

# INNOVATIVE MANAGEMENT OF WINE TOURISM AND WINE TOURISM BUSINESSES FROM CONVENTIONAL PRODUCTS TO EXPERIENTIAL GOODS AND EXPERIENCES

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This study focuses on exploiting and highlighting the resources of wine culture, expanding the attractiveness of areas, while benefiting the local community and its development. Thus, it deals with the awareness and competitiveness of local wine resources, compared to similar resources of other regions, with the potential to differentiate and be offered as unique experiences-experiential goods for which there is a demand or is being shaped against conventional products, as well as with their efficient modern management. The model methodology used is based on a series of analytical empirical tools, such as stakeholder analysis, resource-based view, vrio (valuable - rare - imitable - organization), SWOT analysis (strengths - weaknesses - opportunities - threats) and so on.

Keywords: Tourist marketing, Wine tourism, Innovation, Conventional, Experiential goods

## INTRODUCTION

The knowledge of vineyards and wine dates back to the prehistoric times, and their history is identified with essential aspects of human civilization, especially in the Mediterranean basin. The above are evidenced from the various findings in the surrounding countries, such as grape seeds in Neolithic settlements, frescoes in Egyptian tombs, amphora fragments and other signs of wine trade on past trade routes, simple objects of everyday use, viticultural tools and wine making utensils, decorative and religious works of art, as well as information scattered within the texts of the ancient literature.

In ancient Greece, wine was worshiped in the face of Dionysus, where, according to mythology, he taught viticulture to people. Thus, the ancient Greeks honored him with various festivals, such as the Minor and Great Dionysia. They have also become the greatest winemakers of the time and have developed strong commercial activity across the Mediterranean. Since then the first designations of origin have appeared with the place of origin and the name of the wine-maker engraved on the vases that carried the wine. It is reported that wine played an important part in the life of the ancient Greeks, as evidenced by the multitude of different vases used for it (amphora,

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crater, oinochoe, bottle and hydria). Connected to the wine were the banquets, where the wine was plentiful and always “watered” (diluted with added water).

During the Roman Empire, the knowledge of viticulture and winemaking was passed on to the Romans, who, in turn, spread this knowledge to the other countries they had conquered. At the same time, they dominated the wine trade in the Mediterranean.

In Byzantium, viticulture and winemaking were mainly passed into the hands of ecclesiastical circles, who could allocate the necessary resources for the construction and modernization of the required facilities.

During the Ottoman Empire, the wine was a product that was subject to high taxation, bringing significant economic benefits to the Turkish local rulers, which is why wine cultivation was not restricted.

Then and as the area of the free Greek state gradually increased with the gradual liberation and annexation of various regions, viticulture and its products (mainly the raisin) played a leading role in the rural economy, bringing significant foreign exchange from their export.

After 1920, phylloxera created enormous problems in viticulture and wine production, since it attacked the Macedonian vineyards and destroyed them almost entirely. The revival of the Greek vineyard was a matter of great effort.

The brief reference to the long history demonstrates the human love for the grape vine and wine, its use as a source of inspiration and a creator of culture, as a companion to celebration, joy, as well as regret, as a medicine, as a symbol, and also as a means of livelihood and a commodity.

## METHODOLOGICAL APPROACH

In developed societies such as the European Union and countries in other continents such as the USA, Canada, Australia, New Zealand, South Africa and others, there has been a particular effort to offer local products related to their agricultural tradition, as well as products promoting the modern dynamics of their countryside.

The effort to attract visitors is also common, their acquaintance and familiarization with these various local products such as wine and other wine products, which appears to be supralocal, often internationalized and strongly competitive. Indeed, it is about a phenomenon that has begun to emerge in the 1980s and tends to grow steadily in the coming decades.

In Greece, especially after the gradual diversification of the destination, of the aid from the change of the Common Agricultural Policy, the local products do not seem to have a balanced enhancement, promotion and exploitation in the region, with few and very recent local variations. Much more, they do not seem to be strongly associated with tourism, at least during the conventional summer season.

The above have a number of negative impacts on the socio-economics of the region. The multifunctionality in agriculture, a trend of the modern European agricultural practice, relates to an activity with different outputs. It differs from diversification - various activities, e.g., agriculture and tourism linked to the same business and pluriactivity - engaging a person or groups in various activities, both agricultural and non-agricultural. The functions of multifunctionality are distinguished in:

1. Green, linked to the ecosystem
2. Blue, relating to the use of water resources
3. Yellow, such as agricultural land use and agrotourism
4. White, related to food safety

Wine tourism is a part of the special and alternative forms of tourism and is considered as a sub-category of agrotourism. In its modern version, it concerns the transition from conventional experience of knowledge of the process of winemaking, tasting and selling or generally promoting local wine and wine products to the emphasis and widening of the offer of wider aesthetic and experiential values in facilities and enterprises of wine-tourism recreation.

