

SUCCESS FACTORS FOR THE TOURIST MANAGEMENT OF WINE ROUTES

Giulia Dal Bò - Institute for Regional Development and Location Management, European Academy Bolzano (EURAC research)

Sabine Pichler, MSc - Institute for Regional Development and Location Management, European Academy Bolzano (EURAC research)

Harald Pechlaner - Chair of Tourism, Catholic University of Eichstätt-Ingolstadt

ABSTRACT

Wine-related tourism has become increasingly important in the last few decades. The objectives of managing a wine route include the development of the territory and its wine-related potentials. Wine route managers should make the itinerary appealing by presenting a “bundle of benefits” to guests, integrating typical tourist products and services. Previous studies on the critical success factors of wine regions mainly focus on their special characteristics, without considering the role played by wine organizations. The study analyzes the organizational model, product development and cooperation systems with other stakeholders of European wine routes.

RESUMO

O turismo de vinhos tornou-se cada vez mais importante nas últimas décadas. Os objetivos da gestão de uma rota do vinho são o desenvolvimento do território e das suas potencialidades relacionadas com o vinho. Diretores de rotas do vinho devem fazer um percurso atraente para apresentar um “pacote de benefícios” para os convidados, integrando produtos e serviços típicos. Estudos sobre os fatores críticos de sucesso das regiões vinícolas concretizam principalmente em suas características especiais, não considerando o desempenho das organizações de vinho. O estudo analisa o modelo organizacional, o desenvolvimento de produtos e sistemas de cooperação com outras partes interessadas de rotas de vinho europeu.

Key-words:

cooperation, management, product development, wine routes, wine tourism

Palavras-Chave:

cooperação, gestão, desenvolvimento de produtos, rotas do vinho, enoturismo

BACKGROUND

Wine routes now play an increasingly significant role as tourist product of the wine regions around the world (Hall, 1997). The management of wine routes is also becoming more important, because the number of tourists who are interested in wine-related products and activities has grown in the last few decades.

Wine routes are an interesting tourist product because of their particular nature — as a bundle of tourist activities and products which are mostly, but not always, wine related (Charters & Ali-Knight, 2000). This system is characterized by the cooperation of different stakeholders who combine their competencies to create an integrated product, and carry on their businesses separately — but in accord — with other actors. As the imagery of wine routes (and consequently, wine regions) has evolved into a more aesthetic experience (Williams, 2001), management organizations have been forced to cope with challenges concerning the whole tourist experience, which includes not only the wine-related offers, but also other activities and attraction points.

At the European level, more than two hundred wine routes operate over many different regions. Competing in this market setting means to develop a distinctive image of the route which best represents the competitiveness of the region. These wine routes, all of which are organized differently, must also cooperate with various stakeholders in destination promotion and in product development.

1. WINE ROUTES

Wine routes are tours in a wine region that offer the coordinated products of «vineyards, wineries, wine festivals and wine shows» (Hall, 1996; Bruwer, 2003). Visitors experience not only the wine region itself, but also the attraction points related to the destination (Charters & Ali-Knight, 2002). However, according to Mitchell (2004), a different kind of tourism exists that does not aim to experience the whole territory, and focuses only on winery visits.

According to Hall, Mitchell and Sharples (2003) tourists' expectations have changed regarding visiting rural areas, and lately, more emphasis has been put on the conservation and maintenance of natural heritage. The relationship

between tourism and food is therefore an opportunity for product development, while also offering the possibility for rural diversification. Even though many visitors travel mainly for wine-related reasons, the experience gains value if mixed with other activities, which may not necessarily be related to food or wine (see Figure 1). Tourism plays an important role in raising the awareness of the local wine culture, and therefore promoting the regional development of wine areas (Wood, 2001).

