

CURRENT STATE AND POTENTIAL OF WINE TOURISM IN NORTHERN GREECE: WEIGHING WINEMAKERS' PERCEPTIONS

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Over the last two decades, the mutual cooperation between the wine and the tourism industry led to the development of a rapidly growing sector, namely wine tourism. The profitability and success of this venture are affected by a wide range of factors. Thus, wine tourism has been viewed as a form of consumer behavior, as a developmental strategy that destinations adopt in order to utilize their distinct 'wine tourism terroir' and as a direct selling and educational opportunity for wineries. A stream of research focuses on both the 'winery' and the 'wine region' perspectives, employing case-study approaches. However, the need for data collection from multiple destinations has been stressed, as systematic comparison could shed light on the broader picture of the phenomenon. Within this framework, this paper adds to the existing empirical literature by providing aspects of wine tourism development in Northern Greece region. In particular, the current study aims to compile the profile of the wine industry, to examine the winemakers' level of involvement with tourism activities, as well as to explore their perceptions towards the factors that could expand the potential of wine tourism. A census approach was undertaken, with the use of a structured questionnaire which was sent to each winery directly. Results indicate that wineries in Northern Greece are predominantly small and privately-owned. The majority of them have engaged in wine tourism during the last five years, in an attempt to gain promotional benefits. Apart from descriptive statistics, Principal Component Analysis (PCA) showed that wine tourism can be further developed by variable combinations of five components, labeled as: 'Political-institutional', 'Regional infrastructure', 'Tourism facilities in the winery', 'Promotion' and 'Wine tourism events'.

Keywords: wine, tourism, development, factors, winemakers, perceptions



JEL Classification: *L83, M1, O1*

INTRODUCTION

Since 1990, there has been a rapid growth of wine tourism, in terms of both industry/destination development and academic interest. Getz (2000) states that this emerging form of tourism can be simultaneously viewed: a. as a form of consumer behavior, b. as a developmental strategy that destinations adopt in order to utilize their distinct ‘wine tourism terroir’ and c. as a direct selling and educational opportunity for wineries. This multi-angle approach gave rise to a great variety of studies on different aspects, namely: wine tourism culture and heritage; wine tourism business; wine tourism marketing; wine tourists’ behavior (Carlsen & Charters, 2006); food safety and wine tourism (Mitchell & Hall, 2006).

Table 1. Critical success factors for wine tourism development – Literature review

Authors	Research area	Critical success factors for wine tourism development
Getz et al. (1999)	Western Australia & Washington	Quality of wines, wine country appeal, winery appeal, strong tourism marketing
Getz & Brown (2006)	Canada	An increase in independent visitors to winery, wine festivals and events in area, regional tourism promotion
Tomljenović & Razović (2009)	Croatia	Winery and regional promotion, improvement of legislative environment, financial incentives, education on winery’s operation as a tourism attraction, festivals and events
Jurinčič & Bojnec (2009)	Slovenia	Promotion of wines and the region as a tourist destination, financial support
López - Guzmán et al. (2009)	Spain	Coordination at government level, long-term planning, interest of public authorities

Another stream of research focuses on wine tourism regions, destination attractiveness, life cycle and tourism marketing based on the

appeal of wine (e.g.: Alonso & O'Neill, 2009; Alonso & Liu, 2010; Bruwer, 2003; Carlsen & Charters, 2006; Charters & Menival, 2011; Correia et al., 2004; Kunc, 2009; López-Guzmán et al., 2009;2011; Stavrinoudis et al., 2011; Stewart et al., 2008). Williams (2001) argues that competitive positioning of wine tourism regions is an important strategic issue, while Presenza et al. (2010) point out that "the success of a tourism destination depends on the stock of 'raw material' and resources at its disposal and on the ability to exploit them". More specifically, according to Getz (2000), the process of wine tourism destination development includes attractions, services, hospitality, training, infrastructure, organizational development and a marketing plan. Table 1 summarizes the literature review of previous research efforts in this particular field, with emphasis on the factors that affect wine tourism development.

Getz & Brown (2006) stress that the main issue which rises in this kind of analyses is related to difficulties that emerge while making comparisons between several regions. In an attempt to deal with the different methodological approaches used worldwide, the authors propose a set of measures and indicators that allow the application of a unilateral methodology and encourage benchmarking of wine tourism destinations. A number of authors followed suit (López-Guzmán et al., 2009; 2011; Tomljenović & Getz, 2009; Jurinčić & Bojnec, 2009), adopting the same perspective.

