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Wine and sun and sea tourism: Fruitful relationship or impossible dream?

Abstract

Croatian Adriatic is well developed tourism destination with over a century of tourism tradition. With the rapid increase in tourism demand since 1950s many residents have abandoned traditional agricultural activities and turned to tending to the visitor needs. This trend was reversed during the early 1990s when tourism came to a halt, owning to the armed conflict. Residents have revived their age honored tradition of grape growing – cleaned up old and degraded and planted new vineyards – out of which a new wave of entrepreneurs emerged, willing to invest in winery as a primary entrepreneurial activity and striving to gain high quality and market reputation for their wines. This task was made easier by the fact that these regions are nationally recognized for the quality red wine and local variety of grapes. With the tourism demand restoring quickly after the cessation of war activities and renewed wine production, it would be reasonable to expect that wine tourism would develop quickly. The paper investigates the issues and challenges faced by wineries from the entrepreneurial perspective proposed by Getz and Brown (2006) based on the survey of winery operators in the Middle Dalmatia. The results fill the gap in the literature not only regarding better understanding of wine tourism and entrepreneurship in wine tourism development but in terms of understanding the compatibility of wine tourism with the dominant Mediterranean tourism product – that of the sun and sea.

Keywords:
wine; wine tourism; Middle Dalmatia; Croatia

Introduction

Wine tourism, as special interest tourism, can be considered as an ideal tourism product for many destinations. For the well developed ones it can serve to diversify their tourism product range, while the emerging ones endowed with wine country can use it as the backbone of their tourism supply. The latter is often the case in rural areas, spurred more recently by the EU policy of rural development (Commission of the European Union, 1985, 1988) and generously funded through various donor agencies. The wine tourism development, as any other special interest tourism product, faces a number of barriers - it is difficult to build up consumer base where there is a lack of

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local or regional demand, in the area where the product offered is outside the main tourism flows or in destinations with well developed mainstream tourism not particularly compatible with the special tourism products offered. These three features – away from the main tourism flows, distance from the large population centers or dominance of the mass tourism product – are characteristics of many Mediterranean destinations. In that context, the case study of the wine tourism in Middle Dalmatia offers a good context to study the compatibility between the wine and general sun and sea tourism and investigates it, both, from the demand and supply side.

Wine production in Middle Dalmatia

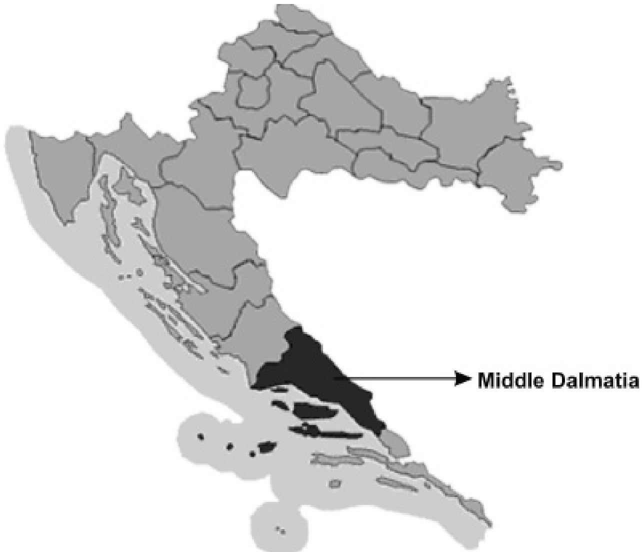
Croatia is small wine producer. According to the official statistics, we have only about 32 thousand hectares of vineyards, producing about 236 thousand tons of grapes and 1,510 thousand hectoliters of wine (Croatian Bureau of Statistics, 2005). About 17 thousand of wine producers are licensed to sell their wines, of which 760 produce wines with appellation of origin. However, these are mostly small producers. There are 35 wineries in Croatia producing more than 2 thousand hectoliters of wine, of which only 6 more than 100 thousand hl. These large wineries are mostly well established ex. state owned corporate wineries or well established wine cooperatives. The rest are small wine producers whose joint market share is about 12% (Ljubljanović, & Ljubljanović, 2005). About half of the wine produced is sold through small retailers, 33% though national and 10% through international supermarket chains (Benašić, 2004). Smaller producers have entered into commercial wine production mostly during the 1990s, when private entrepreneurship was encouraged while the national and local governments have designed a set of measures (direct subsidies and favorable loans) to encourage viticulture and wine-production. Since then, there were significant improvements in the wine production. The large corporate wineries and cooperatives, formerly focused on quantity only, have improved the quality of their table wines and launched new quality wine labels. The small producers, limited by the grape production and cellar capacity, mostly opted for the production of high and premium quality wines (Gašparec-Skočić, & Bolić, 2006).

