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## **ANALYSIS OF THE PROMOTION OF SMALL WINE PRODUCERS IN WINE REGIONS OF MONTENEGRO AND THE PERSPECTIVE OF WINE TOURISM IN COOPERATION WITH LOCAL TOURISM ORGANIZATIONS**

### **SUMMARY**

Grape and wine production has a long tradition in Montenegro. Its potential is not used to its utmost considering that a large number of small wine producers exists in this agricultural production segment. This study analyses the production and promotion of small wine producers in Montenegro and their cooperation with local tourism organisations. The aim is to analyse the representation of small wine producers in the domestic market and the participation of local tourism organisations in promoting wine as one of the most critical Montenegrin agricultural products. A survey was conducted among small wine producers and regional tourism organisations. The survey determined that most Montenegrin small wine producers sell their products in their vineyards in the domestic market. Only 24.2% of the surveyed wine producers exported their wine. Regarding wine promotion, 75.8% think they need to promote their wines more. The most effective and cost-effective promotional activities worldwide are underrated and underused in Montenegro. Small wine producers' promotions through festivals and other cultural events were used by 42.4% of survey participants, whereas only 46.5% use digital marketing for promotional purposes for their wines. There is a similar trend in local tourism organisations. Regarding their overall promotional strategies, only 38% fell under digital marketing (website), 8% social networks and 46% fell under festivals and other cultural events. While considering survey results and based on determined deficiencies in the wine promotion of small wine producers in the domestic market, measures are observed and suggested to both small wine

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producers and tourism organisations at local and national levels that could be carried out to increase tourist and domestic consumption.

**Keywords:** wine production, enotourism, agriculture, consumption, wine promotion.

## INTRODUCTION

Grape and wine production as a traditional and significant agricultural activity is important in the South-Eastern European economy, i.e., the Montenegrin economy. Many organisations and individual producers in this respective activity are linked directly or indirectly with other economic activities, such as trade, catering, and the beverage industry (Perović, 2014). The increase in wine consumption in Montenegro is associated with expanding wine production and quality, adequate awareness of wine consumers, and various types of wine education through electronic and print media (Savić, 2013).

This is confirmed by data on the export of various agricultural and food products, on the basis that Montenegro could be considered a “wine country” (Perović and Ristanović, 2019). Montenegro registers a considerable increase of vineyard area as well as the trend of increase of wine production with small producers (Pajović-Šćepanović *et al.*, 2013). Precisely this increase of vineyards and grape production in last few decades resulted in the increase of types and numbers of Montenegrin wines. Thus, for production of most famous Montenegrin white wines, there are autochthonous types Krstač and Chardonnay, whereas for red/black wines, these are Kratošija and Vranac (Pajović *et al.*, 2016). Precisely from these autochthonous grape types, wines of exceptional property and very good quality are produced by which Montenegro is recognized worldwide (Sošić *et al.*, 2023). Apart from mentioned grape types, significant research on yield and quality of table grape Cardinal was carried out by the authors (Popović *et al.*, 2023).

In addition, in previous years in Montenegro, a growing number of small wine producers faced problems such as determining prices for their wines, where to market and sell them, and what model to use to promote their wines.

The importance of the research of wine is also imposed due to the fact that it is one of rare products which has been on the list of export agricultural products of Montenegro for many years. Having in mind the fact that, in comparison to other Western Balkan countries, Montenegro, as well as Northern Macedonia, has a surplus in foreign trade exchange (Monstat, 2022; Basha *et al.*, 2022), the emphasis is put in this paper on the research of the status of small wine producers and their contribution to the development of agricultural tourism, i.e., wine tourism, which is considerably developed in other wine countries worldwide.

Wine tourism or enotourism represents an essential component for the development and success of many small vineries. Many countries worldwide have considerable economic development and growth depending on the tourism industry. This is particularly true with the much-needed expansion of the countries' local economies. Enotourism has emerged as a promising and sustainable type of

tourism that can benefit local, regional, and national economies (Figuroa and Rotarou, 2018). The UNWTO recognized wine tourism as a critical element of gastronomy tourism, further enhancing sustainable rural development by combining destination promotion, the preservation of natural resources, and income generation. Consequently, specific forms of tourism have been developed to provide maximum benefits to a particular region. One of these is wine tourism. According to (Quintela et al., 2023) wine tourism is seen as a strategic product that enhances the attractiveness of a destination as it positions itself as a unique selling proposition and serves as a tourist attraction.

A nation's tourism industry benefits from wine tourism in three ways. It is a draw for travellers, a tactic that helps places develop and market a reputation and facilities associated with the wine industry, and a chance for wineries to offer their goods to customers directly (Mitchell and Hall, 2006). The wine routes are vital for the economic development of rural communities (Ingrassia et al., 2022; Festa et al., 2020).

Wine tourism provides a unique experience to visitors of the winemaking regions through organized or individual visits to vineyards and wineries, participation in wine festivals and wine-tasting events (Vukojević *et al.*, 2022). Wine tourism in rural territories, sometimes organized along wine routes, increasingly attracts visitors, tourism agents, wine producers and those responsible for developing rural regions (Kastenholz *et al.*, 2022).

According to (Sekhniashvili and Bujdosó, 2023), marketing and promotion of a destination are part of its management and assist in the positioning of wine regions. The same authors state that wine tourism plays a vital role in the positioning strategies of wine destinations. (Savić, 2013) states that wine tourism also implies an increase in sales of wine and other domestic products and services at one's doorsteps and an increasing positive image and identity of local family wineries.