The present study adds to the previous evidence, focusing both on the 'winery' and the 'region' dimensions of wine tourism. In particular, this paper aims to provide an analysis of the supply of wine tourism in Northern Greece, by examining: a. the wineries' level of involvement with tourism activities and b. certain characteristics of the tourism product offered. Additionally, this study seeks to weigh the winery owners' and managers' perceptions towards the actions that should be undertaken in order to expand the potential of wine tourism.

METHODOLOGY

The current research has also been based on Getz & Brown (2006) questionnaire; however, the novelty of this paper lies in the use of a census approach. In particular, on September 2010, after having been pilot tested by key stakeholders, the data collection instrument was attached to an e-mail message that explained the research purpose and was sent to each of the 144 winery representatives in the Northern Greek

region², inviting them to participate. The questionnaire included both close and open ended questions and consisted of the following parts: a) Characteristics of the winery and level of involvement with wine tourism, b) Reasons for not involving in tourism, c) Goals of wine tourism, d) Tourism facilities and wine tourism product, e) Winemakers' perceptions regarding the factors that contribute to wine tourism development and f) Socioeconomic characteristics of the respondents.

Finally, on December 2010, after reminder letters, calls and in some cases personal visits, 110 out of 144 winery owners or managers³ responded, yielding a response rate of 76.39%. Apart from descriptive statistics, Principal Component Analysis (PCA) (Kim & Mueller 1978, Johnson & Wichern 1992) was applied to address the critical success factors for wine tourism development. PASW v.19.0 software was used for the statistical analyses.

EMPIRICAL RESULTS

Profile of responding wineries

In terms of their spatial distribution, the large majority of Northern Greek wineries (55.5% or 61/110) are concentrated in Central Macedonia. Of the remaining 44.5%, 24.6% (27) are located in Eastern Macedonia and Thrace, 13.6% (15) in Western Macedonia, 3.6% (4) in Thessaly and 2.7% (3) in Epirus. As illustrated in Table 2, the wineries were mainly young (Mean=13.5years). Sixty percent of them (66) have been established during the last decade, whereas enterprises more than 51 years old account for only 4.5 percent. Most of them are considered to be small (75.46 percent under 100,000 lt production, Mean=130,000 lt) and personally owned (59.1%). Only 2.7% (three wineries) have an annual production that exceeds 1,500,000 lt.

In most of the cases (69.7%), the wineries have less than five employees (Min=1, Max=65, Std=9.7, Mean=6.8). In general, the findings are in line with other recent reviews of the Greek wine sector (ICAP, 2009).

² The geographical area of Northern Greece extends from the mountain range of Pindus in the west to Thrace eastwards, with mount Olympus being the natural boundary to the south. The northern Greek vineyards cover approximately 10,000 hectares.

³ There are cases where an entrepreneur owns more than one winery and that results to a larger number of wineries in total (150).

Table 2. Profile of Responding Wineries

Winery Profile	Frequency	%
Year established		
2006-2010	38	34.54%
2000-2005	28	25.46%
1990-1999	24	21.82%
1980-1989	10	9.09%
Pre-1989	10	9.09%
Total	110	100%
Ownership type		
Sole proprietor	65	59.09%
General Partnership	18	16.36%
Public limited company (Plc)	18	16.36%
Other	9	8.19%
Total	110	100%
Annual production in liters		
Up to 100,000	83	75.46%
100,000< – ≥500,000	15	13.65%
More than 500,000	8	7.26%
Missing values	4	3.63%
Total	110	100%

Level of involvement with tourism activities

Forty percent of the respondents (44) declared that their companies are not involved in wine tourism. Almost twenty two percent of them (24) purport to invest in tourism facilities in the near future. Moreover, wineries that are not involved in wine tourism are mainly family owned, young (Mean=7.39 years), micro enterprises (56.8% of them produce less than 20,000 lt). On the contrary, visitable wineries were found to be older, of greater size (both in production and in employees) and owned by individuals with higher educational level, who have a better training experience in agricultural, tourism and management issues.

