Towards a conceptual framework for value co-creation in wine tourism

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Dedicated to my parents

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ABSTRACT

Keywords: wine tourism; service-dominant logic; value co-creation; citizenship behaviour; resource transfer and integration; knowledge renewal; framework

Wine tourism is one of the niche sectors of the tourism industry that holds significant potential for South Africa. With the Cape Winelands being the second-most visited destination in the country, the value of wine tourism comprises foreign-exchange earnings, employment opportunities, and the generation of economic activity which could create extensive long-term wealth and sustain wide-ranging tourism growth. The literature on wine tourism is however limited and mostly focused on a macro-economic level to address strategic issues with limited emphasis on the wine tasting encounter. It is however increasingly proposed in literature that interaction during encounters leads to value-in-use, whereby the consumer as user co-creates value with the supplier.

Co-creation holds that value emerges from resources which are transferred during interaction, integrated with other resources with mutual learning as the outcome. Co-creation can be defined as consumers' creation of value-in-use; a function of interaction. It is also described as the process by which mutual value is expanded together.

Value co-creation results in higher returns on investment, increased insights obtained from target markets, increased resources and intellectual property, improved brand loyalty, increased levels of brand experience and enhanced service delivery. For these reasons it is argued that co-creation should be embraced in a wine tasting context in order for wineries to remain competitive and sustainable.

This research attempts to contribute to wine tourism literature on a micro-economic level with the development of a framework which could potentially enhance the wine tasting encounter; not only for the wine tourist, but also the winery. The tourist is increasingly playing a more central role in the tourism experience which highlights the importance of co-creation.

The purpose of the framework is to guide wineries in transforming wine tastings by means of extra-role behaviours in order to transfer and integrate resources (skills and knowledge) during the encounter, with the aim to facilitate mutual learning. The integration of resources which results in better outcomes is known as value co-creation, with the value of the wine tasting encounter embedded in the renewal of knowledge for both parties involved.

Mixed-method research was utilised in developing the framework, whereby telephone interviews were conducted with tasting room managers and an e-survey completed by wine festival attendees. Quantitative data analyses included descriptive analyses, exploratory factor analyses, correlation analyses, and structural equation modelling, which confirmed the relationships postulated in the conceptual framework. Thematic analyses were performed based on the interviews which were integrated with quantitative findings by means of a joint display.

The practical application of this framework could potentially enable wineries to be more cognisant of the unique needs of wine tourists during the wine tasting encounter, to encourage resource transfer, and to provide sufficient value propositions to wine tourists in order to create value; not only for the tourists, but also for themselves during wine tastings. This could lead to a competitive advantage, increased loyalty and ultimately increased wine purchases. From an academic perspective, this study is the first of its kind to apply co-creation to a wine tasting context. Wine tourism as a system, however, has been the focus in other co-creation studies (Festa, Brontis, Thrassou & Ciasullo, 2015; Borges, Souto, da Silva, Araujo & de Menezes, 2016). These two studies addressed the relational perspective in wine tourism and innovation through co-creation, which still left a gap in wine tourism literature for co-creation during wine tastings. In addition, the mixed-method approach of the study makes it unique in terms of co-creation literature as most co-creation studies are quantitative in nature and usually are from either the demand or supply perspective only. This study provides a more holistic picture by using both quantitative and qualitative methods to explore co-creation from both perspectives in a wine tourism environment.

OPSOMMING

Sleutelwoorde: wyntoerisme; diens-dominante logika; medeskepping van waarde; burgerskapgedrag; oordrag en integrasie van hulpbronne; kennisvernuwing; raamwerk

Wyntoerisme is een van die nissektore van die toerismebedryf wat merkwaardige potensiaal vir Suid-Afrika inhou. Vir die Kaapse Wynlande, die bestemming in die land wat die tweede meeste besoek word, lê die waarde van wyntoerisme in die inkomste wat uit buitelandse valuta verdien word, werksgeleenthede en die ontwikkeling van ekonomiese bedrywighede wat aansienlike welvaartskepping tot gevolg het, asook die handhawing van die groei in toerisme. Literatuur aangaande wyntoerisme is gevolglik beperk en fokus hoofsaaklik op 'n makro-ekonomiese vlak om strategiese kwessies aan te spreek; daar word egter baie min klem gelê op wynproewery self. Daar word wel toenemend in die literatuur voorstelle gevind dat interaksie tydens wynproewery van waarde is; die verbruiker bring waarde tot stand in samewerking met die verskaffer.

Medeskepping van waarde beklemtoon die feit dat waarde ontstaan wanneer hulpbronne, wat tydens interaksie oorgedra word, met ander hulpbronne geïntegreer word en beide partye dan daaruit kan leer. Medeskepping kan gedefinieer word as die skepping van waarde-tydens-gebruik deur verbruikers; 'n uitvloeisel van interaksie. Dit word ook beskryf as n proses waar onderlinge waarde saam uitgebrei word. Die medeskepping van waarde het verhoogde opbrengs op belegging tot gevolg, verbeterde insigte wat van teikenmarkte verkry word, die vermeerdering van hulpbronne en intellektuele eiendom, verhoogde handelsmerklojaliteit, verbeterde handelsmerk-ondervinding en verbeterde diensteverskaffing. Daar word gevolglik geredeneer dat medeskepping in die wynproekonteks geïnkorporeer moet word sodat wynmakerye mededingend en volhoubaar kan bly. Hierdie navorsing poog om 'n bydrae tot wyntoerismeliteratuur te lewer op 'n mikro-ekonomiese vlak deur middel van die ontwikkeling van 'n raamwerk wat die verbetering van die wynproe-ervaring teweeg kan bring; nie net vir die wyntoeris nie, maar ook vir die wynmakery self. Die

wyntoeris speel al hoe meer ’n groter rol in die toerisme-ervaring, wat die belangrikheid van medeskepping beklemtoon.

Die doel van die raamwerk is om wynmakerye te lei in die omskepping van wynproewery deur middel van bykomstige werkverrigting om hulpbronne tydens die ontmoeting/ervaring te omskep en te integreer (vaardighede en kennis), met die doel om onderlinge kennis uit te brei. Die integrasie van hulpbronne wat beter uitkomste tot gevolg het, staan bekend as die medeskepping van waarde, verwysende na die waarde wat tydens die wynproe-ervaring vasgelê word met die hernude kennis wat beide betrokke partye opdoen.

Gemengde metode navorsing is toegepas tydens die ontwikkeling van die raamwerk, waar telefoononderhoude met die bestuurders van die proelokale gevoer is en e-opnames voltooi is deur besoekers aan ’n wynfees. Kwantitatiewe data-ontledings het die volgende ingesluit: beskrywende ontledings; ondersoekende faktorontledings; korrelasie ontledings en strukturele vergelykingsmodellering, wat die veronderstelde verhoudinge in die begripsraamwerk bevestig het. Tematiese ontledings is uitgevoer wat gebaseer is op die onderhoude wat met die kwantitatiewe bevindinge geïntegreer is deur middel van ’n saamgevoegde beeld.

Die praktiese toepassing van hierdie raamwerk kan wynmakerye potensieel in staat stel om meer bewus te wees van die unieke behoeftes van wyntoeriste gedurende die wynproe-ervaring, om die oordrag van hulpbronne aan te moedig en om genoegsame waarde toe te voeg; nie net aan toeriste nie, maar ook aan die wynmakery self. Dit kan na ’n mededingende voordeel lei, verhoogde lojaliteit en uiteindelik verhoogde wynverkope. Vanuit ’n akademiese oogpunt is hierdie studie ’n eerste van sy soort om medeskepping toe te pas in die wynproe konteks, terwyl ander medeskepping studies wel al gefokus het op wyntoerisme as ‘n geheel (Festa, Vrontis, Thrassou & Ciasullo, 2015; Borges, Souto, da Silva, Araujo & de Menezes, 2016). Hierdie twee studies spreek die interafhanklike aard van wyntoerisme aan en die rol van medeskepping in die wyntoerismestelsel, sowel as innovasie in wyntoerisme en die bydrae van medeskepping daarin. Ten spyte van hierdie studies, bestaan daar steeds ‘n leemte vir studies wat fokus op medeskepping tydens die wynproe-ervaring. Die gemengde metode benadering maak hierdie studie

ook uniek in terme van medeskeppingsliteratuur, aangesien die meeste studies wat oor medeskepping handel, van ’n kwantitatiewe aard is en gewoonlik slegs vanuit óf ’n vraag-, óf aanbodperspektief gedoen is. Hierdie studie verskaf ’n meer omvattende prentjie deurdat daar gebruikgemaak is van beide kwantitatiewe en kwalitatiewe metodes om medeskepping te ondersoek uit al twee perspektiewe in die wyntoerismebedryf.

TABLE OF CONTENTS

CHAPTER 1: INTRODUCTION AND PROBLEM STATEMENT 1

1.1 Introduction 1

1.2 Background to the study 3

1.2.1 Resource integration 6

1.2.2 Participation 6

1.2.3 Mutual learning 8

1.3 Problem statement 8

1.4 Research objectives 11

1.5 Research methods 11

1.6 Defining the concepts 14

1.6.1 Wine tourism 14

1.6.2 Wine tourist 14

1.6.3 Wine tasting 14

1.6.4 Service-dominant logic 15

1.6.5 Co-creation 15

1.6.6 Organisational citizenship behaviour 15

1.6.7 Customer citizenship behaviour 15

1.6.8 Resource integration 15

1.6.9 Value 16

1.6.10 Conceptual framework 16

1.7 Chapter classification 16

CHAPTER 2: AN OVERVIEW OF WINE TOURISM AND WINE TASTING 18

2.1 Introduction 18

2.2 An overview of the global wine industry 19

2.2.1 Trends in the global wine industry 21

2.3 An overview of the South African wine industry 22

2.4 Introduction to and definitions of wine tourism 25

2.5 The wine tourism system 28

2.5.1 The wine tourist 28

2.5.2 Destination marketing organisations (DMOs) 36

2.5.3 Suppliers and their offerings 37

2.6 Elements of the overall wine tourism experience 41
2.7 An overview of the wine tasting experience 47
2.7.1 Critical elements of the wine tasting experience 48
2.8 Conclusion 55
CHAPTER 3: SERVICE-DOMINANT LOGIC AND CO-CREATION 57
3.1 Introduction 57
3.2 An overview of service-dominant logic 58
3.2.1 Foundational premises of S-D logic 61
3.3 An introduction to value co-creation 67
3.3.1 The building blocks of co-creation 70
3.3.2 The co-creation process 72
3.3.2.1 Payne, Storbacka and Frow's conceptual process-based framework 73
3.3.2.2 Andrey, Sánchez and Mele's integrative conceptual process-based framework 78
3.4 Resource integration 80
3.4.1 Resource-based theory and resource-advantage theory 80
3.4.2 Resource transfer and integration from an S-D logic perspective 82
3.4.3 Operand and operant resources 84
3.5 Participation as prerequisite to value co-creation during wine tasting 86
3.5.1 Types of participation 93
3.6 Overview of organisational citizenship behaviour 94
3.6.1 Dimensions of organisational citizenship behaviour 95
3.6.2 Antecedents of organisational citizenship behaviour 96
3.7 Overview of consumer citizenship behaviour 98
3.7.1 Dimensions of consumer citizenship behaviour 99
3.7.2 Antecedents of consumer citizenship behaviour 102
3.8 Knowledge renewal as outcome of value co-creation in wine tasting 103
3.9 Conceptual framework and hypotheses 106
3.10 Conclusion 107
CHAPTER 4: RESEARCH DESIGN AND METHODS 109
4.1 Introduction 109
4.2 Research paradigm 109
4.3 Description of inquiry strategy 110

4.4 The research design 113
4.4.1 Data collection methods 114
4.4.2 Population, target population and sampling 119
4.4.3 Data analysis 123
4.5 Integration of findings 125
4.5.1 Integration through joint displays 126
4.6 Research ethics 127
4.7 Conclusion 128
CHAPTER 5: EMPIRICAL ANALYSES 130
5.1 Introduction 130
5.2 Section A: Quantitative analyses 131
5.2.1 Summary of demographic and geographic characteristcis of respondents 131
5.2.2 Summary of respondents' wine interest and wine knowledge 136
5.2.3 Tourist behaviour during/after wine tastings 138
5.2.4 Reserouce transfer and integration during wine tasting 140
5.2.5 Learning during wine tasting 143
5.2.6 Elements of co-creation during wine tasting 144
5.3 Exploratory results 146
5.3.1 Tourist behaviour during wine tastings 146
5.3.2 Resource transfer and integration during wine tastings 149
5.3.3 Learning during wine tastings 151
5.3.4 Co-creation during wine tastings 153
5.4 Inferential results – correlations 154
5.5 Structural Equation Modelling (SEM) 158
5.6 Section B: Qualitative results 170
5.6.1 Wine tasting facilitator behaviour (OCB) 171
5.6.2 Antecedents to organisational citizenship behaviour of wine tasting facilitators 181
5.6.3 Resource transfer and integration 192
5.6.4 Learning 197
5.7 Integration of results through joint display 201
5.8 Conclusion 205

CHAPTER 6: A FRAMEWORK FOR VALUE CO-CREATION IN WINE TASTING **206**
6.1 Introduction 206
6.2 Revisiting research objectives 207
6.3 Conclusions of the study 208
6.3.1 Conclusions based on the literature review 209
6.3.2 Conclusions based on quantitative empirical results (demand) 211
6.3.3 Conclusions based on the qualitative empirical results (supply) 215
6.4 Contributions of the study 219
6.4.1 Literature contributions 219
6.4.2 Practical contributions 220
6.4.3 Methodological contributions 220
6.5 Framework for value co-creation in wine tasting and supporting recommendations 221
6.6 Recommendations for future studies 223
6.7 Limitations of the study 224
LIST OF REFERENCES **225**
APPENDIX A: E-SURVEY **272**
APPENDIX B: INTERVIEW SCHEDULE **278**

LIST OF FIGURES

Figure 1.1: Understanding co-creation 5
Figure 2.1: Wine regions of the world 20
Figure 2.2: Winelands of South Africa 23
Figure 2.3: Adapted wine tourism system 28
Figure 2.4: Core, augmented and ancillary services in a wine region 38
Figure 3.1: The evolution of marketing 61
Figure 3.2: Value creation as an all-encompassing process vs value-in-use created by the consumer 64
Figure 3.3: The traditional concept of a market and value-creation 68
Figure 3.4: The concept of value co-creation 69
Figure 3.5: Conceptual process-based value co-creation framework 73
Figure 3.6: Integrative conceptual framework of value co-creation 79
Figure 3.7: Resource transfer and integration 83
Figure 3.8: Conceptual framework 107
Figure 4.1: Prototypical versions of the core mixed-method research designs 110
Figure 4.2: Steps in convergent designs 113
Figure 4.3: Population, target population and sample 120
Figure 5.1: Statistical methods applied in the study 130
Figure 5.2: Scree plot for tourist behaviour 147
Figure 5.3: Scree plot for resource transfer and integration 149
Figure 5.4: Scree plot for learning during wine tastings 152
Figure 5.5: Scree plot for co-creation 154
Figure 5.6: Conceptual framework based on literature 159
Figure 5.7: Revised conceptual framework 161
Figure 5.8: Graphical terminology for SEM 163
Figure 5.9: Framework for Model 1 165
Figure 5.10: Framework for Model 2 167
Figure 6.1: Sequence of study 207
Figure 6.2: Part 1 of framework based on wine tourists 214
Figure 6.3: Part 2 of framework based on wine tasting facilitators 219
Figure 6.4: The co-creation framework for wine tastings 221

LIST OF TABLES

Table 1.1: Level of customer participation across different services 7
Table 1.2: Co-creation research in tourism 9
Table 2.1: Definitions of wine tourism 27
Table 2.2: Classification of Italian wine tourists 32
Table 2.3: Wine tourism segments in Greece 32
Table 2.4: Wine tourism market segment descriptors 33
Table 2.5: South African wine tourism market segments 34
Table 2.6: Tourist facilities at South African wineries 46
Table 2.7: Customer service attributes in the wine tasting experience 50
Table 2.8: Retail execution elements of the wine tasting experience 54
Table 3.1: G-D logic versus S-D logic 60
Table 3.2: Summary of foundational premises 61
Table 3.3: What co-creation is and what it is not 70
Table 3.4: Classification of consumer operant resources 85
Table 3.5: Outcomes of consumer participation 91
Table 3.6: Dimensions of organisational citizenship behaviour 96
Table 3.7: Dimensions of consumer citizenship behaviour 100
Table 4.1: Protoypical characteristics of the core mixed-method types of designs 111
Table 4.2: Wineries in target population 121
Table 4.3: Sample of wineries 122
Table 5.1: Summary of demographic and geographic information of respondents 131
Table 5.2: Summary of wine interest and wine knowledge 136
Table 5.3: Estimated number of wine tastings 137
Table 5.4: Summary of tourist behaviour during/after wine tastings 139
Table 5.5: Summary of the extent of resource transfer and integration by wine tourists during wine tasting 141
Table 5.6: Encouragement of conversations and opinions being valued with tasting room staff 142
Table 5.7: Desire to learn something new during wine tastings 143
Table 5.8: The importance of the selected aspects as an indication of co-creation during wine tastings 145
Table 5.9: Component correlation matrix: tourist behaviour 147

Table 5.10: Principal axis factor analysis with oblimin rotation for tourist behaviour during wine tastings 147
Table 5.11: Component correlation matrix: resource transfer and integration 150
Table 5.12: Principal axis factor analysis with oblimin rotation for tourist behaviour during wine tastings 150
Table 5.13: Component correlation matrix: learning 152
Table 5.14: Principal axis factor analysis with oblimin rotation for learning during wine tastings 153
Table 5.15: Correlation analyses between wine interest, wine knowledge, the number of wine tastings and demographic variables 155
Table 5.16: Correlation analysis of wine interest 156
Table 5.17: Correlation analysis of wine knowledge 157
Table 5.18: Alternative hypotheses for Model 1 164
Table 5.19: Maximum likelihood estimates – regression weights of structural part of Model 1 164
Table 5.20: Alternative hypotheses for Model 2 166
Table 5.21: Maximum likelihood estimates – regression weights of structural part of Model 2 166
Table 5.22: CFA fit for Model 1 and 2 168
Table 5.23: Profile of interviewees 171
Table 5.24: Joint display of quantitative and qualitative findings 202

CHAPTER 1: INTRODUCTION AND PROBLEM STATEMENT

1.1 INTRODUCTION

As a result of continued expansion and diversification over the past six decades, the tourism industry has established itself as one of the largest and fastest growing drivers of economic growth and development. In 2018, international tourist arrivals increased by 6 %, totalling 1,4 billion according to the latest United Nations World Tourism Organisation (UNWTO) World Tourism Barometer. UNWTO's long-term forecast published in 2010, predicted that the 1,4 billion mark would be achieved in 2020; yet stronger economic growth, more affordable air travel, technological improvements, new business models and greater visa facilitation around the world have brought this number, two years ahead (UNWTO, 2019). In 2018, the travel and tourism sector grew with 3,9 % to $8,8 trillion, accounting for 10,5 % of global gross domestic product (GDP), and outperforming global GDP growth of 3,2 %. It is expected that the global travel industry will expand by a further 4 % in 2019 despite slowing economic growth in key areas such as China and Europe (Reuters, 2019).

Based on figures from the World Travel and Tourism Council (WTTC), the tourism industry in South Africa (SA) also continues to show positive growth and contributed R425,8 bn to the economy in 2018, representing 8,6 % of all economic activity in the country and making SA the largest tourism economy in Africa (WTTC, 2019). Based on a longer-term analysis of labour statistics it is evident that the tourism sector makes a more significant contribution to job creation than other major industries. Over the past number of years (2014-2017), tourism overtook larger industries including mining, transport, communication, manufacturing and utilities (electricity, gas and water) by creating over 64,000 net new jobs. Statistics South Africa (Stats SA) found that one in every 22 people employed in South Africa were working in the tourism sector in 2017, totalling 722,013 individuals (Stats SA, 2018). South African Tourism CEO, Mr Sisa Ntshona (as quoted by Rahlaga, 2018) stated that for these reasons, "tourism is vitally important to the South African economy, and the sector should therefore be nurtured for sustained and inclusive growth".

Various types of tourism form part of the industry, with wine tourism categorised as a form of special interest tourism (SIT), fast becoming a global phenomenon (Quadri-Felitti & Fiore, 2012:3). Wine tourism plays a particularly significant role in South Africa (Pillay, 2012), as this country is regarded as one of the most renowned wine countries in the world; hence its inclusion in the Great Wine Capitals (GWC) global network. GWC is a global network which includes nine countries with renowned wine regions in common. However, in order for South Africa to remain in this position it is imperative to respond to the increasingly complex environment today which is driven by new forms of tourism and more sophisticated tourists who are affected by globalisation and shaped by the impacts of new technologies. These trends challenge traditional business processes, business models and strategies and require innovation and new perspectives in order to remain competitive (Stamboulis & Skayannis, 2003:35; Steiner, 2010:1). In response to these developments, the concept of co-creation has evolved as "fundamental for future innovation and competitive advantage" (Prahalad & Ramaswamy, 2003).

Co-creation is defined by Prahalad and Ramaswamy (2004a:16) as "...engaging consumers as active participants in the consumption experience, with the various points of interaction being the locus of the co-creation of value." The underlying concept in this definition is "interaction" since co-creation of value can only take place if direct interactions between the provider and user occur (Grönroos, 2011:290). Co-creation through interaction ultimately results in knowledge creation for both parties. Co-creation can thus be regarded as a source of consumers' knowledge with knowledge being recognised as a decisive competitiveness factor of our time and generation (Hjalager, 2002; Stamboulis & Skayannis, 2003:35). Inevitably this leads to the acknowledgement of learning as a dynamic capability; thus, for tourism enterprises and the industry as a whole to remain competitive, it is imperative to become a learning enterprise, region and/or industry (Stamboulis & Skayannis, 2003:35).

Some industries already demonstrate evidence of co-creation (Prahalad & Ramaswamy, 2003); yet it is relatively new to the tourism industry. Tourism however resonates well with co-creation due to the industry's unique characteristics, which include the simultaneous production and consumption of experiences (Kotler,

Bowen, Makens & Baloglu, 2017) that allow various points of interaction between the tourist and the destination. This applies to wine tourism as well, where interaction exists between the winery (staff) and the wine tourist during the wine tourism experience. Binkhorst and Den Dekker (2009:3) add that the uniqueness of tourism lies in the "no separation between supply and demand, company and consumers, tourist and host." This provides ample interaction opportunities in tourism which should be utilised to the benefit of both host and tourist.

Based on the interactive nature and uniqueness of tourism it can be viewed as a holistic network of stakeholders connected in interactive experience environments where value is co-created by and for all stakeholders involved. As a result, tourism is regarded as a performative action; therefore, co-creation between tourists and suppliers is inevitable (Binkhorst & Den Dekker, 2009:318), however co-creation does not necessarily happen automatically, which creates challenges. Knowledge on how co-creation can be encouraged is lacking, especially in the wine tourism environment.

1.2 BACKGROUND TO THE STUDY

The notion of knowledge co-creation in marketing literature only emerged in the late 1990s (Lawer, 2005:2) with the new "active" role of consumers in knowledge creation being recognised for the first time only in 2000 by Prahalad and Ramaswamy[1]. The co-creation concept was introduced in 2004, with an article[2] that was published by Vargo and Lusch in which a paradigm shift in marketing towards service-dominant logic (S-D logic) was suggested. Eight foundational premises (FP's) were identified to support the emerging dominant logic. It is suggested in this article that value is not embedded in output, but defined by and co-created with the consumer (Vargo & Lusch, 2004:6). This article received varied responses, both favourable and critical (Vargo & Lusch, 2008:1). Based on the responses received, some of the wording was refined, a number of the foundational premises were revised and underlying concepts such as *interaction* and the *networked nature of value creation* were

[1] Prahalad, C.K. & Ramaswamy, V. 2000. Co-opting customer competence. *Harvard Business Review*, 78(1):79-86.

[2] Vargo, S.L. & Lusch, R.F. 2004. Evolving to a new dominant logic for marketing. *Journal of Marketing*, 86:1-17.

emphasised more in a follow-up article by the same authors in 2008. S-D logic and its premises soon reached the top of the marketing research agenda and still receives considerable interest among researchers (Lusch, Vargo & O'Brien, 2007; Cova & Salle, 2008; Gummesson, 2008; Li & Petrick, 2008; Ford, 2011; Shaw, Bailey & Williams, 2011; Lusch & Nambisan, 2015; Ng & Vargo, 2018; Hollebeek, Srivastava & Chen, 2019). Despite the increased attention, Shaw, Bailey and Williams (2011) as well as Li and Petrick (2008) however note the relative failure to incorporate research paradigms such as S-D logic in tourism research. Most recent studies on S-D logic in a tourism context however seem to be focused mostly on engagement (Rather, Hollebeek & Islam, 2019; Taheri, Hosany & Altinay, 2019).

S-D logic involves the "creation of relationships with and involvement of consumers to develop value propositions that are more competitive" (Vargo & Lusch, 2004:5). Therefore, instead of value being viewed as "value-in-exchange", it is viewed as "value-in-use"; and instead of consumers being viewed as passive recipients of value propositions, they are viewed as active participants or co-creators of value (Vargo & Lusch, 2004:6; Ramaswamy, 2008:9). This phrase was originally stated as "the consumer is always a co-producer of value" (Vargo & Lusch, 2004:7), but was changed to "the consumer is always a co-creator of value" (Grönroos, 2011).

Grönroos (2011:279) however criticises this viewpoint and states that consumers are not always co-creators of value, but instead that the supplier gains opportunities to co-create value together with its consumers under certain circumstances. The author continues that value creation in S-D logic publications seems to be an all-encompassing process; yet value-in-use, which is created by the tourist or user, is not treated as the dominating value construct it is claimed to be in the literature. It is instead a subset of a value construct whereby value is created by the user as well as other parties, including the organisation. This however contradicts the value-in-use notion (Grönroos, 2011:280). Therefore, value creation should be defined as the consumer's creation of value-in-use (Grönroos, 2008:303). As a result, value creation is not an all-encompassing process. It is however important to realise that the total process of suppliers that leads to value-in-use for consumers is needed to enable value creation, but all parts of the process are not part of value creation for the consumer (Grönroos, 2011:282).

Based on the information above it is however unclear which processes and activities of the supplier are part of the process of value creation and which are not. The same applies to the consumer. Value is created by the user for the user since value-in-use implies that “the consumer as user is party to a business engagement that creates value”. During the value creation process, the user integrates resources provided by the firm with other available resources (Grönroos, 2011:288) – the perfect setting for the tourism environment (see Figure 1.1). As a result, resource integration is one of the foundational premises of S-D logic (which will be discussed in Chapter 3).

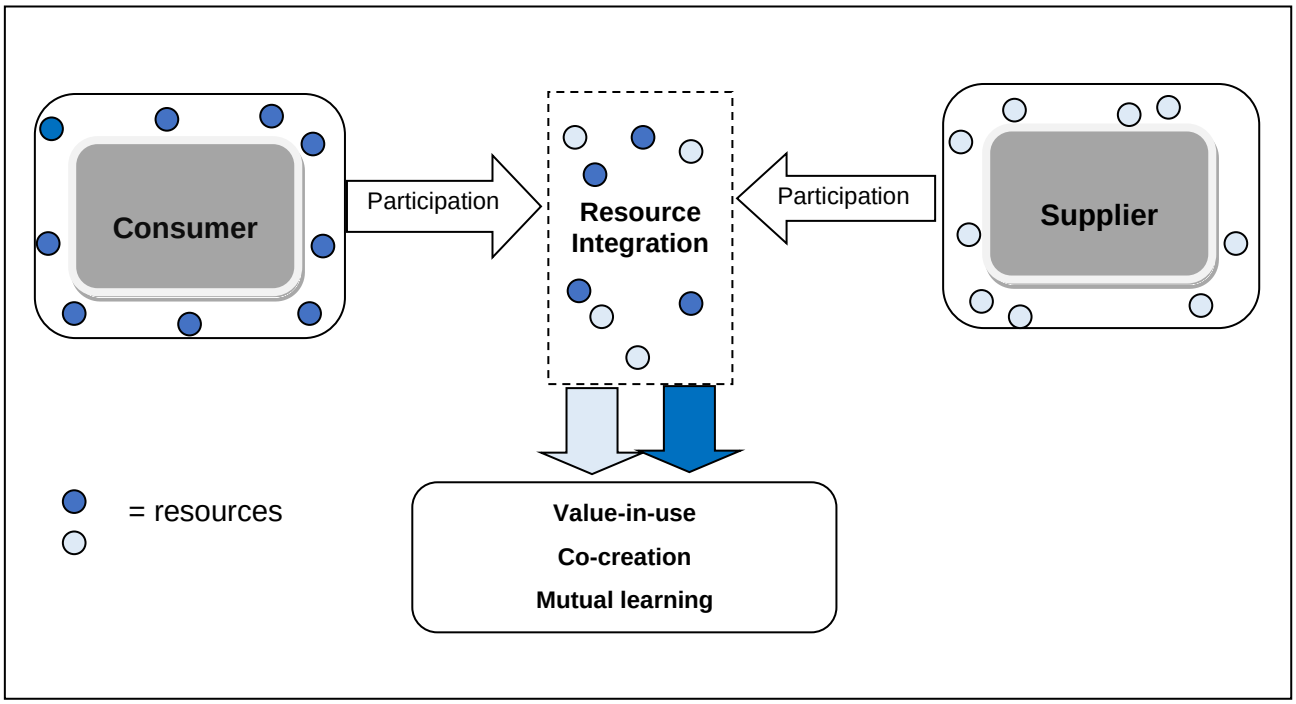

Figure 1.1: Understanding co-creation
Source: Adapted from Payne, Storbacka and Frow (2008) and Vargo (2008)

Resource integration is illustrated in Figure 1.1 where it is clear that both suppliers and consumers are service systems that need to transfer and integrate their respective resources with one another by participating during the encounter, for optimal value creation (Cova & Salle, 2008:271). Resource integration is central to co-creation and therefore one of the co-creation elements investigated in this study.

1.2.1 Resource integration

The importance of collaboration and integration of resources between suppliers and consumers is understandable, considering the mutual benefits that can be derived when consumers participate during the service encounter (Bateson, 1985; Bettencourt, 1997; Kellogg, Youngdahl & Bowen, 1997; Gummeson & Mele, 2010; Lusch, Vargo & Tanniru, 2010). Auh, Bell, McLeod and Shih (2007) state that consumer participation should provide value to both consumers and suppliers as value co-creation is the main premise of customer participation. Mutual learning (for supplier and consumer) as outcome of active participation is emphasised in this study.

As mentioned earlier, the inseparability of tourism makes it unique in the sense that both the supplier and consumer need to be present for the service to take place. Some form of interaction / participation is thus required for the service to be delivered. However, for co-creation to take place, the standard or minimum form of participation is not sufficient, as active participation, which involves dialogical interaction, is what facilitates resource transfer and integration, and ultimately, value co-creation. Consequently, participation is also one of the core elements of co-creation investigated in this study.

1.2.2 Participation

Sahi, Sehgal and Sharma (2017:21) state that customer participation is treated as a significant prerequisite to value co-creation, which is supported by S-D logic (Vargo & Lusch, 2008), value creation (Grönroos & Ravalad, 2011) and customer involvement (Kristensson, Matthing & Johansson, 2008).

Active participation in the form of dialogue often facilitates meaning and aims to achieve deeper levels of understanding between those participating (Ballantyne, 2004:116). Discussion and everyday talk therefore are in contrast with dialogue as the aforementioned are more concerned with the exchange of opinions with the purpose of sociable communication (Ballantyne, 2004:117), whereas dialogue is considered an “interactive process of *learning together”* (Ballantyne, 2004). As a result, dialogical interaction is viewed by Ballantyne and Varey (2006:2) as the

"ideal" form of communication within S-D logic as it supports the potential for co-creation of value and sustainable competitive advantage. It is recommended that dialogue in marketing should not be viewed as a method of communication, but rather an orientation to communication.

The level of participation varies according to the business type and service design. Considering the three levels of customer participation as proposed by Bitner, Faranda, Hubbert and Zeithaml (1997), most interaction between supplier and consumer in tourism (and wine tasting) requires low to moderate levels of interaction. The levels of participation range from low to high and are outlined in Table 1.1.

Table 1.1: Level of customer participation across different services

	LOW **Customer presence required during service delivery**	**MODERATE** **Customer inputs required for service creation**	**HIGH** **Customer co-creates the service product**
Nature of service	Products are standardised	A standard service is customised by customer inputs	Customised service is guided by active customer participation
Provision of service	Service is provided irrespective of any individual purchase	Purchase required	The customer's purchase and active participation creates the service
Requirements	Payment is possibly the only mandatory customer input	Service firm provides the service, but customer inputs are required for a satisfactory outcome	For a co-created outcome, customer inputs are essential
B2C examples	Fast-food restaurant, hotels, airline travel	Full service restaurant, annual physical exam, haircut	Weight-reduction programme, personal training, marriage counselling

Source: Bitner *et al*. (1997)

Since wineries provide the wine tasting service in a fairly standardised manner, wine tasting cannot be associated with high levels of consumer participation. However, in order to co-create value and to reap the benefits of mutual learning, tourists need to be encouraged to increase their participation to have conversations / dialogue that result in the learning together of both tourist and supplier. The characteristics of high levels of participation in Table 1.1 support the notion that active participation is required for co-creation.

1.2.3 Mutual learning

Mutual learning is also considered one of the core elements of co-creation and in this particular study it is treated as the outcome of active participation and resource integration.

Learning via exchange is one of the characteristics of S-D logic (Lusch, Vargo & Wessels, 2008:7; Vargo & Lusch, 2004:7) which is enabled by dialogical interaction with changed behaviour and preferences as result (Payne *et al*., 2008:88). In a wine tasting context the changed behaviour as a result of learning could mean changed wine behaviour for consumers and changes in facilitation of wine tastings on the part of the wineries.

Tourism in general, and wine tastings in particular, lend itself to co-creation due to its interactive nature, the potential to share knowledge and inseparability of the wine tasting facilitator and wine tourist. Therefore, it is imperative that the interaction that takes place during wine tastings is evaluated to ensure that resources are shared and knowledge renewed by both parties involved. This will add value to a wine tasting experience and might lead to positive word-of-mouth, higher wine sales, return behaviour, and other positive outcomes.

1.3 PROBLEM STATEMENT

Wine and tourism seem to create a perfect symbiosis, allowing tourists to appreciate a unique product whilst contributing to economic growth in wine-producing regions. According to Williams (2001:43), one of the important strategic considerations of wine tourism regions, is its competitive positioning, resulting from the increased demand for wine tourism and the fact that numerous regions are aggressively marketing to this high-yield wine tourism market. As a result of its economic contribution, the topic of food and wine tourism has received increased interest from researchers, especially in rural regions (Hall & Mitchell, 2001; Hjalager & Richards, 2002), as numerous rural areas have explored opportunities for the combination of tourism and agriculture for purposes of innovation and diversity. Wine tourism is therefore a well-researched topic with an abundance of literature on wine tourist

segmentation, wine tourism marketing, wine tourism collaboration, networks, wine routes, wine festivals and more (Beverland, 1999; Brunori & Rossi, 2000; Getz, 2000; O'Neill & Charters, 2000; Augustine, 2001; Telfer, 2001; Williams, 2001; Bruwer, 2002; Charters & Ali-Knight, 2002; Bruwer, 2003; Getz & Brown, 2006; Goldberg & Murdy, 2006; O'Neill & Charters, 2006; Getz & Carlsen, 2008; Saayman, Marais & Krugell, 2010; Saayman, Saayman & Joubert, 2012). The current literature however does not necessarily reflect the current paradigms and trends, such as co-creation, for sustainable competitiveness and innovation in a wine tourism context even though it can contribute significantly to the development of wine farms.

Literature on co-creation has increased significantly, yet its application in tourism remains scant and mostly analysed from a European perspective (See Table 1.2). The most recent empirical studies on co-creation in the tourism environment focused on different types of tourism products, utilised a variety of approaches and analysed a variety of co-creation challenges. The lack of standardised methods, South African studies and more specifically studies done in a wine tourism environment are evident from Table 1.2.

Table 1.2: Co-creation research in tourism

Year	Author(s)	Title of study	Context	Place of study
2019	Assiouras, Skourtis, Giannopoulos, Buhalis & Koniordos	Value co-creation and customer citizenship behaviour	Online survey to Greek tourists	Greece
2019	Buhalis & Sinarta	Real-time co-creation and newness service: lessons from tourism and hospitality	Social media analysis	Websites of 20 tourism companies
2018	Antón, Camarero & Garrido	Exploring the experience value of museum visitors as a co-creation process	Museums	Spain
2018	Santos-Vijande, López-Sánchez & Pascual-Fernández	Co-creation with clients of hotel services: the moderating role of top management support	Hotels	Spain
2017	Prebensen & Xie	Efficacy of co-creation and mastering on perceived value and satisfaction in experiential consumption	Adventure tourism	Norway
2016	Buonincontri & Micera	The experience co-creation in smart tourism destinations: a multiple case analysis of European destinations	Technology in smart tourism destinations to improve co-creation of tourism experience	Venice and Salzburg
2016	Mathis, Kim, Uysal, Sirgy & Prebensen	The effect of co-creation experience on outcome variable	People who recently undertook a holiday	USA

Year	Author(s)	Title of study	Context	Place of study
2015	Oliveira & Panyik	Content, context and co-creation: digital challenges in destination branding with reference to Portugal as a tourist destination	Destination branding	Portugal
2013	Cabiddu, Lui & Piccoli	Managing value co-creation in the tourism industry	Online tour company	Italy
2013	Prebensen, Vittersø & Dahl	Value co-creation significance of tourist resources	Nature-based attractions	Norway
2012	Lambert & Enz	Managing and measuring value co-creation in business-to-business relationships	Restaurants	USA
2012	Grissemann & Stokburger-Sauer	Customer co-creation of travel services: the role of company support and customer satisfaction with the co-creation performance	Travel agency	Austria
2011	Mattila	Co-creating a tourism product: case St. Lapland	New tourism product development	Finland
2007	Wu	The impact of customer-to-customer interaction and customer homogeneity on customer satisfaction in tourism service - the service encounter prospective	Tourists in tour group	Taipei

Based on the table above, it is seen that important co-creation elements such as voluntary participation, known as citizenship behaviour (Assiouras *et al*., 2019), interest and knowledge (Charters & Ali-Knight, 2002; Alebaki & Iakovidou, 2011), resource integration (Arnould, Price & Malshe, 2006; Vargo & Lusch, 2006) and mutual learning (Ballantyne & Varey, 2006; Vargo & Lusch, 2008) have not been analysed in a wine tasting context. These elements are however all needed to ensure a high valued co-creation experience.

With no previous co-creation studies done in a wine tasting context, the lack of formal guidelines or a framework for co-creation in wine tasting experiences inhibits the potential thereof for this industry. Considering the interactive nature of wine tasting lending itself to co-creation, the lack of guidelines and frameworks presents a gap in the wine tourism and co-creation scholarly literature, which need to be addressed. A framework for co-creation and the application thereof will assist wine farms in improving wine tasting experiences and adding more value to the experiences, which might lead to higher levels of loyalty to the wine farm and might

even increase the sales of wine on the wine farms. In response to the call of Dong and Sivakumar (2017:959) to increase the depth of research on customer participation, this study evidently aims to be the first of its kind to empirically test voluntary participation on both the demand and supply side of the wine tasting encounter, its relationship to resource transfer and integration, with knowledge renewal as potential outcome of the co-creation activities. The question thus remains: How can participation, citizenship behaviours, resource integration and learning form part of a conceptual framework for co-creation in a wine tasting context from both a demand and supply perspective?

1.4 RESEARCH OBJECTIVES

The goal of the study is to develop a conceptual framework for value co-creation in wine tourism with reference to wine tastings. This framework highlights factors which motivate wine tasting facilitators and wine tourists to engage in behaviour which could lead to resource transfer and integration with mutual learning as the outcome.

The study is guided by the following specific research objectives:

- To provide an overview of the wine tourism sector, including typologies of wine tourists by means of an in-depth literature review.
- To explain the concept of value co-creation and all its constructs as it is presented in the literature.
- To determine the elements of the conceptual framework for value co-creation in wine tasting from both a demand and supply perspective.
- To empirically test the conceptual framework by determining the relationships between variables and assessing the hypothesised relationships by means of Structural Equation Modelling and incorporating the thematic supply analysis.
- To put forward a framework for value co-creation in wine tasting and provide recommendations and guidelines on how to implement the framework to the benefit of the suppliers and tourists.

1.5 RESEARCH METHODS

An overview of the research methodology adopted for this study is provided in this section; with an in-depth discussion in Chapter 4. The research paradigm guiding this study is pragmatism as it does not commit to one philosophy or paradigm only (Mackenzie & Knipe, 2006:194), which is well suited to this study. The pragmatic paradigm is the underlying framework for mixed-method research (Teddlie & Tashakkori, 2003; Somekh & Lewin, 2005), and places the research problem as central with all methods and approaches being applied to investigating the problem (Creswell, 2003:11). Pragmatic research is generally focused on the "what" and "how" of the research problem (Cresswell, 2003:11). This study aims to unpack co-creation in a wine tasting context and both quantitative and qualitative methods have been utilised for this goal; hence the pragmatic paradigm.

Value co-creation implies a mind shift in how wineries should interact with tourists and it is foreseen that this study proposes radical changes and adopts a critical perspective on organisational life and changing the status quo, therefore, the ontological perspective (i.e. the "what is?" the nature of this subjective reality / these multiple subjective realities) adopted for this study is that of the subjectivist (Saunders, Lewis & Thornhill, 2009:121). To enable the researcher to develop a conceptual value co-creation framework for wine tasting, key concepts such as S-D logic, co-creation, participation, resource integration, learning and the wine tourism sector in general were scrutinised as part of the literature review. For this purpose, books, academic journals, theses and dissertations were consulted. The empirical component of the study aimed to test the conceptual framework, both quantitatively by means of an e-survey, and qualitatively by means of semi-structured telephone interviews.

Data collection occurred concurrently, and a convergent research design was therefore adopted as it involves the separate collection and analysis of quantitative and qualitative data with the goal to merge the results. The merge (in the form of a joint display) provided a quantitative and qualitative picture of the problem and

offered different insights and various angles and perspectives of the research problem (Creswell, 2015:35).

The target population for the e-survey included 11,880 members on the Fijnwyn Food and Wine Festival database and the 40 exhibitors at the Rooi Fijnwyn Food and Wine Festival in June 2019, who formed part of the target population for the interviews. An e-survey (SurveyMonkey) was e-mailed to all the members of the database; therefore, complete sampling was applied and a total number of 488 responses were obtained within a week. For the interviews, all 40 wineries' geographic locations were considered, and cluster sampling was applied to identify 10 wineries to include in the sample. As a result, seven wine regions were represented in the sample.

Due to the electronic nature of SurveyMonkey, responses were automatically captured by SurveyMonkey and data was processed by the Statistical Consultation Services of North-West University (NWU) and interpreted by the researcher. From the data, frequency tables with descriptive results were generated, exploratory factor analyses were conducted to reduce the data based on its underlying dimensions, Spearman Rank Order Correlations were done to determine the relationships between selected variables in the study, and structural equation modelling (SEM) was used to assess the hypothesised relationships in the proposed conceptual framework.

For the qualitative component, interviews were transcribed verbatim in accordance with the sequence of the questions so that it was easy to follow, and it allowed the systematic identification of concepts and additional themes. Qualitative data analysis is guided by inductive reasoning whereby the researcher uses specific observations to draw conclusions about the entire population (Leedy & Ormrod, 2010:33). The authors add, however, that despite the inductive reasoning, the researcher usually implements deductive reasoning later in the process in order to verify and connect the themes identified, which did occur during the qualitative analysis of this study.

Findings were integrated by means of a joint display, which presents the data in the form of a table or figure and provides a simultaneous representation of the results

(Guetterman, Fetters & Creswell, 2015:555). It therefore provides a visual means to integrate results in order to generate new inferences. Integration of findings is imperative in order to unlock the potential benefits of mixed-method research as the extent of integration in a study can act as an indicator for assessing the yield of the mixed-method approach from that study (O'Cathain, Murphy & Nicholl, 2007:151). The joint display is presented in Chapter 5 and more detail on the methodology is provided in Chapter 4.

1.6 DEFINING THE CONCEPTS

According to Leedy and Ormrod (2005:56), it is important to define and provide an interpretation of the terms used in a study. The following concepts in this study need clarification:

1.6.1 Wine tourism

Numerous definitions of wine tourism exist. Getz (2000) defines it as "travel related to the appeal of wineries and wine country, a form of niche marketing and destination development, and an opportunity for direct sales and marketing on the part of the wine industry." The most widely accepted definition of wine tourism, and the definition professed in this study, is that of Hall and Macionis (1998:197), where wine tourism is defined as the "visitation to vineyards, wineries, wine festivals and wine shows for which grape wine tasting and/or experiencing the attributes of a grape wine region are the prime motivating factors for visitors."

1.6.2 Wine tourist

Charters and Ali-Knight (2002:312) state that there is undoubtedly no single stereotypical wine tourist and therefore no unilateral definition of a wine tourist. Jago, Issaverdis and Graham (2000) however argue that at the broadest level, a wine tourist is any tourist who visits a winery.

1.6.3 Wine tasting

Wine tasting is defined by Oomen (2015) as "seeing, smelling and tasting of wine, aiming to assess the quality of the wine". The Merriam-Webster.com dictionary

(2019) defines the term as “an event where people can taste and compare very small samples of wine.”

1.6.4 Service-dominant logic

The term service-dominant (S-D) logic was first coined by Vargo and Lusch (2004), and implies that “marketing is a continuous series of social and economic processes that is largely focused on operant resources with which the firm is constantly striving to make better value propositions than its competitors” (Vargo & Lusch, 2004:5). According to Vargo and Akaka (2009:32), S-D logic is based on the idea that service, which is the application of competences for the benefit of another, is the basis of all exchange.

1.6.5 Co-creation

Co-creation is defined as “engaging customers as active participants in the consumption experience, with the various points of interaction being the locus of co-creation of value” (Prahalad & Ramaswamy, 2004a:16). According to Piller and Ihl (2010), the term customer co-creation denotes a product development approach where customers are actively involved and take part in the design of their own product. More specifically, co-creation has been defined as an active, creative and social process, based on collaboration between producers (retailers) and users to generate value for customers.

1.6.6 Organisational citizenship behaviour

Organisational citizenship behaviour (OCB) refers to discretionary behaviours by employees that improve organisational effectiveness, but are not necessarily recognised or rewarded (Organ, 1988). Lovell, Kahn, Anton, Davidson, Dowling, Post and Mason (1999) are in agreement that OCB includes those actions by employees that exceed the minimum role responsibilities which promote the welfare of co-workers, work groups and/or the organisation.

1.6.7 Customer citizenship behaviour

Customer citizenship behaviour (CCB) stems from the organisational citizenship behaviour (OCB) framework developed by Organ in 1988. Other terms used for CCB include customer voluntary performance (CVP) and customer extra-role behaviours

(Bettencourt, 1997; Bailey, Gremler & McCollough, 2001; Rosenbaum & Massiah, 2007) and refer to discretionary behaviours by customers that improve suppliers' service delivery and quality.

1.6.8 Resource integration

Resource integration is the "application of specialised competences (knowledge and skills) through deeds, processes and performances for the benefit of another entity, or the entity itself" (Vargo & Lusch, 2004:2). Furthermore, from a S-D logic perspective, it is implied that resources hold no intrinsic value, but require integration and application in order to become valuable for an actor to enjoy its benefits (Gummesson & Mele, 2010:187).

1.6.9 Value

According to Grönroos (2008) and Vargo, Maglio and Akaka (2008), value creation is a process whereby the user becomes better off in some respect, or which increases the consumer's well-being. Value for consumers is defined by Grönroos (2008:303) as a "means that after they have been assisted by a self-service process or a full-service process they are or feel better off than before."

1.6.10 Conceptual framework

A conceptual framework is "a structure which the researcher believes can best explain the natural progression of the phenomenon to be studied" (Camp, 2001).

1.7 CHAPTER CLASSIFICATION

The study consists of six chapters. *Chapter 2* provides an overview of the literature on wine tourism, which includes the global and South African wine industry, the wine tourism system, segmentation of wine tourists and the wine tourism experience with emphasis on wine tasting.

Chapter 3 reviews service-dominant (S-D) logic as a marketing paradigm which includes its foundational premises. Co-creation is one of the foundational premises and is addressed in detail with its corresponding constructs, including participation,

resource integration and learning. This chapter concludes with a conceptual framework based on the literature reviews of Chapters 2 and 3.

Chapter 4 of the study provides an in-depth discussion of the research methodology in the study. It covers the research paradigm and research design including sampling procedures, data collection methods, data analyses, pilot study and research ethics.

In *Chapter 5* the results of the research are presented. Both the qualitative and quantitative results are included in this chapter which concludes with a joint display.

The final chapter, Chapter 6, concludes with a framework based on the findings. It also includes guidelines for implementation and recommendations for future studies on the topic.

CHAPTER 2: AN OVERVIEW OF WINE TOURISM AND WINE TASTING

2.1 INTRODUCTION

Wine is viewed as a consumer product associated with people's lifestyles based on an acquired need. Consequently, wine consumption is regarded as a hedonic experience for some people – a pleasurable activity aimed at personal enjoyment which allows a myriad of potential social experiences (Bruwer & Alant, 2009:235). Wine tourism has emerged from the various activities associated with visits to wineries and winegrowing regions (Cambourne, Hall, Johnson, Macionis, Mitchell & Sharples, 2000); and has become a global phenomenon which mirrors the increase of wine consumption and parallels the growth in rural tourism (Quadri-Felitti & Fiore, 2012:3).

With its wide range of benefits, which include foreign-exchange earnings, employment opportunities, and the generation of economic activity, wine tourism is emerging as a rewarding industry sector with the potential to generate substantial long-term wealth and sustain steady tourism growth for wine regions (O'Neill & Palmer, 2004:269). As a result, research on wine tourism has accelerated over the last few decades to a point where there is extensive literature on the topic. The literature is limited however, as it is mostly focused on a macro-economic level to address strategic issues such as branding, image, export revenue, infrastructure, funding, tourist expenditure and other important related matters. Although these are critical matters, there is a need to address wine tourism also on a micro-economic level; there where wine tourism takes place – between the winery and the consumer.

This chapter serves as a literature review on the wine industry which includes wine tourism. The literature review starts with an overview of both the global- and South African wine industries and describe how South Africa has positioned itself as a new world wine country. The origins and development of wine tourism are also addressed and the Wine Tourism System is explained which include the wine tourist, the suppliers (wineries) and the destination marketing organisations (DMOs). Much

emphasis is placed on former studies based on the segmentation of the wine tourism market. The chapter concludes with important elements that are required for the wine tourism experience and finally, the elements required in the wine tasting experience.

2.2 AN OVERVIEW OF THE GLOBAL WINE INDUSTRY

The wine industry is a global industry; with almost every country in the world producing wine. Elfman (2019) adds that the wine industry may evoke images of the slow life and pastoral landscapes, but it is a significant business sector.

A research report on the state of the global wine industry (Morgan Stanley, 2013:3) indicates that there are more than 1 million wine producers in the world, producing approximately 2,8 billion cases of wine each year. The top ten wine-producing countries control in excess of 80 % of wine production across 4,4 million hectares of vineyards.

The wine industry has evolved since the beginning of the 21st century from being mostly a localised industry to an industry competing in the global marketplace (Mäkelä, 2013). Corrado and Odorici (2009:111) add that the wine market has evolved into a mass market due to internationalisation and new consumption behaviour. This includes the fact that wine consumption is growing in countries known as non-traditional consumers; whereas traditional consumers have decreased their volumes per capita, but shifted towards higher average quality (Corrado & Odorici, 2009:111).

Mäkelä (2013:29) argues that “the only common factor, when it comes to the wine industry, is change - change in the way wine is perceived, change in consumption behaviour, change in when and how wine is enjoyed and change in the people who consume wine”. Change has also been noticed in terms of the wine producing countries. During the past three decades, the international wine industry has not only witnessed rapid growth of exports, but as a result also the emergence of new wine producing countries which have entered the global market.

Apart from the traditional and established wine producing countries, such as France, Italy and Spain, “new world” exporters have increased. These “new world” wine producing countries primarily include South Africa, Australia, Uruguay, Argentina, Chile, New Zealand and the USA (Anderson, Norman & Wittwer, 2001:661) as indicated in Figure 2.1.

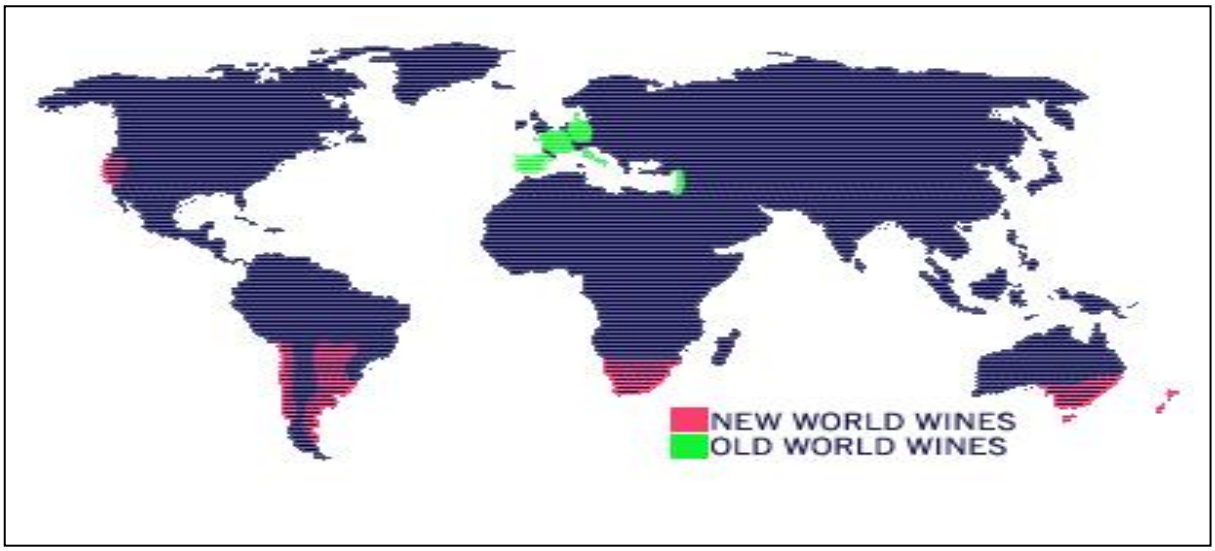

Figure 2.1: Wine regions of the world
Source: Harris (n.d.)

Wine is a unique commodity which forms an integral part of the cultural identities of many countries today. There is however a clear distinction between the old world wine producers and the new world wine producers in terms of their winemaking techniques, regulations they have to adhere to, the scale of marketing and most importantly, their general views towards wine making and the wine business (Mäkelä, 2013). Probably the most relevant distinction between these two groups for the purpose of this study is the fact that old world wine producers almost solely rely and focus on their strong reputation and tradition and less on their market; whereas new world wine producers are more focused on the market and in general more marketing oriented.

New world wine producers are more market driven and as a result have managed to attract new consumers (who weren’t necessarily wine drinkers before) to their product by creating new types of products (Mäkelä, 2013:5). Largely, due to new world wine producers, the general image of wine has been transformed to becoming more of a lifestyle beverage compared to the “elitist” product it used to be. The new, modern wine drinkers of today are described as experimental and open to try

different varietals from all over the world. In addition, some of the new world wine regions have also been some of the most aggressive developers of linkages between wine and tourism. As mentioned, South Africa is classified as a new world wine region.

2.2.1 Trends in the global wine industry

According to Elfman (2019), the USA is the world's most valuable wine market, valued at $34.8 billion in 2017, followed by France at $16.7 billion and China, worth $16.5 billion. Wine consumption in China is expected to increase and overtake France by 2020 as the second most valuable wine market in the world. Domestic wine production in China is also significantly on the increase with the mainland's vineyard area, which more than doubled from 2006-2016. Due to this increased consumption, global wine producers are adjusting not only their winemaking styles to satisfy the Chinese market, but also their packaging, labels and marketing.

