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Wine tourism in southern Sweden: Opportunities and challenges

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**Background.** According to research, the most challenging and influencing factor for the world wine sector is a climate change (Säfwenberg, 2019; Crouch, 2015; Hultgren Karell, 2015; Rowlands, 2013; Smith & Bentzen, 2011). While it causes negative effects to the Old World wine regions, it stimulates and enables viticulture in cool climate wine countries bringing opportunities not just for winegrowing and wine production but also for the wine tourism sector emerging (Rauhut Kompaniets & Nilson, 2019; Säfwenberg, 2019; Malm et al, 2013; Rytkonen, 2012).

Sweden is the youngest and the northernmost wine country, officially registered by EU in 1999 with a quota of 250,000 litres p.a. For the past twenty years, the Swedish wine sector has commercialised, increased its professional competence and won significant number of awards. The Swedish wine sector has transformed from being a retirement hobby into a career option (Henley, 2020; Säfwenberg, 2019). However, Swedish wine sector considered insignificant and ‘invisible’ for EU wine sector, with a threshold criteria as no less than 500 ha of vineyards (Eurostat, 2017), while total national area of Swedish vineyards is just about 100 hectares (Morrison, 2019). On the other hand, this insignificance helps Swedish wine sector to circumvent the EU regulatory wine politic regarding all areas of wine industry (Bergström, 2008; Rytkonen, 2012).

Scania, the southernmost region of Sweden, is the third most visited destination in Sweden, the region is well-known for its summer facilities, cultural history as well as nature tourism (Sjöberg, 2019). Scania has even drawn attention to its culinary treasures, The New York Times (Abend, 2016) and Vogue (Wergeland, 2017) praised the incredible food from the numerous organic farms in Scania as well as Swedish wine (Henley, 2020; Hultgren Karell, 2015). Although the domestic wine production is relatively unknown to Swedes, there is an unexploited wine tourism opportunity for attracting local as well as international tourists. Wine tourism is considered a significant part of the wine sector in Scania, giving the opportunities for wine sector development. As almost 55 vineyards are active with wine-growing, agricultural processes and breed & bottle of wine, and in addition around 200 hobby vineyards are waiting for opportunity to commercialise their wineries, Scania is an emerging wine tourism destination (Föreningen Svenskt Vin, 2019; Dryckesbranschrapporten, 2019; Vinvägen, 2020; Hultgren Karell, 2015). Scanian vineyards vary in size from small hobby activities to commercial companies with significant turnover (Alla bolag, 2019) of which half are family firms. In these cases, husbands (fathers) are business owners with board members usually from the family (Alla bolag, 2019), however regarding vineyard leadership, women (wives, mothers) are in majority (LRF, 2018).

As an emerging destination, Scanian wine tourism explores the common techniques and requirements, adapting to the country’s market environment, among others, to strict government regulation and restrictions not allowing any cellar door sales (Säfwenberg, 2019; Rauhut Kompaniets & Nilson, 2019; Föreningen Svenskt Vin, 2019; Vinvägen, 2020; Malm et al., 2013). However, wine visitations and guided tours to vineyards, wine tasting, wine routes, as well as wine festivals and events are considered as common wine tourism activities (Koch et al., 2013; Hojman & Hunter-Jones, 2012; Mitchell & Hall, 2006; Carlsen, 2004; Hashimoto & Telfer, 2003; Carlsen & Dowling, 2001; Hall et al, 2000; Getz, 2000) and so is the case even for Scania.
The aim of this paper. This paper aims at discussing opportunities and challenges of the emerging wine tourism destination in southern Sweden. Two research questions are proposed to be answered: (1) what are the potentials for wine tourism in Southern Sweden? And (2) what structural challenges limit development of the Swedish wine tourism?

Main approach. The empirical material is based on official statistics, existing research, policy documents and other secondary data sources (e.g. reports, promotion materials, media coverage etc.). We conduct a market analysis and the discussion focuses on challenges and limitations, on marketing environment, and on the opportunities for wine tourism emerging sector development. We apply the theoretical concept of “Tourism destination life cycle” (TDLC) (Bittar Rodrigues, 2017; Butler, 1980) on the emerging wine tourism destination in a new wine country without wine growing history behind. The TDLC provides several stages of tourism destination development: from the exploration stage to stages of growth and maturity, but also for rejuvenation or decline.