One of the methods of promoting small wine producers is organizing various fairs and dedicated festivals because festivals allow the tastes of tourists and wine lovers to be determined for specific wines and activities related to wine production. Celebrating wine, consuming food and wine and introducing local customs and products are the essence of wine festivals.

According to Savić (2013), experience shows that many domestic and foreign wine lovers visit such events. Many participants sell a certain quantity of wine during festival days. Additionally, the importance, information sharing and experience of online wine tourism confirms the popularity of social networks among wineries and their efforts to communicate in such a way with their buyers (Haller et al., 2021; Szolnoki *et al.*, 2018). Promotion through the internet and web presentations is compelling and accessible worldwide with an internet connection and a click away. For example, (Andrić *et al.*, 2011), studied that the Internet provides numerous possibilities for wine tourism, including cost reduction, timing of information, better communication, booking options, unifying participants in the wine tourist market and viral marketing.

Namely, the paper analyses the participation and representation of small wine producers on domestic markets and measures Montenegro implements in promoting this tourism activity. That is, the paper analyses the participation of local tourism organisations in promoting Montenegrin wine as one of the most important Montenegrin products as part of their local promotion and tourist offer. By analysing the survey results and based on the deficiencies noted in the promotion of wine by small wine producers in domestic and foreign markets, measures are proposed that the state, through tourism organisations on a local and national level, can carry out to increase visibility and tourist and domestic consumption of this critical Montenegrin product.

This study aims to identify directions for developing sustainable enotourism among small wine producers and tourism organisations and their relationship in promoting wine tourism in destination countries.

Apart from this, small producers do not have enough potential either to improve their living standards through their wine production and sales or to promote wine tourism and Montenegro as “wine country”. Additionally, in past period with more and more climatic changes, more importance is given precisely to this agricultural sector and growing grapes in the areas with tradition, fertile land and favourable climatic conditions (MIA, 2022).

## MATERIAL AND METHODS

For this study, much research was conducted by reviewing the literature, such as papers and reports discussing wine tourism and the correlation between small wine producers and national promotional strategies in tourism, and wine tourism in particular. Further, primary data were used based on a survey conducted for this study (direct communication with interviewees by phone and email with tailor-made questionnaires for both small wine producers and tourism organizations, respectively). Finally, secondary resources such as the National Statistics Office (Monstat, 2022) were used. The findings were further structured based on analytical and comparative methods, and the results and discussion are presented in the tables and graphs.

According to data from the Montenegrin Vineyard Register of the Ministry of Agriculture and Rural Development, there are 500 registered grape producers with a total area of 3301 ha of registered vineyards and 85 registered wine producers. However, direct communication with interviewees determined that a certain number of registered vine/wine producers went out of business or were only producing grapes to make other types of drinks (e.g., brandy-rakija). Considering the above, with the exclusion of large and medium wine producers, 50% of interviewees participated in the tailor-made survey and provided feedback for further analysis.

Based on a study area of the viticulture zoning of wine-growing areas, the following are zoned areas in Montenegro (Official Gazette of Montenegro, 2017; Basha *et al.*, 2022). The wine-growing region of the Montenegrin basin of Skadar Lake (Crnogorski basin Skadarskog jezera) (Figure 1a) includes seven sub-

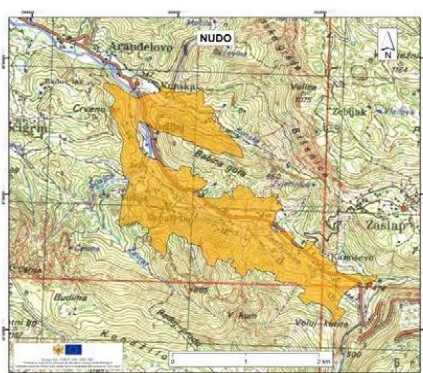
regions, Wine-growing region Montenegrin coastal area (Figure 1b), Small wine-growing area (region Nudo), (Figure 1c) and Wine-growing region Montenegrin north (Figure 1d),



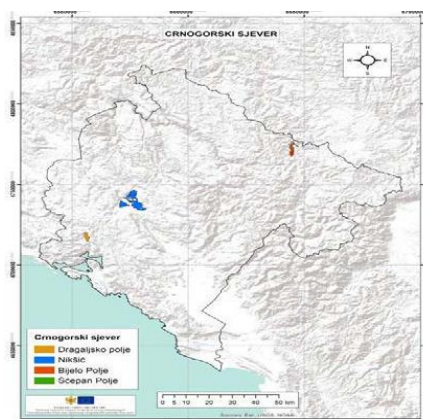
**Figure 1a.** Wine-growing region Montenegrin basin of Skadar Lake



**Figure 1b.** Wine-growing region Montenegrin coastal area (Source: Basha et al., 2022)



**Figure 1c.** Small wine-growing area Nudo



**Figure 1d.** Wine growing region Montenegrin north (Source: Basha et al., 2022)

The survey contained questions that, apart from basic information (name of producers, annual yield, etc.), also covered the sales, promotion, and distribution of their wine, as well as questions of respective support at the local and national levels.

The survey was conducted electronically, using online surveys, and by phone.

