

Abstract: This article explores the intersection between Frank Gehry's iconic Hotel Marqués de Riscal (MdR) and the Marques de Riscal winery, investigating their causal relationship with the surge in wine tourism. Using Google Trends data and empirical research, it establishes the influential role of the MdR Hotel in driving positive impacts on the winery and the local economy. Findings highlight: (1) the hotel's symbolic signaling elevates the winery's reputation globally, (2) repositioning efforts lead to increased economic returns and profitability, and (3) the transformational MdR Hotel attracts visitors, generating new economic activity and job opportunities in the Rioja region. Insights into the transformative effects of the iconic MdR Hotel on the winery and the local economy are provided.

Keywords: Wine Tourism, Iconic Architecture, Symbolic Repositioning, Rural Development, Economic Impact

Highlights:

- The causal link between Frank Gehry's Hotel Marqués de Riscal and related winery
 - Influential role in driving positive impacts on the winery, local economy
 - Causal relationship with the surge in wine tourism
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1. Introduction

Wineries with iconic architecture have become increasingly popular in the wine tourism industry. These wineries go beyond their primary function of wine production and offer visitors a unique architectural experience (e.g., Château Lafite Rothschild in Bordeaux (France), Petra Winery (Italy), Bodegas Portia (Spain), Mendoza's winery architecture (Argentina), Opus One Winery (USA) or Marqués de Riscal winery (Elciego, Spain) to mention some). These unique and visually striking designs have made them notable landmarks, drawing visitors who appreciate both the exceptional wine experiences and the architectural masterpieces they represent.

Iconic architecture as a symbolic signal (Spence, 2002) can generate economic returns not only for the winery itself but also for the surrounding territory. A well-designed and visually remarkable winery can become an attraction, drawing tourists and wine enthusiasts to the region. This influx of visitors can boost local economies through increased tourism spending, job creation, and the development of related industries such as hospitality, restaurants, and retail. The winery's iconic architecture can catalyze regional development, positioning the area as a destination for wine tourism and creating a positive spillover effect for the local community (Šťastná *et al*, 2020; Vidickienė *et al*, 2020; Sanchez, 2023).

The trend of winemakers collaborating with renowned architects to reimagine wineries as contemporary expressions of tradition and innovation, combining agriculture and technology, production and hospitality, has been growing worldwide (Bufquin *et al*, 2018). The top wine-producing countries in Europe in particular – France, Italy and Spain – possess a strong foundation for leveraging iconic winery architecture to generate economic returns. Spanish wine producers, specifically, have been actively pursuing new winery designs towards the end of the 20th century. Esteemed Pritzker Prize laureate architects such as Frank Gehry, Renzo Piano, Zaha Hadid, Norman Foster, Santiago Calatrava, Mario Botta, Rafael Moneo, or Herzog and De Meuron have been commissioned to create new wineries or revitalize existing wine brands, capturing public attention in an increasingly competitive global market (Black and Ulin, 2013). Borrowing from this notion, and to usher the winery into the 21st century, Marques de Riscal (MdR) enlisted the services of Frank Gehry and the engineering and architecture company IDOM to redesign their historical complex (see Fig. 1). The new Hotel MdR has the distinction of not only being a cutting-edge cultural attraction but also being the first of its kind in Spain, when it comes to its disruptive design.

Inspired by the success of the Guggenheim Museum Bilbao (Plaza *et al*, 2015; Aranburu *et al*, 2020; Plaza *et al*, 2022), Marques de Riscal sought to leverage the potential effectiveness of iconic architecture to raise its own brand and attract tourists. By enlisting Frank Gehry, the architect behind the Guggenheim Museum Bilbao, Marques de Riscal aimed to tap into the momentum and recognition associated with the "Guggenheim effect". Located in the small town of Elciego, Marques de Riscal is 115 kilometers (71 miles) southeast of Bilbao, with a driving time between the two locations of around 1 hour and 15 minutes. Elciego is a countryside municipality in the Rioja Alavesa region of Spain, known for its vineyards and wine production. Note that La Rioja is perhaps the most famous wine region in Spain.



Fig 1. Panoramic view of the Hotel Marques de Riscal designed by Frank Gehry. Source: Marriott Hotels, The Luxury Collection

This article explores the significant impact of the Marqués de Riscal's iconic building on tourism and branding. It aims to examine the synergy between Frank Gehry's distinctive architectural design, the Hotel MdR, and the winery itself, emphasizing how Hotel MdR has become an economic driver in boosting the winery's global media exposure and cementing its brand recognition. This investigation embarks on an empirical exploration to uncover the multifaceted repercussions of the iconic Marqués de Riscal Hotel building. Designed by the renowned architect Frank Gehry, this architectural masterpiece has transcended its traditional role as a wine production facility, rising to symbolize innovation and deep cultural connotation, thus significantly contributing to the winery's unique branding. Our inquiry traverses various dimensions, providing a comprehensive evaluation of the profound influence exerted by this iconic building on the winery's brand.

Our research questions form the cornerstone of this exploration:

- (1) Visitor Impact: Firstly, we scrutinize the impact of the iconic Hotel Marqués de Riscal on the number of visits to the Marqués de Riscal City of Wine. This inquiry ventures into the realm of causality through regression analysis of Google Trend data, seeking to discern the intricate relationship between online searches and actual visits. Next, we shift our focus to the virtual sphere, investigating the specific keywords and objects people search for on Google when seeking the Marqués de Riscal (MdR) winery. In a lexical analysis of Google Trends keywords, we aim to unveil how these search patterns now intertwine with the symbolic connections created by the iconic building.
- (2) Financial Domain: Our analysis then extends to the financial aspects, where we explore the impact of the iconic building and associated strategies on the Marqués de Riscal winery's financial statement.

