



MASTER THESIS

**EXPLORING INNOVATIVE APPROACHES TO WINE
TOURISM THROUGH NEW MEDIA TECHNOLOGIES**

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ABSTRACT AND KEYWORDS

ABSTRACT

Virtual Reality is a very recent technological innovation that is nevertheless showing a broad range of possibilities. With less than 5 years in the consumer market, its applications in many different fields are just starting to be assessed, but the forecast is that it will mean a huge revolution for a number of economic sectors, including tourism. Virtual tourism is expected to generate a 200-million-euro economy by 2027. One of the better explored uses of virtual tourism to date are the marketing and promotion of a destination. However, the virtual reality approach to wine tourism has not been tackled yet in the academic literature. The present work reviews applicable literature in the fields of innovation, marketing and virtual tourism to assess the pertinence of a virtual reality marketing tool to be exploited in the field of wine tourism by global brands, and more specifically one concerning the Cava appellation of origin region in the province of Barcelona.

Keywords:

Virtual tourism, Indirect Tourism, Tourism innovation, Cava, Wine event, Wine experiences

List of abbreviations:

KPI: Key Performance Indicator

MGMT: Management

MKT: Marketing

POS: Point of sale

VR: Virtual reality

1. INTRODUCTION

1.1 Description of the company

Freixenet is the largest cava producer in the World. The company was founded by Francesc Sala Ferrés in 1861 in Sant Sadurní d'Anoia (Spain) and expanded progressively growing as the global leader of cava as well as a major actor of still wine. At the present moment the company owns 18 wineries in seven different countries and produces 200 million bottles per year that are sold in 150 different markets.

Freixenet was controlled by the Ferrer and Bonet families until March 2018, when a 50,7% share was sold to Henkell, a German corporation specialized in sparkling wine, by nearly 220 million euros. The new group resulting from this merging operation was called *Henkell-Freixenet* and is the World leading producer of sparkling wine.

As reckoned publicly by Freixenet executives, one of the foreseen positive aspects of the merging with Henkell is the acceleration of the international activity of the company. In that sense, it has to be noted that today 80% of Freixenet sales come from international markets, especially European ones.

An interesting case among the company's international activity is the French market, where Freixenet cava brand has been successfully marketed among a very young audience (18-35 years) in the last years, growing from 200.000 bottles sold in 2001 to more than 8 million bottles in 2018. It has been done so by the company Yvon Mau, a *négociant* (the French term referring to a wine merchant assembling the produce -either grapes, must or wine- of smaller growers and winemakers and selling the result under its own name) which started distributing Freixenet products in France, was later acquired by the company in 2001, and now belongs to the Henkell-Freixenet group.

A traditional brand with a large history in Spain (and thus bearing the weight of tradition), Freixenet brand identity in the French market is quite different from the Spanish one. Young, fresh and vibrant, it has been built around the "Barcelonity" of its origins to try to tie the attractiveness of Barcelona, one of the most popular urban destinations in the World (for its vibrant ambiance, its architecture, and its culinary scene, among other) to a wine product.

It has been done so through traditional marketing tools from public relations and media advertising to point of sale (POS) promotion, but also, in the last years, through an innovative element: La Freix Baravane, a branded wine truck which tours the French geography from

music festival to music festival, offering Freixenet under different innovative forms of consumption (or as it is usually named in the drinks industry argot, *erves*) such as cocktails or *poptails* (cocktail popsicles). Also noticeable is the fact that Freixenet France markets specific products that are not available in Spain, as Freixenet Xperiencia, a reference specifically addressing the mixology environment.

1.2 Duties during the internship

Freixenet France marketing department consists of four people (a Group Manager in charge of all the sparkling wine brands owned by Yvon Mau, two Product managers for on-trade and off-trade channels, and an intern) who lie under the supervision of Yvon Mau's marketing Director. The work as an intern at Freixenet France marketing department during the period running from March 1st 2019 to August 31th 2019 was a great opportunity to get a wide understanding of how a major player in the sparkling wine category works to reach its consumers and earn a place in their top of mind.

The intern role consists on assisting the Product Manager in charge of Freixenet presence in the on-trade consumption channels (hotels, restaurants and catering), and sporadically helping the off-trade division as well. At the core of the activity is the operational support for the Freix Baravane: a wine truck which tours different music festivals and client partners (bars) across France during the summer months. From April to September, this ephemeral itinerant bar is placed as a complement of leisure events or as an event itself. Operating la Freix Baravane involves planning, negotiating and coordinating with the festivals and the supporting events agency, and deal with logistic prevision and animation work with consumers on site. Besides that, the general daily routine includes, among other general tasks, assisting in the setting up and monitoring of promotional operations and customer activation on the on-trade circuit (mainly evening events), developing POS materials and managing the stocks, creating product presentations and other tools to support sales representatives (leaflets, special menus, signage, merchandising...), managing website content, benchmarking the sector and competitors, and running competitive intelligence analysis.

It must also be highlighted that during the period of the internship the company participated in Vinexpo (one of the World's most important professional wine trade fairs) which took place in Bordeaux from 13 to 16 May 2019. Different international teams got together in Bordeaux in what was a great opportunity to discover and participate of a different side of event marketing (the trade fair) and understand the global scope of wine business. Another

punctual task performed was the support to the visit of a wine business school group of students on June 13, an interesting approach to business wine tourism.

All in all, it can be said that the tasks performed during this internship conveyed important communications, event organization and project management skills, equally useful in other dimensions of the wine business as can be traditional wine tourism.

