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# FINAL DRAFT: Cornering Authenticity in Wine Tourism: the case of Tuscany

Wine tourism is a key activity for boosting wineries profits; thus, diversifying business activities has pros and cons. Tuscany represents the virtuous relationship between wine tourism and local economies. For example, In the small city of Montalcino, the area of Brunello wine, there is one hospitality facility for every 35 local inhabitants. Furthermore, according to recent research (Nomisma) in Italy, 92% of the companies that produce wine and belong to one of the national associations of producers are involved in wine tourism, which accounts for at least 7% of the total turnover. Wineries have experienced the urgency of differentiating their positioning in the local market and meeting customers' expectations. Therefore, some standards in wine tourism have changed to meet global customers' needs. In Tuscany, many small wineries have positioned themselves as traditional family businesses and have invested in wine tourism development by associating hospitality with authenticity; today, with the evolution of the business, they are required to meet new standards. How will companies renew the concept of authenticity? This chapter examines the case of small Tuscan wineries. After describing the competitive environment, we provide insights from qualitative research. Conclusions will outline new emerging challenges and future research issues.

## 1. Introduction

There are many reasons why companies operating in the wine business decide to improve their portfolio activities and start running wine tourism. Companies could work on direct sales to boost their profits or create new ways to contact customers and reinforce their loyalty. Other wineries follow the wave and do what others do, hoping this will create good opportunities for them. Some organisations are interested in contributing to local development and see wine tourism as an effective tool for strengthening local economic systems.

The chance to benefit from the tourism business has attracted many companies who have decided to invest resources. However, wine tourism represents a challenging activity that requires time, resources and competencies. The balance between costs and benefits is hard to manage, and wineries must also deal with visitors' expectations when they plan their wine tourism experience. Many wineries have shaped their tourism offer, underlining the aspect of authenticity; this could represent an asset and a starting point for planning the development of a wine tourism business. This chapter explores the challenges that companies must face in wine tourism, focusing on the Tuscan wine tourism system and then highlighting issues that can be relevant and valid for other regions and areas. The selected case provides inputs that can be generalised since the business is composed mainly of small companies that make authenticity critical assets when defining their offer. Thus, global dynamics are affecting the emerging competitive scenario: companies must reflect upon the drivers of profitability in the wine tourism business. We will adopt a narrative approach focusing on two main issues: on one side, the resources that companies can offer for promoting wine tourism and attracting visitors, and on the other, the dynamics that affect the market (and wine tourists) and the competitive structure of the industry.

The chapter will start by describing the business of wine tourism in Italy and Tuscany; we will then outline the role of authenticity when shaping wineries' strategy. Then, we will change the perspective and focus on the organisational issues that characterise wine tourism. Later, we will outline the dynamics that affect the emerging competitive scenario and some criticalities that can influence the profitability of companies investing in wine tourism.

## 2. Wine tourism in Italy and Tuscany

In Italy, wine tourism represents a very relevant business.

An impressive number of wineries offer tourism experiences that add something to the traditional wine tour and tasting package by promoting something with deep roots in the local heritage and culture. Examples include visiting wine museums or exhibitions dedicated to wine or participating in local festivals. Under this perspective, wine tourism is a world rich in possibilities: for example, Italy has 56 wine museums, and 22 are embedded only in Tuscany and Piedmont.

It is difficult to find precise data about wine tourism in Italy since there is no specific official census addressed to this sector, and there are multiple data sources; one of the most relevant in the field is The Italian Food and Wine Tourism Report.

Wine tourism in Italy is a vast and relevant phenomenon that covers 58% of the Italian tourist population. According to the data, the number of wine tourists in Italy in 2023 accounted for 9.6 million. The analysis of the activities pursued by food and wine tourists shows that the interest covers culinary heritage in general, events linked to food and wine and themed itineraries. New needs have emerged, including increased attention to sustainable issues.

According to the latest report released in April 2023 by Nomisma, the typical wine tourism actor is a small family winery. This typology accounts for 39% of the wineries offering wine tourism experiences and has found a broad diffusion in the south of Italy. The 14% of wineries attract tourists with their historical or relevant buildings because of their architecture. The 12% of wine tourism offers belong to wineries with a solid and famous historical brand name. The 11% is represented by wineries settled in places where the landscape plays a leading role.