This encompasses an examination of its effect on operating income, profitability, production capacity, and the expansion of exports.

- (3) Local Economic Influence: In a nod to the local economy, we scrutinize the changes in Gross Value Added (GVA) and the service sector within the Elciego municipality. Our analysis is dedicated to understanding the economic transformation brought forth by the iconic building and the innovative strategies underpinning it. We also set our sights on the broader region, as we investigate how the iconic Marqués de Riscal Hotel has left its indelible mark on neighbouring tourist destinations, particularly the medieval town of Laguardia. This, in turn, enhances the allure of the entire Laguardia County for wine tourists.

In the following sections, we unveil the findings of our investigation, shedding light on the transformative impact of architecture, innovation, and cultural symbolism in the world of winemaking and tourism. This paper is organized as follows. The following section draws from literature in the field. The “Case Study” section provides a description of the history of the winery and its main characteristics, along with an explanation of the strategies adopted. The subsequent section has the empirical study, which is a Google Trends analysis corroborating the massive influence of the iconic Hotel on the winery and the region. Finally, the last section presents the main conclusions and implications extracted from the case study.

2. Theoretical Framework

Quality Wine as a cultural product possesses significant symbolic capital (Beckert *et al*, 2017). Its associations with terroir, craftsmanship, tradition, winemaking heritage, historical connotations and social significance contribute to its symbolic value. Understanding and harnessing the symbolic capital of wine is crucial for wine producers, wine tourism marketers, and local development promoters in effectively communicating its cultural value and engaging with consumers on a deeper level.

In this context, the very act of production of a particular cultural good or service is not merely an act of material production, but also one that is symbolic (Bourdieu 1984). As Cultural Economists David Throsby and Victor Ginsburgh put it, cultural goods embody and relay symbolic messages to those who consume them (Ginsburgh and Throsby 2006). Symbolic capital is related to the creation of meaning, as well as to the aesthetic attributes of products, such as designs, images and symbols – semiotics and signals – and their economic use. It is related to creating/making connections to the emotional sphere of the human being. Symbolic capital has the potential to add considerable value to the economic processes of post-industrial societies (Plaza *et al* 2022).

In this vein, one of the most distinguished strategies is to use iconic architecture to represent and relay the characteristics of the product. There are well-known iconic buildings, which are examples of architecture capable of lifting the reputation of surrounding neighbourhoods, and territories – Sydney Opera House, Guggenheim Museum Bilbao etc. (Alaily-Mattar *et al*. 2020; Alaily-Mattar *et al*. 2022; Plaza *et al*. 2015; Plaza *et al*. 2022; Lindsay and Sawyer 2023).

Architectural icons have important cultural and non-cultural meanings and associations. Iconic architecture and the notion of semiotics (the field that studies the interpretation of meanings and symbols), go hand-in-hand. The research study by sociologist Paul DiMaggio (1997) on art-related cognitive psychology and social cognition is key to gaining a full understanding of iconic architecture and its impact on repositioning territories in the global media (e.g., Sydney, Bilbao). According to him, (1) cultural facilities can generate meanings, symbolic connections and mental associations in people’s minds when they see it; (2) These cultural-cognitive information goods tend to be schematic, easily digested by simplified thinking. This means that unique architectural landmarks with high visibility on the Internet can help people to remember places more easily, placing their respective city/regions on the world map (e.g., Eiffel Tower in Paris). Architectural milestones can be unique or memorable in the context of the mental representations of consumers and potential visitors; (3) As a result of this, architectural landmarks can play a vital role as connectors, to the extent that they create networks of meaning in the global media (Plaza *et al.*, 2022). Wineries recognize that an iconic milestone can create

a determining effect on people's perception of the oenological brand and place it, as well as the parent winery, on the global map (Bufquin *et al.*, 2018). Wineries began to design iconic buildings with symbolic meanings, location and roots that go beyond the world of wine and can act as signals for the winery's embodied values. In this manner, wineries worldwide sought to promote themselves as desirable and unique to consumers, tourists, and prospective investors alike.

Now, modern digital media enables products to be "viewed" by wider audiences, but at the same time, they run the risk of getting lost amidst an abundance of information. As such, uniqueness becomes vital to attract attention. The main motive of a signaling strategy is to create a unique and identifiable image for the wine brand. A strong and identifiable image would have a positive impact on the consumers and differentiate it from the competition. Iconic buildings can contribute to the identifiable image of a wine. They are intensive in symbolic knowledge and can create cultural capital (Throsby, 2010) for the cities/regions/wineries they are related with, through the creation of globally differential images. When architecture itself is a unique work of art, as in the case of iconic buildings, digital media can produce and disseminate replicas of this unique image, thereafter at an exponential rate. On account of the increasing returns of the marginal utility of cultural consumers (Stigler and Becker, 1977), the demand for these images increases as consumers consume them. In other words, the increasing consumption of digital images on the 'Internet' increases the demand for these oenological destinations (Plaza *et al.*, 2022). Thus, iconic architecture can be a powerful tool for differentiating and symbolically repositioning, and fostering economic growth for the wineries.

Before diving into the analysis, it is crucial to delve into the history of the Marques de Riscal winery and to examine its Strategic Plan for the 21st century, titled '*Project 2000*'. The upcoming section analyses the case of the MdR winery, the strategies it utilized to reposition itself in the global market and sustain its position as a quality wine.