Reasons for not involving with wine tourism

Respondents who represented the wineries that do not have facilities for visitors were asked to use a five-point scale to rate a series of factors (where 1 meant ‘not at all important’ and 5 meant ‘extremely important’),

in terms of influencing their decision not to involve with tourism. Results indicate that most of the respondents cited lack of infrastructure in the winery (Mean=3.8) or limited funds (Mean=3.7) as the most common barriers for developing wine tourism. Interestingly, winery representatives declared to be aware of the benefits that could be obtained by investing in this venture.

Goals for wine tourism

Sixty percent of respondents (66) reported being involved in wine tourism, while 59.1 percent of them (39) have developed tourism facilities during 2006 to 2010, a fact which reflects the recent pattern of wine tourism development in the region. Moreover, owners or managers of this kind of enterprises were asked to indicate their level of agreement with a set of reasons for getting involved in tourism activities. Results are presented in Table 3.

Table 3. Goals of wine tourism

Our winery is involved in wine tourism in order to...	Mean	Median	St. deviation
Get in contact with the consumer	4.4	5.0	0.8
Improve the brand recognition of our wines	4.4	5.0	0.9
Raise the profile of the winery in this region	4.3	5.0	0.9
Become a pole of tourism attraction	4.2	4.0	0.9
Improve brand awareness of local wines	4.1	4.0	1.0
Raise the profile of Greek wineries	4.1	4.0	1.1
Raise the profile of the winery in Greece	4.1	4.0	1.1
Contribute to local tourism development	4.0	4.0	1.1
Raise the profile of the winery outside Greece	3.8	4.0	1.2
Achieve cellar door sales	3.7	4.0	1.3
Increase profit margins	3.5	4.0	1.3
Gain supplementary income	3.4	3.5	1.2
Extend the visitors' length of stay	3.3	3.0	1.3
Develop a mailing list for wine sales	3.2	3.0	1.2

It is worthwhile to be mentioned that winemakers in Northern Greece are more sensitive to building customer relationships than to purely economic incentives. In addition, they are not exclusively focused on the progress of their own business; they turn their attention to regional

development as well as to raising the profile of the wineries at a national level.

Tourism orientation of the wineries

Having recognized the potential benefits of wine tourism, 62.1 per cent of wineries are open all year, minimum during the opening hours while any other times are available by prior arrangement. However, it should come as no surprise that winery visitation peaks in winter, particularly during the Christmas period. During the summer, tourism demand in Greece is heavily concentrated in coastal areas and most of wineries in the research area are located in mountainous regions. It is noteworthy that 81.8 per cent of the enterprises did not employ staff to deal with tourists; individuals who are responsible for hosting visitors have been drawn from the existing personnel. In 93.9 per cent of the cases, wine tourism activities demand less than three employees.

Table 4. Products and services offered at wineries

	Frequency	%
Products and services offered		
Cellar door sales	65	98.5%
Wine tasting	65	98.5%
Guided tour in the winery	62	93.9%
Information brochures	57	86.4%
Guided tour in the vineyards	48	72.7%
Special events	46	69.7%
Other services (cooking classes, etc)	25	37.9%
Hosting social events	17	25.8%
Sales of other products	17	25.8%
Audio visual presentation equipment	16	24.2%
Total	66	100%

Regarding the existing infrastructure and service provision (Table 4), results show that wine tasting (98.5%) and cellar door sales (98.5%) are available in almost all the wineries, while a slightly lower percentage of them have a tasting (86.4%) and a cellar door sales room (86.4%). 84.8% have developed outdoor facilities (gardens surrounding the winery etc), while more than half (59.1%) offer outdoor dining facilities. However, in

only 48.5% of the enterprises there is a dining room in the winery. Another finding that reflects the structure of wine tourism development in Northern Greece is the fact that only 21.1% of the wineries offer accommodation.

The majority of the respondents (71.2%) expressed the intention to expand their efforts and to undertake the development of new wine tourism activities in the near future, including the hosting of educational and social events and the provision of accommodation and dining facilities.

Cellar door sales and visitation numbers

Despite the fact that data collection is essential for comparison purposes and benchmarking (Getz & Brown, 2006), 63.6% (42) of the winery representatives reported not keeping information about their visitors. Over the last three years, the average number of winery visitors increased by 23.5% from 2,740.25 in 2008 to 3,384.40 in 2010. With respect to cellar door sales, only 21.2% (14 wineries) reported that they constituted more than 10% of total wine sales; however a slight increase has been recorded since 2008.

