

ENOTOURISM AND SUSTAINABLE TOURISM IN POLAND

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Abstract. *This paper presents a research conducted in three Polish regions, Dolny Slask, Malopolska, and Pod Karpacie, within the EU funded project “Innovation and Capacity Building in Higher Education for Cultural Management, Hospitality and Sustainable Tourism in European Cultural Routes” that aims to provide profitable solutions for sustainable tourism problems and focuses on how developing enotourism in places that have to improve their tourism capacity building. Based on literature analysis and the study of key cases, this article presents the reasons why enotourism is an important tourism opportunity in Poland. Our research was grounded on a cost and profit analysis of the enotourism business and we considered a few of relevant cases of wine tourism experiences. Indeed, the principal aim of our research was to find innovative successfully ideas for this form of tourism.*

From our research, emerged that the most important factors for enhancing enotourism are incentivising laws, an effective cooperation between vineyard owners and tourist operators (e.g. hotels, restaurants, travel agencies, etc.) as well as the integration of enotourism with other local attractions.

Keywords: *business implementation, enotourism, Polish winemakers, wine tourism.*

Introduction

Search for new possibilities of tourism at local level is a key issue for a sustainable development. One of the new possibilities observed in the last years is the implementation and management of enotourism, that even though, it is an old form of income in many European countries, in Poland is still a new branch to be implemented. Nowadays, there is a good grape quality in Poland that influence in the quality of wine produced in vineyards. Robinson (2017) argues that “Most of the vines planted in the harshly continental climate of Poland are hybrids such as Solaris, Rondo and especially Regent... There are already more than 150 officially registered commercial vineyards with about 200 hectares”.

In Poland, winery and viticulture are especially rooted in some areas, such as the territories of Zielona Góra, Wrocław, Kraków, Podkarpacie, and Kazimierz Dolny.

The oldest wineries officially registered are:

- Winnica Equus
- Adoria Vineyards
- Winnica Jaworek
- Winnica Maria Anna
- Winnica Płochockich
- Winnica Stara Winna Góra
- Winnica Miłosz
- Winnica Wzgórza Trzebnickie.

Polish winemaking has over a thousand years of tradition. Polish wines are currently winning many prestigious awards. Despite this, still thinking about an enotourism vacation, our native vineyards do not appear in our subconscious, but the French, Spanish and Italian ones. Our winemakers must be aware that this kind of tourism is also an opportunity for economic development.

The first vineyard was made available to tourists not to educate and broaden their knowledge, but because the owner was on the verge of bankruptcy. La Reine Pedauque enjoys the greatest success among several of its rivals in Beaune.

A vineyard, according to D'Souza P. (n.d.), is the place of viticulture for the production of grape wine. Often, within the vineyard, there is a wine bar where this process takes place. In the leading countries of wine production, i.e. the United States, France, Italy, Germany, Spain, Portugal, Australia, Chile, Argentina, and South Africa, vineyards are an important tourist attraction, where tourists can get to know the production process, taste wines from different strains, in different years. Some vineyards, in addition to their services, have restaurants and shops, in which tourists can taste local delicacies, as well as purchase wine and those specialties.

Enotourism can be considered in two ways. Firstly, as a new trend in tourism, which is an original and very fashionable form of spending free time. Secondly, as potential for rural areas and farmers. Currently, in Polish literature it is very difficult to find researches or studies regarding particularly this potential and possibilities of using enotourism, as an opportunity for the development of very fragmented Polish agriculture; and wine tourism, similarly to other forms of tourism, can play the role of a factor that stimulates the development of the agricultural region.

Research objectives and methodology

The main objectives of our research are:

- Supporting effective solutions for measuring, understanding and enhancing enotourism;
- Defining policies and institutional frameworks that sustain enotourism.

