

Integrating Tradition and Innovation Within a Wine Tourism and Hospitality Experience

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Abstract

This study explores the strategic choices among wineries involved in wine tourism experiences, including whether they rely on tradition, fully embrace innovation, or combine both. The study, conducted between December of 2018 and January of 2019, draws on face-to-face interviews with 32 owners/managers of New World wineries that, on average, have operated for nearly three decades. The findings illustrate the predominance of the 'traditional-innovative school', where production and winemaking processes amalgamate existing and emerging principles, methods, and technologies. The chosen inductive approach resulted in the development of several theoretical frameworks; based upon these, empirical and theoretical implications are drawn.

Keywords: *Entrepreneurial action theory, Innovation, Owners/Managers, Tradition, Wine tourism, Wineries*

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Background to the Study

Tradition and Innovation

The wine industry is notorious for being a highly competitive environment (Contò et al., 2015; Muscio et al., 2017). Moreover, when competition rises, or when swift variations in customer supply or demand for products occur, making strategic decisions under these conditions is beset with uncertainty (Golicic et al., 2017). Facing the perils and challenges of competition and resulting uncertainty, wineries resort to a variety of strategies, where tradition and innovation also find their place.

Shoham (2011) defines tradition 'as an assigned temporal meaning, that is, a symbolic activity in which various social groups attribute traditional qualities to certain sectors of life that are understood as binding together different times' (313). While presenting the successful cases of three Italian companies, Savino et al. (2017) conceptualise tradition 'as the whole set of competencies, knowledge, values, and culture that characterize a specific firm, territory, and/or age' (p.40). Savino et al. (2017) acknowledge the potential for tradition to create value for firms, for instance, through traditional design or even through technologies that can be applied at the process or product level. However, to reap the benefits emerging from traditional components, firms need to develop a distinctive link between processes, products, the identity, and image of the firm; conversely, this link has to reflect upon the firm's used tradition in its organisational routines (Savino et al., 2017).

Van de Ven (1986) conceptualises innovation "as the development and implementation of new ideas by people who over time engage in transactions with others" (p. 591). As with other industries, innovation has been found to contribute to wineries' sustainability and resilience (Golicic et al., 2017), and overall competitive advantage, including through marketing or technical innovations (Aylward et al., 2006). This last aspect can have important implications at the production level, where technological renewal can contribute to quality improvements without compromising wines' authenticity (Sánchez-Hernández et al., 2010), and as a result, for wine tourism, winery visitors, and for the end wine consumer.

Study Purpose and Research Questions

This study will achieve two key objectives. First, it explores the relevance of tradition and innovation in the context of wine tourism from the point of view of winery owners/managers in three New World wine regions, which includes those in South America (Murray & Overton, 2011). The wine regions are Casablanca in Chile and Men-doza and San Juan in Argentina. Argentina and Chile were chosen as they are leaders in wine production in the South American continent and among the top world producers (Statista, 2022).

Furthermore, the regions of Casablanca and Mendoza were selected due to their leadership position in wine tourism, having been part of the 'Great Wine Capitals' (GWC, 2022) for many years. This selected network comprising cities in both the northern and southern hemispheres, shares the significant cultural and economic assets represented by internationally recognised wine regions (GWC, 2022). In recent decades, one of these cities, Casablanca, has reached high specialisation as a wine region (Overton et al., 2012), whereas

Men-doza, together with San Juan, and La Rioja, are Argentina's three leading wine producing regions (Taleisnik & Lavado, 2021). In examining the above factors concerning wineries and wine tourism, the study contributes to the extant body of tourism knowledge, and, by extension, hospitality operations knowledge. The following research questions will be examined: How important is tradition/innovation for the winery business? How can tradition/innovation contribute to wine tourism experiences?

A second key objective is to make a conceptual contribution. To this end, first, the study will consider insightful theoretical underpinnings of entrepreneurial action theory (McMullen & Shepherd, 2006) and the Gioia methodology (Gioia et al., 2012), while choosing an inductive approach. This conceptual foundation will help facilitate the development of various theoretical frameworks that will illuminate the areas under investigation. Furthermore, these frameworks afford an alternative to understand tradition and innovation in wine tourism settings, and add to theoretical discourses in this area.

Research-knowledge gaps and merit of the research

While there is growing scholarly interest in innovation and tradition within the wine industry, few studies have addressed these potentially competitive factors in the context of wine tourism, or even in wine entrepreneurship in wine regions of emerging economies. These recognized knowledge gaps, and the potential opportunities that could accrue for wineries, tourism, and hospitality operations through the consideration of tradition and innovation, particularly in the wine production process, strongly suggest the value of an exploratory lens to research these two factors. In exploratory research, greater insights into an issue, and ideas concerning variables to be featured in more comprehensive studies could be generated (McNabb, 2020).

