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Benchmark analysis of wine tourism destinations: Integrating  
a resilience system perspective into the comparative  
framework

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## **Introduction**

The need for more sophisticated measurements at national, regional and business level has been stressed as being amongst the most emerging issues in wine tourism (Thach, 2016, p. 124). Within this context, a fundamental aspect that has to be tackled globally is the absence of an integrated framework for comparisons. As Getz & Brown (2006, p.79) underline: *“If progress is to be made in evaluating wine-region competitiveness...some way must be found to systematically compare developments and regions”*. Yet, very few publications have attempted to introduce tools that can be used in improving wine tourism stakeholders’ ability to evaluate their performance, given the complex environment in which they operate. There seems to be even less understanding of which specific indicators and metrics should be included in a comparative analysis.

This research sought to add to this field. Building on the pioneering work of Getz & Brown (2006) and the subsequent paper of Terziyska (2017), the present study proposes a comprehensive ‘resilience benchmarking framework’ for wine tourism destinations. The following sections describe key theoretical concepts and issues driving empirical research, along with the steps required to carry it out.

### **1. Wine tourism from a system-resilience perspective**

A system is a specified group of united and interdependent elements which interact in order to achieve a certain objective (Effendi & Usman, 2019; Shoup, 2004). Considered from a holistic perspective, wine tourism constitutes a complex interactive service ecosystem (Festa et al., 2015), integrating wine tourists, the regional destination and the wineries (Getz, 2000). According to Hall et al.’s (2000, p. 7) model, the wine tourism system<sup>1</sup> incorporates tangible and intangible components of both Supply and Demand, with its core being the wine tourism experience. The heterogeneity of its components and its high dependence on natural resources render wine tourism a prime example of special interest tourism forms that are particularly vulnerable to a variety of threats (Alebaiki & Ioannides, 2017). Thus, adjusting the definition of Biggs et al (2012), a wine tourism enterprise is considered to be resilient when it is able to maintain or grow its existing level of employment and income and stay operating in the face of one or more shocks or crises.

More recently, Sigala & Robinson (2019) call for wine tourism research from a system-based perspective, involving multiple actors and co-creation processes, and developing competitive business models and strategies within wine tourism ecosystems, as wineries urgently need to survive and differentiate in a highly competitive world. This gives rise to a consideration of the ways in which wine communities can better deal with

disturbances and systemic shocks, introducing into the discussion the concept of Resilience<sup>2</sup>. The latter has only recently attracted the attention of tourism scholars, broadening the sustainability debate (Cheer & Lew, 2017) towards a paradigm shift from stability to change (Hall, Prayag & Amore, 2017), and thus serving as a way of improving tourism destinations' ability to better cope with tourism development (Butler, 2017: 6).

Despite the existence of a few studies on the resilience of the wine sector (Alonso & Bressan, 2015; Cradock-Henry & Fountain, 2019), the only published effort exploring wine tourism from a resilience perspective is the work done by Alebaki & Ioannides (2017). Among the critical challenges identified, the need for long-term strategic planning and data collection was particularly prominent. Consequently, embedding co-creative benchmarking approaches in wine tourism management is of utmost importance.

## **2. Benchmarking in wine tourism**

Getz & Brown (2006) proposed specific benchmarking measures and indicators associated with the Context, the Supply and the Demand of wine tourism. Most of the subsequent studies that followed this initial work were rather descriptive (i.e., Škrbić et al., 2015; Tomljenović & Getz, 2009); Some of them applied Destination Development Theories (Alebaki & Koutsouris, 2019; Jurinčić & Bojnec, 2009), taking a more holistic view of wine tourism.

Recently, Terzyiska (2017) introduced an updated version of Getz & Brown's (2006) model, including some additional indicators which were derived from a survey conducted in Bulgaria. Despite its valuable contribution to theory building, this study did not attempt to include other than business/destination attributes or take into account a more comprehensive consideration of wine tourism, by either addressing strategic development and operational issues of wineries or incorporating the resilience dimension. It is upon these aspects that this study focuses.

## **3. Methodology**

The current study reports on findings from fieldwork carried out in the island of Crete, from May 2018 until November 2019. The target group comprised the two Associations (in west and east part of the island), jointly marketed under the brand "Wines of Crete"; the network represents a mosaic of 33 wineries and 90.0% of the island's total bottled wine production.

For the purpose of this report, a two-step procedure was followed, including, in-depth interviews with the island's wine tourism stakeholders and; field visits and personal interviews with 32 out of 33 wine producers, yielding a response rate of 97.0%. The census

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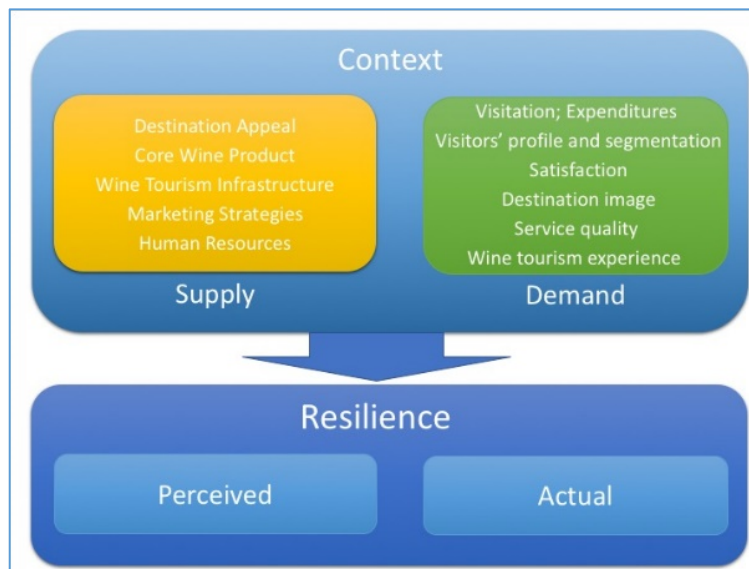
<sup>2</sup> In general, resilience has been defined as the ability of a system to undergo "*change without ceasing to be*" (Ruiz-Ballesteros 2011). The term derives from the Latin 'resilire' (from re- 'back' + salire 'to jump'), meaning 'to recoil' or 'to spring back' (Davoudi et al 2012).

survey instrument contained 86 closed and open-ended questions, aiming to: a. assess the current state of wine tourism in the island and b. identify factors associated with the resilience of Cretan wineries. The questionnaire was focused on business and entrepreneur’s characteristics; the core wine product; tourism infrastructure and investments; marketing strategies; and business resilience indicators, both actual and perceived (see Prayag et al., 2018).

Thematic Analysis was conducted in order to identify factors associated with the resilience of wine tourism and enrich the benchmarking framework. Desk-based assessment of secondary data was used to describe the context of wine tourism development in Crete. Further, Content Analysis was applied to explore Cretan wineries’ websites. Due to space limitations, descriptive results regarding the first objective are not detailed here.

#### 4. Results

With more than 2 million foreign visitors annually, the tourism industry of Crete is well established (Alebaki & Koutsouris, 2019). Despite the long tradition in wine making and the multiplicity of both indigenous varieties (11) and PDO wines (5), modernization of the island’s wine industry is quite recent. The “Wines of Crete” Association (WoC) was founded in 2006, representing one of the country’s fastest growing and best organized regional networks and serving as an example of ‘coopetition’ (Sigala, 2019). Today, 33 out of 75 authorized wineries, organized in 10 wine routes, have joined WoC, with their large majority (24/33) being concentrated in the Prefecture of Heraklion.



**Figure 1.** Benchmarking for resilience: A proposed framework

Figure 1 presents a proposed framework for wine tourism benchmarking, which comprises indicators and measures associated with the context of the wine tourism destination, supply and demand factors, as well as resilience, both actual and perceived. The proposed framework is further analyzed in Table 1, which provides a detailed list of the benchmarking measures and indicators derived from both literature and empirical research.

**Table 1.** Benchmarking for Resilience: Proposed measures and indicators

<b>Context</b>
<ul style="list-style-type: none"> <li>• Level of urbanization and tourism development</li> <li>• History of wine and tourism in region</li> <li>• Tourism volumes and trends</li> <li>• Other sources of income in region</li> <li>• Total land area</li> <li>• Political and legislative framework affecting wine and tourism; state/EU aid provided to wineries</li> <li>• Multi-level governance</li> </ul>
<b>Destination appeal</b>
<ul style="list-style-type: none"> <li>• Wine tourism terroir (physical, natural, cultural resources, i.e., landscape/rural scenery; sense of arrival; climate conditions; local gastronomy; authenticity; art; tradition; lifestyle)</li> <li>• Accessibility (proximity to urban/tourism centers; signposting; distance from airports etc)</li> <li>• General tourism infrastructure/complimentary attractions and activities</li> <li>• Destination management, marketing and branding (DMOs; regional/local winemakers' associations; other vertical/horizontal partnerships and synergies; wine routes; consistent images and messages; information offices; specialized wine tour operators; (in destination and elsewhere); other joint marketing activities and promotional strategies; maps; social media marketing)</li> </ul>
<b>Core Wine Product</b>

- 
- Viticulture (total vineyard area; grape varieties; expansion/reduction trends)
  - Reputation of the wine region: Appellation; Indigenous varieties; Protected Designation of Origin (PDO)/ Protected Geographical Indication (PGI) wines; bio and natural wines; exports; total number of labels
  - Structure of the wine industry (size; age; large corporations; cooperatives; degree of family ownership; boutique wineries; number of wineries per wine company)
  - Critical mass of tourism-hosting wineries; landmark wineries
  - Price (lowest and highest; tasting packages)
  - Bottled wine as a percentage of total wine production
- 

### **Wine Tourism Infrastructure**

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- Investment in wine tourism and future plans
  - National Wine Tourism Certification Label
  - Winery ambience (signage; architecture and design)
  - Level of involvement in wine tourism (seasonality, business hours; years involved)
  - Carrying capacity (how many visitors can be sustained?)
  - Wine tourism infrastructure and facilities (tasting room; sales point; restaurant; accommodation; SPA; wine museums/exhibits; meeting space; wedding/ events space; picnic areas)
  - Wine tourism services and products offered (tour in the winery/vineyards; wine tasting; vertical wine tasting; Snacks/light lunch/full lunch; sales of wine/food/local craft/other products; audio-visual material; self-guided tour; participation in harvest activities; cycling/car riding through the vineyards; children activities; picnic; hosting social events)
  - Visitor guidance; number of languages provided
- 

### **Marketing Strategies for Wineries**

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- Entrance fees
  - Reservation booking system
  - Personalized wine tours/ packaging
  - Participation in wine contests; exhibitions, events and festivals; Number of awards; expert reviews
  - Winery's website (basic/rich information; interactivity; internet commerce adoption); Social Media use and campaigns; Newsletters; Wine Club
  - Other promotional activities (brochures; wine magazine advertisements)
  - Networking (participation in winemakers' associations/ clustering/ extroversion)
  - Examples of innovation/best practices
  - Data collection; other planning strategies
- 

### **Human Resources**

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- 
- Winery manager's socio-economic and psychographic characteristics (origin; age; education; training; background in wine/tourism; experience abroad; past crises experience; life-style)
  - Family history in wine (generation of wine business); Members of family involved in wine business/wine tourism (profile; background; experience)
  - Winery staff and vintners' skills
  - Personnel involved in wine tourism (profile; educational level and background; years of experience in wine tourism; foreign languages spoken; full-time; part-time)
  - Resident Population (labor force; support for viticulture and wine/tourism)
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### **Demand**

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- Visitors in region (origin; types; length of stay; first-time/repeat visitation; buying and behavioral patterns; preferences)
  - Expenditures (at wineries and elsewhere in region)
  - Wine tourist socio-economic profile and psychographics; profiles and segments; solo travelers vs organized groups; sources of information and types of social media used; motivations; preferences; wine involvement/knowledge;
  - Visitor satisfaction/perceived and comparative destination image/value/service quality
  - Assessing wine tourism experience (i.e., Trip Advisor comments and feedback)
  - Participation in other tourism activities/visits to other attractions
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### **Perceived Resilience**

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- Resilience Scale (Planning/Adapted, see Prayag et al., 2018)
  - Winemakers' perceptions towards wine tourism development (goals for wine tourism; critical issues, constraints and threats)
  - Perceived level of support by local/regional/national stakeholders
  - Employees', local residents' and other relevant stakeholders' attitudes
  - Perceived constraints/threats to the resilience
  - Training needs/skills assessment
- 

### **Actual Resilience**



#### *Wine Tourism Performance Indicators*

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- Visitation numbers; seasonality
- Cellar door sales as a percentage of total sales; percentage of visitors who make a purchase; average amount per transaction
- Percentage of visitors joining winery clubs
- Labor costs as a percentage of net revenue; sales generated by staff per hour of work
- Share of wine tourism revenues against total revenue
- Contribution of wine tourism to local development (number of employees)

#### *Other Indicators*

- Annual Turnover
  - Debt/Equity
  - Access to finance
  - Level of debt
  - Profitability and net profit
  - Export activity and trends
  - Liquidity
- 

Source: Own compilation (after Getz & Brown, 2006; Terzyiska, 2017)

### **Conclusions**

The purpose of this study is to assist academics and practitioners in improving their understanding of the dynamic characteristics and change patterns of wine tourism. Outlining the need to consider strategic planning as a co-creation process within business, local/regional or wider networks, the current report represents an attempt to integrate the resilience paradigm in Benchmark Analysis of wine tourism destinations. The analytical framework developed is both process- (focusing more on “how” rather than “how much”) and performance- (being related to the results of an organization’s operation) oriented (Camp, 1989; Terziyska, 2017).

Future studies could build upon the present work by investigating additional aspects related to wine tourism benchmarking. Besides, given that encouraging learning and broadening participation have been addressed as basic principles for building resilience and sustaining eco-system services (Biggs, Schlüter & Schoon, 2015), more comparative research is needed on identifying the training needs of winery operators and staff within Benchmark Analysis. In this respect, synergies between scientific community and winemakers’ associations or other wine tourism bodies towards data collection, training and best practices exchange are of utmost importance.

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Wine tourism as a means towards economic profitability for the  
Canary Islands' wine sector: Recommendations for  
collaboration-based initiatives

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## Introduction

The Spanish autonomous region of the Canary Islands is an archipelago constituted by eight islands located Northwest of the African continent, at 28°N (location on Annex AN1). With 2.15M people (Canarian Institute of Statistics, 2020a), it has an economic model essentially based in tourism, with services representing 77,8% of the gross domestic product as opposed to the 1,6% yielded by the agricultural and fishing sector (Canarian Institute of Statistics, 2020b).

Wine has played a relevant role in the history of the Canary Islands since the 15th century, and after facing a decline over time, gained impetus again in the 1990s, when local denominations of origin were created and modernizations in viticulture and winemaking were introduced. Among the characteristics of Canarian wine production are the over 70 identified indigenous grape varieties that mutated within the region over the course of 500 years and are still cultivated (Marsal *et al.*, 2019), 100% pré phylloxera ungrafted vines, dark volcanic soils, and unique vine training methods. The production volume of around 9.9 million liters (Canarian Institute of Agri-food Quality, 2018a) is almost entirely pledged to one or more of the eleven DOs. Challenges of wine production include the geographic insularity, the high altitudes and the social configuration in small and micro businesses that add up to the impossibility of mechanized work. The costly and artisanal nature of production is further aggravated by severe droughts and other unpredictable climatic phenomena that have compromised the performance of past vintages.

As for Canarian tourism, it has grown to be the top contributor in employment creation and, due to the almost 16M visitors in 2018, represent 35% of the region's GDP (Exceltur, 2019). Tourists are drawn to the region by a well established sun&beach based image (Promotur, 2019a), which is dissociated from a destination brand based on rural products, and therefore does not favour awareness of the availability of local wine, let alone of wine tourism activities. Visitors are not familiar with this offer not only because of the strong presence of continental Spanish labels (Alonso & Liu, 2012a), but also due to the retainment of 93% of the Canarian wine production by the local market (Canarian Institute of Agri-food Quality, 2018b; OEMV, 2020).

The past decades' growth of the tourism and service industries has worked to emphasize already existing matters like the lack of generational renewal in local rural areas. As Rodriguez-Donate *et al.* (2017) note, with yields diminishing every year and more opportunities arising in the urban sphere, producers are relinquishing agrarian activities. Proof of this is that the land surface used for *Vitis vinifera* has decreased 27% from 2009 to 2017 (Canarian Institute of Statistics, 2020c).

There are some inherent issues derived from a scale-based touristic model, where economic expansion is dependent on growth of the number of visitors. This can be problematic because (I) it leads to long-term impacts in environmental and societal structures, (II) of the

imminent exhaustion of the carrying capacity, and (III) of the economy's vulnerability to unpredictable occurrences such as the 2020 Covid-19 pandemic. Diversification of offer is an acknowledged measure for mitigating these problems, especially when it helps to enhance local cultures by mobilizing travellers with interest in engaging with and spending more on specialty products.

On that note, wine tourism has long been interpreted as an effective path towards economic reinvigoration of rural territories, as both wine and tourism are "products which are differentiated on the basis of regional identity" (Hall *et al.*, 2000 as cited in Brás *et al.*, 2010, p. 1623). When a relationship between them is established, they are able to contribute to businesses by means of product branding and place promotion. Scherrer *et al.* (2009) point out how dependent on sun & beach mass experiences the Canarian tourism offer is, and advocates for an "expansion of the destination image to reflect the region's wine-making history and scenic qualities" (p. 451).

Concerning the potential impacts of wine tourism on a destination, Skinner (2000) notes that it leads to increased expenditure, and therefore employment in better conditions. This is paramount for rural areas facing the continuous exodus of young people, a matter commented by Alonso & Liu (2012b) under the perspective of small, familiarly structured businesses such as the majority of local wineries, who face increasing pressure for expansion. Many of these producers do not relate to the idea of broadening their businesses in the name of an upscaled model, which could be a path for guaranteeing financial sustainability. As an alternative, wine tourism has proven to be another manner for small enterprises to achieve profitability, since winescapes are themselves a major motivation for wine tourists to visit a wine region and thus have naturally made it an objective for stakeholders to "maintain aspects of 'traditional' rural lifestyles and agricultural production" (Hall *et al.*, 2000, p. 11 as cited in Poitras & Donald, 2006, p. 427).

## **Methodology**

To appraise what can foster or hinder wine tourism development in the Canary Islands, private and public agents involved were contacted. For this, three surveys were created: Survey 1 (Appendix A1), for the Regulatory Councils of DOs, Survey 2 (Appendix A2), targeted at Cabildos (public insular governance bodies) and each island's Group of Local Initiative, and Survey 3 (Appendix A3), for winery owners and managers. For the latter, semi-structured interviews were conducted by telephone, while surveys 1 and 2 were sent out via Google Forms. All queries were held in Spanish. Phone interviews were fully recorded and transcribed with Google Cloud's Speech-to-Text machine learning technology, then translated. For the analysis of the qualitative data, the methodology employed was content analysis with a directed approach.

Interpretation of data took place in three steps: in stage 1, responses were read multiple times as individual testimonials, and then in a cross-interpretive manner. Codes and categories were identified and confronted with the ones recognized by a Word Cloud service. A final list of 146 codes was later distributed in 8 categories (Appendix A4). Stage 2 held a comparison between statements and codes, where patterns and correlations were searched for. As the process led to some findings, interviews were again reviewed, and hypotheses with little confirmation were removed. Lastly, in stage 3, findings were linked to the research question and the SWOT analysis (Appendix A5) conducted in the beginning of the investigation.

## **Results and discussion**

32 statements were collected, and rates of response according to the roles of stakeholders are shown in Appendix A6. All DOs are contemplated in the sample of respondent wineries, and all islands with DOs are represented in responses of public agents. Islands without DOs (La Graciosa and Fuerteventura) were not contacted. Figures 1 and 2 (Appendix A7) convey the perspective of winery owners/managers on the needs and challenges of the wine tourism sector. The interpretation of data collected in surveys have led to findings that are here on out presented.

### *Finding I: The local wine industry is not traditionally characterized by sectoral union*

In addition to territorial configuration, respondents also mentioned the social structures as hindering factors to unison of the Canarian wine community. One example is the highly artisanal nature of production, which is more driven inwards to the familiar nucleus and to the cultural differences characteristic to each insular space, rather than seen as a common ground. There have been advances in the past years in terms of integration, but strategies for collaborating are not rooted aspects of this sector's *modus operandi*, highly conditioned to sociocultural factors that are common in traditional systems of subsistence in rural environments.

### *Finding II: Wine tourism can be useful in addressing problems faced by the industry*

Participants of Survey 3 were asked about the benefits that wine tourism brings both on a collective/regional level, and on an individual/business level, and results are shown in Figures 3 and 4 respectively (Appendix 8). Responses acknowledge that wine tourism works as an alternative to sun and beach tourism, thus supporting offer diversification, and helps to captivate a more environmentally engaged public. It's also clear to participants that it can become a significant contributor of cash flow and increase earnings by cutting the middlemen in the supply chain, for which the distribution is largely carried out by big Spanish corporate brands before ending up on local supermarkets or HORECA channels. Finally, the perspective of having economically sustainable options and the dynamization of activities in rural areas help entice

young people to stay in or come back to work in these territories once they've acquired training, subsequently supporting generational renewal in the countryside.

*Finding III: There's space to improve professionalisation in the wine industry*

The historical arrangement in which wine production is generally carried out for subsistence means rather than for profit has resulted in an industry lacking training in business management, viticulture and enology. As such, production volumes are low and bound to remain so, which helps to explain why the sector hasn't yet engaged in significant associations made to pursue a general collective mindset, where players would, more than just struggle to preserve their businesses, also push forward as a cohesive, integrated, profit-driven community.

On the matter that entrepreneurs will hardly want to risk undertaking activities in which they don't feel knowledgeable or skillful, and with which they have had little contact, Hall *et al.* (1998) note that information gaps hinder the building of networks that tend to largely support the growth of enterprises. The more public institutions step up to inform players on their possibilities, and offer training and professionalisation programs that can foster regional development, the more networks are articulated and the more they disseminate information.

The three respondent Cabildos affirm being currently engaged in wine tourism development on their respective islands. As for the regulatory councils, a mere 30% affirmed having a specific strategy for wine tourism development on the territory ascribed to their DO. A rate of 78% of the interviewed winery owners and managers have shown to consider that public institutions have been ineffective in the past decades, but nearly 40% of them also believe that leadership initiatives should take start in the articulation of the private sector by the creation of prolific networks, and that training and professionalization could follow this stage.

