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Wine Tourism and Local Development in Greece

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WINE TOURISM AND LOCAL DEVELOPMENT IN GREECE

Abstract

Wine tourism is a form of agricultural tourism and also is an important resource of income when it comes to organized wine producing countries. Wine tourism in Greece emerged and developed only during the last thirty years. There are various benefits from wine tourism that positively affect the professionals from both industries, wine and tourism and also the local communities and economies. However, these benefits are not widely appreciated. The benefits from the wine industry are related to the building of an image and a reputation, the increase of selling rates, consumers' education and communication with them, the protection of the brand's name credibility. The places-destinations of wine tourism are benefited by the development and differentiation of their local economies, the best utilization of their resources, the establishment of a united and unique positive image and reputation, the increased number of visitors and profits and the attraction of new and permanent tourists during an expanded touristic period.

In order to point out the contribution of wine tourism to local development in Greece in October 2013 an empirical research was carried out. As the field of the study five different areas were chosen. Certain conclusions can be extracted by the analysis of the answers concerning the contribution of Wine tourism in the local Wine industry, the local community and the touristic businesses.

Keywords: wine tourism, wineries, local development, benefits, Greece

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Introduction

Wine tourism is a form of agricultural tourism and also is an important resource of income when it comes to organized wine producing countries. Wine-tourism in Greece emerged and developed only during the last thirty years and the foundation of the “Wine producers’ Association of the Macedonian Vineyard” in November 1993 by 15 wine producers has played a decisive role in the introduction of Wine-tourism in Greece. The foundation of the “Wine producers’ Association of the Macedonian Vineyard” made important decisions and created an innovatory for Greek standards collective project that would reform and pre-empt any progress in wine-related activities. They established common goals and effectively addressed the challenges of the international market. They created and suggest specific routes that go through the most picturesque points of a winery zone. Nowadays, 37 members of the Association suggest 41 wineries open to visitors in 8 routes.

There are various benefits from wine tourism that positively affect the professionals from both industries, wine and tourism and also the local communities and economies. However, these benefits are not widely appreciated.¹ The benefits from the wine industry are related to the building of an image and a reputation, the increase of selling rates, consumers’ education and communication with them, the protection of the brand’s name credibility. Furthermore, the wine industry has the opportunity to attract a larger section of the market and develop exports – the wineries have bigger profits. The benefits are also related to the further improvement of cooperations in the wine trade, the establishment of new cooperations with hotels, folklore museums, restaurants, etc., and the tasting of new wines.

The places-destinations of wine tourism are benefited by the development and differentiation of their local economies, the best utilization of their resources, the establishment of a united and unique positive image and reputation, the increased number of visitors and profits and the attraction of new and permanent tourists during an expanded touristic period. The hosting communities are benefited by the development of communication, the expansion of relationships and knowledge spectrum, the change of mentality, the attraction of new invest-

¹ M.C. Hall, L. Sharples, B. Cambourne, N. Macionis, 2000, *Wine Tourism around the World-Development, Management and Markets*, Butterworth Heineman.

ments, the increase of entrepreneurship and employment, the evolvement of new products and services and the boost of local people's pride.

In order to point out the contribution of wine tourism to local development in Greece in October 2013 an empirical research was carried out. As the field of the study five different areas were chosen. In these areas there are established Wine- Roads and they are in Kreta, Thessaly, Central Macedonia, Western Macedonia and Thrace. Certain conclusions can be drawn by the analysis of the answers concerning the contribution of Winetourism in the local Wine industry, the local community and the touristic businesses. Conclusions can also be drawn for the contribution of the "Wine Roads" in local entrepreneurship.

1. Wine tourism

Wine tourism as a discrete field of research is inchoate, yet there has been rapid development in this field since the mid 1990s. Wine tourism is a form of agricultural tourism and both are parts of alternative touristic industry. Touristic industry aims to expand the touristic period and better utilize the natural resources of a region/country in order to reinforce the local economy.²

Wine tourism is an area of growing interest because of its potential to contribute to regional development and employment at times of rural restructuring, particularly through the development of inter and intra industry networks.³ There have been numerous definitions ascribed to Wine tourism in the international literature.⁴ The most common definitions of Wine tourism are highly connected to visitors' motives and experiences⁵ and can be summarized as such: "Visits to vineyards, wineries, events/festivals and wine exhibitions. In this context, wine tasting and experiencing a wine region are the main reasons Wine tourism is effected".