The consumption and sale of sparkling wine is on the increase globally. Sparkling wines however account for only 10% of the annual wine production globally, with Europe producing 80% of all sparkling wines. It is however forecasted that sparkling wine will continue to become more popular, as 2018 marked a record year in sparkling wine consumption in the UK at GBP2.2 billion in sales; almost double the amount of 2013 (Elfman, 2019).

Rosé wine, is also a major growth category in the wine industry. This is partly attributed to social media and its history which is linked to the trendy French Riviera. Similar to sparkling wine, it also comprises 10% of the global wine industry. It is perceived as an easygoing, summer beverage, so seasonality is a challenge to rosé wine producers (Elfman, 2019).

Another category on the rise, is organic wines. Elfman (2019) indicates that organic vineyards are predominantly found in Europe, producing 80% of the global total. Despite organic vineyards having lower average yields compared to conventional vineyards, sales of organic wines in France and Italy have increased significantly, and organic wines now hold one fifth of the Swedish wine market.

These trends impact on a global and local level. The next section is dedicated to the South African wine industry.

2.3 AN OVERVIEW OF THE SOUTH AFRICAN WINE INDUSTRY

South Africa is regarded as one of the most renowned wine countries in the world; in terms of world wine production, the country was ranked as ninth in overall volume production of wine and produced 3,4 % of the world's wine in 2018 (WOSA (a), n.d.). Consequently, the wine industry in South Africa is regarded as one of the primary agricultural sectors in the country. Exports of still packaged wines, however, decreased by 3,8 % from 2017 to 2018; red wine exports decreased by 8,7 %. Furthermore, total exports of wine decreased by 6,3 % to 420.2 litres in 2018 (WOSA (b), n.d.).

Based on the findings of a study conducted by the SA Wine Industry Information & Systems (SAWIS, 2015), it became evident that the wine industry employed some 300,000 people both directly and indirectly in 2015. The positions occupied include farm labourers, workers involved in packaging, retailing, as well as wine tourism. It was also found that the wine industry contributed R36,1 million to the gross domestic product (GDP) in 2015, which represents a growth of at least 10 % per annum since 2003.

The South African wine industry is one of the oldest apart from Europe, with the first vineyards established in the 1650s. A significant milestone in the history of South African wine was the creation of South Africa's unique varietal, called Pinotage, developed by Professor Perold in 1925. It was sold under the name Lieberstein, and became the largest selling bottled wine in the world during that period (Swanepoel & Bailey, 2008).

The South African wine industry is concentrated mostly outside metropolitan areas and therefore plays a significant role in regional development, corporate investment, job creation, business growth and tourism (Bruwer, 2003:424). South Africa's vineyards stretch over 93,021 ha, cover an area of around 800km in length, and are mostly situated in the Western Cape, near the coast. The Cape Winelands stretches from the rugged mountains of the coastal region to the open plains of the Klein

Karoo and is divided into five regions: Breede River Valley, Cape South Coast, Coastal Region, Klein Karoo and Olifants River (WOSA (c), n.d.). The winelands are illustrated in Figure 2.2.

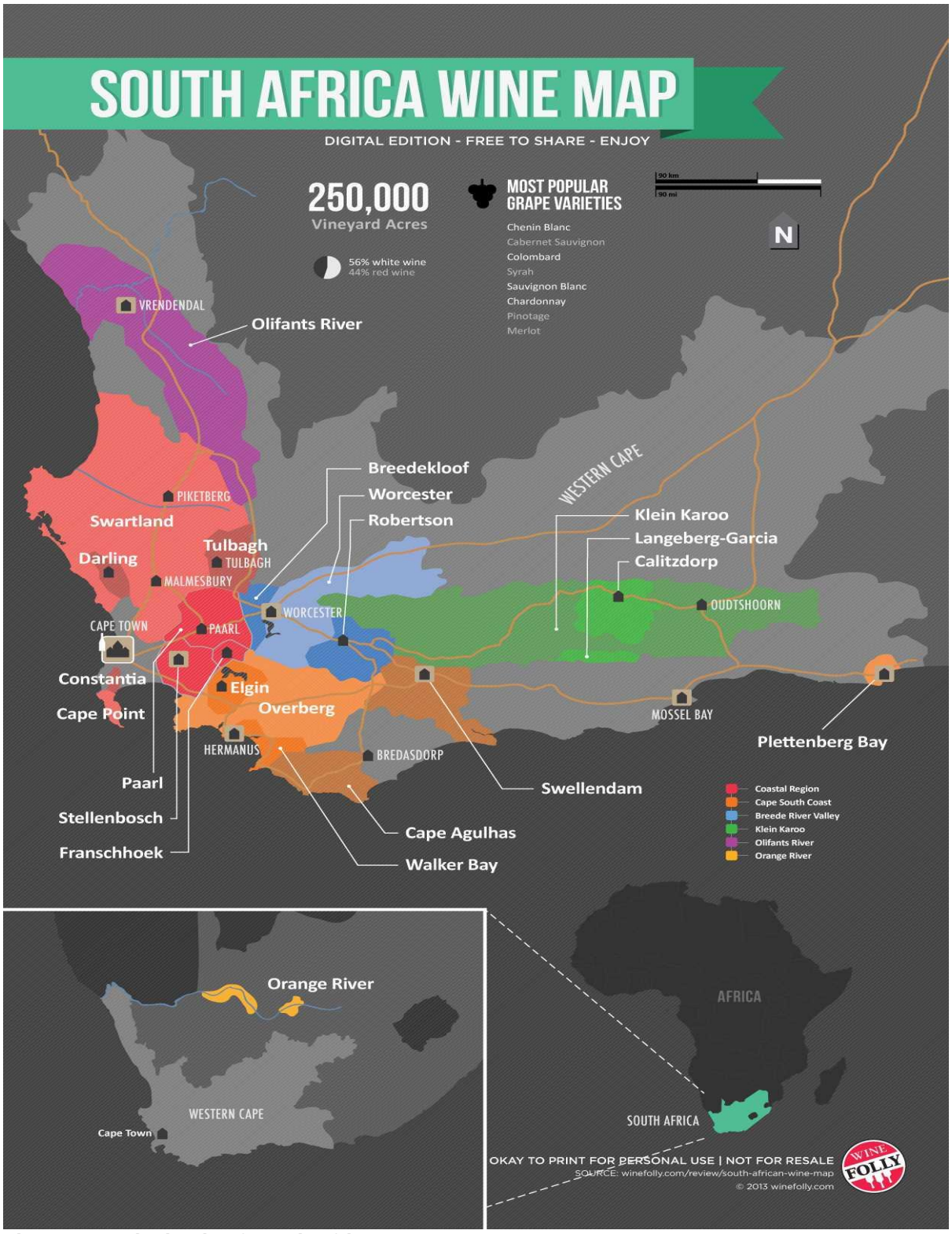

Figure 2.2: Winelands of South Africa
Source: Wine Folly (2013)

The Stellenbosch region dominates the wine industry in South Africa. The historical town of Stellenbosch lies in the heart of South Africa's premier wine-producing district with a winemaking history that dates back to Simon van der Stel. Stellenbosch is associated with beautiful landscapes, historical architecture, oak trees and wine. It is the second oldest town in South Africa and widely regarded as the wine capital of the country (Visit Winelands,n.d.). This region has also been included in the Great Wine Capitals (GWC) Global Network. GWC is a global network which includes ten countries with renowned wine regions in common (Great Wine Capitals, 2019).

The majority of South Africa's wine exports are similar to South Africa's key source tourism markets – mainly the European Union. Recent figures are also indicating that exports to other markets in Africa, the United States of America and China is on the increase (Conradie, 2017).

Koegelenberg (2017) states that there are numerous organisations which form part of the South African wine industry who do exceptional work in terms of preserving and guiding quality, traceability and certification (SAWIS)[3], exports and international presence (WOSA)[4], as well as viticulture and agro-economy (VinPro). Wine tourism, however, has been left behind over the years and the responsibility thereof has not been assigned to any entity.

Wine tourism is becoming increasingly important for wine producers as wine is increasingly sold directly to consumers. Another reason is that wine tourism has become a significant source of revenue for wine producers as it contributes not only to on-site sales, but more importantly it is focused on longer term relationships with consumers by engagement and brand building, which is more important and valuable than short-term revenues (Karlsson & Karlsson, 2017).

Although the wine tourism market in South Africa is still very early in its developmental stage (Brophy, 2016), wine tourism is a significant revenue generator for the South African economy with the potential to generate more employment

[3] SAWIS - South African Wine Industry Information and Systems
[4] WOSA – Wines of South Africa

opportunities and new business opportunities (Conradie, 2017). Furthermore, wine tourism in South Africa is expected to double in size in the next nine years, mostly due to the declining value of the rand which makes South Africa an increasingly attractive destination to visit. According to Basson (quoted by Mokhema, 2016), wine tourism in South Africa is expected to grow from the current R6 bn to R15 bn in 2025. A wine tourism strategy was launched in November 2016 with the aim to unite the industry behind a common vision, brand and aligned plan to take wine tourism forward. This strategy is jointly funded by both the public and private sector and steered by a Wine Tourism Council elected from representatives from the private and public sectors (Melck, 2017).

2.4 INTRODUCTION TO AND DEFINITIONS OF WINE TOURISM

Tourists today tend to prefer shorter and more frequent trips and as a result new destinations are being discovered in addition to the traditional sun and beach destinations. This leads to the development of new tourism products to address the current preferences of tourists (López-Guzmán, Rodríguez-Garcia, Sánchez-Canizares & Luján-García, 2011:374). One of the trends is the growing interest among tourists to discover the cuisine (including the wine) of a particular region. Tourism has long been associated with gastronomy, since local cuisine and drinks provide a good basis to explore and experience a new culture (Zisou, 2013:20). Wine tourism is one example of a niche market developed to serve this type of sophisticated tourist demand. In 2014 already, the WTM Global Trends Report revealed that international and domestic tourists spent more than US$37 billion on food in France and US$25 billion in Italy. It was also found that foodie travellers' expenditure is 18 to 20 % more in destinations as they are willing to pay for experiences and learning more about wine and food (Brophy, 2016).

From the wine industry's perspective, tourism is a central tool to build relationships with visitors through direct experience with the grape. In return, from the tourism industry's perspective, wine is an important element of a destination and can stimulate visitation to a destination (Hall, Johnson, Cambourne, Macionis, Mitchell & Sharples, 2000). Likewise, Cambourne, Hall, Johnson, Macionis, Mitchell and

Sharples (2000:297) contend that wine can be used as a drawcard to certain destinations as wine regions often tend to be attractive places, with aesthetically pleasing vineyards. In addition, the climate that is required to produce grapes is also preferred by most tourists. Wine and tourism seem to create a perfect symbiosis, allowing tourists to appreciate a unique product, whilst contributing to economic growth in wine-producing regions. Under that perspective, wine tourism is viewed as a powerful marketing tool for wine-related economic activities to, not only increase revenues, but to also establish brands within wine regions (Zisou, 2013:8). The synergy that exists between these two sectors, hold promising potential, and there is still much to be learnt about how the two sectors can complement each other to the optimal benefit of both.

Wine tourism is categorised as a form of special interest tourism (SIT) and classified as leisure tourism (Van Zyl, 2005:5). Wine tourism is also referred to as enotourism, oenotourism and vinitourism with wine, food, tourism and related factors as the main elements of the product (López-Guzmán *et al*., 2011:374). Wine tourism has also been recognised as part of rural tourism, agricultural tourism and cultural tourism. This diversity in classification reflects the close connection between wine and tourism, as tourism is becoming increasingly important in winegrowing regions (Yuan, Cai, Morris & Linton, 2005:41). According to Williams (2001:43), the competitive positioning of wine tourism regions has become an important strategic matter due to the increased demand for wine tourism and the fact that numerous regions are aggressively marketing to this high-yield wine tourism market.

As a result of its economic contribution, the topic of food and wine tourism has received increased interest from researchers, especially in rural regions (Hall & Mitchell, 2001; Hjalager & Richards, 2002), as numerous rural areas have explored avenues in which to innovate and diversify their agricultural bases through tourism-related consumption and production. It is believed that due to the agricultural base of wine tourism, it holds significant potential to boost rural tourism development, as long as strong vertical and horizontal linkages can be established and maintained (Telfer & Wall, 1996). Peters (1997) adds that the local landscape can be transformed into a combination of tourism, industry and agriculture, if viticulture is managed and performed successfully. Yuan *et al.* (2005:42) agree that wine tourism can contribute

significantly to rural diversification and economic development and add that it can generate income at both a regional and individual business level. However, despite the links between wine and tourism, formal attempts to create greater economic advantage as a result of the relationship has been the focus since the start of the new millenium (Hall & Mitchell, 2000).

The most widely accepted definition of wine tourism is that of Hall and Macionis (1998:197) whereby it is defined as "visitation to vineyards, wineries, wine festivals and wine shows for which grape wine tasting and/or experiencing the attributes of a grape wine region are the prime motivating factors for visitors." Conradie (2017) adds that wine tourism has a tourism focus, not a wine focus and should be aimed at increasing business and employment opportunities at a local level. Numerous other definitions of wine tourism exist as is indicated in Table 2.1.

Table 2.1: Definitions of wine tourism

Year	Author (s)	Definition
1999	Getz, Dowling, Carlsen & Anderson	"Wine tourism is a form of consumer behaviour based on the appeal of wine and wine regions, and a development and marketing strategy for the wine industry and destinations in which wineries and wine-related experiences are the dominant attractions".
2000	Getz	"Travel related to the appeal of wineries and wine country, a form of niche marketing and destination development, and an opportunity for direct sales and marketing on the part of the wine industry".
2006	Getz & Brown	"The development and marketing of wineries as places to visit, and of destinations based on the appeal of wine".
2007	Geiβler	"Wine tourism embraces and includes a wide range of experiences built around tourist visitation to wineries, wine regions or wine-related events and shows – including wine tasting, wine and food, the enjoyment of the regional environs, day trips or longer term recreation, and the experience of a range of cultural and lifestyle activities".

From the table above it is evident that there are at least three major approaches from which wine tourism can be analysed. Firstly, it can be approached as a strategy which services destinations to market wine-related attractions and place images. The second approach is from a consumer behaviour perspective, where those interested in wine, visit their preferred destinations. The final approach views wine tourism as an opportunity to educate consumers and increase direct sales at the cellar door (Getz, 2000:4). This approach is relevant to this study, due to the education element. Thus, wine tourism is, simultaneously, a form of consumer behaviour, a strategy by which destinations develop and market wine-related attractions and imagery, and a

marketing opportunity for wineries to educate and sell their products, directly to consumers (Getz & Brown, 2006:147). Getz (2000:230) adds that there are three critical perspectives on wine tourism – that of the consumer, the destination, and the wine industry – and proposes a framework known as the Wine Tourism System.

2.5 THE WINE TOURISM SYSTEM

The purpose of the Wine Tourism System is to identify the complex nature of wine tourism and its role players. In addition, Byrd, Canziani, Hsieh, Debbage and Sonmez (2016:22) have developed a model which illustrates the core, augmented and ancillary offerings that form part of wine tourism. Figure 2.3 attempts to combine these two models / systems and guides the remainder of the chapter.

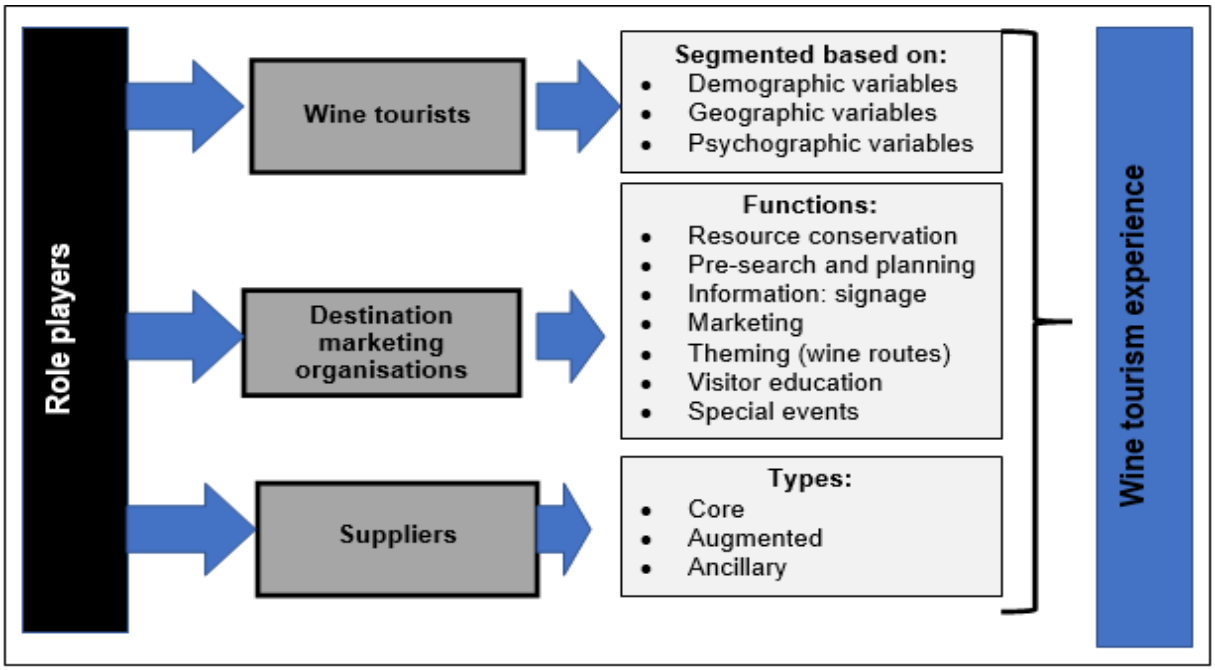

Figure 2.3: Adapted wine tourism system
Source: Researcher's own construction. Adapted from: Getz (2000) and Byrd *et al*. (2016)

As illustrated in Figure 2.3, the integration of consumers (tourists), suppliers and the destination is imperative for the success of wine tourism. Each element of this system will be discussed next.

2.5.1The wine tourist

Wine tourism continues to develop and therefore a need exists for a better understanding of wine tourist behaviour (Sparks, 2007:1180). Wine tourism occurs

when consumers travel either specifically for wine-related experiences, or when travellers include wine experiences as part of their holiday. Research in relation to wine tourists is well developed (Goldberg & Murdy, 2006), however, in many cases information has been collected from the wineries' perspective and not from the wine tourists themselves (Mitchell, Hall & McIntosh, 2000; Tassiopoulos, Muntsu & Haydam, 2004). No unanimous definition of the wine tourist exists. Charters and Ali-Knight (2002:312) add that there is "undoubtedly no single stereotypical wine tourist" and therefore no unilateral definition of a wine tourist. Jago *et al*. (2000) however argue that at the broadest level, a wine tourist is any tourist who visits a winery.

However, in an attempt to understand wine-related consumer behaviour, numerous researchers have segmented the wine tourism market based on various characteristics.

Demographic characteristics, particularly age and gender have been used by numerous researchers (O'Neill & Charters, 2000; Augustine, 2001; Dowling, 2001; Bruwer, 2002; Carmichael, 2005; McCutcheon, Bruwer & Li, 2009; Getz & Carlsen, 2008; Barber, Taylor & Deale, 2010) to gain insight in the wine tourist market. This resulted in some vineyards as well as wine tourism academics recognising the potential of a generational view of the wine tourism market, targeting Generation X and Y in particular (Bruwer, 2004:21; Treloar, Hall & Mitchell, 2004; Charters, Velikova, Ritchie, Fountain, Thach, Dodd, Fish, Herbst & Terblanche, 2011:161; Fountain & Lamb, 2011:108). In contrast, Folwell and Grassel (1995) profile wine tourists of Washington State as middle-aged.

In terms of gender, wine tourists are profiled as predominantly female in numerous studies (Charters & Ali-Knight, 2000; Williams & Kelly, 2001; Tassioupoulos *et al.,* 2004; Treloar *et al*., 2004; Brown & Getz, 2005; O'Neill & Charters, 2006; Kolyesnikova, Dodd & Laverie, 2007).

Education and income are also popular segmentation descriptors for wine tourists. Folwell and Grassel (1995) found that the typical wine tourist of Washington State wineries earn above-average income, whilst wine tourists in British Columbia are described as better educated, with below-average incomes (Williams & Dossa,

2003). According to the South Australian Tourism Commission (1997 in Charters & Ali-Knight, 2002), wine tourists are mostly couples without children, with higher education levels and incomes in professional occupations. O'Neill & Charters (2006) also found that wine tourists are highly educated. Treloar *et al*. (2004) agree and add that wine tourists generally hold a university qualification and earn a higher than average income.

Based on demographic variables, Tassiopoulos *et al.* (2004) found that the South African wine tourists are mostly females, young (younger than 35), single, without children and in a professional occupation. It was also found that they are mostly day–trip tourists and travel in parties of 2.1 people.

Geographic location has also been used to identify where wine tourists originate from. As approximately two thirds of wine tourism literature is based on Australia and New Zealand, these findings mostly represent these two countries (Mitchell & Hall, 2006). According to Mitchell *et al.* (2000), wine tourists come from within or in close proximity to the wine region itself. Treloar *et al*. (2004) identified wine tourists as mostly being domestic tourists or intrastate travellers. O'Neill and Palmer (2004) agree that Western Australian wine tourists are mostly domestic tourists. Based on the findings of the New Zealand Ministry of Tourism (2007), wine tourists in New Zealand are international as well as domestic visitors with international visitors increasing by 16 % between 2001 and 2006, whilst the number of domestic visitors almost being halved. Carmichael (2005) also found that the Canadian winery visitor's profile include mostly domestic travellers who live in close proximity to the wine regions.

According to Bruwer (2002), Mitchell (2002) and Treloar *et al*. (2004), demographic and geo-demographic variables have a significant impact on wine tourism behaviour. However, in wine tourism literature several psychographic variables, such as motivations, lifestyle, interests, values and personality are also useful for segmentation.

Psychographic information often provides better insight and despite similar demographic characteristics among wine tourists, significant differences concerning

their lifestyle, personality and their wine consumer behaviour may exist (Bruwer, Li & Reid, 2002). Most of the psychographic characteristics of the various segments can be referred to as “wine lifestyle” which differentiates one segment from another (Alebaki & Iakovidou, 2011:130). Wine lifestyle refers to wine interest, wine cellaring behaviour and wine club participation (Mitchell *et al*., 2000; Alonso, Fraser & Cohen, 2007) which includes lifestyle components such as wine knowledge, motivations and wine behaviour (Alebaki & Iakovidou, 2011:131).

According to Kay (2003), four theoretical approaches to tourist motivation exists, namely needs-based motivation, value-based motivation, benefits sought and expectancy theory-based motivation. In addition to these four approaches, Mitchell *et al.* (2000) and Yuan *et al.* (2005) distinguish between push and pull factors in terms of motivation to visit a winery. Pull factors are characteristics and activities such as wine tasting, buying, tours, restaurants and the rural setting which serve as external motivations to draw visitors to the winery. Push factors on the other hand, are internal motivations such as learning, relaxation, socialising and meeting the winemaker, which drive individuals to visit a winery.

Johnson (cited by Galloway, Mitchell, Getz, Crouch & Ong, 2008) also attempted to segment wine tourists based on motivations. Purpose of visit was used as criteria and as a result two types of wine tourists were identified. The first type is the “specialist winery tourist” who are people who “visit a vineyard, winery, wine festival or wine show for the purpose of recreation and whose primary motivation is a specific interest in grape wine or grape wine-related phenomenon.” The second type is the “generalist winery tourists” who are primarily motivated to visit a wine region for other reasons and not necessarily relating to the wine experience.

Gatti and Maroni (2004) also segmented the wine market in Italy based on psychographic variables and identified four categories, namely “the professional”, “the cultured”, “the enthusiastic” and “the wine tourist by change”. Another Italian study by Corigliano (1996 in Charters and Ali-Knight, 2002), included demographic information also in its classification. The segments include “the professional”, “the impassioned neophyte”, “the hanger-on” and “the drinker” as summarised in Table 2.2 below.

Table 2.2: Classification of Italian wine tourists

The professional	The impassioned neophyte	The hanger-on	The drinker
30-45 years old	25-30 years old	40-50 years old	50-60 years old
Knowledge of wines and the world of wine and able to debate the finer points of wine with the winemaker	Prosperous	Affluent	Visitors to wineries with groups mostly on Sundays
Can capably judge a wine	Enjoys the social aspect of wine and as a tool to form friendships, enjoy food and discover the countryside	Wine knowledge is viewed as a sign of distinction and this group is attracted to wines for this reason	Perceive wineries as an alternative to a bar
Always attentive to new things	Visits to wine regions are usually accompanied by friends, some might be in the “professional” category	Basic wine knowledge is satisfactory	Gulps the wine and asks for more
Keen to spend substantial energy and time on wine and its discovery	Some form of a wine guide is always nearby	Compared to the other categories, the hanger-ons are more influenced by the behaviour and remarks of others	Prefers bulk buying
	Keen to learn	Drawn to famous names	
	Not as dedicated to wine as “the professional”	More easily impressed by appearances	
		Sometimes ask for a discount	

Source: Corigliano (1996)

In an attempt to segment wine tourists in the Macedonia region, Alebaki and Iakovidou (2010) also made use of both demographic and psychographic (motivation) variables. From this study, again four types of visitors were identified in Greece, which are summarised in Table 2.3.

Table 2.3 Wine tourism segments in Greece

	Wine lovers	Neophytes	Occasional wine tourists	Hangers-on
Education level	High	Students	Unknown	Unknown
Income	High	Low	Unknown	Unknown
Motivation	To visit the winery, learn more about wine and winemaking and to meet the winemaker	To visit the winery. They have a special interest in wine	To experience the local gastronomy. They are not interested in learning about wine	The winery is seen as just another attraction to visit. They are generally not sine consumers.They are not interested in wine or wine making. Membership is often the motive to for winery visits

Source: Alebaki and Iakovidou (2010)

In another study conducted by Hall and Macionis (1998), three segments of wine tourists were identified. These segments however were informed by winery owners or managers, and not the tourists themselves. These three segments include:

- A *wine lover* who is highly knowledgeable and interested in wine. It is argued that most probably their only motivation to visit a wine tourism destination, is the wineries.
- *Wine interested* tourists are interested in learning more about wine, as they have limited knowledge, and enjoy the overall wine experience.
- The *wine novice (aka the curious tourist)* has both a limited interest in and knowledge of wine and their motivation to visit wineries are less focused. The three segments and their characteristics are summarised in Table 2.4.

Table 2.4: Wine tourism market segment descriptors

Wine lovers	Wine interested	Wine novice
Extremely interested in wines and winemaking	Wine is not the only reason for visiting wine regions, but they have high levels of interest in wine	Moderate wine interest but not familiar with winemaking
Wineries are probably the only purpose of visit to wine regions	Likely to have university qualification with medium to high income level	Wineries regarded as "just another attraction"
Wine lovers	**Wine interested**	**Wine novice**
Possibly employed in food and wine sector	Buys lifestyle magazines regularly, and buys wine and food magazines occasionally	Moderate income and education levels
Mostly mature with good education and high income	An effective tool to create interest in a wine region is through word-of-mouth and wine articles in newspapers	Usually visits a wine region for non-wine purposes and winery tours are often a by-product
Wine and food magazines are regularly acquired	Likely to have visited other wine regions	May have visited other wine regions
Will have visited other wine regions	Winemaking procedures are known familiar	Tourism promotion or the drinking or seeing of a winery product causes curiosity and the motivation to visit wineries
High likelihood to purchase wine at wineries and register for newsletters and mailshots	Likely to buy wine at a winery and register for newsletters and mailshots	Winery visits are mostly appreciated as a social gathering with friends or family
	Likely to buy again (become repeat purchaser) due to winery visit	Probable to buy wine at winery, but will not register for newsletters and mailshots

Source: Hall and Macionis (1998:217)

The typology of Hall and Macionis (1998) was applied in a South African context by Bruwer in 2003 by means of face-to-face interviews and Table 2.5 summarises the findings.

Table 2.5: South African wine tourism market segments

Segments	%
Wine lovers	53,3
Wine interested	27,8
Wine novice	15,9
Other	3,0

Source: Bruwer (2003:431)

Wine lovers clearly represent the majority of the wine tourism market in South Africa, which implies that it is mostly high-income earners, with high levels of education who are mostly motivated to visit wineries for the educational aspect and interest in wine and winemaking.

The fairly low representation of the wine novice segment could be indicative of the success in which wineries have managed to attract more focused wine tourists, who are not only willing to buy wine during their visits, but are also keen to learn about wine.

Realising that the level of in wine is of high importance, Ali-Knight and Charters (1999) segmented wine tourists based on wine interest. The authors identified two categories, the “casual tourists” who just want to taste wine and nothing more; and the “sophisticated drinkers”, who seek to obtain as much information as possible about the wine. This study however was again based on the perceptions of winemakers. Then in 2002, Charters and Ali-Knight approached the topic from the wine tourists’ point of view and refined the typology of Hall and Macionis (1998) as well as their own typology of 1999. On-site surveys were utilised and five segments emerged from wine tourists’ responses, which include:

- *Wine lovers:* have a comprehensive grounding in wine education and seek to learn about wine during the wine tourism experience.

- *Connoisseurs:* a subset of the wine lover, but with an even higher interest in gaining knowledge during the experience and they are highly knowledgeable in terms of wine. They tend to be male and university educated.
- *Wine interested:* are keen to learn about the storing and ageing of wine, but less interested in food and wine links. They are also unlikely to have had former wine education, but might have attended previous wine tastings.
- *Wine novices:* Their motivation for visiting a winery is less focused. They are more interested in winery tours and vineyard tours. Although they demonstrate limited interest in learning, they still enjoy the wine tourism process. This segment is described as transitional and/or occasional. It is argued by Charters and Ali-Knight (2002:316) and supported by Hall and Macionis (1998) that this segment can either transform to wine interested as they increase their wine consumption and visits to wineries, or they could also disappear from the wine tourism market altogether after one or two wine tastings.
- *Hanger-ons* are not interested in wine or wine making or in visiting wineries, but have been part of a group who visited the winery.

Interest and knowledge were measured in this study and respondents had to select one of the categories that best describes themselves. The categories were informed by the aforementioned literature on segmentation based on wine interest and knowledge. The categories for interest in this study included:

- I am *extremely interested* in wine and consider it a passion of mine. I visit wineries whenever possible.
- I am *very interested* in wine and I visit wine regions mainly for the purpose of wine tours and tastings.
- I have *limited interest* in wine and visit wineries only when I'm in the region for other purposes already.
- I have *very limited interest* in wine and usually visit wineries as part of a group and not by own choice.

The categories for knowledge were:

- I have *in-depth knowledge* of wine and can discuss the finer points of wine with the winemaker.
- I have *good knowledge* of wine and I am familiar with most aspects (wine making, pairing, storing, ageing etc.)
- I have *limited knowledge* of wine and I am familiar with some aspects (wine making, pairing, storing, ageing etc.)
- I have *very limited knowledge* of wine and I am familiar with very few aspects (wine making, pairing, storing, ageing etc.)

One of the aims of the study was to determine whether the extent of interest and knowledge in wine had an influence on the customer citizenship behaviour during wine tastings. The findings are discussed in Chapter 5.

2.5.2 Destination marketing organisations (DMOs)

The second element of the Wine Tourism System is shaped by the destination. According to Getz (2000:6), a concerted marketing effort is imperative to stimulate growth of wine tourism regions. Marketing initiatives by DMOs should include the provision of information to visitors, particularly through signage and maps, research studies, evaluation of trends and interaction with target markets.

Another role of the destination is that of protecting the resource base, which can only be achieved through collaboration among stakeholders in the region. Karlsson and Karlsson (2017) support the notion of collaboration and add that the most important factor of wine tourism is collaboration, or the so-called networking effect. They continue that the more wineries, shops, tourist offices, restaurants, museums and other places of interest in the region are involved and cooperate, the better it will work. This, however, requires a mindset focused on collaborating instead of competing.

The risk of over-commercialisation, lack of land-use controls, inadvertent destruction of attractive scenery, pollution and soil erosion, and a lack of public support exists with regards to wine tourism (Getz, 2000:6). Although individual wineries should

manage environmental issues, the entire community has a role to play to ensure sustainability of the region. As a result, Getz (2000) argues that DMOs and suppliers must become partners to ensure that the essential ingredients of wine tourism are always in place:

- A suitable resource base, including climate, soils, moisture and drainage;
- viticulture;
- winemaking;
- accessibility to the region and its wineries / wines, and
- essential visitor services such as transport, accommodation, dining and information.

In addition to the essential ingredients, Getz (2000) highlight the following elements which are also required to augment the basic product:

- interpretation of the region, winemaking and the wines;
- tours to and within the region;
- festivals and special events with a wine theme;
- recreational and social activities to expand the visitor's choices;
- shopping, both at wineries and throughout the area;
- authentic regional architecture and heritage attractions, and
- access to other aspects of the local culture / lifestyle.

It is clear that DMOs have an important role to fulfil in winelands by firstly, attracting visitors to the region and secondly, ensuring that infrastructure, accessibility and signage are in place for the visitors. They also have an important obligation towards the farmers in protecting the resource base to ensure the sustainability of the wine industry as a whole.

2.5.3 Suppliers and their offerings

The third and final element of the Wine Tourism System focuses on wineries as suppliers. Wineries and winegrowing regions provide the core products in wine tourism; yet other suppliers are also involved. These other suppliers involve the

provision of augmented services in the winescape; with a third category also forming part of the wine tourism offering in the form of ancillary services. Figure 2.4 demonstrates the three types of offerings clearly**.**

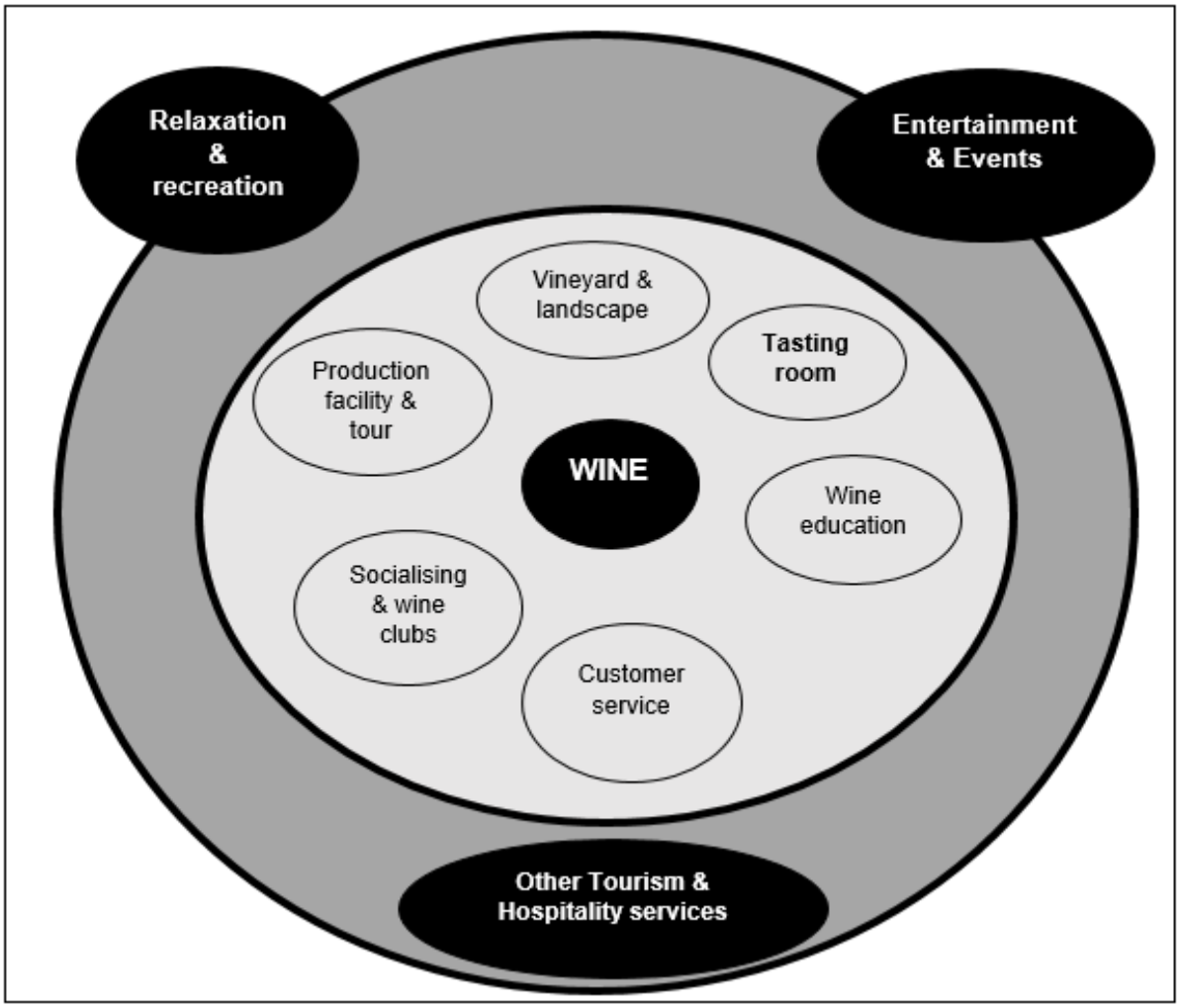

Figure 2.4: Core, augmented and ancillary services in a wine region
Source: Byrd *et al.* (2016:22)

Core wine tourism offering

It is evident from the above diagram that the core product of a winery experience is the wine itself (Byrd *et al*., 2016:22). This includes its quality, and the consumption thereof. The core offering refers to what buyers are really buying (Kotler & Keller, 2016:390). In the case of wine tourism, it is clearly, wine.

Augmented wine tourism offering

The middle ring in Figure 2.4 represents the augmented winescape services which include the vineyard and landscape, tasting rooms, winemaking activity, customer

service, socialisation offerings and wine education. The focus of this study falls within this category of the offering, since the focus is on wine tasting.

According to Cohen and Ben-Nun (2009:23), it is essential to understand wine tourists' perceptions regarding the important features within wineries and wine regions, in order to market wine destinations and wine tourism offerings effectively. It is firstly important to realise that despite the core offering of wine tourism being the wine itself; wine tourism is about much more than just the mere enjoyment of a glass of wine (Charters & Ali-Knight, 2000; 2002; Richardson, 2004; Telfer & Sharpley, 2008; Cohen & Ben-Nun, 2009).

By offering a range of either wine related or other complementary products on-site, a valuable stream of revenue aside from focusing only on wine sales can be generated (Telfer & Hashimoto, 2000). In addition, complementary on-site experiences can aid in building brand loyalty, improve consumer awareness, and develop strong relationships with consumers (Yan, Morrison, Cai & Linton, 2008; Bruwer & Alant, 2009; Asero & Patti, 2011).

Tasting room facilities are one of the augmented products offered by most wineries. In fact, on-site wine tasting is known to be one of the primary reasons consumers visit wineries (Barber, Donovan & Dodd *et al*., 2008:46). According to Olsen and Thach (2005), tasting rooms often facilitate the emotional attachment between the wine brand and the visitors. Nowak, Thach and Olsen (2006) agree that positive tasting room experiences are crucial in building brand loyalty. The tasting room experience forms the focus of this study and is discussed in more detail later in this chapter.

Wine clubs also form part of the augmented offering at the winery and reflects the general trend among marketers to establish long-term relationships with visitors. It is viewed as a customer relationship management (CRM) technique with the purpose to offer benefits to members in turn for their loyalty (Teaff, Thach & Olsen 2005:34). Wineries aim to differentiate its wine clubs by offering selective benefits to members on various levels. These benefits include discounts, which are often the motivator for visitors to become members (Barclay, 2002). Wine club programmes that require or

allow a member to actively participate seem to generate the most value for the member and for the winery. For example, VIP treatment at the winery, concierge services, escalating referral incentives, and social opportunities are common avenues for a winery to motivate club members to engage in the relationship. The intended results are satisfied customers, a strong brand identity, and increased wine sales (Berglund, 2003).

According to Barber *et al*. (2008:47), collecting wine or wine paraphernalia should be considered as another on-site motivator since wine aficionados enjoy collecting souvenirs from wineries, which can include wine glasses, corkscrews, books and clothing. It is therefore important for wineries to have a well-stocked gift store in order to satisfy these visitors' needs and to enhance the experience. Wineries also gain brand exposure with souvenirs which often serve as reminder to the visitor.

The increased interest in culinary tourism was mostly sparked by cooking programmes and celebrity chefs that have appeared in the media (such as MasterChef and Jamie Oliver), combined with mindfulness of quality of food and fresh ingredients. Various wineries have attempted to capitalise on this trend, offering cooking classes and wine tastings as well as expert demonstrations. Today's "foodies" seek fresh experiences, knowledge and new skills. Culinary tourism, paired with wine tourism, fits this trend perfectly (Barber *et al*., 2008).

Ancillary wine tourism offering

In the outer ring of Figure 2.4, the ancillary services are listed, which include relaxation and recreation, entertainment and events, and other tourism-related services such as lodging, transportation services, visitor centres and more (Byrd *et al*., 2016:22). In addition to services offered at the winery, the wine tourism experience also includes the taking in of local scenery which often leads to visiting other complementary attractions within the wine region (Cohen & Ben-Nun, 2009). These activities also form part of the total experience and may include shopping, recreational activities and sightseeing.

California's Napa Valley is one of the most established and renowned wine regions in the world, and to remain a wine region of choice, Napa offers wine tourism

experiences that go beyond tasting or buying of wine. The region offers tours of the region by limousine, hot air balloon or plane rides over the vineyards, the Napa Valley Wine Train dinner and wine tasting experience, and also other outdoor activities such as hiking, biking, rafting and more. In addition, cooking seminars, lectures and exhibitions by the American Center for Wine, Food and the Arts can be attended by tourists (Barber *et al*., 2008:46).

Wine festivals and events are one example of ancillary offerings and hold benefit to both the wineries as well as the festival attendees. For wineries, it provides a platform to promote and enhance awareness of their brands. It is therefore viewed predominantly as a promotional tool from the wineries' perspective (Beverland, Hoffman & Rasmussen, 2001; Yuan *et al*., 2005:43).

Due to the synergy between wine, special events and tourism, wine events have become increasingly popular over the last decades as it offers attendees an opportunity for leisure, social and/or cultural experiences (Nicholson & Pearce, 2001; Yuan *et al*., 2005). In addition, wine festivals provide a one-stop shopping opportunity for attendees to sample and buy various wines from the region (Hoffman, Beverland & Rasmussen, 2001). Getz (2000) proposes the roles of wine events as attractions, image makers, animators and catalysts for wine tourism. Since wine events attract a vast number of visitors to a wine region, it can aid in building loyalty to the region as well as to individual wineries (Yuan *et al*., 2005:43).

2.6 ELEMENTS OF THE OVERALL WINE TOURISM EXPERIENCE

It can be concluded from the above discussion that the wine tourism experience is not just about the wine. It is a collective effort which includes the wine tourist, the wineries, the activities and facilities at the wineries, as well as other tourism offerings in the region and the DMO in the region. Sparks (2007) points out that the wine tourism experience includes three dimensions: the "destination experience", the "core wine experience" and the "personal development" dimension. The author further elaborates that the "destination experience" and "core wine experience" are pull factors, whilst "personal development" is viewed as internal motivation (push

factor). Learning experiences can therefore be classified as push factors in motivating tourists to visit a winery. Roberts and Sparks (2006) identify various enhancement factors (including learning experiences) to make the wine tourism experience more enjoyable:

Personal growth: learning experiences

For many wine tourists, a visit to a wine region is not just about the wine and wine tasting, but rather to obtain a learning experience. This is emphasised by Barber *et al.* (2008) who state that, for many visitors the main motivator of the visit is to gain knowledge of wine making and the wine itself. This includes learning about the region, the people at the winery, learning about the winemaker, the history of the winery and learning to pair wine with food. All of these result in memorable experiences that can be recalled later. It is also indicated that learning experiences at wineries lead to personal growth, which is highly valued in the wine tourism experience.

In addition, wine educational activities may result in greater loyalty toward a winery and its wine, as a result of increased interest levels and awareness of a specific winery (Barber *et al.*, 2008).

Authenticity of the experience

The very nature of wine tourism primarily involves the indulging of the senses in the wine product itself and its immediate appealing surrounds and therefore an experiential view of the consumption of wine seems justified. It does not come as a surprise that the experiential approach to the research study in wine tourism has been advocated, but is still in its infancy stage (Bruwer & Alant, 2009:236).

Authenticity of the experience, however, is one of the first factors considered by wine tourists to enhance their wine experience. This is emphasised by Kim and Bonn (2016) who argue that attractiveness and authenticity are more important than the provision of high-quality wine from the tourists' perspective. Brown, Kozinets and Sherry (2003) and Grayson and Martinec (2004) also agree and add that modern consumers value authenticity more than ever before.

Authenticity incorporates a number of aspects such as the location itself; activities and events like music and agricultural festivals as well as interaction with the winemaker. Another aspect mentioned is the opportunity to purchase wines that cannot be purchased elsewhere. In summary, wine tourists want a “real” and unique experience and wine marketers could benefit from positioning their wines to appear authentic to consumers (Moulard, Babin & Griffin, 2015:62).

Value for money

Value for money in the wine tourism experience implies that wine tourists want to feel that the experience was worth the cost contributed to enhancement of the overall experience. This, however, does not imply that tourists necessarily want cheap products; it rather involves the perception of getting value in exchange for the money they spent.

Service interactions

The tasting room experience is critical because in wine tourism, as with all other forms of tourism, the service interactions are critical (Charters, Fountain & Fish, 2009:122).

Service interactions refer to dialogue between the wine tourist and the staff at the winery and are indicative of the level of customer service extended. Wine tourists interact with information either consciously or subconsciously every time they make a purchase or when they taste wine (Famularo, Bruwer & Li, 2010:363).

Central to the wine experience is personal interactions with the winemaker, winery staff and others who may form part of the experience. Personal attention is important and as a result smaller winery operations are often preferred as interactions can be more personal, rather than impersonal in a larger crowd.

Staff engagement with visitors at a winery is crucial and engagement requires a warm welcome, friendly smile and a sense of sincerity from the winery staff. It is equally important that staff should enable visitors to have a connection with the winery, in the form of a story or myth, which can engage the visitor and place (Charters *et al*., 2009:127).

Settings and surroundings

The setting of the winery not only attracts visitors to a region, but also enhances their experiences. The location of wineries in general enables visitor and environment interactions as wineries are mostly located in rural agricultural areas, with low levels of development which provides a “country experience”. This allows outdoor activities such as hiking, biking and more. The weather and atmosphere also contribute or enhance the setting. Bruwer and Lesschaeve (2012:616) add that the environmental arousal of the rural setting could be the main pull factor.

Johnson and Bruwer (2007:277) and Hall *et al*. (2000) refer to the ‘winescape’ as the regional setting of wine tourism. This winescape includes the rural countryside where agriculture is practised, as well as the landscape and tasting rooms. Telfer (2000) argues that the winescape consists of three elements, namely the presence of vineyards, winemaking activity, and the wineries where the wine is made, stored and sold. Another synonym that is widely used is “terroir”. According to Johnson and Bruwer (2007), the vineyard landscape is often used as “terroir” to position a wine producer in the minds of consumers. *Tourist terroir* is described by Hall and Mitchell (2002:69) as the “unique combination of the physical, cultural and natural environment that gives each region its distinctive tourist appeal.” Thus, this concept expands the notion of winescapes to include more of the feeling of a region, but also a culmination of all of its physical and cultural elements.

Tangible elements

Charters *et al*. (2009:122), state that the tangible elements required for a positive wine tourism experience include buildings, facilities, signage, neatness of staff and the cleanliness of the winery. Charters and Pettigrew (2005) add that the built environment should be aesthetically appealing in order to attract visitors. More recently, however, research attention has prioritised the intangible elements in evaluating the wine tourism experience. This study is also more focused on the intangible elements of wine tourism, in the form of the wine tasting encounter.

Information dissemination

The availability of adequate information about a wine region is an important enhancement factor for visitors. This includes sufficient signage and maps (Charters *et al*., 2009:122) and general information such as opening hours and outlets where wine is available (other than the winery itself) should also be communicated. The distribution of information within supply chains have also gained importance since businesses have moved away from competing independently to competing as supply chains (O'Keefe, 1998; Christopher & Towill, 2000; Lambert & Cooper, 2000). Forbes, Cohen and Clements (2010) add that the sharing of market information is one of the key inputs to achieving a market oriented supply chain. This implies that information regarding current and future needs of wine tourists could determine the effectiveness of a wine supply chain. In summary, information should be disseminated by the winery to the wine tourist, but also vice versa.

Indulgence: lifestyle

It is indicated that visitors like to "indulge" in a totally pleasing experience which takes them away from their daily routines. This indulgence aspect may range from simply spending a day in the region to having an extended stay in the region and enjoying the overall experience and all it has to offer. Brown, Havitz and Getz (2007) add that visitors to a winery are mostly motivated by their hedonic pursuit of pleasure in the form of partaking in wine tasting, interaction with food and culture, local people and other pleasurable leisure activities. Charters and Pettigrew (2005:134) add that consumers perceive an element of beauty in wine, with wine being considered as 'inspiring or beautiful'. The authors continue that wine can be compared to artworks which invoke a sense of pleasure by focusing on an awareness of the beauty of the product.

Product offerings

Although wine tasting has been the focus of winery visits for some, many visitors are also motivated by the additional offerings beyond the wine, also known as on-site motivators. Bruwer (2003:429) compiled a list (Table 2.6) of all major tourist- and visitor facilities available at South African wineries – also referred to as on-site motivators.

Table 2.6: Tourist facilities available at South African wineries

Wine tasting	Cellar door sales	Winery-organised tours
Meet the winemaker	Wheelchair facilities	Social function facilities
Picnic facilities	Conference facilities	Restaurant
Wine and other festivals	Historic buildings / museums	Educational tours
Vineyard walking	Craft / Gallery / Souvenir shop	Overnight accommodation
Children's playground	Cellar lunches	Visitor centre
Barbecue facilities	Fresh produce sold	Animal feeding / watching
Hiking & biking	Horse rides	Swimming
Tractor / trailer rides	Fruit picking by visitors	Petrol / filling station
Spectacular views	Amphitheatre	Fireplace
4x4 racetrack		

Source: Bruwer (2003:429)

In addition to the above, virtual reality headsets with 3D visual experiences have been introduced by Winzer Krems in Austria which ends with a 4D documentary about that particular year in the vineyard. Sogevinus in Portugal also added a "smellathon", which adds a sensory experience to their wine tasting (Goode, 2017). The offerings are diverse and becoming increasingly creative, especially when being combined with technology.

Karlsson and Karlsson (2017) however advise to keep it simple and provide a good answer to the question of what makes wine tourism successful, which also serves as a good summary of all the relevant aspects. Their response: "basically, it is easy. Wine tourism is all about giving people a memorable experience. And a personal experience. Something to remember. Something to bring home (physically perhaps: a wine bottle; but more importantly, something in the head). Something that will make them remember the winery and the wines and that will make them talk about it".

All the above-mentioned elements in the Wine Tourism System are important for an overall positive wine tourism experience. The focus of this study however, is on the wine tasting aspect, which includes the tasting room. The following section is dedicated to the wine tasting experience.

2.7 AN OVERVIEW OF THE WINE TASTING EXPERIENCE

Despite the additional facilities and activities offered by wineries, responsiveness and contact with winery visitors are recognised by Charters and O'Neill (2001:14) as key success factors in winery performance. This is mostly achieved in the tasting room where the relationship between the winery and its visitors are formed. There is a growing body of literature on the winery tasting room experience due to the significance of the service encounter in the tasting room. Charters *et al.* (2009:123) add that much of the research that focused on tasting rooms have been based on the tangible elements thereof, such as signage and cleanliness. The authors continue however that recently the focus has shifted more towards the intangible elements in the tasting room.

The relationship between the winery staff in the tasting room and the visitor is a vital source of added value for vineyards as it enables wineries to meet their consumers face-to-face and grants the winery the opportunity to influence the perceptions that consumers might have of the wine product. It also provides the platform to the consumers to establish a long-term connection with a product as a result of the relationship that was formed with the winery (Batra, 2008:275). This relationship could result in consumers actively seeking out a specific winery's product, as well as positive word-of-mouth (Bruwer & Lesschaeve, 2012; Charters & O'Neill, 2001). Bruwer, Coode, Saliba and Herbst (2013:400) agree that there is no better opportunity to create loyal wine consumers than when they visit a winery's tasting room. Therefore, it is argued that the quality of the tasting room experience plays a pivotal role in the tourist's overall experience of a winery (Charters & Fountain, 2006:153).

It is believed that the main activity of a winery visit is the tasting room (Alant & Bruwer, 2004). Due to the intensely competitive nature of the wine industry, the tasting room is regarded as the first battleground for winning the visitor's attention, mostly by providing a unique experience. This is the place where the wine's appeal should be at its peak, since it is the only product showcased at the time and all the best service elements are assumed to be present and as a result, the tasting room is described as the "public face" or "brand home" of the winery (Bruwer, 2004; Gill,

Byslma & Ouschan, 2007). In fact, Snepenger, Snepenger, Dalbey and Wessol (2007:310) describe the tasting room as a tourism destination in itself as “it is the venue for tourism experiences”.

If the wine tasting experience can be understood, the development of a winery’s brand equity, customer relationship management and sales can be optimised (Charters *et al*., 2009:122). However, Nowak and Newton (2006) state that although wineries are aware of the potential impact and value of wine tasting experiences, many do not know how to put the principle into practice. Correspondingly, Fountain, Fish and Charters (2008:9) question the extent to which relationship building is incorporated into the tasting room management strategy.

2.7.1 Critical elements of the wine tasting experience

Bruwer (2002) and Barber *et al.* (2008) found that the primary motivations of wine tourists include the sampling (in the tasting room) and buying of wine. Thach (2007) adds that generally 50 % to 90 % of the time a visitor will purchase at least one item after wine tasting. However, according to O’Neill and Charters (2000:114), wineries can no longer only be concerned about sales and market share; they must also satisfy wine tourists in their experiences at the cellar door. Similarly, O’Neill, Palmer and Charters (2002) found that visitors are more concerned about the overall experience in the wine tasting room than in the wine.

Based on the critical analysis of literature on wine tasting experiences, the following elements have been identified as important in the wine tasting experience from the visitors’ point of view:

Knowledge of the basics of viticulture and winemaking

Tasting-room employees have direct contact with consumers, and their knowledge of the basics of viticulture and winemaking is critical for the success in the tasting room experience (Thach & Olsen, 2003). Marlowe, Brown and Zheng (2016:90) agree that knowledge of the product is paramount. This also includes knowledge of the region, history of the winery and its people and wine pairing.

According to McIntosh (cited by Getz, 1998), due to the fact that people have become more wine savvy, it is no longer sufficient to simply greet customers and pour the wine. Wine tourists today demand know-how from tasting room staff. Gomez and Kelley (2013) agree and add that not only the knowledge of the wine pourer, but also their appearance and/or presentation is important.

Knowledge of hospitality (customer service skills) to ensure service satisfaction

Crockett (1998) argues that wine tourism needs to be examined from the tourist's point of view as their needs and expectations of the experience have to be satisfied to ensure their loyalty.

Griffin and Loersch (2006) state that staff recruitment and training should be prioritised to ensure a quality experience. Therefore, in addition to viticulture training, hospitality training and customer service skills are equally important, since courteous winery staff providing exceptional service to wine tourists could influence the tourist's sense of obligation to purchase (Charters *et al*., 2009; Marlowe *et al*., 2016:90). In fact, O'Neill and Charters (2006) and O'Neill, Palmer and Charters (2002) found that *service satisfaction* in the tasting room determines the wine purchase decision, and not necessarily the wine quality. Charters and O'Neill (2001) add that customer service is more important than the décor, facilities or the wine offered for tasting. It is also important to consider that the level of sophistication of wine tourists has increased over time, resulting in an increased expectation for quality service experiences (Carlsen, 1998).

Thach, Mason and Amspacher (2007) found that one of the most appropriate traits of positive tasting room experiences is friendliness of wine tasting facilitators, which includes their ability to engage with the consumer.

Other customer service attributes in tasting rooms that are deemed important are summarised in the table below.

