

Agrotourism as a direction of production companies business diversification in Rostov oblast, Russia

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Abstract. Agrotourism is fairly new, but rapidly developing tourism format in Russian Federation in a reorientation population to domestic tourism and careful attention by the state to ensuring tourist needs of the population within the country. The article is aimed at identifying the relevant array of formats for rural tourism development in Rostov oblast's countryside, the system of natural and geographical and production factors of sector dynamics, and array of forms which production companies may be included in the composition of tourism-oriented business, using a rural tourism as a diversification tool. The research methods were SWOT analysis (tourism specialization development of production companies, factors and mechanisms analysis for the implementation of this strategy, statistical analysis of the production dynamics and tourism companies' indicators involved in rural tourism. On the basis of the data obtained in the course of research a SWOT analysis an entering production companies into the agrotourism business was formed by authors. Authors formulated a system of macro-, meso- and micro-level factors. The study analysed models for the inclusion of regional production companies into tourism activities. The results obtained are the basis for the formation of regulatory measures and assistance to the development of the corresponding segment of tourism in Rostov oblast.

1 Introduction

The Russian tourism market has been experiencing significant transformations in the past few years, today it is distinguished by such trends as:

- 1) predominance of domestic tourism,
- 2) lack of environmental capacity and accommodation facilities for traditional spatial areas of concentration of seasonal tourist demand,
- 3) the high cost of tourist locations traditional for Russia.

In this situation, segments are actively developing that:

- 1) provide new expertise,
- 2) do not require expensive and long-term movements,

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3) do not require significant spending or investment in recreation.

Such conditions today are met by rural (agricultural) tourism. It often localized in its own or neighboring regions, or on the way to traditional places of recreation. Such types of tourism become a new investment objects of production (both agricultural and industrial) companies that form their own tourist offer, including through the organization of production excursions, the provision of short-term accommodation, itinerary visits, event events. For manufacturing companies, the opportunity to participate in tourist services is becoming a tool for business diversification.

For Russian regions, the development of this segment is becoming a tool to complement their portfolio of tourist services. This trend is relevant in regions with high natural-geographical and climatic conditions and the possibility of forming agritourist offers as a new competitive advantage. This is particularly relevant Rostov oblast, which historically experiences significant competition from Krasnodar Kray (sea recreation).

Rural tourism has a diverse impact on local communities both in terms of transforming the natural environment, cultural diversity, and entrepreneurial initiative and the sectoral structure of the economy.

In Russia, rural tourism is in search of development models, becoming the subject of interest of local agricultural and industrial companies as a tool for business diversification and investment, which is the object of analysis in this article.

2 Discussion

The rural tourism development significantly transforms the usual ideas about rural location and society, which confirms the experience of countries with a long history of rural tourism [1,2,3].

An essential element of assessing the potential of rural tourism is the quality of the landscape [4], as well as the role of social and entrepreneurial initiatives in realizing the tourism potential of rural areas [5,6].

However, a role of corporations were investigated previously also important due to providing modernization impulses development at regional level (including in the industry dimension [7]) and diversification [8], which leads to sustainable long-term consequences.

At the same time, the formation of integrated initiatives that imply a holistic transformation is also a component of the transformation of the environment (for example, the Beautiful Village Project in China [9]).

The possible multidimensional transformation naturally implies taking into account the landscape specifics of the territories (for example, through assessing landscape attractiveness through ranking [10]), including in the interests of environmental protection [11, 12]. An independent vector of analysis is the possible impact of rural tourism on the cultural landscape [13].

Consideration of these aspects is essential for practical application in the field of management, the formation of management strategies at the local and regional levels, which, in relation to rural tourism in Russia, has already become the subject of analysis, in particular, in the form of an assessment of the resource potential of the territory and its suitability for the development of tourism in rural areas [14], assessment of management initiatives in the field of agritourism at the regional level [15].

The study, at the same time, is an attempt to answer the question about the nature of the processes of business entry (both small and large) into rural tourism in the conditions of the region (in particular, the Lower Don), where such initiatives are a tool for diversifying non-tourist regional business.

