

**TESTING THE IMPLICATIONS OF AN INTEGRATED RURAL TOURISM
FRAMEWORK FOR THE NIAGARA WINE REGION**

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Abstract

Tourism, in general, can contribute to and integrate with rural economies for rural development through industry associations and community participation (Saxena *et al.*, 2007), as well as act as a storehouse for “natural and historical heritage” (Lane, 1994, p. 103). As realization that tourism can benefit local areas increases, so too has the discussion around tourism as a tool for rural areas. In 2007, building on the concept of Integrated Rural Development (IRD), Saxena *et al.* first discussed the concept of Integrated Rural Tourism (IRT). IRT was suggested as an approach to understanding the complexities of rural tourism through an examination of seven components (networking, scale, endogeneity, sustainability, embeddedness, complementarity, and empowerment), and as a means for exploring the ability of tourism to produce benefits for the rural area.

In the past, IRT has been used to examine how tourism has aided rural development in Europe and the US; however, its use in Canada, and more specifically the Niagara Peninsula, has yet to be realized. Using the Niagara Peninsula Appellation (NPA), the largest wine region in Ontario and Canada, as the case study, this project involved interviewing 17 wineries and five industry associations, in an attempt to answer two specific questions: (1) how does the wine industry and wine tourism aid in the development of Niagara’s rural area using the IRT concept, and (2) how can IRT aid in rural development through direct, experiential, conservation, development, and synergistic benefits.

While there is still work to be done to improve upon tourism’s positive impacts in Niagara and its peripheral rural areas more generally, this dissertation has found that wine tourism has produced direct, experiential, conservational, and synergistic benefits for the

Niagara Region. While there were also some developmental benefits, there is greater need for community engagement and improved industry synergy.

Furthermore, this dissertation has found that the concept of IRT provides a reasonable framework through which to analyze the ability of wine tourism to benefit rural areas, although the addition of a focus on the marketing efforts and future goals of the area are needed.

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List of Acronyms

AAFC	Agriculture and Agri-Food Canada
AGCO	Alcohol and Gaming Commission of Ontario
AOC	Appellation d'Origine Controllee
CIC	Cellared in Canada
DMO	Destination Management Organization
EFP	Environmental Farm Program
GARP	Grape Acreages Reduction Program
GDP	Gross Domestic Product
GGMB	Grape Growers Marketing Board
GGO	Grape Growers of Ontario
HST	Harmonized Sales Tax
ICB	International Canadian Blend
IGA	Industry and Government Associations
IPM	Integrated Pest Management
IRD	Integrated Rural Development
IRT	Integrated Rural Tourism
ISC	Industry Support Component
IUCN	International Union for the Conservation of Nature and Natural Resources

LCBO	Liquor Control Board of Ontario
LDC	Less Developed Counties
NAFTA	North American Free Trade Agreement
NARA	National Archives and Records Administration
NOTL	Niagara-on-the-Lake
NOTLTO	Niagara-on-the-Lake Tourism Organization
NPA	Niagara Peninsula Appellation
NWR	Niagara Wine Region
OMAFRA	Ontario Ministry of Agriculture, Food and Rural Affairs
OMEDI	Ontario Ministry of Economic Development and Innovation
OMTCS	Ontario Ministry of Tourism, Culture and Sport
OVIP	Ontario Vineyard Improvement Program
OWS	Ontario Wine Strategy
PSC	Producer Support Component
RED	Rural Economic Development
SAWP	Seasonal Agricultural Workers Program
SWO	Sustainable Winemaking in Ontario
VQA	Vintners Quality Alliance
WCED	World Commission on Economic Development

WCO	Wine Council of Ontario
WGAO	Winery and Grower Alliance of Ontario
WNOTL	Wineries of Niagara-on-the-Lake
WSP	Wine Support Program
WTO	World Tourism Organization

Chapter 1: An Introduction

Rural economies play an important role as storehouses of “natural and historical heritage” (Lane, 1994, p. 103), allowing rural economies to market these characteristics to tourists (Krippendorf, 1986). But, since many of these resources are fragile (Lane, 1994), it is necessary to examine ways to sustain them. Numerous authors suggest that tourism can contribute to and integrate with rural economies for rural development through industry associations and community participation (Arfini *et al.*, 2002; Carson & Carson, 2011; Carson & Koster, n.d.; Chan *et al.*, 1997; Lowe *et al.*, 1995; Reid & Flora, 2002; Saxena *et al.*, 2007; Shicksmith, 2000; Telfer, 2001). As tourism became a more popular option for the development of rural areas, the idea of integrated rural development (IRD) took on a tourism focus and the concept of integrated rural tourism (IRT) emerged as an approach to understanding the complexity of the sector. The originators of IRT (Saxena *et al.*, 2007) propose that improved networks need to balance social, economic, and environmental concerns, as well as all network actors’ desires to benefit multiple stakeholders while sustaining or improving the rural economy, society, and environment. The result is rural areas that change with the economy, market themselves independently and cooperatively, support a differentiated workforce, and conserve the environment.

1.1. Research Objectives

This dissertation, through a case study approach, examines how the concept of integrated rural tourism can be used to examine the extent to which integrated rural tourism can be applied to the wine industry and wine tourism in Ontario’s Niagara Peninsula appellation. The goals of this study are twofold:

1. to understand how the wine industry and wine tourism aid in the development of Niagara's rural area using IRT;
2. to understand how IRT can aid rural development in the form of five specific benefits (direct, experiential, conservation, development, and synergy).

1.2. Scope of Research

Given that this dissertation examines the ability of the concept of Integrated Rural Tourism (IRT) to be used as a framework through which to investigate the benefits derived from tourism, it is imperative to first explain the key concepts that surround this investigation: rural, tourism, wine tourism, and integrated wine tourism.

The concept of "rural" has progressed through many re-envisionings over the past 90 years. Given that rurality has been defined in various ways in literature, and as such an elaborated discussion of such conceptualizations will be provided in chapter two. Using the discussion of rurality provided in Chapter 2, Niagara can be classified as an urban-periphery.

Similarly, tourism has been redefined countless times; however, for the purposes of this dissertation, tourism will be defined as

...the study of man [*sic*] (the tourist) away from his usual habitat, of the touristic apparatus and networks responding to his various needs, and of the ordinary (where the tourist is coming from) and non-ordinary (where the tourist goes to) worlds and their dialectic relationships. Such conceptualizations extend the frame beyond the earlier trade-oriented notions or definitions mostly devised to collect data and calculate tourist arrivals, departures, or expenditures. (Jafari, 2000, p .585)

Furthermore, wine tourism as discussed in this dissertation will follow the definition provided by Hall *et al.* (2000, p. 3), who define wine tourism as "visitation to vineyards, wineries, wine festivals and wine shows for which ... wine tasting and/or experiencing the attributes of a grape wine region are the prime motivating factors for visitors."

Building on the definitions of rural, tourism, and wine tourism, as well as the concept of Integrated Rural Development, this dissertation uses IRT to examine rural tourism in Niagara. IRT was first discussed by Saxena *et al*, in 2007, as a concept used to examine the integration of rural tourism. IRT was derived as a need for investigation into ways to improve Europe's lagging rural regions became apparent. Using IRT, the Supporting and Promoting Integrated Tourism in Europe's Lagging Rural Regions (SPRITE) project, examined tourism and its benefits (direct, experiential, conservation, development, and synergy) using seven components (sustainability, empowerment, endogeneity, complementarity, scale, networking, and embeddedness), this dissertation attempts to examine the ability of IRT to be used as a framework to analyze the benefits derived from integrated tourism.

1.3. Study Area

To test the success of IRT to be used as a means of measuring the success of tourism to enable sustainable development for a region, this dissertation takes a case study approach using wine tourism and specifically the Niagara region as its area of study. Where conditions for growing wine-quality suitable grapes exist, wine tourism ultimately depends on the ability of regions to sustainably manage the necessary infrastructure in an environmentally conscious manner. The sustainability of a wine region and industry also depends on the ability of vintners to promote and improve their offerings since the region is in a state of continual global competition with other wine regions (Hope-Ross, 2006).

The Niagara Peninsula, Lake Erie North Shore, and Prince Edward County are the three wine growing appellations in Ontario. In Ontario, the appellations of origin are certified by the Vintners Quality Alliance (VQA), with the term "appellation" being defined as the

“combination of location, soil, topography and climate” (VQA, 2013). This study examines the largest of the three, the Niagara Peninsula, which alone accounts for over 80% of the wine grapes grown in Canada (Telfer, 2000). The wine industry is a potential form of sustainable development, because of its ability to create an input to the tourism industry¹ (wine), to become a tourist attraction (touring and destinations), and to connect agriculture and tourism. This dissertation focuses on the contribution of wine tourism to the rural economy.

1.4. Data Collection

In order to undertake the multifaceted research of integrated rural tourism, wine tourism actors involved in the development and workings of the Niagara Peninsula, and their interests, are examined. This dissertation focuses on the wine tourism industry at the regional level, investigating marketing schemes, funding, and inter- and intra-industry collaborations. Industry trends, regulations, and infrastructure are also discussed. Interviews with municipal planners, winery owners, and tourism boards are significant sources of data that were drawn upon for this dissertation. Using a qualitative approach, 17 wineries, four industry associations, and one economic development office located in the Niagara wine region were interviewed.

1.5. Organization of Dissertation

¹ There appears to be disagreement amongst the industry and government on whether or not tourism is an industry or an economic sector. Within this paper, the term tourism industry will be used.

This dissertation is divided into eight chapters. Following this introduction, Chapter 2 provides a discussion of the historical progression of rural development and sustainability over the past ninety years. This historical context provides a basis upon which integrated tourism is built.

Chapter 3 focuses on the evolution of integrated rural tourism (IRT) as elaborated by Saxena *et al.* (2007). The components of IRT are also elaborated upon in this chapter, as well as a discussion of the benefits that IRT offers.

Chapter 4 provides a review of the wine industry in Canada over the past 200 years. This chapter delivers an understanding of the wine industry in Canada generally, and the Niagara region more specifically, which is the study area of this dissertation.

Chapter 5 provides a review of the methods of inquiry used in this dissertation, elaborating on the research questions, method of data collection, study sample, and method of data analysis.

Chapter 6 uses the IRT framework to present data about the current state of tourism in the Niagara Peninsula, dividing the discussion into the nine components analyzed: networking, scale, endogeneity, sustainability, embeddedness, complementarity, empowerment, marketing efforts, and goals. Each component will also be discussed in regards to 1) how the component is defined, 2) the corresponding opinions of the respondents, and 3) its relevance to wine tourism and/or the wine industry.

Chapter 7 provides an analysis of the key findings discussed in chapter 6, using the IRT framework to understand the wine industry. This chapter is followed by Chapter 8 which discusses the benefits that can be derived from IRT.

Chapter 9 summarizes the outcomes of this research, discussing the success of the IRT framework, generally, and in regards to Niagara specifically. The conclusion will also provide a discussion of the improvements that could be made in Niagara to improve its tourism and development, as well as improvements that could be made to IRT to better the framework's use in the future. A discussion of the limitations of this research and future research is also provided.

Chapter 2: Sustainable Rural Development through Tourism

Rural areas provide the commodities that give us a positive balance of trade, they hold the sources of our water, the location of recreational and natural amenities to which we turn to be refreshed, they contain much of our biodiversity, they process most of the urban pollution, and they contain a large part of our social and cultural heritage. Without the people to extract, process, and transport those commodities, safeguard those amenities, and sustain our heritage, we would all be worse off – rural and urban alike. (Reimer, 2007, p. 3)

This chapter provides a review of the theoretical and conceptual themes that underpin the concept of IRT discussed in Chapter 3. This chapter begins with a discussion of rurality to provide the reader with an understanding of the concept, as well as to position the Niagara Region within that understanding. Following this, a discussion of sustainable rural development and sustainable tourism is provided to illustrate how the two concepts have evolved. The close of this chapter provides a short discussion of key concepts that should be components of sustainable rural development.

2.1. Defining Rural

Numerous attempts over the past 90 years have been made to characterize rurality. Many of the definitions proposed prior to the 1980s were intertwined with discussions of the urban economy, which diverted the focus from the countryside (Cloke, 1985). This contributed to a misconception that urban and rural areas were homogeneous and that areas could be subdivided easily into sectors such as agriculture, forestry, and mining (Lassey, 1977).

Cloke (1985) argues that “rurality” is fraught with differing perspectives, proposing three distinct areas of conceptualization. First, rurality could be anything contrary to the urban, anything outside the limits of an urban or highly populated area. Second, rurality is

either a single (e.g., population density) or multi-variable concept (e.g., population density, distance from urban core, and scenic vistas). Third, rurality could be re-defined by each observer. Subsequently, Cloke *et al.* (2006, pp. 20-21) revised this framework to be more inclusive of user perceptions, terming the new constructs: functional, political-economy, and social. The functional conceptualizations encompass ideas of rurality defined by the uses of the land and way of life. The political-economy framework refers to political processes, including such components as production and economic activity. Lastly, rurality is conceived as socially constructed or, in other words, defined by its observer. These interpretations provide a broad scope of what can be classified as rural.

Pratt (1996, p. 70) also observes that the term “rurality” can be discussed as benchmarking, as naturalness, and/or as a changing narrative. While rurality benchmarking encompasses definitions of the rural, using existing rural areas as the base for all comparison, the second deals with conceptualizing rurality as the epitome of “naturalness,” (rurality being synonymous with nature). Lastly, rurality can be conceptualized through a post-structuralist lens: there is no set grand narrative, but rather various forms of rurality.

Consistent with Pratt’s (1996) and Cloke *et al.*’s (2006) third categorization of rural theorizations, Halfacree (1995, p. 2) argues that the term “rural” can be defined as a “social representation of space.” This allows rurality to be defined by the viewer, another post-structuralist view. While this view recognizes that rural areas are constantly changing and unbounded, it also produces inconsistent identification and definition, which limits the ability to classify rural locales across studies.

Similar to Cloke (1985) and Cloke *et al.* (2006), Racher *et al.* (2004) propose four key themes: descriptions, dichotomies, geographic typologies, and indices of rurality. Falling into Racher *et al.*'s (2004) first four themes, Bramwell (1994, p. 3) proposes that rural areas are distinctive in nature due to their “relatively low physical densities of people, buildings and activities; less social and cultural heterogeneity; less economic diversity; and a comparative physical isolation from general economic, social and political networks.”

The theme of dichotomy arises from defining rurality as anything that is not urban (Racher *et al.*, 2004). The use of geographic typologies is an expansion upon the dichotomous relationship through the creation of a continuum with rural on one extreme and urban on the other. For example, in Canada, census metropolitan areas (CMA) and census areas (CA) are divided into one of four categories: 1) rural (less than 1,000 persons), 2) small population centres (from 1,000 thru 29,999 persons), 3) medium population centres (from 30,000 thru 29,999 persons), and 4) large urban centres (more than 29,999 persons) (Statistics Canada, 2012a).

Lastly, the indices of rurality employ the use of various measures to derive the extent to which an area is considered to be rural. For example, Cloke (1977) develops a “rurality” index, in which he uses 16 variables to determine an area’s rurality, including: density, involvement in primary industries, population demographics, population change, household amenities, and distance from a city centre.

Liepins (2000) argues that rurality is a function of community, such that rural communities are structured around networks linking both material goods and social interactions. This definition parallels Cloke *et al.*'s (2006) third definition and Racher *et al.*'s

(2004) first categorization. Furthermore, Liepins argues that rurality is not a self-contained construct devoid of outside influence, but one subject to external influences. Liepins (2000, p. 327) points to four specific dimensions that comprise the “geographic and social formation” of rural communities. The first dimension is that of people, since their interactions within a community are not excluded from networks and actions external to the community. Second, community members cultivate “shared meaning” surrounding their interactions and networks within the community through their actions and communications with one another in either constructed or random events (Liepins, 2000, p. 327). The third dimension encompasses practices through which people take part in the “economic, social, and political” aspects of the community (Liepins, 2000, p. 328). Lastly, rural economies take on a physical form through the “spaces and structures” they construct and frequent.

Cloke (1985) argues that it is not possible to confine rurality to one definition because assumptions must be made, since assigning specific ideals to rural areas is dependent on the people making the decisions. Moreover, rural economies constantly change in both landscape and culture and are subject to influence by factors outside of their borders, which perpetuate an ever-changing understanding of what is rural. Rural areas are heterogeneous in nature because of their continual shifts in “size, structure..., economic activity, and in the degree of integration with national and international economies,” rendering an appreciation of the challenges of defining rurality (Ashley & Maxwell, 2001, p. 417).

As has been demonstrated within this section, there is not a generally accepted strategy for defining “rural.” Its conceptualization has taken many forms -- geographic boundaries, population densities, and distance from urban centres -- resulting in areas being

deemed rural in one instance, but not rural in another. Given these differing definitions and classification systems, some authors concur that rurality can be assessed using differing degrees of periphery, with extremely urban (or core) on one end and extremely remote periphery on the other with each movement along the continuum considering shifts in population size, historically rural industries (such as agriculture, fishing, fur trade, etc.), accessibility, and distance from urban centres (Carson and Koster, n.d.; Sharpley, 2004; Schmallegger, Carson, and Tremblay, 2010). Extremely urban-peripheries can be defined by their large populations, small scale traditional industries, and close proximity to urban centres, while extremely remote rural areas (rural peripheries) can be identified by their “small populations, [reliance] on traditional rural industries, and...access [difficulties] due to increased distance from major population centres” (Carson & Koster, n.d., p. 4). This form of defining rurality draws on many of the concepts that came prior (for example: continuum, indices, and social construction).

Given this understanding, the view presented in this dissertation is that the Niagara Peninsula appellation can be considered an urban-periphery due to its relatively low population density (using the Canadian census definition), much of the land being put to agricultural use, and a fairly close proximity to an urban area. In Canada, the census defines rural as any area outside of population centre (any area with a population of more than 999 persons and “a population density of 400 persons or more per square kilometre”) (Statistics Canada, 2012a). While the Niagara Region as a whole does not fit the definition of rural in general, as its population is over 1,000 persons, its average persons per square kilometers is well below the required 400 persons per sq. km. It is also important to note that three

(Grimsby, Lincoln, and Niagara-on-the-Lake) of the four municipalities that make up Niagara’s wine region have less than 400 persons per sq. km (see Table 1).

Table 1: Niagara Wine Municipalities by Population, Land Area, and Persons per sq./ km.

Municipality/Region	Population	Land Area sq. km.	Persons per sq. km.
Grimsby	25,325	68.96	367.2
Lincoln	22,487	162.86	138.1
St. Catharines	131,400	96.11	1367.2
Niagara-on-the-Lake	15,400	132.83	115.9
Niagara Region ²	431,346	1854.2	232.6

(Source: Niagara Region, 2012).

In addition to having a lower population density, the Niagara wine region is also reliant on historically rural industries such as agriculture, and is in close proximity to an urban centre. In 2001, of the 444,349 acres that made up the Niagara Region, 232,817 acres were devoted to farming, or 52% of the acres in Niagara (Niagara Region, 2014). With more than half of the land still being used for farming, the area’s land use supports the notion that the area is still reliant on a historically rural industry.

Further support for Niagara being considered a rural area is its proximity to urban areas. As can be seen in Figure 1, the Niagara wine region (Lincoln, Grimsby, St. Catharines, and Niagara-on-the-Lake), with the exception of St. Catharines, is an agricultural area, located around urban centres (City of Niagara Falls, City of Welland, City of Thorold, and City of Hamilton). Taking the population size, reliance on agriculture, and proximity to urban

² Niagara region contains 12 Municipalities, only the four regions comprising the wine belt are listed in this table.

areas, as indicators of rurality, the Niagara wine region can be considered an urban-periphery.

2.2. Sustainable Development and Sustainable Tourism

The debate regarding how sustainability should be defined continues (Redclift, 2006; WCED, 1987; WTO, 1998); so too does the debate on how sustainability pertains to development of tourism theory (Campbell, 1996; Elkington, 2004; Jafari, 1990; McKercher, 1993; Oppermann, 1993; Seghezze, 2009; Turner *et al.*, 1994). For instance, Lane (1994) argues that the concept of sustainability is laden with uncertainty and is problematic to implement due to the range of actors involved. Sherren (2007) and Hunter (1997) agree with Lane, arguing that sustainability is an ill-defined and contested area of study.

In order to examine sustainable rural economic development through sustainable tourism practices (both concepts will be discussed later), it is paramount to understand what is meant by sustainable development and sustainable tourism.

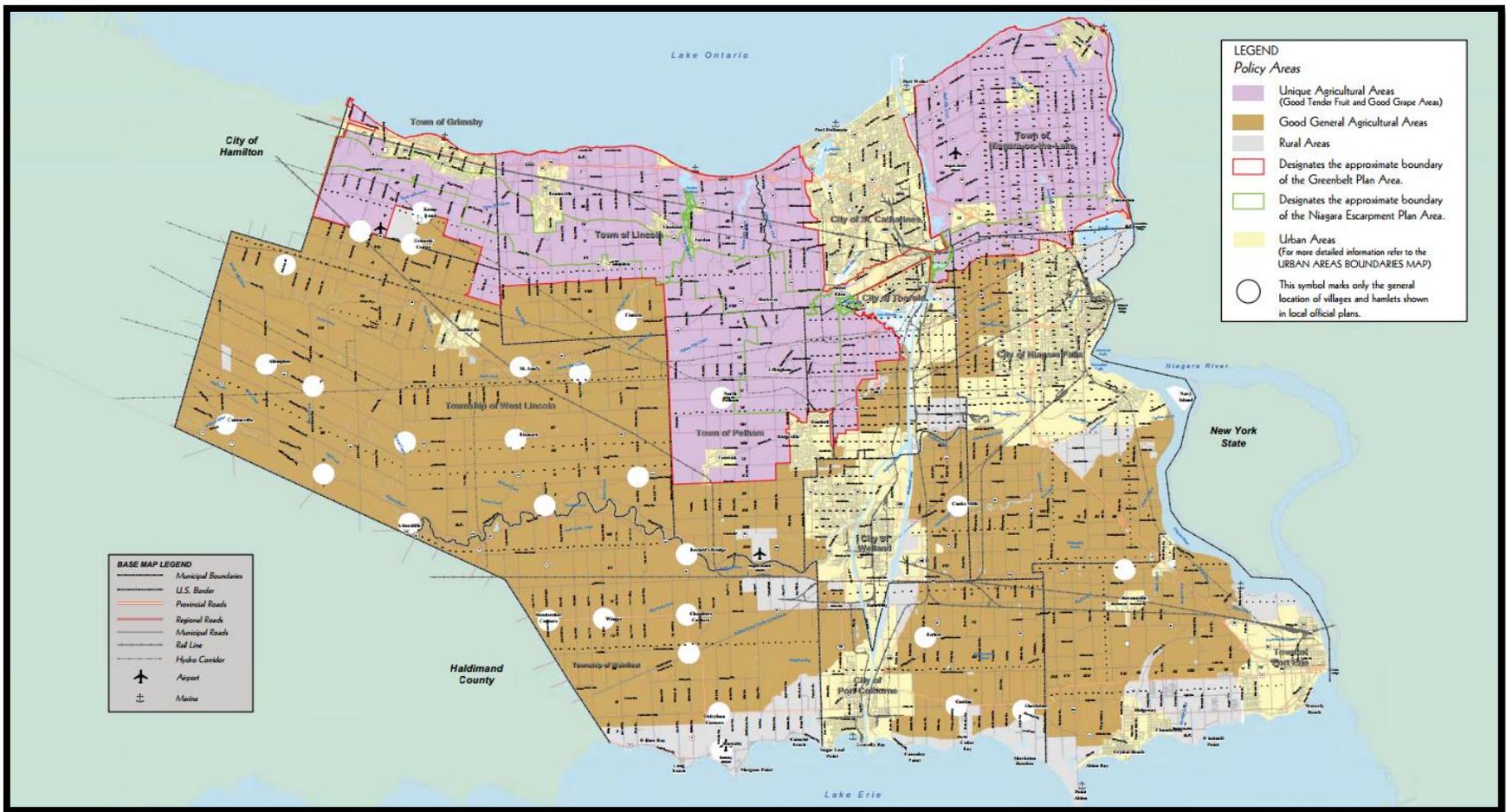


Figure 1: Agricultural Land Base Map (Source: Niagara Region, 2011)

Although the concept or theoretical discussions of sustainable development appear to have only recently emerged, the notion existed thousands of years before the birth of Christ where it was applied in Mesopotamia to manage hunting and recreational areas in reserves (Butler, 1993). More than 200 definitions of sustainable development and sustainable tourism have since been offered (Dodds, 2005). While many believe that the term “sustainable development” came into popular use after the publication of the World Commission on Economic Development (WCED) report in 1987 (Bramwell & Lane, 1993; Butler, 1999; Hunter, 1997; Redclift, 2006; Seghezze, 2009), Hardy *et al.* (2002), Bramwell and Lane (1993), and Liu (2003) argue that the principles emerged earlier. Hardy *et al.* (2002) proposes that it was derived at the Stockholm Conference on Humans and the Environment in 1972, in the context of social, cultural, ecological, and economic goals. Bramwell and Lane (1993) trace the concept of sustainable development back to the publication in 1973 of Raymond Dasmann, John Milton, and Peter Freeman’s *Ecological Principles for Economic Development*. Liu (2003) suggests that the concept of sustainability arose out of environmentalism and that it came to fruition through the *World Conservation Strategy* published by the International Union for the Conservation of Nature and Natural Resources in 1980 (International Union for the Conservation of Nature and Natural Resources [IUCN], 1980).

Although the Stockholm Conference did espouse similar goals to the WCED, Redclift (2006, p. 66) argues that the WCED report was the first “overview of the globe” that considered “environmental aspects of development from an economic, social and political perspective.” The WCED’s (1987, p. 43) definition of sustainable development states that it is “development that meets the needs of the present without compromising the ability of

future generations to meet their own needs.” The objective of the WCED report is to promote development that is not focussed on maximum economic growth, but considers equity of individuals and groups, as well as inter- and intra- generational equity (Garrod & Fyall, 1998; WCED, 1987).

Redclift (2006) argues that the definition provided by the WCED had significant omissions, including no mention of tourism. Absent from the report is a consideration for non-human species and their rights. Another element left unaddressed is how the needs of society change over time. Redclift (2006) argues that the “needs” component of the WCED definition of sustainability might be flawed in that future needs might be different than current ones, and the needs of one culture may also differ from the needs of another. Johnson and Tyrell (2005) also acknowledge that the social goals in the WCED report have been generally accepted, although they agree with Redclift (2006) that there is still no agreement on the most reasonable procedure for achieving the needs of the present. This raises questions about whether it is possible to plan for the future without common consensus on the present (Johnson & Tyrell, 2005). Despite defects, the report did pave the way for discussions of what “sustainable development” should be in the context of academic, planning, business, or environmental management, while also providing the ammunition needed for non-governmental organizations (NGOs) to be important political actors (Redclift, 2006).

The Universal Declaration of Human Responsibilities prepared for the 53rd UN General Assembly of the United Nations has also helped to further the acceptance of sustainable development worldwide. Incorporated into its 19 “responsibilities,” Articles 7

and 9 deal specifically with environmental sustainability (InterAction Council, 1997). Article 7 states that “all people have a responsibility to protect the air, water and soil of the earth for the sake of present inhabitants and future generations” and Article 9 states that all people “should promote sustainable development all over the world to assure dignity, freedom, security and justice for all people.”

2.2.1. The Sustainability Triangle

Since the Brundtland Report in 1987, sustainability has been theoretically reconceptualised as a triangle. Although not directly stated, the three dimensions of sustainability were derived from the Brundtland Report (Lehtonen, 2004). It was not until the Rio Conference in 1992 that the sustainability triangle, encompassing environmental, social, and economic dimensions, became generally accepted as the three pillars of sustainable development. After the Rio Conference, Lane (1994, p. 13) proposed another sustainability triangle encompassing the inter-relationship between “host areas and their habitats and peoples, holiday makers, and the tourism industry.”

Elkington (2004) gives the sustainability triangle a business slant and coins the term the “triple bottom line.” The philosophy of the triple bottom line is that “people, planet and profits” all work together to enable businesses to realize more than just their economic value, but also the environmental and social value they added to, or extracted from, the economy.

Recently, an elaboration of the sustainability triangle has been proposed by Seghezzeo (2009, p. 540) that includes the three Ps: “place, permanence and persons.”

Seghezzeo’s “place” dimension consists of a three-dimensional space encompassing physical, geographical and cultural spaces where people live and act. Place is used to capture

the “sense of belonging and identity that are partly responsible for the generation of cultures” (Seghezze, 2009, p. 548). Seghezze goes further, proposing that place is a social construct that enables people to form an attachment to a specific culture.

“Permanence,” the temporal dimension of Seghezze’s (2009) sustainability triad, deals with maintained and proposed conditions and includes the frequently discussed, but rarely examined, idea of inter-generational equity. This concept is also rarely examined by non-indigenous scholars, in contrast to indigenous scholars (see Clarkson, Morrisette, & Régallet, 1992)

“Persons,” the third dimension, deals specifically with individuality. Seghezze (2009) discusses the individual person, deeming the creation of social and personal identity a key element of sustainable development. Seghezze does not discount the collective, but proposes that individuality can also be a key to the realization of sustainable development.

Campbell (1996) proposes a continuation of the sustainability triangle in response to the need for planners to be aware of their duty to the three factors in any undertaking: the economy, the environment, and equity. Campbell argues that the planning profession tends to be concerned with the development of cities, while discounting the natural environment. Given this, Campbell suggests that planners should balance the environmental, economic, and equality issues of any project to successfully serve the public interest.

Within the triangle, seen in Figure 2, Campbell (1996) asserts that planners in each of the three pinnacles of the sustainable development triangle hold to distinct beliefs. The environmental planner sees resources as being continually monopolized by the “city.” The economic development planner views the “city” as a place for market functionality, always in

a state of competition with other cities. The equity planner conceives the “city” as a place fraught with distribution issues in and between differing social groups. Along with the three areas of influence in sustainable development are the three areas of sustainable development conflict. The first area of conflict is that of development which deals with the complex relationship between social equity and the environment (Campbell, 1996). The development conflict is the least understood concept, since it questions how environmental protection can increase while at the same time maintaining the jobs of those of low socio-economic status. The second area pertains to property, a conflict arising from issues of perceived property ownership, revealing itself in such forms as the owner-employee relationship, the tenant-landlord relationship, and gentrification. The last area of conflict arises between the environment and economics, referred to as the resource conflict. The resource conflict results when businesses and citizens use natural resources, while also having to grapple with issues of future availability.

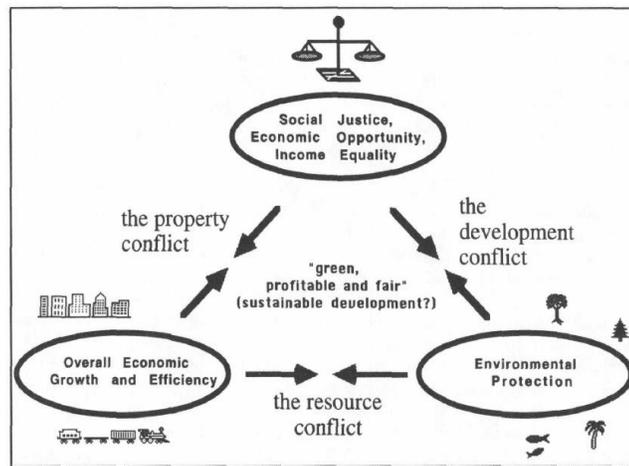


Figure 2: The Development Conflict Triangle (Source: Campbell, 1996)

This dissertation takes the position that sustainability, and more specifically sustainable development, refers to attempts to maintain the environment, society, and economy. As will be discussed later, sustainability is examined as part of the integrated rural tourism (IRT) concept as proposed by Saxena *et al.* (2007). The sustainability triangle has been discussed here, as it supports the sustainability component of IRT and the subsequent examination of how the environment, society, and economy are understood in the Niagara Peninsula.

2.2.2. Sustainable Tourism

As with the terms “rural” and “sustainability,” sustainable tourism has been conceptualized by a number of authors (e.g., Butler, 1993, Bramwell & Lane, 1993, Carter, 1993, Hunter, 1995). One of the more concise definitions is provided by Butler (1993, p. 29) as “tourism which can maintain its viability in an area for an indefinite period of time.” Butler (1993, p. 29) also proposes a second definition encompassing sustainable development in the tourism context, stating that it should be

...tourism which is developed and maintained in an area (community, environment) in such a manner and at such a scale that it remains viable over an indefinite period and does not degrade or alter the environment (human and physical) in which it exists to such a degree that it prohibits the successful development and wellbeing of other activities and processes.

Bramwell and Lane (1993, p. 2) also propose a definition, stating that:

Sustainable tourism is a positive approach intended to reduce the tensions and friction created by the complex interactions between the tourism industry, visitors, the environment and the communities which are host to holidaymakers. It is an approach which involves working for the long-term viability and quality of both natural and human resources. It is not anti-growth, but it acknowledges that there are limits to growth.

Similarly, Hunter (1995, pp. 155-156) proposes that

... over the short- and long- term ‘sustainable tourism development’ should meet the needs and wants of the local host community in terms of improved living standards and quality of life; satisfy the demands of tourists and the tourism industry, and continue to attract them in order to meet the first aim; and, safeguard the environmental resource base for tourism, encompassing natural, built and cultural components, in order to achieve both of the preceding aims.

Cater (1993, pp. 85-86) believes that, if sustainability is to be achieved, all forms of sustainable tourism should

... meet the needs of the host population in terms of improved living standards both in the short and long term; satisfy the demands of a growing number of tourists and continue to attract them in order to meet the first aim; safeguard the natural environment in order to achieve both of the preceding aims.

The World Tourism Organization (WTO) (1998, p. 21) also undertook the task of defining sustainability as it pertained to the tourism industry, proposing that sustainable tourism is development that

... meets the needs of the present tourist and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social, and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, and biological diversity and life support systems.

While all of these definitions can be used independently, it is important to examine the similarities between them to derive a more complete view of what sustainable tourism should aim to achieve. The six components that are discussed by each author as being

required for sustainable development are viability over time, environmental safeguards, the ability of other activities, industries and processes to succeed alongside tourism, a reduction in tensions between the tourism industry, visitors, the environment, and the local community, a focus placed on community living standards and quality of life, and an acknowledgement that there are limits to growth. For a breakdown of which of the six components are present in each of the definitions offered by the authors previously discussed, see Table 2.

Table 2: Component of Sustainable Tourism Common to Definitions Provided by Various Authors

Component of Sustainable Tourism	Author
Viable over an indefinite period of time	- Bramwell and Lane (1993) - Butler (1993) - Cater (1993) - WTO (1998)
Safeguards the environment	- Butler (1993) - Cater (1993) - Hunter (1995) - WTO (1998)
Does not prohibit the success of other activities and processes	- Butler (1993)
Reduce tensions between tourism industry, visitors, the environment, and community.	- Bramwell and Lane (1993) - WTO (1998)
Focus placed on community living standards and quality of life.	- Cater (1993) - Hunter (1995)
Acknowledges limits to growth	- Bramwell and Lane (1993)

Source: Developed for this Dissertation

2.2.1. Sustainable Tourism Development Stages

The definitions proposed by Butler (1999), Bramwell and Lane (1993), Hunter (1995), and the WTO (1998) all have similarities and differences in regards to their

conceptualization of sustainable tourism development. To provide a greater understanding of how the definition of sustainable tourism has developed over the years, a brief overview of the historical development of the conceptualization is provided below.