Wine-tourism enterprises exploit the authenticity of the region (natural winery infrastructure, surrounding space with vineyards, rural landscape, local products, gastronomy, etc.), co-create with the visitor searching for pleasure and personalized experiences connecting the past with the present.

The term agrotourism is presented in two versions. In the first and most conventional version, "farm tourism" is an economic activity that is developed within or in connection with agricultural production units (farms). It aims to the acquisition of a supplementary income from the provision of hospitality and tourism services. The ultimate goal is for the employed to shape income sustainability and be able to stay in their own country.

In the second version, which has also prevailed in the Greek reality, "agrotourism" refers to tourism in the rural region, and also the countryside in general, usually the hinterland, of small scale and mild form infrastructures, which

does not necessarily imply agricultural activity and connection to it.

The Greek tourist product, as it has been shaped and offered today, is found in the coastal, non-differentiated locally, mass tourism with intense environmental, aesthetic and other impacts. It is more about a standardized and impersonal product, which is found in all Mediterranean countries and on several occasions under more competitive conditions. This is connected with the provision of, more or less, modern hospitality and tour services, but not with the offer of desired experiences, which can satisfy the senses (emotional completeness) and give personal meaning through participatory and experiential multithematic activities.

Modern visitors are experience seekers who want to learn something new, to participate in the cultural life and the local way of life, and enjoy the personal experiences they can recount to friends and acquaintances. They are social, enjoy local knowledge, and like connection and interaction with the local population. They like adventure and travel to challenge their selves, of course, emotionally and spiritually. They travel to experience more of the differences and less of the similarities, seeking for contrasts and differences from their everyday lives.

It can be said that these references constitute the external environment for every local effort in Greece, as is the case with wine tourism and the related wine tourism business activities.

Thus, it is estimated that the potential local competitive advantage and the positive economic outcomes that arise for the existence and operation of a wine tourism enterprise are related to the available resources, which the enterprise

can highlight and their targeted mobilization and effective exploitation.

Based on the above, the effective promotion of the local wine tourism resources will be considered, both in the space and time, benefiting the community and its development, with emphasis on the Prefecture of Karditsa. Specifically, the objectives of the reference should be:

- a) The attraction of visitors based on wine tourism and the promotion of the wider local attractiveness of the Prefecture of Karditsa, among others as a tourist destination on the domestic and international markets;
- b) The rearrangement and increase of the awareness and competitiveness of the tourist product of the Prefecture of Karditsa and the wider region (Karditsa - Trikala, Thessaly and others); and
- c) The active contribution of the wine tourism resources to the economic, social and aesthetic development of the wider area of influence of the Prefecture of Karditsa.

The prospects of the Prefecture of Karditsa are targeted with the possible application of marketing techniques, both at the strategic level and at the level of operational tactics.

Given the Greek conditions, any local competitive advantage for a wine tourism destination and the positive economic outcomes for it are related to its interconnection with available cultural resources (resource-based view).

That is to say, in the overall local social heritage, culture and civilization, in the promotion and effective exploitation and management and in its policy of continuity and sustainable development (economic, social and

environmental) to be conveyed to the next generations.

This means that successful local entrepreneurship processes are required and endogenous development of the internal environment of the destination, with emphasis on the elements of cultural geography. Such are the characteristics of culture, cultural history, cultural area, cultural landscape and cultural ecology.

Thus, when these processes can produce value, then resources are of value, they are valuable and are a source of competitive advantage. If, indeed, the specific resources, such as the cultural ones (which, apart from universal at the destination level, often contain particular, distinct and alternating elements), are rare, cannot be fully copied and are not imitable, then they constitute a source for a sustainable competitive advantage.

Consequently, the development of the local organizational capacity - VRIO Analysis - through an effective experience marketing management is an essential and decisive component for success.

The whole approach to inputs and their supply is based on the so-called recourse-based view. In this case, the focus is on the activation of the local wine tourism and also the interconnecting other tourist entrepreneurship and endogenous development ventures.

In essence, it concerns the promotion of the strong points of the internal environment of the Prefecture of Karditsa and its activities and their interconnection with the available opportunities of the external environment.

Consequently, when these processes can produce value, then the wine tourism resources

that the Prefecture of Karditsa uses is of socio-economic value, they are valuable and can even be a source for the realization of a competitive advantage. That is, socio-economic and aesthetic performance above the average of similar activities of similar entities.

Moreover, if these resources are rare, they are inputs that are highlighted and exploited through the activities of the Prefecture of Karditsa, and cannot be copied completely and are not imitable, and then they are the source of a sustainable competitive advantage.

In summary, it is noted that the development of local organizational capacity through a well-oriented, operationally targeted efficient and effective strategy for the exploitation of the cultural tourism resources of the Prefecture of Karditsa and the creation of prospects for a sustainable competitive advantage is the final and decisive component for the success.

