

13. Wine Tourism - Study on Growth of Wine Tourism in Maharashtra

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Introduction

Food and wine historically have been “in the background of the tourist experience as a part of overall hospitality service provided for travelers”. There are many definition of wine tourism , Australian researchers Hall and Macionis said the wine tourism as "visitation to vineyards, wineries, wine festivals, and wine shows for which grape wine tasting and/or experiencing the attributes of a grape wine region are the prime motivating factors for visitors."

India Wine Market Outlook, 2023' gives a comprehensive analysis on the Indian wine industry. The market has observed high growth owing to increasing popularity of wines, increase in disposable income, growing consumption of alcohol between women, etc. The market further shows high growth potential as all the segments show high growth rate. Wine in India is gaining importance as a mainstream drink and is being consumed on various occasions, both at home and at restaurants/bars. Buyers mostly prefer to consume at home with relatives, which indicate that wine is increasing social acceptance between Indian family. In restaurants, wine is mostly consumed during large gatherings, business parties or dinning meetings.

India Wine market observed growth with CAGR of more than 25% from year 2011-12 to 2016-18. The market observed high growth in all segments of as the Indian wine market was a very young market during this period. The period observed increasing awareness of wine and wine brands in India. The vineries have started becoming picnic spots and provide educational tours as well as consist of tasting rooms in it. While the increasing craze of Bollywood also helped Indian wine market as many of the heroines are observed consuming wine in the movies.

In India, Nashik in Maharashtra is known as the Napa Valley of India, most of the renowned vineyards of the country are located in this belt. More than half of the Indian wine estates are situated in Maharashtra. The popularity of champagne which is known as sparkling wine is also increasing in India. People in India have started following the western culture of popping Champlain on good occasions such as signing new deals, earning high profit, corporate

parties, wedding, dinners, etc. This has led to growth of sparkling wine in the Indian Wine market and has boosted sales. The market has also witnessed the growth of white and rose wines in the past as new variants and brands emerged into this category. The current Indian wine market is dominated by Red wines while future shoes growth in market share of White, Sparkling and Rose wine.

The various colour of wines changing from red to other different colours wine marketing is flourishing. It is not about the colour of traditional Indian red wines, it's more of increasing popularity of white, sparkling, rose and other wines into the Indian market. The Indian consumers have started exploring other variants of wines from just red wines. According to the report 'India Wine Market Outlook, 2023', the consumption of Wine in India is found to be increasing with rise of awareness of wine as a good drink for health. The wine market of India observed growth with a CAGR of more than 25% in past five years. Growing popularity of Vineyards as tourism places, higher disposable incomes and growth in foreign tourists, promotion of wine as beneficial to health etc. are some of the reasons for such growth. Global travel and expose to other countries where drinking wine is a part of the lifestyle are also helping to drive the sales of wine in India. One of the major obstacles in growth of wine market is the price of wine which is comparatively very high than other alcoholic beverages and India being a price sensitive country people generally don't prefer consuming wine. Despite the number of Indian wine makers is on the rise, the consumption of imported wine is high in India. Wine is considered as a very young category in India, but its strong performances and high potentials are leading to the entry of several new players, while at the same time existing companies are expanding their product portfolios and presence in various regions of Indian market. Sula Vineyards is considered to be the market leader in the Indian wine market followed by Grover Zampa Vineyards, Fratelli Wines Pvt Ltd, John Distilleries Private Limited and others. The wines in Indian market are generally segmented as Red wine, White wine, Sparkling wine, Rose wine and other wines. Red wines are the most popular and mostly consumed wine having a large market share. While white, rose and sparkling wine are emerging segments. With increasing variants and new brands these segments are forecasted to grow higher compared to the red wine segment and obtain a higher market share in future. Which will reduce the dominance of red wine in the Indian wine market.

The report titled "India Wine Market Overview, 2018-2023" provides deep analysis of the Indian Wine market with size in terms of both value and volume of Wine market and also provides market share of different segments. The report formed by segregating data from various sources and various time frame.

It consists of various historic data and based on current situation of market and key factors provides forecast based on best suitable method. Which could defiantly be helpful in identifying the market segments which are driving growth. The report consists profiles of leading companies. The young Indian Wine market which was not so well developed in past observed high growth in past five years. The market saw growth of all categories of wine. The Indian Wine market observed growth with a CAGR of around 25% from 2011-12 to 2016-17.

