

MARKETING OF WINE TOURISM AS A TERRITORIAL PRODUCT

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ABSTRACT

The tourist markets have become highly competitive and segmented towards specific market niches. In such competitive tourist markets wine tourism in some territories has emerged as a strategic local territorial product and development option for tourist destination development. For established tourist destinations it offers product differentiation, while for emerging rural tourist destinations in wine growing regions it can be a primary territorial tourist attraction, tourist product and opportunity for geographic brand name development. From a broader local economic perspective, wine tourism creates growth, employment and income opportunities for small and family owned enterprises that dominate in territory both wine-making and tourism sectors and offers synergy and multiplicative effects with many other complimentary products and economic activities. Wine tourism is complex product that requires developed local infrastructure such as wine tourist routes and particularly is complex at the individual enterprise level as it requires significant capital investment, tourism and hospitality related skills and willingness of winemakers to become a part of wine tourism. Our research focuses on wine tourism development in the cross-border wine growing regions of Slovenia with Croatia to assess winery owners' attitudes towards to and perceptions of wine tourism development and marketing as territorial brand name product.

Keywords: Marketing, wine tourism, territorial development

INTRODUCTION

Territorial marketing has been promoted in practice on the basis of partnerships between public institutions and private entrepreneurs (Chiariello 2007). Its role is in promotion business and investments opportunities that are important for attraction of foreign investors and for an efficient development of entrepreneurship in local development. Countries and regions that are internationally known and recognized as wine producers and as wine tourist destinations have become important target for foreign investors. They are important also for ownership, management and marketing practices. The foreign investments are often associated with more export oriented marketing strategies and marketing management practices towards broader international markets (RRC 2006, RRAM 2007).

The building of wine brand name and trust into a wine region through experiences and respect in high wine quality, local food, and typical local products with geographical origins are crucial factors that explore specific and peculiar characteristics of wine region (e.g. Aloysius and Lee 2001). They are crucial for international recognition and respects of the world known wine regions and wine tourist destinations such as Toscana in Italy (Brunori and Rossi 2000, Chiariello 2007), Napa and Sonoma Valleys and some other wine regions and wine tourist destinations in California in the United States of America, in Australia and the New Zealand (e.g. Getz 2000), in Okanagan Valley in British Columbia in Canada (Getz 2000), in Burgundia and Cognac in France, in the South African Republic (Bruwer 2003), and in several other wine growing areas including in emerging market economies such as in Croatia and Slovenia (Bojnec et al. 2006, Bojnec and Jurinčič 2006, Tomljenović et al. 2006, Jurinčič and Bojnec 2006).

In this paper we particularly focus on wine growing regions in Slovenia at the cross-border between Slovenia in Pomurje and Croatia in Međimurje in the north-eastern part of Slovenia (Šeruga 2006) and north-western part of Croatia (Tomljenović et al. 2006) and on the both sides of the borders between Slovenia and Croatia on the Istria's Peninsula (Lončarevič 2006, Tomljenović et al. 2006), but with main focus on wine tourism supply management and marketing of wine tourism as a territorial brand name product as factors of local sustainable development.

WINE TOURISM AND MARKETING OF TERRITORIAL PRODUCTS

The conduction of different businesses activities is often linked to business lunches, dinners and meetings in vineries, which are owned by firms' managers, business people, wine tourist farms and enterprises. In Slovenia, for example, the use of known family vineries for state protocol purposes is widely known (e.g. in the family vinery Kristančič in Goriška Brda near the Slovenian border with Italy). The best local restaurants that are known by offer of good local foods and selected wines are arranged in a specific natural and architectural ambient with special focus on local specificities and attractions. Important is also networking and partnerships of local wine producers within wine consortiums (e.g. Jurinčič and Bojnec 2006), with the food processing industry and food supply management chains where the important factors for successful sale and marketing are recognition of products with protected geographical origin and their brand names in the wine region, which are supported, included and integrated into the broader promotion of tourist destinations and tourist products of the country. The regional brand name and joint promotion programs and promotional activities, the presence in the European Union (EU) and other international wine markets are crucial for marketing of local products at wider international markets and for attracting necessary investments in wine production and wine supply chain management, including for wine tourism development where for development of tourist destinations there are opportunities for financial supports also from the EU structural, cohesion and rural development funds. Some vineries in Slovenia are already engaged in these activities such as for example the vinery in Vipava Valley in the western part of Slovenia. The successful vineries that are able to sale local wine on international markets are crucial factor for wine region promotion as an initial step to successful wine sale and wine tourism development. Such examples of wine tourism development are networks of relatively small vineries in Goriška Brda, Slovenian Istria and Vipava Valley in the western wine growing areas

of Slovenia. Among promotion of other local and regional typical products are also introduction the brand name "Taste of Prekmurje" in the northern part of Slovenia on the cross-borders of Slovenia with Austria, Hungary and Croatia. Cencič et al. (2006) within Ministry of Agriculture, Forestry and Food of Slovenia prepared also a special booklet on protected special agricultural products and food with their geographical origin and geographical labeling, traditional image, higher quality produce, natural mineral waters, brand name for ecological farming and for integrated farming, brandies and protection of geographical origins of wines. Several examples are particularly from the two regions, i.e. Pomurje and Istria in Slovenia, that are analyzed in this paper.