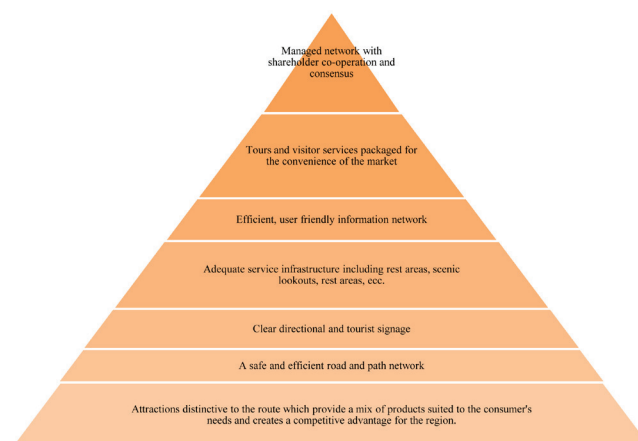


Figure 1: Importance of a special interest in food as a travel motivation - **Source: Hall & Sharples (2003) in Hall & Mitchell (2006: 139)**

According to Getz (2000), wine routes encourage the perception of the system as a concrete tourist product which visitors can experience. From a managerial point of view, wine routes represent a systematic offer, based on one or more paths where important stakeholders of the wine tourist region are located (Antonioli Corigliano, 2007: 116). Murray and Graham (1997: 514) argue that the increasing importance of wine routes is because even the experiences along the way are as important as the destination itself. This research paper takes the view that a wine route is an instrument to be employed by destination management, because of its potential in promoting regional development. Tourists can visit the surrounding localities (Murray & Graham, 1997: 514) as well as sites around where wine-related events take place.

The main task of organizations that manage wine routes is to promote the tourist services offered along the trail — they can be understood as the interface between wine culture and tourism. The links between attraction points and wine-related experiences are the prerogative of managers of the wine routes (Hardy, 1993: 317), who must bring

the different interests together. The logistics aspects, such as coordinating the involvement of several stakeholders and fostering cooperation between tourism organizations and wine businesses, can manifest in various forms of partnerships (Frochot, 2002: 74). Difficulties emerge because the two market segments understand themselves as different elements with different aims (Hall, 2002: 208). Therefore, the management of stakeholders requires a planning tool that can facilitate tourism (Getz & Jamal, 1994; Butler, 1999; Sautter & Leisen, 1999; Yuksel et al., 1999), develop the region (Getz & Brown, 2006) and offer a broader product.

2. MANAGEMENT SKILLS

To overcome the difficulty of involving different stakeholders and facilitate their working with the same aim (that is, the destination's promotion and regional development), three main elements have been identified as fundamental for the success of the integration of stakeholders: the organizational model, the cooperation model and the product development process.

Hardy (1993) identifies key factors in the development of themed routes, with special focus on driving tours, and most of those features can be applied to wine routes. The basis success factors comprise a system of perfectly linked and featured attraction points. Further steps involve the maintenance of the infrastructure network and the establishment of an efficient information network. According to the scheme illustrated in Figure 2, two more important success factors are product development (for example, packages of tours and other services) and the management of the stakeholders' network (that is, through cooperation and consensus).

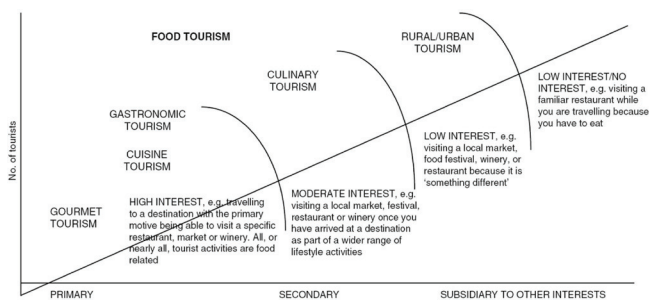


Figure 2: Features of successful themed tourist routes - **Source:** our elaboration on diagram by Hardy (1993: 319)

The focus of the present study is to determine the key factors for determining the success of wine route promotion that primarily involve the manager of wine route organizations. In order to cope with the challenges of bringing together the different interest groups, three important managerial elements were identified: the organizational model, the involvement of different stakeholders and the product development process.

