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From mass production to a genuine rural experience economy: the case of the Villány wine region in Hungary

The transformation of wine regions is one of the few success stories in the Hungarian countryside since the political changes in 1989-90. This paper explores the features of the transformation process in the Villány wine region. Within two decades the region has gone through five developmental stages, from mass production to a genuine rural experience economy. Breaking with the socialist mass production practice, local wine makers focused on quality, resulting in improved wine quality and the introduction of wine tourism. Out of the difficult situation after the political changes – high unemployment, bankruptcy of former companies and forced entrepreneurship – the small scale producers who started new ways of production and cooperation have achieved considerable success for themselves and their communities. This study identifies the turning points and consecutive changes in the social and economic transformation of a wine community, its qualitative characteristics and consequences.

Keywords: quality wine, wine road, rural experience economy

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Introduction

Hungary is close to the northern border of viticulture. Although the whole country is suitable for wine production, the vineyards are mostly associated with the hilly and low mountainous areas. Hungary's wine growing area between 1853 and 1960 was about 200-250,000 ha, but during the past 50 years the area has decreased by about 60 per cent (KSH, 2013). Although the vine territories in Hungary have declined significantly, vine and wine production still plays an important role for people living in villages and small towns.

From the 1960s onwards (owing to collectivisation) small scale peasant household plots (0.1 or 0.5 ha) and large scale vineyards (from fifty to a few hundred or thousand hectares) represented the vine structure in the country. Individuals were allowed to cultivate less than 0.5 ha of vines but this represented a significant means for rural households to add to family incomes. The purpose of large-scale production was for domestic supply as well as for exports – including both to East and West. Within the COMECON¹ market it was quantity and not quality that counted (Bodnár, 1996); the better quality wines were sold for hard currency to the West for moderate prices.

Hungarian vineyards represent only 1 per cent of the world vine territory and about 1.5 per cent of the European vine territory. In 2009 there were 83,555 ha of vine plantations in the country (Benoist and Imre, 2010). The vast majority of vine territories belongs to 22 so called 'historical wine areas' that usually have 600 to 6000 hectares of plantations². These are clustered into seven bigger wine regions. Two-thirds of the Hungarian vine area is covered by white wine varieties but by 2009 red grapes covered 29 per cent of the vine territory, an increase of 6 per cent since 2001. Over half (56 per cent) of the vineyards are only 10-20 years old. In 2009, four-fifths of the vineyards were classified as being well managed and in the Villány wine region this figure was 98 per cent (Benoist and Imre, 2010).

In relation to wine produced Hungary also has a low share – about 1-1.5 per cent – of global production which is about

1.5-2 per cent of the European wine output. About 3.5-5.4 million hectolitres of wine is produced annually (Radóczné Kocsis and Györe, 2006). Around 3.3 to 3.4 million of wine hectolitres is consumed and, according to official data, in 2011 per capita wine consumption stood at approximately 26 litres.

The political changes in 1989-90 led to a sharp turning point in the regime of grape and wine production. Transformation into producing for quality wines has occurred in each wine growing region over the past 20 years. In terms of quality wines, Hungary has not only *Tokaj* wine, but also several other high quality wines which deserve recognition (Copp, 2006).

Villány, the capital of the Villány wine region

The town of Villány with its population of 2,600 lies on southern slopes of the Villányi hills, a 30 km long and 7 km wide east-west limestone elevation in the southern part of Hungary. The area is often called the Hungarian Mediterranean because of its climate. The former village gained town status in 2000. Its population is moderately aging and decreasing in size. The economy of the town is based on viticulture and wine provides a living for the majority of the population. In Villány town the vine growing area is about 366 ha (Eco-Cortex, 2009). The town is the capital of the Villány wine region, with approximately 2,600 ha of vine growing territory which is defined by law. Seventeen villages and towns belong to the wine region including Harkány, a popular thermal bath and spa town, and Siklós, a small historic town with its famous castle.

Villány was inhabited during the Middle Ages but was depopulated during the Turkish occupation in the sixteenth and seventeenth centuries. After the Turks were driven out, Serbian and German settlers were invited to cultivate the abandoned land. The red wine production originates from them: the Serbs brought the *Kadarka* variety from the Balkans and the Germans brought the *Kékoportó* from Rheinland-Pfalz (Dezső *et al.*, 2004). Almost half (44 per cent) of the city population regards itself as of German origin and the German culture and traditions are still strongly felt. By the second half of the nineteenth century Villány had developed

¹ Council for Mutual Economic Assistance.