EMPIRICAL ANALYSIS OF SURVEYS IN WINERIES

We focus on wineries, their entrepreneurial and business activities in wine marketing and wine tourism development in Slovenia and to a lesser extent in Croatia. We present some in-depth results of the surveys that have been conducted using a written questionnaire in the wine growing regions in Slovenia and partly in Croatia. The focus is on comparison and benchmarking within the two wine growing areas in Slovenia. The comparisons cover two differently developed wine regions: one in the Slovenian Istria and another in Prekmurje (Lončarevič 2006, Šeruga 2006). The obtained results are comparable with a similar analysis and results for Croatia (Tomljenović et al. 2006). However, in this paper, the focus is mainly on two wine areas in Slovenia that are bordering with Croatia.

As can be seen from Table 1, the wine history in the Slovenian Istria, which is bordering with Croatia and Italy, seems to be longer than in Prekmurje, which is situated on the border with Austria, Hungary and Croatia. Besides shorter wine tourism history, in Prekmurje there is also the greatest proportion of smaller wineries that are often producing wine for home consumption needs, whereas in the Slovenian Istria, there are important in the wine tourism and wine sales the largest wineries. Family owned wineries prevail in both areas, but they have as small-size wineries a bit greater proportion in Prekmurje. In the Slovenian Istria, there is a greater proportion of sole ownership wineries than in Prekmurje. These identified history, size and ownership differentials between wineries in two Slovenian areas might have also implications on winery managerial, marketing and performance differences.

Table 1: Profile of respondents in Prekmurje and in Slovenian Istria wineries

	Prekmurje (%)	Slovenian Istria (%)
The winery established		
Before 1940	6	14
1941 – 1950	3	2
1951 – 1960	6	6
1961 – 1970	9	0
1971 – 1980	14	12

1981 – 1990	26	33
1991-	36	33
Production in litres		
0 – 9999	5.7	0
10000 – 19999	40.0	48
20000 – 29999	40.0	16
30000 – 39999	14.3	12
40000 and more	0	24
Ownership type		
Sole ownership	20	32
Family ownership	80	62
Partnership with extended family	0	3
Partnership with others	0	3
Number of observations (N)	35	40

Source: Survey results.

The estimated number of visitors in wineries is closely associated with tradition in tourist destination and with wine tourism development where wine tourism is a tourist destination and territorial product. So far wine tourism developments are more favorable in the Slovenian Istria than in Prekmurje. This is also confirmed by the results that are presented in Table 2.

Table 2: Estimated number of visitors in wineries

Number of visitors	Prekmurje	Slovenian Istria
	2005	2005
Minimum	250	30
Maximum	300	2500
Number of observations (N)	3	11

Source: Survey results.

The wineries' opening hours are important for both wine tourism supply development and opportunities that are possible for realization of wine tourism demands. Therefore, the wineries' opening hours are also a rough reflection measure of wine tourism development. As can be seen from Table 3, there are rare wineries in Prekmurje that are opened for visitors. They are only opened on a request. The wineries opening hours only on the request is also the most frequent single response that is found for the wineries in the Slovenian Istria, but for the latter there is possible to find wineries that are opened a whole day with at least that somebody is available to accept visitors if it is not already an employed person.

Table 3: Wineries' opening hours

	Prekmurje	Slovenian Istra
	Whole day/employed person	0
Somebody available	0	41
Only on request	3	56
Number of observations (N)	3	34

Source: Survey results.

In both analyzed regions they consider the increase in the number of organized tours groups as the most important market orientation of wineries for their business in the future (Table 4). The increase of the number of visitors from the rest of Slovenia is found very important for wineries in the Slovenian Istria and only as a partly important

for wineries in Prekmurje. Something similar in rankings between both regions is identified for increase in the number of visitors from other European countries, for increase in the number of visitors from regional (country) visitors and visitors from other countries. Whereas the increase in the number of individual visitors in the wineries in Prekmurje is seen as the most frequent partly important desired market orientation strategy, this is seen as partly or largely as a very important marketing strategy in the wineries in the Slovenian Istria.

Table 4: Desired market orientation of wineries

	Prekmurje (%)			Slovenian Istria (%)		
	Not important	Partly important	Very important	Not important	Partly important	Very important
Increase number of organised tour groups	2.9	20	77.1	6	19	75
Increase number of visitors from other European countries	5.7	60	34.3	0	33	67
Increase number of visitors from rest of Slovenia	2.9	68.6	28.5	0	24	76
Increase number of regional (county) visitors	2.9	60	37.1	3	36	61
Increase number of visitors from other countries	5.7	54.3	40	0	29	71
Increase number of individual visitors	5.7	71.4	22.9	6	39	55

Note: Scale from 1 (no importance) to 3 (major importance).

