Sustainable competitive advantages for a nascent wine country: an example from southern Sweden

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Abstract

Purpose – The purpose of this study is to discuss the opportunities for and challenges faced in the development of a wine sector in a nascent wine country, as well as the necessary requirements for the creation of sustainable competitive advantages (SCA), using Sweden as an example.

Design/methodology/approach – Content analysis of previous research based on secondary data; a SWOT analysis of the wine sector in the nascent wine country, Sweden, is provided in connection with a conceptual framework for SCAs.

Findings – In a nascent wine country such as Sweden, factors such as climate or technical issues regarding wine production are important factors in respect of SCA, but in themselves, do not present insurmountable obstacles to their creation. In reality, structural challenges such as the alcohol monopoly in the retail market, various other legal regulations and restrictions, the lack of marketing and promotion capabilities, limited viticulture knowledge and limited experience of cooperation with the local enterprise are all far more problematic in that they lead to relatively limited demand for Swedish wine. In this context, a marketing management approach becomes a key factor in changing attitudes and approaches. Clearly, it is important to provide potential markets and consumers with relevant marketing information about the nascent wine country and its products.

Originality/value – Previous research generally focused on the SCA in the established wine countries; the focus of this study is on the SCA in a nascent wine country, a country without any tradition of commercial wine production. This study contributes to the discussion of a new conceptual framework for understanding SCA in the context of nascent wine countries. Furthermore, it suggests that the remaining state alcohol retail monopoly in Sweden provides not only challenges but also opportunities for the development of the wine sector. These findings are valid not only for Sweden but also for other nascent wine countries.

Keywords Sustainable competitive advantage, Wine sector, Nascent wine country, Sweden, Resource-based theory, Competitive positioning

Paper type Research paper

Introduction

In global terms, the wine sector is among the most competitive in agribusiness (Duarte Alonso *et al.*, 2019). Moreover, during the past two decades, this sector has become more

dynamic and globalised. Given this, the sector has had to overcome a number of *competitive challenges* around the associated issues and risks with globalisation, such as hypercompetitive environments, agricultural innovation, new winemaking technologies and information technologies, marketing and communications changes, as well as shifts in consumption and in lifestyle. (Mugera, 2012). The conventional ways to respond to these competitive challenges include producing a high-quality wine with increased consumer value (Gurău and Duquesnois, 2011), better promotion and marketing (Bello-Organ et al., 2020) and the creation of *sustainable competitive advantages* (SCA) as a strategy to address the challenges faced.

Additional structural challenges for the wine sector to overcome are obviously associated with *climate change* (Rhys, 2021) which, potentially negatively affects vine growth and winemaking in Old and New World wine countries alike, though climate change is, in part, a driver in the development of so-called *cool climate wine countries*, creating opportunities for the creation of wine sectors in countries without previous commercial wine production traditions (Crouch, 2015; Vrontis et al., 2011).

Sweden was officially registered as a wine country by the EU in 1999. With a quota for wine production of 250,000 litres p.a., Sweden became the youngest and northernmost wine country in the world in commercial wine production terms (Rowlands, 2013). Since then, the Swedish wine sector has experienced significant professional growth, rapid commercialisation and has won numerous international awards for its wines (Henley, 2020; Rauhut Kompaniets and Nilson, 2019). Most of the vineyards are located in the southernmost region of Sweden, *Scania* (Skåne in Swedish) (Föreningen Svenskt Vin, 2020; Säfwenberg, 2019). The region hosts approximately 55 vineyards, of which 35 are commercial enterprises. An additional 200 hobby vineyards are currently also ready to commercialise (Livsmedelsföretagen, 2020; Hultgren Karell, 2015). The Swedish wine sector, however, continues to struggle with various structural challenges, including the state alcohol retail monopoly that forbids cellar door sales as well as imposing a high level of regulation and various other restrictions (Rauhut Kompaniets and Nilson, forthcoming).

Research on SCA in the wine sector generally focuses on well-established wine countries and wine regions (Duarte Alonso and Bressan, 2016; De Steur et al., 2020; Ferrer Lorenzo et al., 2018) and with a particular focus on the issue of *environmental competitive advantages* (CA) (Atkin et al., 2012; Grimstad and Burgess, 2014). As such, research on SCA creation and attainment in nascent wine countries and regions lacking wine production traditions remains highly fragmented (Rauhut Kompaniets and Nilson, forthcoming) though some interesting research has been done on the relationship between the creation of SCAs and the territorial (destination) life cycle (Beverland, 2001; Rauhut Kompaniets and Nilson, forthcoming).