Hardy *et al.* (2002) consider the dependency paradigm to be the emergent point from which sustainable tourism evolved. They also argue that the dependency paradigm propelled researchers to find alternative solutions to mass tourism in the form of small-scale tourism. This is most likely due to dependency theory's primary focus on macro-level economics (Browett, 1982).

Since the dependency paradigm, sustainable tourism has gone through various shifts in conceptualization. Clarke (1997) identifies four main ones in the literature. The first positions sustainable tourism as having a dichotomous relationship between small-scale and mass tourism. Small-scale tourism is defined as the only way to sustainable tourism, while mass tourism is considered as any tourism undertaken on a large scale and, as such, is automatically considered unsustainable.

The second shift is away from a dichotomous understanding of tourism to that of a continuum. Although still recognizing that scale plays a significant role in the determination of mass versus small-scale tourism, the continuum acknowledges that the sustainability of tourism does not have to fall into one of two camps, but can fall anywhere between two extremes.

The third shift, resulting from the second, identifies sustainable tourism as a goal. With this shift came a mass movement to implement guidelines (such as environmental

impact assessments), strategies (such as environmental audits), and consumer awareness (such as reduce, reuse, recycle campaigns) (Clarke, 1997).

As a progression from the third shift, the fourth shift recognizes that the definition is less important than the actual process through which sustainable tourism is reached (Clarke, 1997). This fourth wave also promotes sustainable tourism as a goal for all aspects of tourism.

Jafari (1990) also proposed a four-part platform to help explain the various views on tourism. The first platform, entitled the advocacy platform, concerns itself primarily with the economic aspects of tourism, while also attempting to emphasize noneconomic elements. This platform promotes tourism as a means to preserve human-made environments, revive traditions of the past, and promote cultural performance. The actors most likely to make up this first platform are businesses, associations, and government groups involved in the tourism industry.

Second, the cautionary platform arose from opposition to the advocacy platform (Jafari, 1990). Its proponents are predominantly the academic community, socially, and environmentally concerned associations, and general media. The cautionary platform concerns itself with the economic and socio-cultural results of tourism, although it focuses on the ramifications and not on the benefits. While the advocacy platform argues for tourism as a means to boost labour, promote international collaboration, and disassemble barriers to language, class, and religious and political views, the cautionary platform envisions tourism as a vehicle for unemployment, host society conflict, and the commercialization of culture and religion.

The adaptancy platform, the third platform, uses the idea of alternative- and host-specific tourism (Jafari, 1990). The purpose of this platform is to use tourism in destinations that “employ local resources, are relatively easy to manage, are not destructive, benefit hosts and guests alike, and even improve communication between them” (Jafari, 1990, p. 35). Those who support this platform see it as an alternative to mass and out-of control forms of tourism and have adherents in the fields of academia, consultancy, conservation, and religion.

Knowledge-based, the fourth platform, is an attempt to amalgamate the positions held by the advocacy, cautionary, and adaptive platforms (Jafari, 1990). The knowledge-based platform arose from a general realization that tourism is a “giant global industry” that generates both desirable and undesirable change. Further, the knowledge-based platform reflects the inability of the other three platforms to study tourism as a whole. The primary goal of the knowledge-based platform is to examine tourism in a holistic fashion and to generate a “scientific body of knowledge on tourism” (Jafari, 1990, p. 37).

Shaw and Williams (2002, p. 298) argue that tourist consumption in the late 1990s began to “revolve around environmental quality and the respect for nature.” They further propose that sustainable development discourse deals primarily with the political, social, and economic factors of tourism. They acknowledge that the environmental aspects of tourism are commonly discussed in the literature, but note that “green washing” and “green speak” are the more common uses of the environmental platform. Shaw and Williams (2002, p. 299) point out that tourism is “drawn to some of the most fragile and sensitive areas, largely because such factors add to environmental attractiveness,” thus perpetuating the “green washing” of tourism. Hence, Shaw and Williams believe that the tourism industry must work

to meet its economic goals while providing concessions to accommodate the natural environment. Hunter (1995), on the other hand, believes that the tourism industry needs to focus its efforts towards the management of the environment given its reliance on resources for its offerings.

Notably, Butler (1999, p. 8) observes that a consistent trend in the sustainable tourism development literature pertains to the acceptance of the concept as “inherently good and appropriate for tourism” and the saving grace for the environment. Butler argues that sustainable tourism is not the solution to all problems, with limitations that include the inability to derive one generally acceptable definition and the challenge to monitor the success of operations that claim to be sustainable.

Critics of sustainable tourism development argue that the concept is “fundamentally misguided,” more of a catch phrase to assuage one’s conscience and further the expansion of the industry (Bramwell & Lane, 1993, p. 3). Although noting the responsibility to monitor these types of issues, Bramwell and Lane (1993) suggest that the use of the sustainability concept brings more positive than negative aspects. They also suggest that it is better to have researched, and attempted, a sustainable tourism development strategy than to “stand back and do nothing or else criticise without offering any realistic, practical way forward” (Bramwell & Lane, 1993, pp. 3-4).

In the same line of reasoning, Hunter (1997, p. 851) proposes that “sustainable tourism should not be regarded as a rigid framework, but rather as an adaptive paradigm which legitimizes a variety of approaches according to specific circumstances.” Butler (1999) also appears to concur with Hunter, and Bramwell and Lane, stating that it is highly unlikely

there will ever be one generally accepted definition of sustainable tourism, since the team's success is derived from its ability to be all things to all people. While the definitions each differ in some respects, all revolve around the concept that development needs to be undertaken with consideration for the longevity of the economy, society, and environment.

As Hunter (1997) observes, sustainable tourism should not be defined by a single definition or framework, but instead seen as an ever-changing conceptualization encompassing generally accepted and legitimized approaches to achieving lasting societies, cultures, and environments. For the purposes of this dissertation, Hunter's viewpoint on sustainable tourism is adopted as it will allow for the questions regarding sustainability to be broadly framed, allowing interviewees to use their own definitions of sustainability to answer questions and not one imposed on them by the researcher. This will also enable an investigation into how sustainability is understood in the wine industry under investigation, as it compares to the theoretical conceptualizations and theorizations presented above.

2.3. Rural Development through Sustainable Tourism

The significant shifts in the definitions and conceptualization of rural and sustainable tourism have come in the wake of changing rural areas. There have been numerous factors that have had great impact on rural areas, these changes can be traced back to globalization and restructuring (Koster, 2008). In the past, rural areas traditionally relied on minimally processed natural resources, otherwise known as staples commodities (Altman, 2003). These areas are typically located in rural-peripheries (Carson & Carson, 2011). Rural staples based economies face a "staples trap" whereby they become stuck relying on export-driven growth

controlled by an elite few, at the hindrance of sustainable local development (Barnes *et al.*, 2001; Schmallegger & Carson, 2010; Schmallegger, 2010).

Following the end of World War II, corporations began to witness decreases in profits due to increasing international competition. In an attempt to rectify this situation, corporations began looking for new ways to remain competitive, which emerged in the form of labour cost reductions, soft modes of production, and challenging laws that were cost prohibitive (Koster, 2008). The result of this push by corporations was a reduction in trade barriers to goods and services. This shift had a profound impact on rural communities who were predominantly based on natural resource extraction and production, and that now had to compete with corporations whose directive was not the welfare of the local community but the generation of profits. Thus, rural areas become faced with the need to restructure through an increased use of technology, access to global information and networks, and off-farm jobs (Keith, 2003; Reimer, 2003), possibly resulting in a loss of the culture and heritage that helped to shape rural areas and make them distinct (Koster, 2008).

As a result of the changing rural landscape and economic composition derived from the issues identified above, rural areas have sought to find alternative means for sustainable development and preservation of their communities. With the changes imposed on rural areas by globalization, rural areas in developed countries attempted to redevelop themselves through diversification of their economic offerings, with tourism and agriculture being two aspects of that diversification (Hall, 2005; Koster, 2008; Schmallegger, 2010). The benefits that rural areas can gain from the use of tourism come by way of direct and indirect income (Hardy, *et al.*, 2002; Teigeiro & Diaz, 2014) which can not only support employment in the

industry but also help to support infrastructure and community beautification (Gannon, 1994; Koster, 2008).

Specific to the tourism context, Lane (1994) proposes that “rurality,” the environment that comprises a rural area, is a marketing platform, through which holidays can be promoted. Furthermore, Lane (1994, p. 102) suggests that tourism is an inter-relationship between “host areas and their habitats and peoples, holiday makers, and the tourism sector.” Lane also highlights that the rural environment is fragile and that it can be easily changed by sudden shifts in its composition, while also acting as a storehouse for “natural and historical heritage” (Lane, 1994, p. 103). This lends itself to the marketing of an area, as tourists seek out places with scenic vistas and natural heritage and history. Krippendorf (1986, p. 131) further explains the phenomenon of tourists who seek out areas that contrast with those in which they work and live in an attempt to get away from the mundane to “consume the climate, nature and countryside.” Given that this dissertation uses Halfacree’s (1995) conceptualization of rurality as a “social representation of space” that is ever-changing, the marketing platform through which holidays can be promoted must also be ever-changing.

In regards to the rural tourism experience, Thompson (2004, p. 597) states that

... tourism and the people, places, and cultures that are part of it are not static or unchanging, but are social and historical creations and processes that need explaining both in terms of the extension of the national and global into the realm of the local as well as the extension of the local into the realm of the national and the global.

Thompson (2004, p. 598) states further that “rural tourism is not always imposed upon locals from the outside, but can be actively produced by the hosts themselves,” thus demonstrating the need for a certain level of embeddedness – a bottom-up locally driven approach to tourism (Carson & Koster, n.d.; Lowe *et al.*, 1995; Shicksmith, 2000). It is this focus on the

interconnectedness and embeddedness of the rural and tourism that is extrapolated upon in the integrated rural tourism paradigm proposed by Saxena *et al.* (2007) discussed in the following chapter.

Rural communities seeking to incorporate tourism into their economies tend to hold to the perspective that tourism has the potential to “save peripheral resource based economies” (Carson & Koster, n.d., p. 4). Carson and Koster summarize the three reasons discussed by various authors, as to why tourism is sought out as a cheap solution for struggling resource based economies. The three reasons are:

1. It does not cost anything or is very inexpensive as the infrastructure is already established, thus requiring little to no investment.
2. Being a storehouse for knowledge and historical artifacts, rural areas already have the attractions that tourists seek.
3. Peripheral areas are becoming accessible, as infrastructure and transportation networks make distance from urban cores less of an issue.

While tourism can benefit rural areas, Carson and Carson (2011) and Carson and Koster (n.d.) warn that peripheral areas, may face significant challenges when seeking to incorporate tourism into their regional offerings. The issues Carson and Carson (2011, p. 375) list are:

- distance from markets,
- lack of support infrastructure,
- lack of local tourism entrepreneurs,
- a dominance of small and micro businesses with limited skills and experience in tourism,
- a lack of coordination and collaboration between local industry stakeholders,

- a reliance on government and larger companies for tourism investment and marketing
- a lack of political and economic control over decision making.

It is also important to note that the benefits and issues for rural areas differ based on the type of rural area. For instance, distance from an urban core can have a significant impact on the ability of a rural area to rely on tourism as an economic driver. While an urban-periphery such as the Niagara Region can draw on tourists from neighbouring urban areas located less than a 20 minute drive away, extremely rural peripheries such as the communities on the north shore of Lake Superior in Ontario, Canada, are located between 10 to 16 hours' drive time away from the closest metropolitan area (Carson and Koster, n.d.). This difference in proximity to urban centres makes tourism more of a possibility for an urban-periphery than an extremely rural-periphery.

Given that the Niagara Region is an urban-periphery, it is easy to provide a discussion of how tourism in Niagara has been able to avoid the issues common to rural peripheries. Chapter 7 discusses the benefits that Niagara receives from being in the urban-periphery.

2.3.1. Guiding Concepts for Sustainable Tourism

Given the premise that sustainable tourism should be a guiding vision for achieving social, economic, and environmental longevity, it is important to examine strategies that could produce this result. Various strategies are proposed by authors such as Hunter (1995), Lane (1994), Sharpley (2000), and Carson and Carson (2011) to achieve sustainable tourism development. Lane (1994) postulates four key steps to facilitate the realization of sustainable tourism development.

1. The strategy writing team must have experience in not just tourism, but also matters of social, cultural, and ecological analysis;
2. All interest groups must be consulted;
3. The “openness” of the community, community goodwill, and support for local tourism are also seen to be essential to the success of sustainable tourism;
4. The strategy must be revisited regularly and re-evaluated and altered to resolve any problems and to change with the industry; this concept is more commonly known as “adaptive management” (Holling, 1978).

Sharpley (2000, p. 13) identifies three requirements for sustainable tourism development, they include:

1. International and regional support for sustainable tourism development policies.
2. Development based around the use of technology must be considered, while also being knowledgeable about the limitations and implications of its use.
3. “Sustainable tourism development requires the adoption of a new social paradigm relevant to sustainable living.

The last requirement is similar to that put forward by Bramwell and Lane (2008) which states that sustainability must not be a consideration of only environmental concerns; it must also include “social needs” and “economic opportunity.”

Building on the issues with tourism in rural areas identified by Carson and Carson (2011), and considering the recommendations made by Bramwell and Lane (2008), Lane (1994), and Sharpley (2000), it becomes apparent that the following components would be required to achieve sustainable development through tourism in rural areas:

1. Community, industry, and government support for infrastructure

2. Advice sought for and from local tourism entrepreneurs,
3. Development of a network of businesses with experience in tourism
4. Coordination and collaboration between local industry stakeholders,
5. Self-reliance for investment in the tourism product and marketing
6. Collaborative decision making with all actors involved.

In order to achieve sustainable tourism development, measures must be put in place to monitor sustainability practices. They should enable investigation into ecological-human relationships, with respect to their social, economic and overall impacts on the sustainability of an area (Graymore *et al.*, 2008). Hunter (1995, p. 164) also argues that sustainable tourism development must take a long-term perspective, where the consideration for “resource existence/provision and development potential is sought through a cross-sectorial, truly holistic strategy.” Liu (2003) suggests that sustainable tourism can only commence when all stakeholders and actors are involved in the tourism offerings. While Liu’s proposition is a worthy goal, it is unlikely that this situation will ever arise. As such, it is more realistic to propose that all of the major actors and stakeholders be involved, or be kept informed of the tourism offerings and goals.

Sustainable tourism requires the study of more than just the economic, social, and environmental aspects of tourism; it requires an examination of the various interactions among them (Fossati & Panella, 2000). Fossati and Panella (2000, p. 13) propose that various tools can be employed to control the negative aspects of tourism. These can be “regulations, taxes, and subsidies.” To be effective, these tools must be considered in a planning context and coordinated through continuous monitoring and set action plans.

Long (1993) provides a guideline for “socially sustainable tourism development,” breaking the guidelines into two phases: the planning phase and the management phase. In the planning phase, Long proposes the need for preliminary assessments through which the community should be a participatory member. Long also proposes that lines of communication must remain open through this phase and that the community and tourist both need to be educated on the development process. Furthermore, Long postulates that the five Ps of marketing should be employed (product, people, place, price, and promotion) and economic diversification and infrastructure planning need to be undertaken.

In the second phase, management, community participation, and lines of communication need to remain open, marketing needs to continue, and economic diversification should take place (Long, 1993). What differentiates the management phase from the planning phase is the use of monitoring, evaluation, and feedback in the management phase to judge the success of the development and provide corrective action if necessary.

Fossati and Panella (2000) propose four principles that should be followed to achieve sustainable tourism. First, the precautionary principle, attempts to avoid irreversible damage to the environment through the implementation of a “margin of security” in economic policies (Fossati & Panella, 2000, pp. 27-28). The specificity principle acknowledges that what is sustainable in one place at one time may be different given a different temporal and geographic spatiality. The subsidiary principle aims to de-centralize and relinquish those powers from the state to the people that cannot be “guaranteed by the market or by civil society” (Fossati & Panella, 2000, p. 28). Lastly, the principle of co-responsibility stipulates

that sustainable growth plans should have the support from all actors and coordinate the “social and economic factions” (Fossati & Panella, 2000, p. 28).

Along with the growing need for greater environmental concern, tourist desires and attitudes are changing. In the 1980s, the tourist changed from a person just breaking away from work and responsibility to a more knowledgeable, conscientious traveler, in other words, “the better tourist who feels, thinks, takes part, and shares responsibility” (Krippendorf, 1986, p. 135). This tourist is helping to drive sustainability today, as she or he increasingly becomes conscious of environmental and social impacts. In this context, businesses cannot simply ignore the fact that sustainability is a spreading concept and that it is recognized by this type of tourist. In order to succeed, tourism actors need to begin paying closer attention to the successful planning and management of tourism and tourism development.

Although many different strategies or guidelines have been proposed as a means to achieve sustainable development through sustainable tourism, they share similar components. First, most strategies propose that there needs to be an interconnectedness among the society, environment, and economy (Carson & Carson, 2011; Bramwell & Lane, 2008; Fossati & Panella, 2000; Graymore *et al.*, 2008; Lane, 1994). Tourism should be constructed in a way that considers environmental sustainability (Fossati & Panella, 2000; Graymore *et al.*, 2008; Lane, 1994), incorporates community feedback and participation (Carson & Carson, 2011; Bramwell & Lane, 2008; Lane, 1994; Liu, 2003; Long, 1993; Reid & Flora, 2002; Sharpley, 2000), and that aims to derive long term economic benefit for the area (Carson & Carson, 2011; Bramwell & Lane, 2008; Hunter, 1995; Reid & Flora, 2002). Second, connections are

formed between the residents, holiday makers, and holiday takers (Carson & Carson, 2011; Fossati & Panella, 2000; Krippendorf, 1986; Lane, 1994; Long, 1993).

2.4. Conclusion

This chapter has examined theoretical and conceptual understandings of how sustainable development through tourism has progressed since its conceptualization in the Brundtland Report. Subsequently, this chapter discussed strategies that should be components of sustainable tourism in order to achieve sustainable rural development. Building on the components and concepts discussed within this chapter, the following chapter will consider how the concept of integrated rural tourism (IRT) can be used as a means to enable the realization of a sustainable tourism offering. Through the implementation of an IRT approach, rural areas may be able to attain direct, experiential, conservation, development, and synergistic benefits.

Chapter 3: Integrated Rural Tourism

Integrated Rural Tourism can be traced back to the concept of Integrated Rural Development. Sustainable development was reconceptualised numerous ways during the 20th Century. One of the more prominent understandings of rural development that became used in the 1950s was that of integrated rural development (IRD), which broke away from single solutions to rural development and moved towards a more integrated approach. In the 2000s this idea was applied to tourism in the form of a new conceptualization of integrated rural tourism (IRT). This chapter explores the development of the concept of IRT, and its progression from the earlier concept of IRD. This chapter will begin with a brief overview of IRD and then moves into a discussion of IRT.

3.1. Integrated Rural Development Conceptualization

In response to its stagnating food production and desire to improve agricultural development, in the 1950s the Indian government sought out a new programme to improve its position (Mohan & Evenson, 1975). In response to this need, the Ford Foundation developed the idea of “packaging,” whereby several programmes are instituted at once to aid in agricultural rural development. The improvement plan developed by the specialists contained a ten-point program demonstrating an attempt to take a multi-faceted approach to reducing India’s famine. The ten-point program became the foundation of India’s Intensive Agricultural District Programme.

While Ford’s report (Ford Foundation Agricultural Production Team, 1959) and its idea of “packaging,” became the foundation of IRD, the concept has grown since its inception (Mohan & Evenson, 1975). The formalization of IRD came by way of the Comilla

Project in East Pakistan, wherein the image of coordinated rural services was projected (Cohen, 1980; see Choldin [1972] for a greater elaboration on the activities held at Comilla). The three components of the Comilla project that demonstrated this coordination were: a) the development of a cooperative system, b) the introduction of cooperation among local agencies involved in irrigation, roads, development, etc., and c) the development of capacity for local government to manage development and governance. While IRD has been used in a variety of rural locations globally, no “systemic analysis of integrated rural development project characteristics exist[ed]” (Cohen, 1980, 201). However, Cohen found that literature discussing IRD largely focused on small scale farmers and rural development. More recently, the idea of IRD has been discussed by authors such as Kostov and Lingard (2004), who propose that IRD requires a focus on six elements: sustainability, embeddedness, endogeneity, networks, scale, and complementarity. These six components show up later in a reconceptualization of IRD as it relates specifically to rural areas in a new concept of integrated rural tourism first discussed by Saxena *et al.* (2007).

3.2. Integrated Rural Tourism Conceptualization

Along with the changes in rural development witnessed from the 1980s forward, rural tourism thinking and operations have shifted in ways that relate to the expansion and creation of new networks and the collaboration of community members to derive new and relevant policies. The new paradigm being taken up by rural areas involves the idea of integrated rural development with a tourism focus, which reflects the interconnectedness of the economy, society (including culture), and environment of an area (Saxena *et al.*, 2007). This

interconnectedness can be traced to the sustainability principles, subsequent sustainability triangle, and IRD discussed previously.

Tourism is shifting towards a more integrated form of management (Saxena *et al.*, 2007). While tourism has previously focused its efforts primarily on marketing the landscape and amenities close to the destination, tourism must now infiltrate the various networks with which it is connected. In order to maximise revenue and maintain the rural economy, the tourism industry can be cross-marketed with other industries and sectors such as food and beverage and accommodations. While previous research has focused attention on examining one component of rural tourism at a time, IRT incorporates the ideas of IRD to examine rural areas interconnectedness. To accomplish this, IRT expands on the six components (sustainability, embeddedness, endogeneity, networks, scale, and complementarity) of IRD discussed by Kostov and Lingard (2004), to also include empowerment independently and in collaboration with one another (see Table 3 for a breakdown of each component, each of which will be elaborated upon in Chapter 6). A greater elaboration on the relation of previous literature to the seven components of IRT is provided in Table 4 below.

Table 3: Seven Dimensions of Integrated Rural Tourism

Dimension	Dimension Description
Networking	The ability of people, firms and agencies in the locality and beyond to work together to develop and manage tourism
Scale	The extent of tourism in an area in terms of its distribution over time and geographically, bearing in mind any thresholds related to the area's carrying capacity
Endogeneity	The degree to which the area's tourism is recognized as being based on the real resources of the area
Sustainability	The extent to which tourism does not damage, and possibly enhances, the environmental and ecological resources of the area
Embeddedness	The role tourism plays in the politics, culture and life of the whole area and population as a local priority
Complementarity	The degree to which tourism provides resources or facilities that benefit those who live locally in the area even if not directly involved in the tourism industry
Empowerment	The extent of political control over the tourism industry through ownership, law or planning; particularly control exercised at a local level

(source: developed by Saxena *et al.*, 2007, but succinctly provided by Clark and Chabrel, 2007, p. 5)

Table 4: Previous Research in Relation to the Seven Dimensions of IRT

Dimension	Dimension Description	Related Literature
Networking	The ability of people, firms and agencies in the locality and beyond to work together to develop and manage tourism	<ul style="list-style-type: none"> - connects local and national networks (Arfini <i>et al.</i>, 2002; Carson & Carson, 2011; Chan <i>et al.</i>, 1997; Reid & Flora, 2002; Saxena <i>et al.</i>, 2007; Telfer, 2001) - creates connections and reduces tensions between residents, holiday makers, and holiday takers (Bramwell & Lane, 1993; Brown & Nylander, 1998; Fossati & Panella, 2000; Krippendorf, 1986; Lane, 1994; Long, 1993; WTO, 1998) - regional collaboration can strengthen rural tourism by creating critical mass to attract tourists to the area (Meyer-Cech, 2005).
Scale	The extent of tourism in an area in terms of its distribution over time and geographically, bearing in mind any thresholds related to the area's carrying capacity	<ul style="list-style-type: none"> - history of the Niagara wine industry (Acheson, 1977; Bramble <i>et al.</i>, 2007; Bramble, 2009; Dominé, 2008; Malleck, 2005; Mytelka & Goertzen, 2004) - wine tourism and the wine industry at a national or provincial level (Carlsen, 2004); - viability over an indefinite period of time (Bramwell and Lane, 1993; Butler, 1993; Carter, 1993; WTO, 1998) - acknowledges limits to growth (Bramwell & Lane, 1993)
Endogeneity	The degree to which the area's tourism is recognized as being based on the real resources of the area	<ul style="list-style-type: none"> - production levels (Statistics Canada, 2009); - locals taking control of their development (bottom-up approach) (Carson & Koster, n.d.; Lowe <i>et al.</i>, 1995; Shicksmith, 2000) - focusing on social development at the local level (Coleman, 1988; Putnam, 1993)
Sustainability	The extent to which tourism does not damage, and possibly enhances, the environmental and ecological resources of the area	<ul style="list-style-type: none"> - scenic vistas (Carlsen, 2004; Gannon, 1994) - economic gains (Carlsen, 2004; Dodd, 2000) - safeguards the environment (Butler, 1993; Carter, 1993; Fossati & Panella, 2000; Graymore <i>et al.</i>, 2008; Hunter, 1995; Lane, 1994; WTO, 1998)

Embeddedness	The role tourism plays in the politics, culture and life of the whole area and population as a local priority	<ul style="list-style-type: none"> - tourist consumption patterns and perceptions (Carmichael, 2005; Wade, Holmes & Jacobs, 2010) - winery employment (Alonso & Northcote, 2008); - successful wine tourism (Getz <i>et al.</i>, 1999) - reliance on local networks, resources, and community (Carson & Carson, 2011; Day, 1998; Hinrichs, 2000; Koster, 2008)
Complementarity	The degree to which tourism provides resources or facilities that benefit those who live locally in the area even if not directly involved in the tourism industry	<ul style="list-style-type: none"> - economic gains (Bramwell & Lane, 2008; Carlsen, 2004; Dodd, 2000; Hunter, 1995; Reid & Flora, 2002) - focus placed on community living standards and quality of life (Carter, 1993; Hunter, 1995) - incorporates community feedback and participation (Bramwell & Lane, 2008; Lane, 1994; Liu, 2003; Long, 1993; Reid & Flora, 2002; Sharpley, 2000)
Empowerment	The extent of political control over the tourism industry through ownership, law or planning; particularly control exercised at a local level	<ul style="list-style-type: none"> - wine industry control (Acheson, 1977; Bramble <i>et al.</i>, 2007) - governance (Carson & Koster, n.d.; Goodwin, 1998; Macbeth <i>et al.</i>, 2004; Schmallegger & Carson, 2010)

Source: Prepared for this dissertation

The concept of Integrated Rural Tourism was first discussed by Saxena *et al.* in 2007, as a means to examine how tourism functions as a part of rural networks. The concept was devised as a response to Europe's need for investigation of their lagging rural regions, and was used as part of their Supporting and Promoting Integrated Tourism in Europe's Lagging Rural Regions (SPRITE) project, which used seven components (sustainability, empowerment, endogeneity, complementarity, scale, networking, and embeddedness) to examine the benefits/ impacts that tourism could bring to the lagging regions as a means of sustainable development.

Saxena *et al.* (2007) proposed five benefits to the integration of rural tourism: direct, experiential, conservation, development, and synergy. The direct benefits come by way of the value added to the tourism experience and a decrease in the value lost to neighbouring urban areas. Experiential benefits offer the ability to market the area based on the local attraction, amenities, and cuisine. Conservation benefits both the tourism industry and environment since the environment provides the atmosphere for tourism, while the tourism capital and management can limit or control the degradation of nature and the environment. Through its development, IRT can bolster niche markets and aid in the ever-present desire to decrease rural agricultural poverty. Lastly, synergies can be created to enable greater coordinated and consistent policy objectives locally and regionally, while also enabling open networks between those who make the policy and those who must abide by it.

While use of the IRT framework is still in its infancy, five studies have employed it as a concept since first theorized by Saxena *et al.* in 2007. Saxena *et al.* 2007, p. 347) developed IRT in the context of the SPRITE (Supporting and Promoting Integrated Tourism in Europe's Lagging Rural Regions) project, in response to the "academic and policy debates advocating a more integrated and territorial approach to rural development" and as a "means of thinking critically and comprehensively about the actors, resources and relationships involved in this notoriously fragmented industry" (p. 351). As discussed subsequently, Saxena *et al.* stipulate that there are seven components that theoretically must be considered when examining IRT: sustainability, empowerment, endogeneity, complementarity, scale, networking, and embeddedness. The seven components of IRT each draw on research into sustainable tourism that has come before: sustainability (e.g., Bramwell & Lane, 1993; Fossati & Panella, 2000; Graymore *et al.*, 2008; Hunter, 1997; Sharpley, 2000),

empowerment (e.g., Lane, 1994; Thompson, 2004; Sharpley, 2000), endogeneity, complementarity (e.g., Getz *et al.*, 1999; Lane, 1994; Telfer, 2001), scale (e.g., Fossati & Panella, 2000), networking (e.g., Lane, 1994; Liu, 2003; Long, 1993; Telfer, 2001), and embeddedness (e.g., Thompson, 2004).

Since its first conceptualization, Clark and Chabrel (2007), Petrou, *et al.* (2007), Cawley and Gillmore (2008), Petersen (2010), Barcus (2013) and Saxena and Ilbery (2008) examine how IRT might be realized in practice. In 2007, Clark and Chabrel examine the value of tourism by objectively quantifying the seven components of IRT. Clark and Chabrel asked study participants to answer set survey questions that were then aggregated to the seven components of IRT. The questions and subsequent aggregation were conducted ten years apart (1992 and 2002) (the period during which the SPRITE project was being undertaken) to measure the net positive or negative change in perceptions in regards to the seven components. Clark and Chabrel (2007, p. 384) conclude that the IRT methodology is

... novel and has operationalised a means of allowing stakeholders and practitioners to assess the changes in tourism value, broadly defined. This gives tourism and resource managers a means of tracking changes in integration, perhaps as a result of tourism management or policies. The methodology is clear enough to be operated at various scales and intensities and can be repeated periodically to gauge trends in policy effectiveness.

While this is a valuable way to analyze tourism in regards to IRT, a time series analysis was not practical considering the timeframe of this dissertation.

Using the research approach developed by Clark and Chabrel, Petersen (2010) examined IRT in the Goris region of Armenia. Using the seven components of IRT, Petersen administered semi-structured surveys to four actor groups: tourists, community members, tourism businesses, and tourism institutions. Responses to questions were then measured

against pre-determined typologies in order to derive a quantitative measure of each of the seven components the four actor groups. Petersen's research concludes that the Goris region of Armenia is in the early stages of sustainable development, but that further work is needed. While this method provides a unique ability to analyze the successful progress made in each of the seven components of IRT, this dissertation relied on interviews guided by discussion with various actors in contrast to the standardized semi-structured surveys used by Petersen (2010) and Clark and Chabrel (2007).

Similar to Clark and Chabrel (2007) and Petersen (2010), Cawley and Gillmor (2008) attempt to examine how IRT could be used to address the lack of an integrated approach to understand and address the challenges faced by rural tourism. Focusing on four rural areas in western Ireland, they employ a qualitative method of study to derive quantitative measures of the value tourism holds. Cawley and Gillmor (2008, p. 234) interviewed "tourists, tour operators, owners and managers of tourism businesses, providers of resources for tourism, and institutions involved in pertinent policy and planning, and host community members in destination areas" using closed ended questions to capture participant demographics, and open ended questions to allow for flexibility. Their study finds that IRT was able to fill a gap in literature by acting as a model for the facilitation of sustainable rural tourism.

Saxena and Ilbery (2008) also use the IRT framework to analyze the interconnectedness of rural economies, focussing on three regions in Herefordshire and Shropshire. Using semi-structured interviews, Saxena and Ilbery examine how IRT can be used to analyze how current networks, empowerment, endogeneity, and embeddedness impact tourism in the rural areas analyzed. The results of their study show that the areas'

inhabitants lacked grand plans and required significant improvements to their networks. The research also uncovers that the concepts of embeddedness, endogeneity, and empowerment are all inter-linked, but that “it cannot be assumed that one characteristic will necessarily result from the others” (Saxena & Ilbery, 2008, p. 250)

Unlike the studies undertaken by Clark and Chabrel (2007), Cawley and Gillmor (2008), and Saxena and Ilbery (2008), Petrou *et al.* (2007) focus specifically on two components of IRT. Using the study areas of the "UK (England-Wales Border and Cumbria), Spain (Aitana Valleys and Alta Ribagorca-Pyrenees) and Greece (Kalavryta-Achaia and Evrytania),” Petrou *et al.* examine the networking and complementarity components of IRT. Using a mixed methods approach, their study finds that informal (e.g., collaborative marketing efforts) and formal networks (e.g., membership in industry association) need to be developed in rural areas to enable sustainable economic development. By studying the networking and complementarity components of IRT, Petrou *et al.*, are able to deconstruct the current level of cooperation within the regions under study, and their various differences.

IRT has also made its way to North America, with Barcus (2013) investigating how rural development implemented in Bayfield, Wisconsin, USA, might have actually been IRT in application. Using semi-structured interviews with 12 interviewees conducted in 2011, as well as planning documents, Barcus examine how the seven components of IRT can be mapped onto the development undertaken in Bayfield.

Studies using IRT as a frame of research are slowly increasing because the framework shows an ability to understand the level of tourism integration at local and

regional scales. The studies above also demonstrate an ability to use the IRT framework to examine the interrelationship between the concepts of sustainability, empowerment, endogeneity, complementarity, scale, networking, and embeddedness, which were typically examined independently of one another in the past. However, as evident from the examples above, the current use of IRT as a framework of analysis is limited to Europe and one study in the United States of America.

The studies in Europe and the US were undertaken to determine how IRT can be used to study tourism in rural areas. These rural areas were rich in history and located outside of large urban areas. The wine industries in Niagara share similarities with those regions previously studied, as Niagara is also home to historical attractions, bike tours, and festivals. Furthermore, the four regions that comprise the wine region (Grimsby, Lincoln, St. Catharines, and Niagara-on-the-Lake) are located just outside a large urban area (Niagara Falls). For an overview of the authors, methods of research, and study areas examined in previous research, see Table 5.

IRT has yet to be applied to tourism in Canada, Ontario, and/or Niagara. Also, the concept of IRT has yet to be applied to wine tourism and the wine industry. Studies on wine tourism in Niagara have focused on components of wine tourism and the wine industry – strategic alliances (Stewart *et al.*, 2008; Telfer, 2000, 2001), community perspectives (Alonso & Northcote, 2008; Poitras & Getz, 2006), wine tourists (Carmichael, 2005; Wade *et al.*, 2010), wine route (Arfini *et al.*, 2002), industry production (Agriculture and Agri-Food Canada [AAFC], 2012), economic development (Bramble *et al.*, 2007) – yet, no studies have taken an integrated approach to studying the complexity of wine tourism and the wine

industry. This research explores the use of the concept IRT to examine the complex nature of tourism and the role it plays in the environment, economy, and society of local actors. The IRT framework can also help to understand tourism's impacts in an area, as well as identify its strategic significance to an area.