3. Case Study: Marques de Riscal

The transition from the historical roots of *Bodega de los Herederos del Marques de Riscal*, founded in 1858, to the modern era is a noteworthy journey. This winery, situated in the heart of Rioja-Alavesa, was a visionary endeavor initiated by Camilo Hurtado de Amézaga, the Marquis of Riscal. His foresight led to the establishment of the first winery in this region, which, by 1862, introduced its first wines labeled as 'Rioja.' Notably, in 1895, Marques de Riscal became the first non-French wine to receive the diploma of honour at the Bordeaux Exhibition.

Throughout its rich history spanning over 140 years, this family-owned company has consistently demonstrated a strong commitment to international markets. By the late 1990s, Marqués de Riscal wines were available in 76 countries, with exports accounting for a significant portion of their production.

However, recognizing the evolving dynamics of the global wine market and shifting consumer preferences, particularly in Spain, Marques de Riscal embarked on a strategic transformation. During this period, consumer choices in Spain veered away from wine in favour of beer, and the global wine landscape became increasingly competitive. In response, Marques de Riscal made the pivotal decision to reimagine its image and expand into new markets.

This transformative vision took shape in the year 2000 with the initiation of '*Project 2000*', a comprehensive strategic plan. Project 2000 was conceived to not only redefine the winery's image but also to modernize its operations, enhance wine quality, and establish a more interactive relationship between consumers and the brand. The culmination of this ambitious project, known as the City of Wine, materialized six years later and featured expanded and modernized winemaking facilities.

The inspiration behind this international campaign to reposition the winery can be traced back to the inauguration of the Guggenheim Museum Bilbao, a masterpiece by Frank Gehry, in nearby Bilbao. The Guggenheim Museum's transformation of the once-struggling city of Bilbao served as a beacon for the Marques de Riscal leadership. They sought to replicate this idea as a means of revitalizing the winery's image.

The introduction of Gehry's Hotel Marqués de Riscal and its connection to the Guggenheim Museum attracted global media attention, while the iconic architectural design established a distinctive visual identity for the winery. This repositioning was instrumental in altering the perception of Marqués de Riscal on the global stage, ultimately leading to the winery's entry into the wine tourism sector.

To execute this repositioning strategy effectively, Project 2000 introduced a comprehensive agenda that included the implementation of advanced production technologies across the entire value chain. As we proceed, we will delve into the four principal working points of the action plan outlined in Project 2000:

1. Increase in production facilities: The winery incorporated latest technologies and machinery to augment the winemaking process, including making space for a new laboratory. New bottle racks were added for a better maturation process of Reservas and Gran Reservas, to reach a total capacity of 10.5 million bottles. This resulted in a significant boost in Marqués de Riscal's production capacity, rising from 6.25 million bottles per year before the iconic MdR hotel's opening to 10 million bottles annually after, representing a remarkable 60% increase.

2. Signals to reduce the information gap: On realizing how extrinsic cues have a strong correlation with consumers' perception of a wine's quality, the MdR winery employed a distinctive style of wine packaging, marking and seal on its bottles to differentiate itself in the market. For instance, in the case of its signature 'Reserva wine', there is a gold wire netting on the wine bottle. The other ways MdR winery signals itself is through participating in world wine exhibitions, hosting and participation in tasting competitions, participation in auctions of mature old wines at Christie's, sponsorship of PGA golf circuit events and promoting their content in specialized wine magazines, such as the Parker Wine Advocate, Wine Spectator and Wine Enthusiast. The Aula MdR (Classroom) is the latest signalling strategy launched by the company. This involves a three-day training program in oenology directed at Horeca professionals with the aim of converting them into advocates of the Riscal wine.

However, the most important signalling strategy has been the project designed by Frank Gehry, titled "The City of Wine".

3. The City of Wine: The choice of Frank Gehry was mediated by the Guggenheim Museum Bilbao's success. The brief conveyed to Gehry by Riscal's top executives was to create a complex that would be a perfect integration of tradition and innovation; a unification of different concepts in a single building – historical narratives, innovation, modernity – while at the same time one that would project an image, true to the spirit of a winery that was over 100 years old.

The result of this is a new complex, housing the iconic Hotel MdR, two restaurants, a museum of viticulture, a Spa offering 'wine therapy', a meeting room, a conference centre, a banquet hall, a ballroom, a library, and a visitors' lounge. The renovated deconstructivist Hotel MdR is a dynamic, and colourful masterpiece of architecture that stands out amidst rural Rioja's lush green countryside. The building's exterior displays a roof of undulating ribbons shaped in an intricate geometry of titanium and steel (Figure 1). The titanium conjures up the Guggenheim Museum but at the same time makes a symbolic connection to the Riscal wine itself and reflects the colours of the wine, i.e., the huge titanium panels tinted in pink represents the burgundy hues 'Rioja', the silver is meant to be the foil that covers the cork, while the gold represents the zig-zagging mesh that covers all MdR bottles. The attempt here was to associate the magnificence of the building to the quality of wine one will taste and enjoy at Riscal.

4. Innovation in management and strategic positioning: Once Project 2000 was completed, the company continued to undertake other projects to strengthen its reputation and expand its market reach. For instance, in 2008, a heliport was built in the winery's premises to accommodate the altered profile of visitors. They also created the MdR TV channel, which streams sommelier experiences straight from the winery.

A feature of Riscal is the manner in which management of different services has been outsourced to specialized partners to ensure excellence in those service sectors: (a) The Hotel MdR, a Luxury Collection Hotel, is currently operated by Marriott International; (b) A Spa Vinothérapie MdR is operated by Caudalie; a leading French beauty and cosmetic company; (c) Two signature restaurants, Restaurante Gastronómico MdR and Restaurante 1860 Tradición are helmed by Francis Paniego, a Michelin Star

awardee. Moreover, to ensure the quality of the wines, MdR hired the services of Monsieur Paul Pontallier in 1998. Monsieur Pontallier had been the technical and managing director with the 'Châteaux Margaux' at Bordeaux for fifteen years. Last, but not least, Marqués de Riscal operates an online wine shop through its official website. The website provides detailed descriptions, tasting notes, and technical information about each wine, helping customers make informed choices.

