

THE MULTIPLYING EFFECT OF WINE TOURISM

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Abstract: Wine tourism has become one of the most dynamically growing types of tourism. Primarily, the reason for this can be found in the basic need for getting to know wine culture, quality wines, the traditions of wine making and general knowledge about wines. Other opportunities connected to wine tourism must also be noted such as getting acquainted with cultural scenery, traditional rural lifestyle and gastronomy. Wine tourism is an important marketing tool in the wine market and also it is one of the branches of wine marketing. It provides an opportunity for the Hungarian wines to become well-known by the domestic and international wine consumers alike. It acts like a tool of 'wine export'. The economic impact of wine tourism is also significant for the wine regions. The wine tourists spend their income generated elsewhere in wineries and cellars at wine tastings sometimes organised in far-away regions. As a result of wine purchases wine tourism can also be regarded as a cost-efficient commercial channel.

Keywords: wine tourism, wine festivals, multiplying effect, wine region of Eger and the Mátra

Introduction

The prestige of domestic tourism in Hungary has greatly been appreciated nowadays. Inbound trips have become trendy and popular offering real alternatives to holidays abroad. Statistical data prove that a lot of tourists have spent more time within the national borders these days. In our country tourism has significantly contributed to boosting the economy and creating jobs through its multiplying effect. Based on the data of the Central Statistical Office (CSO) in 2014 the number of participants in domestic trips for several days has grown by 3.3% approximately reaching 15 million people. The performance of domestic tourism is in line with the use of SZÉP (Széchenyi Recreation) card which was used at commercial accommodation points worth 15.9 billion HUF in 2014. The duration of domestic trips amounted to 61.4 million days (Magyar Turizmus Zrt, 2015.a). Domestic tourism has been playing a great role in stabilising the industry. It is less geographically concentrated than inbound tourism so it is able to provide jobs in regions and ensures to make a living in regions where inbound tourism is of slighter importance. In most regions seasonality is more moderate. It is important that keeping the tourism demand within the borders also means keeping the travel expenditure of tourists within the country.

The economic significance of the industry is highlighted by the following figures. In 2014 the expenditure of foreign inbound tourists and domestic tourists in Hungary amounted to 1450.8 billion HUF of which 308.4 billion HUF income was generated. It is estimated that the direct contribution of tourism to employment reaches 5.6% while the indirect one accounted for 9.8% of full employment (CSO, 2015).

The most typical tourism products in Hungary include health tourism, MICE (meetings, incentives, conferences and exhibitions), cultural tourism, wine and gastronomy tourism, active and eco-tourism as well as rural tourism.

Recently the role of gastronomy including a cultured way of wine consumption has been appreciated. Tourism has a great part in it as experiences are gained on the spot. Consequently, expectations have also grown for the local producers and craftsmen. Local primary producer markets are flourishing as they are important destinations for the tourists (Magyar Turizmus Zrt, 2015.b). Wine tourism and events centred on wine are decisive in the economic life of a region, county, town, city or wine region. The objective of our study is to explore the results of this effect on the basis of the wine events and festivals organised in these two wine regions.

Wine as a tourism product

Approaching from the theoretical side of tourism, wine is part of cultural tourism together with gastronomy tourism as both of them are tourism products linked to activities (Mihalkó, 2012). Hajdúné et al. (2009) draws attention to the visitor as a key part of wine tourism and the wine region as the wine producing area serving as the basis for wine tourism as attractions in tourism. The main motivation of the visitor is to get acquainted with the viniculture and viticulture of the destinations frequented while gaining and living through such experiences that are connected to cultivating grapes and consuming wine. Wine tourists have a chance to participate actively in cultivating grape plantations, harvesting the grapes or preparing wine (Tarján and Törökné, 2015; Szakály et al. 2010).

