

A Competitive Study of Wine Tourism Destination in India: A Review

By

Dr. Harish D. Kalan

Assistant Professor, Sandip University, Nashik

Email: harishkalan@gmail.com

Dr. Vinodkumar P. Pathade

Assistant Professor, Institute of Management & Business Administration, Akole

Email: pathadevinod@gmail.com

Mr. Atul B. Gaware

Assistant Professor, Sandip University, Nashik

Email: atulgaware98@yahoo.in

Mr. Ganesh Gadekar

Assistant Professor, Sandip University, Nashik

Email: ganesh.gadekar127946@gmail.com

Dr. Ashwini Chavan

Associate Professor, Dr. D. Y. Patil Institute of Management & Entrepreneur Development,
Pune

Email: ashwini.chavan.jagtap@gmail.com

Miss. Suvarna Kute

Assistant Professor, Sandip University, Nashik

Email: kutesuvarna90@gmail.com

Abstract

Wine tourism in India is growing as a sort of special interest tourism, although being in its infancy compared to its overseas equivalents. Wine tourism began as a niche type of tourism in Maharashtra, with various winemakers in Nashik offering wine tour packages within their vineyards and wineries. Wine tourism in Maharashtra is steadily growing as a result of many initiatives by wine tourism service providers. If delivering wine tourism services by individual vineyards and wineries are the first step toward establishing the organization of wine trails as well as wine tourism circuits in a wine region is the next stage of wine tourism. The study evaluates and examines Maharashtra's competitiveness as a wine tourist destination mostly using secondary data. This is important for determining if the destination's growth is in line with global trends. In addition, the study aims to contribute to the literature on wine tourism in India.

Keywords: Wine, Wine Tourism, Marketing, Competitive Analysis

Introduction

A tourism location must be competitive in order to grow and survive in the long run. Several factors must be considered in order to create a competitive climate in Maharashtra that is suitable to long-term wine tourism growth. Maharashtra is the pioneer and market

leader in India's wine tourism. The state, which has the majority vineyards in country, offers a wide variety of wine tourism food and services, including vineyard restaurants and resorts, wine festivals, vineyard-based tours and events. Despite the fact that the state's wine tourism sector has not grown at the same rate as its wine industry, wine tourism continues to expand in minor but important ways. Although some superior wineries have successfully delved into and turned tourism initiatives into cost-effective ones, many minor vineyards have until now to do so. In order to discover chances for long-term growth, it is necessary to review and study the changes in light of the competitive landscape at this point. Despite the fact that, internationally, While there are several research on destination competition, there are few, if any, studies on wine tourism in Maharashtra. This gap provided the author with a chance to conduct this research. The primary goal of this study is to analyze the competitive environment of wine tourism in Maharashtra. Using Porter's Five Forces model, an attempt was made to explain the competitive milieu of wine markets in Maharashtra in this study. By evaluating the competitiveness of Maharashtra's wine tourist locations using Porter's model, an understanding of how the destination compares to its global equivalents may be acquired. Furthermore, the study is useful in demonstrating how limited resources may be used productively to promote long-term destination growth. This study makes a broad contribution by giving general but definite features with special reference to wine tourism in Maharashtra that are likely to impact the state's destination competitiveness. The study's findings might be particularly beneficial to policymakers and strategic decision makers in Maharashtra when making judgments on wine tourism product development.

Review of the Literature

Maharashtra Emerging Destination

Maharashtra was the first state to establish India's first international standard winery in 1980s. The landmass under cultivation is 7000 acres, with an annual grape cultivation of 15 lakh metric tonnes. In 2008, Maharashtra's market reached a high of 1.5 million cases, including approximately 250,000 imported wines. National wine consumption and production declined from 2008 to 2011. A growth of 20% to 25% is expected over the next five years. Nashik has emerged as the hub of wine tourism activities in the state (Arora, 2013). Special interest tourism is one of the most crucial stages in the evolution of tourism, as it has given the leisure viewpoint a whole new dimension. Wine tourism, a subset of food and beverage tourism, has piqued the interest of travelers seeking unique vacation experiences, including both wine aficionados and novices. Maharashtra is justifiably regarded as India's pioneer in the field of wine tourism and vineyard tourism. Although wine tourism in India is still in its infancy compared to its foreign equivalents, it is emerging as a kind of special interest tourism on a national level. Wine tourism in Maharashtra, like its parent business, the wine industry, is progressively progressing towards a growth stage in the product lifecycle. Wineries in Maharashtra are gradually realizing the benefits of incorporating wine tourism into their main wine business and are now willing to venture into wine tourism. Nashik region in Maharashtra, which is justifiably known as India's "wine bowl," is a natural home for all of the state's wine tourism activities. Despite the reality that Nashik has originated as the state's wine tourism area, with some of the state's most prominent vineyards including Sula, Soma, York, Zampa-Grover, and Charosa, Pune and Sholapur also compete with their own wineries, Four Seasons and Fratelli. Other important districts, such as Ahmednagar and Sangli, have a great chance of it becoming wine tourism destinations.