Indeed, enotourism initiatives need an integrated approach since enotourism is related to the development of the three different components: the vineyard cultivation, the wine production, and the tourism promotion. Of course, the basic element is represented by the quality value of the product, namely the wine quality

Our research was based on a systematic analysis of the literature on “enotourism” and “wine tourism” conducted by the authors. Following the general guidelines of the systematic literature review method (Moher et al., 2009), we analysed the current literature available online, searching for combinations of keywords on ISI listed proceedings as well as on databases of leading world publishers.

Costs and profits of enotourism development

The combination of two branches, characterized by different characteristics and located at various parts of the industry, that is, wine production and tourism in one [wine tourism], can give very different effects, both positive and negative. The conditions for economic tourism and viticulture (Mazurkiewicz-Pizlo, 2013), even taking into account phenomena such as demand, supply, price, costs, profits and branding, are fundamentally different.

However, although this is not a simple task, of course, these two areas of the economy can be combined. In economic terms, therefore, we will talk about the costs related to tourism, as well as wine-making.

Bosak (n.d.) to the question: how to earn a few pennies on wine production, answers that it is simple. First you have to spend a fortune and after wait patiently for many years. In these words, often spoken by winemakers, there is nothing exaggerated. There are many years of waiting for the return of costs from the establishment of a vineyard, and they are not small and are composed of the following items:

- Purchase of a plot for a vineyard.
- Setting up a vineyard.
- Purchase of wine growing equipment.
- Adaptation of wine making rooms.
- Purchase of the appropriate wine making equipment.
- Adaptation of the object for the sale of wine and enotourism.

The purchase of a suitable plot of land fluctuates between PLN 15000 and 30000 (Nowakowski, n.d.), depending of course on the location. About 5000

grape cuttings will fit on a hectare plot of land. Prices over PLN 40000 per hectare, from an economic point of view, are justified only when the plot location is very beneficial, whether it is due to the tourist attractiveness of a given place, or because of the location near a large agglomeration.

The cost of planting a vineyard may vary and depends mainly on the density of plantings, and also from the work that must be done to prepare the plot for planting. There is no necessity to fence or grub everywhere. The average cost is between PLN 70000 and 120000 per hectare. Below is an example of the cost estimate of establishing one hectare of a vineyard (see Table 1), planted at a spacing of 2.20 m x 1.00 m. (that is about 4500 bushes / 1 ha) on a plot previously used for agricultural crops, so without the need for grubbing or terracing (Bosak, n.d.).

Table 1 **Cost estimate for establishing 1 hectare of a vineyard** (own source)

Expenses	Net price (PLN)
Preparation of the plot before planting	3000
Purchase of fertilizers, lime and manure	3400
Buying seedlings (4500pcs. x PLN 8.00)	36000
Machine planting (4500 pcs. x PLN 1.10)	4950
Purchase of bamboo stakes (4500 pcs. x PLN 0.40)	1800
Purchase of materials for scaffolding (extreme posts, anchors and tensioners, 80 pieces each, posts through bars around 1085 pieces, wire approx. 1800 kg.)	39800
Installation of scaffolding (about 50 hours of tractor work with a trailer and verge)	9500
Total:	98450

Area of planting and other decisions, e.g. regarding the choice of location, grape varieties or the organization of winemaking, to a large extent depend on the final objective. Do we plant a vineyard for our own needs, or we anticipate any commercial activity, related to the production of grapes and wine. Wawro (2013) suggested that if you plan to make wine only for your own [domestic use], then you should plan a vineyard with an area not larger than 20-30 ares, because even such a relatively small acreage should provide us with production of about 1000 litres of wine per year. If we are planning fully commercial winemaking production, which is to be our primary source of income, we should plant vines at least 2-3 hectares, assuming that most of the produced wine is sold on the spot directly to consumers. If, on the other hand, we intend to distribute our wine mainly through wholesalers and stores or give up wine production and deliver grapes to other producers, we will need a vineyard with an area of at least 5-10 hectares. We will treat farms even differently, for which the vineyards are an

element of promotion or an element of supplementing crops. These are not typical vineyards, created solely and exclusively for the production and distribution of wine. In the case of tourist farms, the anticipated demand for wine should be taken into account, from this for sale and promotional events, to free samples and food.