1.3 Framework and research question

The present thesis is conceived as a part of the Erasmus Mundus WINTOUR master in wine tourism innovation and has three key elements Wine and Tourism, as highlighted in the title of this thesis, but also Marketing.

While wine and tourism are evident disciplines to turn to when aiming at developing wine tourism as an academic discipline itself, it would seem that they are not sufficient. Marketing might work as the hinge able to connect both wine and tourism, and even elevating them conveying new approaches. That is the reason why this master thesis deliberately opts for a marketing focus, as it is from that discipline that innovation will (or at least can) come from in the field of wine tourism. This is the idea this thesis aims at underpinning, exploring and explaining, that as in a virtuous circle Marketing serves wine tourism, and wine tourism serves marketing.

The area of interest studied is the promotion of wine tourism destinations through new technologies, with a focus on assessing its utility for global multinational wine companies as per the characteristics of the internship at the origin of the present work.

This work intends to explore what beneficial relationship for wine producers can be established between wine tourism and new technologies, namely virtual reality. And more specifically understand how a global wine brand can benefit from these applications in the construction of its brand equity in international markets, outside the physical boundaries of its production region.

2. METHODOLOGICAL APPROACH

The questions posed by this work are quite general questions. They necessarily are when talking about a new field where there are few available studies, as it is this case. If the effect of new technologies in the fields of tourism and marketing is only just beginning to be studied, there is no academic literature that addresses its links with wine tourism (in turn, a discipline at the dawn of its scientific-academic treatment). Hence, the questions posed by

this thesis are open and intend to evaluate not even the options, but simply the possibilities for the use of new technologies, and specifically Virtual Reality (VR), in the creation of quality virtual wine tourism experiences capable of adding value to the user, and subsequently the promoted brand or destination.

In order to answer the questions raised and understand how new technologies can be used to create an innovative wine tourism product that enhances a winery or a wine region reputation, the analysis approach has been based fundamentally on secondary data, although primary sources have also been used occasionally. Three broad fields have been considered for basing this thesis. Firstly, the concept of innovation itself. Secondly, the contribution of wine tourism to brand equity building, and thirdly, the use of new technologies in wine tourism and marketing along with its possibilities

As far as secondary data are concerned, these have been mainly academic literature and other documentary sources consultation. It should be borne in mind that there is little or no academic literature that directly tackles this thesis topic, so academia articles that tangentially address its object of study have been consulted, extrapolating its conclusions and making certain assumptions based on similarity of contexts and frameworks. It has also resorted to press articles of authorized voices and documents by international organizations of recognized prestige, and notably the World Tourism Organization.

As far as the primary data are concerned, these were mainly an interview to the wine tourism manager of Zamora Company, owner of Ramón Bilbao, the first Spanish winery to offer a Virtual Reality experience as a part of their wine tourism offer in order to better understand the motivations for setting such an initiative and the production and implementation process; together with direct observation of the author at the music festivals in which the Freix Baravane was present and past experiences at Sonar+D and festival Tropisme in Montpellier (two festivals mixing music and new technologies in different formats, where VR experiences are available to attendants).

This methodological approach is suitable for the initial stage of the study, when dealing with a very novel subject and still moving in a mostly theoretical frame. However, in-depth direct studies and tests must be carried out in the future to validate the hypotheses put forward here and find empirical evidence to support them.

It should be pointed out that, although no practical and direct study of the use of new technologies in wine tourism has been carried out, this master thesis specifications require

the definition of a practical proposal. Although the logical order would initially lead to think that it is necessary to have a direct observation experience on which to base a proposal, the truth is that the product proposed here after the exploratory theoretical analysis results constitutes an excellent *beta version* (as the second version of a software or project, still not finished but yet apt for user evaluation and improvement is usually named) on which to actually perform the tests that would need to be set up in any case. Hence, moving almost straight from secondary data to the proposal seems a correct process if we consider this proposal as a beta version to be improved in the future based on broader direct tests.

Another noteworthy aspect to bear in mind with potential limitative effects on the conclusions of this work is the fact that most of the studies carried out that relate tourism and virtual reality under different prisms are promoted by Asian institutions and authors. This can be explained by a greater general technological acceptance in Asia but also by the fact that these are countries and societies where tourism (domestic or international) is a much more recent phenomenon than in Europe or the United States, and where heritage usually holds a lower weight. In any case, cultural bias must also be taken into account when extrapolating the conclusions of this work, and be confirmed or denied by subsequent surveys and analyses.

Once the methodology validated, the next step is to draft a proposal and analyze all the consulted data in order to draw conclusions, and that is what the following sections deal with.

3. PROPOSAL

This master thesis aims at exploring the marketing and promotion possibilities for wine brands unlocked by an innovative approach to wine tourism based on new technologies, first from a general broad perspective and then focusing on the particular benefit for global brands. The specific case of Freixenet, the first Cava producer in the World, is used to illustrate these possibilities. Indeed, the company targets very young audiences in markets such United States or France.

The case of France, where Freixenet bets on music festivals to present its products in the form of a wine truck (la Freix Baravane) where its wines can be tasted in the traditional way but also in innovative servings and presentations (for instance with ice or under the form of cocktails and poptails -alcohol-based popsicles-) is a good starting point as it is likely to foresee that options involving new technologies would be well received by Freixenet France target.

It is well understood that despite many wineries and wine producers still being on the antipodes of technology savviness, in year 2019, Internet access and communications are no longer considered new nor innovative technologies. Therefore, this works aims at looking further and sense the current global innovations in order to guess which could be applied in the field of wine tourism and how they would do so.

