



Versatility in Hospitality Industry around the Globe - A Case Study on Austrian Wines

Sainath Kotian¹ and Ashish J Nevgi²

Student, Thakur Institute of Hotel Management, Thakur Shyamnarayan Degree College, Mumbai, India¹

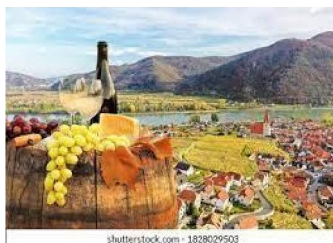
Coordinator, Thakur Institute of Hotel Management, Thakur Shyamnarayan Degree College, Mumbai, India²

Abstract: Austria, a relatively small wine producing country, holds its place in the global wine market by focusing on factors including: country of origin effect, highest quality standards, cellar door sales and modern architecture. The dramatic changes resulting from the Austrian wine scandal of 1985 have seen no other European country experience the "wine mania" occurring there since the early nineties. Although the domestic wine consumption is decreasing as in all other European wine countries, the image of Austrian wines is better than ever and consumers are eager to pay higher prices for better quality. Furthermore, Austria is not only taking advantage of new markets opening in Eastern Europe and elsewhere, its reputation is also being enhanced by its gastronomic culture.



This paper begins by considering the historical background of Austria as a wine producing country and then goes on to look at a number of factors which have contributed to the recent changes seen in the wine industry's practices and their consequent successes : Pinot blanc is a grape variety found in all wine-growing regions of Austria. However, there are only a few scientific studies which deal with the aroma of wines of this variety. In the course of this project, the relationship between aroma profile and the typicity of Austrian Pinot blanc wines was studied. The aim was to describe the typicity and to find significant differences in aroma profiles and aroma descriptors of typical and atypical Pinot blanc wines. Since the typicity of a jointly anchored prototype is embedded in the memory, typical attributes for Austrian Pinot blanc wines were first identified by consumers and experts or producers. According to this, 131 flawless commercial Austrian wines of the variety Pinot blanc of the vintages 2015 to 2017 were analysed for more than 100 volatile substances.

Keywords: Goal, Policy, Service, Guest.



I. INTRODUCTION

Austrian wines are mostly dry white wine (often made from the Gruner veltliner grape), though some sweeter white wines (such as dessert wine made around the Neusiedler see) are also produced. About 30% of the wines are red, made from blaufrankisch (also known as Lemberger, or as Kékfrankos in neighbouring Hungary), pinot noir and locally bred varieties such as Zweigelt. Four thousand years of winemaking history counted for little after the "antifreeze scandal" of



1985, when it was revealed that some wine brokers had been adulterating their wines with diethylene glycol. The scandal destroyed the market for Austrian wine and compelled Austria to tackle low standards of bulk wine production, and reposition itself as a producer of quality wines. The country is also home to Riedel, makers of some of the most expensive wine glasses in the world. Some of the best producers of Austria include Weingut brundlmayer, Weingut F.X. Pichler and Weingut Franz Hirtzberger, Weingut Hutter, Weingut Eigl and Wellanschitz.[1] The soils of Burgenland vary greatly. The range extends from slate over loam, gravel, marl and loess, to pure sandy soils. Brown earth and volcanic soils are found mostly in Styria. The wine growing areas of Austria are situated in a temperate climatic zone without great extremes, between 47 and 48 degrees latitude, like Burgundy in France. The vegetation period from budding in spring to the falling of leaves in autumn can take up to 200 days, depending on the varietal. Warm, sunny summers and long, mild autumn days with cool nights are typical for most Austrian wine-growing regions as the country's climate is dominated by the interplay of Pannonian influences. The annual precipitation in the easterly areas can be as little as 400mm, rising to 800mm in Styria. With its capacity for reflecting warmth and balancing out temperature extremes the Danube is another important influence on the microclimatic conditions of individual wine growing areas. The sandy shores along the large expanse of Lake Neusiedl offer ideal conditions for the ripening of nobly-sweet wines.[2] The height above sea level is another important factor: around 200 meters, rising to 400 meters in Lower Austria and, in extreme cases, to 560 meters in some Styrian villages. (Dominé, 2000) The Australian wine industry is a model industry in that significant production growth and export sales have been achieved, particularly over the last ten years. This success is not just the result of having a quality product, although the quality of Australian wine is extremely good. It is more about having knowledge of, and responding to, consumer needs, applying expert marketing, recognising the importance of R&D, and overall having an innovative approach to winemaking and sales. In the five years to 2005-06 the export of Australian wine is projected to more than double to reach 682 million litres or 59 per cent of total wine production. The value of wine exports in 2005 is expected to reach about \$3.1 billion. The OUTLOOK 2001 conference heard that the proportion of wine sold to the United Kingdom is expected to fall as exports to Germany, the United States, Canada, and the Netherlands increase. Wine consumption in Austria In the 2018/19 financial year, wine consumption in Austria totalled 2.4 million hl.⁴⁶ This represents an increase of 4.3% compared to consumption in 2017/18. Converted to per capita consumption, this represents 27.7 litres per person (+3.6% compared to 2018). As a comparison, the per capita consumption of beer is 107.1 litres. [3]