Apart from market liberalization, subsidies and state sponsored loan schemes, wine producers have organized their regional and local associations. However, only few of these associations were able to professionalize its management and make real advances in branding, managing quality label, offering professional advice and staging a number of professional and public wine and wine related events. In principal, this was the case where such organizations were strongly backed up by regional government and able to obtain professional help (Bojnec, Jurinčić, & Tomljenović, 2006). In majority of cases, with the small production capacity and as newcomers to the market, for many producers and their associations developing distribution channels has posed a significant challenge. In that respect, the establishment of wine routes/roads was an appealing idea. However, without national guidance on the preferred structure of the wine routes and with little experience not only in tourism, but in hosting visitors in general, the wine route establishment and management was mostly developed ad-hoc. Consequently, the wine roads vary greatly in their geographical coverage, type of products offered and supporting infrastructure. Often they ended up been little more than thick bold line on the map with ensuing disappointment for, both, visitors and wineries. The wine producers were disappointed as the wine road ability to stimulate visitor demand did not meet their expectations, while visitors would often find limited number of vineries with very limited services, poorly signed and most often open only by prior booking. Consequently, only three regional wine routes can be considered well established – that of Istria (a large peninsula in the northern Adriatic), County of Zagreb (surrounding country capital with about 1 million residents) and County of Medjimurje (at the north-west tip of Croatia, bordering with Slovenia, Austria and Hungary), while there are about dozen or so who are considered currently as evolving (Gašparec-Skočić, & Bolić, 2006).

One such evolving route is that of the Middle Dalmatia (Figure 1). Middle Dalmatia is second in terms of the number of household owning vineyards (17,155 households out of 154 thousand nationally) and has the largest number of wine producers registered for wine sale – almost three thousand (Croatian Bureau of Statistics, 2003). There are three main wine-growing areas – the one is in the hinterland, about 15 to 40 km inland with about 2,000 ha, coastal area of 270 ha and the islands of Brač, Hvar and Vis with 1,720 ha of vineyards (Gašparec-Skočić, & Bolić, 2006). The vineyards of the islands of Hvar are particularly reputed for the variety of Plavac (related to Zinfandel) – the red wine of choice for most Croatians. It is believed that first grapes were planted during the times of Greeks when historical records praise the wine made on Issa (island of Vis) as been outstanding. This tradition was maintained during the Roman era. Slavs have taken it over and from the middle ages it was the corner stone of the regional economy. First records regulating vine production date from 1550s.

Through the centuries wine brought fortunes and misery. In good years, free of conflict and under favorable trade agreements, wine production and trade flourished. It was especially so in the late 19th century when most of the European vineyards were destroyed by filoxera. With the shortage of wine in Europe, people of Dalmatia quickly expanded area under vineyards and increased wine production. However, soon philoxera spread to Middle Dalmatia and coupled with the trade agreement under which the Austrian Empire agreed to purchase wines from Italy only, the export was halted, but the grape production and wine making provided economic sustenance to many families (Kraljević, 1994). It was only almost seventy years later, in the post WW II period, that Middle Dalmatia witnessed economic revival, this time due partly to industrialization and partly to tourism. Not surprisingly, such economic restructuring resulted in the steep decline of agricultural production during that time (Defilippis, 2006). The table wines were produced in large quantities with little regard to quality by the state owned wineries and large cooperatives, while many household produced wines for their own consumption. The eruption of armed conflict in early 1990s brought this wave of prosperity to an end and many have turned again to agriculture. In that period most of the small, family owned vineries were established. With that, the area of Dalmatia with the rest of Croatia has stepped into the modern era of wine production.