² Except the Kunság wine region on the Hungarian Great Plain which had 22,370 ha of vines in 2011.



Figure 1: Service providers of the Villány-Siklós wine road, 2013.

Source: Fonyódi Valéria

an important wine economy both on the large feudal estates and the small scale peasant holdings, but the phylloxera epidemic dating from 1875 set back development strongly. Zsigmond Teleki, a local breeder and winemaker, found a cure for the phylloxera pest in the clay soils (Laposa and Dékány, 2001).

The emergence of wine tourism and wine roads

Parallel with the progress in wine quality in the 1990s (Kramer, 2003), Getz (2000) and Hall *et al.* (2000) laid the foundations of the wine tourism and wine road literature. Getz (2000) viewed wine tourism as a ‘complete sensory experience’. His definition tries to capture the development and marketing aspects of wine tourism and not only the tourist experience. “Wine tourism is travel related to the appeal of wineries and wine country, a form of niche marketing and destination development, and an opportunity for direct sales and marketing on the part of the wine industry” (p.4). Hall *et al.* (2000, p.5) concluded that “Wine tourism is a concept and product that is still undergoing substantial development. The term wine tourism embraces two industries which each have substantial implications for regional economies, environments and lifestyles and which have been long entwined”.

Development of wine roads can be studied from different theoretical perspectives. One is Butler’s tourist area life cycle (Butler 1980). This concept describes the different phases of development in a tourist area in terms of time and the number of visitors. For rural tourism development based on Butler’s life cycle, Kovács (1998) introduced a different curve. Jurinčič and Bojnec (2011) studied the Goriska Brda wine district in Slovenia and also used the lifecycle method with four development stages to understand the positions of wineries in the district.

During the last decade the literature of wine tourism and wine roads has multiplied. Several case studies and country evaluations have been published from the Old and New World (Tassiopoulos *et al.*, 2004; Correia *et al.*, 2004; Carlsen, 2004; Zamora and Bravo, 2005; Getz and Brown, 2006; Zamora and Lacoste, 2007; Corrado and Odorici, 2009; Martinez Carrion and Medina Albaladejo, 2010). Szivas (1999) provided a short analysis about the start of

the wine tourism in Hungary. Nevertheless the observation of Getz (2000, p.5) is still valid: “Little if any research has been conducted on how the suppliers emerge and develop, and what is needed to facilitate growth and quality in this sector”. Coinciding with the 20th anniversary of the establishment of the Villány-Siklós Wine Road Association, this paper addresses this gap in the literature by means of an in-depth case study of the emergence of quality production in the renewed Villány wine region of Hungary.

Methodology

Different qualitative methods – interviews, participant observation, document and literature review – were used to explore the overall characteristics of the transformation of the wine region. This was not just technological, territorial, structural and organisational change, it was also an adjustment to new political and economic paradigms, to the rules of the market economy with all of its consequences.

The basis for the study was semi-structured interviews with local winemakers that focused on the professional development and career path of the winemakers and the establishment of their wineries. The first interviewees were selected according to the recognised role they played in the development of quality in winemaking and also their participation in the activities of the Villány-Siklós wine road, and further interviewees were identified using the snowball method. Altogether, 21 interviews were conducted between spring 2008 and 2010, and a further six after 2011. The interviews lasted one to two hours. They provided in-depth information (about changes, events and turning points in the winemakers’ lives, and about people who helped or hindered them) that is important in defining the stages of development for the individuals as well as for Villány. The statements of the paper refer mainly to Villány town and its winemakers but the Villány vintners have holdings in the whole wine region and the developments described in the study occurred across the whole region.

Other background information for the research included the minutes from town council meetings and the available statistics from the local area, literature about the emergence

of new family wineries and winemakers, and two decades of participant observation by the author through taking part in cultural and gastronomic events in the area. Informal discussions with rural tourism hosts between 2006 and 2008 on rural tourism trainings also provided valuable background information and insights into the lives of local people.

Results

The development phases of quality wine production in Villány

The development of wine tourism and quality production in Villány can be divided into five phases developing out of the qualitative changes and innovation in the previous period. The phases usually started with a symbolic event or special fact or the start of a new trend that had an impact on the winemaking community and also on the local population.