The question of whether Marqués de Riscal's repositioning strategy has effectively generated new wine tourism and its subsequent impact on GDP and employment is an intriguing one, as wine tourism can have significant economic implications beyond the direct sales of wines.

4. Empirical analysis: Methodology and Results

The family-owned winery hoped that the City of Wine would have the 'Guggenheim effect' – doing for Rioja-Alavesa what the mesmerizing art museum did for Bilbao. The Guggenheim put a once dour Basque city on the international art map, bringing tourists to gawk at the building as much as the masterpieces inside.

So, years after opening its doors, has Gehry's new iconic building put the tiny region of Rioja on the world map? The empirical analysis presented in this section explores the impact of the iconic building of the Marqués de Riscal winery on various aspects, including its influence on the winery, wine tourism, financial performance, and the local economy. The research questions can be summarized as follows:

- (1) We delve into the influence of the iconic Hotel Marqués de Riscal on various aspects, beginning with its impact on the number of visits to the Marqués de Riscal City of Wine. This investigation involves exploring causality through regression analysis of Google Trend searches and their causality on the number of visits to the Marqués de Riscal City of Wine. Additionally, we examine the specific keywords and objects that individuals search for on Google when seeking information about the Marqués de Riscal (MdR) winery. Through a comprehensive lexical analysis of Google Trends keywords, we aim to shed light on how these search patterns have evolved and how they are intertwined with the symbolic connections influenced by the iconic building, which has become a new cultural attraction (Yang *et al.*, 2022). This dual approach allows us to comprehensively assess the impact of the iconic building on both online behaviour and symbolic connections.
- (2) What has been the impact of the iconic building and associated strategies on the financial statement of the Marqués de Riscal winery? This involves analysing the impact of the iconic building on the winery's operating income, profitability, production capacity, and exports.
- (3) We delve into the influence of the iconic building on the local economy, considering factors such as Gross Value Added (GVA) and the service sector in the Elciego municipality. This analysis encompasses a detailed examination of the economic changes brought about by the iconic building and its associated new strategies. Moreover, we explore how the iconic Marqués de Riscal Hotel has impacted nearby tourist destinations, like the medieval town of Laguardia, and contributed to enhancing the overall attractiveness of Laguardia County for wine tourists. This dual perspective allows us to comprehensively understand the economic and tourism dynamics driven by the iconic building.

4.1 Analysing Google Trends to understand the influence of the iconic building on the Marques de Riscal winery

Analysing Google Trends can provide some insights into the influence of the iconic building of the Marqués de Riscal winery. Google Trends is a tool that shows the relative popularity of search terms over time.

Google Trends is a normalized index of the volume of search terms inputted on the Google search engine (Choi and Varian, 2012; Gergaud *et al.*, 2018). Our focus for this section is going to be on two salient features: (1) Has there been a significant increase in the number of visits to the 'MdR City of Wine' post the inauguration of the iconic MdR hotel building in 2006? Has the iconic hotel influenced the number of visits to the MdR Winery? (2) And secondly, we attempt to break down the specific keywords that are

searched for globally with regard to MdR. Figure 2 draws the time evolution of both.