Figure 1
LOCATION OF MIDDLE DALMATIA



Source: County of Split-Damatia, 2010

Wine tourism demand in Middle Dalmatia

Middle Dalmatia, known administratively as the County of Split – Dalmatia, is also one of our most propulsive tourism areas. In 2008, it received 1.7 million tourists, accounting for 16 percent of total Croatian arrivals. Most of this demand is highly seasonal and driven by international visitors. About 80 percent of tourist arrivals was realized by international visitors, with 50 percent originating from Germany, Italy, Czech Republic, Slovakia, Poland and neighboring Bosnia and Hercegovina. Slightly more than half (55 %) of this demand was realized during July and August, with further 25% in June and September. There is about 158,306 thousand commercial beds in the county, of which 26,374 in hotels and resorts, 11,684 in camps and 120,248 in private accommodation (Croatian Bureau of Statistics, 2009). The bulk of the commercial accommodation facilities was inherited from the socialist era and was geared towards the three star standards but this is changing rapidly over the last five years, with the addition of 3 five star hotels with conference and wellness facilities (Tourism Board of Split-Dalmatia County, 2009).

According to the market survey on visitor profile, motivation, satisfaction and expenditure (Institute for Tourism, 2008), tourists of the Middle Dalmatia are mostly interested in rest and relaxation (70 percent), although 16 percent expressed an interest for Croatian gastronomy. A vast majority (82 percent) is loyal to Croatia. Moreover, half of tourists to Middle Dalmatia have already holidayed there and have a certain degree of familiarity with the destinations and the experiences that they offer. Tourists of Middle Dalmatia are mostly independent. They arrive by car or campervan (70 percent) and, in majority (59 percent), organize their trip independently or use travel agents to book accommodation only (24 percent). This transport independence, as well as freedom from the constraints of packaged holidays, makes them very mobile in exploring surroundings so it is not surprising that 77 percent go on self-organized excursions, while 56 percent also participate in the organized day trips. Although rest and relaxation is their favorite activity, a trend is noted where these tourists are participating in a wider range of activities that they used to a decade ago, and this participation is also more frequent. Among else, there is also a noted participation in visiting wineries and/or wine roads – one fifth of visitors claimed that they have made such visit, although that might range from driving through the wine country to visiting many small, often unregistered cellars to purchase cask wine. If this is correct, it would mean that about 300 thousand summer visitors have made a visit to the winery or wine road. They spent, on average, 59 Eu per day, of which 6 on food and beverage and 2.6 on side trips.

In terms of the wine tourism development, regional population should also be considered as an important source of demand, especially given their potential to generate year round visits and thus mitigate the effects of seasonality. The region population of 460 thousand, of which 189 thousand live in the county capital of Split (Croatian Bureau of Statistics, 2001), according to the recent survey (Tomljenović, Hendija, & Razović, under review) generates about 560 thousand visits to county's wineries and olive oil productions facilities or, in order words, every third citizen has a habit of visiting those through the year.

The region is also recognized as the wine tourism destination by the Croatian domestic population – about 27 percent of adult Croatians residing in urban areas consider Middle Dalmatia as an ideal wine tourism destination, right after the Istria at the northern end of the Adriatic and Slavonia, a large landlocked area in the eastern part of Croatia (Telišman-Košuta, Ivandić, Tomljenović, Gatti, & Kovačević, 2007). However, the regional gastronomic product is poorly integrated in the tour operator package. Only about 8 percent of international tour operators selling Middle Dalmatia offer gastronomy packages to Middle Dalmatia, while 22 percent features winery visits in their product bundle to this region (Tomljenović, Kunst, Hendija, & Boranić 2009). Relatively large urban population with propensity to visit vineries, growing number of tourists that are mobile and independent of tour operators and high market recognition among Croatian domestic visitors are good predisposition for the wine industry to reap the benefits of being involved in tourism.