Phase 1: the 'latent era'

This phase started in the late 1970s and lasted until 1991. As a general tradition almost every family had a small vineyard (0.1-0.5 ha) and cellar and besides home consumption they sold their wine to friends and people from towns. The beginnings of change are linked to the fact that some private winemakers started bottling their wines and selling them to restaurants, hotels etc. There was a local producers' group in Villány, where the land was provided by the cooperative or the state farm but the plantation was established, owned, cultivated and harvested by the producers. This group began to purchase special quality wines from small scale producers and to label the bottle with the name of the producer. It was only a 10-15 mm wide label, such as 'wine from József Bock's wine cellar', but it represented high quality that came from the private sector. These quality wines very quickly became known and popular among retailers, restaurants and hotels at the end of the 1980s. Additionally, there were five or six producers (including Tiffán, Polgár, Gere, Bock and Blum) who operated small taverns similar to the Austrian *Buschenschanks* for visitors (*Bock interview*). This small-scale, handicraft production still existed predominantly at the level of a hobby, based on local lifestyle and family traditions and as a way of supplementing family income. Each winemaker had a main job in either agriculture or industry. The future 'Wine Producer of the Year' top winemakers, Tiffán, Polgár, Gere and Bock, all had middle or leading managerial positions in local companies.

The first private investor, Debreceni Pál from Szeged, came to the region in 1988. To fulfil his intention to produce excellent Villány red wines, he bought a large holding from the large state firm *Pannonvin* in Kisharsány. His company was to become the *Vylán*, one of the biggest estates in the wine region.

This stage ended by the spring of 1991 at which time Ede Tiffán won a gold medal at the wine competition of the *Sunday Times* in London. This drew a lot of attention to him and also to Villány and its red wines. Based on this success he was awarded the first 'Wine Producer of the Year' title in Hungary. He immediately received an offer for his whole

stock, but he visioned his future differently. "They wanted to take these 10,000 bottles to the 1991 World Fair in Sevilla ... They wanted to buy the whole stock and pay for it immediately. But I said no. It was more important for me to sell it to the Hungarian gastronomy ... in Sevilla people would drink the wine and not know to whom it belongs. Here I can make the foundations of my own activities in the best Hungarian restaurants and hotels" (*Tiffán interview*).

Phase 2: the 'great take-off'

From 1991 until the end of 1996 a significant number of individual producers decided to develop a family wine business. Becker Nóra, the mayor of Palkonya and the chairperson of the Villány-Siklós Wine Road Association, described this period of change as follows: "It was the moment in 1994, when all which had maintained the old system began to collapse, from the furniture factory to the stone quarry, from the co-operative to the state farm, but the privatisation was not yet over. Nobody knew what would happen from this" (*Becker interview*).

In this period people started to acquire land, either by auction based on the compensation law or by purchasing. It was also the start of the technological development. The experience of large-scale cultivation by Tiffán and Polgár meant a detailed knowledge of the wine region territories existed. At this time they already recognised that, despite the low wine prices, one must create new plantations instead of cutting out the vines because they must be able to trust in the marketability of the quality wine³.

At this time Gere opened his bed-and-breakfast (B&B) with 19 beds and it remained the only such facility until 1997 when four other small hotels were opened. He also began to cooperate with an Austrian winemaker Weninger. Before the political changes Villány did not have any tourist lodgings and it had only a single big restaurant called *Oportó*. Most of the private cellars were closed to the public.

So the early 1990s were characterised by re-privatisation, acquisition of land, the planting of new vineyards, learning of new technologies and new knowledge and the creation of the Villány-Siklós wine road. Regarding vine cultivation there was a radical break with the previous large-scale practice. Quality winemaking became the priority. "We have learned the low yield approach. This is the alpha and omega for quality wine production" (*Bock interview*).

The Villány-Siklós Wine Road Association was set up in 1994 following a study tour to Austria, Germany and France for the Villány winemakers and their wives, and researchers and tourist experts. Becker Nóra recalled: "As we came home on the bus, we already discussed that we have to do the same at home, it was like as if it was figured out for us. The wine road that we saw there were clear rural development instruments. We, mostly the mayors, were completely blown away that we saw something and we wanted something similar for us" (*Becker interview*). The objective of the Association was "the establishment of the wine route, promotion of the production of quality wines, the develop-

³ Owing to the depressed prices of red wine and the popularity of sweet white wines, coupled with economic uncertainty, at the beginning of the 1990s some producers started cutting out the vines in their vineyards.

ment of wine tourism and rural tourism, the protection of the vineyards and ecological image of the Villány wine region, an increase in the market and the demand for local quality wines, the protection of the monuments, cultural and architectural treasures, and the articulation and representation of the interests connected to all the above”.