With highest sales of red wine, the Indian wine market offers wine in different segments such as Red wine, White wine, Sparkling wine, Rose wine and other wine containing fruit and other ingredients. The market share of red wine segment is currently more than 50%. For future the share is expected to go down with increasing awareness, variants and new brands in the segments of White, Rose, Sparkling and other wines. Wines in India are promoted as a health beneficial drink by many of the doctors. With growing Wine festivals and educational tours of wine yards resulting into more awareness between the consumers, the growth line Indian wine market is expected to continue going up and up achieving new heights in near future.

Is wine a harmful for the consumer's health?A large number of theories suggest that moderate consumption of wine provides you with some amount of health benefits, specially the red wine consumption is said to help people live longer, provides protection against certain cancers, improves mental health, and enhances heart health. According to the report, the Indian wine market has achieved excellent growth in past five years with a CAGR of around 25% and rising imports from foreign countries such as France, Australia, Italy, etc. This high market growth was result of joint efforts from vineyards and government to promote the consumption of wine and increase awareness in Indian consumers. The major reasons for such high growth of Indian wine market are the rising disposable income of Indian consumers, changing demography structure, increasing exposure to western culture, Growth in the foreign tourists, increasing women consumption, etc. While the past few years saw growth of imports of foreign wines as still some of the consumers does not consider Indian wines up to the mark in terms of quality.

The wines in Indian wine market are generally segmented as Red wines, White wines, Sparkling wines, Rose wines and other wines. The Nashik, Sangli and Pune districts in Maharashtra region is the largest wine producing region of India. With large wine yards such as Sula Vineyards, York Winery, Soma Vineyards, Grover Zampa, etc present in this region. The other major regions are Bangalore Region in Karnataka with presence of Grover Vineyards, Himachal Region (Himachal Pradesh) with presence of large grape producing regions, etc. In ancient times, wine was considered as a royal drink and many times it was used to treat various health conditions. A large number of studies have stated various benefits of consuming Red wine in which some are proved and many are not. Some studies suggest that drinking small quantities of wine (up to one standard drink per day for women and one to two drinks per day for men) can result in decreasing risk of heart disease, stroke, diabetes mellitus, metabolic syndrome and early death. While, other studies found no such effect.

Also drinking more than the standard drink amount will increase the risk of heart disease, high blood pressure, atrial fibrillation, stroke and cancer. Still a large number of doctors are found to be suggestion moderate consumption of wines for better health.

Reasons for Growth in Wine Tourism in General

Wine tourism has been growing because of interest in wine in general. Additionally, in many cases, government provides assistance to wine producers. The Resource Guide for start-up suggests that “as government officials have become aware of the wine industry’s potential to create economic opportunities in rural communities, they have increasingly supported initiatives such as plantings of vines, other capital investments and sales and marketing campaigns”. Governments realized the benefits of wine production for the local economy.

Hence, the governments are promoting wine tourism realizing the returns it provides. Another reason for the increased response to the wine industry is due to the change of values in society resulting in an increased interest in environmental issues. The ‘green’ tourist activities are gaining popularity due to increased interest in environmental issues. That is why agro- and eco-tourism have become a popular trend. India the three major wine producing regions are Maharashtra, Karnataka and Himachal Pradesh. Of these, Maharashtra is the largest producer and consumer of wine. The majority of India’s wine consumption takes place in urban centers. Most important among these is Mumbai, which accounts for 32% of the total wine consumption in India, followed by Delhi NCR and its tech suburb Gurugram at 25%; Bangalore at 20%; and

upcoming Pune and Hyderabad at 5% and 3% respectively. Trade sources further confirm that these centers account for the vast majority of the country's total wine consumption, and so our first Vinitrac India study will draw its sample from these 6 urban areas.

With almost every Indian wine brand opening up their properties for a 360-degree experience, Indians can experience how wine is made, consumed and celebrated.

For the hard working women and men of Mumbai, Pune and Bengaluru, the Nashik-Baramati region of wineries, vineyards and cheese farms is the new weekend getaway option. The usual suspects of Mahabaleshwar - Matheran - Lonavala have lost their charms, and this new belt — a short drive away, serene, great climate, fresh air and a lot of greenery.