*Finding IV: Collaboration is a key component*

The engagement of the local community with tourism activities, resulting from perceived economic and environmental benefits, bolster the value and esteem of local culture (Macionis & Cambourne, 1998 as cited in Skinner, 2000). This is potentialized as wine tourism fulfills its role in building networks and supporting local ecosystems, either through public policies, or cooperation-based initiatives carried out by the private sector. Either way, as Poitras & Donald (2006) note, "only through collaboration, or at least all-party involvement, can a sustainable strategy for wine tourism be formulated and implemented" (p. 443). In the case of the Canary Islands, the matter of collective brand identities as a strategy for integration and development of the wine tourism sector has been previously referred to by other researchers (Alonso *et al.*, 2012a) and, from different angles, by participants in this study. One approach to the idea of a common hallmark for the industry is the one introduced by the DO Islas Canarias and its english



flag "Canary Wine". On the other hand, subscription to small, local denominations remains functional for most business models who rely on the preponderance of the local market.

Yet another approach to the idea of a common brand is a collective venture that can overcome - and profit from - the same local idiosyncrasies that hinder the sector from finding common interests, while not necessarily having to alter the legal framework modulating Canarian wine. It is, instead of one single wine brand, one common wine destination brand. If diverging interests in a cross-sectoral panorama cannot be standardized, a common ground can be resorted to so as to craft a new solid backdrop upon which policies can be created and practical actions can be taken - the common ground being 'Enoturismo Canarias' or any other simple, unifying message.

#### *Final considerations*

What participants believe to be the most acute needs of the wine tourism sector can be directly related to perceived challenges (Appendix A7). For example, the lack of training and high production costs are challenges that can be addressed by the public sector with training programs to help with the former and subsidies for the latter. The 'personal attitude', mentioned by nearly half of participants, refers to the realization that not much is needed to open the cellar doors to tourists, also a most cited need. As for the challenges of fragmentation and lack of projection - of the wine product and the wine tourism product -, they can be addressed through collaboration and eventually with the establishment of a strong brand in the international market, which in turn can be achieved with digital presence and the help of entities charged with regional promotion.

Three topics found over the interpretation of responses were employed as spheres of action on a recommended framework of initiatives, shown in Appendix 9. Topics are: 1- Professionalisation; 2- Personal Initiative; and 3- Collaboration. All three topics coincide with respondents' perceived needs and challenges and are all elementary factors upon which a successful wine destination may be established, and individual businesses and collective associations alike may thrive. This framework is targeted at local wineries by taking into account the simple resources a business needs to start undertaking enotouristic services. While consisting of a non-exhaustive list of examples of collaboration-based measures that can foster individual and collective growth for the Canarian wine tourism sector, it contemplates different stages of implementation and maintenance of enotouristic services, and relies on as-autonomic-as-possible strategies so that even micro producers with little training on subjects pertained consider them feasible.

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## Appendices and annexes

### *Appendix A1: Translated survey for Regulatory Councils of Wine DOs*

1. Name, surnames and position at the regulatory council:
2. Name of the DO subject to the exercise of this regulatory council:
3. Is there a defined strategy for the establishment and development of wine tourism in this DO's territory?
4. If so, what are its main strategic guidelines?
5. What future projects related to wine tourism are currently being contemplated in the territory of this DO?
6. What are the main resources within the DO's territory that can be used for the development of wine tourism?
7. What are the main wine tourism products and services currently being offered within the territory of this DO?
8. What specific initiatives related to wine tourism are currently being mobilized by the regulatory council?
9. What do you consider to be the main obstacles faced by the sector? And its main needs, goals and challenges?

### *Appendix A2: Translated survey for Cabildos and GLI*

1. Name, surnames and position at the institution where you work:
2. Name of the institution and island where it is located:
3. Contact email:
4. Contact telephone number:
5. Is there a defined strategy for the establishment and development of wine tourism under the scope of activity of this institution?
6. If so, what are its main strategic guidelines?
7. What future projects related to wine tourism are currently being contemplated on this island?
8. What are this island's main resources that can be used for the development of wine tourism?
9. What are the main wine tourism products and services currently being offered on this island?
10. What specific initiatives related to wine tourism are currently being mobilized by this institution?
11. What do you consider to be the main obstacles faced by the sector? And its main needs, goals and challenges?

***Appendix A3: Translated survey for winery owners, entrepreneurs and managers***

1. Name, surnames and position at the winery:
2. Name of the winery and island where it's located:
3. DO(s) to which the winery is subscribed:
4. Total annual production (average of past 3 vintages) in bottles:
5. Proportion of sales in the Canary Islands, mainland Spain and other countries
6. Winery's most important sales channel:
7. Does the winery keep a database about its visitors?
8. Does the winery apply customer satisfaction surveys to evaluate its services?
9. How does the public get acquainted with the winery?
10. Will the winery keep providing wine tourism services?
11. When has it started offering wine tourism activities? What was the initial motivation?
12. Is there a defined strategy for the establishment and development of wine tourism at the winery?  
If so, what are its main strategic guidelines?
13. What wine tourism products and services are currently being offered?
14. What future projects related to wine tourism are currently being contemplated?
15. Do you welcome tourists without reservation? What about on weekends?
16. Are there people exclusively dedicated to wine tourism activities at the winery? If so, how many?
17. What percentage of the winery's total revenue corresponds to wine tourism?
18. What sort of partnerships and collaboration-based projects does or can the winery carry out?
19. What benefits does wine tourism bring to your winery? And what about to the region?
20. How do you see the performance of public institutions in terms of leadership and wine tourism development?
21. How do you see the performance of the private sector in terms of leadership and collaboration for wine tourism development?
22. What do you consider to be the main obstacles faced by the wine sector? What about the wine tourism sector?
23. What do you consider to be the main needs, goals and challenges faced by the wine sector?  
What about the wine tourism sector?
24. How do you perceive the existence of 11 different DOs in the archipelago?

*Appendix A4: List of codes and categories*

fundamental characterization	territory	sector structure	wine tourism experiences
winery	history	institutions	shop
wine	islands	sector	visit
tourism	traditional	Regulatory Council	tasting
production	hotels	politics	service
rural	archipelago	municipality	tour
viticulture	water	actions	activities
enotourism	banana	private	online
customer	landscape	business	events
grape	culture	restaurants	holiday
money	local	interest	discover
agriculture	resources	young	experience
revenue	cheese	distributors	philosophy
enterprise	denomination of origin	unity	opportunity
public	situation	network	rentability
product	varietals	family	source of income
quality	grapes	competition	awareness
infrastructure	world	people	tour operators
project	different	group	
security	powerful brand	high prices	
sustainable	big		
market / commercialization	problems	needs and challenges	new skills
profitable	slow	work	skills
trade	harvest	name	english
economic	costs	everyone	instagram
exportation	excuses	ideas	strategy
channel	complicated	voice	communication
wine fair	problem	possibilities	administration
price	needs	start	promotion
market	small	interest	publicity
label	no one	knowledge	data
offer	fragmentation	open doors	management
foreign	uniting	development	brand
international	helping	initiative	planning
sell	defend	creativity	media
digital	enough	change	training
visibility	collaboration	recognition	future
webpage	stength	information	poфессионаlization
negligence	majority	forward	
		beginning	
		competence	
		goals	

**Appendix A5: SWOT Analysis**

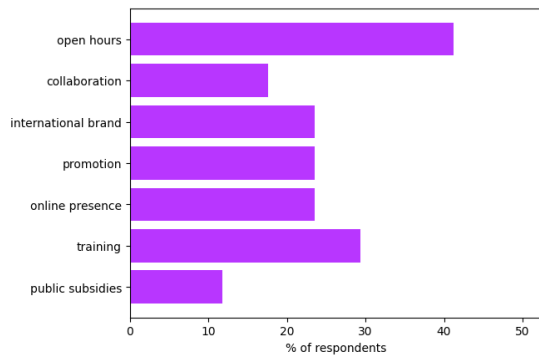
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>- 60+ indigenous varieties</li> <li>- unique territory and landscapes</li> <li>- loyalty of local market</li> <li>- diversity of styles and identities for the wine product</li> <li>- interesting history and narrative to be appropriated</li> <li>- variety of local produce to be associated with wine</li> <li>- 16M tourists a year</li> <li>- high rate of repeated visitors (71%)</li> <li>- general tourist profile coincides with European enotourist profile</li> <li>- variety of tourism products to be associated with enotourism (eco, active, astro, gastro)</li> <li>- some pushing enotourism forward (Bodegas Monje, El Grifo)</li> </ul>	<ul style="list-style-type: none"> <li>- costly and labor-heavy wine production</li> <li>- lack of resources for investing in wine tourism</li> <li>- weak sense of valorisation</li> <li>- destination brand image is incoherent with wine tourism</li> <li>- lack of international visibility of the wine product</li> <li>- insular territory - hard mobility and market insularity</li> <li>- little transportation infrastructure</li> <li>- lack of marketing/communication/business skills</li> <li>- multi-level competition: producer x producer; island x island; archipelago x mainland</li> <li>- sectoral decentralization with 11 different DOs</li> <li>- few collaboration-based projects</li> <li>- few cultural and financial incentives for increasing profitability</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>- wine themed accommodations</li> <li>- target local market</li> <li>- partner with HORECA and gourmet wine shops</li> <li>- wine routes</li> <li>- partner with providers of other tourism modalities</li> <li>- collective advertisement strategies on destination</li> <li>- open doors at once</li> <li>- data intelligence systems (satisfaction surveys, customers' database)</li> <li>- tackle local market by identifying segments</li> <li>- small events outdoors</li> <li>- appropriate local narrative (territory, varieties, production, history and diversity ) for a collective wine tourism brand</li> <li>- profit from slow tourism and local-driven behaviour trends</li> </ul>	<ul style="list-style-type: none"> <li>- climate emergency</li> <li>- economic recession following Covid-19 crisis</li> <li>- mobility and sanitary restrictions following Covid-19 crisis</li> <li>- Brexit</li> <li>- lack of generational renewal leading to business succession challenges</li> <li>- development pressure in rural areas</li> <li>- replacement of vine cultivation for other more profitable crops</li> <li>- protagonism of Torres in distribution and big hotel chains in tourism industry</li> <li>- influences of other agricultural sectors' lobby (bananas, tomato)</li> <li>- dropping wine consumption</li> <li>- more attractive prices of continental cheap wines</li> </ul>

**Appendix A6: Response rates for surveys applied in this study**

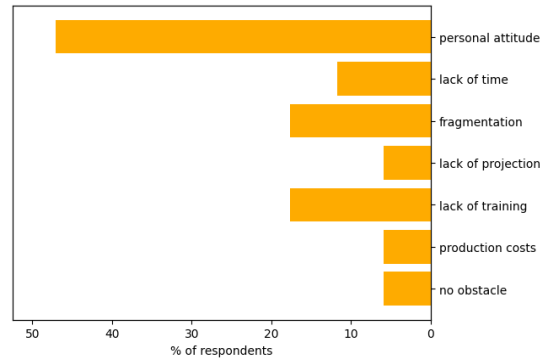
	total contacted	total responses	response rate
Regulatory Councils	11	10	90.9%
Cabildos	6	3	50.0%
Groups of local initiative	7	2	28.6%
Wineries - general	92	17	18.5%
Wineries - Cluster of Enotourism of the Canary Islands	12	10	83.3%
<b>total</b>	<b>116</b>	<b>32</b>	<b>27.6%</b>

**Appendix A7**

**Figure 1**  
Perceived needs of the wine tourism sector

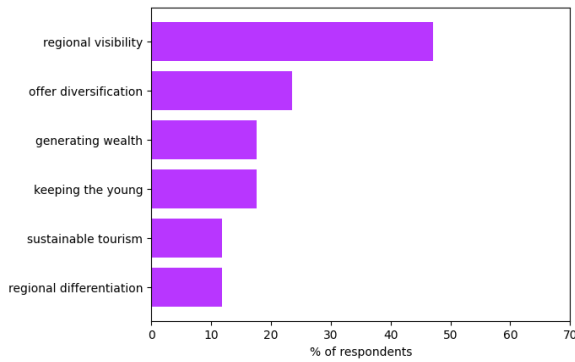


**Figure 2**  
Perceived challenges of the wine tourism sector

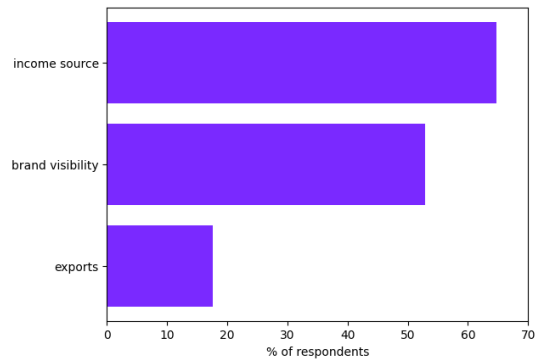


**Appendix A8**

**Figure 3**  
Perceived benefits for the region

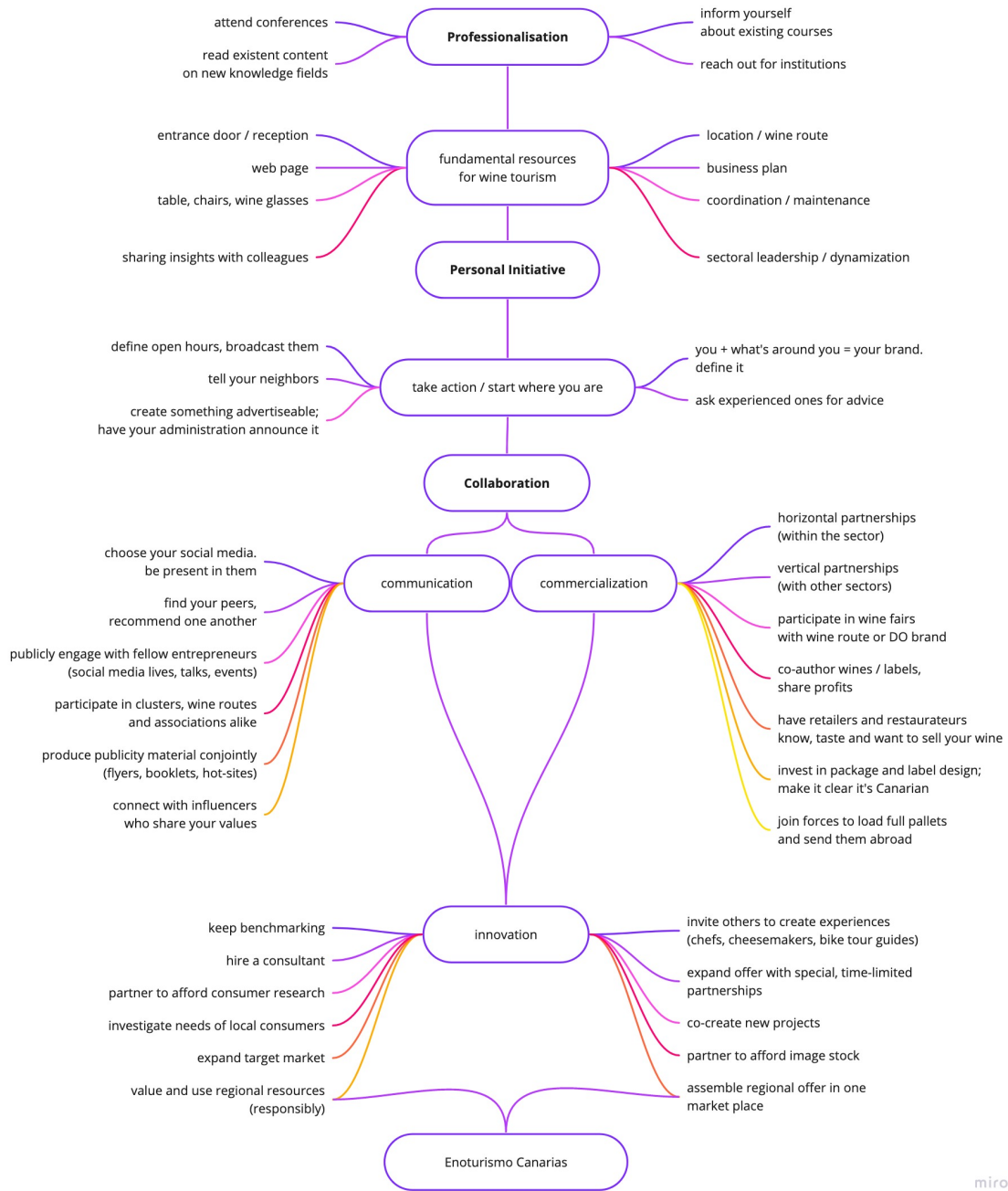


**Figure 4**  
Perceived benefits for the winery



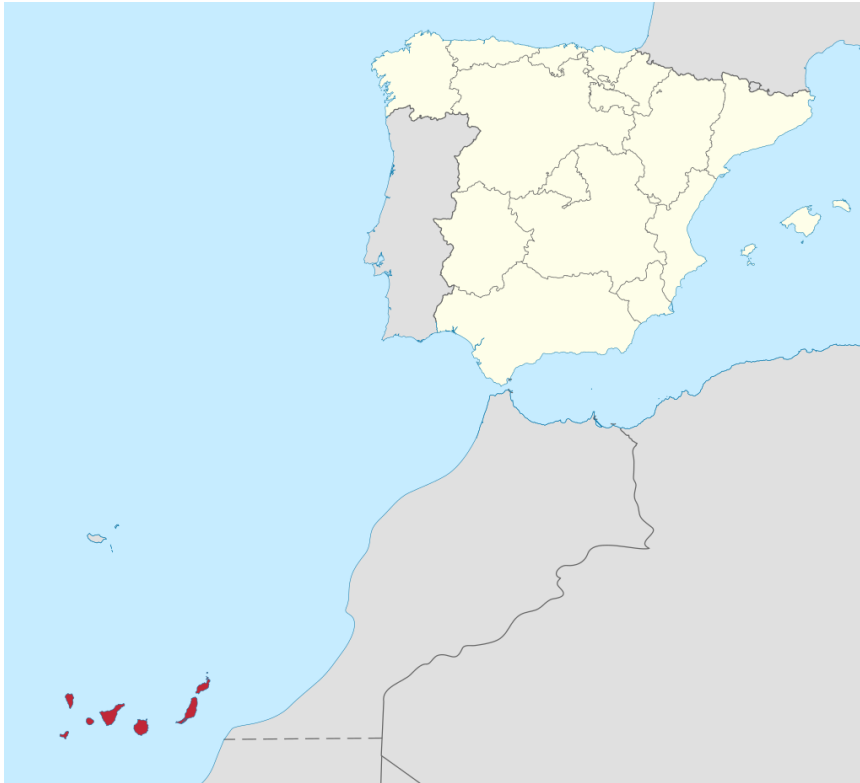


**Appendix A9: Action framework for developing wine tourism in the Canary Islands**



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*Annex AN1: Location of the Canary Islands*



Is wine tourism profitable for wine companies?  
Literature review

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## 1. Wine industry context

As defined by Hall (1996; 2000) wine tourism includes the experiences of “touring vineyards, wineries, wine festivals, and wine exhibitions, where wine tasting and/or experiencing the attributes of the wine region are the principal factors of motivation for the visitors”. In their recent review Andelix et al., (2019) demonstrated the increasing interest of tourism industry in wine tourism. This has been confirmed by the growing number of academic publications in the field. This trend is coupled with the rising income of wine tourism (Faugere and Bouzdine-Chameeva, 2013). For instance France has seen 10 million of wine tourists in 2016 compared to only 7,5 million in 2006 (Lhuillier, 2019). If two decades ago wine tourism used to be a novelty, it is now considered as a strategic asset for a winery. However according to Andelix et al. (2019) there is a lack of economic studies compared to the marketing research in the field.

The common idea of profit is the positive result of the difference between company’s income and its expenses<sup>1</sup>. If the concept is a part of the common business knowledge, the definition of the profitability does not make consensus in management literature. The profitability of a business implies a positive result of the profit difference. Profitability can also be measured by the ratio comparing yields and structures of different size within a given sector or even among different sectors. It serves as an essential tool for strategic decisions in a company, including investments into new activities or increasing the capital of the company and endowing the overall sustainability of the business model.

How do we interpret profitability in the wine industry? The wine industry is a highly fragmented sector where substantial differences cohabit, from one country to another, and sometimes within the same country from one region to another and also within the same region. As an example, there are 232,900 wine producers in France and the top 10 brands control only 4% of the market. In contrast, the four firms control over 75% of the Australian wine market. (Roberto, 2011). Nevertheless, the wine production has been studied for a long time from an economical point of view, and it has been possible to streamline the production profitability (DiVita and Damico, 2013). Pappalardo et al. (2013) implemented the above formula and proposed ratios to use, involving surface area, workforce, subsidies and taxes payed to measure wine production profitability across the EU member states.

On the other hand, mainly seen as a secondary or side activities, it is necessary to be as fully understood and streamlined. As a growing part of the wineries’ activity, tourism is still lacking in - depth analysis in the economic studies (Remeňová, 2019). Carlsen (2004) underlined the extremes opposite way to consider wine production and wine tourism. They are basically presenting the antipodes of the winery’s supply chain and each of these two activities is essentially different from the other in terms of management, marketing and investing into. Nevertheless, tourism and production do have to find a synergy in order to optimise a survival strategy for small and medium wineries’ management.

The winery market is extremely diverse, consequently the wine tourism strategies applied in wineries are also diverse. We can observe very contrasting situations where some wineries invest in wine tourism as a relationship marketing tool while others consider wine tourism as their best hope for survival (Hojman and Hunter-Jones, 2012). As part of the tourism industry (Tyrrell and Johnston, 2007), wine tourism is also linked to sustainability issues, and company’s dynamics. So far, it impacts the wine industry’s business models (Ouvrard et al., 2020). Some wineries keep the wine related activities to the bare minimum of visits and onsite wine tasting while others focus on developing a synergy with food tourism, and hospitality services (Robinson et al. 2018).

Facing the multitudes of structures and options, we observe that developing profitability index and ratio method for the wine tourism could help a better understanding of stakeholder’s engagement at the winery level. Wine tourism activities and offers can be developed by a wine estate, as a most

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<sup>1</sup> Business & Management Dictionary. 2007, p. 5046.

representative case of Old world companies' structure (example France and Italy), versus the activities that can be proposed by non-productive units such as wine brokers or wine merchants (Montaigne and Coelho, 2012). Coming back to the grounded definition of Hall (1996 and 2000) these activities could include: vineyard and wine cellar visits, wine tasting, cultural exhibitions, food and accommodation on-site services.

## 2. Review methodology and hypotheses

The first step was to measure the amount of publications related to our subject. Using the EBSCO Database and its Boolean search engine, we focused on academic publications. The numbers results were compared to Google Scholar results to check if the trend was biased by the database. We also used the same key words in Andelix et al. (2019) to browse the tables describing the research topics developed in each wine tourism related article.

