

Wine Cluster Key Driver of Success for Wine Tourism in the Czech Republic

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Abstract:

Purpose - Wine tourism development and investment should lead to the creation of new jobs. Significant assumptions were made in the region of South Moravia in the southeastern part of the Czech Republic. To achieve the objective of the study was developed inside structural analysis of the wine sector, conducted marketing research data collection and mapping the development of Wine Tourism projects. The main research objective of this paper was to find multiplication effects based on new investments in the wine sector and related development of Wine Tourism in the last ten years.

Design/Methodology/Approach - This study describes how to increase vineyard area related to the Czech Republic's accession to the European Union in 2004, when restrictions were associated threats of further expansion of vineyards. The dynamic development of the wine category, major changes in the market and consumer demand are the main causes of increasing the attractiveness of the sector for investment in new plantings of vineyards, subsequent related investments in the production of wine and also development of Wine Tourism.

Findings - The main results include the finding that the increase in new plantings of vineyards to four times the annual average has led to an increase in the number of grape growers and wineries have doubled over the last ten years. The application of the results of research was a plan for the establishment of new alliance – wine cluster, where is the potential cooperation between associations VOC appellation and other entities involving suppliers, customers, research institutions and universities. The plan to create a wine tourism cluster was proposed to establish cooperation between the newly emerging associations of VOC at three sub-regions of South Moravia, in order to achieve competitive advantage.

Practical Implications - For the development of the entire wine sector is also linked to the need to create new jobs directly in the industry, but also multiplication effects of related industry suppliers, as well as in tourism.

Keywords: Creating jobs, investments, multiplication effects, Wine Tourism, Wine Cluster

INTRODUCTION

Development of wine tourism is important for the South Moravia region, southeast part of the Czech Republic. In addition, the wine tourism brings revenue side entities operating in agriculture, thereby increasing the standard of living of the population, also brings to the region more jobs and higher income. Tourism and the service sector in general have progressive growth in recent years. Winery, wine and wine tourism are the flagship of South Moravia. In the segment of wine tourism is a dynamic development and is certainly not true that tourists come for winemakers only on so-called "wine cellar evening". Tourists as wine lovers are also interested in the possibility of tours vineyards, own work in the vineyard, and training in the production of wine in the cellar.

The research project follows the development of the regional associations of small and medium-sized wineries cooperating in system for appellations *Vína Originální Certifikace* (VOC). There are successful forms of wine tourism cooperation in wine clusters -in the world, which can serve as a source of inspiration for the growing cluster initiatives in the Czech Republic.

Cooperation in regional associations, which leads to the creation of new offer of services include wine tourism is strategic business decision, leading to a strengthening effect on the negotiating dynamics in the industry. As stated by Porter (2007) the reason why companies are successful or are falling, the question is in the center of strategy. Porter (1990) was the first in their work using the concept of cluster in the context of wine production, namely on the basis of research work related to wine producers in California, specifically in the Napa and Sonoma Valley. There was started a regional research activities to study winemaking. Before wine from California in the eighties of the last century broke on the export to all over the world, wine production has undergone great development in quality and quantity. This development has attracted some new producers to enter into this industry and also caused the development of other related industries such as wine tourism.

Furthermore research of clusters uniting producers of vine and wine published by Müller and Summer (2005). Formation of wine cluster in New Zealand is researched by Dana and Winstone (2008), in the South Africa by Davidson (2009) and in Chile by Visser (2004).

Aylward (2008) describe the differences in the two types of Australian wine cluster. South Australian Cluster, which can be described as innovative and organizational type cluster in Victoria and New South Wales.

There are also publishing researchers in the Czech Republic, who engaged in the initiatives of local and regional farmers which joint together to market, e.g. Lošťák, Kučerová, Zagata (2006).

Place-based marketing and cooperation winemakers appears frequently in publications from Mitchell and Hall (2006, 2012). The institutional theory and resource based-theory of clusters in wine tourism industry researched also Grimstad (2011).

MATERIAL AND METHODS

To achieve the objectives of the study and an overview of the target market segments requires analysis of the behavior of consumers and providers of wine tourism, which was done by the method of marketing research. For primary data collection system was used RELA (Research Laboratory). Service providers wine tourism were addressed questionnaires electronically.

In order to identify multiplying effects of wine tourism cluster can use the following macro-analytical tool that recommends Porter (1990):

$$x/X$$

Localization quotient (LQ) = -----

$$y/Y$$

LQ - location quotient of employment in the region

x – the number of employees working in the sector in the region; X - total number of employees in the region; y – the number of employees working in the sector in the state; Y - total number of employees in the state.

Potential for regional clusters is where there are groups of related industries with LQ greater than 1.

To achieve the goals of this research is designed concentration quotient, which is indicating the proportion of vineyards in the region and the total area of vineyards. This concentration factor is calculated for the association of VOCs in the Czech Republic.

a/A

Concentration quotient (CQ) = -----

b/B

CQ – concentration factor area of vineyards in the region / in a certain area for the establishment of an association of wine growers or cluster

a – the number of vineyards in the region certified by the association rules (ha); A – total number of vineyards across the region (ha); b – the number of vineyards of the all associations (ha); B – the total area of vineyards in the country (ha).

Sources of secondary data are The National Wine Centre, Valtice; Wine Fund of the Czech Republic; Confederation of Commerce and Tourism; Association of hotels and restaurants; CzechTourism; Tourist information centers in South Moravia region; Destination Agencies of the tourist areas.

RESULTS AND DISCUSSION

For further research, it was important to make a categorization of events and services. Based on consultations with experts were chosen individual criteria and design events categorization – the type of markets, festivals, wine tasting with typical local products and special gastronomy in conjunction with wine. Selection of current events is conducted with the aim to create an overall picture of "gastronomic and viticultural peculiarity" of the region.

Based on the results of the calculation of the coefficients for the determination of the potential for establishing a cluster and the objective situation in the European market in wine was established design of the cluster, which will be based on the principle of integrated VOC three regions (Pavlovice, Mikulov, Znojmo) with CE South Moravia. The proposed cluster has high coefficients of LQ and CQ (Chart 1). Due to the relatively high concentration of production resources has potential for competitiveness and clear identification of consumers in the domestic market, and also by Slovak wine market in Central Europe. The scope of activities in the first phase, coordination of services recommended wine tourism in Southern Moravia.

Chart 1: Localization (LQ) and Concentration Quotients (CQ) VOC

Wine Region	LQ	CQ
VOC Znojmo	1.02	1.51
VOC Modré Hory	1.30	2.46
South Moravia	2.26	2.81

CONCLUSIONS

Based on the results it can be concluded that the interprofessional association VOC Czech Republic meets the conditions for a cluster. Localization quotient was calculated on the value well above the minimum value. A new alliance of wine producers of VOCs in the Czech Republic also has a concentration quotient larger than a minimum value, and thus fulfills the opportunity for the formation of the cluster.

The plan to create a wine cluster was proposed to establish cooperation between the newly emerging associations of VOC at three sub-regions of South Moravia, in order to achieve competitive advantage in wine tourism.

This paper analyses the potential for wine tourism development and creating a plan for newly formed strategic alliance coordinating services offer all wineries in the region. This study describes the potential to offer services and products of wine growing areas in South Moravia region in the southeast part of the Czech Republic, suitable for promotion offers wine tourism destinations and services.

Based on the results it can be concluded that the interprofessional association VOC Czech Republic meets the conditions for a cluster. The plan to create a wine tourism cluster was proposed to establish cooperation between the newly emerging associations of VOC appellation at three sub-regions of South Moravia, in order to achieve competitive advantage.

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