Most wineries can host people within their agritourism, B&B or hotels. Besides wine tours, services include healthy food, cooking classes, sports and recreation (especially where a pool is available), and cultural events. There is a high presence of women in wine hospitality (73%). Moreover, companies need help reaching tourists since 44% of wineries are far from traditional tourist routes. Moreover, they need help reorganizing their openings during weekends and festivities due to a lack of professionals involved in the business. Lack of competencies is a critical issue, and according to Nomisma, companies in general (1 out of 4) experience difficulty finding employees with experience in the field.

Tuscany is one of the leading destinations. Given the presence of cities that attract impressive tourism flows, like Florence, it is clear that the population of actual and potential wine tourists is impressive. Furthermore, the concept of "made in Tuscany" wine improves the product's perceived value; some regions in Tuscany have a remarkable global reputation in wine, such as the Chianti or the Montalcino areas.

In Tuscany, the mix of regional wine reputation, the presence of some strong wine company brands or regional product brands, like Brunello or Chianti, and a considerable flow of potential wine tourists have boosted companies' interest towards wine tourism, following the rising interests of tourists.

Therefore, many companies have invested time and resources in developing wine tourism.

Tuscany has about 12.700 wineries - according to the data released by the Tuscan Regional Government - that cover more than 60.000 hectares of vines. The average surface of a winery in Tuscany is about 4.7 Has, which means that most of the companies are relatively small or micro, and the number of large companies is minimal. There are 15 cooperative cellars. Most of the wineries are concentrated in the province of Florence (18.44%), Arezzo (20.5%), Siena (19,7%) and Grosseto (19,5%). The size of the companies varies and depends on location: in the province of Florence – which includes the Chianti Classico Area – the average size of wineries is more significant than in other provinces. The phenomenon of merging and acquisition in the local wine industry has improved the size of wineries in some areas, whilst in other areas of Tuscany, wineries remain small.

## 3. The emerging scenario

The growing popularity of wine tourism and the increased number of services and activities planned and realised by wineries opens new scenarios for wineries.

Given the growing population of wineries that open their facilities to visitors, companies have felt pressure to improve the quantity and quality of offered services.

Some wineries have chosen to address their offer to some selected market segments: we can cite, for example, the wineries that have decided to focus on cycle wine tourism (Morphet, 2009). Differentiation can be a successful strategy if the local market becomes too crowded.

A sort of circular dynamic takes place in wine tourism: the growing popularity of wine tourism offered wineries an answer for improving their profits; thus, wineries have expanded their activities by offering wine tourism services; as a consequence, the number of wineries operating in the industry improved, and companies started feeling the pressures deriving from increasing competition. So, wineries had to define their positioning in the wine tourism offer, considering they must also address their service to foreign visitors. Companies must define their strategy and choose what to offer, how to position themselves and how to compete against local competitors. Following market requirements could be a strategy, as well as differentiating wineries' offers by focusing on a specific target or offering a unique experience. Sometimes, developing an offer that focuses on authenticity could be a viable solution, as we will see later.

As wine gained popularity among tourists, new standards for the wineries have emerged: many categories of visitors expect a particular typology of services or a high degree of professionalism. The various combinations of wine tourism packages have created a differentiation and an organisation of services and offers ranging from essential solutions to more complex and articulated ones.

Wineries whose services and activities can be considered basic could have some difficulties in facing the competition of companies with a broader offer and many options for tourists. Nevertheless, the literature underlines that wine tourism demand differs according to the type of visitor: the studies aiming at profiling wine tourists (see, for example, Bruwer et al., 2018; Bruwer & Lesschaeve, 2012) show the emerging differences across different categories of wine tourists, according to not only to their traits but also on the degree of involvement in wine.

Some tourists have developed a need for more services, and the "level" of wine tourism offered is higher than the basic one. Some cases justify the availability of an essential wine offer. It can happen when the winery is in an area new to the wine tourism or when the company deliberately choose to keep its services simple and basic coherently with the winery image. In the first case, when the winery settles in a territory with limited development in wine tourism, the rural dimension of the activity prevails on the need for professionalism and augmented services. Furthermore, where the wine business is at its embryo phase of development, entrepreneurs must face a lack of skills and competencies for developing a professional wine tourism offer. The described scenario opens a renewed interest in authenticity in the wine tourism business.

## 4. Authenticity

Being authentic represents a strategic asset for some wineries. Authenticity is a helpful tool for promoting wine tourism; wineries often include it in their messages. We searched the internet using a combination of keywords (authentic/authenticity, Tuscan, Wine tours, wine, tourism) and then selected a few results appearing on Google. The aim is to provide examples of how companies perceive authenticity and employ it to design their tourist offer.