2.1 The organizational model

The organizational model permits helps us understand the breadth of decision-making power within a wine route organization. The flexibility of the organization and the ability to accomplish the market's needs depends on the kind of organization behind it. According to Bruwer (2003: 425), the establishment of a wine route involves encouraging cooperative work between government, local council, private enterprise and an association of the tourism industry and the wine sector. The resulting network is characterized by the territory, in terms of construction of the products offered, and this confers it with a peculiar identity (Rossi & Rovai, 1998; Barjolle et al., 1998). The efficiency of the network is important, because this creates economic advantages (Antonioli Corigliano, 1999; Morroni, 1992), while the involvement of private and public organizations encourages a bottom-up approach in creating effective interconnection within the network (Gatti & Incerti, 1997).

2.2 The cooperation model

The cooperation model creates a register of the strength of relationships with other stakeholders and defines a clear role for the wine route organizations. According to Hall (2002: 206) and Getz (2000: 12), the partners involved in a wine route can «occur at all stages of the value chain and they range from highly informal relationships through contractual obligations». However, such cooperations are not easy to create, because the two sectors understand themselves as separate and as having completely different goals. The actors in the wine sector often may not recognize opportunities to create synergies in marketing and product development (Hall & Mitchell, 2008), even though those are important to attract tourists who would consider the destination as a whole (Berlin Walton, 2007).

Prior research that has tried to understand the importance of the wine route organization has analyzed only vertical cooperation (Rasch & Gretzel, 2008; Mitchell & Schreiber 2006) in the decision-making process, which occurs between wine and tourism stakeholders.

2.3 The product development process

The involvement of both the wine industry and tourism sectors, and providing them with a space where they can cooperate to reach common goals, are also fundamental for understanding how the product development process works. According to Williams (2001a; 2001b), the imagery of wine regions in the 1990s was at first focused on production, and it then shifted into more experiential dimensions. The active development of the wine tourism product is a relatively recent phenomenon (Bruwer, 2003), of which the winery tours are only one example of a special tourism product (Weiler & Hall, 1992). Apart from wine-related activities (such as attendance at wine festivals and visiting wine cellars), even sightseeing and visiting other attractions are now recognized as further main reasons for visiting wine regions (Maddern & Gollidge, 1996).

3. RESEARCH QUESTION AND METHODOLOGY

3.1. Research Question

The research question for this study is based on the assumption that the analyzed critical success factors for an organization are of fundamental importance in the case of wine routes because of the intermediation role between two different market sectors played by those organizations. Some research has been undertaken to understand the role of demand in the development of wine routes (refer to Getz & Brown, 2006), but less has been undertaken regarding the supply side (refer to Morris & King, 1997) — especially from an European point of view (refer to Mitchell & Hall, 2000; Arfini et al., 2002; Correia et al., 2004; Karafolas, 2005).

In light of this research gap, this study investigates the wine route organizations in terms of their organizational models, the cooperation system with ancillary stakeholders in terms of leadership and the product development process in terms of decision-making power. The study also

aims to determine if the most important competencies in the management of wine routes vary according to the main features of the organizations themselves.

3.2. Methodology

The conducted survey was based on a sample of 58 wine route organizations from different European countries, including: Austria (10.3 per cent), France (5.2 per cent), Germany (15.5 per cent), Hungary (3.4 per cent), Italy (48.3 per cent), Portugal (3.4 per cent), Slovenia (6.9 per cent) and Spain (6.9 per cent). After consideration of the literature described above, a ten-question online standardized questionnaire was developed and sent to all organizations in these countries.

The questionnaire aimed to investigate the organizational model, the cooperation model and the product development process. To measure the first one, variables such as corporate model, size, main planning features and most importantly, the necessary competencies for a wine route manager were used. These questions were designed to determine which were the critical success factors for this organization, and in order to analyze the flexibility of the organization. To analyze the cooperation between the stakeholders, variables such as the strengths of the relationships between the different actors, the decision-making processes they employed and the willingness of wine and tourism organizations to cooperate were used. To measure the product development system, which implies a process where tourist products are proposed and approved at different levels of the chain, variables such as the decision-making power of the wine route organization and the promotion of combined products were used.