Competitiveness Of Destinations

A destination, according to the United Nations World Tourism Organization (UNWTO), is "a physical location in which a tourist spends at least one overnight." Within one day's return travel time, it comprises tourist items such as. Support services, entertainment venues, and tourism resources are all available. It has physiological and managerial boundaries that describe its management, and also images and conceptions that determine its competitiveness. Local tourist destinations are made up of a variety of stakeholders, including the host community, and they can nest and network to build bigger destinations. To conclude, a tourist destination is any specified geographic region that attracts visitors offers tourist attractions, resources, and other enabling tourism products and services for which destination management groups have made a concerted effort to market.

"Tourism destination competitiveness" is a broad term that includes pricing differentials, currency rate fluctuations, and productivity levels of various tourist industry components, and qualitative variables that influence a destination's ability to supply tourists with tourism services and goods that meet global standards while also providing sufficient and fair returns to the stakeholders who deliver these services." (Mazurec, 2014). Furthermore, Kim and Dwyer (2003) state that competitive advantage in tourism destinations "would relate to climate, scenery, flora, fauna, and so on, whereas competitive advantage in tourism infrastructure (hotels, events, attractions, transportation, networks), quality management, worker skills, government policy, and so on." "What makes a tourism destination truly competitive is its ability to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying, memorable experiences, and to do so profitably, while improving the well-being of destination residents and preserving the natural capital of the destination for future generations," according to Crouch and Ritchie (2010). This concept encompasses all aspects of a competitive yet long-term tourist destination.

Models Of Tourism Competitiveness

Over the years, numerous academics have studied the notion of destination competitiveness in tourism, Some researchers investigated the competitiveness of specific destinations, such as the United States (Ahmed and Krohn, 1990), Australia and South Korea (Kim and Dwyer, 2003), and Serbia (Dobrivojevi, 2013), whereas others investigated particular elements of destination marketing, such as location positioning, destination management solutions (Baker et al., 19), and destination positioning (Chacko, 1998), among others (Hassan, 2000; Mihalic, 2000).

Package tours nature-based tourism (Huybers and Bennett, 2003), strategic management Their model also takes into account national and company competitiveness theories, as well as "the major aspects of destination competitiveness as presented by tourism scholars, as well as many of the variables and category headings described by Crouch and Ritchie.

Research Methodology

The purpose of this study was to describe the competitive environment of wine tourism India with reference to Maharashtra using Porter's Five Forces Model of Competitiveness. The data used to back up the study is secondary in nature. Books, journal articles, and articles on tourist attractions, visitor competitive nature, and sustainability were reviewed in order to develop a suitable model for use in this study. Porter's Five Forces competitiveness model was used in this study because it is the most widely used approach for determining a destination's

competitiveness. Regardless of the fact that Crouch and Ritchie's model is more exhaustive, given Maharashtra's wine tourism situation.

Porter's Five Forces

A set of five forces that shape a market. Four other supporting elements contribute to industrial competition or rivalry. The final outcome is determined by these factors. According to Bruton and Ahlstrom (2008), "Five Forces models are examined from the standpoint of how they are able to restrict industrial profits" for an industry. According to them, if all five factors are weak, the industry is likely to be appealing, with lucrative forms. Furthermore, if all of the pressures are strong, the industry is almost guaranteed to be profitable. They go on to say that even if all of the factors in an industry conspire to create an adverse environment, individual businesses in that industry can nevertheless make above-average profits. "Strategic decision makers can evaluate their opportunities and dangers that exist in the competitive environment" (Dobrivojevi, 2013) of an industry based on the examination of these five elements. The sections and table below detail all five forces affecting the Maharashtra wine tourism sector.