The establishment of the Association was coupled with a European Union (EU) ‘Phare’ project. The Phare Inter-Communal Co-operation (ICC)⁴ programme provided funding for the first training sessions about entrepreneurship, rural tourism and hospitality and also offered interest-free loans for the entrepreneurs via a local savings cooperative bank. At that time the commercial interest rates were above 30 per cent. The modest capital injection in the first round of the interest-free programme gave a huge impetus to the 40 people who participated in it. “It was a fantastic step forward. Those 40 participants still here are among our suppliers of services, but in a much improved condition. They have ten times as many vineyards, some millions or billions [of HUF] in investment behind him” (*Becker interview*).

At this time however the gradual development of wine tourism was still not appreciated by officialdom. As Tiffán reported “At the end of 1994, as the chairperson of the Villány-Siklós Wine Road Association, I participated in the tourist season’s closing session of the Baranya County Tourism Office. Participants spoke about thermal tourism, equestrian tourism and several other things, but no one mentioned wine tourism. Then I delivered a speech and warned them that there is also a wine tourism here which just started in Villány. If I consider how things go in Western Europe one can expect greater success and government officials have to pay attention to it. At that time I got a mere hint but 3-4 years later this hinting stopped” (*Tiffán interview*).

Phase 3: expansion, upgrading and strengthening, and ‘conscious product marketing’

The period from 1997 was one of reassessing previous ideas and goals and setting new targets. By this time four wine producers (Tiffán, Polgár, Gere and Bock) had held the title of ‘Wine Producer of the Year’ and the quality of the wine had significantly improved. A new challenge was how to effectively market these quality wines. As Gere Andrea observed from her own experience: “At the beginning the winemakers could not imagine how to promote themselves.

⁴ The Phare Inter-Communal Co-operation (ICC) programme introduced the principles and practice of bottom up local development bringing together all key players in a territory of sub-regions or municipalities. The Villány-Siklós wine road was among the 14 winning projects and it was crucial for small local entrepreneurs to push them to establish their own wineries.

There were no websites, web pages or brochures. Everyone was trying to set down the foundations – to have a good quality wine in the bottle ... Perhaps by 1997, 1998 or 1999, with the *Kopár Cuvee*, there was a deliberate marketing thrust behind the wine, in order to show to our customers our philosophy as well” (*Gere interview*).

The leading family wineries had grown very fast within a decade. The former 0.5-1 hectare producers multiplied their lands and yields. Bock remembers his beginnings and the ways of thinking at that time: “Actually we started working and we did not know what the upper limit was. I said that I would be producing 15 hectares and that would be fantastic. There was no tinge of anxiety. I paused for a moment when I passed the 1,000 hectolitres mark in 1998-99. Then I said, ‘Wow, this is a bit much’. Today (in 2010) we are working with roughly 4,000 hectolitres of wine, even a little bit more than that” (*Bock interview*).

The top winemakers outgrew the initial investments of the 1990s and started new undertakings to build new capacities. They could already access EU pre-accession funds to make their investments. Before Hungary’s accession to the EU in 2004, several of the producers pursued new plantations because they were aware that the EU would put an upper limit on the Hungarian wine-growing area.

At this stage a second cohort of winemakers achieved some fame and recognition⁵. They produced excellent wine while also increasing their assets – they started revitalising the streets of wine cellars of Villány by establishing wine bars, shops with wine tasting and restaurants.

Phase 4: blossoming of wine tourism, large scale acquisitions and investments, and approval of quality requirements and ‘greening’

The first decade of the new millennium was full of innovations and events. It witnessed a substantial increase in tourism activities in Villány town and the surrounding region including festivals, spas, hiking and biking activities, nature trails etc. Wine tourism became more and more distinctive due to the wine road and entrepreneurial efforts. At the beginning of the wine road development the idea was that tourists from Harkány, a traditional spa town 12 km from Villány with a big tourist accommodation capacity, would come to Villány to taste wine and there would be no need to provide accommodation and other facilities. However, during the ten

⁵ Those winemakers who established their family wineries at the beginning of the 1990s and decided to be vintners as their main profession, following the patterns of Tiffán, Gere, Bock and Polgár. Most of them had lost their previous jobs and this fact pushed them to be independent entrepreneurs. They usually started out from a small (half to one hectare) family vineyard.

