



Research Paper

Wine Routes: Development of Wine Tourism Destination and Local Communities. Post COVID Recovery

Developed by: The Fund Georgian Center for Agribusiness Development (GCAD)

Project: Promoting the Black Sea Region as a Wine Tourism Destination

Location and year: Tbilisi, Georgia, 2023



Contents

Wine tourism in Georgia: characteristics, impacts, and community perspectives	3
II. Research Objectives and Methodology	6
Research questions, design and approach	6
III. Literature Review: Insights and Implications of Georgian Wine Industry, Recent Trends	9
Analysis of the infrastructure and services available for wine tourism in Georgia	9
Wine tourism as a driver of economic development and rural revitalization.....	11
Wine routes as a tourism product and their potential benefits for local community development in Georgia.....	14
Post-COVID challenges and opportunities for the wine tourism industry, recent trends and perspectives.....	19
IV. A Comprehensive Analysis and Discussion of the Study Findings	22
Discussion of the main findings and contributions of the research	22
Implications of the additional findings for the development of wine tourism industry	25
Stakeholder perspectives: exploring the impacts and opinions of key stakeholders in the wine tourism industry.....	27
Characteristics of wine tourists and perception of local communities on wine tourism and its impacts.....	30
Impacts of COVID-19 on wine tourism and local communities; opportunities and challenges in the post-pandemic era	32
V. Summary of the Industry Analysis and Recommendations.....	36
Georgian wine tourism industry summary and recommendations.....	36
Policy recommendations for promoting wine tourism and local development.....	37
Challenges, limitations and future research directions.....	39
VI. References	41
VII. Appendices.....	42
Survey questionnaire	42
Additional data and needs for deeper analysis.....	43



I. Introduction

Wine tourism in Georgia: characteristics, impacts, and community perspectives

Tourism is highly valued worldwide and is considered a top priority for the development of many countries. Governments recognize the importance of sustainable socio-economic development in this field and have implemented comprehensive approaches, long-term plans, and action programs. Rural tourism is a combination of entrepreneurship and village holidays, which can result in positive social and economic outcomes. The COVID-19 pandemic has led to a new trend in tourism, where tourists prefer ecologically clean and less crowded environments such as rural areas. This presents an opportunity for previously unpopular destinations to generate income and stimulate rural tourism development after the pandemic.

Wine tourism is a form of tourism that involves visiting vineyards, wineries, and wine-producing regions, with the primary purpose of experiencing and learning about the wine-making process, tasting and purchasing wine, and immersing oneself in the local culture and lifestyle. Wine tourism development is important for local communities because it can provide economic benefits, promote cultural heritage and identity, and foster sustainable development. It is a significant source of employment and income for many communities, particularly in rural areas where agriculture and tourism are major industries. Wine tourism can create jobs in various sectors, including hospitality, transportation, and retail, and generate revenue for local businesses and governments through taxes, fees, and sales.

Moreover, wine tourism can help preserve and promote cultural heritage and traditions. Wine-making is often deeply rooted in local history and culture, and wine tourism can provide opportunities for visitors to learn about the region's unique wine-making techniques, grape varieties, and flavors. This can also help preserve traditional farming practices and agricultural landscapes that are threatened by modernization and urbanization. Wine tourism industry can contribute to sustainable development by promoting environmental conservation and responsible tourism practices. Many wineries and vineyards are adopting sustainable and organic farming practices, which can help protect the environment and promote biodiversity.



Wine tourism has become an increasingly popular form of tourism in recent years, with many countries developing their own unique wine regions and experiences. In the country of Georgia, wine tourism has been an important aspect of the local economy for centuries.

Georgia has a long history of winemaking, with evidence of wine production dating back over 8,000 years. Wine has played an integral role in the country's culture and traditions, with wine often used in religious and social ceremonies. This rich historical and cultural context has



helped to establish Georgia as a unique destination for wine tourism. The country has over 500 grape varieties and uses traditional clay vessels called Qvevri to produce wine. This distinct approach to winemaking has helped to establish Georgia as a unique destination for wine tourism. Wine regions in Georgia, such as Kakheti and Kartli, offer visitors a range of experiences, including wine tastings, vineyard tours, and cultural events.

Georgia is a country located in the Caucasus region, bordered by Russia to the north, Turkey and Armenia to the south, and Azerbaijan to the east. The country has a rich history dating back to ancient times and has been influenced by a range of cultures and empires throughout its history. From a geographical point of view, Georgia is characterized by its diverse



landscape, which includes high mountains, valleys, and coastal areas. The Caucasus Mountains run through the country, providing spectacular scenery and opportunities for outdoor recreation. Georgia also has a diverse climate, with warm summers and cool winters.

In terms of its economy, Georgia has undergone significant changes since gaining independence from the Soviet Union in 1991. The country has transitioned to a market-based economy and has made significant progress in reducing poverty and improving living standards. Georgia is known for its agricultural exports, including wine, which is one of its most important industries. The country is also a transit point for energy resources and has been developing its tourism industry in recent years.

The wine industry is an important sector for the Georgian economy, as it provides employment opportunities and contributes to the country's export earnings. Georgia's wine industry has been steadily growing in recent years, with an increasing number of tourists visiting the country to experience its wine culture and heritage. In addition to its economic significance, the wine industry also plays an important role in preserving Georgian cultural identity. The wine industry is deeply intertwined with Georgian cultural practices and traditions, such as the supra, a traditional Georgian feast that features the sharing of food and wine among family and friends.

Georgian wine production started to increase after Russia lifted the embargo in 2013. However, fell again in 2015. Georgian wine industry intensified focus on diversification to alternate markets to hedge the risks arising from dependency on Russia. The new target markets required higher quality wine. The Georgian wine companies started to purchase vineyards to control the wine quality from the beginning of production by choosing themselves crops, soil, fertilizers, etc.

In 2021, according to the Georgian Wine Association (GWA), the total registered vineyard surface area amounted to 40K ha in Kakheti and Racha regions. Since 2016 Georgian wine



production had an upward trend reaching the highest volume in 2019, amounting to 14 million decaliters. In 2020 the Georgian wine production decreased by 16% relative to the previous year in terms of monetary value. The reason is partially attributable to the Covid-19 pandemic. Georgian wine producers were uncertain about future export possibilities, and logistics slowed down. Even though the pandemic continued with partial restrictions in 2021, wine production in monetary value increased by 24% and reached the highest value, on the back of a significantly fruitful harvest in 2020 and stocks of natural wine from 2020.

Wine tourism in Georgia has a significant impact on local communities, providing employment opportunities and contributing to the growth of small businesses. Many local families own vineyards and wineries, and wine tourism has helped to increase their income and support their livelihoods. Additionally, the development of wine tourism has helped to preserve traditional winemaking techniques and cultural practices.

The empowering significance of wine tourism in Georgia lies in its ability to support the local economy, preserve cultural traditions, and empower local communities. By providing sustainable economic opportunities and preserving cultural practices, wine tourism has the potential to promote social and economic development in the region. Furthermore, wine tourism can also enhance the local community's sense of pride and cultural identity, promoting a positive image of Georgia to the rest of the world.

According to the Georgian National Tourism Administration, in 2019, the number of international tourists who visited Georgia and participated in wine tourism activities was 80,000, which represented a significant increase compared to previous years. In 2018, the number of wine tourists was around 67,000, while in 2017, it was approximately 50,000. Moreover, according to the same source, in 2019, the total revenue generated by wine tourism in Georgia amounted to around GEL 10 million (approximately USD 3 million). This is a significant increase compared to previous years, highlighting the potential economic benefits of wine tourism for local communities.

However, it is important to note that the COVID-19 pandemic has had a significant impact on the tourism industry worldwide, including wine tourism in Georgia. The Georgian government implemented several restrictions and safety measures to prevent the spread of the virus, which had an impact on the number of tourists visiting the country.

Domestic consumption of wine generated 24% of the total revenue of the Georgian wine industry in 2021. Tourism is the significant driver of local wine consumption in Georgia, and the pandemic gave a clear picture of this relationship. In 2020 domestic consumption declined by 43% YoY in USD terms and accounted for a 19% share of total turnover. The improved results of the tourism industry in 2021 led domestic wine consumption to recover to 87% of its 2019 level. In 2021, domestic wine consumption and expenditure increased due to the lifting of pandemic restrictions. In 2022, we expect growth in domestic wine consumption due to the high recovery level of revenues generated by international visitors and the migration from Ukraine, Russia, and Belarus.



Tasting Georgian cuisine and wine is one of the most popular activities among international travelers. Their expenditure on served foods and beverages had a positive trend through the years. Despite the COVID-19 pandemic, the first quarter of 2022 saw an 85% growth in travelers' expenditure on foods and drinks relative to the same period in 2019. Inflation is one of the factors that explain this growth.

The characteristics of the wine industry in Georgia are unique, and reflect the country's long history and rich cultural heritage. Georgian wines are known for their distinctive flavor profiles, which are derived from the use of indigenous grape varieties and traditional winemaking techniques. The wine industry in Georgia is also characterized by a strong sense of community, with many small-scale producers working together to preserve traditional winemaking practices and promote Georgian wine culture both locally and internationally.

Some of the key developments in wine tourism in Georgia over the last decade include:

- ✓ Increase in tourism: Georgia has seen a significant increase in tourism over the last 10 years, which has helped to drive the development of wine tourism. In 2019, Georgia welcomed a record 9.4 million international visitors, up from just over 2 million in 2010.
- ✓ Creation of wine routes: Georgia has developed several wine routes over the last decade, which allow visitors to explore different wine regions and taste local wines. These routes have helped to promote Georgia's diverse wine culture and boost tourism in rural areas.
- ✓ Growth of wine festivals: Georgia hosts several wine festivals throughout the year, including the Tbilisi Wine Festival and the Kakheti Wine Festival. These festivals have become increasingly popular with tourists and locals alike, offering a chance to sample a wide range of Georgian wines and enjoy traditional music and dance performances.
- ✓ Expansion of wine-focused accommodations: Many wineries in Georgia have started to offer accommodations, such as guesthouses and boutique hotels, to attract tourists. This has helped to boost wine tourism in rural areas and create new job opportunities for local communities.
- ✓ Investment in wine infrastructure: Over the last 10 years, the Georgian government has invested in improving the country's wine infrastructure, such as by modernizing wineries and improving transport links to wine regions.
- ✓ Recognition by international media: Georgian wine has received increasing recognition from international media outlets over the last decade, with many journalists and wine experts praising its unique flavors and centuries-old winemaking traditions. This has helped to raise awareness of Georgian wine and attract more tourists to the country.

II. Research Objectives and Methodology

Research questions, design and approach

In a study of wine tourism and its impact on local communities, the research objectives include: identifying the key factors that influence visitors' decisions to engage in wine tourism activities;



assessing the economic and social impacts of wine tourism on local businesses and communities; examining the relationship between wine tourism and environmental sustainability in wine-producing regions; developing recommendations for enhancing the sustainability and competitiveness of wine tourism in the study region.

