

## **In a Search of the Networking Wine Business Model of Alsace and Burgundy**

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### *Abstract*

◦*Purpose – If networking is understood as the process toward connectivity and disappearance of inner and outer sides of the network, then a network itself cannot be perceived as the dualistic relationship. In our understanding, networking consists of the interaction between tourism destination and tourists' experiences*

◦*Design/methodology/approach – We follow a new methodological approach of analyzing the tourists experiences in the web of wine road touristic offers. We discuss how this approach can become a base of diagnosing wine tourism routs networks regarding their touristic capabilities.*

◦*Findings – This paper is an attempt to offer a new theoretical approach and a connected methodology. From a theoretical perspective we propose an ontological shift from a strategical management perspective of static networks to a dynamic value co-creation paradigm.*

◦*Practical implications – Empirically we designed a qualitative approach of following the tourists holistic web of interaction and experiences and exemplify this method by analyzing the models of Alsace and Burgundy.*

Key words: wine tourism, wine routes, networking capabilities, domain of experiences

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## **1. INTRODUCTION**

From the tourism management point of view the inter-organizational business model is a key factor of shaping a tourist experience. This approach is rarely used in the wine business analysis, and particularly in the context of wine route networks. The literature so far has focused on static networks of actors in the wine route and related them with output measures. However, in order to understand the dynamic experiences of a tourist in the wine road, there is a need for new concepts and a new research methodology and philosophy. It requires a change in perspective for disentangling the wine business collaboration of which understanding has to be embedded in a dynamic process of co-creating consumer. For this reason, the paper offers a methodological shift in diagnosing the networking potential of a wine route, turning it from a strategic management perspective to a value co-creation perspective of analysis. Thereby we want not any more to depict the wine producers' engagement in a static network (i.e. number of nodes in the network, strength of connections, etc. vs the number of tourist visits, trade effects etc.). Rather we aim at analyzing the dynamic network of experiences (and thereby customer value) a wine tourist' is going through. Therefore, the aim of this paper is to propose a theoretical concept of the value co-creation paradigm and its application into the wine route' business models of Alsace and Burgundy.

## **2. RESEARCH BASIS**

Wine networks have often been investigated in the regional tourism context derived from strategic management background. According to this classical approach the main point of tourism management is the cooperation between the local government and wine producers. Theoretically at least, their collaboration should lead to the improvement of wine tourism products, services, qualities, attractions, e.g. through taking up investments, initiatives, projects (Getz & Brown, 2006). The effects and results of this cooperation are beneficial for all; wine producers by reducing costs and achieving synergies (co-share tourism products e.g. tourism information platforms, package tickets etc.), as well as for the local policy makers by having more prosperous destination (increase of tourism industry through collaboration and destination branding).

Another existing segment of analysis in wine tourism is related with consumer behavior, so to speak in touristic terminology- wine tourist reasoning of undertaking a wine tour or to have a wine visit to the destination, or motivation of coming to the wine region (Alant & Bruwer,

2004). So, from a wine tourism networking point of view this body of knowledge is well-incorporated into the marketing approaches.

Wine tourism as the important but mostly applied and practical body of work, had been analyzing without any theoretical background or conceptual framework to put it into a regional development context (Carlsen, 2004). Up to now, the body of knowledge on wine tourism has much extended offering the approaches related with wine business networking. They can be divided into the following groups of research lines:

- **networking in terms of the region collaboration:** meso-level approach tackling questions of wine producer clusters in order to promote regional wine traditions and wine culture, stimulate wine tourism offers, reduce transactional costs etc.,
- **networking identity within a wine route organization:** meso-level approach estimating wine tour as one of the major activity in wine tourism in the aspect of shaping destination management (e.g. wine tours, wine festivals, wine & dine, wine museums etc.),
- **networking in terms of wine consumers or wine tourists segmentation:** micro-level classification of wine tourists behavior, segments of wine drinkers, wine followers.

To synthesize the most shared perspectives on networking in wine tourism refer to either the problem of consolidating wine tourism suppliers within wine network or cluster (Mitchell & Schreiber, 2006), or to the problem of organizational identity (within wine organization, wine routes, wine trails, wine tourism associations etc.). An additional research stream which is usually not combined and discussed in the aspect of wine business networking is the marketing perspective based on motivations, segmentation and customer behavioral involvements into enotourism (Becker, 2013).