To understand the integration of rural tourism into the Niagara Peninsula, this dissertation uses Saxena *et al.*'s (2007) seven dimensions: sustainability, empowerment, endogeneity, complementarity, scale, networking, and embeddedness. Saxena *et al.* (2007) recommend that rural economies must change to compete against urban areas. Further, they recommend that rural economies, and more specifically rural tourism, use endogenous empowering networks that straddle the divide between being embedded versus disembedded.

In the embedded versus disembedded continuum, rural areas must keep a sense of the us (locals) versus them (non-locals) way of thinking, while understanding its limitations (Saxena *et al.*, 2007). Although creating a sense of ownership and community, us versus them way of thinking may have a tendency to ostracize regional and global partners, decreasing the ability of the local area to make the most use of networks and market opportunities. Embeddedness also refers to the extent that culture and economic action are inextricably linked to one another, such that development is linked to the social relationships of the area (Day, 1998). If managed properly, rural areas could embed themselves in their history and culture, while communicating and working with external networks.

Table 5: Study Areas in IRT Research

Author	Method of Analysis	Rural Location Characteristics
Clark and Chabrel (2007)	Semi-structured interviews integrating scale questions	Uses various study areas across Europe that are defined as rural in nature.
Petrou <i>et al.</i> (2007)	Mixed methods, using results from the SPRITE study	Petrou, <i>et al.</i> (2007, p. 424) undertook their research in “UK (England–Wales Border and Cumbria), Spain (Aitana Valleys and Alta Ribagorça–Pyrenees) and Greece (Kalavryta–Achaia and Evrytania)... With the exception of Cumbria in the UK (a tourist area for over 200 years), businesses in all the study areas had been predominantly founded after 1990, thus justifying their characterization as young enterprises in newly emerging tourist areas.”
Cawley and Gillmore (2008)	Open ended questions	One region of County Galway and three in County Mayo located in Western Ireland. These areas attract few tourists, and are usually toured by car, coach, bicycle, and walking.
Saxena and Ilbery (2008)	Semi-structured interviews	Saxena and Ilbery (2008) used the three sub-regions of Pembridge and Eardisland in North Herefordshire, and Llewelyn Country (comprised of Cilmeria, Aberdew, and Builth Wells). Pembridge and Eardisland were chosen due to their food and drink sector, range of speciality shops, and festivals. Llewelyn Country is known for “unspoiled countryside ideal for walking, fishing, pony trekking and mountain biking, leisure and sporting pursuits” (Saxena & Ilbery, 2008, p. 241).
Petersen (2010)	Semi-structured interviews as well as close ended demographic questions	The Goris region in Armenia was studied by Petersen (2010, p. 34) due to the “rich natural, cultural, and historical resources of the area, its strategic location, the lack of current large-scale commercial tourism development, and a lagging economy in need of revitalization.” The Goris region is located outside of the capital city of Yerevan.
Barcus (2013)	Semi-structured open ended interviews	Bayfield, USA, is located in “northern Wisconsin, an area identified by the USDA as a region of declining population and low amenity ratings... It is located approximately 4.5 hours driving time from the Saint Paul-Minneapolis metro area and eight hours from the Chicago metro area – the two largest population concentrations in the region” (Barcus, 2013, p. 133).

Source: Developed for this Dissertation

In addition to the embeddedness continuum, Saxena *et al.* (2007) recommend the use of endogenous networks as a means of sustaining and promoting the sustainability of the local culture, economy, and environment. Through the preservation of the economy, culture, and heritage of an area, rural economies are able to add value to the tourism experience. Furthermore, through the preservation of traditions and values and relational networks, industry connectedness can be strengthened. Saxena *et al.* (2007) caution against the use of endogenous approaches for areas that are not strong, since they may cut themselves off from the external channels of development and lose out on valuable opportunities.

Saxena *et al.* (2007) also recommend the use of empowering networks, thus allowing everyone to benefit from communal decision making processes. Through the act of empowerment, the members of the rural community are able to communicate their stories and assist in the planning process by providing input and insights to the planning department.

Lastly, Saxena *et al.* (2007) consider networking, scale, sustainability, and complementarity. Networking examines the ability of local agencies and firms to work collaboratively. Scale considers the geographic distribution and changes over time in relation to tourism in the Region and the area's ability to welcome tourists. Sustainability examines how tourism benefits, but does not damage the environment and resources of the area. Complementarity examines how tourism benefits the local residents by way of "resources or facilities." For a review of the seven dimensions of IRT, see Table 1 on Page 28.

In conclusion, existing studies suggest that a rural economy can be measured against IRT to determine the extent to which the area might sustain itself over time. The results of such analysis can also be used to make recommendations for improvements or changes that

could be made to the current practices to benefit the area socially, economically, and environmentally. This dissertation will assess the ability of IRT to be used as a concept through which rural sustainable development could be understood. The seven dimensions of IRT will also be each examined independently to understand the current reality of wine tourism in the Niagara Peninsula.

Chapter 4: The Ontario Wine Industry

The Canadian wine industry has undergone profound transformation since its origins over 200 years ago, with the most important changes beginning late in the 20th Century. This chapter reviews that history, concentrating on the wine industry in the Province of Ontario, the largest wine producer in Canada (Industry Canada, 2011). Numerous studies have examined their consumption patterns and perceptions (e.g., Carmichael, 2005; Wade, Holmes & Jacobs, 2010), but the focus of this dissertation about wine tourism is wine industry actors. Findings derived from tourist consumption and demographic studies will be presented in the findings portion of this dissertation to support or contradict claims made by industry participants.

4.1. Wine Tourism

Wine tourism system(s) rest on a foundation of natural resources to sustain quality wine production, organization, planning, and marketing efforts by destination management organizations (DMO's), and an understanding of the interaction between suppliers and wine tourists. (Getz *et al.*, 1999, p. 23)

Wine tourism research has recently attracted serious attention beginning in Australia where the first wine tourism conference was hosted in 1998. Hall and Macionis (1998, cited in Getz *et al.*, 1999, p. 20) define wine tourism as a concept revolving around the tourist with an interest in “visitation to vineyards, wineries, wine festivals, and wine shows for which grape wine tasting and/or experiencing the attributes of a grape wine region are the prime motivating factors for visitors.” Getz *et al.* (1999, p. 21) state that wine tourism is “a form of consumer behaviour based on the appeal of wine and wine regions, and a development and marketing strategy for the wine industry and destinations in which wineries and wine-related experiences are the dominant attraction.” While both definitions characterize wine tourism,

Hall and Macionis' (1998, cited in Getz *et al.*, 1999) definition is derived from the tourist's perspective (or demand), while the definition by Getz *et al.* (1999) appears to be derived from the supply perspective.

Getz *et al.* (1999) identify various factors that can affect the success of wine tourism. One of the most important is natural resources, since the land, water, and environment enter the product that wineries sell. The wineries themselves are an important aspect of wine tourism since they represent a specific destination for wine tourists. Moreover, wine tourism benefits from the presence of complementary tourist facilities and diversified attractions. Getz *et al.* report that cultural and historical factors of a region have also been found to be important for tourists. It is almost axiomatic that wine tourists are most drawn to destinations that have a strong reputation for quality products.

Strong relationship networks among the various contributors to the wine regions enable more successful businesses and stronger communities (Telfer, 2001). From grape growers to wineries, and restaurants to tour operators, the success of wine regions depends on the collaboration of all actors, regardless of the horizontal (like the Ontario Wine Council) or vertical (such as a Bed & Breakfast [B&B] stay packaged with a winery visitation) relationship that may exist. Chan *et al.* (1997) finds that strategic alliances over a five-year period actually created higher levels of operating performance, in comparison to those with no collaboration for US firms. Similarly, Telfer (2001) finds that horizontal and vertical collaboration increased on-site wine and merchandise sales in the Niagara Region.

Laws that govern land use and zoning, taxation, and other regulations can impact significantly on wine tourism since they have direct consequences for sales, production, and

consumption patterns (Getz *et al.*, 1999). For instance, land use and zoning bylaws that regulate agricultural land in wine regions can inhibit or promote the construction of new wineries and restaurants. Wineries are obligated to pay taxes that are imposed on the sale of alcohol even when they offer free tastings. The restriction on the sale of alcohol during certain times of day also limits the hours of operation of winery retail stores, as well as the number of hours in a day that a wine tourist may frequent and engage in tastings at the various wineries.

Carlsen (2004) proposes both micro- and macro-economic frameworks through which wine tourism can be examined. At the micro-economic scale, wine tourism is explored at the local level through the role of the consumer, wineries, and the destination. The macro-economic approach attempts to examine wine tourism and the wine industry at a national or provincial level, investigating grand marketing schemes, industry imports and exports, industry trends, taxation and funding, regulations, infrastructure, and inter- and intra-industry collaboration.

Looking at the wine industry and wine tourism from the perspective of the winery, industry association, and local government, this chapter will focus on eight aspects of the Ontario wine industry: history, shifting production, technological advancement, wine markets, market control, employment, wine tourism as a subset of the wine industry, and challenges facing the industry.

Canadian wines have gone through considerable shifts in production and quality. The production of wine is an environmentally dependent phenomenon that few regions in Canada are able to harness. Four Canadian provinces/regions produce wine: Ontario, British

Columbia, Quebec, and the Maritimes (Statistics Canada, 2009). Ontario and British Columbia are the main producers of Canadian wine, while Quebec and the Maritimes produce significantly less volume. Quebec and the Maritimes also do not currently produce *Vitis Vinifera*³ grapes, nor Vintners Quality Alliance (VQA) wines (CVA, 2005). The acreages of grapes under vine in Ontario and British Columbia in 2011 were 18,383 and 9,169 acres respectively, while Quebec had only 1,684 acres under vine⁴ (Statistics Canada, 2011). Although Nova Scotia is the largest wine producer in the Maritimes, its production is limited to only 658 acres.

Currently, three appellations of origin have been designated in Ontario by the VQA: Niagara Peninsula, Prince Edward Country, and Lake Erie North Shore (Figure 3) (VQA, 2013a). Each appellation is distinguished by the variety of soils left behind by the “same glacier that carved out the great lakes” (Bramble, 2009, p. 13). Another factor that has contributed to their ability to produce internationally recognized wines is micro-climates similar to the great French wine regions of Champagne, Burgundy, and Bordeaux (Dominé, 2008). While there are three wine appellations in Ontario, the Niagara Peninsula has been selected as the focus of this dissertation since it enjoys the largest market share in Ontario, at 80%.

The Niagara Peninsula is situated in Ontario between Lake Erie, Lake Ontario, and the Niagara River, which help to regulate extreme temperatures. This situation makes

³ “The grapevine (*Vitis vinifera*) belongs to the family Vitaceae, which comprises about 60 inter-fertile wild *Vitis* species distributed in Asia, North America and Europe under subtropical, Mediterranean and continental–temperate climatic conditions” (Terral, 2010, p. 443)

⁴ Throughout this dissertation an attempt has been made to provide the most recent available data.

Niagara a prime region not only for grape growing, but also for apples, peaches, pears, and cherries (Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA), 2004). Beyond agriculture, the Niagara Peninsula also contains a variety of visitor attractions, such as Niagara Falls Ontario, the Shaw Festival, Botanical Gardens, Casino Niagara, the Fallsview Casino, and a wide variety of retail shopping attractions. The Niagara Peninsula also offers two international border crossings, broadening Niagara’s possible target markets.

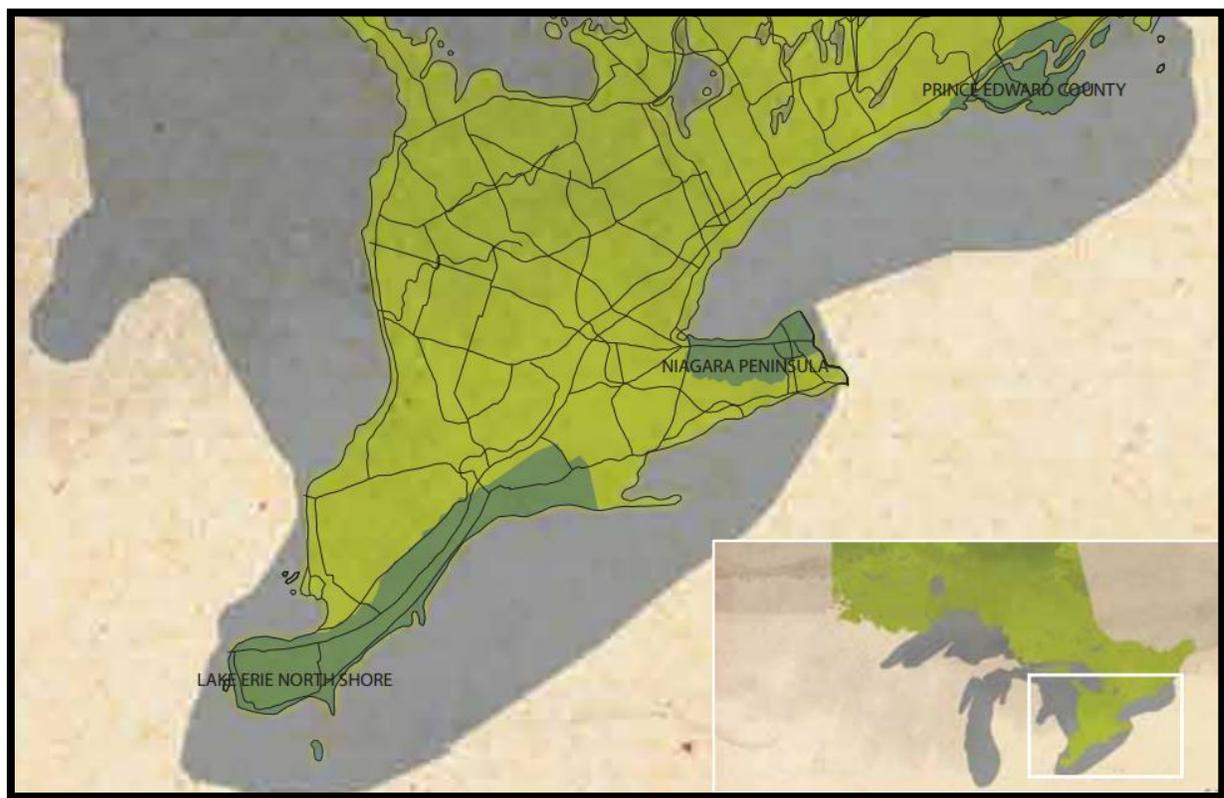


Figure 3: VQA Ontario Appellations of Origin (Source: VQA, 2013a)

4.2. A Brief History of Ontario’s Wine Industry Development

In 1811, Johann Schiller, a retired German soldier, became the first person to begin domesticating and farming vines in Ontario (Bramble, 2009; WCO, 2010a). While Schiller can rightfully be regarded as the “father of commercial winemaking in Canada,” it was not

until 1866 that the first commercial winery in Ontario, Vin Villa, was opened on Pelee Island. The establishment of this winery stimulated winery development, resulting in 35 commercial wineries in Ontario by the late 1800s (Grape Growers of Ontario (GGO), 2010). By the beginning of the 20th Century, wine making was flourishing although the number of Ontario wineries in operation was reduced to eighteen (Acheson, 1977). Their existence was threatened by the *Ontario Temperance Act* that imposed alcohol Prohibition in 1916. The grape growers and wineries responded with a successful petition to the Provincial government to exclude wine. Since wine was the only legally available alcohol in Ontario between 1916 and 1927, 33 new wineries were established, increasing the number of wineries to 51. Three years after the enactment of Prohibition in Ontario, the United States passed the 18th constitutional amendment, making the sale, transportation and purchase of intoxicating liquors illegal in the US (National Archives and Records Administration (NARA), 2010). Prohibition was in place until its repeal in 1933 with the passing of the 21st amendment. This difference in the application of the temperance criteria allowed the Ontario wine industry to continue building its market, while the American wine industry stalled.

4.2.1. Governance

Over the course of the development that wine tourism has gone through, there have been many shifts in the governance of the industry and region. To enable a discussion of governance, it is first crucial to understand that governance “refers to a process of governing in which governmental and non-governmental organizations work together” (Koster, 2008, p. 165). Koster proposes that the growing demand for increased control of the industry within the location with which it operates has resulted in an increased need to develop

collaborations between the government and private sector. The following discussion provides an overview of the governmental and non-governmental organizations that have been created to manage and/or support the wine industry and the regions in which it operates.

To regulate the distribution of alcohol⁵, the province of Ontario created the Liquor Control Board of Ontario (LCBO) in 1927 (Bramble *et al.*, 2007). That year, the LCBO froze the awarding of new winery licences and did not relax the policy until 1974. During this period, the number of wineries in Ontario shrank almost immediately, from 51 in 1927 to six by 1937 (Acheson, 1977; Bramble *et al.*, 2007). Although no longer responsible for the administration of licences after the creation of the “Liquor Authority Control Board” in 1944 (later changed to the Liquor Licensing Board of Ontario in 1946), the LCBO was still the sole organization with the authority to import and sell wines (Acheson, 1977; Malleck, 2005). Through its own retail stores, the LCBO was, and is, able to decide what alcohol it will sell, which producers it will stock, and what prices it will set on the products it sells.

The Ontario Grape Growers Marketing Board (GGMB) was established in 1947 as a provincially sanctioned place for industry collaboration and to represent the interests of the grape growing industry to the Provincial government (Mytelka & Goertzen, 2004). The GGMB was also created to act as a bargaining agent, enabling the grape growers to negotiate the “minimum price for grapes” annually with the wineries and, after 1988, with the Wine Council of Ontario (GGO, 2005a). In 2002, the GGMB changed its name to the Grape

⁵ The *Liquor Control Act* also allowed for the sale of low alcoholic beverages at licensed establishments, outside of the government LCBOs, by The Beer Store, a private company owned by three major breweries (Labatt Brewing Company Ltd., Molson Coors Brewing Company Ltd., and Sleeman Brewery Ltd.) (Malleck, 2005).

Growers of Ontario (GGO) to better reflect the mission, vision, and values of Ontario viticulturists.

In 1973, the *Wine Content Act* came into effect, allowing Ontario wine producers to market wine as a “Product of Canada” if the content included a minimum of 25% domestic grapes (Bramble *et al.*, 2007). At the same time, federal regulations restricted the importation of international wines through tariffs. The tariffs were instituted to support the efforts of Canadian winemakers to improve table wines considered to be of a lower quality than international wines, due to a “foxy” taste (Bramble *et al.*, 2007; Hope-Ross, 2006; Mytelka & Goertzen, 2004).

The Wine Council of Ontario (WCO, 2011) was incorporated in 1974 as a not-for-profit trade organization. The council, which began with eight members, was formed in the hopes of strengthening the wine industry. In the same year, a fundamental shift in the Canadian wine industry occurred when Donald Ziraldo, the son of a St. Catharine’s farmer, and Karl Kaiser, an Austrian winemaker, asked the Ontario government to remove the ban on new wineries (Bramble *et al.*, 2007). Ziraldo and Kaiser also requested that they be granted a licence to sell wines from their “cellar door.” Their petition was successful and, in the same year, Inniskillin became the first winery to be granted a license and a retail store/winery in Canada since restrictions were imposed (Dominé, 2008). This decision jumpstarted the “modern wine industry of Ontario” (Bramble *et al.*, 2007, p. 11) and wineries in Ontario grew from only six in 1975 to 140 in 2008, 108 of which produced VQA wines (VQA, 2011).

These structural changes were not accompanied by any alterations to the distribution system for Ontario wines. Aside from restaurants and bars, cellar doors, and a fixed number of boutiques⁶, wines can only be purchased at the Liquor Control Board of Ontario (LCBO) which controls the sale of all hard alcoholic beverages in the Province (Bramble *et al.*, 2007). This crown corporation's 600 stores make the LCBO the largest buyer and distributor of wine globally. While facilitating the sale of alcoholic beverages, particularly for large firms, the virtual monopoly creates a major problem for many and new small-scale wineries whose limited bottling's are often not accepted for listing. Perhaps more problematic, many estate wineries may face price barriers, hampering their ability to sell through the LCBO (Mckenna, 2013).

Furthermore, through the Wine Council of Ontario and the Winery and Grower Alliance of Ontario (discussed later), wineries are required to negotiate grape prices and wine prices annually with the Grape Growers of Ontario and Liquor Control Board of Ontario respectively (Bramble *et al.*, 2007). This raises the issue of competitive advantage, since Canadian wines may be more expensive than international wines (such as California and Australia) due to higher production and distribution costs (Agriculture and Agri-Food Canada, 2009b).

The European Union lodged a complaint against the LCBO in 1987 under the General Agreement on Tariffs and Trade (GATT) on the grounds that its wines received unequal

⁶ Premier Kathleen Wynne has also promised to “loosen Ontario’s rigid liquor laws to allow the sale of Vintners Quality Alliance (VQA) wines, which are made from Ontario-grown grapes, at farmers markets” (Benzie, 2013).

treatment in Canada (Mytelka & Goertzen, 2004). Up to that point, the LCBO had placed a 60% mark-up on imported wine compared to 1% for domestic wines. The complaint under GATT corresponded closely with the signing of the North American Free Trade Agreement (NAFTA) in 1988. As a result, Ontario's preferential treatment of domestic wines was disallowed in the 1990s and the government was also required to eliminate tariffs on imported wines. NAFTA also ended the ability of wineries to operate more than one retail store, although existing outlets were grandfathered.

The Ontario Vintners Quality Alliance⁷ (VQA) was created in 1988 by wineries, growers, government, and journalists to improve the reputation and to standardize the composition of Ontario wines (Bramble *et al.*, 2007). Initially a voluntary organization that sought to delineate various Ontario appellations and to coordinate communication among wineries, it was given statutory authority under the *Ontario Vintners Quality Alliance Act* enacted in 1999. The VQA was authorized to “set standards of production which included varieties of grapes that would be allowed” (Bramble *et al.*, 2007, p. 17). While there are similarities to the French Appellation d'Origine Controlée (AOC) regulating body, the VQA is not responsible for the regulation of viticulture practices. This is a significant limitation for sustainable production, as it can cause brand confusion (e.g., what is Ontario wine?) as well as inconsistencies and/or variation in production processes and end product offerings.

The *Alcohol and Gaming Regulation and Public Protection Act* of 1996 provided the legislative framework to create the Alcohol and Gaming Commission of Ontario (AGCO).

⁷ For the purposes of this dissertation, the term VQA will only be used to discuss the Ontario Vintners Quality Alliance, and not the British Columbian Vintners Quality Alliance.

The Commission was given responsibility for the administration of the *Liquor and Licence Act*, *Gaming Control Act* (1992), *Ontario Wine Content and Labelling Act* (2000), sections 3(1)b, e, f, g and 3(2)a of the *Liquor Control Act* and the *Charity Lottery Licensing Order in Council*.

Administering the *Liquor and Licence Act*, the AGCO became responsible for “liquor sales licences, ferment on premise facility licences, liquor delivery service, manufacturer's licences, and manufacturer's representative licences” (AGCO, 2010). Through the administration of the *Wine Content and Labelling Act*, the AGCO is also responsible for the regulation of the minimum content allowances and the labelling procedures of Ontario wine (*Wine Content and Labelling Act*, 2000, c. 26).

In 2006 the Ontario government created the VQA Wine Support Program (WSP). The program was aimed at encouraging the sale of VQA wines through the LCBO. Between 2007 and 2009 the program provided grants to 63 wineries that in total reached \$13 million over the three year period (Ministry of Consumer Services, 2010). In part due to this support, “LCBO sales of VQA table wines were up 11.8 per cent in 2007-2008 and 17 per cent in 2008-09 over the previous year” (Ministry of Consumer Services, 2010).

Building on the success of the VQA Wine Support Program (WSP), the provincial government created the Ontario Wine Strategy (OWS) in 2009 that aimed at growing the industry with a specific focus on VQA grapes (Ministry of Consumer Services, 2010). The strategy had three key elements: VQA wine support, marketing and tourism support, and grape sector support. To facilitate VQA wine support the government renewed the VQA WSP, budgeting for \$6 million dollars to be spent over a five year span from 2010 to 2014.

The OWS also set aside \$3 million dollars per year for five years (2010 to 2014) to support marketing (e.g., Advertising and promotion) and tourism activities (e.g., wine route development and promotion at industry events). This funding was managed by the WCO. Lastly, the OWS provided \$3 million a year, starting in 2001, for grape growers to increase their focus on VQA wines.

In support of the OWS's goals of improving VQA wine sales and distribution in Ontario, the provincial government through the AGCO launched a two-year pilot program in May of 2014 to enable wineries to sell VQA wine at farmers' markets. The program requires that participating wineries "hold a manufacturer's licence from the AGCO, manufacture VQA wine, operate an on-site winery retail store and obtain an authorization from the AGCO to sell VQA wine at an occasional extension of its on-site winery retail store at Farmers' Markets" (AGCO, 2014). Beyond the above mentioned requirement, the wineries must abide by a list of criteria as outlined in Table 6. As of July 2, 2014, 59 cities/towns had planned to hold a farmers market at which wine would be sold. In total, 93 farmers' markets had a winery registered to be at the market to sell wine. For a complete continually updated list of cities/towns and farmers' markets where wine is sold visit www.agco.on.ca/en/whatwedo/farmers_market

Table 6: Farmers' Markets Requirements

- Only VQA wine may be sold at Farmers' Markets.
- VQA wine may be sold during the hours of operation, but may be further limited by Farmers' Markets.
- Wineries may sell VQA wine at an occasional extension at any number of Farmers' Markets.
- Each authorized winery will be able to sell VQA wine up to three times a week at a particular Farmers' Market.
- Sampling is permitted but must be confined to the occasional extension.
- VQA wine offered for sale at a Farmers' Market must be transported from the winery's on-site retail store to the Farmers' Market each day and any unsold wine must be returned to the winery's on-site retail store at the end of each day.
- All staff involved in the sale of VQA wine at a Farmers' Market must be certified by Smart Serve®.
- Wine can only be sold at Farmers' Markets that meet the definition provided in Regulation 720:
 - a central location at which a group of persons who operate stalls or other food premises meet to sell or offer for sale to consumers products that include, without being restricted to, farm products, baked goods and preserved foods, and at which a substantial number of the persons operating the stalls or other food premises are producers of farm products who are primarily selling or offering for sale their own products.
 - Note that the regulation does not authorize the establishment or operation of Farmers' Markets at which all or a substantial number of the products sold or offered for sale are VQA wines.
- Municipalities may prohibit the sale of VQA wine at Farmers' Markets within their territory by providing a written objection to the Registrar of Alcohol and Gaming.
- The AGCO will post a list of Farmers' Markets where VQA wine will be sold on its website. This list will be updated on a weekly basis.
- The AGCO will conduct inspections of VQA wine sales at Farmers' Markets as required.

(Source: AGCO, 2014)

In 2009, as a result of a new levy scheme imposed by the provincial government and a “growing sense among [International Canadian Blend] ICB [or Cellared in Canada (CIC)] producers that their interests were not being adequately represented by the WCO” (Pelling & Hira, 2012, p. 22), there was a split in the WCO membership. The split resulted in the wineries primarily concerned with VQA wines staying with the WCO, and those primarily

interested in ICB wines forming a new organisation. The Winery and Grower Alliance of Ontario is comprised primarily of the larger wineries (such as Peller, Jackson Triggs, and Inniskillin), as well as growers. This split has resulted in split funding as well as divided efforts to lobby government and market the area. This split works in contradiction to Lane's (1994) proposition that open lines of communication and collaboration in planning, management, and administration process are required to achieve sustainable tourism. The division of resources also pose issues for local and national networks (see Saxena *et al.*, 2007 and Reid & Flora, 2002).

4.2.2. Shifting Production

Canadian wines were poorly regarded for most of their history, beginning with the plantings of vineyards in Ontario in the early 19th Century. After being granted a plot of land near Toronto, Ontario, Johann Schiller domesticated wild vines and, by 1811, was making wines from Canadian and American hybrids (Bramble, 2009).

Until the 1970s, the use of *vitis labrusca* and American and French hybrids was the basis of wine production in Ontario. Such varieties produced wines better suited to higher alcohol and sweeter products such as port and sherry, but proved inferior for the production of table wines (Bramble *et al.*, 2007, p. 4). Moreover, Canadian wineries had acquired a reputation for making “pop” wines in a large measure because of the commercial success of such labels as “Baby Duck.” The industry realized the need to produce better wines and, in the mid-1970s, wineries and scientists began to explore various possibilities to improve the resiliency of preferred varieties that had to that point been susceptible to disease, pests, and severe climate (Bramble, 2009; Bramble *et al.*, 2007). In response to the threat from

phylloxera, a devastating louse that is common to cooler climates, *vinifera* vines were grafted onto North American vines to create more resilient vines.

The federal government implemented the Grape Acreages Reduction Program (GARP) in 1989 to encourage growers to remove *labrusca* in favour of *vinifera* vines. The transformation sought to eliminate “grape varieties deemed surplus to industry needs, and move forward with varieties suited for the higher quality table wines that consumers were demanding” (GGO, 2005a). The removal of over 7,000 acres of *labrusca* variety grapes led to a reduction in the acreage of Ontario vineyards from 24,000 to 17,000, although *vinifera* vines were planted to replace the removed vines throughout much of the 1990s (Aspler, 2006, p. 25). These initial losses led to a decrease in availability of grapes for the production of domestic wines, although enabled grape growers to convert 40% of their *labrusca* vines to *vinifera* vines (Gayler, 2010). The resulting change in acres of *vinifera* and *labrusca* planted can be seen in Figure 4.

Because of the GARP and the NAFTA Agreement, the *Wine Content Act* was altered to allow a blended wine with at least 30% of the wine coming from Ontario to be classified as a “Product of Canada” (GGO, 2005b). In 1993, poor grape yields led to a change under the *Wine Content Act* that allowed Canadian Wines to contain a minimum of 10% domestic grapes; however, the minimum rose to 25% in 1994 and returned to 30% in 2001.

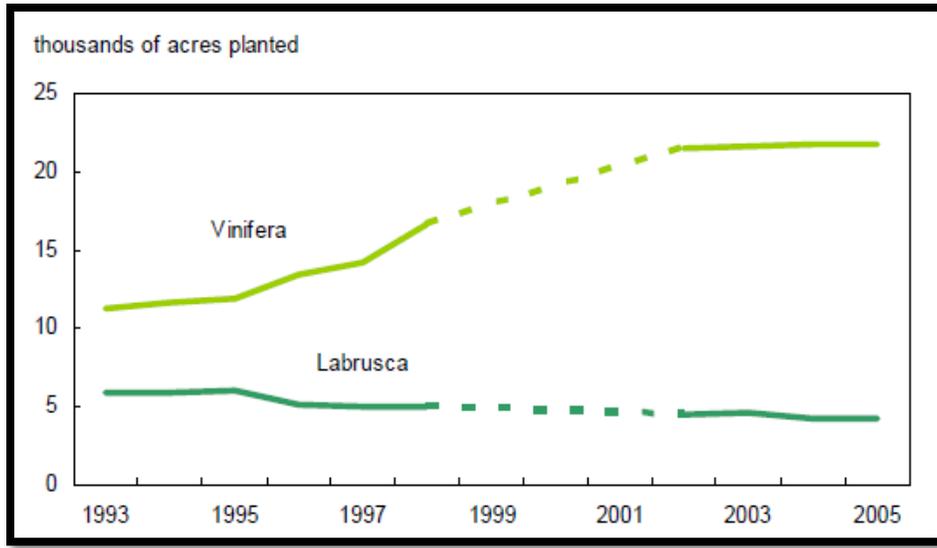


Figure 4: *Labrusca* and *Vinifera* Plantings (Source: Hope-Ross, 2006)

(Note: 1999 to 2001 data are confidential, as such the dotted lines were produced as linear projections)

In 2001, the *Ontario Wine Content and Labelling Act* was enacted, laying out a three-tier wine system (Agriculture and Agri-Food Canada, 2009b). The first two tiers consist of low to moderately priced wines that are a blend of international and Canadian grapes. These two categories are referred to as either “Product of Canada,” which must contain at least 75% Canadian grapes or “Cellared in Canada,” sometimes referred to as “Cellared by ABC Winery,” containing at least 30% of Ontario grapes⁸ (GGO, 2005b). The top tier wine, “VQA,” must contain 100% locally-grown grapes which, in Ontario, must come from one of

⁸ “Wine packaged on or after September 1 2010 and before March 31, 2014 requires that wineries use a minimum of 40% Ontario-grown product, with a minimum of 25% Ontario grapes in an individual bottle of wine. Wine labels have changed from “Cellared in” to “Blends of International and Canadian Wine” (Grape Growers of Ontario, 2005b).

Ontario's three viticultural appellations: Niagara Peninsula, Lake Erie North Shore, or Prince Edward County (GGO, 2005b; VQA, 2013).

The area devoted to grape production in Canada has only recently returned to the level of 50 years ago; however, there have been drastic changes in the varieties planted (GGO, 2005a, 2005b). Today, *vinifera* are the dominant wine grape grown in Canada (67%), while hybrids (20.5%) and *labrusca* (12.5%) vines still contribute to Canadian grape production (OMAFRA, 2004).

Due to the increased demand for higher quality wine, acreages of tender and other fruit in the Niagara Peninsula appellation have decreased in favour of grape varieties. In the Niagara Peninsula appellation, for example, apples have suffered the greatest decline (OMAFRA, 2004). These changes have implications for the Ontario agriculture sector, discussed in the section below.

4.2.3. Urbanization of Geography with Tender Fruit Soil

In 1950 the Niagara Fruit Belt was delineated (Krueger, 1978). The belt contained ten townships located between Hamilton and the Niagara River. In 1978 Ralph Krueger undertook an analysis of the region to understand the changes that had occurred in regards to the acreages of fruit in the region. While the municipal boundaries had changed significantly between 1950 and 1975, Krueger maintained the boundaries first delineated to enable a time series analysis. The results of his research showed that the Niagara Fruit Belt had undergone major transformation. While every fruit with the exception of apples had been increasing in acreage between 1931 and 1951, the inverse took place between 1951 and 1971 with every crop decreasing in acreage with the exception of grapes (see table 7). His research also found

that this trend continued beyond 1971, such that by 1976 tree fruits had decreased by approximate 1000 acres while grapes increased by 2000 acres.