4. EMPIRICAL RESEARCH

4.1. Descriptive statistics

The respondents' percentage reflects the distribution of wine routes in Europe. The organizations were 91.4 per cent joint ventures or associations, while 6.8 per cent were product clubs, public limited companies and municipalities. The average size of the organization comprised approximately 107 members.

The relationship with other stakeholders was mostly formal, and each category was represented by one

designated delegate from the organization (29.1 per cent). An informal interaction with the representatives of each trade category often emerged (27.3 per cent).

The decision-making process for the creation of tourist products was characterized in the sample by the final approval of the local tourist association, while the wine route organization had more of a planning and suggesting function (34.5 per cent). The involvement of the organization in the approval process was important for 32.1 per cent of the respondents.

The strength of the cooperation's connections with other stakeholders was evaluated using a Likert scale of 1–5 (where 1 = very low and 5 = very high). The most important partners were reported as being the cellars (4.26), with which the cooperation was high. The lowest intensity in the cooperation was with the trade unions (mean: 2.91). Other actors mentioned as being very important partners included local municipalities, public organizations and museums (mean: 4.50).

The importance of the main features of wine route organizations, evaluated using a Likert scale of 1–5 (where 1 = very low and 5 = very high) were the creation of a tourist offer based on the peculiarity of the local products (4.35) and, highly related, the joint planning with local actors (4.34). The less relevant element was the discretionary decisional power of the wine route organization (4.02).

The same scale was used to evaluate the most relevant competencies of a wine route organization's manager. The ability of planning wine-related events and activities (4.51) and involving stakeholders from different trade fields (4.49) were rated as very important. However, the ability for long-term planning had the lowest rate of importance (4.25).

The strategically notable characteristics of a wine route involved explaining the wine production process in the wine cellars, sale of local wines and offering events concerning wine, nature and culture (4.46). Other important elements (4.67) were packages of sport/cinema with wine and a precise information system.

The results from the survey show that the most successful elements for a wine route, as reported by the

correspondents were: matching the wine offer with other local delicatessen elements (4.80) and offering events involving wine production and tasting (4.55). Quite important, but with a lower evaluation, was the creation of a quality brand “wine route” for wine and food in the territory (4.08).

4.2. Characterisation of competencies

Following the recommendations from the literature analysis, and considering the research question, three clusters based on the main features of the organizations were determined. The first group was mainly characterized by the focus on product development, also in cooperation with local actors. The main features of Group 2 are organisational aspects, such as the joint planning with local actors and the discretionary decisional power of the organization itself. The third group focuses on the cooperation management between different stakeholders, as well as joint planning.

Table 1 shows that the groups evidence some diversification in these aspects: country of origin, main cooperation partner, relationship with actors and product development process.

Table 1: Characterization of wine route organizations

< Insert Table 1 here >

Source: authors' construction from research statistics.

In order to ascertain significant differences in the importance of competencies between the three groups, a Kruskal-Wallis-Test was carried out. Significant differences can be observed on the following items (Table 2).

Table 2: Significance of the differences in importance of

competencies of the three groups

< Insert Table 2 here >

Source: authors' construction from research statistics

As the Kruskal-Wallis Test only provides information if there are significant differences between the groups, it gives no evidence between which groups these differences can be found. Therefore in a next step, a Mann-Whitney U-Test was carried out (Table 3).

Table 3: Significance of the differences in importance of the three groups

< Insert Table 3 here >

Source: authors' construction from research statistics

The elaboration shows that a significant difference exists between Groups 1 and 2 regarding importance of the ability to coordinate the different local actors. Groups 1 and 3 differ significantly regarding the importance of the ability to motivate the different local actors to promote the territory and the ability to involve actors from different work fields. There are significant differences between Groups 2 and 3 regarding the importance of the ability to coordinate the different actors, the ability to motivate the different local actors to promote the territory and the ability to involve actors from different work fields to achieve common interests.

CONCLUSIONS AND OUTLOOK

The results of this study show that the managers of wine route organizations should focus on helping stakeholders of different trade sectors to cooperate in order to better achieve common goals, such as the territory's promotion and development of new and innovative wine-related tourism products. The main tasks of the wine route associations are generally quite similar, although not all organizations consider those elements in the same way.