Lapi & Tour promotes wine tours underlining the authenticity of their offer: "It is a full immersion in the bucolic atmosphere of authentic Tuscany". The proposed activities are "a walk through the vineyards and olive groves of our estate during which you will visit the small Church of San Giorgio, which has been peacefully observing our vineyards and olive trees since 1109, to then go to the cellar (…). At the end of the walk, in the shade of the white mulberry tree, on the suggestive panoramic terrace, you can taste 3 glasses of wine born from the fruits of the San Giorgio vineyards, authentic Tuscan products: Platter of cold cuts, cheeses and honey, bruschetta and our EVO oil" (from the website: https://www.tuscanywineries.it/en/san-giorgio-a-lapi/).

In this case, authenticity is represented by the bucolic atmosphere and the simple activities organised by the company, consisting of a walk, a tour of the cellar, a visit to the facilities (the church) and wine tasting with some pairing food.

The winery Solatio links instead the concept of authenticity to cultural heritage: "For three generations, we have been producing organic wines and extra virgin olive oil, and we select wines and niche products from the authentic Tuscan tradition" (from the website: https://www.i-tuscany.com/en-gb/).

We can see how authenticity is linked to visitors' experience: "An authentic Tuscan experience, so we love to define the tastings of food, wine and extra virgin olive oils that we can offer at our A Solatìo farmhouse, starting from the simplest, the intermediate and the most exclusive dinner to be held in the cellar surrounded by hundreds of wines or, in summer, on the panoramic terrace in the middle of our vineyards: not to be missed!" (Solatio).

Also, in this case, the activities pursued are simple and focus on tasting.

Cantine Angeli combines authenticity with family: "FAMILY. AUTHENTICITY. HOSPITALITY. Our family owns a Tuscan wine cellar, where we have been selecting wine for three generations. We have a love for our territory and environmentally friendly production methods in order to offer our customers the highest quality".

The Diacceroni winery underlines the linkage with local tradition, making an experience genuinely authentic: "An expression of true Tuscan tradition. Immersed in the vibrant heart of Tuscany, discover the secrets of wine and its culture. A journey for all of your senses, the extraordinary experience of taste and flavour awaits you in the picturesque atmosphere of the Tuscan countryside. Walk through the vineyards with us and taste the wines of our organic farm. You can also enhance the taste experience by combining it with a lunch or dinner that includes typical Tuscan products" (diacceroni, https://www.diacceroni.com/en/portfolio-item/wine-tasting/)

Torre a Cona refers to authenticity as a model, the model of the Tuscan winery, that shapes visitors' ideals and expectations: "AN AUTHENTIC TUSCAN WINE ESTATE IN FLORENCE HILLS Torre a Cona Wine Estate is one of Tuscany's best-kept secrets. Nestled in the Florence hills, with unforgettable views over the sweeping countryside, the striking 18th-century villa makes an immediate impression.(…). Visit the vineyards and historic cellars to delve into the estate's history before tasting our produce in the poignantly restored barn, now the wine shop. As a final flourish to an authentic Tuscan experience, the Rossi di Montelera family has opened their home to holidaymakers seeking a relaxing gourmet stay in an idyllic setting".

There is a broad debate about authenticity in the literature: it is a complex issue that brings together different aspects of the topic. The topic is also examined by using different approaches that focus on various issues that range from the perception that people have about an experience to the set of relationships with local and cultural heritage (Kim & Bonn, 2016).

Tourism seeking authenticity also distinguishes visitors from the mass (Overend, 2012). Personal interpretations can define what is authentic; subjectivism has a heavy component, and the experience is analysed according to the perception and feelings of the visitor, who can assess something authentic although it is not entirely authentic (Jamal & Hill, 2004). Authenticity has two components, feeling and knowledge: something can become authentic because it is linked to the local heritage and traditions and is rooted in the past. Under this perspective, keeping things as they were in the past can guarantee authenticity. The examples mentioned above provide a comprehensive overview of authenticity applied to the wine industry in Tuscany, and they all underline the linkage between the company and the local culture and atmosphere for shaping an authentic experience in wine tourism.