The definitions that focus on the consumer are of great importance, since it is primarily the consumer that defines the product "Wine tourism". There are actually three dimensions that frame Wine tourism: the wineries, the tourist

² M. Logothetis, (1999), *Tourism and viable development*.

³ M. Hall, N. Macionis (1998), *Wine tourism in Australia and New Zealand*, R.W. Butler.

⁴ G. Peters 1977, Gary Johnson 1997, Brock Camborne 1999.

⁵ M. & N. Macionis (1998), *Wine tourism in Australia and New Zealand*, R.W. Butler.

agents (that represent wine regions) and consumers. According to that, wine tourism is a) a form of consumerist conduct, b) a strategy through which the wine destinations communicate and promote their tempting products, in relation to their wine and image and c) a marketing opportunity for wineries that is associated with public's education and selling wine.⁶

There are many wine regions internationally where the wineries are sceptical about differentiating their wine product through tourism and thus the relationship between wine and tourism is not particularly recognized.⁷ These circumstances are changeable if the benefits from wine tourism become comprehended, because "people change their viewpoints under the light of new information or data".⁸

2. The new networked economy

The rapid technological advancements, the establishment of free trade, the globalization of the markets and the emergence of the internet are all factors that have fundamentally changed the way businesses operate and the way exchanges are realized. The characteristics of the new economic reality unbalance the traditional principles and it is thus necessary for entrepreneurs to adopt new flexible policies.

In the context of a new networked economy, the traditional exchanges are replaced by strategic alliances that base their interest on the common resources and profit. The new economic environment requires changes and integration in a web of mutually profitable relations. By the means of these relations, enterprises will be able to improve the collective attempt and to guarantee the success of the whole web of enterprises and of each enterprise individually.

The webs of enterprises are very flexible and more appropriate for the variable nature of the new globalized economy. The collaboration and the team approach to problem solving situations offer the members with opportunity to quickly respond to external changes. Being a member of such a web entails

⁶ Getz Donald (2000), *Explore wine tourism: Management, Development & Destination*, Cognizant Communication Corporation.

⁷ M. & N. Macionis (1998), *Wine tourism in Australia and New Zealand*, R.W. Batler.

⁸ Piperopoulos G. (1996), *I communicate therefore I exist*, Ellinika Grammata, Athens ISBN 9789603441915, p. 125.

excessive communication with different parties, new perspectives, processing information, continuous activity and reward for innovative thinking. Consequently, the members are more likely to create new relationships, to brainstorm new ideas and to make new strategic plans, operating under a complex environment.

The cooperation and networking of enterprises is a global phenomenon and it concerns all kinds of enterprises independent of the size. The so called "Clusters" have been successful on a global level. Business Clusters are geographical concentrations of interconnected businesses and commissions (of institutional nature) that share common technologies and abilities. They are usually located in a restricted geographical region in order to facilitate the communication between the businesses, the transfer of merchandise and raw material and the creation of intra-personal relations.⁹

The California Wine Cluster¹⁰ is an internationally recognised and long-living business network. Its objective is to produce and distribute the competitive wine of the State of California in the United States of America. It is not yet cleared if it is one Cluster or 17 associated Clusters that represent the 17 provinces of the State.

3. Regional development - agricultural tourism- wine tourism

Wine tourism is a form of agricultural tourism and both are parts of alternative touristic industry. Touristic industry aims to expand the touristic period and better utilize the natural resources of a region/country in order to reinforce the local economy (Logothetis 1999).

In Germany wine tourism was introduced in 1920, while in Greece during the last twenty years. This can be partly attributed to economic investment on this area of business through communal and national funds (Leader, developmental Law, ect.).

The European Union was troubled by the decreasing touristic activity and thus enacted laws to disperse the vacations period, since the middle of 1992.

⁹ D. McDermott, P. McCormack, *Business Networks in the Island of Ireland*, Inter Trade Ireland, Ireland 2005, Logothetis M., (1999), *Tourism & Vialable development*, Athens.