Some organizations focus their activities on product development in cooperation with local actors. Others focus on the joint planning with local actors and the discretionary decisional power of the organization itself. Another group of organization focuses on the cooperation management between different stakeholders, as well as joint planning. The necessary competencies used to reach those goals differ appreciably, mainly in the management of the coordination system among stakeholders. Wine route managers should be able to improve the different competencies in order to succeed in their management activities.

Further research could deal with the differentiation between results from different countries and with a deeper analysis among some of the participants through qualitative interviews. It could be interesting to investigate other skills such as managing the information network and service infrastructure (Hardy, 1993) and the relationships between certain management skills and activities.

REFERENCES

- ANTONIOLI Corigliano M. (2007), *Strade del vino ed enoturismo. Distretti turistici e vie di comunicazione*, Milano: Franco Angeli.
- ARFINI, F., BERTOLI, E., & DONATI, M. (2002). The wine routes: analysis of a rural development tool, *Les systèmes agroalimentaires localisés: produits, entreprises et dynamiques locales, Proceedings*, Montpellier, France, 16-18 October 2002. Montpellier: Groupement d'Intérêt Scientifique Systèmes Agro-alimentaires Localisés (GIS SYAL), at : <http://www.gis-syal.agropolis.fr/Syal2002/FR/Atelier/204/DONATI/0ARFINI.pdf>
- BRUWER, J. (2003), South African wine routes: some perspectives on the wine tourism industry's structural dimensions and wine tourism product, *Tourism Management*, 24(4): 423–435.
- BUTLER, R.W. (1999), Sustainable tourism: A state-of-the-art review, *Tourism Geographies*, 1(1): 7–25.
- CHARTERS, S. & ALI-KNIGHT, J. (2000), Wine tourism — A thirst for knowledge? *International Journal of Wine Marketing*, 12(3): 70–80.
- CHARTERS, S. & ALI-KNIGHT, J. (2002), Who is the wine tourist? *Tourism Management*, 23(3): 311–319.
- CORREIA, L., PASSOS Ascensão, M.J. & CHARTERS, S. (2004). Wine Routes in Portugal: A Case Study of the Bairrada Wine Route, *Journal of Wine Research*, 15(1): 15–25.
- FROCHOT, I. (2002), Wine tourism in France: a paradox. In Hall, C.M., Sharples, L., Cambourne, B. & Macionis, N. (eds), *Wine Tourism Around the World — Development, management and markets*, Oxford: Butterworth-Heinemann, pp. 67–80.
- GETZ, D. & BROWN, G. (2006), Critical success factors for wine tourism regions: a demand analysis, *Tourism Management*, 27(1): 146–158.
- GETZ, D., DOWLING, R., CARLSEN, J. & ANDERSON, D. (1999), Critical success factors for wine tourism, *International Journal of Wine Marketing*, 11(3): 20–43.
- GETZ, D. & Lamal, T.B. (1994), The environment community symbiosis: A case for collaborative tourism planning, *Journal of Sustainable Tourism*, 2(3): 152–173.
- HALL, C.M. (1996), Wine tourism in New Zealand. In Higham, J. (eds), *Proceedings of the Tourism Down Under II: A research conference*. Dunedin: University of Otago, pp. 109–119.
- HALL, C.M., JOHNSON, J. & MITCHELL, R. (2002), Wine tourism and regional development. In Hall, C.M., Sharples, L., Cambourne, B. & Macionis, N. (eds), *Wine Tourism Around the World — Development, management and markets*, Oxford: Butterworth-Heinemann, pp. 196–225.
- HALL, C.M. & MITCHELL, R. (2008), *Wine Marketing: a practical guide*, Oxford: Butterworth-Heinemann.
- HALL, C.M., MITCHELL, R. & SHARPLES, L. (2003), Consuming places: The role of food, wine and tourism in the regional development. In Hall, C.M., Sharples, L., Mitchell, R., Cambourne, B. & Macionis, N. (eds), *Food Tourism Around the World — Development, management and markets*, Oxford: Butterworth-Heinemann, pp. 25–60.
- HALL, C.M. & MITCHELL, R. (2006), Gastronomy, food and wine tourism. In Buhalis, D. & Costa, C. (eds), *Tourism business frontiers: consumers, products and industries*, Oxford: Butterworth-Heinemann, pp. 137–147.
- HALL, C.M. & SHARPLES, L. (2003), The consumption of experiences or the experience of consumption? An introduction to the tourism of taste. In Hall, C.M., Sharples, L., Mitchell, R., Cambourne, B. & Macionis, N. (eds), *Food Tourism Around the World — Development, management and markets*, Oxford: Butterworth-Heinemann, pp. 1–24.
- KARAFOLAS, S. (2005). Creating a nonprofit network of producers for the development of the local culture and local tourism: the case of wine roads of Northern Greece. In *ICA International Research Conference - "The Contribution of Co-operatives to Community Culture"*, 10th – 14th August 2005, ICA and Centre for Cooperative Studies, University College Cork, Cork.
- MADDERN, C. & GOLLEDGE, S. (1996), *Victorian wineries tourism council cellar door survey*, Melbourne: Victorian Wineries Tourism Council.