3.1 General guidelines

On this basis, a proposal for a virtual tourism experience which contributes to reinforcing Freixenet brand image in its different international markets while highlighting the origin of Cava, and at the same time providing an innovative platform for the promotion of the Penedés region as a wine tourism destination is put forward. In line with the questions raised previously, the wine tourism product proposed is a virtual reality experience fostered by Freixenet (not necessarily Freixenet France, but certainly of utility for Freixenet France) that call upon gamification strategies to engage and entertain users.

VR installations are not new to music festivals targeting attendants under 35 years old (as proved by examples such as Sonar+D in Barcelona (see Annex 2) or the Festival Tropisme in Montpellier) and have proved to attract audiences successfully (Spence, 2019) although the users' satisfaction degree varies according to the overall quality of the installation (Li & Chen, 2019). The aim is to create an interactive, engaging, fun, hedonistic experience with a slight educational touch. The reasons for this approach (while wine professionals often encourage education as a way to get to the client) will be discussed later.

A product of such characteristics would certainly be an asset for Freixenet in general and specifically for Freixenet France, with the added value of being easily exportable (at non, or not significant cost) to other markets where Freixenet is present. The process of creating this product, and especially its storytelling, should involve at least the management of the company (given that it is a strategic product that requires a considerable investment to be taken into account as an extra budget out of the general annual budget of the marketing or wine tourism departments) and the marketing and wine tourism departments.

The stages of the product creation should include at least:

- The goals and key performance indicators (KPI) setting: The general objectives aimed at and the indicators measured to assess the success of the project;
- The creative theme definition: A thematic umbrella connected to the business activity and in line with the settled goals that unifies and gives coherence to the final product.

- The specification of the different elements that should mandatorily be included in the product (references, physical sites, parts of the production process...);
- The supplier selection (VR agency): Brief, call for agencies, tender opening;
- The storyboard: The first graphic approach to what the final product would look like. It is a graphic sequence in two-dimensions (usually drawing or digital renders) representing the different scenes of an audiovisual production;
- Storyboard corrections: A back and forward process between the different actors involved until a final outcome is agreed;
- Draft presentation: A simplified audiovisual version of the projected product;
- Draft corrections: A back and forward process between the different actors involved until a final outcome is agreed;
- Final validation: The end point of the creative process. A final version is validated that would be produced and diffused;
- Production: The technical production of the final audiovisual product;
- Implementation: The technical setting of the product (VR glasses acquisition, software installation, etc.);
- Diffusion: The internal and external communication of the product.

Table 1. Product creation stages, responsible for each stage, and estimative timing.

Stage	Responsible	Date (where D is the release date)
Goals & KPI setting	Freixenet (MGMT + MKT + WT)	D-12 months
Creative theme definition	Freixenet (MKT + WT)	D-11 months
Product specification	Freixenet (MKT + WT)	D-10 months
Suppliers selection	Freixenet (MKT)	D-10 months
Storyboard	External supplier (Agency)	D-9 months
Storyboard corrections	Freixenet (MKT + WT)	D-8 months
Draft	External supplier (Agency)	D-7 months
Draft correction	Freixenet (MKT + WT)	D-6 months
Final validation	Freixenet (MGMT)	X-5 months
Production	External supplier (Agency)	X-4 months
Implementation	Freixenet (IT + MKT)	X
Diffusion	Freixenet (MKT)	X+1 month

MGMT: Management department / MKT: Marketing department / WT: Wine Tourism department

It must be highlighted that such a multidimensional project involving so many actors will imperatively need the figure of a project manager to coordinate and centralize all the exchanges and make sure timing and deliveries are accomplished (see table 1).

3.2 Storytelling

A tentative idea for the storytelling theme could be a journey from Barcelona to the user situation through Sant Sadurní d'Anoia. A train journey that begins in a central, emblematic, easily recognizable point of Barcelona (as could for instance be La Pedrera in Paseo de Gracia) and takes the user to different places and moments linked to cava in different ways, like a virtual visit of the Freixenet cellars, harvest, an interactive questionnaire to choose the user preferred type of cava, a section focused on food heritage.

Gamification would be a very important aspect of this product in order to make the experience immersive and participative. The kind of interactions and triggered user actions can go from the purchase of the train tickets to the grapes harvest and selection, or the questionnaire filling with footsteps or body movements in different directions. Those actions would be partially left to the user discretion, who would be free to decide where he goes inside the experience. A link with “external” reality could be created by generating a deliverable that can be sent to the users mail or social media accounts.

3.3 Collaborations

Among the possible institutional collaborators for this project are the DO Cava (the Cava protected appellation board), the Diputació de Barcelona (the public administration managing the whole Barcelona province in different fields, among which tourism policies) and Enoturisme Penedés (the association leading wine tourism in the Cava region).

DO Cava might be potentially interested in participating since the product targets its specific territorial area and since their marketing strategy in the last **two** years has involved young audiences, music events, and an important bet on social media activity. As far as the Diputació de Barcelona is concerned, the current strategic tourism plan puts the accent in diversifying the visitor journeys and bringing them out of the city to other inland attractions. The strategy does so with different focus, among which wine tourism is a very relevant one). Finally, for evident reasons, Enoturisme Penedés would be interested in having its territory valorized through an innovative VR experience (although its economic collaboration might be difficult due to the little amount of resources they work with). Depending on the type of

collaboration established, these actors may or may not play a relevant role in defining the storytelling of the VR experience.