As we have previously seen, besides the presence of a segment of companies with strong financial capabilities and competencies that can afford the development of an offer that can provide services for the high-end of the market, there is a considerable amount of small wineries that have decided to invest time and money to develop the wine tourism business. Therefore, for those who face difficulties when entering wine tourism, there is an emerging need to develop a positioning in wine tourism that is aligned with their resources and capabilities. Therefore, developing an offer that reduces positioning that focuses on authenticity – as seen from the example - could be a successful choice. Nevertheless, defining what is truly authentic is hugely challenging, as we have previously underlined: it can be authentic what sticks to tradition and what reflects what has been done for years, or what is perceived as authentic, so it is linked to the idea that visitors have about a specific place or experience and how they should be.

Furthermore, more than authenticity is needed to guarantee that visitors will accept a basic wine tourism offer. It is a risky and not proper use of the concept of authenticity. The real issue is that the wine tourism business has set some standards that wineries must respect.

## 5. The wine tourism experience

Undoubtedly, tourists who visit a winery have an experience through the set of activities that the winery plans. For this reason, we have emphasised in the chapter the role of experience and its strategic implications for wine tourism and wineries.

The concept of experience has several facets and has been explored using many approaches and disciplines (Santos et al. 2021). The concept of experience has been vastly explored in tourism: in general, tourism activities are planned to engage visitors. In wine tourism, there is a strong interaction between tourists and some elements that scholars define as "winescapes" (Novak & Newton, 2006; Hall et al., 2000). Winecapes consist of a combination of natural settings, heritage, facilities that belong to the winery, the other complementary products and services, signage and people at the winery. The concept of winescape gives an idea of the complex system of variables that belong to the wine tourism system.

Therefore, wine tourism encapsulates several experiences: tasting, purchasing and also attending events that are linked to local cultural heritage or gastronomic offers (Getz and Brown, 2006; Hall & Mitchell, 2000). Nevertheless, it is undoubtful that the multifaceted characteristics of the wine tourism experience are promoted by the characteristics of the wine product itself, with its hedonic traits (Charters, 2006). In other words, there is a deep interdependence between product (wine) characteristics and the complexity of the experience.

Visitors who choose a wine tourism destination have several motivations: They can be attracted by a place (Orth et al., 2012 ), a product or a winery. In some cases, tourists want to add something different to the tourism experience they are already having. In this scenario, visitors book a tour near where they are staying for their journey with the aim – most of the time - to do something different from the local core attraction.

Thus, as Plasait (2007) outlines, visitors choose a destination because of the attractiveness and availability of services and experiences.

Whatever their motivation is, experience covers a leading role in wine tourism. The literature that explores experience in wine tourism is extensive. We can say that the experience is multidimensional (Santos et al., 2019). It covers personal, relational and environmental aspects (Cohelo et al., 2018). It is bent over time since it starts with the pre-consumption, up to a post-consumption phase, where the visitor recalls what has happened (Arnoud et al., 2002). Therefore, visitors have some expectations related to the multidimensional dimension of their experience: they may want to feel something new, perceive some emotions, or seek interaction with other people, for example. Expectations shape what visitors search for when booking a wine tour or selecting a place to visit. Experience has a subjective shadow that is hard to interpret if the service provider has little information about the visitor.

There is a link between the visitor's personality traits and his/her choice of destination. This is because, for example, the personality of the tourist shapes the perception of what scholars call the "personality" of the destination.

Therefore, tourists with certain personality traits would seek specific characteristics of the tourism experience (Kovačić et al., 2022).

What people expect from a tourism experience is related to who they are and their traits. The features of an experience of tourism, and wine tourism, differ, and there are several (see among the others, Mehmetoglu, 2007); teach offer of tourism experience has differences in the impact on tourists and their behaviour. For example, the degree of willingness to share the experience changes according to the type of experience offered (Su et al., 2021), not only to the personality of tourists. Companies should reflect on the role that experience has in their tourism business.

First, they can manage the experience that wine tourists have by offering services according to customers' needs and personalities. Wineries can usefully employ a system of consumer profiling. Visitors' attributes shape the perception they might have of the offering experience. The degree of wine knowledge can arouse the expectation people have for wine tours.