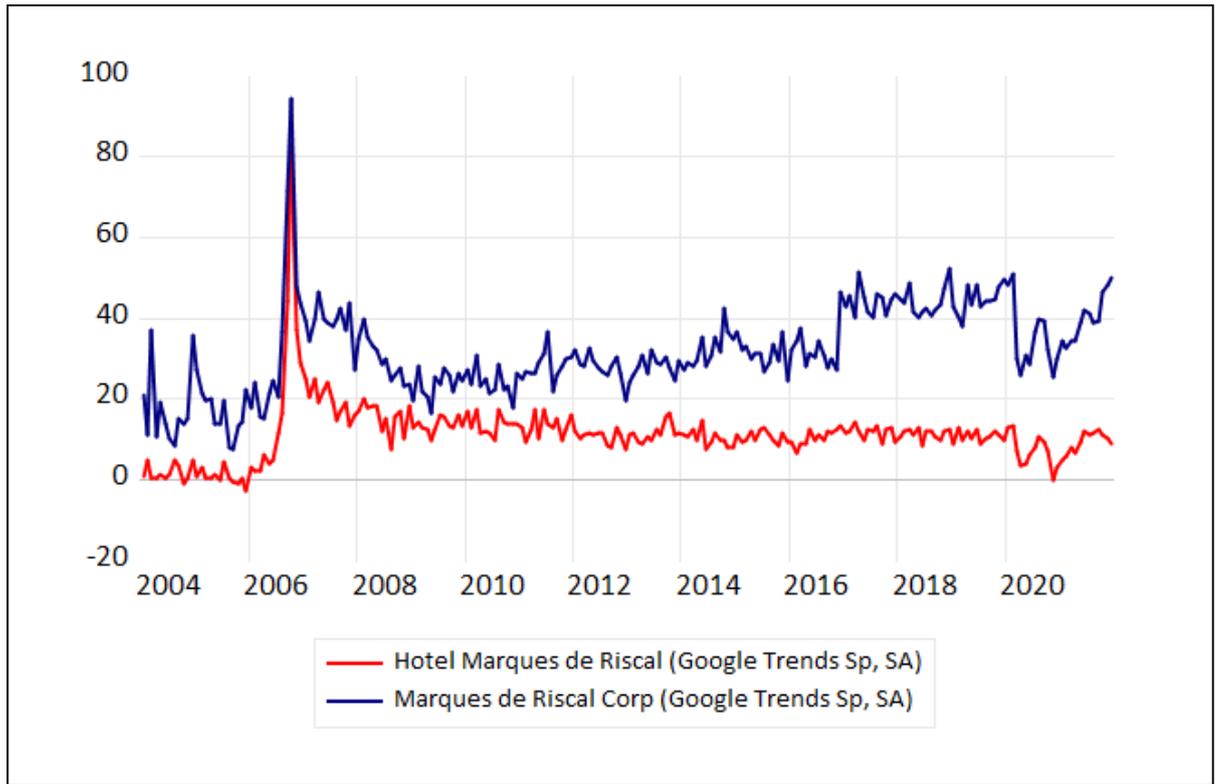


Fig 2. Google Trends Index for Marques de Riscal Corp. and Hotel Marques de Riscal. Source: Google searches in Spain, 2004M1 to 2022 M12).

Here, the Google Trend searches have been limited to Spain since at least 75% of the visitors arrive to MdR from Spain. We address the Granger Causality test to check the direction of causality, to see whether the searches flowed from the Hotel to the winery, or whether it was in the opposite direction i.e., the winery to the iconic Hotel (Table 1). In other words, when it comes to *googling* MdR, has the iconic Hotel MdR influence on the MdR winery brand or the opposite?

Tab 1. Granger Causality Tests: Lag 1. Source: own elaboration with Google Trends data

Null Hypothesis:	Obs	F-Statistic	Probability
MDRHS does not Granger Cause MDRWS	224	4.04	0.04
MDRWS does not Granger Cause MDRHS		0.08	0.77

It is evident from the Granger causality test that the direction of causality originated in the iconic Hotel and flowed towards the Riscal winery. Fig. 3 draws the scatterplot of the Number of Visits to the MdR City of Wine against the Google search volume of the Hotel MdR in Spain (2004:M1–2022:M12).

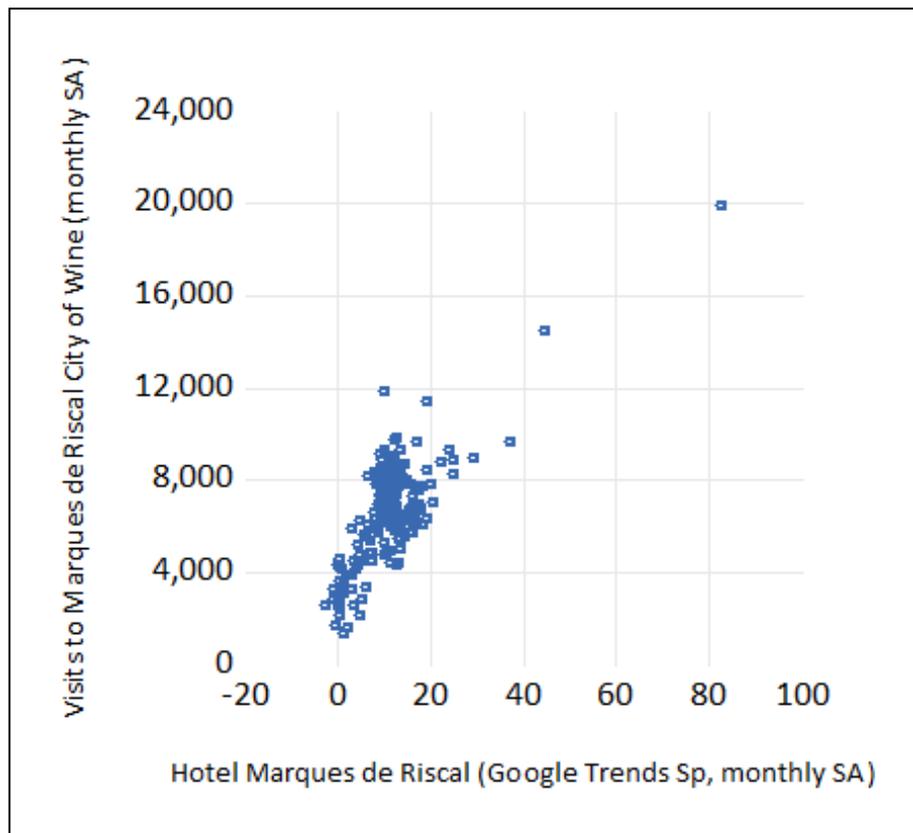


Fig 3. Scatterplot of Number of Visits de the Marques de Riscal City of Wines against the Google Trends Index for Hotel MdR (2004:M1–2022:M12). Source: own elaboration

We regress the Number of Visits to the MdR City of Wine (V-MDR) against the Google search volume of the Hotel MdR in Spain (G-HMDR) using Eviews. MdR provided specific data related to the number of visitors. We seasonally adjust the series with the Tramo-Seats method. The finally seasonally adjusted series shall be free of seasonal and calendar-related movements. We run the Dickey-Fuller Unit Root Tests and variables show stationary. The lagged dependent variable is used as a control for omitted variable bias (V-MDRLAG1). We run a time series regression with ARMA terms and a SMA (seasonal moving average term). Table 2 summarizes the regression results.

Residuals of the regression are 'zero mean', serially uncorrelated, normally distributed and stationery. AR and MA roots lie inside the unit circle. Using Google Trends at Table 2, the regression shows causality between the iconic Hotel MdR and the number of visitors to the MdR City of Wine. Results show that a unit increase in search volume for GT-HMR SA leads to a 160 increase in the visits to *MdR City of Wine*, monthly. In other words, our results suggest that the impact of MdR on wine tourism was at least partially driven by architectural externalities.