Key arguments/findings. The wine tourism in Scania face several challenges, but also several opportunities. Being a part of wine industry and tourism sector in tandem wine tourism sector is affect by many problems and challenges, such as political, economic, and social-cultural factors (Fountain et al., 2020; Sigala, 2019b). In particular, these factors covered legal and governmental regulations, infrastructural inconvenience, consumer behaviour, wine product orientation, lack of cooperation and coordination between wineries, tourism, hospitality industries and local community (Sigala, 2019a; Petrevska & Deleva, 2014; Kune, 2010; Getz, & Brown, 2006; Mitchell & Hall, 2006; Carlsen, 2004;).

Significant part of Swedish wine tourism challenges are considered as structural challenges, state alcohol restrictions and bureaucracy, which relate to the remaining Swedish government alcohol retail monopoly. For most wine producers the administration of the whole permission-chain is a considerable workload (Säfwenberg, 2019; Dryckesbranschrapporren, 2019), which discourage around 200 Swedish vineyards from commercialising their wine production. Different kinds of permissions are needed for various wine activities – wine tasting, wine serving and wine selling not mentioning the wine growing and wine production.

The government retail alcohol monopoly has a long history in Sweden where beverage producers only are allowed to sell their products (above 3,5 % alcohol) to the government-owned retail chain “Systembolaget” (Rytkonen, 2012; Skjöldebrand, 2010) and solely in the three monopoly shops situated closest to the vineyard. Taking into consideration that all the vineyards are located in rural areas, while government put its shops in the cities, one extra challenge occurs. Thereby, Swedish vineyards have to motivate visitors to go and buy the local wine at the nearest monopoly retail shop. Another alternative is to order the wine via Systembolaget’s homepage, after a few days the purchase can be received at the shop the customer stated as a delivery point. This is not optimal for domestic tourists and certainly not an option for wine tourism. While cellar door sales is not allowed in Sweden, it is increasing in popularity around the world due to extreme competitive situations on the wine tourism market and necessity of completing tourists’ experience (Malm et al, 2013; Sevil & Yüncü, 2010; Hall et al, 2000; Gets, 2000). Consequently, several wine producer and local politicians
are lobbying for allowing cellar door sale for wine tourism purpose (Heindorff & Jähnke, 2019; Morrison, 2019; Säfwenberg, 2019).

Following the strict state regulation, Swedish vineyards have to get permission even to provide wine tasting activities at their vineyard. It gives extra work for vineyard owners and restricts volume of tasting wines. On the other hand, it prevents the common problem of consumer behaviour at the vineyard, when drinking free wine becomes the goal for the visit taking focus from wine tasting (Carlsen, 2004).

The research findings lead to several managerial implications that marketing and promotion strategies are required, both domestic and international, to attract wine tourists, visitors and experts to Scania. These strategies have to be built upon the fact that Scanian wine tourism sector is approaching the exploration stage of TDLC with a new tourist segment and experience. A vineyard can produce the world’s best wine, but if nobody knows about it, the quality aspect becomes insignificant (Säfwenberg, 2019).

As the way to compensate the absence of cellar door sales and combine local wining and dining experience, it becomes more popular among Swedish wine producers to open the food facilities at their vineyards (Dryckesbranschrapporten, 2019; SOU, 2017). It follows with other bureaucratic restrictions such as ‘permission to serve alcohol’ at the restaurant or bar which includes consumption at the place (no take-away). Mitchell & Hall (2006) mentioned that while wine tasting and cellar door sale is quite popular in global wine tourism it is not that common to serve local wine at local restaurants and hotels. In Sweden, it is the opposite. The monopoly allows selling wine to local restaurants who has an alcohol permission. This gives opportunities for cooperation with other local tourism actors as well as work for regional development.

For Sweden as well as rest of Europe, lack of financial resources is challenging (Alonso & Liu, 2012) in the wine business. Profitability is hard to foresee, so what can be said is that according to Swedish wine industry forecast, approximately half of the attendants were positive and half were negative about future profitability (LRF, 2018). Start-ups in the wine business are costly and therefore business barriers are high. Swedish wine producer’s opportunity for funding is foremost made by bank loans or with help from friends and family (LRF, 2108).