Table 7: Niagara Fruit Acreages 1931, 1951, and 1971

Fruit Crops	1931 (acres)	1951 (acres)	1971 (acres)	% change 1930-51	% change 1951-71
Peaches	7,200	14,100	9,300	+96	-34
Cherries	1,800	4,200	3,200	+133	-24
Apples	4,600	2,200	1,500	-52	-32
Pears	1,900	5,600	5,200	+195	-7
Prunes and plums	2,600	4,700	2,100	+18	-55
Total tree fruits	18,100	30,800	21,300	+70	-31
Grapes	14,600	20,400	21,900	+40	+7
Small fruits	1,300	2,000	300	+54	-85
All Fruit Crops		53,200	43,500	+56	-19

Source: Krueger⁹ (1978, p. 181)

The loss of fruit crops in the Niagara Fruit Belt can be attributed in part to the growing use of tender fruit soil for growing of grape vines (Krueger, 1978). Tender fruit soil regions were located predominantly along the Lake Ontario shore line. Prior to the 1960s, while tree fruits such as peaches and sweet cherries were found exclusively on tender fruit soils, other tree fruits and vineyards were found more predominantly on well-drained clay soils. In and around the early 1960s, grapes began to make their way onto tender fruit soils as *vitis vinifera* and hybrid vines began to be planted. This shift to an increase of vineyards

⁹ Krueger (1978, p. 181) states that

the 1931 data were copied from unpublished work-sheets and include only the Niagara Fruit Belt as defined by Krueger. The 1957 and 1971 data are from published Census volumes for the counties of Welland, Lincoln, and Wentworth. The portion of Wentworth County that extends beyond the Niagara Fruit Belt has insignificant fruit acreages other than apples. The portion of the Wentworth apple acreage belonging to the Niagara Fruit Belt was estimated on the basis of field observations.

being planted on tender fruit soil came as growers realized that they were able to net hire returns on grapes than on peaches.

Another factor influencing the reduction of tender fruits in Niagara besides grapes has been the urbanization of the tender fruit soils (Krueger, 1978, 2008). Between 1934 and 1975 the tender fruit growing areas became increasingly ‘built up,’ “referring to the development of cities, towns, and villages as well as transportation facilities and scattered buildings including farmsteads,” and urbanized (p. 184). With the tender fruit soil areas becoming increasingly built up and urbanized, the land being devoted to the growth of tender fruit declined. While grapes are also classified as tender fruit, their ability to be grown on a variety of soils made them less reliant on tender fruit soil and transferable to other areas. This resulted in vineyards being planted in areas outside of those where tender fruit soils were located.

This trend of decreasing tender fruit has continued on since the 1970s (see Figure 5). Between 1988 and 2008, the average fruit crop in Ontario decreased in acreage by 27% (Planscape Inc., 2011). While not as great a loss as the other tender fruits, grape acreages have also witnessed a loss being reduced from 19,820 acres in 1988 to 16,350 in 2008 (see Table 8). It is also of note that this decrease took place predominantly between 1988 and 1998, as grapes did see an 11% growth in acreage between 1998 and 2008, while the average tender fruit witnessed decreased of approximately 15%. As of 2013, all the tender fruit (other than grapes) in the Niagara region only account for 10,963 acres of land combined, while grapes alone account for more 13,523 acres (Niagara Region, 2014). This demonstrates that

grapes have taken over as the primary tender fruit agriculture grown in the region and, as has been suggested by Krueger, this has come at a cost to the other tender fruit industries.

Table 8: Ontario Fruit Acreages 1988, 1998, and 2008

Crops	1988	1998	2008	% Change 1988-1998	% Change 1998-2008	% Change 1988-2008
Apples	27,190	25,300	16,500	-7%	-35%	-39%
Sour Cherries	2,010	1,900	1,930	-5%	2%	-4%
Sweet Cherries	910	810	660	-11%	-19%	-27%
Grapes	19,820	14,670	16,350	-26%	11%	-18%
Peaches	8,500	5,900	6,000	-31%	2%	-29%
Pears	3,280	2,700	1,900	-18%	-30%	-42%
Plums & Prunes	1,470	1,255	800	-15%	-36%	-46%
Raspberries	940	1,110	750	18%	-32%	-20%
Strawberries	3,890	4,100	3,050	5%	-26%	-22%
Other Fruit	654	1,785	2,455	173%	38%	275%
All Fruit Crops	68,664	59,530	50,395	-13%	-15%	-27%

Source: Modified from Planscape Inc¹⁰. (2011, p. A1.53).

¹⁰ Planscape Inc. (2011) gathered data from various sources to derive their dataset, their sources include: Ministry of Agriculture Food & Rural Affairs – Farm Value and Harvested Area of Fruit Crops – Agricultural Statistics for Ontario, OAMFRA; Seasonal Fruit and Vegetable Annual Summary Reports, OMAFRA; Apple Marketing Survey; Fruit and Vegetable Production, Statistics Canada; Tender Fruit Producers’ Marketing Board; Grape Growers of Ontario; Ontario Apple Growers.

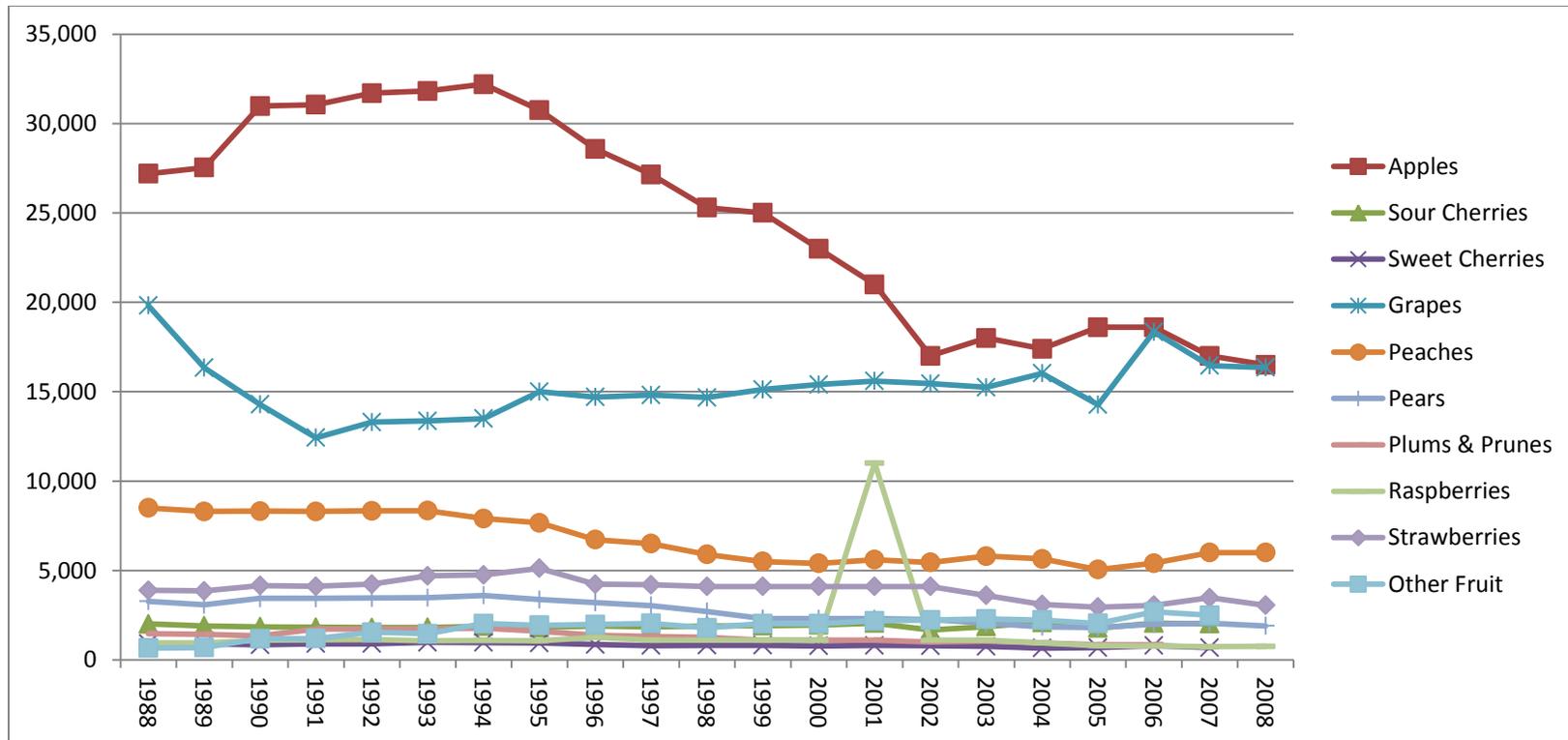


Figure 5: Ontario Fruit Acreages 1988 thru 2008 (Source: Modified from Planscape Inc., 2011, p. A1.53).

Note: Planscape Inc. gathered data from various sources to derive dataset, their sources include: Ministry of Agriculture Food & Rural Affairs – Farm Value and Harvested Area of Fruit Crops – Agricultural Statistics for Ontario, OAMFRA; Seasonal Fruit and Vegetable Annual Summary Reports, OMAFRA; Apple Marketing Survey; Fruit and Vegetable Production, Statistics Canada; Tender Fruit Producers’ Marketing Board; Grape Growers of Ontario; Ontario Apple Growers)

4.2.4. Technological Advancements

The Canadian wine industry lags behind other countries that produce wine in the way that grapes are grown and wine is produced. The explanation lies primarily in the lack of desire to improve quality of wines, the availability of grapes, inadequate revenues, and the lack of knowledge among Canadian vintners (Bramble *et al.*, 2007). This lag can also be attributed, in part, to the restrictions imposed by the *Ontario Temperance Act* and the moratorium placed on winery licences at the beginning of the 20th Century. These two factors contributed to a slow uptake in the use of technology to further the industry. However, immigration has brought foreign expertise to the Canadian industry from countries such as Australia, New Zealand, and South Africa that has resulted in improvements in the production process of wine. The greatest progress has occurred in the areas of refrigeration and processing (Bramble *et al.*, 2007). The ability to control temperatures during the fermentation process, the implementation of increasingly hygienic processes, the use of higher quality oak barrels for aging, and the adoption of more efficient machinery to reduce wine spoilage were finally adopted in Canada in the mid-1990s. These changes were sought since they had enabled wineries elsewhere to increase production quantities, processing times, and wine quality. These investments were spurred by the desire both to compete domestically and to market Canadian wines internationally.

4.2.5. Wine Markets

The domestic sales and exports of Canadian wine rose to around \$1.3 billion in 2005, from around \$700 million in 1992/93, with exports accounting for less than \$200 million

during the same timeframe, as can be seen in Figure 6¹¹ (Hope-Ross, 2006). Wine sales in Canada have been steadily increasing since 1992, while the exports of Canadian wine have seen periods of little to no movement (Hope-Ross, 2006).

Between 1992 and 2005, domestic and export sales of Canadian wines increased by more than 5% per year on average, with most of the increase coming from domestic sales (see Figure 6). The \$517.2 million, or 93% of the \$557.4 million increase from 1992 to 2005, was derived from domestic sales. International wine sales are dominated predominantly by ciders, sparkling wines, and coolers; however, icewine did account for \$6.7 million in exports in 2004 (Hope-Ross, 2006, p.8). While Canada does not have a large stake on the world market, Niagara wineries have become the largest global producers of icewine (Haynes, 2000, p. 69).

As noted by Johnson and Robinson (2001, p. 10), “the general trend has been for the major wine producing countries to be drinking less while some notable importers ... are drinking more.” Although this may be the case for countries such as the United States, which is fourth in production but 57th in per capita consumption, first-ranked in production Italy and second-ranked France have consumption rates ranked third and sixth respectively (see Tables 6 & 7). Although not a direct comparison, it is pertinent to take note of the differences in wine production by per capita consumption, to acknowledge no direct correlation.

¹¹ While no available information can be found on the total sale of wine domestically and internationally, VQA wine sales derived \$231.3 million within the province, and \$37.2 million in exports and interprovincial sales (KPMG, 2011).

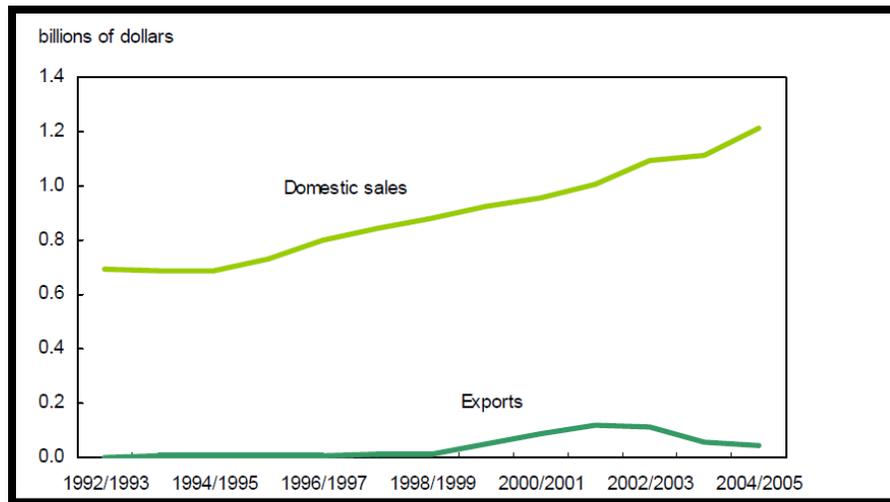


Figure 6: Domestic and International Sales of Canadian Wine (including cider, sparkling, and coolers) (Source: Hope-Ross, 2006)

Table 9: Wine Production by Country (Hectolitres 000)

Country	2008
Italy	51,500
France	45,692
Spain	36,781
United States	24,274
Argentina	15,013
Australia	14,750
China	14,500
Germany	10,363
South Africa	10,300
Chile	8,690
Canada	540

(Source: Wine Institute, 2010a)

Table 10: Per Capita Wine Consumption by Country (Litres Per Capita)

Country	2008
Vatican City State	66.67
Norfolk Island	57.44
France	53.22
Luxembourg	52.70
Andorra	51.78
Italy	50.06
Portugal	44.32
Slovenia	43.77
Falkland Islands	41.99
Croatia	41.16
47. Canada	12.24
57. United States	9.68

(Source: Wine Institute, 2010b)

Canadians consumed 14.2 litres of wine per adult in 2005, but the amount varies widely according to province. Although Ontario is the largest producer of wine, the average consumption for Ontario residents was 12.9 litres of wine in 2005, below the 18.2 litres, 16.2 litres, 14.8 litres, and 13.6 litres in Quebec, British Columbia, Alberta, and Nova Scotia, respectively (Hope-Ross, 2006).

Industry Canada (2011) statistics for 2009 reveal that 273 of the 536 wineries in Canada were located in Ontario. Most production was sold domestically, although some specialty wines have been successfully marketed internationally. Icewine alone was responsible for \$8.6 million, up from the \$6.7 million in 2004 (Hope-Ross, 2006, p.8), of the \$20.2 million in exports in 2008 (Agriculture and Agri-Food Canada, 2008 & 2010). In comparison, grape wine was the leading agri-food-and-seafood import in the nation with a value of \$803 million (Agriculture and Agri-Food Canada, 2009a). It is worth noting that “during 2004/05, consumers bought a record high volume of 360 million litres of wine, of which 40% were Canadian brands and 60% imported” (Hope-Ross, 2006).

4.2.6. Bottled Wine Control

The Wine Council of Ontario (WCO) today represents 82 wineries across Ontario (WCO, 2011b). Through lobbying for their winery members, 55% of the WCO members’ wines are sold through the LCBO while the remainder are largely distributed through sales at cellar doors, retail outlets, and restaurants. As will be revisited in the findings, some wineries choose not to sell through the LCBO because they do not like the price points. The WCO works closely with restaurants to promote Ontario wines. In 2009, over 121 restaurants specifically featured VQA wines, 32 of which offered wine lists that contained 75% or more VQA products (WCO, 2009).

The LCBO also has significant control over the wine industry (Acheson, 1977; Bramble *et al.*, 2007). The LCBO has built-in safeguards for its business through agreements with each of the winery suppliers. The LCBO sets an annual sales quota for each new listing, and the actual sales are then reviewed quarterly (Mytelka & Goertzen, 2004). If the sales of

the new listing do not meet the provincial quota, the wine can become “delisted” at which point the “supplier must reimburse the LCBO for 25% of the purchase price and the LCBO can then sell off the remaining stock at a discount, or the supplier takes back the remaining stock” (Mytelka & Goertzen, 2004, p. 28).

While the LCBO exerts control over the distribution of wines in Ontario, 66.8% of the wine production in Canada is controlled by five companies. Among those, Vincor and Andrés Wines alone controlled a 57.7% share of the Canadian wine market in 2003 (Madill *et al.*, 2003; Mytelka & Goertzen, 2004); however, more recent data are not readily available. With sales of more than \$376 million in 2002, Vincor, acquired by Constellation in 2006, was ranked fourth in volume in North America and 22nd in sales internationally in 2004 (Madill *et al.*, 2003). Vincor’s nine Canadian wineries produce approximately 25% of the wine sold in Canada. Furthermore, Vincor’s own retail stores in Canada, Wine Rack, have over 165 locations (Constellation, 2010) which sell the products of the various wineries owned by the Constellation group.

Andrés Wines, which became Andrew Peller Ltd. in 2006, enjoys increasing sales in Canada. From March 2009 to March 2010, Andrew Peller Ltd. sales increased from \$251.1 million to \$263.1 million, with 51% of the sales derived in Ontario (Andrew Peller Limited, 2010). Andrés owns more than 100 stores under the name of Vineyards Estate Wines, Aisle 43, and Wine Country Vintners.

4.2.7. Retail Price Structure

Taxes and levies add substantially to the price that consumers pay for alcohol in Ontario. The revenue from the sale of a bottle of wine in Ontario is broken down into four

parts: the supplier revenue (including freight), Government of Ontario revenue, Government of Canada revenue, and a container deposit (LCBO, 2013). The payment to a supplier of VQA wine in Ontario is broken down into three components: the landed cost (the payment to the supplier), the basic price, and the consumer price. To reach the basic price the Ontario Government adds to the landed cost an LCBO mark up of 65.5%, a LCBO wine levy of \$1.62 per litre, a LCBO bottle levy of \$0.29 per litre, and a LCBO environmental fee of \$0.0893 per container. The consumer then purchases the bottle of wine at the basic price with the addition of 13% harmonized sales tax (H.S.T.) and a \$0.20 container deposit. So, a supplier would only receive \$4.34 for a bottle of wine sold to a consumer at the LCBO for \$10. See Table 11 for a complete breakdown of this example. When applied to domestic wines, which usually have a higher base cost than international wines, the tax imposition increases the price differential.

Table 11: LCBO Pricing Examples for Ontario Table Wine

Price Components		100% Canadian Wine (\$)	<100% Canadian Wine (\$)
Payment to Supplier		4.32	3.86
Federal Excise Tax	\$0.62 per liter		0.47
Total Landed Cost		4.32	4.32
LCBO Mark-up	65% of Landed Cost	2.83	2.83
LCBO Wine Levy	\$1.62 per liter	1.22	1.22
LCBO Bottle Levy	\$0.29 per liter	0.22	0.22
LCBO Environmental Fee	\$0.0893 per container	0.09	0.09
Basic Price		8.67	8.67
Harmonized Sales Tax (HST)	13% of Basic Price	1.13	1.13
Container Deposit	\$0.20 per bottle	0.20	0.20
Consumer Price		10.00	10.00

(Revised from LCBO, 2013)

4.2.8. Employment

Wineries provide employment opportunities for the communities where they are located (Alonso & Northcote, 2008). Canadian wine production and sales contribute to both domestic and international seasonal employment. Between 1996 and 2006, the direct domestic employment in the wine industry increased from 1,249 to 2,766 employees (Statistics Canada, 2009). Not included in the count are the seasonal workers, largely international, who are hired during the growing season to ensure the timely harvesting of grapes. Resident Canadians are reluctant to take many of the low-paying-physically-demanding jobs that agriculture provides (Butovsky & Smith, 2007). As a result, the industry in general has pressured the federal government to develop mechanisms that facilitate migrant labourers. Canada has been hiring temporary workers from the Caribbean and Mexico as part of the Seasonal Agricultural Workers Program (SAWP) that was first implemented in 1974¹² (Brem, 2006; Butovsky & Smith, 2007; Government of Canada, 2009). The number of seasonal workers employed in Canada under the SAWP grew from 266 in the first year to 18,887 in 2004 (Brem, 2006).

While most provinces participate in the SWAP, Quebec and Ontario employ the majority of migrant workers in agricultural sectors (Government of Canada, 2009). Migrant workers are employed on approximately 1,800 farms across 9 provinces, with almost 1,600 workers located in Ontario (Brem, 2006, p. 2). During their time in Canada, employment averages between 17 and 20 weeks annually. This trend is expected to continue as Canadians

¹² SAWP workers are contractually tied to their employers for a specified period of time, after which they must return to their home nation.

become less inclined to participate in the agricultural labour force. This labour supply also enables the communities to keep their farms active, without requiring a substantial reliance on local labour.

4.3. Ontario Wine Tourism

Globally, wine regions have been able to realize significant benefits derived from wine tourism. As stated above, they produce income, employment, and sales for not only the local communities and wineries, but also surrounding economies (Carlsen, 2004). The wine regions in Ontario provide scenic vistas and local products for domestic and international visitors. Many wineries remain open throughout the year to sell products from their boutiques and offer tastings and tours to visitors who benefit from the opportunity to purchase wines that cannot be found elsewhere other than at the point of production.

Wine tourism has also been shown to increase winery profits, educate the public, and serve the public appetite for labels that are not available in the LCBO (Dodd, 2000). It is this latter ability to sell at the cellar-door and stock local restaurant cellars that enables the small and medium sized wineries to earn a profit (Dodd, 2000). Cellar-door sales also serve to educate the consumer that Canadian wine meets and can exceed the quality of imported wines.

The growing popularity of wine in Canada has increased production and the appeal of cellar door sales to consumers and in turn provides economic development opportunities for viticultural regions (Alonso & Northcote, 2008; Hall *et al.*, 2000). Restaurants, lodging facilities, and wineries in Ontario's wine regions have been able to create networks that deliver products and services to both locals and visitors (Arfini *et al.*, 2002). Through

collaboration in organizations such as the Wine Council, and for festivals such as the Niagara Wine Festival, wineries have been able to cross promote and strengthen their brand, while also strengthening the wine industry. Similarly, though packaging offerings of B&Bs, wineries, casinos, restaurants, and travel agencies, the tourism industry has been able to realize the benefits of cross promotion.

Niagara is a vibrant region offering a variety of activities for its residents and tourists including such attractions as historical museums, the Niagara Falls, restaurants, bike routes, art festivals, and wineries. Despite these attractions, issues such as 9/11, fluctuating currency values, and increased boarder control have led to significant decreases in US visitors to Ontario from 29.1 million in 2000 to 11.1 million in 2013 (Ontario Ministry of Tourism, Culture and Sport (OMTCS, 2013). International visits have also decreased from 31 million in 2000 to 13.1 million in 2013.

Although tourism to Niagara from the US and internationally has been decreasing over the past 12 years, the wine industry has been growing steadily. The Niagara Economic Development Corporation finds that

... tourism has emerged as the driving force of Niagara's economic renaissance and is a significant contributor to an industry sector that generates over \$57 Billion to the Canadian economy. As the number one tourist destination in Ontario, the Niagara region receives 50% of all travelers entering the province and accounts for 40% of the Ontario tourism industry. (Niagara Economic Development, 2010)

Furthermore, the Strategic Plan put forward by the MTCR and WCO in 2001 predicts that the wine industry will “grow to a \$1.5 billion (retail value) business employing 13,500 persons and contributing \$1.1 billion to the provincial economy, by 2020” (p. 38). Since this prediction, the annual per capita domestic consumption of wine increased from 11.3 liters in

2000 to 14.6 liters in 2007 (AAFC, 2012). This study also found that the growth of wine consumption is out-performing other forms of alcohol; however, the annual growth rate of volume sales was higher for imports (5.4%) than it was for domestic products (4.2%). The growth of sales in Ontario is most likely due to the increase in VQA wine purchases from “2.5 million litres in the 1996-97 fiscal year to 9.9 million litres, or almost \$2 billion in retail sales in the 2006-07 fiscal year” (AAFC, 2012).

The Wine Council of Ontario distributes several publications to attract visitors, most notably “Wine Country Ontario – Your Official (Year) Year-Round Travel Guide.” This guide includes a pull-out map of the Ontario wine regions that shows “Ontario’s Wine Route – Your Official (Year) Map” (WCO, 2012). The three appellations in Ontario can be seen in Figures 7 – 9. However only those wineries belonging to the WCO are visible on the maps. Also included is information about the history of the wine regions, the VQA system, and a description of each winery that includes hours of operation and the signature wine. Paid advertisements draw visitors’ attention to various local businesses such as restaurants, specialty shops, and lodging facilities. Such collaboration among stakeholders in promoting travel along designated routes facilitates and enhances the wine country experience (Arfini *et al.*, 2002). The creation of a collaborative network also helps to support sustainable tourism practices, as is supported by Lane (1994), Hunter (1995), and Telfer (2001).

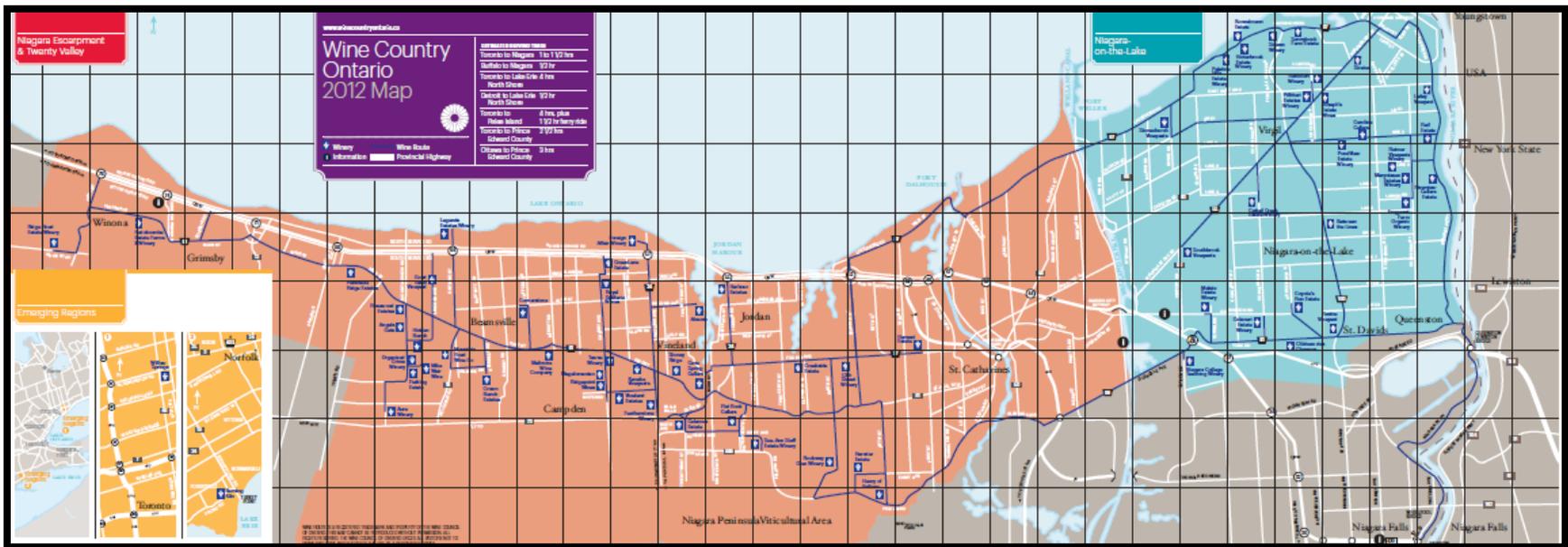


Figure 7: Niagara Escarpment, Twenty Valley, Niagara-on-the-Lake and Emerging (Newly Developing but not Official) Regions (Source: Wine Country Ontario, 2012)

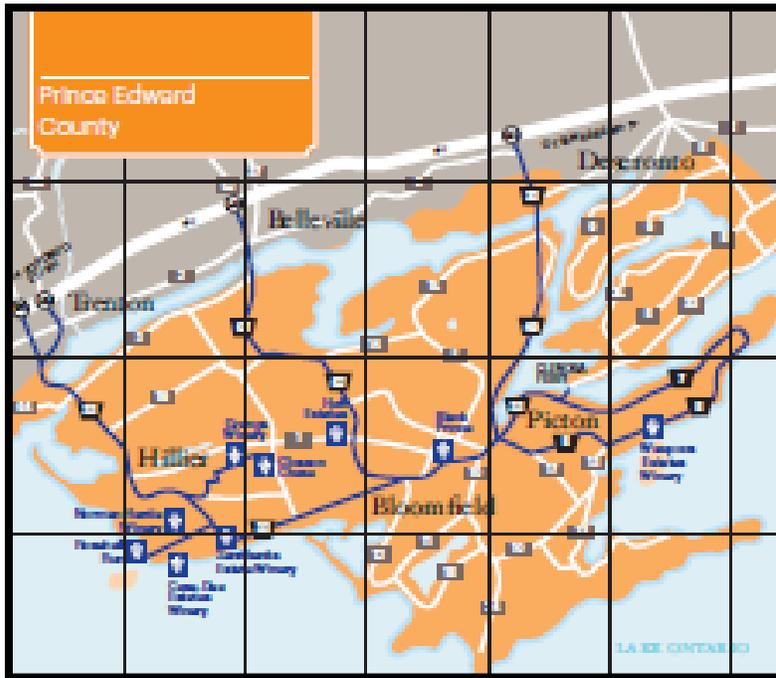


Figure 8: Prince Edward County (Source: Wine Country Ontario, 2012)



Figure 9: Lake Erie North Shore and Pelee Island (Source: Wine Country Ontario, 2012)

Along the 2010 wine route maps provided by the WCO (2010b) are ten wineries documented in Prince Edward County, three in Toronto and York Region¹³, four in Lake Erie North Shore and Pelee Island, 30 in the Niagara Escarpment, and 30 in Niagara-on-the-Lake. While there are many wineries in Ontario, there are many more grape growers. In 2006, there were 518 growers in Ontario (GGO, 2007). The greatest percentage were located in the Town of Niagara-on-the-Lake (34%), followed by the Town of Lincoln (34%), the City of St. Catharines (11%), the Town of Grimsby, the Township of West Lincoln and the City of Hamilton (8%), Prince Edward County (7%) and South-Western Ontario (6%).

4.4. The Niagara Region

The Niagara Region is located in southern Ontario, between two of Ontario's Great Lakes; Lake Erie to the South and Lake Ontario to the North. Beyond boasting a large mix of both rural and urban communities, Niagara is a vibrant region home to a variety of historical and natural landmarks. Furthermore, Niagara offers tourists numerous attractions, lodging facilities, and restaurants, not to mention the wineries.

Niagara also shares a boarder with the United States with two locations through which travelers can enter Canada. Having a direct entry to the United States through two border crossings, the Niagara region benefits form higher than average US tourist visits. While this has benefitted the region in the past this benefit has been decreasing with fewer and fewer US visitors in recent years due to increased security concerns, changing passport requirements, and a stronger Canadian dollar (Ministry of Tourism, 2007b).

¹³ While wine is bottled and sold at these locations, they buy their grapes from other areas.

As well as being located next to the US, Niagara boasts a long history with one of the largest events in Canadian history taking place on its soil, the American invasion of Canada in 1812. Even though the war took place over two centuries ago, remnants of the war such as Forts George and Erie, Laura Secord's place of residence, Brock's monument, and the Chippawa battlefield (Niagara Canada, 2014) can still be visited in Niagara today.

Beyond its historical landmarks, Niagara also boasts an array of natural wonders. Niagara Falls, located in the Region's South East, is one of the largest attractions to the region. As well, the region is home to numerous conservation areas (Beamer Memorial, Mountainview, and Woodend), as well as being one stop along the Bruce Trail.

The Niagara region not only boasts natural wonders, but it is also home to numerous man made attractions. For instance, Niagara offers tourists two different casinos to frequent: Casino Niagara with 1500 slot machines and 45 gaming tables, and Niagara Fallsview Casino Resort with 3000 slot machines and 100 gaming tables (Niagara Falls Tourism, 2014). While other attractions are also available in Niagara such as magic shows, sky diving, Skylon Tower, Ripley's Believe it or Not, Marineland, and numerous night clubs, casinos are the number one attraction for US (35%) and Ontario (32%) tourists (Ministry of Tourism, 2007b).

For tourists visiting the region, Niagara offers a host of lodging facilities from intimate bed and breakfasts (B&Bs) to large scale casino resorts with over 370 rooms (Fallsview Casino Resort, 2014). With approximately 76 hotels, 78 motels, 85 bed and breakfasts, and numerous other accommodations (resorts, cottages and cabins, hunting and

fishing camps, and recreational vehicle parks and campgrounds), the Niagara region has accommodations for a variety of tastes and/or experiences (Statistics Canada, 2011¹⁴).

4.4.1. The Niagara Region Rural Tourism Organization

As well as offering a variety of attractions, accommodations, and sights, the Niagara Region is a complex area comprised of numerous agencies and organizations that oversee and contribute to tourism. This section will outline the creation of Niagara Region's Rural Tourism Organization (RTO), and sub RTO's, as well as the businesses that make up tourism in the region. Furthermore, this section will discuss the visitation characteristics of those visiting Niagara and the visitor spending in the region.

To understand the current state of tourism in Ontario, the provincial government commissioned a study in 2008 (Carson & Koster, n.d.). The result of this report was the division of the province into 13 Regional Tourism Organizations (RTO). Niagara was deemed to be its own region and the Tourism Partnership of Niagara (TPN), a non-profit organization, was established in 2010 to represent all of the municipalities in Niagara (Niagara Canada, 2013a). The Niagara RTO (RTO 2) is also comprised of four sub regions (Niagara Falls, Niagara-on-the-Lake, St. Catharines/Twenty Valley, and Niagara's South Coast). The TPN is governed by representatives from each of the four sub-regions: eight directors appointed by Niagara Falls Tourism, three directors appointed by Tourism Niagara-on-the-Lake, three directors appointed by The Corporation of the City of St. Catharines Economic Development and Tourism Services and Twenty Valley Tourism, and one director

¹⁴ 2011 is the last year for which data are available

from Niagara’s South Coast Tourism Association. This poses two visible issues for the Niagara region, as 1) more than half of the directors on the TNP are from Niagara Falls Tourism, a region with little reliance on wine tourism, and 2) no indication that community members/residents are also a required group.

4.4.1.1. Industry Interconnectedness in Niagara RTO

More than 20% of the businesses in the area falling with the Niagara RTO are related to tourism (Statistics Canada, 2011). The types of businesses that are related to tourism in Niagara include retail, transportation, recreation and entertainment, accommodation, food and beverage services, travel services, and all other tourism related services (travel agencies, tourism operations, and reservation services) (Statistics Canada, 2011). For a complete breakdown of the number of businesses within each of the seven industries and their representation in the total number of businesses in the Niagara Region, see Table 12. For a larger discussion of how these industries work in collaboration with the wine industry, see Chapter 6.

