

# 2023 Arizona Wine Tourism Industry — Growth and Opportunities

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## HOW TO USE THIS STUDY

Arizona vineyards, wineries and festivals play an important and growing role in enhancing Arizona's tourism industry by providing unique travel destinations, experiences and aesthetic appeal. The state is also home to a flourishing grape and wine industry, which, as an important sector of the state's agribusiness, has nearly tripled net production between 2012 and 2019.

This study sketches the landscape and identifies the economic impact of Arizona's wine tourism industry as it exists in 2023, with similar studies having been conducted in 2011 and 2017. This study surveyed wine tourism participants to collect information on general demographics, on-site expenditures, visitation length, and overall wine-tasting experiences. Surveys were administered to visitors (one per party) at tasting rooms, vineyards, and wineries in Arizona's three dominant wine-growing regions, also known as American Viticultural Areas or AVAs.

New to this study is an assessment of the impact of wine festivals and their attendees. Wineries have shared that in recent years, wine festivals have become increasingly impactful places for not only wine tasting, but also direct purchasing of wine by consumers. In addition, wine festivals are typically staged outdoors and include live music and culinary experiences, making them a great environment for social interaction. To understand this newer form of wine tourism, we talked to festival organizers and surveyed wine festival goers.

Ultimately, this study models the impacts Arizona wine tourists deliver to the state in terms of economic output, employment, most-impacted industries and taxation. From this data, probabilities were also derived for wine visitors making purchases at wine festivals, and in tasting rooms, vineyards, and wineries.

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# Key Findings

## Economic Impacts (2023)

Using the economic input-output model to include all direct, indirect and induced effects, in 2023, Arizona's wine tourism industry:

- Created an estimated **\$351 million** in total economic output.
- Supported an estimated **2,430 jobs** and generated \$115 million in labor income.
- Generated nearly **\$40 million** in total taxes, \$10 million of which was state taxes and \$7 million was local taxes.

## Over A Decade of Growth

Arizona's wine tourism industry has shown incredible growth since 2011. This includes 500% or higher growth in categories including wine visitor spending, total economic output, employment and employment income.

Between 2011 and 2023:

- **Wine Visitor Spending** increased an astounding **677%**, from over **\$31 million** to over **\$241 million**.
- **Economic Output** increased **588%**, from over **\$51 million** to over **\$351 million**.
- **Wine-related Employment** increased **500%** from **405** employed to **2,430**.
- **Labor Income** increased **539%** from over **\$18 million** to over **\$115 million** in earnings.

## Visitors Overwhelmingly Approve of Arizona Wine Experiences

The study reveals a high level of satisfaction with Arizona wine experiences from both winery visitors and wine festival attendees.

- Overall **winery tourism** experiences **met or exceeded the expectations of 96% of respondents**. This includes 67% of winery visitors indicating their overall experience was better than expected and 29% saying it was exactly as expected. Only 2% indicated it was "worse than expected" and another 2% had "no expectations."
- **Nine out of 10 festival goers (94%) indicated they "like" or "love" the wine festivals they attended**. This includes 66% of respondents saying they "loved" the event, with 28% saying they "liked it." Only 5% indicated the event "needs improvement" and 1% provided no response.
- **Additionally, about 94% of festival goers indicated it is likely they would recommend an Arizona wine festival to a friend.**

## Additional Survey Results Highlights

These results are largely presented in terms of the two groups surveyed, those who were surveyed during or after visiting wineries or vineyards and those who were surveyed during or after attending a wine festival. Total surveys collected were 997 from wine festival attendees and 692 from wineries, tasting rooms and vineyard visitors, although respondents were not required to answer every question.

- **Visitation Frequency:** The majority of winery visitors (80%) had visited a winery more than once in the past 12 months. For festival goers, half were return attendees.
- **Visitor Origin:** Out-of-state winery visitors comprised approximately 46% of the sample. Visitors traveled from 36 states to experience Arizona wine tourism, with California, Washington and Texas accounting for the top three visitor origin states.
- **Travel Party Size:** The average travel party size to wineries is 3 people and traveling with family is the most common party type.



## Key Findings

- **Length of Trip:** Around 40% of all survey respondents take a day trip to wineries or festivals, while about 30% stay for two or three nights.
- **Wine Purchasing:** Most wine tourists purchase wine. Over 70% of both winery visitors and festival attendees surveyed bought wine either during their visit or at the festival.
- **Location of Wine Purchasing:** Wine festivals are gaining popularity as wine-purchasing venues. On average, people bought 2.25 bottles of wine per party at wine festivals and 1.89 bottles at wineries.
- **Wine Festivals + Tourism:** Wine festivals are used by about 35% of respondents as an opportunity to visit other areas. Although the majority (65%) attend wine festivals as day trips, 20% extended the trip by one day; 12% extended it by 2 to 4 days, and 4% even extended it by 5 days or more.
- **Wine Experience Awareness:** For wineries, word of mouth accounts for the largest percentage (36%) of visitor awareness while for festivals, social media accounts for the largest percentage (34%).
- **Wine Region Spending:** Among the three main wine-producing regions (AVAs) in Arizona, visitors spend the most in the Verde Valley (\$109 per night), followed by approximately \$70 per night in the other two, Willcox and Sonoita.
- **Age:** Wine festivals are slightly more popular with those over 55 (approx 60% of wine festival attendees are 55+) while winery visitors are nearly evenly distributed among ages 25 to over 65.
- **Income:** Wine tourism is a higher-value tourism activity, with 91% of all survey respondents (both festival attendees and winery visitors) identifying as middle-income and upper-income.



Source: AOT