The relevance for a specific brand of creating a wine tourism product largely (but not only) focused on the appellation of origin in a general manner could be questioned, as the advantage would reflect importantly on the category and not only the brand, thus indirectly benefiting Freixenet competitors. However, in the case of cava it makes sense to emphasize the generic product, since in a context of growing international competition (notably from the Italian Prosecco) with serious damages and pricing difficulties for Cava, there is a need to value the category. Freixenet, as the undisputed leader in the sector and with an international projection and operational capacity that no other cava producer possesses, is in a position to take forward a project of these characteristics.

This product has the added advantage of being easily scalable and exportable to other markets where Freixenet is present at no or not significant cost (as many other multinational companies, Freixenet shares a large volume of materials and resources through its international net). It would be especially interesting for France as it would be a good complement to la Freix Baravane, since its aligned with its innovative approach and also targets a similar public (assuming that, in general terms, younger audiences are more receptive to technological innovations and new communication channels).

4. RESULTS AND DISCUSSION

The goal of this paper is to see how new technologies can be used in the creation of an innovative off-site wine tourism product (outside the physical space of the destination itself), capable of adding value to the brand equity of both the wine product and the wine production area as a destination. To do so, this paper first considers the definition of innovation (a concept widely used today, but little specific or with a lack of general consensus on its characteristics and the elements that constitute it) to observe how it affects the value of a brand among its consumers (brand equity), especially in the field of tourism. It then addresses the current consumption patterns and reviews new technology-based touristic experiences to explore the possibilities of these new technologies to contribute positively to the branding of wine-related destinations.

4.1 Defining innovation

First of all, when talking about creating an innovative product, it is important (and basic) to define what is meant by "innovation", as this concept, paradoxically coming from the Latin

verb *innovare* (to renew or change), holds a different meaning for every different consulted author.

As recalled by Gault (2012), the first formal definition of innovation was the one stated by the International Organisation for Economic Co-operation and Development (OECD) in its Oslo Manual in 1992. Following the document subtitle, it consists of *proposed guidelines for collecting and interpreting technological innovation data*.

The Oslo Manual has been periodically updated since its creation, and so has the innovation definition contained in it. Its first version understood “innovation” as referring to manufactured products (and therefore focused on technological products and innovation processes), while the second version, in 1997, specifically included services, and also to consider the delivery of the new created products to the market as a way of innovation. The third version (2005) brought down the technological element as an essential aspect of innovation, setting the definition of innovation as follows:

“146. An innovation is the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations”. (OECD, 2018)

This definition was eliminated in the fourth version (2018) in order to reduce complexity, substituting the four main types of innovation for only two: product innovations and business process innovations (thus reckoning innovation both as a process and an outcome):

*“A **business innovation** is a new or improved product or business process (or combination thereof) that differs significantly from the firm’s previous products or business processes and that has been introduced to the market or brought into use by the firm.” (OECD, 2018)*

However, despite not including marketing in its general definition of innovation, this fourth version still considers marketing and brand equity activities as one of the eight types of activities that companies can undertake in their search of innovation, as contemplated in its chapter 4.2.3 (Marketing and brand equity activities):

“Marketing and brand equity activities as an innovation activity: marketing activities for existing products are only innovation activities if the marketing practice is itself an innovation.” (OECD, 2018)

Another element that has been maintained in the new version is the idea of implementation as a necessary element of an innovation for it to be more than merely an idea or an invention. A similar direction –but sensibly more people-oriented in its linguistic approach- is pointed by the manual from the Danish Centre for Studies in Research and Research Policy (CFA), *Measuring Innovation in the public sector in the Nordic Countries (MEPIN)*:

“The concept of innovation is operationalised both through an overall definition of innovation and the distinction of four individual types of innovations: product, process, organisational and communication. [...] A communication innovation is the implementation of a new method of promoting the organisation or its services and goods, or new methods to influence the behaviour of individuals or others. These must differ significantly from existing communication methods in your organisation.” (OECD, 2018)

After analyzing the definitions of innovation by many authors, Popa et al (n.d.) prefer not to speak of an exogenous or systematic definition of innovation, but rather of an endogenous or particular one for each organization. They assert that the way each organization defines innovation will determine its actions in this field, and the lack of consensus among authors on how to define innovation seen before seems to prove him right.

Not only that, but the same type of innovation might not be suitable for every organization. The one and only thing that the authors consider as a common denominator is that innovation always represents a source of competitive advantage. Hereby the importance for each company or institution to find the innovation model that better can help them to reach their goals and growth in the appropriate direction.

Despite its heterogeneity (see table 2), the analysis of the academic literature allows to better frame what can be considered as an innovation in general terms, and evidences that there is a notorious place for marketing in the innovation field, understood both as marketing strategy and as specific products. But within what areas of marketing can this innovation take place?

The following section deals with innovation in the specific area of brand equity and analyses the contribution of wine tourism to global marketing strategies in the world of wine.

Table 2. Innovation definitions (from Popa *et al.*, n.d)

Author	Definition
Schumpeter (1930)	<ul style="list-style-type: none"> • Introducing a new product or modifications brought to an existing product; • A new process of innovation in an industry; • The discovery of a new market; • Developing new sources of supply chain with raw materials; • Other changes in the organization.
Druker (1954)	One of the two basic functions of an organization
Howard and Sheth (1969)	Any new element brought to the buyer, whether or not new to the organization.
Mohr (1969)	The degree to which specific new changes are implemented in an organization.
Damanpour and Evan (1984)	Broad utility concept defined in various ways to reflect a specific requirement and characteristics of a particular study.
Kenneth Simmonds (1986)	Basic creative process.
Damanpour (1991)	Development and adoption of new ideas by a firm.
Davenport (1991)	Complete a task development in a radically new way.
Evans (1991)	The ability to discover new relationships, of seeing things from new perspectives and to form new combinations from existing concepts.
Covin si Slevin (1991), Knox (2002)	Innovation can be defined as a process that provides added value and a degree of novelty to the organization, suppliers and customers developing new procedure, solutions, products and services and new ways of marketing.
Business Council Australia (1993)	Adoption of new or significantly improved elements to create value to the organization directly or indirectly for its customers.
Henderson and Lentz (1995)	Implementation of innovative ideas.
Nohria and Gulati (1996)	Any policy, structure, method, process, product or market opportunity that the manager of a working business unit should perceived as new.
Rogers (1998)	Involves both knowledge creation and diffusion of existing knowledge.
The European Commission Green (1999)	Successful production, assimilation and exploitation of novelty in the economic or social environment.
Boer and During (2001)	Creating a new association (combination) product-market-technology-organization.