Apart from the above-mentioned survey of small wine producers, a survey of local tourism organizations was also conducted. Of the 23 tourism organizations in Montenegro, 13 (56.5 %) participated in the survey. The reason for this is that the focus was placed on those tourism organizations located in the areas defined as zones of grape and wine production, that is, the remaining 43.5% of local tourism

organizations still need wine producers in their respective areas. The survey contained questions about the annual programs of tourism organizations, their cooperation with small wine producers, and their engagement and support in promoting their wines at the local and national levels. Figure 2 shows the areas in which local tourism organizations were surveyed.



**Figure 2.** Marked municipalities whose local tourism organizations participated in the survey (Source:<https://uom.me/> (accessed on 31 August 2023)).

## RESULTS

In order to obtain necessary information from small wine producers and to analyse the situation in terms of promotion and sales of their products, as well as cooperation with local tourism organizations', a survey was carried out online or in direct phone communication in the period May – July 2023. Table 1 shows that out of the total surveyed small producers, 33.4% produce up to 3,000 l of wine annually, whereas 30.3% each produce 5,000–10,000 l and more than 10,000 l of wine, respectively. The survey further showed that the majority of wine producers (72.7%) secure grapes for their production from their vineyards, whereas only 27.3% purchase grapes to reach their production.

**Table 1.** Small Wine Producers' Survey Data.

Wine production (l) total responses	Share in
500 – 1000 3%	
1001 - 3000 33.4%	
3001 - 5000 3 %	
5000 – 10000 30.3%	
Above 10000 30.3%	
Do you obtain this from your own vineyards?	
No 27.3%	
Yes 72.7 %	
Do you sell wine outside Montenegro (export)?	
No 75.8%	
Yes 24.2%	
Are you a member of Wine Producers Association?	
No 42.4%	
Yes 57.6%	
Do you sell your wine through one trademark with other small producers?	
No 100 %	
Yes 0 %	
Do you think you promote enough your product (wine)?	
No 75.8%	
Yes 24.8 %	

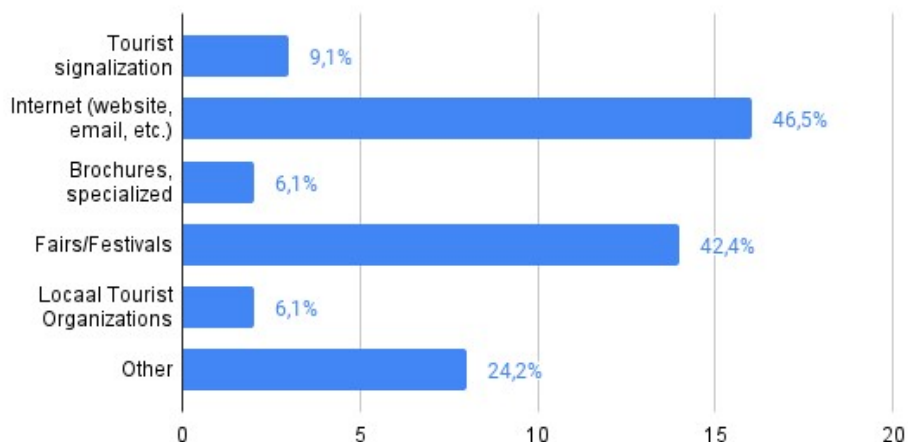
Source: Data processed by the authors

In terms of wine export, out of all surveyed, 24.2% export their wine and only 10-20% of their total annual production. Considering the smaller quantities they produce, the number of exports would be higher if they sold their wine under one brand, although all surveyed participants replied that they sold their wines



exclusively under their own brand, and that more than half (57.6%) were members of some wine producer associations. When asked how they promoted their wines (Figure 3), with the possibility of marking more categories, most of the respondents (46.5%) stated that it was via the Internet (website, email, etc.).

### How do you promote your wine (wine marketing)? /you may select more categories/

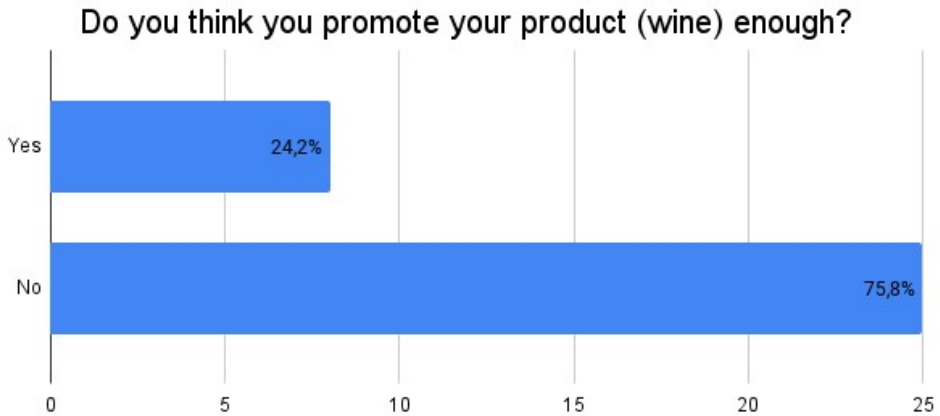


**Figure 3.** Models of wine marketing used by Montenegrin small wine producers.

Communication via websites and social media can contribute considerably to an increased flow of information, better visibility, and wine tourism promotion (Alonso *et al.*, 2013; Szolnoki *et al.*, 2021). The importance and experience of online wine tourism are growing (Marzo-Navarro and Pedraja-Iglesias, 2021; Simeon and Sayeed, 2011; Scorrano *et al.*, 2019), which confirms the popularity of social networks among wineries and their efforts to communicate with their consumers in this way (Haller *et al.*, 2021; Szolnoki *et al.*, 2018). A somewhat lower percentage of surveyed wine producers (42.4%) said that they visited wine-related fairs and festivals. One positive example of wine promotion is the "Festival of Wine and Bleak", which occurs every year in December in Virpazar (the Montenegrin Basin of Skadar Lake). The winner and the best wine are promoted in media (free advertisement, additions, and reports in printed media, etc.), which in most cases increases the sales of the winner's wine (Savić, 2013).

