Chapter VII

Regional Clusters: Classification and Overlap of Wine and Tourism Microclusters

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Abstract

This chapter examines the application of cluster theory to small groups of collocated wine and tourism enterprises. It explores how traditional notions of cluster theory apply in the microcontext and whether such interpretations can be used as a valid tool for understanding how collocated regional businesses interact. The chapter describes three case studies of regional wine- and tourism-related businesses to illustrate how these microclusters might be identified and to determine the significance of interrelationships within and between collocated clusters. Such findings provide evidence of the strength or otherwise of these clusters. The chapter suggests that at the microscale, collocated clusters share some complementarity or overlap with each other through geography, resources, and levels of activity, which may be a factor that propels these clusters forward or sparks new cluster development.
Introduction

Many studies of performance, innovation, and clustering note that industry matters (Porter, 1998; Rosenfeld, 1996; Swann, Prevezer & Stout, 1998). It is well documented that industry together with cooperative behavior is important in cluster development (Porter, 1998). In some industry sectors such as wine and tourism, this may be of particular relevance because of the size of dominant enterprises, the nature of knowledge and knowledge transfer, the diverse makeup of these sectors and their competitive rules, and path dependencies.

The study reported on in this chapter concerns the wine and tourism industries and the interaction between them in the form of wine tourism. It draws from four bodies of literature; clusters, the tourism industry, the Australian wine industry, and wine tourism. Although the focus is industry-specific, the concepts of cluster classification, interaction, or overlap, and the comparative economic significance of clusters are not, and there may be some parallels between these industries and other regional industries. In discussing wine and tourism, attention is drawn specifically to the nature of the industries, the implications for regional cluster development, and finally, the convergence in wine tourism. Understanding industry-specific cluster preconditions may influence the development of certain industries in a given region and may be important in the formation of regional and industry-based clusters.

Using regionally based wine and tourism industries as exemplars, this study explores whether clusters differ in different industries and, if so, whether the processes of clustering also vary. In addition, can the industry type, the extent of clustering activity, the location, or a combination of these factors influence the level of cluster activity and the extent of cluster overlap?

An insight into how regional cluster theory applies in the different industries of wine and tourism may prove useful in the study of how other collated industries interact. Using the diamond advantage framework proposed by Porter (1990), the California wine cluster study evaluated its competitiveness in order to improve productivity and to help determine its position in the global wine market. It identified key issues facing the cluster and compared these with other wine clusters in Chile, France, and Italy (Alexander, Arney, Black, Frost & Shivananda, 1997). The resultant cluster map illustrated the interconnectedness of elements that make up this wine industry cluster. This schematic representation of a wine cluster indicates across firm linkages, together with linkages with other clusters. These linkages were identified with the tourism cluster, the food cluster, and the agricultural cluster; however, there was no exploration of the nature of these intracluster linkages (Porter, 1998). There also has been less emphasis in the traditional cluster literature on identifying and classifying clusters in situations in which the level of economic activity of an individual industry may not be significant in isolation but is more important when there is overlap among collated industries. It is therefore important to understanding what is meant by industry, regions, and clusters in this context if the application of this theory is to be broadened.
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