Tab 2. Regression of the Number of Visits to the Marques de Riscal City of Wine (V-MDR SA) against Google Trends of the Hotel Marques de Riscal (GT-HMDR SA. monthly data seasonally adjusted, 2004:M1 to 2022:M12).

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2872	428	4.6.70	0.000
V-MDR SA LAG1	0.31	0.050	6.20	0.000
GT-HMR SA	160	15.44	10.38	0.000
DMM 2006M11	-4694	2315	-2.02	0.043
DMM 2007M04	3108	894	3.47	0.000
DMM 2007M10	-1678	818	-2.05	0.041
DMM 2014M10	4247	2026	2.09	0.037
AR(2)	0.97	0.01	52.55	0.000
MA(2)	-0.78	0.05	-13.24	0.000
SMA(5)	0.20	0.065	3.11	0.002
N=227 R ² adjusted= 0.87 F-statistic: 122.6 Prob (F-statistic)=0.00 Breusch–Godfrey LM test= 0.85 Prob=0.55 Ljung-Box Q-Test (36)= 43.84 Prob=0.17 Jaque-Bera=4.59 Prob=0.10 Dickey-Fuller Unit Root Tests for variables: ADF Test Statistic for V-MDR: -5.43 5% Critical value:-2.87 ADF Test Statistic for GT-HMDR: -.5.60 5% Critical value:-2.87 ADF Test Statistic for Residuals: -15.21 5% Critical value:-2.87				

Note: V-MDR= Visits to Marques de Riscal City of Wine; GT-HMDR= Google Trends of Hotel Marques de Riscal

In the second part of our analysis using Google Trends, we conducted a basic ego network mapping for the keywords used in Google-searches related to the MdR winery (lexical analysis of Google Trends keywords). We also tracked the corollary keywords that came up in connection with Marqués Riscal during these searches, and run a K-Core analysis for the ego network (Fig. 4).

The network represented below is a depiction of a virtual mental map of people who look up the MdR winery on Google. Our K-Core results showed that users looked for two principal topics: (1) The MdR winery and the diverse, assorted wines it evokes; and (2) The MdR Hotel and its connections to Frank Gehry, the Guggenheim Museum Bilbao and the domain of architecture and tourism (Fig. 4).

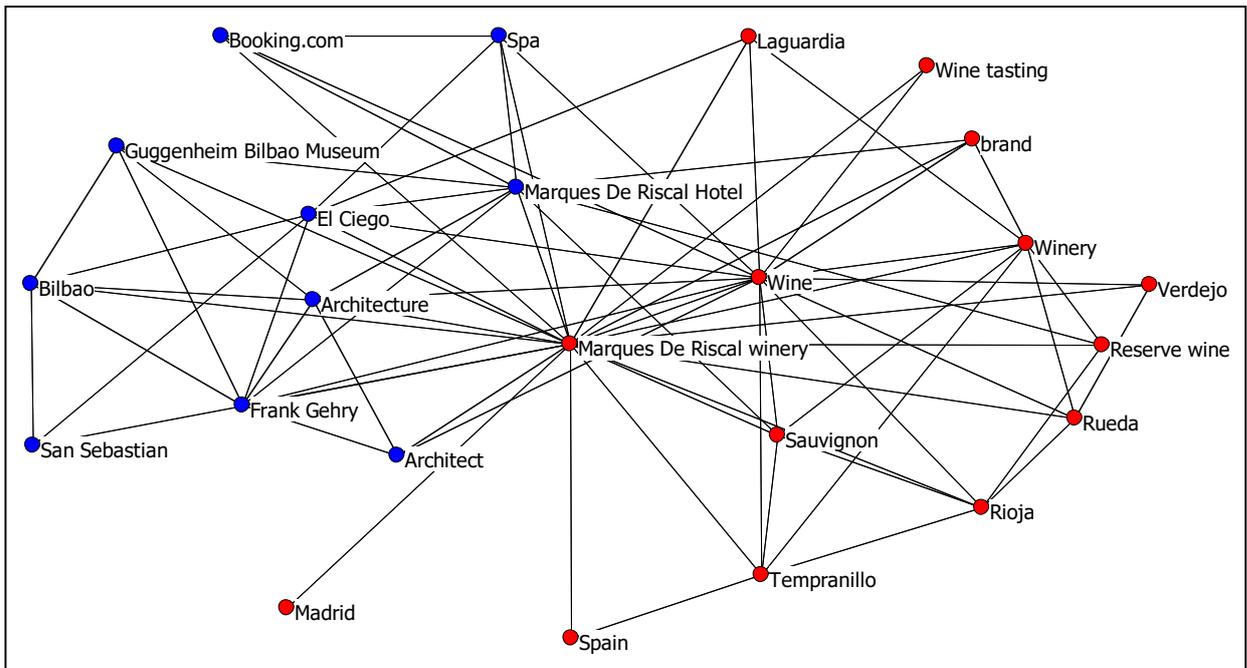


Fig 4. Google Trends for Marques de Riscal winery search. Source: own elaboration with Google Trends data

The virtual mental map of the common keywords associated with Mdr Winery proves that people search for not only the functional aspects of the Riscal wine like ‘Rioja’, the ‘Reserva’ label, the Tempranillo vineyards etc., but also the symbolic associations spawned by the Riscal brand, which are not directly related to the wine itself i.e., architecture, Frank Gehry, Guggenheim Museum Bilbao, San Sebastian etc. This is a resounding iteration of the fact that the Riscal owners’ strategy of using a disruptive building to symbolically reposition the winery has proven to be efficacious as more people are making symbolic mental connections to the Riscal brand outside of the traditional connections that revolved around the ‘material’, ‘functional’ aspects of wine. The iconic Mdr Hotel therefore is a powerful and strong symbolic signal for the Mdr Winery.