Supply side of wine tourism in Middle Dalmatia

In spite of the large number of wine producers, high brand recognition of Dalmatian wine and thriving tourism, winery involvement with visitors is at the incipient stage of development and lagging behind the other parts of the country. Of the three thousand registered producers, 41 of them are producing wine with appellation of origin. The regional development agency was put in charge to develop wine roads of Middle Dalmatia. The project started a couple of years ago and till now they feature 27 wineries of which five are in the hinterland and the rest on the islands. Twenty of those are producing wines with appellation of origin. The wine route is not signed, but the brown tourism road signage for most of the wineries is put in place. The wine route has it own dedicated web side and 10 thousand brochures in four languages were also produced and distributed.

To ascertain their entrepreneurship orientation, we have administered survey over the two summer months of 2009, to wineries producing the wine with appellation of origin and those included in the wine roads. The method used was based on the Getz and Brown's (2006) study of wine tourism in Okanagan Valley (British Columbia), so that, results can be compared and eventually, benchmark be undertaken. In total, the entire population consisted of 48 wineries. Out of those, 14 wineries responded resulting in a response rate of 29 percent. Of the responding wineries, 9 (or 33 percent) were part of the wine road. This was response rate similar to that obtained in other wine growing regions of Croatia. Although it can be considered satisfactory, given that it was based on the mail-back questionnaire and conducted over the summer months when both vineyards and tourists competed for respondents' time, these numbers are relatively small and results should be used with caution. To strengthen the results, interviews and vinery visits were conducted where respondents were asked to comment on results obtained shedding more light on the state of wine tourism development in Middle Dalmatia.

WINERY PROFILE

As in the rest of the country, winery entrepreneurship blossomed during 1990s, when most of the vineries – 9 in the sample, were established. Owning to the relatively large area under vineyards and long and somewhat surviving tradition of wine cooperatives, there is an even spread of wineries in terms of production capacity. Most of the wineries are family enterprises (Table 1)

Table 1
PROFILE OF RESPONDING WINERIES

Winery profile	South Dalmatia	
	N	%
Year established	2	15.38
Before 1995	2	15.38
1945 - 1989	9	69.23
1990 -		
Production in litres		
0 - 9,999	2	15.38
10,000 - 24,999	2	15.38
25,000 - 49,999	3	23.08
50,000 - 99,999	3	23.08
100,000 and more	3	23.08
Ownership type		
Sole ownership	5	35.71
Family ownership	5	35.71
Partnership with extended family	1	7.14
Partnership with others	3	21.43

TOURISM ORIENTATION

Out of 14 wineries in the sample, two have no clear policy on receiving visitors, two have opened for visitors during the 1960s and 1970s, while the rest have done so only after 1995 or at the time when tourism have showed some confident signs of recovery.

Since then, every year one or two wineries open for visitors. Only two vineries are keeping official record on the number of visitors, so their number is only an estimate. According to their estimations, they have received, in the last year, about 1600 visitors on average (Table 2). This is significantly higher than the average for all coastal counties of about 1.050 annual visitors, in spite of some of their wine roads been older, better established and widely promoted.

Wineries participating in the survey are mostly accessible during the working days when most are open whole or half a day (Table 2). However, over weekend, there is a tendency for wineries to operate only on request, although about a third of them open whole day or afternoon on weekends. These that tend to open on weekends have, obviously, recognized the potential demand, especially as there is a tendency to open in the afternoon, catching the certain level of demand generated by those that want additional experience once they return from the sun-sea related activities. This tendency is confirmed by the wine route promotional material where there is a clear preference for advanced bookings. Although the majority is open whole year, there is obvious correlation between intensity of tourist arrivals and number of visitors to the winery. The visitation levels start to increase in May, reaching peak during July and October, some activity in September and then sharp drop in October.