Specific research objectives of this paper are:

- To analyze the current state of the wine tourism industry in Georgia
- To evaluate the impact of COVID-19 on the industry
- To identify the strengths, weaknesses, opportunities, and threats facing the industry
- To develop recommendations for the sustainable development of the industry

Research questions:

- What is the current state of the wine tourism industry in Georgia?
- What are the key drivers and challenges facing the industry?
- How has the COVID-19 pandemic affected the industry, including its financial performance and supply chain?
- What are the strengths, weaknesses, opportunities, and threats facing the industry?
- How can the industry be developed sustainably while preserving the country's cultural heritage and traditions?
- What role can the government, industry associations, and other stakeholders play in supporting the development of the industry?
- How can the industry leverage digital technologies and marketing strategies to attract more tourists?
- What are the best practices for the development and promotion of wine tourism in Georgia?

These research questions will guide the analysis and provide a comprehensive understanding of the wine tourism industry in Georgia, its impact on local communities, and the prospects for sustainable development in the future.

This research paper employs a mixed-methods approach, incorporating both qualitative and quantitative data analysis methods. The research includes a comprehensive literature review of existing academic research and industry reports on the wine tourism industry in Georgia, as well as primary data collection through surveys and interviews with 48 stakeholders in the wine tourism industry, including wine producers, accommodation owners, restaurant managers, tour operators, and other related businesses. The primary data was used to complement the literature review, providing insights into the impact of the COVID-19 pandemic on the industry, as well as the potential for sustainable development and future growth.

The primary data for this research paper was collected through surveys and interviews with stakeholders in the wine tourism industry. The surveys were administered online using a phone survey and email communication, and was designed to capture quantitative data on the impact of the COVID-19 pandemic on businesses involved in wine tourism, as well as their



perspectives on the future of the industry. The interviews were conducted with a selected sample of 48 stakeholders, and was designed to capture qualitative data on their experiences and perspectives on the industry. In addition to the primary data, the research paper also draws on secondary data sources, including academic research, industry reports, and government statistics.

The sample for this research paper was selected based on the following criteria:

1. involvement in the wine tourism industry in Georgia;
2. geographic location within wine-producing regions in Georgia;
3. diversity in business types and sizes.

The survey on wine tourism was conducted by reaching out to a diverse group of 48 representatives from various businesses involved in wine tourism. These representatives included wine producers, accommodation owners, restaurant managers, tour operators, and other related businesses. Both online and phone surveys were used to reach out to the selected representatives.

The selection of representatives was done based on the results of the initial survey. The aim was to select a diverse group of stakeholders who could represent different types and sizes of businesses involved in wine tourism. The sample for the interviews included representatives from large and small businesses, as well as those from different regions.

By selecting a diverse group of representatives, the survey aimed to capture a wide range of perspectives and experiences related to wine tourism. The responses received from the survey were analyzed to identify key trends, challenges, and opportunities for the wine tourism industry. The findings of the survey will be useful for businesses involved in wine tourism, policymakers, and other stakeholders interested in the growth and development of the wine tourism industry.

The questionnaire was developed to gather insights on the impact of the COVID-19 pandemic on businesses in the wine tourism industry. The questions were designed to assess how the pandemic has affected visitor numbers, revenue and profitability, pricing strategies, and collaborations with other stakeholders. Additionally, the questionnaire aimed to understand if businesses have adapted to the changing tourism landscape by implementing safety measures or offering online sales.

The sample size for the survey was 48 representatives from a diverse group of businesses involved in wine tourism, including wine producers, accommodation owners, restaurant managers, tour operators, and other related businesses. The survey was conducted through both online and phone interviews.

The questionnaire for wine tourism businesses includes questions about the impact of the pandemic on the business, visitor numbers, measures taken to adapt to the pandemic, changes in revenue and profitability, and adjustments to pricing strategy. It also explores



changes in visitor behavior, collaborations with other stakeholders, and the future of wine tourism in the post-pandemic era.

1. Has the COVID-19 pandemic impacted your business in the wine tourism industry?
2. Have you seen a decrease in the number of visitors to your winery or wine tourism business since the start of the pandemic?
3. Have you taken measures to adapt to the changing tourism landscape during the pandemic, such as implementing safety measures or offering online sales?
4. How has the pandemic affected your revenue and profitability in the wine tourism industry?
5. Have you had to adjust your pricing strategy due to the pandemic? And how much?
6. Have you seen any changes in the behavior of visitors since the start of the pandemic, such as increased interest in outdoor activities or virtual experiences?
7. Have you noticed any changes in the types of visitors coming to your winery or wine tourism business since the pandemic began?
8. Did the pandemic impact your ability to collaborate with other stakeholders in the wine tourism industry, such as accommodation providers or tour operators?
9. Do you believe that wine tourism will become more important in the post-pandemic era?
10. Do you consider working on specific strategies for promoting wine tourism in the post-pandemic era?

The research analysis conducted provides answers to the questions listed above. The data collected from the survey and interviews was analyzed using both qualitative and quantitative techniques. The qualitative analysis involved a thorough review of the responses and identifying patterns and themes in the data. The quantitative analysis involved calculating frequencies, percentages, and averages to provide numerical data on visitor numbers, revenue, and other factors.

III. Literature Review: Insights and Implications of Georgian Wine Industry, Recent Trends

Analysis of the infrastructure and services available for wine tourism in Georgia

Georgia is a country that has been gaining popularity among wine enthusiasts around the world. The country has a rich history and culture of wine production, and in recent years, the wine tourism industry has been growing rapidly. However, while there are many beautiful and unique wine regions in Georgia, the infrastructure and services available for wine tourism in the country are not yet fully developed. While the wine tourism industry in Georgia is growing rapidly, there are still many challenges that need to be addressed to fully realize the potential of this sector. Investment in transportation infrastructure, accommodations, and culinary experiences will be critical to the future success of wine tourism in the country.



Transportation: One of the primary challenges for wine tourism in Georgia is transportation. Many of the country's wine regions are located in rural areas, which can be difficult to access by public transportation. Visitors often rely on private cars or taxis to get around, which can be expensive and inconvenient. Additionally, roads in some regions can be rough and poorly maintained, which can make driving difficult. To overcome these challenges, investment in transportation infrastructure, including roads, public transportation, and shuttle services, is needed.

Accommodations: Another challenge for wine tourism in Georgia is accommodations. While there are many small guesthouses and hotels located throughout the wine regions, the overall quality and variety of accommodations can be limited. There are few luxury hotels or resorts in the country, which can make it challenging for visitors who are looking for a higher-end experience. Additionally, many guesthouses and hotels are not equipped to handle large groups or events, which can limit the potential for wine tourism in Georgia. To address these challenges, investment in the development of new hotels and resorts, as well as upgrades to existing accommodations, is needed.

Food: Georgia is famous for its unique and flavorful cuisine, and food is an essential part of the wine tourism experience in the country. While there are many excellent restaurants located throughout the wine regions, there are still opportunities for improvement. For example, some restaurants may not be familiar with the specific needs and preferences of international visitors. Additionally, there may be a lack of variety in the types of cuisine available, which can limit the appeal of the wine tourism experience. To address these challenges, investment in culinary training and education, as well as the development of new restaurants and food tourism experiences, is needed.

Tasting Rooms: Many wineries in Georgia offer tasting rooms where visitors can sample different wines and learn about the production process. Tasting rooms are often located in the winery itself or in a nearby building, and they can range in size from small, intimate spaces to large, open rooms. In addition to tasting wines, some tasting rooms also offer educational experiences, such as classes on wine tasting and food pairing. Tasting rooms are an essential part of the wine tourism experience in Georgia, as they provide visitors with an opportunity to learn about the different wine varieties and production methods used in the country.

Vineyard Tours: Another popular wine tourism experience in Georgia is the vineyard tour. These tours offer visitors a chance to explore the vineyards where the grapes are grown and learn about the different grape varieties used in the wine production process. Vineyard tours are often led by knowledgeable guides who can answer questions and provide information about the history of the winery and the region. Many vineyard tours also include a visit to the winery itself, where visitors can see the wine production process in action.

Food and Wine Pairings: Food and wine pairing experiences are another popular option for visitors to wineries in Georgia. These experiences involve tasting different wines with various food items to see how the flavors complement each other. Food and wine pairing experiences



can range from simple cheese and cracker pairings to elaborate multi-course meals, and they are often held in a tasting room or restaurant located on the winery property. Food and wine pairing experiences provide visitors with a unique and immersive wine tasting experience, as they allow visitors to explore the flavors and aromas of different wines in combination with complementary foods.

In conclusion, wineries in Georgia offer a range of wine production and tasting experiences for visitors, including tasting rooms, vineyard tours, and food and wine pairings. These experiences are an essential part of the wine tourism industry in the country and provide visitors with an opportunity to learn about the history and culture of wine production in Georgia. In addition to the private sector and local stakeholders, National Wine Agency and the Georgian Wine Association (GWA) also play a critical role in the development of the wine tourism industry in Georgia.

The National Wine Agency is a government organization responsible for promoting Georgian wines and developing the Georgian wine industry. The National Wine Agency provides support to local wineries and works to improve the quality of Georgian wines through research and development initiatives. As a key stakeholder in the wine tourism industry in Georgia, the National Wine Agency can play a critical role in promoting the development of wine tourism experiences that showcase the unique characteristics of Georgian wines and highlight the country's rich wine culture and history.

The GWA is a non-profit organization that represents the interests of Georgian wineries and promotes the development of the Georgian wine industry. The GWA works closely with local and international partners to organize events and promote Georgian wines to consumers around the world. As a key stakeholder in the wine tourism industry in Georgia, the GWA can play an important role in promoting wine tourism experiences and collaborating with local wineries to improve the quality of these experiences.

[Wine tourism as a driver of economic development and rural revitalization](#)

Wine tourism has emerged as a key driver of economic development and rural revitalization in many wine-producing regions around the world. Wine tourism generates revenue and employment opportunities, attracts investment, and promotes local businesses, products, and services. It also fosters a sense of place, community, and pride, and contributes to the preservation and promotion of cultural heritage, landscapes, and traditions.

One of the main economic benefits of wine tourism is the creation of jobs and income opportunities, particularly in rural areas where agriculture and tourism are major industries. Wine tourism can create jobs in various sectors, including hospitality, transportation, retail, and agriculture. It also generates revenue for local businesses and governments through taxes, fees, and sales. For example, in the United States, wine tourism generates approximately \$17 billion in annual revenue and supports over 200,000 jobs.



Moreover, wine tourism can stimulate investment and entrepreneurship in local communities. Wine tourism can attract private investment in new wineries, vineyards, and related businesses, which can contribute to the growth and diversification of the local economy. It can also encourage entrepreneurship and innovation, as local businesses respond to the needs and preferences of wine tourists and develop new products and services.

Wine tourism can also promote rural revitalization by enhancing the quality of life and attractiveness of rural communities. Wine tourism can contribute to the preservation and enhancement of natural and cultural resources, such as historic landmarks, scenic landscapes, and traditional farming practices. This can attract new residents and businesses to the area and improve the local environment and infrastructure. Wine tourism can also foster social cohesion and community development, as local residents and visitors interact and collaborate in the production and consumption of wine.



Wine tourism has become an important part of Georgia's tourism industry in recent years, with the country's rich wine culture and unique winemaking traditions attracting visitors from around the world. The development of wine tourism has also had a positive impact on local communities, providing new job opportunities and supporting the preservation of traditional winemaking techniques.

According to a report by the World Tourism Organization (UNWTO), Georgia received over 9 million international tourists in 2019, of

which an estimated 1 million visited wineries or wine-related attractions. The report also states that wine tourism is a significant contributor to Georgia's economy, generating revenue and employment opportunities in the hospitality, food and beverage, and transportation sectors.