Visitors that have a more profound knowledge – or wine lovers, as some scholars refer to it - of wine want to gather as much info as they can from their wine tours because they want to taste and buy wine from the cellar from their visits (see, among others, Bruwer, 2003).
Scholars have shown that a deep understanding of visitors' profiles can help wineries to design a successful strategy for their wine tourism offer and plan the activities (Priilaid et al., 2020). Therefore, some scholars have outlined how difficult it can be to design a proper set of activities when there are so many competitors in the surrounding areas: Priilaid et al. 2020, make a clear referral to the principles that inspire the blue ocean strategy designed to carve out a market space where the degree of competition is low when planning wine tourism activities. This approach is wholly motivated by the growing competition in the sector and the expectations that wine tourists might have. Wineries can employ touristic experience as strategic leverage: in wine tourism, experience is a valuable means for strengthening customers' loyalty (Novak, 2006). Therefore, improving the knowledge of information gained from consumers leads companies to know better what visitors need. Some researchers have explored the degree of visitors' satisfaction when they pursue a wine tour (see, for example, Barbierato et al., 2021). It becomes important to understand how visitors formulate their expectations, how they approach a wine tourism experience and to see how companies successfully manage the information they gather to plan their strategy and their offer.

## 6. The activities

Wine tourism is multifaceted (Haller et al., 2000): it is made up of different activities that the visitor can pursue and has various aims. As some scholars outline, it represents a meaningful opportunity for companies to improve their profits, a leverage for strengthening customer relationships (Getz & Brown, 2006) and improving a rural area's overall competitiveness and attractiveness (Carlsen, 2004). A company that invests in wine tourism can choose among different types of activities to offer. Background research has explored the organisation of activities in the wine tourism business (see among the others Santini, 2019) and the implications for the supply chain of wineries and organisation management.
Generally, all planned activities can be organised following the flow of phases that characterises the touristic experience: previsit stage, visit and post-visit stage.
Some authors (Guedes et al., 2019) talk about activities off-premises and on-premises, highlighting how some phases can be outsourced in a supply chain approach.
In the previsit stage, companies can offer different services for booking wine tourism activity and help visitors arrange their journey.

Tourists might need help booking and collecting information about the company and its tourist offer. The winery can decide to provide a booking service or to outsource this activity to a service provider; according to the decision, the company needs to invest resources and manage the activities. Information is another key issue; even in this case, the company can decide to perform the required activities or outsource them. Informing the potential visitor requires a combination of tools and duties, according to the degree of detailed information that the winery wants to provide to customers that could include: information about the area, the production process, the characteristics of the product, the characteristics of the winery and its tourism offer. Location helps in reducing the amount of information that the company can deliver. If the company is settled in a well-known area that customers know, it becomes easier to communicate to people the characteristics of a place. In the above-described scenario, the company is facilitated.

Furthermore, the presence of associations (wine routes, wine producers, etc..) or institutions actively involved in promoting local wines by informing tourists can reduce the amount of resources that wineries should dedicate to communication and informing activities.

The winery can decide what tools can employ to inform potential visitors: it can go through the company website or hire agencies to reach the aim.

During the visit, the company has to arrange several activities that can take place in the cellar, vineyards and spaces dedicated to welcoming tourists. Several activities (such as weddings, parties or festival) can be organised in the vineyard, in the cellar or in the spaces designed to host visitors. The activities include harvesting, biking, picnic, and audio tours.

According to Guedes et al. (2019), some off-premise activities that can happen outside the winery facilities can be organised to enrich the tourist experience, like boat or train tours or walking, golf or fishing activities, among others.

The range of activities that can be organised within winery facilities varies from the classic visit to the winery to tasting and other related occupations, such as art exhibitions, concerts or other events that can be hosted inside the companies' facilities. Depending on its facilities winery’s offer can include hosting, lodging, and dining services.

The more complex the activities are, the more wineries are asked regarding resources and competencies. Over the years, the number of activities that can be undertaken in a wine tour has increased, and wineries have started running new services and events. Offering activities in some areas of the winery (for example cellar) represents a way to spread the fixed cost represented by that asset. After the visit, wineries can offer different services to reinforce the visitor's linkage and improve their loyalty by recalling their visiting experience. In this scenario, we can outline the experience of wineries and wine clubs that can be a valid tool for improving sales (Santini &

Faraoni, 2010). Then other tools that belong to the sphere of Customer relationship management can be helpful for the company in collecting information to improve and better the service.
The organisation of all the activities can represent, on one side, the chance to improve tourist offer attractions, on the other, a cost that can be quantified in terms of financial resources and time spent on organising and running all the activities.