**Table 1.** Key word search in EBSCO database, Scholar and Andelix et al. 2019 results

Key word combination	Results of Search in EBSCO*		Google Scholar	Andelix et al. (2019) review	
	Results	Period	Results	Key word	results
Wine	2 188	1953-2020	2 900 000	Wine	543
Wine Tourism	95	2000-2020	204 000	W i n e Tourism	195
W i n e t o u r i s m + Marketing	19	2008-2020	85 200	Marketing	55
Wine + profitability	5	2013-2017	69200		0
W i n e T o u r i s m + Profitability	1	2017	17400		0
Wine + Business	191	1983-2020	1630000	Business	9
Wine + Business Model	8	2011-2020	866000	Business Model	0
W i n e T o u r i s m + Business Model	2	2012-2019	94200		0

\*Key words in Subject Terms and Academic Journal only

Looking at the period of publication and the amount of articles, we noticed that “profitability” is a new term, and not much exploited. If marketing is a subject if not mature yet, at least well approached, the business side of the wine tourism has been barely touched in regards of the wine industry in general. This very few number of publications about profit generation of Wine Tourism could be explained by different reasons. First it would be the fairly recent professionalization of wine tourism in wine companies. This leads to the second reason which could be the difficulty to gather a big enough sample of reliable data. If we look at some strong studies in business performance such as Du Jardin (2015), they include more than 16 000 companies' data over an 8-year period of time. Such a study related to wine tourism effect on the performance of wine companies has never been achieved so far.

### **3. The wine tourism's income sources**

As defined previously, the first step to calculate profit is to list the incomes and the expenses on the account item. Here the present literature review combines marketing studies and economic publications in an attempt to recall all the different sources of incomes for wine tourism activities.

The first wine tourism income is generated by wine tourist's expenses during their visit of the property, enjoying different wine related activities. The profile of the wine tourist is similar to that of the wine consumer (Shor and Mansfeld, 2010) and consequently wine tourists represent the company's potential consumer market. Brunner and Siegrist (2011) identified six segments of wine tourists: the price-conscious wine consumer; the involved, knowledgeable wine consumer; the image-oriented wine consumer, the indifferent wine consumer; the basic wine consumer; and the enjoyment-oriented, social wine consumer. Barber et al. (2010) described the wine tourist person as "willing to pay for environmentally friendly wines". Women seem to be more concerned by environmental values and more entitled to make a purchase. Further than the purchase decision, the amount of sales could be directly affected. The list of wine tourism benefits includes "the potential to significantly increase wine sales" (Alonso et al. 2015) coming second after promoting the brand names, for wineries predominantly located in Italy and Spain. Tourists, coming from abroad or outside of the region, to visit the wineries, end up buying wines which they would not discover otherwise in their original country or region.

Developing these wine related activities and adding a more diversified offer, can also increase customer's loyalty. In (Byrd et al. 2016), the authors found that "the importance of customer service was found to be the primary predictor of intentions for repeat visitation". We can easily see how an enjoyable wine tourism experience can add-on to the relationship building with former and new customers and increase the sales volumes.

Unlike goods' production industry, tourism is demand-driven and price making (Carlsen, 2004) directly creating value and increasing profit. Tourism is a way to raise the value of the wines sold by improving their reputation and sharing a whole experience. Faugere and Bouzdine-Chameeva (2013) showed that the bestselling wines during a winery tour are the medium and high end products of the range. The same authors also mentioned the positive and essential impact of the public policies of the region or the country. The development of regional cooperation between hospitality services and the wineries' activities brings up another interesting synergy for success and income growth. The governmental organisations can improve the profitability by subsidising wineries involved in a global wine tourism dynamic movement (Faugere and Bouzdine-Chameeva, 2013).

The research developed by Remeňová et al. (2019) is one of the rare studies on the profitability in wine sector with the analysis of financial ratios. They proposed a financial approach and analysed wineries' performance depending on whether they were offering wine tourism activities or not and comparing the diversity of the proposed wine tourism activities (none to five.) Even if the results are not significant in terms of profitability for these two different groups of wineries, this research confirms that developing touristic experiences increases the number of revenue streams for a wine company, which is always an asset.

### **4. The wine tourism's costs for a winery**

After listing the different income benefits of wine tourism we focus in this part on the costs of these activities for the winery. Starting from a basic installation, the first investment is frequently a wine budget for the tasting, which can be a relatively minor investment for some wineries, and include the cost of food stock to be paired with wine during the tasting (Robinson et al., 2018; Faugere and Bouzdine-Chameeva, 2013). However, on the next level, investing in the infrastructures becomes probably the biggest expense in terms of costs (Faugere and Bouzdine-Chameeva, 2013). Though it should be seen as necessary in order to attract tourists and welcome them in the best conditions to

offer a really enjoying experience. For instance, in 2004 70% of the surveyed wineries in a Portuguese study had declared investments in their buildings and facilities and 100% were planning improvements (Correia et al., 2004).

To insure the activity's growth, the communication budget should be also included into the expenses as it is important to provide information about the winery's activities on offer. Online communication, being listed on tour operators, or being part of a regional or national guide require additional costs (Hojman and Hunter-Jones, 2012). Meeting the wine tourists' expectations on getting valuable experience (Getz and Brown, 2006; Brown and Smith, 2010) leads to additional staff recruitment or special investments on training for current staff in a wine estate. As the service side of the business grows, the hospitality industry becomes a model in terms of management. Studies on this service-based industry suggest that staff training is an essential investment to increase service quality and involvement (Waqanimaravu and Arasanmi, 2020) and constant investment in innovation, allows businesses to thrive thought a very competitive market (Sandvick et al., 2014), like the one of the wine industry.

To summarize we draw In Fig. 1 below the three main explanatory dimensions of costs in wine tourism taken from the literature and adapted from (Faugere et al., 2013) activities offered, investments in management and promotional costs. The elements of this scheme could serve for constructing a profitability index for wine tourism activities on a scale of a wine estate.



**Figure 1.** Wine tourism activity cost distribution, adapted from Faugere and Bouzdine (2013)

## 5. The profitability index of wine tourism for wineries.

As already suggested by Carlsen 2004, the lack of microeconomic studies has also been pointed out by (Remeňová and Jankelová, 2018) who stressed the importance of performing in-depth analysis of the relationship between wine tourism and wine production and the financial results of a wine estate. Remeňová et al. (2019) studied the profitability of different wineries in the Slovak region, and taking into account the total revenue, the gross margin, and the overall profits using wine tourism as a discriminant.

To be able to separate the income derived from wine tourism measure the direct profitability, a list of items has to be created. Yet, as mentioned earlier, wine tourism is frequently a secondary source of income for wine producers. Consequently, their accounting process might not be sufficiently detailed to establish the financial correlation with wine tourism. Probably due to constraints of data collection, the publications related to tourism have barely explored this level of microeconomics and therefore leaving the way open for future studies.

**Table 2.** Presentation of the cost, income and index list found in this literature review:

<b>Authors</b>	<b>Costs</b>	<b>Incomes</b>	<b>Profitability Index</b>
Getz and Brown, 2006	Staff recruitment and training for the experience		
Alonso et al. 2015		Increase wine sales	
Byrd et al. 2016		Customer loyalty	
Carlsen 2004		Value creation	
Waqanimaravu and Arasanmi, 2020	Service Quality Innovation		
Hojman and Hunter-Jones, 2012	Being part of a Tour		
Robinson et al., 2018	Wine tasting food pairing		
Correia et al., 2004	Building investments		
Faugere et Bouzdine, 2013	Investments : Staff training and recruitment  Buildings and outdoors Wine sample	Services : Tasting Wine shop Food shop  Accommodation L e i s u r e infrastructures	
Remeňová et al (2019)			Total revenue Gross Margin Profits



## **Conclusions**

After considering various studies on the marketing and economic strategy of the wine industry, we have outlined several interesting findings on sources of income and the importance of the diversity of the offer. We have also highlighted the academic studies, which investigated the impact of different costs of various activities of wine tourism. Our review is the first to bring together the rare publications which focus solely upon the financial aspects of hospitality management activities in this sector.

The profitability of wine tourism can be seen as the overall profitability of the winery or the profitability of each activity. An ideal “profitability” formula would include all the incomes and expenses on one hand and ratio on the other hand, in order to compare different units to each other. It should also include the influence of environmental factors: such as the dynamics and the reputation of the wine region, state policies and potential subsidies that may apply.

Analysing the potential profitability is the first step to connect the business modelling of wineries and their wine tourism activities. Being able to plan the best strategies could help the position of a winery when faced with crises both present and future.

Using the factors presented in Fig.1, we suggest developing further the profitability indices on the scale of a winery and detailing what wine tourism profitability means for a wine production company in future research.

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# Deeper understanding of wine tourism offer from wine producers' perspective: the case of Luberon in the Rhone Valley

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Wine tourism research has developed significantly in the 1990s, and was marked by an emphasis on descriptive and comparative studies whose main objective is to justify and explore the dimensions of this new sub-field of tourism (Getz and Brown, 2006). If the definition and conceptualization of wine tourism have been addressed by different but complementary approaches, most definitions of wine tourism do relate to the traveller's motivations and experiences. However, Getz (2000) stressed that tackling issues on this subject supposes to integrate three major perspectives: that of wine producers, tourism agencies (representing the destinations) and consumers. Thus, wine tourism is, simultaneously a form of consumer behaviour, a strategy by which destinations develop and market wine-related attractions and activities, and a business opportunity for wineries to educate consumers and to sell them their products (Carslen, 2004). From a business point of view, wine tourism offer is based on critical features that producers have to propose to fit consumers' expectations. It is also a set of complex relationships between wineries, wine region and the visitor-consumer (Bruwer and Alant, 2009). Adopting the wine producers' perspective, the aim of this research is to identify the key elements constituting a wine offer proposed in a specific area, Luberon in France, and to explore the relational network that wine producers set with others stakeholders. This research follows the logic of Pellicano et al. (2015) by adopting a Business Relational View and privileging a perspective that values the relationships among the main actors operating in the environment. Our objective is to extend the comprehension of wine tourism offer, and more specifically, to outline the existing connections and/or collaborations between the different actors. We will first define what encompass wine tourism or "*oenotourism*" and the wine tourism stakeholders constituting the relational context of wine offer, then we present the specific area that we studied in our pilot research, the Rhone Valley Region and the area of Luberon, and finally, the first results are discussed before concluding.

## **1. What encompass wine tourism?**

Wine tourism is quite complex to define. Hall et al. (2009) suggest that wine tourism comprises 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. Wine tourism belongs to what Williams et al. (2014, p. 4) called "gastro-tourism" that is "*the intentional pursuit of appealing, authentic, memorable, culinary experiences of all kinds, while travelling internationally, regionally or even locally*". Gastro tourism includes wine, beer and gourmet cuisine tourism. However, gastro tourism is frequently associated to other tourism categories (summarized by Willimas et al., 2014), such as agri-tourism, cultural or heritage tourism, geo or sports tourism. More recently Byrd et al. (2016) and Lignon-Darmaillac (2019) enlarge this definition focused on wine product to integrate supplementary activities. In this regards, Lignon-Darmaillac, (2019, p.217) outlines that "*wine tourism must be understood as a tourist and leisure activity in a wine-growing*

*region, implementing food, accommodation and cultural, recreational or sporting activities, in conjunction with the actors of the wine sector; producers, merchants, or cellarman, in the vineyards or the wine towns*". Wine tourism concerns activities directly linked to the wine product (core products/services) but also associated and supplementary services such as relaxation, recreation, tasting room, hospitality services, etc. (Byrd et al. 2016). There is a real issue for wine tourism to enhance consumer experience and for wine actors to differentiate themselves. Moreover, wine is less consumed, denounced as harmful to health, and must claim its cultural dimension to enhance perceived value. Wine can no more be reduced to a local product but should embrace a cultural inspiration, in new spaces (museum or art gallery for example), and new places for visits (castle or abbey) through a more and more differentiated tourist offer. According to Fontan (2019), wine actors have to deal with a large diversity of wine tourists (local, national or international) who have very different expectations towards wine tourism. Atout France (2010) proposes a segmentation of wine consumers into 4 categories: (1) *Hedonist tourists* who represent 40% of wine tourism are looking for pleasure in tasting and visit. They are mainly international tourists. (2) 24% of wine tourists are *Classic tourists* and search for a most global tourism experience, including the discovery of the area (nature, culture or heritage) and wine activities such as viticulture and viniculture. (3) Counting for 20%, *Explorer tourists* are interested by unknown places and associated wine activities. (4) *Expert tourists* representing 16% of wine tourists want to be initiated into wine making process secrets. Proposing a wine offer that can satisfy all these heterogeneous demands and experiences is a big issue for wine producers. It supposes to question the features of the offer that they are ready and able to propose and those that they want or plan to propose. Two options are possible: internalisation of the wine offer or collaboration with other wine tourism actors.

## **2. Wine tourism actors**

Wine tourism is not easy to develop because it combines a large range of stakeholders: suppliers, subcontractors, competitors, customers as well as public bodies, local incubators, investors, and even research institutes and universities. Moreover, vineyards are diverse according to their size and their notoriety (brand image or appellation reputation). Wine tourism is a complex ecosystem highly fragmented with a strong relational interconnectivity among business and institutional actors. It seems not easy to develop a network between all wine stakeholders because of lack of convergent objectives, shared vision, communication and strategies (Schreiber, 2004). To create a consumer experience, all these stakeholders have to collaborate as they participate to this experience and enhance the perceived value of the relation (Lemon and Verhoef, 2016). Building a system of relations between all these stakeholders is a key issue to be successful for the territory (as a system of actors) but also for the independent actors (wineries, distributors, associations). Several models have been recently proposed to identify and qualify the different stakeholders of the wine tourism

network. Based on the work of Moore (1993) and Deloitte (2005), Salvado and Kastenholtz (2017) suggest a wine tourism model based on four levels: (1) *Wine Tourism Pillars* is sustained by wine culture, territory, and tourism, which bring together all stakeholders' different interests. (2) *Wine Tourism Core Business*, related to the wine tourism core contributors (vineyards, farms; wineries, cellars owners; shops, tasting rooms, museum). (3) *Wine Tourism Extended Business* includes the *Extended Enterprises* with partners of core contributors such as suppliers of complementary regional products, services and attractions. (4) *Wine Tourism Interest-based Organizations*, considers local communities, social environment, government, cultural players. Pellicano et al. (2015) represent a relational context of the wine tourism offer. They propose a cartography of the different stakeholders according to the services that they propose: accommodations, catering, wine shop and café, cultural facilities, association for the promotion of the territory, producer associations, etc. Their work constitutes an interesting framework to understand activities constituting a global wine offer. Moreover, Giuliani (2013) and Begalli et al. (2014) investigate the strategic dynamics of these wine territorial systems. They focus on the relational space which results from these territorial systems in order to examine “*the formation, persistence and dissolution of new ties and how they contribute to the overall structural properties of local networks*” (p. 1407, Giuliani, 2013). Although these scholars have contributed to fill the gap of wine tourism research from a firm level and network perspectives, the context of their study concentrated on wine region in Chile and Italy. We propose to enlarge these researches to France by studying an offer in a specific territory: the Rhône Valley region (France), and more specifically the Luberon area.

### **3. A pilot study in the Rhone Valley: The case of Luberon**

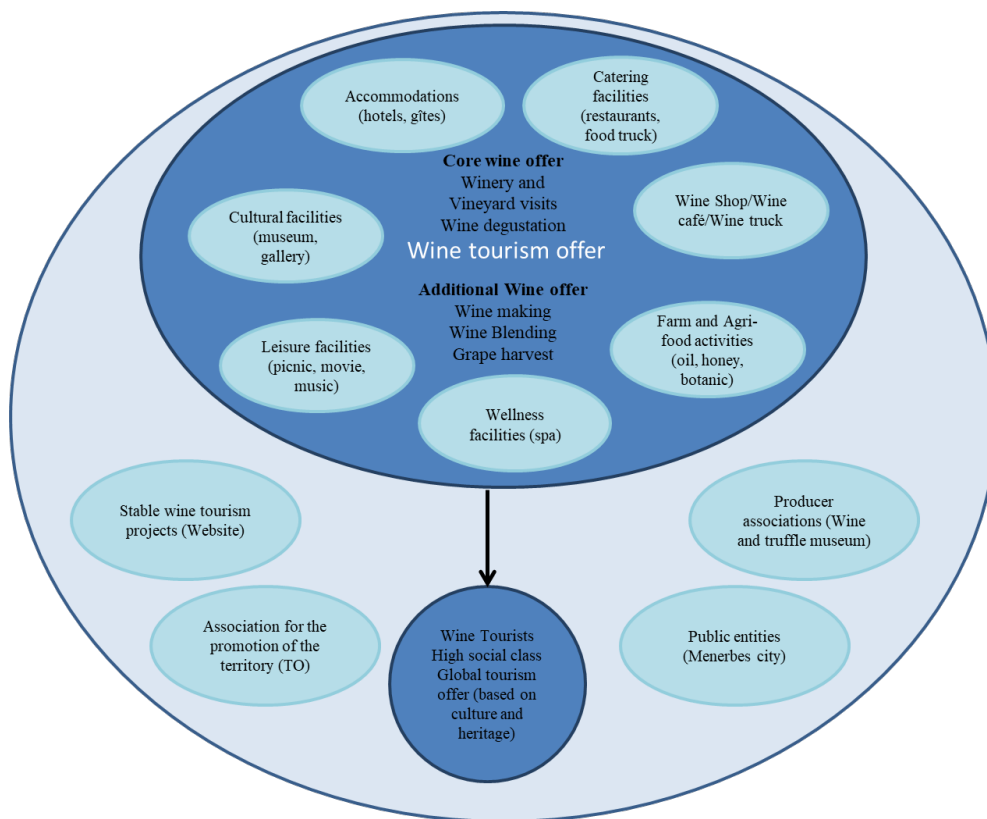
Although Côtes du Rhône Appellation is the second largest one in France behind Bordeaux due to the volume of wine production, it is barely mentioned as at top destination for wine tourism. Actually, the region is heterogeneous with very famous appellations (Chateauneuf du Pape, Côte Rôtie, Hermitage) but also basic wines like Côtes du Rhône, Côtes du Vivarais. If a massive tourist flow travels along the Rhône River, Côtes du Rhône is not a destination with a strong identity in comparison with Alsace or Val de Loire wine, as it is geographically very diverse. Practically, Rhone Valley is divided into different wine-growing areas. This division has not only a far-reaching consequence in the geo-oenological typology (climate, soil, grape variety characteristics are different) but also in the wine tourism specifications. In some areas, we find well-known and prestigious wines (such as Cornas, Condrieu and Gigondas) which are very attractive for wine tourists. In others areas, which are often less accessible, we find wines which are less known (Vin d'Ardèche and Côtes du Luberon) but which attract many tourists for other reasons (museum, landscape, outdoor activities). These tourists constitute a great opportunity for wine producers to develop their business. Nevertheless, because their wines have a limited notoriety, they can't capture many

tourists only thanks to their reputation. Therefore, wine producers have to propose wine tourism offers that will attract consumers who may not have come from themselves to their winery. These offers should combined core wine product features (e.g. chai visits) with additional products and/or services that are directly or indirectly associated to wine (e.g. walk in the vineyards or permaculture workshop). In order to specify these offers and because our study is exploratory, we decide to conduct qualitative interviews to tackle the perception of wine producers concerning their wine tourism offer in the specific area of the Luberon. This area is interesting for our research as it is a famous touristic destination in France which produces different wines, but which is not wine tourism centric like other French regions (Alsace, Loire or Bordeaux). In the Rhone Valley region, the Luberon represent only 5% designation of origin of wine production out of 47% of the global wine production. This area is well-known for its physical, natural and cultural environments. Tourists visit the Luberon because of their various and attractive tourist sites and activities. It is an authentic and picturesque place which offers the vestiges of its history, local products (melon, truffle, lavender honey, olive trees) and perched villages. The wine producers feel that they should take advantage of these territorial characteristics to attract and educate tourists.

Our data has been collected with an interview guide divided in two parts: the first one focus on the wine tourism offer and the second one of the environment of this offer. 6 Interviews have been conducting with major wine producers of the Luberon and 1 interview with the wine tourism responsible. This latter helped us to identify the most representative wine producers of the area specially in terms of location, size of vineyards and type of production. We combine these primary data collection with secondary data that we get from their website. If all wine producers have a website, only three of them mention wine tourism in a tab, confirming that wine tourism is not essential to their activities. However, the results of this research shed light on the features of wine tourism offer from a wine producer's perspective. Adapted from the framework proposed by Pellicano et al. (2015), Figure 1 is a conceptualisation of what the Luberon and wine producers offer to the tourists who visit their wineries. Compared to the research of Pellicano et al., (2015), we focus on the relational context of wine tourism offer to further explore the links between actors and offers proposed to consumers. Consumers are not included in our research. However, we plan to enlarge our study to this actor later. This choice is confirmed by the wine tourism responsible, who outlines that wine tourism is quite emerging in the Luberon and actors don't search for better consumer understanding, but rather search for visibility and profitability. In this regard, their offer combines a core wine offer based on few activities directly linked to the wine product with different types of facilities such as accommodations, catering, cultural facilities, wine shop and café, farm and agri-food activities, wellness facilities. If wine producers are offering facilities that are traditional in wine tourism, eg. winery and vineyard visits, wine degustation, they also propose other activities and facilities that are additional and supplementary. These activities are (1) additional wine activities such as (1) wine making, blending and grape harvest, (2) accommodations (hotels, bed and breakfast, gîtes), (3) catering (restaurant and



foodtruck), (4) wine shop, wine café and wine truck, (5) Wellness (spa), (6) farms and agri-food activities (oil, lavender honey and botanic), (7) leisure facilities (picnic, movie and music) and (8) cultural facilities (museum, art gallery). In this regards, our case study supports the recent understanding of wine tourism mentioned by Byrd et al. (2016) and Lignon-Darmaillac (2019). However, as wine tourism is an emerging orientation for Luberon wine producers, they do not consider consumers as an important co-maker, as suggesting by Pellicano et al. (2015). For the moment, their effort concentrates mainly on the organization and the structuration of their offers.



