



Bittersweet? Urban proximity and wine tourism in the Swan Valley Region

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ABSTRACT

Proximity to the target market is deemed desirable for tourism destinations, including wine-tourism. Yet, it also translates into a range of problems. While research into wine regions has exponentially grown over the last two decades, the majority of research in wine tourism focuses on the demand side with little attention to supply side dynamics that impact development. This paper considers the realities of the supply side of a wine tourism region, i.e. the perspectives of business owners, service providers and authorities, and reports on the perceptions and challenges as noted by a range of stakeholders in the Swan Valley in Western Australia as a distinct wine tourism area. The study highlights how proximity to an urban market can be a major challenge for an industry based on agri-business in a rural setting. The research has policy implications for local and state authorities, particularly in terms of alignment relating to land-use and infrastructure.

1. Introduction

The Swan Valley (SV), located on the northern boundaries of the city of Perth (Western Australia), is one of the oldest wine producing regions in Australia. In comparison to a century ago, when the SV was an isolated agricultural area linked to the city by river transport, it is now in close proximity to a major city, an international airport, highways and railway routes. With vineyards being within a 30-min drive from the city centre, it attracts day visitors to its many wineries, restaurants, tourist related honey and chocolate manufacturing, art galleries, wild life park and a golf course. These conditions appear to be ideal for supporting and sustaining wine tourism through repeat visits, however city proximity also brings with it challenges such as barriers to development and threats to rural amenity and the environment. Previous studies have examined the conditions supporting wine tourism including destination effects (Getz & Brown, 2006); service quality; product choice and pricing as key success factors (Getz, Carlsen, Brown, & Havitz, 2008; Reid & Reid, 1993). The demand for wine tourism services is linked to those factors that attract consumers to the region, including convenience, the quality of the amenity and the range of complementary services offered (Carlsen, 2004). To attract and retain consumers the wine tourism destinations have to be aware of and responsive to the needs of consumers (Jones, Singh, & Hsiung, 2015; Australian Wine Federation, 2004). It is further noted that reaching a new customer in the tourism industry is five times more expensive than retaining a current customer (Reid & Reid, 1993). Within this context

Tiefenbacher, Day, and Walton (2000) note that while family and friends are the most important advertisers, implying that familiarity is crucial, proximity to a tourist's home is equally important to facilitate repeat visits. The importance of proximity has been highlighted as a by-product of clustering, where connection to competitors and to the industry supply chain provide access to knowledge and expertise (Mitchell, Burgess, & Waterhouse, 2010).

However, proximity does not guarantee knowledge generation or effective knowledge transfer – geographic proximity is only one condition that supports knowledge transfer, the other conditions include organisational and cognitive proximity (Boschma, 2005). In contrast to the literature, in this paper we examine proximity as a potential limiting condition to cluster development. Wine tourism has the potential to compromise local amenity, introduce environmental challenges and lead to conflict over land use patterns (Poitras & Getz, 2006; Skinner, 2000). We position proximity as an external threat to the rural amenity of wine tourism regions and as a barrier to development and evolution of the wine tourism region in the face of urban encroachment. To highlight these conditions the study analyses the Swan Valley wine tourism cluster.

Through interviews with key stakeholders, including business owners, local government officials and key agencies connected to SV wine tourism this article highlights the problems generated through urban proximity for the wine tourism region. Attracting and retaining tourists for repeat visits require investment, facilities and services that make the destination appealing to the consumer (Sparks, 2006).

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However, while proximity to a large urban market has its appeal as a tourism destination, it also threatens the potential for the amenity to develop. These challenges are highlighted through reference to the planning policies of the WA state government for the Swan Valley (Western Australian Planning Commission (WAPC, 2013)). The paper first considers the background to the Swan Valley as a region, followed by the dynamics and competitive advantage of proximity to urban areas for agri-tourism destinations. Next is a discussion of the contextual underpinnings of a Wine Tourism Region followed by an outline of the methods of data collection and analysis. Finally, the paper presents a discussion of the findings and concludes with reflections, limitations of the research and suggests areas for further research.

2. Background to the Swan Valley

In Western Australia, the Perth metropolitan area local tourist destinations are geographically clustered, positioning the city of Perth as having the bulk of tourist accommodation. In the north of the city for instance there are a number of marinas and beaches, towards the east are the Swan Valley and Whiteman Park, to the west is the historic city of Fremantle with its museums and maritime history, to the south there is Penguin island, and at the centre, the city is flanked by the Swan river and Kings Park botanical gardens. A range of such day-trip destinations around an urban area is described by Parolin (2001) as an intensive recreation zone, reiterating the excursion nature of the tourism activity. As a wine-tourism subject the main point of differentiation for the SV is its proximity.

The SV is located 18 km northeast of Perth and covers approximately 7070 ha of land with 1065 ha dedicated to viticulture (WAPC, 2012). The City of Swan local government area that encompasses the Swan Valley has a residential population of around 130,000 and the population grew by 25,000 between 2010 and 2016 (City of Swan, 2017). In the wine growing section of the City of Swan, the estimated residential population is 5500 (City of Swan, 2017). The SV retains a strong profile as one of Australia's oldest wine growing regions with the first agricultural developments dating back to 1829 (History, 2011). It is estimated that the SV agri-tourism attracts over 600,000 day tourists per year, generates over A\$250 m sales per year and supports nearly 2000 jobs (WAPC, 2013). The key attraction is the Valley's rural character derived from the high amenity of scenic rural landscapes with special historical and cultural heritage values, as well as the reputation of local winemakers and specialty businesses (WAPC, 2013).