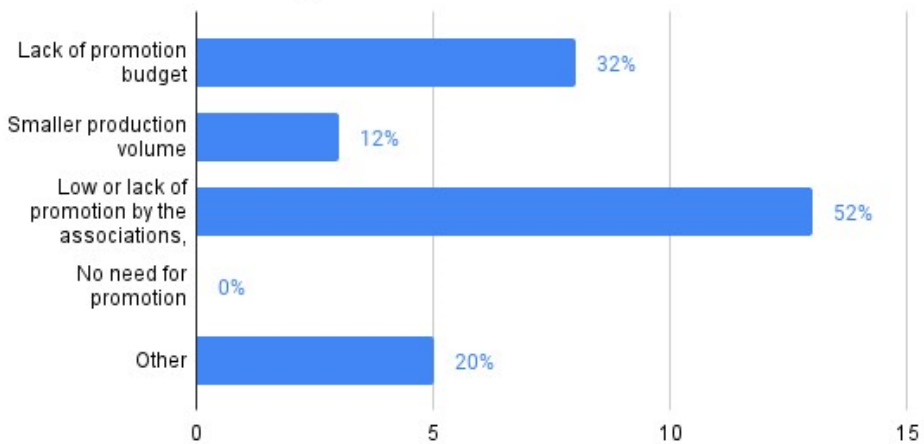
Apart from advertising and promotion via the Internet, fairs, and festivals, very few stated that they promote themselves via personalized brochures, specialized wine magazines, and tourist signalization (2–3%), whereas 2% of the interviewees said that they promote themselves via local tourism organizations, which is problematic and opens the door for further analysis.





**Figure 4.** Evaluation of Montenegrin small wine producers' self-promotion.

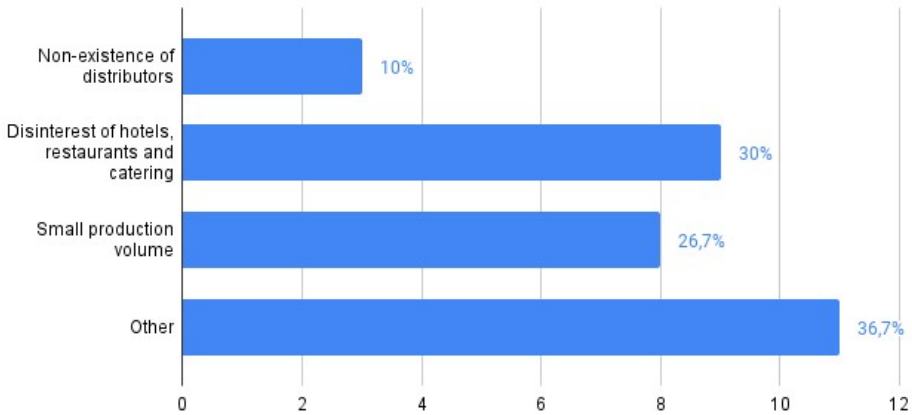
**If you replied negatively to previous question, please mark or give the reason for this**



**Figure 5.** Reasons for lack of promotion by Montenegrin small wine producers.

Regarding the question of whether they think they promote their wine sufficiently, only 24.2% said "yes", whereas 75.8% said they do not promote enough (Figure 4). Of those who answered negatively (Figure 5), 52% stated that they do not have enough support from associations, local tourism organizations, and the state; 32% mentioned a lack of promotion budget as the reason because they are small wine producers managing their vine yards with high production and sales costs. Finally, regarding the promotion of wine through distribution channels, the interviewees gave one of the proposed reasons (Figure 6).

In case you do not promote your wine through distribution network, what is the reason for this? (mark one of proposed replies)



**Figure 6.** Reasons for not promoting the product through distribution networks.

Furthermore, 36.7% stated “other reasons,” which were clarified in direct communication with small wine producers as a lack of or low support and cooperation in promotion and distribution by the state, relevant associations, and national and local tourism organizations. Approximately 30% of those surveyed stated that neither hotels, restaurants, nor caterers showed great interest in including domestic small wine producers in their offers. In addition, 26.7% of respondents mentioned small production volumes as a reason. Regarding local tourism organizations and the survey in which they participated, some of the selected replies with yes/no answers are given in Table 2.

They considered that the survey focused on local tourism organizations with small wine producers in their municipalities; only 53.8% stated that they had projects or activities to promote local wine producers in their work programs. Local tourism organizations mentioned some of the activities in their work programs that are promoting small wine producers: making new catalogues for their respective municipalities; planned events such as “Wine-coloured Danilovgrad”, where the best and highest quality producers shall be presented in this municipality, including wine producers in gastronomic events; Podgorica Wine Salon; traditional festivals related to wine and other local products; organization of visits to small wineries; printed promotional material; promotion via official tourism organization websites, etc.