**Figure 1 :** Wine tourism offer and relational context in Rhône Vallée from a wine producer perspective

From a wine producer perspective, our case study highlights that relational context is not very developed in wine tourism in the Luberon. Most of the wine offer is internalized and wine producers do very seldom collaborate with others tourism stakeholders. According to the wine producers we have interviewed, the main problem is a lack of resources (time and people) to develop collaborations and partnerships. The relationships are mainly linked to communication and promotion of their offer through tourism office. However, the tourism office begins to organize and coordinate meetings and events with and between different wine producers of the Luberon to attract consumers in the area. It orchestrates the wine tourism offer, by building the wine identity of the Luberon going beyond its territorial definition,

based on its natural (natural reserve), cultural (heritage) and gastronomic characteristics. Moreover, some wine producers, due to their specific position, have strong relationships with public entities (one wine producer is the city mayor; another one has created the wine and truffle museum). If all wine producers perceive the importance of this relational context to propose a much differentiated and experiential offer for tourists, there are very few to develop initiatives with stakeholders of their area (only one wine producer is proposing a concept store in which local artists and local agri-food producers can propose their products to tourists). However, they all mention future projects that will involve more actors, for example a common website share by all wine producers and others major stakeholders. The integration process in wine tourism is in its infancy but is essential for wine producers to propose an adequate offer to tourists.

To conclude, this communication aims to identify the keys elements constituting a wine offer proposed in a specific area, the Luberon in France, and to explore the relational network that wine producers set with others stakeholders. It is very contributing to wine tourism research on several aspects. First, it confirms that wine tourism offer is constituted of core wine activities (product centric) and supplementary services in the wine area (service centric). Wine producers should be conscious of these two dimensional aspects of their wine offer and integrate them in order to satisfy customers' expectation. They should also question their main motivations for wine tourism (increase wine bottle selling, diversify risks, etc.) Second, it outlines that, in the Luberon, the wine offer is very large and integrates most tourism features identified in previous researches. Third, the Luberon wine context is characterised by very few relations developed between different stakeholders. Several explanations can be highlighted: the characteristics of the territory (the Luberon is not a well-known area for wine), the wine producers (wine producers are not native, most of them come from another region and the wineries are not familial). Wine producers have to conduct a reflection on their motivations to internalize wine tourism and the drivers and difficulties that they expect and face to develop relations with others stakeholders. Finally, it presents a pilot study in a wine region (Rhône Valley) which is seldom studied in researches and in an area (the Luberon) where the wine is not famous and where tourists do not come for this product.

Among the perspectives that this communication emphasizes, we propose to further the study on core and supplementary services in the whole Rhône Valley (South Ardèche and Taint-Tournon area). This should be very interesting as the Rhône Valley is not a homogeneous wine region. Moreover, we propose to increase understandings, mappings and explanations of cooperation and synergies' development between stakeholders of wine tourism by conducting complementary studies. Finally, the benefits derived and value created from wine tourism should be discussed from a wine producers' perspective.

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# **Social Representation influences the Wine Tasting Experience in proximity tourism**

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## **Introduction**

Even if Wine Tourism is no longer defined by wine tasting and includes patrimonial aspects, experiences in Wine Tourism systematically embrace wine tasting which can be seen as the core of Wine Tourism Experience. As food products encompass wine and reflect an appropriation to individuals either on praxeological and psychological aspects, wine tasting seems to be at the very point of that patrimonial appropriation and might reflect its action-related aspect whereas the psychological aspect can be studied through Social Representations (SR). Thus, one stands according to literature that expertise plays a key role in the structuration of the SR. This paper highlights the influence of the SR (psychological aspect) on the 4Es Wine Tasting experience (praxeological aspect) encompassing product through a reflexive formative 2<sup>nd</sup> order model. Outcomes such as memory and word of mouth are also mobilised for a better understanding of the practical and fundamental implications.

### **1. Theoretical frameworks**

It is well-established that wine tourism embraces more than wine tasting (Sigala, 2019a). Wine tourists seek for experiences related to patrimonial aspects including wine directly or by extension. Pine and Gilmore's (1999) experience economy model (4Es: Education, Esthetic, Entertainment and Escape) fits with this statement, including a cross-continuum between dichotomic states of being and action (active-passive participation and absorption-immersion in the experience). As developed in tourism literature, wine tourism has its own experiences in each experience typology (Quadri-Felitti & Fiore, 2012). Nevertheless, wine is the core product of Wine Tourism Experience because it is seen as inseparable from it (Byrd et al., 2016). Eating and drinking seem to be an act of transfer which includes appropriation in order to establish self-meaning and identity towards a product (Brunel et al., 2009). In this, the praxeological factor plays a fundamental and recursive role through action and psychological meaning for the individual. Thus, wine tasting appears as the developmental point of this appropriation for which level of expertise might be an explanative variable. Indeed, acquiring expertise means the repetition of action and the modification of psychological aspects through practicing and verbal exchange. As so, it means repeating wine tasting experiences because consumers' experiences lead to the acquisition of increased expertise in the class of products (Alba & Hutchinson, 1987). Some recent literature in cognitive and neurocognitive psychology has shown that invariance is at the core of learning through categorization process, despite of the subjective experience (Doumas, & Martin, 2018; Grossberg, 2019) and that the expertise level is a relevant factor of differentiation between groups either as on perceptual aspect as on conceptual knowledge (Spence, & Wang, 2019). This means that all individuals follow the same (neuro)cognitive learning process despite of their own experience with the product, but also that each level of

expertise belonging group has its own conceptual knowledge, enhanced by practice and social exchange.

Thus, social psychology is fully relevant for a better understanding of conceptual knowledge because of the group-focus based on invariance learning-processes across specified groups, defined by level of expertise. Indeed, Social Representation Theory (SRT) is adequate to the highlighting of the conceptual knowledge of a group. Some literature in social psychology refers to Social Representation Theory in order to explain behaviour towards wine (Lo Monaco & Guimelli, 2008), in which expertise is also seen as an influential variable (Simonnet-Toussaint, Lecigne & Keller, 2005). Social Representations (SR) are a process which aims to simplify the surrounding world through the cognitive categorization process (Rosa & al, 2011). This categorisation process can be seen as hierarchical (Rosch, 1973; Ladwein, 1999), in which lower categories belong to the upper ones. As so, words belong to categories, which make all together the social representation of an object, which would be confirmed through a 2<sup>nd</sup> order formative concept (Hair, Howard and Nitzl, 2020, Hair & al, 2019, Kunkel, Funk, & Lock, 2017). SR are known to be representative of a set of ideas, values, knowledge of a group and so refers to conceptual knowledge (Kalampalikis, & Apostolidis, 2016; Dany, 2016). They also connect people to their cultural and social world (Pearce, Moscardo, & Ross 1996) so that their use becomes more common in tourism research. By so, it fits perfectly Wine Tourism Research because of its assets belonging to regional differentiation, leading to territorial branding (Marlowe, & Lee, 2018). SR also represent the individual appropriation of reality by the individual subject or one's belonging group, considering the belonging to a place as an identity mobilization.

Thus, here, Wine Tourism SR can be seen as an endogenous variable which would give the expectations of congruence between wine tasting experience and product, as the first step of wine tourism consumption experience (Arnould et al, 2002). The trend towards the rediscovery and enhancement of a regional heritage appears to be becoming a factor in the (re)development of tourism linking innovation and identity (Falardeau, Bourdeau, & Marcotte, 2018), being accelerated by the digitalization of the world (Ait Heda & Meyer, 2016), and more recently by the health crisis of 2020 (BPI France/HORWATH, 2020). Wine, food and tourism can be differentiated at the region level because they reflect local identity (Hall et al., 2005), and domestic tourism responds to the current demand of local dynamisation of rural territories because of its economical contribution to region growth (Llorca-Rodríguez, García-Fernández & Casas-Jurado, 2020). Moreover, authors showed the potential of domestic tourism in rural areas in France, especially linked to the gastronomy cluster (Bel, Lacroix, Lyser, Rambonilaza, & Turpin, 2015).

Burgundy is a French region where the wine heritage is essential (Delaplace & Gatelier, 2014) and the wine tourists numerous. However, on the one hand wine consumption in France is

decreasing since decades and on the other hand number of foreign wine tourists increase whereas the one of French wine tourists decrease. According to the current situation and issues, proximity tourism seems to be a relevant perspective knowing that socio-cultural proximity and inter-regional tourism have come to the attention in research (Szytniewski et al., 2017). Proximity tourists are defined by literature as people from neighboring areas staying in their region for a weekend, a short stay (Jeuring, 2017) or at least 4 hours same-day trip (Wynen, 2013). Moreover, their frame of reference and the link to experience and memory differs from traditional tourists (Diaz-Soria, 2017), which legitimates the narrow focus on this population.

For a better understanding of the wine experience development regarding to local stakes, the present study focuses on proximity tourists in Burgundy. It also splits this sample in groups according to level of expertise for a better understanding of the SR structuration of wine tourism. Authors specifically focus on beginners because of “the need to make the wine world more accessible and understandable to a wider audience” (Frochot, 2009, p.68).

Due to those statements, this study explores wine tasting context itself and seeks to show 1/that SR structuration (psychological aspect) can be considered as reflexive-formative 2<sup>nd</sup> order construct among beginners because of its hierarchical conceptual aspect reflected by categorization process and 2/ authors are likely to support that, according to literature, psychological aspect represented by SR plays a role on the praxeological one, formed by attitude towards product (P), lived experience (4Es), memory and word of mouth.

## **2. Methodology**

This study combines two surveys with the online conduct mode. The results of survey 1 which were nominal are put into survey 2 as discrete variable.

**Survey 1.** The first study was conducted between December 2017 and January 2018 The survey aims to highlight the consensus of the representation of Wine Tourism among a sample of 450 French people through a verbal association task for which the inductor was “Wine Tourism”. People had to give 5 words who came at mind when the inductor has been told. Among all the words given and after data treatment, the most frequent different words corresponding to at least 10% of the number of respondents were selected (Lacassagne & al., 2014). 16 words appeared. Authors noticed an issue with the words “Bourgogne” and “Bordeaux” because of their ambiguity in French language. In order to be the more objective as possible, ones decided to refer to localization as well as wine designation (Burgundy (region), Burgundy (wine)/ Bordeaux (town) and Bordeaux (wine)). This consensus (18 words), identified as the Social Representation of Wine Tourism, was fed back into the second survey in the form of a Likert scale (7-points scale) in order to nuance the belonging of non-negotiable features of the core representation (Lo Monaco et al., 2008).

**Survey 2** The second survey has been conducted between November 2019 and December 2019 on 232 respondents. It links SR, 4Es, product and classical outcomes among a sample of 232 Burgundian beginners in wine through a PLS-SEM analysis. Besides words from the first survey, the questionnaire includes 1/ an exploratory scale called attitude towards product (P) measuring quality of product (QP) (Bujisic & al., 2018) and product congruence with projection (PC) for which authors created 2 items, 2/ the EE scale (4Es) adapted from to the very context of wine tasting and so seen as exploratory (4 factors). Outcomes consisted in memory and Word of Mouth (WoM). Those three last variables are adapted from Oh et al. (2007). The questionnaire ended with socio-demographics (age, gender, occupation, wage, education, children at charge, department of living) and psychographic information (frequency of wine consumption, preferred wine).

**EFA assessment** Ones ran an EFA with principal axis and oblimin rotation .The words from the 18 words becoming from study 1 resulting from this EFA were selected in the model to validate Social Representation as a 2<sup>nd</sup> order reflective-formative construct.

Those variables are summarized in a higher order model reflecting the whole SR as latent variable, ran with SmartPLS 3 for which SR is seen as formative-reflective because of the categorization theory. P is seen as formative-formative, whereas the economy experience is seen as split into its own factors. This choice is based on the interest of highlighting the impacted factors and their respective role on outcomes. Research model is presented in Appendix A.

**1rst order model assessment EFA** The previous EFA of beginners showed two factors shaping the core of their representation (Appendix B). The first factor can be called “Global” because it contains the very prototypical definition of Wine Tourism for the sample. This factor explains 46,8% of variance, whereas the second explains 20% and refers to Bordeaux as a region yet also as a wine product. The Kaiser Meyer Olkin and Bartlett’s sphericity test are correct (KMO=.912;  $\chi^2=2676$ ; Df=153;  $p<.000$ ). The correlation between the two SR factors is quite high and justifies an index ( $r=.467$ ).

**Outer-model assessment** In the model, all saturations and loadings on formative constructs factors of the first level are considered as correct. Authors used SmartPLS 3 to perform confirmatory factor analysis (CFA) and followed Hair’s and al. (2019) recommendations for testing the model. All items which didn’t satisfied the .6 exploratory threshold have been removed. The reliability is checked through Cronbach’s Alpha for which the value should exceed the threshold of 0.6 as an exploratory research and composite reliability (CR). CR should exceed 0.7. Discriminant validity was tested using HTMT inference criterion (appendix 4) instead of the



Fornell-Larcker criterion because Henseler, Ringle and Sarstedt (2015) demonstrated this approach's superior performance by means of a Monte Carlo simulation study, in which they compared HTMT to the Fornell-Larcker. According to those authors, HTMT values must be under .85 so as constructs are seen as different. Finally, AVE must be up to .50 and checks convergent validity.

**Reliability** Cronbach alphas for the two SR factors are of .87 for "Bordeaux" factor and .91 for "Global". Cronbach alpha for product quality is .80, cognitive image of product .72, memory .85, WoM .85, Entertainment .77, Escape.87. Thus, the Cronbach alpha of all first order factors is sufficient except for Esthetic and Education for which the alpha is just above .6 (respectively .62 and.67). Nonetheless, authors decided to keep them in the model because of its exploratory purpose. Composite Reliability is above .7 except for Esthetic and Education which are above .6 but are kept for the same purpose as written above.

**Discriminant Validity** Hetero-Trait Mono-Trait show that all constructs are under.85 except for Esthetic and Knowledge for which it is .98.

**Convergent Validity** Average Variance Extracted is above.5 except for Esthetic and Education (respectively .356 and .421).

**Conclusion :** Esthetic and Education are two factors who can possibly generate weak measure issues, despite of the satisfying significant loading of their items onto their respective factors.

**2<sup>nd</sup> order model assessment through Confirmatory Composite Analysis** Second-order model was run with the same indicators and LVs factors for SR as a formative construct and Product as a reflexive factor.

**Outer model assessment Reliability** Attitude towards product has a Cronbach Alpha of .80. All the other constructs keep the same Cronbach alpha as in the 1<sup>st</sup> order model. SR is a formative construct for which Cronbach alpha is not relevant. Variance Inflation Factors for Bordeaux and Global are under 3 (1.140 for each) and significance belonging of those constructs to the latent variable from a 5000 subsample bootstrap is satisfying for both factors (weight=.900,  $t=24.495$ ,  $p<.000$ , "Bordeaux" weight=.724,  $t=3.528$ ,  $p<.000$ ).

**Discriminant Validity** HTMT shows the same issues as in the first order model concerning esthetic and knowledge factors. None of the 2<sup>nd</sup> order factors seem to address any issue.

**Convergent Validity** The convergent validity is satisfying for the reflective-reflective Product factor with .677. As the SR is a formative-formative construct, AVE is not relevant.

**Model fit** The model fit is correct according to Hu & Bentler (1999) because it is below .08 (SRMR=.076,  $\chi^2=543.55$ ). Ringle (2016, quoted in García-Machado & Jachowicz, 2017, p. 24) also admits a cutoff of .10.

**Inner model assessment** All internal VIFs are below 3 so collinearity is not an issue between the factors. The explanatory power ( $R^2$ ) is very low concerning Experience (from .028 to .108), moderate concerning WoM (.496) and Product (.317) and high concerning memory (.621) (appendix C).

**Hypothesis** Authors supported the hypothesis that SR as a psychological aspect would play a role on outcome variables seen as praxeological aspect, either through direct or indirect path. More precisely, because of the recursive link between the main concepts, authors stand that SR would play a role on memory, which would be mediated by experience (H1) and attitude towards product (H2). The relation between SR and WoM would be mediated by product or Experience (H3, H4). Moreover, SR of Wine Tourism would be congruent with lived experience, as well as with product, so might play a direct role on them (H5, H6).

### 3. Results

#### *Direct effects*

SR play a significant role on three of the four factors of economy experience (Esthetic ( $\beta=.317$ ,  $p<.000$ )>Education ( $\beta=.292$ ,  $p<.000$ )>Entertainment ( $\beta=.267$ ,  $p<.000$ )) and a tends to be significant on the Escape factor ( $\beta=.169$ ,  $p<.086$ ). SR also plays a direct role on the product ( $\beta=.413$ ,  $p<.000$ ). H5 is partially supported. H6 is fully supported.

#### *Indirect effects*

**SR effect on WoM** SR has effects on WoM with 4Es mediators as Esthetic ( $\beta =.057$ ,  $p<.05$ ) and Education ( $\beta =.0.067$ ,  $p<.05$ ). SR has effect on WoM through mediation of the product ( $\beta =.144$ ,  $p<.000$ ) H3 and H4 are fully supported.

**SR effect on memory** Experience mediates the link between SR and memory through the Esthetic ( $\beta =.123$ ,  $p<.000$ ) and Education ( $\beta =.058$ ,  $p<.05$ ) factors of experience. Product also mediates this link ( $\beta =.168$ ,  $p<.000$ ).H1 and H2 are fully supported.

### 4. Discussion and research perspectives

This research tries to emphasize the formative nature of SR as a 2<sup>nd</sup> order construct as a psychological aspect and its influence on praxeological concept. First, results show that SR can be considered as a reflexive-formative exploratory construct because of its statistical model assessment. SR triggers categorized patterns whose influence directly or indirectly the classical marketing and tourism outcomes. Indeed, SR has a minor but direct influence on experience and a strong influence on product. As for experience, it seems that Education and Esthetics are the two most important factors among beginners, because of their influence in the model. Indeed,

only those two impact memory, as mediators of the link between SR and WoM or SR and memory, even if SR impacts three out four of the 4Es factors.

SR also plays a strong direct role on product, so that product might be congruent with the expectations of Wine Tourism for beginners. This leads to a real embedded model in which product is at the core of Wine Experience. It also draws the basis of a recursive learning scheme between psychology and action. Here, the model shows that beginners have a SR split into two factors: global and Bordeaux. The first factor refers to a very prototypical and non-structured representation of wine tourism. Indeed, all the words refer to the same concept, because of the low knowledge and practice about wine and wine tourism. The second factor is minor compared to the first one, but its significance shows an identity concern. The sample consisted in people from Burgundy and EFA shows that Burgundy loads on the “global” factor whereas “Bordeaux” is another factor, which can be explained through cultural and patrimonial concern. Nonetheless, further studies have to be done in order to understand better the expectations of customers according level of expertise, but also to draw experiences according to the congruence with SR.

## APPENDIX A: Research model

## APPENDIX B: Factor loadings of the EFA concerning the structuration of representation of Wine Tourism among beginners

### Factor Loadings

	Factor	
	1	2
<b>Cellar</b>	0.871	0.270
<b>Wine</b>	0.865	0.262
<b>Degustation</b>	0.830	0.296
<b>Vine</b>	0.792	0.384
<b>Vineyard</b>	0.724	0.441
<b>Burgundy Wine</b>	0.611	0.579
<b>Bordeaux (City)</b>	0.890	0.228
<b>Bordeaux (Wine)</b>	0.881	0.198

Note. 'Principal axis factoring' extraction method was used in combination with a 'oblimin' rotation

## APPENDIX C: R2 and Q2 of the model

**R2 Q2 WoM** 0.496 0.152

**Entertainment** 0.091 0.075 **Escape** 0.028  
0.014 **Esthetic** 0.108 0.090 **Education** 0.097  
0.080 **Product** 0.317 0.217 **Memory** 0.621  
0.159

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The role of nostalgia and residents' attitude toward wine festival  
tourist development:  
the case of Mendoza Vendimia wine festival

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## **Introduction**

Research on residents' perception of the tourist impacts and on their support for tourism development have proliferated over past years reflecting the importance of the role of residents in the development and management of tourism destinations (Nunkoo & Ramkisoon, 2013).

Wine producing destinations not only provide authentic landscapes for the development of wine tourism but also provide cultural materials with the creation of wine festivals that are major tourist attractions and important motivations for travel to a destination (Getz, 2000; Getz & Brown, 2006; Hall, 1996; Houghton, 2001; Park, Reisinger, & Kang, 2008). Wine festivals can promote wine regional tourism and stimulate tourism visitation (Yuan, Cai, Morrison, & Linton, 2005), allow wine tourists to taste and visit wineries (Hall & Mitchell, 2001; Hall & Macionis, 1998) and enjoy entertainment and being with friends (Getz, 2019).

Fiesta Nacional de la Vendimia is one of the most famous wine festival in the world. In 2020, this wine festival attracted more than 71 500 tourists. This annual festival proposes to attendees religious ceremony, parade, fireworks, wine tasting and artistic performances during nine days. According to National Geographic, this event is the second most famous harvest festivals around the world and the first one dedicated to wine. The high point of this event is a live show provided by more than 1 000 artists at the Frank Romero Day amphitheatre in Mendoza (Argentina). This event, named the Central Act, is one of the largest outdoor performances in the world and ends with the election of the Harvest Queen who will represent the region and promote the destination.

This wine festival provides to residents and tourists an authentic experience. Indeed, this festival is the opportunity to revive winemakers' old traditions, relive the history of the vine and wine in the region, pay tribute to all the people who work in the vineyard and share wine celebrations and rituals with the community. In this way, this wine festival may generate nostalgic feelings among local people. Previous research has identified several motivations to attend wine festivals mostly based on attendees' individual characteristics, intangible benefits (i.e. entertainment, socializing, escapism, novelty seeking, hedonism, education, authenticity...) or experiential needs (Park, Reisinger, & Kang, 2008; Yuan, Cai, Morrison, & Linton, 2005; Getz, 2019). However, few wine tourism research has examined wine festival residents' motivations to attend the wine festival. Moreover, the possible impact of nostalgia on residents' motivation to attend the festival has received little attention.

The number of wine tourists visiting Argentina increased by 17% in 2019 and by 82% in the last ten years. The presence of growing tourists in the wine festival of Mendoza may generate positive, mainly economic, and/or negative impacts as intrusiveness or loss of cultural identity (Seraphin, Gowreesunkar, Zaman, & Bourliataux-Lajoinie, 2019). Moreover, Getz (2019) indicated that impacts of wine festivals to residents have only been mentioned in the literature, so there is a need to more empirical research.

This research aims to better understand the role of nostalgia as a prime motivating factor to attend the Mendoza wine festival and the residents' attitude toward its tourist development. The following research questions are formulated: Do nostalgic feelings influence Mendoza wine festival

attendance by residents? Do residents support the wine festival tourist development? To answer to these questions, this research begins by defining the concept of nostalgia and by presenting the literature about the residents' attitude toward tourism development. Then, this article explains the methodological choices. Finally, it details and discusses the results of the research.

