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## Participatory strategy analysis: The case of wine tourism business

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### Abstract

After a period of progressive abandonment of cultivation, the wine growers of the Etna initiated a process of renewal that allowed them to place high quality products on the market and to involve in wine tourism with the Etna Wine Route. In this context, the viticulture of the Etna is a model, which has become a strategic component of rural sustainable development and improvement of local tourism. In this study we implemented the Strategic Orientation Round (SOR) integrated in the SWOT analysis, a qualitative approach aimed to create awareness and promote action as prioritized by the stakeholders. We argue that the key requirement of the Etna Wine Route effective management for wine tourism development is the stakeholder involvement in generating ideas and developing products and services. In the case of EWR the major problems among the actors concern the distribution of commitments and the ability to focus on marketing strategies. Marketing alliance between the different elements of tourism could offer greater flexibility in choice, contributing to the development of the image of the area. The study shows that the SOR analysis is an effective tool to interpret the planning of tourism development of the EWR in a participatory way.

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### 1. Introduction

Tourism has a significant potential for rural areas. In particular, cultural tourism based on typical foods can help to mitigate the socio-economic imbalances and to improve the quality of life for residents of rural areas. It can also support the traditional culture by promoting the recovery of historical sites and territory conservation (Bessière, 1998; Carrà and Peri, 2006).

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Wine tourism has become an important phenomenon from the mid-90s, when a steady growth of the number of tourists interested in wine, with relatively high purchasing power, has been observed (Brown and Getz, 2006). Food & wine tourism is no longer a niche practice, but a widespread trend (Censis, 2010). It is now the main area of growth in the tourist market, where consumers characterized by a medium-high level of education and income want to live an authentic experience through customized tourist services in a rural context.

The motivational element for wine tourism involves, services and products related to the territory in addition to wine (Brown and Getz, 2006). Often the wine marketing is associated to events and attractions, or a package of services and products (Correia and Charters, 2004; Frochot, 2004) and is an essential part of the territory. In this context, Wine Routes are established in order to build and/or consolidate a reputation for quality in a wine region, and they represent an interesting example of collective action aiming at promoting products and territories (Vandecandelaere, 2002).

The Wine Route is an “advertised itinerary”, result of a collective action. Through the creation of a demarcated area, the Wine Route aims at inviting visitors to discover wines and related activities within a specific territory. This discovery is performed directly in wine farms and other particular settings, such as wine tasting centers or wine museums (Antonoli, 2002). As indicated by Vandecandelaere (2002), from the consumer side, the itinerary is a tourist product, organized around a wine territory, where consumers meet producers. From the supply side, it is characterized as a localized food system, which brings together producers and other local actors to build the reputation of the territory and its products. In fact, the Wine Route requires the construction and the integrated development of the business activities of the wine producers and the ability to enhance the natural features of the area.

The planning and implementation of food tourism, including Wine Routes, is very complex and articulated since the key success elements are synergies and coherence among stakeholders and actions (Brunori and Rossi, 2000). Successful initiatives require an organizational structure, a modern business culture, *ad hoc* investments, which rural areas are often particularly poor in. Therefore, tourism and regional promotion of quality food products, despite the potential, hardly become effective factors for rural development (Antonelli, 2004). The use of traditional marketing and communication plan from an expert source provide identification of the target costumers’ needs, but neglects the importance of interactivity and the active role of stakeholders in building trust and consensus in the planning process.

Objective of this work is to verify the potential of tourism development of a particular Wine Route in Sicily: the Etna Wine Route (EWR). The case of the EWR provides important insights for the development of tourism in a rural area, based on the marketing and promotion of viticulture of excellence, practiced in unique soil and climate conditions (Foti and Timpanaro, 2003).

In this study we implemented the Strategic Orientation Round (SOR) integrated in the SWOT analysis, a qualitative approach aimed to create awareness and promote action as prioritized by the stakeholders. We argue that the key requirement of the EWR effective management for wine tourism development is the stakeholder involvement in generating ideas and developing products and services.