3 Materials and Methods

The formation of ideas about regional initiatives of rural (agricultural) tourism in Rostov oblast is based on empirical research. It includes analysis of entrepreneurial structures data and companies involved in these initiatives and reports from regional news agencies. The integrated analysis included statistical sectoral information (enotourism development - indicators of grape cultivation and wine production), identification of localization of new rural tourism projects. The integration of the information received was carried out through SWOT analysis, analysis of factors that determine the implementation of initiatives in rural tourism, as well as modeling strategies for non-tourist businesses to enter agritourism in Rostov oblast.

Rostov Oblast is one of the largest regions of the European part of Russia in terms of population (4.2 million people). It is occupied the 6th place among regions of Russia. The population is concentrated mainly in the south-west of the region - in Rostov-on-Don (1.2 million people), as well as in the towns of the Rostov agglomeration and in the western part of the region.

The presence historical and cultural heritage objects and a favorable geographical position (location on the transit of tourists to the Black Sea resorts of Russia). The main transport artery for auto tourists is the M4 route, but some tourists cross the region in its eastern part. The total volume of transit road trips along the M4 highway is estimated at 8 million people per year. Its growth is facilitated by the intensification of domestic tourism after the imposition of sanctions against Russia from 2022. This fact led to an increase in the interest of Russian tourists in resorts, including in the South of Russia.

Own and transit tourist potential is a factor of significant growth of tourist visits in the region. As a result, if in 2018 in Rostov oblast visited 1 million tourists, and in 2019 - 1.5 million, in 2023 - already 3.9 million and in 2024 (according to the forecasts of the regional authorities) - 4 million people. As a result, the calculation of the index of domestic tourism of the Sberbank places the Rostov region among the top 10 regions of the Russian Federation. Given that about 60% of the population in the Russian Federation travels within its region, a significant demand for tourism creates its own region.

At the same time, rural tourism is a growing tourist segment in the region, as in Russia. In general, ecotourism enjoys growing popularity in the country (in 2024, the interest of Russians in ecotours increased by 20% (according to the RBC agency), and agricultural (rural) tourism shows a growth rate more than the tourist market as a whole.

The development of agricultural tourism in Rostov oblast is based on its specialization. Thus, the region produces 5.3% of all agricultural products of Russia, including - 6.9% of crop production. In general, the region is the second most important (after the Krasnodar Krai) agricultural region of Russia. One of the important components of agricultural production is the development of vineyards in the Lower Don and the presence of wineries as an object of enotourism. In the region are held enogamostromic events that attract tourists from the cities of the region and from outside the region.

In 2020, 2021 and 2022, wine production in Rostov oblast amounted to 378 thousand decaliters, 236 and 424 thousand decaliters respectively; in 2023 wine production amounted to 313 thousand dados. The instability of the industry indicators is due to the fact that the region - the northernmost in Russia region of open cultivation of vineyards, which makes crops highly dependent on the weather. Thus, in 2022, the grape harvest was twice as high as the 2021 harvest, which allowed the release of 6 million bottles of wine, and increased the production of quiet wines by more than 2.5 times (3.2 million bottles), and sparkling - more than 2.4 times (according to <https://tsh.ru/>). However, in 2023 there was a drop in the harvest (e.g. the winery «Manor Sarkel», Tsimlyansky district), and in 2024 the cold caused a loss of the harvest in a number of

northern and central districts (lost 90% of the harvest of Winery Molchanov, 100% of fruit of the enterprise «Donetsk Valley»).

Viticulture is represented by 17 farms in five districts adjacent to the river Don in its lower course (Tsimlyansky, Martynovsky, Konstantinovsky, Azov, Ust-Donetsk).

Both macro- and meso- and micro(company-level)- factors are factors in the development of enotourism. Such factors are both situational and permanent.

Thus, the long-term share of spending on tourism, according to the Sberbank, is 9% (<https://expertsouth.ru/>), which, with limited demand for outbound tourism, creates demand for domestic visits and for the search for new destinations and forms of domestic tourism.

Among the constant regional factors is the concentration of the population near the habitats of active agriculture. Thus, virtually all major cities of the region are located in the Don valley and its tributaries), which determines the saturation of the territory with transport infrastructure, facilitating access to objects of visit in rural areas.