Table 1: Indicators of tourism activity in Villány town, 1994-2012.

	1994	1997	2000	2003	2006	2009	2012
Public accommodation establishments	1	5	7	7	9	8	7
Number of bed places	19	49	84	169	214	214	267
Number of tourist arrivals	319	1,145	2,596	6,004	10,967	14,593	17,896
Number of tourism nights spent	613	3,033	4,474	9,579	15,669	22,131	28,036
Private accommodation establishments				34	42	60	56
Number of bed places			0	164	232	334	375
Number of tourist arrivals			310	851	2,186	2,822	4,202
Number of tourism nights spent			588	1,477	3,701	5,068	6,665

Source: Hungarian Central Statistical Office

years from 2000 community and individual accommodation capacities in Villány town increased considerably (Table 1). Pécs, the county capital situated 35 km from Villány with its 160,000 permanent inhabitants and tourists, was also a source of visitors.

Ten years after Debreceni's arrival, a new big investor, Csányi Sándor, owner of the OTP Bank and the wealthiest man in the country, came to Villány. He bought up the former state farm (the biggest estate in Villány) and established the Csányi winery, producing and selling his wines under the brand name of *Teleki*. Its capacity is about two million bottles per year. Two other new investors built cellars and processing facilities as green-field investments on the outskirts of the town. In 2004, Szűcs Robert, a financial investor associated with Wunderlich, a local vintner, and under this brand name, established a winery equipped with the most modern equipment and high-quality service and restaurant⁶. The next new investment in 2006 was the Sauska winery. Krisztián Sauska, a Hungarian American who made his fortune in the USA. The creation of his estates drove up the land prices in Villány (Dóra, 2006). His goals for winemaking and the wines themselves, however, earned high appreciation both from consumers and local winemakers⁷.

After three years of preparation and discussion, the rules for the protection of origin – DHC (*Districtus Hungaricus Controllatus*) Villány – were accepted for the wine region, and order 91/2005 (X.18.) of the Hungarian Ministry of Agriculture and Rural Development was issued about the protected origin wines of the Villány wine region. This regulation (which is stricter than the Hungarian Wine Law) defines the grapes which can be grown in the wine region and several other rules about pruning, the number of vine stocks per hectare, the upper limit of the quantity of grapes etc.⁸ A trademark, the protected flower Hungarian crocus (*Colchicum hungaricum*) with 'DHC Villány' inscription, refers to the origin of the wine with name of the producer and the place of production.

This stage among the 'pioneers' was a consolidation phase. Their land areas (50-70 hectares) were 50 to 100 times larger than at the beginning of the 1990s. The Bock winery and the *Ilyán* winery earned the 'Wine Producer of the Year' award in 2008 and 2009 respectively. Since the beginning of this phase the top winemakers have started matching the wine and gastronomy with cultural events, music, literature, training events, exhibitions, stand up comedies, such as with music and wine, jazz and wine, literature and wine, art and wine etc. The first four-star wine wellness hotel was opened in Villány in 2009 by Gere Attila. Other accommodation facilities were remodelled by Bock and Polgár; their capacity was significantly expanded, and wellness and spa services, and cultural facilities were incorporated as well as wine-tasting and gastronomy elements.

The second cohort of producers referred to earlier (Malatinszky, Günzer, Vylyan, Szemes, Kecskés, Mayer, Ricu,

Jekl, Szende, Molnár and others) enjoyed significant growth in terms of both the quantity and the quality of their wines and their names are as well respected as those of the pioneers.

Another new phenomenon in the second part of this phase was that a so-called 'Villány small generation' (Bányai and Teszár, 2008) appeared. They were the sons and daughters and young family members of the first and second generations of winemakers, and also some young newcomers who were challenged by the possibility of quality wine making in Villány. By now these young people had responsible positions in the family wineries.

In 2008 a cultural festival called *Ördögkatlan* (Devil's Cauldron) was established under the guidance of *Bárkaszház*, a popular theatre from Budapest. In 2012 the festival had 50 venues in three villages of the wine road (Palkonya, Kisharsány and Nagyarsány) 25-28 thousand visitors and 370 cultural activities. By 2013 the number of visitors increased to 35-40 thousand and a new venue (Beremend) joined the Festival.