Table 2.7: Customer service attributes in the wine tasting experience

Service attributes	Authors
Prompt service Staff responsiveness	Griffin and Loersch (2006) Charters and O'Neill (2001) Charters *et al.* (2009)
Friendly and welcoming staff A warm welcome and eye contact	Griffin and Loersch (2006) Charters & O'Neill (2000) Gomez and Kelley (2013) Thach, Mason and Amspacher (2007) Charters *et al*. (2009)
Professional and knowledgeable staff	Griffin and Loersch (2006)
Understanding of visitor needs	Griffin and Loersch (2006)
Individual attention to visitors Personalised attention	Griffin and Loersch (2006) Gomez and Kelley (2013)
Courteousness	O'Neill and Charters (2000)
Contact with staff	Charters *et al*. (2009)
Sense of sincerity	Charters *et al.* (2009)
Sensitive & sympathetic	Charters and O'Neill (2001)
Helpfulness	Gomez and Kelley (2013)

Winter (2001) recommends tasting room training once every six to eight weeks, whilst Thach and Olsen (2003) motivate for more frequent training to improve customer service.

The wine tasting experience must be memorable

It is important to ensure that the wine tourist is offered a tasting room experience that creates memories (Bruwer *et al.* 2013:400). Fountain *et al*. (2008) found that a memorable experience is described as something "special", with friendly and engaging staff who treat the visitor individually, and who are passionate and enthusiastic about their product.

Charters *et al.* (2009) add that the experience will be worthwhile and memorable when visitors have a genuine, or real encounter with the winery staff. It can therefore be concluded that wine tasting experiences are memorable if the interaction between winery staff and visitors is of a personal nature and sincere.

It can further be deduced that positive interaction during the wine tasting experience, which results mainly from good customer service skills can lead to memorable wine

tasting experiences. It is interesting to note that the quality of wine or other wine-related aspects do not determine whether the experience is memorable; instead, the people involved in the interaction determines whether it is memorable or not. Therefore, a correlation should exist between customer service (including the basic customer service skills, as well as passion for the product and the authentic nature of the interaction) and the degree to which the experience is memorable.

Interaction and personal interest are required

Most visitors to tasting rooms are indeed wine consumers in their everyday life and therefore the tasting room experience presents rare, yet valuable moments of direct interaction with the wine tourists; it should therefore be embraced by wine producers (Alant & Bruwer, 2004:28). Staff interaction with visitors during the wine tasting is a significant component in the tasting room experience and wine learning process for both parties involved (Mitchell, 2004). It is however important that a positive emotional bond is formed during the interaction. Marketers refer to this as "share of heart" (Nowak & Newton, 2006:158). This can be achieved when wine tasting facilitators are empowered to act quickly to solve visitor problems, answer questions and make the visitor feel appreciated.

It is repeatedly emphasised in the wine tourism literature (Nowak & Newton, 2006; O'Mahoney, Hall, Lockshin, Jago & Brown, 2006; Charters & O'Neill, 2000; O'Neill & Charters, 2000) that winery operators should focus on developing ongoing customer relationships through the tasting room as the experience does not only necessarily create awareness, but also familiarity and affection (O'Mahoney *et al.,* 2006). Nowak and Newton (2006) add that in order for the visitor to emotionally "connect" with a winery and its brand beyond the tasting room, requires personal interest in the visitor as a person, instead of just a potential buyer. Charters *et al*. (2009:128) support this and add that visitors to the tasting room require personal and "real" interaction that makes the visitors feel special. Fountain *et al*. (2008) found that visitors have the need to feel like they are involved in a genuine conversation during the wine tasting experience, rather than a business transaction.

Mitchell and Hall (2004) advise that the experience in the tasting rooms should be extended to the reminiscence stage of the travel experience by making use of mail

order or newsletters. Nowak and Newton (2006) support this view and agree that efforts should be made to extend the experience through emotion marketing by means of events, phone calls, emails and newsletters, as these will give the visitor “a sense of belonging and camaraderie”. Technological applications enable optimal utilisation of mailing lists, but a lack of training in winery tasting rooms results in the failure of wineries to capitalise on this potential (Thach *et al.,* 2007).

Appealing aesthetics

Charters *et al.* (2009) found that aesthetics are deemed important in the winery experience. Charters and Pettigrew (2005) confirm that the built environment should enhance the aesthetic dimensions associated with wine consumption and therefore the building within which the tasting room is situated is crucial. Gomez and Kelley (2013) add that the appearance of the grounds and the view are important in ensuring a satisfactory wine tasting experience.

Distinctive character which reflects the winery’s identity

A good tasting room should have a distinctive character which reflects the identity of the winery and winemaker. Atmosphere (including music) and décor have also been identified as important elements in the tasting room to enhance the experience. Gomez and Kelley (2013) add that in terms of ambience; lighting and sound in the tasting room are also important. Similarly, tasting room cleanliness should also receive high priority. Having identified character, décor, atmosphere and aesthetics as important elements of the tasting room experience, it is important that personal taste and preferences should not be ignored in evaluating these elements (Charters *et al*., 2009:127).

Authentic, real winery experiences

From the study conducted by Charters *et al.* (2009), the findings showed that the experience offered at smaller wineries was significantly different, more enjoyable and more memorable than the experience offered at larger wineries. Respondents indicated that the smaller wineries offered a “real” winery experience. In contrast, the larger wineries are described to be more commercially focused with mostly large numbers of visitors, coupled with limited tasting room staff, resulting in reduced personal attention. The authors warn that the aesthetic and authentic dimension of

the tasting room should not be compromised in an attempt to cater efficiently for larger numbers. One of the respondents in the Charters *et al*. (2009) study indicated that at a winery she wanted “pouring wine from a bottle with the noise of the cork coming out”. Another respondent stated that “the biggest turnoff was pumping the wine out, like it is mass produced”. This happens as a result of some larger wineries who make use of measured pourers on wine bottles or a pressurised pump for dispensing wine. The authors also found that visitors experienced the wine tasting as more authentic when they were served by the winemaker or owner of the winery. Fountain *et al*. (2008) agree and add that the sense of authenticity intensifies when visitors are served by the winemaker and/or owner of the winery.

A feeling of connectedness in the tasting room

It was found by Charters *et al*. (2009) that visitors want to see evidence of connectedness between the winery and the tasting room. This can include photos of the vineyards, harvest, the winemaker, the actual procedures of wine making (including the tanks and barrels).

The authors add that a connection between winery staff and the visitor is equally important as it also contributes to the visitor’s connectedness to the winery. Similarly, Thach *et al*. (2007) add that wine tasting facilitators’ ability to engage with the visitor will result in a positive experience and brand loyalty. This ability to “connect” goes beyond just good service, and also includes the ability to link visitors with the winery. This is often achieved when staff conveys passion about the wine and winery, tells a story or a myth which engages the visitor and establishes an emotional connection. Storytelling has the potential to “root” the winery to its history, or environment, of production approach, which attracts visitors’ attention and wins their sympathy and interest (Fountain *et al*., 2008:15).

In previous studies a sense of connection was reported due to the personal nature and authentic experience between the visitors and winery staff (Fountain *et al*., 2008:14). According to Nowak and Newton (2006:157) most wineries realise intuitively that they need to connect emotionally with consumers, but many do not know how to make that connection.

As a result, the opportunity to establish emotional connections is often neglected and instead attention is given to traditional marketing tactics such as attractive label designs. It should also be considered that the connection between visitors and wineries will be optimised when it is based on an emotional dimension and not only on ongoing concrete links (Fountain *et al.,* 2008:8). Hence, in order to achieve brand loyalty, the wine tasting experience must be so memorable for the visitor that it will leave them with a lasting emotional attachment to the brand.

Retail execution elements

Gomez and Kelley (2013) conducted a study on customer satisfaction drivers and performance in the wine tasting room. The authors grouped 24 service attributes into 3 categories or factors which determine customer satisfaction in the tasting room. The three categories are: service, retail execution and ambience.

Some of the attributes identified by Gomez and Kelley were included in the above-mentioned elements, such as wine knowledge of the pourer, friendliness of the pourer and so on. Some other attributes, however, from the retail execution category, were not mentioned by other authors in the literature. These elements are listed in Table 2.8 below.

Table 2.8: Retail execution elements of the wine tasting experience

Variety offered in terms of wine to be tasted	Non-wine gift items should be available
Space (elbow room) for tasting	Availability of food / snack items
Waiting time for tasting to start	Discounts for bulk purchases
Presentation / display of wines	Availability for wine purchasing
	Speed of check-out

Source: Gomez and Kelley (2013)

In addition to the above elements, Gaiter and Brecher (2008) add that crowd control should be practiced, especially on weekends. They recommend that it might be possible to indicate in the parking lot when there is no available space to accommodate additional visitors, or maybe on good days, some chairs and tables could be placed outside to avoid an overflow in the tasting room. Some wineries

even have implemented a ‘reserve room’ where better wines are poured at a higher fee.

Gaiter and Brecher (2008) also advise that it is good practice to keep tasting fees simple. Some wineries’ fee structure is too complex and they recommend a fee for a basic tasting and a higher fee for tasting of better wines. They continue that tasting fees should be refunded with a wine purchase of a certain amount.

It is clear that the wine tasting experience is dependent on various factors. For the purpose of this study, however, interaction during the encounter itself is what matters most. This interaction is discussed in the next chapter.

2.8 CONCLUSION

The wine industry has grown into an important business sector and this chapter provided an overview of the figures, growth and trends of the overall wine industry. The topic of wine tourism is the focus of this chapter and an established and dynamic field of research. Most wine tourism studies however are focused on either the tourist, in terms of profiling or determining motivations for winery visitation, as summarised in the chapter, or on studies from the wineries’ point of view, such as labelling, marketing and visitor retention (not necessarily relevant to this study).

This chapter however emphasised the importance of the wine tourism system and its three elements, namely the wine tourist, the destination marketing organisations involved and the wineries themselves with their range of offerings, of which the most important is indicated as the tasting room.

Numerous academics are in agreement that one of the main drawcards to a winery, is the wine tasting room. Despite this, limited studies have been conducted on this topic with the extant literature mostly focused on elements that enhance the wine tasting experience. This study proposes, however, that it requires more than ambience and décor to satisfy wine tourists; it is important for them to experience value in the form of learning and changed behaviour. Today’s consumers have become more sophisticated and are increasingly requiring more from suppliers; not

necessarily in the form of operand resources, but in the form of knowledge, skills and expertise (mostly operant resources).

The next chapter addresses the concept of value co-creation as a means to enhance the wine tasting encounter.

CHAPTER 3: SERVICE-DOMINANT LOGIC AND CO-CREATION

3.1 INTRODUCTION

The twenty-first century is characterised by twin paradoxes. Businesses invest in greater product variety but are less differentiated from competitors. Similarly, consumers are more spoilt for choice than ever before, yet they seem increasingly dissatisfied (Prahalad & Ramaswamy, 2004b:5). The traditional means of creating value is no longer as effective in the emerging economy, resulting in decreased consumer satisfaction and profitability, due to a lack of innovation. This emerging reality forced the re-examination of the traditional system of company-centric value creation to recognition of the consumer as central in value creation (Prahalad & Ramaswamy, 2004c:4). This implies that the focus has shifted to leveraging external resources such as consumers, rather than internal resources to gain new competitive advantages (Zhang & Chen, 2008:242).

The market has developed into a forum for dialogue and interactions between consumers, consumer communities and businesses. Informed, networked, empowered and active consumers are increasingly co-creating value with the firm to the point whereby this interaction is becoming the locus of value creation and value extraction. Interactions in services are inescapable, but value co-creation requires more collaborative and dialogical interactions, with a new and unique outcome as a result (Ballantyne & Varey, 2006; Heinola, 2012). It is this dialogue, transparency and interaction that is central to value co-creation (Prahalad & Ramaswamy, 2004b:5). Pini (2009:61) adds that co-creation is “becoming the cornerstone of marketing and design practices and a sort of managerial mantra that is rapidly gaining momentum, both at professional and academic level”.

Value co-creation stems from the paradigm shift, labelled as the service-dominant (S-D) logic, as described by Vargo and Lusch in 2004. Value co-creation is one of the foundational premises of S-D logic. The aim of this chapter is to provide an overview of S-D logic, including its foundational premises; and value co-creation with its building blocks and process; followed by a discussion of the elements (resource

integration, participation, citizenship behaviours and knowledge renewal) that conclude with a conceptual framework for the study.

3.2 AN OVERVIEW OF SERVICE-DOMINANT LOGIC

Since the introduction of the service-dominant (S-D) logic of marketing by Vargo and Lusch in 2004, the topic has received extensive interest among researchers (Ballantyne & Varey, 2008:12). For decades, formal academic marketing inherited a logic from economics, known as a goods-dominant (G-D) logic, whereby the exchange of tangible output and discrete transactions were central. However, as a result of various developments in the marketing discipline over the last number of decades a paradigm shift was unavoidable and lead to the development of S-D logic. Some of the causal factors that served as confirmation that a paradigm shift and new dominant logic were evolving, include the development of services marketing as a sub-discipline and distinctive area of research, combined with questions about the relevance of the "microeconomic maximisation paradigm" to the marketing theory (Webster, 1992:1), the relevance of the marketing mix (Day & Montgomery,1999:3), the need for a network perspective (Achrol & Kotler, 1999:162), and the need for continuous relationships (Sheth & Parvatiyar, 2000:140).

In addition, services could no longer be regarded as something offered simply to augment or add value to a product (Vargo & Lusch, 2004:2). Therefore, according to Lusch *et al*. (2008:6), by only "differentiating between products and services, based on a set of characteristics and creating additional marketing mix elements for services in marketing literature, services were still being portrayed as only an add-on or somewhat less-than-desirable, intangible good[s]". Gummesson (1995:250) agrees that it was no longer appropriate to only differentiate between goods and services, but to rather shift from the "means and the producer perspective, to the utilisation and the consumer perspective".

The above factors contributed to the development of S-D logic. With S-D logic, Vargo and Lusch (2004:2) define service as the application of specialised competences (knowledge and skills) through deeds, processes and performances for the benefit of

another entity or the entity itself. This logic contemplates “service” to be the shared denominator of exchange, focused on a process orientation instead of an output orientation, and makes the consumer dominant to value creation. From this perspective, goods remain important but are regarded as vehicles for service delivery.

The most critical distinction between G-D logic and S-D logic is probably found in the conceptualisation of service; G-D logic views services as unit of output (and somewhat inferior to goods), while S-D logic views service as a process of doing something for another party (Vargo & Lusch, 2008). It is important to highlight the use of the singular “service” in S-D logic, which indicates a process of doing something with / for someone, whereas the plural “services” indicates units of output, similar to G-D logic (Lusch & Vargo, 2006). S-D logic is therefore more inclusive, integrated and centred on intangibility, exchange processes and relationships (Vargo & Lusch, 2004:2).

The service-dominant logic of marketing implies that marketing is a continuous series of social and economic processes that is largely focused on operant resources used by the firm in its continuous strive to offer better value propositions than its competitors (Vargo & Lusch, 2004:5). Akesson and Skalen (2011) add that S-D logic implies that value is co-created with consumers and realised in use. S-D logic promotes that more competitive value propositions are created by relationships with, and involvement of consumers (Vargo & Lusch, 2004:5).

In contrast, G-D logic implies that value is embedded in an organisation’s offering of products. Therefore, instead of value being viewed as “value-in-exchange”, it is viewed as “value-in-use”; and instead of consumers being viewed as passive recipients of value propositions, they are viewed as active participants or co-creators of value (Vargo & Lusch, 2004:6; Ramaswamy, 2008:9). The two paradigms are compared in Table 3.1.

Table 3.1: G-D logic versus S-D logic

From: G-D logic	To: S-D logic
Goods are exchanged as end products and operand resources	Knowledge and skills are operant resources and exchanged by people to obtain the benefits of skills and knowledge. Operant resources are transmitted by goods and used by other operant resources in value creation.
Resource acquisition	Resourcing ("creating and integrating resources and removing resistances")
Consumers are recipients of goods	Consumers are co-producers of service
The producer determines value	Value is observed and determined by the consumer based on "value-in-use"
From: G-D logic	**To: S-D logic**
Consumers are operand resources	Consumers are operant resources
Price	Value proposing
Promotion	Dialogue
Supply chain	Value-creation network
Maximising behaviour	Learning via exchange
"Marketing to"	Collaborative marketing ("marketing with")

Source: Lusch *et al.* (2008:7); Vargo and Lusch (2004:7)

From the table above, it is clear that the differences between G-D logic and S-D logic are centred on the differentiation between operand and operant resources and its respective roles within the two dominant logics (Vargo & Lusch, 2004:6). It is important to understand that consumers are operand resources in terms of G-D logic and operant resources in S-D logic. It can therefore be deducted that the role of the consumer has evolved from operand resource to operant resource. Resources, including the distinction between operand and operant resources, are discussed in more detail later in this chapter as this is central to value co-creation and to this study.

From the discussion above, it is clear that the marketing discipline has evolved, mostly due to the changed role of the consumer (from operand resource to operant resource). This evolution is illustrated in Figure 3.1. When S-D logic is embraced, a different purpose and process for marketing activity, as well as the organisation as a whole is adopted. The figure depicts the evolution of marketing and it is evident how the consumer has evolved into an operant resource, capable of acting on other resources; a collaborative partner who co-creates value *with* the organisation (Vargo & Lusch, 2004:3).

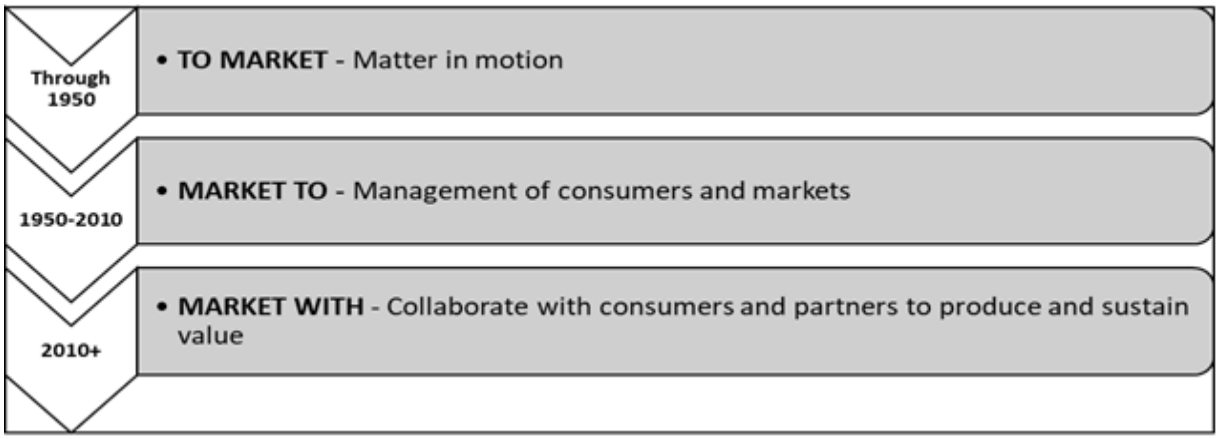

Figure 3.1: The evolution of marketing
Source: Lusch *et al*. (2007:7)

To understand the full extent of S-D logic, it is important to comprehend the ten foundational premises which were originally developed by Vargo and Lusch (2004).

3.2.1 Foundational premises of S-D logic

S-D logic is grounded in ten foundational premises (FPs), of which eight were first identified by Vargo and Lusch in 2004. A ninth FP was added in 2006 with minor revisions to other FPs and a tenth was added in 2008 with a more complete revision. The original and revised foundational premises are summarised in Table 3.2 and discussed below the table.

Table 3.2: Summary of foundational premises

	Original foundational premise	Revised foundational premise
1	The application of specialised skills and knowledge is the fundamental unit of exchange	Service is the fundamental basis of exchange
2	Indirect exchange masks the fundamental unit of exchange	Indirect exchange masks the fundamental basis of exchange
3	Goods are a distribution mechanism for service provision	Goods are a distribution mechanism for service provision
4	Knowledge is the fundamental source of competitive advantage	Operant resources are the fundamental source of competitive advantage
5	All economies are service economies	All economies are service economies
6	The consumer is always a co-producer	The consumer is always a co-creator of value
7	The enterprise can only make value propositions	The enterprise can only offer value propositions and cannot deliver value
8	A service-centred view is consumer oriented and relational	A service-centred view is inherently consumer oriented and relational
9	Organisations exist to integrate and transform micro-specialised competences into complex services that are demanded in the marketplace	Implies the context of value creation is networks of networks (resource integration)
10		Value is always uniquely and phenomenologically determined by the beneficiary

Source: Vargo and Lusch (2008)

FP1: Service is the fundamental basis of exchange

The purpose of exchange in S-D logic is reciprocal service, in other words service is exchanged for service, and this is the core premise of S-D logic. Grönroos (2011:285) states that service is value-creating support to another party's practices. This support may dismiss consumers from taking on some task or enable them to do something that otherwise would not be possible to achieve or would be achieved less effectively or efficiently (Normann, 2001). Goods however, are still sometimes involved in this process but are the appliances for service provision; the conveyors of competences (Vargo, Lusch, Akaka & He, 2010:130).

FP2: Indirect exchange masks the fundamental basis of exchange

Service is provided through composite, indirect processes of exchange which involves money, goods and institutions (exchange vehicles); therefore, the service basis of exchange is not always apparent. All these exchange vehicles represent intermediaries of exchange processes, and not the essential basis of exchange (Vargo *et al*., 2010:132).

FP3: Goods are a distribution mechanism for service provision

Marketing today is no longer only concerned with distribution and exchange of tangible goods and as a result goods are no longer the common denominator of exchange. Instead, the mutual denominator is the use of mental skills and expertise and, to a lesser extent, physical labour (skills) (Vargo & Lusch, 2004:8). The basis of exchange is always service provision and when goods are used during exchange they are regarded as appliances or distribution mechanisms for service provision (Vargo *et al*., 2010:132).

FP4: Operant resources are the fundamental source of competitive advantage

The distinction between S-D logic and G-D logic lies in the differences between operand and operant resources as already discussed in this chapter. G-D logic is centred on operand resources and S-D logic on operant resources. S-D logic

refocuses exchange on operant resources by changing from units of output to a process of using capabilities for the benefit of another party in order for the other party to reciprocate with its own capabilities. Competitive advantage is then established on knowledge, both individually and collectively (Vargo *et al*., 2010:132).

FP5: All economies are service economies

According to Vargo and Lusch (2004:10), virtually all the activities performed today have always been performed in some manner; however, they have become increasingly separated into specialities and exchanged in the market. Specialisation has become more noticeable in the economy; not only because it is on the increase, but also because less of what is exchanged fits the dominant manufactured-output classification system of economic activity.

FP6: The consumer is always a co-creator of value

Service implies interactivity and value creation occurs during interaction of providers and beneficiaries. This implies that value is always created through use; with use referring to the application of the consumer's operant resources in addition to those applied by the provider. As a result, the consumer is always an active participant during the value-creation process, and thus a co-creator of value (Vargo *et al*., 2010:133).

Grönroos (2011:279) however warns against FP6 (consumers are always co-creators of value) and states that consumers are not always co-creators, but instead are provided with opportunities by the service provider under certain circumstances to co-create value together with the service provider. The author criticises some of the S-D logic publications whereby co-creation and value creation seem to be an all-encompassing process; yet, value-in-use, which is created by the consumer, is not treated as the dominating value construct it is claimed to be in the literature. Value-in-use implies that the consumer as user is party to a business engagement that creates value. Value is created by the user for the user. Therefore, value creation should be defined as the consumers' creation of value-in-use (Grönroos, 2008:303) and not as an all-encompassing process, as illustrated in Figure 3.2.

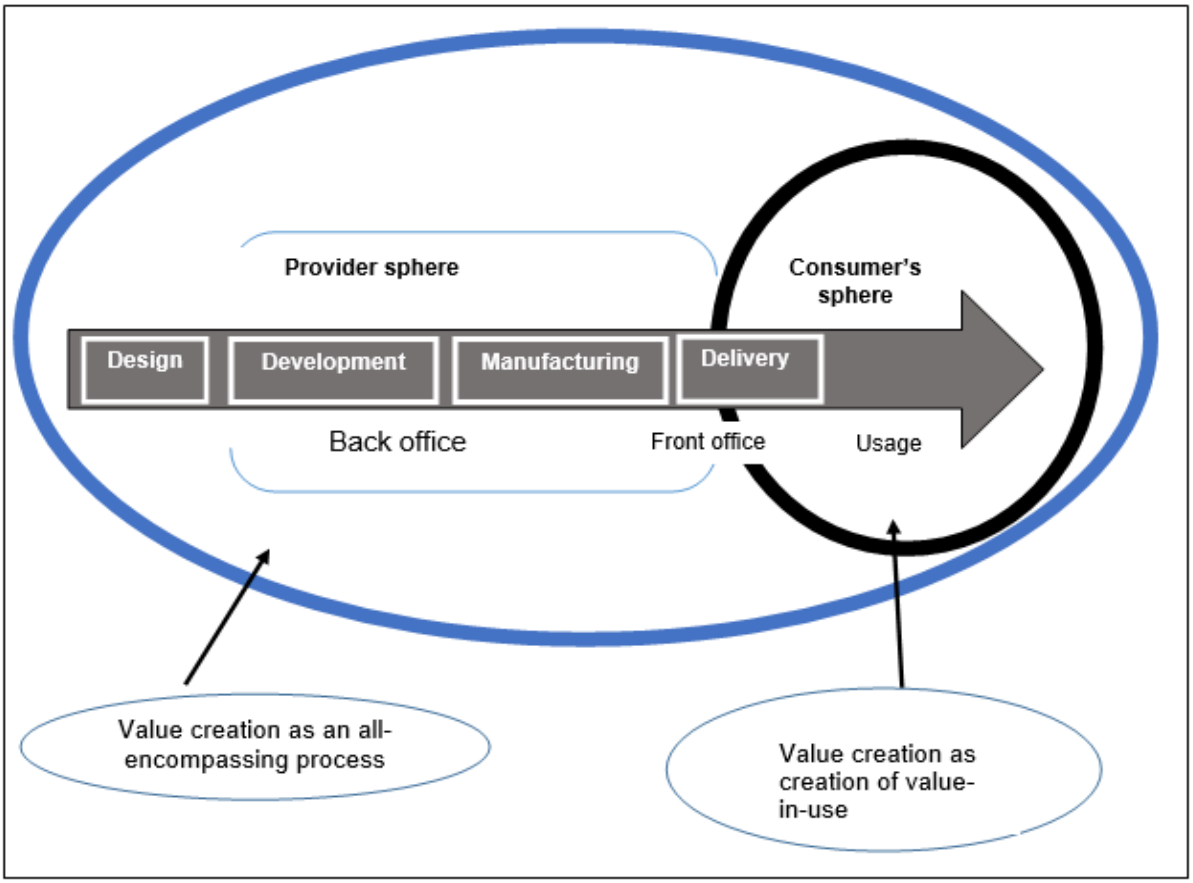

Figure 3.2: The distinction between value creation as an all-encompassing process and value-in-use as created by the consumer
Source: Grönroos (2011:283)

The figure above distinguishes between value creation as the consumer's creation of value-in-use, and value creation as an all-encompassing process which includes both the provider and consumer activities. Value *co-creation* cannot include both. Value for consumers is either created in the consumer sphere as value-in-use, or by both the provider and the user in an all-encompassing value-creating process (Grönroos, 2011:283). The author continues that, when considering value-in-use, value emerges from usage or possession of resources and is therefore not an all-encompassing process. As a result, development, design and manufacturing of resources, and back-office processes do not form part of value co-creation. When the consumer is involved in these activities, however, it does become part of value co-creation. In summary, the total company process that leads to value-in-use for consumers is required to enable value creation, but all parts of the process are not part of value creation for the consumer. It is important at this point to differentiate

between co-production and co-creation. These are nested concepts whereby the consumer is made endogenous in both.

In the former literature, the terms co-creation and co-production were used interchangeably, and no differentiation was acknowledged (Terblanche, 2014:3). Co-production involves the consumer's *participation in the creation* of the core offering itself. Similarly, Terblanche (2014:4) claims that co-production refers to consumer participation in new product and service development. It could involve common originality, co-design or shared production of associated goods with any other partners in the value network (Vargo & Lusch, 2006:284). Edvardsson, Enquist and Johnston (2005) are also in agreement that customers can be involved in a pre-purchase experience in product-based organisations. This process of co-production is the generation of *potential value* (Grönroos, 2011:283) and represents the consumers' involvement in the provider sphere as indicated in Figure 3.2. Etgar (2008) adds that co-production precedes the consumption stage and takes place in the production stage.

In contrast, co-creation is defined by Prahalad and Ramaswamy (2004a:16) as "...engaging consumers as active participants in the consumption experience, with the various points of interaction being the locus of co-creation of value". The "consumption experience" in this definition refers to "in-use" and is represented in the consumers' sphere in Figure 3.2. Value for consumers can be created either in the consumer's sphere by the user as value-in-use, or by both the user and the provider in an all-encompassing value-creating process. Whilst production is the generation of potential value, usage is the generation of *real value* (Gummeson, 2007; Vargo & Lusch, 2011). This means that value is not created by the firm and transferred to the consumer during the transaction, but it is jointly created by the consumer and supplier during the consumption stage (Terblanche, 2014:4).

Grönroos (2011:288) concludes that FP6 should rather be "the consumer as the user and integrator of resources is a value creator".

FP7: The enterprise cannot deliver value, but can only offer value propositions

Marketing inherited a perception that value was something embedded in goods during the manufacturing process, which resulted in value-added properties. This value-added view functioned reasonably well when marketing tangible goods. However, services marketing scholars had to rethink this perspective of value being added in tangible goods during manufacturing and were therefore forced to redefine the value-creation process (Vargo & Lusch, 2004:11). Gummeson (1998:247) argues that if the consumer is the focal point of marketing, value creation is only possible when a good or service is consumed. Grönroos (2000:24) agrees that value is created throughout the relationship with the supplier by the consumer, mostly during interactions between the consumer and supplier. The author adds that as a result, the focus is not on products, but on the consumer's value-creating processes, therefore the focus of marketing is value creation rather than value distribution, and facilitation and support of a value-creation process rather than simply distributing ready-made value to consumers.

FP8: A service-centred view is inherently consumer oriented and relational

From a G-D logic perspective, the focus is on transactions and units of output, with the "consumer orientation" implying making units that the consumer will buy and "relationship" referring to multiple transactions over a period of time. However, with S-D logic, service is defined in terms of benefit, with operant resources being used by both parties to create value. As a result, exchange is inherently interdependent and relational, beneficiary (consumer) oriented and beneficiary centred. This means that within the S-D logic paradigm, value creation is an interactive process whereby value is created in a relational context (Vargo *et al*., 2010:134).

FP9: All social and economic actors are resource integrators

S-D logic recognises that businesses and consumers are both resource integrators, which is consistent with the concept of co-creation of value. Not only consumers, but also the business' partners throughout the value network are involved in the process of value co-creation. In a wine tourism context, the partners included in the value network comprise of wine tourists, the destination marketing organisations and the

suppliers (refer to Figure 2.3 in Chapter 2). Resources should be integrated between role players in the value network through collaboration (Cova & Salle, 2008:271). For consumers (wine tourists), service implies all resources and processes acquired from the supplier (winery), are used by the consumers in a self-service process, where they are integrated with other resources and skills available to consumers in order to create value for themselves (Grönroos, 2011:286). Consumers are therefore resource integrators (Vargo & Lusch, 2008), interacting with other resources (Arnould, Price & Malshe, 2006).

FP10: Value is always uniquely and phenomenologically determined by the beneficiary

Vargo and Lusch (2008) added a tenth foundational premise to capture the experiential nature of value more explicitly. The word "phenomenological" is purposefully used instead of "experiential" as the term "experience" is often perceived to have positive-only connotations, rather than positive, neutral or negative meanings (Vargo *et al*., 2010:135). This FP formalises the unique and contextual interpretation of value.

The focus of this study is on the premise of co-creation (FP6) as it is becoming the cornerstone of marketing and design practices (Pini, 2009:61) and it also is relevant to the wine tasting experience due to its interactive nature between wine tourists and wine tasting room staff during consumption (value-in-use). All the basic principles of S-D logic, such as resource integration, value-in-use and the importance of interaction, however, also play a significant role in this study, as these concepts cannot be separated from value co-creation.

3.3 AN INTRODUCTION TO VALUE CO-CREATION

Value is an elusive concept (Woodall, 2003), with the definition of value being one of the most controversial issues in the marketing literature. In the more recent literature, the focus on value and value creation as a focal issue is emphasised more than ever (Grönroos, 2011:285). Value concepts typically imply some form of calculation of benefits against costs (Zeithaml, 1988; Day, 1990; Woodruff & Gardial, 1996);

means-ends-models (Rokeach, 1973; Gutman, 1982; Peter & Olson, 1987; Woodruff, 1997) or hedonic appreciation of the item consumed (Holbrook, 1994). According to Grönroos (2008) and Vargo *et al*. (2008), value creation is a process whereby the user becomes better off in some respect, or which increases the consumer's well-being. Value for consumers is defined by Grönroos (2008:303) as a "means that after they have been assisted by a self-service process or a full-service process they are or feel better off than before."

From a G-D logic perspective, during the process of value creation, consumers were "outside the firm" and value creation occurred through the firm's activities inside the firm and outside markets (Prahalad & Ramaswamy, 2004b:6). Also, value from this perspective is defined in terms of output and price, therefore, mainly in terms of exchange. In this view, the consumer was separated from the value creation process, and the role of consumers was that of value exchange and extraction (Kotler, 2002). This implies that the traditional concept of a "market" is company-centric and viewed as an aggregation of consumers into meaningful segments used by the firm as a "target" for its offerings. Consequently, consumer relationship management is viewed as targeting and managing the "right" consumers (Prahalad & Ramaswamy, 2004b:6). In this view, the interactions between companies and consumers are not regarded as a source of value creation and the market is separated from the value-creation process, as shown in Figure 3.3.

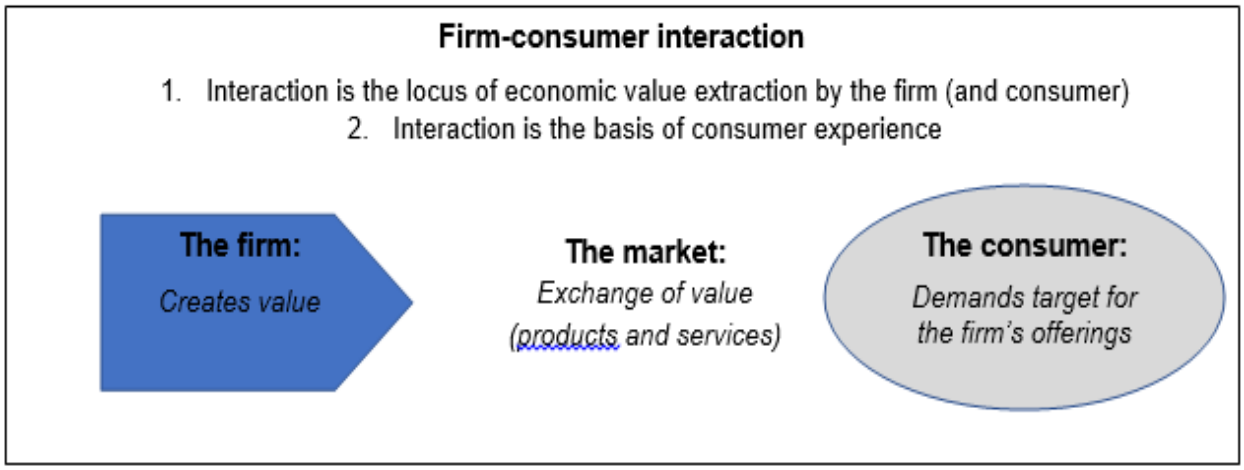

Figure 3.3: The traditional concept of a market and value creation
Source: Prahalad and Ramaswamy (2004b)

It is evident in Figure 3.3 that the market and consumers are separate from the value-creation process. In this traditional system, firms decide and develop their products and services and by implication they then decide what is of value to the consumer (Prahalad & Ramaswamy, 2004b:7).

In contrast, with S-D logic, it is suggested that value is obtained and determined in use, mainly during consumption or at the various points of interaction that can be referred to as "value-in-use" – which is FP7 of S-D logic (Vargo *et al.,* 2008:146). This implies that the basis of value creation is shifted from "exchange to use, and from value that is based on units of output to value that is based on processes that integrate resources" (Vargo *et al*., 2008:149). The co-creation of value implies that, instead of the market (consumer) being separate from the value-creation process, they are in fact central to value creation for themselves as indicated in Figure 3.4.

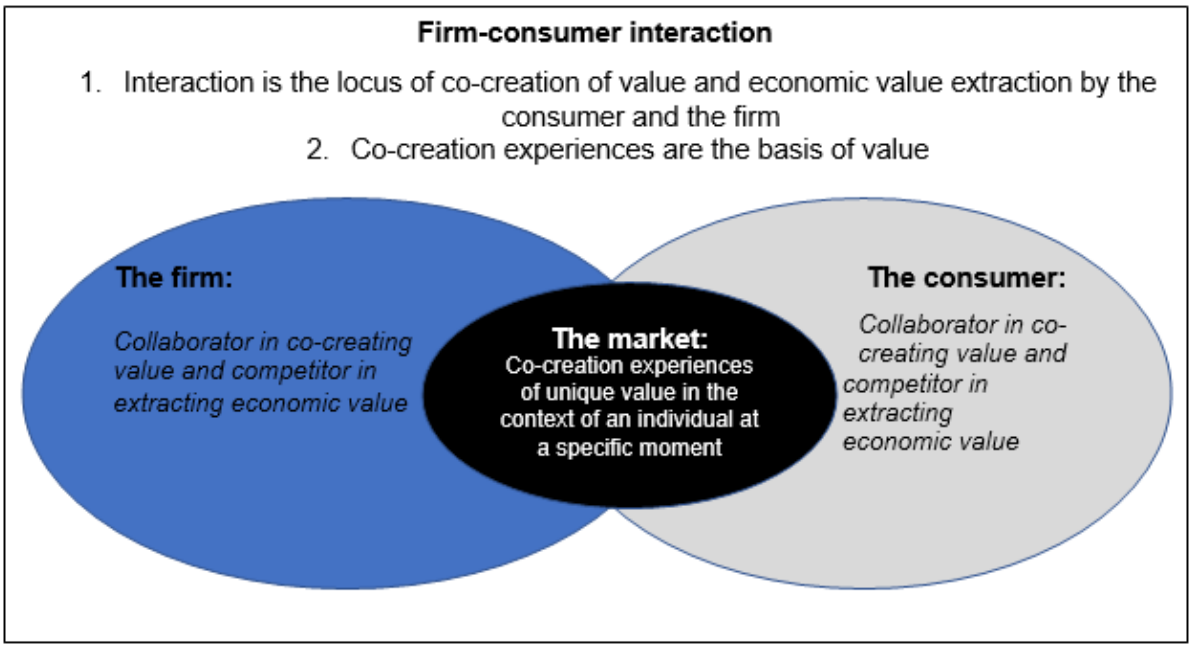

Figure 3.4: The concept of value co-creation
Source: Prahalad and Ramaswamy (2004b:11)

Figure 3.4 clearly demonstrates that, in contrast to the traditional concept of a market and value creation (Figure 3.3), the market has evolved and is central in value co-creation with both the consumer and the firm being collaborators. This implies that the market becomes active during value creation and consumers are pushing organisations away from their traditional mind-set of value-in exchange towards a mind-set of value-in-use. Co-creation is therefore an evolved relationship marketing

concept, whereby the consumer is no longer the focus outside of the organisation, but is instead seen as an equal and involved partner to the firm.

The concept of co-creation is further clarified in Table 3.3 where it is emphasised what co-creation is and what it is not.

Table 3.3: What co-creation is and what it is not

What co-creation is not	What co-creation is
• Consumer focus • Consumer is king or consumer is always right	• Co-creation is about joint creation of value by the company and the consumer. It is not the firm trying to please the consumer
• Delivering good consumer service or pampering the consumer with lavish consumer service	• Allowing the consumer to co-construct the service experience to suit his/her context
• Mass customisation of offerings that suit the industry's supply chain	• Joint problem definition and problem solving
• Transfer of activities from the firm to the consumer as in self-service • Consumer as product manager or co-designing products and services	• Creating an experience environment in which consumers can have active dialogue and co-construct personalised experiences; product may be the same but consumers can construct different experiences
• Product variety	• Experience variety
• Segment of one	• Experience of one
• Meticulous market research	• Experiencing the business as consumers do in real time • Continuous dialogue
• Staging experiences	• Co-constructing personalised experiences
• Demand-side innovation for new products and services	• Innovating experience environments for new co-creation experiences

Source: Prahalad and Ramaswamy (2004b:8)

To supplement the differences in the table above, the building blocks of co-creation as created by Prahalad and Ramaswamy (2004c:6) can also be considered for clarification.

3.3.1 The building blocks of co-creation

The key building blocks of co-creation, also known as the DART (dialogue, access, risk, transparency) model (Prahalad & Ramaswamy, 2004c:6), include the following:

Dialogue

Dialogue implies interactivity, engagement and a propensity to act – on both sides. It also includes shared learning and communication between two equal problem solvers which creates and maintains a loyal community. From a value co-creation perspective, dialogue is focused on constructive interactivity which involves action from both parties, and not only the exchanging of views orally or merely listening to consumers (Prahalad & Ramaswamy, 2001). Tanev (2011) adds that dialogue assists the company to identify the social, cultural and emotional context of the consumer's experience as it allows an opportunity for engagement, interactivity, equal communication and learning on both sides. Similarly, Ballantyne (2004:114) states that dialogue fosters trust among parties, which enables new knowledge generation, which in turn improves service development and delivery.

Access

Consumers today have access into a business' value chain and service information due to the advancement of technology. This affords consumers the opportunity to be involved in design, development and other processes within the value network (Ramaswamy, 2005). Prahalad and Ramaswamy (2001) agree and add that due to accessibility, consumers can directly or indirectly influence what, where, when and how products and services are being developed. This, however, relates more to co-production than value co-creation during consumption.

Risk assessment

Risk in this context refers to the probability of harm to the consumer. If consumers are active co-creators, they should assumingly carry the responsibility for risks as well. As they participate in the experience, they will insist to be informed about risks and methodologies which can be used to assess the personal and societal risk associated with the product or service. Prahalad and Ramaswamy (2001) add that businesses are obligated to inform consumers of potential risks from a service-dominant logic perspective. In addition, trust is established when consumers are informed of potential risks as well as limitations in terms of knowledge and capabilities of the organisation.

Transparency

For decades, information asymmetry existed between the consumer and the business. This is rapidly disappearing, as information becomes more accessible, which creates new levels of transparency. Transparency facilitates collaborative dialogue with consumers. However, dialogue and interaction are only effective if the company's information is transparent (Ramaswamy, 2005; Tanev, 2011).

To analyse *how* value co-creation takes place can also enhance understanding of the concept. Numerous authors have focused their research on the co-creation process to determine the *how* of value co-creation.

3.3.2 The co-creation process

This category of research on co-creation is represented by authors (Payne *et al.,* 2008; Andreu, Sánchez & Mele, 2010; Aarikka-Stenroos & Jaakkola, 2012; Nagaoka & Kosaka, 2012; Lambert & Enz, 2012; Sanna, Vinci & Bellini, 2012; Grönroos & Voima, 2013; Muente-Kunigami, 2013; Castro-Martinez & Jackson, 2015), who identified steps in the co-creation process. Most have identified four to six steps. There is however no consensus whether co-creation is a method or an approach. A method includes tools, toolkits and techniques which are combined to address certain goals. An approach refers to an overall mindset required to conduct a process. Most fields and authors follow a co-creation approach (De Koning, Crul & Wever, 2016:273). The nature of the wine tasting encounter also seems to fit better with a co-creation approach instead of method as there are no tools, tool-kits or techniques involved in wine tasting for the implementation of co-creation. In fact, as mentioned, no previous co-creation studies have been done on wine tasting, which contributes to the lack in the aforementioned. Furthermore, co-creation mostly requires a mindset of being curious to learn more and to extract information from the wine tourist which leans more toward it being an approach that is followed during wine tastings.

The process identified by Aarikka-Stenroos and Jaakkola (2012) is focused on co-creation in terms of joint problem solving, which is not relevant to wine tasting.

Nagaoka and Kosaka (2012) applied the principles of value co-creation to the KIKI model. The KIKI model entails a) knowledge sharing related to the service system, b) identification of the service field, c) knowledge creation for the new service idea, d) implementation of the new service idea. The KIKI model therefore is useful in terms of service business design and innovation, as well as operation in a service system. This process is therefore again not relevant to the encounter during the wine tasting experience. Lambert and Enz (2012) developed a framework based on collaboration between firms (B2B), which is not relevant to the B2C encounters experienced during wine tasting.

Two of the more relevant value co-creation processes to the wine tasting experience is that of Payne *et al*. (2008) and Andreu *et al*. (2010).

3.3.2.1 Payne, Storbacka and Frow's conceptual process-based framework

In recognition of the centrality of processes in co-creation, a conceptual process-based framework has been developed by Payne *et al*. (2008), as illustrated in Figure 3.5.

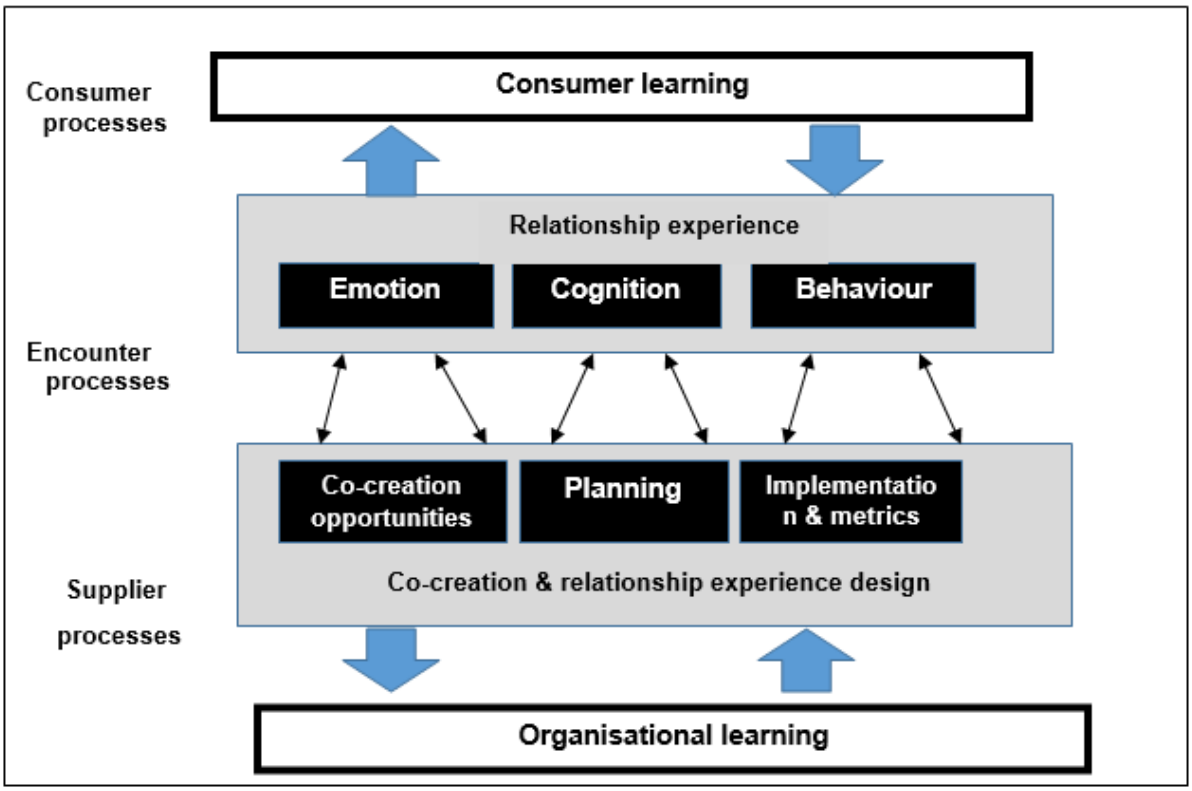

Figure 3.5: Conceptual process-based value co-creation framework
Source: Payne *et al.* (2008:86)

Based on the framework, value co-creation between a service provider and consumer consists of three processes:

a. Consumer value-creating processes

These are a series of activities which involve processes, resources and practices used by consumers to manage their activities with suppliers in order to achieve a particular goal. According to Grönroos (2008), the consumer's value-creating processes imply the consumer's consumption and usage processes, in which value-in-use emerges for the consumer. Within the context of S-D logic, consumers are viewed as active participants in the consumption experience, which means that consumers can co-create their experiences and relationships with suppliers (Prahalad & Ramaswamy, 2004a:16). The amount of knowledge, information, skills and other operant resource available to consumers, determine their ability to create value (Normann, 2001). Subsequently, if a supplier aims to increase competitiveness, its own capacity needs to be developed to either add to the consumer's total pool of resources in terms of competence and capabilities, or to influence the consumer's process in order for them to utilise available resources in a more effective and efficient way (Payne *et al.,* 2008:86). Consumer value-creating processes should be viewed as "dynamic, interactive, non-linear and often unconscious processes" (Payne *et al.,* 2008:86).

In the creation of consumer experiences, the focus is more on relationships than on products, and involves focusing on "value-in-use" instead of mere product features (Payne *et al.*, 2008:86), as reflected in Figure 3.5. The relationship experience, according to Payne *et al*. (2008:86), can be viewed from two perspectives – the information-processing approach and the experiential approach. The information-processing perspective views consumers as making a judgement on the basis of whether past, present or imagined future experiences are valuable for them. This approach follows a cognitive process. In this view, the consumer is primarily engaged in goal-directed activities, including searching for information, evaluating available options and deciding whether or not to buy a particular product or service. In contrast, the experiential approach to relationships highlights emotions and

related, symbolic and non-utilitarian features of consumption, where value exists not in the object of consumption, but in the experience of consumption. Dabholkar (1990) adds that consumer involvement is essential for defining and designing the experience, which highlights the emotional state of consumption (Kim, Brent Ritchie & McCormick, 2012). In addition, Addis and Holbrook (2001) state that experiential consumption can be from contextual and symbolic viewpoints as well, and not only as a rational act.

In the conceptual framework, three elements of the relationship experience within the consumer processes component are identified: cognition, emotion and behaviour. Cognition, affect and behaviour are emphasised in a narrow sense as part of the traditional-information processing perspective of the relationship experience. However, when considering the relationship experience, these elements need to be viewed in a broader context (Payne *et al*., 2008:87).

As evident in Figure 3.5, the consumer's experience of a supplier and its offering is a culmination of the consumer's reasoning, emotions and behaviour during the relationship. These are interdependent and involve thinking, feeling as well as doing as integral parts of the consumer's role in value co-creation. It is also evident that the relationship experience leads to consumer learning. The degree of consumer involvement and the consumer's level of satisfaction in the relationship experience determines loyalty to the supplier. The supplier's role, therefore is to provide experiential interactions and encounters which consumers view as helping them in utilising their resources (Payne *et al*., 2008).

As a result, the focus of marketing communications can be redirected from attention seeking, to dialogue with consumers to support their experiences and learning process. This can be achieved if consumer cognition, emotion and behaviour is understood. In addition, to support consumer learning, processes should be developed to take into account consumers' capability to learn, with the results of consumer learning manifested in changes within the consumer's attitudes and preferences (Payne *et al*., 2008:88).

It can be deducted from this conceptual framework that the following is imperative for the consumer in terms of value co-creation:

- For the consumers to be active participants and to create value for themselves, sufficient operant resources must be available;
- dialogue should support learning processes of the consumer;
- consumer learning is manifested in changes of consumer attitudes and preferences; and
- cognition, emotions and behaviour determine the relationship experience.

b. Supplier value-creating processes

Supplier processes include the resources, processes and practices at their disposal to direct their business and relationships with consumers and other stakeholders. In order for suppliers to create value for consumers, it is important to understand the consumer's value-creating processes. In the framework it is shown that the supplier processes support co-creation through the development and delivery of relevant consumer experiences and the facilitation of organisational learning (Payne *et al.,* 2008:88). This typically involves a review of co-creation opportunities; planning, testing and prototyping value co-creation opportunities with consumers; implementing consumer solutions and managing consumer encounters; and developing metrics to assess whether appropriate value propositions are made. Due to the emphasis of consumer learning; knowledge management and organisational learning are regarded as the fundamental sources of competitive advantage. This implies that competitive advantage for wineries are gained by knowledge obtained from consumers. It is suggested for suppliers' planning, to start with the consumers' processes and then design and align its own processes accordingly (Payne *et al*., 2008:88).

Co-creation opportunities, which imply strategic options for creating value must be considered by the supplier based on the consumers' processes. The nature of a particular industry, the offering and the consumer base determine the types of opportunities available. The three significant types of value co-creation opportunities, according to Payne *et al.* (2008:88), include:

- Technological advances provide opportunities in the form of new technological solutions in which suppliers can engage with consumers in order to co-create innovative experiences.
- Changes in industry logics present opportunities. New channels which were developed in order to reach consumers have resulted in the transformation of industries. These changes have led to opportunities to combine expertise, capabilities and knowledge and initiate new ways of co-creating value.
- Changes in consumer preferences and lifestyles bring about opportunities. Due to learning and knowledge of the consumer, suppliers should be more aware of changes in consumers' preferences and lifestyles. Wine tourism and wine tasting fall into this category as it represents a hedonic experience driven by lifestyle, recreation and personal preferences.

The development of appropriate metrics is another key issue for the supplier. Payne and Frow (2005) argue that there is a concern that the metrics used to measure and monitor performance of consumer relationships are not sufficient and should be improved to measure the value co-creation potential of consumer relationships. However, given that value co-creation and S-D logic focus on cross-functionality, the measure of relationship performance should include a range of metrics which cover the processes, functions and channels used to engage and interact with consumers.

Based on the above discussion the following aspects are deemed important for the purpose of this study:

- Organisational learning is equally important as consumer learning, as it provides the fundamental source of competitiveness.
- The winery needs to first understand the value-creation processes of the wine tourists and then design their practices accordingly.

c. Encounter processes

Encounter processes are required to create successful co-creation opportunities by managing the processes and practices of interaction and exchange that take place within consumer and supplier relationships (Payne *et al.,* 2008:85). Grönroos and Ravald (2011:11) add that the provider's and consumer's processes merge during

interaction into a process of joint value creation. Vargo and Akaka (2009:38) state that “there can be no value without the consumer incorporating the business offering into his or her life.” This means that value is created as a result of interaction and resource integration. Encounters can occur either on the initiative of the company, or on the initiative of the consumer, or both. In the framework, encounters are indicated with two-way arrows which link the consumer processes with supplier processes. Not all types of encounters are equally important as some encounters are necessary for building consumer experiences and others are more critical for value co-creation.

Two lines of visibility become evident in all three processes. Firstly, the processes visible for the consumer include encounter processes, but exclude the supplier’s value-creating processes. The second line of visibility refers to the consumer’s activities that are visible to the supplier. These, however, are also limited to encounter processes. This results in the conclusion that all information relevant to the successful delivery of an experience needs to be shared as part of the encounter processes; and the service provider should be interested in what happens beyond their lines of visibility, which implies the consumer’s value-generating processes. When these processes are understood and applied, the service provider can offer increasingly relevant value propositions and be a true partner (Heinonen, Strandvik, Mickelsson, Edvardsson, Sundström & Andersson, 2010:11).

For the purpose of this study, the following needs to be emphasised in terms of the wine tasting encounter:

- Value is created as a result of interaction and resource integration; and
- all information relevant to the successful delivery of an experience needs to be shared as part of the encounter processes.

3.3.2.2 Andreu, Sánchez and Mele’s integrative conceptual process-based framework

Another process-based framework has been developed by Andreu *et al*. (2010). This framework integrates the process-based framework of Payne *et al*. (2008) and the value facilitation model of Grönroos (2008) which specifies the roles of the actors in value co-creation. This framework is illustrated in Figure 3.6 below and the value co-creation process involves the usage of resources and other activities performed by

the supplier, the consumer and by both parties during interaction (supplier-consumer). As evident in Figure 3.6, during the value-creation process, both consumers and suppliers manage and integrate their resources and activities.