The cost of fencing the vineyard and maintaining it until the first crop should be added. An important issue is the purchase of wine-growing equipment. Of course, if we cannot afford it, at the beginning you can think about commissioning this work to someone else - in the agricultural areas it should not pose major problems. However, already in the case of over a hectare vineyard, it seems viable to purchase a small garden tractor with basic equipment. As for the costs, its purchase in the used version ranges from PLN 40000 to 60000, and in the case of new equipment, you have to reckon with a two- or even three-times higher expense.

The next step is the construction or appropriate adaptation of premises for the production of wine. A farm with its own vineyard and processing cellar is undoubtedly a complex organization. The production of wine requires adequate premises and equipment as well as some knowledge and practical skills. Deciding on this variant, we put off the cash flow in time - when the grapes are cashing in right after harvest, the wine at the earliest after a few months, and often after some years. On the other hand, own processing gives us very important benefits: it generates additional profits, as well as making us independent of the recipients of raw material and periodic price of grapes.

Table 2 Average costs of processing equipment (Mazurkiewicz-Pizlo, 2013)

Specification	Overall cost (in PLN)
A grinder or a mill-stalker	1100 – 4400
Basket / hydraulic press	850 – 1780/ 2450 – 7700
Maceration tanks	700
Fermentation tanks	4000-7000
Metal containers	12000-17000
Glass bottles (glass balloon)	500-1000
A filler, a wine filler	1700-10000
Wine goblet	10-530
Welder	790
Total	2165-49120

Wydawnictwo Eurosystem (2012) writes that winemakers earn about twice as much when making middle-class wine, than selling grapes, and in the case of very good wines, increase profits even three to four times. The wine market is and will be much wider than the market for the raw material, because the sale of a finished product does not impose such time and spatial restrictions on us.

Actually, beverages stored in the basement can wait for recipients even several years, without losing any of its value, and a properly packed wine carton will be sent everywhere there, where someone will pay for it: to a nearby restaurant, to Gdańsk, Tokyo or to London (Bosak, n.d.). The average costs of processing equipment are based on a study presented by Mazurkiewicz-Pizlo (2013) where describe the Enotourism as an opportunity for socio-economic development.

An important issue is also the adaptation of the object for the sale of wine and enotourism. Good tasting equipment is unfortunately not cheap (among others glasses, carafes, coolers, corkscrews, etc.) - it will cost about PLN 1000. However, it is very difficult to predict other expenses related to ecotourism business. Both the adaptation of the right room, and its arrangement, will depend on the specific situation and location of the vineyard. The same is with toilets and parking. Such costs could amount to PLN 5000, but it might also be as much as PLN 50000. However, along with the adaptation of the facility to accept tourists, expenses do not end. There must be counted the current expenditure on maintaining the vineyard. These expenditures in normal conditions range from PLN 8000 to 15000, although of course they could be smaller or larger - everything depends on the size of the vineyard, its location, climate, atmospheric conditions, as well as many other factors. The costs in question include (Bosak, n.d.):

- Labour.
- Purchase of fertilizers and plant protection products.
- Damage repair.
- Completing pitches in planting.
- The cost of mechanical work (i.e., the cost of equipment work with its operation, depreciation, etc.).

It is estimated that the average cost of producing 1 litre of wine is PLN 2.50 in the case of table wines, from PLN 3 to 5 in the case of medium-quality wines, and in the case of wines of a much higher quality this amount might even reach PLN 10. The final price will also include the cost of packaging (about PLN 2.00-2.50), VAT and excise tax - 1.58 PLN / l. In addition, there are marketing costs, and of course the intermediary markup (in the case of wholesalers and stores, usually it is about 10-20 % of the retail price, while in restaurants, the markup even reaches 50 %) (Dul, 2008).