Due to its nature wine tourism is the typical tourism product of rural areas. On the supply side we can find wine regions and wine routes as destinations. However, even in urban areas we can take part in wine festivals, wine tasting, wine and dine dinners or even wine museums. At present in Hungary there are 30 registered wine trips organised by wine associations of which 19 are members of the Association of Hungarian Wine Routes. According to Cheverton (2005) the image of the wine region plays a central role in wine tourism. Its attraction basically lies in the consumption of wine in authentic surroundings. The several thousand-year-old wine culture of mankind can sell excellently as a tourist attraction (Cey-Bert, 2002). In the relationship between wine and tourism wine itself as a gastronomic speciality is regarded as an attraction. It is the source of the image and the symbol of the given wine region. It has a catalysing, multiplying effect and also highlights and popularises the other attractions of the region.

Multiplication in tourism

Multiplication is an indicator of the extent of the effect generated by additional spending in the tourism sector and in the entire economy. It shows how and through which channels the money entering the economy from tourism spreads and how it affects the whole economy. From an economic-geographical consideration tourism is regrouping income in space. The income generated in the homeland (sending area) of the tourist is not spent there locally, rather, in another geographical region. In the recipient (host) area it is a form of income not generated by the local economy. By analysing the economic impacts of tourism the amount of this income is also measured together with the economic areas where it is displayed. Multipliers are only used in tourism when the

effects of an additional unit of tourism consumption and expenditure are to be explored to define additional income, employment, production and consumption.

Tourism service providers spend the funds received on purchases. They buy consumer goods, production tools or cover the operating costs of their business. By purchases the funds reach different economic organisations. Every unit of money spent is channelled to different enterprises. Optimally, further income is generated so it is multiplied. Income multipliers in tourism mean the ratio of total income in the economy generated by an addition unit of tourism expenditure (Puczkó-Rátz, 2002). The following model illustrates the multiplication of income generated in tourism. Part of the direct income of the households derives from the tourists and another part from the amount paid by tourism service providers. The income of the central budget is transferred to the treasury via the tourists (visa fee, VAT) or in the form of entrepreneurial taxes.

Material and methods

We were looking for the opinions of the students of the colleges in Eger and Gyöngyös about wine tourism, the economic and multiplying effects of different wine festivals and also the services used by them. Concerning the methodology of the examination a questionnaire was filled in and also in-depth interviews were conducted with the managers of hotels. In spring 2015, 100 questionnaires were filled in at both colleges which were processed by Microsoft Excel mathematical-statistical programme. Our paper is not aimed to present all the findings of the research. Due to limitations only the results of the areas that most support the effects of multiplication are published.

The demographic features of the respondents are as follows. The higher ratio of women (61%) is due to the fact that there are more women among the students at college, too. There were two categories based on age: under 25 (69%) and above 25 (31%). It was interesting to examine the domicile: capital (8%), county seat (15%), city (37%) and village (40%). It was justified by the fact how far they are willing to travel to a wine event although some knowledge on the venue or accommodation at a student hostel as well as being a wine lover (71%) or not can also have an effect in it. We also asked how much they spend occasionally, which reached approximately 10 thousand HUF without accommodation and travel costs.

Results

Of the wine events most students participated in visiting cellars. Wine festivals, wine tasting and vintage festivals are also popular. Figure 1 shows that wine programmes are preferred in Eger, which refers to the dynamic development of the Eger wine region. The role of wine events in frequenting a wine region was judged differently by the students. Forty-two percent of the students of Eger and only 29 percent of the students in Gyöngyös acknowledged the positive effects of wine events. In their opinion wineries develop more dynamically in the Eger wine regions, they cooperate and organise more professional days and wine events.