### **3. DISCUSSION, INCLUDING RELEVANT LITERATURE REVIEW PROBLEM STUDIED**

If looking from the theoretical point of view upon all aforementioned approaches or perspectives of analyzing networking in wine tourism, it can be summarized that they belong to the same ontological background – strategical management (**Figure 1**), and by so are rooted in the shared logic of understanding networking as well as value creation processes.

However, what has not been integrated into the literature so far is the value co-creation paradigm (Ramaswamy & Ozcan, 2014). In value co-creation the basic unit of networking is an engagement interaction on the wine route with tourists while they are participating in wine

tours and tourism flows in general. Meanwhile in the traditional understanding of strategical management the unit of analysis is the collaborative relations within wine route.

The first approach involves the tourist domain of experiences which become a medium to recognize networking capabilities. Thereby the tourism destination (the wine route) is not understood as a physical place but as an individual domain where meaningful interactions take place. The networking capability emerges and can be captured from a tourist' experiencing perspective (used services, participation in events), in where changeable contexts flow and thus should be interpreted in accordance with the individual tourist' meanings and involvements. That also implies that a network is not a static relation of nodes, but flowing and fragile stream of interaction, manifestations and experiences, and because of that the network logic cannot be caught only by formal inter-organizational relations (**Figure 1-** strategical management approach).

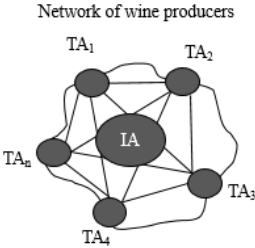
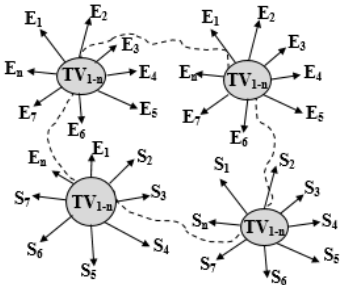
Theoretical background	Unit of analysis	Value creation process	Objects of analysis
<i>Strategical Management</i>	Wine business network as coordinated organizational ties	<p>Network of wine producers</p> 	Static relationship between the <b>wine producers</b> and the <b>local policy makers</b> (wine tourism strategy implemented by tourism departments and tourist information office)
<i>Value Co-Creation Paradigm</i>	Wine business network as tourist' values streaming		Dynamic relationship (adequacy) between the <b>tourist values</b> (meanings in wine tourism) and the <b>delivered experiences</b> on the wine route (i.e. elements of the wine route)

Figure 1: The shift of understanding the networking in wine tourism

Key:

- TA<sub>1-n</sub>- wine tourism actors (network of wine tourism attractions)
- IA – integrator actor of wine tourism organization (local government)
- TV<sub>1-n</sub> – tourist values (expectations of the wine tourism services)
- E<sub>1-n</sub> – experiences (tourist route of services)

Source: Author's own elaboration

Therefore the main research idea is to use co-creation paradigm as the theoretical base of wine tourism networking. It is then seen from the bottom-up perspective and turns on analyzing

a relationship between tourist values (elements of the wine route which were the main motivators of visiting the region) and the real-time experiences co-created by the service supplier of the wine route. As it is exposed on the **Figure 1** wine networks can be then constructed throughout the tourist values routes.

To sum up, the main research benefit of following the tourist' values routes is a detection of network movement. To speak practically, how the collaboration between wine producers and other tourism suppliers (e.g. restaurants, hotels etc.) affects the way tourist are moving on the wine route. Is this movement driven by tourist choices or there is any type of wine producers and service suppliers networking that makes it easier, more difficult or impossible at all? To which extend do tourists rely on wine producer and service suppliers networking? How is it helpful in delivering solutions for emerging tourists requirements, problems and various expectation? All of these questions are essential for the new directions of wine tourism management.

#### **4. IMPLICATIONS AND RECOMMENDATIONS**

The domain of experiences origin from the value co-creation paradigm have been operated to illustrate a customer flexibility in value composition. In the tourism context however, it should be used in another sense, as certain routes of tourist' activities, tours, visits etc. which can be ordered into value streams (engagement interactions). **Figure 2** put them into opposite domain constructions: A traditional and a dynamic networking capabilities vies of spending time in wine route.