Table 2
WINERIES' OPENING HOURS

Opening hours	Weekday	Saturday	Sunday
Closed	0	11	13
Whole day	56	22	25
Morning only	22	0	0
Afternoon only	22	11	13
Only on request	0	56	50
Total N	11	11	11

Only half of the wineries in our sample have standardized the way visitors are received in the winery. Furthermore, they do not have staff members dedicated to visitors. In majority of cases visitors are hosted by a person available at the moment that they arrive. Also, the range of products and services offered is rather basic (Table 3). While majority have tasting rooms able to accommodate about 40 to 100 guests, sale of locally produced food items and winery brochure, the range of additional products and services is rather limited. However, it is encouraging that half of the wineries are planning to expand their product range, of which some in the direction of offering wider varieties of wines and liqueur, while others are planning to introduce wider variety of experiences, such as adding tour through vineyards and offering a greater variety of food served. They are obviously aware of the large number of visitor services available in the area and, therefore, avoid going into competition with the accommodation, restaurant and retail sector.

Table 3
PRODUCTS AND SERVICES OFFERED AT WINERIES

Products/service	N	%
Information brochure	8	62
Restaurant	8	39
Picnic area	3	23
Workshops	2	15
Tasting room	9	69
Functions	4	31
Wine museum/collection	2	15
Special events	2	15
Sales of locally produced food	9	69
Sales of locally produced arts/crafts	3	23
Accommodation	3	23

CELLAR DOOR SALES

On average, about 10 percent of their yearly sales is sold in their wineries, of which one winery is selling almost a quarter of their production directly to visitors, what is close to the Croatia average, but twice lower than its northern counterpart of Istria. However, most of the wineries in the sample expect this proportion to increase over the next three years, perhaps indicating confidence in this market and recognizing its growth potential. Only four of them have given the estimation of the expenditure per visitors, so this information should be taken with caution. However, judging by the answers received, visitors most often spend about 6 to 7 Euro on purchasing bottled wine. The tasting fee policy appears to be poorly developed.

In the structure of their visitors (Table 4), international ones are prevailing, indicating that they are sourcing their demand from those that are staying in the area. About one fifth are domestic visitors, mostly regional, what is surprising given that regional population must be able to generate year round demand. The high proportion of international visitors might also be a consequence of their reliance on visits organised by travel agencies, as 77 percent reported that visits to their wineries are part of an organized travel package, most often sold as a daily coach excursion.

Table 4
STRUCTURE OF WINERY VISITORS IN TERMS OF GEOGRAPHIC ORIGIN

Origin of visitors	%
Local visitors	12.50
County visitors	5.80
Surrounding counties visitors	3.13
Visitors from other Croatia	16.50
International visitors - surrounding countries	11.25
International visitors - others	48.50
Others	3.25
Total	100.00

TOURISM MARKETING

When it comes to marketing, it appears that wineries are keen to reach the wine consumer market via their advertising in regional newspaper and to build up their presence and reputation within the industry via presence in publication of wine associations (Table 5). These activities are designed to improve awareness of their wine among consumers in general. The fact that only few are advertising through dedicated wine publications might be due to their smaller promotional budgets. However, the promotion aimed to increase the number of vinery visitors is rather humble. Almost all have an entrance signs and most are marked by road signs. This is mostly due to the local and regional government initiative of introducing coherent and uniformed brown signage. It is surprising that their activities aimed at visitors are rather negligent – more than half does not have their own brochure or web-site, about one thirds are placing their ads in travel guides. Clearly, with the large number of tourists at their door-step and pronounced tendency to partner with travel trade, their range of promotional methods are much narrower that those used in the other parts of Croatia further away from the tourist flow.