4.2 Wine tourism contribution to brand equity building

Wine tourism is a tool that has proved able to contribute to wineries business development in different ways, such as raising awareness among customers and the general public or reaching economical sustainability. It could be stated that in general terms wine tourism does

contribute to wine brands performance. Brand equity can increase competitive advantages based on nonprice competition (Aaker, 1991).

But what is exactly a brand? A wide range of definitions are available. One of the first was set by the American Marketing Association in 1960: "A name, term, sign, symbol or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of the competitors". This definition, which focuses mainly on tangible attributes as points of differentiation, constitutes a good first approach but has evolved in the last decades.

Indeed, different authors bestow different dimensions to the brand equity concept. For Daft (1983), the brand is a source of competitive advantage controlled by the organization that allows setting and implementing strategies to improve its effectiveness and efficiency, while according to Aaker (1996) brand equity is "a multidimensional concept that consists of brand loyalty, brand awareness, perceived quality, brand associations, and other proprietary brand assets". Feldwick (1996) assigns three dimensions to Brand equity: financial value, brand image and brand strength.

But, as reckoned by Avis (2009), there is a certain degree of confusion about the definition of brand, and subsequently "it may be useful for researchers to declare their own brand definition, such that the underlying causes of disagreements become explicit". Which seems clear is that brand equity is related to consumer perception of the added value brought up by a brand in some or all of its brand elements (quality, trustworthiness, attractiveness, personality, leadership or any other). This is at least what will be considered in this work, following Avis (2009) advice for researchers.

Branding is one of the key areas of marketing. It aims at adding and measuring the value to a product or service and basically reunites the different assets of a brand with the objective, among others, of measuring and being able to predict the performance of a brand (Chow *et al*, 2017). When this analysis is done considering customer-based criteria solely, it is referred to as brand equity. Aaker (1991) distinguishes four dimensions of brand equity:

- Brand awareness: The level of consumer familiarity with the brand, from complete lack of awareness (when the consumer does not even know the brand name) to identification without being able to name the brand, brand recall (when he is able to remind the name with external help), and high awareness (where consumers are able to make a connection between the brand and its products spontaneously). As Chow explains "due to the fact that people usually choose to buy familiar products, such

name awareness is very important to a product in terms of getting the product included into a consumer's buying consideration set”.

- Perceived quality: It is the perceived value of the given brand in consumers' mind (high awareness does not necessarily correlate with a high perceived quality: some brands are very well known for the bad quality of their offer, like for instance some unpunctual airlines).
- Brand associations: Specific associations that impact brand image (which is in turn linked to the potential value of a brand name). They can be classified into three major categories: attributes (features of a brand; or what a consumer thinks the brand has to offer), benefits (values associated with the features of the brand), and attitudes (consumers' overall evaluations of the brand).
- Brand loyalty: A mix between the inner opinions about a brand and the external actions derived from it (notably purchase recurrence).

Chow (2017) measures the impact of industrial tourism on the food sector and concludes that all these four dimensions conforming brand equity are interconnected and play a major role in a brand or project success. Notably, increased brand awareness leads to better perceived quality and better brand associations, which are in turn linked to brand loyalty (see Figure 1).

According to his findings “having visitors be aware of the brand is not sufficient in brand equity building. When visitors feel that they are associated with the branded products, it is more effective for brand equity formation and maintaining”, and therefore companies should focus on offering visitors “interactive experiences that will enhance brand associations”.

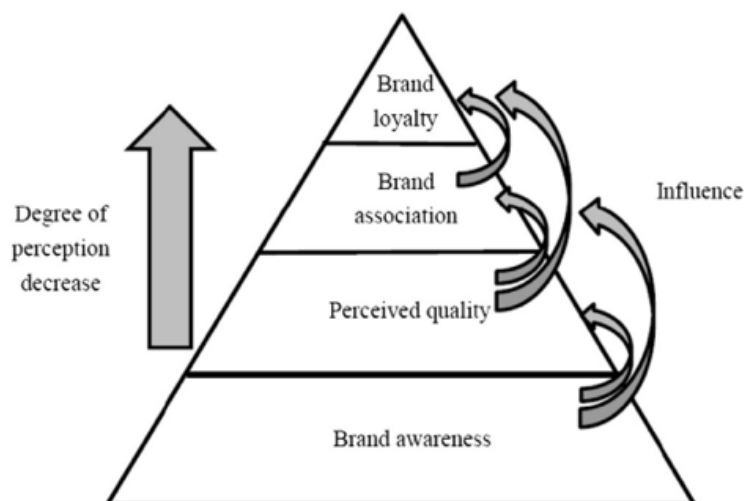


Figure 1. The building up of brand equity from the bottom to the top: Brand awareness, perceived quality, brand associations, and brand loyalty. Chow *et al.* (2017)

Although his work does not strictly focus on wine tourism (and despite the fact that it is often insisted that the success of wine tourism strategies begins by fleeing from conceptualizing this as industrial tourism), it can be stated that the fact that these are both food industries allows certain extrapolations. It can be agreed, for instance, that wine tourism can positively impact a company or project brand equity and reputation among consumers, therefore contributing to its economic success, growth and, ultimately, survival. It can also be agreed that interactive experiences are a good way to build on a company or project brand equity by increasing and improving brand associations.