As vital as economic circumstances are - so is human capital. Access to human capital can be challenging but for family firms human capital is more of a legacy (Chirico, 2008) using family members as workforce. However, in the Swedish case the wine producing generation is quite young so hiring neighbours and give them work experience is a solution for long-term survival for those family firms (Cabrera-Suarez, et al., 2001; Miller et al., 2003). Except permissions, it also requires other extra marketing resources to promote the facility and to attract visitors on regular bases.

Conclusion. Just a short recap: the aim of this paper is to discuss opportunities and challenges of the emerging wine tourism destination in southern Sweden. The first research question is proposed to be answered: (1) what are the potentials for wine tourism in Southern Sweden? In line with Butler (1980), the Scanian wine tourism sector has reached the first stage (exploration stage) in the TDLC, i.e. the first tourists have arrived to the unexplored destination for an unexpected experience. At this stage, the number of tourists is relatively few, which correlates with limited facilities and little local knowledge of the emerging destination.
The increasing number of vineyards in Scania has led to the establishment of Sweden’s first Route du Vin, ‘Vinvägen’ (Visit Skåne, 2020; Vinvägen, 2020), where approximately 20 vineyards are included offering guided tours at vineyards and wineries. Out of these, 16 offer wine tasting.

Wine events are another important part of Swedish wine tourism experience. New local festivals were born in Scania due to the growing interest for local wine – ‘Österlen Summer Wine Festival’ and ‘Wine Harvest Festivals’ in which visitors can meet wine experts, taste various local wine and learn about wine production (Vinfestival, 2020; Säfwenberg, 2019; Vinvägen, 2020). ‘Summer two-day festival’ is further a popular summer experience for local and international visitors and in 2019 almost 4000 people visited the festival facilities.

Besides local wine festivals, Scania is a host for some gastronomy and beverage events, where Swedish wineries are one of the major participants – ‘Scanian Beverages festival’ in Malmö (Skånska drycker, 2020), and ‘Scanian gastronomy festival’ in Landskrona (Skånes Matfestival, 2020). In April 2020, ‘the Swedish wine center’ opened in Malmö as the first bar specialised just in Swedish wine (Swedish wine center, 2020; Vinvägen, 2020).

Local wineries actively work in combining wine with other touristic events, e.g. sports-, cultural- and historical events (Säfwenberg, 2019). What still is needed is networking and collaboration with other tourism actors (Sigala, 2019a; Bruwer & Joy, 2017; Presenza, Minguzzi & Petrillo, 2010; Frochot, 2003), and through promotion activities attract national and international tourists and experts (Bonarou, Tsartas & Sarantakou, 2019; Byrd et al., 2016).

The second research question to be answered is: (2) What structural challenges limit development of the Swedish wine tourism? Some limitations are challenging the Swedish wine tourism sector development, such as the remaining government alcohol retail monopoly, bureaucratic barriers and permissions for wine tasting & wine serving but most of all, no cellar door sale. Lack of economic and human capital and marketing strategy & promotion are further issues that limits development (Säfwenberg, 2019; Dryckesbranschrapporten, 2019; Rauhut Kompaniets & Nilson, 2019; Skjöldbrand, 2010).

As Sweden is a wine country without any registered wine regions means that all produced wine is classified as table wine. However, despite high production costs due to small volumes, lack of infrastructure and limited promotion, the Scanian wine tourism sector is expanding rapidly and are preparing for becoming a formally established wine district (Markkanen, 2018; Winqvist, 2017; Hultgren Karell, 2015; Tourism in Skåne, 2011; Högström, 2007).

Information about individual vineyards and wine tourism activities are rare. Swedish wine tourism research is fragmented and limited (Rauhut Kompaniets & Nilson, 2019; Dryckesbranschrapporten, 2019; LRF, 2018; Mårtensson, Karlsson & Gustafsson, 2013; Malm et al., 2013; Rytkonen, 2012) and so are official statistical reports on what the wine sector and wine tourism look like in Scania. This leads to a difficulty in finding any complete information about Swedish vineyards and the sector’s development.

A general conclusion is that there are challenges to struggle with for Scanian wine tourism. Even if climate change and other factors related to wine growing cause limitations, these are relatively small (Crouch, 2015; Rowlands, 2013; Smith & Bentzen, 2011) compared to structural challenges. Monopoly, bureaucracy, non-existing wine regions and insignificance for the EU-market are definitely more troublesome (Rauhut Kompaniets & Nilson, 2019; Dryckesbranschrapporten, 2019).
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