¹⁰ R.A.E. Mueller, D.A. Sumner, J.T. Lapsley, *Clusters of Grapes and Wine*, Department of Agricultural Economics University at Kiel, Germany. Sumner University of California Agricultural Issues, 2005.

At the same time, major changes are realized in the rural areas of Europe. The creation of tempting living conditions in rural areas especially for young people highly depends on the effectiveness of the available resources.

Since the 3rd programming period (2000–2006), investments on agricultural tourism and wine tourism that satisfy the national and local priorities, were promoted through the Ministry of Agriculture: Communal Initiative LEADER+, Agricultural Development & Countryside Reconstruction and Complete Peripheral Programs.¹¹

More particularly, culinary and accommodation infrastructure was improved, farmyards with available accommodation were created, educational, religious and curative tourism was developed, local centres that organize and promote agricultural tourism, pilot applications, professionals' corporate networks were introduced. A number of services, products and activities are related to the development of agricultural tourism. They are provided by the local people and they are based on the best possible utilization of the local human, touristic, cultural and natural resources. The services provided are accessible to the visitors and are directly connected to the environment, the cultural legacy, the architectural structure and the life style of the local people.

Viniculture, as well as the production and consumption of wine in Greece, is directly connected to the history and tradition of the Greek people. The wine producing areas cover the biggest part of the semi-mountainous and insular parts of the country and the most archaeological monuments and natural beauties of the country are surrounded by vineyards. Vineyards along with olive plantations are present everywhere and compose the gentle and beautiful Mediterranean scenery. However, the development of Wine tourism in Greece has started in the decade of 1990¹² and it's far from being a well-organized industry.

¹¹ Ministry of Rural Development and Food (2013), European Community (2013), Agriculture and Rural Development, Rural Development policy 2007–2013, <http://www.agrotikianaptixi.gr/index.php?op=Axis&todo=Load&id=03f68714dba796f8> (accessed 15/12/2013).

¹² Velissariou Efstathios, Galagala Anastasia, Karathanos Athanassios (2009): *Wine Tourism. Planning and Development of a Wine Route Network in the Region of Thessaly in Greece*. "TOURISMOS: An International Multidisciplinary Journal of Tourism" spring 2009, Vol. 4, No. 4, pp. 311–330, ISSN: 1790-8418 TOURISMOS.

4. The empirical research

4.1. The methodology

In October 2013 an empirical research was carried out in order to point out the contribution of wine tourism to local development in Greece. As the field of the study five different areas were chosen. In these areas there are established Wine-Roads and they are in Kreta, Thessaly, Central Macedonia, Western Macedonia and Thrace.

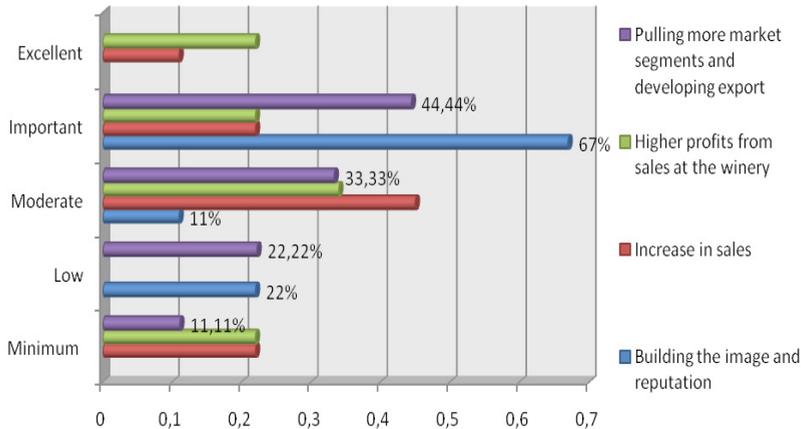
The study was conducted by questionnaires filled during personal interviews. The questionnaires were structured on four units and they included closed and open-ended questions. The first unit includes data for the interviewee and his/her business. The second unit documents the benefits of local wine businesses from wine tourism by asking 10 questions. The third unit evaluates the benefits of the local communities and economies from wine tourism by asking 10 questions. The fourth unit records the entrepreneurial profile of the area, explores how wine tourism affects economic profits and evaluates the contribution of wine tourism to the development of Wine Roads in Greece. All businesses who participated in the research are members of Wine Roads and they have visitable wineries. 31 questionnaires were completed.