## 2. The case study

The Etna vineyards are situated in close proximity to an area of high natural value and are an essential part of the agricultural landscape. In addition to the vine, farmers cultivate pears, apples, hazelnuts, pistachios, cherries and prickly pear. The population lives in small towns, as it is typical of rural Sicily, but benefits from the proximity to a big city like Catania (500,000 inhabitants), which offers tourist services and transport infrastructure (highways, railways, port and airport). The area is characterized by a great diversity of landscapes: in a few kilometers the traveler passes from the coast to the mountainous landscape of great natural value.

After a period of progressive abandonment of cultivation, approximately twenty years ago the wine growers of the Etna initiated a process of renewal that allowed them to place high quality products on the market. This process includes two main developments: i) the very good reputation of some winegrowers who invested on the quality of their wines, reputation attracting new investments in the sector; ii) the increase of the specific social and symbolic resources through the organizations of the Consortium "Etna DOC Wines" and the EWR (Carrà and Spampinato, 2012).

In this context, the viticulture of the Etna is a model, which has become a strategic component of rural sustainable development, also to improve the local tourism, where each winery becomes a cultural space that embodies both the unique features of the territory and the cultural heritage of wine itself (Foti and Timpanaro, 2006). The aim of the EWR is to enhance and promote this area specialized in wine in order to develop integrated tourism. The regional law expressly refers to the quality standards of wine production and aims to promote cultural services and related infrastructures with financial incentives, such as museums of the vine and wine, information centers, rationalization of road signs (Columba et al., 2007).

Within this framework, the EWR was formed in July 2004. The marketing strategy assigns priority to the quality standards of products and services and to a robust partnership identified as an important component for success. The partnership with public bodies such as local authorities, the Office of Tourism, the Natural Park of Etna, is intended to contribute to a better coordination with other development policies.

As for private actors, to date, some wineries of great value of the Etna are not members of the EWR as well as other companies (e.g. wine bars, restaurants, tourist centers). To face that, the Framework Program Agreement of EWR aims to expand the involvement of firms producing quality wines in the wine tourism and the other operators of the tourism sector.

Management Committee considers stakeholders' involvement particularly useful in the interactive exchange of opinions. Many stakeholders may be willing to participate in the tourism business planning process but may be unsure of how to effectively engage with it. Participatory strategy is advised for securing recognition of stakeholders as constructive partners, and for establishing an accurate and timely analysis that would be beneficial in order to capitalize on the opportunities and identify those areas of tourism business on which greater efforts should be concentrated.

### **3. Application of the SOR analysis to the EWR**

The mission of the EWR is to increase tourist activities, in order to create added value for the wine sector and the local economy. In order to facilitate the sustainable tourism development process linked to wine, a strategic planning for the EWR, considered as an organization, needs a multi-stakeholder participative approach. To this aim, the application of the Strategic Orientation Round (SOR) analysis is a valuable tool for identifying problems and formulating strategic options in order to support the planning process (Frambach and Nijssen, 1995; Carrà et al., 2011; Januszewska et al., 2010).

The SOR method is founded on the SWOT method. In the SOR method the factors are categorized as internal: strengths and weaknesses; and external: opportunities and threats (Shrestha et al., 2004; Vandermeulen et al., 2009). These methods are qualitative, and do not give any quantitative measurement, only the importance of each factor is rated (Shrestha et al., 2004; Rauch, 2007). Experts and other selected appropriate stakeholders are supposed to compare the SWOT factors and grant a relative priority to each (Kajanus et al., 2004; Kangas and Kangas, 2005). The provided value scores point the extent of belief of the experts and other stakeholders: that the advantages of external opportunities will contribute in overcoming threats; and the opinion of the impact of the weaknesses (Vandermeulen et al., 2009). These methods combine subjectivity, knowledge and objective information obtained from the experts and stakeholders (Kurttila et al., 2000).

In the frame of our study, the SOR analysis was performed through the following steps:

- Auditing activities (external and internal audit), for creating the SWOT matrix;
- Brainstorming to ranking priority and defining strategic importance issues;
- Definition of strategic options.

A total number of 20 interviews were carried out to selected stakeholders: members of EWR Steering Committee, representatives of local institutions, tourism professionals, and entrepreneurs. The survey has been conducted in two rounds and completed in 2012. An update was done in 2015 through informal interviews. Based on those interviews, SOR analysis started identifying the opportunities and threats as the external factors influencing the tourism development in the Etna area (Table 1). These include major regional, national and global trends influencing the tourism business in broad general terms.