## 7. Industry organization; dealing with institutional pressure

Investing in wine tourism can also create some difficulties for companies.
Motivations behind difficulties can vary. In some cases, wineries need more competencies or resources to face a new business; other difficulties, such as the changes in the competitive scenario, can represent a severe challenge for companies.
Consider the impact of unexpected events on tourism: the COVID experience has taught wineries that managing the unexpected requires enormous efforts and is stressful.
Also, the increasing degree of industry competition can hurt companies: they must develop adaptable strategies. In the case of the wine business, the growing population of companies offering similar services can threaten a company's competitive positioning.
As an activity, wine tourism defines *duties* that a company must accomplish, providing a set of stakeholders and a system of rules. Wine producers already have their system of relationships and rules to observe. Since they deal with producing wine– an agricultural product – they have established relationships with stakeholders that can widely differ from those in the tourism industry. Scholars, when they deal with the above-described scenario, employ the term "cluster", which somehow underlines not only the numerosity and the range of stakeholders but also the system of relationships they have.
There is a partial intersection between the wine and the tourism cluster, and this can create some difficulties for wineries. As some authors outline (Dressler, 2021), the fact that these two clusters only partially "overlap" creates a complex system of relationships and duties to manage. Wineries undertaking the wine tourism path must face pressures and challenges; more specifically, Levandoski (2016) talks about a different set of institutional pressures and organisational performances that characterise the two hemispheres of wine production and tourism. This further strengthens what we previously stated about the difficulties of managing activities that belong to "two clusters". Another exciting aspect should be underlined, and it deals with the issue of institutional pressure, a sense of commitment that an organisation experiences due to its belonging to a specific category of stakeholders.

It is fascinating that the degree of institutional pressure increases with the growth of professionalism across the companies: Organisations try to establish a set of rules that encompasses working methods and conditions to legitimate their professional autonomy.
The rising number of players in the wine tourism industry has improved the overall degree of institutional pressure.

## 8. Analysing competitiveness

Wine tourism can contribute to a system's overall competitiveness or a single company. In general, the beneficial effects of wine tourism can have a micro and a macro impact. For what concerns the relationships between wine tourism and local economic development, we can say that it can be a pillar for the economic development of some areas: besides the role that wine tourism can have in revitalising some rural areas, it plays a pivotal role in attracting new investments, for example (Sanders, 2004). Wine tourism activities can create a positive circle for improving the awareness of a wine producing area.
Wineries can benefit directly from improved profits and incomes that derive from wine tourists and indirectly from the increased awareness of their brands if they can adequately manage the relationship with wine tourists (Koch et al., 2013). Wine tourism can be an education tool for visitors (Getz & Brown, 2006): through the planned activities, tourists gather information about the production process, the wine business, the cultural heritage that might influence the local wine production and local wine system, as well as the story of the winery and its products.
From another point of view, wine tourism can represent a tool for improving the distribution system developed by a winery since it can be considered a tool for direct distribution (Byrd et al., 2016; Getz and Brown, 2006) As outlined by Santos et al. (2022) wine tourism has been a wheel for solving some structural problems that affect the sector, such as a lack of infrastructures and resources for developing synergies between planned strategies that involve business, marketing and HR decisions (see also Hall and Mitchell, 2000).
A winery that decides to pursue this activity has to analyse its competitive environment's structure and evaluate the costs and benefits of entering the business.
In some cases, location can boost a company's competitiveness: background research has highlighted that the country of origin plays a pivotal role in choosing a destination in wine tourism (Orth et al., 2012). Countries with a strong brand can represent an asset for wineries, although a threat to the brand could compromise the competitive strategy pursued by the company. Companies should evaluate the degree of dependency of their wine tourism strategy on the territorial brand.

They should also define how much of their competitiveness depends on their internal assets and how much from the external ones (territorial brand, country of origin).
We will outline some inputs that can be employed for assessing the industry scenario's competitiveness, which can affect the profitability of companies' choices.