To sum up, the cost of producing a bottle of wine (0.75 litre capacity) is about PLN 9. Considering the fact that the store shelves in Poland are dominated by wines in the range of PLN 15-20 and wine meets the needs of most consumers, this puts into question the economic sense of wine production in Polish vineyards (PLN 9 is the cost of producing a bottle of wine, without the intermediary and store markup). The winemaker is able to get a price of up to PLN 15 per bottle, so make a maximum of PLN 6 - usually it is about PLN 4 per bottle. In the case

of Poland, this gives around PLN 21536 annually (at the price of 15 PLN / bottle). It gives us about 1794 PLN / month. Therefore, it is not an amount that would allow the family to be kept only from viniculture [The calculations were made on the basis of data published on the ARR website, which shows that 49 vineyards that are registered in the ARR, in total produce 1978.95 hectolitres. However, one vineyard produces an average of 4038.67 litres of wine, that is about 5384 bottles (which at the price of 4 PLN / bottle will give us PLN 21536, while at the maximum price, that is 6 PLN / bottle, PLN 32304 per year). These data, given the fact that few Polish vineyards are registered in the ARR, are averaged data and in fact, depending on the region area, strain, as well as many other factors, these sums could differ from the calculations presented in the publication] (Smogor, 2012).

Therefore, the local market is an interesting solution. When selling wines in returnable packaging to premises, e.g. in ten-litre cylinders or barrels, the costs of bottling are eliminated. Other components remain, such as VAT, excise duty (Kuleba, 2016). The cost of producing one bottle is, as already mentioned above, around PLN 9, subtracting the cost of bottling from this, the cost will be not PLN 9 but about PLN 6. If we assume that the wine will be sold for the same amount in stores, the PLN 4 average profit per bottle will increase to PLN 7 (maximum, instead of 6, it will be PLN 9). So from PLN 21536 (for the same production) we jump to PLN 37688, which gives approximately 3140 zlotys per month [In the case of a maximum profit, it will be PLN 48456 annually and PLN 4038 monthly].

Another solution is to sell wine on the farm, as part of enotourism, which currently seems to be the most suitable solution for Polish vineyards (Olszewski & Drozd, 2013). As part of the tourist attraction, the winemaker can offer to the guests the wine of their own production. This is the so-called open bottle trade, without the right of bottling and marketing the bottles. Then, even if we count guests at PLN 2 per glass, our income will be PLN 16 per litre (150 ml are served in a glass wine, so from 1 litre you can get 8 glasses of wine), while profit after deduction of production costs will amount to approximately PLN 11 per litre, which gives PLN 44425 per year and PLN 3702 per month. You can get even more profits from tasting.

The group of guests tries different wines produced by the farm, of course, with the owner's consent. Considering typical tasting samples - 30 to 50 ml is poured into a glass. So 200 to 400 ml are consumed by one guest. Of course, the total amount is set for such a tasting. If it oscillates at the level of, say, 15 zlotys, the price of one bottle will be 25 to 30 zlotys. It gives us PLN 19 and 24, respectively, per bottle, so if all the wine produced would be used for tasting, the annual profit would be PLN 102296, respectively, and PLN 129216 [per month, it will be PLN 8524 and 10768]. Thus, the sale of wine as part of wine tourism, from an economic point of view, seems to be the best solution. Do not forget that

if the wine taste action is welcomed by the tourist and is liked, the tourist will take with him at least one bottle, bought on the spot, and in the future he will look for this type of wine in different stores or return for more wine in the future. Whether buying it directly in the vineyard or via an online or stationary store, it's a good way of promotion, without cost for the seller.

Direct sale and tasting are obviously not the only offers for tourists in the field of enotourism, although actually tastings are the most characteristic offer of this field of tourism (Kruczek, 2014). A classic example of a region that benefits greatly from wine and tourism links are the New York area, where several hundred small wine farms function perfectly, which equally live on wine production and the service of weekend tourists visiting them. In this way, up to 80 % of wines produced in this state (and this is the second US wine producer after California), it is sold directly on wine farms, omitting any intermediaries. Today, also in many European countries, winemakers are trying to attract visitors to their farms, offering accommodation, meals, picnic areas, etc., and typically wine-related attractions: tasting, visiting the vineyard and basement, lectures on wine, etc. (Bosak, n.d.).