II. HISTORY

Wine growing in Austria dates back to the Celts who cultivated *vitis vinifera* for their rituals and also for daily consumption. When the Romans conquered the area they spread the cultivation of wine as they did in their other provinces. This influence remained until they abandoned Noricum towards the end of the fifth century AD (it would be divided, conquered and reconquered by the Franks, the Avars, the Slavs, and other peoples) when wine growing and wine making ceased almost completely amid the migrations and wars that characterized these restless times. It fell to Charlemagne (742-814) to revive viticulture in this area, along with other parts of his empire. During the Middle Ages there were vineyards throughout the country, even in Salzburg, and in Carinthia and Tyrol, areas now known better for their skiing than for wine. Several hundred thousand hectares were under vines during this period in Austria. As in other European countries, monasteries played the most important role in wine growing and production. During the following centuries, wine growing in Austria increased in importance and its wines were exported across Europe. With commerce came a greater emphasis on quality. The town of Rust, by the shores of Lake Neusiedl, became famous for its sweet wines. The first official Trockenbeerenauslese, a wine made exclusively from grapes shrivelled and concentrated by the noble rot *botrytis*, was made there in 1526.[1] In 1784 the emperor Joseph II decreed that farmers, including wine growers, were allowed to sell their own produce directly for consumption on their premises. Anyone willing to sell wine, cheese, bread, meat and other produce in this manner was to indicate this by hanging a bushel of pine branches above his gate. The famous Austrian "Heurigen" (local wine tavern) was born. The nineteenth century proved catastrophic for wine growers across Europe: a sudden cooling of the climate, vine infections such as oidium and peronospora which were brought into Europe from America and the explosive spread of the phylloxera, a tiny aphid that devastated vineyards from Spain to Hungary, took their toll in Austria as elsewhere. One response to this series of disasters, and to the change of mentality during the century, was the establishment of several wine growing



schools and laboratories, most famously the Weinbauschule Klosterneuburg in 1860 (Robinson, Smart, Dinsmore Webb, Williams, 1999). The Second World War left its mark on Austrian cellars mainly through the adoption of a German-style wine classification and by the fact that supplies of older wines were mostly destroyed during the war, echoing the time when Napoleon's armies had drunk the cellars dry more than a century earlier. The post Second World War "Wirtschaftswunder" (economic miracle) also took place within the wine industry. High productivity and mechanisation were implemented to meet the demand; quality was secondary.[3]