Table 12: Businesses by Industry

Business	Count	Percent of Total
All Businesses	21,912	100%
Tourism-Related Businesses	5,074	21%
- Retail	1,968	8%
- Transportation	123	1%
- Recreation and Entertainment	393	2%
- Accommodation	317	1%
- Food and Beverage Services	1,100	5%
- Other Services	1,085	5%
- Travel Services	88	0%

Source: Statistics Canada, 2011

The tourism industry in Niagara brings large cash flows into the region. In 2011¹⁵, total visitor spending within the region reached \$1.6 billion with food & beverage (32%) and accommodations (26%) accounting for the greatest visitor spending. The majority of tourists were also visiting from within the province (61%) and staying in the region for at least one night (69%). It is also of interest to note that 27% of the visitors to the Niagara region were from the US, and that three quarters of those tourists stayed at least one night as opposed to only 63% of those tourists visiting from within Ontario. However, while the US tourists may stay longer, their average per person spending does not differ significantly from that of visitors from Ontario (\$137 and \$139 respectively).

4.4.2. The Niagara Wine Tourist

While wine tourists are not the focus of this paper, a brief description of the typical wine tourist is provided below. Many (74%) Canadians who travelled in 2004/2005 took part in a wine and culinary related experience (Ministry of Tourism, 2007a). The wine tourist is often more likely to hold a university degree, make over \$80,000 in household income, and be older (35-65). Wine and culinary tourists were also more likely to seek out “activities related to agri-tourism, historic sites, museums, and art galleries.” Using these characteristics, a study by MTCR and WCO (2001, p. 16) proposes that “together, these markets represent 24.5% of the total adult population in Canada and 27.3% of the total adult population in the US.”

¹⁵ 2011 is the last year for which data are available

The characteristics of the Ontario wine tourist are also fairly representative of the Niagara wine tourist. In a study of Niagara, Carmichael (2005, p. 196) finds that “winery visitors were well educated,” with 80% of winery visitors having at least a college degree, and over 40% having family incomes over \$90,000. Dawson *et al.* (2011) also report similar results, finding that the average tourist to the Niagara Peninsula has some college education or more (95%), is over the age of 35 (54%), and has a household income over \$70,000 (64%). Niagara tourists were also most likely to visit the region to explore the local towns (50%), eat in a fine dining restaurant (34%), and shop (32%). These findings suggest that wine tourism has a large following that should be optimized for economic development.

Non-tourist consumers and residents are also significant components of the wine industry and of wine tourism in the region; however, for the purposes of this dissertation, they will only be discussed from the perspective of the industry members (wineries, planning departments, and industry organizations) not formally interviewed. A detailed discussion of the customer perceptions of wine tourism and/or community perceptions of wine tourism, can be found in Carmichael (2005), Dawson *et al.* (2011), and Poitras and Getz (2006).

4.4.3. The Wine Council of Ontario - Sustainability Initiative

The Wine Council of Ontario has aggressively promoted sustainability in the provincial wine industry. The WCO asserts that the “large-scale use of synthetic chemicals, such as fertilizers, will prevent the grapes from offering their truest expression. Pesticides and herbicides can further disrupt the composition of the soil” (WCO, 2014). In an attempt to “help sustain Ontario’s success on the world stage,” the WCO began to develop “Sustainable Winemaking in Ontario (SWO),” an environmental program to “help the wineries identify

and adopt best practice environmental stewardship” in 2003 (WCO, 2007, 2014). It was designed to facilitate the interpretation and implementation of the requirements of government initiatives and policies. The program was intended to improve the qualities of wines that are made in an “environmentally responsive manner.” While finding ways to add value to the industry, it further sought to educate the consumer about the way the industry interacts with the environment.

The SWO initiative also claims to bring benefits to the wine industry (WCO, 2007). These benefits come by way of structured frameworks for environmental protection and best practice. The initiative also provides measurement, analysis, and feedback tools for the industry, as was said. However, the program, appears to be predominantly an information and research tool, focussing primarily on the processing side (such as bottling and fermenting), not production (for example, requirements for organic grape growing).

There are several potential areas for improving the SWO programme. While this initiative provides the industry with a way to stay informed and to progress towards a more sustainable situation, without compulsory participation in the program and effective regulations the program may not fully realize its sustainability objectives.

4.5. Challenges Facing the Ontario Wine Industry

The Ontario wine industry (business resulting from, or related to, the production of wine) has made considerable progress in elevating the quality of its table wines and enhanced its regulation in a short period of time, although there are still many challenges for the industry. Bramble *et al.* (2007) propose seven main barriers to the growth of the wine

industry, based on in-depth interviews with Ontario winery owners in operation prior to the NAFTA. These are:

- Retail distribution, since wines can be sold only through on-site wineries, the LCBO, restaurants, or off-site-retail-outlets.
- Export sales are significantly lower than domestic sales, leaving room for improvement.
- Inter-connectedness between growers and wine producers is currently stressed due to differences in opinion over grape pricing structure.
- Over-development of agricultural land for commercial or residential use impedes environmental sustainability.
- Barriers to distribution have led to a reliance on on-site sales rather than alternative channels of distribution, with farm-gate sales comprising just less than half of all VQA wines sales in Ontario in 2013 (Wine Country Ontario, 2013; see Table 10).
- A lack of a quality control for wine and grapes similar to the French system causes confusion for the consumer.
- International competition and an unstable dollar have created barriers to market penetration and tourist disincentives.

Madill *et al.* (2003) also cite inconsistencies in the quality of grapes and vines and the presence of trade barriers that restrict and often prevent Canadian wines from accessing international markets dominated by old world producers. Evidence of this was the ban on Canadian wines that was imposed by the European Union until the early 2000s. While the federal government amended the “Importation of Intoxicating Liquors Act (IILA) [Bill C-311, to remove] the federal restrictions prohibiting individuals from moving wine from one

province to another when purchased for personal use,” (CRA, 2012) the Province of Ontario still requires people to purchase international and inter-provincial wines through the LCBO.

The discussion above also suggests that the authority of the LCBO represents a significant challenge for wineries because of policies that dictate required volumes and through the way it chooses to market the wines that are listed (Bramble *et al.*, 2007; WCO, 2009). From the point of view of the smaller and newer wineries, they suffer when their production capacities fall below the required minimum set by the LCBO.

The sale of prime agricultural land in general and Niagara specifically raises considerable concern, not only to the industry, but also to those with an interest in preserving the environment that led to the designation of Niagara Escarpment as a World Biosphere Reserve (Bramble, 2009; Bramble *et al.*, 2007). Ontario’s Niagara Escarpment (2013) defines a biosphere reserve as

... an international designation of recognition from UNESCO (the United Nations Educational, Scientific, and Cultural Organization) for an area in the world which is deemed to demonstrate a "balanced relationship between humans and the biosphere." By this is meant that collaborative efforts among people in the designated area serve to promote the sustainability of local economies and communities, as well as the conservation of the terrestrial/or coastal ecosystems they are in.

The provincial government has also attempted to protect the agricultural base with a greenbelt plan of permanent agricultural land retention, and enhancement of environment, culture, recreation, tourism, settlement, and natural resources (Ontario Ministry of Municipal Affairs and Housing, 2005). The protection of environmental, social, and economic concerns of the area demonstrates an attempt by the provincial government to ensure regional sustainability, as defined by Campbell (1996), Butler (1993), and Clark’s (1997) fourth wave of sustainable tourism. Being defined as a biosphere reserve also requires a review every ten

years to ensure that the area still sustains the society, cultures, and environment overall without requiring a rigid framework, which is supported by Hunter (1997). While this moves the Niagara Peninsula towards a more sustainable situation, it will require all actors involved to work together, as proposed by Saxena *et al.* (2007); it will also require the government to follow through with the greenbelt plan, and to restrict urban sprawl and rural degradation in order to sustain the rural agricultural areas required for grape harvesting.

4.6. Conclusion

While the Canadian wine industry in general and the Ontario/Niagara wine industry in particular are fairly young in comparison to many producers elsewhere such as France and Italy, it has risen to prominence over the past quarter century, bolstered by the unsurpassed reputation of Canadian icewines. From an industry that was based on the *labrusca* grape mainly for the production of sweet, high alcohol wines such as sherry and port, the transition in the mid-1900s that began with experiments to hybridize *labrusca* with European *vinifera* varieties, led to a reliance on *vinifera* for the production of superior table wines (Bramble *et al.*, 2007). Because the wines which resulted still required substantial additives of sugar, water, flavouring, and alcohol, the federal government's support through the GARP allowed for much of the *labrusca* vines to be pulled and replaced with the vines of the *vinifera* variety. While improving throughout the 1970s, Canadian wineries are still striving to shed the poor reputation of their wine.

Aspler (2006) credits the shift to a positive international reputation to four factors. The first is the increase in global trade. Second is the shift in varieties from *labrusca* to *vinifera* vines. Third is the regulation of the wine industry through the creation of the

Vintners Quality Alliance (VQA). Lastly, the significant increase in the number of experienced winemakers has positively impacted the Canadian wine industry. The increase in the reputation of Canadian wines can also be inferred from the average annual rate of increase in the wine industry's Gross Domestic Product (GDP) of 7.1% between 1997 and 2005. This growth makes the Canadian wine industry the eleventh-fastest growing industry among Canada's 215 industry groups (Hope-Ross, 2006). It also places Canadian wine above the 3% average GDP growth rate of Canada overall.

Chapter 5: Research Method

Integrated rural tourism (IRT) is a recently developed framework within which to study tourism. While the framework has been used in Europe (Clark and Chabrel, 2007; Petrou *et al.*, 2007; Cawley and Gillmore, 2008; Petersen, 2010; and Saxena and Ilbery, 2008; Saxena *et al.*, 2007) and the United States (Barcus 2013), it has not yet been used in Canada, nor in relation to wine tourism. This chapter describes the research method employed in this dissertation, and the use of IRT as a framework. First, this section provides an outline of the questions that guided this research. Second, this chapter provides a discussion of the data collection process. Lastly, a discussion of how the data was analyzed is provided.

5.1. Research Questions

To examine the role that wine tourism plays in the sustainability of the Niagara economy, this study begins with two questions that relate to the effectiveness of using the concept of Integrated Rural Tourism:

1. How do the wine industry and wine tourism aid in the sustainable development of Niagara?
2. Can the concept IRT enhance an understanding of how tourism can aid rural development with respect to direct, experiential, conservation, development, and synergy benefits?

5.2. Method of Data Collection

This dissertation employed the use of qualitative interviews. While the tourism industry has relied heavily on quantitative research methods in the past, there has been a recent shift towards, and acceptance of, qualitative research methods in recent years. In line with this shift, this dissertation relied on analysis of secondary statistical information and primary research derived from interview responses. Interviews similar to those used by Cawley and Gillmor (2008) were employed, whereby interviews began with asking of open ended questions followed up by probing questions to solicit further depth. This form of research is known as Grounded Theory (GT) and it has been described by Corbin and Strauss (1990). Through the use of GT, this dissertation started with general themes derived from literature and added themes as the research progressed.

The qualitative interviews asked questions of wineries and industry participants/economic development officers framed by the seven components of IRT (sustainability, empowerment, endogeneity, complementarity, scale, networking, and embeddedness). Given that networking refers to the linkages that form the industry and their relationship to the community (locally and externally), it was important to capture an understanding of how the networks in the industry worked. To accomplish this, the wineries were asked to comment on the assistance they receive from the Vintners Quality Alliance, Winery and Grower Alliance of Ontario, Winery Council of Ontario, Grape Growers Marketing Board, Local planning departments, LCBO, and any other organizations that they work with. Interviewees were also asked to comment on what further connections and/or support or assistance would benefit their organization. To also capture linkages beyond those

that provide assistance, wineries and industry associations/economic development offices were also asked to discuss their cross-promotion and collaboration efforts.

The second IRT component that was captured through interviews was scale, conceptualized as the changes in tourism over time in regards to geographic distribution and the area's ability to welcome tourists. While some of this information can be captured through industry publications and regional tourism websites, some information beyond the facts and figures presented from those sources is needed. To obtain an understanding of how the wine industry viewed these changes in tourism, six questions were asked:

1. How the Niagara wine region changed since your winery began operating?
2. How has the Niagara wine region changed over the last 10 years, and what role has your organization played in the change? (If winery opened earlier, then use years in operation).
3. How do you believe the Niagara wine region has aided the growth of the Niagara region?
4. How has the wine route impacted your business?
5. How can the wine route be improved?
6. What changes would you like to see to strengthen the industry and area?

Building on scale, the third component of IRT, endogeneity, sought to understand how tourism is recognized as being based on the real resources of the area. To capture this information, primary research on community involvement and secondary research examining the acreage devoted to grapes was sought out. Interviewees were also asked to comment on the volume of wine they produce and acres they have planted.

The fourth component of IRT examined was sustainability. An understating of the sustainability practices used by the wine industry were captured through an examination of

how the industry, individual wineries, and economic development offices believe tourism benefits, but does not damage, the environment and resources of the area. To capture this first person understanding the following questions were asked:

1. Does your winery help sustain the Niagara wine region environmentally, and how?
2. Does your winery help sustain the Niagara wine region socially, and how?
3. Does your winery help sustain the Niagara wine region economically, and how?
4. How do you perceive the wineries and wine tourism help to sustain the Niagara wine region environmentally, socially, and economically?
5. Could your winery improve its sustainability initiatives?
6. What do you believe could be done to improve the Niagara wine region?
7. What do you believe could be done to improve Niagara wine tourism?

The fifth component of IRT examined through interviews was embeddedness. To understand the role that tourism plays in the region, interviewees were asked to comment on how their winery contributes to the culture and lifestyle of the local citizenry. They were also asked to discuss how long they had been in operation, the number of visitors they have per year, their production levels, as well as the number of employees (and locals) they employ to gain an understanding of how embedded the winery (singular) and wineries (all interviews combined) are in the life and development of the region.

Furthermore, interviewees were asked to comment on the complementarity of tourism to the region. To obtain this understanding, questions were asked pertaining to how the Niagara wine region and wine tourism aid the community, as well as how they perceived the Niagara wine region and tourism aiding the community in the future. Beyond this, secondary

research was examined to investigate the spin-offs that are derived from wine tourism. Spin-offs refer to the added ancillary (services, products) income that is derived from every dollar of income derived from wineries as the primary offering.

The last IRT component investigated was empowerment. To understand the control that the wine industry has over tourism in the industry, interviewees were asked to comment on what control they believe they have over the industry, as well as being asked to comment on the assistance they receive from their local, regional, provincial, and federal governments.

Beyond the seven components of IRT, interviewees were also asked to comment on the marketing efforts they employ and what they envision their future to be. While not components of IRT as defined by Saxena *et al.* (2007), marketing efforts (Stewart *et al.*, 2008; Telfer, 2001), and future goals (Getz *et al.*, 1999); Stewart *et al.*, 2008), were proposed as significant components aiding to or taking away from wine tourism. To capture marketing efforts interviewees were asked to comment on the marketing efforts they employ individually and collaboratively. They were also asked to discuss their advertising efforts and marketing expenditures. To understand where the industry is going, the wineries and economic development offices were asked to comment on what changes, if any, they see for themselves over the next five years.

Lastly, winery interviewees were asked to discuss their ownership situation, the services they offer, and their sales breakdown, to gain an understanding of their demographics.

While the concepts of IRT had been studied previously, the specific questions asked as part of this dissertation had not been used in previous studies. As such, these questions

were derived after input from the dissertation committee, as well as having been tested with the first three interviews to determine the ability of the questions to garner the required information. All of the first three interviews derived the information being sought, and therefore no changes were made to the questions. It should also be noted that the interview questions were asked of all study participants, but that not all interviewees responded to all questions; thus having a larger sample allowed for greater elaboration on questions with lower response rates.

Between December 1, 2011 and February 21, 2012 the interviews were administered to all 17 wineries and five industry associations/development offices in the Niagara Region. While all 79 of the wineries and 13 of the industry associations/development offices were contacted, not every winery and industry associations/development office contacted agreed to participate, despite an initial round of phone calls and a follow up round of phone calls. Furthermore, it was not clear at the outset how many interviews would be needed; however, after the fifth winery interview it became apparent that sample size saturation had been reached, as respondents were no longer adding any new insights. Given that 12 more winery interviews had been set up at the time the fifth interview was completed, the remainder of the interviews set up were conducted to verify saturation and allow for a greater breadth of knowledge.

5.2.1. Study Sample

Interviewees were characterized as those people who have an impact on wine tourism and the wine industry. All participants were adults working in wineries, industry associations, and/or municipal planning offices. Only one representative from each winery,

industry organization, and municipal office was interviewed. This sub-section will outline each of the sub-samples interviewed for this study divided into two categories: wineries and industry organizations/economic development offices.

5.2.1.1. Wineries

As discussed earlier, the Niagara Peninsula appellation comprises the Niagara Escarpment and Niagara-on-the-Lake wine regions, containing more than 80% of the wineries in Ontario (Telfer, 2000). While there are also two other wine regions in Ontario (Prince Edward County and Lake Erie North Shore), the Niagara wine region is the focus of this study as it comprises the greatest number of wineries in Ontario, it has been steadily growing over the last 100 years, and, by understanding the Niagara Peninsula and the outcomes and lessons learned from this study, it will be possible to understand how the wine industry has reached its current state. While some of the lessons learned from this research may be pertinent to the other two wine regions, this dissertation does not take the position that the outcomes of this research will be transferable as the other two wine regions do not share Niagara's history, rural-periphery position, nor its tourist base.

In the Niagara wine region, 66 wineries were members of the Wine Council of Ontario in 2011 (WCO, 2011) and 13 wineries were members of the Winery and Grower Alliance of Ontario (WGAO, 2011) (see Table 14 for wineries contacted). All of these wineries were contacted to request their participation. In the initial round of phone calls, 12 wineries expressed interest in being part of the study. As those interviews commenced, the snowball technique was employed, resulting in an additional five wineries participating for a total of 17 wineries (14 Wine Council Members and three Winery and Grower Alliance

members) or 21.5% of the Niagara wineries. Those persons from the wineries who agreed to participate in this study included public relations manager/sales and marketing director (5), winery owners (5), winery manager/vice-president (5), and winemaker/vineyard manager (2); see Table 15 for a breakdown of the position title and industry association associated with each winery interviewed. The winery respondents will be referenced as “W1” through “W17” throughout the findings, discussions, and conclusions presented in this dissertation.

5.2.1.2. Industry Organizations and Economic Development Offices

Beyond wineries, the wine industry is comprised of various industry organizations such as the WCO, WAGO, LCBO, etc. for its promotion, marketing, and oversight. To understand the interconnections between the wine industry and these organizations a sample of nine organizations were contacted; these organizations included the Wine Council of Ontario, Winery and Grower Alliance of Ontario, Wineries of NOTL, Twenty Valley Tourism Association, Grape Growers of Ontario, Tourism Niagara, LCBO, Niagara Classic Transport, and Steve Bauer Bike Tours. While phone calls, and follow up phone calls were made to all of the industry organizations, resulting in four agreeing to participate, one of the larger tourism organizations that did not participate sent the primary researcher around to three different people, each believing that it was the other’s responsibility. A misunderstanding of roles by employees at tourism organizations may, or may not, indicate a need for improved communication not only within the industry, but within the organizations whose function it is to assist the industry.

Table 13: WCO and WGAO Wineries Contacted

Wine Council of Ontario		Wineries and Growers Alliance of Ontario
1. 13 th Street Winery	34. Marynissen Estates Winery	1. Peller Estates
2. Alvento Winery	35. Meglomaniac	2. Hillebrand Estates
3. Angels Gate Winery	36. Mike Weir Wine	3. Thirty Bench Wine Makers
4. Aure Wines	37. Mountain Road Wine Company	4. 20 Bees
5. Between the Lines	38. Niagara College Teaching Winery	5. De Sousa Wine Cellars
6. Calamus Estate Winery	39. Palatine Hills Estate Winery	6. EastDell
7. Caroline Cellars	40. Peninsula Ridge Estates Winery	7. Colio Estate Wines
8. Cattail Creek Estate Winery	41. Pillitteri Estates Winery	8. Magnotta Winery
9. Cave Spring Cellars	42. Pondview Estate Winery	9. Kittling Ridge Wines & Spirits
10. Chateau Des Charmes	43. Puddicombe Estate Farms & Winery	10. Inniskillin Wines
11. Colaneri Estate Winery	44. Ravine Vineyard	11. Jackson-Triggs Niagara Estate Wines
12. Cornerstone Estate Winery	45. Reif Estate Winery	12. Le Clos Jordanne
13. Coyote's Run Estate Winery	46. Ridge Road Estate Winery	13. Vinoteca Inc. Premium Winery
14. Creekside Estate Winery	47. Ridgepoint Wines	
15. Crown Bench Estate	48. Riverview Cellars Estate Winery	
16. Featherstone Winery and Vineyard	49. Rockway Glen Estate Winery	
17. Fielding Estate Winery	50. Rosewood Estates Winery & Meadery	
18. Flat Rock Cellars	51. Royal Demaria Wines	
19. Frogpond Farm Organic Winery	52. Southbrook Vineyards	
20. Greenlane Estate Winery	53. Stonechurch Vineyards	
21. Harbour Estates Winery	54. Stoney Ridge Estate Winery	
22. Harvest Estates Wines	55. Stratus	
23. Henry of Pelham Family Estate Winery	56. Strewn Winery	
24. Hernder Estate Wines	57. Sue-Ann Staff Estate Winery	
25. Hidden Bench Vineyards and Winery	58. Sunybrook Farm Estate Winery	
26. Hinterbrook Estate Winery	59. Tawse Winery	
27. Joseph's Estate Wines	60. The Foreign Affair Winery	
28. Kacaba Vineyards	61. The Good Earth Vineyard and Winery	
29. Konzelmann Estate Winery	62. The Ice House	
30. Lailey Vineyard	63. The Organized Crime Winery	
31. Legends Estates Winery	64. Vignoble Rancourt Winery	
32. Maleta Estate Winery	65. Vineland Estates Winery	
33. Malivoire Wine Company	66. Wayne Gretzky Winery	
Source: WCO (2011)		Source: WGAO (2011)

Table 14: Membership of Wineries Contacted (WGAO or WCO)

Winery Code	Title in Organization	Industry Association Membership
W1	Public Relations Manager/Sales and Marketing Director	WGAO
W2	Winemaker/Vineyard Manager	WCO
W3	Winery Manager/Vice-President	WCO
W4	Owner	WCO
W5	Public Relations Manager/Sales and Marketing Director	WCO
W6	Owner	WCO
W7	Owner	WCO
W8	Public Relations Manager/Sales and Marketing Director	WCO
W9	Winery Manager/Vice-President	WCO
W10	Public Relations Manager/Sales and Marketing Director	WGAO
W11	Owner	WCO
W12	Owner	WCO
W13	Public Relations Manager/Sales and Marketing Director	WCO
W14	Winemaker/Vineyard Manager	WCO
W15	Winery Manager/Vice-President	WCO
W16	Winery Manager/Vice-President	WGAO
W17	Winery Manager/Vice-President	WCO

Source: Created for this Dissertation

As well as industry associations, the four largest townships forming the Niagara wine region were also called to request their participation in interviews. Phone calls were made to the four townships found along the wine route (Grimsby, Lincoln, St. Catharines, and Niagara-on-the-Lake), of which one economic development office agreed to participate. Responses from industry organizations and the economic development office that participated will be referenced as “IGA1” through “IGA5” within the remainder of this dissertation, with the acronym IGA being used to define Industry and Government Association.

5.2.2. Method of Data Analysis

All interviews were recorded using a digital recorder. The recordings were then transcribed word for word and subsequently loaded into the program NVivo, and any pertinent information from field notes were inserted as comments next to the pertinent text. The program was used to code the interviews in two rounds, first using the nine prescribed categories (Seven IRT components, Marketing, and Future), second to find any new themes. To code the pre-identified themes, I read through all of the transcripts, and while reading coded any pertinent material as one of the nine categories. Once this process was complete, I ran a query on all of the text to find words or concepts that were pertinent to examine but that did not fit into one of the pre-defined nine categories. The two themes that were frequently discussed, but that were not captured in the nine, were “winery characteristics” and “wine festivals.” These two categories were added into the coding scheme and the transcripts were re-read and the pertinent text coded.

The program then allowed me to examine the pertinent text for each of the 11 categories one at a time to investigate similarities and differences, as well as examine the response differences by WCO members versus WGAO members, and wineries versus industry associations / economic development office. The findings from this investigation are discussed in Chapter 6.

Chapter 6: Analysis and Results

While previous research has attempted to investigate individual components and/or benefits as they related to networking (Arfini *et al.*, 2002; Bramwell & Lane, 1993; Carson & Carson, 2011; Chan et al., 1997; Fossati & Panella, 2000; Krippendorf, 1986; Lane, 1994; Long, 1993; Reid & Flora, 2002; Saxena et al., 2007; Telfer, 2001; WTO, 1998), scale (Acheson, 1977; Bramble *et al.*, 2007; Bramble, 2009; Bramwell and Lane, 1993; Butler, 1993; Carlsen, 2004; Cater, 1993; Dominé, 2008; Malleck, 2005; Mytelka & Goertzen, 2004; WTO, 1998), endogeneity (; Statistics Canada,), sustainability (Butler, 1993; Carlsen, 2004; Carter, 1993; Dodd, 2000; Fossati & Panella, 2000; Gannon, 1994; Graymore et al., 2008; Hunter, 1995; Lane, 1994; WTO, 1998), embeddedness (Alonso & Northcote, 2008; Carmichael, 2005; Carson & Carson, 2011; Getz *et al.*, 1999; Hinrichs, 2000; Koster, 2008; Wade, Holmes & Jacobs, 2010), complementarity (Bramwell & Lane, 2008; Carlsen, 2004; Carter, 1993; Dodd, 2000; Hunter, 1995; Lane, 1994; Liu, 2003; Long, 1993; Reid & Flora, 2002; Sharpley, 2000), and empowerment (Acheson, 1977; Bramble *et al.*, 2007), this dissertation has used the IRT framework to examine each component individually and in conjunction with one another.

This chapter discusses the results of the in-depth interviews. The chapter is divided into nine thematic sub-sections, the seven components of IRT (networking, scale, endogeneity, sustainability, embeddedness, complementarity, and empowerment) and an additional two (marketing efforts and future goals) that can be used to inform the contribution of wine tourism to sustain rural development in the Niagara region. Each of the nine components will contain a discussion of 1) how the component is defined, 2) the

corresponding opinions of the respondents, and 3) its relevance to wine tourism and/or the wine industry.

6.1. Networking

Carson and Carson (2011), Chan *et al.* (1997), Reid and Flora (2002), Saxena *et al.* (2007), and Telfer (2001) all propose that strong networks are required for sustainable rural tourism to exist, and that it is imperative that the members of an area work together in order to maintain and build on the benefits of an area. Furthermore, Saxena and Ilbery (2013, p. 234) suggest that

...for tourism to qualify as integrated – both as a theory and approach – the notion of network connections among social, cultural, economic and environmental resources, different tourism actors, and the end product that the amalgamation of their activities engender is central.

To capture an understanding of the current support structures within the Niagara Peninsula and the relationships that exist between the various organizations that work with the wineries, industry organizations (marketing boards and standards boards), and government organizations (such as municipal economic development offices) alike were included in the study.

While some organizations may not directly impact the wine tourism offerings in Niagara, all can have direct and indirect ramifications on the tourism offerings through their support for social, cultural, economic, and environmental actions. The data also identify further support or assistance the industry would like to receive and/or further relationships they would like to develop.

6.1.1. Relationship with the Vintners Quality Alliance

Opinions about the perceived benefits of the Vintners Quality Alliance (VQA) vary widely within the wine industry. Some recognize that the VQA helps to create and to maintain labelling standards and credibility for the industry (W2, W7, W8, W10, W16).

W7 believes that the VQA is valuable due to its ability to preserve the “quality and status of Ontario wines.” W8 praises the VQA for its direction, providing wineries with guidance about how to make “consistent wine that meets certain quality standards.” IGA1 states that the benefit of the VQA is the reinforcement of the appellation system, which also influences quality. W2 explains that:

We are going to be probably producing a new wine, we want to plan ahead and tackle the LCBO so we have already contacted someone, and the next people we’re going to contact is VQA to see if we can, or how to best approach making a wine to pitch to the LCBO to be as successful as possible. So they are very helpful. If you are looking at making specialty wines for example, they are always helpful in regard to labelling requirements giving you a heads up, don’t spend money on it because you are going to be running into less trouble down the road. (W2)

While the three WGAO wineries all support the use of VQA certification as beneficial for the industry, there are mixed opinions among the WCO members. Some WCO members see the VQA as supporting the industry and brand. However some see the organization as more of a necessary obligation and less of a support. Some wineries actually question the use of the term “assistance” in relation to the VQA because it is regarded more as a regulating agency (W3, W4, W12). W3 believes that it is “not there to assist us...it is a police thing” but concedes that the VQA helps the industry by protecting the integrity of the brand.

There is also conflicting opinions about the benefits of being VQA-certified. W13 states that the VQA label assists in promoting Ontario wine, by indicating to the consumer wines that are grown in Canada. In contrast, W5 suggests the label to be less useful since “most people still don’t know what VQA means.” That observation is reflected in a 2011 study that found 30% of the tourists to Niagara did not know what VQA meant (Dawson *et al.*, 2011, p. 243). Another issue with the labeling standards is the use of four different labels; Cellared in Canada (> 25% domestic content), International and Canadian Blend (>40% domestic content), Product of Canada (> 75% domestic content), and VQA (100% domestic content). The use of these differing labels confuses consumers. With only 30% of consumers knowing about the definition of VQA, having three other labels that are not as supportive of domestic content confounds the consumer and hurts the industry.

6.1.2. Winery and Grower Alliance of Ontario

Discussions surrounding the Winery and Grower Alliance of Ontario (WGAO) are very contentious, differing between the larger wineries and the small and medium sized wineries. As a result of the split, the responses to questions surrounding the assistance being provided by the WGAO are divided, with Wine Council of Ontario (WCO) members on one side and WGAO members on the other. While both organizations work for the betterment of the wine industry, the division in opinion stems from a desire for a focus on VQA versus ICB/CIC wines, and the ability of the grand-parented wineries to sell through off-site retail stores while those who opened after the NAFTA are not permitted.

Members of the WGAO indicate that the organization is just becoming established and that it is just starting to help. They highlight that the leaders of the WGAO are working

with the government to ensure that they are getting their “fair share of government funding” (W1, W10). They also propose that, regardless of members leaving the WCO to form the WGAO, there has been very little impact on either their business (W16) nor the consumer, as “they don’t really know who’s providing information to them; they don’t care; nor should they” (W1).

Most members of the WCO believe that the split has hindered, more than helped, the wine industry in Ontario (W2, W3, W13, W17). W13 states that “WGAO actually causes dissent within the organization and it causes confusion,” while W17 comments that “they would be the opposite of helping.” The greatest disadvantage of the split is the loss of solidarity and the loss of one voice (W3, W8), leading to mixed messages to government. This position is also supported by Brown and Nylander (1998), Carson and Carson (2011), Saxena *et al.* (2007), and Telfer (2001), who all propose that local networks help to strengthen the industry and the tourism offering.

Members from WGAO and WCO both agree that the two organizations have differing goals. One WGAO member believes that:

The Wine Council was not completely fulfilling a lot of things as well as they became more of an interest to the VQA wineries instead of the whole industry, and yet the blends support the same growers who grow VQA, they keep them viable because those volumes have to exist and every wine country has them. (W10)

A wine council member states that:

WGAO represents policies that most wineries disagree with. They are representative of wineries that blend international grapes and want to continue to blend international grapes, and want to support that initiative with government. We do not agree with that. (W13)

An industry partner believes that:

We now have two organizations, Wine Council and WAGO, so wine council has very different interests than WAGO in the sense that one's growing for strictly VQA wines and one is growing for ICB, but we all have a common interest of seeing the industry be successful. (IGA1)

6.1.3. Wine Council of Ontario

The Wine Council of Ontario (WCO) assists the industry through promotion and advertising efforts. The WCO works on behalf of its members to market the wine industry and to lobby the government (W2, W3, W13). WCO members pay a fee of \$5,000 to support WCO initiatives, such as the wine route map and secret shoppers who are hired to go to each winery to rate their experience and provide feedback to the winery (W12). The WCO also works closely with industry and government partners to market the region (IGA4). The WCO is also regarded as a good source of information on upcoming events for their members (W4). W8 sums it up by stating that:

For a small winery like us, we would never be able to have access to the programs that they provide, the training that they provide the advertising span and marketing dollars that they provide, on our own.

Many WCO members see the wine route map as an asset to their business (W2, W5, W17). W17 believes that the wine route map is “a great tourism tool for people going to wineries and for marketing promotion.” W5 touts the wine route map as being “the print piece for the region” (W5) while W15 states that “the map is probably the paramount reason to join.” Authors such as Meyer-Chech (2005, p. 140), would also argue that the wine route, being a thematic trail, helped to develop the rural regions of the Niagara region by not only

providing a route to bring tourists through the region, but also by helping to support the “regionally specific cultural landscape” associated with wine.

While most of the WCO members are satisfied with what the performance of the WCO, several raise significant issues. W3 believes that the WCO works too closely with the LCBO, doing little other than promoting LCBO information to their members; furthermore, the \$5,000 annual of WCO membership is considered excessive. After listing numerous benefits derived from being a member of the VQA, W13 states that they “could be a bit more open to suggestions of how to broaden their marketing activities beyond just domestic and LCBO.” Only one WAGO member commented on their relationship with the WCO, and they stated that they have a good working relationship with the WCO, working with them to market the industry and area.

6.1.4. Grape Growers Marketing Board

There are mixed opinions on how the Grape Growers Marketing Board (GGMB) helps the wineries and various industry/government partners. As well as marketing on behalf of the grape growers, the GGMB supports their members by providing education (W2, W17) and lobbying the government (W2). The GGMB provides monetary support for “research and development of varieties and sustainability, cold weather heartiness, and R&D programs” (W17). The GGMB also supports the industry and wineries by setting “standards

of what the grapes should be and what the Brix¹⁶ should be when they pick them and expecting reports on a regular basis” (W16).

Some wineries believe that the GGMB is not needed, as most of their grapes come from their own vineyards (W5, W7). The largest sticking point is with those wineries that grow all their own grapes, sometimes referred to as estate wineries¹⁷, as they do not see the rationale for having to “pay them marketing fees on grapes that ‘they’ grow for ‘themselves’” (W7). While these wineries believe that they do not need the GGMB, some of them do believe that the organization is needed to protect those grape growers selling to wineries that do not have their own vineyard (W5).

A few wineries also propose that the quality of the grapes is an issue. Although the grapes have become progressively better due to increased education about *vinifera* (W10), the sale of grapes being based on quantity rather than quality is a contentious point for the wineries (W10, W12, W13). WGAO and WCO have a legal responsibility to negotiate grape prices with the GGMB (IGA2), and W13 states that:

The grape growers and the wineries are often in conflict. I find that the growers obviously want to be paid the most for their grapes, the grape growers are looking, typically look at this on a per volume basis, whereas the wineries look at it on a quality basis.