Such is the position of Civelek (2015), who shows branding is important not only for companies and institutions, but also for tourist destinations, be they cities, regions or countries. Indeed, the increase in competition between tourist destinations, due to globalization, the rise of new technologies, the lower cost of travel and the progressive expansion of travel as a lifestyle, have generated a thriving economy from which all (or almost all) want to benefit, and therefore has led tourist destinations to strive to attract and satisfy a significant number of tourists.

And to do so, they must work to create a positive image of themselves. The problem is that branding a destination is more complicated than branding other products and services. On the one hand, because it has more dimensions, but also because more stakeholders with less aligned interests are involved (among other things because its impact of tourism on the general society is huge), or because measuring the brand equity of a destination is even more complicated than that of a brand or company. In this sense, the construction of the image or reputation of a destination rests, in an exacerbated way, in the consumers-visitors-users' hands. This is true in any case, but extremely accurate in the case of destinations, especially in the current times of social media and online reviews.

Indeed, a destination brand is a collective construction made up of memories, impressions and personal connotations, way more difficult to manage from an individual position such can be a Destination Management Organization than a consumer goods brand, since the destination is not what it can say it is, but what others say it is.

As Civelek (2015) notes, "a brand is not only a product or the sense of satisfaction that can be obtained from a product for customers, but it is the sum of their experiences related to the values that the enterprise possesses".

Based on all the above, it can be said that innovation in wine tourism can contribute positively to a wine product brand equity since both tourism and innovations impact positively food and wine brands reputation. Moreover, that improvement of brand equity and reputation constitutes a competitive advantage for the brand in terms of general marketing and sales.

Another relevant point brought up by Festa *et al.* (2016) is that the traditional marketing mix focus seems to be changing little by little, from tangible to intangible assets and from “the good as a container of utilities [...] to the customer as subject of experience”. The author develops “a theoretical structure for a contextualized version of wine marketing mix, based on 4Es (expertise, evaluation, education, and experience) rather than on the famous 4 Ps defined by McCarthy in 1960 (price, promotion, product and place -see Figure 2).

Marketing: from 4Ps to 4Es

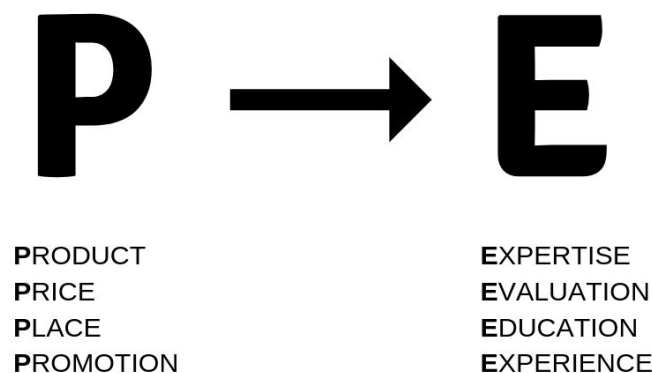


Figure 2. Marketing, from 4Ps to 4Es.

Nowak, Thach and Olsen (2006) evidence the importance of creating marketing strategies built on positive emotions when it comes to millennials (such is the name given to the generation of those born between 1981 and 1999, and currently one of the biggest economical forces targeted by companies) and wine for wineries to build brand equity.

4.3 The paradigm switch of experiences

The transformation of Marketing 4 Ps into 4 Es is a prelude of what Pine and Gilmore (1999) call the experience economy. According to them, today we no longer talk about products (commodities or goods) or services, but about experiences. This is the result of what they call the “progression of economic value”, that they brilliantly exemplify with the birthday cake example: decades ago, mothers used to make their children birthday cake themselves with

ingredients available in any common household, then they went on to buy premixed ingredients, later they started ordering the cake at the bakery and nowadays they go to a special space where a party (experience) is thrown of which the cake is merely an insignificant part, and might not even be paid for but rather offered as a complimentary gift. There still is a birthday cake in the picture, but the added-value of what is paid has switched to a different element. This dynamic, the authors say, is generalizing and companies need to adapt to it if they don't want to be left behind.

Despite the fact that the concept of experience may seem vague or indeterminate to some (including the many companies that rename as experiences their same products as always in order to sell them better), the authors defend that experiences are something real and concrete, that they bring more value to customers than goods or services, and that companies that do not want to be ostracized by commodities (and therefore prices always down) must advance in this progression of economic value.

But what exactly is meant by experience? "An experience occurs when a company intentionally uses services as the stage, and goods as props, to engage individual customers in a way that creates a memorable event", say Pine and Gilmore (1999). The great difference, the authors abound, lies in that while all previous experience is external to the user or consumer, "the experiences are inherently personal, existing only in the mind of an individual who has been engaged on an emotional, physical, intellectual, or even spiritual level. Thus, no two people can have the same experience, because each experience derives from the interaction between the staged event (like a theatrical play) and the individual's state of mind". They even go on further and reckon that "new technologies, in particular, encourage whole new genres of experience, such as interactive games, Internet chat rooms and multi-player games, motion-based simulators, and virtual reality".