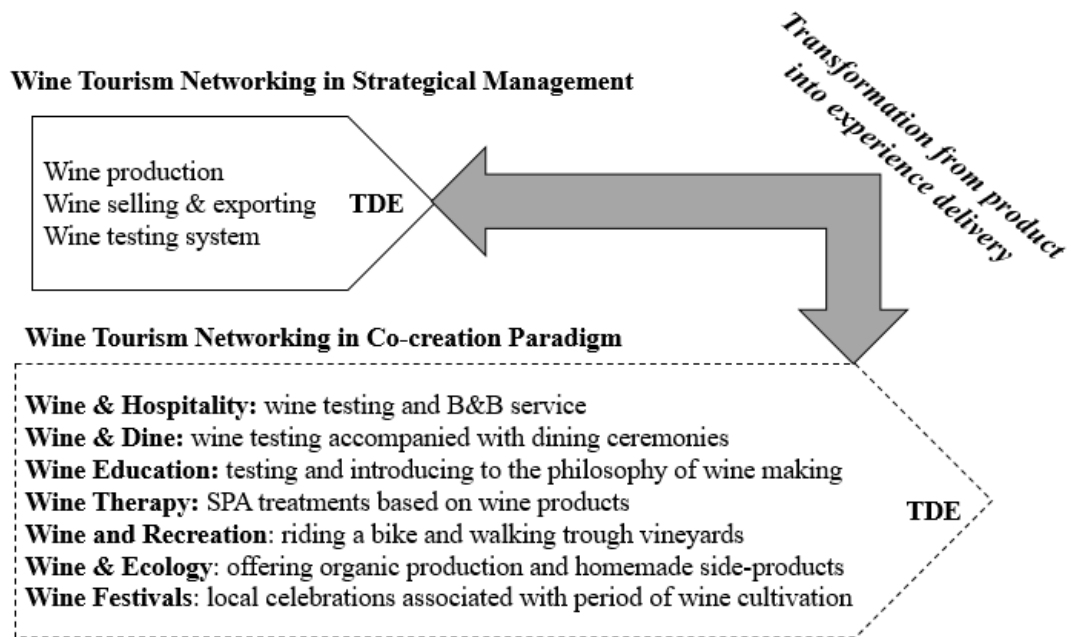


Figure 2: Networking tourist's domain of experience on the wine route

Key:

TDE- tourist's domain of experiences

Source: author's own elaboration.

**Figure 3** exemplifies the model of networking in the Alsace Wine Route. Central to the business model of the route which the tourist is experiencing are wine tours as regular and wide range of wine testing tours accompanied by wine festivals organized each weekend in different cities or towns. Tourists are fully and perfectly supported by both, tourism networks (e.g. tourism information are located even in the small towns) as well as wine networks (e.g. coordination of wine testing hours and high standards of tourist's wine education). Thereby their dynamic experiences during their wine vacation is holistic. Because of the topological neighborhood of wine cities and towns, the key model of time spending is to travel from town to town by walking, bicycling or in another way. Thus, in the tourist's domain of experiences the value streams are linear and composed from wine tasting and wine festival, of which frequent organization Alsace is the World market leader.

An additional complementary supporting element in Alsace is supported by castle viewpoints tours that can be also turned into a hiking tours. Thereby the regional business model offers an integrated dynamic web of possibilities for its tourists.