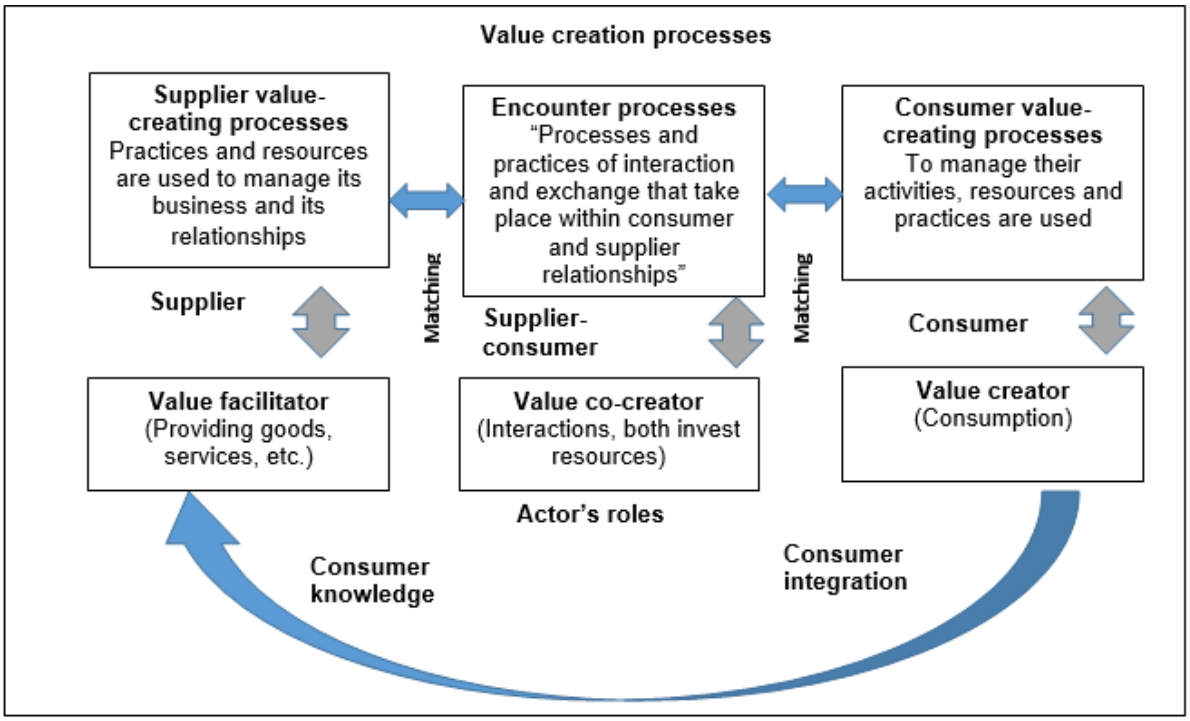

Figure 3.6: Integrative conceptual framework of value co-creation
Source: Andreu *et al.* (2010:244)

The encounter process in Figure 3.6 is recognised by suppliers and consumers who jointly manage the processes of interaction and exchange. Both rely on their own resources and the capacity to integrate and share some of these resources and activities. In order for consumers and suppliers to manage their resources and activities, the processes must be matched with their respective roles. The "matching" of the roles with the processes can be described as "the fit between or the consonance of resources, activities and processes (Grönroos, 2011) that is at the core of resource integration" (Lusch *et al.,* 2008). The more exact the potential matching of resources, actions and aims within and among these processes, the greater the potential value.

The authors conclude that from this perspective, it is clear that value co-creation is not exclusively reliant on the supplier and not only about the consumer's point of view. The active supplier who dictates intra-company processes as well as the passive consumer have disappeared within this framework. Instead, this framework

emphasises the active roles of both suppliers and consumers, whereby the process requires consumer knowledge and other resources. Despite consumer knowledge being the basic foundation for the effective commencement of the value-creation process for the supplier, consumer integration should also be used to integrate resources, and as a result foster joint value creation.

From these two processes it is evident how important resource transfer and integration is for value co-creation during the service encounter. Subsequently, it is discussed in more detail as it also forms a central part in this particular study.

3.4 RESOURCE INTEGRATION

A developing theme of S-D logic is that of resource integration (Baron & Warnaby, 2011:212). Following the debates based on their original Journal of Marketing article (Vargo & Lusch, 2004) a ninth foundational premise was introduced by Vargo and Lusch which stated that "organisations exist to integrate and transform micro-specialised competencies into complex services that are demanded in the marketplace" (Vargo & Lusch, 2006:53). There was, however, almost immediate recognition that the resource integration role of the organisation is equally applicable to individuals and consumers (Lusch & Vargo, 2006:283).

3.4.1 Resource-based theory and resource-advantage theory

The topic of resource-based theory in marketing research have increased significantly, which illustrates its importance as a framework in terms of competitive advantage and performance outcomes (Kozlenkova, Samaha & Palmatier, 2013:1). Resource-based theory holds that the possession of strategic resources provides an organisation with an opportunity to develop competitive advantages over its rivals (Barney, 1991). Until recently, supplier resources were considered to include factors of production, or tangibles such as land, labour and capital (Madhavaram & Hunt, 2008:68). However, the work of Penrose (1959) which forms the basis of the "resource-based view", consciously avoided the term "factors of production" and regarded suppliers as collections of productive resources. This work inspired Barney

(1991) to define supplier resources as “all assets, capabilities, organisational processes, firm attributes, information, knowledge, etc., controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness.”

Arnould (2007) states that the resource-based theory and S-D logic have something in common, which is the strategic value of suppliers’ skills, knowledge and cultural competencies. Based on arguments founded on resource-based theory put forward by Arnould *et al.* (2006) and others; Vargo and Lusch (2008:7) rewrote the ninth foundational premise as “all social and economic actors are resource integrators.”

Resource-based theory has prompted the development of new theoretical perspectives, with the resource-advantage theory being the most notable (Hunt & Morgan, 1995). Influenced by resource-based theorists, Hunt and Morgan (1995) developed the resource-advantage theory whereby resources are viewed as tangible and intangible entities used by suppliers to develop offerings in a productive and effective manner. Similar to the resource-based theory, the resource-advantage theory views organisations as “combiners of heterogeneous and imperfectly mobile resources – which is the fundamental tenet of the resource-based view” (Hunt, 2002:277).

The resource-advantage theory is summarised by Madhavaram and Hunt (2008:68) as an “evolutionary, disequilibrium-provoking, process theory of competition, in which innovation and organisational learning are endogenous, firms and consumers have imperfect information, and in which entrepreneurship, institutions and public policy affect economic performance.”

According to Gummesson and Mele (2010:189), the resource-advantage theory emphasises resource integration and argues that the conventional resource-based view of the firm is supplier oriented and lacks consumer orientation. The resource-advantage theory, however, has a wider view than the resource-based theory and more clearly outlines what constitutes a competitive advantage. Hunt (2007) adds that it also clarifies the nature of competitive advantage as it may transpire in three different ways: *an efficiency advantage* (producing value more efficiently than

competitors); *an effectiveness advantage* (i.e. efficiently producing more value than competitors); or *an efficiency-effectiveness advantage* (i.e. more efficiently producing more value than competitors).

From an organisational perspective, the resource-advantage theory is complementary to the resource-based theory, as it explains why organisations don't make efficient use of resources which might subsequently hinder their competitive advantage. The reasons include the following: managers may lack the competence and information needed to exploit resources; managers' self-interests might deviate from those of owners; financial performance might be inhibited by managers' views of morality (Hunt, 1997).

Hunt and Madhavaram (2006) are of the opinion that the resource-advantage theory relates well with S-D logic and can contribute to the advancement of S-D logic.

3.4.2 Resource transfer and integration from an S-D logic perspective

The new S-D logic of marketing acknowledges the consumer's role in value creation and co-creation. Within S-D logic it is accepted that both the consumers and the organisation act as resource integrators in value co-creation (Arnould *et al.,* 2006; Dabholkar, 1990; Holbrook, 1996; 2006; Vargo & Lusch, 2006). Hence, the foundational idea in S-D logic is that the service encounter is a value exchange process between the consumer and the service provider. This perspective holds that consumers contribute to value creation by means of their skills and knowledge, by integrating physical, social and cultural resources (Arnould *et al.,* 2006). Lusch *et al*. (2008), state that value creation occurs when "a potential resource is turned into a specific benefit". This implies that resources hold no intrinsic value but require integration and application in order to become valuable from an actor to enjoy its benefits (Gummesson & Mele, 2010:187). Michel, Vargo and Lusch (2008:154) agree that value is created by "economic actors who exchange a variety of resources that go beyond goods and money". Resource heterogeneity and specialisation motivate organisations to search partners to exchange, integrate and develop resources with. Resource integration is illustrated in Figure 3.7 below.

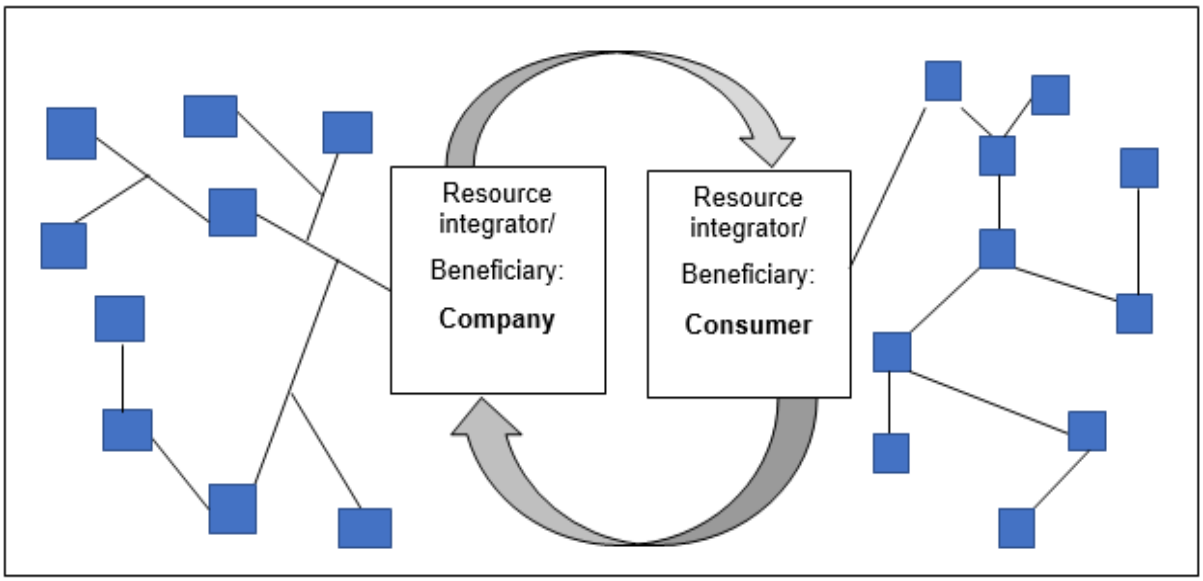

Figure 3.7: Resource transfer and integration
Source: Vargo (2008:214)

Interaction is identified as the most crucial antecedent to resource integration. Through interaction, a dialogue is set up, knowledge and other resources are transferred (as indicated in the diagram above) and learning takes place. This enables resource renewal and resource integration (Gummesson & Mele, 2010:191). Social capital is subsequently shaped by transferring and sharing of resources which becomes a source for value generation and competitive advantage (Gummesson & Mele, 2010:192).

As a result, interactive processes need to be developed by the supplier with embedded resources, in which the consumer can be involved in (Grönroos, 2011:287). Service, from the suppliers' perspective then entails the use of resources and interactive processes to support consumers' practices in a way that enables consumers to create value for themselves in those practices and processes (Grönroos, 2011:286). Payne *et al.* (2008), add that the supplier needs to either increase the consumer's total pool of resources, or influence the consumer's process in a way that resources are utilised more efficiently in order to provide value to the consumer. It is however important to clarify the concept of "resources" and the resources referred to in the context of this study.

3.4.3 Operand and operant resources

The significance of consumers' personal resources in value creation have long been recognised in consumer participation literature (Bowen, 1986; Kelley, Donnelly & Skinner, 1990; Rodie & Kleine, 2000; Johnston & Jones, 2003). Rodie and Kleine (2000) classify these resources as mental, physical and emotional, and Bitner, Faranda, Hubbert and Zeithaml (1997) argue that the level of input is varied and dependent on the level of consumer involvement and role performance.

Service-dominant logic views of operant and operand resources originate from the studies of economists such as Penrose (1959) as well as resource-based theorists (Prahalad & Hamel, 1990; Barney, 1991; Day, 1994; Hunt & Morgan, 1995). Their work led to resource-based theorists finding that the role of resources and capabilities are of significant importance in creating superior value and in attaining sustainable competitive advantage over competitors (Prahalad & Hamel, 1990; Barney, 1991; Day, 1994).

Vargo and Lusch (2004:2) state that, a distinction between operand and operant resources is required in order to differentiate between G-D logic and S-D logic. ***Operand resources*** are generally passive and static and are resources that are acted upon. Operand resources are considered primary in G-D logic and in order for operand resources to be more useful, other more dynamic resources (operant resources) are required to act upon them. Beitelspacher, Tokman, Adams and Richey (2012:409) agree that operand resources are tangible and static and can be processed to produce a result as in the case of raw materials. They continue that operand resources refer to resources (e.g. physical resources such as facilities, raw materials, land and the like) on which an operation is performed to produce an effect. Arnould *et al.* (2006) add that operand resources include economic resources and other goods / materials over which the individual has "allocative capabilities."

Vargo and Lusch (2004:2) argue that ***operant resources*** are resources that are used to act on the static operand resources in order to create an effect. Operant resources are usually intangible, unlimited, dynamic and invisible, such as skills and knowledge (in the case of this study it will refer to the skills and knowledge of both

wine tasting facilitators as well as the wine tourist); which can be used to produce an effect on other operand resources. Operant resources are primary to S-D logic, since they are the producers of effects. The shift in primary resources impacts on how consumers, markets and exchange are managed (Vargo & Lusch, 2004:2; Lusch *et al.*, 2008:7). Constantin and Lusch (1994) originally conceptualised operant resources as resources that produce impacts and outcomes on other resources. Operant resources evolve over time and are intangible. Beitelspacher *et al*. (2012:410) add that operant resources are complex in nature, making duplication thereof difficult, which in turn results in competitive advantage due to its uniqueness.

Arnould *et al*. (2006) state that the individual has authoritative capability over operant resources and these operant resources and their specific configuration will influence how operand resources are employed. Vargo and Lusch (2004:2) agree that operant resources refer to those that operate on operand resources to produce effects, therefore "resources are not; they become."

According to Hunt (2004); Vargo and Lusch (2004) and Arnould *et al.* (2006), operant resources include mental competence, knowledge, skills, core competence, relationships with competitors, suppliers and consumers, technology, organisational processes, and organisational culture. Arnould *et al*. (2006) classify consumer operant resources as physical, social and cultural (refer to Table 3.4).

Table 3.4: Classification of consumer operant resources

Operant resource classification	Sub-classification
Physical resources	Physical and mental endowment: energy, emotion, strength
Social resources	Family relationships Consumer communities Commercial relationships
Cultural resources	Specialised knowledge / skills History Imagination

Source: Arnould *et al*. (2006)

Hunt (2004) further classifies operant resources as typically human (knowledge and skills of individual employees), organisational (routines, cultures, competences,

controls), informational (knowledge about competitors, technology and market segments), and relational (relationships with competitors, suppliers and consumers).

Given the nature of operant resources, firms will (or should) have as many processes as are required to transform their resources (operand and operant) into valuable outputs (Day, 1994; Vorhies & Morgan, 2005). According to Madhavaram and Hunt (2008:67), marketing's evolution toward S-D logic requires a focus on the intangible, dynamic operant resources that form the core of competitive advantage and performance (Vargo & Lusch, 2004; Lusch & Vargo, 2006).

Based on the overview on resources and resource integration, the focus of this study is on operant resources that are transferred and integrated during the wine tasting experience. Within a wine tasting context, the operant resources of the winery would be the human aspect (according to the classification of Hunt, 2004), whereby the knowledge and skills of wine tasting facilitators are transferred to the wine tourist during the experience. Similarly, the knowledge of wine, skills and previous experiences of the wine tourists would represent the operant resources on the demand side of the wine tasting experience being transferred to the wine tasting facilitators. This element of co-creation is therefore imperative in terms of value co-creation and also reflected in the conceptual framework at the end of this chapter.

3.5 PARTICIPATION AS PREREQUISITE TO VALUE CO-CREATION DURING WINE TASTING

Resource transfer and integration are facilitated by interaction and dialogue during the wine tasting experience. However, in order for resources to be transferred effectively, both wine tourists and wine tasting facilitators need to play an active role during the encounter / interaction.

Emergent perspectives in marketing emphasise new opportunities for involving consumers as a means to define and co-create value through their participation (Chan, Yim & Lam, 2010:48). Prahalad and Ramaswamy (2000) are of the opinion that the dynamics of the marketplace have been changed to a point where

consumers have become a forum in which they play an active role in creating and competing for value.

Payne *et al*. (2008) add that consumers are regarded as proactive co-creators from an S-D logic perspective instead of passive receivers of value, with suppliers being facilitators of value co-creation instead of producers of standardised value. According to Sahi *et al.* (2017:21), consumer participation (CP) is treated as a significant prerequisite to value co-creation, which is supported by S-D logic (Vargo & Lusch, 2008), value creation (Grönroos & Ravalad, 2011), consumer participation (Bendapudi & Leone, 2003) and consumer involvement (Kristensson *et al*., 2008).

Participation is generally described as the act of a consumer's active involvement with the service production and delivery process, either physically or by the provision of resources (Wattanakamolchai, 2008:2). Consumer participation can be defined as a "behavioural construct that measures the extent to which consumers provide or share information, make suggestions and become involved in decision making during the service co-creation and delivery process" (Bettencourt, 1997; Hsieh, Yen & Chin, 2004; Auh *et al*., 2007; Bolton & Sazena-Iyer, 2009). Hsu and Chen (2014) summarise the concept of participation as "the activity or resources provided by consumers". Rodi and Kleine (2000) add that this can include psychological, physical and even emotional offerings during the process of producing or delivering services.

The significant potential of consumer participation has attracted research interest from various disciplines, with a) antecedents, b) consequences and c) moderators of consumer participation being the main focus, and consequences the dominant focus (Dong & Sivakumar, 2017:945).

a) *Antecedents of consumer participation* range between consumer specific / individual factors (such as need for interaction, inertia, previous experience, demographics and technology anxiety) (Meuter, Bitner, Ostrom & Brown, 2005:63; Etgar, 2008; Parrado, Ryzin, Bovaird & Löffler, 2013), service-specific factors (such as threat and usefulness of technology) (Bhappu & Schultze, 2006), and interaction-specific factors (such as shared vision and interactivity) (Nambisan & Baron, 2009). Mustak, Jaakkola, Halinen and Kaartemo (2016) add

that antecedents in the literature can broadly be categorised as consumer – service provider – service offering; and interaction-related antecedents.

In terms of consumer-related antecedents, it is evident that highly educated consumers with regular employment are more likely to participate, as they probably have higher resource accumulation capabilities (Parrado *et al*., 2013). Studies also show that consumers demonstrate different levels of participation interest, whilst certain positive affective conditions such as self-confidence and happiness can prompt consumers to participate (Gallan, Jarvis, Brown & Bitner, 2013). Empirical evidence also proves that possessing necessary knowledge and skills (Auh *et al*., 2007) is positively related with participation (Eastlick, Ratto, Lotz & Mishra, 2012; Olsen & Mai, 2013).

The adoption of a consumer orientation by service providers is one service provider antecedent that has been proven to increase consumer participation (Cassia & Magno, 2009) as it usually stimulates a consultative, open, collaborative, two-way dialogue between suppliers and consumers which could strengthen consumer participation (Wang, Wu & Yang, 2013:230). Another service provider antecedent is a supportive organisational culture which is likely to result in improved consumer participation as consumers are encouraged to participate and their inputs are considered (Hyde & Davies, 2004; Pestoff, 2009).

The third antecedent category relates to the service offering and the *nature* of the service offering which in itself is an important consumer participation antecedent (Mustak *et al*., 2016). A service which in its nature requires more inputs from consumers will command higher levels of participation.

Interaction-related antecedents are considered significant in terms of consumer participation due to the increased accessibility of interaction platforms (Mustak *et al*., 2016:260). New technologies facilitate various means of interaction, resulting in improved speed, reach and flexibility (Sawhney, Balasubramanian & Krishnan, 2004; Etgar, 2008; Eastlick *et al*., 2012). Binks and Ennew (1997); Howcroft, Hewer and Durkin (2003); Eisingerich and Bell (2006) and Auh *et al*. (2007) found that when organisations communicate in a timely and effective manner with

consumers and build relationships with consumers, consumer inputs tend to be higher. Consumers' propensity to participate also seem to be influenced by consumer-to-consumer interactions (Bitner *et al*., 1997; Prahalad & Ramaswamy, 2004b; Etgar, 2008).

b) Consequences or outcomes of consumer participation are mostly examined from a consumer perspective and include consumer satisfaction, behavioural intention, service quality, willingness to pay, perceived value and consumer loyalty (Dong & Sivakumar, 2017:945). It has however been found that consumer participation can also have non-significant (Ennew & Binks, 1999) and negative outcomes (Dong, Sivakumar, Evans & Zou, 2015).

Auh *et al*. (2007) state that consumer participation should provide value to both consumers and suppliers as value co-creation is the main premise of consumer participation.

Early literature at the supplier level focuses on advocating the benefits of engaging consumers as co-producers or partial employees for quality improvements, productivity gains, increased consumer satisfaction and customisation (Lovelock & Young, 1979; Mills & Morris 1986; Sharma & Patterson 1999; Patterson & Smith, 2001; Ouschan, Sweeney & Johnson 2006). In addition, consumer participation augments two-way communication between suppliers and consumers resulting in increased consumer feedback; it can lead to increased repurchase and referrals; increased loyalty; and it can be used as a criterion to segment consumers (Wattanakamolchai, 2008:2).

Troye and Supphellen (2012) state that, due to the increasingly positive evaluations of the offering and its value outcomes due to consumer participation, the seller-consumer relationship is ultimately enhanced. Dabholkar and Sheng (2012) add that participation is also associated with increased trust in the supplier, which is also a positive outcome. Consumer participation also facilitates suppliers' development and innovation activities as they receive inputs for innovation (von Hippel, 2001; Magnusson, Matthing & Kristensson, 2003) and the

development of new offerings, which ultimately keeps offerings competitive by matching offerings with consumers' value-creation processes (Grönroos, 2008).

Research at the consumer level tends to examine when and why consumers are motivated to participate (Bateson, 1985), as well as the means to facilitate consumer participation (Goodwin, 1988). Research indicates that consumers participate only when they derive benefits from the relationship (Ennew & Binks, 1999). The benefits of consumer participation to the consumer include improved service quality, more customisation and improved service control (Xie, Bagozzi & Troye, 2008).

Research has evolved from these mostly conceptual studies into empirical research that investigates the effect of consumer participation on service outcomes such as satisfaction and loyalty (Auh *et al.,* 2007; Bendapudi & Leone, 2003). Bendapudi and Leone (2003) found that actively participating consumers are more satisfied than non-participating consumers. Ennew and Binks (1999) agree that active participation has a positive impact on service quality and satisfaction but found that it had mixed impacts on future purchase intentions (loyalty). Cermak, File and Prince (1994) agree that participative consumers are more inclined towards repurchases. Wattanakamolchai (2008:2) adds that increased consumer satisfaction is the result from the consumer's increased control over the outcomes. The author continues that consumer participation has the potential to improve consumer skills in terms of utilising the service which could lead to a quicker service process in each subsequent encounter.

Consumer participation can also increase consumer enjoyment as a result of the interaction. Zeithaml and Bitner (2000) add that it also enables consumers to receive various benefits such as greater convenience, discounts and more control over service outcomes. Participative consumers also show lower price sensitivity (Hshieh & Chang, 2004), perceive the brand image more favourably (Woisetschläger, Hartleb & Blut, 2008) and even contribute in service recovery (Dong, Evans & Zou, 2008; Hibbert, Piacentini & Hogg, 2012).

Despite all the positive outcomes of consumer participation, it remains a major source of uncertainty for service organisations since the degree and quality of participation can vary significantly and may even result in negative outcomes (Tax, Colgate & Bowen, 2006; Chan *et al*., 2010; Mustak, Jaakkola & Halinen, 2013). Therefore, Guo, Arnould and Gruen (2013) argue that the effective management of consumer participation is critical for the service provider.

Mustak *et al.* (2013) provide a summary (Table 3.5) of the value outcomes for both the supplier and the consumer after their review of consumer participation literature.

Table 3.5: Outcomes of consumer participation

Value outcome	Outcome of participation	Exemplary studies
Value for the supplier		
Economic value	Increased productivity	Lovelock & Young (1979); Fitzsimmons (1985)*; Bitner *et al*. (1997)*
	Greater repurchase and referrals	Cermak *et al.* (1994)*; Shahin & Nikneshan (2008)*
	Lower price sensitivity	Hsieh & Chang (2004)*
	Better brand image	Woisetschläger *et al*. (2008)*
	Faster service recovery	Dong *et al*. (2008)*; Hibbert *et al*. (2012)
Relationship value	Consumer satisfaction	Bloemer & Ruyter (1999)*; Yen (2005)*; Marzocchi & Zammit (2006)*
	Enhanced loyalty and trust	Rosenbaum, Ostrom & Kuntze (2005)*; Auh *et al*. (2007)*; Dabholkar & Sheng (2012)*
	Positive word of mouth	File, Judd & Prince (1992); Woisetschläger *et al*. (2008)*; Troye & Supphellen (2012)*
	Positive evaluations	Troye & Supphellen (2012)*
	Enriched two-way communication	Lovelock & Young (1979); Kelley, Donnelly & Skinner (1990)
Value related to innovation and development	Improved service quality	Bitner et al. (1997)*; Ennew & Binks (1999)*
	Inceased customisation	Prahalad & Ramaswamy (2004b); Etgar (2008); Vargo & Akaka (2009)
	Improved service/product development and innovation	Von Hippel (2001); Kaufmann, Lehner & Tödtling (2003)*; Tether & Tajar (2008)*

Value outcome	Outcome of participation	Exemplary studies
Negative value outcomes	Competition with consumers and increased job stress	Fodness, Pitegoff & Sautter (1993); Hsieh & Yen (2005)*; Chan *et al*. (2010)*
Value for the consumer		
Superior value through better fit of the offering	Increased control and empowerment	Bagozzi & Dholakia (2006)*; Marzocchi & Zammit (2006)*
	Attainment of desired benefits	Bateson (1985)*; Lengnick-Hall (1996)
	Improved perceived service quality and value	Kelley *et al*. (1990); Anderson & Sullivan (1993)*
Economic value	Convenience, cost reductions and discounts	Bitner *et al*. (1997)*
Skill enhancement to accrue value from an offering	Networking capabilities	Cova & Salle (2008)*
	Skill enhancement	Lenghnick-Hall (1996); Grönroos (2008)
Note: * Empirical studies		

Source: Mustak *et al*. (2013:350)

c) *Moderators of consumer participation* have been examined in the form of consumer readiness (Dong *et al*., 2015), innovation orientation (Chen, Tsou & Ching, 2011), firm-specific moderators (such as employee efficacy) (Yim, Chan & Lam, 2012), pricing options (Xia & Suri, 2014), and consumer self-selection of participation (Bendapudi & Leone, 2003). Other contextual moderators such as the type of service industry (Cermak *et al*., 1994), the extent of service interactivity (Yen, Gwinner & Su, 2004), service stage (Atakan, Bagozzi & Yoon, 2014), whether the service delivery was a success or failure (Heidenreich, Wittkowski, Handrich & Falk, 2014; Dong, Sivakumar, Evans & Zou, 2016), and consumers' cultural value (Chan *et al*., 2010) have also been examined.

MacKinnon (2011:6) describes a moderator as a variable which modifies or strengthens the relationship between a dependent and independent variable. It therefore qualifies the relationship between X and Y, but is not part of a causal sequence. All of the aforementioned studies have therefore investigated the

extent to which the moderators (consumer readiness, innovation orientation, type of service industry, consumers' cultural value, etc.) strengthen or modify consumer participation. For the purpose of this study, wine interest and wine knowledge of wine tourists are hypothesised to have an effect on consumer participation; and it is explored whether staff commitment and staff engagement have an influence on the extent of participation by the wine tasting staff during wine tastings.

It is however important to determine what type of participation is required during wine tastings, as different types of participation can occur.

3.5.1 Types of participation

One research stream on the topic of participation, categorises participation into required (in-role) and voluntary (extra-role) behaviour (Tsai, Wu & Huang, 2017:523). Required consumer participation refers to anticipated consumer involvement in the successful production and/or delivery of the service (Groth, 2005). With this type of participation, it is likely that consumers will become highly involved in producing and delivering the service such as in fitness services (Dabholkar, 1990).

In contrast, voluntary participation is when consumers are motivated to participate and when they do, they are likely to engage in good consumer citizenship behaviour (CCB) such as offering suggestions for improving the service, spread positive word-of-mouth about the service, and even assist new consumers with the delivery process (Poushneh & Vasquez-Parraga, 2018:589).

Participation of wine tourists during wine tasting is not essential for the service to take place; therefore, it can be categorised as voluntary participation should wine tourists participate during the experience. Their participation is then mainly in the form of consumer citizenship behaviour, since they do not need to fulfil an enforceable or explicitly required role during the service encounter (Yi, Nataraanjan & Gong, 2011:88). Bove, Pervan, Beatty and Shiu (2009) argue that the exact dimensionality of consumer citizenship behaviour is not yet clear and needs to be

further explored. Consumer citizenship behaviour stems from the organisational citizenship behaviour (OCB) framework developed by Organ in 1988 and therefore OCB will be explained first.

3.6 OVERVIEW OF ORGANISATIONAL CITIZENSHIP BEHAVIOUR

OCB refers to discretionary behaviours by employees that improve organisational effectiveness, but are not necessarily recognised or rewarded (Organ, 1988). OCB therefore does not form part of the standard performance indicators required by an organisation in a formal job description. Lovell *et al*. (1999) add that OCB includes those actions by employees that exceed the minimum role responsibilities which promote the welfare of co-workers, work groups and/or the organisation. Walz and Niehoff (1996) agree that OCB affects overall organisational effectiveness and that OCB is often evaluated during employee performance with the aim of promotions and increases (Podsakoff & MacKenzie, 1997).

Mohammed, Habib and Alias (2011) are of the opinion that employees who engage in citizenship behaviour are more likely to have higher levels of job motivation and job satisfaction compared to employees who do not demonstrated citizenship behaviour. The authors continue that higher levels of OCB may result in increased productivity and profitability. Therefore, it is important to understand the variables that form part in creating this favourable behaviour within any organisation.

Prior research on OCB has indicated that it is a multidimensional construct with a lack of consensus on the number and type of dimensions that form this construct (Fernández-Sabiote & Román, 2005:1). Podsakoff, MacKenzie, Paine and Bachrach (2000) agree and add that researchers have reported between two to seven dimensions.

3.6.1 Dimensions of organisational citizenship behaviour

Since the inception of OCB, authors such as Bateman and Organ (1983) and Smith, Organ and Near (1983) distinguished between two dimensions of employee behaviour in terms of OCB: altruism (helping others), and general compliance (doing what a good employee should do). Later, Organ (1988) identified five distinct dimensions of OCB: civic virtue (keeping up with important matters within the organisation), altruism (helping others), courtesy (consulting others before taking action), conscientiousness (compliance with norms), and sportsmanship (not complaining about trivial matters). Then, in 1997, Organ further classified OCB dimensions into three categories: courtesy, helping and conscientiousness (Organ, 1997). Williams and Anderson (1991), however, identified two types of OCB: behaviours directed at specific individuals in the organisation, and behaviours which benefit the organisation as a whole. It is evident from the literature on the topic that research on the dimensions and consequences of OCB is mostly focused on the organisation and its employees, with the effect of OCB on consumers being neglected (Podsakoff & MacKenzie, 1997; Podsakoff *et al*., 2000).

Bell and Menguc (2002) argue that OCB is of significant importance in services marketing as the behaviours of frontline employees are imperative for organisational effectiveness. The importance of OCB in service industries, such as wine tastings, is emphasised by the nature of the service and the personal interaction that takes place between wine tasting facilitators and wine tourists. Fernández-Sabiote and Román (2005) describe this interaction as the heart of most service experiences.

Fernández-Sabiote and Román (2005) developed a scale to measure OCB and three OCB dimensions were identified. The dimensions included in the scale with the items used to measure the dimensions are summarised in Table 3.6.

Table 3.6: Dimensions of organisational citizenship behaviour

Dimensions	Items Employees that serve me regularly….
Consumer facilitation Consists of consumer-oriented behaviours that contribute to organisational goal accomplishment	1. Provide me an extra service as a client 2. Give me interesting alternative solutions even though it means more work for them 3. Show genuine concern towards my situation 4. Make original suggestions to improve the service they provide me 5. Act energetically and enthusiastically
Organisational involvement "Identification with and allegiance to the organisation as a whole, including the promotion of the organisation to outsiders"	6. Actively defend their organisation 7. Maintain a positive attitude about their organisation 8. Actively promote their organisation
Sportsmanship "Refers to the willingness to tolerate the inevitable inconveniences and impositions of work without complaining"	9. Exhibit annoyance with people around them 10. Talk about wanting to quit their job 11. Express resentment at being given orders

Source: Fernández-Sabiote and Román (2005:7)

In order to develop the scale, an exhaustive literature review was conducted by the authors, as well as in-depth interviews and focus groups. It was further tested by means of a telephone survey.

The OCB dimensions identified by Fernández-Sabiote and Román (2005) were adopted for this study. It was measured by means of semi-structured telephone interviews and based on the wine tasting staff's own perspectives about their behaviour in their respective roles in the tasting room. It therefore took the form of self-reflection on the relevant dimensions.

Organisational citizenship behaviour is often determined by other factors, known as antecedents. These are discussed next.

3.6.2 Antecedents of organisational citizenship behaviour

Citizenship behaviour within organisations are affected by organisational commitment, employee satisfaction, organisational justice, empowerment, values congruency, age, career development, tenure, motivation, personality and leadership and leadership behaviour (Bateman & Organ, 1983; Organ, 1990; 1997; Shamir,

1991; Organ & Lingle, 1995; Organ & Moorman, 1993; Penner, Midili & Kegelmeyer, 1997; Tang & Ibrahim, 1998; Riketta, 2005; Merrilees, Miller & Yakimova, 2017).

In the context of this study, staff engagement and staff commitment were identified as antecedents to organisational citizenship behaviour. *Staff commitment* to the organisation is according to Podsakoff *et al*. (2000), a strong predictor of organisational citizenship behaviour, which in turn will also be an antecedent to explain staff-led value co-creation behaviour (Merrilees *et al*., 2017:253). It is therefore proposed that greater levels of employee commitment will motivate greater levels of staff-led value co-creation. A scale to measure staff commitment was developed by Merrilees *et al*. (2017), evaluating the following aspects in terms of staff commitment:

- Emotional attachment to the organisation.
- Whether the organisation has personal meaning to the staff member.
- A sense of belonging experienced by the staff member.
- Values congruency between the staff member and the organisation.

Staff commitment as an antecedent to organisational citizenship behaviour was explored in this study by means of semi-structured interviews with wine tasting staff, based on the dimensions of Merrilees *et al*. (2017).

Another antecedent identified as potentially important in wine tasting, is *staff engagement*. The relationship between engagement and co-creation is evident in the consumer co-creation literature, where both constructs seem to associate with each other (Brodie, Ilic, Jurica & Hollebeek, 2013; Hollebeek, Glynn & Brodie, 2014). Merrilees *et al*. (2017) were the first authors to study the association between staff engagement and staff-initiated value co-creation as it presented a major gap in the co-creation literature. They again proposed that greater levels of staff engagement will motivate greater levels of staff-led value co-creation. This notion was tested by means of the following aspects included on the scale they developed:

- Paying a lot of attention to the job at hand.
- Making an effort to perform well on the job.
- Devoting a lot of energy to the job.

- Dedication to the job.
- Being focused on the job.
- Being enthusiastic about the job.

Again, some of these dimensions were adjusted to a wine tasting context, and included in this study to explore staff engagement as an antecedent to organisational citizenship behaviour.

3.7 OVERVIEW OF CONSUMER CITIZENSHIP BEHAVIOUR

The framework for organisational citizenship behaviour (OCB) has been extended to the consumer domain by Groth in 2005, in the form of consumer citizenship behaviour (CCB).

Other terms used for CCB include consumer voluntary performance (CVP) and consumer extra-role behaviours (Bettencourt, 1997; Bailey *et al*., 2001; Rosenbaum & Massiah, 2007). Extra-role behaviours refer to voluntary, helpful actions of employees that enhance the effectiveness of the organisation. In contrast, in-role behaviours are actions or tasks required to perform the service delivery (Bove *et al*., 2009:698), which is categorised as required participation.

Suppliers would relish extra-role consumer behaviours that improve their service delivery and quality. Bettencourt (1997) and Rosenbaum and Massiah (2007), state that extra-role behaviours promote a supplier by spreading positive word-of-mouth (i.e. loyalty), constructive involvement in suggesting service improvements (i.e. participation) and other polite and courteous behaviours during service encounters (i.e. cooperation). In various service-related businesses, consumers are regarded as “partial employees” who co-create and participate in both production and consumption of services and provide feedback through direct involvement in the service encounter (Vargo & Lusch, 2004). Groth (2005) is in support of this view of engaging consumers in voluntary behaviours in order to achieve the desired outcomes.

Yoo and Gretzel (2008) add that consumers are motivated by a desire to support suppliers by providing feedback, suggesting improvements and providing support to existing and/or future consumers. Keh and Teo (2001) continue that extra-role behaviours may include a sacrifice on the consumer's behalf (time and effort) which are not part of the consumer's required role during a service encounter, but are offered as help, assistance or support to benefit the supplier.

Research indicates that CCB has the potential to provide a supplier with a possible source of competitive advantage (Tung, Chen & Schuckert, 2017:24), as it can enhance organisational performance through improved relationships between participants during the service encounter (Rosenbaum & Massiah, 2007; Yi *et al*., 2011). Yi *et al*. (2011:88), continue that CCB provides extraordinary value to the supplier. Chan *et al*. (2010:50) confirm that interaction with consumers shape the returns obtained by suppliers; and add that employees therefore don't have a choice whether they accept or reject consumers' participation.

3.7.1 Dimensions of consumer citizenship behaviour

Bettencourt (1997) identifies three dimensions of CCB: loyalty, cooperation and participation. Groth (2005) specifies three different aspects: making recommendations, providing feedback to the supplier; and helping other consumers. These items have been validated and empirically tested by the author.

A broader set of dimensions are identified by Bove *et al*. (2009), which include positive word-of-mouth, displays of relationship affiliation, participation in a firm's activities, benevolent acts of service facilitation, flexibility, feedback and suggestions for service improvement, voice, and policing of other consumers. The targets of these behaviours can be either service employees, the organisation or other consumers. These dimensions and their sources are summarised in Table 3.7, followed by a discussion of each.

Table 3.7: Dimensions of consumer citizenship behaviour

Types of consumer citizenship behaviours	Source
Positive word-of-mouth	Gruen (1995); Bailey *et al*. (2001); Keh & Teo (2001); Groth (2005)
Displays of relationship affiliation	Gruen (1995); Bettencourt (1997)
Participation in firm's activities	Gruen (1995)
Benevolent acts of service facilitation	Gruen (1995); Lengnick-Hall, Claycomb & Inks (2000); Keh & Teo (2001)
Flexibility	Gruen (1995)
Suggestions for service improvements	Gruen (1995); Bettencourt (1997); Bailey *et al*. (2001); Keth & Teo (20010); Groth (2005)
Voice	Gruen (1995); Bettencourt (1997); Keh & Teo (2001)
Policing of other consumers	Gruen (1995); Bettencourt (1997)

a) *Positive word-of-mouth*

This dimension represents favourable, informal, person-to-person communication between a perceived non-commercial communicator and a receiver regarding a specific issue or object.

b) *Displays of affiliation*

Displays of affiliation occur when consumers communicate about their relationship with a supplier, by means of tangible displays on their person, or with regard to their personal items.

c) *Participation in the firm's activities*

This dimension involves attendance of the supplier's events and participating in other sponsored activities (such as marketing research) by the supplier.

d) *Benevolent acts of service facilitation*

These include kind, charitable acts on the part of consumers, which may include patience, politeness and tolerance.

e) *Flexibility*

Flexibility refers to consumers' willingness to adapt to situations or occurrences during the service encounter that might be beyond their control.

f) *Suggestions for service improvements*

This dimension occurs when consumers provide the supplier with ideas and suggestions, not derived from specific instances of dissatisfaction with the encounter.

g) *Consumer voice*

Consumer voice refers to complaints by consumers in order to provide suppliers with the opportunity to recover from mistakes, retain their reputation and/or maintain relationships.

h) *Policing of other consumers*

This involves observation of other consumers' behaviours, reacting to these behaviours for the appropriate behaviours to occur.

Yu and Chu (2007:325) urge that researchers need to consider the context under study in deciding which behaviours to focus on when measuring consumer citizenship. In a wine tasting context, the most suitable set of dimensions are the three dimensions identified by Groth (2005), namely making recommendations, providing feedback and helping other consumers. These three dimensions were investigated as part of this study as this is the only set of dimensions where all are relevant to wine tasting.

a) *Recommendations*

Recommendation entails the voluntary creation and distribution of messages by wine tourists to other current or potential wine tourists as a means of spreading knowledge about the winery itself, or its products (wine), or services (such as wine tasting) (Anaza & Zhao, 2013:131). Mudambi and Schuff (2010) add that messages provided by consumers to other consumers are held in greater esteem than company-generated messages.

b) *Service firm facilitation (providing feedback)*

Groth (2005) identifies the provision of feedback as a dimension of CCB, which Anaza and Zhao (2013:131) re-phrase as service firm facilitation. Service firm facilitation refers to a consumer's willingness to assist the supplier and its employees by sharing useful information that enables the supplier to improve its future service performance. This study professes the term "service firm

facilitation", as it is a wider concept compared to "providing of feedback". Wine tourists might want to share previous experiences during wine tasting, or share expertise that they might have, which is not necessarily classified as feedback as explained by Groth (2005).

c) *Helping others*

Helping refers to useful behaviours by consumers for the sole purpose of helping other consumers during the service process. This dimension corresponds with "policing of other consumers" as identified by Bettencourt (1997). Helping others in a wine tasting context would refer to assisting other wine tourists where needed in terms of information provision or sharing know-how of how to do a wine tasting properly or correctly.

3.7.2 Antecedents of consumer citizenship behaviour

Participation requires a general attitude or collective intention to participate (Bagozzi & Dholakia, 2006). More recently, commitment, has been identified as a key representation of consumer participation in electronic communities (Jang, Olfman, Ko, Koh & Kim, 2008; Mathwick, Wiertz & De Ruyter, 2008), as commitment drives participative behaviours such as helping others and spreading positive word-of-mouth.

Yen, Hsu and Huang (2011:93) identify cooperative norms, perceived benefits of participation and technology readiness as antecedents in consumer in-role and extra-role participation behaviour in online communities of consumption.

In another study, Yi and Gong (2006) examined negative effects during the service encounter, commitment, and service consumer justice as antecedents to consumer citizenship behaviour.

Informed by the wine tourism literature, the antecedents of consumer citizenship behaviour that were examined in this study, are wine interest and wine knowledge. Wine tourists are increasingly segmented based on these two variables (Hall &

Macionis, 1998; Charters & Ali-Knight, 2002; Bruwer, 2003) and the extent to which these two variables is expected to have an effect on citizenship behaviour during the service encounter.

Research suggests that consumers participate only if they anticipate benefits from the relationship (Ennew & Binks, 1999). The purpose of value co-creation is mutual benefit and in the context of wine tasting, one of the mutual benefits is knowledge renewal for both wine tourists and wine tasting facilitators. Therefore, mutual learning is also one of the core constructs in this study and is discussed next.

3.8 KNOWLEDGE RENEWAL AS OUTCOME OF VALUE CO-CREATION IN WINE TASTING

The generation, sharing and application of knowledge, referred to as knowledge renewal, has been identified as one of the outcomes of value co-creation and the central source of competitive advantage (Ballantyne & Varey, 2006; Vargo & Lusch, 2008). Slater and Narver (1994) and Woodruff (1997) agree and add that consumer perceived value is considered fundamental to a company's competitive advantage.

Value co-creation outcomes are the result of resource integration and may benefit one party involved, but ideally all parties involved should benefit (Pinho, Beirão & Patricio, 2014). Apart from competitive advantage, other outcomes of value co-creation include increased consumer satisfaction, loyalty, innovation, renewed insights into market conditions, consumer strategies, competitor activities and relationships (Yazdanparast, Manuj & Swartz, 2010).

It is increasingly recognised that value emerges from the reciprocal interaction between consumers and suppliers (Ballantyne & Varey, 2006; Grönroos, 2008; 2011; Payne *et al*. 2008). Interestingly, specialisation, knowledge intensiveness and technological complexity are also on the increase in various industries (Möller, 2006; Sawhney, 2006; Jacob & Ulaga, 2008), resulting in the consumer and supplier becoming more dependent on each other's knowledge and resources (Tuli, Kohli & Bharadwaj, 2007; Nordin & Kowalkowski, 2010). To access each other's resources

and knowledge, or operant resources, extensive interaction and collaboration are imperative in a value co-creation context characterised by intricate exchange (Aarikka-Stenroos & Jaakkola, 2012:15).

Zhang and Chen (2008) add that knowledge sharing between consumer and supplier comprises the sharing of knowledge, ideas and creativity from the repositories of accumulated previous learning, creativity, ideas and real-life situations and roles. This builds competence and co-creates value (Maglio & Sphorer, 2008). Consumer learning, according to Payne *et al*. (2008); Kangas (2010) and Yi, Gong and Lee (2013), can be defined as the degree to which consumers gain or acquire knowledge or skills through participative consumption experiences such as information seeking, processing, configuration and interacting with providers. Organisational learning is generally defined as "the process by which organisations learn" (Chiva, Alegre & Lapiedra, 2007).

Alba and Hutchinson (1987) and Berg (2007) have demonstrated that consumer competence research acknowledges that learning is based on resources which include cognitive abilities, skills and prior experiences, signifying learning as a vital element relating to resource integration in value co-creation.

According to Ramirez (1999); Powell and Swart (2010); Enz and Lambert (2012); and Grover and Kohli (2012), the sharing of information results in better outcomes compared to outcomes when working independently. This is attributed to shared inventiveness and better expression and evaluation of needs. Fisher and Smith (2011) add that the combined perspectives following resource transfer and integration, activate skills at various points in time and help address dynamic concerns, resulting in co-created value.

Consumer - and organisational learning are both included in the conceptual framework of Payne *et al*. (2008) – refer to Figure 3.5. The arrows between the processes and the learning indicate that both parties involved in the encounter are engaged in a learning process based on their experiences and other operant resources. The knowledge renewal / learning that is achieved as a result, has an effect on how the parties will engage in future value co-creation activities. In addition,

the supplier is also enabled to learn more about the consumer, identify more opportunities and further improve the relationship experience to ultimately enhance co-creation in future.

Consumers' ability to create value is however dependent on the amount of information, knowledge, skills and other operant resources that they can access and use during the encounter (Normann, 2001). Therefore, should a supplier aim to enhance its competitiveness, it needs to build its capacity to either add to the consumers' total pool of resources in terms of competence and capabilities, or to influence the consumers' processes in order for the consumer to utilise available resources more efficiently and effectively (Payne *et al*., 2008). This emphasises the importance of value propositions during encounters. One of these propositions could be to facilitate learning during wine tasting. It is however important that the supplier take into account the consumer's capability and willingness to learn.

Results of consumer learning are manifested in changes in attitudes, behaviour and preferences. Payne *et al.* (2008) distinguish between three types of consumer learning:

a) *Remembering*

   Remembering is the simplest type of consumer learning and represents an outcome of more traditional marketing communication. It is a simple form of learning and is more about the attention of the consumer than mastering the competence to process emotions and information.

b) *Internalisation*

   Internalisation happens when consumers interpret and assimilate messages and experiences. Consumers are usually prompted to take a stand or action, often based on the emotions they experience in relation to the message. This form of learning is common in traditional brand-building activities which aim to achieve associations and brand identity.

c) *Proportioning*

   This is a form of "double-loop learning" (Argyris & Schön, 1978) whereby the consumer takes one step backward to reflect on their own processes and how they engage in practices which involves suppliers. This reflection

could cause changed behaviour resulting from new activities or disengaging from existing practices, and utilisation of resources in new ways. This often results in consumers engaging in new types of behaviour in terms of how the value proposition relates to their lives, objectives and aspirations. Proportioning is therefore the desired type of learning during a service encounter such as wine tasting.

For the purpose of this study, knowledge renewal or mutual learning is treated as an outcome of value co-creation. It is assumed therefore, that if both the wine tasting tourist and the wine tasting facilitator interact, transfer and integrate their resources which result in renewed knowledge based on the experience, value is co-created, based on the renewed knowledge.

All the elements discussed in this chapter are illustrated in the conceptual framework in the next section.

3.9 CONCEPTUAL FRAMEWORK AND HYPOTHESES

The conceptual framework was informed by the literature on value co-creation and wine tasting.

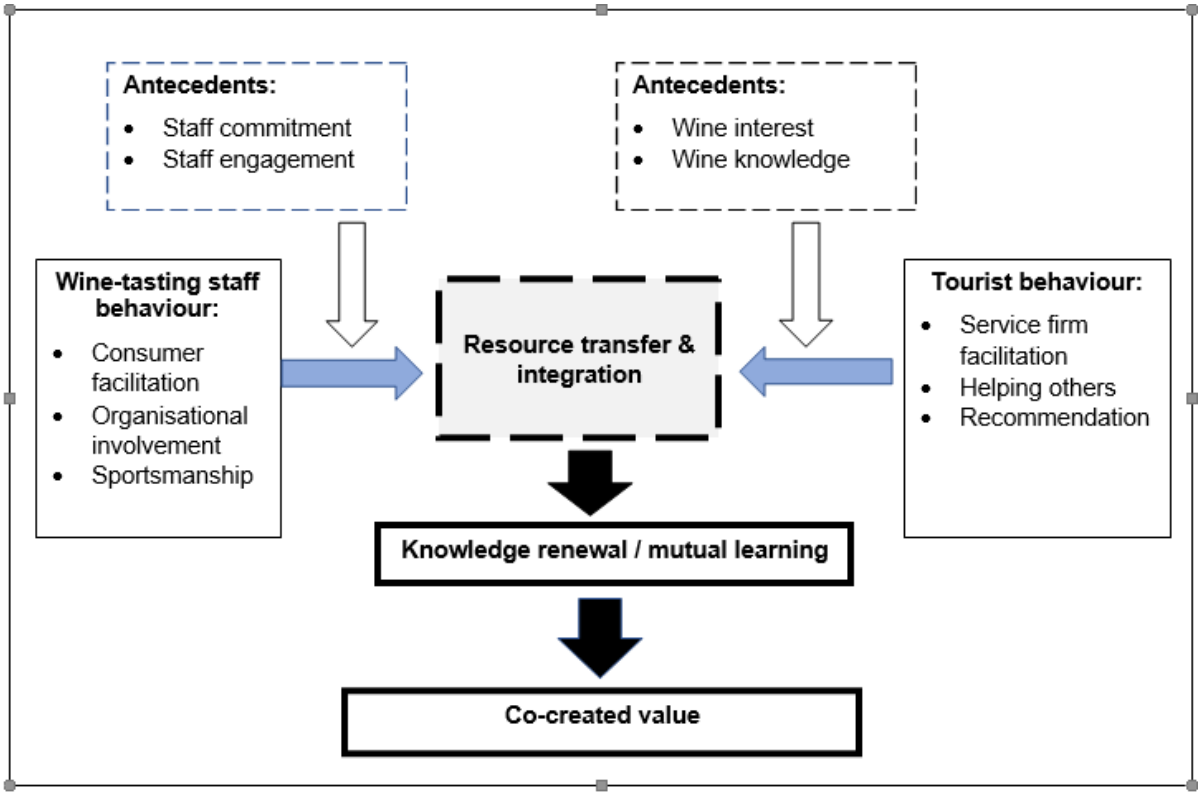

Figure 3.8: Conceptual framework

In order to test the conceptual framework, it is hypothesised that:

H1: Wine interest will exert a positive influence on customer citizenship behaviour (tourist behaviour).

H2: Wine knowledge will exert a positive influence on customer citizenship behaviour (tourist behaviour).

H3: Customer citizenship behaviour (tourist behaviour) during wine tasting will positively influence the extent of resource transfer and integration.

H4: Resource transfer and integration during wine tasting will result in mutual learning with co-created value as outcome.

3.10 CONCLUSION

Value co-creation has become a prevalent topic in marketing literature, yet various aspects thereof are still not clear. Countless perspectives are taken on the topic, numerous dimensions evaluated, which results in mostly exploratory research being conducted on the topic. The conceptual framework in this study recognises

participation, resource integration and knowledge renewal as the key constructs for value co-creation in a wine tasting context.

The type of participation required during wine tastings are voluntary; hence the inclusion of the organisational citizenship behaviour - and consumer citizenship behaviour literature and components in the framework. Participation is not required from the consumer during wine tasting for the service to take place. It does however facilitate a co-created experience in the form of helping others, making recommendations and by engaging in service firm facilitation activities.

It is furthermore recognised that both the wine tasting facilitators and wine tourists possess operant resources which need to be transferred to one another during the wine tasting encounter, for knowledge to be renewed. If the operant resources transferred are integrated with the already existing resources, it could potentially lead to knowledge renewal. In today's knowledge economy, knowledge is regarded as fundamental for competitive advantage. The aim should therefore be to learn from each other and this study posits that if citizenship behaviours result in resource transfer and integration, it could lead to knowledge renewal for both parties. If that happens, in a wine tasting context, value is co-created for both.

This study aims to empirically test this conceptual framework. The methods and processes involved to achieve this, are discussed in the next chapter.

CHAPTER 4: RESEARCH DESIGN AND METHODS

4.1 INTRODUCTION

Research, in short, refers to a search for knowledge. The more formal definition of research is “the systematic process of collecting, analysing and interpreting information in order to increase understanding of a phenomenon about which we are interested or concerned” (Leedy & Ormrod, 2010:2). This study aimed to do exactly that - collect, analyse and interpret information in order to gain more insight into the co-creation phenomenon within a wine tasting context. In order to develop a conceptual framework for co-creation in wine tasting, constructs such as participation; resource transfer and integration; and learning were studied and empirically tested.

The lack of research on value co-creation and wine tourism in general has emphasised the need to conduct this study. Chapter 2 involved a literature review on wine tourism and Chapter 3 focused on value co-creation and its components. Based on the literature, a conceptual framework was postulated, which informed the research design and methods described in this chapter.

4.2 RESEARCH PARADIGM

A research paradigm is defined by Saunders *et al*. (2009:118), as “a way of examining social phenomena from which particular understandings of these phenomena can be gained and explanations attempted”. Mertens (2010) adds that the paradigm is sometimes referred to as the theoretical framework which impacts the way knowledge is studied and interpreted. The chosen paradigm for a study determines the motivation, intent and expectations for the research (Mackenzie & Knipe, 2006:194). The authors continue that the identification of the appropriate paradigm is critical at the start of research, as it influences methodology, methods, literature and research design.

Pragmatism does not commit to any one philosophy or paradigm only (Mackenzie & Knipe, 2006:194), which is well suited to this study. The research paradigm guiding this study is therefore pragmatic, as it is the underlying framework for mixed-method

research (Tashakkori & Teddlie, 2003; Somekh & Lewin, 2005). Creswell (2003:11) states that the pragmatic paradigm "places the research problem as central, and all methods and approaches are applied to investigating the problem". Pragmatic research is generally focused on the "what" and "how" of the research problem (Cresswell, 2003:11). This study aims to determine what co-creation is in a wine tasting context, what its potential is, how it is currently experienced and how it can be introduced, if necessary. In order to determine this, both quantitative and qualitative methods have been utilised; therefore, the pragmatic paradigm.