### **1. Nostalgia as a motivating factor**

Holbrook and Schindler (1991) define nostalgia as « a preference (general liking, positive attitude, or favorable affect) toward objects (people, places, or things) that were more common (popular, fashionable, or widely circulated) when one was younger (in early adulthood, in adolescence, in childhood, or even before birth) » (p. 330). In 1992, Stern distinguished two types of nostalgia: historical nostalgia referring to the desire to return to a past considered better than the present; and personal nostalgia conceived as the individual's own past but in an idealized version (Phau, Quintal, Marchegiani, & Sean, 2016; Havlena & Holak, 1991).

Research have shown that nostalgia is linked to attitude toward a brand, particularly in the advertising field (Marchegiani & Phau, 2010), purchase intention (Holbrook & Schindler, 2003), brand preference (Holbrook & Schindler, 1989) and brand attachment (Fournier & Yao, 1997; Kessous & Roux, 2006; Lacoëuilhe, 2000). In general, research found that nostalgia generates positive influence on consumers' attitude toward product and brand. However, some articles show that sometimes nostalgia can cause negative consumers' reactions (Barauskaitė & Gineikienė, 2017). This literature has, nevertheless, received little attention.

Sometimes, individuals can have the impression of return to the past through the consumption of nostalgic activities. Tourism can be considered as a kind of nostalgic leisure activity. Indeed, some research found that nostalgic feelings can be considered as travel motives (Sellick, 2004; Phau, Quintal, Marchegiani, & Sean, 2016). In their research Holak and Havlena (1992) identified five situations that conduct to nostalgic sentiments: people, specific objects, intangible stimuli, special events and places. The latter involves places where individuals have grown up or places where individuals have lived or experienced intense emotions (Baumgartner, 1992). Thus, attending a cultural event or festival could be motivated by nostalgic feelings. Nevertheless, the study of the role of nostalgia as a motivating factor to attend wine festival has received little consideration.

### **2. Residents' attitude toward tourism development**

Over the past several years, a number of research have focused on residents' perceptions and attitude towards tourism and its impacts. In general, researchers found that residents are likely to be inclined toward tourism development (Andereck, Valentine, Knopf, & Vogt, 2005). Indeed, according to the social exchange theory, described by Ap (1992) as a « general sociological theory concerned with understanding the exchange of resources between individuals and groups in an interaction situation » (Ap, 1992, p.668), residents will tend to support tourism development if they have a positive attitude toward this industry and if they perceive positive results of the exchange with individuals involved. Thus, a resident who derives benefits from that exchange, and if these

benefits outweigh the cost, is willing to evaluate tourism on a positive way and participate in and support its development.

Residents evaluate tourism impacts with respect to economic, socio-cultural and environmental characteristics. These dimensions appear to impact residents' attitude toward tourism. However, the economic dimension dominates the literature. Indeed, this dimension influences the most residents' positive attitude toward tourism and is often the most valued dimension by local authorities.

Increased number of tourists lead also to sociocultural impacts. Some researchers found positive impacts such as enhanced quality of life (Perdue, Long, & Allen, 1990), pride (Andereck, Valentine, Knopf, & Vogt, 2005; Reisinger & Turner, 2003), preservation of hosts' cultural identity (Liu & Var, 1986; Huebner, 2015), transmission of cultural beliefs and rituals (Chen, 2000) or cultural activities stimulation (Andereck & Vogt, 2000). Other studies found that residents perceive some negative aspects such as cultural commercialization (Brougham & Butler, 1981; Cohen, 1988), intrusiveness (Gursoy & Rutherford, 2004), cultural practices adapted to suit the needs of tourists (Ap & Crompton, 1993), touristification, erosion of traditions (Dogan, 1989) and loss of sense of belonging and sense of place (Seraphin, Gowreesunkar, Zaman, & Bourliataux-Lajoinie, 2019). Thus, literature reveals contradictory results and there is no consensus on the influence of sociocultural impacts on residents' attitude.

Little but growing research has studied the impacts of special events on local residents. In general, events are an important travel motives and are included in the planning and management of most destinations. Research based their work on the literature of residents' attitude to more general tourism activity. However, events studied are mega and major sporting events such Olympic Games, World Cup or Australian Grand Prix (Fredline, Deery, & Jago, 2013). Thus, there is a need to include events of different types in the analysis and to better articulate cultural events and residents' attitude toward tourism development. Moreover, too often, destinations focused more on the funding part of the event than the evaluation of impacts (Liu, 2015) and on benefits rather than costs (Getz, 2019).

### **3. Methodology**

The review conducted by Nunkoo and Ramkissoon (2013) indicates that the majority of articles published in the resident's attitude toward tourism field used quantitative methods (72,1%). Thus, some researchers admit there is a need for qualitative methods (Deery, Jago, & Fredline, 2012).

In order to better understand the role of nostalgia in wine festival attendance and the residents' support for its tourist development, we gathered 20 biographic narratives from residents of Mendoza during a visiting PhD in the Universidad Nacional de Cuyo from February to May 2016. Through snowball sampling, we interviewed 10 men and 10 women, ranging in age from 20 to 62 years old with varied occupations, and who have attended the wine festival regularly in their lifetime. Respondents were asked to invite residents they know who are wine aficionados. This term is used to refer to consumers who take a serious interest in the wine and who seek to develop skills,

knowledge and experience related to this product, in other words, they aim to acquire a cultural competence (Maciel & Wallendorf, 2017).

In sociology, biographic narratives are defined as a narrative interview during which a researcher asks an individual to tell all or part of his past experiences (Bertaux, 2016 [1997]). In management sciences, biographic narratives method developed in the 1990s. However, the use of this method is still unexploited (Özçağlar-Toulouse, 2005). With this method, the individual scale is articulated with the context to which the respondent belongs. It gives free rein to the narration of individuals and the apprehension of each individual's reality. A narrative framework was designed in order to make sure that themes were discussed but the researcher intervened as less as possible and encouraged respondents to become the master of the interview. In this way, we asked respondents to tell the story of their life from and around their relation with wine giving it an interpretation. Thus, through biographic narratives, we have reached a dimension difficult to access with only semi-structured interviews.

Each biographic narrative was conducted in Spanish and lasted 49 minutes on average. Biographic narratives gathered were totally recorded and transcribed. We conducted thematic analysis in order to identify recurrent themes (Miles & Huberman, 2003).

Mendoza has been chosen for several reasons. First, the region is part of the network of world wine capitals created by Great Wine Capitals. Secondly, a significant number of research in our field have been conducted in developed countries and more precisely in places where rural tourism and leisure areas are important (Nunkoo & Gursoy, 2012). Finally, with the existence of the wine festival for several years, we think that residents perceived tourism impacts, both positive and negative, more heavily than residents of less developed regions (Madriral, 1993).

#### **4. Results and discussion**

Every year since 1936, the wine festival of Mendoza pays tribute to the cultural identity of local people and celebrates harvest traditions and the work of winegrowers. The festival attracts thousands of attendees and helps to promote the wine destination (Getz, 2000). This long existence tends to create a deep attachment from residents. Moreover, the wine festival, through its staging, proposes them to go back to their origins, to an idealized past, so this reinforces the historical nostalgia of residents (Stern, 1992).

*« The city takes on different color; people go back to their roots » - Josefina*

*« Once they made a reconstruction of the Andes crossing on horseback, like General San Martin did it. They always put a little bit of wine history, history of Mendoza, the natives, the canals. Finally, everything the natives did. And it is very interesting. » - Ignacio*

The low score on the long term orientation dimension of Hofstede typology of countries (2001) tends to explain these nostalgic feelings. Indeed, for Argentinean people, it is important to maintain old traditions and norms. Therefore, nostalgia plays an important role in the residents' attendance to the wine festival because they want to relive intense emotions of the past and more this experience is intense, the stronger will be nostalgic feelings (Baumgartner, 1992). In order to answer to the first research question, the narratives from residents express an attachment to the wine

festival where their nostalgic needs are stimulated through the diffusion of positive image of the past and the enactment of the history of the country related to the viticulture development. The wine festival positioning gets along with the long term orientation of the Argentinean's people which can be explained its success to residents. Thus, the evocation of nostalgia by the wine festival is considered as a prime motivating factor for resident to attend it and generates positive attitude.

The wine festival of Mendoza has become a significant tourism attraction since the first occasion in 1936. According to Doxey's Irridex scale (1975), as the number of tourists increase, residents' attitude tends to become more negative. Tourism impacts are often divided into three categories: economic, sociocultural and environmental (Andereck, Valentine, Knopf, & Vogt, 2005). Mendoza residents perceive positive economic impacts generated by the wine festival hold during the touristic season. Indeed, it is a way for the destination, and its community, to be the centre of the tourist attention.

*« Wine and wine festival represent us both nationally and internationally. So I think that's why we give it all that importance. » - Tobias*

*« Wine festival is a very good thing, because what we really want is to promote Mendoza, promote the province and its wine industry and make it visible. » - Matías*

Residents think they collectively, as a nation, benefit from tourism. This perception affects positively their attitude toward tourism. Nevertheless, at an individual scale, wine festival seems to generate negative sociocultural impacts because residents have concerns with respect to loss of traditions and of their identity. Indeed, they feel that the wine festival becomes too touristic, above all because the spotlight is more on the Harvest Queen election. This orientation tends to generate negative reactions from residents who think that the festival gets away from its essence and threatens traditional culture (Dogan, 1989).

*« I am not attracted to the wine festival. This is not a wine festival; it is a show. There are some very beautiful elements but it is very commercial. For me, the essence of the festival is lost. » - Arturo*

*« At the beginning, the harvest queen was a woman who worked in the vineyard, was a worker. Today, they are 18, 19, 20-year-old girls who have no idea how wine is made, the parents own no wineries, maybe they have nothing to do with wine. » - Ricardo*

This change in tradition tends to suit the needs of tourists (Ap & Crompton, 1993) and the attendees' desire of entertainment, particularly of the young generation. Moreover, the tourist development of the wine festival seems to create inequality that is another negative sociocultural impacts perceived by residents. Indeed, residents indicate that men and women who are working in vineyards cannot buy entrance ticket for themselves while some tourists and harvest queens participate in the festival. This goes against what the festival should be celebrating.

*« For them (the young people), the only relationship they have with wine is the wine festival... sometimes you ask them what the wine festival is and they think it's the queen and the celebrations with the fireworks and they don't know what the grape harvest is. » - Vanina*

*« Some have access and others do not, we could consider some inequality...the queen does not know anything while there are many workers who know a lot because they have given their life for wine and cannot even buy a ticket to see the show that is their culture. » - Estéban*

Tourist development related to wine festival popularisation has an effect on the sociocultural characteristics of residents. The erosion of the wine festival's identity, the cultural commercialization and the inequality of access generated tend to cause negative externalities greater than positive externalities. Therefore, this negative orientation can create damage to nostalgic feelings sought by residents attending the wine festival because they do not recognise anymore the essence of their cultural traditions. These perceptions influence residents' attitude and level of support for tourism and wine festival tourist development as asked in the second research question. These findings are not consistent with the social exchange theory which suggests that residents who perceive benefit from tourism also perceive lower levels of negative impacts.

The aim of this study was to contribute to the literature by examining the role of nostalgia and residents' attitude and support toward wine festival tourist development. Results suggest that wine festival seems to generate nostalgia because it idealizes the past and the old ways of life. Therefore, the need to experience nostalgic feelings could be added to motivations to attend an event identified in previous research. Moreover, historical nostalgia is not only experienced through film, novel, TV or music. Festivals can also immerse attendants into an idealized and distant past. According the performance staging, festivals can stimulate historical nostalgia and generate attraction (Rojek, 2005). Besides, with its education dimension, identified in previous events studies (Crompton & McKay, 1997), wine festival is an interesting way to provide cultural competence to wine aficionados.

Previous research found that residents become less concerned about negative impacts of events over time because of the experience gained in event management and adaptation of local residents (Fredline, Deery, & Jago, 2013). This does not appear to be the case in our study. Indeed, results show that even if residents are aware of economic benefits, they perceived two major socio-cultural impacts generated by the wine festival tourist development: erosion of cultural traditions and inequality of access to the wine festival. Thereby, the social exchange theory is not supported in the case of this study because the negative sociocultural impacts are more and more dominant even if economic benefits are growing. These findings lead to a lower level of support for tourism development from residents' point of view.

The contribution of this study is also methodological. Indeed, this research have been conducted in a developing country and used qualitative method. More precisely, biographic narratives method has been conducted. This method is underexploited in management sciences while it allows to access to a more profound dimension of the object studied than other qualitative methods. More studies using this method are therefore encouraged.

The decrease of support from residents could make difficulties to develop sustainable tourism so it is important to suggest practical implications for DMO and wine festivals managers. First, it is important to include residents in the planning processes and to understand that the economic factor is not the only one that may influence residents' attitude. Then, it is necessary to provide privileged and fair access to residents involved in the wine industry. In addition, nostalgic elements could be used more often in marketing materials to promote the festival and stimulate more precisely residents' historical nostalgia. Need to restore cultural traditions and wine festival

identity becomes essential to not to threaten what residents are looking for in attending the festival: the revival of their past and the experience of nostalgic feelings. Therefore, wine festival positioning must to remain consistent with the cultural characteristics of the residents and their need to maintain old traditions and norms.

This study has several limitations and research avenues associated. Social exchange theory is the commonly used theory in the tourism research field (Nunkoo & Ramkissoon, 2013). However, this theory provides mixed empirical results. Thus, it is necessary to integrate other theories. Then, the residents' perceptions could have been influenced by the tourism season. Longitudinal study could be conduct in order to overcome this issue and examine the temporal effects. In addition, the influence of the culture should be further examined. Finally, future research should be conducted to better understand the role of nostalgia as motivating factors to attend an event alongside factors usually studied in experience and event literature (Crompton & McKay, 1997; Getz, 2019). As well, it could be interesting to identify behavioural reactions adopted by residents in order to manifest their disappointment about the wine festival orientation and their lower level of support for it touristic development.

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# **Wine tourism in southern Sweden: Opportunities and challenges**

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## **Background**

According to research, the most challenging and influencing factor for the world wine sector is a climate change (Säfwenbergs, 2019; Crouch, 2015; Hultgren Karell, 2015; Rowlands, 2013; Smith & Bentzen, 2011). While it causes negative effects to the Old World wine regions, it stimulates and enables viticulture in cool climate wine countries bringing opportunities not just for winegrowing and wine production but also for the wine tourism sector emerging (Rauhut Kompaniets & Nilson, 2019; Säfwenbergs, 2019; Malm et al, 2013; Rytkonen, 2012).

Sweden is the youngest and the northernmost wine country, officially registered by EU in 1999 with a quota of 250,000 litres p.a. For the past twenty years, the Swedish wine sector has commercialised, increased its professional competence and won significant number of awards. The Swedish wine sector has transformed from being a retirement hobby into a career option (Henley, 2020; Säfwenbergs, 2019). However, Swedish wine sector considered insignificant and 'invisible' for EU wine sector, with a threshold criteria as no less than 500 ha of vineyards (Eurostat, 2017), while total national area of Swedish vineyards is just about 100 hectares (Morrison, 2019). On the other hand, this insignificance helps Swedish wine sector to circumvent the EU regulatory wine politic regarding all areas of wine industry (Bergström, 2008; Rytkonen, 2012).

Scania, the southernmost region of Sweden, is the third most visited destination in Sweden, the region is well-known for its summer facilities, cultural history as well as nature tourism (Sjöberg, 2019). Scania has even drawn attention to its culinary treasures, The New York Times (Abend, 2016) and Vogue (Wergeland, 2017) praise the incredible food from the numerous organic farms in Scania as well as Swedish wine (Henley, 2020; Hultgren Karell, 2015). Although the domestic wine production is relatively unknown to Swedes, there is an unexploited wine tourism opportunity for attracting local as well as international tourists. Wine tourism is considered a significant part of the wine sector in Scania, giving the opportunities for wine sector development. As almost 55 vineyards are active with winegrowing, agricultural processes and breed & bottle of wine, and in addition around 200 hobby vineyards are waiting for opportunity to commercialise their wineries, Scania is an emerging wine tourism destination (Föreningen Svenskt Vin, 2019; Dryckesbranschrapporten, 2019; Vinvägen, 2020; Hultgren Karell, 2015). Scanian vineyards vary in size from small hobby activities to commercial companies with significant turnover (Alla bolag, 2019) of which half are family firms. In these cases, husbands (fathers) are business owners with board members usually from the family (Alla bolag, 2019), however regarding vineyard leadership, women (wives, mothers) are in majority (LRF, 2018).

As an emerging destination, Scanian wine tourism explores the common techniques and requirements, adapting to the country's market environment, among others, to strict government regulation and restrictions not allowing any cellar door sales (Säfwenbergs, 2019; Rauhut Kompaniets & Nilson, 2019; Föreningen Svenskt Vin, 2019; Vinvägen, 2020; Malm et al., 2013). However, wine visitations and guided tours to vineyards, wine tasting, wine

routes, as well as wine festivals and events are considered as common wine tourism activities (Koch et al., 2013; Hojman & Hunter-Jones, 2012; Mitchell & Hall, 2006; Carlsen, 2004; Hashimoto & Telfer, 2003; Carlsen & Dowling, 2001; Hall et al, 2000; Getz, 2000) and so is the case even for Scania.

### **The aim of this paper**

This paper aims at discussing opportunities and challenges of the emerging wine tourism destination in southern Sweden. Two research questions are proposed to be answered: (1) what are the potentials for wine tourism in Southern Sweden? And (2) what structural challenges limit development of the Swedish wine tourism?

### **Main approach**

The empirical material is based on official statistics, existing research, policy documents and other secondary data sources (e.g. reports, promotion materials, media coverage etc.). We conduct a market analysis and the discussion focuses on challenges and limitations, on marketing environment, and on the opportunities for wine tourism emerging sector development. We apply the theoretical concept of “Tourism destination life cycle” (TDLC) (Bittar Rodrigues, 2017; Butler, 1980) on the emerging wine tourism destination in a new wine country without wine growing history behind. The TDLC provides several stages of tourism destination development: from the exploration stage to stages of growth and maturity, but also for rejuvenation or decline.

### **Key arguments/findings**

The wine tourism in Scania face several challenges, but also several opportunities. Being a part of wine industry and tourism sector in tandem wine tourism sector is affect by many problems and challenges, such as political, economic, and social-cultural factors (Fountain et al., 2020; Sigala, 2019b). In particular, these factors covered legal and governmental regulations, infrastructural inconvenience, consumer behaviour, wine product orientation, lack of cooperation and coordination between wineries, tourism, hospitality industries and local community (Sigala, 2019a; Petrevska & Deleva, 2014; Kunc, 2010; Getz, & Brown, 2006; Mitchell & Hall, 2006; Carlsen, 2004;).

Significant part of Swedish wine tourism challenges are considered as *structural challenges*, *state alcohol restrictions* and *bureaucracy*, which relate to the remaining Swedish government *alcohol retail monopoly*. For most wine producers the administration of the whole permission-chain is a considerable workload (Säfwenbergh, 2019; Dryckesbranschrapporten, 2019), which discourage around 200 Swedish vineyards from commercialising their wine production. Different kinds of permissions are needed for various wine activities – wine tasting, wine serving and wine selling not mentioning the wine growing and wine production.

The government *retail alcohol monopoly* has a long history in Sweden where beverage producers only are allowed to sell their products (above 3,5 % alcohol) to the government-owned retail chain “Systembolaget” (Rytönen, 2012; Skjöldebrand, 2010) and solely in the three monopoly shops situated closest to the vineyard. Taking into consideration that all the vineyards are located in rural areas, while government put its shops in the cities, one extra challenge occurs. Thereby, Swedish vineyards have to motivate visitors to go and buy the local wine at the nearest monopoly retail shop. Another alternative is to order the wine via Systembolaget’s homepage, after a few days the purchase can be received at the shop the customer stated as a delivery point. This is not optimal for domestic tourists and certainly not an option for wine tourism. While *cellar door sales is not allowed* in Sweden, it is increasing in popularity around the world due to extreme competitive situations on the wine tourism market and necessity of completing tourists’ experience (Malm et al, 2013; Sevil & Yüncü, 2010; Hall et al, 2000; Gets, 2000). Consequently, several wine producer and local politicians are lobbying for allowing cellar door sale for wine tourism purpose (Heindorff & Jähne, 2019; Morrison, 2019; Säfwenbergh, 2019).

Following the strict state regulation, Swedish vineyards have to get *permission* even to provide *wine tasting activities* at their vineyard. It gives extra work for vineyard owners and restricts volume of tasting wines. On the other hand, it prevents the common problem of consumer behaviour at the vineyard, when drinking free wine becomes the goal for the visit taking focus from wine tasting (Carlsen, 2004).

The research findings lead to several *managerial implications* that *marketing and promotion* strategies are required, both domestic and international, to attract wine tourists, visitors and experts to Scania. These strategies have to be built upon the fact that Scanian wine tourism sector is approaching the exploration stage of TDLC with a new tourist segment and experience. A vineyard can produce the world’s best wine, but if nobody knows about it, the quality aspect becomes insignificant (Säfwenbergh, 2019).

As the way to compensate the absence of cellar door sales and combine local wining and dining experience, it becomes more popular among Swedish wine producers to open the food facilities at their vineyards (Dryckesbranschrapporten, 2019; SOU, 2017). It follows with other bureaucratic restrictions such as ‘*permission to serve alcohol*’ at the restaurant or bar which includes consumption at the place (no take-away). Mitchell & Hall (2006) mentioned that while wine tasting and cellar door sale is quite popular in global wine tourism it is not that common to serve local wine at local restaurants and hotels. In Sweden, it is the opposite. The monopoly allows selling wine to local restaurants who has an alcohol permission. This gives opportunities for cooperation with other local tourism actors as well as work for regional development.

For Sweden as well as rest of Europe, lack of *financial resources* is challenging (Alonso & Liu, 2012) in the wine business. Profitability is hard to foresee, so what can be said is that according to Swedish wine industry forecast, approximately half of the attendants were positive and half were negative about future profitability (LRF, 2018). Start-ups in the wine

business are costly and therefore business barriers are high. Swedish wine producer's opportunity for funding is foremost made by bank loans or with help from friends and family (LRF, 2108).

As vital as economic circumstances are - so is human capital. Access to human capital can be challenging but for family firms human capital is more of a legacy (Chirico, 2008) using family members as workforce. However, in the Swedish case the wine producing generation is quite young so hiring neighbours and give them work experience is a solution for long-term survival for those family firms (Cabrera-Suarez, et al., 2001; Miller et al., 2003). Except permissions, it also requires other extra marketing resources to promote the facility and to attract visitors on regular bases.

## **Conclusion**

Just a short recap: the aim of this paper is to discuss opportunities and challenges of the emerging wine tourism destination in southern Sweden. The first research question is proposed to be answered: **(1) what are the potentials for wine tourism in Southern Sweden?** In line with Butler (1980), the Scanian wine tourism sector has reached the first stage (exploration stage) in the TDLC, i.e. the first tourists have arrived to the unexplored destination for an unexpected experience. At this stage, the number of tourists is relatively few, which correlates with limited facilities and little local knowledge of the emerging destination.