**a. Barriers to entry and potential entrants**

For companies that operate in the wine business, specifically for wineries, barriers to entry in the wine tourism industry are generally considered low (Carlsen 2004). At the basis of this idea, there is the convincement that any synergy with the wine business helps wineries develop a wine tourism offer and plan experiences to offer, such as the winery and vineyard visit.
Barriers to entry are represented by the resources required by the activity and the industry. Researchers have explored the role of resources in shaping the competitive strategy of wineries that operate in wine tourism. Some studies (Guedes & Rebelo, 2019) have adopted a widely spread approach in the literature that focuses on the dichotomy of internal/external resources, underlining that wineries must deal not only with problems related to the emerging market demand (in terms of services to provide, for example) but also with issues that refer to the structure of the supply chain where wineries operate, that can be highly different from the traditional tourism supply chain. Internal resources are related to corporate's resources, and externals are related to the so-called contextual dimension. The degree of barriers to entry varies according to the characteristics of the winery and its location. When talking about location, we do not refer only to physical barriers that might represent an obstacle to reaching the winery or to establishing new buildings for the development of wine tourism but also to the presence of clustered organizations of wineries that can help other companies in making a wine tourism offer succeed.
According to Grimstad and Burgess (2014), small wineries might feel the pressures typical for small businesses: lack of time and knowledge for managing the new activity can reduce companies' chances to succeed. As well as for tourism Internet has altered the barriers to entry for players (Buhalis & Zoge, 2007), and it has improved the degree of transparency, lowering switching costs for consumers. The Internet has improved the chance to establish direct contact with visitors for producers and made the market more accessible in general. Thus, this has meant the development of new competencies and required companies to manage new activities. We are going back to what we have already outlined: smaller companies with limited capabilities and resources where owners have little time to manage visitors and establish direct contacts can be penalized in this scenario.

### b. Profitability

Background research has highlighted that in the wine tourism business, following the main principles that regulate industry competition and business in general, companies can have the chance to establish the price, or in other words, they are price makers.

The chance to set prices depends on various factors, such as the degree of horizontal competition that companies must face, the structure of the industry supply chain and the degree of vertical coordination (Nevo, 2001).

The growing number of wineries that develop similar offers depletes the chance to keep prices high unless companies provide services that motivate higher prices or can find ways to differentiate themselves.

Price is defined according to the provided service and visitors' perceived experience. Generally, the more experience wineries promise their visitors, the more they are entitled to ask for their services. It can also happen that the price settled for the visit reflects the perceived image of the winery and its products. Wineries that rely on a robust company brand can play higher prices since visitors would be attracted.

A clear example is the case of the Antinori Winery in the ChiantiShire in Tuscany. Antinori's headquarters is in an area rich in wineries, where wine tourism represents a relevant part of the business. Florence, one of Italy's leading tourist attractions, can easily reach the area. The winery belongs to the Antinori Family, and its product portfolio serves various market segments, including the very high-end market, where the company is recognised to play a leading role. From the website, the mix between history and tradition emerges: "A story that began in 1385. A historical link with the Chianti Classico region. A place where tradition and innovation coexist in perfect harmony. A winery that reveals the past, present and future of the Antinori family" (from the company website). The company opened the new winery in 2012, and the design is highly innovative: "In 2022, Antinori nel Chianti Classico winery was awarded first place in the World's Best Vineyards. This international ranking honours the most remarkable wine tourism destinations, voted by over 500 leading wine and tourism experts" (from the company website).

Some professionals and journalists well describe the reasons for visiting the winery:

"Antinori has huge historical significance in Italy's wine industry, playing a significant role in the 'Super Tuscan' revolution in the 70s. Back then, wine-makers were very tightly restricted in terms of the type and percentage of grape varietals that could be used in wine to get a certain accreditation, such as DOC or DOCG. Some wine-makers decided to ignore this classification and make 'Super Tuscans', wines from Tuscany made with blends and wine-making techniques that were not based on the conditions for accreditation." (source: thetravellingsquid.com).

The company offers diversified tour packages and prices. Visitors can taste different types of wine, including those not produced near this cellar. The price for wine tour packages for Antinori is higher than the ones available in the local market, especially for basic wine tours. However, it is in line with the positioning company strategy that emerges from the description provided by the blogger and the mentioned.

Some exogenous factors - that influence price-making decisions - derive from the geographical context or a specific market structure that helps wineries set a certain price.

However, as the number of services increases, the cost of providing services grows, and mechanisms that erode profitability can occur.

Similarly, companies' ability to play as price makers or, generally, to decide their pricing strategy gets lower when the number of intermediaries grows.

The number of intermediaries in wine tourism has evolved over the years because the business has boomed, and agencies and tour operators have started promoting wine tourism packages. ENIT states, "Food and wine tourism is the fourth best-selling travel and organised holiday product in Italy by 17.3% of the Tour Operators interviewed that sell products in Italy" (From ENIT Website).