It seems clear that new technologies have a place in this new experience economy, but what are the specificities of its application in the tourism sector?

4.4 New technologies and tourism: A World of possibilities.

The capacity of new digital technologies to blur the lines between the real and the virtual constitutes an enormous potential in many different fields, including tourism: The World Economic Forum estimates that the total value of the virtual tourism industry will reach US\$200 billion by 2027 (Kim & Hall, 2019).

Those technologies are building a gray scale of what is known as "mixed reality" with different degrees between the real and the virtual, and show indeed great capabilities to increase the immersion of tourist experiences.

Augmented reality (AR) is a technology that allows digital elements (whether text, image, video or three-dimensional (3D) objects, (Bec *et al.*, 2019) to be overlaid on the real physical environment, while virtual reality recreates digitally simulated three-dimensional environments with which the user can interact in different ways (from the most basic, such as focusing and directing the point of view, to actions that trigger reactions). The AR degree of immersion is therefore inferior to the VR one. As Kauffold (2016) notes, VR is "an artificial computer-generated World that can be experienced and interacted with. The term has come to refer to experiences where the user or player uses special equipment to immerse themselves and completely block out the real World".

Both AR and VR require the use of devices to "enter" that virtual sphere, notably a telephone or other element with a screen that filters reality and adds the elements that increase it in the case of AR, or special glasses (also known as *Head Mounted Display*) in the case of VR. It is important to highlight that the costs for the user have been greatly reduced in the last few years (from almost 3,000 euros of the first glasses announced by Microsoft in 2015 or 750 euros of the Oculus Rift, owned by Facebook, in the same year; to the scarce 10 euros that today can cost a cardboard support in which to sheathe the mobile phone).

Especially in comparison to other audiovisual communication media, such as television, virtual reality offers greater interactivity and immersion capacity, something very much sought-after in tourist experiences that seek to generate visitor engagement (Bec, 2019).

Guttentag (2010) points to six tourism-related areas in which VR is employed: planning and management, heritage preservation, marketing, accessibility, education, and entertainment. VR tourism can be meant as a prelude of the physical visitation or an extension to a prior one. It can substitute the real visit and therefore be used for education purposes or to protect attractions in environmentally sensitive sites (Kim & Hall, 2019). This preliminary familiarization is also an important aspect for the decision-making process. By removing the distance and travel costs barrier, VR touristic experiences allow tourist to get a first approach and understanding of the destination, and also to eliminate possible prejudices and fears.

It has to be highlighted that while VR was originally mostly used in tourism for marketing and promotion, users are increasingly turning to that kind of activities for hedonic motivations

(Kim & Hall, 2019). In general, it can be said that virtual tourism is an asset when increased visitor engagement makes a difference (Bec *et al.*, 2019).

As noted by Bogicvic *et al.* (2019), VR use in tourism shows superior results in conveying mental imagery, sense of place, and brand experience among users than 360° video and static images. This is due, among other reasons, to its capacity to generate highly vivid and interactive environments, and opens the door for marketers to use this kind of platforms for “enable consumers to envision themselves in the brand’s world”.

These new options still have of course many limitations, mostly concerning technological development and accessibility (cost). In the technological side, there are issues linked to the discomfort of using VR devices (some people feel dizzy or get headaches), and what is known as “flow experience”: the total involvement characterized by enjoyment and concentration that users feel and that produces extremely satisfying experiences, inducing a continued use. Being able to create such a flow will be then be a mandatory condition to grant the success of an off-site VR tourism experience, especially if we consider that hedonic motivation is more important for non-visitors than for visitors (Kim & Hall, 2019).

Li and Chen (2019) tackle other interesting aspects to be considered in a critical approach to VR possibilities in tourism. Instead of comparing VR to other media platforms, they study the incidence of the user attitudes and perceptions (of the VR experience itself as an attraction, as well as of the elements that determine the technology acceptance: the perceived ease, usefulness and enjoyment) in travel intention or positive emotions towards the mediated destination. Their results show, for instance, that the previous expected enjoyment of the destination affects the user perception of the VR experience and especially the travel intention, both when it is positive and negative.

After analyzing all the academic insights above, it can be stated that in general terms, if well implemented, VR can make a difference in the field of tourism as it allows to “enhance and create memorable immersive tourism experiences in destinations, as well as off-site” (Bec *et al.*, 2019).

5. CONCLUSIONS

It has already been seen that branding a destination is a greater challenge than branding other types of goods or services. Therefore, there is a greater need for touristic destinations to innovate in order to add value and attract attention. New technologies open a window of

possibilities in this field. The last decades have seen how the Internet transformed tourism, and the following decades will be the turn of Virtual Reality and other new forms of communication facilitated by new technologies.

After reviewing the literature concerning innovation and tourism contribution to brand equity, the new experiential consumer patterns, and the incipient universe of VR tourism, it seems validated that VR tourism has a role to play also in the wine sector through new forms of wine tourism. In the specific case dealt with by this thesis, it seems proven that a product based on virtual reality and gamification with a hedonic approach would be an enormous asset both for a private company and for a destination, both for its novelty and differentiating marketing and from the point of view of tourism planning policies implementation.

More specifically, a virtual wine tourism product of the characteristics of the one proposed in this work would effectively add value to a product and destination brand equity, by contributing to create engaging narratives capable of connecting with users, and thus granting their producers a competitive advantage in the market. Such thing is highly desirable especially for global brands acting in a multinational competitive context, which at the same time are those more likely to implement this kind of projects, both for their vast economical and operational capacity.