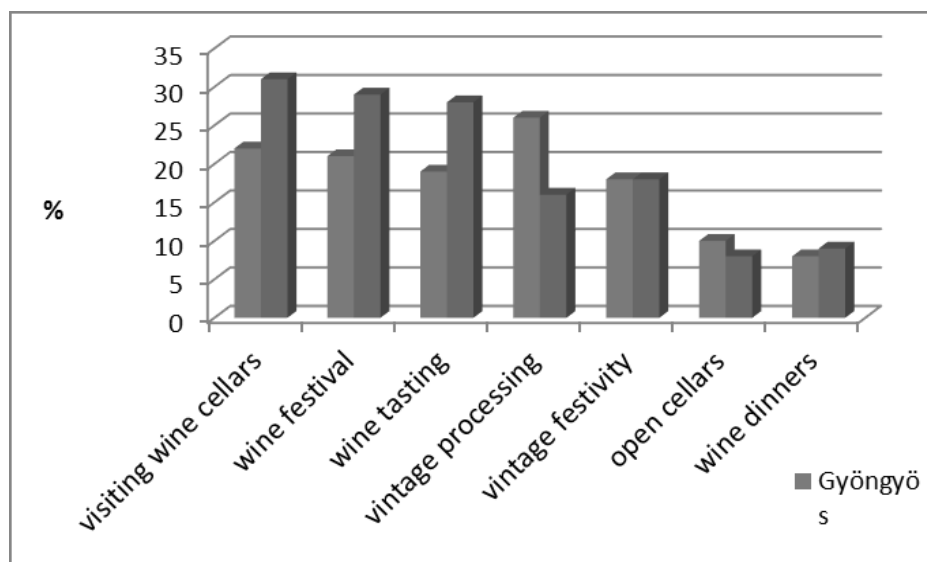


Figure 1 Breakdown of participation in wine events

Source: authors' compilation based on their own research

Ninety-seven percent of the respondents would go back to the venue of the wine event and its surroundings. Nearly 50% of the students of both colleges would get to know the sights: the Castle of Eger, the museums (marzipan, Mátra, clerical museum), village museums, churches, historical sights and would visit the cellars of Farkasmály and the wineries of Szépasszony-völgy (Valley of the Beautiful Women) together with other renowned ones. Among the responses hiking in the Mátra and Bükk and also taking a dip in Eger, Demjén and Egerszalók were also mentioned. It justifies our statement that a strong brand helps the weaker ones to come to the foreground, so they also contribute to the multiplying effect of the economic role of wine tourism.

During the wine events wine tasting services connecting the wineries would be welcome by the visitors. The local people can get back home on foot, or by local or long-distance services. However, returning guests who visit several wineries along the wine route can hardly get from one cellar to another as they are away, the taxi is expensive and if they drive, they cannot taste wine. These wine services could be operated like sightseeing buses: at the weekend in cooperation with information offices and cellars. Visitors could hop on and hop off at any winery between 10 am and 11 pm so that they could also dine there in the evening.

For the visitors to a wine event gained experience is the most important followed by the need for a complex service (86%). We also explored what expectations the young had and how the hosts should prepare for them (Figure 2). The standard of rural accommodation is marked by (1-4) sunflowers (guest rooms, furnishing, internet, range and standard of services, programmes etc.).