Regarding whether they were in direct communication with local wine producers, 38.5% said no, whereas 61.5% of regional tourism organizations said yes. The same percentage (61.5 %) supports the promotion of small wine producers in their municipalities, and the same rate suggests that their tourism organization is not promoting enough local wine producers.

**Table 2.** Local Tourism Organizations ' Survey Data

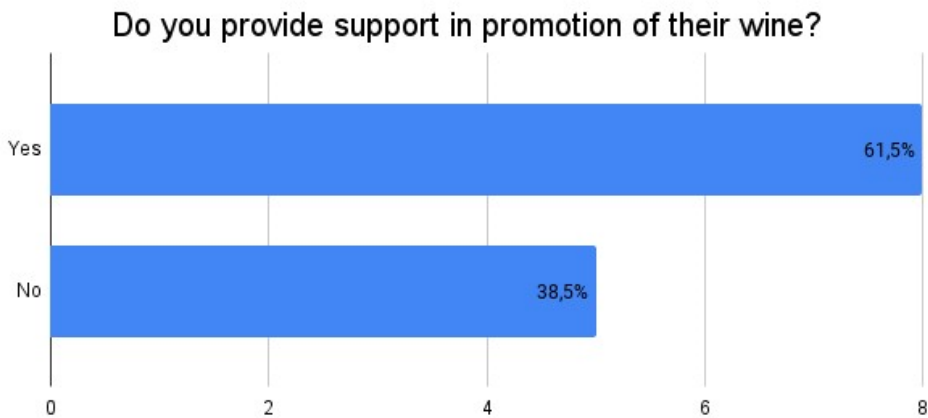
Share in total responses
Do you have projects or activities of promotion of local wine producers in your work programmes?
No 46.2 %
Yes 53.8 %
Are you in direct communication with local wine producers?
No 38.5%
Yes 61.5 %
Do you support their wine promotion?
No 38.5%
Yes 61.5 %
Do you think your tourist organization is doing enough in promoting local wine producers?
No 61.5 %
Yes 38.5 %
Do you think there is enough quantity in the offer of local wine producers?
No 46.2 %
Yes 53.8 %
Do you think that domestic small wine producers should promote themselves more independently
No 7.7%
Yes 92.3%

Source: Data processed by the authors

More than half of those surveyed (53.8%) thought that small wine producers needed more wine in their offerings. Most surveyed tourism organizations (92.3%) stated that they believe domestic small wine producers should promote more independently, whereas only 7.7% have the opposite opinion.

The Surveyed local tourism organizations that stated that they provide support to small wine producers in their municipalities (Figure 7) further listed the type of support they provide (Figure 8), where the largest number of surveyed

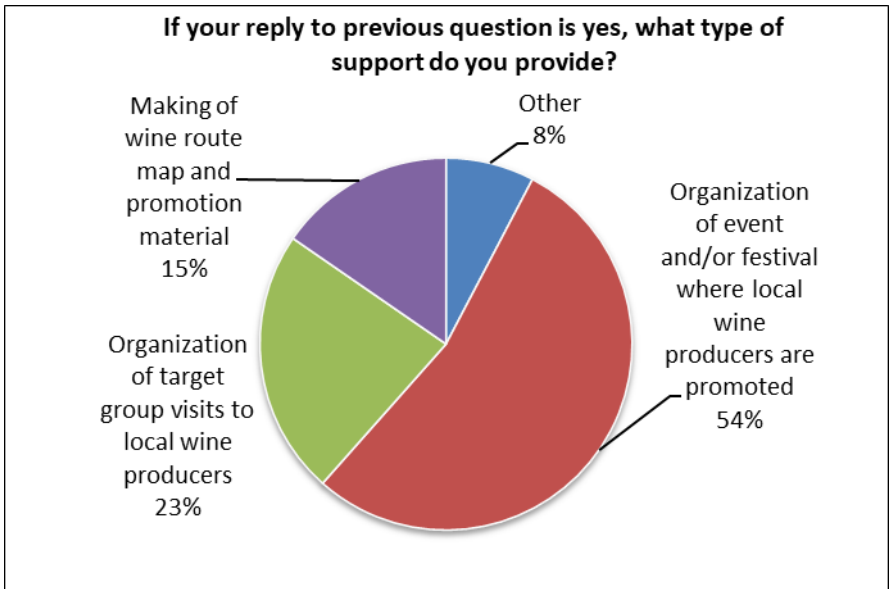
(54%) are doing so by organizing various events or festivals related to wine and food for local inhabitants where small wineries' products are promoted as well. (Yuan *et al.*, 2006) studied that visitors to wine festivals would be interested in visiting other tourist attractions or the place or region where the festival occurs. Wine festivals are solid catalysts for wine tourism (Yuan *et al.*, 2006; Mitchell and Hall 2006). Further, (Newey, 2012) believes that wine festivals attract a broader public than the visitors of wineries. Whereas (Yuan *et al.*, 2005) explain that wine festivals are also visited by tourists, who generally do not visit wineries. In other words, they were not considered to be wine tourists. Only 23% said that they organized target group visits to local wine producers. In contrast, 15% replied that they do this by making wine route maps and promotional material, because the practice until now was for wine producers to organize themselves and finance promotional materials for their wineries. Regarding marketing models used to promote small local wine producers, the most significant number of the surveyed 46% (Figure 9) replied that these were promotional events (targeted events or festivals).