This paper aims to discuss the opportunities raised and challenges posed in terms of wine sector development in a nascent wine country as well as the necessary requirements for the creation of SCAs using Sweden as an example. Previous research has not produced such an analysis for nascent wine countries. As such, the findings will also be of high relevance for other nascent wine countries beyond Sweden. Based on the dominant approaches used in SCA research as well as the special characteristics of the wine sector, a conceptual framework for SCA in relation to the wine sector was then created.

Sustainable competitive advantages

Understanding the nature and sources of CA is the major research focus of strategic marketing management (Duarte Alonso and Bressan, 2016; Barney, 1991). Globalisation, dynamic markets and hypercompetitive environments make it more challenging for firms

and business sectors to gain and maintain a CA (Baker and Ballington, 2002), as most CA's can be replicated by competitors (Ilinova *et al.*, 2021). The ongoing evolution of technologies and innovations, however, gives companies an ability to obtain skills and competences beneficial for their competitive strategies and makes CA a temporary rather than permanent factor in development terms (Barney, 1991). Nevertheless, a company's ability to continuously generate new forms of CA clearly depends upon its current competences and attributes (Brown *et al.*, 2019). Thus, modern marketing management research focuses primarily on sustainability practices as a way of extending the effects of CA (Baker and Ballington, 2002; Villanueva and Ferrer, 2020).

Traditionally, CA is explained as an attribute distinguishing a company from its current or potential competitors; this attribute keeps the company profitable and successful on the market (Ilinova *et al.*, 2021; Baker and Ballington, 2002). Furthermore, the difference between the company and its competitors has to be significant for the consumer making it a key criterion of consumer loyalty (Bharadwaj *et al.*, 1993).

If, however, the CA can be characterised as long-term in nature, it is probably more appropriate to consider them SCAs, which can be described as valuable firm's attributes and constructs. These can be either tangible or intangible, such as unique resources (assets), distinctive skills and capabilities. Connected to sustainability practices, market opportunities, innovations and technologies, digitalisation and marketing management, these SCAs are generally built upon the dynamic capabilities of constantly renewing competences as a means to address the constantly changing business environment. One way to identify potential SCAs is by implementing strategies based on their strengths and market opportunities, counterbalancing market threats and company weaknesses. A SWOT analysis thus provides an important starting point in this work (Barney, 1991).

Unique resources and distinctive skills do not, however, provide a company with CA *per se* but rather provide an opportunity to achieve cost and/or differentiation advantages (Bharadwaj *et al.*, 1993). To compete successfully in most of the sectors, a basis for multiple SCA needed to be formulated by combining and interconnecting different approaches to SCA formulation.

Four complementary approaches dominate research relating to the creation and attainment of SCAs.

- *The resource-based approach*, analysing a firm's resources and capabilities (Barney, 1991; Duarte Alonso and Bressan, 2016);
- the *competitive positioning approach*, with differentiation and/or cost leadership strategy (Baker and Ballington, 2002; Torres *et al.*, 2021);
- the *sustainability practices* approach (Grimstad and Burgess, 2014; Gilinsky *et al.*, 2015); and
- the *marketing management approach*, focusing on marketing and communication, performance management, technologies, innovations and digitalisation (Sjöholm Knudsen *et al.*, 2021; Ferreira *et al.*, 2019).

One of the most researched theories identifying and explaining the sources of SCAs is *resource based theory* (RBT). RBT focuses on the tangible and intangible attributes controlled by the firm (Baker and Ballington, 2002). A company's resources include capabilities, knowledge and organisational processes, as well as assets and information (Duarte Alonso and Bressan, 2016; Barney, 1991). Resources can be identified as physical (technological), intellectual (knowledge and competences, human and social capital) and cultural-emotional assets in terms of culture, trust, brand attributes and reputation (Brown

et al., 2019). These resources have to be heterogeneous and immobile (Duarte Alonso *et al.*, 2019) and, in addition, valuable, rare, inimitable and non-substitutable (Barney, 1991; Bharadwaj *et al.*, 1993; McWilliams and Siegel, 2011).