Table 5
PROMOTION METHODS EMPLOYED BY WINERIES

Promotion method	Middle Dalmatia	
	N	%
Ads in wine association publications	13	100.0
Ads in daily newspapers	13	100.0
Entrance sign	11	84.6
Road sign	7	53.8
Own brochures/leaflets	6	46.0
Own web-site	6	46.0
Ads in wine publications	4	30.8
Ads in travel guides	4	30.8
Ads in tourism association publications	3	23.0
Ads in tourism/hospitality publications	3	23.0
Tourism fairs/exhibitions	1	7.7
Ads on the web-site of tourism board	1	7.7

GOALS

When asked of the reasons for getting involved in wine tourism, the most important was development of the brand awareness of Croatian wines. Apparently, with the small quantities, throughout Croatia, and Middle Dalmatia is no exception, winemakers have turned towards improving quality as a way to penetrate international markets. With that, they are aware of the wine tourism ability to give them opportunity to expose their wines to international visitors already in Croatia and in this way build their awareness, recognition and perhaps, they might hope, demand internationally. Second goal is clearly economic one, as direct sale does not entail distribution costs and, with achieving 5 or 6 Euro per bottle sold, their price in the cellar is not significantly lower than in the retail outlets, meaning that they have retained larger profit margin.

Table 6

REASONS FOR INVOLVEMENT IN WINE TOURISM

Reasons	N	Mean*
Improve brand awareness of Croatian wines	12	4.67
Increase cellar door sale	13	4.15
Improve market recognition/brand of my wines	11	4.00
Raise to profile of regional wineries	12	4.00
Raise the profile of Croatian wineries	10	4.00
Develop mailing list	12	3.42

*scale from 1 (no importance) to 5 (major importance)

These goals are also reflected in the market segments that they prefer. Clearly, they would like to rely less on organised tour groups. These tours are rarely dedicated wine tours, but that of the general sightseeing. Consequently, these visitors are not particularly interested in wines. The use of wine tourism as a tool to help build international brand recognition of Dalmatian and Croatian wines is clearly reflected in the preference for international visitors, while the economic advantage of the cellar door sales is clearly recognized through a desire to attract larger proportion of local and regional visitors.

Table 7

DESIRED MARKET ORIENTATION OF WINERIES

Winery goal	Mean*
Increase number of organised tour groups	2.00
Increased number of visitors from near-by counties	2.08
Increase number of visitors from neighboring countries	2.23
Increase number of individual visitors	2.46
Increase number of visitors from rest of Croatia	2.54
Increase number of regional (county) visitors	2.69
Increase number of local visitors	2.69
Increase number of visitors from other countries	2.77

*Scale from 1 (no importance) to 3 (major importance)

CRITICAL SUCCESS FACTORS FOR WINE TOURISM

In terms of destination wide actions that would support tourism orientation of their winery, most respondents agreed that the area needs more wine festival and special events, greater range of tourism attraction close to wineries and more fine dining restaurants. In spite of the abundant accommodation supply, winery owners would still prefer more hotels and accommodation reflecting regional characters (Table 8). They reason that market segments attracted by higher quality/regional character accommodation would be more compatible with wine tourism product that those currently taking advantage of the prevailing cheaper end of the accommodation. Among the least important are camping grounds, things for children to do and, surprisingly, arts and craft shops.

Table 8
THE IMPORTANCE OF DESTINATION-WIDE ACTIONS TO SUPPORT WINERIES' TOURISM RELATED GOALS

Destination activities	N	Mean*
Wine festival	10	2.90
Special events	10	2.70
Tourism attractions near the winery	11	2.64
Fine dining/gourmet restaurants	11	2.64
Hotels	11	2.55
Accommodation reflecting region's character	9	2.44
Conference facilities	11	2.36
Specialty shops for local produce	11	2.36
Sport facilities	10	2.00
Accommodation in private	10	1.90
Arts and crafts shops	10	1.80
Camping grounds	10	1.80
Things for children to see and do	11	1.55

*Scale from 1 (no importance) to 3 (major importance)

They would also like to see larger proportion of destinations' promotional budget be dedicated to the promotion of their own wineries and the region as wine tourism destination (Table 9). As it is obvious that destination promotional budget can not be spend on promoting individual businesses, it is not clear if the winery owners are poorly aware how the tourism promotion budget is allocated or if they have given the opportunistic answer to this question. The lower level of interest they have expressed for activities requiring their involvement and participation, such as education and community cooperation. It seems that, at the destination level, it is almost impossible to develop wine tourism without the quality wine tourism experience offered by wineries and better cooperation among them. As the wine tourism involvement is relatively new initiative, with most wineries still treating visitors as a side business to which they have dedicated neither staff nor marketing resources, their owners and managers would clearly profit by a variety of educational programs. If they are reluctant to participate, it calls into question the feasibility of investing in wine tourism promotion by destination management.