However, new in-depth studies must be carried out in order to validate the hypotheses put forward by this thesis and find empirical evidence to support them. It would also be necessary to perform tests on the product proposed by this work in order to confirm *ex-post* what is assessed *ex-ante*.

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ANNEXES

ANNEX I. Questionnaire answered by Mrs. Raquel Antón, Zamora Company wine tourism manager, on 6 June 2019 via e-mail.

A) General information

Question: What was the origin of this project, how did it come about and how did it materialize?

Answer: This project arose in 2015 and was directed by several departments of the company under the coordination of the marketing department. We wanted to do something memorable for the client and the innovative time and this seemed like a really good way to transfer our love for wine.

Question: How long did it take to create the total VR experience? What were the stages you followed (especially at the level of design and creativity)?

Answer: About half a year. It was thought that the graphics had to be in line with our brand identity and also recreate a fantastic dream world and very evocative.

Question: What people/services were involved?

Answer: From the oenology department to the marketing department, several people were involved.

Question: I imagine that you turned to an external agency... for which parts of the process?

Answer: For the transfer of the storytelling to the graphic part, as well as the soundtrack, the voice-over narration and the English translation, and of course for the part of the virtual reality program and the acquisition of the Oculus Rift glasses.

B) Reception by users

Question: How many people have experienced since August 2015?

Answer: More than 30,000 people.

Question: All visitors to the winery go through the VR?

Answer: Currently only those who choose to visit Mirto (note: the Rioja winery owned by the company, where Ramón Bilbao wines are produced), but this is the current and usual visit of the winery.

Question: How do you follow-up the degree of satisfaction or comments?

Answer: We follow the opinion of our users in platforms of reviews, but at the moment we are in a process of design of surveys to our visitors in which we will raise the satisfaction by this experience among other questions.

Question: Have you taken the experience outside the winery or do you plan to do so?

Answer: Yes, we have some glasses in Madrid and we usually spend the virtual experience when we make presentations in catering establishments and also in the international arena.

C) Return of investment

Question: What dimensions would you say are the most relevant to this project at the level of return (user satisfaction, media impact ...)?

Answer: We were the first winery to have this type of experience and caused a great media project. In 2017, we received the Best Of award for the best innovative experience. We are currently projecting the second development of the experience. During 2015 until 2018 the visualization of the experience was around the vineyard and the vinification, told everything in a dreamlike way. Since 2019 we have another visualization more focused on the legend and the travels of Ramón Bilbao.

ANNEX II. Sonar+D Festival program on VR (2019)

sonar 2019 +D Creativity, Technology & Business

17.18.19.20 July 2019 Barcelona

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Description

Creativity is one of the main forces transforming reality in the 21st Century.

Today, the ideas, languages and tools coming from the new creative communities are having a deep impact beyond the limits of creative industries and the arts. **From technological innovation to business to social change**, all industries and sectors are being transformed by the capacity of creators to inspire and explore new worlds.

Sónar+D is an **international congress** exploring how creative minds are changing our present and imagining new futures, in collaboration with researchers, innovators and business leaders from all sectors and industries.

Since 2013, this interdisciplinary meeting of communities and iconic names brings together in Barcelona leading artists, creative technologists, musicians, filmmakers, designers, thinkers, scientists, entrepreneurs, makers and hackers.

For thousands of professionals and enthusiasts from more than 100 countries, Sónar+D is a unique and inspirational environment, open and relaxed, where to discover groundbreaking new work and find opportunities, learn new skills, network and showcase their initiatives. Four very intense days of talks, demos and workshops, tech shows and exhibitions, immersive experiences, one on one mentoring and community meetups, and much more.

Participants in the first five years of the event include names like **Björk, Brian Eno, Bruce Sterling, Skrillex, Matthew Herbert, Susan Rogers, Gene Kogan, Zach Lieberman, Ryuichi Sakamoto, Carsten Nicolai (Alva Noto), Yancey Strickler (Kickstarter), Google Artists and Machine Intelligence, Google Magenta, Kate Crawford, Aaron Koblin, Chris Milk, Jean Michel Jarre, James Murphy, David Cuartielles (Arduino), littleBits, School for Poetic Computation, Mozilla Foundation, United Nations VR, ustwo games (Monument Valley), United Visual Artists, Daito Manabe, Spotify, Microsoft Research, Vimeo** and many others. Scientific Research institutions like **NASA, Barcelona Supercomputing Center,**

Source: <https://sonarplusd.com/en/about>. Advanced Music S.L. (2019)

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Results:

VR

Concerts & DJ's
Watch the lectures and panels about VR, AR and

Barcelona 2019
Speakers +D: Jessica Brillhart (Vrai Pictures)

Barcelona 2019
Organizations: Vrai Pictures

Barcelona 2019
Organizations: The wave VR

News
Sónar+D invites you to a VR experience with JoTMBé

Barcelona 2019
Activities: Tech Giants debate: the future of VR

Barcelona 2019
Activities: What is the new reality for VR?

Barcelona 2019
Speakers +D: Timoni West (Unity)

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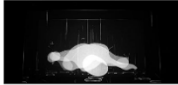
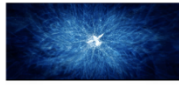



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← Activities

Immersive Hub

 <p>Immersive Hub Nueveojos</p>	 <p>Immersive Hub Ayahuasca: Kosmik Journey</p>	 <p>Immersive Hub Paraddax - Dragon LED</p>	 <p>Immersive Hub Traverse</p>	 <p>Immersive Hub 4th Wall - Nancy Baker Cahill</p>
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Source: <https://sonarplusd.com/en/programs/barcelona-2019/areas/immersive-hub>. Advanced Music S.L. (2019)