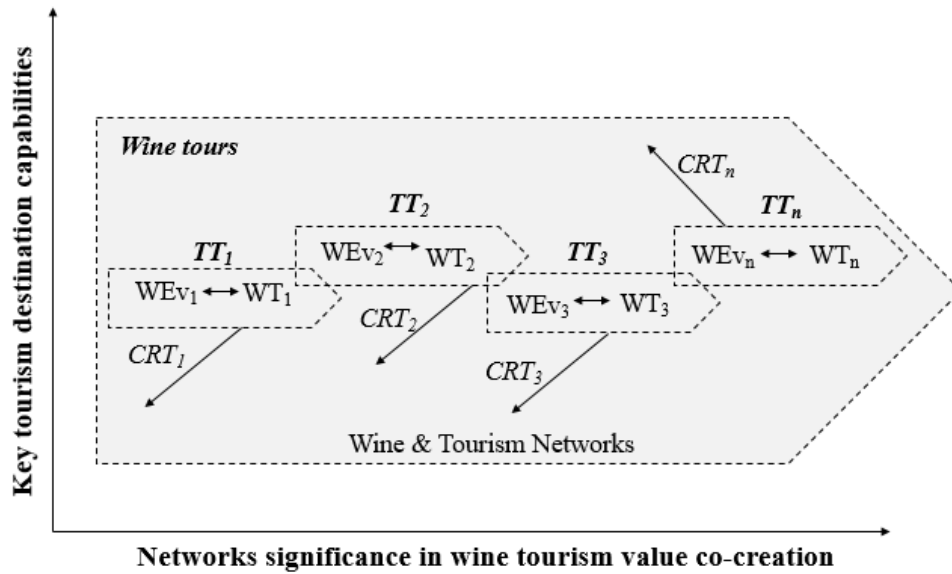


Figure 3: Tourist's domain of experiences in Alsace

Keys:

**WE<sub>v1-n</sub>** – wine events (weekly organized by tourism organization in cooperation with wine associations)

**WT<sub>1-n</sub>** – wine testing (daily organized by wine growers, wine farms, wine & agrotourism farms, wine shops)

**TT<sub>1-n</sub>** – town tours (Alsace wine towns and/or villages)

**CRT<sub>1-n</sub>** – castle and recreation tours (supporting wine tours)

Source: Author's own elaboration.

The second case we studied was Burgundy. Burgundy itself contains several wine routes. The topological construction is more centralized what naturally leads tourist to plan a wine tasting only in centralized style (max. to have once a day). Outside of the cities historical wine castles are located that offer complex time spending (wine museum, castle tours, wine tasting, walking along wineries). Usually they belong to wine brotherhoods that keep the traditions ongoing and play the most significant role in historical event networking. Thereby the Burgundian domain of experiences comprise in from first of all historical events (e.g. cavalry tournaments, medieval shows), equally with historical tours in abbeys, castles and villas (Figure 4).

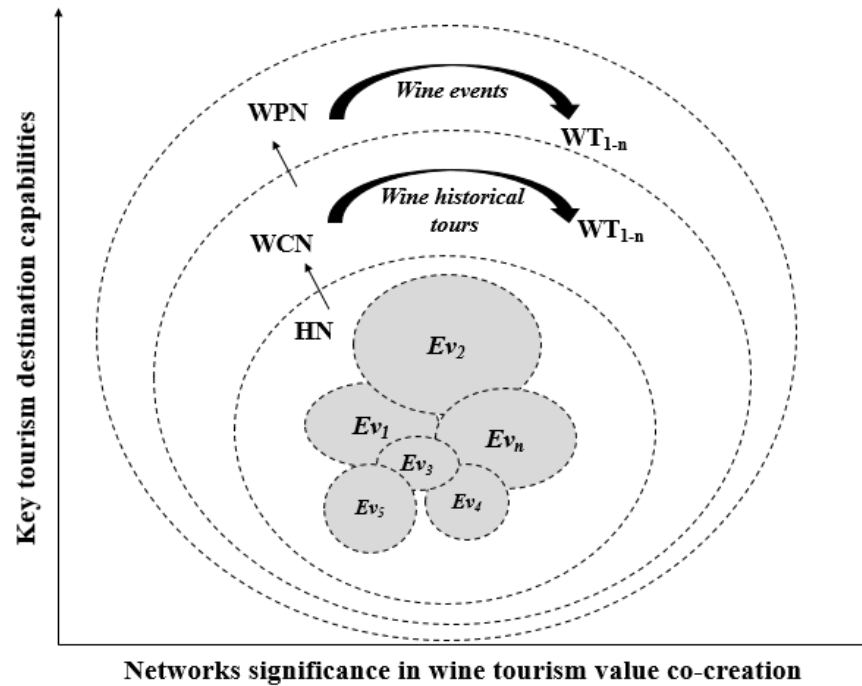


Figure 4: Tourist's domain of experiences in Burgundy

Keys:

**HN**- historical networks (e.g. Burgundian brotherhoods)

**WCN**- wine castle network (wine castle is in Burgundy a combination of historical castle, wine producer and wine museum)

**WPN**- wine producer network (combined members from both, historical and wine producers networks)

**Ev<sub>1-n</sub>** – events (historical events such as chivalry tournaments organized by Burgundian brotherhoods)

**WE<sub>1-n</sub>** – wine events (organized by the tourism organizations in cooperation with wine producers network)

**WT<sub>1-n</sub>** – wine testing (organized by wine producer network)

Source: Author's own elaboration.