While there are over 40 different wineries in the region, with 21 containing cellar doors (AEC Group, 2011), non-viticulture industries in the Valley have steadily grown and include tourist related facilities including retail outlets, function centres, breweries, distilleries, cafes and restaurants. Although the wine industry remains the core attraction for tourists, the last two decades have seen a shift from agricultural production to the current agri-tourism destination.

3. Proximity and competitive advantage

The notion of travel destination is described as reflecting a network of products and activities that are clustered with an outer boundary of sorts (Lew & McKercher, 2005). In this context they refer to local destinations as an area representing activities and products that can be visited as part of a daytrip activity from the heart of the destination. It is argued that proximity to a generating region is an important consideration for tourists deciding about visiting a particular destination (Bruwer, 2003). For instance, in South Australia the distance from Adelaide city to McLaren Vale and Coonawarra wine regions, being 40 km and 375 km respectively, is associated with the former experiencing a high incidence of repeat visitation of 70% as compared to the latter's 30% (Alant & Bruwer, 2004). This is arguably comparable with the Western Australian Swan Valley and the Margaret River wine regions, respectively being approximately 20 km and 270 km from Perth.

The Day Tripper survey cites 3.1 million visitors to the SV region, (Ardon, 2016), while Margaret River had 1 million intrastate day visitors and a total of (including international) approximately 1.5 million overnight visitors (Hamilton, 2016). Interestingly, high incidences in repeat visits are reported for a range of wine tourism areas in Canada (Niagra Peninsula), Israel (Shomron), New Zealand (Marlborough) and Australia (Barossa Valley) (Bruwer & Lesschaeve, 2012). These are in part attributed to the spatial relationship of a large source market and the destination, i.e. within close proximity.

Relativity of attractions and destinations are crucial in tourism, suggesting that absolute advantages in one particular environment may be negated by distance. Additionally, substitution amongst destinations is pervasive, particularly in the day-trip environment, and a competitive position necessitates the ability to effectively manage all components of the destination (Bornhorst, Brent Ritchie, & Sheehan, 2010). In the case of the SV this implies that day-visitors are likely to consider visiting tourist attractions within close proximity of the city such as Kings Park Gardens, Fremantle City, Hillarys Boat Harbour, Rockingham and the Caversham Wildlife Park. These attractions all compete for the broader pool of local and international tourists. Contextually it is clear that the SV and its associated wine tourism is a unique consumable product because of its proximity to Perth, and prominently positioned as a commodity alongside the suite of other Perth based experiences and products (Hopkins, 1998). This however, requires merchandise, experiences and services to be supportive of the identity, given that the core of tourism is about the difference of place, and that wine is a commodity dependent on a geographical origin (Bruwer, 2003), while competing with elements of nature (beach and riverfronts) and history and culture (buildings and museums).

Tourism destinations are generally accepted to be geographic areas comprising a range of different organisations that create a value offering for visitors to the area, essentially, the attraction of a tourist destination is more than the sum of its parts. Hence, the performance of a tourist destination is determined by linkages to and with other tourist destinations and stretches well beyond individual characteristics of the immediate region (March & Wilkinson, 2009). This is described as a combination of pull or supply factors attracting people to a destination and can include recreation activities, food, service, natural beauty and places of historic or cultural value (Lam & Hsu, 2006). In the case of wine tourism this has developed to include a variety of gastronomical experiences, other alcoholic and non-alcoholic beverage production, eateries and emerging related ventures such as bee-keeping and chocolate making (Bruwer & Lesschaeve, 2012; Garibaldi, Stone, Wolf, & Pozzi, 2017). Over time the influx of non-vineyard related players into wine tourism regions has been significant, to the extent that in the wine tourism region of the Hunter Valley of NSW, less than 15% of domestic visitors actually visited a winery (Tourism, 2003). Invariably this contributes to attracting a different set of tourists that a pure wine-region would attract, particularly when combined with proximity to a metropolitan area.

As the region's tourism demand increases, the suppliers of wine tourism experiences shift the focus to resource usage, both the tourists' consumption of and the suppliers' access to and use of resources such as land access and facilities (Hall, Sharples, Cambourne, & Macconis, 2000). The need for wine tourism to deal proactively with the potentially adverse consequences of tourism is reiterated by Poitras and Getz (2006) listing aspects such as traffic management, local business competition, types and scales of development, anti-social behaviour, amenities usage, noise pollution and disturbance of the peace. For instance, the cultivation methods and infrastructure employed in wine production contributes to the production of an aesthetic wine-tourism landscape hence proper identification and resource management will contribute towards the sustainability of wine tourism. However, if these resources are not effectively managed or if the challenges of sustainability are not addressed, tourism success can be severely hindered (Bornhorst et al., 2010). For example, local tourism in developed

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