Traditionally, according to RBT, capabilities were viewed as a resource element (Barney, 1991). An SCA arises when a firm can maintain and develop core competencies better than its competitors (Prahalad and Hamel, 1990). Current research, however, understands capabilities as separate dynamic constructs and as a company's ability to use resources for its performance and market activity (Brown *et al.*, 2019; Duarte Alonso *et al.*, 2019). A company's ability to balance and use these resources and capabilities in a competitive market results in a differentiation advantage (Brown *et al.*, 2019).

There is, moreover, a tendency in research to integrate RBT with a marketing management approach where the role of promotion and communication in consumer awareness of a firm's sustainable practices and attributes is discussed. Promotion and social media also influence other RBT resources by strengthening the firm's sustainable reputation and differentiation (Ferreira *et al.*, 2019; McWilliams and Siegel, 2011). Digitalisation and information and communications technology affect the value of existing resources and capabilities, as well as facilitate the creation of new, more SCA (Sjöholm Knudsen *et al.*, 2021; Ferreira *et al.*, 2019).

Conceptual framework for sustainable competitive advantages in the wine sector

The wine sector is the most dynamic and competitive sector in agriculture, combining vine development, wine production and wine tourism activities (Rauhut Kompaniets and Nilson, 2019), whereas several studies show the existence of significant interconnections between multiple resources, capabilities, competitive strategies and SCAs in the wine sector (Torres *et al.*, 2021; Atkin *et al.*, 2012; Borch and Forsman, 2001).

Sustainability practices such as environmental, economic, social and heritage (cultural) dimensions are crucial in achieving SCAs in the wine sector (Gilinsky *et al.*, 2015; Flint and Golobic, 2009). There is clearly a correlation between sustainability practices and the marketing management approach (De Steur *et al.*, 2020). Research on the wine sector is, however, still focused, primarily, on environmental sustainability (Ratten, 2018; Grimstad and Burgess, 2014).

Wine is a complex and highly differentiated product consolidating the characteristics of both *experience* and *cultural* goods (Storchmann, 2011; Marks, 2011). Similar to any experience-product, wine experience begins long before purchase and/or vineyard visit because wine requires a risk-reducing information search on such factors as wine quality, price level, country of origin, recommendations and feedback (Szolnoki *et al.*, 2018; Duarte Alonso and Bressan, 2016). Viewing wine as a *cultural product*, where economic value is not the sole *raison d'être* for production, we can see that the wine sector creates additional cultural value as an expression of local identity through culture, history and heritage (Marks, 2011).

Because the majority of consumer information and interaction are now concentrated around the internet and on social media, marketing and digital communication became highly valuable capabilities for the wine sector (Iaia *et al.*, 2017; Gurău and Duquesnois, 2011). Other important capabilities include handcraft-oriented production, innovations and development, as well as networking and stakeholder collaboration (Alves *et al.*, 2011; Borch and Forsman, 2001). This correlates with RBT attributes such as value, rare, imperfect imitation and non-substitutable resources (Duarte Alonso and Bressan, 2016).

Following the discussion above, two *competitive positioning* strategies are used to attain SCA in the wine sector – differentiation and cost leadership/reduction. However, Villanueva and Ferrer (2020) concluded that cost reduction does not generate any SCA for vineyards; on the contrary, differentiation significantly influences the SCA. The same proposition is discussed by Torres *et al.* (2021), who note that differentiation is mostly valuable for vineyards. While Borch and Forsman (2001) argued that differentiation is impossible without strong marketing capabilities. Gilinsky *et al.* (2015) nevertheless found that some vineyards are focusing on cost reductions while others focus on differentiation.

The relationship between wine consumer decision-making, handcraft-oriented production, and *country of origin* offers a unique source of SCA to a wine country (Baker and Ballington, 2002). As a landscape, climate and soil (the *terroir*) are unique to each wine region; there is a strong connection between vineyard location and wine quality influenced by the original uniqueness of a location – country of origin or rather “geographical origin” (Duarte Alonso and Bressan, 2016; Castro and Giraldi, 2018). Additionally, the winemaking process is handcrafted because the wine’s quality is strongly dependent on the winemaker’s style, knowledge and personality (Alves *et al.*, 2011; Castro and Giraldi, 2018).