Table 1. External factors: opportunities and threats

<i>Opportunities</i>	<i>Threats</i>
O1. Growth of wine and food tourism	T1. Competition with other regional destinations
O2. Financial support and Policies	T2. Seasonality of tourist flows
O3. Advance of tourism-based networks and ICT	T3. Bureaucratic and tax pressure
O4. Expansion of cultural/naturalistic tourism	

The analysis continued focusing the strengths and weaknesses as the internal factors related to local resources and tangible assets facilitating or impeding the achievement of EWR development (Table 2). The most important strength elements are the image of the Etna territory and specific climatic suitability for the cultivation of the vine, and the rediscovery of the link between wine and art, history, culture, local products, traditions, and gastronomy. All these strength elements are supported by the network of market oriented wine companies. Also the area benefits from the proximity to the airport and the highway. Along with strengthening networking the growth of food tourism and interest in quality products, financial supports from the regional policy represent the main opportunities that confront the competition for territories and emerging regional products. The weakness elements are, above all, a real need to strengthen coordination of marketing actions, as they are not consolidated yet; the shortages in communications with tourism agents; and the lack of infrastructures.

Table 2. Internal factors: strengths and weaknesses

<i>Strengths</i>	<i>Weaknesses</i>
S1. Image of the area	W1. Poor communication with the tourism agents
S2. Natural resources, culture and biodiversity	W2. Deficiency in services for the visitors
S3. Easy access	W3. Poor coordination and weak marketing action
S4. Establishment of a partnership	
S5. Entrepreneurial spirit	

The results of the analysis of the strengths, weaknesses, opportunities and threats are jointly ranked according to priority or strategic importance, assigning each of them a score from 1 to 3 (basal, medium, high), according to the judgment of the interviewed stakeholders. Up to a total of 12 points distributed for each of the columns of the matrix of the SOR analysis. The strategic options are defined by pair-wise combining the external and internal parameters in SWOT matrix as illustrated in Table 3. The crossings of the SWOT parameters correspond to the four groups of options and may be indicated as maxi-maxi strategy (*attack*), maxi-mini strategy (*defense*), mini-maxi strategy (*adaptation*) and mini-mini strategy (*crisis*) (Januszewska et al., 2010).

Table 3. SWOT matrix framework strategy options

	<i>Opportunities</i>	<i>Threats</i>
<i>Strengths</i>	Maxi-maxi strategy ATTACK	Maxi-mini strategy DEFENCE
<i>Weaknesses</i>	Mini-maxi strategy CLEAN SHIP	Mini-mini strategy CRISIS

Subsequently, we used the SOR analysis to quantify and translate the statements of SWOT analysis into more practical strategic options as suggested by Rutsaert et al. (2014). The matrix of the SOR analysis allows systematic analysis of the combinations of opportunities (O) and threats (T), strengths (S) and weaknesses (W). Scores are assigned according to the degree of importance that is attributed to the pair of elements, establishing the progressive weight of each option identified (Table 4).

Table 4. Strategic options for EWR

Elements	Opportunities	Threats
<b>Strengths</b>	Attack / maxi-maxi strategy 32 points	Defense / maxi-mini strategy 21 points
	<b>SO1:</b> Stimulate the use of new information technologies and new ways of communication	<b>ST1:</b> Communicate the rich natural and cultural environment of Etna, especially out of season (spring and autumn)
	<b>SO2:</b> Promote the Etna area at national and international level	<b>ST2:</b> Build an efficient network of public transport within the Etna area connected with the main infrastructure (airport, port, highway)
	<b>SO3:</b> Consolidate the public-private partnership, supported by regional policies and financial incentives	<b>ST3:</b> Develop public-private partnerships to counter with laws and bureaucratic regulations in the food industry and tourism
	<b>SO4:</b> Strengthen the innovative behaviour of entrepreneurs in the wine sector	<b>ST4:</b> Create support services to micro and small enterprises
<b>Weaknesses</b>	Adaptation / mini-maxi strategy 15 points	Crisis / mini-mini strategy 13 points
	<b>WO1:</b> Create a diversified supply of new communication channels in collaboration with tourism operators	<b>WT1:</b> The lack of a marketing action shared by tourism operators restricts commercial competitiveness
	<b>WO2:</b> Create the necessary synergies to enhance the public-private financial resources to ensure the necessary investments	<b>WT2:</b> Services and poor infrastructure are obstacles to achieve a reasonable level of foreign and domestic tourist markets
	<b>WO3:</b> Offer good quality services in order to expand the market potential for tourism	<b>WT3:</b> The limited involvement of small business owners does not allow to achieve the potential mutual benefits arising from common actions
	<b>WO4:</b> Strengthen an organized structure of network for tourism	