A long-term competitive advantage of the winemaking industry is the maintenance of a number of unique autochthonous grape varieties and the production of wines from them (the share of such varieties, for example, in the Tsimlyan subregion - 22%).

At the micro level, the long-term factor is the sustainability of agricultural companies and peasant farms of the region, which are now entering the tourist market of the region.

Among the current macro-level factors stimulating rural tourism can be attributed to the general trend ahead of rural tourism in Russia: so, although the contribution of tourism, according to the Association for the Promotion of Agrotourism in Russia, to the economy of the Russian Federation is 2.6%, and the share of agrotourism does not exceed 0.13-0.18% (in the South of Russia 5% of the flow of tourists is focused on the countryside, which gives 7% in the volume of tourist services), but more than 100 tourist operators in Russia offer, in particular, wine tours.

At the regional level, the innovative factor in maintaining the dynamics of rural tourism in the region is the dynamics of viticulture, the restoration of vineyards and the re-establishment of nurseries. Thus, for 5 years to 2021. 344 hectares of vineyards laid, another 70 hectares laid in 2021. In general, by 2024 in the region there were 2.5 thousand hectares of vineyards, including 1.6 thousand - fruitbearing vineyards (according to the Government of Rostov region). This dynamic largely compensated for the losses in previous years (for the previous 5 years, the area of vineyards decreased from 4 thousand ha to 1.3 thousand ha).

In general, in 2022, enterprises in the region had 15 licences to produce wine (8 - enterprises and 7 - peasant farms). At the micro level, the modern stimulus is the creation of tourism infrastructure in rural households, the construction of reception facilities and the improvement of wineries, including through grants from the federal and regional governments. So, in 2023 three grants for construction of the winery «Manor Sarkel» (Tsimlyansky District) for the construction of glamping, trail to the beach and beautification; winery Vinabani (Malaya Martynovka), winery Elbuzd, as well as Biohutor «Petrovsky». In general, five wineries of the region, according to the portal (<https://promptourism.ru/>), offer a visit to wineries. However, the circle of wineries, potentially providing opportunities for tourism, in the wider area: Tsimlyansky winery, Elbuzd winery, Villa Star, Winery Molchanov, Vina Vedernikov, Dacha Serdyuk, Blagolubov.

Also, agrotourism in the region is represented by other, besides enotourism, options for visits. Among them:

Bio-Khutor «Petrovsky» (producer of certified organic products, Neklinovsky district),

Handicraft dairy «De Volan» (Novocherkassk),

«Donetsk Valley» - a company that grows fruits and seedlings of fruit trees, which, due to its location on the M4 route, became the object of tourist visits, implementing projects of

cultivation of a lavender field, construction of a landscape park and the program «Grow yourself a seedling» planning also to build a hotel to fully enter the tourist business segment.

In addition, in essence, agro-tourist facilities are:

non-commercial family project of preservation of donchak - a unique local breed of horses (Donchak territory «Helios»),

industrial, significant for the rural area of the region and unique in the South handicraft enterprise «Semikarakor ceramics» (Semikarakorsk region) - manufacturer of dishes, interior items, original Don souvenirs,

horse breeding company of the large garment manufacturer Elis (equestrian club, which for the company is an object of capital investment and business diversification),

Loga Landscape Park (on the M4), which has plans to fully enter the tourist business through the construction of the Ferris wheel and the hotel,

The historical reenactment project of Starozolotovskiy Farm, which recreates a typical Cossack settlement, which today entered the French rating «One hundred beautiful cities of the world» with two stars, conducts regular events, exhibitions and excursions. In general, the development of rural tourism in the region is consistent with the growing interest in local industries and producers as non-traditional (as opposed to beach and historical and cultural destinations) the format of tourism, which by the nature of the interest, brings rural tourism with industrial. It is characteristic that enterprises - objects of visiting within the framework of enotourism and rural tourism also offer industrial excursions («Tsimlyanskoe wines», «Semikarakorskaya ceramics»), focused on familiarity with technological processes. So, in the company «Tsimlyansky wines» the growth of visits to excursions and tasting programs was in 2023 40%, including due to the growth of transit tourists from Siberia and the Urals, the growth of tourists from the region was 20% (information of Brand-ambassador company «Tsimliansky wines» A. Matveenko); «Semikarakorskaya ceramics» in 2023 visited 1.5 thousand people.