Table 9
THE IMPORTANCE OF PROMOTIONAL ACTIVITIES TO SUPPORT WINERIES' TOURISM RELATED GOALS

Promotional activities	N	Mean*
Better promotion of your winery as tourism attraction	13	2.92
Better promotion of the region as wine tourism destination	13	2.92
Better promotion of the region as tourism destination	13	2.77
Financial incentives that support business development	13	2.77
Better promotion of your winery	13	2.77
Education about tourism and tourism marketing	12	2.75
Legislation supportive of business development	12	2.67
Education about winery as tourism attraction	12	2.67
Better community cooperation and support	12	2.58

*Scale from 1 (no importance) to 3 (major importance)

Conclusions

A development of wine tourism is clearly a combination of individual entrepreneurial activity and destination wide actions designed to support it. In theory, wine tourism as any other special type of tourism, is easier to develop in areas with already well established tourism infrastructure and sound tourist demand. Wine tourism development would reap higher and quicker return on investment not only owning to the tourist demand being at the winery doorstep, but also in the availability of product development and marketing expertise, official policies that favour tourism development as well as in the pool of human resources specialized for hosting visitors.

In that respect the wineries of the Middle Dalmatia are well positioned to take advantage of these favorable circumstances. The summer visitors, although coming primarily attracted by the sea and sun experiences, are highly mobile and active during their stay, getting involved in the wide range of activities and one fifth of them reporting some activities related to wine experience and purchase. Regional population of almost half million is highly involved in grape growing and wine production, wine and wine related activities are considered at the core of their somewhat hedonistic lifestyle. Consequently, every third citizen of the County makes a visit to wineries and, in total, regional wineries receive 560 thousand regional visitors annually. Nation-wide, this region is recognized as the third most appealing wine tourism destination among Croatians. Unlike in many other parts of Croatia, and other Mediterranean regions for that matter, it seems that wine tourism in the region should be demand, rather than supply driven and thus already reaping higher level of benefits from involvement in wine tourism.

However, the survey of wineries in Middle Dalmatia reveals that the state of the wine tourism supply in this area is not much different than in the rest of Croatian wine regions, where often is both, wine and tourism at the incipient stage of development. The wineries of Middle Dalmatia have been established with little regard for tourism and, apart from tasting room, have limited visitor facilities and services. Although the well established summer market segment is showing increased interest in wine, this has been only recently and the industry has been either slow to recognize it or the interest has appeared only lately. For most of the wineries tourism is side business – wineries are open on demand, visitors are hosted by the staff available at the time of their arrival, and there are not standard procedures of hosting visitors and staging wine experience. At the same time, there is sizeable number of wineries not involved with tourism. At the regional level, there is gradual recognition of the importance of wine tourism by the policy makers and first steps were made towards establishment of the regional wine route moving destination slowly towards the second, development stage of the wine tourism destination life-cycle. However, there are factors inhibiting this initiative – lack of clear and consistent wine tourism development policy on the one hand, and lack of the clearly focused entrepreneurial activity towards established of wineries designed for tourism at the individual level. As most of the wineries are relatively new not only to the world of wine tourism but to the world of wine in general, they face significant challenges related to investment in expanding the quantity and improving the quality of their wines, developing brand awareness and establishing distribution channels to keep the production economically viable and, at the same time, trying to penetrate foreign markets what is most often associated not so much with the economic viability but more so to the prestige of their wines. In that, the orientation towards building visitor market segment is not their high priority. It is clear that without coordinated, destination wide action that would steer wine tourism development, that most of the potential demand at their doorstep would remain untapped.

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