Source: Survey results.

The most important destination-wide actions and activities to support wine tourism, they are more clearly expressed by the wineries in the Slovenian Istria: fine dining or gourmet restaurants, special events, wine festivals (as the very important considered also in Prekmurje) and accommodation reflecting region's character. The results of Table 5 again confirm more progressive and ambitious orientation in wine tourism and wine tourism expectations by the wineries in the Slovenian Istria than in Prekmurje, where seems to be less clear wine-tourism orientation at micro-level of wineries and also is less clear strategy of wine tourism development and its integration into tourist destination development as a whole.

Table 5: The importance of destination-wide actions and activities to support tourism-related plans of wineries

	Prekmurje (%)			Slovenian Istria (%)		
	Not important	Partly important	Very important	Not important	Partly important	Very important
Private accommodation facilities	45.7	40	14.3	37	30	33
Accommodation reflecting region's character	17.1	68.6	14.3	19	28	53
Wine festival	0	45.7	54.3	27	18	55
Conference facilities	68.6	22.9	8.5	29	32	39
Specialty shops for local produce	40	48.6	11.4	17	45	38
Arts and crafts shops	80	20	0	43	39	18
Hotels	51.4	34.3	14.3	25	31	44
Fine dining/gourmet restaurants	14.3	60	25.7	21	18	61
Sport facilities	88.6	11.4	0	37	50	13
Special events	0	0	0	18	25	57
Things for children to see and do	80	20	0	36	27	37
Camping grounds	51.4	37.1	11.5	36	25	39

Note: Scale from 1 (no importance) to 3 (major importance).

Source: Survey results.

The greater similarities between both analyzed regions are found in the importance of promotional activities to support wineries tourism-related goals. As can be seen from Table 6, except of better promotion of the region as a tourist destination, all other single responses are found ranked that they are very important. In the case of the Slovenian Istria, the most important single factor is considered better promotion of the region as wine tourism destination, but in the case of Prekmurje, this is financial incentives that support business development.

Table 6: The importance of promotional activities to support wineries tourism-related goals

	Prekmurje (%)			Slovenian Istria (%)		
	Not important	Partly important	Very important	Not important	Partly important	Very important
Better promotion of the region as tourism destination	5.7	45.7	48.6	15	12	73
Legislation supportive of business development	0	28.6	71.4	9	22	69
Better promotion of wineries as tourism attraction	2.9	25.7	71.4	9	26	65
Financial incentives that support business development	0	25.7	74.3	4	21	75
Better promotion of the region as wine tourism destination	0	31.4	68.6	3	14	83
Better community cooperation and support	0	40	60	7	17	76
Better promotion of your winery	8.6	25.7	65.7	0	31	69

Note: Scale from 1 (no importance) to 3 (major importance).

Source: Survey results.

That wine tourism development in Prekmurje is in an early stage of development was also confirmed by a fact that not many responses were obtained on the questions covering promotion methods employing by wineries. In the case of the Slovenian Istria, the responses on promotion methods employed by wineries are also rather fragmented, but indeed on the first place they ranked the road signs (frequency distribution is 45 percent), followed by ads in regional travel guides (more than 32 percent), entrance signs, ads in magazines and similar (Table 6).

Table 6: Promotion methods employed by wineries

	Slovenian Istria	
	N	%
Road sign	18	45
Entrance sign	6	15
Tourism fairs/exhibitions	4	10
Own brochures/leaflets	2	5
Ads in magazines	5	12.5
Own web-site	2	5
Ads in wine association publications	10	25
Ads in regional travel guides	13	32.5
Ads in other travel guides	3	7.5
Ads in daily newspapers	6	15

Note: Due to limited number of observation the results for Prekmurje are not reported.

Source: Survey results.

CONCLUSION

We have found that wine tourism development and wine tourism marketing are caused by the level of tourism destination development and overall economic development in the regions that is important for local tourist demands. Tourist destination development and tourist infrastructure development are important that integrates wine tourism into broader tourist destination development, promotion and marketing of territorial wine tourism and other associated local products for domestic and foreign visitors and tourists. The comparisons between wine tourism development in Prekmurje and in the Slovenian Istria confirmed these associations that are related to the tradition, size of business operations and their ownership structures. The higher level of economic and tourist destination development also attract a greater number of visitors and tourists, which through greater demands generates new supplies. The level of wine tourism development that is caused by higher level of demands that induces innovative approaches by wine tourism suppliers and their market orientations in the Slovenian Istria are thus still at higher development levels than emerging wine tourism development in more remote and less developed parts of Slovenia in Prekmurje. The widening and deepening of tourist and wine tourism supplies and their wider promotion are seen as the important tourist destination actions and activities to support wine tourism at micro-level of wineries and as the territorial product in broader tourist destination, brand name and regional development on these cross-border areas.

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