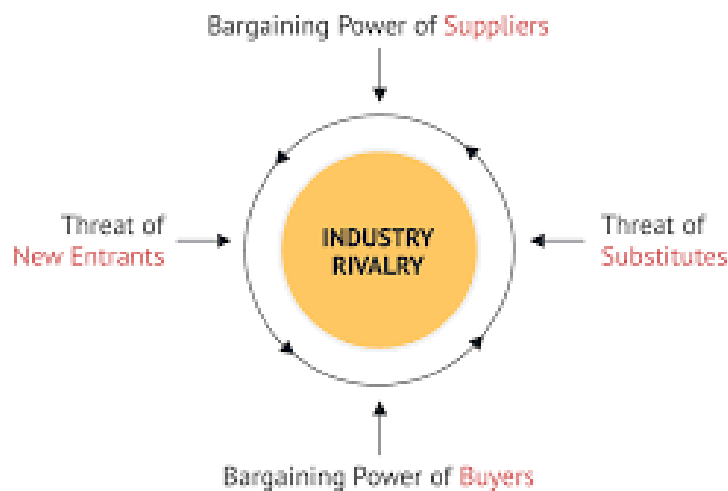


Fig: Porter's Five Forces model for destination competitiveness.

The amount of competition among competitors: "According to Porter, seven factors influence the level of rivalry among businesses in the same sector.

- a) When there are many equally balanced competitors
- b) When demand for an industry's products declines and the company, in order to continue to grow, must win market share from competitors
- c) When companies use their full capacity due to the elimination of high fixed costs, forcing competitors to cut prices, thus strengthening the rivalry between them
- d) When there is a lack of product differentiation
- e) When capacities are increased on a larger scale, which invariably leads to lower prices and more intense competition.
- f) Due to differences, it is difficult to predict how competitors will act in a given situation, especially when they are willing to sacrifice profitability in order to achieve a goal with high strategic stakes.
- g) When there are significant exit barriers, that is, when businesses are willing to do business with a little profit or even a loss due to specific economic, strategic, and emotional factors" (Dobrivojevi, 2013).

Discussion

Industrial Organization (IO) economics is the foundation of this concept. Porter outlined five competitive forces that define an industry in this model. “These factors influence the level of competition and, as a result, an industry's profitability and attractiveness. The goal of business strategy should be to enhance the position by modifying these competitive forces” (Recklies, 2001). The competitive environment is defined by the degree of competition among rivals in one area of business, entrance obstacles, customer bargaining power, supplier bargaining power, and the threat of alternative products and services, according to Porter's five forces. Strategic decision makers can identify their opportunities and dangers in the competitive environment of a company” (Dobrivojevi, 2013) or industry at large based on the examination of these five variables. Complementary items are also included in this category. The threat of replacements is determined by reasons similar to the threat of new entrants.

Many wineries are gradually recognizing the value of wine tourism in promoting their businesses. It is a wonderful marketing tool for connecting with potential customers as well as creating distinctive brand value for the vineyard. As a result of this advantage, several wineries are adding over-night accommodations, in-house restaurants, and wine events to attract tourists from both the local and foreign markets. This upward tendency would undoubtedly pose a threat to current market participants such as Sula, which has a bigger market share in Maharashtra's wine tourism. There is also rivalry from other types of tourism in the state, such as heritage tourism, adventure tourism, beach tourism, and so on, which may compete for tourists' attention.

Conclusion

The main purpose of this article is to use Porter's Five Forces model to examine and analyze the competitiveness of wine tourism in Maharashtra. This aids in the tourism destination's understanding of its position. The industry can easily recognize the risks and opportunities it faces by using this approach to examine its competitive position. The study's findings are crucial in making important decisions such as increased investment in Maharashtra's wine tourism industry, as well as the competitiveness of wine tourism destinations in Maharashtra in terms of Porter's Five Forces. Wine tourism service providers profit from a competitive market environment. This has created a market situation in which wineries that provide wine tourism products and services are better positioned in terms of pricing than wine tourists. Wine tourism is a particular interest tourism that attracts wine enthusiasts who make purchases depending on their areas of interest. As a result, in the case of wine tourism, the threat of replacement is relatively mild.

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