Literature Review

Entrepreneurial action theory

By considering the conceptual foundation of entrepreneurial action theory, this exploratory study seeks to broaden understanding of the extent to which winery firms involved in wine tourism consider tradition and/or innovation. In addition, the study complements the consideration of this theory in contemporary wine tourism literature (e.g. Alonso et al., 2020). Various key notions associated with entrepreneurial behaviour underpin the theory. In citing earlier scholarly work (Gartner, 1990; Shane & Venkataraman, 2000), McMullen and Shepherd (2006) posit that entrepreneurial action relates to behaviour that arises 'in response to a judgmental decision under uncertainty about a possible opportunity for profit' (p. 134).

Entrepreneurial action theory and innovation and tradition in the wine industry

The strong competition of both the global wine industry and that among wine regions for visitor patronage and revenues (Alonso et al., 2013; Poitras & Donald, 2006; Simeon & Sayeed, 2011), which demand constant attention and sound decision-making suggest the usefulness of considering the entrepreneurial action lens. Moreover, as various authors suggest (Alves et al., 2011; Bernetti et al., 2006; Doloreux et al., 2013; Giacomarra et al., 2019; Wongprawmas & Spadoni, 2018), in their various forms and manifestations, tradition and

innovation are part of winery owners/managers' strategic plans and actions designed to improve wineries' competitiveness.

Nevertheless, while tradition and innovation could be beneficial as components of wineries' business model, owners/managers must contend with the uncertainty to act, that is, operationalising tradition and innovation, as well as with the uncertainties that could ensue from their decisions. Stage one, presented earlier, could be illustrated by broader perceptions of opportunities that could ensue through the maximisation of tradition and innovation. This potential outcome could also have implications for consumers broadly, for example, through wine choices made in hospitality environments. Stage two (McMullen & Shepherd, 2006) is hypothesised by the significance for individual wineries to tap into opportunities that emerge from tradition and innovation. Vrontis et al. (2016) found that both tradition and innovation are not mutually exclusive; instead, 'a blend of the two has been crucial in achieving and maintaining a sustainable competitive advantage.

A Framework of Entrepreneurial Action in wine Tourism Settings

The various notions discussed above are depicted in the first proposed theoretical framework which also addresses a current gap, the scarcity of conceptual and empirical investigations focusing on the co-creation of experiences in wine and food contexts (Carvalho et al., 2021). The framework illustrates the associations between the wine industry, wine tourism, both of which have direct implications for consumers' experiences and with it, implications for hospitality management, and notions of entrepreneurial action theory.

In agreement with Mitchell and Shepherd (2010), stage one refers to general opportunities represented by the wine region, while stage two on individual opportunities (the winery). While the present study does not seek to ascertain perceived uncertainty among participants, there is an explicit assumption that embracing tradition and/or innovation entails a certain degree of risk, and therefore, winery owners/ managers could be confronted with strategic dilemmas. These dilemmas could be the perceived financial costs due to positioning the winery more towards tradition and/or innovative paths.

Furthermore, these central factors are interlinked with the two stages, the wine region and the individual winery. The framework highlights wineries' key role in providing memorable consumer/visitor experiences; therefore, there is an implicit link to hospitality environments where wine consumption occurs which are supported by educational efforts, the staff, the cellar door or wine activities, positively affect visitors' satisfaction with their chosen wine region.

Methodology

Research approaches

In this exploratory study, an inductive research approach was applied. Through the use of qualitative data collection methods sought to uncover the rich context of wine tourism in the aforementioned three New World regions. An inductive approach allows the examination of

raw textual data, summarising these into an underlying structure or framework through identifying clear linkages emergent during the analysis (Thomas, 2006). For the purposes of this study, semi-structured interviews were utilised, allowing the ability to delve and explore deeper into the responses provided by interviewees, but also to retain some structure against the key focal points of the research (Bell et al., 2018; Bryman, 2016)

Sampling procedures

Through the use of a purposive sampling methodology, information rich-cases were selected to help illuminate the key issues under examination. Tongco (2007) and Patton (2015) indicate that the purposive or judgement sampling approach allows the selection of strategically important and knowledgeable individuals that have deep insights on the research questions being examined. In line with this method, participants were selected based on the following criteria:

1. Owners/managers having at least 2 years of winery management experience along with deep insights into their wineries, including tourism-management delivery,
2. Drawn from wineries which were open to the public and offering at least one form of wine tourism activity (winery tours, tastings, catering),
3. Wineries must have vineyards and production facilities on-site to allow for sightseeing or tours.

Data Analysis

Translation and transcriptions of the interviews were undertaken by members of the research team, with the data files uploaded to appropriate computer-assisted qualitative data analysis software (CAQDAS) for analysis. Qualitative content analysis was utilised; this approach enables subjective interpretation of the raw data to identify patterns, The coding of nodes was cross-checked by members of the research to ensure accuracy and that the identified themes were reflective of the concerns made by interviewees. Each participant was assigned a different code; for instance, participants from Casablanca were labelled C1, C2; participants from Mendoza, M1, M2, and participants from San Juan, SJ1, SJ2 and so forth.