4.3 DESCRIPTION OF INQUIRY STRATEGY

The inquiry strategy proposed for this study was a mixed-method approach whereby both qualitative and quantitative research methods and data were combined. According to Creswell (2015:35), the core designs underlying all mixed-method studies, include convergent designs, explanatory sequential designs and exploratory sequential designs as illustrated in Figure 4.1 below.

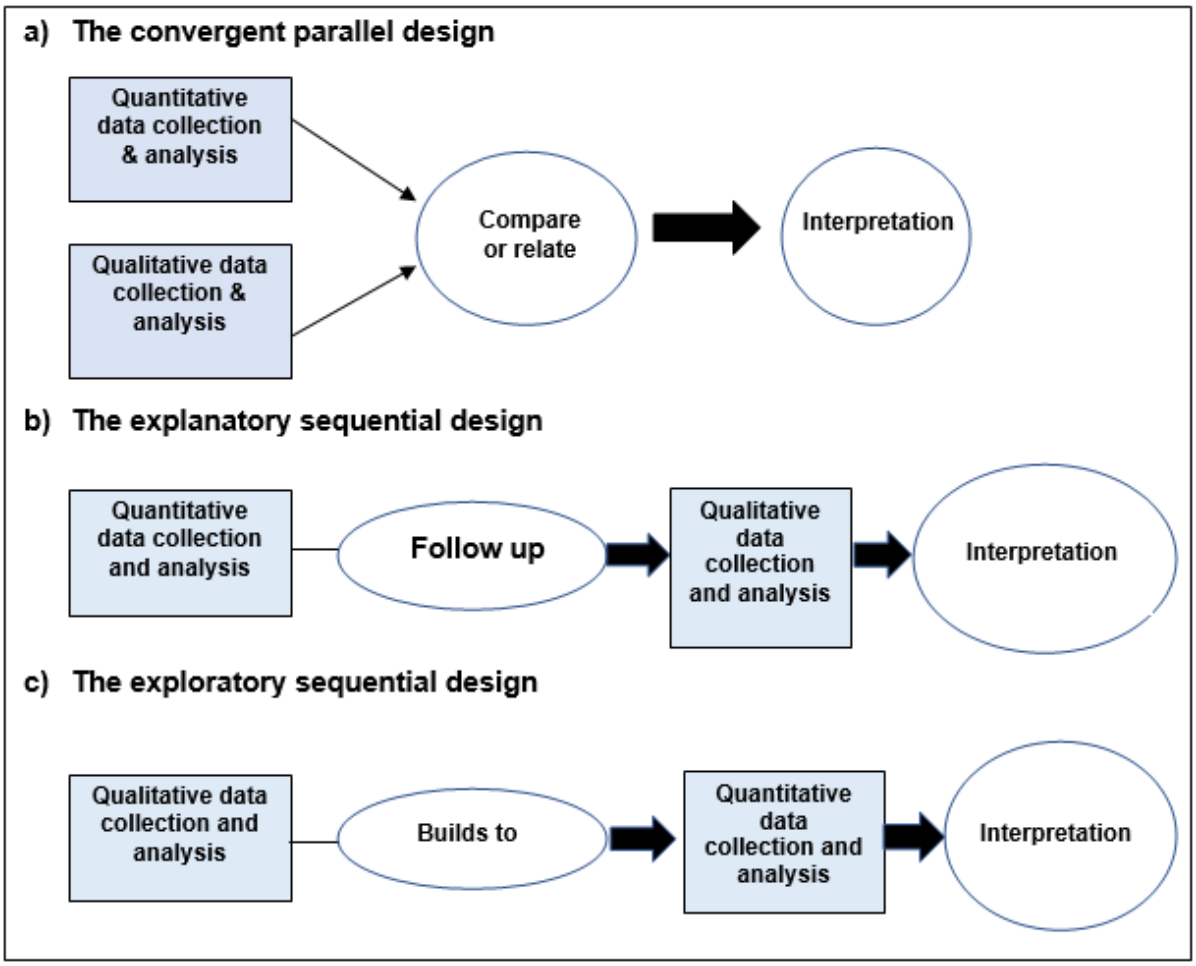

Figure 4.1: Prototypical versions of the core mixed-method research designs
Source: Creswell and Plano Clark (2011:69)

For further clarification, some of the major characteristics of the three core mixed-method research designs are summarised in Table 4.1 below.

Table 4.1: Prototypical characteristics of the core mixed-method types of designs

	Convergent design	Explanatory design	Exploratory design
Definition	Concurrent quantitative and qualitative data collection, separate quantitative and qualitative analyses, and the merging of the two data sets	Methods implemented sequentially, starting with quantitative data collection and analysis in Phase 1 followed by qualitative data collection and analysis in Phase 2, which builds on Phase 1	Methods implemented sequentially, starting with qualitative data collection and analysis in Phase 1 followed by quantitative data collection in Phase 2, which builds on Phase 1
Design purpose	• Need a more complete understanding of a topic • Need to validate or corroborate quantitative scales	Need to explain quantitative results	Need to test or measure qualitative exploratory findings
Typical paradigm foundation	Pragmatism as an umbrella philosophy	• Post positivist in Phase 1 • Constructivist in Phase 2	• Constructivist in Phase 1 • Post positivist in Phase 2
Level of interaction	Independent	Interactive	Interactive
Priority of the strands	Equal emphasis	Quantitative emphasis	Qualitative emphasis
Timing of the strands	Concurrent	Sequential: quantitative first	Sequential: qualitative first
Primary point of interface for mixing	• Interpretation if independent • Analysis if interactive	Data collection	Data collection
Primary mixing strategies	Merging the two strands: • After separate data analysis • With further analyses (e.g., comparisons or transformations) of separate results	Connecting the two strands: • From quantitative data analysis to qualitative data collection • Use quantitative results to make decisions about qualitative research questions sampling and data collection in Phase 2	Connecting the two strands: • From qualitative data analysis to quantitative data collection • Use qualitative results to make decisions about quantitative research questions, sampling and data collection in Phase 2
Common variants	• Parallel databases • Data transformation • Data validation	• Follow-up explanations • Participant selection	• Theory development • Instrument development

Source: Creswell and Plano Clark (2011:73)

A convergent research design has been adopted for this study. The variant most appropriate is the parallel-databased variant whereby two parallel strands are conducted independently from each other and only combined during interpretation (Creswell & Plano Clark, 2011: 80). The convergent parallel design is the most well-known approach to mixed-method research (Creswell & Plano Clark, 2011:77).

Convergent designs involve the separate collection and analysis of quantitative and qualitative data with the goal to merge the results of both. The merge provides a quantitative and qualitative picture of the problem, and offers different insights and various angles and perspectives of the research problem (Creswell, 2015:35). Creswell and Plano Clark (2011:70) add that concurrent timing is used with a convergent design, analyses are done independently, methods are equally prioritised and results are then mixed during the overall interpretation. The other two designs were not suitable for this study as no specific order of events was required during this study – as is the case with both the sequential explanatory and exploratory designs.

Some of the strengths and advantages of a convergent design, according to Creswell and Plano Clark (2011:79), include:

- Convergent designs make intuitive sense, especially for novice researchers, and has therefore become a popular approach concerning mixed-method research.
- It is an efficient design, since both sets of data are usually collected during the same time.
- Each type of data is collected and analysed independently which allows team research whereby different types of data collection can be allocated to different members of the team.

Challenges concerning convergent designs according to Creswell and Plano Clark (2011:79), include:

- Convergent designs require sufficient expertise and effort due to the concurrent timing and the fact that each data type is equally important. This again motivates for team research when adopting a convergent design.

- Different samples and sample sizes can also make this design more complex when data sets are merged.
- It is challenging to meaningfully merge two sets of very different data. It is therefore important to ensure that data sets address the same concepts in the study.
- Uncertainty arise when the quantitative and qualitative results do not agree. It might be challenging to resolve differences and sometimes the collection of additional data may be required.

Figure 4.2 demonstrates the process involved in a convergent design.

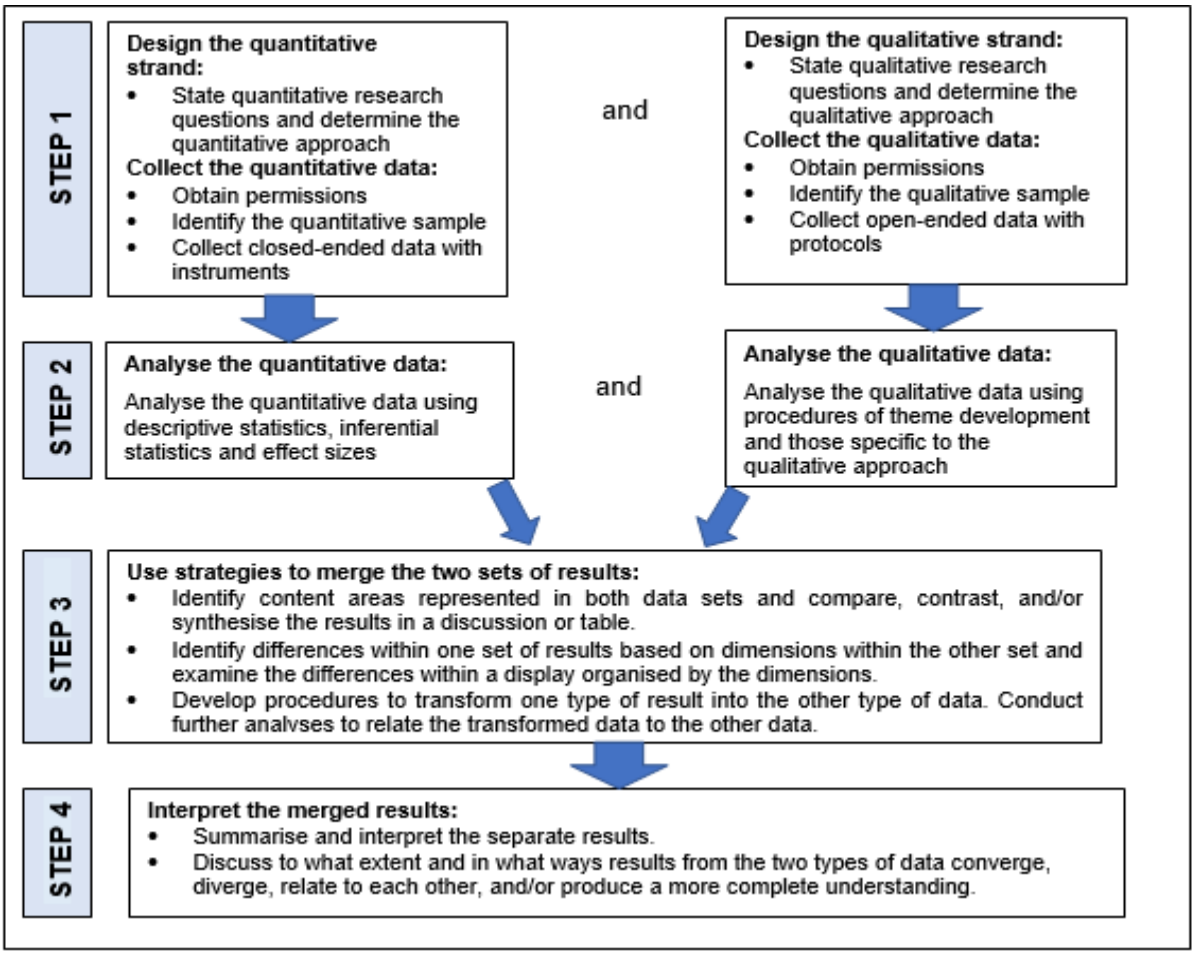

Figure 4.2: Steps in convergent designs
Source: Creswell and Plano Clark (2011:79)

4.4 THE RESEARCH DESIGN

Research design is described as the blueprint for the collection, measurement and analysis of data. Kothari (2004) defines research design as the framework, plan or conceptual structure within which the research is conducted. The research design

should ultimately identify how the chosen strategy has addressed the study's goals and objectives (Kotzé, 2009:2).

The research design of this study took on the form of a mixed-method approach, which is in line with the research paradigm described previously. The justification for this approach lies in the fact that one data source might have been insufficient in addressing the research question. The purpose of this study was to explore value co-creation in a wine tasting context, so that the wine tasting experience can be optimised for both parties involved. In order to achieve that, both the wine tourists and wineries had to form part of the empirical component of the study, in order to get both perspectives on the topic. Quantitative research was used to survey the wine tourists and qualitative research was used to obtain inputs from wine tasting staff.

The abstract nature of some of the constructs motivated for qualitative data collection instead of quantitative, whereby clarification and more detail were obtained. A quantitative approach towards wine tasting facilitators would not have provided the in-depth findings obtained with the interviews. On the other hand, interviews with wine tourists would have been challenging in terms of time and other resources and especially in terms of access to them as respondents; and furthermore, the type of information required from them was more suitable for a quantitative approach.

Research design generally consists of the following elements:

4.4.1 Data collection methods

Data collection is an important aspect of any research project, with a wide range of methods (observation, interviews, focus groups, tests and questionnaires) to choose from (O'Leary, 2004:56). According to Kothari (2004:113), the following aspects need to be considered in choosing the appropriate method for data collection:

- Nature, scope and object of enquiry. The choice of data collection method should suit the type of research being conducted.

- Availability of funds. The researcher has to act within the limitations of his/her budget for data collection.
- Time. The researcher has to determine the amount of time at their disposal for data collection.
- Precision required. It is the researcher's responsibility to determine a data collection method appropriate to the amount of precision the study requires.

Drawing from the guidelines above, a self-completion electronic survey (e-survey) was used for the quantitative phase of the research and telephone interviews were the data collection method for the qualitative phase of the study. For both collection methods, stringent research ethics were adhered to in terms of privacy to participants, no harm incurred to any participants, honesty in reporting of findings and consent from all participants was obtained prior to their participation.

a) E-survey aimed at wine tourists

An e-survey is defined by Jansen, Corley and Jansen (2006) as one in which a computer plays a major role in both the distribution of the survey to potential respondents, and the collection of survey data from respondents.

Already in 2005, Glover and Bush (2005:135) stated that there was an increase in the use of online or e-surveys in social research. The authors continue that two approaches can be followed to reach potential respondents. One option is to send a general invitation to online users to participate in a survey, or potential respondents can be emailed and thereby requested to participate in a survey. The latter approach was adopted in this study whereby a link was attached to an email that was sent to a database requesting members of the database to participate in the web-based survey (SurveyMonkey). A reminder email was sent a number of days after.

Initially, a self-completion questionnaire was deemed appropriate to obtain data by means of an intercept survey from wine tourists at wineries in the Western Cape. This however proved problematic (more information in the target population section) and an e-survey was used instead, which was distributed by means of SurveyMonkey to a database of wine enthusiasts.

The questionnaire included both closed and open-ended questions, including four forced Likert scales (4 point) measuring different variables. The four point forced Likert scale option was utilised to eliminate response biases such as the halo effect and impression management and to improve the validity of the findings (Xiao, Liu & Li, 2017). The questionnaire measured demographic and geographic variables; wine interest and knowledge; tourist behaviour during wine tastings (Groth, 2005); the extent of resource transfer; the desire to learn during wine tastings, and some co-creation elements.

Based on the set of dimensions of Groth (2005), the following questions were included in the survey in terms of customer citizenship behaviour:

- ***Recommendations***

As part of the survey, respondents (wine tourists) had to indicate their likelihood to recommend wineries to others if they had a good wine tasting experience.

- ***Service firm facilitation (providing feedback)***

As part of service firm facilitation, respondents (wine tourists) were requested to indicate their likelihood to:

- provide feedback to the winery about the wine tasting itself, or about consumer service during the wine tasting;
- complete surveys based on their experience at the winery;
- make an effort to inform the winery in the case of an exceptional experience;
- make suggestions as to how the wine tasting experience can be improved;
- share opinions if it would benefit the winery; and
- inform the winery of any problems experienced.

- ***Helping others***

This dimension was measured in this study with the following questions in the survey:

- How likely they are to demonstrate to other wine tourists how to taste wine, based on their knowledge / experience;

- how likely they are to tell other wine tourists how to taste wine, based on their knowledge / experience; and
- how likely they are to help other wine tourists with their wine tasting process / experience, if needed.

There are numerous benefits to web-based surveys, including low cost, wide availability of survey design and implementation tools, the option to include reminders and built-in features that facilitate data cleaning, improve the survey experience for both respondents and researchers and ease of implementation (Dillman, Smyth & Christian, 2009; Boyer, Adams & Lucero, 2010; Israel, 2011). All the above benefits were experienced with this study.

Archer (2003) states that web-based surveys are easy to use when respondents have high-speed Internet access and Israel (2011) adds that frequent computer users also tend to find it easy to participate in web-based surveys. One major concern, however, is the low response rates (Wiseman, 2003; Archer, 2008). According to Petchenik and Watermolen (2011), the average response rate of online surveys is 11 % lower than mail and phone surveys, and rates as low as 2 % have been reported. Dillman *et al*. (2009) are of the opinion that poor survey design, excessive survey length and lack of interest can be some of the contributing factors to the low response rates. In this particular study, however, the response rate was satisfactory.

The questionnaire was pilot tested in May 2019 among fifteen academic (tourism and marketing departments) staff members at both North-West University and Tshwane University of Technology. Valuable comments were received, and minor corrections were made, which mostly included re-phrasing of questions to evaluate wine tourists' behaviour at wine tastings in general and not after a specific wine tasting (as was the initial plan). Some statements in the likert scales were removed due to duplication and overlap. After corrections, the final questionnaire was submitted to iTickets for distribution on their database.

Refer to Appendix A for the questionnaire.

b) Telephone interviews with wine tasting staff

Initially, it was planned to have semi-structured, face to face interviews with wine tasting facilitators on their premises about their views on the constructs underpinning this study. However, when it was realised that data would not be collected from wine tourists at the wineries, it had a ripple effect on the interviews and it was decided to conduct telephone interviews, mostly due to time and financial constraints.

In a study conducted by Fenig, Levav, Kohn and Yelin (1993), it was found that convenience was the most central advantage of telephone interviews compared to face-to-face interviews, as perceived by participants. For the interviewer, it provides access to participants who are otherwise hard to make contact with due to work commitments. In the Fenig *et al.* (1993) study, it was proven that participants were more likely to take part in a telephone interview than a face-to-face interview due to time constraints. It was also found that telephone interviews were deemed less demanding, less time consuming and more private, by participants. For the interviewer, other advantages include the reduced cost, the quicker collection of data and access to a larger geographical population (Shuy, 2002). The latter reason was the main motivator for the choice of telephone interviews for this study, with the researcher being based in Mpumalanga and the target population spread across the Western Cape.

Semi-structured interviews are characterised by elements of both structured and unstructured interviews, whereby a set of sequential questions is used as an interview guide / schedule (structured), but additional questions can be included to facilitate further exploration (unstructured) (Cachia & Millward, 2011:269). The interviews in this study were fairly open ended or semi-structured and revolved around a few main questions based on the constructs in the study (Leedy & Ormrod, 2010:148). The interview schedule was developed around six broad themes, namely staff commitment, staff engagement, wine organisational citizenship behaviour (Fernández-Sabiote & Román, 2005), resource transfer and integration, learning, and co-creation which were not necessarily asked in a fixed order, but it was ensured that all the topics were covered during the interviews. The interviews,

therefore, were flexible and participants had the freedom to discuss additional topics associated to the themes.

Once permission to conduct the interviews were obtained from tasting room managers, a suitable date and time was scheduled. Interviewees were briefed about the purpose and estimated duration of the interviews. Prior to the interviews, a reminder email was sent to the interviewees. The conversations were recorded on a voice-recording application on the interviewer's cell phone as well as another mobile device as back-up. The duration of interviews on average was 50 to 80 minutes.
The first interview served as the pilot interview and after completion the order of questions were slightly changed but the interviewer obtained all the required information and the interview schedule remained mostly unchanged.

Refer to Appendix B for the interview schedule.

4.4.2 Population, target population and sampling

The *population* of a study refers to the total category of subjects focused on in a particular project (Veal, 2006:284); whereas the *target population* refers to the "group of individuals or participants with the specific attributes and relevance to the study" (Bartlett, Kotrlik & Higgins, 2001; Creswell, 2003). From the target population, a sample is drawn which is representative of the population. Sampling techniques are categorised as either probability sampling or non-probability sampling. With probability sampling, each individual has a known and equal chance of being included in the sample; whereas non-probability sampling occurs when individuals' probability of being selected as part of the sample is not known (Saunders *et al*., 2009; Kumar, 2011:206). The three concepts described are illustrated in Figure 4.3 below.

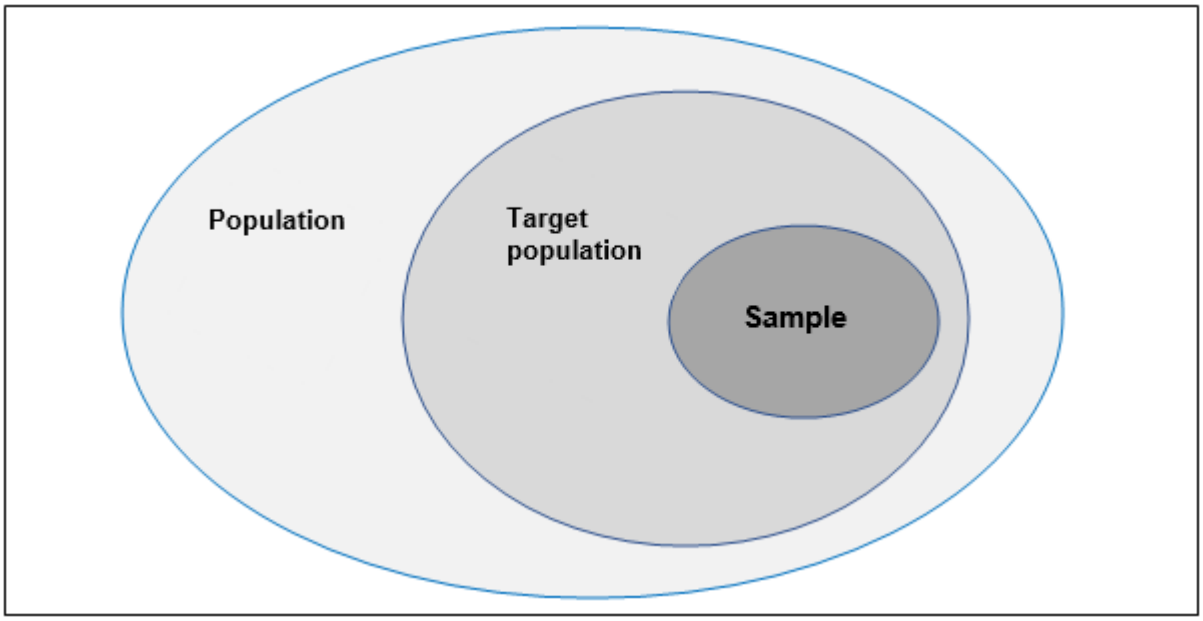

Figure 4.3: Population, target population and sample
Source: Researcher's own diagram

a) Population of this study

Based on the definition of population, in the context of this study it can be described as all people who have done wine tastings before (for the quantitative part of the study); and for the qualitative part, the population will include all wineries offering wine tastings.

b) Target population of this study

The target population was originally supposed to include wine tourists who completed their respective wine tastings at wineries in the Western Cape (before they leave the winery). Similarly, the wineries where the wine tourists were targeted would form part of the target population for the qualitative part of the study. This was, however, not possible, since numerous wineries were opposed to the idea of fieldworkers with questionnaires on-site as it would be negatively perceived by wine tourists. Several industry organisations were contacted for assistance in the matter, with no success.

As a result, the organiser of the annual Fijnwyn Food and Wine festivals was contacted who was willing to assist with a database of previous visitors to the festivals. The Fijnwyn Food and Wine festivals were started by Charmaine Lourens

in Tshwane at the Shokran wedding and events venue in 2003. There were four events in 2019, including:

- Fijnwyn bubbles – 21 March 2019
- Fijnwyn – 30 April and 01 May 2019
- Rooi Fijnwyn – 15 June and 16 June
- Fijnwyn inni lente – 21 September and 22 September

During these events, wineries from across the country are invited to exhibit their wines and other products for attendees to taste and buy. Tickets to the events are sold online through www.iTickets.co.za which also sends reminder emails to a database of previous attendees. With the organiser's permission, a SurveyMonkey questionnaire was attached to one of the emails that was sent prior to the Rooi Fijnwyn festival in June 2019. The Fijnwyn Food and Wine festivals' database consists of 11,880 people (with some duplication in email addresses), who then served as the target population for the quantitative part of the study.

For the interviews with wineries, the wineries who exhibited at the Rooi Fijnwyn festival in June 2019 formed part of the target population. These 40 wineries are listed below.

Table 4.2: Wineries in target population

Almenkerk	Deetlefts	La Vierge	Raka
Avondale	Definitum	Landskroon	Rascallion Wines
Beyerskloof	De Kleine Wijn Koop	Linton Park	Silkbush Mountain
Bon Courage	Delheim	Estate Wines	Slanghoek
Bonnievale	Doolhof	Lomond	Standveld
Boplaas	Elgin Vintners	Lourensford	Three Peaks
Boschkloof	Goede Hoop	McGregor	Walker Bay
Chamonix	Glass of Wine	Middelvlei	Wildeberg
De Krans	Jakkalsvlei	Morgenhof	Wines of the Word
De Toren	Koelenhof	Opstal	Zandvliet

c) Sampling for this study

A link to the SurveyMonkey questionnaire was sent to the Fijnwyn database by www.iTickets.co.za a week prior to the event in June. Prizes were offered – in the form of wine hampers and tickets to the event – to motivate recipients to complete the survey. Respondents provided their cell phone numbers if they wanted to be included in the draw. Respondents still remained anonymous.

Since every person in the population (database) had an equal chance of being selected, with the email being sent to all members on the database, the sampling for the survey can be described as probability sampling.

In this particular study, a response rate of 4,1 % was achieved within two weeks, with only one reminder being sent to respondents. Due to time constraints the survey was closed on the weekend of the event and 488 responses were received, which was satisfactory. Based on the formula of Krejcie and Morgan (1970), the sample size of this study is representative of the population.

For the interviews, all 40 wineries' geographic locations were considered and cluster sampling was used to determine the ten wineries to include in the sample. Refer to Table 4.3 below for the regions of the ten selected wineries.

Table 4.3: Sample of wineries

Winery	Region
Beyerskloof	Stellenbosch
Chamonix	Franschhoek
De Krans	Calitzdorp
Delheim	Stellenbosch
Koelenhof	Stellenbosch
La Vierge	Hermanus
Landskroon	Paarl
Lomond	Stanford
Lourensford	Stellenbosch
Opstal	Breedekloof

With cluster sampling the target population is divided into distinct groups, known as clusters. Sampling is then performed based on the list of clusters instead of a list of individual wineries. Data are then collected from each cluster. For the purpose of this study, the geographic location of each of the 40 wineries were considered and it was attempted to include a variety of locations (clusters) in the sample. It is clear from Table 4.3 that seven of the wine regions were represented in this sample.

4.4.3 Data analysis

Due to the electronic nature of SurveyMonkey, responses were automatically captured by SurveyMonkey. The data were processed by the Statistical Consultation Services of North-West University.

Firstly, frequency tables with descriptive results were generated for all sections of the questionnaire, including means and standard deviations for Likert scales.

Secondly, factor analyses were done for tourist behaviour during / after wine tastings, resource transfer and integration during wine tastings, desire to learn, and co-creation. The purpose of factor analysis is to determine which items "belong together" in the sense that they are answered in a similar fashion and therefore measure the same dimension or factor (Maree 2016:242). Hair, Bush and Ortinau (2006:590), Malhorta (2010:630) and McDaniel and Gates (2013:560) agree and add that a factor analysis is a multivariate statistical technique used to reduce the information enclosed in a large set of variables into a smaller number of subsets, called factors, by recognising underlying dimensions of the data. Two approaches can be adopted for factor analyses – exploratory and confirmatory.

Confirmatory factor analysis (CFA) is conducted by testing the factor loadings for the variables; whereas exploratory factor analysis (EFA) is ideal with complex data where it is uncertain what the most important variables in the field are (Kline, 1994:10). Exploratory factor analysis was deemed appropriate for this study, since it was the first study of its kind to apply co-creation concepts to a wine tasting context; hence the data were complex and uncertain.

Thirdly, Spearman Rank Order Correlations were done to determine the relationships between variables in the study. Spearman Rank Order Correlation is a non-parametric measure of the strength and direction of association that exists between two variables measured on at least an ordinal scale. Spearman's correlations show the strength and direction of association between different factors (Mukaka 2012:69). Veal (2006:352) adds that if two phenomena are related in a systematic way, they are correlated in one of the following ways:

- Positively correlated (as one variable increase so does the other);
- Negatively correlated (as one variable increases the other decreases); or
- Un-correlated (there is no relationship between the variables).

For the purpose of this study, correlations were investigated between wine interest, wine knowledge and the number of wine tastings, and selected demographic characteristics. Correlations were also investigated between wine interest and wine knowledge and the other constructs (tourist behaviour, resource transfer and integration, desire to learn and co-creation) in the study.

Fourthly, structural equation modelling (SEM) was used to assess the hypothesised relationships in the proposed conceptual framework. According to Hooper, Coughland and Mullen (2008:53), SEM has emerged across a variety of disciplines as one of the techniques of choice for researchers and is increasingly considered an essential statistical technique for researchers in the social sciences. Research questions for novice topics such as co-creation are often interrelated and intricate in nature. Such questions cannot be adequately examined by a single, univariate analysis, but should rather make use of a more integrated approach like SEM, that can test proposed theoretical relationships of constructs. Hershberger, Marcoulides and Parramore (2003:4) add that SEM employs mathematical models to test hypothesised relationships. In this study, SEM therefore attempted to test the relationships between wine interest, wine knowledge, number of wine tastings, tourist behaviour, the extent of resource transfer and integration and the desire to learn.

Lastly, for the analysis of the qualitative component, interviews were transcribed verbatim in accordance with the sequence of the questions so that it was easy to follow, and it allowed the systematic identification of concepts and additional themes. Qualitative data analysis is guided by inductive reasoning where the researcher uses specific observations to draw conclusions about the entire population (Leedy & Ormrod, 2010:33). The authors add, however, that despite the inductive reasoning, the researcher will implement deductive reasoning later in the process in order to verify and connect the themes identified.

Seeing that the themes had to some extent already been identified through the literature review, the researcher analysed the interviews in parallel, whereby each response to the already identified themes were compared. Similar data were grouped and colour coded per theme. The final stage of the analysis was to interpret the findings by connecting the responses to the themes in the literature and identifying links and relationships to support the proposed relationships in the study.

4.5 INTEGRATION OF FINDINGS

Methodologists have increasingly highlighted the importance of the integration of qualitative and quantitative data as the centrepiece of mixed methods. Integration is an intentional process whereby the two approaches are brought together in a particular study. Integration, however, is not well developed or practised as data are often collected both qualitatively and quantitatively, but never integrated (Guetterman *et al*., 2015:555).

The definition of mixed-method research by Tashakkori and Creswell (2007:4), calls for the *integration of findings* as criteria for being categorised as “mixed-method research”. The definition holds that “mixed-method research is research in which the investigator collects and analyses data, integrates the findings and draws inferences using both qualitative and quantitative approaches or methods in a single study or a programme of inquiry”.

Mixed-method studies can produce insights and knowledge otherwise unavailable to a quantitative or qualitative study undertaken independently. These combined insights and knowledge are often referred to as “yield” (O’Cathain *et al*., 2007:147). The yield of mixed-method research often provide more confidence in findings, a wider picture, a wider variety of views, an improved study component, an understanding of why and where a study component failed and a way of researching an issue that was otherwise impossible (O’Cathain & Thomas, 2006). In order to optimise this yield, however, findings need to be integrated. Without integration, studies are classified as either mono-method or multi-method (O’Cathain *et al*., 2007:149).

Two approaches for integration can be followed: firstly, inferences can be made from the findings of each method, and these inferences can be brought together in the discussion for a metainference; secondly, the findings from each method can be brought together in the discussion for inference (Teddlie & Tashakkori, 2003). The latter will occur when the purpose of a study is either confirmatory or complementary. Confirmatory studies refer to studies whereby different methods are used to investigate the same issue; whereas complementary studies make use of different methods to investigate different aspects of an issue. Crystallisation, on the other hand, can be used where findings from different components are compared and contrasted, looking for convergence, divergence and discrepancy (Sandelowski, 1995), as was the case in this study. For the purpose of this study, findings from both the quantitative and qualitative component were compared in order to identify gaps and shortcomings and potential for co-creation in wine tastings.

Integration of findings is imperative in order to unlock the potential benefits of mixed-method research as the extent of integration in a study can act as an indicator for assessing the yield of the mixed-method approach from that study (O'Cathain *et al*., 2007:151).

4.5.1 Integration through joint displays

According to Guetterman *et al*. (2015:555), data integration at the analytic and interpretation level has previously been achieved in two ways: by writing about the data in a discussion where the separate results are discussed, and by presenting the data in the form of a table or figure, a joint display, which provides a simultaneous representation of the results. Joint displays are defined as "ways to integrate the data by bringing the data together through a visual means to draw out new insights beyond the information gained form the separate quantitative and qualitative results". It therefore provides a visual means to integrate results in order to generate new inferences.

Convergent design joint displays are usually themes-by-statistics or side-by-side comparisons and tend to be the most complex from an integration point of view (Guetterman *et al*., 2015:561). A joint display of this study, with its convergent design, was however accomplished – refer to Chapter 5.

4.6 RESEARCH ETHICS

Most research in social sciences include interaction with human beings, which implies that ethical implications of the research need to be considered. Most ethical matters in research, according to Leedy and Ormrod (2010:101), fall into the following four categories:

- ***Protection from harm***

  Research participants should not be exposed to physical or psychological harm. The risk involved in participating in the study should not exceed the normal risks of day-to-day living. In addition, participants should be informed prior to the study if their involvement could potentially create psychological discomfort. In this study, participants were not exposed to any form of harm.
- ***Informed consent***

  When people are recruited for participation in research, they need to be informed of the nature of the study and be given a choice to participate or not, with the right to withdraw from the study at any time; therefore, the study must be strictly voluntary. In this study, participants of both the survey and the interviews were informed of the nature of the study, permission was obtained for the interviews to be conducted, and respondents of the survey had the choice to participate or not.
- ***Right to privacy***

  It is imperative that participants' right to privacy is respected by researchers. It is under no circumstances acceptable for others to link a certain response to a participant (unless permission has been granted by the participant). Privacy in research can be achieved by giving each participant a unique arbitrary code number and then label any documents with that number rather than with the person's name. In addition, should a participant's behaviour be discussed in-

depth in the study, a pseudonym should be given and the person's identity must be protected in order to remain anonymous.

In this study participants are anonymous and their responses cannot be linked to them in any way. All of the above measures have been taken to ensure anonymity.

- ***Honesty with professional colleagues***

  It is important that research is reported in a complete and honest fashion, without misrepresentations. The fabrication of data to support a particular conclusion or hypothesis is under no circumstances tolerable. It is also important to give credit where credit is due, during the course of the study, as plagiarism is unethical and constitutes theft of intellectual property.

  Findings in this study have been presented in a complete and honest fashion and the use of other authors' intellectual property has been indicated.

In addition to adherence to the above guidelines, the proposal of this study was also reviewed and approved by the Scientific Committee of the Faculty of Economics and Management Sciences and categorised as a low-risk study. An ethics number was issued: EMS28/04/16-02/03.

4.7 CONCLUSION

The aim of this chapter was to provide a detailed overview of the research methodology implemented in this study with justification for all approaches and analyses adopted. The convergent parallel design of the study guided the flow of the chapter and it became clear that the constructs identified in the literature review, informed the design of this study. Numerous limitations were encountered in terms of the methodology, such as the refusal to access wineries' sites for data collection, but that was overcome and the outcome of the design of the study still proved to be methodologically sound.

The next chapter is an extension from this chapter, where the findings of the empirical research (as a result of the methodology) are provided.

CHAPTER 5: EMPIRICAL ANALYSES

5.1 INTRODUCTION

The previous chapter provided insight into the research paradigm and design of this study. The aim of this chapter is to analyse and present the empirical findings obtained as a result of the chosen methods. Primary data were collected both quantitatively and qualitatively. Therefore, the chapter is divided in two sections, with the first section focusing on the quantitative data analyses, followed by the qualitative analysis (see Figure 5.1). The final section of the chapter aims to present the conceptual framework.

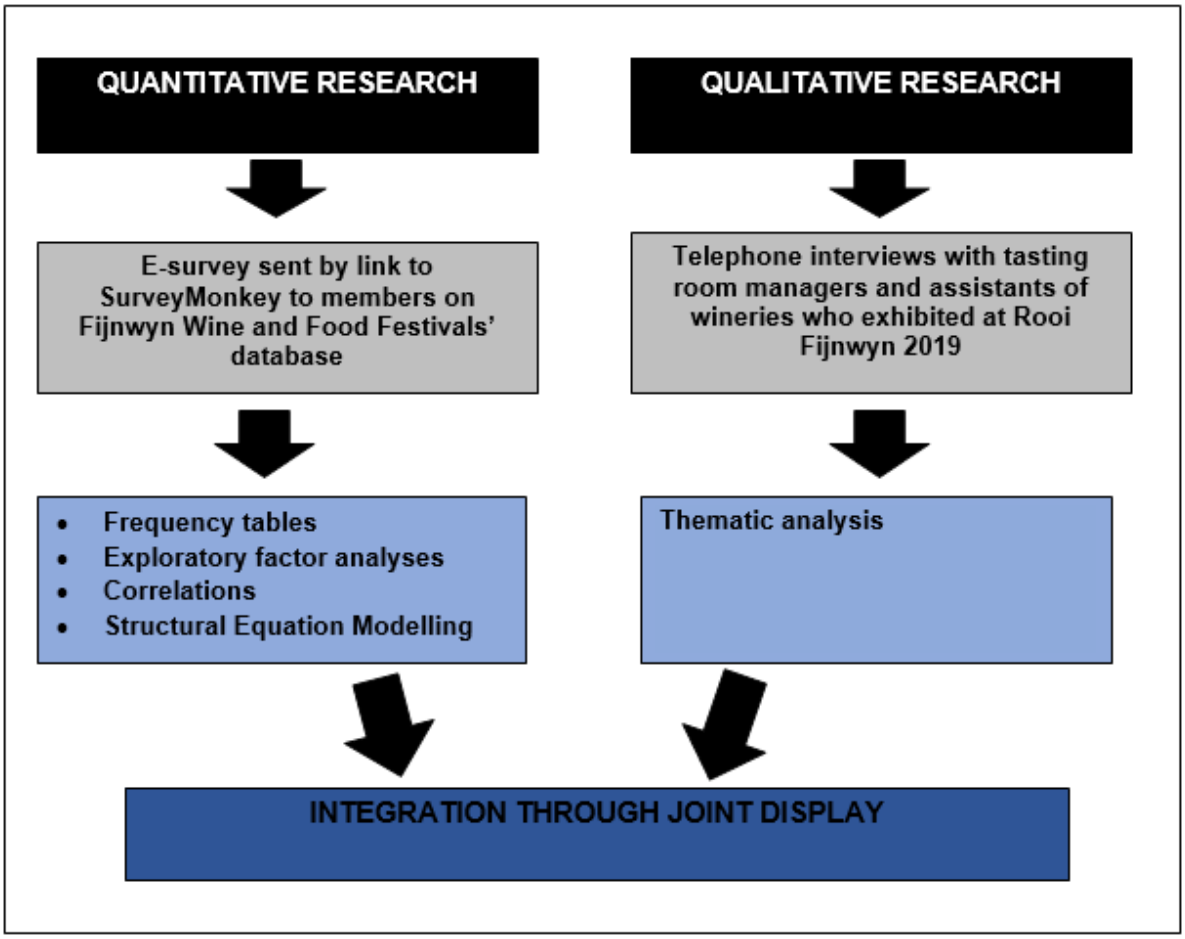

Figure 5.1: Statistical methods applied in the study
Source: Author's compilation

5.2 SECTION A: QUANTITATIVE ANALYSES

SurveyMonkey was utilised to distribute self-completion questionnaires to the Rooi Fijnwyn database. A total number of 488 responses were received.

DESCRIPTIVE RESULTS

This section presents a summary of the descriptive results of the questionnaire.

5.2.1 Summary of demographic and geographic characteristics of respondents

Section F of the questionnaire focused on the demographic information of the respondents. Eight variables were included, namely, gender, age, highest level of education, income, occupation, home language, nationality and place of permanent residence.

Table 5.1: Summary of demographic and geographic information of respondents

Variable and category	Percentage	Frequencies
Gender		
Male	32 %	155
Female	**68 %**	**333**
Age		
21-30	19 %	93
31-40	**42 %**	**205**
41-50	21 %	102
51-60	13 %	63
61-70	4 %	20
Missing	1 %	5
Highest level of education		
No schooling completed	0 %	0
Matric / Grade 12	8 %	39
Diploma / degree	**38 %**	**185**

Postgraduate	36 %	176
Professional	16 %	78
Other	2 %	10
Annual gross income		
No income	2 %	10
Less than R200,000	7 %	34
R200,001-R400,000	**20 %**	**98**
R400,001-R600,000	**20 %**	**98**
R600,001-R800,000	15 %	73
R800,001-R1,000,000	12 %	58
R1,000,001-R1,500,000	10 %	49
R1,500,001-R2,000,000	4 %	19
More than R2,000,000	2 %	10
I prefer not to specify	8 %	39
Occupation		
Finance	**17 %**	**83**
Medical and healthcare	11 %	54
Management	10 %	49
Admin and support	9 %	44
Self-employed	6 %	29
Engineering	6 %	29
Information Technology	5 %	24
Legal	4 %	19
Consulting	3 %	15
Education	3 %	15
Academia	3 %	15
Other	**23 %**	**112**
Home language		
English	18 %	88

Afrikaans	**80 %**	**390**
Other languages	2 %	10
Nationality		
South African	**99 %**	**483**
Other	1 %	5
City / town of permanent residence		
Tshwane / Pretoria	**72 %**	**351**
Cape Town	3 %	15
Centurion	8 %	39
Johannesburg	6 %	29
Benoni	1 %	5
Other	10 %	49

Gender

The results in Table 5.1 indicate that 32 % of respondents were male and 68 % female. This concurs with other studies where wine tourists are profiled as predominantly female (Charters & Ali-Knight, 2000; Williams & Kelly, 2001; Tassioupoulos *et al.,* 2004; Treloar *et al*., 2004; Brown & Getz, 2005; O'Neill & Charters, 2006; Kolyesnikova *et al*., 2007). Tassiopoulos *et al.* (2004) also found that South African wine tourists are mostly females.

Age

The average (mean) age of respondents was found to be 45 years. This seems to be somewhat older than the typical age found in other studies, including the South African study by Tassiopoulos *et al*. (2004), who indicated that the average South African wine tourist is 35 years of age. However, the largest percentage of respondents (42 %), were between the ages of 31 and 40. This was followed by 21 % between the ages of 41 and 50; 19 % between the ages of 21 and 30; 13 % between the ages of 51 and 60 and finally, only 4 % were between 61 and 70 years old.

Other studies (Bruwer, 2004:21; Treloar *et al*., 2004; Charters *et al*., 2011:161; Fountain & Lamb, 2011:108) adopted a generational view on profiling wine tourists, targeting Generation X and Y (millennials) in particular. Bruwer (2004) states that with Generation Y wine tourists, their interaction with the region and winery brand so early in their wine drinking lifecycle could lead to the forming of relationships with these brands for the rest of their lives.

If a generational view should be taken on this particular study, it would indicate that 56 % of the respondents represented Generation Y, followed by 31 % who belonged to Generation X, 11 % were Baby Boomers and 2 % of respondents belonged to Generation Z.

Highest level of education

Education is also a popular segmentation descriptor for wine tourists. Folwell and Grassel (1995) identified the typical wine tourist in British Columbia as well educated. According to the South Australian Tourism Commission (1997 in Charters & Ali-Knight, 2002), wine tourists mostly have higher education levels. O'Neill and Charters (2006) also found that wine tourists are highly educated. Treloar *et al*. (2004) agree and add that wine tourists generally hold a university qualification.

It was found in this study that the majority of respondents (38 %) hold diplomas or degrees, followed by 36 % having postgraduate qualifications. This implies that 74 % of respondents are in possession of tertiary qualifications; an indication that wine tourists generally are highly educated, which confirms the findings in aforementioned studies. Another 16 % of respondents indicated that they hold professional qualifications; with the final 8 % who hold a matric certificate.

Annual gross income

Numerous studies (Folwell & Grassel, 1995; Charters & Ali-Knight, 2002; Treloar *et al*., 2004) found that the typical wine tourist earns above average income. Williams and Dossa (2003), however, argue that whilst wine tourists in British Columbia are described as better educated, they earn below average incomes.

This study agrees with the findings that wine tourists earn above average incomes, since 16 % of respondents earn in excess of R1,000,000. The highest percentage of respondents (20 %) earn between R200,001 and R400,000 and R400,001 and R600,000, respectively. Another 15 % earns between R600,001 and R800,000 and a further 12 % between R800,001 and R1,000,000. Only 2 % indicated that they earn less than R200,000 per annum.

The high incomes could be attributed to the fact that a minimum of 86 % of respondents reside in Gauteng and 3 % in Cape Town; both cities ranked among the world cities paying the highest salaries. According to the Deutsche Bank's annual survey of 2019, Cape Town is ranked 34th on the list, paying an average salary of $1,302 (R18,700) monthly, while Johannesburg is ranked 36th, paying an average of $1,223 (R17,570) (Businesstech, 2019).

Occupation

Occupation was an open field in the questionnaire, but the data allowed grouping of occupations; and categories were identified (Table 5.1). Most respondents (17 %) work in the finance sector, followed by 11 % in medical and healthcare and 10 % in managerial positions (which could also be a contributing factor to the high incomes identified in the study). Other occupations accounted for 23 % of the responses and included eight or less respondents per occupation. These occupations include account management, analyst, archaeologist, architecture and landscaping, art and design, law enforcement, aviation, brewmaster, catering, construction, copywriter, fitness, scientist, video editor, geologist, goldsmith, government, beauty, hospitality, housewife, ID specialist, commodities, security, life coach, manufacturer, student, media, military, music, pensioner, photographer, publisher, wine industry, researcher, retired, social worker, TV script writer, town planner, trade development, travel, insurance and unemployed. Overall a wide range of occupations were evident for this group of respondents.

Home language

The vast majority of respondents (80 %) were Afrikaans speaking with only 18 % English speaking and a further 2 % who indicated other languages (including

isiXhosa, Sepedi, Setswana and Sesotho) as their home language. This might indicate a bias towards the behaviour of a specific group.

Nationality

As indicated in Table 5.1, the vast majority of respondents (99 %) were South African, compared to only 1 % representing other nationalities. This is in line with database membership which is South African focused.

City / town of permanent residence

Respondents indicated that 72 % reside in Tshwane, followed by 8 % from Centurion; 6 % from Johannesburg; 3 % from Cape Town and 1 % from Benoni. The remaining 10 % of respondents are from Alberton, Beijing, Boksburg, Brakpan, Bronkhorstspruit, Dubai, Durbanville, Ermelo, Johannesburg, Kempton Park, Krugersdorp, Middelburg, Mossel Bay, Nelspruit, Nose Be, Richards Bay, Robertson, Roodepoort, Somerset West, Stellenbosch, Swakopmund, White River, Wolmaransstad.

Since Fijnwyn Food & Wine Festivals have been hosted in Tshwane since 2003, the database mostly consists of people from the city and surrounds.

5.2.2 Summary of respondents' wine interest and wine knowledge

Wine lifestyle refers to wine interest, wine cellaring behaviour and wine club participation (Mitchell *et al*., 2000; Alonso *et al*., 2007) which includes lifestyle components such as wine knowledge, motivations and wine behaviour (Alebaki & Iakovidou, 2011:131). Section A of the questionnaire measured wine interest and wine knowledge.

Table 5.2: Summary of wine interest and wine knowledge

Variable and category	Percentage
Wine interest	
I am extremely interested in wine and consider it a passion of mine. I visit wineries whenever possible.	31 %
I am very interested in wine and I visit wine regions mainly for the purpose of wine tours and tastings.	**47 %**
I have limited interest in wine and visit wineries only when I'm in the region for other purposes already.	20 %
I have very limited interest in wine and usually visit wineries as part of a group and not by own choice.	2 %

Wine knowledge	
I have in-depth knowledge of wine and can discuss the finer points of wine with the winemaker.	2 %
I have good knowledge of wine and I am familiar with most aspects (wine making, pairing, storing, ageing, etc.).	39 %
I have limited knowledge of wine and I am familiar with some aspects (wine making, pairing, storing, ageing, etc.).	**52 %**
I have very limited knowledge of wine and I am familiar with very few aspects (wine making, pairing, storing, ageing, etc.).	7 %

Wine interest

It is evident from the table that 47% of the respondents classified themselves as very interested in wine; followed by 31% extremely interested; 20% indicated they have limited interest and only 2% have very limited interest in wine.

Wine knowledge

A total of 52 % of respondents indicated that they have limited knowledge of wine, followed by 39 % with good knowledge, 7 % with very limited knowledge and only 2% with in-depth knowledge of wine. This creates opportunities for wineries since respondents are interested but have limited knowledge – co-creation can improve this since mutual learning is one of the core concepts.

Estimated number of wine tastings

Respondents were asked to indicate the total number of wine tastings they've done. It has been grouped for ease of presentation in Table 5.3 below.

Table 5.3: Estimated number of wine tastings

Number of wine tastings	Number of respondents	Number of wine tastings	Number of respondents
Never	6	71-80	4
1-10	132	81-90	4
11-20	116	91-100	33
21-30	82	101-150	6
31-40	36	151-200	9
41-50	41	201-250	1
51-60	5	251-300	1
61-70	3		

It is evident in the table that the majority of respondents have done up to 50 wine tastings, hence the assumption that the majority of respondents are fairly to well experienced in terms of wine tasting. Seemingly, it is expected that respondents should make valuable contributions in this study toward value co-creation in wine tasting as they are familiar with the wine tasting experience. It is, however, interesting to note that despite the fairly large number of wine tastings done by respondents, the majority indicated that they have very limited to limited knowledge of wine. This could indicate a lack of co-creation in wine tastings due to limited knowledge being transferred.

Not all responses are included in the table as some respondents added text instead of numbers to this question. These respondents stated that they have done either a lot of wine tastings, or too many to count, or hundreds, or limited. Therefore, a value could not be allocated to these responses.

5.2.3 Tourist behaviour during / after wine tastings

Section B in the questionnaire aimed to determine customer citizenship behaviour, referred to as tourist behaviour for the purpose of this study. Customer citizenship behaviour refers to voluntary, helpful actions of employees that enhance the effectiveness of the organisation. Various dimensions of customer citizenship behaviour have been identified. In a wine tasting context, the most suitable set of dimensions are the three dimensions identified by Groth (2005), namely, service firm facilitation, helping other customers and making recommendations. The questionnaire aimed to evaluate the extent of these three dimensions on a Likert scale and a summary of the descriptive results is demonstrated in Table 5.4.

As displayed in Table 5.4 respondents were *likely to very likely* to do the following:

- If satisfied, recommend the winery to others (98 %).
- Inform the winery if they experience a problem (80 %).
- Make an effort to inform the winery if they had an exceptional wine tasting experience at the winery (82 %).

- Complete surveys based on their experience at the winery (75 %).
- Provide feedback to the winery about your wine tasting experience at the winery (positive and negative) (70 %).
- Provide feedback to the winery about customer service (positive and negative) (68 %).
- Share their opinions if they feel it would benefit the winery (59 %).

As displayed in Table 5.4 respondents were *unlikely to very unlikely* to do the following:

- Demonstrate to other wine tourists in the tasting room how to taste wine, based on their knowledge / experience (83 %).
- Tell other wine tourists in the tasting room how they (the respondents) taste wine, based on their knowledge / experience (83 %).
- Help other wine tourists in the tasting room with their wine tasting process / experience, if needed (72 %).
- Make suggestions as to how the wine tasting experience can be improved (62 %).

Table 5.4: Summary of tourist behaviour during / after wine tastings

		Very unlikely	Unlikely	Likely	Very likely	Mean	Standard deviation
Service firm facilitation	Provide feedback to the winery about your wine tasting experience at the winery (positive and negative)	7 %	23 %	**51 %**	19 %	2,84	0,812
	Provide feedback to the winery about customer service (positive and negative)	6 %	26 %	**48 %**	20 %	2,82	0,812
	Complete surveys based on your experience at the winery	6 %	19 %	**54 %**	21 %	2,91	0,796
	Make an effort to inform the winery if you had an exceptional wine tasting experience at the winery	5 %	13 %	**42 %**	**40 %**	**3,18**	0,829
	Make suggestions as to how the wine tasting experience can be improved	13 %	**49 %**	31 %	7 %	2,32	0,794
	Share your opinions if you feel it would benefit the winery	5 %	36 %	**48 %**	11 %	2,66	0,744
	Inform the winery if you experience a problem	3 %	17 %	**57 %**	23 %	2,99	0,732

Recommendation	If satisfied, recommend the winery to others	1 %	1 %	20 %	**78 %**	**3,74**	0,523
Helping others	Demonstrate to other wine tourists in the tasting room how to taste wine, based on your knowledge / experience	38 %	**45 %**	12 %	5 %	**1,85**	0,832
	Tell other wine tourists in the tasting room how you taste wine, based on your knowledge / experience	38 %	**45 %**	12 %	5 %	**1,85**	0,832
	Help other wine tourists in the tasting room with their wine tasting process / experience, if needed	30 %	**42 %**	23 %	5 %	**2,03**	0,859

Based on the mean values of each statement it was clear that recommendation of the winery, if satisfied ($\bar{x}$ = 3,74) as well as making an effort to inform the winery of an exceptional wine tasting experience at the winery ($\bar{x}$ =3,18) were highly likely to happen during / after wine tastings. However, helping other wine tourists in the tasting room with their wine tasting process / experience ($\bar{x}$ =2,03) as well as telling others and/or demonstrating to others how to taste wine, were the most unlikely behaviour during wine tastings, with a mean of 1,85, respectively. Thus, the helping others dimension of customer citizenship behaviour seems to be the least likely behaviour demonstrated during wine tastings.

5.2.4 Resource transfer and integration during wine tasting

In Section C of the questionnaire, the focus was on resource transfer and integration. The new S-D logic of marketing acknowledges the consumer's role in value creation and co-creation. Within S-D logic it is accepted that both the consumer and the organisation act as resource integrators in value co-creation (Arnould *et al.,* 2006; Dabholkar, 1990; Holbrook, 1996; 2006; Vargo & Lusch, 2006). Section C in the questionnaire measures the extent of resource transfer and integration that the wine tourist engages in with the tasting staff. Respondents were asked to indicate what they generally talk about during wine tastings with wine tasting facilitators.

As evident in Table 5.5, respondents indicated that the following topics are generally discussed to *some or to a great extent* during wine tastings with wine tasting facilitators:

- Their wine preferences in general (88 %).

Also reflected in the table, the topics discussed to *a very little extent or to some extent* include:

- Their previous experiences at other wineries (78 %).
- Other tasting rooms that might have made an impression on them (75 %).
- Wine making, wine pairing, storing, ageing, wine regions etc. (overall knowledge of wine) (75 %).
- What they know about the technique of tasting wine (74 %).
- Changes in the wine industry (trends and developments) that you might be aware of (70 %).