¹⁶ “Brix means the quantity of dissolved solids expressed as grams of sucrose in 100 grams of grape juice or grape must at 20°C” (Vintners Quality Alliance Act, 1999)

¹⁷ The term and formalized use of the designation is growing; however, not every municipality in Niagara differentiates between estate winery and farm winery (Caldwell & Aston, 2000).

While volume is still the primary basis for pricing, W13 points out that the GGMB has shifted to include quality levels in their pricing structure (W13; Grape Growers of Ontario, 2012). While the discussion here moves beyond just networking, it demonstrates the interconnectedness of the industry and the various players involved.

6.1.5. Liquor Control Board of Ontario

The Liquor Control Board of Ontario (LCBO) is one of the few means¹⁸ of alcohol distribution in Ontario and there are opposing views on the assistance provided by the LCBO. In one camp are those wineries that have accepted the current situation and, in the other, those that have not. Those wineries that embrace the LCBO make statements such as “it's the only game, and it's not going anywhere so get over yourself and get on board and get dealing with them” (W7). In contrast, W12 states that the LCBO is “an absolute monopoly... So, we're taxed to death” and two other WCO wineries take the position that the LCBO is another means of competition (W15 & W17). While many WCO wineries vocalize their opinions regarding their experiences with the LCBO, whether they are positive or negative, WGAO wineries were fairly silent on the subject; however, one WGAO member commented that they would like to see more shelf and display-space devoted to their wine and Ontario wine more generally (W10).

6.1.6. Industry Organizations and Municipal Government

While the wineries were specifically asked to discuss the support they received from the various organizations working with the industry, industry organizations and government

¹⁸ “Other” means are cellar door, direct sales, retail stores, LCBO stores.

representatives were asked to discuss the support that they provide the wineries and related organizations. The support these organizations provide to wineries varies based on the purpose of each organization.

The industry marketing organizations interviewed propose that the support or assistance they provide the wineries is in the form of programming. This programming comes by way of efforts to showcase wineries and drive traffic to Wine Country Ontario, as well as marketing opportunities for media and promotion (IGA1, IGA5). Programming may take the form of print media, television and radio broadcasts, and promotional programs such as “taste the country.” Industry organizations also promote themselves as hubs for the industry, as they believe that their role in the wine industry is to bring together the various players, and to assist them either through expertise, connection, advocating, or investment (IGA2).

As discussed earlier, the GGMB works with the grape growers to negotiate grape prices on their behalf, while the WCO and WGAO work to negotiate grape prices on behalf of the wineries. The GGMB, WCO, and WGAO all also work on behalf of their members to lobby government for support. Furthermore, municipalities work to provide an “atmosphere” and “ambiance for tourism,” through infrastructure development and planning (IGA3). This infrastructure comes by way of roads, signage, and zoning (IGA3). While the municipalities propose that they work to provide roads, signage, and zoning, the wineries interviewed believe that the roadways and signage area two specific areas that need further work, as will be discussed later.

6.1.7. Relationship with Other Organizations

Other organizations that provide assistance to the wineries included the Wineries of Niagara-on-the-Lake (IGA4) and the Alcohol and Gaming Commission of Ontario (AGCO) (W1, W4, W15). Although starting as only a three-member association in the 1980s, the Wineries of Niagara-on-the-Lake (WNOTL) association currently have 28 member wineries (WNOTL, 2012). The association meets monthly to deal with common issues, to plan promotion events (such as the Wine and Herbs pass¹⁹) and to create promotion campaigns (W1, W4).

Wineries also work with the AGCO. One winery clarified the relationship with the AGCO, stating that:

We have no issues, we follow their guidelines, we follow their mandate, we apply for the licenses, and if any information or clarification is needed on any of the licenses or what we have set up or looking at they are always prompt, reliable and willing to speak. (W15)

6.1.8. Further Support or Assistance Needed

Wineries and industry partners propose that they need further support including start-up, access, and communication. A start-up winery indicates that the greatest hurdle they need to overcome is the huge initial capital needed, but also to have the funds available to pay for their membership in the WCO (W2).

One of the largest barriers that small to medium sized enterprises face is access to provincial markets (W2, W3, W5 W17, IGA2). Some wineries propose that the easiest

¹⁹ The Wine and Herb Pass can be purchased by tourists, enabling them to visit all participating wineries to taste wine paired with an herb inspired food every weekend in May (WNOTL, 2013).

solution to this issue is to sell “wines without having to deal with the LCBO” (W2) or something similar (W5, W17). Other options could be for the government to change legislation to allow for some VQA-only stores, increase the VQA shelf space in all LCBO stores, and increase the consumer education campaigns regarding VQA certified wines (W17). W9 suggests that the LCBO could “reduce their low priced import wines and pay more attention to VQA wines.” Another option would be for the government to ease provincial barriers to trade for wine, to open the market, and to allow for direct distribution to other provinces (W5). These comments, while being reasonable desires, are not easily realized as the NAFTA agreement has given rise to a free market. While the LCBO could possibly give space to more Ontario wine, it does also have a mandate of deriving income, or at least not a loss. The LCBO should also be given credit for the rearranging of its stores to promote Ontario wine, by locating Ontario wine at the front of its stores.

Besides government support, wineries consistently discuss the need for greater collaboration and for a single voice, as was the case before the creation of the WGAO. This opinion is supported by members of both the WCO and the WGAO (W3, W8, W10, W13). Although the larger and small to medium-sized wineries have differences of opinion about several individual topics, many wineries believe that they all should work together “for the betterment of the industry” (W10). One winery states the issue fairly clearly, proposing that:

There’s a lot of organizations out there that are trying to do a lot of good, but everyone is kind of talking a different story, and I think if all those resources could be put together for good use and everyone get on the same page I think it would be much more effective. Then we would be able to use those resources a little bit better, and for our benefit. But right now it seems like everyone seems to be in their own little world, it seems like a waste of time and money. (W8)

Many authors point to the need for strong networks for the realizations of successful integration of rural tourism into the rural economy (Maxwell & Percy, 2001; Reid & Flora, 2002; Saxena *et al.*, 2007; Saxena & Ilbery, 2013). As has been discussed above, there is a variety of organizations that form the wine industry network through direct and indirect support. While not all organizations are perceived as being strictly positive for the wine industry by the wineries themselves, each organization contributes to the industry in various ways, e.g., product standardization (VQA), marketing (WCO, WGAO, GGMB), and sales and distribution (LCBO). While the network does appear to have some success points, the wineries and industry both point to the need for greater collaboration between direct and indirect industry members, and the need for greater financial support from provincial and federal agencies. Many wineries also call for greater support from the local government to improve road development and signage. This finding highlights a potential serious impediment to sector development.

6.2. Network Scaling in the Niagara Wine Region

This section examines the scale of impact that tourism has had on the region and the networks that form the industry. Chapter Four has provided a history of the wine region. Rather than being descriptive, this section will discuss those changes that have been most significant from the perspective of the wine industry. The four changes that the wineries state were the most significant for the area and/or industry were the changing landscape, tourist demographics and demand, introduction of the wine festivals, and the wine route.

6.2.1. Changing Landscape

The wine industry has grown in number of wineries since the 1970s, from only six in 1975 to 140 in 2008 (VQA Ontario, 2011). During this growth, the Grape Acreages Reduction Program was also instituted by the Federal and Provincial governments to replace *labrusca* vines with *vinifera* vines, and the creation of the VQA (Chapman, 1994). These changes have had a significant impact on the industry, evident in the 108 of 140 wineries in Ontario with VQA status in 2008 (VQA Ontario, 2011).

The increase in the number of wineries within the region and the changing viticultural landscape has come at a cost to other industries. Forty-five years ago, there were many pear and peach farms, but today “the peach industry is gone” (W11). “Everywhere you see new vineyards going up, you see a lot of fruit trees being removed and being replaced with vineyards” (W14). Along with the increase in winery construction has been a significant increase in the number of sub-divisions surrounding the wineries (W14). W4 states that none of the sub-divisions around it

...“were” there five years ago. It is across the street, it is five minutes’ drive from here up the escarpment. It is massive. They ripped a bunch of cherry trees, and pears or apple trees out and they build subdivisions. (W14)

These changes to the “rural landscape” of the Niagara Peninsula by removal of fruit trees and increase in residential growth may have drastic consequences on the tourists visiting the region. As pointed out by Carmichael (2005, p. 197), the greatest influencing factor contributing to the tourists “enjoyment of the Niagara region” is the “rural landscape.” With substantial changes to the “rural landscape,” tourist perceptions of the Niagara Peninsula may be negatively impacted.

Beyond the wineries working as agents of sustainability for the region, there are other forces at work attempting to sustain Niagara's environment. For example, much of the Niagara wine region is classified as a Biosphere reserve. The United Nations Educational, Scientific and Cultural Organization (UNESCO) classified the Niagara Escarpment as a World Biosphere Reserve on April 4, 1990. The Niagara Escarpment Biosphere Reserve is overseen by a committee whose responsibility it is to ensure that the area is "managed according to a series of land use designations with decreasing levels of various protection corresponding to core, buffer and co-operation (transition) zones" (UNESCO, 2007).

6.2.2. Tourist Demographics and Demand

As well as changes being made to the landscape, there have also been changes to the tourist composition of the Niagara region. In the 1990s, tourists visiting the wineries were predominantly from outside the Niagara Peninsula, American, and male (W5). Today, with the onset of the go-local movement and fluctuations in the Canadian dollar, the wineries are seeing greater numbers of Canadian and local visitors.

The change in tourist composition is also due in part to the increased collaboration and marketing efforts being directed towards the wine industry. Since its origins, the wine industry has seen a dramatic increase in the number of organizations working to promote the wine industry as a destination. W9 even believes that the wineries are the primary reason for many people visiting the Niagara Peninsula. A TAMS (2007) report also supported this, finding that 4.9 million Canadians travel for the purpose of wine related activities in 2006. Dawson *et al.* (2011) also finds that 35% of the visitors to Niagara wineries visit Niagara with winery visits as their primary purpose of visit.

With the growth in number of wineries has also come a shift in travel patterns. Instead of bypassing all of the farmland leading up to Niagara-on-the-Lake (NOTL) and Niagara being the end destination, tourists can now travel through farm/wine country in Beamsville and Jordan (W12) (see Maps provided as Figures 7 thru 9). This is also supported by Dawson *et al.* (2011) who finds that a variety of other primary motivations (such as exploring local towns, shopping, and fine dining) draw tourists to the region, but also result in them visiting a winery. The wineries enable the areas surrounding the NOTL to tap into wine tourism as an economic driver and a source of employment. KPMG (2011, p. 9) finds that that “the value-added of the Ontario VQA wine industry is estimated to be approximately \$191 million in 2010. This growth in the Ontario VQA industry has lead [sic] to the creation of over 1,300 additional jobs in the last four years.”

Many of the wineries believe that the wineries and/or the wine sub-peninsulas have become one of the top two attractions for the Niagara Peninsula, with the Niagara Falls being the top attraction (W2, W10, IGA3, IGA4, IGA5). Many respondents take this further, proposing that its greatest benefit is the ability to provide a year-round attraction. W2 states that, prior to the growth of the wineries,

...it was very rural, a lot of peaches maybe, a little bit of other stone fruit, table grapes. With the wineries it gave this region an attraction other than just the old Niagara-on-the-Lake, maybe Fort Gorge, driving along the parkway old town. (W2)

One winery states that, prior to the wine industry, tourism was seasonal, but, with its growth, tourism has become a year-round economic driver, thus supporting economic sustainability. Another benefit listed by some of the respondents was the economic stimulus that the wineries provide. One respondent states that:

...it expanded the growth of restaurants and wine bars and certainly, it was a boost for the hospitality industry as a whole, and that with the amount of media coverage, it brought the region to the forefront for other than Niagara Falls. (W10)

Another respondent believes that the wine industry helped to grow

...ancillary businesses like Grape and Wine tour companies, bike tour companies, started building bed and breakfast/wine culinary tourism. It's helped the culinary tourism in Niagara as well. (W13)

These respondent perceptions are also supported by the KPMG (2011, p. 2) economic impact study which found total VQA sales to have increased from \$179.5 million in 2007 to \$268.5 million in 2011. Of this, \$54.2 million in 2007 was derived from VQA wine sales sold directly at the winery retail stores, which increased to \$88.5 million in 2010 (KPMG, 2011, p. 2). The collaborative marketing efforts between the wineries, travel companies, hotels, B&Bs, and festivals/events also demonstrates self-reliance for investment into the tourism product and marketing as deemed necessary by Carson and Carson (2011).

IGA2 points out that, whether it is realised or not, the wine industry is both a manufacturing industry and a tourism industry. While the bottle of wine produced for the consumer is a product, its manufacturing process does more for the local region than most manufactured products would. While modern manufacturing processes would have each component produced in specialized plants distributed globally and then constructed in one place, almost all parts that go into a bottle of wine are produced in the Niagara Peninsula. All of the VQA grapes are grown, harvested, fermented, and, in most cases, pressed in the region. The bottling, labelling, and cellar door sales are also all done in the region; however, bottles are still predominantly produced outside of the region. This form of production allows not only for the direct benefits to the economy by way of employment, capital investment,

and agricultural growth, but also enables indirect benefits of natural vistas, tourism revenue, and subsidiary income (Rimerman & Eyler, 2013). This discussion also supports the idea of the multiplier effect (Teigeiro *et al.*, 2014), where the region benefits from both backwards (e.g., sourcing of local resources, materials and products) and forwards (e.g., employment and tax revenues) linkages.

6.2.3. Introduction of the Wine Festivals

Recognizing the benefits accruing to other regions holding wine festivals, the Niagara Peninsula held its first wine-specific festival in 1989, called Cuvée (W10). The festival, which celebrated its 25th year in 2013 (Cuvée, 2014), introduced the first pass program called “Cuvée en Route” which gave tourists access to a wine and food experience. A pass enables the pass holder to sample wines paired with food at all participating wineries. This idea then took off with the Niagara Wine Festival, the Niagara New Vintage Festival, and the Niagara Icewine Festival. This idea has also been used by WNOTL for their “Days of Wine and Chocolate” and “Herb and Wine” pass events. One event organizer states that there are about “500 tickets [sold] per weekend for most of these events” (W10). One of the leading organizations also believes that “successful touring programs take place in November and May each year driving well over 4,000 pass holders to NOTL during a slow season” (IGA4).

The wine festivals are a significant marketing tool for the wine industry as they “make people aware that we have a wine industry here” (W3). Even if people are unable to “make it during the festivals, at least they are aware” (W9). W13 even uses the festivals to launch new products:

When we have a new product or new brand and we want to launch it, we do it through that. Because that gives us 15,000 to 20,000 people that we can show our new product to and get product in their hand to determine if they like it. (W13)

In relation to the advertising benefits derived from the festival, W1 proposes that companies such as Tide detergent would love to have people “come and spend an hour with their product in a real life setting. Brands would kill to have this kind of connection to their product, an emotional connection, that’s huge” (W1). The winery tasting rooms and the wine festivals both provide wineries with an opportunity to promote their product through promotional displays, tastings, and direct interaction between the winery and the tourist (IGA3). IGA3 also took that opinion further, stating that it also allows the tourist to “see what else the town has to offer.”

Building on using the festivals as a marketing tool, some wineries also see the festival as an opportune time to educate the public. The wine makers pair food with wine and to introduce patrons to a whole new culinary experience (W1). The festivals also give people a chance to learn about different vintages and grapes, leaning more about wine and wine pairing (W14).

The various festivals throughout the year drive a lot of traffic to the wine region (W2, W4, W8, W12). One winery states that it “had over 500 people here on the weekend strictly for the discovery pass” (W4). Another winery states that “during the week it’s dead, without the festival there would be nobody here in the middle of January” (W7, W17). W13 states that their winery has had people “come from all over the world and all over Canada to attend this event” (W13). Festivals such as the Grape and Wine Festival have also “become a kind of institution [and] that people just expect it to happen” (W8).

Wineries also propose that the festivals in shoulder seasons such as Taste the Season in November, Stocking Days in December, Winter in Wine Country in January, Days of Wine and Chocolate in February, and Wine and Herb in May help to attract tourists in months that would usually draw few people to the Niagara Peninsula (W17). W10 also comments that holding the festivals in June and January allows for the tourists to learn about “different aspects of wine other than harvest time.”

There are mixed feelings in regards to the ability of festivals to raise revenue. Some wineries believe that the festivals increase cellar door traffic (W13, IGA4). Many wineries also comment that the festivals have “increased sales, increased media coverage” (W10), and “increased expenditures” (IGA5).

Some wineries that participate in the festivals suffer a revenue loss (W5). Two wineries state they take a loss by way of product sales or the cost to participate, and they are not sure if there is a significant return on investment by way of promotion (W17, W2). Conversely, several wineries feel that the wine festivals draw predominantly people who just sip and run (W2, W10, CS, W11). One winery states that it gets a lot of traffic, but that the traffic does not translate into dollars (W3). Another winery said that their winery

...sees a lot of people just checking in and out. People just come down quickly for something to do, run in for a tasting, then go to another tasting and I guess the only one that is really benefitting is maybe a restaurant between when they are looking at getting some food and the gas station for people getting fuel. (W2)

Wineries of all sizes comment that tourists just want to visit all of the wineries they can in the shortest time possible (W2, W10). The direct benefits derived from the wine festival have yet to be analyzed on a regional scale, but discussions with each winery indicate mixed results.

6.2.4. The Wine Route

Many wineries comment that the route serves two primary functions. First, the route's signage helps people find them (W2, W14). Secondly, the signage lets people know that they are in the wine region (W3, W4, W16). W3 states that

... people will drive by on the QEW not even knowing we are here. And they are rushed to get to NOTL and the falls without knowing we are 5 minutes from the QEW. The greatest impact is that people know we are here. (W3)

The idea that the wine route can help to enhance the tourists visit is supported by Arfini *et al.* (2002) and Meyer-Chech (2005).

While many wineries comment on the benefits of the wine route, a couple of wineries question its actual value (W1, W8). W1 points out that the route is not conducive to driving, while another points out that it is no longer a route but more of a "framework to show you that there is a lot happening... [and that] there's a cluster of wineries within a designated geographical area." Some wineries stated that this is a limitation of the current wine route, as the current route is not one continuous path that can be followed from beginning to end.

The wine route can be followed on a map that the WCO distributes in a pamphlet and through its website. Many of the WCO members agree that the pamphlet is a good marketing and attractor tool (W11, W12, W14, W16). In their first year of business, W11 was not on the pamphlet's wine map, which they believe confused some of their customers. The WGAO members were asked if not being on the map had impacted their business; those who responded said that they had not felt any difference since leaving the WCO, joining the WGAO, and no longer being on the published WCO route map. The WGAO members may have not witnessed a great impact on their sales, as they have access to off-site retail stores.

The one WGAO member who discussed their sales breakdown, also mentioned that only 10% of their sales are derived from farm gate activities.

6.2.5. Scaling in Review

Overall, wine tourism has a considerable impact on the Niagara region, with mixed results. The negative aspects come by way of increased acreage being devoted to wine grapes resulting in a decrease in crop diversification. The changing agricultural landscape also experiences increased sub-division development. While these developments are seen by some as having positive economic benefits through a modernity lens, they may pose questions about the region's sustainability.

Positive outcomes for the wine industry over the past few years are attributed to increased demand, with the Niagara wine region becoming a great attractor for tourists visiting the region year round. This outcome supports the notion that wine tourism is a significant economic driver for the region. The wine festivals also appear to have increased the draw to the region; however, some wineries believe that the increased traffic does not necessarily correlated directly with increased sales for some of the wineries, which is sub-optimal in an IRT framework, but as this has not been formally researched it is not possible to make a statement one way or another.

6.3. Endogeneity

Clark and Chabrel (2007, p. 373) define endogeneity as “the degree to which the area's tourism is recognized as being based on the real resources of the area (including land, foods, employees, events, and cultural and natural sites).” Many of the wineries state that the

growth of wine tourism in Niagara is beneficial for the region, as it enables grape growers to continue farming the land (W3, W6, W13), although sometimes using a different crop than their families had in the past (W13). In Niagara, approximately 16,000 acres of land were devoted to grapes in 2011 (Wine Country Ontario, 2011a) or 8.8% of the 182,081 acres of farm land in Niagara (Statistics Canada, 2012b). The yield was 62,000 metric tons that were used to produce 15.6 million litres of wine in the Niagara Peninsula (Wine Country Ontario, 2011a). The use of just fewer than 9% of the farm land in Niagara for grape production demonstrates an ability of wine farming to be a component of Niagara's agricultural base, as well as creating an opportunity to increase tourism through natural vistas and the availability of a local product, which helps to support the economic sustainability of Niagara. However, as indicated in previous sections, the reliance on one agricultural product and mono-culture farming does not support environmental sustainability.

While wine has been able to keep agricultural land from being turned into developments, and high-rises, there is very little input from the community on what they would want to see the industry become. In discussions with wineries, there was a lack of discussion surrounding the community component of their business and industry. Beyond providing employment and wine education to community members, none of the wineries or industry organizations discussed community involvement in decisions for the industry. This lack of community input is counter to the arguments made by Carson & Koster (n.d.), Lowe *et al.* (1995), and Shicksmith (2000).

6.4. Sustainability

This section examines how members of the Niagara wine industry perceive sustainability in terms of the environment, society, and economy. While other areas of this dissertation have discussed ideas of sustainability or unsustainability, this section deals with responses to questions directly asked about environmental, social, and economic sustainability.

6.4.1. Environmental Sustainability

Almost all of the wineries believe that they have a duty to sustain the environment. W8 comments that their wineries “philosophy is if [they] treat the Earth good, then Mother Nature will be good in return,” while W5 states that “essentially the land is going to agriculture rather than development, which I always think is a plus.” W3 also believes that it was unwise not to pursue environmental sustainability, stating that:

It’s just stupid to not pursue environmental sustainability, that’s all there is to it; it just makes good dollars sense, business sense. The reason you don’t want to use herbicides and pesticides is that it’s very expensive at the cost of \$5000 for one pass through the system. (W3)

In contrast to the many wineries implementing environmental sustainable initiatives, two wineries state that they are not sustainable. W9 states that they “are not a green winery. We don’t have anything going on right now for sustainability,” while W14 (an organically certified winery) comments that “I don’t think we are really sustainable, because it is mono culture.” It should also be noted that none of the wineries interviewed even mentioned the Sustainable Winemaking Ontario initiative, implemented by the WCO, when asked to discuss environmental sustainability.

When asked to comment on how their winery practiced sustainability, the responses generally fell within one of seven areas: organics, recycling, integrated pest management, animals, packaging, esthetics, and energy. Each of these seven aspects are discussed below.

Three of the wineries claim to be organic (W8, W14, W15), while one (W16) states that “we’re not organic but we’re close to it.” There also appears to be differing opinions about the ability to be organic in Niagara. While those wineries that practice organic farming believe that it is possible, some of those who are not organic are of the opinion that it is not possible. One conventional (non-organic) winery believes that

... it’s just not sustainable in Niagara. I don’t care what anyone says. The climate here and the level of humidity and all the rest of it just really restricts feasible organic vineyard management. I’m sure wineries are going to disagree but talking to vineyard managers who’ve been in business for 34 years or less, they’re all saying, “Well if you want to have zero profit, we can do fully organic. (W5)

W14 states that going organic

... is an investment, but if you are conventional it might be impossible to go organic. By the time you are organic you are out of money. It is possible, but it might take a very long time, and you are going to take, financially a lot of knocks. (W14)

One certified organic winery states that it could take between 10 to 15 years to transfer from conventional to organic vineyard management (W14).

Many of the wineries, although not being organic, claim that they attempt to use Integrated Pest Management (IPM) to reduce their impact on the environment. Some wineries also attempt to limit their use of chemical fertilizers (W5, W7, W8, W12); e.g., W5 proposes the use of sulphur-organic-compounds instead of conventional fertilizer applications. W7 states that “there are three things that farmer sprays for, they spray for bugs, mold and weeds” and that they only spray for mold and mildew when they get too bad. Using

a similar approach, W8 practices what they term “Low Impact Viticulture,” only using sprays when they deem it “absolutely necessary,” as well as “using about 20% to 40% less pesticides than three years ago.” W17 donates \$1 of every bottle of Chardonnay sold to a charity that aims to reduce pollution.

Some wineries employ the use of animals for vineyard management instead of pesticides. One winery brings “in lambs to do leaf removal in vineyards,” while another uses “a falcon to discourage nuisance birds that eat my grapes... Falconry is also part of the arsenal to take advantage of our natural predator-prey relationship” (W7). W15 uses horses to reduce their need for conventional machinery driven by fossil fuels.

While only some wineries institute required recycling programs (recycling glass, plastic, paper, and metal), some wineries take that further (W5, W8, W13, W15). W5 claims that “what we do is what’s called sustainable winemaking so everything that’s reusable, compostable, etcetera goes back in the vineyard or into the compost program, all the gray waters properly treated and diverted from runoff into streams.” Three other wineries also employ waste water management systems, typically through the use of natural bio-filters (W8, W13, W15).

The redesign of packaging is another method employed by wineries to reduce their footprint. The opportunity to reduce a wineries packaging footprint is successfully applied by two wineries. W5 claims that

...we recycle wherever possible we are always looking for better packaging and lower carbon footprints so all of the volume wines so that 70% of the portfolio is just in, if not completely or becoming, 100% lightweight; that saves you four kilos a case. (W5)

W5 has also re-sourced their packaging, so that their glass is now locally sourced out of Brantford. W8 also uses screw caps instead of corks, to not only reduce their footprint, but to also reduce the spoilage of their product. The winery believes that with the use of screw-caps

...it's the best possible closure. There's no risk of oxidization or cork taint... the only thing that the cork can do to wine is make it bad. The wine starts out in a great state and only bad things could happen when you bottle it with cork, so the screw caps keeps it in its intended state. (W8)

There are various measures being adopted by wineries to reduce their energy consumption, ranging from simply using energy efficient light bulbs (W17) to more advanced measures (W8, W15). W8 explains that

...we heat and cool the entire facility using the geothermal heating and cooling system located at the bottom of the pond in our vineyard, so we've got a 5km pipe line that runs the bottom of the pond... I think we use about 20% of the energy that we would normally have to use for a winery of this size.

W15 says that they "heat and cool the facility by using geo-thermal energy [and] all of [their] tractors use bio-diesel" (W15). Four other wineries employ the use of gravity flow systems, whereby tanks are placed at different heights, so that the wine can be transferred from one barrel to another by allowing the wine to flow from higher to lower gravity levels (W15). W5 uses solar panels and is working with Niagara Peninsula Energy Board to plug into their grid through the Feed in Tariff Program (FIT).

One winery believes they are aiding the environment in the holistic sense by making it more esthetically pleasing. The winery believes that

...instead of just having big pieces of fallow land or swampy areas, or stuff like that, we are cleaning it up. We are making it a little more pleasing, a little more beautiful to look at if people are visiting us. (W2)

While this view may be thought of as sustainability, it does not demonstrate an understanding of environmental sustainability from an ecological perspective. The act of beautifying the countryside should be considered an act of marketing the tourist product.

6.4.2. Social Sustainability

There are numerous ways that the wineries help to support society. The most common methods of social sustainability include employment, education, and charity. Two wineries comment that their contribution to the sustainability of the society is largely through the employment of local citizens (W1, W8). Some wineries feel it is important to hire people from the local area (W1, W5, W8, W13). W1 states that

... what we're seeing in this region is people are coming and retiring early and they aren't ready to choose to do nothing, so they're looking for part time work and the wineries are that perfect environment. It's a lifestyle choice.

Many wineries hire students from the local college to work with them throughout the year, either as co-op students or in paid positions. W7 has been hiring three students a year from May to November, for the last 8 years, to help them fulfil their graduation requirements. Another three wineries frequently bring in students from Niagara College's and Brock University's wine-making and viticulture programs, respectively, to give those students hands-on industry experience (W8, W15, W17). W7 believes that "it's a great thing to be able to mentor people who have interest in the industry."

Many wineries give back to the community through charity events. Some wineries give to charity events through monetary contributions (W3, W8, W13, W17) or product contributions (W13). W8 picks

... a charity every month and we donate a portion of our tasting fees to that charity and the charity is always something local. So for example community care, women shelters like Jillian's Place and the Humane Society. (W8)

The wineries fund events for institutions such as the Niagara Hospital (W13), NOTL Community Centre (W13), NOTL Hockey Arena (W13), West Niagara Hospice (W15), and Grimsby Public Library (W15) as well as charities such as Heart Niagara (W17), Canadian Cancer Society (W17), Big Brothers and Big Sisters (W3), and Community Care Niagara (W7), as well as community events in general (W13, W17). While the wineries have a basic understanding of social sustainability, none of the wineries or industry associations discuss inclusion of community members in their decisions for development. Inclusion of locals in decisions that affect development at the local level should be a component of every rural area (Coleman, 1988; Putnam, 1993).

6.4.3. Economic Sustainability

There are ways that wineries believe they help sustain the economy. These benefits to the economy can be grouped into three categories: jobs, tourism, the spin-off effect (whereby one event may result in other services rendered/products bought), and the multiplier effect (whereby the money derived from wine sales reverberates through the community in the form of backward (e.g., bottling and labeling providers) and forward (e.g., job creation, tax revenue, spending within the region) linkages). Although the wineries and most of the industry organizations view the wineries as an economic driver, one industry organization states that the wineries derive less income for the town as "agriculture is low on the tax scale. Residential and commercial lands bring in higher taxes" (IGA3). However, it has also been

found that “municipalities must spend more on services for non-agricultural development” (Province of Nova Scotia, 2008).

Two wineries comment that the wine industry growth in Niagara comes by way of sustaining the farming industry (W3, W6). W3 expresses the benefit clearly by stating that:

Niagara at one time was automotive, but that is gone, that was the biggest employer, but I think greenhouses are now. But we lost the backbone that supported Niagara, with not just automotive and pulp and paper but with other industries... 20 years ago there would have been no reason to pull up unless you were interested in the fruit stands. (W3)

Eaton (2007) finds that some people in the agricultural industry believe that the wineries and the support for wine tourism have left other farmers with little support. It should be noted that the loss of jobs in agricultural areas other than grapes may be due in part to the over-reliance on and increased support for the wine industry.

The wineries and grape growers provide job opportunities for farmers who would have needed to find other sources for the sale of their fruit after the cannery closures, which may have prompted them to move to find work (W6). Many wineries also provide work for the local population (W2, W8, W13, W17).

The wine industry is a significant draw for tourists, with wineries drawing over 1.8 million visitors each year (Wine Country Ontario, 2011a). Many wineries note that they work to bring tourists to the region through various marketing efforts (W4, W12, W10), which will be discussed below. One winery markets to the US and China in an attempt to make Niagara synonymous with Ontario wine (W10). Many industry organizations also work to draw tourists to the region (IGA2, IGA4, IGA5).

One winery believes that the wine industry is a “massive economic driver for the region and all the spin-off and ancillary industries attach “since you’re hospitality... your food and beverage or what have you, anything that the tourist would do” (W5). Hosting wine related events, such as the Icewine Festival, brings people to the region and fills up hotel rooms in off-seasons (W1). Wineries work with other organizations to undertake collective marketing efforts to draw people for the wine, and other related offerings such as culinary experiences (W3, W5, W14, IGA5). Wineries also make efforts to cross-promote; e.g., W15 states that

... we bring people into the community, and one of the things we like to do is make recommendations for after they left on their way out the door. So we’ll say “if you like this, then you have got to go up to try Vineland Estates” or “if you are here for lunch or dinner, then you have to go try such and such.” When we do events we tend to use our neighbouring restaurants to come in and cater for us, to help complement what we are presenting to our clients and guests.

6.4.4. Sustainability Outcomes

Sustainability is one of the seven key elements of the concept of IRT (Saxena *et al.*, 2007). For the purposes of this dissertation, the sustainability triangle as generally conceptualized at the 1992 Rio Conference has been used to examine how sustainability is thought of in Niagara by the wineries themselves using the three pillars: environment, society, and economy.

As noted above, while all wineries feel a duty or perceive a need to sustain the environment, each winery takes a different approach. Two wineries interviewed do not believe they are sustainable, some wineries employ IPM strategies, while others go as far as

instituting organic farming practices. The differences in sustainability practices can be seen in vineyard management, recycling, and energy use, each of which has been discussed above.

Unlike environmental sustainability, very few wineries understand the idea of, or do not actively seek to facilitate, social sustainability. Some of the wineries believe that they can assist society by providing jobs, or by providing internships for students. Other wineries engage with the community by providing money or product to charity events within the community. Even when follow-up questions were asked in regards to how the wineries interact with the community, none actually discuss talking to community members about their needs and how the wineries could assist.

In contrast to social sustainability, every winery believes that they help to drive the economic sustainability of the region. Wineries believe that they assist the economy by providing jobs, attracting tourists, and building connections between the various industries (such as lodging, food and beverage, and agriculture) and services (such as bike tours, taxi cabs, and travel agencies) offered in Niagara. This supports Telfer's (2001) position that communities and businesses can be strengthened by strong relationships among the various contributors to the wine region.

6.5. Embeddedness

Embeddedness is the examination of “the role tourism plays in the politics, culture and life of the whole area and population as a local priority” (Clark & Chabrel, 2007, p. 373). This construct is measured through an examination of not only how the wine tourism industry supports or builds on the culture of the area and the life of the Niagara citizenry, but

also the years that the wineries and related organizations have been in operation and how the product is tied back to the area.

There are numerous ways that the wineries propose they help support the culture of the Niagara citizenry. One such practice, the support of local events and charities, is listed by several wineries, as noted above. While some wineries support events through the donation of wine (W13, W15), others support local community groups (W15) such as the Rotary Club (W1) or the Canadian Cancer Society (W17).

With the closing of the fruit canneries in Niagara, the wineries have become an alternative source for employment. As noted above, the KPMG (2011, p. 9) economic impact study, found that the “growth in the Ontario VQA industry has lead [*sic*] to the creation of over 1,300 additional jobs in the last four years.” The wineries provide a source of employment for the Canadian economy (IGA3), with the average winery interviewed employing six full-time, four part-time, and four seasonal workers. Wineries also attempt to draw from the local pool when looking for employees (W8, W13, W17), as well as many of the winery owners being locals themselves. W13 says that

... the family and the in-laws of the family, they have been farming this area for generations now, and when the winery family came in 1960, when they were growing fruit and vegetables, mainly fruit for the fruit market they had on this property before it became a winery. The “winery family” in general is one of the core families of the Niagara Community. They work with a lot of their other family members who own a lot of the other businesses in Niagara, and have kind of grown as a family as the businesses has also grown and in doing so that has really kind of supported the local community and local initiatives. The rest of their family which have started up other wineries which are now in operations in Niagara, other agricultural businesses which are in operation in Niagara, and they all kind of work together as an integral part of the culture of Niagara.

The wine industry has created an ambiance for the community, its citizens, and tourists (W4, W9, W12, W17, IGA3). W4 believes that the wineries bring different cultural influences to the area, stating that

... we have a big interest in trying to be as environmentally friendly as we can to attract people down here. Because they don't just come down here to drink wine, they also want to have great time driving around looking at different things, coming to the winery relaxing, and breathing a little bit of fresh air coming out of Toronto. It's all together, I guess we're cultivating the land a little bit as well.

