x Safari Tents • private deck • air-conditioning • ensuite & kitchenette • deck tub • 7 x Hermitage Rooms • standard/ deluxe • air-conditioning • ensuite • communal kitchen • communal lounge • 2 x Cottages • air-conditioning • ensuite (with spa) & kitchenette • living area 	<ul style="list-style-type: none"> • winery tours • weddings • conferences • vineyard picnics 	<ul style="list-style-type: none"> • romantic getaways • singles, couples, families & small groups • child friendly • pet friendly • free property access 	<ul style="list-style-type: none"> • wine sales • wine club (purchase discounts) • promote and book onsite activities • promotion of regional activities • facebook, instagram, twitter • youtube videos
Bellwether Wines (Coonawarra) www.bellwetherwines.com.au 4 hours driving from Adelaide	<ul style="list-style-type: none"> • book or walk-in • onsite in/out door seating • wine tastings/sales • snacks and regional tasting platters • picnic hampers 	<ul style="list-style-type: none"> • in/out door restaurant • meals focused on regional produce • picnic & BBQ hampers • catered meals 	<ul style="list-style-type: none"> • 6 x Campsites • some powered • 6 x Bell Tents • Communal kitchen & living areas • Communal shower block 	<ul style="list-style-type: none"> • winery tours • garden tours • bread making • guest gatherings 	<ul style="list-style-type: none"> • singles, couples, families & small groups • child friendly • pet friendly • free property access 	<ul style="list-style-type: none"> • wine sales • wine club (purchase discounts) • promote and book onsite activities • facebook, instagram, twitter • youtube videos
Boydells Vinyard (Hunter Valley) www.boydells.com.au 80ha vineyard/ winery 2-3 hours driving from Sydney	<ul style="list-style-type: none"> • book or walk-in • offsite in Morpeth village • indoor seating • wine tasting/sales 	<ul style="list-style-type: none"> • indoor restaurant • offsite in Morpeth village • meals focused on regional produce 	<ul style="list-style-type: none"> • 1 x Safari Tent • private deck • air-conditioning • ensuite & kitchenette • partly covered deck with BBQ 	<ul style="list-style-type: none"> • vineyard “long table” lunches • vineyard picnics 	<ul style="list-style-type: none"> • romantic getaways • no children • no pets • free property access 	<ul style="list-style-type: none"> • wine sales • wine club (purchase discounts) • promote and book onsite activities • facebook, instagram • email newsletter

Table A1. (Continued).

Property	Cellar door	Food & beverage	Lodging	Other attractions	Target customer	Online presence
Mile End Glamping (Margaret River) www.mileendglamping.com.au 58ha livestock farm 3 hours driving from Perth		<ul style="list-style-type: none"> For lodging guests only picnic & BBQ hampers catered meals 	2 x Geodesic Domes <ul style="list-style-type: none"> air-conditioning ensuite kitchenette living area partly covered deck with BBQ and jacuzzi 	<ul style="list-style-type: none"> personal training & fitness private art classes massage scenic helicopter flights chauffeured winery and town tours 	<ul style="list-style-type: none"> romantic getaways no children no pets very limited property access 	<ul style="list-style-type: none"> gift vouchers promote and book lodging and onsite activities promotion of regional activities photo gallery and youtube videos
Nashdale Lane (Orange) www.nashdalelane.com 24ha vineyard/ winery 4+ hours driving from Sydney	<ul style="list-style-type: none"> book or walk-in onsite in/out door seating wine tastings/sales snacks and regional tasting platters no pets inside 		2 x Tents <ul style="list-style-type: none"> air-conditioning ensuite kitchenette deck with BBQ 		<ul style="list-style-type: none"> romantic getaways no children no pets free property access 	<ul style="list-style-type: none"> wine sales wine club (purchase discounts) promote and book onsite activities selected promotion of regional activities facebook, instagram, pinterest photo gallery and youtube videos email newsletter
Sirromet (Mount Cotton) www.sirromet.com 227ha vineyard/ winery 1 hour driving from Brisbane	<ul style="list-style-type: none"> book or walk-in onsite in/out door seating wine tastings and sales snacks and regional tasting platters 	<ul style="list-style-type: none"> in/out door restaurant & cafe function rooms meals focused on regional produce catered private functions (events & weddings) picnic hampers 	40 x caravan sites <ul style="list-style-type: none"> no facilities/ power 18 x Pavilion Tents (single/ twin) <ul style="list-style-type: none"> air-conditioning ensuite kitchenette deck with BBQ 2 x Cottages <ul style="list-style-type: none"> air-conditioning ensuite kitchenette deck with BBQ 	<ul style="list-style-type: none"> winery tours & wine tasting courses weddings conferences vineyard picnics corporate retreats school formals music concerts 	<ul style="list-style-type: none"> romantic getaways singles, couples, families & small groups child friendly pet friendly free property access 	<ul style="list-style-type: none"> wine sales wine club (purchase discounts) promote and book onsite activities extensive promotion of regional activities facebook, instagram, twitter photo gallery and youtube videos blog posts

Source: Whitfield, 2022.