4.2 Impact of the iconic building on the financial statement of the Riscal winery

The construction of the iconic building and the multi-pronged innovation strategies initiated by Mdr have transferred to economic gains on the balance sheet for the winery. Fig. 5 shows the evolution of the operating income of the business group throughout the last three decades. Since the early 2000s, the company has more than doubled its figures, from around 30 million euros to 76.6 million in 2017 (SABI, 2022). This was accomplished despite the problems caused by the 2008 economic crisis, which was particularly severe in the Spanish and European markets.

This increase has primarily been concentrated among the verticals of the Riscal winery, the Hotel Mdr and the wine tourism, generated (Fig. 5). The investment in symbolic capital, has translated into financial results for the company, with the profits for the Riscal winery being consistently in the range of 20–25% (SABI, Iberian Balance Sheet Analysis System).

The increase in the operating income also resulted in the winery expanding its production capacity. The volume of production was 6 million bottles in 1995, which today stands at 10.5 million bottles. This increased production capacity propelled the winery to expand its reach geographically from 76 countries to 110 countries worldwide. Today, the winery exports around 70% of the total wine produced, functionally turning the winery into an export-oriented business.

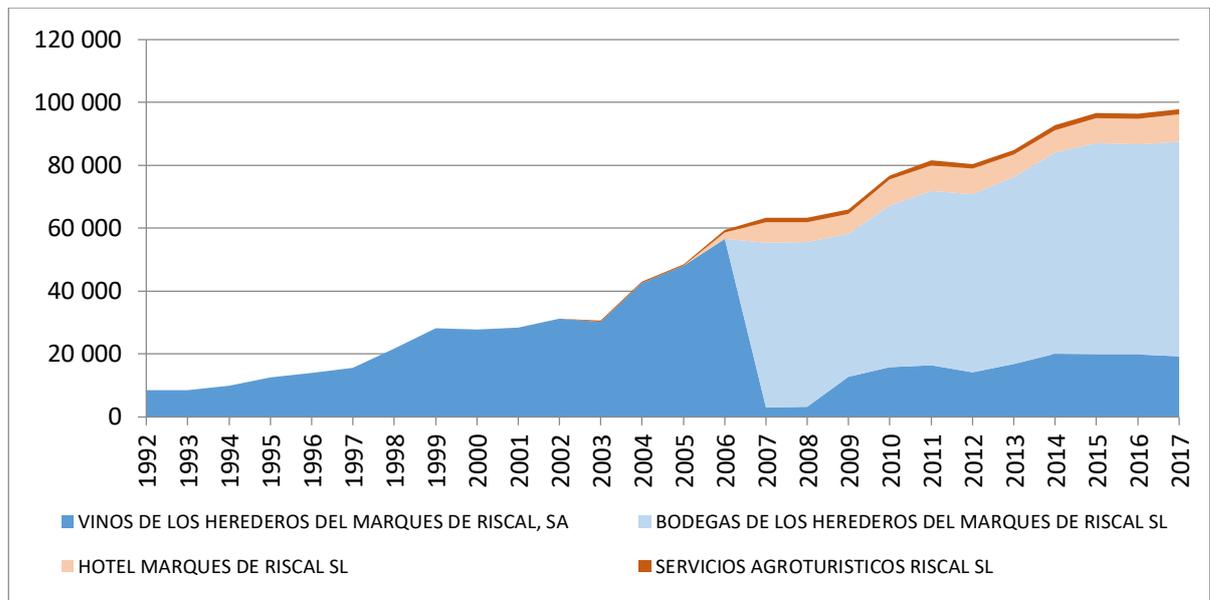


Fig 5. Marques de Riscal's operating income by company (non-consolidated figures). Thousand EUR. Source: own elaboration based on SABI (Iberian Balance Sheet Analysis System)

As a result of the expansion in its activities across various companies and products, the MdR business group has managed to increase its employment figures too. In 2000, the company employed 100 employees, which has grown to 319 in 2022 (triple the number of the original employees).

4.3 Influence of the iconic building on the local economy

The influence of the singular building on the local economy can be measured through (i) the increase in the contribution of the service sector of the economy to the total Gross Value Added (GVA) of the region, (ii) increase in attention garnered by the neighbouring tourist spots which can be linked to the mammoth media exposure generated by MdR (iii) the reinforcement of the region as a wine-producing centrepiece in the area, culminating in the establishment of wine routes in the region.

First, MdR is located in the town of Elciego in the rural wine-producing region of Rioja-Alavesa. Out of the total Gross Value Added (GVA) for the Elciego municipality, the service sector represented/contributed 13.9% before the inauguration of the Hotel MdR. Post the inauguration of the Hotel in 2006, the representation of the service sector in the total GVA grew to 36.6% of total GVA. The difference in the GVA mean before and after is 22.7 (Test $t_{10} = 12.63$, $p < .001$). The service sector encompasses commerce, hospitality and transport (Eustat, 2022), among which MdR has the unique distinction of being a major/primary contributor.

Second, now, in the same region of Rioja-Alavesa as MdR, is also situated the medieval town of Laguardia, the biggest town in the county, a mere 6 km from Elciego. Laguardia was established by the Kings of Navarre in the Early Middle Ages and serves as a popular tourist attraction on account of the fact that its medieval layout was meticulously preserved through the ages, including the walls of the town and the polychrome church façade. The vast media attention aggregated by the disruptive Hotel MdR brought renewed interest in and attention to this primitive medieval town, turning it into a must-see for wine tourists (Figure 6).