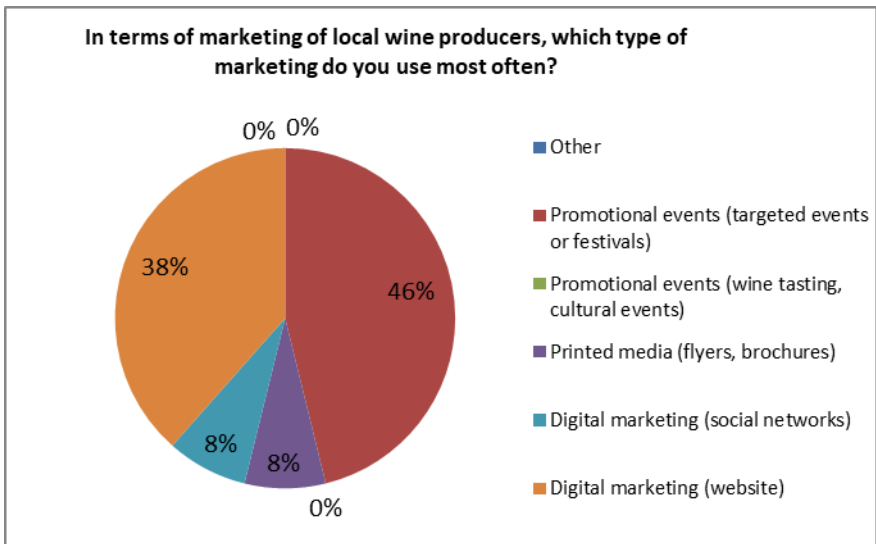
**Figure 7.** Tourism organization support in small wine producers' promotion.

In addition, 38% of respondents use marketing activities through digital marketing (websites), which was confirmed by visiting the official websites of local tourism organizations.

Most provide information and promotional activities for local wineries in this way. Only 8% used printed media (fliers, brochures) to inform tourists about the available offers and promotions of small local wine producers and their products. Marketing messages via fliers and brochures significantly promote wine tourism and its attractions (Sellitto, 2005; Brown and Getz, 2005; Dodd, 1995; Carlsen and Dowling, 1998). When asked if they do enough for the promotion of local wine producers, 61.5% of local tourism organizations said "no" and 38.5% said that they promote them enough (Figure 10).



**Figure 8.** Type of support provided by tourism organizations.



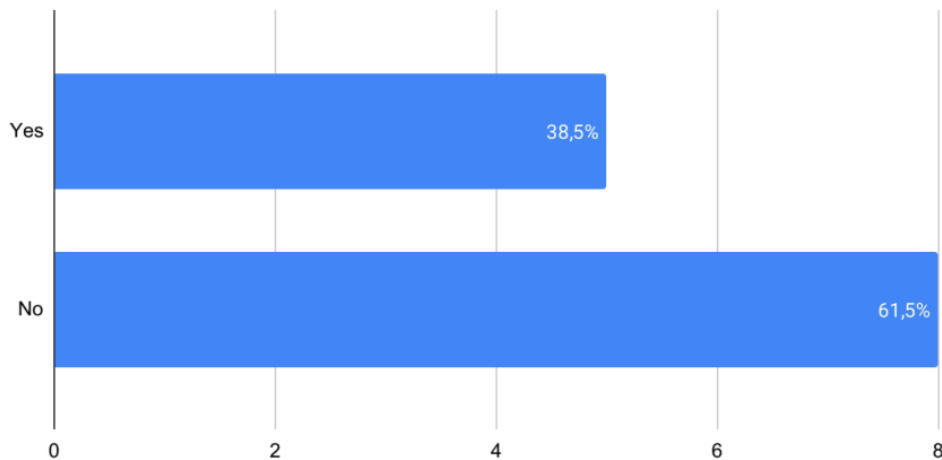
**Figure 9.** Marketing tools used by tourism organizations.

Those who replied negatively gave reasons for this (Figure 11). Approximately 37% stated that producers were not interested.

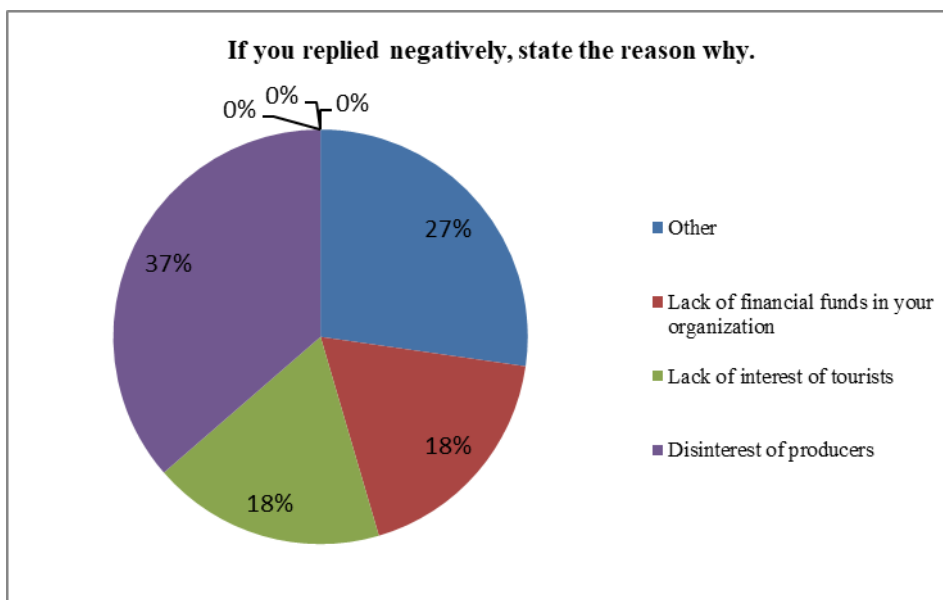
However, the majority (27%) mentioned other reasons without providing specifics (Figure 11). Considering that they only 18% mention the lack of funds for promotion, it can only be assumed that they do not see wine tourism as an

important part of the tourist offer, or may even reflect the overall approach to this type of tourism by local communities (municipalities) and even the state.