Promotional methods

Results show that wineries use multiple methods to attract visitors, with participation to wine events (84.8% or 56/66), brochure printing (83.3%, 55) and road signs outside the winery (81.8%, 54) being the most common ones. Almost eighty percent of the responding wineries (53) reported having their own website, while only 39.4% of them (26) cooperate with tourism agencies.

Critical success factors

The wine tourism supply stakeholders' perceptions towards the development of the sector are of crucial importance, as they give prominence to priority issues of concern. Analysis of the descriptive statistics revealed that the highest-scoring items were: 'Legislation', 'Financial incentives', 'Stakeholder cooperation and government support' and 'More promotion of winery as tourist attraction'. All four items ranked number 1 (Mean=4.4, Median=5.0).

Table 5. Principal Component Analysis on factors that affect wine tourism development

Variables	F1	F2	F3	F4	F5	Communality
H1.17 (Promotion of the region)	0,815					0,735
H1.16 (Promotion of the wineries)	0,787					0,688
H1.20 (Financial incentives)	0,783					0,681
H1.19	0,765					0,704
H1.10		0,778				0,803
H1.11 (Convention facilities)		0,773				0,607
H1.7 (Improvement of		0,722				0,609
H1.5 (Critical		0,637				0,725
H1.6 (Improvement of		0,618				0,656
H1.1 (Catering			0,737			0,634
H1.3 (Hospitality facilities-			0,709			0,553
H1.14 (Promotion of wineries)				0,861		0,798
H1.15 (Promotion of wines)				0,746		0,747
H1.2 (Wine					0,720	0,752
Variance explained	18,426	17,230	12,092	10,867	7,592	
Total variance explained (%)	66,207					
<i>Cronbach's Alpha Reliability Coefficient</i>	0,86	0,82	0,61	0,82		
Discrimination	0,70	0,61	0,44	0,69		
<i>Cronbach's Alpha Reliability</i>	0,86					

Discrimination measure (Total)	0,49					
Kaiser-Meyer-Olkin measure	0,742					
Bartlett's Test of Sphericity	$\chi^2=651,825$	d.f.=190	$p=0,000$			

Moreover, the VARIMAX rotation technique was used to extract interpretable principal components and compressed the variables of the initial scale into five best orthogonal composite descriptors. The latter sufficed to explain 66.2 % of the total variance in the original descriptor set. Both the eigenvalue greater than one and the scree test criterions were used (Sharma 1996, Hair et al. 1995) for determining the significant components. Component loadings greater than 0.50 (in absolute value), the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy, the results of the Bartlett's test of sphericity as well as reliability indices are shown in Table 5.

The five factors extracted were labeled as: 'Political-institutional' (Factor 1; 18.426% of the variance), 'Regional infrastructure' (Factor 2; 17.230%), 'Tourism facilities in the winery' (Factor 3; 12.092%), 'Promotion' (Factor 4; 10.867%) and 'Wine tourism events (Factor 5; 7.592%).

CONCLUSIONS

The current paper contributes to the growing empirical supply-side literature on wine tourism, by adding evidence from Northern Greece. According to the study's results, the region's wine sector consists predominantly of small and privately-owned firms, which have engaged in wine tourism during the last five years, in an attempt to gain promotional benefits. Linking these findings to life-cycle theory (Tomljenović & Getz, 2009), Northern Greece can be identified as a wine tourism destination in its developing stage. Apparently, the maturity phase will require winemakers to get more involved in tourism activities on one hand and a greater dependence on cellar door sales on the other.

Moreover, Principal Component Analysis was an effective tool for reducing the number of variables taken into account, when assessing the winemakers' perceptions towards wine tourism, to a limited group of variables which summarize most of the information. Results clearly demonstrate that, apart from the need for private investment in

infrastructure facilities that arises, factors which reflect policy issues along with regional level actions are considered 'most critical'. Indeed, as Gunn (2002:35) argues, tourism is "a system of major components linked together in an intimate and interdependent relationship". Given the large number of different quality wines produced as well as the wide range of attractions that the region possesses, it can be concluded that wine tourism in the research area has a considerable growth potential. To this end, there is a clear need for greater synergy and collaboration among the key stakeholders, including various tourism entities, policy makers, as well as the host community. Accordingly, future research should expand to take into account the perceptions and interactions of all those who have a stake in the successful development of wine tourism.

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