Table 5.5: Summary of the extent of resource transfer and integration by wine tourists during wine tasting

	Not at all	Very little	Somewhat	To a great extent	Mean	Standard deviation
Your previous experiences at other wineries	16 %	36 %	42 %	6 %	2,39	0,825
Other tasting rooms that might have made an impression on you	16 %	32 %	43 %	9 %	2,45	0,863
What you know about the technique of tasting wine	22 %	46 %	28 %	4 %	2,14	0,807
Your wine preferences in general	2 %	10 %	55 %	33 %	3,18	0,697
Wine making, wine pairing, storing, ageing, wine regions etc. (overall knowledge of wine)	13 %	37 %	38 %	12 %	2,48	0,867
Changes in the wine industry (trends and developments) that you might be aware of	23 %	41 %	29 %	7 %	2,19	0,868

Based on the mean values of each statement, it is evident that respondents' wine preferences are the most talked about topic during wine tastings ($\bar{x}$ = 3,18). All other statements / topics, however, seemed to be talked about to very little extent or to some extent with mean values of:

- Wine making, wine pairing, storing, ageing, wine regions etc. (overall knowledge of wine) ($\bar{x}$ = 2,48)
- Other tasting rooms that might have made an impression on them ($\bar{x}$ = 2,45)
- Their previous experiences at other wineries ($\bar{x}$ = 2,39)
- Changes in the wine industry (trends and developments) that they might be aware of ($\bar{x}$ = 2,19)
- What they know about the technique of tasting wine ($\bar{x}$ = 2,14)

In addition to the options listed in Table 5.5, respondents were asked if there were any additional information (not listed) that they like to share during wine tastings, and the following were raised: generally just what I like; none in particular, just enjoy the experience; I prefer to just listen to the wine master talking; I like to talk about how the experience is making me feel - the journey of senses being activated; my love of wine; tell them about a wedding on a small boutique wine farm where the guests were treated to wine tasting while the bride and groom took pictures.

In addition to the Likert scale on resource transfer and integration, respondents were also asked two additional questions which relate to the topic. Firstly, they had to state whether tasting staff encourages conversation about the aspects listed in the Likert scale or any other wine-related aspects during wine tastings; and secondly, whether they felt that their opinions, ideas and conversations were valued. The responses are summarised in Table 5.6 below.

Table 5.6: Encouragement of conversations and opinions being valued with tasting room staff

	Never	Seldom	Usually	Always
Staff encourages conversation about wine during wine tasting.	3 %	31 %	**56 %**	10 %
I feel that my ideas, opinions and conversations during wine tastings are valued by tasting staff.	4 %	39 %	**52 %**	5 %

Table 5.6 shows that respondents usually (56 %) feel that conversation about wine is encouraged by wine tasting staff during wine tastings; and that their ideas, opinions and conversations during wine tastings are usually (52 %) valued by tasting facilitators.

5.2.5 Learning during wine tasting

Section D of the questionnaire aimed to determine the extent of learning desired by wine tourists during wine tasting which is summarised in the table below. Respondents were asked to indicate to what extent they want to learn something new about the items below.

Table 5.7: Desire to learn something new during wine tastings

	Not at all	Very little	Somewhat	To a great extent	Mean	Standard deviation
Wine making	1 %	6 %	44 %	**49 %**	3,41	0,659
Food and wine pairing	0 %	3 %	28 %	**69 %**	**3,65**	0,550
Wine in general	0 %	3 %	39 %	**58 %**	3,54	0,572
The winemaker	2 %	14 %	**49 %**	35 %	**3,17**	0,734
The wine region	1 %	7 %	**49 %**	43 %	3,35	0,642
The winery itself (history, ownership, facilities, etc.)	1 %	9 %	40 %	**50 %**	3,40	0,674
The storage and ageing of wine	1 %	10 %	**46 %**	43 %	3,30	0,702
How to taste wine properly	4 %	9 %	33 %	**54 %**	3,38	0,794
New trends in the wine industry	3 %	11 %	39 %	**47 %**	3,29	0,791
The winery's products and facilities	0 %	7 %	46 %	**47 %**	3,40	0,629

As displayed in Table 5.7, respondents' desire to learn somewhat *to a great extent* about the following topics:

- Food and wine pairing (97 %)
- Wine in general (97 %)
- Wine making (93 %)
- The winery's products and facilities (93 %)
- The wine region (92 %)
- The winery itself (90 %)
- The storage and ageing of wine (89 %)
- How to taste wine properly (87 %)

- New trends in the wine industry (86 %)
- The wine maker (84 %)

The mean values in Table 5.7 indicate that respondents have the greatest desire to learn about food and wine pairing ($\bar{x}$ = 3,65) and the least desire to learn about the winemaker ($\bar{x}$ = 3,17).

Respondents were asked to indicate any other aspects of wine (not listed in the table) they would like to learn more about. The responses included: subscription to newsletters of the winery, information about wine tasting courses, availability of wine in place of residence, information about climate, drought and environmental impact, comparisons between vineyards with similar offerings, cooking with wine, delivery and packaging, different tasting experiences such as underground cellars, funny moments while drinking wine, exports, glasses used and labelling, how to make your own random bottle, how you can use the “expired” vineyards - wood and so on for braaiing and how it can change the taste of food etc., I do not drink, so I want to know what the winery can offer, I try to gain insider information not available to the general public, meet the owners of the farm, new styles and new generation of wine drinkers, opportunities in the wine industry, previous clients, social wine tasting at home; especially blind tasting to learn about wines, sommelier courses, the South African wine market and the future thereof, special prices and offers, the difference between South African wines and wines from Italy and France, the winery’s flagship wine, awards won by the winery, why most of our good wines are exported and not widely distributed locally, upcoming wine events, wine experiences in other countries, branding and market strategy, community involvement and support, how does the political stance of the country influence the business, what are they doing to ensure longevity, innovation and sales statistics.

5.2.6 Elements of co-creation during wine tasting

Section E of the questionnaire measured six aspects of value co-creation. The first four aspects were measured by means of a Likert scale and the findings are summarised in Table 5.8.

The following co-creation aspects were *important to very important* according to respondents:

- To feel free to ask questions (94 %)
- To have a unique wine tasting experience (88 %)

Respondents indicated that the following aspects were somewhere between *important and not important:*

- To contribute to the wine tasting staff's knowledge of wine (77 %)
- To be valued by the wine tasting staff for inputs (participation) during the experience (73 %)

Table 5.8: The importance of selected aspects as an indication of co-creation during wine tastings

	Not important at all	Not important	Important	Very important	Mean	Standard deviation
To feel free to ask questions	0 %	6 %	**55 %**	39 %	**3,33**	0,591
To have a unique wine tasting experience	0 %	12 %	**46 %**	42 %	3,30	0,678
To be valued by the wine tasting staff for your inputs (participation) during the experience	4 %	29 %	**44 %**	23 %	2,86	**0,810**
To contribute to the wine tasting facilitators' knowledge of wine	16 %	**56 %**	21 %	7 %	2,19	0,787

The mean values indicate that the most important co-creation aspect of wine tasting is to feel free to ask questions ($\bar{x}$ = 3,33); followed by the desire to have a unique wine tasting experience ($\bar{x}$ = 3,30); to be valued by wine tasting staff for inputs (participation) during wine tasting ($\bar{x}$ = 2,86); and finally, to contribute to wine tasting staff's knowledge of wine ($\bar{x}$ = 2,19).

The two other questions in Section E to be reported also forms part of co-creation and aims to determine the extent to which wine tastings add personal value to wine tourists and whether wine tastings generally change / influence wine behaviour.

The findings show that 87 % of respondents felt that wine tastings add personal value / enrichment to their lives to some or a great extent; and 94 % indicated that wine tastings generally influence / change their wine behaviour to some or great extent.

5.3 EXPLORATORY RESULTS

Factor analysis is a data reduction technique and two main approaches can be adopted – confirmatory or exploratory. For the purpose of this study, exploratory factor analysis (EFA) was adopted in order to establish the interrelationships among a set of variables. This approach was adopted for this study as this is the first study of its kind with numerous variables included. A total of four exploratory factor analyses were performed on the following constructs: tourist behaviour; resource transfer and integration; learning; co-creation.

In contrast, confirmatory factor analysis is typically used to test or confirm specific hypotheses concerning the structure underlying a set of variables (Pallant, 2016:182), this was however utilised as part of the Structural Equation Modelling process.

5.3.1 Tourist behaviour during wine tastings

To examine the factors underlying tourist behaviour during wine tasting, a principal axis factor analysis with oblique rotation (direct oblimin) was undertaken. The eleven tourist behaviour dimensions yielded two factors with eigenvalues higher than 1,0 (Field, 2005:633). These factors explained 59,84 % of the variance, which is acceptable (Field, 2005:653), and were labelled: Facilitation and recommendation, and Assistance (see scree plot below). All dimensions had factor loadings of higher than 0,503. Bartlett's test of sphericity was significant ($p<0,000$) and the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) was 0,856, both of which are acceptable. In all cases the Cronbach Alpha value of the factors were above 0,8 which therefore shows high levels of internal consistency.

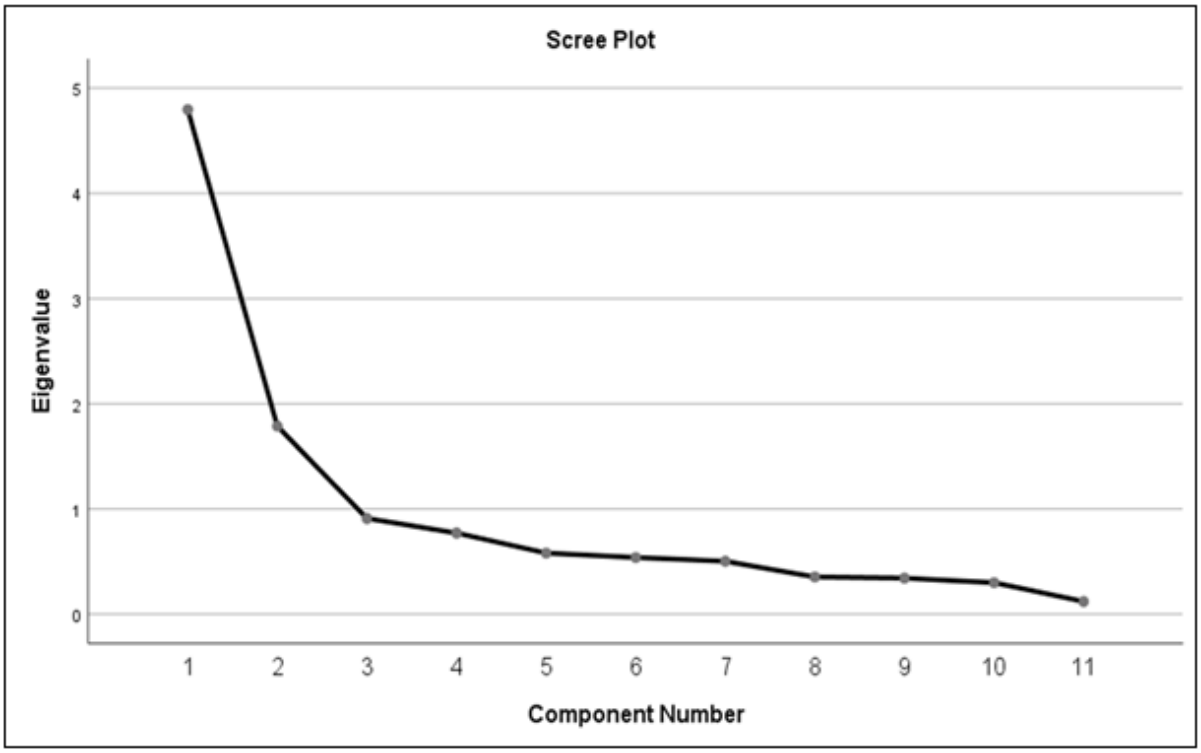

Figure 5.2: Scree plot for tourist behaviour

It is clear from the component correlation matrix (Table 5.9) that small correlations exist between the factors; thus, supporting the individuality of each factor as tourist behaviour.

Table 5.9: Component correlation matrix: tourist behaviour

Component	Facilitation and recommendation	Assistance
Facilitation and recommendation	1,000	0,365
Assistance	0,365	1,000

Table 5.10 Principal axis factor analysis with oblimin rotation for tourist behaviour during wine tastings

Factor label	Factor loadings	
	Facilitation and recommendation	Assistance
Provide feedback to the winery about your wine tasting experience at the winery (positive and negative)	0,743	
Provide feedback to the winery about customer service (positive and negative)	0,768	
Complete surveys based on your experience at the winery	0,744	
Make an effort to inform the winery if you had an exceptional wine tasting experience at the winery	0,761	

Make suggestions as to how the wine tasting experience can be improved	0,676	
Share your opinions if you feel it would benefit the winery	0,634	
Inform the winery if you experience a problem	0,681	
If satisfied, recommend the winery to others	0,503	
Demonstrate to other wine tourists in the tasting room how to taste wine, based on your knowledge / experience		0,923
Tell other wine tourists in the tasting room how you taste wine, based on your knowledge / experience		0,952
Help other wine tourists in the tasting room with their wine tasting process / experience, if needed		0,848
Cronbach Alpha	**0,858**	**0,904**
Inter-item mean	**0,421**	**0,760**
Mean and standard deviation	**2,93 (±0,53)**	**1,91 (0,77)**

“Facilitation and recommendation”, factor 1, combined two dimensions of customer citizenship behaviour (known as tourist behaviour in this study). Based on the literature, these are two separate dimensions, namely service-firm facilitation and recommendation. However, in this study, it came out as one combined factor. Service-firm facilitation includes participation towards the winery in the form of providing feedback; completing surveys; informing the winery of exceptional experiences, as well as negative experiences and sharing of opinions. The recommendation dimension involves recommendation of the winery to others. This factor yielded the highest mean of $\bar{x}$ = 2,93 and can therefore be considered the most important factor.

Factor 2 was labelled “Assistance” and included one customer citizenship behaviour dimension, namely helping others. The behaviour that forms part of this dimension is not aimed at the winery, but at helping others in the tasting room instead. This behaviour could include sharing information with other people in the tasting room, demonstrating to others how to taste wine properly and generally assisting other people in the tasting room during their wine tasting experience. The mean of this factor was $\bar{x}$ = 1,91 and therefore people are more unlikely to provide assistance to others.

5.3.2 Resource transfer and integration during wine tastings

The six items of resource transfer and integration in wine tasting were subjected to principal axis factor analysis with oblique rotation (direct oblimin). The Kaiser-Meyer-Olkin value was 0,758, exceeding the recommended value of 0,6 (Kaiser, 1970; 1974) and Bartlett's Test of Sphericity (Bartlett, 1954) reached statistical significance, supporting the factorability of the correlation matrix. All six aspects had factor loadings of higher than 0,511.

Principal axis factor analysis revealed the presence of two factors with eigenvalues exceeding 1, explaining 50 % and 18 % of the variance respectively. The two-factor solution therefore explained a total of 68 % of the variance. The two factors were labelled: Current knowledge and Previous experiences. An inspection of the scree plot (Figure 5.3) revealed a clear break after the second component.

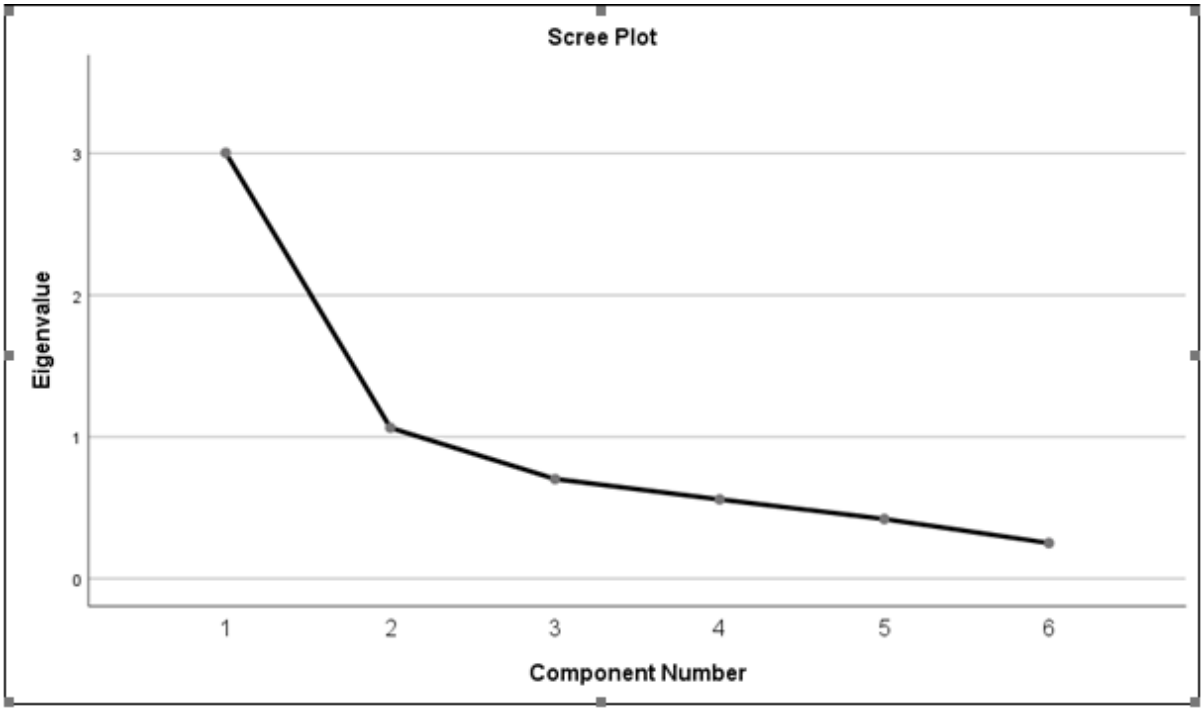

Figure 5.3: Scree plot for resource transfer and integration

It is clear from the component correlation matrix (Table 5.11) that all items loaded onto a factor with a factor loading greater than 0,3; thus indicating reasonably high correlations between the identified factors and their individual items. In addition, inter-item correlations were calculated as alternative measure of reliability. All inter-

item correlations, indicated in Table 5.11 were acceptable (above 0,5), thereby contributing to the internal consistency in each factor between the items.

Table 5.11: Component correlation matrix: resource transfer and integration

Component	Current knowledge	Previous experiences
Current knowledge	1,000	-0,425
Previous experiences	-0,425	1,000

Table 5.12: Principal axis factor analysis with oblimin rotation for resource transfer and integration during wine tastings

Factor label	Factor loadings	
	Current knowledge	**Previous experiences**
Your previous experiences at other wineries		-0,905
Other tasting rooms that might have made an impression on you		-0,933
What you know about the technique of tasting wine	0,603	
Your wine preferences in general	0,511	
Wine making, wine pairing, storing, ageing, wine regions etc. (overall knowledge of wine)	0,900	
Changes in the wine industry (trends and developments) that you might be aware of	0,835	
Cronbach Alpha	**0,853**	**0,744**
Inter-item mean	**0,745**	**0,418**
Mean and standard deviation	**2,42 (±0,79)**	**2,50 (±0,61)**

Factor 1 is labelled as "'Current knowledge" and includes the aspects that wine tourists have knowledge of. More specifically, it refers to their knowledge of the technique of wine tasting, their wine preferences, wine making, wine pairing, storing, ageing, wine regions and trends and developments in the wine industry. The mean of this factor is $\bar{x}$ = 2,42 which indicates that respondents talk about their wine knowledge to a very little to some extent.

Factor 2 is labelled "Previous experiences" and refers to their previous experiences at other wineries and other tasting rooms in particular. The mean of this factor is $\bar{x}$ = 2,50 which indicates that respondents talk about their previous experiences to a very little to some extent.

This analysis is useful, since the literature on the topic does not distinguish between previous experiences and current knowledge in terms of resource transfer and integration, and therefore this adds information to the scholarly body of knowledge related to resource transfer and integration.

5.3.3 Learning during wine tastings

Mutual learning is considered in the literature as the desired outcome of resource transfer and integration. The desire to learn during wine tasting was included in the questionnaire in the form of ten statements on a Likert scale. To examine the factors underlying learning, a principal component axis factor analysis with oblique rotation (direct oblimin) was undertaken. The ten learning statements yielded only two factors with Eigenvalues greater than 1.0 and accounted for 58 % of the variance. Bartlett's test of sphericity was significant ($p<0,001$) and the Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) was 0,884 which are both acceptable in exploratory research.

Factor 1 is labelled "Winery". This factor included the desire to learn more about the winery itself and its products; winemaking at the winery, the winemaker, the wine region, and the history, ownership and facilities of the winery. Factor one included five of the ten learning aspects during wine tasting and explained 46 % of the variance.

Factor 2 is labelled "Wine in general" and included five of the ten learning aspects. These aspects are concerned with the desire to learn about wine in general, such as food and wine pairing, wine in general, the storage and ageing of wine, how to taste wine properly, and new trends in the wine industry. This factor explained 12 % of the variance.

The scree plot in Figure 5.4 below clearly illustrates the two factors.

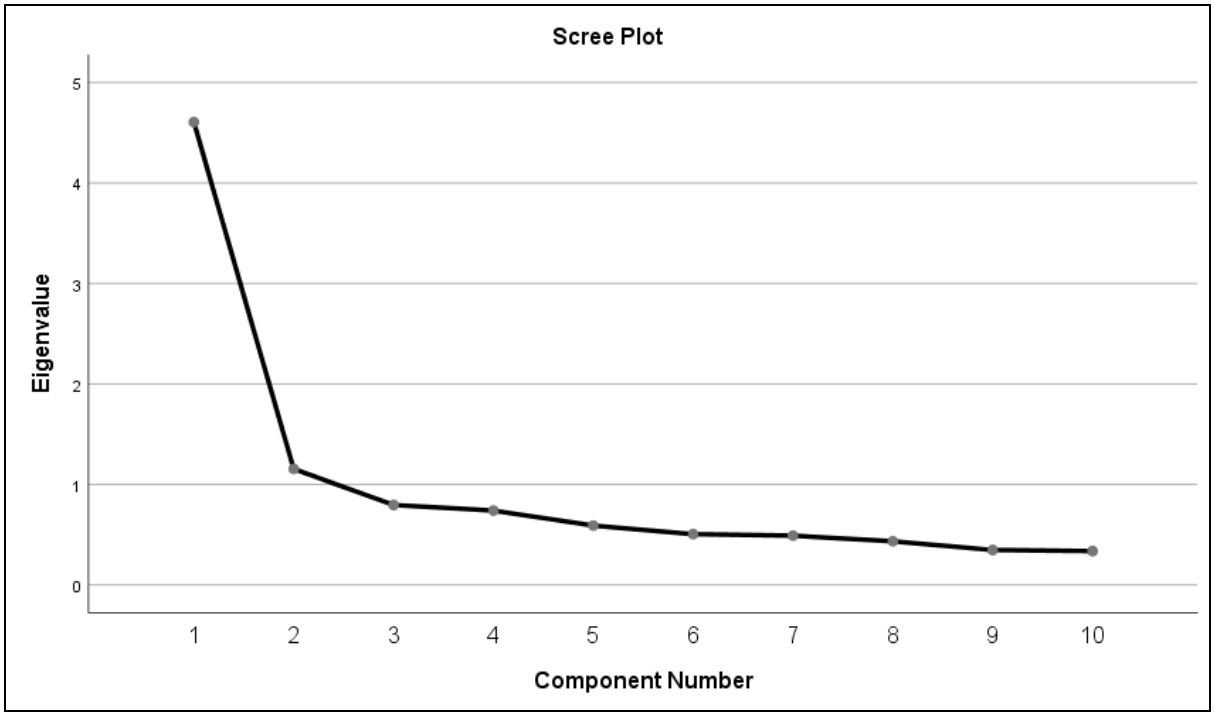

Figure 5.4: Scree plot for learning during wine tastings

The correlation matrix in Table 5.13 clearly indicates that small correlations exist between the factors which supports the individuality of each factor.

Table 5.13: Component correlation matrix: learning

Component	Winery	Wine in general
Winery	1,000	0,486
Wine in general	0,486	1,000

Reliability (Cronbach Alpha) was computed to verify the internal consistency of the ten learning statements with one another. The Cronbach Alpha for Factor 1 was 0,809 and for Factor 2 it was 0,793, which therefore shows high levels of internal consistency (due to values > 0,6). The inter-item correlation for Factor 1 was 0,458 and for Factor 2 it was 0,436 which shows the inter-relatedness of these learning statements.

Table 5.14: Principal axis factor analysis with oblimin rotation for learning during wine tastings

Factor label	Factor loadings	
	Winery	**Wine in general**
Wine making	0,461	
The winemaker	0,766	
The wine region	0,775	
The winery itself (history, ownership, facilities etc.)	0,888	
The winery's products and facilities	0,625	
Food and wine pairing		0,672
Wine in general		0,642
The storage and ageing of wine		0,603
How to taste wine properly		0,900
New trends in the wine industry		0,591
Cronbach Alpha	**0,809**	**0,793**
Inter-item mean	**0,458**	**0,436**
Mean and standard deviation	**3,33 (±0,50)**	**3,43 (±0,51)**

Wine in general yielded the highest mean value ($\bar{x}$ = 3,43) which indicates that respondents desire to learn more about wine in general than the winery ($\bar{x}$ = 3,33). This is very important for co-creation to know what to share and what not to share with visitors to a winery.

5.3.4 Co-creation during wine tastings

Only four statements relating to value co-creation were measured on a four-point Likert scale. Respondents had to indicate the level of importance of the four statements. A principal component axis analysis with oblique rotation (direct oblimin) was again undertaken to examine the factors underlying co-creation. Only one factor emerged for co-creation and accounted for 49 % of the variance.

Bartlett's test of sphericity was significant (p<0,001) and the Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) was 0,644, which are both acceptable in exploratory research. In the scree plot below, it is evident that only one factor demonstrated an Eigenvalue of 1.0.

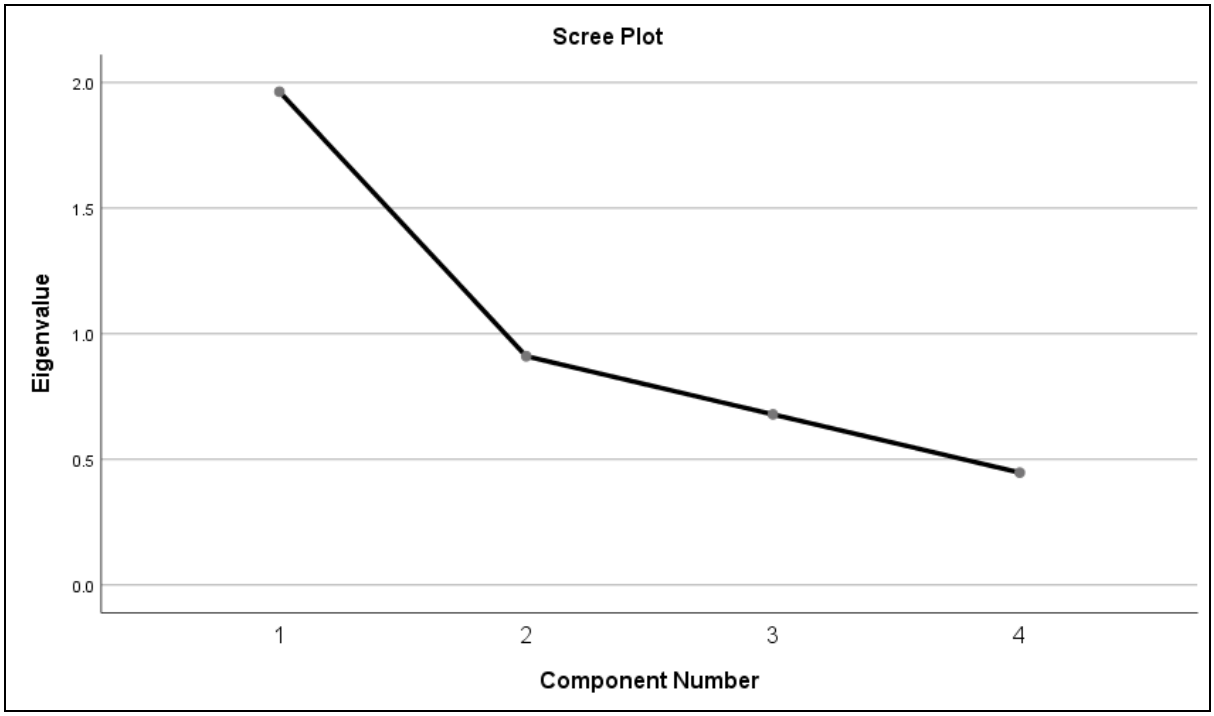

Figure 5.5: Scree plot for co-creation

The Cronbach Alpha verified a moderate level of internal consistency of the four statements, with a value of 0,651.

5.4 INFERENTIAL RESULTS – CORRELATIONS

Leedy and Ormrod (2010:275) state that inferential statistics allow the researcher to make inferences about large populations, based on relatively small samples. Inferential statistics mainly have two functions:

- To estimate a population parameter from a random sample.
- To test statistically based on hypotheses.

In this section, inferential statistics were obtained by means of correlations. Correlations describe the linear relationship between two variables, or the degree to which changes in one (dependent) variable are associated with changes in another

(McDaniel & Gates, 2013:527; Malhorta, 2010:562; Iacobucci & Churchill, 2010:451). Leedy and Ormrod (2010:273) and Pallant (2016:132) suggest that the following elements are considered with interpretation of correlations:

- *Strength of the relationship*. The correlation coefficient which ranges from -1 to +1. Most correlation coefficients are decimals somewhere between -1 and +1. This value is indicative of the degree of the relationship between the variables.

  The correlations in this study were interpreted according to the guidelines of Cohen (1988) that suggested: *small (weak) correlation = 0.10 to 0.29; **medium correlation = 0.30 to 0.49; and ***large (strong) correlation = 0.50 to 1.0.
- *Direction of the relationship* is indicated by the sign of the correlation coefficient. A positive correlation implies that, as one variable increases, so does the other. A negative correlation implies that, as one variable increases, the other decreases.

The Spearman Rank Order correlation matrix was used to examine correlations between some constructs. Spearman Rank Order is designed for use with ordinal level or ranked data (Pallant, 2016:132) as found in this particular study.

Firstly, correlation analyses between wine interest, wine knowledge, the number of wine tastings and selected demographic characteristics were performed, as indicated in Table 5.15.

Table 5.15: Correlation analyses between wine interest, wine knowledge, the number of wine tastings and demographic variables

Constructs		Demographic variables		
		Age	**Education**	**Income**
Wine interest **1 = Extremely interested** **4 = Very limited interest**	Correlation coefficient	0,003	-0,028	0,046
	Sig. (2-tailed)	0,943	0,540	0,307
	N	481	488	488
Wine knowledge **1 = In-depth knowledge** **4 = Very limited knowledge**	Correlation coefficient	0,088	**-0,117***	0,020
	Sig. (2-tailed)	0,055	0,010	0,652
	N	481	488	488

Number of wine tastings	Correlation coefficient	0,085	**0,126***	**0,137***
	Sig. (2-tailed)	0,065	0,006	0,003
	N	473	480	480

* small r_s = 0,10-0,29; ** medium r_s =0,30-0,49; *** large r_s =0,50-1,0 (Cohen, 1988)

Table 5.15 shows a small correlation (r_s = -0,117) between wine knowledge and level of education. Thus, the higher the level of education of wine tourists, the higher the degree of wine knowledge. There also exists a small correlation (r_s = 0,126) between the number of wine tastings and the level of education, and another small correlation (r_s = 0,137) between the number of wine tastings and the annual income. This implies that the higher the level of education and income, the more wine tastings have been done by the wine tourists. No correlations between wine interest, wine knowledge and age were found to be statistically significant, which implies no relationship between age and wine interest, knowledge and number of wine tastings. Wine interest also showed no correlations with any of the other variables in the table.

Secondly, correlations between wine interest and the other factors identified in the EFA were also analysed as demonstrated in the table below.

Table 5.16: Correlation analysis of wine interest

Constructs	**Tourist behaviour**		**Resource transfer & integration**		**Learning**		**Co-creation**
WINE INTEREST **1 = Extremely interested** **4 = Very limited interest**	Facilitation & recommendation	Assistance	Current knowledge	Previous experience	Winery	Wine in general	Co-creation
Correlation coefficient	0,044	-0,046	-0,001	-0,084	-0,026	**-0,106***	-0,093
Sig. (2-tailed)	0,339	0,317	0,982	0,066	0,570	0,020	0,041
N	481	481	481	481	481	481	481

* small r_s = 0,10-0,29; ** medium r_s = 0,30-0,49; *** large r_s = 0,50-1.0 (Cohen, 1988)

Spearman Rank Order correlations were used to describe the strength and direction of the linear relationship between wine interest and the factors of tourist behaviour, resource transfer and integration, learning and co-creation. From Table 5.16 it is evident that a small correlation (-0,106) exists between wine interest and the desire to learn about wine in general. Thus, in the case of this study, the higher the wine interest, the more the desire to learn about wine in general. No other correlations were evident for wine interest.

Wine knowledge correlations were also analysed with the four constructs and its factors as displayed below.

Table 5.17: Correlation analysis of wine knowledge

Constructs	**Tourist behaviour**		**Resource transfer & integration**		**Learning**		**Co-creation**
WINE KNOWLEDGE **1 = In-depth knowledge** **4 = Very limited knowledge**	Facilitation & recommendation	Assistance	Current knowledge	Previous experience	Winery	Wine in general	Co-creation
Correlation coefficient	-0,084	**-0,136***	-0,092	0,027	-0,020	**-0,109***	**-0,119***
Sig. (2-tailed)	0,065	0,003	0,041	0,0545	0,658	0,016	0,008
N	488	488	488	488	488	488	488

* small r_s = 0,10-0,29; ** medium r_s = 0,30-0,49; *** large r_s = 0,50-1,0 (Cohen, 1988)

The relationship between wine knowledge and the four other constructs in the study was again explained by means of Spearman Rank Order correlations in Table 5.17. Three small correlations exist between wine knowledge and: the desire to learn about wine in general (-0,109); co-creation (-0,119); and offering assistance to others during wine tastings (-0,136). This means that the higher the level of wine knowledge, the more the desire to learn about wine in general; the higher the level of co-creation; and the more likely wine tourists are to offer assistance to others during wine tastings.

5.5 STRUCTURAL EQUATION MODELLING (SEM)

Structural Equation Modelling (SEM) is a widely-accepted multivariate technique used to explain a variety of consumer behaviours, test theoretically-driven models and to compare alternative theories (Mazzochi, 2008:316). Pallant (2016:109) adds that it is a fairly new, yet sophisticated technique which tests various models concerning the interrelationships among a set of variables. It also evaluates the importance of each independent variable in the model and tests the overall fit of the model to the data. The main aim of SEM can be summarised as determining the extent to which a theoretical model is supported by sample data (Schumacker & Lomax, 2010:2). SPSS does not include the SEM module, but it does support an "add on" called "Analysis of Moment Structures" (AMOS v 21.0.0).

Four types of variables are considered with SEM. Lei and Wu (2007:33) and Schumacker and Lomax (2010:2) distinguish between latent variables, observed variables, dependent variables and independent variables. *Latent variables* are constructs or factors from Factor Analysis which measures a collection of data, which implies that the underlying variables cannot be measured individually and are not visible either. In contrast, *observed variables* include variables used to define a latent variable / construct. *Dependent variables* are variables that are influenced by others whereas *independent variables* are not influenced.

Hair, Black, Babin and Anderson (2010:658) claim that SEM consists of the following six stages which were followed in this study:

Stage 1: Defining individual constructs

Co-creation constructs were identified and described in the literature review (Chapter 3) which were then included in the questionnaire (Appendix A). In order to develop the co-creation framework, a conceptual framework was first developed. This conceptual framework includes both the wineries' and wine tourists' positions in terms of co-creation (see Figure 5.6). SEM, however, only applies to the quantitative component of the study.

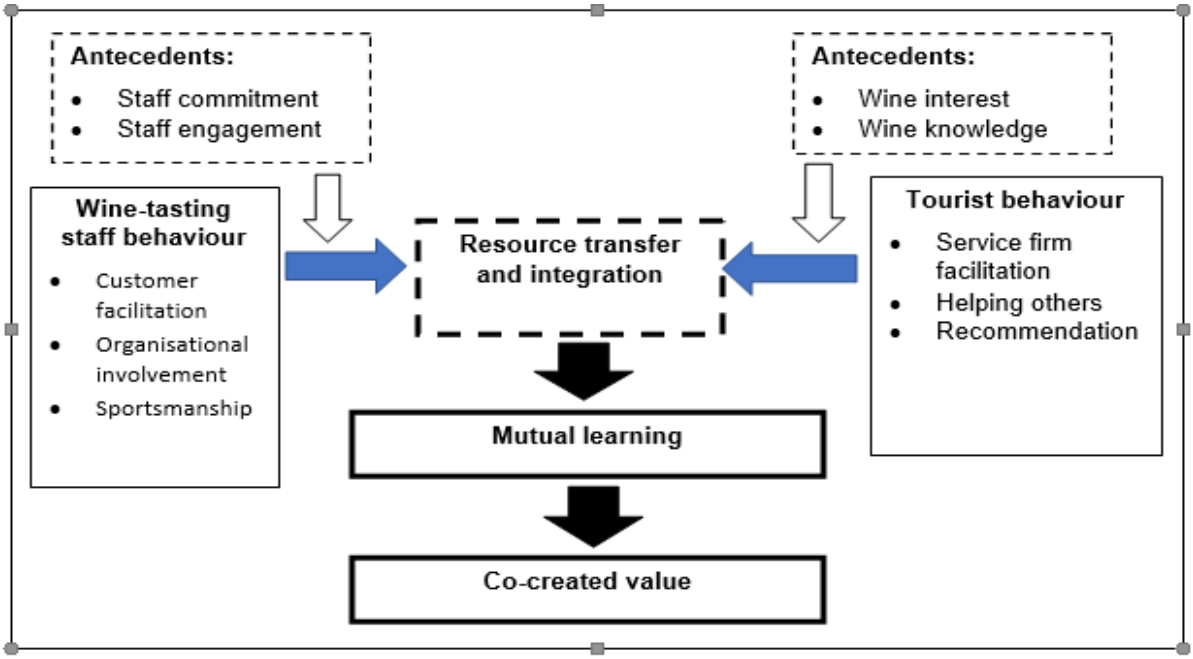

Figure 5.6: Conceptual framework based on literature

The conceptual framework was based on literature and the following hypotheses were originally formulated:

H1*:* Wine interest will exert a positive influence on customer citizenship behaviour (Ali-Knight & Charters, 1999; Charters & Ali-Knight, 2002).

H2*:* Wine knowledge will exert a positive influence on customer citizenship behaviour (Alebaki & Iakovidou, 2011).

H3*:* Customer citizenship behaviour during wine tasting will positively influence the extent of resource transfer and integration (Groth, 2005; Rosenbaum & Massiah, 2007; Chan *et al*., 2020; Grönroos, 2008, 2011).

H4*:* Resource transfer and integration during wine tasting will result in mutual learning with co-created value as outcome (Arnould *et al*., 2006; Ballantyne & Varey, 2006; Maglio & Sphorer, 2008; Vargo & Lusch, 2006, 2008).

The conceptual framework holds that the customer citizenship behaviour of wine tourists is influenced by the extent of their wine interest and/or wine knowledge. Customer citizenship behaviour in the framework represents extra-role behaviours such as service firm facilitation, recommendation and helping others as dimensions of their participation during the encounter. Furthermore, it is shown in the conceptual framework that, should wine tourists actively participate, resource transfer and

integration take place during the encounter, which results in knowledge renewal or mutual learning, which is then co-created value for both parties.

Stage 2: Develop and specify the measurement model

Whitman and Woszczynski (2004:49) state that the purpose of a measurement model is to determine the relationships allowing for specified relationships between the latent as well as observed variables. Hair *et al*. (2010) agree that this stage includes the identification of latent constructs with measured indicator variables being assigned to latent constructs. This was also achieved in this study with the conceptual framework (Figure 5.6).

As previously discussed, the original conceptual framework had to be adjusted based on the results of the Exploratory Factor Analyses (EFAs). Latent constructs were identified and tourist behaviour was reduced to two factors, namely facilitation and recommendation; and assistance. The EFA of resource transfer and integration resulted in two factors: current knowledge and previous experiences. The EFA of learning during wine tasting resulted in two factors again: learn about the winery, and learn about wine in general. For all above-mentioned constructs / factors, reliable Cronbach Alpha values were obtained. Thereafter a Confirmatory Factor Analysis (CFA) was done by placing the data in the model and the model was confirmed. The revised conceptual framework is illustrated in Figure 5.7, preceded by its accompanying hypotheses.

H1: There is a direct relationship between Interest and Knowledge and Behaviour

H2: There is a direct relationship between Interest and Knowledge and Resource transfer and integration

H3: There is a direct relationship between Behaviour and Resource transfer and integration

H4: There is a direct relationship between Resource transfer and integration and Learning

H5: There is a direct relationship between Interest and Knowledge and Learning

H6: There is a direct relationship between Learning and Co-creation

H7: There is a direct relationship between Behaviour and Co-creation

H8: There is a direct relationship between Resource transfer and integration and Co-creation

H9: There is a direct relationship between Interest and Knowledge and Resource transfer and Co-creation

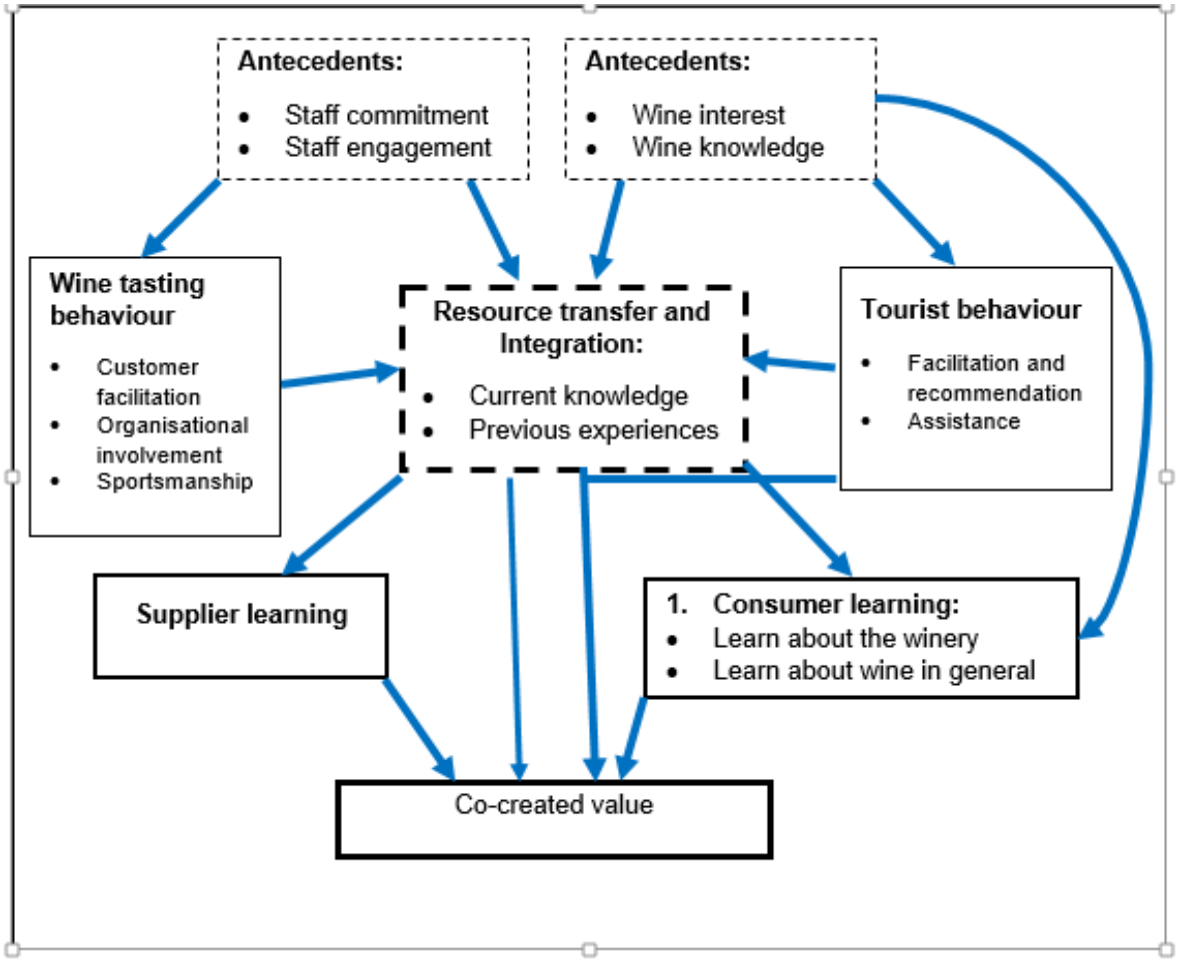

Figure 5.7: Revised conceptual framework

Stage 3: Designing a study to produce empirical results

During this stage of SEM, three issues influencing the outcome is discussed; namely the type of data analysed, sample size and model estimation.

a) Type of data analysed

Hair *et al*. (2010:570), recommend that a covariance matrix should be used whenever possible, instead of a correlation matrix. SEM was originally developed using covariance matrices but the ease of interpretation associated with correlation matrices have made it a popular option among researchers. This study however used a covariance matrix as input for SEM, considering that it allows more flexibility due to the relatively greater information content they contain.

b) Sample size

Hair *et al*. (2010:572), indicate that SEM requires a relatively large sample size to maintain the accuracy of estimates and to ensure representativeness and propose the following guidelines for sampling when using SEM:

- Minimum sample size – 100: Models containing five or fewer constructs, each with more than three observed variables and with high item communalities (0.6 or higher).
- Minimum sample size – 150: Models with seven constructs or less, modest communalities (0.5) and no under identified constructs.
- Minimum sample size – 300: Models with seven or fewer constructs, lower communalities (0.45) and/or multiple under identified (fewer than three) constructs.
- Minimum sample size – 500: Models with large numbers of constructs, some with lower communalities, and/or having fewer than three measured items.

In the current study, the conceptual framework contains six constructs (wine interest; wine knowledge; customer citizenship behaviour; resource transfer and integration; mutual learning; co-creation) whereby each construct was measured by more than three items. A total of 39 variables were used from a sample of 488, which is sufficient for SEM purposes. Although sample size should be based on a set of factors, a larger sample generally produces more stable solutions that are more likely to be replicable (Hair *et al*., 2006:737).

c) Model estimation

Path diagrams are used to illustrate the findings of SEM. Mazocchi (2008:320) and Hershberger *et al*. (2003:5), state that the path diagram is a simple mathematical representation of the proposed conceptual framework and its relationships between the variables and constructs. Figure 5.8 presents the most widely used graphical notations for SEM models.

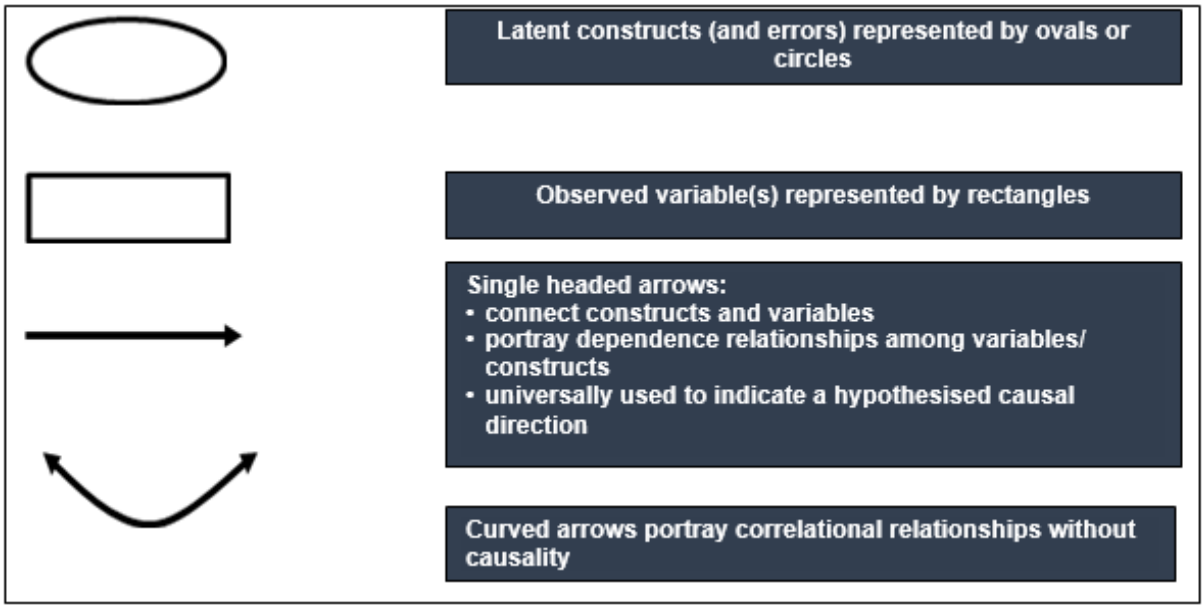

Figure 5.8: Graphical terminology for SEM
Source: Laurens (2013)

Once the model is specified, the estimation method, or algorithm that will be used must be chosen. Maximum likelihood estimation (MLE) is the most widely used approach and the default in most SEM programmes. It is a flexible, yet robust approach to parameter estimation in which the "most likely" parameter values to achieve the best model fit are found (Olsson, Foss, Troye & Howell, 2000:557; Hair *et al*., 2010:575). MLE was adopted for this study as estimation method.

Stage 4: Development of the structural models

The method used for examining the relationships between the identified latent variables was inspection of the standardised coefficients for the regression paths.

Development of Model 1

The hypotheses that were tested in this model are listed in Table 5.18 and the MLE estimates are outlined in Table 5.19. Figure 5.9 indicates the SEM with the latent variables and connection hypotheses lines which measure the relationships between these constructs.

Table 5.18: Alternative hypotheses for Model 1

H1A	There is a direct relationship between Interest and Knowledge and Behaviour
H2A	There is a direct relationship between Interest and Knowledge and Resource transfer and integration
H3A	There is a direct relationship between Behaviour and Resource transfer and integration
H4A	There is a direct relationship between Resource transfer and integration and Learning
H5A	There is a direct relationship between Interest and Knowledge and Learning
H6A	There is a direct relationship between Learning and Co-creation
H7A	There is a direct relationship between Behaviour and Co-creation
H8A	There is a direct relationship between Resource transfer and integration and Co-creation
H9A	There is a direct relationship between Interest and Knowledge and Resource transfer and Co-creation

Table 5.19: Maximum likelihood estimates – regression weights of structural part of Model 1

				Standardised regression weights	**P-label**
H1A	Behaviour	<---	Interest and Knowledge	-0,401	<0,001
H2A	Resource transfer and integration	<---	Interest and Knowledge	-0,285	<0,001
H3A	Resource transfer and integration	<---	Behaviour	0,732	<0,001
H4A	Learning	<---	Resource transfer and integration	0,334	<0,001
H5A	Learning	<---	Interest and Knowledge	-0,222	<0,007
H6A	Co-creation	<---	Learning	0,436	<0,001
H7A	Co-creation	<---	Behaviour	0,575	<0,016
H8A	Co-creation	<---	Resource transfer and integration	-10,50	0,553
H9a	Co-creation	<---	Interest and Knowledge	-0,131	0,168

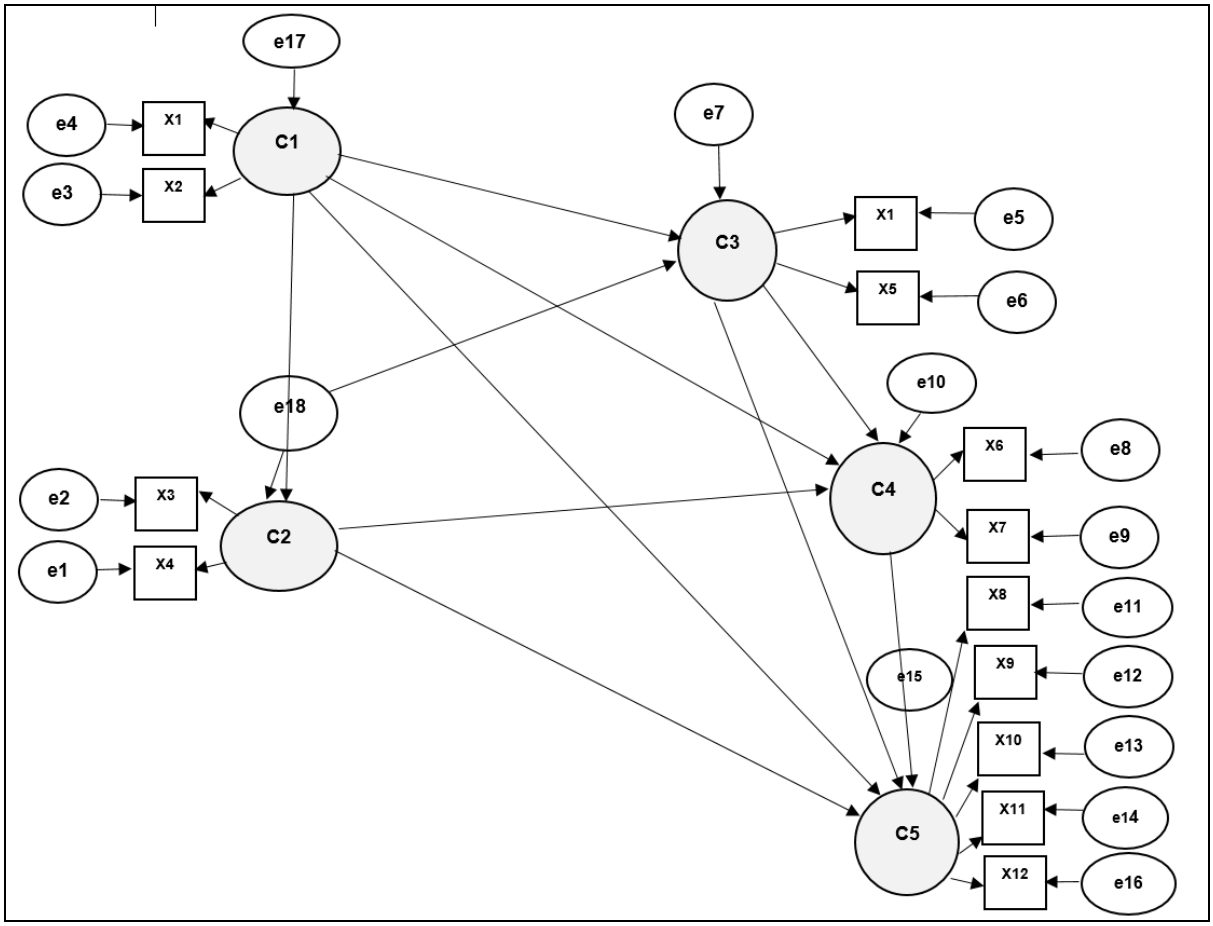

Figure 5.9: Framework for Model 1

In seven cases, the null hypotheses were rejected (H1A, H2A, H3A, H4A, H5A, H6A, H7A) and in two cases the hypotheses were not rejected (H8A, H9A). This means that the effect of Resource transfer and integration and Co-creation was fully mediated by Learning. Also, the effect of Interest and Knowledge on Co-creation was fully mediated by the other variables in the model. It was thus decided to assess a second model, without these non-significant paths.

Development of Model 2

The hypotheses that were tested in this model are listed in Table 5.20 and the MLE estimates are outlined in Table 5.21. Figure 5.10 indicates the SEM with the latent variables and connection hypotheses lines which measure the relationships between these constructs.

Table 5.20: Alternative hypotheses for Model 2

H1A	There is a direct relationship between Interest and Knowledge and Behaviour
H2A	There is a direct relationship between Interest and Knowledge and Resource transfer and integration
H3A	There is a direct relationship between Behaviour and Resource transfer and integration
H4A	There is a direct relationship between Resource transfer and integration and Learning
H5A	There is a direct relationship between Interest and Knowledge and Learning
H6A	There is a direct relationship between Learning and Co-Creation
H7A	There is a direct relationship between Behaviour and Co-Creation

Table 5.21: Maximum likelihood estimates – regression weights of structural part of Model 2

				Standardised regression weights	P-label
H1A	Behaviour	<---	Interest and Knowledge	-0,417	<0,001
H2A	Resource transfer and integration	<---	Interest and Knowledge	-0,277	<0,001
H3A	Resource transfer and integration	<---	Behaviour	0,724	<0,001
H4A	Learning	<---	Resource transfer and integration	0,325	<0,001
H5A	Learning	<---	Interest and Knowledge	-0,236	<0,004
H6A	Co-creation	<---	Learning	0,452	<0,001
H7A	Co-creation	<---	Behaviour	0,486	<0,001

As part of the model, mediation was assessed to discover the underlying relationship existing between a dependent and an independent variable through a third explanatory variable – known as the mediator variable. Thus, not only a direct causal relationship is assumed, but also an indirect effect through the mediator variable.