During this period, the 'greening' idea of organic farming and the production of organic wine appeared. Two German couples, who settled down in the area in small villages a short distance from Villány, were the main drivers in this field. But the leading winemakers, Bock, Gere, Polgár, and Tiffán, also followed this trend and they gradually switched their land to organic farming, reducing or ending the use of synthetic chemicals (*Gere interview*).

Phase 5: tourism marketing and unfolding opportunities

Villány town and the wine region are situated at the periphery of the country. However, two important events helped to expose Villány wines to the international community. The first was in 2010 when Pécs held the title of Cultural Capital of Europe. The second was the the Hungarian Government's Presidency of the EU in 2011. Both events offered a great opportunity for Villány and for the members of the Villány-Siklós Wine Road Association to present their wines and values to the Europe-wide public. Also in 2010 the M6-M60 motorway from Budapest approached Pécs and the 4-5 hours driving time from the capital was reduced to 2-2.5 hours, so the main market for Villány, became 'much closer'. A bypass is planned for the town of Villány and parallel with this will be the creation of an opportunity for the designation of a new industrial district where wine and other businesses will be able to settle.

In 2012 the town won a grant of HUF 298 million from the New Széchenyi Plan (EU Regional Development Fund and Hungarian Government funding) towards a new investment of HUF 400 million to fit out a significant area with infrastructure and facilities to become a venue for big festivals, events, concerts etc. The Villány Red Wine Festival used this new festival space at the beginning of October 2013 for 30,000 visitors.

Villány is thus trying to catch up with the developments achieved in the levels of wine production. In 2011, these amounted to around 1,700 vine holdings (individual cultivated units) occupying over 2,500 ha (Table 2). One owner may have several holdings: it is estimated that Csányi cul-

⁶ This relationship has since been broken, now the new name is Jammertal Winery and Wunderlich continues his winemaking in his old wine cellar.

⁷ *Sauska Cuvée 5* won the Decanter World Wine Award 2013 in the category of Red Bordeaux Varietals over GBP 15. This award for wines is the equivalent of the Oscar in the film industry.

⁸ The categories of quality wine are the Villány Protected Original Premium Wine (VVEB Prémium) and the Villány Protected Original Classic Wine (VVEB Classic).

Table 2: The number and territory of vine holdings bigger than 500 m² in the Villány wine region, 2011.

Size of holding (ha)	Number of holdings	Territory (ha)
< 1	1279	426
1-5	322	626
5-10	47	338
10-30	30	497
30-100	9	431
> 100	2	255

Source: Database of the National Council of Wine Communities.

tivates about 370 ha of vineyards in total and Vylyan around 125 ha. In 2014 Csányi expects to invest HUF 200 million in increasing its production capacity (Trade Magazin, 2014). Besides performing well in several international wine competitions, in 2013 the company's domestic sales were up 15 per cent and its turnover exceeded HUF 1 billion. The wine tourism needs new attractions and new experiences in the town, not to mention the need to renew its infrastructure. The small cellars in the busier areas of the town are being modernised and neglected areas are slowly being developed. The main driving force in the town is now the experience economy.

Discussion

Many general and specifically local factors can be implicated in the transformation of the Villány wine industry from mass to quality production during the past two decades (Table 3).

Amongst the general factors the change in the political system was decisive as it opened the way for family enterprises and made it possible to create family-run wineries with the acquisition of land through purchase or privatisation. The example of wine roads in 'western' countries, the direct experiences of working abroad and the early success of the 'pioneers' in Villány were the 'pull' factors, while the economic hardship which forced people to start their own family wineries was the 'push' factor towards making quality wine⁹. The managerial experience which had previously been acquired at large scale industrial or agricultural firms also played a role in the creation of family wineries.

A very important local factor in Villány is the commitment to quality. The move to quality production occurred in a very short period of time and was accepted by a large number of vintners. Before the political changes occurred, the number of quality wine producing vintners here represented a small 'critical mass' that caught the attention of traders, in contrast to other wine regions where there was mostly one outstanding winemaker¹⁰. Within a couple of years, quality wine production became the general norm and objective

⁹ Many families in Villány had relatives in Germany who frequently visited Villány and *vice versa*. After the political changes some winemakers established joint ventures with foreign entrepreneurs, the most well known is the Gere-Weninger partnership. Mayer Márton exported wine for seven years privately to Germany after 1990 (Dlusztus, 2004a). In 1993 Villány represented Hungary at the World Horticultural Expo in Stuttgart. The traditional Villány cellars at the exhibition were built by Wunderlich. Polgár and Gere spent half a year in Stuttgart at the Expo, selling their wine and in this way balancing their financial situation (Dlusztus, 2004b).