- MITCHELL, R.D. (2004). "Scenery and Chardonnay": A visitor perspective of the New Zealand winery experience. PhD thesis, University of Otago, New Zealand.
- MITCHELL R. D & HALL, C. M. (2000). Touristic terroir: the importance of region in the wine tourism experience. In *Proceedings of the 1st World Forum on Agritourism and Rural Tourism*, 17-27 September 2000, International Association of Experts in Agritourism and Rural Tourism, Perugia, Italy, pp. 362-378.
- MITCHELL, R.D. & SCHREIBER, C. (2006), Barriers to Vertical Integration between the Wine and Tourism Industries: The case of Central Otago, New Zealand. *3rd International Wine Business Research Conference, Montpellier, 6-7-8 July 2006*, work in progress.
- MORRIS, R. & KING, C. (1997), Cooperative Marketing for Small Business Growth and Regional Economic Development: A Case Study in Wine Tourism. Conference Proceedings of Entrepreneurship: The Engine of Global Economic Development, San Francisco, California, 21–24 June 1997, at: <http://usasbe.org/knowledge/proceedings/1997proceedings.asp>
- MURRAY, M. & GRAHAM, B. (1997). Exploring the dialectics of route-based tourism: The Camino de Santiago, *Tourism Management*, 18(8): 513–524.
- RASCH, L. & GRETZEL, U. (2008), Wineries' Involvement in Promoting Tourism Online: The case of Texas, *PASOS Revista de Turismo y Patrimonio Cultural*, 6(2): 317–326.
- SAUTTER, E.T. & Leisen, B. (1999), Managing stakeholders: A tourism planning model, *Annals of Tourism Research*, 26(2): 312–328.
- WEILER, B. & HALL, C.M. (1992), Special interest tourism: in search of an alternative. In Weiler, B. & Hall, C.M. (eds), *Special Interest Tourism*, Great Britain: Belhaven Press, pp. 199–204.
- WILLIAMS, P. (2001a), The Evolving Images of Wine Tourism Destinations. *Tourism Recreation Research*, 26(2): 3–10.
- WILLIAMS, P. (2001b), Positioning Wine Tourism Destinations: An Image Analysis. *International Journal of Wine Marketing*, 13(3): 42–60.
- WILLIAMS, P. & Kelly, J. (2001). Cultural wine tourists: product development considerations for British Columbia's resident wine tourism market, *International Journal of Wine Marketing*, 13(3): 59–77.
- WOOD, N.E. (2002). *The interdependence of farming and tourism in Vermont: quantifying the value of the farm landscape*. Unpublished Master Thesis, Department of Community of Development and Applied Economics, University of Vermont.
- YUKSEL, F., BRAMWELL, B. & YUKSEL, A. (1999), Stakeholder interviews and tourism planning at Pamukkale, Turkey, *Tourism Management*, 20(3): 351–360.