The strategic option, which received the highest evaluation score, with a total of 32 points, is the maxi-maxi strategy, also called the attack strategy. The attack strategy records the existing situation, somewhat considered positive. As we can see in the analysis, ICT is seen as a key marketing tool and a strategic opportunity for their tourism products and services. The process of communication on cultural heritage and local products started with the creation of the Wine Route and the network of involved stakeholders. The creation of the Wine Route is the starting point of the innovative approach. In addition to the high quality of wine production, reached thanks to intense innovation, diversification process of the area and of the winegrowing holdings are a driving force in the development of sustainable tourism business. The necessary coordination could further improve the innovative approach to tourism through the Wine Route.

In the case of the defense strategy, the creation of a single information desk for entrepreneurs and improvement of quality management of production and their promotion could be a field of action to strengthen consumers' awareness on the one hand and to increase customers' loyalty on the other. The maxi-mini strategy features

adaptation options as new networks in business tourism, public-private partnerships, and high quality tourism services. Within the mini-mini strategy, also called the crisis strategy, the idea is to minimize the existing weaknesses to prevent the emerging threats. Initiatives to enhance the wine production must be connected with tourist activities focused on culture, on the exploitation of natural resources and on entertainment.

#### 4. Conclusion

Enogastronomy is one of the main factors for the identification of Italy abroad and fits in the vast complex of elements that make up the cultural heritage, the primary component of the national tourist attractions (Croce and Perri, 2010). In fact, tourism associated to wineries showed significant growth in some regions of Italy (Censis, 2007 and 2010). In Sicily, the EWR highlights several challenges that need to be addressed, as well as the opportunities that will be capitalized to reach the targets identified in the tourism market.

Tourism planning for a multi-stakeholder organization, like a Wine Route, is always very difficult, because it can rely on a limited legal authority and the actors have little experience of coordination or partnership (Ritchie and Webber, 2013). In the case of EWR the major problems among the actors especially concern the distribution of commitments and the ability to focus on marketing strategies. Improving coordination thus represents the first and greatest challenge.

The efforts are currently focused on creating a range of high quality tourism products and services. In the absence of tourism products and services any promotional activity would not be possible. Marketing alliance between the different elements of tourism could offer greater flexibility in choice, contributing to the development of touristy image of the area.

The wine tourism that combines the stay with some kind of activity is the main area of growth in the market. The target of marketing of this type of destination are the tourists characterized by medium to high education and income, so it is necessary to provide an authentic and personalized travel services that may not be suitable for large groups of people (Dodd, 1995). Infrastructure and information services development as well as promotion initiatives could benefit of the funding that comes from multiple resources, in particular from the Rural Development Programme.

The study shows that the SOR analysis is an effective tool to interpret in a participatory way the planning of tourism development of the EWR: i) supporting projects promoting tourism itineraries; ii) stimulating competitiveness of the tourism industry; iii) encouraging the diversification of the supply of tourism products and services; iv) inspiring the participation of stakeholders and creating a framework favorable to their cooperation. However, in order to transform the strategic options in operational plans, several intermediate steps are necessary. The deficiencies identified should be analyzed more in detail with the objective to define the support actions. In addition, the support actions must be clearly identified, with responsibility for management of the activities and redefined response plans with a reference time frame.

The EWR project is requested to define actions of "awakening" to overcome obstacles and foster initiatives aimed at strengthening other tourism businesses in the area linked to the Wine Route. Through partnerships with other rural business, other companies could have access to the resources not accessible to them. The process of creating new networks with other thematic itineraries (natural area, local products, etc.) can increase the economies of scale that come true through collective action. Integration of different sectors and cultural environments into development strategies requires a more coherent action of management. In a visual enhancement, efforts need to be made to offer the opportunity to strengthen and improve the size of the market and demand for the products of the territory.

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