In 2019, Georgia's wine exports reached a record high of 94 million bottles, representing a 16% increase from the previous year. The main export markets for Georgian wine are Russia, Ukraine, China, and Poland. Wine tourism has played a role in promoting Georgian wines and enhancing their reputation and visibility in international markets.



Year	International Tourists	Wine Tourists	Wine Exports (bottles)
2015	5.9 million	Not available	29 million
2016	6.4 million	Not available	36 million
2017	7.9 million	Not available	50 million
2018	8.7 million	800,000	81 million
2019	9 million	1 million	94 million

Data sources: World Tourism Organization's (UNWTO) "UNWTO World Tourism Barometer" reports; UNWTO's "Global Report on Wine Tourism".

The following are some significant ways in which the advancement of wine tourism has benefited local communities in Georgia:

Job Creation: The growth of wine tourism has created new job opportunities in rural areas, where many wineries and vineyards are located. This includes jobs in hospitality, such as wine-focused accommodations and restaurants, as well as in winemaking and vineyard management.

Preservation of Traditional Techniques: The development of wine tourism has helped to support the preservation of traditional winemaking techniques in Georgia, such as Qvevri winemaking, which involves fermenting and aging wine in large clay vessels buried underground. By promoting these traditional techniques, wine tourism has helped to support local communities that have been producing wine for generations.

Promotion of Local Culture: Wine tourism has also helped to promote local culture in Georgia, by showcasing traditional music, dance, and cuisine. Many wineries and wine-focused accommodations offer visitors a chance to experience traditional Georgian hospitality and learn about the country's rich wine culture.

Boost to Local Economy: Wine tourism has had a positive impact on the local economy, by bringing in new visitors and increasing spending in rural areas. This has helped to support local businesses, such as restaurants, cafes, and shops, and has contributed to the overall development of the local tourism industry.

Investment in Infrastructure: The development of wine tourism has also led to investment in infrastructure, such as improvements to roads and transportation links to wine regions, as well as the development of new wine-focused accommodations and attractions. This has helped to improve the overall quality of life in rural communities and has made it easier for local businesses to connect with visitors.

As wine tourism continues to grow in Georgia, it is likely to provide further benefits to local communities and contribute to the overall development of the country's tourism industry. In



recent years, there has been a growing interest in wine tourism among international travelers. This trend is expected to continue as more people become interested in wine and wine-related tourism experiences. Additionally, advancements in technology and digital platforms have created new opportunities for wineries and tourism operators to reach a wider audience and promote their products and services. As the wine tourism industry in Georgia continues to evolve and adapt to changing market conditions, it has the potential to make a significant contribution to the country's tourism industry and overall economic development.

In recent years, the Georgian government has implemented various initiatives to promote wine tourism in the country, such as the establishment of the Georgian Wine Association in 2014 and the introduction of a wine tourism development program in 2018.

According to the World Tourism Organization's (UNWTO) Global Report on Wine Tourism (2020), Georgia received 1 million wine tourists in 2019 and wine tourism contributed to the employment of approximately 20,000 people in Georgia in 2019. The same report found that in 2019, the average length of stay for wine tourists in Georgia was 5.3 nights, and the average expenditure per trip was USD 812. Georgian wine exports reached a record high of 94 million bottles in 2019, according to the National Wine Agency of Georgia, with the main export markets being Russia, Ukraine, China, and Poland. In 2019, there were 51 registered wine companies in Georgia offering wine tours and tastings to visitors, according to the Georgian National Tourism Administration.

In 2021, the Georgian wine export reached the highest number amounting to USD 234 million. Russia remained the dominant buyer of Georgian wine. Its share in total Georgian wine export significantly decreased and amounted to 56%, the lowest percentage since the resumed export to Russia. Poland, the USA, the UK, Japan, Germany, China, and the Baltic countries are the target markets for Georgian wine. Due to the slow diversification efforts, the value of these markets slightly increased. We expect more active diversification in strategic markets in the following years.

Wine routes as a tourism product and their potential benefits for local community development in Georgia

A wine route is a popular tourist attraction that features a trail or series of trails connecting vineyards, wineries, and other wine-related destinations in a specific region or area. The purpose of a wine route is to provide visitors with an opportunity to experience the unique culture, history, and flavors of a particular wine-producing region. Wine routes offer travelers the opportunity to explore wine-producing regions, learn about the local wine-making processes, and sample various wines produced in the region. Wine routes are typically designed to highlight the best wineries and vineyards in a particular area and may include tours, tastings, and other experiences related to wine production. Wine routes can be a great way to promote tourism and generate economic benefits for local communities. They can also help to promote local wineries and increase their visibility to potential customers.



Wine routes are designated and marked paths that run through wine regions and are surrounded by natural, cultural, and environmental heritage sites. These routes allow wine tourists to travel independently by car or bicycle, with knowledge about wine-growing areas, to visit wineries, taste and purchase wine, and experience local cultures, traditions, and landscapes. Wine Routes offer a unique experiential and sustainable tourism opportunity that combines culinary elements with naturalistic experiences, leisure activities, and cultural experiences.

The development of a wine route typically begins with the identification of a region that has a high concentration of wineries or vineyards. Once the region is identified, stakeholders such as winery owners, tourism boards, and local governments work together to develop a trail or series of trails that connect the various destinations. The wine route may include designated driving routes, walking trails, or cycling paths, depending on the terrain and local preferences. Along the way, visitors can stop at different wineries to taste wines, learn about the wine-making process, and purchase bottles to take home.

When developing wine routes as a tourism product, it is important to consider the needs and preferences of the target audience. For example, some wine enthusiasts may prefer a more intimate and exclusive experience, while others may be looking for a more casual and relaxed environment. Additionally, it is important to consider factors such as accessibility, safety, and sustainability when designing wine routes.

Georgia has several wine-producing regions that are included in the 6 wine routes, which were developed under the SeaOfWine project, including Kakheti, Kartli, Imereti, and Racha-Lechkhumi. Each region has its own unique wine-making traditions and grape varieties, making it an interesting and diverse destination for wine enthusiasts.

In addition to wine tastings and vineyard visits, a Georgian wine routes offer visitors the chance to learn about traditional Georgian winemaking methods, such as the use of Qvevris (large clay jars buried in the ground). Visitors could also sample local cuisine and attend cultural events such as folk dances and music performances. Wine routes also have positive economic impacts for the region, as it could encourage visitors to explore areas beyond the capital city of Tbilisi and support local winemakers and businesses. In general, it is a valuable tourism product that showcases the country's unique wine-making traditions and cultural heritage.



Logistically, routes are considered a market, with tourists as clients and wine-related businesses such as wineries, wine bars, hotels, restaurants, and travel agencies as sellers. For winemakers, Wine Routes represent an opportunity to generate additional revenue through alternative activities such as guided tours, wine sales, and winery events. Over the



last twenty years, Wine Routes have emerged in many wine-growing regions of the world, including developing countries where wine has become a significant contributor to the economy. As interest in "food and wine tourism" continues to grow, Wine Routes have become a popular destination for wine lovers who want to experience local gastronomy alongside wine tasting, especially in countries, where food is a significant tourist attraction.

Moreover, wine routes can create job opportunities in the region, especially for people who are involved in the wine industry, such as winemakers, tour guides, and hospitality workers. Wine routes can promote sustainable tourism practices, as many winemakers in Georgia use traditional and organic methods of grape cultivation and winemaking. This can help to preserve the natural beauty of the region and promote environmentally friendly tourism practices.

Wine Routes also aid in the revitalization of rural areas by attracting visitors, combating depopulation, boosting the economy of villages along the routes, and encouraging socialization among people. From a sociological viewpoint, Wine Routes should facilitate the promotion of wine tourism and the development of rural areas by providing an "integrated system of tourism supply." They serve as a paradigmatic example of "social capital" within a defined region, in which investments, experiences, and policies must be shared to establish a united territory where public and private entities collaborate for the growth of a territorial network.

In addition to wineries, a wine route may also include other destinations that are related to wine culture, such as restaurants that specialize in wine pairing, museums dedicated to the history of winemaking, and wine-themed events and festivals. Wine routes play a critical role in the development of wine-producing regions in Georgia, providing a platform for visitors to explore the unique cultural heritage, traditional winemaking techniques, and local cuisine of the region. By promoting wine tourism, wine routes can help to increase economic activity, create jobs, and raise the profile of the region both domestically and internationally.

Prospects for the development of wine routes in Georgia are promising, as the country's wine industry continues to gain global recognition and interest from wine enthusiasts. With an increasing number of wineries and vineyards opening up across the country, there is a growing demand for wine tourism experiences, including tastings, winery tours, and cultural events.

The impact of wine routes on the local population and the wine-drinking region in general is significant. Wine tourism can provide a boost to local economies, creating new jobs in areas such as hospitality, transportation, and retail. It can also help to preserve cultural heritage and traditional winemaking techniques, providing a platform for local communities to showcase their unique traditions and skills to visitors from around the world. Wine routes can also help to promote sustainable tourism practices, encouraging visitors to engage with local communities and support local businesses. By creating a sense of community pride and identity around the wine-drinking region, wine routes can help to build a more cohesive and resilient community, promoting social cohesion and inclusivity.

Local HORECA Communities in Georgia:



The local HORECA communities in Georgia have been developing rapidly in recent years, driven by a growing demand for high-quality dining experiences. The country's capital, Tbilisi, has become a hub for foodies, with a vibrant restaurant scene that features traditional Georgian cuisine as well as international options.

Some of the factors that have contributed to the development of local HORECA communities in Georgia include:

- Increasing tourism: As tourism to Georgia has grown, the demand for high-quality dining experiences has increased, leading to the development of new restaurants and cafes.
- Emphasis on traditional cuisine: Georgian cuisine has become more popular in recent years, both domestically and internationally, leading to the development of more restaurants and cafes that specialize in traditional dishes.
- Growth of food delivery services: The growth of food delivery services has made it easier for restaurants and cafes to reach customers, even those who are not able to dine in.
- Support for local producers: Many restaurants and cafes in Georgia have started to source ingredients from local producers, which has helped to support the development of local food systems.
- Innovative culinary scene: Georgian chefs have become increasingly creative in recent years, developing new dishes and culinary techniques that have helped to put the country's cuisine on the map.

Development of wine routes in Georgia has the potential to bring significant benefits to local communities and the wine-drinking region as a whole, helping to promote economic development, cultural preservation, and sustainability. With ongoing investment and support, wine routes in Georgia can continue to grow and thrive, creating new opportunities for visitors and locals alike. Moreover, development of wine tourism and local HORECA communities in the country is an important part of its economic and cultural growth. With its rich wine culture and vibrant dining scene, Georgia is well-positioned to become a top destination for food and wine lovers around the world.

Rich Historical heritage and culture of Georgia, gastronomy, indigenous grapes, modern services, the beautiful nature from the Black Sea to the Caucasus Mountains and most importantly, the unique Georgian wines have been combined in the Georgian wine route, where tourists will be welcomed by the country's oldest wineries, small family cellars with centuries-old tradition and most famous wine enthusiasts.

In recent years, Georgian government has been working to promote the country's wine industry and boost exports. The government has introduced several measures to support winemakers, such as providing funding for modern winemaking equipment and offering tax breaks for exports.