The increasing number of vineyards in Scania has led to the establishment of Sweden's first Route du Vin, 'Vinvägen' (Visit Skåne, 2020; Vinvägen, 2020), where approximately 20 vineyards are included offering guided tours at vineyards and wineries. Out of these, 16 offer wine tasting.

Wine events are another important part of Swedish wine tourism experience. New local festivals were born in Scania due to the growing interest for local wine – '*Österlen Summer Wine Festival*' and '*Wine Harvest Festivals*' in which visitors can meet wine experts, taste various local wine and learn about wine production (Vinfestival, 2020; Säfwenbergs, 2019; Vinvägen, 2020). '*Summer two-day festival*' is further a popular summer experience for local and international visitors and in 2019 almost 4000 people visited the festival facilities.

Besides local wine festivals, Scania is a host for some gastronomy and beverage events, where Swedish wineries are one of the major participants – '*Scanian Beverages festival*' in Malmö (Skånska drycker, 2020), and '*Scanian gastronomy festival*' in Landskrona (Skånes Matfestival, 2020). In April 2020, '*the Swedish wine center*' opened in Malmö as the first bar specialised just in Swedish wine (Swedish wine center, 2020; Vinvägen, 2020).

Local wineries actively work in combining wine with other touristic events, e.g. sports-, cultural- and historical events (Säfwenbergs, 2019). What still is needed is networking and collaboration with other tourism actors (Sigala, 2019a; Bruwer & Joy, 2017; Presenza, Minguzzi & Petrillo, 2010; Frochot, 2003), and through promotion activities attract national

and international tourists and experts (Bonarou, Tsartas & Sarantakou, 2019; Byrd et al., 2016).

The second research question to be answered is: **(2) *What structural challenges limit development of the Swedish wine tourism?*** Some limitations are challenging the Swedish wine tourism sector development, such as the remaining government alcohol retail monopoly, bureaucratic barriers and permissions for wine tasting & wine serving but most of all, no cellar door sale. Lack of economic and human capital and marketing strategy & promotion are further issues that limits development (Säfwenbergs, 2019; Dryckesbranschrapporten, 2019; Rauhut Kompaniets & Nilson, 2019; Skjöldebrand, 2010).

As Sweden is a wine country without any registered wine regions means that all produced wine is classified as table wine. However, despite high production costs due to small volumes, lack of infrastructure and limited promotion, the Scanian wine tourism sector is expanding rapidly and are preparing for becoming a formally established wine district (Markkanen, 2018; Winqvist, 2017; Hultgren Karell, 2015; Tourism in Skåne, 2011; Högström, 2007).

Information about individual vineyards and wine tourism activities are rare. Swedish wine tourism research is fragmented and limited (Rauhut Kompaniets & Nilson, 2019; Dryckesbranschrapporten, 2019; LRF, 2018; Mårtensson, Karlsson & Gustafsson, 2013; Malm et al., 2013; Rytönen, 2012) and so are official statistical reports on what the wine sector and wine tourism look like in Scania. This leads to a difficulty in finding any complete information about Swedish vineyards and the sector's development.

A general conclusion is that there are challenges to struggle with for Scanian wine tourism. Even if climate change and other factors related to wine growing cause limitations, these are relatively small (Crouch, 2015; Rowlands, 2013; Smith & Bentzen, 2011) compared to structural challenges. Monopoly, bureaucracy, non-existing wine regions and insignificance for the EU-market are definitely more troublesome (Rauhut Kompaniets & Nilson, 2019; Dryckesbranschrapporten, 2019).



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# **Challenges and opportunities for wine tourism in the shadow of a pandemic: the case of North Canterbury, New Zealand**

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## **Introduction**

Winemaking and tourism both make substantial contributions to the economy of New Zealand and, in common with most wine regions around the world, there is increasing interest in wine tourism as a means of adding value to wines businesses and expanding the scope of experiences available to tourists (Lignon-Darmaillac, 2010; Fusté-Forné and Berno, 2016; Fountain and Thompson, 2019; Sigala, 2019; Fountain et al, 2020). Understandably, the experience and viability of wine tourism has been called into question by the global disruption caused by the Covid-19 pandemic. In New Zealand, whilst the country has done relatively well in its public health response – to the extent that lockdown conditions were lifted in mid-May 2020 – the country will remain essentially closed to international visitors for the foreseeable future (Gullery, 2020; Lagan, 2020). Our research – begun well before the Covid-19 pandemic – will present preliminary findings on how wine tourism is being reconfigured – both as an experience, and in the minds of wine and tourism stakeholders – in a domestic-only, and economically-constrained, tourism environment.

North Canterbury, in the vicinity of Christchurch on New Zealand's South Island, is a relatively understudied wine region, but one which has steadily grown over the last thirty years, and which achieved Geographical Indication status in March 2020. Facing strong competition from the Marlborough and Central Otago regions within the South Island, and accounting for less than 3% of New Zealand's total wine production (Ciatti, 2019), the sixty or so producers in the region are actively looking at ways to add value to their wine, whether by focussing on fine wine grape varieties such as pinot noir, developing a sense of place and terroir, or including wine tourism within their business models (Overton et al, 2014; Moran, 2016). There is clear potential for wine tourism; the region is near a major urban centre, and several State Highways connecting the region to other parts of the South Island pass by the winery cellar doors. Within a competitive landscape for both wine and tourism, however, several wine businesses in the region have already failed within its short history, and questions of business viability and sustainability are crucial within this part of New Zealand's rural economy (Overton, 2020; cf. Perkins et al, 2015). These questions are more acute at the present time, given the disruption attendant to the Covid-19 pandemic, and an iconic winery restaurant in the region has already announced plans to close down (Brookes, 2020).

Drawing on interviews with wine producers and other industry stakeholders, our paper will present new and original findings on the challenges and opportunities, the successes and failures, and the aspirations and frustrations attendant to making wine tourism a sustainable part of wine business in the region. We will also share original findings on what is changing, and what change is anticipated, in regard to a domestic-only tourism environment formed in response to the Covid-19 pandemic. In the simplest terms, our paper will present the background of developing wine tourism in the North Canterbury, and explore the new pandemic-related challenges which have interceded in that development.

## **1. Methods**

The authors carried out in-depth interviews with 24 wine producers and other industry stakeholders, such as wine bar and wine store operators, in the North Canterbury region. This follows the example of much qualitative research in wine business, wine tourism, and more widely in the social sciences (see, for example, Gade, 2004; Demossier, 2011; Fusté-Forné and Berno, 2016; Fountain et al, 2020). In the interviews, questions were asked about the tourism dimensions of the business, including proportions of tourists amongst visitors to the winery, investment in visitor infrastructure (e.g. cellar doors), provision of tourist experiences (e.g. vineyard tours), and intentions for further development, as well as more open-ended queries as to the respondent's view of future scenarios. Interviews were recorded and transcribed, then analysed qualitatively, with key themes being identified across the transcripts. Later interviews contained questions about domestic-only tourism, and operating under economic and regulatory restrictions related to the Covid-19 pandemic. We also had the opportunity to discuss these issues with wine stakeholders in further informal encounters, and via email, as part of our ongoing research relationship.

## **2. Results**

Responses to interview questions were collated and analysed by the researchers, with distinct themes noted and categorised. Responses reveal some shared challenges within the regional and national context, as well as substantial differences according to business model, cash flow and balance sheets, tourist infrastructure, and attitudes towards tourists.

Shared challenges include regulatory impediments to offering a flexible visitor-facing product at the cellar door (alcohol licencing for sales of wine by the glass requiring food to also be sold), the perceived lack of rural dining and accommodation options to retain tourists in the region, and the perceived undervaluation of the region by visitors from the nearest city (Christchurch). These disadvantages were felt all the more keenly in comparison with other wine regions in the South Island, in particular Central Otago.

Most respondents recognised that they were part of the region's tourist economy, if in some cases only indirectly. There was widespread desire to build the region's profile and general satisfaction with North Canterbury as a geographic indication, even if there were also concerns about the different landscapes within the region complicating a distinctive regional image. Wine producers shared perceptions of both competing and collaborating with others in the region, with admiration for attractive cellar doors expressed, and mention made of recommending tourists to other businesses for certain experiences, e.g. a certain kind of wine, or dining options. Almost all wine business operators who did not already have a cellar door (in pre-Covid interviews) expressed their intention to open one in the short to medium-term. But a small number of operators were reticent to expand their offering at the cellar door due to a desire to concentrate on their winemaking metier, and the changed economic and tourism situation post-Covid is calling the intentions to open new cellar doors into question. The pandemic has also led to questioning by wine producers of how to offer a cellar door experience that adheres to social distancing and other health and safety protocols.



Several producers have been working to develop ‘boutique’ experiences for high-end visitors, including vineyard tours, guided tastings, meals, and even adventure sports and overnight accommodation, to realise greater value, instead of expanding the cellar door operation in floor space or hours of operation. They feel that such experiences would be profitable and add value to their brand as participants were likely to post about their experience on social media. Other respondents recognised that operating a cellar door every day allowed them to receive visitors when neighbours were closed, and gain recommendations from other businesses in the region. This cleavage points to a wider difference in business models across wine businesses in the region, with some aiming for a premium or super-premium market segment, including export, and others concentrating on domestic distribution and price competitiveness. The degree to which the premium segment can be nourished by domestic-only consumption, however, is debatable, and it is likely that marketing efforts by businesses within that segment will become increasingly virtual, with greater reliance placed on international distribution networks, to reach consumers overseas. While throughout the New Zealand domestic tourism is being promoted anew (as in other countries – see Macherel and Grosjean (2020) for example), we examine how wine producers are pivoting their business models to focus on domestic visitors.

Before the Covid-19 disruptions, distribution channels within New Zealand were already changing, as supermarkets have increased their proportion of wine sales. Post-pandemic, many hospitality businesses have closed or are likely to close, so we are exploring challenges that have emerged as supply chains are put under strain (Duhalde, 2020; Stokel-Walker, 2020). At the same time, we are examining the extent to which a renewed interest in supporting local produce and ‘New Zealand Made’ goods (Kilgallon, 2020), and changing spending habits formed during the Covid-19 pandemic (Wade, 2020), have translated to demand for wine from the region.

Finally, whilst there is general optimism about the prospect of the region becoming a food and wine tourism destination within New Zealand, many perceived a need for other actors – whether restaurants, hospitality businesses or tourism organisations – to do more to make this a reality. Events and festivals, such as the North Canterbury Wine and Food Festival, are seen as good for the region as a whole, but not in themselves profitable for the wine businesses. At the present time, however, with no large scale events or festivals able to take place, engaging in collaboration and using the strengths of local and national networks will prove even more critical for a sustainable and resilient future.

## **Conclusion**

This research is ongoing and more findings will emerge from interviews to be carried out in the coming months. From the data generated so far, it seems there is a reasonable amount of cooperation and goodwill amongst wine businesses in North Canterbury, with a shared desire to increase the region’s profile, and recognition of the importance of tourism in doing so. Principal evidence for this is the desire on the part of wine business operators to open cellar doors for direct to consumer sales. There are, however, several quite different business models, and these leave

clues to the degree to which aiming for a premium or ultra-premium market segment conditions the tourist offering, i.e. limited and free of cost but open to spontaneous visits, or extensive and experiential, but costly and requiring appointments.

The effects of the Covid-19 pandemic are multifarious, and the widely discussed ‘pivoting’ to domestic tourists presents both challenges and opportunities. Certainly, the strategy to provide high-end boutique experiences for international visitors will not be viable in the short term, and even businesses that depend on domestic visitors for custom – such as winery restaurants – have already failed, in North Canterbury as elsewhere in New Zealand (Brookes, 2020; Downes, 2020). Yet there are opportunities in an essentially closed tourist ecosystem for regions such as North Canterbury to offer meaningful experiences for a domestic audience. To the extent that experiences may become tailored to domestic visitors, and/or offered through virtual platforms, this research will begin to address fundamental questions about the nature of wine tourism and how it is changing under the pressure of a global pandemic.

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# **Effects of climate change on the wine sector in Nordic countries**

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## **Introduction**

Over the last 50-60 years, climate change has been playing an increasingly significant role in the lives of humanity, flora and fauna, and this phenomenon also affects global wine production significantly. In the last years, the several newspapers, portals and blogs have addressed to the topic of climate change in the wine industry (The Guardian 2015, Le Monde 2017, Decanter 2019, Wine Enthusiast 2020). In recent decades, lighter winters have become increasingly common in Europe, which indicates that winemakers in the Nordic countries can pose a challenge to already competitive winemakers (The Guardian 2015). Scandinavian Traveler (2020) states that *'The Vikings are coming! And they are fully prepared to take on Europe's traditional winemakers.'* indicating the potential future boom of the Scandinavian wine industry.

Moreover, Alderman (2019) suggests that *'in 50 years, Scandinavia's climate is forecast to be more like northern France's, as regional temperatures climb as much as 6 degrees Celsius.'* In line with these statements and the articles published on this topic, climate change will fundamentally transform the international wine market in the next 20-50 years, and wineries must prepare for the adaptation of these changes. The major wine-producing regions are also affected significantly by climate change. In consequence, there are already remarkable changes in wine production (increasing proportion of alcohol, plantation of new heat-tolerant grape varieties, growing wine grapes in cool climates, the boom of wine production in Nordic countries).

The paper aims to investigate the effects of climate change on the wine sector in Nordic countries between 1961 and 2017. More specifically, the study addresses the following research question: how climate change (air pollution, greenhouse gas emission), and its consequences (average temperature change) affects grape and wine production, especially in Nordic countries (countries located north from the wine belt in the northern hemisphere on the Earth). Panel econometrics is applied in this study to measure the effects of climate change (global warming) on the wine industry focusing on Nordic wine-growing zones of Europe.

### **1. Literature review**

Since 2000 a wide range of studies addressed to the investigation of the effect of climate changes on the wine industry. Literature has divided into two main categories: global or country-specific analysis. Regarding country level analysis, the wine production data show that global warming in hot wine regions of Australia will result in lower wine prices (Webb 2006). This could strengthen the competitiveness of the countries of the 'cooler wine-growing zones' on the international wine market. Jones et al. (2005), Jones (2007) suggest that future climate change will likely bring numerous potential impacts for the wine industry e.g. added pressure on increasingly scarce water supplies, additional changes in grapevine phenological timing, further disruption or alterations of balanced composition and flavour in grapes and

wine, regionally-specific changes in varieties grown, necessary shifts in regional wine styles, and spatial changes in viable grape growing regions.

Ashenfelter and Storchmann (2010a; 2010b) examined the Moselle region of Germany for wine production and concluded that an increase of up to 1 degree Celsius in average growing season temperature could increase the gross amount of wine produced from Riesling by 30%. One of the most visible changes of global warming is that wines contain an increasing proportion of alcohol compared to wines produced in the 20th century. In the 20th century, they had only 13.5% alcohol, by contrast, nowadays, they may reach 15% alcohol level using the same production method in the same wine region (Humbert 2015). However, the increase in the level of alcohol could be questioned in the future as there are new consumer trends of wine with a low level of alcohol or even wine with no alcohol. As a growing number of people choose to drink 'less and better', the universe of low- and no-alcohol beverages is rapidly expanding and improving (Decanter 2020). Furthermore, the importance of the plantation of new grape varieties is increasing in wine-producing regions where they are not usually planted. Hotter temperatures threaten global wine production, multiple studies forecasting that more than half of regions suitable for planting wine grapes could be lost due to climate change. Swapping out grapes for more drought and heat tolerant varieties can offer a solution for winemakers (Science Daily 2020).

The researchers suggest that late-ripening varieties (Syrah, Grenache and Mourvedre) becoming much more widespread in current winegrowing regions if temperatures rise two degrees. Early ripening varieties such as Chasselas, Pinot Noir and Chardonnay may become more widespread globally if new Nordic regions (e.g. Canada, northern Europe or Tasmania) open up (Science News 2020). Morales-Castilla et al. (2020) projected that under a 2 °C warming scenario, 51% of all areas identified as climatically suitable for winegrowing in the world would be lost. Considering 4 °C warming scenario losses may reach 77% of global vineyards.

The analysis of cool climates for wine production is also started. Anderson (2017) analysed how climate changes affect the competitiveness of the world's wine regions and drawn implications for the economic future of cool regions as compared with the world's warmer wine regions. Moreover, Anderson (2017) emphasizes that growing wine grapes in cool climates is both riskier and costlier than in warmer regions for several reasons (higher rainfall, greater disease pressure, higher risk of spring or fall frosts, lower yields).

In contrast, global warming is typically supposed as the principal driver of new investment in cool climate wine regions, including from producers in warmer areas seeking to supplement supplies that can help them maintain their current styles of wines as well as add new ones (Ashenfelter and Storchmann, 2016). Mozell and Thach (2014), Ashenfelter and Storchmann (2016) provided an extensive literature review on the impact of weather and climate on grapes and wine describing how climate change is likely to affect wine production.



In contrast with the existing scientific publications, investigating the effect of climate change in Nordic countries by the econometric tool are scarce in the economic literature.

## 2. Methodology

Based on the recent studies, scientific literature, the following hypotheses are tested in this analysis:

*H1: Increasing CO<sub>2</sub> emissions is harmful to the wine industry (decreasing grape land area, grape yields and wine production) at the global level.*

*H2: Rising annual average temperature is damaging the climatic condition for the production of grapes, cut back grape yields, and decline wine production.*

*H3: Nordic countries (countries above the Nordic wine belt) might expand its vineyards due to climate change via global warming.*

A panel data analysis is applied to explore the effect of climate change on the global wine sector focusing on Nordic wine region of the World. The wine sector data obtained from FAOSTAT (2019) production statistic available from 1961 to 2017 ( $t=57$ ). The sample comprises 96 countries, including a dummy for Nordic countries (14)<sup>1</sup>. Table 1 presents the description of the applied variables.

**Table 1.** Description of variables

Variable	Explanation	Source
<i>Dependent</i>		
Grapearea	vineyards in hectares	FAOSTAT (2019)
Grapeyields	annual grape yields in hectogram per hectare	FAOSTAT (2019)
Wineproduction	wine production in tonnes	FAOSTAT (2019)
<i>Independent</i>		
CO2_kt	annual CO <sub>2</sub> emissions in kilotons	World Bank (2019)
Avg_temp_change	annual average temperature change in a meteorological year in °C	FAOSTAT (2019)
Nordic	equals 1 if a country is Nordic, 0 otherwise	own composition
Belarus	equals 1 if a country is Belarus, 0 otherwise	own composition

<sup>1</sup> The term ‘Nordic country’ refers to countries located north from the wine-producing regions (wine belt) in the northern hemisphere in Europe. In this research, Belarus, Belgium, Czech Republic, Denmark, Estonia, Finland, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Sweden, the United Kingdom are selected.

Belgium	equals 1 if a country is Belgium, 0 otherwise	own composition
Czech Republic	equals 1 if a country is Czech Republic, 0 otherwise	own composition
Denmark	equals 1 if a country is Denmark, 0 otherwise	own composition
Estonia	equals 1 if a country is Esnia, 0 otherwise	own composition
Finland	equals 1 if a country is Finland, 0 otherwise	own composition
Iceland	equals 1 if a country is Iceland, 0 otherwise	own composition
Ireland	equals 1 if a country is Ireland, 0 otherwise	own composition
Latvia	equals 1 if a country is Latvia, 0 otherwise	own composition
Lithuania	equals 1 if a country is Lithuania, 0 otherwise	own composition
Luxembourg	equals 1 if a country is Luxembourg, 0 otherwise	own composition
Norway	equals 1 if a country is Norway, 0 otherwise	own composition
Poland	equals 1 if a country is Poland, 0 otherwise	own composition
Sweden	equals 1 if a country is Sweden, 0 otherwise	own composition
United Kingdom	equals 1 if a country is the UK, 0 otherwise	own composition

Source: own composition

The following equation is estimated in this analysis:

$$\ln(\text{wine industry indicators})_{it} = \alpha + \beta_1 \ln(\text{avg\_temp\_change})_{it} + \beta_2 \ln(\text{CO}_2)_{it} + \dots + \beta_3 \text{Nordic}_{it} + e_{it} \quad (1)$$

where

$i$  denotes the number of countries included

$t$  is a given year

$\beta$  measures the coefficients

$\alpha$  is a constant

$e$  is the error term

Four relevant wine industry indicators are selected as dependent variables for the analysis: grape land area (vineyards), grape yields, grape and wine production, respectively. The explanatory variables capture the impact of global warming, climate change and a

structural break included for the Nordic countries (dummy variable for countries located northern from wine belt in Europe).

Based on the Breusch and Pagan (1980) Lagrangian multiplier test for random effects, p-value indicates ( $p=0.000$ ) that random effect estimation is needed instead of OLS. Moreover, Hausman (1978) specification test for fixed effect estimation ( $p=0.1438$ ) points out that random effect is more appropriate compared to fixed effects.

Based on the pre-test results, I apply random effects (RE) with robust option as an estimation method. The variables were also pre-tested for unit roots employing Fisher Test for panel unit root with augmented Dickey-Fuller test (Table 2). Test results for 0-1 lags confirm that variables are stationary (do not have unit roots).

**Table 2.** Fisher Test for panel unit root using an augmented Dickey-Fuller test

<i>Fisher Test</i>	<i>ln_Grape_area</i>	<i>ln_Grape_production</i>	<i>ln_Grape_yields</i>	<i>ln_Wine_production</i>	<i>ln_CO2</i>	<i>ln_Avg_temp_change</i>
<i>p value (0 lags)</i>	0.0001	0.0000	0.0000	0.0000	0.0000	0.0000
<i>p value (1 lags)</i>	0.0109	0.0000	0.0000	0.0000	0.0000	0.0000

*Source: on composition based on FAOSTAT (2019) sample data*

### 3. Results

The regression result (Table 3) reveals the positive relationship exist between carbon dioxide emission ( $\ln_{CO_2}$ ) and vineyards surface area ( $\ln_{Grape\_area}$ ), as well as grape ( $\ln_{Grape\_production}$ ) and wine production ( $\ln_{Wine\_production}$ ) during the analysed period. It suggests that global warming stimulated wine productivity (higher quantity of wine was produced) at global level during the analysed period (H1 is rejected). In contrast, the annual average temperature change ( $\ln_{Avg\_temp\_change}$ ) draws back the plantation of new vineyards ( $\ln_{Grape\_area}$ ), in turn, considering grape yields ( $\ln_{Grape\_yields}$ ) and wine production ( $\ln_{Wine\_production}$ ), this (negative) effect was not significant (H2 is accepted). Based on the estimation results, Nordic countries were not significant players on the global wine industry between 1961 and 2017 (limited vineyard area, low level of wine production). Their potentially warmer climate was still not significantly motivating the opening of new wineries and development of new vineyards from a global perspective (H3 is rejected).