4.2. The research findings

The representatives of the wine producing enterprises that participated in the research are mainly from 31 to 40 years old (45%) and from 41 to 50 years old (33%). The majority of them are college graduates (78%) and 11% of them have postgraduates degrees. Their working experience in the specific field varies: 34% of the participants have 1–5 years of working experience. The same percentage has been working in the wine producing industry from 16 to 20 years. 32% of the responders counts 6–15 years of working experience. Their years of experience prove a satisfactory level of knowledge and a certain dynamic.

All of them (100%) believe that the basis for the organization and development of Wine tourism is the conversion of old wineries to visitable and the establishment of new ones.

The wine industries of the area have been promoted by the development of Wine tourism and by their accession to the Wine Routes of Northern Greece. To be more specific, it has been concluded that there is an important benefit for the wineries as far as the building of their image and reputation is concerned (67%). The answers show a moderate benefit for the increase of sales (45%). The effect of Wine tourism on the increase of profits from sales at the wineries are assessed to be moderate (34%), important (22%) and very important (22%). When it comes to the attraction of more market segments and the development of export activity, the benefit for the wineries is considered to be important (44%). The data is presented in the following graph:

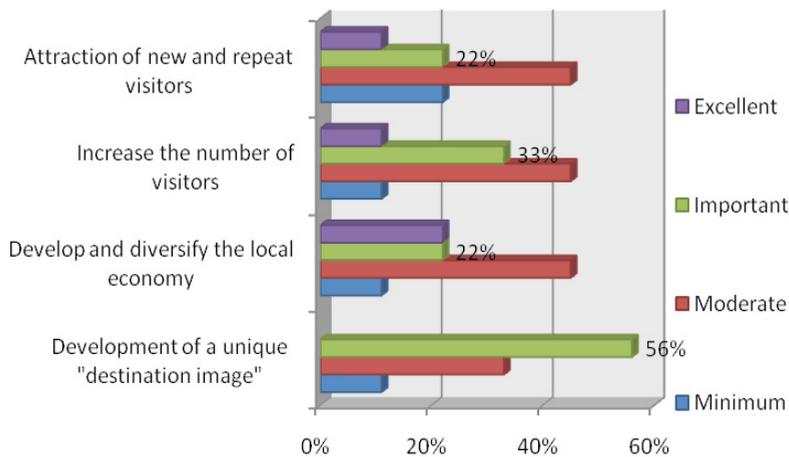


Graph 1. Benefits of the wineries

The positive impact of Wine tourism on the consumers' education and direct communication with them appears to be moderate (56%). 34% of the representatives answered that the benefit of the ability to taste new wines is important and another 34% answered that it is of moderate importance. The rest of the representatives (32%) consider that their wineries have not been benefited on the aspect. The development of Wine tourism has importantly affected (34%) the wineries when it comes to the protection of the credibility of their brand name and the improvement of cooperations in the wine business. Furthermore, Wine tourism plays an important role for the establishment of cooperations between wineries and other associations. 44% of the participants assess this benefit important and 34% moderate.

The development of Wine tourism has a beneficial impact on the local economy, as well. According to the answers, the local economy is importantly supported by Wine tourism as far as the development of a unique “destination image” and reputation is concerned (56%). 45% of the participants consider that Wine tourism moderately helps the local economy to develop and diversify by better utilizing its natural resources.

Almost half of the wineries (45%) believe that there is a moderate benefit on the increase of the number of visitors and the attraction of new stable visitors. 33% of the responders state that the number of visitors increased importantly and 22% of them answered that they attracted new and stable visitors due to Wine tourism.



Graph 2. Benefits for local economy

The research records an important benefit on the expansion of the touristic period (44%) and a moderate benefit on the establishment of new businesses (44%). The representatives of the wineries believe that even more businesses would have been established if it wasn't for the economic crisis.