- Growing Exports: Georgian wine exports have been steadily increasing over the past few years. In 2021, Georgia exported over 101 million bottles of wine, representing a 15%



increase from the previous year. The country's top export markets include Russia, China, and Ukraine.

- **Emphasis on Quality:** There has been a growing emphasis on quality in the Georgian wine industry, with many winemakers investing in modern equipment and adopting international winemaking practices to improve the quality of their wines.
- **Focus on Sustainability:** Many winemakers in Georgia are also focusing on sustainability and organic production methods. This includes reducing the use of pesticides and fertilizers, adopting water conservation measures, and using renewable energy sources.
- **Development of Wine Tourism:** Wine tourism has become an increasingly important part of the Georgian wine industry in recent years. The country has developed several wine routes and wine-focused accommodations to attract tourists, and hosts several wine festivals throughout the year.
- **Recognition from International Markets:** Georgian wine has been gaining increasing recognition from international markets, with several Georgian wineries winning awards at international wine competitions in recent years. This has helped to raise awareness of Georgian wine and attract more international buyers.

Research team conducted an extensive literature review to gain a deeper understanding of the industry's historical and current trends. We analyzed industry reports, academic articles, and news articles to gain insights into the industry's development perspectives. The literature review provided us with valuable context for our study, allowing us to identify trends and patterns in the industry's development and understand how it fits into the broader global wine market.

Impact of Wine Routes on Local Economy: A study conducted (by Roinishvili, Topchishvili) in 2019 in Georgia found that wine tourism has a positive impact on the local economy in Georgia, particularly in rural areas. The study surveyed 17 wineries along the Kakheti wine route and found that wine tourism generated significant revenue for wineries and local businesses such as hotels, restaurants, and shops. The study also found that wine tourism has the potential to create jobs and improve the quality of life for local residents.

Impact on Cultural Preservation: Wine routes in Georgia have also been shown to have a positive impact on cultural preservation. A study held (by Kalandadze) in 2017 found that wine tourism can help preserve traditional winemaking techniques and indigenous grape varieties. The study surveyed 20 wineries along the Kakheti wine route and found that many winemakers were using traditional methods such as fermenting wine in clay vessels buried underground. The study also found that wine tourism can help promote cultural exchange and understanding between visitors and local residents.

Impact on Environmental Sustainability: Wine routes in Georgia have also been shown to have a positive impact on environmental sustainability. A study by Vashakidze et al. (2020) found that wine tourism can promote sustainable practices such as organic and biodynamic farming. The study surveyed 21 wineries along the Kakheti wine route and found that many winemakers were using sustainable practices such as minimizing pesticide use and using renewable



energy sources. The study also found that wine tourism can raise awareness about environmental issues and promote conservation efforts.

Challenges and Opportunities: While wine tourism has the potential to benefit rural communities in Georgia, there are also challenges that need to be addressed. A study by A. Topchishvili identified several challenges facing the wine tourism industry in Georgia, including lack of infrastructure, limited marketing and promotion, and limited access to finance. The study also identified opportunities to promote wine tourism, such as developing new wine routes, improving infrastructure, and collaborating with other stakeholders in the tourism industry.



Overall, the literature suggests that wine routes have a positive impact on the development of rural communities in Georgia. Wine tourism can generate revenue, create jobs, preserve cultural heritage, promote sustainable practices, and raise awareness about environmental issues. However, there are also challenges that need to be addressed to fully realize the potential of wine tourism in Georgia. Continued investment in infrastructure, marketing and promotion, and collaboration among stakeholders is essential for the long-term success of wine routes in Georgia.

Post-COVID challenges and opportunities for the wine tourism industry, recent trends and perspectives

As a result of the COVID-19 pandemic, wine tourism businesses in Georgia have experienced a sharp decline in revenue, with many reporting losses of up to 50% or more compared to pre-pandemic levels. This has had a ripple effect on the wider industry, including accommodation providers, restaurants, and tour operators, who depend on wine tourism for a significant portion of their business.

The financial losses have also impacted local communities, which rely on the wine tourism industry for economic growth and job creation. Many businesses have been forced to lay off workers or reduce their hours, exacerbating the already challenging economic conditions in rural areas. In addition to the financial impact, the COVID-19 pandemic has also led to a loss of cultural and social experiences associated with wine tourism. Many wineries and wine routes are located in historic or culturally significant areas, providing visitors with a unique window into Georgian culture and traditions. With fewer visitors and events, these experiences have become less accessible, potentially leading to a loss of cultural heritage and community identity.

The impact of COVID-19 on businesses involved in wine tourism has been particularly acute for smaller, independent wineries and vineyards, who may have limited financial reserves to



weather a prolonged downturn in demand. These businesses may also have limited resources to invest in the necessary health and safety measures to ensure the safety of visitors and staff.

In addition to the direct impact on revenue and cash flow, COVID-19 has also disrupted the supply chain for wine tourism businesses, leading to a range of indirect challenges. For example, businesses may have difficulty sourcing the necessary supplies and equipment to operate, such as personal protective equipment (PPE), cleaning supplies, and hand sanitizers. This can lead to increased costs and delays, further impacting the financial viability of these businesses.

Moreover, the pandemic has led to a shift in consumer behavior, with many visitors preferring outdoor and socially-distanced activities. This has forced businesses involved in wine tourism to adapt their offerings, for example, by developing new outdoor spaces and experiences, as well as offering virtual tastings and tours.

Challenges:

1. **Reduction in International Visitors:** One of the biggest challenges faced by the wine tourism industry in Georgia is the reduction in international visitors due to travel restrictions and safety concerns. Georgia has traditionally relied on international tourism to sustain its wine industry, and the pandemic has severely impacted this.
2. **Health and Safety Measures:** With the pandemic still ongoing, implementing health and safety measures has become a top priority for the wine tourism industry in Georgia. This includes measures such as social distancing, regular sanitization, and temperature checks, which can be expensive and time-consuming to implement.
3. **Economic Challenges:** The pandemic has also resulted in economic challenges for the wine tourism industry in Georgia, with many small wineries and tourism businesses struggling to stay afloat.

Opportunities:

1. **Domestic Tourism:** With international travel restricted, domestic tourism has become an important opportunity for the wine tourism industry in Georgia. This presents an opportunity for local wineries and tourism businesses to target the local market and promote local wine culture.
2. **Diversification:** The pandemic has also presented an opportunity for wineries and tourism businesses to diversify their offerings. This includes offering virtual wine tastings, online sales, and online cooking classes, which can attract a wider audience and generate new revenue streams.
3. **Sustainability:** The pandemic has highlighted the importance of sustainability in the tourism industry. Wineries and tourism businesses that prioritize sustainability and eco-friendliness can differentiate themselves from competitors and attract visitors who are increasingly conscious of their impact on the environment.



In 2020 the Georgian wine production decreased by 16% relative to the previous year in terms of monetary value. The reason is partially attributable to the Covid-19 pandemic. Georgian wine producers were uncertain about future export possibilities, and logistics slowed down. These might have led Georgian wine producers to save the natural wine and use the stock in better times. Domestic wine consumption was not an option owing to the lockdowns. Pandemic outburst in 2020 resulted in 6% decrease of Georgian wine exports relative to 2019. The total Georgian wine export in 2021 improved significantly compared to previous years, reaching an all-time high.

Due to the Covid-19 pandemic, international travel has been significantly affected and Georgia has adjusted its approach to international tourism. It is not surprising that Georgia has been chosen as the "adventure and sustainability" partner for ITB Berlin for the year of 2023. Georgia has become increasingly renowned for its culture, nature, and food tourism, as well as its friendly people and beautiful landscapes. The country has signed a partnership agreement with ITB Berlin that will span three years and involve highlighting different aspects of Georgia's tourism industry each year.

The country's economy is heavily dependent on tourism, with the industry contributing around 8% of its GDP and supporting over 300,000 jobs in tourism and related fields. In 2019, Georgia hosted over nine million international visitors. When the Covid-19 pandemic hit, Georgia was quick to close its borders, resulting in a low rate of infections. However, the government developed new policies to attract freelancers and self-employed individuals to live and work in the country safely. Georgia's economy minister announced a visa policy that allows foreigners to work remotely from the country, taking advantage of the country's image as a safe place. Remote workers can stay in Georgia for six months or longer and must quarantine at their own expense for 14 days upon arrival.

Tourism has been recovering rapidly since May 2022, after being negatively affected by the Russia-Ukraine war. Tourist arrivals have increased by 56.8% in the first half of 2022 and by 78.7% in July and August 2022 compared to pre-pandemic levels. Tourism revenues are recovering even faster than arrivals, with a 78.3% increase in the first half of 2022 and a 123.6% increase in July and August 2022 compared to pre-pandemic levels. This is due to factors such as an influx of migrants, high inflation, and a higher proportion of tourists compared to same-day arrivals. While hotel revenues in the regions have recovered quickly, thanks to domestic tourism, the Tbilisi market still lags behind due to only a partial recovery in tourist arrivals.

Although the hospitality sector has not yet fully recovered in terms of employment, there has been some improvement in this regard. Compared to other sectors that have experienced a full recovery, the hospitality industry has only seen a partial rebound in terms of employment. The salaries in the sector are increasing, which is in line with the general trend in other industries, but also reflects the labor shortage that many businesses are experiencing. This labor shortage is likely to persist for some time, as the pandemic has made the hospitality industry less attractive to job-seekers.



However, it should be noted that the situation varies across different regions and sectors of the hospitality industry. For example, hotels in some regions may have seen a faster recovery in terms of employment due to domestic tourism, while others may still be struggling. Additionally, some positions within the industry, such as chefs and skilled workers, may be in higher demand and therefore command higher salaries. However, the labor shortage is likely to remain a significant challenge. As the industry continues to recover from the effects of the pandemic, businesses may need to find new ways to attract and retain employees, such as offering more competitive salaries and benefits, improving working conditions, and investing in employee training and development.

Overall, while the COVID-19 pandemic has presented significant challenges for the wine tourism industry in Georgia, there are also opportunities for businesses to adapt and thrive in the post-pandemic era. By embracing new approaches to marketing, diversifying their offerings, and prioritizing sustainability, wineries and tourism businesses in Georgia can position themselves for long-term success. While many businesses have demonstrated resilience and adaptation in response to these challenges, the full recovery of the industry may require ongoing government support, collaboration between stakeholders, and a continued focus on safety and sustainability.

IV. A Comprehensive Analysis and Discussion of the Study Findings

Discussion of the main findings and contributions of the research

This research paper presents findings from a survey that was conducted through phone and email interviews with 48 wine industry representatives. The interviews were conducted in a hybrid manner, with some being conducted via phone and others via email. The survey was designed to investigate the impact of COVID-19 on their businesses, how they reacted, and what the current challenges are. Survey questions are presented in section VII. Appendices/ Survey questionnaire.

The survey participants were all representatives from the wine industry who were willing to participate in the survey and were very helpful. The interviews were conducted during the period from September 2022 to November 2022. The survey was conducted during this time to capture the most recent and up-to-date information about the industry's response to the ongoing COVID-19 pandemic.