¹⁰ Tiffán mentioned that 4-5 people already produced enough quantity and quality to attract wine traders to Villány.

Table 3: Factors which have influenced the move to quality production in the Villány wine region.

General factors	Local factors
<ul style="list-style-type: none"> • Institutional (political) support and background; • Financial support. • Entrepreneurial freedom, market economy. 	<ul style="list-style-type: none"> • Commitment to quality; • Visionary pioneers and leaders; • Ability to learn from others; • Cooperation, partnership; • Permanent innovation (in technology, tourism, marketing, greening, cooperation); • Climate, geography; • Respect of local traditions and their customers; • Ethnic German knowledge and contacts with Germany; • Hospitality.

Source: own composition

among Villány vintners. The more the cellars opened in Villány the more guests arrived and they also formed a critical mass, which further facilitated the opening of the wine cellars on the town's 'wine street', so the cellars have become also a 'phenomenon' (*Tiffán's expression*).

The mix of geographical, natural, climatic and social conditions is also a specific local factor. The Villány hills create a special microclimate for grape and Villány town is on a similar latitude to Bordeaux. The traditional Swabian diligence and culture, providence and insistence on the place of the tradition, respect and love of the grape, recognition of the value in the experiences of older people were other important factors, together with an openness to new issues and the search for new solutions.

The establishment of the Villány-Siklós Wine Road Association and the wine road itinerary and associated premises occurred in parallel with the European wine road expansion. For example, in Italy the wine roads appeared in 1993 with the establishment of the Italian Wine Tourism Association. Hall *et al.* (2000) noted that "[p]rior to 1993 the majority of Italian wine producers failed to realise, or ignored, the tourism potential of the wine industry" (p.39). In addition, the Italian public did not consider wineries as tourist attractions (Colombini, pers. comm., 1997). The Villány-Siklós Wine Road Association was an important springboard for local vintners to develop their family wineries, to become entrepreneurs and obtain the basic knowledge to start wine tourism (Kovács, 2011). Its marketing activities promote the whole community and also the individual service providers. At the inception of the Association one could find winemakers, village mayors, B&B owners, tourism experts, representatives of cultural institutions and journalists among the members. In 2014 there are mainly entrepreneurs and village mayors representing 17 local governments and six honorary members, the former mayors who played important roles at the start. The wine road includes 47 wine tasting places, 40 accommodation and 34 catering providers, although these activities partly overlap one another.

The phases described in this paper represent several innovations which were responses by Villány wine producers to customer demand. The wineries have created not only the possibility of tasting and buying the wine locally but they have developed complex wine tourism services including wine tasting, selling, gastronomic and cultural offers, high

quality accommodation, wellness, spa and other recreation activities. A comparison can be made to the Douro Boys informal network in Portugal (Rebello and Muhr, 2012), which “shows how a very simple and informal network can be the engine of a sustainable development of small wine producers located in an old, traditional and unknown wine region” (p.117). Experiencing the wine and winery on site provides much more enjoyment than simple consumption of high quality wine elsewhere. Despite the global economic crisis and financial difficulties, by the estimates of the wine road 70 per cent of the customers are loyal to Villány and their wine producers and these customers regularly return to their favourite winemaker.

Correira *et al.* (2004) paraphrased the comments of an earlier researcher with the statement that “one of the paradoxes of a successful wine route is that wineries need to work together – both formally and informally – with their commercial rivals if the route is to be successful” (p.17). The rural experience economy in Villány means that high quality family brands compete but at the same time also cooperate with each other in an attractive rural setting. Within these brands one can find the personalities of family members, their lifestyles, culture, philosophy and family history. Furthermore, the winemakers do not form a separate class in Villány, they are involved in various community activities such as being a members of the local government, vice-mayor, sponsor of the local football team, participants of wine qualification, active members of the Wine Communities etc. The activities of the wine road, the Local Councils of Wine Communities and the Villány Wine Order create close contacts among entrepreneurs who are partners but also competitors with each other.

After decades of being excluded from the world market, these years of transformation have brought new opportunities to Villány winemakers. They have learned a lot, both intentionally and unintentionally, during the past two decades and now they are able to place themselves on the map of the great wines of the world. It seems that the world is also starting to recognise it.

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