In most of them exhibitions and tours are offered dedicated to wine cultivation and history. To summarize, spectacular events related to history are in the center of the business model, which oftentimes are accompanied by historical wine tours, and on the periphery, there are wine events. Therefore the network of experiences of the customer is not being as holistic and dynamic as in Alsace, but more centralized with a core and a periphery.

## 5. CONCLUSIONS, INCLUDING PROPOSITIONS FOR FUTURE RESEARCH

To sum up the main research optic is **a value co-creation as a networking bridge** between the tourist's domain of experiences and the tourism destination capabilities. We introduce two major assumptions about wine tourism networking and research on the latter: Firstly, through the domain of the tourist's experiences, there is an access to explore the networking dynamics in the wine route for the researcher. Secondly, each wine tourism destination in order to become



an integrated holistic wine route has to find its own model of creating a network of experiences for wine tourists (e.g. event network).

In the analytical part of our research we confronted Alsace and Burgundy from the proposed dynamic network experience point of view (**Figure 5**). While Alsace was identified to have a floating integrated network of potential experiences related to wine and other complementary time spending models, Burgundy as a tourist destination was identified to be more centralized around historical events accompanied by wine historical tours and wine events in the periphery.

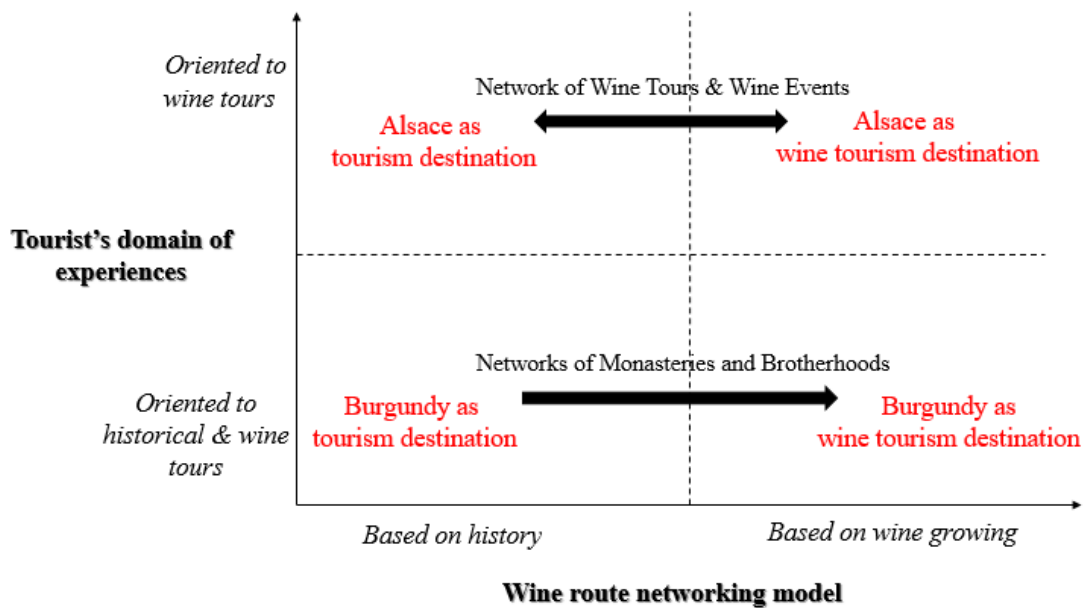


Figure 5. Networking mainstreams in Alsace and Burgundy

Source: Author's own elaboration.

The Alsace tourism business model is based and perfectly synchronized with wine tourism. Burgundian harmony is composed mainly through the historical networks that up to now have been building the wine identity in the region.

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