The peculiarity of these companies is their non-tourist specialization. However, the interest in their activities of the population formed the prerequisites for the entry of enterprises into the tourism business, the tools of which become: event events, entry into the production ratings, the formation of holistic tourist routes.

Thus, wines of producers of the region are regularly included in the rating of Forbes (Wines Vedernikov, Tsimliansky wines and others). A number of wines of the region are evaluated in the rating «Wine Guide of Russia», formed by Roskachestvo (<https://rskrf.ru/vgr>). Examples of tourist activities that popularize rural tourism in the Rostov region are Gastrofestivaly (Khutor Fest in Khutor Petrovsky), Enogastronomic festival «Dolina Dona» in Rostov-on-Don (since 2020, and in 2022 was supplemented by a wine fair of producers of the region).

According to the model of the famous brands «Valley of the Rhine» and «Valley of the Napa» in the region the project «Valley of the Don» was formed, which builds a complete route for wineries of the region. Contributes to this development of infrastructure wineries, locations that agro producers are seen as a step towards full entry into the tourist business.

4 Results and discussion

Analysis of empirical data on the nature of the inclusion of manufacturing companies of the Rostov region in the provision of tourism services in the last few years (since 2022) demonstrates involvement in the process of commercial enterprises of agro-industrial complex and non-commercial projects in rural areas, as well as industrial companies, both developing their business in rural areas and going out of town in diversifying business projects.

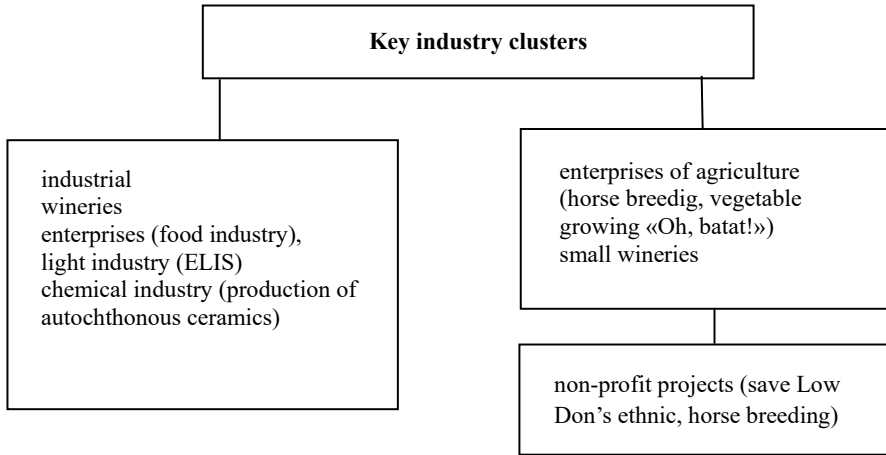


Fig. 1. Clusters of non-turistic production enterprises and non-commercial initiatives of Rostov oblast, entering the market projects of rural tourism

In terms of its scale, producers of the region, which today enter the market of tourism offer area, are represented by such companies as:

- 1) leading companies in their industry,
- 2) large companies in the oligopolistic market as a whole,
- 3) small companies (peasant farmers),
- 4) private initiative (family, sponsored) projects.

The multidimensional nature of factors in the implementation of tourism projects by companies in the field of agro-tourism allows to build their hierarchy with consideration of sustainability (sustainability) of relevant factors (Table 1).

Table 1. The system of factors of development of rural (agricultural) tourism in Rostov oblast as a tool of business diversification

Factor's level	Long-term (permanent) factors	Relevant (innovative) factors
Macro-	<ul style="list-style-type: none"> • Maintaining the demand of the population of the Russian Federation for tourism and recreation • Search for innovative forms of leisure 	<ul style="list-style-type: none"> • Orientation of tourists to domestic tourism • State support of domestic tourism
Meso-	<ul style="list-style-type: none"> • Stability of regional conditions of development and modernization of the main (non-turistic) business • Regional support of companies as significant structural elements of economy 	<ul style="list-style-type: none"> • Regional support for tourism infrastructure development • The interest of non-touristic companies in entering the tourist business
Micro -	<ul style="list-style-type: none"> • Sustainable production and attractive local brands • Location in the vicinity of large cities with significant audience and access infrastructure 	<ul style="list-style-type: none"> • Formation of a circle of loyalty among local residents and tourists • Expansion of the tourist market for local products • Own investment in tourism opportunities

SWOT-analysis of the region producers' entry into the tourism market shows a balance of potential and risks of the respective strategies, which allows to predict the growth of the sector in the future (Table 2).