### Do you think your tourism organization does enough in promoting local wine producers?



**Figure 10.** Tourism organizations' perspective on their engagement in small wine producers' promotion.



**Figure 11.** Reasons for lower small wine producers' promotion by local tourism organizations.

Finally, slightly more than half of the surveyed (53.8%) think that small producers do not have enough wine quantity in their offer. Most of the surveyed

organizations (92.3%) stated that domestic small wine producers should promote themselves more in a dependent manner, whereas only 7.7% are of the opposite opinion (Table 2).

## DISCUSSION

The survey determined that most small wine producers sell their wine exclusively in wineries in the domestic market. Only 24.2% of the surveyed small wine producers exported their wine. By contrast, others sell them in their wineries or distributors to hotels, restaurants, or shops in the domestic market.

However, small wine producers' low promotional capacities and activities are of great concern to the wine industry in Montenegro and its wine tourism development. The survey showed that many small wine producers believed that they must promote their wine more (75.8%). The main reasons for this poor visibility and promotion were the need for more support from governmental institutions (52%) and the need for a promotion budget (32%). By analyzing the survey results, it is determined that small wine producers in Montenegro do not use, to the fullest extent, promotional activities that require a low or no promotional budget.

For example, considering ways of promoting their wines, less than half of the surveyed small wine producers (42.4%) participate in festivals, using this as one of their primary methods of promoting their wine. This means that more than half (57.6 %) did not use this method, which is quite the opposite. Considering the limited and sometimes non-existent budget for promotion used by large wine producers in the market, the focus of all small wine producers in Montenegro should be on increasing participation in thematic fairs as exhibitors, advertising during some cultural or seasonal events, festivals, participation of producers in so-called "wine routes," ethno-tourism, promotion of domestic products of households producing wine, etc.

Wine and food festivals are cheap ways for wineries to promote their brands to new customers (Hall *et al.*, 2000). As (Carlsen and Getz, 2006) noted, wine festivals can offer critical impulses to wineries and wine regions and their competitiveness to better position themselves in the market. The authors state that wine events and festivals represent an essential segment of marketing activities in branding processes and promotion, so all more essential wine regions and wineries worldwide organize them.

However, this type of promotion of small wine producers is closely linked with national and local tourism organizations and their promotional activities to create visibility and attractiveness of the region to tourists.

Since enotourism is a crucial economic industry and the most significant contributor to GDP, national and local tourism organizations should increase their involvement in developing and promoting more specific tourist offers. In this case, they should raise their participation in promoting wine tourism as a particular Montenegrin tourist offer. However, the survey showed that wine tourism needs to be explored more and has not resulted in a specific tourist offer. Even though more



than half of local tourism organizations (53.8%) state that they have wine tourism in their annual work programs, 61.5% are in communication with small wine producers, and the same percentage (61.5%) state that they support wine producers, it is evident that their involvement in the promotion of small wine producers and thus wine tourism as a specific tourist offer is not in their primary focus. Only 38.5% of tourism organizations think they must do more to promote local wine tourists, 27% do not give specific reasons, whereas some state there is a lack of interest among small wine producers (37%). Interestingly, the lack of financial funds of local tourism organizations or the disinterest of tourists was given with 18% as a reason for low wine tourism promotion in their respective regions.

Additionally, almost all tourism organizations (92.3%) think that small wine producers should promote themselves more independently. In contrast, tourism organization involvement is mainly focused on promotion through participation in organized festivals, which, according to tourism organizations, represents 46% of their promotional activities for small wine producers. Although this seems like considerable support, there are only two official wine festivals throughout the year where small wine producers can promote their wines to a broader audience. Other, less-promoted festivals refer to local products. Festivals where wine is one of many advertised local products.

Getz and Brown (Getz and Brown, 2006) suggest three main perspectives on wine tourism: the wine producers, the tourism agencies (representing the destination), and the consumers. Apart from festival promotion for small wine producers, another vital advertising segment has low or no costs for small wine producers and is used worldwide. It is digital marketing. However, looking at the survey results, Montenegrin small wine producers need to use this free and effective promotional tool to the maximum. Less than half of surveyed small wine producers (46.5%) use some form of digital marketing (website, email, etc.). This raises the question of their digital skills or even their awareness that using social networking profiles can be exceptionally useful. They can create a “personal experience” of their product by uploading photos, videos, and news. Additionally, by using the profiles of their end users, who tend to grade consumed products, they can present their experiences to a broader audience, resulting in a significant multiplication effect.