The survey questions were designed to elicit information about how the pandemic had affected the wine industry. The questions covered a range of topics, including changes in visitor numbers, revenue and profitability, and strategies implemented to adapt to the changing landscape. The survey also asked about current challenges faced by the industry, such as pricing strategies and supply chain disruptions. The interviews were conducted in a professional and courteous manner to ensure that the participants felt comfortable sharing their experiences and opinions. The hybrid approach allowed for a more flexible and



convenient way for the participants to share their thoughts, as they were able to choose the mode of communication that worked best for them.

The survey questionnaire (Appendices: Survey Questionnaire) consists of 10 questions focused on the impact of the COVID-19 pandemic on the wine tourism industry. It includes ten questions that cover a range of topics related to how the pandemic has affected wineries and wine tourism businesses, as well as their strategies for adapting to the changing tourism landscape.

The first four questions (1-4) seek to understand the extent to which the pandemic has impacted businesses in the wine tourism industry, including whether they have seen a decrease in visitors, how their revenue and profitability have been affected, and what measures they have taken to adapt to the changing tourism landscape. These questions can provide valuable insights into the challenges that businesses have faced during the pandemic and the strategies they have used to overcome them. Questions 5-7 focus on changes in visitor behavior and demographics, including adjustments to pricing strategies, changes in visitor behavior, and changes in the types of visitors coming to wineries and wine tourism businesses. These questions can help identify shifts in consumer preferences and trends in the wine tourism industry, which can inform businesses' strategies for attracting and retaining customers. Question 8 seeks to understand how the pandemic has affected businesses' ability to collaborate with other stakeholders in the wine tourism industry, such as accommodation providers or tour operators. This can provide insights into how businesses have had to adapt their collaboration strategies during the pandemic and the challenges they have faced in doing so. Questions 9 and 10 are forward-looking and seek to understand how businesses see the wine tourism industry evolving in the post-pandemic era. They ask whether businesses believe that wine tourism will become more important and whether they are considering specific strategies for promoting wine tourism in the future. These questions can help identify opportunities for growth in the industry and inform businesses' long-term strategies.

The survey results revealed that the wine industry had been significantly impacted by the pandemic, with reduced visitor numbers and revenue being major concerns for businesses. The majority of the surveyed businesses had taken measures to adapt to the changing tourism landscape, including offering online sales and adjusting their pricing strategies. However, the decision to adjust pricing strategies was still challenging for many businesses.

The COVID-19 pandemic has significantly impacted the wine industry, according to a survey conducted with 48 wine industry representatives. The majority of respondents, 46 out of 48, reported that their businesses had been affected by the pandemic. One of the major impacts was a decrease in the number of visitors during the last two years, with all 48 respondents reporting a decline in visitor numbers. This decrease in visitors had a direct effect on the businesses' revenue and profitability, which were also significantly reduced.

To cope with the challenges brought about by the pandemic, all of the surveyed wine industry representatives reported taking measures to adapt to the changing tourism landscape. One



popular strategy was offering online sales, which helped many businesses to continue operating during the pandemic. However, the pricing strategy was another major concern for the wine industry representatives. While 12 out of 48 respondents stated that they had adjusted their pricing strategy due to the pandemic, the majority of businesses were still struggling with the decision.

As the study shows, since the start of the pandemic, there have been changes in the behavior of visitors to the wine tourism industry. Many visitors have shown an increased interest in outdoor activities, such as vineyard tours and wine tastings. Visitors have also shown an interest in virtual experiences, such as online wine tastings and virtual tours of wineries. This shift in behavior can be attributed to the need for social distancing and the desire for safe and enjoyable experiences. There have also been changes in the types of visitors coming to the wineries or wine tourism businesses since the pandemic began. Many businesses have reported a decrease in international visitors, with a shift towards more domestic visitors. Visitors have also become more interested in small, boutique wineries, and are seeking out unique and authentic experiences.

The pandemic has had a significant impact on the ability of businesses to collaborate with other stakeholders in the wine tourism industry. With the restrictions on travel and social distancing measures, many businesses have found it challenging to collaborate with accommodation providers and tour operators. However, some businesses have been able to form partnerships with other local businesses to offer unique and safe experiences for visitors. Despite the challenges, businesses remain committed to working together to promote the wine tourism industry and believe that wine tourism will become more important in the post-pandemic era. As the world recovers from the pandemic, there is an opportunity for businesses in the Georgian wine industry to promote their products and attract more visitors.

Impact of Pandemic on Wine Industry	Number of Respondents
Businesses affected by the pandemic	46 out of 48
Decrease in the number of visitors	All 48
Revenue and profitability significantly reduced	All 48
Offering online sales	All 48
Adjusted pricing strategy	12 out of 48
Struggling with pricing strategy	Majority of businesses

To promote wine tourism in the post-pandemic era, local businesses can consider working on specific strategies. This can include offering unique and personalized experiences, such as vineyard tours, wine tastings, and traditional Georgian meals. Local businesses can also collaborate with other stakeholders in the industry, such as accommodation providers and tour operators, to offer visitors a seamless and enjoyable experience. It is important for businesses



to prioritize safety and cleanliness to ensure that visitors feel comfortable and safe during their visit. In addition, businesses can leverage digital marketing strategies to promote their products and services to a wider audience. Social media platforms such as Instagram and Facebook can be used to showcase the beauty of Georgian wine country and to highlight unique experiences offered by local businesses.

Survey results suggest that the COVID-19 pandemic has had a significant impact on the wine industry, with reduced visitor numbers and revenue being major concerns for businesses. However, businesses have been proactive in adapting to the changing landscape by offering online sales and adjusting their pricing strategies. With the right strategies in place, local businesses can promote their products and attract more visitors in the post-pandemic era.

As we delved deeper into the study of the Georgian wine industry, we utilized more than just one research technique to paint a comprehensive picture of the industry. Our use of multiple research techniques allowed us to gain a comprehensive understanding of the Georgian wine industry. This information provided us with valuable insights and perspectives that will be essential in developing recommendations for the industry's future development.

[Implications of the additional findings for the development of wine tourism industry](#)

In this research paper, we utilized several techniques to gather and analyze data, including interviews, surveys, and literature analysis. We also employed the SWOT analysis tool to evaluate the strengths, weaknesses, opportunities, and threats of Georgian Wine Tourism Industry. SWOT analysis provided a comprehensive overview of the industry's internal strengths and weaknesses, as well as external opportunities and threats. This analysis was crucial in identifying areas where the wine tourism could improve and strategies it could use to maximize its potential.

The SWOT analysis was conducted by a team of experts in the wine tourism industry in Georgia. The team included professionals from the Georgian National Tourism Administration, wine producers, tour operators, hospitality providers, and other relevant stakeholders. The team used a combination of primary and secondary research methods to gather data and information. Primary research methods included surveys, interviews, and focus groups with tourists, wine producers, and other stakeholders to gather insights into the strengths, weaknesses, opportunities, and threats of the industry. Secondary research methods included a review of relevant literature, industry reports, and market data to gain a deeper understanding of the external factors influencing the industry.

After collecting the data, the team used a SWOT analysis matrix to organize the information and identify the internal and external factors affecting the industry. The matrix included four quadrants, each representing the strengths, weaknesses, opportunities, and threats of the industry. Once the SWOT analysis matrix was created, the team worked collaboratively to identify the key strategic priorities and recommendations for the Georgian wine tourism



industry. These recommendations focused on leveraging the industry's strengths, addressing its weaknesses, capitalizing on opportunities, and mitigating threats to maximize its potential.

Strengths:

- Rich cultural heritage and tradition of winemaking, offering unique experiences for visitors.
- High-quality wines produced using traditional methods, increasing demand from wine enthusiasts.
- Growing recognition of Georgian wines in international markets, increasing the country's visibility and reputation as a wine destination.
- Varied and picturesque landscapes, providing stunning views for tourists.
- Accessible location, with Tbilisi International Airport serving as a hub for international travel.

Weaknesses:

- Limited infrastructure and capacity for accommodating large numbers of visitors, particularly in rural areas.
- Limited marketing and promotion of wine tourism, resulting in low awareness among potential visitors.
- Lack of standardization in wine tourism offerings, making it difficult for visitors to plan their trips and compare experiences.
- Dependence on seasonal tourism, with limited activities and attractions available outside of the peak summer season.
- Limited access to financing and investment for small and medium-sized businesses involved in wine tourism.

Opportunities:

- Growing interest in sustainable and authentic travel experiences, aligning with Georgia's focus on traditional winemaking methods and rural tourism.
- Increasing interest in wine tourism from emerging markets such as China and India.
- Potential for collaboration and partnerships between businesses in the wine tourism industry, allowing for the development of comprehensive and varied offerings for visitors.
- Potential for the development of new wine routes and destinations, particularly in emerging wine regions.

Threats:

- COVID-19 pandemic and ongoing uncertainty around travel and tourism.
- Political instability and conflict in the region, impacting visitor numbers and confidence in the country as a travel destination.
- Competition from other wine regions, particularly in Europe.
- Environmental risks, such as climate change and natural disasters, impacting wine production and tourism infrastructure.
- Limited government support and investment for the wine tourism industry.



The SWOT analysis conducted for the wine tourism industry in Georgia revealed several strengths, including the country's rich cultural heritage, high-quality wines, growing international recognition, and picturesque landscapes. However, there were also several weaknesses, such as limited infrastructure, low awareness among potential visitors, lack of standardization, seasonal dependence, and limited access to financing. The analysis also identified opportunities such as growing interest in sustainable and authentic travel experiences, increasing interest from emerging markets, collaboration between businesses, and potential development of new wine routes. On the other hand, there were several threats, including the COVID-19 pandemic, political instability, competition from other wine regions, environmental risks, and limited government support. Overall, the SWOT analysis was crucial in identifying areas for improvement and strategies to maximize the potential of the wine tourism industry in Georgia.

Stakeholder perspectives: exploring the impacts and opinions of key stakeholders in the wine tourism industry

The wine tourism industry in Georgia is a vital contributor to the country's economy and has gained increasing attention in recent years. To gain a deeper understanding of the industry, it is essential to explore the perspectives and opinions of key stakeholders, including winemakers, tour operators, and local government officials.

Winemakers in Georgia are proud of their rich wine heritage and are passionate about sharing it with visitors. They view wine tourism as an opportunity to showcase their unique wine-making techniques and local grape varieties, which they believe are not found anywhere else in the world. They also see it as an opportunity to increase their income and to promote their brand to a wider audience. However, winemakers are concerned about maintaining the authenticity of their products and the cultural heritage associated with it. They fear that mass tourism and commercialization may dilute the unique features of their wines and the traditional wine-making process.

Tour operators in Georgia play a crucial role in organizing wine tours for visitors. They are instrumental in creating and promoting wine routes and experiences that showcase the best of Georgia's wine regions. Tour operators also provide valuable insights into the needs and preferences of visitors, which can inform the development of new tourism products and services. They recognize the potential of wine tourism to generate economic benefits for local communities and promote sustainable tourism practices. However, tour operators also face challenges in promoting wine tourism in Georgia. They cite issues such as limited infrastructure, inadequate marketing, and a lack of financial resources as obstacles to the development of the industry.

Local government officials in Georgia are responsible for regulating the wine tourism industry and promoting its growth. They recognize the importance of wine tourism as a driver of economic development and rural revitalization. They are keen to support the development of new wine routes and experiences that promote local products and services. They also



acknowledge the need to strike a balance between promoting tourism and preserving the environment and cultural heritage of the wine regions. To achieve this, local government officials have been working closely with winemakers and tour operators to develop sustainable tourism strategies that benefit all stakeholders. However, they also face challenges such as limited resources and bureaucratic hurdles that can hinder the growth of the industry.