III. THE COLLAPSE 1985

The early 1980s had been marked by a succession of vintages in which favourable climatic conditions and intensive viticulture combined to produce extremely high yields. A substantial amount of wine was made which was of such poor quality as to be virtually unsaleable. Much Austrian wine was at this time sold to the German market in bulk, but this market demanded riper and thus sweeter wines than these low-end products, which were light, dilute, and acidic. A cunning chemist discovered that adding a small amount of diethylene-glycol to wines such as these added a certain body and sweetness to them, and rendered them more palatable. Diethylene-glycol - an automobile antifreeze - was considered safe, and was very difficult to detect by the authorities. Tankerloads of doctored wine were shipped off to Germany masquerading as quality wine, with forged documentation supporting its supposed provenance. Apart from "grading up" simple table wines to Auslese- (late harvest) Wines, some "inventive" wineries created wines without grapes. The confession of an accused, lists the following ingredients he used to produce perfect "wine": (Brüders, 1999) [3]

- 18,000 l water
- 5,500 kg sugar
- 80 kg diethylene-glycol
- 80 kg dry syrup
- 80 kg acidity of wine
- 30 kg salts of hartshorn
- 40-50 l glycerin
- 3 kg malic acid
- 15 kg epsom salt
- 40 kg potash
- potassium sulphate
- magnesium sulphate
- The amount of yeast necessary depends on atmospheric conditions

This "recipe" produces about 20,000 litres of artificial wine (Brüders, 1999).

IV. DEVELOPMENTS AFTER THE SCANDAL

Following the Austrian scandal, the Ministry of Agriculture and Forestry imposed strict new laws to regulate the industry, with the intention of preventing further malpractice, restoring confidence in Austrian wine, and repairing the damage done to export markets – especially Germany, Austria's largest customer. These new laws, reinforced by later amendments stipulating upper limits to yields, today define the Austrian wine classification system. With the benefit of hindsight, the scandal is seen by many today as a catalyst for change and – although a catastrophe at the time – as a positive event. Those responsible were mostly middle-men; this part of the Austrian wine trade has nearly disappeared, and nowadays many more growers deal directly with customers. However, more important has been the effect on



quality; the strict new laws, plus other regional classification systems were inspired by the need for change and the desire to improve quality in the wake of the scandal. It is important to remember that the scandal itself was a symptom of the poor quality culture that already pertained in some parts of the trade before 1985, and this issue too has been addressed as today winemaking styles have changed, away from flabby sweet wines made in imitation of sweet German wines, towards the dry whites so highly praised today, and a greater proportion of quality reds (Wohlfahrt, 1991). The success of Austrian wines in recent years has proved the strategy right. Surprising medals, awards and ratings were achieved by internationally unknown winemakers from small Austrian regions and villages. Sweden's top Sommelier Andreas Larsson (former best Sommelier of Sweden, Scandinavia and Europe) recommended two autochthonous Austrian wines, a Blaufränkisch and a Grüner Veltliner, in the finals of the "International Sommelier of the Year 2005" competition - and won (Gellie, 2005).[3] In blind tastings the Austrian autochthonous Grüner Veltliner as well as Rieslings and of course Austria's famous sweet wines outscored world famous precious Burgundies and high priced New World wines. Jancis Robinson, one of the world's leading authorities on wine, states on her webpage (www.jancisrobinson.com) in "Chardonnay v Grüner Veltliner, a knockout contest": "...I was asked by the Austrian Wine Marketing Board if I would like to arrange a comparative tasting to see where Austria was standing internationally. The stunning result is that six of the seven Grüner Veltliners came in amongst the top eight wines of the tasting." The degustation included prestigious French and New World Chardonnays; among others [5] "Montrachet", "Meursault", "Corton Charlemagne" and "Monte Bello". The jury consisted of 39 wine journalists and other experienced tasters from 13 different countries (Robinson, 2002)

Despite the Austrian "Weinwunder" the domestic consumption of Austrian and foreign wine has been constantly decreasing in Austria since the 1990s. The rate of consumption of domestic wine fell from 92.2% of the production in 1998 to 73.2% in 2004. As shown in table 2, the total per capita consumption of wine decreased from 33.7 l in 1991 to 29.8 l per capita in 2005. This data also shows a fall in beer consumption during the same period. [1]