Wineries also provide a mystique for the citizens "living in wine country," while also providing a place for socialization (W9). W2 comments that

... wine is the culture, we were always here, but we just never were given the proper recognition because of what was being produced from here. But now we are really seeing people taking notice and we bring different flavour, and we bring the Italian heritage to it and that adds to the sense that when people come here they get a little bit of Europe, down the road you get a little France, and go down there you get a little Germany, within 10 minutes you can hit a lot of countries without having to go to Europe. I think that's great culture, we are all different in a way, and yet all really great at making it Niagara.

Another way the wineries can be seen as being embedded within the Niagara Peninsula is by examining their lifespan and use of local resources. The average winery interviewed has been in operation for 16 years, with the newest winery being open for only two years and the oldest winery being open for approximately 30 years. These wineries currently produce between 1,500 and 150,000 cases annually with the average winery producing 37,750 cases of wine.

Embeddedness is a pillar of the IRT framework (Saxena *et al.*, 2007). It is evident that wine tourism is fairly embedded within the Niagara Peninsula through location, labour, and labelling. While the wineries in Niagara are able to sell their products outside of the

region through the LCBO, retail stores, wine and food festivals, or international shipments, the wineries themselves are permanent fixtures that tourists can only visit by travelling within the region. Many of the wineries are also becoming landmarks within Niagara, having been there for over 30 years. The wine industry has also significantly increased the labour market income in the Niagara Peninsula, although whether this income is being derived by a resident of Niagara or an external party is not obvious, nor is it obvious if the labour is just redistribution from other industries. This attempt to rely on local networks, labour, and use of local resources, shows an attempt to support the notion of embeddedness proposed by Carson and Carson (2011), Day (1998), Hinrichs (2000), and Koster (2008).

Another factor that has aided the embeddedness of the wine industry, while also promoting wine tourism, is the labelling of the wine leaving the Niagara Peninsula. By using the VQA symbol, wine consumers can be confident that all of the wine contained within a bottle has been produced by grapes grown in the Niagara Peninsula, or any of the other appellations in Ontario or British Columbia. By tracing the content of a bottle of wine back to the land it was produced on, the Peninsula is able to reach customers who may not travel into the region while at the same time promoting the agricultural product of the Peninsula.

6.6. Complementarity

Clark and Chabrel (2007, p. 373) propose that the complementarity of tourism to the rural area can be measured by examining “the degree to which tourism provides resources or facilities that benefit those who live locally in the area even if not directly involved in the tourism industry.” This section examines how the Niagara wine industry has aided the Niagara Peninsula in the past and provides ideas of how it might aid the region in the future.

Wine tourism in Niagara benefits the local residents by offering a local product, wine, through both the wineries and the local restaurants (W5, IGA4). W5 comments that the wineries work with local restaurants to improve the local offering for food and wine. IGA4 suggests that

... businesses have opened due to the increased traffic to wineries and the types of businesses that complement wineries such as fine dining restaurants, cheese shops, wine accessory shops etc.

The wineries also offer citizens a number of opportunities for socialization (W14). As well as providing locations for people to not only try their wines and to socialize (W14), the wineries, as noted above, work with each other and various organizations to offer festivals for tourists and local citizens (IGA1, IGA5). These festivals not only provide the wineries an outlet to promote their wine, but also citizens and tourists are provided an activity to try wine and food, as well as to socialize.

Wineries in Niagara also provide various indirect benefits. IGA4 states that the “infrastructure has improved with the expansion of wine country.” A number of other wineries also suggest that the wineries sustain agricultural land, providing a natural vista unhindered by over-development (W8, W12, W14, IGA3). This benefit is described best by W5 who suggests that “the fact we’re producing something locally, derived from the lands, supporting the agriculture and the agriculture history of the region that’s probably the greatest way that we ‘support the community.’”

The Niagara wine industry aids in supporting the economic development in the Niagara Peninsula, which is supported by discussions with wineries and wine industry members that were interviewed, as well as in the KPMG winery impact study. Greater

demand for Ontario wines will increase production, improve employment opportunities (W8), and sustain agricultural vistas for the enjoyment of tourists and residents alike (W8). Wineries and industry organizations agree there will be continual improvement transportation and other infrastructure for the community for the benefit to local residents (W10). While most of the wineries had positive comments to make about the benefits they bring to the community, none of the wineries went beyond proposing that they help the community by bringing jobs (a limited number), and providing a place for them to commune. A critic of the industry may have also been able to expand on negative consequences of the industry, but they were not interviewed for this dissertation, and as such are beyond the scope of this dissertation.

6.7. Empowerment

This section examines “the extent of political control [the wineries and industry organizations have] over the tourism industry through ownership, law, or planning; particularly control exercised at a local level” (Clark and Chabrel, 2007, p. 373). Empowerment also attempts to understand how the governance works as part of the tourism offerings (Carson & Koster, n.d.; Goodwin, 1998; Macbeth *et al.*, 2004; Schmallegger & Carson, 2010).

The wineries receive little to no assistance from the local municipalities or their planning departments (W1, W2, W4, W5, W8, W12). Inconsistency in municipal legislation poses an issue. For example, W10 points out that some municipalities require 20 acres for a winery, while others require 30. W5 comments that the enforcement of signage by-laws is not equally applied. While most indicate receiving no assistance from the local municipality,

two state that the town was helpful in the early planning stages when they were building the winery and when they were constructing new infrastructure by acting as a source for information and making the approval process go smoothly (W1, W15).

Industry partners work with the municipal government to provide support for the industry and region (IGA2, IGA3, IGA4, IGA5). The various industry organizations work with the municipalities to secure signage and promote the region (IGA2). One organization requires “an annual Fee for Service agreement whereby they provide funding and in return deliver programming that feeds the local economy” (IGA5).

Some wineries indicate that they receive very little to no direct funding from the federal and provincial governments (W1, W2, W12, W15). One winery even believes that the provincial government, through the LCBO, is their competition given that they control a monopoly on the sale of wine outside of “Direct Delivery and the wine stores” (W3). As well as limiting the sale of alcohol through restrictive sales channels (LCBO & Farm gate), the government strictly controls the sale of alcohol in Ontario through the *Liquor and Licence Act*, *Gaming Control Act* (1992), *Ontario Wine Content and Labelling Act* (2000), sections 3(1)b, e, f, g and 3(2)a of the *Liquor Control Act* and the *Charity Lottery Licensing Order in Council*. While these regulations may restrict the wine tourism industry, they are imposed for social good.

While some wineries do not receive direct support from the provincial or federal government, other wineries point out that the industry, not individual wineries, receives assistance. This indirect assistance comes by way of programs and/or grants such as Celebrate Ontario, the Environmental Farm Program, the Ontario Vineyard Improvement

Program, the Rural Economic Development Grant, and the VQA Wine Support Program, the details of which are provided in Table 16.

There are various ways that the wineries and wine industry organizations influence the wine industry. Wineries comment that their role is one of leadership through product quality (W15) and service (W1). Wineries and wine industry organization members influence the industry through participation in committees or organizations such as the Niagara-on-the-Lake Tourism Organization (NOTLTO). W2 also states that its influence is exerted through Niagara College where one of the winery owners teaches students some of whom eventually become industry members. Wine industry members believe that their influence comes by way of member driven initiatives/undertakings. For instance, the WCO and WGAO both negotiate grape prices with the GGMB, thus giving them significant control over the price at which raw materials are bought. Another industry organization with significant control over the wine industry is the VQA, as it manages the appellation system and the VQA certification, which can have negative product price ramifications for wineries who are unsuccessful in the certification process or who are outside of the designated appellations.

Table 15: Wine Industry Support Programs

Program Name	Program Description
Celebrate Ontario	“Celebrate Ontario is an annual program that helps new and existing Ontario festivals and events enhance their programs, activities and services to grow Ontario’s tourism market. The program also supports bid and event hosting costs of major one-time events and festivals attracting out-of-province visitors” (OMTCS, 2012). There are two grants issued for wine related tourism in Niagara, the Niagara Wine Festival (\$66,500) and the Jackson Triggs Amphitheatre Festival (\$75,000).” (OMTCS, 2012)
Environmental Farm Program (EFP)	“Environmental Farm Plans (EFP) are assessments voluntarily prepared by farm families to increase their environmental awareness in up to 23 different areas on their farm. Through the EFP local workshop process, farmers will highlight their farm's environmental strengths identify areas of environmental concern, and set realistic action plans with time tables to improve environmental conditions. Environmental cost-share programs are available to assist in implementing projects. ... Agriculture and Agri-Food Canada (AAFC) and Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) will support the continuation of EFP until March 31, 2013.” (OMAFRA, 2012b)
Ontario Vineyard Improvement Program (OVIP)	“The Ontario Vineyard Improvement Program, which was developed with input from industry, has two components; the Producer Support Component (PSC) and the Industry Support Component (ISC). The PSC (\$11M) is an application-based, cost-share program to directly assist eligible wine grape growers to transition to higher demand grape varieties and improve grape quality in line with the industry varietal plan. The ISC (\$1M) is a fund to assist the sector as a whole with access to additional technologies and capacities to help improve grape production in the vineyard. The ISC will be delivered by the Grape Growers of Ontario.” (OMAFRA, 2012a)
Rural Economic Development (RED) Grant	“The province will contribute \$164,500 to help the Twenty Valley Tourism Association and its partner, the Jordan Village Merchants' Association, implement the "Partnered Marketing Programs for Twenty Valley" strategy, which will help promote community revitalization, economic growth and local tourism.” (OMAFRA, 2012c)
Vintners Quality Alliance – Wine Support Program	“The Vintners Quality Alliance Wine Support Program is a five year program (2010-14) that is intended to support the continued growth and development of wineries in Ontario. The program encourages wineries to undertake new or expanded activities to grow their Vintners Quality Alliance business and be more competitive in the wine and grape industry.” (Ontario Ministry of Economic Development and Innovation (OMEDI), 2012)

Source: Prepared for this dissertation

While the wineries have control over their marketing efforts and a say in the marketing efforts of the industry through membership in associations such as WGAO and WCO, their relationship with the municipal governments appears to be tenuous at best. Furthermore, the division between the WCO and WGAO dilutes the lobbying efforts and resources of the wine industry. Empowerment of the industry appears to be an area for further development. An improved relationship with the municipal government may aid in rectifying other issues impacting tourism (signage and transportation routes) as discussed previously.

6.8. Marketing Efforts

Wineries in the Niagara Peninsula employ various marketing efforts. The advertising methods used most by wineries are websites, road signs, and advertisements in wine publications. Two respondents emphasize electronic as opposed to print media, since the minute they print marketing tools “they are out of date” (W1, W5). W12 does not use any direct marketing dollars, but relies on word of mouth and the quality of their wine as its sole marketing tactic. In a similar vein, many wineries propose moving towards greater use of social media as a means of marketing (W1, W3, W4, W6, W7, W8, W9, W17). Many wineries use social media such as email (5), Facebook (5), and Twitter (4). As Table 17 shows, marketing efforts used by the participating wineries include digital marketing (websites, emails, Facebook, and Twitter), pamphlet marketing (wine publications, tourist guides, and magazines), road signs, and LCBO led initiatives.

Table 16: Marketing Efforts Used

Advertising Method	Count
Your own website	12
Road signs	8
Advertisements in wine publications	7
Advertisements in tourism agency produced tourism guides	6
Other tourist guides	6
Advertisements in other magazines	6
Email Blasts	5
Facebook	5
Twitter	4
LCBO	3
Brochures/leaflets you produce	2
Radio	2
Trade Shows	2
Advertisements in newspapers	1
Wine Club	1
Other methods	0
None	0

Source: Prepared for this dissertation

Wineries focus their marketing efforts to attract both the local tourist and those outside of the region. W1 works with B&Bs to encourage their patrons to visit while in the area. W9 focus their marketing efforts outside a 30-mile radius using the rationale that

... local people know we exist here and advertising does not bring them in. But, other people, Toronto, Kitchener, Pennsylvania, Ohio people they are trying to get away on a weekend, for instance, so they are the ones who are actually taking the time to come out visit and stay overnight. Local people hardly ever come to the winery to buy a bottle of wine. Our marketing efforts focus outside of our region to bring people in.

W9 states that the main goal of marketing is to increase visitor traffic to individual operations and the region in general. Industry organizations focus a great deal of marketing dollars on increasing the frequency of winery visitation (W9, IGA4). The marketing dollars spent by wineries range from 8% to 30% of each winery's income, with the average winery spending 15% of their income on marketing. The wineries who are members of the WCO

also pay a fee of \$5,000 a year to have the WCO work on their behalf to market the industry, produce the wine route map, employ secret shoppers, and develop restaurant collaboration.

6.9. Industry Collaboration

Beyond working as collaborative units through the WCO and WGAO, the wine industry also benefits from collaboration with other organizations in the region. Some of the other industries include transportation, entertainment, accommodation, and food and beverage services. Below is a discussion of how these industries all work together to attract tourists to the region.

Some of the tour (bike, bus, taxi) companies work to provide packages to attract tourists to the region. For example, the wine tour company Grape Escape provides tourists an opportunity to travel around the region in their SUVs, mini vans, or on a rented bike. Grape Escapes picks up tourists from their accommodations (in Niagara-on-the-Lake), takes them to three wineries which includes a tasting of wines at each winery and in some instances a wine pairing with food or a full meal, and then drops the tourists back off at their accommodations (Grape Escape, 2014). Another such company that provides packages for tourists to enjoy is Niagara Fun Tours which offers a variety of tours such as a distillery and wine tour, beer and wine tour, distillery, beer, and wine tour, and winter wine tour, all which incorporate transportation to and from specific pick up locations, as well as tastings at distilleries, wineries, chocolate shops, and/or breweries (Niagara Fun Tours, 2011). Crush Wine Tours also promotes bed and breakfasts (B&Bs) on their website from which they will pick up tourists, take them on a tour of the wineries, pair the daily excursion with a trip to a restaurant such as On The Twenty, and return them to their B&B (Crush Wine Tours, 2001).

The company Wine Tours Toronto provides tourists the option of a full day winery tour package, whereby they leave from the Royal Ontario Museum (ROM) in Toronto, visit five wineries in Niagara, purchase a lunch at a winery restaurant, and return to the ROM (Wine Tours Toronto, 2014).

Many of the hotels in the Niagara Region also offer packages including winery visitations; such hotels include Sheraton, Prince of Wales, Queen's Landing, Pillar and Post, Marriott, Crown Plaza, and Hilton. Sheraton on the Falls for instance provides a package they call the "Ultimate Niagara Winery Experience Package," which includes one night of hotel accommodations, transportation to and from two wineries including tastings, gift cards to three of the restaurants at the hotel, and a gift certificate to the hotels spa (Sheraton, 2014). The Hilton offers tourists (those who are staying at the hotel as well as those who are not), transportation to and from the hotel that will take tourists to visit and taste the offerings at four of Niagara's wineries, as well as being given time to visit the many shops and museums located in Niagara-on-the-Lake (Hilton, 2014).

Synergies are also created by packages being offered that include accommodations, winery visits, and visitation to special attractions. For example, the Shaw Festival offers a theatre package known as "pre-theatre dining in the heart of wine country," which includes a "three-course prix fixe menu, wine tasting and tickets to a Shaw Festival performance" (Shaw Festival, 2014a). Beyond offering packages, the Shaw Festival also provides every season subscriber with (Shaw Festival, 2014b):

- Free wine tasting vouchers from Peller Estates and Trius Winery at Hillebrand worth \$28/couple
- A 15% discount voucher for traditional afternoon tea at the Prince of Wales Hotel

- A ballot for a chance to win a \$500 Gift Card for the new Outlet Collection at Niagara, a pair of tickets to our 2015 Season and an overnight stay at Vintage Hotels

Restaurants also create synergies within the Niagara region by providing packages with other attractions such as festivals, wineries, and accommodations, and by focusing their offerings on local products (food and wine). For example, Terroir La Cachette offers a three course menu that is paired with transportation to the restaurant and three wineries in one package for one price offered through Niagara Wine Tours International (Niagara Wine Tours International, n.d.). Furthermore, restaurants such as White Oaks, Bistro Six-One, Terrior la Cachette, The Good Earth Food Wine Bistro, Treadwell, and Stone Road Grille, pride themselves on using local, seasonal ingredients and providing their patrons with a wine lists that showcase local wines.

6.10. Goals

Wineries and industry members alike were asked to comment on future goals for their businesses and the industry as a whole. These discussions uncovered four main themes: sustaining, growing, improving, and issues/challenges.

Many of the wineries share the goal of sustaining their current position in the market and as leaders (W5). Some wineries also work not to expand, but to maintain or improve the quality of their product while keeping the customer happy (W4, W7, W9, W12). W4 states that:

We don't want to get too big because we don't want to lose the quality, because for us quality is better than quantity... our name is on the bottle, so what is on the inside and the outside better be good.

Industry organizations plan to continue providing programming and offering sustainable infrastructure and wine route development (IGA1, IGA3). Other areas that wineries comment on as being important over the next five years are “maintain annual sales” (W7) and creating or maintaining a “relationship with the LCBO, selling wine through there at the rate that we are” (W7).

The areas of growth most commonly mentioned by wineries relates to acreage, international sales, brand awareness, and overall industry improvement. Many wineries are planning to expand their acreage over the next five years (W2, W5, W14, W16, W17). W2 states that

... we're eye-balling the next piece of land, the next thing that we will be doing is improving Niagara region's next 20 acres by cultivating it. By putting a winery on it, instead of having a big piece of fallow on it with broken fences and dead trees, hopefully people driving by will not consider it as much of an eye sore anymore.

W5 shows an interest in expanding their acreage and is also planning on increasing their vineyard ownership in an attempt to “have more control, some more varietal experiments, [and] ramp up growth.” Both W2 and W5 support the notion of expansion to be more economically sustainable in the short and long term. While this may result in greater economic sustainability for the region, and may help the region to maintain its agricultural land, it raises issues for the environment as it requires the acquisition of property for the purposes of mono-crop agriculture.

Two wineries plan to enlarge their international portfolio over the next five years. W13 has set its goal to reach 40 countries over the next five years, while W8 proposes not only to grow its international portfolio to include Asia, but also to expand distribution across Canada.

A few wineries intend to increase brand awareness through expansion of their LCBO distribution (W13, W17). Two wineries also propose improving their brand awareness in general through increased “sales and marketing efforts” (W5, W15).

Beyond improving just their bottom lines, some wineries and industry organizations have set a goal to improve the industry. W2 states that:

What we want to do is help shape the region. I mean obviously the financial aspects play a role as well in order to survive, thrive and make some money out of this. But we want to also help shape the region, help shape the wine growing business, be the next generation after you have had pioneers and people struggling and fighting to build this thing up. We want to see if we can't help them take this to the next level.

One change stated as being needed for the future success of the industry is a focus on grapes and wines that are conducive to cool climate viticulture (W10), as opposed to trying to reproduce every varietal produced across the globe.

Many wineries and industry respondents believe that the largest issue facing the industry is the higher price of Ontario wines and limited availability across Canada and North America. While Ontario wineries are able to sell their products through the LCBO, winery, direct sales, and off-site-retail-stores (for those which were grandparented-in), they are not legally able to sell their products directly to retail outlets due to the NAFTA.

Many of the wineries expressed a serious concern over the division of the industry between the Wine Council of Ontario and Winery and Grower Alliance of Ontario. This is reflected in the observation that:

... what the split is really waking the public and government up to is the need for a fair playing field that has to change. That is the biggest project of the Wine Council right now. That is the big change, huge, huge, huge. There is [sic] now two groups with two different messages. (W3)

Most wineries and industry organizations recommend improving the wine route. The recommendations fall into three distinct categories: signage, re-routing, and pocketing.

Many wineries believe that the signage is insufficient. A few wineries state that they “gave up the big boards on the highway in order to have all the finger signs [those way-finding signs located at major intersections directing people to the specific wineries as they get closer to the winery], that ‘they’ do” (W4). Many other wineries indicate their displeasure with the limitations on the use of signage by the government (W9, W11, W12). W8 suggests that there should be an allowance for small signs as in other wine regions, with more frequent markers as tourists approach each winery. They propose that this would create a greater feeling of being in wine country. W16 recommends having “signage on the highways in regards to the appellations and below that the different wineries in the area” instead of “basing sign location on space availability instead of geographic proximity.”

Another issue is improper signage. W2 believes that the current signage is a “disaster,” with people putting up signage where there should not be any. W13 proposed that signage “could be streamlined. It’s kind of fragmented. There is not really a route that you can follow as a pattern that make sense that you can follow in your car. It just jaunts off to different wineries.”

Related to signage is the re-routing of the route. The route needs to be much more “aesthetically pleasing,” which could be undertaken by bypassing the St. Catharines’ corridor (W3, W5, W8, W17). The route should also stick to wine country (W17).

Another recommendation was to create enclaves within the Niagara Peninsula. One winery (W5) proposes the creation of two separate loops similar to Napa versus Sonoma, with Niagara-on-the-Lake versus the other areas (Beamsville, Jordan, and Grimsby). The idea of smaller groups or, at minimum, smaller group signage was also supported by two other wineries (W7 & W12).

Although the wine industry has raised numerous areas for improvement, the industry is continually growing in size. This chapter has demonstrated that the integration of the wine industry in Niagara is complex and that many players have direct or indirect impacts on wine tourism. While the industry is undergoing changes such as the split between predominantly VQA wineries and ICB/CIC/Product of Canada wineries, the industry still works collaboratively to promote the area and drive tourism. Furthermore, regardless of their strategic alliance, the wineries produce direct and indirect sales of for the Niagara Peninsula, as well as providing employment for local and provincial residents. Final thoughts on the findings derived from this research as well as limitations and areas for future research will be discussed in the following two chapters.

Chapter 7: Discussion

The Niagara region has benefitted from tourism, and more specifically wine tourism. However, there are areas in which the region has yet to realize its full potential. Furthermore, there appear to be differences in the opinions held by various industry players as to the extent of the benefits and disadvantages that wine tourism brings to the region.

This chapter will attempt to summarize and discuss the key findings from Chapter 6, using the IRT framework to understand how the wine industry and wine tourism aid in the development of Niagara's rural area. While this chapter will discuss all of the findings in some depth, Table 9 provides a snapshot of the positive and negative contributions that wine tourism in Niagara makes to sustainable rural development. This section will also provide a discussion of how Niagara Wine Tourism has benefitted from being located in the urban-periphery.

Table 17: Seven Dimensions of Integrated Rural Tourism

Dimension	Dimension Description	Positive	Negative
Networking	The ability of people, firms and agencies in the locality and beyond to work together to develop and manage tourism	<ul style="list-style-type: none"> - Product standardization (VQA) - Marketing (WCO, WGAO, GGMB) - Sales and Distribution (LCBO) 	<ul style="list-style-type: none"> - Division between goals of WCO and WGAO
Scale	The extent of tourism in an area in terms of its distribution over time and geographically, bearing in mind any thresholds related to the area's carrying capacity	<ul style="list-style-type: none"> - Increased visitation - Contribution to agricultural landscape 	<ul style="list-style-type: none"> - Increased acreage devoted to grapes (mono culture) - Increased number of subdivisions
Endogeneity	The degree to which the area's tourism is recognized as being based on the real resources of the area	<ul style="list-style-type: none"> - 8.8% of agricultural land devoted to wine grape farming 	<ul style="list-style-type: none"> - Removal of fruit trees and other agricultural products to be replaced by grape vines. - Lack of control over local area by residents.
Sustainability	The extent to which tourism does not damage, and possibly enhances, the environmental and ecological resources of the area	<ul style="list-style-type: none"> - Many wineries that employ some level of IPM or organic farming practices. - Significant economic impact increasing over time 	<ul style="list-style-type: none"> - Two of the 17 do not employ sustainable practices - Inconsistent farming practices - Lack of community engagement - Limited use of WCO programme
Embeddedness	The role tourism plays in the politics, culture and life of the whole area and population as a local priority	<ul style="list-style-type: none"> - Job creation - Support for local events and charities - Sustaining agricultural vistas - Product is tied back to the land through a labeling system 	<ul style="list-style-type: none"> - Inconsistent labelling confuses customers as to where the product is actually grown - Lack of discussion on contribution to life of local population

Complementarity	The degree to which tourism provides resources or facilities that benefit those who live locally in the area even if not directly involved in the tourism industry	<ul style="list-style-type: none"> - Provides locals with a local option - Provides opportunities (such as festivals and tasting events) for socialization - Infrastructure (transportation routes) 	<ul style="list-style-type: none"> - Opportunity cost –support for wine industry compromise other industries/possible industries
Empowerment	The extent of political control over the tourism industry through ownership, law or planning; particularly control exercised at a local level	<ul style="list-style-type: none"> - Significant control of industry through marketing organizations WCO and WGAO 	<ul style="list-style-type: none"> - Relationship with municipal government strained (lacking transportation planning and signage) - Division in goals between WCO and WGAO

Source: Prepared for this dissertation

7.1. Wine Tourism in Niagara Region Understood Through the IRT Framework

7.1.1. Networking

One of the key aspects required to achieve IRT is the ability of all members of the direct and related industries to successfully work together. With the recent split of the larger wineries away from the Wine Council of Ontario (WCO) and the subsequent creation of the Winery and Grower Alliance of Ontario (WGAO), the industry is going through a significant transition. There are now two divergent interests: the WCO lobbies for greater “Ontario made”/Vintners Quality Alliance (VQA) legislation and relaxed laws concerning off-site distribution outlets, while the WGAO presses for less stringent off-site taxes and greater International Canadian Blend (ICB) support. This division can weaken the network. One prime example is an incomplete wine route map for tourists. Given that only WCO members, or those willing to pay for marketing space, are located on the wine route map produced by the WCO, tourists are not able to find all of the wineries located in Niagara. Another issue that could have implications for the wine industry, but was not raised as a topic of interest for the wineries, is the creation of the Regional Tourism Organizations and the impact that these have had on the region.

Other industry members that have come into play as the wine industry has developed include the Liquor Control Board of Ontario (LCBO), Wineries of Niagara on the Lake (WNOTL), and the Alcohol and Gaming Commission of Ontario (AGCO), each having a significant impact on the Niagara Peninsula Appellation. The benefit of the LCBO is contested by many wineries since some believe that the LCBO provides a reasonable outlet to sell wines outside of wineries, while others believe that the LCBO restricts wineries’

outlets and over-taxes them for the “honour” of having their products available in the LCBO. Many wineries would like to see an open market for wine, but alterations would have to be made to the NAFTA to allow wineries to operate more than one retail outlet. The AGCO is seen more as a regulatory board, but is viewed positively by those who commented on it. The WNOTL is also seen as a positive organization by those who were members.

Another organization with some control over the industry is the GGMB. The GGMB, while theoretically looking out for the grape growers, has slightly changed its marketing programs to include a grape quality pricing strategy which has been looked on favourably by the wineries. Although this shift has been positive, estate wineries have reservations about the GGMB, believing that they should not have to go through the GGMB to price their own grapes. On the other hand, the GGMB has possibly delayed the acquisition of farm land by wineries due to a more equal playing field for grape sales. Some would argue that the GGMB has also played a role in ensuring that the local farmers, who are also residents of Niagara, can maintain their livelihoods through consistent pricing.

While some of the industry organizations can play well together, there appears to be a rift between key players (VQA and WGAO), as well as individual wineries and their only source for sales (LCBO) outside of the winery. This disconnect in industry collaboration creates breakages in the networks that underpin the industry. These disconnects go against what is recommended by authors such as Arfini *et al.* (2002), Chan *et al.* (1997), Reid and Flora (2002), Saxena *et al.* (2007), and Telfer (2001) who propose that industry networks are needed for tourism to be successful in the long run.

7.1.2. Scale

Wine tourism has become an integral part of the Niagara Peninsula Appellation over the past century. Although the Canadian wine industry originated more than 200 years ago, it was not until the 1970s that the modern wine industry developed. With the staggering growth of the Niagara wine industry from 45 wineries in the late 1990s to 84 in 2013, the industry became an economic driver for the Niagara Peninsula. Accompanying this growth was a structured framework for the production of grapes (through the GGMB), implementation of industry standards (VQA), and strengthened control over the industry imposed by the NAFTA agreement and LCBO, all adding to the interconnectedness of the industry and a strengthening of industry connections.

Another of these changes derived from the increase in winery concentration was the development of wine festivals, which required the collaboration of many of the industry players. The events became an opportunity for wineries to work together to draw over 4,000 tourists per event to the region in the slow seasons. This draw also results in ancillary income and patronage for local businesses that may also suffer in slower months. Although the wine festivals are cited as a good marketing tool, some wineries have reservations regarding whether the festivals bring revenue to the wineries or just bodies, due to the sip-and-run effect. This increase in tourist draw also results in indirect income for ancillary services such as restaurants, taxi companies, and hotels.

Along with the use of festivals to attract visitors, the wine region has developed the wine route as a means of way-finding for tourists. To support the wine route, the industry publicizes the route and many of the wineries located along it through the production of a

wine route map. Although considered as a good marketing tool by many wineries, the route requires improvement in signage and possibly the creation of two routes to allow for a by-passing of less aesthetically pleasing corridors such as St. Catharines.

7.1.3. Endogeneity

Along with contributing the agricultural vistas, grape farming accounts for 8.8% of the agricultural land in the Niagara Peninsula (Wine Country Ontario, 2011a). While the grape farms may assist in allowing the land to remain agricultural, the focus on grape farms has resulted in the removal of fruit trees.

The local rural community has also not been a large part of the wine tourism industry. While the industry itself proposes that it derives benefits for the locals through employment, infrastructure, and support for community events, the interviews did not uncover any community input into the wine tourism industry, which should be a component of an embedded rural-periphery (Carson & Koster, n.d.; Lowe *et al.*, 1995; Shicksmith, 2000). Recognizing that this dissertation did not directly interview community members (beyond those working in the wineries and industry associations), future research should investigate this relationship further.

7.1.4. Sustainability

The wineries and viticulture not only work to provide aesthetically pleasing vistas for Niagara tourists, they also assist in the sustainability of the environment, society, and economy. While most of the wineries believe that there is a need to preserve the environment in order to maintain their operations, the understanding of what should be done to sustain the

region differs greatly. The various initiatives implemented include organic farming, integrated pest management (IPM), recycling, packaging, energy reduction, and esthetic maintenance. Through a mixture of these strategies, wineries in general are moving away from conventional farming practices and becoming conscious of their environmental impacts. This shift towards safeguarding the environment supports the recommendations for sustainable tourism proposed by Butler (1993), Carter (1993), Fossati and Panella (2000), Graymore *et al.* (2008), Hunter (1995), Lane (1994), and the WTO (1998). Although strides are being made, there are still some industry laggards.

Many wineries and industry members work to support society through employment, education, and charity. Some wineries make an effort to employ locals and to educate them through the provision of internships for local students or by teaching courses at the local college. This support of the local community through tourism corresponds to Hunter's (1995, p. 155) and Carter's (1993) discussion of the need for tourism to "meet the needs and wants of the local host community." However, further research that incorporates community interviews could shed further light onto this topic.

This limitation of over-development impacts municipalities which derive less income from agriculturally zoned land than commercially or residentially zoned property. Wineries also indicate a need to compete with the provincial government through its LCBO outlets, as many propose a more adversarial as opposed to complementary relationship, as they see the LCBO acting as their competition instead of partner. The greatest control over the wine industry comes by way of industry members themselves, whether through direct involvement or as part of an organization such as the Niagara-on-the-Lake Tourism Organization

(NOTLTO). Although there are mixed opinions regarding the benefits that tourism brings to the region, greater support for tourism development in Niagara by all regional network actors is needed; this is consistent with the first of Sharpley's (2000) three recommendations for sustainable tourism development.

7.1.5. Embeddedness

The wineries support the local culture and life of the citizenry through support of local events and charities, employment, ambiance, and promotion of local agriculture outside of the local area through wine labeling. Through the employment of local residents (Northcote, 2007), and creation of an ambiance/scenic vistas (Carlsen, 2004), wine tourism is moving towards a more sustainable form of tourism development. It should be noted, however, that, while the labelling could benefit the area, inconsistent labelling processes (VQA, vs. Cellared in Canada vs. International Canadian Blend vs. Product of Canada) may confuse customers. Greater customer education on labelling is also needed considering only 30% of customers know about VQA certification (Dawson *et al.*, 2011)

7.1.6. Complementarity

As well as being embedded in the local area, the wineries offer local residents a local product. The wineries also provide citizens with a place to socialize, and assist the region by working with the municipality to improve infrastructure. While the wineries have benefited the local area, the Niagara region may have received support for other industries if the wine industry had not have become so predominant.

There is also a need to make wineries more cognisant of the community (Carter, 1993; Hunter, 1995). While some wineries work to promote and support local charities, a greater effort to support the local community through hiring of more locals, funding of local teams/events, free educational seminars on farm production and wine making, and the inclusion of locals in tourism planning and development, would benefit the area.

7.1.7. Empowerment and Marketing

The wineries and industry associations work both independently and cooperatively to promote the region. Industry members primarily use road signs, advertisements in magazine publications, and websites. While print media were the primary means of information dissemination in the past, much of the marketing efforts being employed in the industry has shifted to electronic formats. Many wineries are also moving towards a greater reliance on the use of social media to reach their patrons.

Through collaboration between industry associations (WCO & WGAO), restaurants, travel agencies, and municipalities, the wineries have significant control over the industry. The wineries and wine industry also has a significant impact on the economic growth of the Niagara region, however the relationship between the municipality and the industry needs greater attention to improve local and regional networks (Arfini *et al.*, 2002; Chan *et al.*, 1997; Reid & Flora, 2002; Saxena *et al.*, 2007; Telfer, 2001).

7.1.8. Future

The wine industry in the Niagara Peninsula is continually growing. All of the wineries interviewed cited plans to either to sustain or to expand their operations in regards

to acreage and/or wine production. A few wineries also propose to increase their brand awareness through increased LCBO distribution and international sales. To achieve such changes, there needs to be increased retail access, improvement in infrastructure, and clearer labelling standards denoting the difference between VQA and CIC/ICB wines.

While the wine tourism industry in Niagara has had some success in meeting components of the IRT model (embeddedness, scale, endogeneity, networks, empowerment, complementarity, and sustainability), there are some components that need specific attention. The wine industry has done a reasonable job straddling the divide between being embedded, through the use of the wine route and winery specific marketing, and disembedded, through collaborative marketing efforts with other industries and across wine regions. Similarly, the wineries have been able to reach a balanced use of endogenous (local resources) and exogenous (such as LCBO and provincial support) networks. The wineries also work collaboratively with other organizations (such as restaurants, travel agencies, and the LCBO) to support the local economy, as well as wine and culinary tourism industries in Niagara and Ontario.

While the local networks show signs of being empowering for the wineries and the local economy, greater input and collaboration with the municipal governments and community is needed. Niagara wine tourism benefits the area, but not all wineries work towards sustainability for the region. Thus more work is needed to mirror the case of IRT in the Niagara area.