Cooperation and *coopetition* between vineyards are common practices in the wine sector (Festa *et al.*, 2017; Sigala, 2019). Located in the same geographical area, vineyards are willing to cooperate and interact with each other in regard to sharing knowledge and resources (Ratten, 2018; Torres *et al.*, 2021). Fensterseifer and Rastoin (2013) proposed the vineyards cluster resource typology, including institutional capital, specialisation capital (relationship, marketing and cooperation), reputational capital (region of origin and quality winemaking), wine tourism capital and natural capital (climate, soil and landscape). This typology correlates with previous research and RBT.

According to RBT, local cooperation is a rational factor of sector development when companies co-create SCAs not just for the geographical area but also for each company involved (Della Corte and Aria, 2016; Grimstad and Burgess, 2014). Moreover, local coopetition and clustering in the wine sector, as a local identity factor, became the major factor in achieving SCAs because those resources like local relationship, motivation, innovation, and knowledge are impossible for external competitors to copy (Grimstad and Burgess, 2014). Therefore, coopetition moves the focus of competition from a single vineyard to a wine sector as a whole or to a regional cluster of growers and wine producers (Sigala, 2019).

Wine tourism also plays a significant role in wine sector development. Linking vine-growing, wine production and tourist experience with a wine region, wine tourism is considered a valuable source of SCA (Novo *et al.*, 2019). RBT is widely used in wine tourism (Torres *et al.*, 2021), with the most common resources and capabilities including tourist experience, wine tours and winery visits, wine tasting, wine routes, extensive tourism services, wine festivals and marketing (Torres *et al.*, 2021). The five factors of SCA are present in wine tourism (Torres *et al.*, 2021): word of mouth, winery attractiveness, wine tourism services, digital channels, and tour operators.

Given this discussion, the following conceptual framework emerged (Figure 1). Based on the different approaches dominating SCA research (resources and capabilities, competitive positioning, sustainability practices and marketing management), the framework shows the correlation between and interdependence of these approaches and the special characteristics of the wine sector.

Source: Own elaboration

Figure 1.
Conceptual SCA
framework applicable
to nascent wine
countries

The wine sector in southern Sweden

The Beverage industry report-2020 (Livsmedelsföretagen, 2020) shows that at the end of May 2020, there were 874 companies registered as producers of alcoholic beverages in Sweden – from beer and berry wines to quality whisky and cider. Between December 2017 and May 2020, the amount of beverage producers in Sweden increased by 23%. Even during the first five months of the pandemic year 2020, around 40 additional companies were officially registered as alcohol producers (Livsmedelsföretagen, 2020). Historically, Sweden is considered a “Vodka belt” country with a long tradition of the production and consumption of distilled beverages. Wine became more popular in Sweden in the early 1990s when wine consumption showed a significant increase, and Sweden became the European leader in wine importation.

There were no commercial vineyards registered in Sweden in the mid-1990s. Today, 25 years later, there are around 90 companies registered as vineyards, 64 of them are official commercial vineyards, whereas more than 200 vineyards are waiting to commercialise (Livsmedelsföretagen, 2020; Säfwenbergs, 2019). Sweden is the youngest and most northerly wine country in the world; it officially joined the cool climate wine countries in 1999, entering the EU wine sector with a quota of 250,000 litres of wine p.a. (Skjöldebrand, 2010). The association of Swedish wine producers even found some historical evidence that during the 16th century, monasteries in southern Sweden owned a few vineyards (Föreningen Svenskt vin, 2020).

The Swedish wine sector is developing rapidly. It is no longer just a “pensioner’s” hobby, rather it is a small, though increasingly professional, business sector. Vineyards exist in 10 Swedish regions. Scania (35), Halland (5), Blekinge (4), Gotland (4) and Västra Götaland (4) are the top five regions with a registered level of vine production (the amount of registered commercial vineyards within brackets) (Livsmedelsföretagen, 2020). As most of the

vineyards are located in Scania, the southernmost region in Sweden, the region is often called “*The Vineyard of Sweden*”.

Several *structural challenges* have, however, combined to slow the development of the wine sector in Scania. For instance, the *government alcohol retail monopoly*, with its bureaucratic regulations and restrictions, constitutes one of the most serious challenges to the continued growth of the wine sector in Sweden (Rytkönen, 2012; Skjöldebrand, 2010; Malm *et al.*, 2013). All beverages above 3.5% alcohol have to be sold via the monopoly store-chain *Systembolaget*. This means that no cellar door sales are permitted in Sweden, and while international competitors actively use cellar doors as a direct channel for consumer purchase, Swedish vineyards have to focus on communication with consumers and encouraging visits either to the monopoly store or to *Systembolaget*’s online retail operation (Rauhut Kompaniets and Nilson, forthcoming).