Third, the Hotel MdR brought about the underscoring of Rioja as a centrepiece of wine-production, eventually inducing the creation of new wine routes in the region. This catalysed in an increase in wine tourism to the overall area, augmenting economic growth.

In closing, the MdR complex and the singular Hotel have had a transformative effect on the entire Rioja-Alavesa region. Its Symbolic Signalling acted as an economic engine, leading to more growth for the local economy (wine sales, tourists, jobs).

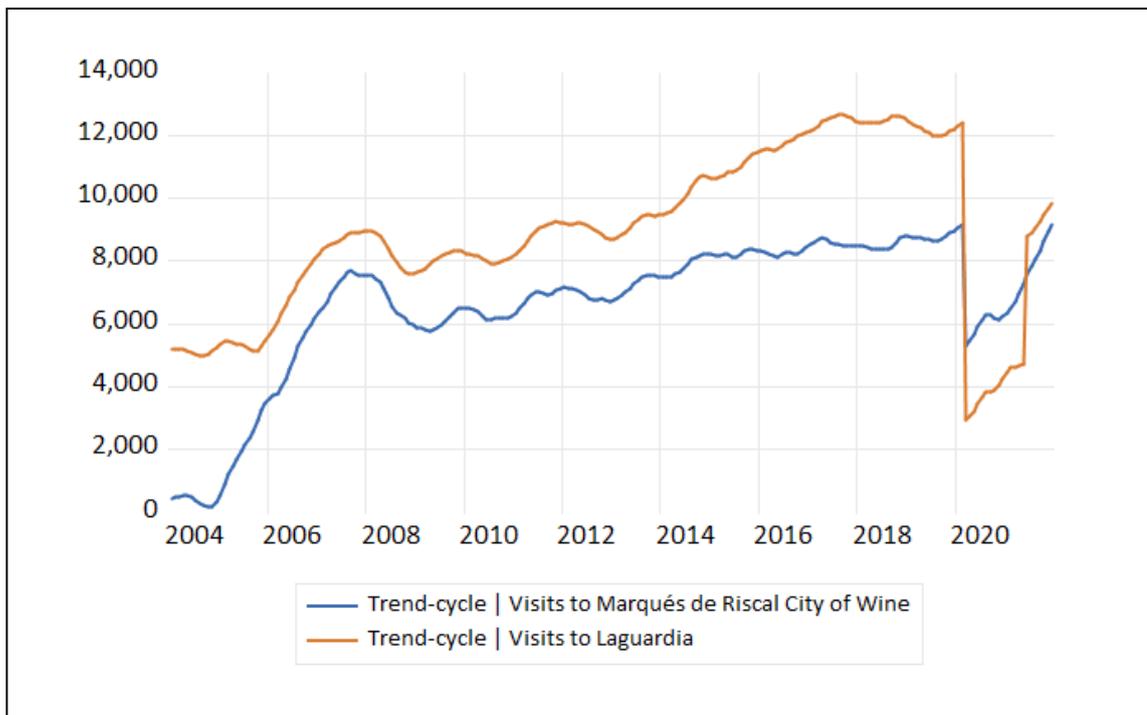


Fig 6. Visits to MdR City of Wine and to Laguardia (Trend-cycle, 2004:M1-2022:M12). Source: own elaboration based on information from Rioja Alavesa Wine Routes in Spain (ACEVIN), the Elciego Tourism Office, and Eustat tourism data on La Cuadrilla de Laguardia

Note: The sharp drop in 2020 is a result of the COVID-19 crisis, while the drop in 2008 is linked to the global financial crisis.

5. Conclusions

First, the Marques de Riscal (MdR) winery capitalised on the architectural masterpiece designed by Frank Gehry that was the Hotel MdR. This strategy of utilizing a singular architectural design as a signalling vehicle to symbolically reposition the winery resulted in economic gains for the winery/region. In this article, we give empirical evidence of the causality between the iconic building and the winery (Table 2), as well as proof of the manner in which the notion of symbolic capital was harnessed to secure eventual economic returns, through the aid of Google Trends (Figure 4).

Second, the repositioning strategy of the MdR overseers titled “Project 2000’ led to a pronounced structural change in the local economy. Following the inauguration of the new Hotel MdR, there was a 22.7% increase in the contribution of the service sector (commerce, hostelry and transport) to the total Gross Value Added GVA of the Elciego town. It bolstered the reputation of Rioja as a wine-producing region and led to the creation of new wine tourism routes in the region. This also led to a spillover effect through creation of commercial industries/activites in the region (ecommerce included).

Third, it is significant to note that the repositioning of the winery MdR in the last twenty years went hand in hand with a holistic innovation plan: introduction of new advanced production technologies along all stages of the value chain, from inputs to a pool of new-engineered wines, to outsourcing to specialized services. These processes had to go hand-in-hand with the construction of the new Hotel as a symbolic repositioning vehicle, for the overall project to be an effective economic reactivator.

In closing, the case of Marqués de Riscal offers a compelling glimpse into the potential for wineries to transform themselves from traditional production facilities into dynamic economic catalysts and cultural branding icons. As we contemplate future studies in this field, there is a wealth of uncharted territory awaiting exploration. Researchers may delve deeper into the sustainability and replicability of such strategies, the evolving digital landscape of wine tourism, the intricate relationships between wineries and their local communities and the challenging embeddedness of iconic buildings within the rural landscape (Harea & Eplényi, 2017; Harea, 2020). By embracing these multifaceted challenges and opportunities, the wine industry can continue to evolve, adapt, and inspire, demonstrating the enduring

synergy between tradition and innovation in the world of winemaking, tourism, local development, and sustainability.

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