

**Table A1. Summary Statistics  
Dataset of California Wineries**

Variable	Survey Respondents		Full Sample				
	Mean	Obs	Mean	Std. Dev.	Min	Max	Obs
price (nominal \$)	10.7	4750	10.7	5.25	2	75	10079
Quality	.604	4885	.581	.759	0	3	10341
3-yr quality of winery	.440	4885	.411	.452	0	3	10341
Rating	58.0	4885	58.2	40.1	0	94	10341
Status	.528	4885	.501	.416	0	1	10341
3-yr status	.423	4885	.388	.402	0	1	10341
Availability	1.84	4885	1.89	.810	0	3	10341
Drinkability	1.41	4885	1.40	.685	0	3	10341
Irregular	.252	4885	.263	.440	0	1	10341
ready to drink	.321	4885	.319	.466	0	1	10341
Tannic	.034	4885	.032	.176	0	1	10341
Wholesale	.788	4885	.768	.422	0	1	10341
ship out of state	.578	4885	.527	.499	0	1	10341
Export	.349	4885	.308	.462	0	1	10341
number of brands	1.47	4810	1.47	1.18	1	21	9885
number of products	1.30	4861	1.35	.856	1	10	10170
Vineyard acreage	333	4885	253	570.6	0	6401	10341
storage capacity ('000 gal)	705	4885	1,570	16,300	0	430,000	10341
Age	31.4	4269	28.8	33.3	1	158	8930
single owner	.489	4885	.505	.500	0	1	10341
multiple owners	.413	4885	.386	.487	0	1	10341
larger corporation	.136	4885	.136	.343	0	1	10341

<b>Table A2: Distribution of Observations across Years</b>		
	Survey Respondents*	Full Sample
1981	443	1164
1982	416	1089
1983	194	489
1984	349	838
1985	489	1241
1986	456	1066
1987	534	1255
1988	484	1093
1989	388	940
1990	548	1166

\* Survey respondents who report owning their winery in the relevant year.

**Table A3: Summary Statistics for Surveys**

#	Question	Upper limit	obs	mean	std dev	min	max
1a	entertain- wine people	Never	180	3.36	1.56	1	6
1b	entertain- non-profits	Never	180	4.22	1.37	1	6
1c	entertain- business	Never	180	4.24	1.65	1	6
2	lose \$ for quality	1million	170	2.07	1.07	1	5
3	sell if higher return	Unlikely	176	4.16	1.24	1	5
4	% wines family name	100%	176	2.97	2.23	1	6
5	invest more if richer	None	177	2.19	1.12	1	4
6	% socialize w/wine	100%	178	4.12	1.37	1	7
7	years family owned	--	170	24.3	22.7	1	143
8	cover costs or profit?	Profit	178	1.98	.149	1	2
8b	target RoR?	No	163	1.55	.499	1	2
9a	motivation-lifestyle	Yes	181	.558	.498	0	1
9b	motivation-entertain	Yes	181	.077	.267	0	1
9c	motivation-community	Yes	181	.309	.464	0	1
9d	motivation-love wine	Yes	181	.591	.463	0	1
9o	motivation-other	Wrote in	181	.448	.499	0	1
9t	total nonfinancial motives	Many	181	1.98	1.32	0	5
10	important family owned?	No	170	1.85	1.04	1	4
11	profits big part of income	Insignif	174	2.36	1.38	1	5
12g	Gallo superior?	Yes	165	5.92	2.56	1	10
12m	Mondavi superior?	Yes	166	7.87	1.64	2	10
12b	Beringer superior?	Yes	165	7.75	1.68	1	10
12s	Sutter superior?	Yes	147	5.61	2.51	1	10
14	copy of survey results?	Yes	173	.86	.353	0	1
	money factor		131	.019	.667	-1.36	2.24
	love factor		131	.014	.672	-1.52	1.19

# Stanford Business School Survey of Winery Owners

Name of respondent: \_\_\_\_\_

Title and Winery Name: \_\_\_\_\_

Please provide current responses to the questions if your views have changed over time.

1. How often does your winery provide activities or a site for entertaining (either individually or in groups)?

a) members of the wine community? (e.g growers, producers, buyers, service providers)

at least several times a week  
several times a month  
once a month  
several times a year  
once a year  
never

b) on behalf of local groups or non-profit organizations?

at least several times a week  
several times a month  
once a month  
several times a year  
once a year  
never

c) non-wine related business associates? (e.g. business lunches, meetings, events)

at least several times a week  
several times a month  
once a month  
several times a year  
once a year  
never

2. Suppose that someone develops an innovation that would significantly improve the quality of the wines that you produce but is so costly you would lose money by purchasing the innovation. (*The price of the innovation is greater than the improvement in wine quality is worth in the marketplace.*) How much money would you be willing to lose on the investment in order to significantly improve the quality of your wines?

None  
between \$1 and \$10,000  
between \$10,000 and \$100,000  
between \$100,000 and \$1,000,000  
more than \$1,000,000

3. Suppose you were offered a fair market value for your vineyard in cash and you knew you could earn a higher rate of return in the stock market. How likely is it that you would sell?

Very likely  
somewhat likely  
neither likely nor unlikely

somewhat unlikely  
very unlikely

4. Approximately what percentage of your wines are named after your family?

- Less than 10%
- 10%-25%
- 26%-50%
- 51%-75%
- 75%-99%
- 100%

5. If your income or revenue from non-winery resources were suddenly bigger (times 10, for example) how much additional investment or improvements to your winery would you undertake?

- significant additional investment or improvement
- some additional investment or improvement
- a little additional investment or improvement
- additional resources would have no effect on winery investment or improvement

6. Which category below best reflects the percentage of your socializing in the last six months that has been with "wine people" and wine-related people?

- none
- less than 10%
- 10%-25%
- 26%-50%
- 51%-75%
- 75%-99%
- 100%

7. How long have you or your family owned your winery? \_\_\_\_\_ years

8. What are your financial goals for your winery?

- a) cover costs
- b) cover costs and earn some profit

If you answered b), do you have a rate of return in mind?    yes    no

If so, what rate of return are you happy achieving? \_\_\_\_\_

9. Sometimes people have non-financial motives for owning a winery. Circle any of the following non-financial motives that are important to you.

- lifestyle associated with owning a vineyard
- being part of the wine community
- entertaining for non-wine-related business
- love of wine

Are there any other important reasons why you own your vineyard? \_\_\_\_\_

10. How important is it to you that your winery continue to be owned by a member of your family?