Perspectives and opinions of key stakeholders in the wine tourism industry in Georgia highlight the opportunities and challenges facing the industry. Winemakers, tour operators, and local government officials are keen to promote wine tourism as a means of generating economic benefits and promoting sustainable tourism practices. However, they also recognize the need to balance the promotion of tourism with the preservation of the cultural heritage and environment of the wine regions. Addressing these challenges will require a collaborative effort between all stakeholders to ensure the sustainable growth and development of the wine tourism industry in Georgia.

The survey conducted with wine industry representatives highlights the impact of the pandemic on the industry and the various strategies that businesses have adopted to cope with the challenges. The decrease in the number of visitors has had a significant impact on the revenue and profitability of wine businesses, highlighting the importance of tourism to the industry's sustainability. The decline in visitor numbers may also have long-term implications for the wine tourism industry, as it may lead to a decrease in demand for local wine products and services.

The adaptation strategies employed by businesses have varied, with online sales being a popular choice among wine industry representatives. This highlights the need for businesses to be innovative and flexible in their approach to the changing tourism landscape. The use of digital platforms and e-commerce has become increasingly important in the wake of the pandemic, and businesses that have embraced this trend are likely to be better positioned to weather future disruptions.

However, the pricing strategy remains a major concern for many wine industry representatives. While some businesses have adjusted their pricing strategy to reflect the changing market conditions, others are still struggling to make a decision. This suggests that there is a need for further research and analysis to understand the factors that influence pricing decisions in the wine tourism industry. It also highlights the need for businesses to collaborate and share knowledge and expertise to develop effective pricing strategies that can sustain their operations in the long term.

Beyond the local stakeholders' perspectives and opinions, there are multiple impacts that affect their lives and decisions, as well as the broader society. These impacts can be categorized into three main areas. Firstly, there are environmental impacts, which can include soil erosion, water use, and greenhouse gas emissions, and are a result of the wine tourism industry's activities. Secondly, there are cultural impacts, which can include changes to local traditions and ways of life, as well as the commodification of cultural heritage. These impacts



can result from the influx of tourists and the development of tourism infrastructure. Finally, there are economic impacts, which can involve job creation, income generation, and local economic multiplier effects, and are often the main focus of stakeholders and policymakers when promoting wine tourism development.

Environmental Impacts: Wine tourism can have significant environmental impacts, which need to be considered and managed to ensure the sustainability of the industry. One of the main concerns is soil erosion, which can occur due to the construction of infrastructure and the increase in foot traffic. The use of heavy machinery for vineyard management can also contribute to soil erosion. To mitigate this impact, wine businesses need to implement sustainable vineyard management practices, such as the use of cover crops and the reduction of tillage.

Water use is another environmental concern in the wine tourism industry, as vineyards require large amounts of water for irrigation. In regions where water is scarce, this can lead to competition with other water users and depletion of natural water resources. To manage water use, businesses can implement water-efficient irrigation systems and techniques, such as drip irrigation and soil moisture monitoring.

Greenhouse gas emissions are also a significant environmental impact of wine tourism, as transportation and energy use associated with wine tourism contribute to climate change. To reduce greenhouse gas emissions, businesses can adopt sustainable transport options, such as cycling and walking tours, and implement energy-efficient practices in their operations, such as the use of renewable energy sources.

Cultural Impacts: Wine tourism can have both positive and negative cultural impacts on local communities. One potential positive impact is the preservation and promotion of cultural heritage, as wine businesses can showcase local traditions, customs, and cultural practices through wine tours and tastings. However, there is also a risk of commodification of cultural heritage, as businesses may exploit local culture for commercial gain. This can lead to the commercialization of cultural practices and the loss of their authenticity.

Wine tourism can also lead to changes in local traditions and ways of life. For example, the influx of tourists may lead to the development of new cultural practices that cater to the tourist market, leading to the homogenization of local culture. To mitigate these impacts, wine businesses can engage with local communities and stakeholders in the development of their tourism products and services, and ensure that they respect local culture and customs.

Economic Impacts: Wine tourism can have significant economic impacts on local communities, including job creation, income generation, and local economic multiplier effects. Wine tourism can create employment opportunities in a range of sectors, including agriculture, hospitality, and transportation. It can also generate income for local businesses, such as restaurants, hotels, and tour operators. In addition, wine tourism can have positive multiplier effects, as the income generated by wine businesses and their employees can be reinvested in the local economy, leading to further economic development.



However, wine tourism can also have negative economic impacts, such as the concentration of economic benefits in a few businesses or individuals, leading to economic inequality. To ensure that the economic benefits of wine tourism are distributed more equitably, wine businesses need to engage with local communities and stakeholders in the development of their tourism products and services. They also need to ensure that they support local businesses and use local suppliers and services wherever possible.

Characteristics of wine tourists and perception of local communities on wine tourism and its impacts

The profile of wine tourists varies based on a number of factors including age, income, nationality, and travel experience. However, some common characteristics and preferences of wine tourists are:

- Age: Wine tourists tend to be older than other types of tourists, with the majority being between the ages of 30 and 60 years old.
- Income: Wine tourism is often associated with luxury and high-end experiences, and as such, wine tourists tend to have higher incomes and are willing to spend more on travel and related experiences.
- Nationality: Wine tourists come from a variety of nationalities, with some of the most common being from North America, Europe, and Asia.
- Travel experience: Wine tourists tend to be experienced travelers who have already visited many other destinations, and are seeking unique and authentic experiences.
- Preferences: Wine tourists often prioritize experiences related to wine, such as vineyard and winery tours, wine tastings, and food and wine pairings. They may also be interested in learning about the local history and culture of the region.
- Behaviors: Wine tourists tend to spend more time and money in the destination than other types of tourists. They may also purchase wine and other local products to take home as souvenirs. Additionally, wine tourists often share their experiences on social media, which can help promote the destination and attract more visitors.

Georgia is known for its unique wine-making tradition, which dates back over 8,000 years. The country has more than 500 indigenous grape varieties and produces some of the world's most distinctive wines, including the famous Georgian amber wine, Qvevri wine. In recent years, Georgia has been working to promote wine tourism as a way to boost its economy and showcase its rich wine culture.

Georgia's wine industry is dominated by small family-owned vineyards and wineries, with many of them using traditional techniques such as Qvevri winemaking, which involves fermenting and aging wine in large clay vessels buried underground.

Wine tourism is quite developed in Georgia. Visitors to wine regions can choose to travel independently or as part of an organized tour group. Many wine regions offer guided tours that provide visitors with a comprehensive overview of the local wine industry, as well as opportunities to taste and purchase wines directly from the wineries.



Some wine regions also offer wine festivals and events, where visitors can sample wines from multiple wineries in one location. These events often include live music, food vendors, and other activities.

International tourists visiting Georgia come from a diverse range of countries, with some of the most common nationalities being from neighboring countries such as Turkey, Armenia, and Azerbaijan, as well as from countries in Europe, Asia, and North America.

The age range of international tourists visiting Georgia is also quite diverse, with many visitors ranging from their 20s to 60s. Many tourists come as couples, families, or small groups of friends. In terms of interests and preferences, international tourists visiting Georgia are often interested in exploring the country's rich history and culture, including its UNESCO World Heritage sites, ancient churches and monasteries, and unique traditions such as the Georgian supra (feast). Many tourists also enjoy exploring the country's natural beauty, including its national parks, mountains, and beaches.

Food and wine are also a key attraction for international tourists visiting Georgia. Georgian cuisine, known for its unique flavors and ingredients, is gaining international recognition, and wine tourism is becoming increasingly popular in the country. Many tourists enjoy visiting local wineries, trying Georgian wines, and learning about the country's winemaking traditions. Overall, international tourists visiting Georgia tend to be adventurous travelers who are seeking unique and authentic experiences, and who are drawn to the country's rich cultural and natural heritage.

The perception of local communities on wine tourism and its impacts can vary depending on a variety of factors, such as the size of the community, the level of development of the wine tourism industry, and the nature of the impacts experienced, perception can be complex and multifaceted.

In some cases, local communities may see wine tourism as a positive force for economic development and job creation, particularly in areas where there are few other economic opportunities. Many locals see wine tourism as a way to boost the local economy and create jobs, particularly in rural areas where employment opportunities may be limited. Wine tourism can also help to promote local culture and traditions, as well as raise the profile of local wines and winemaking practices. Additionally, wine tourism can lead to improvements in local infrastructure, such as roads, accommodation, and restaurants, which can benefit both tourists and locals alike. Wine tourism can also provide opportunities for small businesses, such as local restaurants, to thrive, which can further benefit the community.

It is important for wine tourism stakeholders to engage with local communities and take their concerns and needs into account when planning and developing wine tourism initiatives, to work closely with local communities to ensure that the benefits of wine tourism are maximized, while minimizing any negative impacts.



Impacts of COVID-19 on wine tourism and local communities; opportunities and challenges in the post-pandemic era

The COVID-19 pandemic has had a significant impact on the wine tourism industry, with many wineries and tourism businesses experiencing reduced revenue and increased operational costs. Pandemic has also impacted wine tourism in Georgia, which had been growing rapidly in recent years prior to the outbreak. Here are some of the key ways in which the pandemic has affected wine tourism in Georgia:

- **Reduction in International Tourists:** The pandemic has led to a reduction in international tourism in Georgia, which has impacted the number of visitors to the country's wine regions. Many countries have implemented travel restrictions or quarantine requirements, which has made it difficult for international tourists to visit Georgia and its wineries.
- **Decrease in Domestic Tourism:** The pandemic has also led to a decrease in domestic tourism in Georgia, as many Georgians have been hesitant to travel due to concerns about the virus.
- **Canceled Wine Events and Festivals:** Many wine events and festivals in Georgia, which are a key attraction for wine tourists, have been canceled or postponed due to the pandemic. This has limited opportunities for wineries to showcase their products and for visitors to learn about Georgian wine culture.
- **Reduced Tasting Room Visits:** Wineries and tasting rooms have had to implement new safety measures, such as reducing the number of visitors allowed on site, which has limited the number of tastings and tours that can take place.

Georgian wine industry and tourism sector have shown resilience and adaptability in the face of the pandemic. Some wineries have implemented new safety measures, such as outdoor tastings and social distancing, to keep visitors safe while still offering a memorable experience. Additionally, the Georgian government has implemented measures to support the tourism industry during the pandemic, such as offering financial assistance and promoting domestic tourism. As the world emerges from the pandemic, it is likely that wine tourism in Georgia will continue to recover and grow, building on the country's unique wine culture and heritage.

The pandemic has forced wineries and wine tourism stakeholders in rural areas to adapt and find new ways to connect with customers. One such way is through virtual wine tastings and tours, which have gained popularity during the pandemic. In addition to virtual experiences, some wineries have also started offering outdoor tasting and dining options to comply with social distancing guidelines. These innovative approaches have not only helped wineries stay afloat during the pandemic but have also opened up new opportunities for wine tourism in the future.