Distribution of wine tourism offers can be direct or indirect: as it happens with wine, the wine tourism offer must reach a target customer and be distributed. Wineries must decide to reach the visitors by establishing a direct connection with prospective customers or hiring intermediaries to reach customers. The same considerations we have carried previously about the role of market structure and the capability of a company to differentiate itself and its production can work when discussing distribution. Furthermore, the global coverage of market requests for wine tourism has meant wineries to improve their presence on a global scale. Going global is a strategy: many companies have been attracted by the promising profitability of global high-end market niches, for example, or by the idea of reaching wine enthusiasts and tourists worldwide.

Another aspect that can reduce the profitability of wine tourism in the long run is that wineries should also consider the negative effects that wine tourism could have on the environmental resources that belong to the destination. In other words, a perspective that focuses on a long-term sustainable competitive advantage should be adopted in order not only to evaluate how long the competitive advantage will last but also how the chosen strategy is sustainable in terms of resource deployment (see, among the others Hassan, 2000).

As Hall et al. (2000) have outlined, wineries must balance the pros and cons of wine tourism. On one side, they can help improve company brand awareness, reach new customers, and improve profits and margins. Conversely, wineries must develop new competencies and capacities and attract capital to pursue goals and activities.

## 9. Discussion and conclusions

Since the beginning of the chapter, a key message stands out: the balance between costs and benefits takes time to manage. Wineries, especially the small ones, often encounter a typical scenario. They are attracted by the opportunities the wine tourism business creates, seeing many potential visitors; then, they plan an offer focussing on their strengths, especially tradition and authenticity. Then, wineries realise that wine tourism has different rules from wine production. Although we have intentionally provided some general information about Tuscan wine tourism and Tuscan wineries, we can say that the case we have observed represents a starting point for a discussion that would focus on two main issues: the assets chosen for shaping the company's wine tourism offer and the dynamics that affect profitability in the evolving competitive scenario.

The title of the chapter is "Cornering Authenticity", and it recalls the idea of being trapped in a corner. Wineries can be trapped in a corner by the importance they give to an issue (authenticity in this case) or can trape it and give it limited space once they decide to emphasise other issues when planning a strategy.

The link with the tradition, the story of a territory and its production, and the emphasis on cultural heritage, families, and company history help promote an authentic wine tour experience. As we have underlined, authenticity can be an asset. However, it is a complex factor requiring deep investigation and reflection. The subjective perception of visitors underlines that the concept is not fixed but dynamic and that tourists' perceptions can change the image of what should be authentic. Thus, authenticity is an attribute of the experience, and, as well as other attributes, needs to be managed; furthermore, since we are talking about services, other attributes of the experience could be, for some visitors, more important than making an authentic experience and influence the overall perception of the experience.

It should be interesting to understand how the overall satisfaction of the entire wine tourism experience runs along the wine tour offer's entire process (pre-visit, visit, and post-visit). Understanding how satisfaction changes according to the tourist's profile and the different factors contributing to creating a sense of satisfaction should also be helpful.

In the chapter, we talked about standards: some services are required, and that must be offered. In other words, it is essential to be professional. We can recall the concept of institutional pressure: given the growth of the business, the degree of professionalism has improved the institutional pressure, and it affects the company's profitability in the end.

As we have previously outlined, the decisional approach should highlight which resources (internal or external) support the competitiveness of the wine tourism offer. In the future, it would be

interesting to compare Tuscan wineries in the wine tourism industry and non-wine tourism-oriented wineries to evaluate their competitiveness.
Some questions emerge: What is the degree of institutional pressure in wine tourism? How do we deal with institutional pressures? How can it become a stimulus for improving the quality of the offer, and under what circumstances can this represent a barrier?
Finally, we have considered the circular dynamism that could affect the new competitive scenario: we have referred to a circle, but it could become a dangerous loop. There could be a progressive growth of offered services to meet the needs of upgrading the offer. How long could this be sustainable? In this scenario, what is the role of assets, such as authenticity? The other dilemma for a winery is "Should the company follow the flow?". In other words, the real problem is deciding how much to be market-oriented and stay connected with traditional issues or…authenticity.
A solution could be focussing on the type of visitors, which creates a further need: companies would need data to profile actual and prospective visitors. How can they manage them? Do they have resources and competencies?
The number of questions that this chapter has raised is considerable. In our view, there is a need to investigate the implication of changes in the competitive scenario for wine tourism, especially in light of small wineries. Further research should be carried out in this direction.

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