

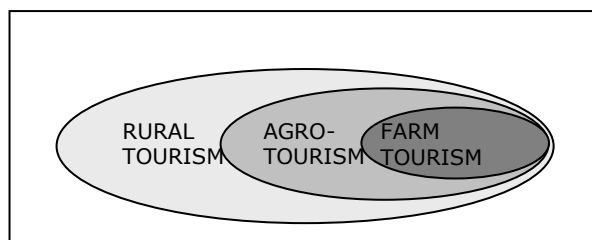
# Tourism Development in Rural Areas

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**Abstract** - The paper focuses on how to encourage awareness and creation of a more entrepreneurial and favourable environment for product diversified tourism development in the rural areas. To promote development of ideas and good practices is one of initial steps in a way to develop rural capacities by promoting cooperation between European Union (EU) member states and exchanges of good practices. The paper draws attention to the case studies in rural tourist destination development applying advance managerial, entrepreneurship and marketing activities with brand product development, joint promotion and marketing activities in rural areas where are rural tourist attractions and rural tourists' strengths to be developed in more diversified rural and farm tourism development. The paper more specifically focuses on Slovenia as a case study underlying the innovative approaches in farm and rural tourism development.<sup>1</sup>

## WHAT IS RURAL TOURISM?

Different concepts have been developed on definition, relations and distinctions between rural tourism, agro-tourism and farm tourism (e.g. Bojnec, 2004). Different traditions in rural areas and different patterns in tourism development have caused these differences. Farm tourism is either defined as a sub-kind of agro-tourism, or it is identified with agro-tourism, while agro-tourism is often considered as a kind of rural tourism, which is closely related to agriculture. Farm and/or agro-tourism usually represent only a small part of rural tourism (Figure 1).



**Figure 1:** Rural tourism, agro-tourism and farm tourism

## WINE TOURISM: EXAMPLES OF GOOD PRACTICES

During the most recent years there is an increasing awareness among strategy and policy makers, rural stakeholders and tourist suppliers of the importance of rural tourism in rural and regional development, in development of tourist destinations, and for private entrepreneurship. Bojnec et al. (2006) focuses

on rural tourism, but more specifically on wine growing areas and wine tourism in Slovenia and Croatia, where main wine cellars and tourist farms specialize also in rural, farm and wine tourism. On the basis of surveys analyses they provide the supply side of wine tourism in the selected regions focusing on entrepreneurial tradition, wine production and wine marketing, rural and wine tourism development. In both countries average size of wine producers in terms of average area of vineyards per producer is relatively small, but varies by wine growing countries and districts. Wine tourist routes are an important element of wine tourism development in both Slovenia and Croatia, although Slovenia has a more developed network of wine-routes. However, in both countries there are still some shortcomings that limit greater efficiency in wine tourism and rural tourism development. Among potentials for improvements in the wine sector are entrepreneurship and wine marketing. A part of wine is marketed through wine tourism. There are opportunities to increase wine sales and to diversity tourist offers at a farm and wine cellar. The geographical wine origin with wine tradition is a crucial factor for the brand name and brand image development as an indication of superior wine quality. The wine branding is important in tourism and specifically wine tourism development. Wine consumer brand advertisements and promotion are already an important element of wine selling strategy and for wine tourism development in the more advanced wine growing areas in both countries.

Jurinčič and Bojnec (2006) found segmentation and differentiation of wine markets by quality. The most advanced family-owned wineries in Slovenia, which are often of small-size, have established the wine consortiums to increase economies of scale in wine marketing as well as to introduce innovative approaches in viticulture, wine making, wine bottling and wine tourism development to increase selling opportunities and to cope with the increasing competition. The wine consortiums are set up by a group of the largest wine producers in most of the Slovenian wine growing regions. Their main objectives are to contribute to innovative approaches in wine business, to improve wine quality, wine marketing and promotion activities to reduce fixed costs per unit of product and to contribute to higher wine prices.

The special focus is on the experiences of good practices in the Goriška Brda wine district near the Slovenian border with Italy, which is the most growing wine area in Slovenia (Table 1). The members of the wine consortiums are combining entrepreneurial and innovative approaches in high quality wine mak-

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ing, but at the same time are considering the ecological requirements as an important element of wine marketing, brand name development and promotion activities. New innovative approaches to increase quality are also closely associated with wine tourism development where are combined networks of wine cellars with own entrepreneurial spirit, integrated wine grape production and wine quality, quality of other home made products labelled under bio food and healthy nutrition and with high quality of other tourist services.

**Table 1:** The largest family-owned and operated wineries in Goriška Brda in Slovenia, 2004

Winery	Village	Size of vineyards (in ha)	Wine production (bottles annually)
Movia	Medana	18	100,000
Ščurek	Plešivo	13	80,000
Simčič	Ceglo	12	50,000-60,000
Čarga	Pristavo	10	35,000-40,000

Source: Bojnec and Jurinčič (2006).

#### CONCLUSIONS

With the decline of the direct relative economic importance of agriculture in the economy, agriculture is on one side becoming more specialized to gains efficiency and competitiveness from economies of scale, but inter-sector diversified in providing multifunctional activities on the other. Among the latter diversified and multifunctional activities is tourism on farm as a part of rural tourism, which gains in the importance in several with natural, cultural and some other attractions endowed rural areas. After the joining the enlarged European Union (EU-25), the new EU-10 member countries expect positive impacts of enlargement on tourism, including rural tourism development. While agriculture and rural development are the constituent part of the EU's Common Agricultural Policy (CAP), there is no such a specific sector policy for tourism development. However, tourism is by nature and activities a multi-sector activity that is also associated with agriculture and the rural economy. Therefore, whereas the EU member states retain competence in tourism development, there are few opportunities how EU policies and practices can encourage, complement and support local actions in tourism development, investment and similar activities in the tourist sector development particularly in rural areas and activities associated with culture, sports and other hospitality and leisure activities. As many tourist recreation areas are in rural areas, where agricultural and forest land remains prevailing this provides opportunities and challenges in product diversification and product mix in rural development, which require developing new managerial and entrepreneurial knowledge and skills in rural areas. We have presented some examples of good practices in wine tourism development. These issues are also related to environmental policies, protection of rural identity and landscape in rural development.

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