7.2. Benefits from an Urban-Periphery Location

Carson and Carson (2011) and Carson & Koster (n.d.) raised numerous issues that rural-periphery areas face. By using IRT as a framework, it has become possible to investigate the extent to which the Niagara Region as an urban periphery has been able to avoid issues faced by rural peripheries as identified by Carson and Carson (2011, p. 375):

- distance from markets,
- lack of support infrastructure,
- lack of local tourism entrepreneurs,
- a dominance of small and micro businesses with limited skills and experience in tourism,
- a lack of coordination and collaboration between local industry stakeholders,
- a reliance on government and larger companies for tourism investment and marketing
- a lack of political and economic control over decision making

Niagara has benefitted from being located next to urban markets and by collaborating with transportation providers. The Niagara wineries are located in rural areas only short distances from urban centres (City of Niagara Falls, City of Welland, City of Thorold, and City of Hamilton). Being so close to urban centres, the Niagara wine region benefits from short travel times that tourists need to visit.

The tourism related industries in Niagara also benefit from strong networks, whereby various industries (wine, tourism, transportation, accommodation, and food and beverage) collaborate to offer packages to bring people to the region and extend their stay. For example a transportation company brings the people to the region and drives them around to wineries, restaurants, festivals (such as Shaw) and to-and-from accommodations.

While the region has also benefitted from the infrastructure that has accompanied tourism (such as signage and roads), there is still room for improvement. Many of the

wineries point to the need for improved roads, and better signage. More than one of the wineries commented that people do not know they are there as the signage brings them by the road they are on, and not down the road. It should also be noted that most of the roads along the wine route (located on the WCO wine map) are paved, which is not always common in rural areas.

While the lack of local tourism business knowledge and dominance of small businesses with limited experience in managing tourism are issues for rural areas, Niagara has developed strong synergies. Many of the wineries and tourism organizations interviewed discussed the benefits of a strong network in the Niagara region that they could tap into for information and/or assistance, whether it is other wineries or industry organizations. It should be stated, though, that belonging to one industry association may impact the relationship with wineries belonging to the other association (VQA/WGAO). While synergies do help to mitigate the lack of business knowledge in the wine industry, the industry is still dominated by small and medium sized enterprises that are limited to cellar door, LCBO, farm gates, and special occasion permits for the sale of their product offerings.

Although the wine tourism industry does not rely heavily on the government for tourism investment, it is provided with support through partnership funding. Niagara's RTO has created a partnership funding model for 2014-15 through which each of the sub-regions can vie for matched funding for projects and events (Niagara Canada, 2013b). The funding budget of \$613,000 is allocated amongst the four sub-regions. Beyond funding through RTO, and special program such as Celebrate Ontario, the Environmental Farm Program, the Ontario Vineyard Improvement Program, the Rural Economic Development Grant, and the

VQA Wine Support Program (all discussed in Table 7 in Chapter 6), the wineries must derive their own revenues through sales. The industry members must also pay fees to belong to the WCO if they so choose.

While rural peripheries suffer from a lack of political and economic control, being in an urban-periphery has enabled the wine industry in Niagara to exert influence over tourism in the region. Through their association with WCO or WGAO, wineries are able to negotiate prices for grapes with the GGMB. Wine tourism has also been able to increase its presence in Niagara through marketing programs at the organization (WCO and WGAO) level, as well as individually. While they do have some control over the industry, greater collaboration between the wine industry and local municipal government agencies to promote wine tourism is needed to improve signage, transportation routes, and infrastructure, however the extent of improved collaboration is debatable amongst wineries. Greater inclusion of community input in planning and decision making processes are also required.

Chapter 8: Success of the IRT Concept to Measure Benefits

Many authorities argue that tourism can be used as a means of economic diversification (WCED, 1987; Butler, 1993; Lane, 1994; Campbell, 1996; WTO, 1998). To achieve such results, they emphasize that tourism should be developed to derive long term economic benefits (Bramwell & Lane, 2008; Hunter, 1995; Reid & Flora, 2002) and sustain the environment (Fossati & Panella, 2000; Graymore *et al.*, 2008; Lane, 1994), all while engaging the community in the feedback and participation (Bramwell & Lane, 2008; Lane, 1994; Liu, 2003; Long, 1993; Reid & Flora, 2002; Sharpley, 2000). This dissertation has applied the concept of integrated rural tourism in a case study of the Niagara Peninsula to establish the validity of these assumptions.

Using the knowledge gleaned from the seven components of IRT discussed in Chapter 6 and 7, this conclusion presents the outcomes of this research. This chapter will discuss if the concept of integrated rural tourism was able to examine tourism's ability to aid rural development in the form of the five specific benefits Saxena *et al.* (2007), identified (direct, experiential, conservation, development, and synergy). The realization of these benefits will be discussed herein.

8.1. Direct Benefits

Both primary and secondary research have shown that tourism can act as a driver of economic development through direct and indirect revenue generation, as well as through the creation of jobs. In the case of the Niagara Peninsula, wine tourism contributed \$268.5 million dollars in total sales and \$88.5 million in retail store sales in 2010 (KPMG, 2011, p. 2). Furthermore, industry sales have been increasing, as demonstrated by the increase in total

sales from \$179.5 million in 2007 to \$268.5 million in 2010, and retail sales from 54.2 million in 2007 to 88.5 million in 2010.

As well as assisting in driving sales in the Province and the region, tourism provides jobs for locals and creates direct and indirect value-added income for businesses. Many of the wineries in Niagara state that they make efforts to employ local residents. While not a direct measure of the labour income of local residents, the 2011 KPMG (p. 3) study did find that VQA wineries contribute \$88.7 million in labour income. VQA wineries also generate \$66.5 million in direct and indirect value-added income for businesses in Ontario (KPMG, 2011, p.3). The growth in sales between 2007 and 2010, the increase in wineries from 45 in the late 1990s to 84 in 2013, and the ability of the wine industry to create jobs demonstrate the expanding ability of the wine industry and wine tourism to aid in economic growth.

8.2. Experiential Benefits

Experiential benefits offer the ability to market the area based on its local attractions, amenities, and cuisine. Although creating an altered landscape, grape production has allowed land to remain agricultural instead of being re-zoned as commercial or residential. Some 8.8% of the farmland in the Niagara Peninsula is planted in grapes which yield 62,000 metric tons of grapes (Wine Country Ontario, 2011a). However, the question remains as to what would have happened if the wine industry had not taken over much of Niagara's agricultural land, and whether funding had gone to other agricultural products instead of grapes for wine production. This use of agricultural land for agricultural production supports the notion of endogeneity, "the degree to which the area's tourism is recognized as being based on the real resources of the area" (Clark & Chabrel, 2007, p. 373).

The wineries have also been able to market the Niagara Region using wine as a draw for tourists. While some have the capability to market themselves independently, many of the wineries in Niagara rely heavily on WCO marketing, word of mouth, and cross promotion with other local venues. Some wineries work with local B&Bs, travel agencies, tour companies, and/or restaurants to offer packages to tourists wanting to visit the area. The wineries, and the WCO, also work with local restaurants to increase the offerings of local wines on their menus. Using events such as the “herb and wine pass” or “days of wine and chocolate” the wineries team up with local restaurants to enable tourists to try wines paired with food frequently sourced from local restaurants.

8.3. Conservation Benefits

Conservation benefits both the tourism industry and environment since the environment provides the atmosphere for tourism, while the tourism capital and management can limit or control the degradation of nature and the environment. As well as supporting a rural area economically, sustainable tourism should aim to preserve the environment for future generations (WCED, 1987, Butler, 1993, Bramwell & Lane, 1993, Carter, 1993, Hunter, 1995, Campbell, 1996, Seghezzi, 2009). Beyond maintaining agriculturally-zoned land, many of the wineries believe that there is a need to preserve the environment in order to maintain their operations. However, the understanding of what should be done, and what is being done, to sustain the region differs greatly. The various initiatives implemented include organic farming, integrated pest management (IPM), recycling, packaging, energy reduction, and esthetic maintenance.

Through a mixture of these strategies, wineries in general are moving away from conventional farming practices. Although strides are being made by both individual wineries and the industry as a whole, there are still some industry laggards who do not consider themselves sustainable.

8.4. Development Benefits

Tourism can bolster niche markets and aid in development of the local community. As well as economic development and environmental sustainability, community engagement should be a component of any sustainable tourism development strategy (Hunter, 1995, Carter 2003). The wine industry is varied in its implementation or understanding of such an idea, with some wineries and industry members stating that they contribute to the society through employment, education, and charity, while others had no comment. Several wineries even make an effort to employ locals and to educate them through the provision of internships for local students or by teaching courses at the local college. Various wineries also state that they contribute to local charities or fundraising events to support the community. While many wineries are able to easily address the question of how they aid in the support and development of the economy and environment, the question about their role in the community was the least understood.

8.5. Synergistic Benefits

Synergies can be created to enable greater coordinated and collaborative efforts to market and develop the area, while also enabling open networks between those who make the policy and those who must abide by it. The wine industry and those who contribute to wine tourism in the Niagara Peninsula appear to work collaboratively to contribute to, and

develop, the tourism industry in Niagara. However, the split between the wineries who focus on only VQA wine and those that produce VQA and ICB wines divides marketing and lobbying efforts. Instead of government support flowing to one organization to market the wine industry, the industry now divides the support between two organizations. One organization provides an example of this division in stating that both organizations use funding for their website development, resulting in government funding being used to support two websites with similar information (besides list of members) also resulting in two “faces” being presented to the public.

The synergy between the wineries and the various other organizations that work with them also varies. The relationship that wineries have with the GGMB, LCBO, and local governments varies from one winery to the next. While some wineries have good relationships with all of these organizations, others state that their relationships are strained. Some wineries view the LCBO as their direct competitors, while others see them as an opportunity for wider distribution. Some members of the wine industry view the local government as doing a good job at providing support for land development and local planning, while others criticize their ability to support infrastructure (e.g., roads and signage). The relationships between the wineries and the GGMB also differ between wineries, as some see them as supporting the local farmer, while others see them as a barrier to superior grape and wine production.

The wineries and industry also benefit from synergies derived from cross promotion and marketing. As discussed in Chapter 6, the wineries work in collaboration with various other industries (transportation, food and beverage, and accommodation) to offer tourists a

variety of packages. While these packages provide a great incentive for tourists once they are in the region, there is a greater need to expand the use of these synergies with companies outside of the region to increase customer traffic. For example, a bus that picks up tourists on a Saturday morning in Toronto, drives them into Niagara and around to various wineries, stopping for lunch and dinner at local restaurants, then to the Shaw festival or casino that night, then dropping them off at accommodation (hotel or B&B) for the night, before driving them around to more wineries the next day on their way back to Toronto.

While the IRT framework has demonstrated that there are synergies (e.g., packages offering a hotel room, meal at a restaurant, show at the Shaw Festival, and transportation to each event) between the wine industry and various other organizations collaborating with the industry, there are various areas for further improvement (e.g., local government and wineries working to improve signage and roads).

Chapter 9: Conclusions

As has been demonstrated in Chapters 6, 7, and 8, the Niagara region has benefitted from wine tourism both directly and indirectly. This chapter will move beyond an examination of how tourism has benefitted the Niagara region to look more specifically at how successful the IRT framework can be and was used generally, and more specifically to the Niagara region. A discussion of what improvements could be made in Niagara to improve its tourism and development, as well as improvements that could be made to IRT to improve the frameworks use in the future will be provided. To conclude this chapter, methodology research method limitations and issues, as well as areas for future research, will be discussed.

9.1. Benefits from Tourism in Niagara

This dissertation has examined the ability of tourism to aid in the sustainable development of a rural economy, through a case study of wine tourism in the Niagara Peninsula using the concept of Integrated Rural Tourism. Wine tourism has allowed the Niagara Peninsula Appellation to increase its tourism offerings, cross-promote other non-wine tourism offerings, sustain agricultural vistas, and provide jobs for some of the local population. These realized benefits also conform to those benefits identified by Saxena *et al.* (2007) (direct, experiential, conservation, development, and synergy); however, there is much room for improvement, especially in regards to synergies and conservation.

9.2. Recommendations for Improvements in Niagara

As mentioned above, the two areas for improvement in the Niagara Region pertain to synergies and conservation. Synergistically, the wine industry would benefit from continuously improved collaboration. While there are two industry organizations that now

speak for the wine industry (WCO and WGAO), greater collaboration on marketing efforts (website, pamphlet, wine route map, marketing) would benefit wine tourism in the area.

9.2.1. Synergies

The relationship with the LCBO appears to be strained due primarily to the requirements from the LCBO in regards to quantity needed in order for them to carry the wine. The LCBO represents a significant challenge because of policies that dictate required volumes and through the way it chooses to market the wines that are listed (Bramble *et al.*, 2007). In particular, smaller-sized and newer wineries suffer when their production capacities fall below the required minimum set by the LCBO. While this is an issue for the winery perspective, the LCBO is a business and it does need to draw a profit.

An organization that has demonstrated the ability for the industry to collaborate and improve their working relationship is the GGMB. The wineries requested that they be allowed to purchase superior grapes, while the grape growers would require greater remuneration to achieve such, thus the GGMB created a tiered system allowing for greater quality grapes to be made available at greater cost to the wineries.

Greater community engagement beyond just employment should also be sought as “there needs to be a continued close relationship between the wine producers and their community to maximise potential and minimise any negative impacts” (Sheridan *et al.*, 2009, p. 301). Academics also suggest that rural areas should create connections and reduce tensions between residents, the tourism industry, and tourists to strengthen the rural community and tourism in the region (Bramwell & Lane, 1993; Brown & Nylander, 1998; Fossati & Panella, 2000; Krippendorf, 1986; Lane, 1994; Long, 1993; WTO, 1998). To

accomplish such connections, the wine industry should reach out to the community through town hall meetings to discuss future plans for tourism in the town and to solicit their support through input and participation. As well, the wineries should make a greater effort to get involved in community events, through sponsorship and/or participation to support local/regional initiatives and improve the Niagara community.

While it appears that the two organizations (WGAO and VQA) both approach their product offerings differently, both should be collaborating to strengthen the industry. From discussions with industry associations and wineries it appears that there are tensions between the two organizations. These tensions are exactly what Bramwell and Lane (1993), Brown and Nylander (1998), Fossati and Panella (2000), Krippendorf (1986), Lane (1994), and Long (1993) propose could be eliminated through stronger connections. While both parties may prefer to negotiate with the government separately to meet their individual objectives, there should be one organization (new or modified) that works for the betterment of the industry as a whole, and that acts as the face of the industry for the consumer. If this were to come to fruition, a portion of the funding that flows to the VQA, WGAO, and RTO should go directly to this joint organization strictly for marketing and promotion purposes, such that the wine country map could be produced with all wineries on it.

It is also of note that, while the government deemed it necessary to develop Regionalized Tourism Organizations, not one of the wineries or industry associations discussed the Niagara RTO, nor their relationship with the organization. While this may be due to a lack of a specific question asking about the relationship between the individual organizations and the RTO, industry and winery respondents were all asked to discuss their

relationship with organizations outside of the ones specifically asked. This result raises a question regarding the connectedness of the RTO with the wine industry and also calls for further investigation in future research.

Related to the improvement of the industry networks are the physical networks that guide tourists. As has been pointed out by some of the wineries interviewed, there may be a better way for tourists to navigate the route, which is currently comprised of many intersecting roads. Given that there is not one direct route a tourist could travel to visit all of the wineries, it might be beneficial for the Niagara wine region to develop numerous routes connected by one route, such as has been done by two of the areas in Niagara at present. The wineries located in Beamsville have organized themselves into what they call the Beamsville Bench. This group of wineries (which includes Crown Bench Estates, EastDell Estates, Fielding Estate Winery, Hidden Bench, Mountain Road Wine Company, Peninsula Ridge Estates Winery, and Thirty Bench) collaborates to market themselves as a winery enclave that can be visited in one go (Beamsville Bench, 2007). The organization also arranges a yearly event known as Taste the Bench, where they pair food and wine together, and offer passes for people to visit all of the wineries on the bench. The wineries located in Niagara-on-the-Lake have also undertaken similar efforts, forming the organization Wineries of Niagara-on-the-Lake. The organization boasts its own website, marketing materials, map, and special events. One benefit derived from these enclaves is that they transcend the VQA/WGAO divisions, and form connections between wineries based on commonalities in geography. As it appears these geographically divided areas have been able to build upon their proximity towards one another, a formalization of sub-trails or enclaves along the wine route is worthy of further consideration.

Another part of the physical networks that needs attention in the Niagara Region is transportation systems to the Region and around the wine route. While people from Toronto, a large tourist market of 2.8 million people (City of Toronto, 2014) less than a 2 hour drive away, are able to get to-and-from Niagara by driving, the use of train and bus to the wineries is non-existent. Tourists visiting Niagara from Toronto are only able to catch a GO Train into St. Catharines or Niagara Falls (GO Transit, 2014), but there is not a bus route (besides a chartered bus) that can take you from those stops on a tour of wineries. To improve the tourism offerings in Niagara, it would be beneficial for the Region to invest in a public transit route that picks up tourists from GO train/bus terminals, takes them around to wineries, historical sites, festivals, popular attractions, and then back to the train/bus station. This type of route would not only benefit wine tourism, but the tourism industry as a whole as it would also assist in creating connections between tourism offerings.

As well as building up the wine route and transportation to and around the region, the Niagara region should work to develop their festivals. To improve the benefits derived from festivals, wineries should consider making tourism as an experience for the patron. The idea of “experiential tourism” should be promoted within Niagara’s tourism industry, through the creation of opportunities for customer participation and absorption/immersion of the tourist in the environment (Smith, 2006). To facilitate such an experience, Smith (2006, p. 2) recommends incorporating five experience-designed principles:

1. Theme the experience
2. Harmonise impression with positive cues
3. Eliminate negative cues
4. Mix in memorabilia
5. Engage all five senses.

Related to festivals, the new opportunities for farmers' markets may have room for improvement. While not every requirement for wine at farmers' markets set for by the AGCO for wineries is unreasonable, two requirements may raise questions for the viability of the project. First, each winery is only able to sell at a particular farmers' market three times a week. This limits the ability of wineries to create a stronghold in a specific area, although it also helps the government to demonstrate that the wineries are not creating off-site retail stores as agreed upon as a restriction of the NAFTA. The second requirement that may have an impact on the success of the farmers' market program is that (AGCO, 2014):

VQA wine offered for sale at a Farmers' Market must be transported from the winery's on-site retail store to the Farmers' Market each day and any unsold wine must be returned to the winery's on-site retail store at the end of each day.

This requirement limits the distance that a winery can travel to sell their wine at a farmers market. If a winery is required to bring their wine to-and-from a location in one day, Niagara wineries are unlikely to travel a significant distance to sell their wine. For instance, a Niagara winery is unlikely to travel to-and-from a farmers' market in Montreal or Ottawa to sell their wine. While the restriction on sale more than three days a week at one market can arguably be a reasonable limitation, a requirement to return any unused product back to the winery at the end of each day is questionable, and should be reconsidered.

9.2.2. Conservation

In terms of conservation, there are two viewpoints from which to examine sustainability: from a regional level and from an industry level. From a regional level, the sale of prime agricultural land, in general, and in Niagara, specifically, raises considerable concern, not only to the industry, but also to those with an interest in preserving the environment that led to the designation of Niagara Escarpment as a World Biosphere Reserve (Bramble, 2009; Bramble *et al.*, 2007). The provincial government has also attempted to protect the agricultural base with a greenbelt plan of permanent agricultural land retention, and enhancement of environment, culture, recreation, tourism, settlement, and natural resources (Ontario Ministry of Municipal Affairs and Housing, 2005). The protection of environmental, social, and economic concerns of the area demonstrate an attempt by the provincial government to ensure regional sustainability, as defined by Campbell (1996), Butler (1993), and Clark's (1997) fourth wave of sustainable tourism. Being designated as a biosphere reserve also requires a review every ten years to ensure that the area still sustains the society, cultures, and environment overall without requiring a rigid framework, which is supported by Hunter (1997). While this moves the Niagara Peninsula towards a more sustainable situation, it will require all actors involved to work together, as proposed by Saxena *et al.*, (2007), to follow through with the greenbelt plan, and to restrict urban sprawl and rural degradation in order to sustain the rural agricultural areas required for grape harvesting.

In terms of sustainability at the industry level, the industry is making some efforts to improve their environmental sustainability; however, some wineries are not even attempting to reduce their reliance on conventional farming practices. While going organic may not be feasible for all farmers, the use of integrated pest management should be set as a minimum

requirement. One option that the industry might consider is the formation of a sustainability designation, whereby set criteria are developed which can be used to certify a winery's use of sustainable practices. There are a variety of certifications currently available to the wine industry, and they include Demeter, Pro-Cert Organic, and Leadership in Energy and Environmental Design (LEED); see Table 19 for a description of each certification. These certifications could also be tied to a label that could then be placed on their products to let the consumer know of the wineries use of sustainable practices²⁰. An alternative would be more stringent requirements tied into the VQA labeling symbol, whereby wineries are required to follow set industry guidelines to be granted the rights to use the VQA symbol. This would shift the VQA label from being just a grape origin indicator, as well as a grape and wine quality indicator.

9.3. Benefits from IRT Framework

While previous studies have focused on specific aspects of Niagara and wine tourism such as wine tourism's history, production levels, networking, employment, and economic gains (see Table 4 in Chapter 3); none of the authors examined the interconnectedness of these topics. In contrast, IRT captures information on each of the topics or concepts examined independently in previously discussed studies, to enable a more complete understanding of how tourism functions in a rural economy.

²⁰ The composition of such a program is beyond the scope of this dissertation.

Table 18: Certifications Available to the Wine Industry

Certification Name	Certification Content
Pro-Cert Organic	Pro-Cert is a certifier of organic products that comply with the Canadian Organic Standard (Standards Council of Canada 2011a, 2011b) and Canadian Organic Products Regulation (2009).
Demeter	Demeter Canada certifies that an organization undertakes biodynamic agriculture and meets the International Demeter Processing Standards.
Leadership in Energy and Environmental Design (LEED)	The Canadian Green Building Council (CaCBC) certifies if buildings are environmentally beneficial based on a set rating system. For more information please see CaCBC (n.d.).

Source: Created for this Dissertation

In regards to the use of IRT as a more useful framework through which to measure the success of tourism and through which to enable sustainable tourism, IRT fits the bill. While studies in the past have focused on individual aspects of tourism and or its ability to help sustain an areas environment, society, and/or economy (e.g., Bramwell & Lane, 1993; Fossati & Panella, 2000; Getz *et al.*, 1999; Graymore *et al.*, 2008; Hunter, 1997; Lane, 1994; Liu, 2003; Long, 1993; Sharpley, 2000; Telfer, 2001; Thompson, 2004), IRT provides a more regional and integrated understanding. By examining tourism from an integrated perspective, one is able to understand not only the workings of individual components, but also the linkages between those components. For example, through examining a winery operation on its own one can understand the strategies for environmental sustainability that that one winery employs. However, when one examines many of the wineries in the region at

once, one can come to see the common strategies that are employed and how the sum of their parts can aid in the regions environmental sustainability.

As well as benefitting tourism and development research by providing a framework through which to analyse sustainable tourism for rural development, the IRT concept also provides an opportunity for planners and regional municipalities to take an integrated approach to the management of rural development. By understanding the various components that impact a rural area, rural areas and tourism agencies can work together to implement programs that address numerous issues without fixing one issue at a time.

9.4. Recommendations for Improvement in IRT Framework

9.4.1. Recommendations from Previous Studies

Not every framework or method of analysis is perfect and, as such, modifications may be called for. In regards to IRT, there was a variation in the extent to which changes were recommended by authors who had previously used its framework. Barcus (2013) found the IRT model to be a successful framework through which to analyse the development of Bayfield, USA, however she points to three characteristics that are not intrinsically captured in IRT: “a catalyst for change, strong leadership, and a culture of volunteerism and cooperation” (p.140). Petrou *et al.* (2007, p. 438), who looked only at the networking component of IRT, proposes that it would be beneficial to “construct a typology of networks, one that may be the tool for categorizing, understanding and mobilizing the forces driving network formation and development.” Saxena and Ilbery (2008), while not critiquing IRT, did propose the need to conduct further research to gain a greater understanding of the

components that enable embeddedness, endogeneity, and empowerment as they relate to networks within a geographic area.

In contrast to those who had recommendations for strengthening the IRT framework or the subsequent use of the framework, Petersen (2010), Clark and Chabrel (2007), and Cawley and Gillmor (2008), do not suggest that any changes are needed. Petersen (2010) used the IRT framework to examine the state of tourism in the Goris region of Armenia, however within his paper he only discussed the state of tourism and did not undertake reflection on, or evaluation of, the IRT framework. On the other hand, Clark and Chabrel (2007) and Cawley and Gilmore (2008), did make statements about the use of IRT. Clark and Chabrel (2007, p. 384) stated that “the methodology is clear enough to be operated at various scales and intensities and can be repeated periodically to gauge trends in policy effectiveness.” Cawley and Gillmor (2008, p. 331), share this sentiment stating that the

model of IRT within a framework of strategic fit provides a method of identifying the factors that facilitate and inhibit the promotion of tourism as part of sustainable rural development and provides a basis for devising appropriate actions.”

9.4.2. Recommendations from this Dissertation

As has become apparent in using the concept of IRT throughout this dissertation, the seven components of IRT provide a reasonable framework to analyze the ability of integrated rural tourism to realize direct, experiential, conservation, developmental, and synergistic benefits. However, while the IRT framework’s seven components enable an understanding of how tourism is benefiting the local area, it lacks a focus on the marketing efforts that are used in the industry. By understanding the collaborative marketing efforts that are employed by the various industries that contribute to tourism in an area, a greater understanding of the

networks and linkages that exist become possible. In future research, this topic could be a standalone, or incorporated into a discussion of the networks that frame the industry.

The IRT framework also does not seek to involve the participants in discussing the future goals and needs of the industry. While an understanding of the history and current state of tourism in a rural area is of significant importance when studying how tourism currently supports a rural economy, it does not easily facilitate an understanding of where the area is going in regards to development. By understanding both current and future planned initiatives and goals, it becomes much easier to assess areas lacking in future plans that were identified as needing development based on the current situation. By knowing future plans, it also allows for recommendations as to whether or not those future plans should proceed.

Taking into consideration the recommendations of previous studies and the findings of this research, it would be the recommendation of this dissertation that in future research:

- a) three categories be added to the current seven components of IRT, these being marketing efforts, future goals, and industry needs;
- b) questions should be added to each section surrounding catalysts for change, strong leadership, and a culture of volunteerism and cooperation;
- c) within the networking component of IRT, beyond the use of qualitative open-ended questions, that quantitative questions be developed and asked of study participants to enable the classification of the networks being used

9.5. Issues and Limitations of Research Methods

While this dissertation did enable the researcher to understand the current state of tourism in Niagara's rural wine region, there were some limitations to the research. The first of such limitations included the acquisition of industry input. While all of the wineries were sought out to participate in this study, only 21% responded to initial and follow-up requests by phone. Follow-up requests for participation could have also been administered by email. However, a saturation point was reached which made rendered follow-up unnecessary, but it could have provided a greater depth of input nonetheless.

This dissertation was also undertaken to understand the connectedness of the industry. While questions were asked of each winery and industry participant regarding their relationship with each other, and with other organizations, the interviews did not sufficiently fulfil this understanding. Instead, this dissertation had to rely on academic literature and readily available marketing programs to understand the linkages and cross-promotions.

While this dissertation looked to understand how tourism aided a rural-periphery relying on input from industry, government, and secondary research, future research should look to also include input from critics of the industry under investigation as well as from community leaders. Industry and governmental organizations, although asked to comment on community involvement, were lacking in any significant input. As such, future research conducted with community members as a primary source may be able to confirm if there is a lack of community involvement, or just a lack of knowledge on behalf of those who were interviewed in regards to the communities' involvement in tourism planning and development.

In regards to the analysis of this research, it became apparent after the first interview was transcribed that the process would take significantly longer than initially intended. While the dissertation did eventually get completed, the use of transcription software or professional transcription service would have been a more efficient use of time.

Finally, while the research questions asked were informed by literature, their exact wording and composition had not been tested in the past. As such, the questions used to capture the required information may have differed from previously administered studies on IRT. However, the result of this research still enabled an in-depth discussion on the ability of the IRT framework to be used to understand the integration of tourism in a rural setting, as well as an analysis of how well the seven components capture all relevant information.

9.6. Future Research

This research has found that IRT can be used as a framework through which the integration of tourism into the fabric of a rural destination can be examined. As well, IRT can be used to provide an understanding of how wine tourism works through an industry perspective supported by input from the wineries, industry associations, and municipal governments. In future research, interviews with grape growers, community members, ancillary services (such as taxi companies, bike companies, tourist agencies, and restaurants), critics of the wine sector, and provincial and federal governments should be undertaken to provide a larger picture of the Niagara wine industry.

As well as furthering the depth of inquiry at the regional level, future studies should also be replicated in the two other wine regions in Ontario (Prince Edward County and Lake Erie North Shore) to gain an understating of the differences between the regions, as well as

how wine tourism in Ontario is integrated into the fabric of the province. As also called for by wineries W2 and W10, further research needs to be undertaken to understand the direct benefits derived from the wine festivals on a regional scale

Beyond further development and replication of this study, future research should aim to broaden the use of integrated rural tourism as a method of inquiry. While the level of geography might change (rural to urban), and/or the focus of research might shift (such as wine, culinary, bike, and cruise), the components of IRT can still be used to guide the investigation.

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Appendix A: Interview Questions

Question Topics	Questions
<p>Q1. Networking: The ability of people, firms and agencies in the locality and beyond to work together to develop and manage tourism.</p>	<p>Q1a. What assistance do you receive from the Vintners Quality Alliance? Q1b. What assistance do you receive from the Winery and Grower Alliance of Ontario? Q1c. What assistance do you receive from the Winery Council of Ontario? Q1d. What assistance do you receive from the Grape Growers Marketing Board? Q1e. What assistance do you receive from the Local planning departments? Q1f. Are there other organizations that you belong to that provide you with support or assistance? Q1g. What further support or assistance would be beneficial to your business? Q1h. What various organizations do you belong to? And how do the various organizations you belong to help or hinder your organization? Q1i. Which, if any, other companies do you work with to offer packages/special offers? Transport operators _____ Tour companies _____ Accommodation suppliers _____ Other wineries _____ Wine festivals _____ Fruit festivals _____ Cultural festivals _____ Golf courses _____ Sport events _____ Other package organizers _____ None Q1j. LCBO Support</p>
<p>Q2. Scale: The extent of tourism in an area in terms of its distribution over time and geographically, bearing in mind any thresholds related to the area's ability to be sustainable.</p>	<p>Q2a. How has the Niagara wine region changed since your winery began operating? Q2b. How has the Niagara wine region changed over the last 10 years, and what role has your organization played in the change? (If winery opened earlier, then use years in operation). Q2c. How do you believe the Niagara wine region has aided the growth of the Niagara region? Q2d. How has the wine route impacted your business? Q2e. How can the wine route be improved? Q2f. What changes would you like to see to strengthen the industry and area?</p>
<p>Q3. Endogeneity: The degree to which the area's tourism is recognized as being based on the real</p>	<p>Q3a. Percentage of bottled wine derived from local grapes?</p>

resources of the area.	
<p>Q4. Sustainability: The extent to which tourism does not damage, and possibly enhances, the environmental and ecological resources of the area.</p>	<p>Q4a. Does your winery help sustain the Niagara wine region environmentally, and how?</p> <p>Q4b. Does your winery help sustain the Niagara wine region socially, and how?</p> <p>Q4c. Does your winery help sustain the Niagara wine region economically, and how?</p> <p>Q4d. How do you perceive the wineries help to sustain the Niagara wine region environmentally, socially, and economically?</p> <p>Q4e. Could your winery improve its sustainability initiatives?</p> <p>Q4f. What do you believe could be done to improve the Niagara wine region?</p> <p>Q4g. What do you believe could be done to improve Niagara wine tourism?</p>
<p>Q5. Embeddedness: The role tourism plays in the politics, culture and life of the whole area and population as a local priority.</p>	<p>Q5a. How long has your winery been in operation?</p> <p>Q5b. How many litres of wine per year do you produce on average?</p> <p>Q5c. How many visitors do you have per year?</p> <p>Q5d. How does your winery support or build on the culture of the area? And the life of the Niagara citizens?</p> <p>Q5e. How many employees does your winery employ?</p>
<p>Q6. Complementarity: The degree to which tourism provides resources or facilities that benefit those who live locally in the area even if not directly involved in the tourism industry.</p>	<p>Q6a. How has the Niagara wine region aided the community?</p> <p>Q6b. How do you envision the Niagara wine region aiding the community in the future?</p>
<p>Q7. Empowerment: The extent of political control over the tourism industry through ownership, law or planning; particularly control exercised at a local level.</p>	<p>Q7a. What assistance do you receive from the Local Government?</p> <p>Q7b. What assistance do you receive from the Federal/Provincial Government?</p> <p>Q7c. What say do you have in the control of the wine industry?</p>
Q8. Wine Festivals	<p>Q8a. How do you believe that the wine festivals benefitted the local area's Economy?</p> <p>Q8b. How do you believe that the wine festivals benefitted the local area's Society?</p> <p>Q8c. How do you believe that the wine festivals benefitted the local area's Environment?</p> <p>Q8d. How do you believe that the wine festivals benefitted you?</p>
Q9. Marketing Efforts	Q9a. What marketing efforts do you employ, solely, and in conjunction with other organizations?

	<p>Q9b. How much do you spend on marketing, or what percentage of your sales goes to marketing?</p> <p>Q9c. What advertising methods does your winery use?</p> <p>Advertisements in tourism agency produced tourism guides</p> <p>Other tourist guides</p> <p>Advertisements in wine publications</p> <p>Advertisements in other magazines</p> <p>Advertisements in newspapers</p> <p>Brochures/leaflets you produce</p> <p>Your own website</p> <p>Road signs</p> <p>Other methods _____</p> <p>None</p>
Q10. Future	Q10a. What goal does your winery have for the next five years?
<p>Q11. Winery</p> <p>Characteristics</p>	<p>Q11a. What is the ownership situation within this winery:</p> <ol style="list-style-type: none"> a. Sole proprietor b. Family c. Partnership d. Corporation/company with shareholders e. Other? <p>Q11b. What services do you offer, and what percentage of your business does this encompass? And how much does your winery make annually?</p> <ol style="list-style-type: none"> a. Guided tour b. Self-guided tour c. Cellar door sales d. Wine tasting e. Information brochures f. Restaurant or cafe g. Picnic area h. Play area i. Cooking classes j. Functions k. Special events l. Retail shop m. Sales of locally produced food n. Sales of locally produced arts and crafts o. Other products and services _____ <p>Q11c. What portion of your sales are derived from wine sales at:</p> <ol style="list-style-type: none"> a. Domestic Sales <ol style="list-style-type: none"> i. LCBO ii. Wine Rack b. Cellar Door Sales c. International Sales d. Tastings e. Special Events