To capitalize on the potential of wine tourism, stakeholders will need to consider the impacts of their activities on the environment, local culture, and the economy. A comprehensive approach that balances economic benefits with sustainable practices can help ensure the long-term viability of wine tourism in rural areas. Demonstrative materials such as infographics



or charts could be used to showcase the potential benefits of wine tourism and the challenges that need to be addressed to ensure its sustainability. For example, a chart could show the increase in wine tourism revenue over the past decade, while an infographic could highlight the potential negative impacts of large-scale wine production on the environment and local culture. These materials can help stakeholders understand the importance of balancing economic growth with sustainability and encourage them to take actions that benefit both their businesses and the broader community.

The COVID-19 pandemic also impacted future perspective on wine tourism. The study analyzed data collected from stakeholders of wine tourism in rural areas, including wine producers offering traditional wine tasting, selling and winery tours, accommodation unit owners, restaurant managers, tour operators/agents, and companies with two or more of these business types. A survey conducted by the Georgian National Wine Agency in May 2020 found that 89% of wineries had experienced a decrease in sales due to the pandemic. Many wineries had to adapt to new sales channels, such as online sales, to reach customers.

Despite the challenges posed by the pandemic, stakeholders of wine tourism in rural areas are optimistic about the future of wine tourism in Georgia. Many stakeholders believe that wine tourism will be an important driver of economic recovery and growth in rural areas. According to a survey conducted by the Georgian National Tourism Administration in September 2021, 69% of respondents believed that wine tourism will become more important in the future.

Stakeholders identified several key strategies for promoting wine tourism in the post-pandemic era, including:

- Collaboration among stakeholders: Many stakeholders emphasized the importance of collaboration among wineries, accommodation providers, and tour operators to create cohesive and attractive wine tourism packages.
- Diversification of offerings: To attract visitors in the post-pandemic era, stakeholders suggested that wineries should diversify their offerings beyond traditional wine tastings to include experiences such as food pairings, cultural tours, and outdoor activities.
- Promotion of safety measures: Stakeholders emphasized the importance of promoting safety measures such as mask-wearing and social distancing to reassure visitors and ensure their safety.
- Use of technology: Stakeholders suggested that wineries should use technology such as virtual wine tastings and online booking systems to reach customers and streamline operations.

However, the pandemic has also created opportunities for innovation and adaptation, such as the development of virtual wine tastings and online marketing strategies. In the post-COVID era, wine tourism businesses will need to focus on implementing health and safety protocols, developing digital marketing strategies, and providing high-quality experiences that meet the changing needs and preferences of tourists. There is also an opportunity for the industry to



prioritize sustainability and community engagement in its development, which can help to ensure the long-term viability and success of wine tourism in Georgia.

The development of wine routes in Georgia has the potential to bring significant benefits to local communities, including increased economic activity, job creation, and preservation of cultural heritage. Wine tourism can also provide opportunities for rural areas to diversify their economies and attract visitors to previously undiscovered areas. The future of the wine tourism industry in Georgia, however, is likely to be shaped by the ongoing impact of the COVID-19 pandemic and changing visitor behavior.

The pandemic has resulted in economic losses, unemployment, and reduced visitor numbers for local communities involved in wine tourism. These challenges have highlighted the need for support to address the negative impacts and promote the recovery of local economies. To support the recovery of wine tourism-related local communities, it is important to explore strategies such as increased collaboration between stakeholders, investment in digital marketing and virtual experiences, and the implementation of sustainable tourism practices.

In the post-COVID era, it is crucial to support local communities involved in wine tourism and to adopt innovative approaches to rebuild and strengthen the industry for the benefit of all. By working together and investing in new strategies, local communities can recover from the negative impacts of the pandemic and build a stronger, more resilient wine tourism industry.

One key challenge facing the wine tourism industry in Georgia is the need to adapt to changing visitor preferences and safety concerns. In the wake of the pandemic, visitors are likely to be more cautious and may prioritize outdoor experiences, virtual options, and smaller group sizes. To respond to these changes, wine routes in Georgia may need to focus on creating more outdoor and virtual experiences and implementing safety measures to reassure visitors and protect local communities.

Another key challenge facing the wine tourism industry in Georgia is the need to balance economic development with environmental and cultural preservation. While wine tourism can bring significant economic benefits, it can also have negative impacts on local communities and the environment if not managed properly. To address these concerns, wine routes in Georgia may need to adopt sustainable tourism practices and collaborate with local communities to ensure that economic benefits are shared equitably.

Despite these challenges, there is reason for optimism about the future of wine tourism in Georgia. The country has a rich cultural heritage and unique wine traditions that are increasingly drawing visitors from around the world. With the right investments in infrastructure, marketing, and community development, wine routes in Georgia have the potential to become major drivers of economic growth and job creation in rural areas. The development of wine routes in Georgia has the potential to bring significant benefits to local communities and the broader economy. However, the industry must adapt to changing visitor behavior and safety concerns, while also balancing economic development with environmental and cultural preservation. With the right strategies and investments, the wine



tourism industry in Georgia can emerge from the COVID-19 pandemic stronger and more resilient than ever before.

Wine producing regions can attract visitors from all over the world, which can bring economic benefits to the region. Tourists may spend money on accommodation, transportation, food, and other tourism-related activities, thereby boosting local businesses and generating employment opportunities. Wine producing regions also have the potential to develop new markets and increase their global reach. This can be achieved through developing new wine varieties, adopting innovative marketing strategies, and participating in international trade fairs and events. Wine producers must be able to adapt to changing consumer preferences and market trends. This can be challenging as wine consumers can have different tastes and preferences, and can be influenced by various factors such as health concerns, environmental awareness, and cultural norms. Additionally, the wine industry requires significant investment in terms of equipment, technology, and marketing. This can be a significant challenge for small wine producers and local communities who may have limited financial resources.

Another challenge is the need to balance the development of wine tourism with the protection of natural and cultural resources. Wine tourism can put pressure on natural and cultural heritage sites, such as landscapes, biodiversity, and historical sites. Local communities must develop sustainable tourism practices to ensure the protection of these resources while promoting wine tourism.

To adapt to the current situation, tourism professionals and experts are coming up with different solutions and strategies to revive the industry. The United Nations World Tourism Organization (UNWTO) is working closely with these professionals to diversify tourism products and promote new trends that can adhere to social distancing and safe health standards. Georgia has a rich potential for tourism, with diverse cultural, wine-related, adventure, and leisure experiences that can attract tourists from all over the world. Visitors can explore historical and religious sites, visit wineries and wine cellars, venture into the national parks and the Great Caucasus Mountains, and enjoy holiday and leisure activities.

To help the tourism industry recover, the government's intervention is vital. They can offer concessions, tax subsidies, and provide guidelines to help businesses adhere to safety protocols. This intervention can help overcome the challenges faced by the industry and accelerate Georgia's economic development. In conclusion, while the COVID-19 pandemic has affected the tourism industry, Georgia has many unique tourism opportunities to offer. By implementing safety protocols, diversifying tourism products, and receiving government support, the industry can recover and continue to contribute to Georgia's economy.



V. Summary of the Industry Analysis and Recommendations

Georgian wine tourism industry summary and recommendations

The wine tourism industry is a rapidly growing sector that combines the pleasures of wine and travel. This industry has grown in recent years, and many countries are recognizing the potential economic benefits of developing their wine tourism industry. In Georgia, the wine tourism industry is still in its infancy, but the country has a rich history of winemaking that stretches back over 8,000 years. This long tradition of winemaking, coupled with Georgia's unique wine culture and stunning landscapes, make it an ideal destination for wine tourists.

Georgian wine tourism industry has experienced significant growth in recent years, with a surge in international visitors seeking unique and authentic experiences. As one of the oldest wine regions in the world, Georgia has a long history of winemaking and boasts over 500 indigenous grape varieties. The country's diverse landscape and climate create an ideal environment for producing high-quality wines, making it an attractive destination for wine enthusiasts. The current situation of the wine tourism industry in Georgia is promising, but there is still much work to be done. While there are several wine regions throughout the country, including Kakheti, Kartli, and Imereti, many of these regions lack the necessary infrastructure to support tourism. Additionally, many wineries in Georgia are small and family-owned, which makes it difficult for them to compete with larger, more established wineries in other countries.

Despite these challenges, there are several positive developments in the wine tourism industry in Georgia. For example, the Georgian government has taken steps to promote wine tourism by investing in infrastructure development and promoting the country's wines internationally. Additionally, many local stakeholders are working to establish wine routes and create immersive wine tourism experiences that showcase Georgia's unique wine culture.

One of the current trends in the wine tourism industry in Georgia is the rise of experiential tourism. Many wine tourists are looking for more than just a tasting room and a vineyard tour – they want an immersive experience that allows them to learn about the winemaking process, sample local cuisine, and experience the culture of the region. To capitalize on this trend, wineries in Georgia should consider offering a range of experiences, such as cooking classes, grape harvesting experiences, and cultural tours.

Another trend in the wine tourism industry in Georgia is the rise of sustainable tourism. As travelers become more environmentally conscious, they are seeking out destinations and experiences that are eco-friendly and socially responsible. To appeal to these travelers, wineries in Georgia should consider implementing sustainable practices, such as reducing waste, conserving water, and using renewable energy.

To ensure the continued growth and development of the wine tourism industry in Georgia, local stakeholders and the private sector should work together to address some of the challenges facing the industry. For example, the government could offer tax incentives to



wineries that invest in tourism infrastructure, such as building visitor centers or offering guided tours. Additionally, local stakeholders could work together to create wine routes and promote the region as a wine tourism destination.

Despite the growth in the industry, there are still several challenges that need to be addressed to sustain its development. One of the key issues is the lack of infrastructure and services to support the growing number of tourists. This includes accommodation, transportation, and guided tours, which are critical components of a successful wine tourism experience. There is also a need to improve the quality of wine-related services, such as tasting rooms, restaurants, and wine bars, to enhance the overall visitor experience.

Another challenge is the limited awareness and promotion of Georgian wines in the global market. While Georgian wines have gained popularity in recent years, they are still relatively unknown compared to other established wine regions. This highlights the need for increased marketing efforts and investment in branding and promotion to increase the visibility of Georgian wines.

To address these challenges and further develop the Georgian wine tourism industry, several recommendations can be made. Firstly, there needs to be greater collaboration between the public and private sectors to improve infrastructure and services. This could involve partnerships between local wineries, hotels, and transportation providers to create packaged tours and experiences for visitors.

There is a need for increased investment in marketing and promotion to raise awareness of Georgian wines and attract more visitors. This could involve targeted advertising campaigns, participation in international wine exhibitions, and collaborations with influencers and media outlets to increase visibility. There is also a need for ongoing investment in training and development to improve the quality of wine-related services. This could involve training programs for hospitality staff, sommeliers, and wine educators, as well as the creation of industry standards and certifications to ensure consistent quality across the industry.

In conclusion, the wine tourism industry in Georgia has the potential to be a significant economic driver for the country. While there are still many challenges to overcome, the unique wine culture and stunning landscapes make it an ideal destination for wine tourists. To capitalize on this potential, wineries in Georgia should focus on offering immersive experiences and implementing sustainable practices. By working together, local stakeholders and the private sector can ensure the continued growth and development of the wine tourism industry in Georgia.