**Table 3.** The results of random effects panel regression, all countries included

	(1)	(2)	(3)	(4)
VARIABLES	ln_Grape_area	ln_Grape_produc tion	ln_Grape_yie lds	ln_Wine_product ion
ln_Avg_temp _change	-0.0371** (0.0188)	-0.0139 (0.0197)	0.0255 (0.0163)	-0.0311 (0.0216)
ln_CO <sub>2</sub>	0.236** (0.0925)	0.384*** (0.0994)	0.142*** (0.0408)	0.120 (0.142)
Nordic	-2.531*** (0.915)	-2.883*** (0.984)	-0.351 (0.386)	-1.939*** (0.506)
Constant	6.818*** (1.016)	7.181*** (1.054)	9.645*** (0.427)	9.432*** (1.517)
Observations	2,856	2,857	2,857	2,079
Number of country	89	89	89	71

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Based on the result of country-level analysis (Table 4), the beneficial effects of climate change on the wine industry of the Nordic countries have not revealed for the period analysed. The only exceptions were Belarus and Czech Republic analysing the Nordic countries independently.

**Table 4.** Country-level results of random effects panel regression for Nordic countries

VARIABLES	(1) ln_Grape_area	(2) ln_Grape_production	(3) ln_Grape_yields	(4) ln_Wine_production
ln_Avg_temp_change	0.0560 (0.0342)	0.104* (0.0552)	0.0493 (0.0677)	0.132*** (0.0337)
ln_CO2	-0.307 (0.755)	0.947 (1.429)	1.253 (0.780)	0.216 (0.502)
Belarus	0.736 (1.580)	4.084 (3.037)	3.348** (1.676)	2.926*** (1.074)
Belgium	-3.187*** (1.200)	0.380 (2.293)	3.566*** (1.260)	1.121 (0.802)
Czech Republic	2.550** (1.126)	5.315** (2.144)	2.765** (1.176)	4.085*** (0.752)
Denmark				
Estonia				2.470 (1.668)
Finland				
Iceland				
Ireland				
Latvia				1.647 (2.064)
Lithuania				2.054 (1.796)

Luxembourg	-0.575 (2.951)	6.290 (5.614)	6.864** (3.076)	3.141 (1.968)
Norway				
Poland				
Sweden				
United Kingdom				
Constant	10.53 (9.928)	-5.290 (18.81)	-6.611 (10.28)	4.298 (6.610)
Observations	83	83	83	146
Number of country	5	5	5	8

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Note: blank cells denote omitted variables

## Conclusion

By 2050 the global the wine sector might be intensely influenced by the consequences of climate change. Decreasing rainfall, rising average temperature, extreme weather will also be a problem in major European wine producer countries by the middle of the century. The paper analysed the effects of climate change on the global wine sector and Nordic countries in Europe. It applied descriptive statistics and panel regression analysis to model the potential impact of climate change, and global warming on the wine industry. Applied variables were pre-tested for fixed effect and panel unit-roots. Based on the test results, a random effect panel regression analysis is applied to measure the impact of climate change on the wine industry. A positive relationship revealed between increasing carbon dioxide emission and grape area harvested along with the grape and wine production during the analysed period. Regression results suggest that climate change (greenhouse gas emission) stimulated wine production

(higher quantity of wine produced, higher grape yields) at a global level between 1961 and 2017.

In contrast, the increase in the annual average temperature has not stimulated the expansion of vineyards significantly. Considering the grape yields and wine production at global level, the effect of temperature change was not significant at all. Finally, the country-level result shows that Nordic countries are not significantly increased its wine production potential. They are not considerable players in the global wine industry. The potentially warmer climate has still not significant enough to motivate the opening of new wineries and development of the grape plantation in Nordic countries during the analysed period.

Contribution of the study is multiple. First, it analysed the effects of climate change on the wine sector globally between 1961 and 2017. Second, the regression analyses focused on the effect of global warming in the Nordic countries as a country group and for each country independently. Last but not least, the study has several limitations. In the case of wine production data, the variables were available only by 2014. Grapeland data had missing values for Nordic countries, especially before the years of 1990. Further research may explore the effects of climate change on the most important grape variety.

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# **Local brand strategy for integrated and sustainable rice wine tourism in Japan**

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## **Introduction**

Sake, sometimes called "rice wine" in foreign countries, is Japan's traditional alcoholic beverage made primarily from rice and water. Sake has a very long history in Japan with its origin dating back as far as 2,500 years ago when rice growing became prevalent in Japan. Sake has deeply rooted in Japanese traditional culture. There are 1,512 sake breweries in Japan, from Hokkaido in the north to Okinawa in the south (NTA, 2020). Many of them have produced sake for more than 200 years.

Sake makers have faced daunting challenges in the domestic market. Domestic consumption of sake in the country has fallen to 530,000 kl in fiscal 2017, one-third of the level from its peak in 1973 (NTA, 2019). This has diminished sake's share in the domestic alcohol market from roughly 24% forty years ago to just above 5% today. The number of sake breweries has decreased by more than half since the 1970s. On the other hand, overseas sake exports have consecutively risen in recent years on the back of increasing global popularity for Japanese food. A new record for annual sake exports has been set in each of the past nine years.

Under these circumstances, Japan's sake-making regions have intensified efforts to overturn the declining domestic sake consumption and expand overseas sake export. At the same time, they have also engaged in the facilitation of sake breweries tourism in their territories, targeting at sake consumers in the domestic and overseas markets. In particular, the recent increase in number of foreign tourists in Japan has pushed initiatives in promoting inbound sake breweries tourism in local sake brewing areas.

Tourism from abroad is one of the most promising businesses in Japan. In 2018, the annual number of inbound travelers to Japan topped 30 million for the first time (JNTO, 2018). That is about six times the figure recorded in 2003, when the government set a target of welcoming 10 million visitors by "around 2010." How to encourage those foreign tourists to visit sake breweries is a significant policy target for local municipalities in sake brewing regions. A growing number of online websites now provide English information on sake breweries tourism destinations. An example in this regard is the website run by the Japan Sake and Shochu Makers Association.

On the other hand, rice field tourism has been promoted in an increasing number of rice producing regions throughout Japan. Some of the rice field tourism programs have succeeded in attracting foreign tourists. Examples in this regard include the Hida Satoyama Cycling Program in the Hida-Takayama region of Japan.<sup>1</sup> Rice fields are a significant part of Japan's traditional landscape. In fact, Japan has many rice fields that have been designated as cultural heritage within various cultural heritage schemes. An example in this regard includes the rice field in Sado Island of Niigata that was acknowledged as a Globally Important Agricultural Heritage System by the Food and Agriculture Organization (FAO) in June 2011

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<sup>1</sup> <https://satoyama-experience.com/cycling/>

— the first ever such site in Japan (FAO, 2017). The Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Japanese government has regarded the promotion of green tourism in rice fields as an important part of its policy for boosting local agricultural and food economy (MAFF, 2019).

Rice paddy fields have great natural and cultural values as attractive tourism destinations for domestic and foreign tourists. However, promotional initiatives for rice field tourism has not usually been integrated into initiatives for sake breweries tourism. What is the reason for this? In this paper, an analysis will be conducted as to the geographical separation between rice growing and sake making practices, recent initiatives towards the geographical integration between those two kinds of practices, and the promotion of organic farming and biodiversity conservation in rice paddy fields in Japan.

## **1. The geographical separation between rice growing and sake making practices in Japan**

In terms of facilitating wine tourism, one of the vital keys is to expand and upgrade local wine brands by way of storytelling regarding terroir for viticulture and winemaking. In particular, brand communication about natural and human factors in relation to grape growing carries much importance in respect of promoting local wine brand strategy.

The reason for this is that the quality of the grapes used for making a wine directly impacts the quality of that wine and that a wine is basically made from the grapes grown in the place where the wine is produced. In this regard, in the EU, a PDO (protected designation of origin) wine must be made exclusively from grapes grown in the PDO-denominated region, while at least 85% of the grapes used for making a PGI (protected geographical indication) wine must come from the PGI-denominated region. In Japan, under the GI system for alcoholic beverages, at least 85% of the grapes used to make a GI-labelled wine must come exclusively from the GI-denominated region (Kodama, 2019).

The geographical linkage between grape growing and winemaking is the key to the development of local wine clusters and provides the fundamental basis for winescape. Winescape consists of a variety of elements that extend from vineyards, winery buildings, wider viticultural landscape, wine festivals, hospitality services to intangible information regarding viticultural and oenological practices in the concerned place. While being based on the geographical integration between local grape growing and winemaking practices, wine scape constitutes the most important component of the overall experience for tourists in wine regions.

This is not the case for sake products or sake tourism in Japan. Although rice is an essential ingredient in making sake, many sake makers bring in some or all of their rice supplies from distant rice growing areas. This is because, unlike grapes, rice is not damaged by transportation over long distances. In this regard, Yamada Nishiki is the most popular sake rice variety in Japan. In particular, Yamada Nishiki grown in Hyogo Prefecture makes up

roughly 60% of all Yamada Nishiki in use for sake making today and is delivered from Hyogo to more than 500 sake makers throughout Japan.

Under the geographical separation between rice growing and sake brewing practices, sake makers tend to regard local water quality, climate, and sake brewing techniques as the most important factors for sake making. They do not usually mention rice growing as part of their sake making processes nor as part of local terroir in their regions, because they do not grow rice by themselves nor use rice grown in their own local areas. Accordingly, for sake makers, "sake tourism" generally means "*sake breweries* tourism," not "*rice fields* tourism." "Sakescape" for them refers to physical and cultural environments surrounding sake breweries, but not to tangible and intangible cultural elements of rice paddy fields. The same is true of tourists who participate in sake tourism. When they mention "sake tourism," they mean "*sake breweries* tourism," not "*rice fields* tourism."

The geographical separation between rice growing and sake brewing is actually permitted under the GI system for alcoholic beverages in Japan. That is to say, a GI-denominated sake does not need to be made from rice grown in the GI-denominated region. It only needs to be made from rice grown *in Japan*, while it must be made from water collected in the GI-denominated region (Kodama, 2019).

Unfortunately, sake terroir that is based only on local water and sake brewing techniques, but not on natural and human factors relating to local rice growing, cannot generate such powerful local brand value as wine terroir does. Accordingly, a sake GI that is not based on terroir regarding rice growing practices in the GI-denominated region cannot generate such powerful local brand value as a wine GI does. The geographical separation between rice growing and sake brewing practices may also hamper the development of sake rice farming sectors in sake making regions.

In respect of creating truly valuable tourist experiences, "*sake breweries* tourism" and "*rice fields* tourism" should be integrated in the same regions. And, for this purpose, sake makers should use rice grown in their local areas.

## **2. Initiatives towards the geographical integration of rice growing and sake brewing practices**

In recent years, a growing number of local sake makers in the younger generation use locally grown rice that matches the terroir of their regions. This has contributed not only to strengthening local brands of their sakes but also to revitalizing sake rice farmers in their regions. Some of those sake makers even grow rice by themselves to make sakes in the same way as wineries grow grapes by themselves to make wines. Those sake makers include Izumibashi in Kanagawa, Akishika in Osaka, and Takakiya in Oita. In a way, they have come back to the tradition, because, in ancient times, all the sake makers used rice growing in their local areas.

At the same time, an increasing number of local research institutes run by municipalities have engaged in the R&D activities to identify or create rice varieties that can match their local rice growing terroir. These R&D initiatives have contributed to encouraging local sake makers to make sakes by using locally grown rice in their regions. More varieties of sake rice can pave the way for more distinctive rice growing terroir profiles in local sake products.

The geographical integration between rice growing and sake brewing practices has also emerged in relation to GI Harima, the most recently registered local sake GI (registered in 2020). As stated above, under the GI system for alcoholic beverages in Japan, a GI-denominated sake does not need to be made from rice grown in the GI-denominated region. It only needs to be made from the rice grown *in Japan*, while it must be made from water collected in the GI-denominated region. This applies to three of the four currently registered sake GIs, namely GI Hakusan, GI Yamagata and GI Nadagogo. On the other hand, the GI Harima specification stipulates that, in order for a sake to be labelled with GI Harima, it must be made from Yamada Nishiki rice grown in Hyogo Prefecture and from water collected in the same prefectural area.<sup>2</sup> The Harima region is a part of Hyogo Prefecture and covers the most important Yamada Nishiki producing areas in the prefecture. Under this circumstance, sake makers in the Harima region can promote the Hyogo Prefecture as a whole as the place where the combination of water, climate, brewing techniques and rice growing terroir in the same place has resulted in the production of high-quality GI Harima sake.

### **3. Organic farming and biodiversity preservation in rice paddy fields**

In the global wine world, there is a growing concern over the negative impact that pesticides used for agricultural products may bring about on biodiversity and human health so that issues of how to promote biodiversity and sustainability in vineyards have been one of the key factors in promoting regional wine brands. As an example, an increasing number of wineries in the EU region have engaged in the making of certified organic or biodynamic wines, while vigorous local initiatives have been promoted in many European winemaking regions, including Bordeaux and Champagne, in facilitating biodiversity conservation in vineyards (CIVB, 2019 and CIVC, n.d.).

On the other hand, in Japan, in the process of growing sake rice as well as table rice, many farmers tend to use neonicotinoid pesticides against rice sting bugs. While neonicotinoid pesticides are banned for outdoor use in the EU due to their threats to pollinators, there is no such restriction on the use of neonicotinoid pesticides in Japan. Furthermore, the rice grading system run by the Japanese government has accelerated the use of neonicotinoid pesticides in rice paddy fields. Under these circumstances, cases have been

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<sup>2</sup> See the GI Harima specification created by NTA: [https://www.nta.go.jp/english/taxes/liquor\\_administration/02\\_09.htm](https://www.nta.go.jp/english/taxes/liquor_administration/02_09.htm)

reported in many local areas where honeybee colonies managed by beekeepers collapsed due to the use of neonicotinoid pesticides by nearby rice farmers (MAFF, 2016).

In addition, a shocking study was published in October 2019 (Main, 2019). According to the study, the abrupt collapse of two commercial fisheries on Lake Shinji in Japan in 1993 were caused by the use of neonicotinoid pesticides by rice farmers in a neighboring area. In this case, neonicotinoids indirectly reduced fishery yields by decreasing the abundance of invertebrates that serve as food for smelt and eels. This study highlighted new and potential negative effects of neonicotinoids on other organisms than pollinators, including vertebrates.

In Japan, the negative impacts of neonicotinoids have been discussed in connection with table rice growing, but not with sake rice growing. However, many sake rice farmers use those pesticides in the same way as table rice farmers. In short, environmental sustainability or biodiversity in sake rice growing has not been recognized as an important component of regional sake brands. This fact will surely have a negative effect on the perceptions that consumers in foreign markets may have about regional sake brands in Japan and will discourage tourists from visiting sake rice paddy fields.

To deal with this situation in Japan, the rice grading system that has accelerated the use of neonicotinoid pesticides must be abolished as soon as possible. A tight regulation should be imposed on the use of neonicotinoid pesticides. Also, with a view to strengthening the international competitiveness of regional brands of sake producing regions in Japan, certification systems for organic farming and biodiversity conservation in sake rice paddy fields should be promoted under the collaboration between relevant local actors, including rice farmers, sake breweries, NGOs, academia and local municipalities.

## **Conclusion**

The promotion of sake tourism is a significant policy target for sake-producing areas of Japan. However, as in this article, there are still many challenges that need to be addressed before it can bring about a truly constant and sustainable benefit for those regions. Those challenges are intertwined with each other, and they need to be tackled simultaneously both at the national and local levels under strong industry-government-academia collaborations.



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# **Cheese and wine pairing: a marketing analysis of Catalan cellars**

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## **Abstract**

Cheese tourism is a special interest tourism which in recent years witnessed a growing interest by tourism academics and practitioners. Cheese is a product that is closely linked to people and territories, and communicates the sense of a place from land to plate. While regions around the world use cheese as a significant attraction factor (for example, Emmental, Gouda or Roquefort), cheese is still far to create a widespread motivation as wine does. This research advocates that 'wine tourism' can enhance the visibility of 'cheese tourism' in peripheral areas.

Departing from the close relation that cheese and wine showcase at home and restaurant tables, the objective of this study is to analyse the 'cheese and wine' offer as part of destination food-based tourism experiences. This research is focused on the case of Catalonia, where both wine and cheese production are part of its geographical and historical identity – with economic and sociocultural implications – and represent a valuable food heritage. Drawing on a content analysis of 10 'cheese and wine' tastings in Catalan cellars, this research analyses the description, duration, price and location of these activities, and their cheese and wine branding.

Results demonstrate how and why the connections built between wine and cheese can contribute to the promotion of local cuisine and gastronomy, and ultimately, to an increase of travel to natural and rural environments. The analysis reveals that cheese tourism does not take enough advantage of the power of wine in tourism which shows the potential that exist in pairing wine and cheese. Theoretical implications refer to the connections between agriculture and tourism as a consequence of stakeholders' cooperation. This creates an experience that unites wine and cheese. Managerial opportunities also emerge from this relationship which can constitute a competitive advantage for destinations. Upcoming studies can compare the promotion of 'cheese and wine' tours in different regions. Also, further research can scrutinize the perspectives of both producers (wine and cheese) to promote a joint offer, and visitors to combine cheese and wine during their gastronomic journeys.

**Keywords:** culinary tourism; food heritage; regional development.

# **Micro-Wine Experience Segments: Accelerators of Wine Tourism in the Rhone Valley**

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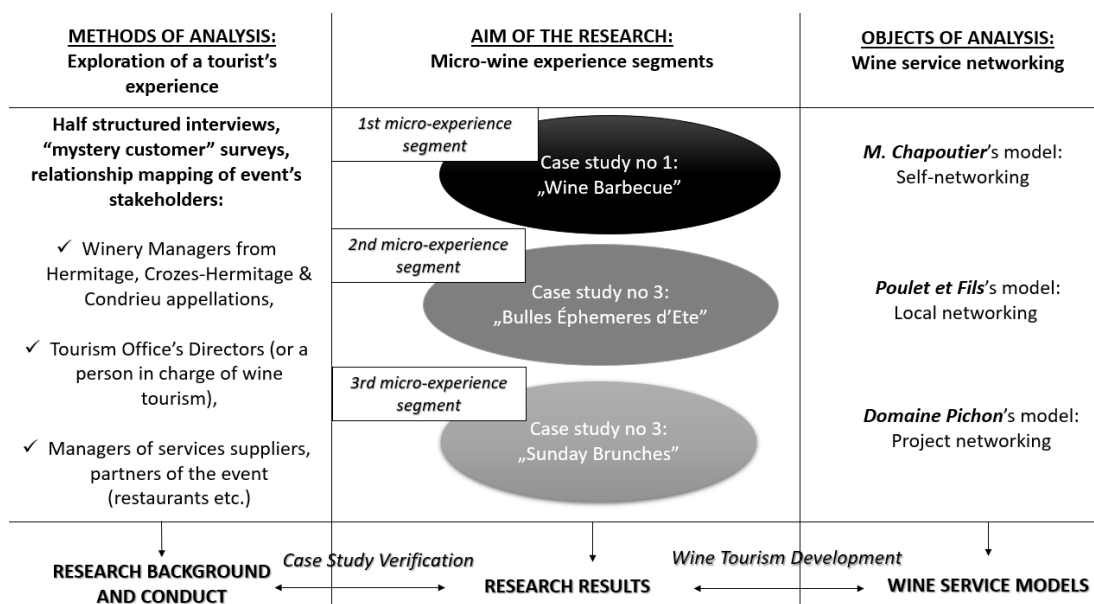
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## Introduction & research problems

Offering wine events play a major role in co-creating a wine tourism ecosystem because it involves a wide range of actors. These events enable tourists to discover vineyards and wine through having fun, games, education, entertainment etc. (Yuan et al., 2005). In fact, wine tourism development more and more depends on the ability of wine actors to create attractive and engaging relationships with tourists. In this context, relational dynamics of wine events is explored and discussed in this paper.

Yet, each wine region, wine route and even wine tourism stakeholder propose very different compositions of wine events in terms of communication as well as organization and coordination. Therefore, in the practice, one can distinguish two main types of wine events: collective (co-created by a network of stakeholders) and individual (created by a single wine tourism actor). In the first case, wine event is a result of stakeholders' ability of networking and collaborating with each other (Hall et al., 1997), while in the latter, it is rather a matter of an actor potential in its egocentric network (Michael, 2007). In our research process, however, we explore the collective approach because our research focus is about networking models of wine producers, which offer tourists a particular wine experience created by the means of events. The different types of event organizations are further referred to as the wine-experience segments (**Fig.1**).



**Figure 1.** The methodology of researching the micro-segments of tourist's wine experiences

Source: authors' own elaboration

Thus, a methodology was designed to approach the tourist experience (service availability, accessibility and regularity) in various micro-segments in link with networking models that make the event possible and successful (**Fig. 2**).

## **1. Research methods and conduct**

Since wine experiences can be very different due to wine regions, wine appellations and finally due to the service model of tourism supplier, the research in the wine-growing areas of Rhône Valley is conducted with a qualitative approach using mixed methods because exploring wine experiences requires a non-obtrusive approach, respectful of the event. The research method has to be both structured – to enable comparisons between various events, and flexible – to enable the complexity of these experiences to be recorded. Inspired by the marketing anthropology research (Martin & Woodside, 2017), we opt for observation research that assumes that people would act differently if they realized that someone was studying their behavior. Data rely on etic interpretations of consumer behavior (Belk et al., 1988, Bowen, 2002). Thus, a non-participatory covert observational technique (Clark and al., 2009) is adopted, but the analysis is enriched by interviews of the main stakeholders involved in the event organization.

The observational technique means that a researcher will immerse in wine events where he will play the role of mysterious consumer (Czarniawska, 2014). While adopting the insightful eye on customer experiences, he can collect various materials, useful for a comprehensive understanding of the experience: records, documents, pictures and reports about his/her own feelings (Kostera, Gaggiotti & Krzyworzeka, 2012). He/She is obliged to objectify these various artifacts by using additional methods (**Fig. 1**- left column). For this reason, several interviews were conducted within the Rhone wineries that offer attractive and original wine events which go further than simple tasting (in fact ‘wine tasting is a central component of a package of services, such as festival, market, exhibition, picnic etc.). Therefore, the wine owners (or wine sales managers) of the chosen wineries and sometimes also their partners/suppliers were interviewed. It allows to gather information about networking models underpinning the events being studied and to identify the collaborative relationship between the winery and its suppliers. We used a semi-structured questionnaire to collect various data: some questions arising from our exploratory goals were systematically addressed but the respondent could freely mention additional information. The questionnaire went over various aspects: wine business orientation, wine tourism strategy, wine service offers, collaboration with tourism offices and collaboration with local food producers or local tourist agencies. The answers were subsequently confronted with the experience as it was perceived by the researcher. Thus, two dimensions of analysis were created (**Fig. 2**): wine tourism contribution (depending of the wineries’ ability to propose successful experiences to the tourists) and service networking model.