Special permits are required even for wine tastings and wine servings on the producer’s premises. Notwithstanding this, according to the law, it is permitted to serve wines at hotels and restaurants. This opens up opportunities for cooperation with the local tourism and hospitality actors while also encouraging wine producers to install tourism and hospitality facilities at their vineyards (Livsmedelsföretagen, 2020; Näringsdepartementet, 2017).

According to EU wine market regulations, Sweden is a wine country without any wine regions which means that all the wines produced in Sweden are table wines, and producers cannot put on the label any information about medals or competitions. High production costs, together with other organisational costs, generate a high price level for Swedish “table wine” compared with that produced by the established wine countries (Bergström, 2008; Rytkönen, 2012). Malm *et al.* (2013) argue that the strictly regulated nature of the Swedish market is one of the main reasons why many vineyards remain non-commercial. Given a more liberal legal and regulatory framework, experts expect the number of vineyards to double.

One of the most significant *opportunities* for Scanian wine sector development lies in the popularity of Scania as a gastronomic destination featuring locally produced ingredients and quality cuisine (Abend, 2016; Wergeland, 2017). Local production is a growing trend all around the world, and Scania has lots to offer.

To better analyse the resources and capabilities of the Swedish wine sector, its strengths and weaknesses should be identified as well as market opportunities and threats (Barney, 1991; Duarte Alonso and Bressan, 2016). Table 1 presents a SWOT analysis of the Swedish wine sector.

The SWOT analysis is based on the conceptual framework of this study (Figure 1), linking four major research approaches in SCA creation with wine sector-specific sources. This, according to RBT (Barney, 1991), allows for the further discussion of SCA attainment in the Swedish wine sector. The key approaches in SCA for the wine sector (see figure 1) are marked for each point in the SWOT analysis (Table 1).

Discussion and study implications

Sweden is the world’s most sustainable country according to various rankings and national indexes (Mulhern, 2020; Månsson, 2016; Korosec, 2013). Wine experts point to the fact that “it is a unique situation in the wine world when the wine country can offer to consumers almost exclusively ecological and sustainable wines” (Säfwenberg, 2019). In particular, Sweden’s strict rules for copper-pesticide-free agriculture make wine production highly environmentally sustainable (Föreningen Svenskt vin, 2020).

Swedish vineyards are small or micro-businesses; more than half are family firms (Livsmedelsföretagen, 2020). In line with Butler’s destination lifecycle, most of the vineyards

<p><i>Strengths</i></p> <ul style="list-style-type: none"> • Sustainability practices (SP) • The wine sector is almost entirely sustainable (SP) • Local grapes (R) (WP) • It is possible to cultivate several varieties of grapes in Sweden (R) • Winemaking without copper pesticides (SP) • High-quality wines (C) • Unique product for the Swedish market (WP) • Enthusiasts and human capital (R) • Local knowledge and expertise (R) • Landscape (WP) (SP) • New destination for wine tourism (R) 	<p><i>Weaknesses</i></p> <ul style="list-style-type: none"> • It takes time to establish a vineyard (R) • No cellar door sales permitted (WP) (C) • There are no official wine regions in Sweden; all the wines are designated as “table wines” (WP) • Low level of marketing and promotion (MM) • Most information is available only in Swedish (MM) • Limited human resources (R) • Lack of cooperation and coordination between vineyards, as well as between vineyards and other local actors (C) (MM) • Lack of wine research and education (R) • High production prices (WP) • Low amount of production (WP) • Not included in the official EU wine statistics (WP) (C) • Limited consumer awareness (not even all Swedes know that there is a wine sector in Sweden) (MM) • Limited demand for Swedish wine (WP) • Lack of infrastructure (R)
<p><i>Opportunities</i></p> <ul style="list-style-type: none"> • Sweden is a world leader in sustainability (SP) • Increased consumer interest in gastronomy and Swedish food culture (C) • Scania as an acknowledged gastronomy destination (C) • Wine tourism development (R) • Wine route development (R) • “Local produce” trend (R) • Region’s reputation (R) • Innovations and technologies (C) • Product differentiation and development (CP) • Consumers’ wine culture and habits (R) • Exploration stage of life cycle (WP) • There is a chance that cellar-door sales could be allowed (WP) (C) • Wine sales in the monopoly stores (Systembolaget) (WP) (C) 	<p><i>Threats</i></p> <ul style="list-style-type: none"> • State alcohol retail monopoly (C) • Bureaucratic restrictions and permits (C) • Hypercompetitive market (WP) • EU wine regulations (C) • Sweden is already a leader in wine importation (WP) • Low-price international competitors (CP) • Climate change (SP) • Local climate and unstable weather (SP)