Grover Zampa Vineyards

Grover Zampa, possibly India's best red wine producers, have vineyards and wineries in both Maharashtra and Karnataka (Nashik and Nandi Hills, respectively). They offer experiential tours of their wineries and have tied up with top hotels in both places, for visitors who are looking to stay over. "Wine tourism is acknowledged as a growing area of special-interest tourism throughout the world, and it is an increasingly important tourism component for many wine-producing regions," says Sumedh Singh Mandla of Grover Zampa. Indian wine brands have noticed that wine tourism is becoming quite a hot trend in India, and other than weekend getaways, family events, wedding receptions and corporate outings and conferences are now being hosted at vineyards. Add annual festivals and events like The Sula Festival and The Great Grover Wine Stomp in Nashik, and The Great Grover Wine Festival in Bengaluru to the list of activities. Sula is India's largest wine producer, exporting to over 30 countries, and with a winery spread over 3000 acres. Arguably, it was Sula which spearheaded the wine tourism trend in India, with its first resort at its vineyard in Nashik. Sula Vineyards' hospitality has three properties: The Source (a 23-room resort with tree houses, courtyard rooms, suites, tower suites, spas, restaurants and infinity pools), Sky Villa (a private villa for an intimate group of 9-10, with personal catering services and other amenities) and Beyond by Sula (7 rooms). Sula has already received 100,000 visitors, and is on track to hit a record number of 300,000 this year. "At Sula, we believe that to propagate wine tourism, it is important that our consumers are aware of the wine culture," says Cecilia Oldne, VP, marketing and global brand ambassador at Sula. "Therefore, we introduced the concept of wine education, wherein consumers who visit the vineyards for a stay can also get an in-depth knowledge of the process of tasting wines,

savouring them with food and understanding the process of both wine making and tasting. With this, every time a consumer leaves, they become brand ambassadors for life.

Fratelli Vineyards

Another wonderful winery and vineyard to check out is Yorks, in Nashik. It is situated quite close to Soma and Sula and is just a short walk when you are staying at either of the resorts. The Four Seasons vineyard has a gorgeous French chateau-style winery, and is nestled in the village of Roti in Baramati, 70 km from Pune. It is surrounded by wilderness, and gives you the chance to escape from the madding crowds and enjoy a luxurious break. With 10 rooms and 4 suites, an open air pool and jacuzzi with the Sahyadri valley as the backdrop, cycle trails, nature hikes, barbecue evenings under the starlit sky and bird watching walks, the Four Seasons winery is quite the experience. I am also quite smitten with the Fratelli winery in Akluj, in Solapur. Not only are their guesthouses luxurious and slick, I am a huge fan of their reds.

Benefit of Wine Tourism

- Generating and gathering more footfall of domestic as well as international visitor.
- Increasing the long staying guest.
- Increasing the spending of money is more.
- Implementing the activities to attract and satisfy the visitor.

Factors considered by wine tourist before visit

Wine visit totally depends upon the age, interest of the person, region for the visit and nationality.

- Wine tasting
- Gather knowledge of Food and wine harmony
- Taking vineyard tour, meeting with wine maker.
- Gathering a knowledge of wine making process as well as Eco- Tourism.
- Enjoying the Agro tourism and spend the vacations.
- Enjoy the wine culture.
- Attending the wine festivals and special events arranged by wine company.
- Enjoy the health aspects of wine.

Wine tourism in Maharashtra

Maharashtra has always been viewed as a commercial state as it includes the commercial capital Mumbai, semi-urban areas of importance and historical monuments.

However, to truly market it internationally as a tourism haven, one needs to diversify tourism products and offer products of international standards. Wine tourism, with its gaining popularity globally, would completely fit the bill, especially with regards to meeting international demand. Maharashtra Tourism Development Corporation (MTDC) at this point is on a very high drive to achieve that and even the state government is very encouraging towards this endeavor.

Benefits of wine tourism for wineries in Maharashtra

The wine tours allow the winemakers to create personal relationships with customers, this later can lead to the direct or indirect sales through positive “word of mouth” . Further more, direct sales to the consumer results in increased margins due to reduction of distributor costs. Additionally, producers gain marketing intelligence on products and consumers through getting an instant and valuable feedback from the customers. With the winery serving as an additional sales outlet, it can make a big difference for small businesses, especially if there are other by-products such as food and souvenirs. Finally, winery visitations lead to brand awareness and loyalty due to establishing links between producers and consumers and purchasing of company branded merchandise. Besides its contribution to wineries, wine tourism is considered to be an important element in the tourism industry in that the sector experience develops through the investment inflow which is the result of the increasing number of new wineries.

Wine tourism plays the role of an initiator for regional development which increases regional employment and economical advancement of an area. However, besides the benefits of wine tourism there a number of challenges for wineries in general.

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