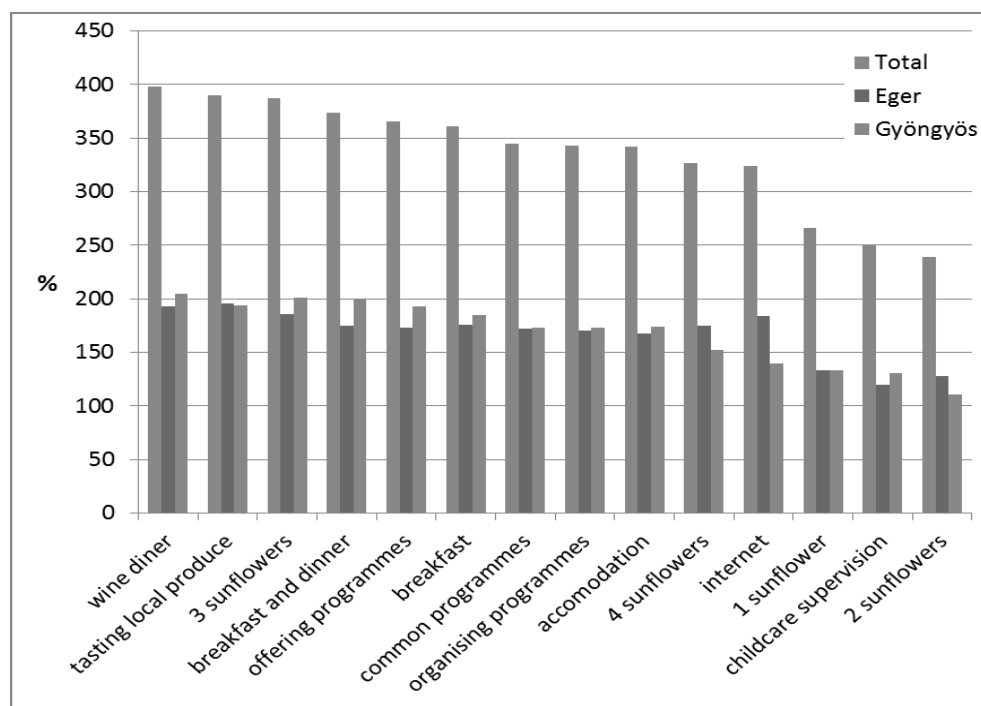


Figure 2 The order of importance for services used

Source: authors' compilation based on their own research

We would recommend offering tourism packages to tourists arriving from other parts of the country. This is also stressed by the results of the in-depth interviews with hotel managers. In Eger hotel bookings rise when a wine event takes place while in Gyöngyös bookings only rise when a complex hotel package supplemented by other programmes is offered. In Gyöngyös hoteliers cannot experience the rise of accommodation needs generated by wine programmes. That is why they drew attention to wine events as part of a package offered formerly, which is bought and frequented by guests with pleasure.

Based on our research findings and the experience of the hoteliers we recommend issuing discount cards that would entitle the holder e.g. 10% off the consumption at a restaurant after visiting 3 sights which could be proved by stamps at the back and could be used freely during the event. Eighty-two percent of the respondents would use this card, which is offered, for example, in Zsámbék, too.

We also assessed the wine events economically. Eighty percent of the respondents think that wine events also incur financial benefits. In addition to wine and gastronomy programmes, local produce is on offer on the market with handicrafts and children programmes like at a festival (e.g. Bikavér Ünnepe/Bull's Blood Feast, Mátrai Bornapok/Mátra Wine Days, vintage festivals).

Women attribute a higher importance to festivals (67%) than men, which may be attributed to programmes for the whole family. Responses on domicile show that the positive economic effect in cities and smaller villages differ. Events organised in villages are mostly frequented by the local people or who live nearby. During their one-day stay they use local services but the number of those requiring accommodation is slight.

When analysing the positive assessment of wine events further, some factors are listed that can assist the settlement in developing economically and other ways (Figure 3). The option of multiplication was selected mostly by the students of both colleges,

which we also agree with. The benefit deriving from here is also multiplied inducing more and more, hopefully positive, changes. The money spent by visitors is circulated in economy generating more and more services so it is multiplied there.