Table 2. SWOT-analysis of the development of tourist specialization by manufacturing companies of Rostov oblast

Strengths	Weaknesses
Formation of a pool of regular enogastronomic and cultural events that attract residents of the region and transit tourists	Poor accessibility of a number of tourist locations in rural areas
The proximity of the main part of the companies developing a new (tourist) direction to Rostov-on-Don and the Rostov metropolitan area, which concentrate the majority of the population of the region	Insufficient infrastructure for receiving guests (tourists)
The proximity of key considered companies to the M4 and the Ural-Volga-Black Sea highway (in the east of the region)	Pending construction of hotels and other infrastructure on agricultural land
Growth in the flow of transit car tourists after the closure of the airports of Rostov and Krasnodar	Limited visits to rural areas during the cold season (cycle of visits)
Offer a recreation format to complement the traditional trip to the sea	Inconsistency and weak recognition of production and tourist brands of the Rostov region in the region and the Russian Federation
Rostov region - in the top ten of the Index of domestic tourism of regions	Zone of risky viticulture. Crop instability
Opportunities	Threats
Low base (small number of population involved in rural tourism), which creates a growth potential	Opening of airports, which will reduce the flow of transit tourists and revitalize outbound tourism from the region
Up to 60% of trips - within their region, making the region an active tourist region	Potential loss of income and share of spending on recreation
Growing popularity of new leisure formats in Russia (industrial excursions, interactive types, glamping)	Competition of enterprises for the provision of tourism services (instead of integration in single routes)
Integration of selected tourism industry offers into sustainable tourism routes, package offers	Competition of agro-tourism direction with the Krasnodar region (with more developed infrastructure of enogastrotourism)
Formation of interest of foreign tourists by getting locations and products (wines, etc.) in international rankings (Forbes, etc.)	Rising construction costs - the difficulty of building guest houses on small wineries

In general, the combination of components allows to identify a number of models of output of production companies of the Rostov region to the tourist market (Table 3).

Table 3. Models of business diversification of companies of Rostov oblast with the use of the potential of agricultural (rural) tourism

Model indicators	Models		
	Sectoral diversification	Expansion and structuring through tourism	Attracting staff and building loyalty
Business diversification	+	-	-
Expansion of sales channels (tourists during excursions, tastings)	-	+	+

Advertising, increasing loyalty	+	+	+
Attracting personnel	-	-	+
Marketing Positioning Resources			
Product ratings	-	+	+
Company Brand	-	+	+
Location rating	-	+	-
Non-profit community-oriented component	-	+	-

Thus, three models of action of branch companies of agro-industrial complex and other branches at their entry into the tourist business segment in the agrotourism of Rostov oblast are distinguished: sectoral diversification, expansion and structuring due to tourism, attraction of personnel and formation of loyalty. The consideration and analysis of such models serve as a basis for adapting management mechanisms.

5 Conclusions

Rostov oblast demonstrates active entrepreneurial initiative. On the one hand, the main goal is to expand and diversify the non-tourist business, and on the other hand, to contribute to the tourism industry development in Rostov oblast, giving it a new competitive advantage. This will allow Rostov oblast to position itself in a new way in tourist services market in the South of Russia and Russia as a whole.

The analysis shows a risks and threats balance, as well as strengths and capabilities that provide opportunities for expanding this segment. At the same time, the variability of development models for relevant initiatives with a predominance of diversification can help maximize the available business potential (including rural enterprises, wineries, cheese producers and other businesses and non-profit projects) in the formation of a diverse and attractive tourist product.

The interaction companies' study with regional management system and the inclusion of business in interaction with the authorities as part of attracting additional funds for the implementation of their projects (in the conditions of interaction), as well as risks, restrictions and positive experience in this area is the next step in the study of the regional business implementation initiatives in the field of rural tourism.

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