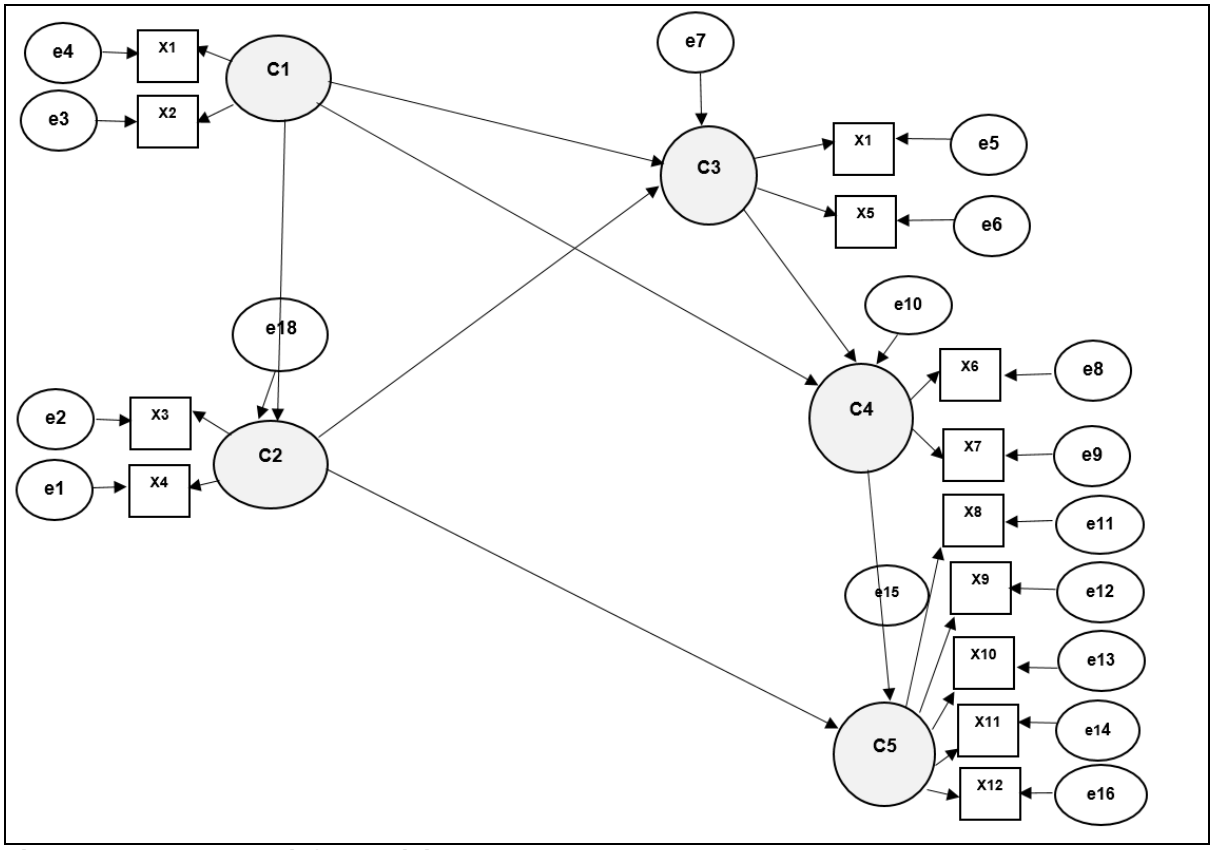

Figure 5.10: Framework for Model 2

When examining Table 5.21, it becomes clear that all seven paths were statistically significant and thus accepted. All items had significant regression weights on latent variables.

Mediation refers to a situation where three or more variables are involved. With regards to mediation it was found that 52,2 % of the effect of Interest and Knowledge on Resource transfer and integration was mediated through Behaviour. Added to that, 44,5 % of the effect of Interest and Knowledge on Learning was mediated through Resource transfer and integration. Further, as seen in the model, the effect of Resource transfer and integration on Co-creation was fully mediated by Learning. Also, the effect of Interest and Knowledge on Co-creation was fully mediated by the other variables in the model.

Stage 5: Assessing Measurement Model Validity for Model 1 and Model 2

Illustrated in Figure 5.7 is the CFA model of the interest and knowledge, tourist behaviour, resource transfer, learning and co-creation factors as derived from the exploratory factor analyses. This assisted in determining the fit of the data of which all regression weights were statistically significant with large correlations between factors.

According to Table 5.22, the model-data-fit for population in the case of Model 1 is fit seeing that the absolute fit measure, CMIN/DF (minimum value of discrepancy divided by value of freedom), obtained a value of 5,329 (which is just above the suggested values of between 2 and 5), the relative fit measure, CFI (Component Fit Index), obtained a value of 0,860 (the closer to 1, the better) and lastly, the fit measures based on non-central chi-square distribution, RMSEA (Root Mean Square of Approximation), obtained a value of 0,094 (below 0,08 is good). The lower and higher limit of a 90 % confidence interval on the population value of the RMSEA was 0,084 and 0,105 respectively.

According to Table 5.22, the model-data-fit for population in the case of Model 2 is fit seeing that the absolute fit measure, CMIN/DF (minimum value of discrepancy divided by value of freedom), obtained a value of 5,182, the relative fit measure, CFI (Component Fit Index), obtained a value of 0,860 and lastly, the fit measures based on non-central chi-square distribution, RMSEA (Root Mean Square of Approximation), obtained a value of 0,093 (below 0,08 is good). The lower and higher limit of a 90 % confidence interval on the population value of the RMSEA was 0,082 and 0,103 respectively. Model 2 is thus a slightly better fit than Model 1 with all the standardised regression paths significant.

Table 5.22: CFA fit for Model 1 and 2

Model	CMIN/DF	CFI	RMSEA	LO 90	HI 90
Model 1	5,329	0,860	0,094	0,082	0,105
Model 2	5,182	0,860	0,093	0,082	0,103

Stage 6: Assessing structural model validity

In addition to considering the overall model fit, it is important to consider the significance of estimated parameters. Thus, the standardised estimates for path coefficients were analysed as these allow the relationship among latent variables to be compared. During this stage of the model development, the researcher examines

the alternative hypotheses that are supported by the model as well as those that are not.

Alternative Hypotheses supported

The following includes all the hypotheses which are supported through SEM (Table 5.20) for Model 2.

H1A was confirmed as significant seeing as it falls well within the 5 % significance level, thus confirming the hypothesis which states that there is a direct relationship between Interest and Knowledge and Behaviour. This is furthermore supported by the standardised path coefficient of -0,40 ($p< 0,001$). Respondents that have higher levels of Interest and Knowledge are more likely to engage in tourist behaviour during a wine tasting encounter.

H2A also falls within the 5 % significance level, thus also confirming this hypothesis which states that Interest and Knowledge will positively influence Resource transfer and integration. This is supported by the standardised path coefficient of -0,29 ($p<0,001$). In other words, respondents that have higher levels of Interest and Knowledge are likely to transfer and integrate resources to a greater extent.

H3A has also been indicated as significant, meaning that this hypothesis is supported, which states that Behaviour will positively influence Resource transfer and integration. The standardised path coefficient, however, is moderate at 0,73 ($p<0,001$). Respondents with higher levels of tourist behaviour during wine tastings are likely to transfer and integrate resources to a greater extent.

H4A has also been indicated as significant, meaning that this hypothesis is supported, which states that Resource transfer and integration will positively influence Learning. The standardised path coefficient, however, is fairly low at 0,33 ($p<0,001$). Respondents with higher levels of Resource transfer and integration are more likely to want to learn during wine tastings.

H5A has also been indicated as significant, meaning that this hypothesis is supported, which states that Interest and Knowledge will positively influence Learning. The standardised path coefficient, however, is very low at -0,22 ($p<0,001$). Respondents with higher levels of Interest and Knowledge are more likely to want to learn during the wine tasting encounter.

H6A has also been indicated as significant, meaning that this hypothesis is supported, which states that Learning will positively influence Co-creation. The standardised path coefficient, however, is very low at 0,40 ($p<0,001$). Respondents with higher levels of learning during wine tastings are more likely to experience co-created value.

H7A has also been indicated as significant, meaning that this hypothesis is supported, which states that Behaviour will positively influence Co-creation. The standardised path coefficient, however, is very low at 0,57 ($p<0,001$). Respondents with higher levels of tourist behaviour are more likely to experience value co-creation during wine tastings.

5.6 SECTION B: QUALITATIVE RESULTS

This last section of the empirical study portrays the findings of the qualitative component of the study through ten interviews with mostly tasting room managers to obtain their views on the wine tasting experience, with specific reference to the co-creation constructs. The responses were captured in accordance with over-arching themes namely staff commitment and engagement; followed by staff behaviour (as informed by organisational citizenship behaviour from the literature); and finally, resource transfer and integration; mutual learning; and co-creation.

This section commences with a basic profile of each interviewee in the table below.

Table 5.23: Profile of interviewees

Interviewee	Gender	Highest qualification	Year of birth	Position at winery	No. of years in wine industry
1	Female	Grade 12	1982	Tasting room manager	13
2	Female	Grade 12	1970	Tasting room manager	16
3	Female	Grade 12	1987	Tasting room manager	5
4	Female	Grade 11	1986	Tasting room manager	6
5	Male	Certificate	1983	Tasting room manager, product manager	13
6	Female	Grade 12	1957	Tasting room administrator	10
7	Female	Diploma	1982	Tasting room manager	15
8	Female	Grade 12	1970	Tasting room manager	7
9	Female	Certificate	1989	Tasting room manager	3
10	Female	Diploma	1990	Tasting room manager	6

From the table above it is evident that the majority of interviewees were female with similar positions at the various wineries – tasting room manager. Collectively they have 94 years of experience and the majority of the interviewees have worked at other wineries also, prior to their current employers.

The themes covered in the interviews are detailed in the following sections.

5.6.1 Wine tasting facilitator behaviour (OCB)

Based on the literature review on the topic of Organisational Citizenship Behaviour, the three dimensions identified by Fernández-Sabiote and Román (2005), namely customer facilitation, organisational involvement and sportsmanship were measured in this study.

a) Customer facilitation

This dimension of OCB is indicative of employees who demonstrate behaviours which are discretionary and beyond what is required by the organisation during the service encounter. Interviewees were asked if they regularly offer something unique during wine tastings or go beyond the standard delivery of the offering.

Parts of the responses below however indicates the variety of offerings at the winery and not necessarily the individual behaviour of employees. The OCB of employees were therefore underlined, but it was deemed important to put it in context to the full response.

Interviewee 9 indicated that:

> *"If I could, I would. Every now and then I would offer them a snack like cheese or meat to show how the wine changes. Or if I see it is whiskey drinkers, I would use it as a point of reference."*

Interviewee 8 indicated that:

> *"We will sometimes do a cellar tour as well. We have a special tasting offer by appointment only if customers would like to taste our 2 premium wines; we create a special experience in the winemaker's cellar."*

The response of Interviewee 5:

> *"There are a few offerings. Depending on how interested people are we can do cellar tours and so on. In the first 10 minutes you can see what type of customer you are dealing with. You always in the service industry go that extra mile. You have to make people feel important because at the end of the day they will buy into you first and then they will buy your wine."*

Interviewee 4 responded to the question that sense of humour is offered, which is unique in his/her offering. The interviewer responded with a remark about the interviewee not offering additional wine knowledge during wine tastings but personality instead, and the interviewee responded:

> *"Yes, personality wise. Look, at the end of the day I spend my entire life at work, so for 8 or 9 hours I am here and can't pretend to be someone else, it will be the whole of my life. I just add myself to the customers that they really appreciate. Other places they go to can be 'stokstyf' and they just run through the story. Sit down, here is the wine, let's choose, okay that is what you're having, this is the Chardonnay, there you go, thanks very much. Where I, on the other hand, want to build a relationship, because I have future plans with you. That is what I have – with each and every customer that walks in here I have future plans with. I want to know where they are*

from, how I'm going to get my wines to you, know which wines you love, tell you about specials.
Just the other day it was my birthday and my customers from Pretoria whom I met two years ago, came in just to celebrate my birthday with me. They bought me a R700 bottle of wine and came here to celebrate it with me."

In addition, Interviewee 4 added the following:

"I refuse to let it become boring. What I do is to build relationships with my customers who walk in here. It depends also on whether they want to have relationships, but I will always open the door for that short-term relationship, so I build relationships and that is not boring."

Interviewee 3 commented:

"It depends on the customer. You have to know them and when they don't know much I can teach them something. Other people pretend to know it all."

From the interviews it became clear that it is a fairly standard routine that is followed by most of the wineries during wine tastings. Five of the interviewees responded that they offer a standard routine during wine tastings and do not deviate from it. Some comments of the other five interviewees demonstrate some flexibility and customer facilitation behaviour in terms of attempting to be unique during the service encounter. It does seem, however, as if the consumer determines the wine tasting-facilitators' behaviour, with several references to "if the consumer wants to, or if that is what the consumer wants" and so on. Overall, wine tasting facilitators seem keen to offer unique wine tastings, but it is dependent on the consumers' needs and the flexibility of the winery.

Another aspect of customer facilitation is whether the employee makes original suggestions to improve the service they provide the employee. This is a similar question to the previous one about offering a unique service, but it seemed important to determine whether, if wine tasting staff were given the opportunity to make changes to the current offering, they would do it. The question asked by the interviewer was whether, if given the opportunity, they

would change anything or add anything to the way in which they conduct wine tastings. The responses to this question all referred to aspects about facilitation of the wine tasting, such as changing the location to sit outside more, or to change the names of the wines, or to add more food and wine pairings. None of the respondents referred to changing their behaviour or wanting to learn more or anything that was related to customer facilitation. Two interviewees stated that they would change nothing. This could indicate a lack of a co-creation mindset in the sense that wine tasting facilitators don't realise the potential and value of wine tourists in terms of their knowledge. Consequently, limited initiative is taken to share knowledge and expertise. It can therefore be deduced that they still follow a G-D logic approach to wine tastings where tourists are viewed as operand resources and value is determined by the wine tasting facilitators (Lusch *et al.,* 2008:7; Vargo & Lusch, 2004:7).

Another question relating to customer facilitation was whether wine tasting facilitators regularly change or adapt their wine tasting offerings due to difficult situations or difficult customers. The purpose was to provide more context to see if there is flexibility in their offering of wine tastings and whether an extra service is provided and/or alternative solutions are provided to meet the needs of the customer.

Interviewee 8 stated the following:

> *"Yes – people will come in late just before closing time and get upset if we cannot do a wine tasting. We will offer them to taste 2 wines and accommodate them and let them still have an experience and not just turn them away."*

Interviewee 4 added the following:

> *"Yes, I do. It depends on what is bothering the customer. Essentially you have to read the person that walks in; if it is a single person, a couple, or an engaged couple. You have to listen to them very clearly and read between the lines for the details that they give you. That is how you determine what will make them happy. You sometimes give them free wine or a free wine tasting or sit down with them while you pour them a glass of wine and really start listening to them. You might find that they*

got upset somewhere else and they walk into your tasting room with anger from another place."

Interviewee 9 concluded this section with:

"Once every 2-3 weeks we get people who would say 'I don't drink white wine'. Then you have to remove the white wine from the tasting, or adjust the price of the wine tasting."

Based on the above responses, it seems that given difficult situations, there is some form of customisation of the standard offering, albeit limited.

It can be concluded that customer facilitation as a whole, in terms of offering a service beyond expectations, is not significantly evident in wine tasting. It seems as if a fairly standardised routine is adopted which is only adjusted in difficult situations by some of the interviewees. The awareness of and potential for co-creation is under-realised by the wineries.

The next OCB dimension to be analysed is organisational involvement.

b) Organisational involvement

When consumers notice behaviours of employees addressed towards the organisation as a whole, including co-workers, the behaviour is referred to as organisational involvement (Fernández-Sabiote & Román, 2005).

A range of questions were asked during the interviews to determine the extent of organisational involvement. The first question aimed to determine to what extent wine tasting facilitators promote their respective wineries to family and friends.

Interviewee 4 responded as follows:

"All the time. They literally tell me to shut up sometimes."

Interviewee 2 responded as indicated below:

"Very much so. To such an extent that I took a bottle of wine to every event and it even became an irritation to my family. I am also involved with a wine club and I always ensure that they know that our winery also have certain wines, the prices and the discounts, so I would make sure that people know about what we have on offer."

Interviewee 10 agreed with the aforementioned interviewees and stated the following:

"To a great extent. My wine rack at home is almost full of our wines only. I will always take wine to friends' birthdays and so on. I definitely promote it."

Interviewee 5 added the following:

"A lot, trust me. I mean that is my job, I am in marketing. I want a bottle of our wines in every residential 15 km radius, which I think we achieved well. I promise you I can go to anyone of my friends now and they will have our wine, and openers and more."

Interviewee 8 provided an interesting answer as indicated below:

"During social events with friends I will sometimes do a little bit of a wine tasting with them, give more details on vineyard management, how wine is produced (most people does not know the 'background' of how wine is produced) or let them taste the same wine out of different glasses. The type of glass influences the taste of the wine."

Interviewee 9 also responded positively and stated that:

"I pretty much work with all my friends. I'm always promoting the winery on Instagram, Facebook, in bottle stores I would recommend Winery X to people. Everyone in my neighbourhood knows I'm working for Winery X."

Interviewee 1 however responded that she promotes the winery not only to friends, but to other wineries as well, when she is there for wine tastings.

Based on the above responses it is clear that the majority of the wine tasting staff (6 out of 10) do promote the respective wineries to a great extent, either

to family and friends, or even to other wineries. This is a good indication of organisational involvement.

Another aspect that measures organisational involvement is how wine tasting facilitators generally respond when negative remarks are made about the winery.

The general response among all interviewees to this particular question was that it depends on the situation. Most of the interviewees indicated that people are unique and have unique tastes and preferences and that they would not argue or engage in debates about wine when tourists are critical of their wines. However, if there are negative comments concerning customer service, those are addressed by means of apologising, offering free tastings and taking the matter up with that particular member of staff.

To emphasise the above, Interviewee 8 commented:

> *"If the negative response is about how they were treated (customer service), I will address this with the customer, apologise, bring this under the attention of my staff and will offer a free tasting in future, should the customer return. If they don't like the wine – it is purely their choice."*

Interviewee 10 agrees and stated the following:

> *"Normally I will defend. But that doesn't happen often. It is usually people who have their preferences, so it is usually a personal choice which leads to complaints. But, if people say something about our quality, I will definitely defend."*

The final aspect that was used to measure OCB in this study, was sportsmanship.

c) Sportsmanship

Sportsmanship is described as the willingness to tolerate less than ideal circumstances without complaints. It also implies refraining from petty grievances (Chahal & Mehta, 2010:27).

The first aspect to investigate in terms of sportsmanship was to explore the negative aspects surrounding the interviewees' role in the tasting room. Some of their responses to this question are indicated below.

Interviewee 8 stated that customers who get drunk at the winery, sometimes become rude and loud and that is a negative aspect of her job. Interviewee 1 agreed that dealing with drunk people, especially consumers from the wine tram on weekends, is a negative aspect of the job. She added the following:

"…Everybody is drunk but you just have to keep your pose and don't show the customers that they are irritating you."

Interviewee 4 provided an interesting comment:

"*When people come in here and complain about their experiences at a previous winery, they come in angry and frustrated; I don't like those situations. Racism is another thing. I'm a coloured female, so I have to deal with racism quite a bit here, but I just take their money from them, so it's okay."*

Two interviewees indicated that the management role is a negative aspect as managing staff is challenging. Another challenge is peak seasons, when it can get very busy with an average of 3,000 people at the winery on a Friday night, according to Interviewee 5. Another interviewee stated that the day-to-day tasks some days can be too much.

Interviewee 9 stated that sometimes it is very quiet at the winery, since the winery is on the outskirts of town, and that is a negative aspect.

Interviewee 3 contributed the following towards this topic:

"Difficult customers, especially when people complain via emails or on social media. Working overtime and on weekends, especially when there are functions."

When customers walk in just before closing time and sit in the tasting room until 18:00 when closing time is at 17:00, is described as the most negative and annoying aspect of her job, according to one interviewee.

Only one interviewee stated that there are no negative aspects about working in the tasting room.

Evidently there are a variety of negative aspects experienced by wine tasting facilitators. In summary, they include: intoxicated customers; long hours; difficult customers; management of colleagues; racism; frustration due to a previous experience; workload; customers walking in just before closing time; not being busy. This will directly influence their willingness to or even opportunity to co-create.

Another sportsmanship aspect that was measured is whether wine tasting facilitators exhibit their annoyance with consumers sometimes. Some of the previous responses about difficult and intoxicated consumers already gave an indication that consumers are annoying at times. This question relates more to the behaviour of the wine tasting facilitators when they are confronted with annoying consumers. Some of the responses were noted as follows:

Interviewee 9 stated:

"I do, and I try and hide it but my face gives me away. But they have to be very annoying for me to show it. It doesn't happen very often though."

Interviewee 3 stated that she often gets annoyed with consumers but she just goes with it, put a smile on her face and carry on.

Interviewee 5 stated that he also gets annoyed but stays in his office on days that are not good to be in contact with people or clients.

Interviewee 10 added the following:

"Absolutely. It is difficult to work with people. You have to grin and bear, roll your eyes when you're around the corner and let off steam in the kitchen, but you have to deal with it. Mostly we just laugh about it, because people are only human. Sometimes they just want to feel important; sometimes they need attention, but it is part of the job to handle it."

Interviewee 6 added the following:

> *"Yes, you can't let it show. But you do sometimes get people who are quite drunk or some people coming in and thinking that they know everything. With them you just agree and carry on."*

Interviewee 7 agreed by stating:

> *"We must definitely hide it. We do get annoyed, I'll be honest, but then you must just carry on, because it is a service that you deliver and you must always be professional."*

This question again highlighted the fact that wine tasting facilitators get annoyed at times, but all of them are convinced that the annoyance is not exhibited; if that is in fact true, it is indicative of sportsmanship.

In summary, wine tasting facilitators do experience challenges at work, yet they realise they need to refrain from showing their frustrations and irritations. This demonstrates positive sportsmanship behaviour.

The next aspect in terms of sportsmanship is to determine whether wine tasting facilitators has ever resigned or threatened to resign from their jobs at the current wineries. All interviewees indicated that they have never resigned or threatened to resign from their current positions.

The final aspect of sportsmanship is whether resentment is experienced when orders are given to the employees. This question was rephrased to explore whether interviewees are good team players. The rationale is that, from the first few interviews it became clear that the tasting room manager is fairly autonomous in the tasting room and since nine out of ten interviewees were tasting room managers, it implied that minimal orders were received; therefore, the question was rephrased. All interviewees responded positively to this question, indicating that they all considered themselves as good team players.

In conclusion of the OCB section it is evident that wine tourists mostly dictate the wine tasting encounter and wine tasting facilitators are reactive instead of pro-active. Customer facilitation needs to be re-evaluated to ensure more customisation and uniqueness during the wine tasting encounter. Furthermore, wine tasting facilitators should be encouraged to be more pro-active than reactive. Organisational involvement and sportsmanship seem to be in place.

5.6.2 Antecedents to Organisational Citizenship Behaviour of wine tasting facilitators

For the purpose of this study, staff engagement and staff commitment were deemed relevant to investigate as antecedents to OCB demonstrated during wine tastings. Podsakoff *et al*. (2000) indicate that organisational morale factors, such as organisational commitment, would explain staff-led value co-creation behaviour. Values congruency is also identified as important by Podsakoff *et al*. (2000). Podsakoff *et al*. (2000), however, do not view staff engagement as an antecedent to co-creation, despite Brodie *et al*. (2013) and Hollebeek *et al.* (2014) arguing that engagement is fundamental for co-creation. Merrilees *et al*., (2017:253) agree that passionate, engaged employees would be more receptive to co-create value. It was therefore included in this study as antecedent to OCB.

a) Staff engagement

Engagement is a “psychological disposition to do something, in this case co-creation behaviour, that is, staff-initiated enhancement of value beyond normal staff service” (Merrilees *et al*., 2017:258). Engagement entails immersion or mindfulness of being in the moment. Staff engagement was evaluated during the interviews by five questions adopted from Rich, Lepine and Crawford (2010):

- ***How important is your job to you?***

  For Interviewee 6 the job is important for personal reasons as her husband passed away and her role in the tasting room forces her to talk to consumers and meet new people and she needs that interaction.

Interviewee 3 also mentioned personal reasons as indicated below:

"I started out with this way back and I am not an extrovert, I'm quiet. When I started out in wine tasting, I was so terrified, so nervous. I started with 2 visitors, then 4, then 10 then a group of 50. So, this role has meant so much to me personally as it has taken me from that nervousness state to giving me more self-confidence. I get along well with other people. I have good communication skills. I listen well, I'm flexible. I have interest in others. I think I'm patient, level-headed in stressful situations. I'm very open minded, I'm confident now (I wasn't back then)."

Interviewee 1 stated that she won't be at the winery forever, although she wants to be there for now. She continued that she is not only going to a workplace to "earn some money". She has plans to start a tourism guiding company within the wine sector, so the exposure at the winery can help her reach her goal.

Interviewee 9 also added some personal comments:

"It is quite a touching subject. I moved to Stanford when I was 6 and I just turned 30 now. So, the whole area in itself is quite a big part of me. My grandparents both passed away here in Stanford. If you meet people from this Overberg area you will always find wacky people who are in love with birds, plants, soil or so. It is a very 'in touch with nature' community. I think the winery also touches that with events like the triathlons and open-water swims. So, it is a clean, happy environment."

Interviewee 2 also stated that she is extremely proud of what she does and that she is very loyal. But, it feels like this season in her life is over. So, she hopes that there is something else for her. In response to this question, Interviewee 4 touched on the learning aspect of her job:

"It is very important to me. Every day is a lesson; your job is a lesson. I've learnt from so many people about wine, about harvesting, about viticulture in Germany or France, and so many other things."

Interviewee 8 also mentioned the learning aspect in response to this question:

"Firstly, I enjoy what I do and to be at work from 09:00 till 17:00 is not a burden. I love engaging with clients, the interaction and challenges. Obviously I also work for financial reasons. Everything that I learn, can only benefit my career in the long run, so I take in all the experiences I can."

- ***How important is it to you to perform well in this role?***

  All interviewees responded that it is important or very important to them to perform well. Some specific responses follow next.

  Interviewee 10 responded as follows:

  > *"Very important. I see it also as very important that the people in my tasting room work well together with myself. It is important to me to plan properly and to ensure that things are in place. Also, it is important that we enjoy working together, because it is such a large part of our lives that we have to work together well."*

  Interviewee 2 provided some further insight:

  > *"It is important, but I've reached the ceiling, so there is no progress from here. No future career path from here, no promotion. There is a 5 % increase each year, and that's it. No extra leave days."*

  Interviewee 8 added the following:

  > *"To be in a management position, comes with great responsibility. It is also very important for me to motivate my staff; this benefits the outcome of the tasting-room experience for customers and sales. I have therefore a responsibility to the winery and to my staff."*

- ***Would you describe yourself as a good performer in your role?***

  Again, all interviewees responded positively to this question, with some of the most significant responses indicated below.

  Interviewee 10 provided the following insight:

  > *"I hope so. It is nice when clients say that they enjoy the tastings, and when your colleagues say that they enjoy working with me."*

  Interviewee 5 responded with:

  > *"I'd like to think so. I would like to think that I am a valuable asset to the company, for sure."*

Interviewee 2 added the following:

> *"Definitely. And I do it humbly. The Lord has given me the ability to do this and I try to shine my light to the best of my ability. A while ago we had a very good review about myself on Facebook where a visitor complemented me and said that out of 21 tastings, this was the best one he had. The response from the winery was that "she is one of our star players." So, I know my efforts are recognised. I've gained a reputation for myself in the industry and in town by now."*

Interviewee 8 commented as follows:

> *"Yes. I have managed to make year-end budget after a few difficult months with sales. I challenge myself and my staff too to go beyond "our best" to achieve our goals and targets. I have built very good client relationships and this secured good returns in sales."*

- ***How enthusiastic are you about your job?***

  This was the question originally in the first two interviews and both interviewees stated that they are very enthusiastic. The question was then changed to "what about your job excites you the most?" The following responses were obtained:
  Interviewees 3, 6, 7 and 8 noted that the interaction with tourists is the highlight of their respective roles and excites them the most.

  Two interviewees (3, 5) stated new product development as an aspect they are very enthusiastic about; and interviewees 8 and 10 added functions and events as some of the most exciting parts (she is also the interviewee with a diploma in events management).

Some of the noteworthy responses in terms of the topic of this study include the following:

Interviewee 9 said the following in response to the question of what about her job excites her the most:

> *"When people are actually interested in the wine. When they come to you and they really want to know about the wine. That gets me excited. Or when they say something a little bit wrong, like Shiraz and Syrah not being the same things. Yes, it is the same thing. So, when they come with a question that I don't know or when they teach me something I didn't know and we just have a common interest and I sit down with them and we just talk about wine. I then have a sip of wine with them and I educate them and they educate me. So, the interaction with the guests excite me the most."*

Interviewee 4 supported the viewpoint of Interviewee 9 and added:

> *"When I get to talk to people. I love it the most when people start asking me questions. Not many people are very interested in what you have to say and basically they just want to know what is up with the current wine they are having; its characteristics. So, they just want to taste the wine or buy some wine. Then you get people who are really, really interested like connoisseurs or wine enthusiasts and they ask questions and that is the most exciting part for me, because I get to share the knowledge that I have; everything that I studied is caught up inside of me, so I get very excited when people start asking me questions."*

Interviewee 1 stated:

> *"Yes, I am very into the wines because it is always nice to learn more about wine. Although I have been in the wine industry for 13 years, there is always something more to learn. So, I'm very enthusiastic about my job. I will even go to other farms and see what they do and what I can do differently."*

The above response was obtained in the very first interview conducted, and made the researcher add questions to the subsequent interviews about visitation to other wineries, as well as reading about wine in their spare time. These questions are therefore not obtained from literature, but derived from responses during the first interview and deemed relevant to the wine tasting context.

- ***Do you visit other wineries to see what they do?***

  Interviewee 4 responded that she does, when there is time; Interviewee 7 responded that she often visits other wineries to see what they offer. Interviewee 8 stated that she reads about their offerings and Interviewee 9 stated that she doesn't currently visit other wineries. Interviewee 5 indicated that he was at two other wineries 2 days prior to the interview and continued:

  > *"You have to know what competition is out there. But I mean, after such a long time everything gets very generic. I won't really go to wineries for what they offer, but I would go to taste a new vintage or a new wine. I will not do the normal routine. I will ring up the winemaker and tell them I want to taste their wine. The industry is small, so you know people after a few years. I mean it is interesting to go eat and drink, that is what life is about."*

  Interviewee 6 added:

  > *"Yes, we do; we like to see what the competition is and see what other people are doing as well. It is also very nice to recommend to clients where to go from here if they want to go somewhere else, especially if they want one that stays open a bit later, or one with a view. So, it is quite good if we can recommend other places."*

  Interviewee 2 also said the following:

  > *"I also like to visit other wineries and see what they do in their Bistro and deli, in their wine tastings and so forth, because you can always learn from others."*

  Interviewee 10 added:

  > *"Yes, I definitely make time to do that. You steal ideas with your eyes and it is good to taste wines from other wineries."*

  Similarly, Interviewee 3 stated:

  > *"Yes, very much. A lot. To get more familiar with their wine. When I go to a tasting room I know what I want. But it is also important to see what other people do."*

- ***Do you read more about wine in your spare time?***

  Interviewee 9 responded that she doesn't read anything about wine at the moment, whilst Interviewee 8 stated that she reads relevant wine articles as well

as magazines the winery subscribes to. Interviewee 1 indicated that she is not subscribed to any magazines but will read up about wine, especially about new cultivars. Interviewee 6 indicated that they have magazines at work, which she reads whenever possible. Interviewee 7 also stated that she mainly reads newsletters when possible. Interviewee 3 stated that she reads newsletters that they receive and will ask their winemaker for information or make use of Google to find out more.

Interviewee 2 had a similar response and added:

> *"Yes. If I drink a wine, I would go and read more about it. I would also read an interesting email if I receive it and when I have time. I will also Google at work if I'm interested."*

Interviewee 10 had the following response:

> *"I don't read so much, but we receive a magazine here and talk a lot about wine. We also have a laboratory here where wine analyses are done, so it is interesting when we taste those wines. But, in my free time I don't really read about wine. I do however visit other wineries."*

Interviewee 4 responded as follows:

> *"I have to yes, because I'm connected with a lot of the locals in my town, so I like to know what is new and going on. And for marketing also, I like to know what is happening around the world. Every day there is a new wine being celebrated, like when it is Riesling day in Germany, we will celebrate it here with Germany and have a free tasting of Riesling and so forth."*

The response of Interviewee 5:

> *"Endlessly. I am part of the Sommelier Association, many tasting panels. So, it is not just a 9 to 5 for me; I live my job, this is my passion."*

- ***Do you pay a lot of attention to your job?***

  Interviewee 4 responded that she does pay a lot of attention to her job and Interviewee 7 also stated that she is focused.

Interviewee 8 responded as follows:

"Yes, attention to detail is very important and I don't like making mistakes."

Interviewee 9 stated:

"I am fully into it. If you're not in it 100 % you shouldn't be doing it."

Interviewee 3 added:

"Yes, I do. You have to, with the customers. Listen and learn."

Staff engagement was measured by seven questions in total. The two additional questions that were added (based on the first interview) provided insight into staff engagement in a wine tasting environment as it proved that wine tasting facilitators visit other wineries and read more about wine and wineries in their spare time. Based on the findings of the original five questions, it seems that wine tasting facilitators demonstrate engagement with their roles as most of them take their roles seriously, attach either personal or financial value to their roles, strive to perform well and are certain that they do perform well. These factors could serve as motivators for staff to co-create value and obtain and transfer knowledge during wine tasting encounters.

b) Staff commitment

Podsakoff *et al*. (2000) reviewed the literature on OCB and found that organisational morale factors, such as staff commitment, is a robust predictor of OCB. Merrilees *et al*. (2017) support this and found that staff commitment is the first set of antecedents to explain staff-led value co-creation behaviour. Therefore, staff commitment was included in the interview schedule for this study. There are some similarities between staff commitment and organisational involvement (discussed earlier) which will be addressed in this section. The following five questions - adapted from Wang (2009) and Merrilees *et al*. (2017), addressed the topic of staff commitment:

- ***What emotions do you have towards the winery in general, its products and owners?***

  Interviewee 7 stated that she has very positive emotions towards them. “Passion, enjoyment, fulfilment and loyalty” are the emotions described by Interviewee 8 towards the winery.

  Interviewee 3 mentioned the following:

  > *“I have very positive emotions towards the winery and I will go out of my way to satisfy them.”*

  Interviewee 2 had the following response to this question:

  > *“I’ve been here for 16 years and we started here with a very small team (only 4), so we are such a small, cosy family. We did things together at church and at school. When I finish here there will be lots of tears.”*

  Interviewee 6 indicated that due to the rich history of the winery and the original owner being such a pioneer in the wine industry, “*it is quite nice working here with that history and background behind you, because you can tell people about it.”*

  The emotion experienced by Interviewee 4 is that of pride. She states that “*it takes a lot of hard work, a lot of time and sacrifices to make things work, so there is a lot of pride.”*

  Lastly, Interviewee 1 responded:

  > *“I personally feel, if you don’t love your job, then why are you here? You have to have a passion for what you are doing, because if you don’t have passion, how can you expect the customers to have the passion for drinking your wine if you don’t feel passion about your farm?”*

- ***Do you know and identify with the values and goals of the winery?***

  Interviewee 8 knows the values of the winery and added that the values are exactly what she also values in her personal life.

  Interviewee 5 indicated that he is part of the planning for the future of the winery and he is aware of the values and goals as a result.

Most of the interviewees were not aware of the values of the winery and neither were they involved in the planning of the future of the winery.

- ***Do you get excited about new products being launched?***

  Interviewee 8 responded as follows:

> *"Yes – I love to introduce new wines to my loyal customers – I have built relationships with them and they trust my suggestions on new wines."*

Interviewee 5 stated: "*Yes, sure, definitely."* and Interviewee 3 clearly agreed:

> *"Yes, very much. New vintages excite me. I like the new venture with the self-catering units. It is very exciting."*

Interviewee 10 responded with: "*Yes, very much so."* Interviewee 2 stated that, even though she doesn't really drink wine, she tastes wine, so she does get excited about new wines. Interviewee 6 shares the excitement of new products and add that "*Every harvest is always a big thing. We always have a thing of welcoming the first tractor in and have photographs and champagne."* Interviewee 4 also gets excited and said: '*It is great, fantastic, I love it*." Interviewee 1 also said: "*Yes, definitely."*

Interviewee 9 was the only one who had mixed emotions about new developments:

> *"Yes and no. No because I'm set in my ways and I'm used to it now, so expanding and growing brings change. I've become attached to what I do know; I like it and I'm in my comfort zone."*

- ***To what extent do you feel that you belong here or feel attached to the winery?***

  Interviewee 8 responded:

> *"Very attached. You cannot commit to your job and enjoy it with passion if you are not attached to the winery or its people. Then it is just another job. We are a family at this winery; we care for each other. We are all getting along very well, we share the good and the bad of the winery and that of our personal lives. My responsibilities as tasting room manager forms part of the success of this winery."*

Interviewee 5 added the following in response:

> *"Completely, I live on the estate; I see it as my own business. So, I mean in any job you have to take emotional responsibility, otherwise you have to get another job. So, I am a 180 % committed, obviously."*

Interviewee 10 added that they are like a close-knit family, where there is a positive atmosphere and she feels at home there. Interviewee 1 stated:

> *"I feel like part of the family and I feel attached, but I wouldn't say that I am that attached that I won't move on to something different in a couple of years."*

Interviewee 4 also responded with:

> *"It is my second home. I also love the hospitality industry; I feel that I was born to do this. I am good with people, I love wine, I love food."*

Interviewee 6 feels very at home and since she started, "everyone has been incredibly friendly and kind."

- ***To what extent do you promote the winery and its offerings to friends and family?***

  This question was addressed under OCB, and more specifically organisational involvement. In summary, however, it was found that interviewees do talk about and promote their respective wineries to a great extent amongst family and friends, and even at other wineries and events.

It is evident that staff commitment to the respective wineries is experienced by all wine tasting facilitators, either in the form of belonging, emotions of pride, referring to the winery and people as their family, or excitement that is experienced when new products or developments are implemented. They also demonstrate their commitment by promoting the wineries to a great extent.

5.6.3 Resource transfer and integration

Interaction is identified as the most crucial antecedent to resource integration. Through interaction, a dialogue is set up, knowledge and other resources are transferred and learning takes place. This enables resource renewal; and resource integration can take place (Gummesson & Mele, 2010:191). During the interviews, the interviewer aimed to establish the extent of resource transfer and integration that typically exists during wine tasting, the type of resources that is exchanged, the perceptions of wine tasting staff in terms of resources shared by consumers, and whether they are of the opinion that sufficient resources are shared by themselves during interaction. The following questions guided this section of the interviews:

- ***Which aspects of wine do you usually cover during wine tastings?***
  Interviewee 9 responded as follows:

> *"I will pour the wine and tell them about the wine. Then I can kind of judge - if they ask anything, I will tell them about the dam and the cellar. A proper tasting with me takes a minimum of an hour, because I like talking to them. It depends on their questions on how much information I share. If I see that they are interested in the wine, I will tell them about the soil. Otherwise I will just tell a little about the dam etc."*

The response of Interviewee 4 follows next:

> *"You start with the wine, the options and different wines on the list. You may choose 4 of our wines; I will give the prices. Then I'll let them taste the wines. It depends if they want to know more. Some of the international visitors don't speak any English, so you just go through the description of the wines with them and try to translate sometimes. We do try and squeeze in as much information as we can, but the visitor will always tell you 'Listen, I only want to taste this wine, and it is all I want to do.' I share up to a point and the rest is up to them. So, if they ask for more, I will give them more information."*

According to Interviewee 6, the following information is provided:

> "*We explain very basic about every wine. In-between we will throw in stories about it being a family-owned farm; we try and make it personal and tell a story about one or two wines. Sometimes one will end up talking about the parts of the farm. You know how conversations go, they lead to things."*

Interviewee 1 shared the following:

"They first listen to what you have to say, and then they will ask you questions; based on the questions they ask, you will know how much they know about wine. The winemaker gives you some notes and then you memorise your notes and his notes which are then covered in the tasting. We usually cover the history of the farm, give them the first wine and tell them about the wine and explain why you put it in stainless steel tanks or barrels. If they want more information, we give them more information, but basically we usually cover the history of the farm, how the wine is made, how long it has been aged and how long you can still keep it for."

Interviewee 2 responded to the question as follows:

"I always start with the wine and how old the wine cellar is and a bit more about the winemaker. I then start to focus on sales and this is ultimately my purpose. I try and get them to ask the questions. I don't give all the information. So, they will determine the direction. With the ones who don't know what they want, we will try different times until we find something that they like. I won't bother with pH balance and wine being wooded or not with some of the visitors. I will try and teach them the difference between the dry red and the dry white. The connoisseur will come in and ask specific questions.

Most of the time I run through my standard story, which is basically 3 sentences per type of wine, until the questions start. So, I don't give half an hour lecture about wine.
I give them minimal information to sell the wine and then I'll give detail if they ask questions. I have so much knowledge on wine, so it is nice when people are interested in it."

Based on the experience of Interviewee 10, this is how she typically conducts a wine tasting:

"Our tourists are usually very interested in the cellar tours. So many of them want to see that to understand the winemaking process. But for the wine tasting they choose the tasting they want to, and you briefly explain the wines to them. If they then ask for more information, we have our standard stories that we give, so you can then give that to them. It depends on the client. The more questions they ask, the more information I give. You can clearly see who wants to learn and who doesn't – most of them even tell you beforehand. Some are intimidated also and scared that it is pretentious and then they

don't want to ask stupid questions. So, then you will give a little bit more attention to those to ensure they have a good experience.

Interviewee 3 added: "*The wine, the year, the style, whether it is wooded or not, which barrels were used, the story behind the label. And if they ask questions about the family, owner, winemaker, the farm or the people, I will go into the detail of that."*

Interviewee 5 contributed the following:

"People will first ask what we offer; we tell them, and then they select wines. Depending on how busy we are, but normally people come straight to the counter and options will be discussed with them. Once they made their selection, the tasting will start. The tasting advisor will then do a brief history of the farm, start with the tasting and talk about the wines."

Interviewee 7 follows the following routine:

"Usually I tell them more about the farm and I ask them which wines they would like to have. I will then give them a short summary of the wines. It also depends whether it is an informal or formal tasting. When it is a formal tasting I will give them in-depth information about the wine. Otherwise I give them the wine and make suggestions as to what to taste."

- ***Do you ever teach people how to taste wine?***

Interviewee 4, 7 and 9 responded that they will, if it is requested.

Interviewee 6 responded as follows:

"Yes, how to swirl it around and sniff. Some do ask what the proper way is of doing it, while others just want to taste it and enjoy it."

Interviewee 1 responded: "*Only sometimes. Not all the time. Only if a customer comes in and says it is their first time, then you start from the top."* Interviewee 2 responded similarly, with:

"If it is people who know nothing or when it is international visitors or students, I will then tell them what to taste for and tell them about the 3S's (swirl, spit, smell) etc."

Interviewee 3 indicated that she hardly ever teaches visitors how to taste wine and continues:

> *"Unless when someone tells you that they have never done a wine tasting before and they know nothing about wine. The only other time I will teach them how to taste, is when we do a pairing. I will tell them how to taste as there is a specific way to do it."*

Interviewee 8 stated that *"Most visitors know how to taste wine. We will teach them about the different smells / tastes, especially on Pinotage. We will educate them when they ask questions on tastings that they don't know."*

- ***Would you say you give wine tasters enough information during wine tastings?***

  Interviewee 9 said that she has enough information to give. Interviewees 1, 3, 4, 6 and 7 also stated that they give sufficient information. Interviewee 2 also responded with:

  > *"Yes, there are really lots of people who say that they've learnt a lot after our wine tastings."*

  Interviewee 8 shares an interesting perspective:

  > *"It depends on the client himself how much information they want. But my staff are well trained and know our wines very well and therefore the customer receives all the relevant information about our wines to understand the different wines better."*

Operant resources of wine tasting facilitators are mostly in the form of skills, knowledge, expertise and experience. These resources are transferred during wine tastings, but the extent of the transfer is mostly dictated by the wine tourists. A standard routine is followed and based on the questions asked by wine tourists, the facilitator will share additional information. It is clear that facilitators have sufficient operant resources to facilitate learning; it is only a matter of whether learning is required by the wine tourists. It is however true that they can be taught how to do this and provide an even better service to the wine tourists.

- ***Do people in general share their previous experiences with you? If so, what do they like to share?***

  Interviewee 9 responded: "*Yes, definitely. They are quite sharing. They share both their experiences at other wineries down the road and they share about technical aspects of wine, but they don't realise that it is a small town and we know everyone."*

  Interviewee 4 responded as follows:

> "*I love it when they share, because I then get to learn more. It does happen quite often, mostly during our season time. We get people from all over the world here, so they are often first timers who share a lot of their knowledge – both wine knowledge and customer service experiences. They typically talk about vineyard comparisons, soil comparisons, ageing, barrels and the oak used … all sorts of things … climate change."*

Interviewee 6 stated that consumers like to compare vineyards and discuss it with tasting room facilitators.

Interviewee 1 elaborated more and explained:

> *"They will tell us, 'Listen, I had a tasting at the previous farm just now and they did this and they did that, can you maybe also do that for us?' Or they will tell you that they had bad service, so some do share their experiences with us. They don't really discuss their knowledge of wine with tasting-room staff."*

Interviewee 2 stated the following:

> *"Unfortunately, yes. Because I don't want to know if you had a bad experience at winery X, because those are my friends. It is nice to hear the positive things, because it is a small town, so everybody knows everybody. I also try and explain that we are in competition with other wineries, but it is not a race with one winner only."*

Interviewee 10 commented that:

> *"Most people like to share where they've had a good experience and where not. They also talk about their favourite places for wine tasting. Wine knowledge is often shared. We often have people here from wine clubs who talk about technical aspects of wine."*

Interviewee 3 agrees with other interviewees when she stated that:

"Visitors share their previous experiences from other wineries, what they liked at other wineries, or like to compare wines. They will tell us things like 'we did this and that at this winery. They had this, but your Chenin is much better than theirs. The service at that winery was terrible.' Comparison of wines happen often and most."

Interviewee 5's contribution to this question was as follows:

"If I have to do a tasting I would ask people straight up what their favourite wine is and from where. If you really know the wine in your own portfolio, then you will be able to say to them that, because they love that wine, they will love this wine in our portfolio. People like to compare wineries and share their thoughts with you."

Interviewee 8 added that consumers talk more about their experiences at other wineries than the wines itself. They tend to talk more about how they were treated.

Lastly, Interviewee 7 stated:

"Yes, 80 % of the time they do. In our case we are situated close to other wineries and they will tell us the service was like this and the wine like that. I do get people who refer to the previous place where they were. It is mostly information about other wineries that is shared and the service they had. The more serious wine tasters will give you more technical information."

Resources transferred by wine tourists mostly include previous experiences and other wineries they have visited. From the quantitative analysis, previous experiences, was also one of the factors identified as part of resource transfer and integration. This could be an indication of what they prefer to talk about during wine tastings, so wineries might have to consider referring to other wineries and their wines during wine tastings. Conversation about tourists' previous experiences should be encouraged; it could perhaps be one of the opening lines when tourists arrive for wine tastings.

5.6.4 Learning

When learning and knowledge renewal takes place, competitive advantage is obtained as a result. The extent to which wine tasting staff generally learns or obtain

knowledge from consumers was also addressed in the interviews, as mutual learning results in co-created value for both parties. This aspect was measured by the following questions:

- ***Would you say that you sometimes learn from the visitors when they share information / resources?***

  Interviewee 8 contributed the following to this question:

> *"Yes, you can learn what they enjoyed at other wineries, or what they did not enjoy and try to improve on this. Get new ideas to make our tasting experience better."*

  Interviewee 5 responded with:

> *"No, not really. Okay, yes, maybe. I'm not too sure about that; not from a tourist. We've got quite a good setup, so I don't think so. I'm being biased."*

  According to Interviewee 10, she definitely learns from visitors, as stated below:

> *"Many have tasted wines or cultivars from other countries and elsewhere that we haven't, so we then learn from them. Or they tell us about wine tastings that are new at certain wineries. I would say that they share information equally between customer service and technical wine aspects. Sometimes they will tell us about a wine tasting they've done and then talk about the service and the wine."*

  Interviewee 2 contributed the following to this question:

> *"Yes, often. And I will also often ask them to write down the name or detail and they then feel that I appreciate their knowledge and sharing of information. It also depends on the numbers in the tasting room. When there is time, it is always good to learn from them."*

  Interviewee 4 stated that she learns a lot from visitors. Interviewee 9 also learns from visitors:

> *"The ones who come in time and time again, so you get to know them and their tastes so you know their preferences. Sometimes also they've been to France and they share how they grow and prune their vines or talk about irrigation or storage. So, it is interesting to learn about their experiences."*

- ***When you learn something new and interesting from the visitors, what do you do with that information?***

  Interviewee 8 responded as follows:

  > *"I share it with my staff – either verbally or in the case of my temp staff we have a WhatsApp group."*

  Interviewee 3 responded with the following answer:

  > *"Yes, definitely I share it. That is one of the reasons I also visit other wineries, because you want to remain competitive."*

  Interviewee 7 commented: "*I usually share it with our marketing manager. We work closely together."*

  Interviewee 10 responded as follows:

  > *"Yes, we share it immediately and everyone then discusses it together."*

  Interviewee 2 added that "*there is not a formal platform for this, but I will go to the winemaker with interesting information and discuss it with him."*

  Interviewee 6 stated that they discuss it amongst the tasting-room staff.

  Interviewee 4 said:

  > *"I definitely share it with my colleagues. Sometimes I keep it to myself when there is no time to share."*

  Interviewee 1 shared the following on this topic:

  > *"Yes. I will normally share it with my staff and send an email to my marketing manager and say what I've heard and ask if we can also maybe do something like that. The marketing manager usually replies that he will have a look and four months later, nothing happened."*

Interviewee 9 was asked if she shares new information and she stated:

> *"Unfortunately not. Nobody really cares and they will not really take it in. I just keep it to myself and use it on the actual customers. Or I will share it with my wine friends on Facebook or WhatsApp."*

- ***When you learn something new from the visitors, does it improve the way in which you do your wine tastings?***

  Interviewee 7 said: "*Yes it does, it does, definitely."* Interviewee 6 also stated that "*It does help us.*"

  Interviewee 10 said the following about this question:

> *"Yes, because you also learn how people feel about certain aspects. Also, if you get questions you can answer them more easily because of what you've learnt from other clients. It also makes it easy to make recommendations to clients about other wines and wineries."*

  Interviewee 2 believes it does improve the offering:

> *"Yes, because especially with the tour groups you want to learn about their interests. I've learnt that for them it is not necessarily about the technical aspects of wine, but about having fun whilst on holiday."*

  Interviewee 1 stated here that "*It depends on the information, but usually we keep to our own script."*

  Interviewee 4 responded as follows:

> *"Yes, definitely. With the information I get from overseas about the climate or soil differences of vineyard differences, I might not have known it before, I'll be able to answer it now. Also, pesticide comparisons where it is legal and where not. Organic conversations are also held often."*

  Interviewee 9 had the following response to this question:

> *"100 %. For the first three months I didn't know anything about wine, so I had to use all information to educate myself. It is all self-taught."*

- ***How regularly do wine tasters give compliments and complaints? Do you learn from them?***

  Interviewee 8 responded as follows:

> "*We regularly receive compliments – especially about our service. But we do get complaints as well (not very often). We learn what we do right and on what areas of our service we can improve on."*

Interviewee 3 responded as follows:

> "*Yes, I definitely learn from compliments and complaints. I don't want people to be unhappy. When they complain about things I can't change, I don't pay so much attention. Compliments are great. They will complain on social media or come back the next time and share that the previous wine tasting was so good that they had to come back. After shows they are more likely to send complaint or compliment emails.*

According to Interviewees 1 and 7, they definitely learn from complaints and compliments.

Interviewee 4 stated that "*compliments are taken to heart. I don't want to make people feel uncomfortable, so I use it to change my approach and also change my approach to life in general."*

It is clear that wine tasting facilitators welcome the learning aspect during wine tastings, which is a positive indication towards value co-creation. Again, it is clear that experiences at other wineries are mostly talked about.

5.7 INTEGRATION OF RESULTS THROUGH JOINT DISPLAY

As indicated previously, this study followed a convergent design and one of the techniques to jointly display the results of this design, is a side-by-side joint display. The side-by-side display has two columns for each of the two components of the study. The rows of the table are made up of the themes in the study.

Table 5.24: Joint display of quantitative and qualitative findings

Theme	Qualitative findings	Quantitative findings
Wine interest	Not applicable	47 % of respondents were very interested in wine, followed by 31 % who are extremely interested.
Wine knowledge	Not applicable	52 % indicated they have limited knowledge of wine but are familiar with some aspects of wine, and 39 % indicated that they have good knowledge and are familiar with most aspects of wine.
Wine interest and wine knowledge (combined) as antecedents to tourist behaviour	Not applicable	• Higher levels of Interest and Knowledge lead to an increased likelihood for wine tourists to engage in tourist behaviour during a wine tasting encounter. • Higher levels of Interest and Knowledge are likely to result in a greater degree of resource transfer and integration. • Wine tourists with higher levels of Interest and Knowledge are more likely to want to learn during the wine tasting encounter.
Staff commitment	Staff commitment to the respective wineries is demonstrated by emotions of pride towards the respective wineries; the sense of belonging to the winery; referring to the wineries and people as family, excitement when new products or developments are implemented and by promotion of respective wineries to a great extent.	Not applicable
Staff engagement	Staff engagement in a wine tasting environment is demonstrated by wine tasting facilitators who visit other wineries and read more about wine in their spare time. This is unique to the wine tasting context. Other indicators of staff engagement include wine tasting facilitators who take their roles and responsibilities seriously; attach either personal or financial value to their roles and strive to perform well. These factors could serve as motivators for staff to co-create value and obtain and transfer knowledge during wine tasting encounters.	Not applicable
Tourist behaviour **(originally known as customer citizenship**	Not applicable	3 originals dimensions of customer citizenship behaviour was reduced to 2 by EFA: • Facilitation & Recommendation • Assistance

behaviour)		Wine tourists with higher levels of tourist behaviour during wine tastings are likely to transfer and integrate resources to a greater extent. Wine tourists with higher levels of tourist behaviour are more likely to experience value co-creation during wine tastings.
Staff behaviour	The following 3 dimensions are identified in literature: **a) Customer facilitation** Customer facilitation as a whole, in terms of offering a service beyond expectations, is not significantly evident in wine tasting. Fairly standardised routines are adopted for wine tastings which are only adjusted in difficult situations by some of the interviewees. The awareness of and potential for co-creation are therefore under-realised by wineries. **b) Organisational involvement** Wineries are promoted to a great extent by wine tasting facilitators which show organisational involvement. Complaints and comments are considered by wine tasting facilitators as opportunities for improvement. **c) Sportsmanship** Despite challenges experienced by wine tasting facilitators, they realise that they need to refrain from showing their frustrations and irritations. This demonstrates positive sportsmanship behaviour. All wine tasting facilitators demonstrate sportsmanship by not having resigned or threatened to resign from their current positions. **Overall OCB:** Wine tourists mostly dictate the wine tasting encounter and wine tasting facilitators are reactive instead of pro-active. Customer facilitation needs to be re-evaluated to ensure more customisation and uniqueness during the wine tasting encounter. Furthermore, wine tasting facilitators should be encouraged to be more pro-active than reactive. Organisational involvement and sportsmanship seem to be in place.	Not applicable
Resource transfer and integration	Operant resources of wine tasting facilitators are mostly in the form of skills, knowledge, expertise and experience. These resources are transferred during wine tastings, but the extent of the transfer is mostly dictated by the wine tourists. A standard routine is followed and based on	Conceptual framework had no dimensions / factors. After EFA, 2 factors identified: • Current knowledge about wine

	the questions asked by wine tourists, the facilitator will share additional information. It is clear that facilitators have sufficient operant resources to facilitate learning; it is only a matter of whether learning is required by the wine tourists to do this and provide and even better service to the wine tourists. Resources transferred by wine tourists mostly include previous experiences and other wineries they have visited. This could be an indication of what they prefer to talk about during wine tastings, so wineries might have to consider referring to other wineries and their wines during wine tastings.	• Previous experiences at other wineries / tasting rooms Wine tourists' wine preferences (current knowledge) is the most talked about topic during wine tastings. Wine tourists with higher levels of Resource transfer and integration are more likely to want to learn during wine tastings.
Learning	It is clear that wine tasting facilitators welcome the learning aspect during wine tastings, which is a positive indication towards value co-creation. It is clear that experiences at other wineries are mostly talked about.	Two factors emerged from EFA: • Winery • Wine in general Wine tourists desire to learn more about wine in general than the winery itself. This is very important for co-creation to know what to focus on during wine tastings. Wine tourists with higher levels of learning during wine tastings are more likely to experience co-created value.
Co-creation	The level of participation of wine tasting facilitators are determined by the wine tourists' level of participation. Wineries are reactive during the encounter. The value of resource transfer and integration and learning is not necessrily recognised or realised by wine tasting facilitators.	The most important co-creation aspect of wine tasting is to feel free to ask questions; followed by the desire to have a unique wine tasting experience; to be valued by wine tasting facilitators for inputs (participation) during wine tasting; and finally, to contribute to wine tasting facilitators' knowledge of wine. The findings show that 87 % of wine tourists feel that wine tastings add personal value / enrichment to their lives; and 94 % indicated that wine tastings generally influence / change their wine behaviour.