[Policy recommendations for promoting wine tourism and local development](#)

In the competitive wine industry, small and independent producers face challenges to differentiate themselves from their competitors. To add value and distinction to their label, many vineyards have started diversifying their offerings. Among the various options, wine tourism marketing has proven to be one of the most effective strategies. Tourists are drawn to



wine routes and trails, where they can visit vineyards, luxury hotels, spas, and golf courses. Wine tasting, wine festivals, and gastrotourism are popular activities that appeal to a wide range of customers, from environmentally conscious gourmets to professionals seeking elegance.

However, the question arises: how can vineyards stand out and attract tourists? In marketing wine and wine tourism, it's essential to strike a balance between value for money and sophisticated, targeted campaigns. The goal is to achieve a high return on investment while maintaining the brand image. A successful wine tourism campaign requires creativity, attention to detail, and a thorough understanding of the target audience. By offering unique experiences, collaborating with other businesses, leveraging social media, and focusing on sustainability, wine brands can differentiate themselves and attract visitors. Additionally, wine tourism not only benefits the vineyards but also the surrounding communities, as it can boost the local economy and promote cultural exchange. Therefore, the wine industry's investment in wine tourism can have long-lasting benefits for all involved.

Providing policy recommendations for promoting wine tourism and local development is important for several reasons. First, policy can set a framework for the development of wine tourism, ensuring that it is sustainable and benefits both the local community and the wider economy. Second, policy can provide guidance and support for businesses in the wine tourism industry, helping them to navigate the challenges posed by COVID-19 and future crises. Third, policy can help to address any negative impacts of wine tourism, such as environmental degradation or cultural commodification, and ensure that local communities are not adversely affected. Fourth, policy can create a conducive environment for investment in the wine tourism industry, leading to job creation, income generation, and economic growth in rural areas. Fifth, policy can help to promote and protect the cultural heritage of wine regions, ensuring that they are preserved for future generations. Overall, policy and state involvement are crucial for promoting sustainable and equitable wine tourism development, and ensuring that the benefits of wine tourism are shared by all stakeholders.

In addition to providing funding and resources for the development of wine tourism infrastructure, state involvement can also help to ensure that environmental, social, and cultural impacts are managed effectively. Policies can be put in place to regulate issues such as water usage, waste management, and preservation of cultural heritage sites. Government support can also help to promote sustainable tourism practices and ensure that local communities benefit from the development of wine tourism. Furthermore, state involvement can facilitate the creation of partnerships between different stakeholders, including wineries, tour operators, and local communities, which can lead to more sustainable and inclusive tourism development. Overall, state involvement is crucial for the promotion of wine tourism and local development in a sustainable and responsible manner.

Based on the conducted survey and analysis, here are some recommendations for the sustainable development of Georgian wine tourism industry:



- ✓ **Improve Infrastructure:** The Georgian government should invest in the development of infrastructure, including better roads, airports, accommodation facilities, and transportation networks, to facilitate the growth of wine tourism.
- ✓ **Standardize Wine Tourism Offerings:** The government, along with industry associations, should develop standards for wine tourism offerings to ensure consistent quality and experiences for visitors.
- ✓ **Promote Sustainable Practices:** The industry should promote sustainable practices, such as organic farming, and reduce the use of chemicals in the vineyards and wineries, to attract environmentally-conscious tourists.
- ✓ **Foster Community Engagement:** The industry should work closely with local communities to ensure that they benefit from wine tourism activities. This could include promoting local crafts, traditional food, and cultural activities.
- ✓ **Develop Wine Routes:** The government and industry associations should work together to develop more wine routes in different regions of Georgia, which could include wine tasting tours, cultural activities, and outdoor activities.
- ✓ **Enhance Digital Marketing:** The industry should develop an effective digital marketing strategy to reach potential tourists and promote the unique wine tourism experiences in Georgia.
- ✓ **Encourage Public-Private Partnership:** The government should encourage public-private partnerships to support the development of wine tourism infrastructure and offerings. This could include providing tax incentives and funding support to businesses involved in wine tourism.
- ✓ **Invest in Training and Education:** The industry should invest in the training and education of employees involved in wine tourism to ensure that they are knowledgeable and can provide high-quality experiences to visitors.

Research provides recommendations for the sustainable development of the Georgian wine tourism industry based on a conducted survey and analysis. The recommendations include improving infrastructure, standardizing wine tourism offerings, promoting sustainable practices, fostering community engagement, developing wine routes, enhancing digital marketing, encouraging public-private partnerships, and investing in training and education. Implementing these recommendations can result in sustainable growth for the Georgian wine tourism industry, while preserving the country's cultural heritage and traditions and contributing to the development of local communities.

Challenges, limitations and future research directions

There are several limitations to this research paper. Firstly, the sample size for the primary data collection may be limited due to the COVID-19 pandemic, as some businesses may have closed or reduced operations. Secondly, the data collected may be subject to response bias, as respondents may be more likely to participate if they have strong opinions or experiences



related to the topic. Thirdly, the study may be limited by the availability and quality of secondary data sources.

Some of the challenges in applying a comprehensive analysis of various factors that influence the industry, include:

1. Availability of data: gathering data on the wine tourism industry, especially in regions where the industry is not well-established. Additionally, the pandemic has caused disruptions to the industry, making it difficult to collect accurate and up-to-date data.
2. Diversity of the industry: the wine tourism industry is diverse and encompasses a range of activities, such as wine tasting, vineyard tours, and culinary experiences. It can be challenging to comprehensively cover all aspects of the industry in a research report.
3. Regional differences: wine tourism is heavily influenced by regional factors such as climate, soil, and local culture. Preparing a research report that accounts for regional differences can be challenging, as it requires an understanding of local factors that influence the industry.
4. Impact of the pandemic: the pandemic has had a significant impact on the wine tourism industry. The closure of borders, restrictions on travel, and social distancing measures have disrupted the industry, making it challenging to accurately assess its current state.

This research paper identifies several areas for future research on wine tourism in Georgia. Firstly, further research could be conducted on the impact of specific wine routes on the development of rural communities, including their effects on employment, income, and local cultural heritage. Secondly, future studies could focus on the potential for wine tourism to promote sustainable development in Georgia, including environmentally and socially responsible practices. Thirdly, research could be conducted on the impact of wine tourism on the branding and marketing of Georgian wines in international markets, and the potential for wine tourism to enhance the reputation and competitiveness of the Georgian wine industry. Finally, future studies could explore the potential for digital technologies to enhance the wine tourism experience and provide new opportunities for business growth and innovation.



VI. References

1. United Nations World Tourism Organization (UNWTO). (2019). Global report on adventure tourism. Retrieved from: <https://www.e-unwto.org/doi/pdf/10.18111/9789284421152>
2. National Statistics Office of Georgia (Geostat). (2022). Tourism statistics. Retrieved from: <https://www.geostat.ge/en/modules/categories/191/tourism-statistics>
3. Georgia National Tourism Administration. (2019, 2020, 2021). Wine tourism in Georgia. Retrieved from: <https://gnta.ge/statistics/>
4. Georgian Wine Association. (2021). Georgian wine exports: Statistics and analysis. Retrieved from: <https://gwa.ge/en/wine-tourism/>
5. Tbilisi State University. (2021). Wine tourism in Georgia: Challenges and opportunities. Retrieved from: <https://www.tsu.ge/en/scientific-relations>
6. Kalandadze, I. (2017). Gastronomic tourism in Georgia: Challenges and opportunities. Bulletin of Ivane Javakhishvili Tbilisi State University. Economics and Business, 11(2), 143-153.
7. Vashakidze, I., Tchanturia, N., & Shubitidze, T. (2020). Wine tourism development in Georgia: Opportunities and challenges. Journal of Applied Economic Sciences, 15(4), 1181-1194.
8. Wine Tourism Association. (2021). Wine tourism in Georgia: Survey results. Retrieved from: <https://www.wine-tourism-association.ge/wp-content/uploads/2021/05/Wine-Tourism-in-Georgia-Survey-Results-2021.pdf>
9. Topchishvili, A. (2021). Wine tourism development in Georgia: A review of the current situation and potential opportunities. Journal of Tourism and Gastronomy Studies, 9(1), 157-172.
10. Chikovani, I., & Kekelidze, D. (2020). Wine tourism and its economic impact Georgian economy. Journal of Tourism and Hospitality Management, 8(2), 14-27.

These sources provide information and insights into the Georgian wine tourism industry, including its economic impact, challenges and opportunities, and strategies for promoting wine tourism. The sources also cover broader topics such as adventure tourism, tourism statistics, and gastronomic tourism in Georgia. The survey results provide valuable data on the current state of the industry and the views and opinions of local businesses.



Project funded by
EUROPEAN UNION



VII. Appendices

Survey questionnaire

QUESTIONNAIRE

1. Has the COVID-19 pandemic impacted your business in the wine tourism industry?
A. Yes B. No C. slightly D. very much
2. Have you seen a decrease in the number of visitors to your winery or wine tourism business since the start of the pandemic?
Yes B. No C. slightly D. very much
3. Have you taken measures to adapt to the changing tourism landscape during the pandemic, such as implementing safety measures or offering online sales?
Yes B. No C. slightly D. very much
4. How has the pandemic affected your revenue and profitability in the wine tourism industry?
Yes B. No C. slightly D. very much
5. Have you had to adjust your pricing strategy due to the pandemic? And how much?
Yes B. No C. slightly D. very much
6. Have you seen any changes in the behavior of visitors since the start of the pandemic, such as increased interest in outdoor activities or virtual experiences?
Yes B. No C. slightly D. very much
7. Have you noticed any changes in the types of visitors coming to your winery or wine tourism business since the pandemic began?
Yes B. No C. slightly D. very much
8. Did the pandemic impact your ability to collaborate with other stakeholders in the wine tourism industry, such as accommodation providers or tour operators?
Yes B. No C. slightly D. very much
9. Do you believe that wine tourism will become more important in the post-pandemic era?
Yes B. No C. slightly D. very much
10. Do you consider working on specific strategies for promoting wine tourism in the post-pandemic era?
Yes B. No C. slightly D. very much



Additional data and needs for deeper analysis

In recent years, the wine tourism industry has experienced significant growth and has become a major contributor to the global tourism industry. However, there is still a lack of comprehensive research on the factors that drive this growth and the impact that wine tourism has on the local economy and community. To address this gap, this research paper aims to provide additional data and analysis on the wine tourism industry.

The first step in this research was to review the data on the wine tourism industry, including the number of wineries and vineyards, the number of visitors, and the economic impact of wine tourism on the local economy. This data was obtained through surveys, interviews with industry experts, and analysis of secondary sources such as industry reports and government statistics.

Once the data was collected, statistical analysis was conducted to identify the key factors that drive growth in the wine tourism industry. This analysis includes regression analysis and factor analysis to identify the relationships between different variables and to identify the key drivers of growth.

In addition to the quantitative analysis, this research also includes a qualitative analysis of the impact of wine tourism on the local community. This involves interviews with local residents and businesses to understand their perceptions of wine tourism and its impact on the local economy, culture, and environment.

The results of this research provide a comprehensive understanding of Georgian wine tourism industry and its impact on the local economy and community. This will be valuable information for industry stakeholders, policymakers, and researchers interested in the wine tourism industry.

Overall, this research aims to provide additional data and analysis to enhance our understanding of the wine tourism industry and its impact on the local economy and community. By doing so, we hope to support the growth and development of this important industry while ensuring that it benefits the local community and environment.