This procedure, as mentioned above, in relation to the wine tourism resources of the Prefecture of Karditsa and their strategic exploitation is referred to as the VRIO analysis in the operational management, from the initials of the corresponding English words and refers

to all types available in all three sectors of the economy.

The theoretical framework of the VRIO analysis, according to the classification of the resource characteristics and its strategic interconnections (competitive advantage and SWOT analysis, which are presented below) is shown in Table 1 (adapted and edited by Friend and Zehle 2004:44).

On the basis of these, it is considered that the correct assessment of the current situation and its realistic prospects is able to offer safe planning, as well as a proposal of an appropriate operational strategy, based on the VRIO parameters for the Prefecture of Karditsa.

It should be noted that this approach can provide an appropriate basis for its competitive promotion as a viable socio-economic pole of local aesthetics and development.

This strategy should be based on the use of available local wine tourism and other resources as well as their capacity for coordination.

The intended goal is to meet the diverse needs of the market and to attract visitors all year round based on diverse and alternative activities within a dynamically changing environment.

Table 1: The Analysis Framework of VRIO

	Resource Characteristics				Strategy Implications	
	Valuable	Rare	Expensive for Copying	Exploited	Competition Effects	Category for SWOT Analysis
1	No	-	-	No	Competitive disadvantage	Weakness
2	Yes	No	-	↕	Competitive poverty	Weakness or strength
3	Yes	Yes	No		Temporary competitive advantage	Strength and competitiveness
4	Yes	Yes	Yes	Yes	Sustainable competitive advantage	Strength and long-term competitiveness

A functional perspective point for the Prefecture of Karditsa is the offer of upgraded quality services of aesthetics and recreation as well as similar unique wine tourism experiences.

These are based on a mix of experiences, which must not only be offered at the local level but should also generate significant added value, a large proportion of which will be reallocated to the local socio-economic fabric of the Prefecture of Karditsa and the wider area of influence, yielding further multiplying benefits and endogenous growth.

At this point, it is necessary to mention that an essential prerequisite and a safe background for the support of the above mentioned is the integrated and interdisciplinary approach for the mapping of the business environment of the Prefecture of Karditsa and the assessment of the related prospects.

Consequently, in order for the strategic planning of the Prefecture of Karditsa in its competitive perspective to be reliable, it must clearly identify the strengths and weaknesses of its tourism resources and other resources, as well as its available strengths (internal environment). It also needs to be able to evaluate in a timely manner the opportunities and threats that occur in its external business environment.

The parametric study of these factors is based on the identification and assessment of a set of quantitative and qualitative characteristics, of political - economic - social - technological and institutional nature, both at the microeconomic and macroeconomic levels.

In the business management literature, this approach is also known as the SWOT analysis, from the acronyms of the corresponding English words. For the synthesis of the SWOT analysis,

secondary data are used, as well as suggestions of selected key stakeholders based on stakeholder analysis.

The pursuit of the Prefecture of Karditsa in its competitive perspective is to neutralize or minimize the risks that arise exogenously or by its own weaknesses. At the same time, it seeks to build on its strengths by effectively connecting them with the opportunities presented.

## WINE TOURISM STRATEGIC MARKETING

The strategic marketing of a wine tourism destination must have an anthropocentric design. This means that it should be about offering and promoting experiences and experiential goods (creativity and innovation in the use of rural and cultural resources), responding to competition for the available time and income of the consumer, creating emotional uniqueness and focusing on the emotion created and not on the particular characteristics and functionality of the goods being offered. In this case, it is found that the experience is marketing.

The relevant business planning is structured through a series of logical steps, which are developed below.

The first step is the formulation of a vision and a mission of the business action plan with answers to questions such as:

- What is the type of tourist goods (promotion of products with experience value) and, in general, the emotional routes of the hospitality that can be offered? Do these experiences make sense to the consumer?
- What are the target markets?
- How do these goods outweigh and differentiate

themselves from other competitors? Is it possible to renew the experiences over time?

- What other parallel activities are being developed and what are the priorities given?
- Is there a business interest (goals, beliefs and business values) for profits, employment, and local social prestige?

The second step is the assessment of the external environment of the business action plan on issues related to:

- Microeconomics (consumer, competition and market analysis).
- Macroeconomics (available know-how and differentiations, which may favor the region, the political developments, the general economic situation, the institutional framework, as well as the social and cultural backgrounds, etc.).

The third step is to identify the important opportunities and threats to the business action.

The fourth step is to assess the strengths and weaknesses of the business action (internal environment). The questions to be answered are:

- What are the strengths in terms of the bearing capacity and the quality of the available resources and instruments?
- What are the possibilities and limitations of the management?
- What are the skills and capabilities of the available human resources?
- What is the economic status of the business entity itself?