Notes: R = resources, C = capabilities, WP = wine product, SP = sustainability practices, CP = competitive positioning, MM = marketing management
Source: Own elaboration

Table 1.
 SWOT Analysis of
 the Swedish wine
 sector according to
 the SCA conceptual
 framework

are still at the *exploration stage* of their life cycle (Butler, 1980), when the first consumers are aware of the product, and the first tourists are coming to the region specifically for the wine tourism activities. At this stage, marketing and promotion are essential for sector development. According to Beverland's typology, several Scanian vineyards are now at the *start-up* stage (Beverland, 2001) with a *production-oriented* approach. By focusing on the quality of wine, production and product development vineyards are however underestimating the importance of *marketing and promotion*, which together with limited human resources leads to a lack of publicly available information about the sector, vineyards and products (Bittar Rodrigues, 2017).

According to previous research, *RBT* proved its usefulness in analysing the sources of SCA in the wine sector (Duarte Alonso and Bressan, 2016; Fensterseifer and Rastoin, 2013). Four attribute sources contributing to the creation of SCA in the Scanian wine sector can be characterised as valuable, rare, inimitable, and non-substitutable. The *value attribute* is found in a product as well as in service; quality wines are significant resources for SCA. Handcrafted production and a unique winemaker style increase value, as well as the consumer service. As noted previously, the landscape, climate and soil are unique to each wine region (Castro and Giraldi, 2018); these resources give Scanian wine the *rare* attribute in respect of SCA. Grapes from cool climate territories have their unique specialties and flavours (Säfwenberg, 2019) that together with a high level of sustainable wine production makes cool climate wine *inimitable* for competitors. Geographical location, cooperation and coopeition activities, as well as the country' and regional reputation in local gastronomy, provide the *non-substitutable* attributes.

Marketing and communication strategy is a crucial aspect in the wine sector's SCA (Duarte Alonso and Bressan, 2016). To be able to produce a good wine is important; however, it is even more important to communicate and promote it to the market (Bello-Orgaz *et al.*, 2020). The Scanian wine sector struggles with a *lack of marketing and promotion*; Swedes themselves know little about local vineyards or that there are local wines available to consume. The world community is almost unaware of this either (Säfwenberg, 2019; Rauhut Kompaniets and Nilson, 2020). Moreover, Rauhut Kompaniets and Nilson (forthcoming), while analysing the use of social media by Scanian vineyards, concluded that vineyards are not making use of the opportunities created by social media and the internet for marketing reasons. This is a potentially critical failing for the Swedish wine sector as most consumer communications now take place online (Iaia *et al.*, 2017).

The lack of marketing resources clearly also influences vineyards' *positioning*. Borch and Forsman (2001), while analysing new agricultural firms in Scandinavia, concluded that *differentiation* is the key for such firms, but that it is impossible to apply the differentiation strategy without strong marketing capabilities (Borch and Forsman, 2001). This is crucial for Scanian vineyards as the alternative positioning, *cost reduction*, is simply a non-viable strategy for the Swedish wine sector as production costs are too high and produced volumes too low to enable a cost leadership strategy (Mårtensson *et al.*, 2013). On the other hand, according to Gilinsky *et al.* (2015), sustainable practices as a key element of SCA allow companies to charge *premium prices* for their sustainable products. In the case of Swedish wines, this is a rational approach because of the world-renowned existence of active sustainable practices across the Swedish agricultural sector as a whole.

As the government's alcohol retail monopoly is likely to remain in place for the foreseeable future, it is important for the Scanian wine sector to bolster alternative approaches such as its wine tourism activities. Moreover, *wine tourism* remains a significant source of SCA in the wine sector (Torres *et al.*, 2021). It is for this reason that Scanian

vineyards are already quite active in this area, providing wine tasting and wine tours for domestic and international tourists.