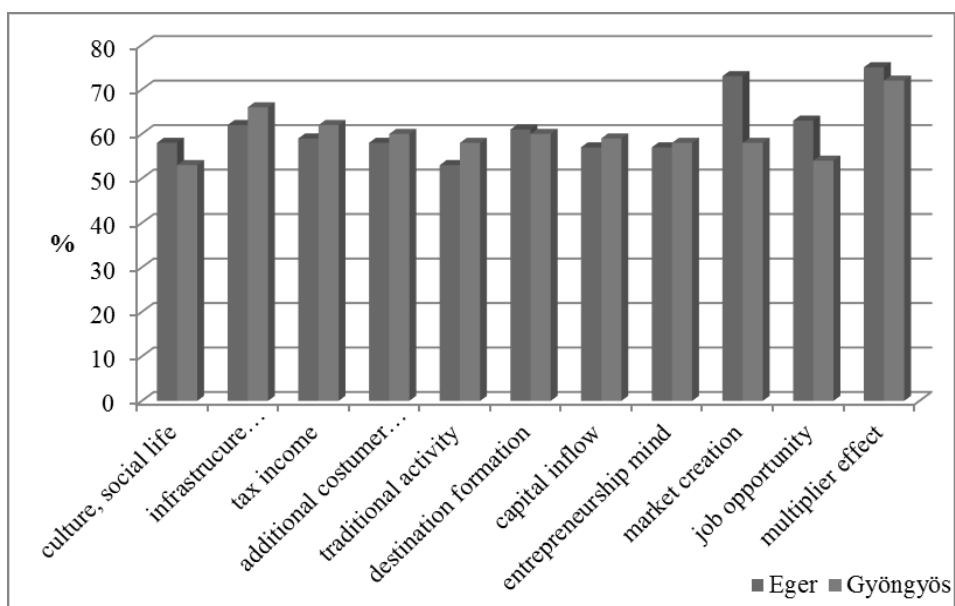


Figure 3 The multiplying effects of wine events on settlement development

Source: authors' compilation based on their own research

The income from accommodation, colourful programme offers and the direct sales of local products contributes to making a living and by possessing income directly from the services the service providers themselves have further demands for other local products and services, as well. The money spent by tourists will be channelled to the entrepreneurs in tourism first, who spend part of their income on local produce in order to run their businesses. Part of the income of the local governments also derives from the tourists (tourism tax) and the other part is taken up by the taxes that local entrepreneurs pay. The tourism tax paid in 2015 in Eger accounted for 4.7% of all the taxes while it was 2% in Gyöngyös. The local tourism tax increased from 2012 to 2015 by 65% in Eger and 21% in Gyöngyös, respectively (Eger, Gyöngyös-local authority statistics, 2016).

The local market is definitely wider, which boosts the development of local economy. Social effects partly prevail in employment but local identity also strengthens local communities. The aggregated multiplying effect of wine tourism, rural tourism and agritourism has an impact on the natural, social and economic environment.

Conclusions

Wine events are very important in the life of a wine region and they have a synergic effect on the attraction of the countryside and wine. They strengthen the wine tourism of the given wine region, the reputation of its wines and also help differentiate them from other wine regions. They offer favourable opportunities for reaching new target groups and opening new market segments.

They mean concentrated wine offers so they also act as an incentive for purchases. The tasting organised by cellars provides an opportunity to compare the types of wine of the given wine region and serves to educate, inform and get consumers acquainted with moderate wine consumption and quality wine. In our opinion, which is also shared by

the initiatives taken by the wineries, it would be practical to organise a professional day on the first day of the event series that would accommodate conferences and meetings.

They also play a great role in the life of the wine regions, the organising settlements, and the local and neighbouring population. They have a positive impact and strengthen the image of the city and also stress its nature. We concluded that the strong brand of the two wine regions assist the weaker ones in coming to the foreground so that they can also contribute to the multiplying effect of the economic role of wine tourism.

The attraction of wine events prevails but it lacks proper marketing activity. It is especially the Mátra wine region where development slowed down. The rate of bookings at hotel has been increasing only when other events and accompanying programmes are offered. Our examination justified that the objectives of tourism could be achieved and its multiplying effects could also prevail but still there are lots of tasks for these two wine regions. On the basis of the responses demands and expectations have been outlined so the capacities of the cities and towns could be exploited by consciously planned and proper marketing activities.

Further research must be carried into the composition and the characteristics of visitors as there are no statistical data available about who the visitors are or which target groups the wine regions could be classified into. Based on our questionnaires recommendations were made on starting wine tasting services that connect wineries among others, and also attention was drawn to the significance of complex services and gaining experiences and also the concrete nature of positive economic impacts. Although our analysis is not representative, it has highlighted part of the problems and the need for further research and tasks to be carried out.

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