Steps 2, 3 and 4 concern the assessment of the external and internal environment of the business action (SWOT Analysis).

The next, fifth step, concerns the adoption of a set of objectives that can lead the business action to fulfil its mission. The objectives are implemented through a series of actions. Thus, each action must be specific, measurable, achievable, rewarding, and timeline driven.

As a sixth step, the development of alternative projects and their ex-ante evaluation can be considered at three levels: pessimistic, optimistic and intermediate.

The seventh step is to choose the best strategy which must:

- be able to act realistically in the external environment and exploit opportunities by inactivating or neutralizing threats,
- be consistent with the vision/mission/objectives of the business action,
- be feasible,
- be complementary to any other similar strategies, and
- adaptable to reasonable changes.

The eighth step is the implementation of the strategy, that is, turning it into a business plan (individual tactical plans that answer questions like: who, what, when, and how much will it cost?).

The final step is the ninth, which includes the phases of the evaluation, the deviation control, and the corrective actions.

## SELECTED

The particularities that are involved in the promotion of wine tourism products goods, at least in the service sector, include the intangibility, the fact that production and consumption are more often than not simultaneous, that they cannot be

tested and that they are variable, even when they come from the same provider.

The appropriate marketing tools/techniques for the promotion of wine tourism goods that can be exploited at the strategy level are the market development, the market penetration, product differentiation and product development.

Thus, the development of the market intends to overcome and expand the conventional related local boundaries by engaging in wider networks of collaborative efforts to offer a variety of goods not only for wine tourism but also for the well-being in general, covering different groups of consumers with diverse needs and features.

The case of market penetration concerns actions to attract new potential consumers of wine tourism, served by competitive wine tourism environments or lacking information about the existence and utilization of the wine tourism resources of the Prefecture of Karditsa.

Differentiation (segmentation, i.e. market segmentation and promotion of available options of sought-after goods with various characteristics) refers to the attempt to customize the tourism products and focuses their offer to people who wish to experience non-standardized cultural goods.

Product development involves the provision of new and enhanced benefits to experiential goods, existing or new, using as elements the authenticity of the destination (natural infrastructure, environment, rural landscape, local products, gastronomy, etc.), which they co-create with the visitor that seeks for enjoyment and personalized experiences connecting the past with the present.

A supportive mechanism for implementing the above may be, as appropriate, a suitably selected

extended marketing mix of the seven components (7Ps), namely price, place, product, promotion, people, process and physical evidence.

As far as the price of a wine tourism product is concerned, it must be determined at a level which corresponds to its competitive value, in market terms, without implying that it should be cheaper. In any case, account must be taken of the consumer's income potential.

The place is related to the accessibility, the availability of wine tourism products and to the availability of facilities (e.g. parking spaces, special ramps or equipment for people with disabilities, etc.).

The promotion refers to the communication network and the appropriate tools (advertising, public relations, personal sales, etc.), which must be adopted and developed so that the wine tourism goods become known (information), convincing the interested parties to enjoy them and even to advertise them and to return again, individually or with friends and acquaintances, so that the specific market becomes sustainable.

The process relates to the way (fast or late, luxury or simplicity, with roles in the offer or through a person, etc.) that the wine tourism good is offered and is of course part of the price paid by the consumer.

Wine-tourism goods should be offered by people who have to be properly trained. So their behaviour is expected to be appropriate, and the knowledge they disseminate should also be appropriate to the circumstances, and also to the audience they address and welcome.

The physical evidence relates to the supply of objects (potential entry ticket, program, exhibit catalogue, web site, etc.) associated with the



supply of experiential goods, usually of artistic nature, and, in many cases, collectible for remembrance of events and experiences.

Ultimately, as is the case in all efforts, a key catalyst for success is the so-called intangible investment. That is, the organized and systematic mobilization of human resources and the promotion of their capabilities. This can be done through appropriate effective vocational education and training.

In Greece, there is a need to link vocational education and training programs to the real needs of the wine tourism sector and its interconnection with cultural resources. But what kind of professional education and training? The one that leads to specialization or multi-specialization and multiple tasks? That is, in horizontal learning abilities, lifelong learning, team collaboration, coordination, communication and organization.

Vocational education and training is based on learning programs based on:

- Work analysis (work-centred) and individual needs (anthropocentric character);
- Continuous process of diagnosis - detection of real educational needs and employee motivation for active participation;
- Evaluation of educational programs;
- Knowledge management - learning organization;
- Transition from the information society to the conceptual society.

In the case of the wine-tourism destination and its competitive perspective, the effective interconnection and management of the local cultural resources through the creation of local meaningful and emotional experiences combined

with continuous and appropriate vocational education and training of the human resources is a priority choice for business progress, local prosperity, and the new basis for economic viability.

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