

## Wine Tourism and Economic Performance. Why Ecological Agriculture Matters? An Applied Analysis

ISSN: 2637-8035



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Submission: 

May 26, 2023

Published: 

June 5, 2023

Volume 5 - Issue 3

How to cite this article: Rosana Fuentes Fernández, Javier Martínez Falcó, Eduardo Sánchez García\* and Bartolomé Marco Lajara. Wine Tourism and Economic Performance. Why Ecological Agriculture Matters? An Applied Analysis. Progress Petrochem Sci. 5(3). PPS. 000615. 2023. DOI: 10.31031/PPS.2023.05.000615

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## **Opinion**

The world of wine has gained significant attention, attracting people who want to learn about vineyards, winemaking, grape varieties, and the bottling process Marco-Lajara [1]. This interest has given rise to enotourism, or wine tourism Sun & Drakeman [2], Marco-Lajara [1]. Wine tourism offers visitors a sensory experience, including a taste of the lifestyle, the pleasure of tasting wines, and the opportunity to attend festivals. Wine tourism encompasses tourism, leisure, and recreational activities that focus on discovering and enjoying the vineyard, wine, and its surrounding region, allowing the integration of existing and potential tourist resources and services in a wine-growing area Marco-Lajara [3] & Martínez-Falcó [4]. Furthermore, wine tourism is considered a form of holistic tourism that showcases various aspects of the rural environment, such as local traditions, cuisine, and customs, so that encapsulates the social, cultural, and environmental history of a region, often referred to as wine landscape Oltean [5]. Ultimately, wine tourism is experiential in nature, fostering an emotional connection between tourists and all things related to wine, and creating a bond through the emotions evoked during winery and vineyard visits, which allow visitors to tailor their experiences according to their desires. Tourists seeking this experience can visit regions with Protected Designation of Origin (PDO) or Denomination of Origin Qualified (DOCa) classifications Marco-Lajara [6]. These tourists are active participants who ask questions, show interest, and sometimes get involved in activities such as grape harvesting, which provides a unique experience Fuentes-Fernández [7] & Martínez-Falcó [8]. By enhancing the reputation of wine as a product, diversifying the tourist activities, and aligning them with seasons, it becomes a driving force for the local economy, since wine tourism simultaneously encompasses consumer behavior, a strategy for regional development and the wine market, and an opportunity for wineries to directly sell their products to consumers.

Over the last decades, there has been a shift towards diversifying a destination's attractions and offering a wider range of products throughout the year, moving away from the traditional summer sun and beach tourism model. Wine tourism fits this pattern by attracting visitors who prefer shorter and more frequent trips, avoiding the concentration of tourists during specific periods and the resulting overcrowding, which can trigger antipathy or aversion towards mass tourism in an area. Conversely, wine and tourism form a symbiotic relationship that facilitates the socio-economic and environmental development of wine regions without facing issues of overcrowding Fuentes-Fernánde [9] & Montalvo-Falcón

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[10]. This collaboration creates employment opportunities and generates wealth in rural areas, primarily through sustainable agricultural practices, serving as a complementary element for rural development, since it enhances tourist influx to the specific geographic area, establishes a favorable reputation as a high-quality tourist destination, and contributes to the development of targeted regions. The Association of Wine Cities (ACEVIN) has certified 34 routes in Spain as of 2022, with three additional routes in advanced stages: Uclés and Méntrida in Castilla-La Mancha, and Txacolí in the Basque Country. During 2021, the Calatayud Wine Route (Aragon) received the highest number of visitors, totaling 213,614, followed closely by the Ribera del Duero Wine Route (Castilla and Leon) with 197,145 visitors.

The latter region was selected for this study due to its significance in terms of both wine quality and production volume, as well as its recent commitment to ecological agriculture. Encompassing approximately 21,000 hectares of vineyards, the Ribera del Duero Wine Route spans multiple municipalities across four provinces in Castilla and Leon: Burgos, Valladolid, Soria, and Segovia.

In conjunction with wine tourism, there is a growing interest among wine tourists in wineries that prioritize environmentally friendly production processes, reflecting the increasing concern for sustainability within viticulture (Fuentes-Fernández et al., 2023). Spain holds the distinction of being the world's foremost producer of organic wine. In 2021, approximately 15% of the total vineyard surface area in Spain was dedicated to organic production, with a notable 21% increase in Castilla and Leon compared to the previous year. Globally, organic vine cultivation accounts for 27% of the total area dedicated to vine cultivation, experiencing an average annual growth rate of 16%, as reported by the International Organization of Vine and Wine (OIV). In this vein, the development and implementation of ecological agricultural practices hold the potential to attract wine tourists who prioritize environmental consciousness Sánchez-García [11].

This, in turn, can positively impact the economic performance of wineries Marco-Lajara [12]. Furthermore, the production of organic wines resulting from these ecological practices can enhance differentiation for wineries, leading to improved economic performance. The main objective of this research is to analyze the impact of wine tourism on the economic performance of wineries, and the effect of ecological agriculture as a mediating variable in this relationship.