Table 1: Demographic characteristics—Wineries and participants

	Role	Experience ^a	Gender	Staff	Age of winery ^b	Exports	Open to tourism
Chile Casablanca (CA) ^c							
CA1	Manager	3	Female	35	12	Y	Y
CA2	Manager	4	Male	35	10	Y	Y
CA3	Owner	13	Male	2	13	Y	Y
CA4	Manager	10	Female	60	20	Y	Y
CA5	Manager	2	Female	1500	15	Y	Y
CA6	Manager	2	Female	200	25	Y	Y
CA7	Winemaker	10	Male	9	12	Y	Y
Argentina Mendoza (ME)							
ME1	Manager	20	Male	30	15	Y	Y
ME2	Manager	11	Male	10	28	Y	Y
ME3	Manager	6	Female	35	13	Y	Y
ME4	Owner	30	Male	20	1	Y	Y
ME5	Owner	9	Female	5	9	Y	Y
ME6	Manager	4	Male	4	9	Y	Y
ME7	Owner	8	Female	10	8	Y	Y
ME8	Owner	40	Male	1	29	Y	Y
ME9	Manager	20	Female	25	2	Y	Y
ME10	Manager	2	Male	350	15	Y	Y
ME11	Manager	8	Female	3	5	N	Y
ME12	Manager	5	Male	370	0	Y	Y
ME13	Manager	16	Female	70	40	Y	Y
ME14	Manager	25	Female	35	13	Y	Y
ME15	Manager	10	Male	5	18	Y	Y
Argentina San Juan (SJ)							
SJ1	Winemaker	25	Male	10	12	Y	Y
SJ2	Winemaker	6	Female	150	150	Y	Y
SJ3	Winemaker	10	Male	10	8	Y	Y
SJ4	Owner	16	Male	9	16	N	Y
SJ5	Owner	40	Female	10	71	N	Y
SJ6	Owner	22	Male	2	22	N	Y
SJ7	Manager	5	Female	3	5	N	Y
SJ8	Manager	9	Female	9	38	Y	Y
SJ9	Manager	35	Male	3	11	N	Y
SJ10	Manager	10	Male	1	8	N	Y

Note: Y= Yes; N= No or not involved in exports.

^aIn years in the wine industry.

^bIn years.

^cAbbreviations were used in coding each participant.

Findings

These dimensions have strong connotations with the wine tourism environment, hospitality, and overall, with the experiential element. Furthermore, the analysis associated with wineries' strategic inclination, that is, to maintain traditional processes and methods, to innovate by, for instance, introducing new ways of producing and operating, or amalgamating both tradition and innovation.

The three types of strategic choices and their implications for wine tourism experiences will be discussed in the following sections, with a particular focus on various model firms that strongly adhered to each of these.

Findings and Discussion

Theoretical Implications

In considering the conceptual insights of entrepreneurial action theory the study's inductive analysis (Thomas, 2006) based upon the empirical findings. First, the 'long established' dimension is associated with wineries' traditional school, or their focus on maintaining vineyard management and production processes. Together, these approaches enable the production of distinctive wines that arguably fit with more sophisticated consumer palates.

Second, the 'best of both worlds' dimension results from the consideration of the 'traditional-innovative school,' which amalgamates conventional and innovative approaches. The largest group of participants adhere to this school, and various selected comments (e.g. C3, C4, ME13, SJ4) suggest the strength of this approach.

Third, and less pronounced, is the espousal of the innovative school, which highlights the focus on the present-future of wine consumption, or, arguably, subscribes to novel products and activities geared towards developing palates or consumers that are more inquisitive. Here, the work of Koch et al. (2013) refers to more innovative wine tourism initiatives, where, for instance, the wine product and other leisure activities can be combined

Conclusions

Contemporary research conducted in the wine (Vrontis et al., 2016), food (Giacosa et al., 2017) and hospitality (Petruzzelli & Savino, 2015) industries identifies research gaps in the domains of innovation and tradition, notably, concerning the significance of these factors for firms' competitiveness. By empirically examining tradition and innovation in a wine tourism setting and from the point of view of experienced owners/managers of wineries operating in wine regions of emerging economies, this study addresses some of these knowledge gaps. While embracing technology, for instance, to control the fermentation temperature and improve the final product's taste and quality.

Limitations and future research

The study presents several limitations, with ensuing opportunities for future research attempts. For example, the study only focused on three leading wine regions from emerging economies, and is based upon 32 interviews. Despite the existing budgetary and time constraints that prevented wider international travel to conduct inter-views, future research could nevertheless expand the scope of this study in various ways.

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