It also seems obvious that the vineyards located in typical tourist regions are in a much better position. The reason for this is even the fact that these regions already have a well-developed tourist base and a wine producer, starting his adventure with tourism, does not have to bear additional costs to adapt the facilities to tourist services. It can cooperate with local entrepreneurs, e.g., it does not have to own and offer accommodation to tourists in the vineyard (although it is undoubtedly an interesting and often sought after proposition). Instead, such accommodation can be offered by a nearby hostel, guest house or agritourist farm. This is a very interesting solution, and requires only certain arrangements between the winery owners, and for example an agritourist farm and placing such information on the website, or in folders. If, however, there is no such option, or if the winemaker prefers profits from this type of offer to his own pocket, and not someone else's pocket, he must also bear (besides those typically wine-growing), some additional costs. They will be very different, depending on what profile of the enotourism activity will be selected.

It would be a mistake to assume that all production will be used for tastings, or vice versa, that we will stop tasting and any wine produced will be sold. Such situations almost never happen. It is also very difficult to determine the exact cost of setting up and running such activities, especially in Polish conditions. However, from the simulations carried out (which there are still very few on the Polish market) it is clear, that wine sales through eco-tourism are much more profitable - directly in the vineyard. One of such simulations, conducted by Wojciech Bosak, who took into account two variants of sales (the first - sale of

the whole production through intermediaries, and the second - sale of 2/3 of the production directly in the vineyard, also in the form of paid tastings with a lecture), it clearly shows that when deciding to go to tourism, the costs are refunded twice as fast as in the situation when all of the production is sold by intermediaries. In addition, the annual sum of profits is also twice as large. In addition, after 25 years of doing tourist business, you can earn 5 times more than selling the whole production through intermediaries (Bosak, n.d.).

This simulation proves that enotourism, also from an economic point of view, is the best possible choice for Polish winemakers. However, the most convincing evidence that enotourism can bring not only winegrowers, or given regions, but also the whole country tangible economic benefits, are statistical data, which say that every year almost 8 million tourists visit, within the wine tourism, France. However, the largest income from this type of tourism - about 2.7 billion dollars - they have in the United States (Wierzynski, 2011).

Conclusions

European cultural routes and heritage represent a resource for innovation, creativity, small business creation, and cultural tourism products and services development. The promotion of cultural tourism is a logical next step in developing Cultural Routes since this type of tourism builds on the uniqueness and authenticity of remote destinations, local knowledge, skills, traditions and heritage (Cultour+ project, 2016). CULTOUR+ is a Erasmus+ Strategic Partnership in the field of Higher Education with the mission of coaching and fostering innovative and creative business ideas in cultural management. The research present Enotourism as an additional form of tourism that can be implemented in that places were pilgrimage and religious cultural and thermal tourism enjoys great acceptance by tourists.

The research findings have implications for predicting and promoting future wine tourism. An understanding of the planning, organizing, leading, and controlling of human and other resources to achieve organizational goals effectively and efficiently, is important to understanding all marketing activity which aims to develop enotourism at local level. The practical approach on how to promote this type of tourism in places that have developed good tourism resources but did not add to this important sector is a key issue presented in this research and present some new issues for new research possibilities.

By understanding how to implement and develop enotourism we are able to gain a better understanding of when we need to stop or continuo to invest in something that is associated with certain costs. However, when creating the right programmes, the benefits and profits that can be achieved from running this type

of business can be very large, and the revenues generated by this branch of tourism can also contribute to the development of the local community.

An important factor in the development of enotourism will therefore be above all: next to the appropriate legal regulations, establishing cooperation of vineyard owners with other entities of the tourist industry, e.g. with hotels, restaurants, travel agencies and connection with other local attractions.

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