5.8 CONCLUSION

The purpose of this chapter was to report on the empirical results of the study. Firstly, the descriptive results were discussed with frequencies, means and standard deviations.

Secondly, Exploratory Factor Analyses (EFA) were performed on tourist behaviour, whereby three dimensions (based on literature) were reduced to two factors. Both Resource transfer and integration and Learning resulted in two new factors as no dimensions of this construct were evident in the literature. Co-creation resulted in one factor only.

Thirdly, Spearman rank order correlation matrix was used to examine correlations between some constructs. Some small correlations were found between wine interest and wine knowledge and other co-creation constructs. No correlations proved significant with demographic variables.

The final quantitative analysis was Structural Equation Modelling (SEM) whereby two models were explored. Nine hypotheses formed part of Model 1 and seven hypotheses were included in Model 2, which proved to be the best fit.

Qualitative results were reported verbatim, followed by interpretation thereof at the end of each section. The themes were organised according to the literature and included the following: wine tasting facilitator behaviour; staff commitment; staff engagement; resource transfer and integration; learning; co-creation.

Finally, a joint display was used to merge the quantitative and qualitative results for better interpretation. The joint display assisted in the development of the final framework in the next chapter.

CHAPTER 6: A FRAMEWORK FOR VALUE CO-CREATION IN WINE TASTING

6.1 INTRODUCTION

The Cape Winelands have become a premier tourist destination in South Africa, second only to the V&A Waterfront in terms of number of international visitors. Wine tourism therefore represents significant value to South Africa's tourism industry; not only in terms of visitor numbers, but also visitor spending, as wine tourists spend more than other visitors at a destination (Loots, 2018).

In recognition of its value and potential, campaigns and other initiatives have been launched over recent years aimed at both the wine tourists as well as wineries. Campaigns focused on tourists aim to highlight the premium wine offering and wine experiences on offer in South Africa, while a Wine Tourism Strategy, including a wine tourism industry toolkit, has been launched in 2016 to benefit the wineries (Loots, 2018). The purpose of this Wine Tourism Strategy is to unite the wine and tourism sectors behind a common vision with clear targets set for the development and promotion of wine tourism in South Africa (Du-Toit-Helmbold, 2018). One of the key focus areas of wineries should be on the wine tasting experience.

Wine tasting and tasting rooms are synonymous with wine tourism. Charters *et al.* (2009), are of the opinion that tasting rooms are not only a primary source of wine sales for the majority of wineries, but also the first point of contact beteen the consumer and the winery, and therefore play a significant role in the overall marketing strategy. Tasting rooms are also important tools to educate visitors and convert them into loyal consumers (Alonso, Sheridan & Scherrer, 2008).

Consequently, wine tourists need to be taken good care of. Various elements have been identified to enhance the tasting room experience, ranging from décor to location and ambience. It is however important to ensure that the wine tourist experiences value during the encounter itself. Value co-creation has increasingly been recognised as the way forward in terms of competitive advantage; therefore, this study aimed to propose a framework for value co-creation in wine tasting.

The aim of this final chapter is to conclude with a framework for value co-creation in wine tasting. The sequence below was followed to achieve the framework.

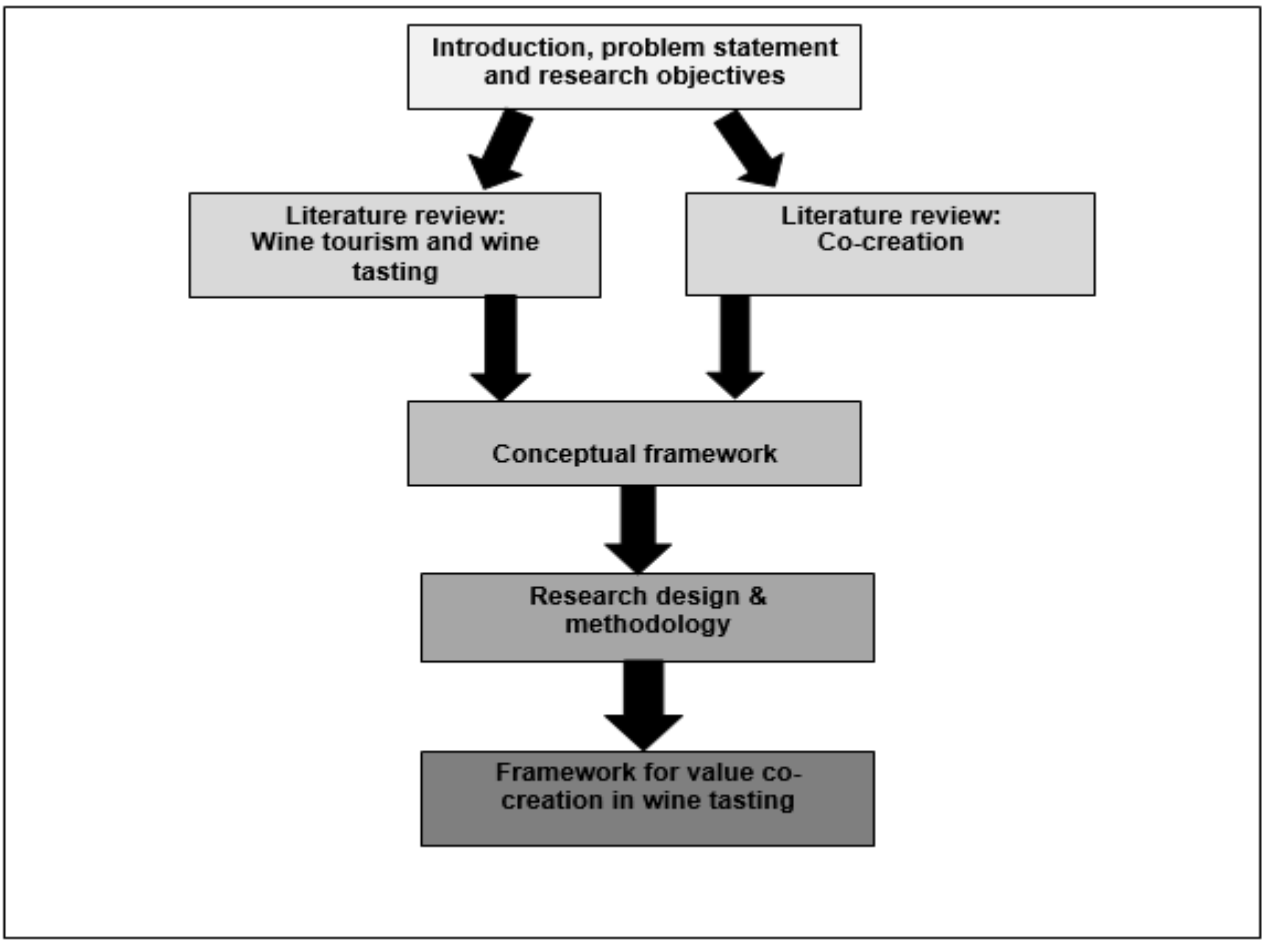

Figure 6.1: Sequence of study

6.2 REVISITING RESEARCH OBJECTIVES

To develop the framework, the following research objectives were identified in Chapter 1 (cf. 1.4):

To provide an overview of the wine tourism sector, including the wine tasting encounter by means of an in-depth literature review.

This research objective was focused on the wine tourism aspect of the study and was addressed in Chapter 2 with a literature review. The chapter started with an overview of the global and South African wine industry. Wine tourism was discussed by means of the Wine Tourism System and its three elements: the wine tourist, destination marketing organisations, and wineries. Wine tasting was also addressed and elements required in the wine tasting experience were emphasised. From these elements, it was evident that some underlying co-creation principles such as connectedness, authenticity, interaction and personal interest are important. Learning was identified as one of the core elements of the wine tourism experience, which is also in line with co-creation literature.

To explain the concept of value co-creation and all its constructs as it is presented in the literature.

Chapter 3 covered the concept of Service-Dominant Logic and value co-creation (as one of the foundational premises of S-D logic). The distinction between goods-dominant logic and service-dominant logic was highlighted with emphasis on operand and operant resources. In terms of co-creation, the building blocks and processes that have been designed were discussed, leading to an overview of participation, resource transfer and integration and knowledge renewal.

To determine the elements of the conceptual framework for value co-creation in wine tasting from both a demand and supply perspective.

The conceptual framework was informed by the literature review on wine tasting, participation, resource transfer and integration and knowledge renewal and presented in Chapter 3. The conceptual framework was informed by four hypotheses.

To empirically test the conceptual framework.

Chapter 4 outlined the research design and methodology to achieve the empirical objectives of the study. The study adopted a convergent design, mixed-method approach and the findings were presented in the form of a joint display in Chapter 5.

To put forward a framework for value co-creation in wine tasting and provide recommendations and guidelines on how to implement the framework to the benefit of the suppliers and tourists.

This chapter is dedicated to the final research objective whereby the study concludes with a framework for value co-creation in wine tasting with guidelines for implementation and recommendations for future research on the topic.

6.3 CONCLUSIONS OF THE STUDY

Based on the objectives of the study the following conclusions can be made based on the in-depth literature review and the empirical study.

6.3.1 Conclusions based on the literature review

Change is identified as the only common factor when it comes to the wine industry (c.f.2.2). The global wine industry has evolved due to internationalisation and new consumption behaviour with wine forming an integral part of many countries' cultural identities South Africa is identified as a "new world" wine producing country, alongside Australia, Uruguay, Argentina, Chile, New Zealand and the USA. These "new world" wine countries are known for their focus on the market and a stronger marketing orientation compared to the "old world" wine countries (France, Italy and Spain) (c.f.2.2).

Wine tourism is regarded as a very valuable sector of the tourism industry due to its significant current and future potential contribution to the economy in the near future (from the current R6bn to R15bn in 2025). It is therefore also a strong generator of employment opportunities, currently one of the highest priorities in South Africa (c.f.2.3). Due to the expected growth in wine tourism a Wine Tourism Strategy was launched in November 2016 with the aim to unite the industry behind a common vision, brand and aligned plan to take wine tourism forward (c.f.2.3).

It is important to note that wine tourism has a tourism focus, not a wine focus and should be aimed at increasing business and employment opportunities at a local level (c.f.2.4).

The Wine Tourism System (c.f.2.5) distinguishes between three components that form part of wine tourism: the wine tourist, suppliers and destination marketing organisations. Wine tourists have been segmented in numerous studies based on various characteristics such as demographic, geographic and psychographic variables (c.f.2.5.1). Of most importance and relevance to this study, is psychographic segmentation in the form of wine interest and wine knowledge (c.f.2.5.1) as these were expected to determine the extent of co-creation.

The offerings of wineries were also highlighted as part of the Wine Tourism System where distinction was made between the core wine tourism offering, augmented offerings and ancillary offerings. Wine tastings can be classified as augmented wine tourism offerings (c.f.2.5.3).

The final element of the Wine Tourism System, namely destination marketing organisations (DMOs) were also discussed in terms of their important facilitation role which include accessibility to the wine regions and wineries, visitor services, interpretation, signage and a suitable resource base (c.f.2.5.2).

Important elements of the overall wine tasting experience were explored (c.f.2.6) and two of these elements (the desire for personal growth, which include learning experiences, and quality service interactions) are closely related to the principles of co-creation.

The wine tasting experience was also investigated (c.f.2.7) and again similarities with co-creation literature became evident, including knowledge of hospitality and wine making which is required by wine tasting facilitators, interaction and personal interest in the wine tourist and a feeling of connectedness in the tasting room.

Value co-creation is one of the foundational premises of service-dominant logic (S-D logic) and implies that the consumer becomes central in value creation and plays an active role during interaction with suppliers (c.f.3.1). Dialogue therefore is imperative and is therefore one of the building blocks of co-creation (c.f.3.3.1).

In the study, two co-creation processes were investigated and in both the encounter is central with operant resources being transferred and integrated to generate new knowledge (c.f.3.3.2.1 and 3.3.2.2).

The point of departure for co-creation is the encounter itself and the participation that takes place during the encounter. When it comes to participation, the nature of some services require participation for the service to take place, whereas other services don't require participation for service delivery. Wine tasting requires low to medium levels of participation, which implies that not much participation is required from the tourist (c.f.1.2.2). However, for value co-creation to take place during the encounter, participation levels need to be increased to a point where dialogical interaction takes place, where both parties learn together (c.f.1.2.3). The form of participation during interactive encounters is described as citizenship behaviours. Customer citizenship behaviour (referred to as tourist behaviour in this study) involves extra-role, voluntary behaviours on the part of the consumer / wine tourist and include aspects such as feedback to the winery, suggestions for service improvements, helping others in the tasting room, sharing of opinions and recommendation to others (c.f.3.7). For the purpose of this study, the three dimensions of customer citizenship, identified by Groth (2005) were included in the literature review and conceptual framework: service firm facilitation, helping others, and feedback (c.f.3.7.2).

Participation of wine tasting facilitators takes the form of organisational citizenship behaviour (OCB) (c.f.3.6). This again refers to extra-role, voluntary behaviours of employees and Fernández-Sabiote and Román (2005) developed a scale to measure

OCB and three OCB dimensions were identified and included in this study: customer facilitation, organisational involvement, and sportsmanship.

Customer facilitation includes aspects such as employees' willingness to offer a unique experience, going the extra mile, making suggestions for improvement of the offering and being enthusiastic. Organisational involvement refers to a positive attitude towards the winery as well as promotion of the winery to family and friends. Sportsmanship is the dimension that refers to the ability of wine tasting facilitators to hide their annoyance or frustrations in the workplace (c.f.3.6.1).

For the wine tasting facilitators, staff commitment and staff engagement were treated as antecedents to OCB (c.f.3.6.2). It was assumed that the higher the commitment and engagement, the more likely the participation that will lead to resource transfer and integration as well as learning.

Resource transfer and integration is one of the other core constructs in this study, since active participation leads to resource transfer and integration. The resources referred to in S-D logic and value co-creation are operant in nature, which imply skills, knowledge, experience and expertise (c.f.3.4.3). Consequently, the importance of the interaction and participation is emphasised in order to transfer skills and expertise from the wine tourist to the wine tasting facilitator and vice versa (c.f.1.2.1).

The generation, sharing and application of knowledge, referred to as knowledge renewal has been identified as one of the outcomes of value co-creation and the fundamental source of competitive advantage (Ballantyne & Varey, 2006; Vargo & Lusch, 2008). This study claims that if there is active participation, resource transfer and integration will take place. If that happens, knowledge renewal will be the result, which implies co-created value (c.f.3.3.2.1b).

6.3.2 Conclusions based on the quantitative empirical results (demand)

An e-survey was utilised to collect data from members of the Fijnwyn Food and Wine Festival database. This part of the study represents the wine tourists (demand) in the framework. A total of 488 completed questionnaires were collected and analysed and the findings are discussed in this section.

The three customer citizenship behaviour dimensions of Groth (2005) (c.f.3.7.1) were reduced to two factors, namely Facilitation and recommendation, and Assistance, after the Exploratory Factor Analysis (EFA) (c.f.5.2.7). Considering other studies on CCB, this study

seems to be the first whereby facilitation and recommendation were combined into one dimension of CCB. This dimension refers to the sharing of information (suggestions and feedback) to wineries, or recommendation of the winery to friends and family.

It was also found that wine tourists with higher levels of tourist behaviour (CCB) during wine tastings are likely to transfer and integrate resources to a greater extent. In addition, it became evident that wine tourists with higher levels of tourist behaviour (CCB) are more likely to experience value co-creation during wine tastings (c.f. Figure 5.10).

As part of the survey, respondents were required to provide demographic, geographic and wine lifestyle information about themselves (c.f.5.2.1). The wine lifestyle aspect included wine interest and wine knowledge. In the survey, it was found that 47 % of the respondents classified themselves as very interested in wine, followed by 31 % extremely interested. Extremely interested consumers were classified as consumers who consider wine as a passion and they visit wineries whenever possible. The very interested consumers are the ones who visit wine regions mainly for the purpose of wine tours and tastings and not for other attractions or offerings in the region. It can be assumed that both the very interested and the extremely interested consumers are the ones who would engage with wine tasting facilitators about wines, wine making and other related aspects. This represents the vast majority of wine tourists. It can also be assumed that the extremely interested consumers would engage even more, as they are more passionate about wine and would therefore be more interested in learning more. The categories for wine interest and wine knowledge were informed by literature but amended for this specific study. These categories can be used in follow-up studies on wine interest and wine knowledge.

These two aspects (wine interest and wine knowledge) were treated as antecedents in the conceptual framework as having a positive relationship on customer citizenship behaviour (c.f.3.9). The hypothesis was confirmed as it was found that higher levels of wine interest and wine knowledge lead to an increased likelihood for wine tourists to engage in tourist behaviour during a wine tasting encounter (c.f. Table 5.21). The relationship between these two antecedents and citizenship behaviour in a wine tourism context has not been investigated prior to this study, making this contribution to the literature another first.

In addition, it was found that higher levels of wine interest and wine knowledge are likely to result in a greater degree of resource transfer and integration, as well as a greater desire to learn during wine tasting. These two relationships with wine interest and wine

knowledge was not originally hypothesised but became apparent with the Structural Equation Modelling (SEM) (c.f. Table 5.21).

From the EFA on resource transfer and integration, two factors emerged, namely: current knowledge, and previous experiences (c.f.5.2.8). This means that the type of operant resources shared by wine tourists include current knowledge (in the form of wine tasting techniques, wine preferences, wine making and other technical aspects, changes and developments in the wine industry), and previous experiences (which include reference to other wine experiences and other tasting rooms). It was proven by SEM that wine tourists with higher levels of resource transfer and integration are more likely to want to learn during wine tastings (c.f. Table 5.21). No dimensions of resource transfer and integration could be identified in the literature, therefore these two factors in a wine tasting environment also contribute to the body of knowledge.

The EFA of learning identified two factors: learn about the winery, and learn about wine in general. It was found that wine tourists desire to learn more about wine in general than the winery itself (c.f.5.2.9). This is very important for co-creation in order to know what to focus on during wine tastings. In addition, it was found in SEM that wine tourists with higher levels of learning during wine tastings are more likely to experience co-created value (c.f. Table 5.21). This finding was expected and hypothesised and validates the framework of the study.

Finally, as mentioned, co-creation is treated as an outcome of all the above relationships between constructs. The most important co-creation aspect of wine tasting based on this study is to feel free to ask questions; followed by the desire to have a unique wine tasting experience; to be valued by wine tasting facilitators for inputs (participation) during wine tasting; and finally, to contribute to wine tasting facilitators' knowledge of wine. This means that it is not as important for wine tourists to teach wine tasting facilitators much about wine, but more about the dialogue and platform to ask questions freely (c.f.5.2.6). The findings also showed that 87 % of wine tourists feel that wine tastings add personal value / enrichment to their lives, and 94 % indicated that wine tastings generally influence / change their wine behaviour (c.f.5.2.6). The test for value co-creation is whether knowledge renewal resulted in changed behaviour and based on these findings it is evident that wine tastings have the potential for co-creation as wine tourists already feel that wine tastings influence their behaviour. It could even imply that co-creation is already evident in wine tastings, hence the high percentage of changed behaviour (c.f.5.2.6).

Based on the above findings and the seven hypotheses identified by means of SEM in Chapter 5, the framework based on demand (wine tourists) is illustrated in Figure 6.2.

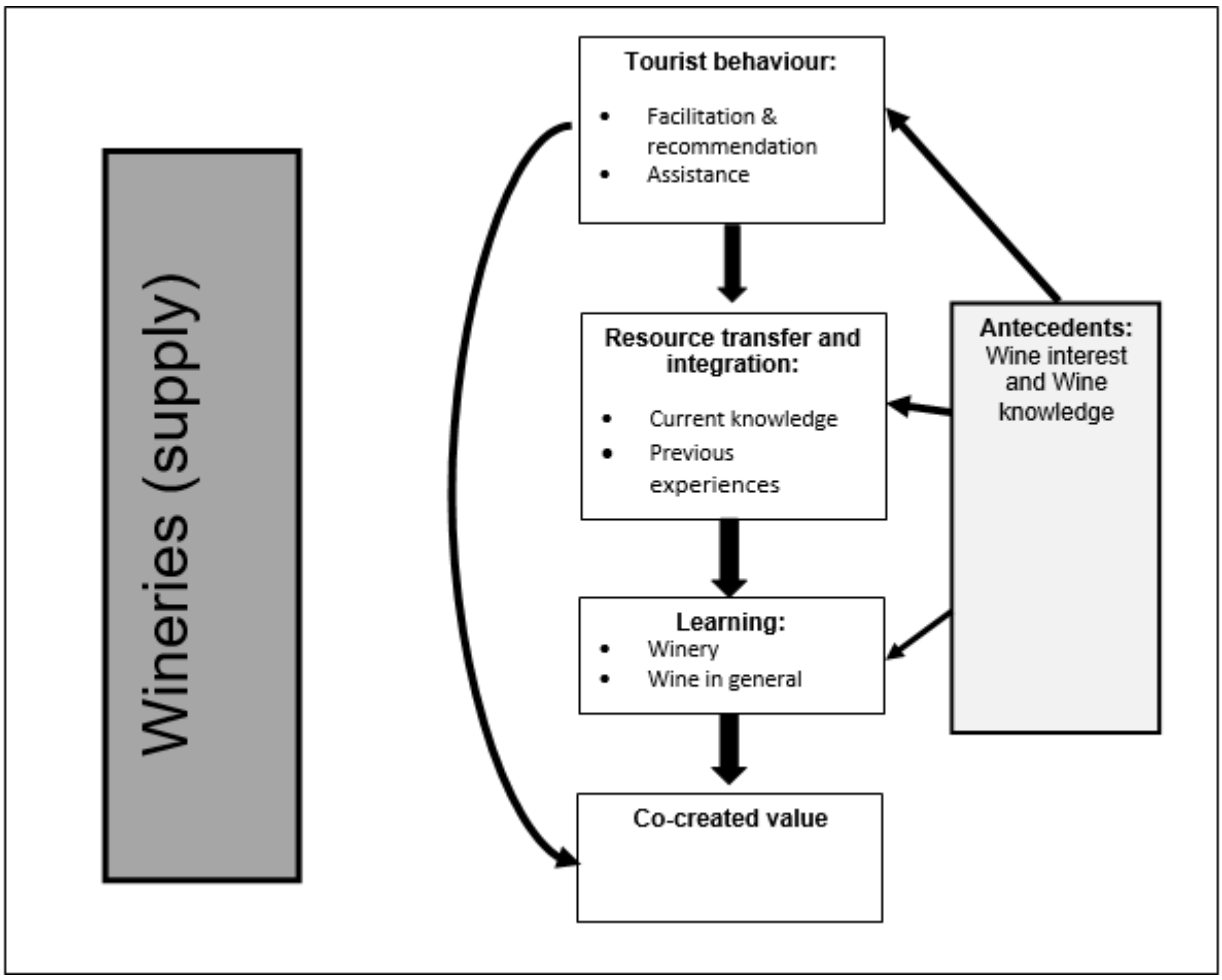

Figure 6.2: Part 1 of framework based on wine tourists

The framework (c.f. Table 5.20) was informed by seven hypotheses and the blue lines indicate the relationships between constructs as proven by the hypotheses:

H1: There is a direct relationship between Interest and Knowledge and Behaviour.

H2: There is a direct relationship between Interest and Knowledge and Resource transfer and integration.

H3: There is a direct relationship between Behaviour and Resource transfer and integration.

H4: There is a direct relationship between Resource transfer and integration and Learning.

H5: There is a direct relationship between Interest and Knowledge and Learning.

H6: There is a direct relationship between Learning and Co-Creation.

H7: There is a direct relationship between Behaviour and Co-Creation.

6.3.3 Conclusions based on the qualitative empirical results (supply)

The qualitative part of the study was implemented by means of telephone interviews with mostly tasting room managers from ten wineries in the Western Cape. The conclusions based on the qualitative component of the study follows the same layout as the quantitative part.

Questions were asked about organisational citizenship behaviour and it was found that customer facilitation (offering a service beyond expectations), is not significantly evident (c.f.5.3.1a). Fairly standardised routines are adopted for wine tastings which are only adjusted in difficult situations by some of the interviewees. The awareness of and potential for co-creation is therefore under-realised by the wineries, where customer facilitation is considered.

In terms of organisational involvement, it was found that wineries are promoted to a great extent by wine tasting facilitators which show organisational involvement (c.f.3.6). It was found that complaints and comments are considered by wine tasting facilitators as opportunities for improvement. Positive emotions are also witnessed among wine tasting facilitators in the form of pride, sense of belonging, describing the winery and colleagues as family, and being motivated to excel in respective roles (c.f.5.3.1b). These aspects also indicate organisational involvement.

All-wine tasting facilitators demonstrate sportsmanship by being aware of the fact that they cannot exhibit negative emotions and none of the wine tasting facilitators have resigned or threatened to resign from their current positions, which is also a positive indication of sportsmanship (c.f.5.3.1c).

To conclude the section on OCB, wine tasting encounters seem to be mostly dictated by the wine tourists and wine tasting facilitators are reactive instead of pro-active. This can be positive or negative. It is positive in the sense that the consumer is “in control” of the encounter and should as a result obtain the required outcomes for him or herself. The negative aspect could be that resource transfer and integration and learning might not be actively pursued by the wine tasting facilitator, as they are only responding to the

consumer and not trying to engage in more dialogical interaction. Customer facilitation needs to be re-evaluated to ensure more customisation and uniqueness during the wine tasting encounter. This uniqueness not only refers to different locations or other types of wine being offered, but also uniqueness in terms of operant resources being offered. Furthermore, wine tasting facilitators should be encouraged to be more pro-active than reactive, in order to actively pursue co-creation opportunities. Organisational involvement and sportsmanship seem to be in place. It could however be biased as organisational involvement and sportsmanship are fairly personal aspects and it might not be answered completely truthfully by employees.

Since the antecedents (staff commitment and staff engagement) could not be measured quantitatively, the researcher concluded (based on the responses) that all wine tasting facilitators met the criteria for both antecedents and it is therefore argued that staff commitment and staff engagement does have an impact on wine tasting-facilitator behaviour (OCB). Staff commitment, however, is very similar to organisational involvement, and dimensions thereof tend to overlap.

Staff engagement in a wine tasting environment was found to be demonstrated by wine tasting facilitators who visit other wineries and read more about wine in their spare time (c.f.5.3.2a). This is unique to the wine tasting context and one of the academic contributions of this study. Other indicators of staff engagement include wine tasting facilitators who take their roles and responsibilities seriously, attach either personal or financial value to their roles, and strive to perform well. These factors could serve as motivators for staff to co-create value and obtain and transfer knowledge during wine tasting encounters.

Staff commitment to the respective wineries is demonstrated by emotions of pride towards the respective wineries; the sense of belonging to the winery; referring to the wineries and people as family, excitement when new products or developments are implemented and by promotion of respective wineries to a great extent. Again, the similarities between staff commitment and organisational involvement are evident.

These two antecedents are again prone to biased responses from wine tasting facilitators as it requires them to reflect on themselves and their roles at the wineries. None of them

had a negative response to any of the questions, which could in fact be the case, but it might also be subjective.

In terms of resource transfer and integration by the wine tasting facilitators, it seems as if operant resource transfer is limited and mostly dictated by the wine tourists. A standard routine is followed and based on the questions asked by wine tourists, the facilitator shares the required information. It is clear that facilitators have sufficient operant resources to facilitate learning; it is the wine tourists, however, who determine how much operant resources are transferred during the encounter.

Resources transferred by wine tourists mostly include previous experiences and other wineries they have visited (c.f.5.3.3). This could be an indication of what they prefer to talk about during wine tastings, so wineries might have to consider referring to other wineries and their wines during wine tastings. It was clear in the interviews that the more conversation takes place during the wine tasting encounter, the more resources are transferred and the more opportunity is created for mutual learning. Therefore, profiling of wine tourists during wine tastings and adjusting dialogical interaction accordingly is imperative during the encounter. For this reason, these two aspects have been added as resource transfer and integration dimensions in the framework. Wine tasting facilitators should distinguish between wine tourists who wish to discuss other wineries and/or experiences from the ones who want to share information about wine.

It is evident that wine tasting facilitators welcome the learning aspect during wine tastings, which is a positive indication towards value co-creation (c.f.5.3.4). It is clear that experiences at other wineries are mostly talked about. When interesting information is gained, they have good intentions to share it with colleagues; some manage to share it and others don’t necessarily take it further, nor follow it up with management. They have indicated, however, that knowledge renewal assists them to improve their offering to future tourists. It was also clear that knowledgeable wine tourists are the preferred consumer as they provide the wine tasting facilitators with opportunities to share their knowledge. These types of encounters are described as most enjoyable by wine tasting facilitators.

In the framework, it is evident that wine tasting facilitators need to be made aware of the value of the wine tasting encounter, for both parties involved. It is important for them to realise that each tasting is a learning opportunity; either to learn more about wine, or to learn more about the consumer. Wine tasting facilitators should also share the knowledge

they gain from consumers with colleagues to benefit the entire team in the tasting room. Although wine tasting facilitators indicated that knowledge is often shared, there seems to be no formal platforms or tools in place for sharing of knowledge (c.f.5.3.4).

The opinions of wine tasting facilitators need to be incorporated with the framework based on wine tourists. Following the same layout as with the demand component, Figure 6.3 attempts to portray the qualitative findings of the wine tasting facilitators.

Staff commitment and staff engagement remain as antecedents, but a co-creation orientation is added as an antecedent to OCB and resource transfer and integration. The rationale is that considering the reactive responses of wine tasting facilitators to wine tourists, it is important for them to have a co-creation orientation or mindset to look for opportunities during the encounter to share knowledge and learn from wine tourists pro-actively. Without this orientation, it could happen that potential co-creation opportunities are missed. It might also change the way in which the encounters are approached and results in more customisation and uniqueness, which is also important to the wine tourists.
OCB includes customer facilitation and sportsmanship only. Organisational involvement was omitted due to the similarities with staff commitment. Staff commitment, however, seems to be stronger as an antecedent to OCB, compared to organisational involvement as a type of OCB. This also makes a unique contribution to wine tourism and OCB literature where organisational involvement and staff commitment are both included in a particular study.

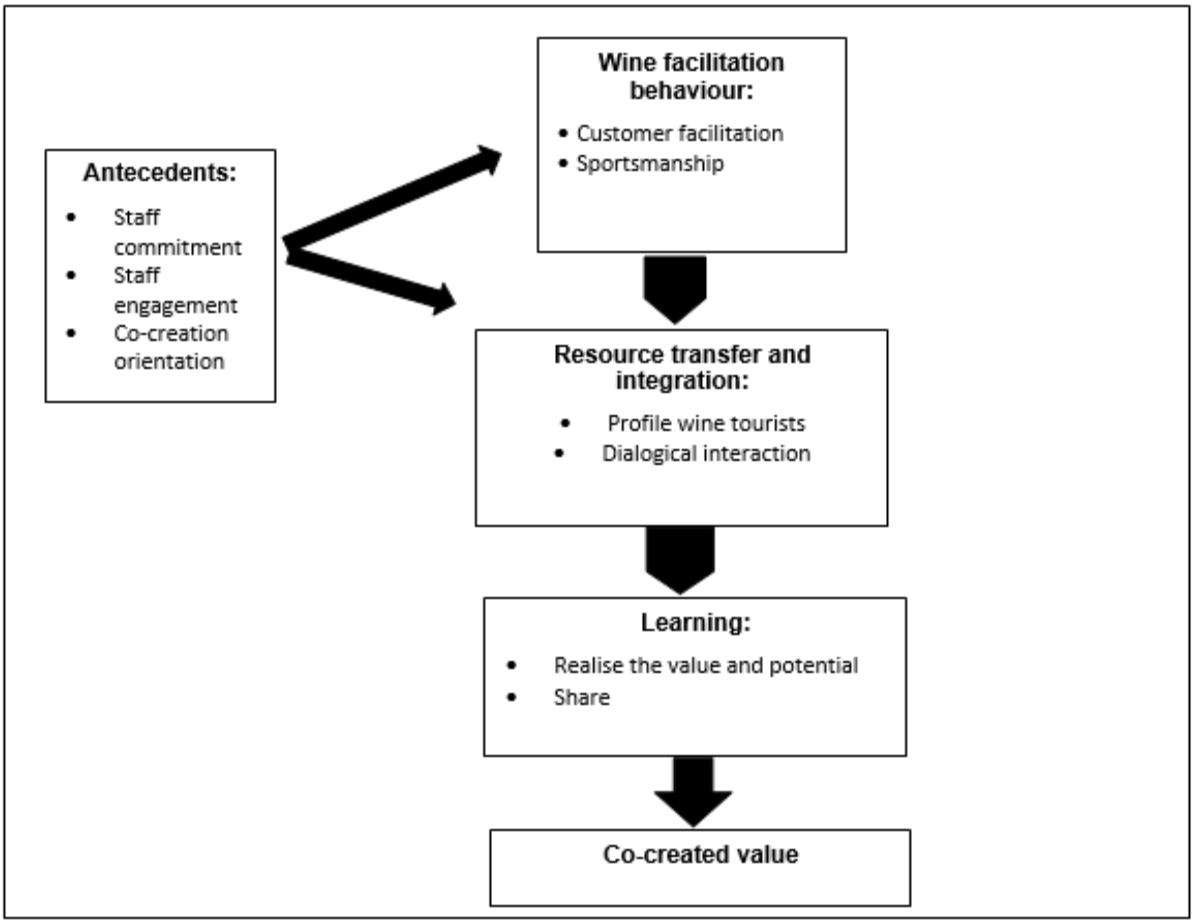

Figure 6.3: Part 2 of framework based on wine tasting facilitators

6.4 CONTRIBUTIONS OF THE STUDY

This thesis has studied co-creation in a wine tourism context and established unique elements to focus on from a supply and demand perspective. The insights gained from this study contributes to the enhancement of wine tastings which will further develop this industry.

6.4.1 Literature contributions

Literature that focuses on co-creation in the tourism industry is limited even though the industry lends itself towards co-creation. It is thus a challenge to apply the concept to the industry due to their limited understanding of the meaning and implications thereof. The non-existence of research in the wine tourism environment related to co-creation created difficulty in the literature review.

The research contributes to literature by means of the following:

- This was the first time to the author's knowledge, that this type of research was conducted in a wine tourism context. Adding to this – the analysis of both the

demand and supply perspectives added value to literature. This information can inform current wine tasting strategies and also the marketing thereof.

- The framework is a management tool that conceptualise the wine tasting encounter and highlights the important aspects to focus on.
- The conceptualisation of co-creation in wine tasting add significant value to literature to be used as a building block for future research. The co-creation elements can be planned well in advance to improve visitors' experiences.
- Clearly these co-creation elements should form part of training as it cannot happen by chance.

6.4.2 Practical contributions

This research contributes to the management of wine tasting experiences in the following ways:

- The co-creation elements from the supply side were identified.
- The co-creation elements from the demand side were identified.
- The integration of the demand and supply elements come together in the framework.
- Wine farms can use this framework to improve their current offerings – the current offerings can be assessed against the framework to identify shortcomings and successes.

6.4.3 Methodological contributions

The following methodology contributions are evident:

- The mixed-methods approach is not new to tourism, but the application thereof in this study is new to the context and the location.
- The application achieved significant results and insights that would not have been possible with only qualitative or quantitative research.

6.5 FRAMEWORK FOR VALUE CO-CREATION IN WINE TASTING AND SUPPORTING RECOMMENDATIONS

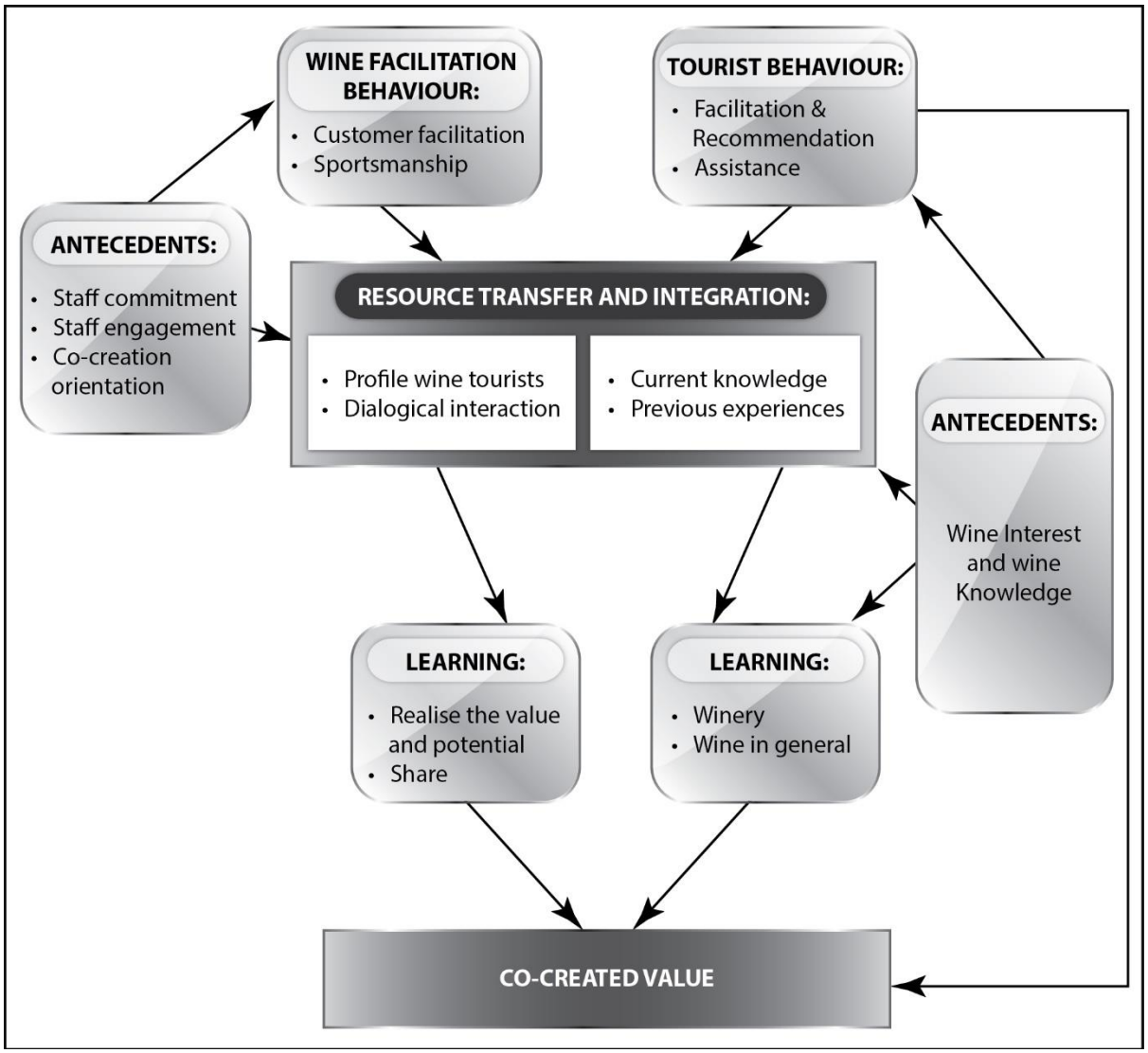

Figure 6.4: The co-creation framework for wine tastings

The management of wine tastings is complex but the integration of supply and demand efforts are clear in the framework. The roles of each role player should be stated as that will increase the success of the wine tasting experience. With the framework (Figure 6.4) in mind it is important for wine tasting-facilitators to take the following into account:

- The wine tourist comes with a certain level of wine interest (not at all interested to extremely interested) and knowledge (very limited to in-depth) to the wine tasting. In order to create a co-creation environment, it is important to determine their level of interest and knowledge by asking questions about their previous experiences, their knowledge of winemaking, storing, aging and an indication of the number of wine tastings they have done. This can be done verbally or by means of a short

questionnaire which will inform the tasting facilitator on the level of interest and knowledge of the wine tourist.

- When new knowledge is obtained by wine tasting facilitators, platforms and processes should be in place to share it with colleagues. Since it was found that wineries in the respective regions are in good standing and often familiar with one another, these platforms could even include a range of wineries where wine tasting facilitators share new knowledge with one another. Monthly or quarterly get-togethers could be implemented both internally and with other wineries' staff whereby new knowledge is shared.
- It is imperative for wine tasting facilitators to realise that value is created during those encounters, not only for the tourist, but for themselves as well. To establish a co-creation orientation, management or the owners of the wineries need to understand the concept and value of co-creation and orientate or train their staff accordingly. A co-creation mindset might also result in wine tasting facilitators differentiating between wine tourists more accurately which could allow more customisation during wine tastings in terms of the knowledge shared. This mindset could manifest in a learning culture adopted by management, whereby emphasis is placed on learning and employees are trained accordingly. Workshops could be delivered on the importance of knowledge as competitive advantage and to orientate staff on the co-creation concept.
- Staff engagement (as antecedent to OCB / wine tasting facilitation behaviour) in the form of visitation to other wineries should be recognised and encouraged by management as this adds value to the wine tasting facilitators' offering. Knowledge obtained from other wineries could again be shared amongst colleagues. Employees should be allowed time off from work to visit other wineries.
- Management should consider an allowance or other benefits related to visiting other wineries. It was found in the interviews that most wine tasting facilitators do this in their spare time, but it should be encouraged more by management as it offers a learning opportunity. A programme could be investigated whereby travelling costs and other associated expenses are reimbursed to enable visits to other wineries. Report back meetings can then be implemented to share newly obtained knowledge.
- The focus during wine tastings seems to be on wine sales. It is assumed that wine tasting facilitators' performance is measured based on sales figures. It is recommended however to have weekly or monthly awards for wine tasting

facilitators who demonstrated the best customer citizenship behaviour and resource transfer. Therefore, being assessed and rewarded based on the quality and outcomes of their interactions, and not only on sales figures. Performance measurement systems could be revisited to include customer citizenship behaviour and staff could be appraised accordingly.

From a tourist perspective it is important to keep the following in mind:

- Not everyone, despite their levels of interest and knowledge, are interested in learning during wine tasting encounters. It might therefore be considered to determine their expectations of the wine tasting before it commences. This again can be done either verbally or with a brief questionnaire.
- The level of interest and knowledge could inform the resource transfer phase of the encounter. Wine tasting facilitators could encourage wine tourists to elaborate on previous experiences and knowledge of wine. This could encourage dialogical interaction which could result in learning for both parties. To obtain this, it is important for wine tasting facilitators to listen well during their interaction with tourists, in order to probe for more information. Training and awareness should be considered to improve listening and probing skills.

When the above guidelines are applied, it will result in high levels of co-creation where both the wine farm and the tourist will benefit. This will lead to higher levels of loyalty, return visitation, word-of-mouth recommendations, a good reputation for the wine farm, and the personal development of wine tasting facilitators.

6.6 RECOMMENDATIONS FOR FUTURE STUDIES

Since co-creation is such a uni-dimensional construct, there are still various avenues to explore on the topic, especially in tourism as the two concepts hold significant potential for competitive advantage and sustainability if combined effectively. The framework developed in this study could be applied to any tourism (or other context) where an encounter between the supplier and consumer takes place, and some form of knowledge is transferred.

Since value co-creation is about the knowledge gained, it is advisable to measure the extent of knowledge renewal empirically. This might require comparative studies and longitudinal studies.

Marketing outcomes such as satisfaction and loyalty can also be tested empirically to determine whether citizenship behaviours and resource transfer and integration lead to these outcomes. Again, comparisons can be drawn between encounters where co-creation takes place and encounters where it doesn't.

Observation, as a data-collection method, should be considered to evaluate the extent of co-creation in encounters. This could provide valuable findings and opportunities for comparisons between wineries.

Qualitative methods such as interviews or focus groups with wine tourists could also be considered for a more detailed understanding of co-creation constructs, from their perspective.

6.7 LIMITATIONS OF THE STUDY

The lack of access to wine tourists at wineries would be regarded a limitation of this study. This study initially aimed to approach wine tourists after their wine tasting experiences with a self-completion questionnaire, which would have provided more clarity on specific elements of that particular wine tasting experience. It would also have allowed comparisons between wineries, as it was expected that co-creation would be more prevalent at the smaller wineries. It is unfortunate that wineries did not allow fieldworkers on their premises, as this poses a challenge to all future research endeavours focused on the wine tourist.

This also prevented the empirical testing of the extent of knowledge renewal as an outcome of resource transfer and integration, resulting in value co-creation, as there was no encounter to evaluate the extent of resource transfer.

The Fijnwyn Food and Wine festivals database however filled the gap sufficiently, yet questions had to be phrased in a more general manner to obtain a wider perspective on wine tasting. As a result, satisfaction could not be measured either, which is one of the proposed marketing outcomes of value co-creation and of significant importance to the wineries.

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Appendix A: E-survey

WINE TASTING SURVEY

Dear wine lover,

This survey forms part of a PhD study (in the School of Tourism Management at North West University) in wine tourism and you are kindly requested to complete the questionnaire in as much detail as possible. This is an anonymous survey and the information will be utilised towards the completion of a thesis and subsequent articles.

By completing the questionnaire, it is assumed that you agree to participate in the survey.

It will take less than ten minutes to complete. Please click on Finish and Submit when you are done.

In case you have any questions about the study, you are welcome to send an e-mail to: grobbelaarl@tut.ac.za

The ethics number for this project is: EMS28/04/16-02/03

Thanks for your participation and contribution towards improving the wine tourism sector.

SECTION A: WINE INTEREST AND WINE KNOWLEDGE

1. Indicate which profile below best describes you in terms of your **wine interest**.

I am **extremely interested** in wine and consider it a passion of mine. I visit wineries whenever possible.	
I am **very interested** in wine and I visit wine regions mainly for the purpose of wine tours and tastings.	
I have **limited interest** in wine and visit wineries only when I'm in the region for other purposes already.	
I have **very limited interest** in wine and usually visit wineries as part of a group and not by own choice.	

2. Indicate which profile below best describes you in terms of your **wine knowledge**.

I have **in-depth knowledge** of wine and can discuss the finer points of wine with the winemaker.	
I have **good knowledge** of wine and I am familiar with most aspects (wine making, pairing, storing, ageing etc.)	
I have **limited knowledge** of wine and I am familiar with some aspects (wine making, pairing, storing, ageing etc.)	
I have **very limited knowledge** of wine and I am familiar with very few aspects (wine making, pairing, storing, ageing etc.)	

3. Provide an estimate of the **total number of wine tastings <u>at wineries</u>** you've done.

SECTION B: TOURIST BEHAVIOUR

4. During/after **wine tastings at wineries** how **LIKELY** are you to do the following?

	Very unlikely	Unlikely	Likely	Very likely
Provide feedback to the winery about your wine tasting experience at the winery (positive and negative)				
Provide feedback to the winery about customer service (positive and negative)				
Complete surveys based on your experience at the winery				
Make an effort to inform the winery if you had an exceptional wine tasting experience at the winery				
Make suggestions as to how the wine tasting experience can be improved				
Share your opinions if you feel it would benefit the winery				
Inform the winery if you experience a problem				
If satisfied, recommend the winery to others				
Demonstrate to other wine tourists in the tasting room how you taste wine, based on your knowledge/experience				
Tell other wine tourists in the tasting room how you taste wine, based on your knowledge/experience				
Help other wine tourists in the tasting room with their wine tasting process/experience, if needed				

SECTION C: RESOURCE TRANSFER AND INTEGRATION

5. During wine tastings, to what extent do you generally **talk to the wine tasting staff about the following aspects...?**

	Not at all	Very little	Somewhat	To a great extent
Your previous wine experiences at other wineries				
Other tasting rooms that might have made an impression on you				
What you know about the technique of tasting wine				
Your wine preferences in general				
Wine making, wine pairing, storing, ageing, wine regions, etc. (overall knowledge of wine)				
Changes in the wine industry (trends and developments) that you might be aware of				

6. Specify any other wine-related aspects that you like to talk about during wine tastings that are not listed in the question above?

7. Do you feel that wine tasting staff encourages conversation from you about the above aspects?

Never	
Seldom	
Usually	
Always	

8. Do you feel that wine tasting staff values your opinions, ideas and conversations about the above aspects?

Never	
Seldom	
Usually	
Always	

SECTION D: LEARNING

9. During wine tastings, to what extent do you **want to learn something NEW** about….?

	Not at all	**Very little**	**Somewhat**	**To a great extent**
Wine making				
Food and wine pairing				
Wine in general				
The winemaker				
The wine region				
The winery itself (history, ownership, facilities etc.)				
The storage and ageing of wine				
How to taste wine properly				
New trends in the wine industry				
The winery's products and facilities				

10. Specify any other wine-related aspects (if any) you would like to learn about during wine tastings that are not listed in the question above.

SECTION E: CO-CREATION

11. Indicate how important it is to you, during wine tastings in general….

	Not important at all	Not important	Important	Very important
To feel free to ask questions				
To have a unique wine tasting experience				
To be valued by the wine tasting staff for my inputs (participation) during the experience				
To contribute to wine tasting staff's knowledge of wine				

12. To what extent do wine tastings add personal value (enrichment) to your life?

Not at all	
Very little	
Somewhat	
To a great extent	

13. To what extent do wine tastings generally influence/change your wine behaviour (purchases, pairing, storing, preferences etc.)?

Not at all	
Hardly at all	
Somewhat	
Very much	

14. If possible, provide a reason for your answer to the previous question.

SECTION F: DEMOGRAPHIC AND GEOGRAPHIC INFORMATION

15. Please indicate your gender.

Male	
Female	

16. Please indicate your year of birth.

17. Please indicate your highest level of education.

No schooling completed		Post graduate	
Matric/Grade 12		Professional	
Diploma/degree		Other (please specify)	

18. Please indicate your annual gross income (all sources of income before deductions).

No income		R800 001 – R1 000 000	
Less than R200 000		R1000 001 – R1 500 000	
R200 001 – R400 000		R1 500 001 – R2 000 000	
R400 001 – R600 000		More than R2 000 000	
R600 001 – R800 000		I prefer not to specify	

19. Specify your occupation.

20. Please indicate your home language

English		Sepedi		Siswati	
Afrikaans		Setswana		Tshivenda	
isiZulu		Sesotho		isiNdebele	
isiXhosa		Xitsonga		Other (specify)	

21. Specify your nationality.

South African		Other (please specify)

22. Please indicate your city/town of **permanent** residence.

23. Should you wish to enter the draw for the prizes, please provide us with your cell number.

Appendix B: Interview schedule

1. **Introduction**
   - Goal of the research – to evaluate the wine tasting experience from both the consumer side and the wineries' side.
   - Goal of the interview - to obtain the wineries' perspective on why people do wine tastings, how actively involved they are during wine tastings and just the wine tasting experience in general.
   - In terms of ethical considerations, please be advised that the conversation is recorded and will be transcribed verbatim upon completion of the phone call. Your answers will be confidential and you will be kept anonymous throughout the study, which implies that it will not be possible to pinpoint you to the answers obtained. Do you still wish to participate? Thank you.

2. **Basic profile of interviewee:**
   - Year of birth
   - Gender
   - What is your highest qualification?
   - How did you end up at Winery X?
   - How long have you been the tasting room manager at Winery X?
   - Previous experience at other wineries (If not yet covered in another question)
   - Responsibilities of your current role
   - Future aspirations/career path/ would you stay with Winery X/would you stay in the wine industry?
   - Staff complement in the tasting room during peak and off peak periods?

3. **Experience**
   - What formal training have you done in order to do wine tastings, and with whom?
   - Have you done any customer service/hospitality training? If so, please specify institution and type of training.
   - Does the winery offer additional wine tasting or customer service courses? Elaborate, if so.
   - Do you enjoy wine yourself?
   - In your opinion, why do people do wine tastings?
   - Do you think Winery X meets the above needs sufficiently? Elaborate.
   - Why is wine tastings important to the winery, what do you want to achieve with wine tastings? What are the desired outcomes from the winery's perspective?

4. Staff commitment to winery

- What emotions do you have towards the winery? Elaborate.
- To what extent would you say you are emotionally attached to the winery?
- To what extent does the winery have personal meaning to you? Elaborate.
- To what extent do you feel that you belong here? Elaborate.
- Do you know the values and future goals of the winery?
- To what extent do you identify with their values and vision and mission?
- Do you get excited when new wines are being launched? Elaborate.
- To what extent do you talk about/promote the winery and its offerings to friends and family? Elaborate.

5. Staff engagement

- How important is your job to you? For financial reasons/personal reasons/career reasons….?
- How important is it to you to perform well in this role? Elaborate.
- Would you say that you perform well in your role? Why?
- Future opportunities at Winery X?
- Which parts of your job excites you the most?
- Do you read more about wine in your spare time? Subscribe to any magazines, etc?
- Do you visit other wineries to see what they offer, or read about their offerings?
- Would you say that you pay a lot of attention to your job while doing it? Elaborate.

6. Customer facilitation

- In your opinion, are all wine tasting tourists the same, or do they want different things when they do wine tastings? Elaborate.
- Which types of tasters do you get (if not yet covered in the answer above)?
- How do you tell the difference between them?
- Can you tell me if you regularly or sometimes offer something unique during wine tastings that are out of the box and not your normal routine?
- How energetic and enthusiastic would you describe yourself in this role?
- Do you have to customise the wine tasting sometimes because of a difficult situation/customer sometimes? Can you elaborate?
- If you could re-design the wine tasting process at this winery, what would you add to it or change about it?

7. Organisational involvement

- When people (including customers and friends) might say negative things about the winery how do you usually respond?

8. Sportsmanship

- What are the negative aspects about your job? How do you handle it?
- Do you sometimes get annoyed with customers? Do you think it shows, or what do you do to hide it?
- Have you resigned from this job before or threatened to resign?
- Would you say you are a good team player but also good at taking orders? Do you get along well with the colleagues at the winery?

9. Resources

- Explain the routine of a typical wine tasting at Winery X. If someone comes in for a wine tasting, what type of information do you give them etc.?
- Based on the types of wine tasters you've mentioned in a previous section, how is the wine tasting different for these types? Do you tell them more, wait for them to ask more questions? How do the wine tasting experience differ for these different types?
- Do you 'teach' visitors how to taste wine? Tell me more?
- What would you say are your strengths in this job?
- What would you say are your weaknesses in this job that you can improve?
- Would you say you give wine tasters enough information during wine tasting, or do you think they require more or less? Elaborate.
- From your experience, do visitors in general like to share their previous experiences of wine with you during wine tasting? Tell me more and also specify what type of information – is it about their previous visit or wine tasting, or about technical aspects of wine, or what do they share and to what extent?

10. Learning

- Would you say that you sometimes learn from the visitors when they share information? Elaborate.
- When you learn something new and interesting from the visitors, what do you do with that information? Share it? How?
- When you learn new things from wine tourists, do you think it improves your offering wine tasting service/offering? How?
- What skills do you think are required by you to address all types of wine tasters?
- How regularly do wine tasters give compliments? Complaints? Do you learn from them?