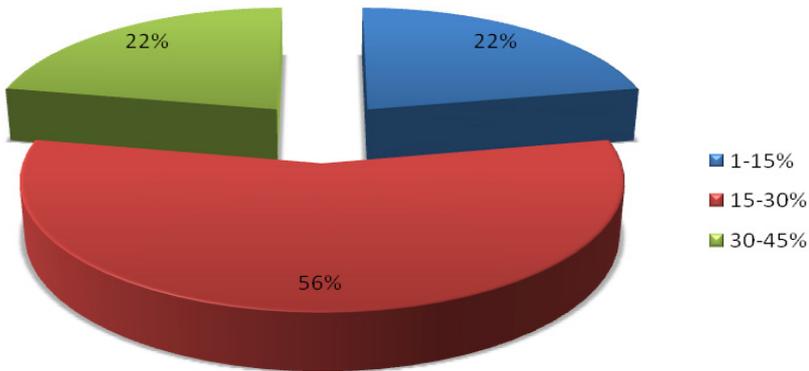
The local community was affected by the activities of Wine tourism. There is a moderate affect (34%) on the development of communication, on the expansion of relationships and knowledge and on the change of mentality. The impact is even stronger when it comes to the enhancement of the pride of the people for their area (45%). The impact of Wine tourism on the local community is also

important for the attraction of new investments, increase of entrepreneurship and employment according to 22% of the responders. 45% of them, however, consider this impact of moderate importance.

Wine tourism created the prerequisites for the introduction of new products and services in the area (45%).

According to the 45% of the participants, Wine tourism plays an important role in the development of the part of the Wine Routes of Northern Greece. 22% of them consider its role extremely important.

The majority of the participants answered that the contribution of Wine tourism to the total turnover of the local enterprises is from 15 to 30%. The rest of the representatives assess this contribution from 1 to 15% and from 30 to 45% of their total turnover.



Graph 3. Level of participation in turnover

Wine tourism has positively affected the relations between the wine producing enterprises and made their bond stronger. 67% of the participants argue that there is no local competition between the enterprises and only 33% feel that there is competition between same enterprises.

Conclusion

The development of Wine tourism and the accession of the wineries into a web benefit the wine producing industries of the area. The positive impact

concerns: the building of an image and a reputation, the increase of sales, the higher profits from sales at the wineries, the consumers' education and the direct communication with them, the possibility to taste new wines that appear in the market, the protection of the credibility of the brand name, the attraction of bigger parts of the market and the development of exports, the improvement of cooperation between the wine industries and finally the establishment of new cooperations with other associations.

The development of Wine tourism has a positive impact on the local economy as well. The local economy is benefited when it comes to the establishment of a unique and positive "destination image" and reputation, the development and diversification of the local economy by better utilizing its natural resources, the increase of the number of visitors and the attraction of new stable tourists in the area, the expansion of the touristic period and the creation of new enterprises.

The local community is also benefited by the activities of Wine tourism. The positive impact of Wine tourism concerns: the development of communication, the expansion of relations and knowledge of the local people, the change of their mentality and the enhancement of their pride for their region.

In addition, the development of Wine tourism creates the prerequisites for new investments, raises the entrepreneurship and employment and introduces new products and services in the market.

The wine producing industry and the local economy need an organized web of Wine tourism in order to develop. The participation of the enterprises in a Wine touristic cluster enhances cooperation and reduces the local competition.

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TURYSTYKA WINNA I ROZWÓJ LOKALNY W GRECJI

Streszczenie

Turystyka winiarska jest ważnym zasobem dochodów w krajach produkujących wino. Turystyka winna zaczęła rozwijać się w Grecji w ciągu ostatnich trzydziestu lat. Istnieje wiele korzyści z turystyki winne, które pozytywnie wpływają na branżę turystyczną jak i winiarską. Jednak korzyści te nie są doceniane. Aby zwrócić uwagę na wkład turystyki winiarskiej w rozwój lokalny w Grecji w październiku 2013 roku przeprowadzono badania empiryczne. Zostało wybranych pięć różnych obszarów w Grecji. Niektóre wnioski mogą być wyodrębnione na podstawie analizy odpowiedzi dotyczących wkładu turystyki winiarskiej w lokalnym przemyśle winiarskim, lokalnej społeczności i firm turystycznych.

Słowa kluczowe: turystyka wina, winiarnie, rozwój lokalny, korzyści, Grecja