The study is situated within the broader context of the Spanish wine industry, with a specific focus on Ribera del Duero. Spain holds a prominent position in the global wine industry, ranking as the third-largest wine producer and the leading exporter in terms of volume, as reported by the latest data from the International Organization of Vine and Wine (OIV). In this regard, the significance of Ribera del Duero stands out within the Spanish wine landscape. It boasts the third-largest registered hectares under Protected Designation of Origin (PDO), spanning 43,042 hectares. Furthermore, it ranks third in terms of the number of wineries (335) and second in wine commercialization (10.4hl),

based on data provided by the Ministry of Agriculture, Fisheries, and Food (MAPA) for the 2020/2021 campaign. Furthermore, wine tourism's strategic importance is growing in Spain, demonstrating the potential to generate substantial economic impact. Visits to museums and wineries associated with wine routes in Spain alone accounted for 91 million visits (Tourism Observatory of the Spanish Wine Routes [13]).

Notably, Ribera del Duero is among the top three wine routes with the highest capacity to attract wine tourists and generate economic benefits. Visits to wineries and wine museums in Ribera del Duero contribute over 12 million euros, representing 13.18% of the overall economic impact generated by all wine routes in Spain. In addition, within the food and beverage sector in Spain, the wine sub-sector holds significant importance, second only to the meat industry, according to data provided by the Central Business Directorate of Spain. In the case of Ribera del Duero, the weight of the wine industry is particularly pronounced, serving as a fundamental element of identity and territorial cohesion Portela et al. [14] & Marco-Lajara [15].

The study encompassed all active companies classified under code 1102 of the National Classification of Economic Activities (CNAE) operating within the Ribera del Duero region. This region comprises 19 municipalities in the province of Soria, 60 in the province of Burgos, 4 in the province of Segovia, and 20 in the province of Valladolid. By conducting a search through the Iberian System of Balance Sheet Analysis (SABI) database, we identified a total of 263 active companies belonging to the CNAE code 1102, which is associated with winemaking, and being located within the 103 municipalities constituting the Ribera del Duero region. Hence, our population consisted of 263 wineries. For our research, the population coincided with the sample, meaning that our study sample comprised 263 wineries. We obtained data from the SABI database, which provided economic-financial information, as well as from the wineries' websites, as we utilized this database to retrieve the web addresses of each winery. The analysis was carried out by utilizing the partial least squares structural equation modeling (PLS-SEM) approach, employing the SmartPLS v3.3.9 software. This technique enables the analysis of interrelationships among variables, including latent variables, which is particularly valuable in the social sciences and management research domains, and has gained significant prominence due to its suitability for investigating constructs that are not directly observable, a common characteristic of variables encountered in management research Roldán et al. [16].

The research findings demonstrate a significant and positive impact of wine tourism on economic performance ( $\beta$ =0.340). Additionally, wine tourism has a positive and significant influence on ecological agriculture ( $\beta$ =0.249), which in turn positively affects economic performance ( $\beta$ =0.326) [17,18]. These results indicate that the construction of ecological agriculture partially mediates the relationship between wine tourism and economic performance. Both the direct effect (0.340) and indirect effect (0.081) are positive and significant, resulting in a total effect of wine tourism on economic performance of 0.421.

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The relationship between wine tourism activities and economic performance can be elucidated by considering the economic benefits that this form of tourism brings to wineries, since wine tourism enables wineries to bypass intermediaries, thereby retaining the profit margin, provides immediate liquidity compared to other channels that involve delayed cash flow, and facilitates cross-selling and incremental sales, while fostering a strong emotional connection with customers, who may subsequently become brand advocates. Consequently, the development of wine tourism activities can enhance the economic performance of wineries by bolstering both direct wine sales and commercial acumen. Importantly, this activity assumes a critical role for small wineries that encounter challenges in accessing large-scale wine distribution channels. Wine tourism can affect the profitability of wineries through various means, including the enhancement of direct, cross, and incremental sales of wine at their premises, and foster the adoption of environmentally sustainable practices, such as organic agriculture which can have interesting benefits for wineries, such as attract wine tourists, enhance their overall image and corporate reputation, and facilitate the production of organic wine.

The collective impact of these factors is likely to contribute positively to the economic performance of wineries. Thus, this research provides valuable insights into the connection between wine tourism and economic performance, offering guidance to winemakers contemplating the development of wine tourism activities at their establishments. Thus, by revealing the significance of developing ecological agricultural practices, this study offers valuable information to winemakers and winery environmental managers regarding the role such practices play in improving overall winery profitability. To the best of our knowledge, no prior studies have examined the mediating role of ecological agriculture in the relationship between wine tourism and economic performance, thus representing a noteworthy advancement in scientific knowledge. Further research can broaden the geographical scope to encompass other New World wine regions, which will facilitate the identification of commonalities and distinctions in the proposed model for both New World and Old World wine contexts.

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