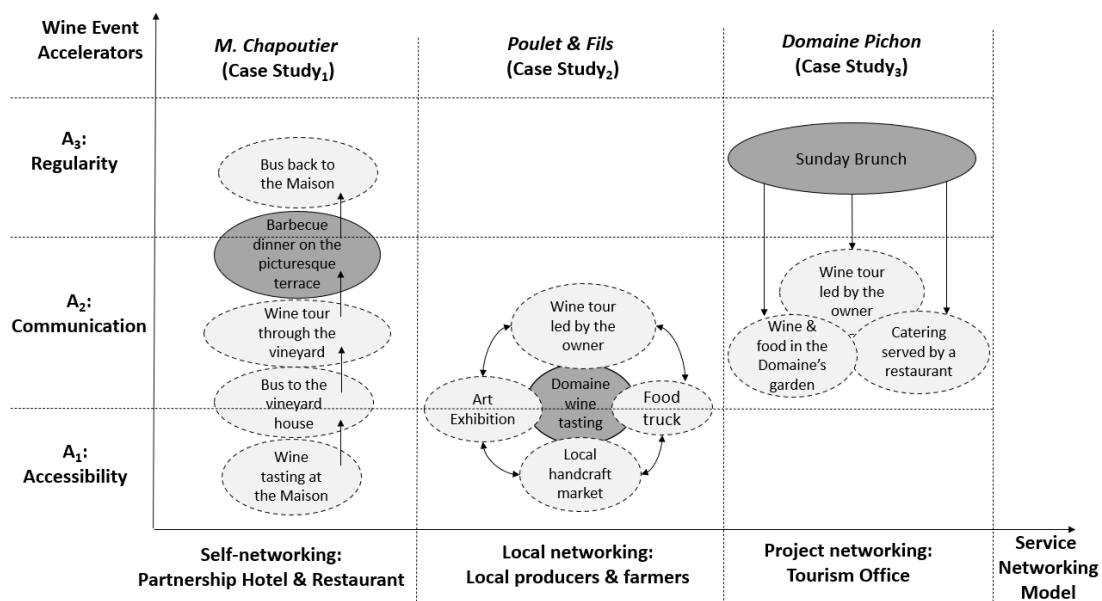
We selected three cases out of the twenty case studies of our research project in the Rhône Valley : They are comparable in terms of tourism and geographical structure (all cases are located in the Northern part of the Rhone Valley), but they are to be distinguished with respect to wine event type, regularity, accessibility and communication.

We have explored the event of “Wine Barbecue” organized by *M.Chapoutier* (*Hermitage & Crozes-Hermitage* appellations), then “Sunday Brunch” offered by the *Domaine Pichon* (*Condrieu & Cote Rotie* appellations), and “Bulles Ephémères d’Eté” proposed by *Poulet et Fils* (a winery in *Clairette de Die* appellation).

## 2. Research results & findings

Our methodology allowed us to create segments of wine event experience defined by two dimensions (Fig. 2):

- **wine event accelerators** (event regularity, communication and accessibility offered to the international tourists) and,
- **service networking models** (viewed from an individual actor perspective, so from the egocentric position toward networking benefits).



**Figure 2.** Micro-wine experience segments

Source: authors' own elaboration

Regarding wine event accelerators three attributes were selected: regularity (refers to the richness of wine event calendar), the style of communication between service supplier and

tourist, the convenience to book an event (Axelsen, Swan, 2010; Brown, Havitz & Getz, 2006).

The first attribute – **regularity**- is a wine event accelerator as far as it measures the consistency of the events planning, so that tourists can have many opportunities to participate in one/few of them throughout the whole season. Therefore, the denser and richer are calendar of wine events offered by a wine-producer, the higher is the contribution to the tourist experience.

The second attribute- **communication**- indicates that the wine event is considered as an informative and rewarding experience. This is the case when the conversation with service staff is educative, engaging and interactive (Ali-Knight, Charters, 2001). In this case, the high contribution to a tourist experience rests on knowledge-based narration and relationship quality.

The last one – **accessibility**- says about wine event availability and flexibility in the booking process. Generally, the more accessible and easier to book a place for the event was for the self-traveling tourist, the higher this event contributed to the tourist experience.

We also analyzed the networking models which reflect the wine-producer approach toward wine tourism networking (within a peculiar appellation from the Northern Rhone). There can be as many service networking models as there are wineries. For this reason, we focused on the specific ways of networking and managing wine events and we found out the following types:

- (1) **Self- networking for the *M.Chapoutier***- meaning that the entire list of events is based on its own resources: catering services, hospitality services, tourist guides etc.
- (2) **Local networking for the *Poulet & Fils*** – meaning that the event organization is based on collaboration with local food producers, craftsmen, artists etc.
- (3) **Project networking for the *Domaine Pichon***- meaning that the event planning is based on a wine tourism project managed by Vienne Tourism Office, and especially its department of Wine Tourism.

The main reason why *M.Chapoutier*'s model was called 'self-networking' is because it is one of the biggest player (wine house) in the Rhone Valley, holding vineyards in other regions of France and abroad. It is a famous, well-known and highly-ranked winery in both: wine production and wine tourism. Chapoutier created a separate wine tourism department that is in charge of events management as well as for the Gites and Business Seminars. The event calendar is a separate brochure called "M. Chapoutier L'ecole - programme des ateliers 2020" which contains the full schedule of events in and off the summer season (approximately 4/5 per month). 'Wine Barbecue' is one of the most frequent option offered from the middle of



June until the end of July, which can be considered as a regular event (thus the key contribution to *Hermitage & Crozes-Hermitage*'s wine tourism development by *M. Chapoutier*).

The second event studied was the “Bulles Ephémères d’Eté” an annual event organized by *Poulet & Fils*: it must be said that wine tourism does not play an important role in its business strategy. Therefore, this performance is mainly dedicated for local promotion and recognition. Booking was not necessary and places were not limited. Thus, tourist participation was very flexible and the organizational structure remained light. The event consisted of diverse proposals (snacking, art exhibition, stands held by artisans, wine testing) leaving the visitor free to choose its activities as he pleases. The central activity that local people appreciated the most was an opportunity to taste the *Domaine*' sparkling wines (thus, this wine tasting opportunities bring the greatest added value to local tourism development; it appears in dark grey on **Fig. 2**).

The third segment of tourist experience is based on a “Sunday Brunch” that took place at *Domaine Pichon*. Here was observed the similar logic that in the previous model with a lot of collaborative initiatives and wide range of activities for tourist (wine tours, wine tasting, wine & food, chattering etc.) with an informal style of communication. The main difference, however, is the style of gastronomy: here the food was delivered by a local catering restaurant, which is a regular partner of *Domaine Pichon*. Concerning the timetable of the event: the brunch took place between 10.00 and 15.00 whereas *Poulet&Fils* event was in the afternoon and evening. Moreover, ‘Sunday Brunches’ is a project that was created for the summer 2020 by the wine department of Vienne Condrieu Tourism Office, with ten wineries from the *Condrieu* and *Cote Rôtie*. The main goal of this project is to activate the wine-producers in organizing and offering wine events on Sunday, that normally is a close day for wine visits.

## **Conclusions and managerial contribution**

Each one of the wine events under study succeeded to create a specific wine experience that meets a set of distinctive customer expectations. That is why each event contributes to wine tourism development in the Rhone Valley in its own way. Essentially, each type of wine experience micro-segment can be seen as a source of inspiration for managers of the wine sector, since they adopt a model adapted to their organization and target audience:

- (1) **Wine experience segment of “Wine Barbecue” created by *M. Chapoutier*** – an excellent benchmark for the producers able to set up an activity program with varied and regular offers. *Chapoutier*'s events provide an example of how to take advantage of the diversification of the company's activities, e.g. the chefs for Barbecue came from the *Chapoutier*'s restaurant & hotel “*Fac & Spera*”.
- (2) **Wine experience segment of “Bulles Ephémères d’Ete” created by *Poulet & Fils*** – an excellent benchmark for the small wine producers on how to federate the local food producers' and artisans to create a collective event, where the winemaker is the central

actor. This case shows how the winemaker involvement in a local community (through the organization of a 'wine & art' event) can build a long-term relationship and improves the brand reputation. But, as the organization of such event is quite demanding (costly, time consuming etc.), it happens periodically or occasionally ("Bulles Éphémères" takes place once a year only). The impact on wine tourism in the appellation remains limited.

- (3) **Wine experience segment of "Sunday Brunches" created by Vienne Condrieu Tourism Office** – an excellent benchmark for the medium wine producers on how to build up the networking potential through social capital and structures, how to get involved in a territory project initiated by a public institution. The networking capacity of various stakeholders in the same appellation and their involvement in projects taken up by the Tourism Office, is a fruitful strategy of wine tourism development, especially when wineries' own resources are not sufficient to take care properly of wine tourism communication and offers.

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The third segment of tourist experience is based on a “Sunday Brunch” that took place at *Domaine Pichon*. Here was observed the similar logic that in the previous model with a lot of collaborative initiatives and wide range of activities for tourist (wine tours, wine tasting, wine & food, chattering etc.) with an informal style of communication. The main difference, however, is the style of gastronomy: here the food was delivered by a local catering restaurant, which is a regular partner of *Domaine Pichon*. Concerning the timetable of the event: the brunch took place between 10.00 and 15.00 whereas *Poulet&Fils* event was in the afternoon and evening. Moreover, ‘Sunday Brunches’ is a project that was created for the summer 2020 by the wine department of Vienne Condrieu Tourism Office, with ten wineries from the *Condrieu* and *Cote Rôtie*. The main goal of this project is to activate the wine-producers in organizing and offering wine events on Sunday, that normally is a close day for wine visits.

## **Conclusions and managerial contribution**

Each one of the wine events under study succeeded to create a specific wine experience that meets a set of distinctive customer expectations. That is why each event contributes to wine tourism development in the Rhone Valley in its own way. Essentially, each type of wine experience micro-segment can be seen as a source of inspiration for managers of the wine sector, since they adopt a model adapted to their organization and target audience:

- (1) **Wine experience segment of “Wine Barbecue” created by *M. Chapoutier*** – an excellent benchmark for the producers able to set up an activity program with varied and regular offers. *Chapoutier*'s events provide an example of how to take advantage of the diversification of the company's activities, e.g. the chefs for Barbecue came from the *Chapoutier*'s restaurant & hotel “*Fac & Spera*”.
- (2) **Wine experience segment of “Bulles Ephémères d’Ete” created by *Poulet & Fils*** – an excellent benchmark for the small wine producers on how to federate the local food producers' and artisans to create a collective event, where the winemaker is the central

# **Crushing Content Marketing with Videos: What Consumers Want**

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## Introduction

Wine and tourism have a symbiotic relationship. The romance of visiting a beautiful ‘wine country’ attracts millions of tourists worldwide. Within the last couple of decades, wine tourism became the lifeblood for the industry - especially for smaller wineries who do not have sufficient inventories to sell their products through retailers domestically or to export. These wineries largely rely on selling wine directly to visitors at their cellar doors. The novel coronavirus harshly hit the ‘pause button’ on wine tourism across the globe. Under the new ‘shelter-in-place’ provisions, wineries had to close their doors for the visitors, which caused a devastating economic distress to their businesses.

One of the critical marketing principles in a time of crisis is to maintain a presence with customers. During this difficult time, many wineries are massively turning to creative technological solutions to maintain relationships with existing customers and to potentially attract future visitors, when they re-open cellar doors. Many wineries are considering the use of videos as an effective way to promote their products and services. Indeed, the benefits of video marketing as a useful business communication channel have been well documented by previous research. Videos have been found effective for delivering messages, increasing engagement, educating customers, attracting visitors to websites and social media platforms, and overall, for developing long-lasting relationships with target markets (Smith, 2011; Hollebeek & Macky, 2019).

However, in the modern technology-driven world, consumers have an overwhelming variety of videos to choose from. This poses a challenge for businesses who want to effectively promote themselves through video marketing. Modern technologies allow creating rather professional videos with just a smartphone, a microphone, and some basic knowledge of video editing. The challenge, however, is to create *content* that consumers would engage with and respond to. Thus, the development of *effective video content* becomes critical nowadays.

Wineries have many different options to determine the focus of their video content. For example, one of the most common type of videos is *educational*. In such videos, wineries can provide information about their wines, different vintages, or announce new releases. *Brand* videos are also commonly used to increase brand awareness. This is way for a winery to ‘humanize’ a brand by featuring personalities (e.g., ‘meet our winemaker’) or by boosting engagement with the key winery personnel (e.g., ‘ask our wine experts’). Wineries can also focus on creating and maintaining *affective* relationships with their customers – for example, by offering videos that generate expectations about visiting cellar doors. For this strategy, sensorial (stimulating the human senses) and/or emotional (generating positive feelings and moods) characteristics of the experience are most commonly applied in the video.

### 1. Need Statement, Purpose, and Research Question

Importantly, regardless of the content emphasis, videos serve as a means for customers to *form perceptions* about the brand and its products. Therefore, creating effective video content is a complex undertaking that requires a strategy and an in-depth understanding of the target audiences, their attitudes, needs and wants. Currently though, scholarly research on video content in the wine business context is scarce. Little is known about consumer attitudes towards wineries based on their perceptions of videos produced by the wineries. Given the growing popularity of digital communication and the importance of video marketing in the current conditions of lockdown, this study is a timely and a much-needed attempt **aiming** to explore consumer preferences for different types of content in winery videos. Thus, the following **research question** is proposed: what type of video content by wineries do consumers prefer?

## **2. Conceptual Background: Selected Relevant Studies**

The effects of advertising - as a predecessor of video marketing - on consumer decisions have been studied since 1990s. Initially, Olney, Holbrook, and Batra (1991) addressed the effects of advertising content and emotions by proposing a model to measure two dimensions: *emotional* versus *attitudinal*. Petty *et al.* (1993) studied how emotional state could affect attitudes. The researchers also examined the influence of positive versus negative content on mood basing on an experimental protocol. Witmer and Singer (1998) measured the presence in virtual environments using four types of factors: control, sensory, distraction, and realism. Woodside and Dubelaar (2002) found that tourism video advertising influences tourist behavior, forms a positive cognitive image, and significantly increases their tourism expenditures.

More recent literature increasingly acknowledges the importance of video features (Brezeale & Cook, 2007), videos structure and content (Loui *et al.*, 2007), and their emotional appeal (Lewis *et al.*, 2010). Significant differences were observed in terms of video genre (Chen *et al.*, 2010), occasions (Lewis *et al.*, 2010), product or company focus. Kim & Mattila (2011) examined consumer evaluations of hotel website video clips and suggested six dimensions: user interface, aesthetics, customization/personalization, assurance/trust, flexibility, virtual human interaction.

Within the context of wine tourism, pictures and videos more vividly (than text content) convey the destination image of a region. Existing research on destination image is largely based on data from comments, travel notes, and pictures. Research on the influence of microfilms and propaganda films on destination image is also increasingly active. Tessitore, Pandelaere, and Van Kerckhove. (2014) found that reality TV affects people's perception of destination in both cognitive and affective dimensions. By proposing to extend the stimulus-organism response model to the social media context, Li (2019) explored video application users' visit intentions and validated the positive influence between short video, destination image, perceived interactivity, and short video application users' visit intention. Li further stated that the quality and credibility of videos are the most important factors that affect perceptions of tourism destination.



In conclusion, videos have been found an effective way for tourists to form perceptions of a destination image. By extension then, videos may have a significant impact on perceptions of individual wineries' images. The current study explored this proposition and examined consumer preferences for various content of winery videos.

### **3. Research Design**

Empirical data were collected in two markets (France and the US). Thirty-five respondents (13 in France and 22 in the US) were asked to perform an online search for winery videos and to select four (4) videos with the content that was *most appealing* to them. Importantly, given the emphasis of this research on broader consumer preferences for content, no further instructions were given with regards to the choice of videos. The only specification was that the videos must be created by and/or promote individual wineries (not a wine region as a whole, nor a combination of several wineries, such as a wine trail). Respondents individually searched for the videos and submitted links to the chosen videos via an online survey programmed in Qualtrics. For each video, they were asked to provide a short description of the factors that influenced their choices (*"In a brief paragraph, please explain why you chose this video"*). The data resulted in a total of 140 videos and subsequent narratives.

### **4. Data Analysis**

Qualitative and quantitative analyses have been performed by exploring the text data in the paragraph narratives and by calculating the descriptors frequencies and co-occurrences. After lemmatization, statistical analysis of textual content by Descending Hierarchical Classification and Similarity Analysis have been utilized. We analyzed the co-occurrences of words relations by Chi-squared test and used Fruchterman-Reingold algorithm for layout. We further prepared the corpus content as a monothematic analysis to understand the global perception of video choices, words present in the question, which was reformulated in the answer, suppressed for the Similarity Analysis (as video, choose, show, watch).

### **5. Findings and Discussion**

The corpus 140 videos yielded 236 text segments containing 7693 occurrences. The analyses by Descending Hierarchical classification resulted in four categories (called 'classes' herewith). A total of 183 text segments have been classified (77.54% of the total texts segmentation, which shows a good representation of the data). Table 1 visually represents the four classes, the corresponding descriptors, along with chi-square test results, and p-values.

The most representative descriptors for *Class 1* were *"explain, winemaker, great, promote."* This class was largely linked to the notion of wine promotion, with notable emphasis on the product itself and usability of the land and winemaking methods. Some of the illuminating quotes included:

“Aside from the name, this estate winery intrigued me because the winemaker was actually in the video explaining the quality of the grapes and the wines. The video also had amazing shots of the scenery and winery itself, as well as the barrel room and cellar.”

“This video features the winemaker for the Crossings Winery in Marlborough New Zealand, and he explains the special characters of each of the 3 estate vineyards from which the Crossings wines are made”

**Table 1.** Characteristics of classes

classe 1			classe 2			classe 3			classe 4		
form	chi2	p-value	form	chi2	p-value	form	chi2	p-value	form	chi2	p-value
explain	33.34	****	feel	28.36	****	visit	15.87	****	market	24.07	****
winemaker	29.91	****	own	21.06	****	love	13.13	***	attention	16.78	****
great	16.96	****	interest	17.87	****	nice	11.96	***	work	14.16	***
promote	14.62	***	family	17.04	****	offer	11.96	***	relax	14.16	***
country	14.62	***	locate	14.87	***	learn	10.73	**	scenery	13.31	***
shot	14.62	***	passion	13.74	***	high	10.73	**	reason	13.25	***
feature	13.73	***	story	10.88	***	food	10.73	**	enjoy	12.33	***
trail	10.90	***	process	10.80	**	quality	10.22	**	music	10.67	**
hill	10.90	***	tell	10.80	**	production	9.52	**	pick	10.56	**
website	10.90	***	owner	10.80	**	present	9.52	**	fun	10.06	**
cellar	10.90	***	young	8.83	**	point	9.52	**	information	9.81	**
taste	10.47	**	find	7.86	**	nature	9.52	**	close	9.81	**
start	9.01	**	detail	5.94	*	informative	9.52	**	beautiful	7.96	**
wine	7.08	**	produce	5.21	*	include	9.52	**	background	6.99	**
drink	5.31	*	lot	5.21	*	appeal	8.04	**	thing	6.51	*
end	5.31	*	california	5.21	*	short	8.03	**	draw	6.51	*
tourism	5.31	*				aspect	7.10	**	watch	5.63	*
grape	4.90	*				set	7.10	**	time	5.05	*
give	4.90	*				restaurant	6.10	*			
old	4.38	*				tour	6.10	*			
amaze	4.38	*				discover	6.10	*			
						property	5.93	*			
						good	4.67	*			
						part	3.93	*			
						create	3.93	*			
						atmosphere	3.93	*			

*Class 2* mainly contained elements related to emotional and personal experiences, as well as references to history as a reflection of an affective relation with the company. Some of the prominent descriptors of this class included “*feel, own, interest, family, locate, passion, story*”.

“I chose this video because not only did it tell a story, it captured me as an audience and made me interested in the product and all that it represented. It almost felt like a trailer or intro to a movie with the way it was produced”

“It’s an interesting video and shows beautiful New Zealand in the background. This video is good to make people feel like family and that they could be a part of the Donaldson family”

*Class 3* was linked to attraction, fascination with the landscape, nature, and desire to visit the winery. Notably, these feelings seem to lead to the perceptions of wine quality. Representative words included “*visit, love, nice, offer, learn, high, quality, production, present*”

“Visually beautiful... showed landscape, nature... informative talk about the winery by old people... history of the winery explained very high production quality”

“Just based on the creativity of this video, I would love visit this winery and I would have high expectations for the product”

Lastly, Class 4 included descriptors such as “*attention, relax, scenery, enjoy, music, fun*”. Thus, this class largely represented pleasure and perceptions of wine as a hedonic product:

“The beautiful scenery was the reason this video got picked”

“The background music in this video is what grabbed my attention the most. It is fun and easygoing. This is my favorite video ...it shows how absolutely beautiful everything is”

“My attention is captured by the scenery”

Further, additional similitude analysis showed the interconnection of the descriptors and revealed two broad concepts vividly observable in the videos content selected by the respondents: ‘*Winery*’ (word frequency 143) and ‘*Wine*’ (word frequency 141). Each category had a corresponding cluster of descriptors loading in association with it. Descriptors in the ‘*Winery*’ cluster included words such as ‘*vineyard, person, estate, history*’; whereas descriptors in the “*Wine*” category were associated with words such as *interest, story and feel*.

## **Conclusions**

The current study was an initial exploration of consumer preferences for different types of video content produced by wineries. Generally, this research found that consumers choose videos with content focusing on two broad concepts: *Winery* and *Wine*. A more in-depth analysis revealed that consumers seem to value content that features affective relationships with the customers, the family, the history, and the story of the brand. By using appropriate video content, wineries need to create a sense of an emotional experience that consumers seem to favor. The findings further showed that wine is perceived as a hedonic product; and in the chosen videos these perceptions were linked to good sensorial experiences, feelings and interest in the product itself, as well as in the lifestyle that surrounds it.

Clearly, this exploratory research is not conclusive. This study intended merely to explore the basic categories of video content; as well as to lay the groundwork that will lead to future scholarly research on various aspects of video content in the wine business context.

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