As all the vineyards in Scania are located in the same geographical area, are in a common stage of their life cycle and experience the same lack of resources and structural challenges, the *cooperation* and *coopetition* between vineyards and regional wine actors are significant in the creation of SCAs and wine tourism development (Grimstad and Burgess, 2014; Sigala, 2019). This cooperation has led to the emergence of a *wine route* in Scania (Vinvägen, 2020). Information about it, however, remains quite limited and fragmentary. Indeed, it does not generally go much further than the curation of a list where 21 vineyards are mentioned in alphabetical order and offered in a perfunctory manner as a tourist attraction. In reality, a little deeper research reveals that there are actually 34 vineyards currently active in terms of wine tourism in Scania (Rauhut Kompaniets and Nilson, forthcoming). Furthermore, these vineyards have no published opening hours, which together with the various infrastructural problems already discussed above, make the route too onerous for most tourists to follow. As such, central coordination is urgently required to transform the wine route into a useful promotional tool for tourists. Another important regional tourism actor, *Visit Scania*, also has very limited information about regional vineyards and only briefly describes on their website just six vineyards (Visit Skåne, 2020).

Several *managerial and practical implications* of this can thus be highlighted for a nascent wine country such as Sweden:

- Cellar door sales are important, but it is even more important to promote positive customer experiences and relationships (Vrontis *et al.*, 2011) where the target is not necessarily to sell but rather to educate consumers and tourists, increasing product awareness and curiosity as well as product loyalty.
- It is important to provide potential markets with relevant marketing information about the nascent wine country. As Säfwenberg (2019) points out, it matters not if the vineyard produces the best wine in the world, if nobody knows about it.
- It is important to ensure that cooperation and coopetition are sufficient between vineyards as well as with other regional actors to better coordinate and share experiences in growing and production and to jointly combat market challenges. Alliances in the wine sector also positively influence marketing and communication sources in creating SCA (Torres *et al.*, 2021).
- Winemakers must learn how to master their knowledge and skills in terms of innovations and the technologies used in wine production.
- The conceptual model used in this paper can also serve as a practical tool to aid the management of wine region development in nascent wine countries.

Conclusion and future research

This paper aimed to discuss the opportunities created and challenges faced in the development of a wine sector in a nascent wine country, as well as the sources needed to create SCAs, using Sweden as an example. Four complementary approaches were identified promoting the creation of SCAs (resource-based approach, competitive positioning, sustainability practices, and the marketing management approach). Analysis showed that one of the most important capabilities for the wine sector is associated with the *marketing and communication approach* (Torres *et al.*, 2021; Rauhut Kompaniets and Nilson, 2020). Adoption of the RBT marketing approach thus becomes a major source of a vineyard's SCA (Duarte Alonso and Bressan, 2016).

Vineyards in southern Sweden are currently developing along the lines of what we can term the start-up stage, adopting a, primarily, production orientation rather than a marketing and communication-based approach. Winemakers generally display excellent knowledge of sustainable technologies and innovations but lack adequate business tools to properly market their produce. The national alcohol retail monopoly, with its restrictions and regulations, effectively encourages the wine sector to search for new, more advanced ways to the development and grow this business sector. As such, the wine sector in Scania has open to it several sources with which to create and attain SCA. On the other hand, winemakers do not clearly yet understand some of these resources and their values, making the process of SCA attainment rather difficult.

This paper offers two points of added value.

- (1) The article contributes to the promotion of a new conceptual framework for understanding SCA in the context of nascent wine countries.
- (2) Although these findings have been identified for a particular nascent wine country, Sweden, they are also applicable to other nascent wine countries with a similar contextual background.

Future research should therefore be pursued in the following manner. Firstly, as the wine sector is actively growing worldwide, a huge knowledge gap exists in terms of identifying the structure and sources of SCA for nascent wine countries lacking the history and traditions of winemaking. Moreover, this is particularly applicable to the emerging cool climate wine countries. Although this paper has taken the first step in this process, the empirical research base needs to be significantly extended. Secondly, the resource-based theory outlined above requires further clarification and restructuring, given the emergence of nascent wine countries and the ongoing development of a hypercompetitive global wine sector.

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