Nowadays, the world population exceeds 8 billion people. Of this number, 5.3 billion are internet users, i.e., 65.7% of the global population (Statista, 2023). There are 4.95 billion social media users worldwide, or 61.4 percent of the global population [Data Reportal). This is why less traditional and more digital promotion and marketing are present throughout the industries. So, it is no surprise that the same applies to the wine industry. Wine marketing is considered information-intensive (Stricker *et al.*, 2007; Koval *et al.*, 2019). Communication has become almost instant. Due to the rapid development of e-commerce technologies and business process (Quinton and Harridge-March, 2003; Soloviova *et al.*, 2022; Trachenko *et al.*, 2021) and global wine consumption (Lazarova *et al.*, 2023; Barber *et al.*, 2006), small wine producers use direct marketing channels and

strategic flexibility (Arsawan *et al.*, 2022). Digital tools and applications enable small wine producers to be more competitive globally (Nesenenko, 2022.)

(Lalicic and Gindl, 2018) presented data from the obtained research showing that social media positively impacts clients' relations, increases brand awareness and enables online comments, posts. Considering the price, social media presents a good communication and promotion channel for small wineries and that more and more wineries are aware of the importance of social media. However, very few know how to include them in their marketing strategies as younger managers are more likely to use these networks.

(Andrade-Viana, 2016) states that the wineries should use their content to interact with consumers who share their experiences on their social accounts and indirectly strengthen the brand with the target audience. Consumers use social media to network, shop, and have fun but also save money and time without intermediaries. Simultaneously, they create content, discuss products and services, and promote various brands by disseminating their content. However, the same applies to both national and local tourism organizations. Their websites do not have specific pages dedicated to wine tourism, available wine routes, contact information, content information, or links to small wine producers' websites and social media accounts. As presented in the survey, only 38% of promotional activities carried out by local tourism organizations fall under digital marketing (website) and 8% social networks. Again, this shows either a lack of digital skills or awareness of digital marketing and promotion's overall impact on attracting tourists worldwide.

This means NTOs and LTOs (local tourism organizations) can no longer sustainably use traditional means of marketing in an exceptionally globalized world. Although digital marketing has been well established in the developed world, it still seems that Montenegrin national and local tourism organizations must catch up. Digital marketing is cost-effective, flexible, and reaches a global audience without geographic barriers and constraints. It provides instant availability worldwide, with promotions being adjusted daily to reach and target profitable niche segments (Vargas-Sánchez *et al.*, 2009).

Montenegrin NTOs and LTOs should use digital marketing to engage with customers, thus managing a customer database to create promotional events and build and strengthen brand image and loyalty. A click can promote new products and changes through a customer database. Further, Montenegrin NTOs and LTOs can enter new geographical markets with their existing products and offers with low online advertising costs, thus considerably decreasing traditional marketing costs, which require a lot of resources to set up and manage.

## CONCLUSIONS

This study recognizes that the developing South-Eastern European wine-producing countries, with traditional agricultural activity and solid export results, have yet to have wine tourism as one of their major brand products in their overall tourism promotional strategy. If appropriately developed by all relevant

stakeholders, it could add value to promoting Montenegro as a wine-producing country.

The development of wine tourism is based on small wine producers. In cooperation with and support of NTOs and LTOs, a survey was conducted to determine deficiencies in currently available promotional activities and propose possible measures to increase visibility, brand creation, and increased tourist consumption of this critical Montenegrin product. The survey showed that although some of the causes of such a state of wine tourism in Montenegro should be found in the minimal economic and commercial capacities of family wineries, high investments, and high prices per product and service, the results of the survey show that major promotional activities, such as festivals and other promotional events, as well as digital marketing, are underrated and underused. In both cases, less than half were promoted through festivals (42.4%), and 46.5% used digital marketing for wine promotion.

To turn these observed weaknesses into strengths, both small wine producers and NTOs and LTOs should invest time and effort in utilizing available promotional tools while not burdening the available financing resources too much. Regarding promotions through festivals and other cultural events, awareness should be raised with tourism organizations and small wine producers about the impact of cultural events on tourism development and growth. Both wine producers and tourism organizations currently have low expectations from the festivals; 42.4% of wine producers attend festivals, whereas festivals are 54% of the overall promotion support provided by tourism organizations. Creating festivals and similar promotional events, especially during off-season periods, should be joint efforts with the additional involvement of all other stakeholders. Product development responsibility, as well as developing and helping to organize new festivals and events to attract visitors during low seasons, falls on local and national tourist organizations, as this impacts brand creation and reputation for the region as a festival and event destination.

Regarding digital marketing, awareness and utilization of available digital tools should be raised among small wine producers in Montenegro, who use them to set up, manage, and constantly update their websites and social media pages, as only 46.5% of surveyed wine producers use them in their daily business. These present a perfect opportunity to make an excellent first impression by showing their wineries, tasting rooms, vineyards, and cellars, and trying to convey the beauty and promise of an incredible personal experience. Conversely, NTOs and LTOs dedicate only 38% of their marketing activities to digital marketing. This needs to be changed considerably, that is promotion should be intensified through digital marketing activities. This would strengthen and intensify cooperation and communication with the local wine producers.

Ultimately, the most significant economic benefit from wine tourism could be for the local family wineries involved in wine production and the entire local community, as it attracts tourists, sells a destination, and facilitates direct sales to consumers. Montenegro must follow the trends in the region and be more

comprehensive if it wants to be competitive and increase its tourist offer. In particular, tourism is the most prominent industry on which Montenegro bases its growth and development.

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