V. THE CURRENT SITUATION ON THE DOMESTIC MARKET

Austrian wine has a strong position in the domestic market. The latest brand track carried out in April and May 2005 by AC-Nielsen, one of the world's leading market research companies, brought interesting results. The methodology used for the brand track was a mail survey carried out nationwide by using changing addresses (no panel). The sample consisted of 1,234 people, 14 years and older, representing the domestic profile of the average Austrian population. Austrian citizens are allowed to purchase and drink wine from 16 years onwards. The sampling method combined random and quota techniques. The original title and conceptual formulation was "Position of Austrian wine compared to imported wine on the domestic market." Incentives in the form of prizes were provided by the Austrian wine industry. The census for the brand track is carried out twice a year. Differences in the results between alpine regions in western Austria, where viticulture is not prosecuted and the eastern – wine growing – part were not significant.[4]

Trends in the export of Austrian wine

Although most Austrian wine produced is sold and consumed within its borders. One reason why the Austrian wine industry puts more efforts into augmenting the export rate is the decreasing home consumption as outlined in chapter 3. In 2004, Germany retained first position as the major importer of Austrian wine (amounting to sales of € 48,244,000). Its position as the number one export market (58% of the total export volume as well as on a value basis) can be qualified as predominant. Despite a slight fall in the quantity of exports between 2003 and 2004, the value and consequently the turnover increased by 20%. That means Austria is exporting less wine but at higher prices, which can be seen as a reflection of the higher average quality. [5]

Specifics of the domestic market

Austria's tough wine law – one reason for the success achieved over the past ten years - is nevertheless still based on the complicated "German System". This means that there are numerous quality categories defined by grape sugar content. Table wine must have a minimum of 11° KMW (equals 52,6° Oechsle), Landwein – Vin de Pays – 13° KMW, Quality Wine 15° KMW (73° Oechsle), Spätlese 19° KMW, Auslese 21° KMW, Beerenauslese 25° KMW, Eiswein 25° KMW, Strohwein 25° KMW, Ausbruch 27° KMW, Trockenbeerenauslese 30° KMW (156° Oechsle). [Conversion

formula: $x \text{ degrees KMW} = (0,022 * x + 4,54) * x \text{ degrees Oechsle}$. Thus higher “potential alcohol” (sugar) means higher quality. A wine is therefore supposed to be better with 19° KMW (19 Grammes of sugar per liter) at the time of harvest than a wine that has 17° KMW (17 Grammes of sugar per liter). (Dominé, 2000) The “Latin System” applied in France, Italy and Spain on the other hand, specifies the region or area for table-, quality or superior wines. Unfortunately, that neither the former nor the latter system can guarantee real quality is an obvious fact. In France, Spain and Italy poor quality wines classified as AOC or DOC (Appellation d'Origine Contrôlé, Denominazione di Origine Controllata) or even “Crus” because of their provenance cause the same problem as Spätlese or Auslese wines in Germany and Austria which are – despite their grape sugar content – not superior at all: they “undermine” the wine law, destroy the image of its “brand” and make it unreliable for customers. Official vineyard classifications do not exist in Austria, but since no one wants to pretend that all plots are equally well sited, unofficial classification and vineyard names of specific “Rieden” are often named on the labels (Sevenich, 2003).

VI. CONCLUSION

The strong position of Austrian wines within its borders and internationally is the result of numerous factors. The most recent chapter of Austrian viticulture has been marked by a concerted legislative initiative to circumscribe and promote quality, and by the introduction of a more international outlook by the Austrian wine industry. A new, more widely travelled and internationally trained generation of Austrian winemakers is now at the helm of many traditional establishments. They have revolutionised the work in the vineyard and in the cellars, combining an international outlook with an unwavering devotion to indigenous grape varieties and wine styles. Their dedication and efforts have allowed the wines of Austria to make another leap in quality and worldwide recognition, leading to the opening of markets abroad, and to a renewed interest in this old wine country and its new wines. The exemplary Austrian wine boom and its ways to create new interest in wine especially for younger people could become an orientation for other wine regions suffering from problems as the Austrian wine industry did in the 1980s.

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