



Executive Summary For Cape Town | Cape Winelands

Great Wine Capitals Global
Network® Market Survey

“The Pillars Of Wine Tourism Performance”



2013



This summary report highlights the wine tourism performance of Cape Town, a member of the GREAT WINE CAPITALS GLOBAL NETWORK® (GWCGN).

We collected data from the GWCGN capitals during the summer of 2013.

The number of survey responses for Cape Town was only 13, which severely limited the scope of the analysis and conclusions. Nevertheless, we highlight some key findings below.

Please, consider the Cape Winelands of South Africa when referring to Cape Town in this report



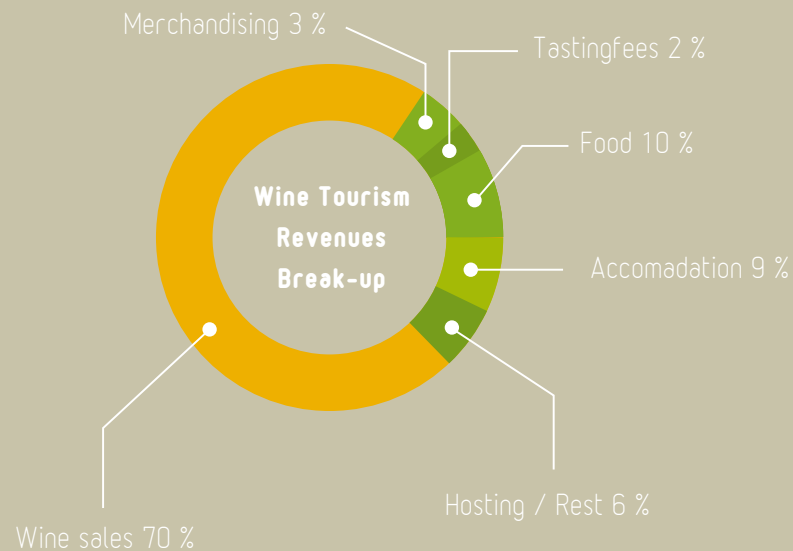
2013



Wine Tourism Revenues and Top Sources of Profits

Wine Tourism Revenues Break-up

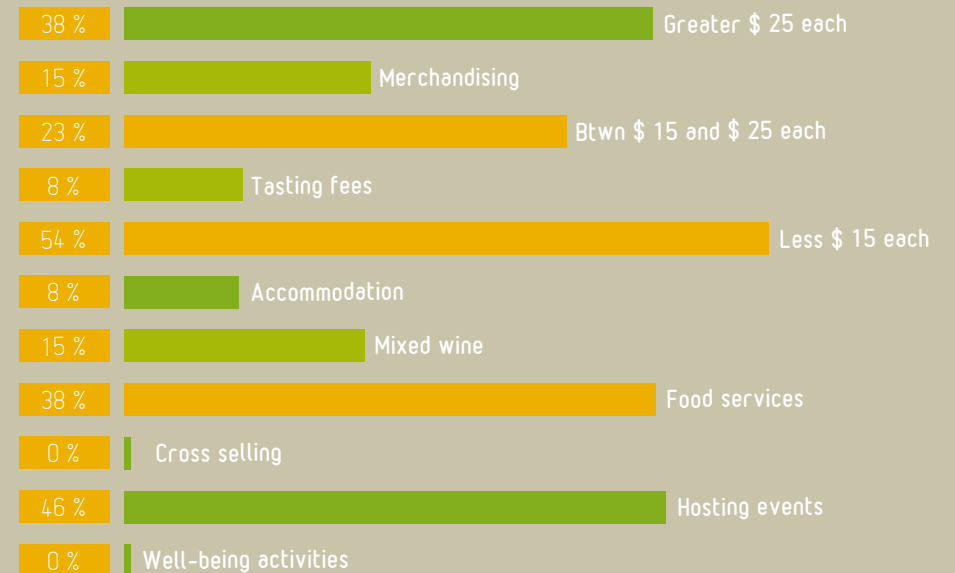
Among all great wine capitals, Cape Town has the largest percentage of revenues associated with Hosting events. From the standpoint of Cape Town wineries, Wine Sales, Food and Accommodations are the most important sources of revenues.



Top Sources of Wine Tourism Profit

For the 2013 survey, we find that low-priced wines (price less than \$15/bottle) represent a top source of profits (with 54% of responses) in Cape Town. The next two top sources of profits are Hosting Events and high-end wines on equal footing with Food Services.

Top Sources of Profit





Wine Tourism Investments and Marketing

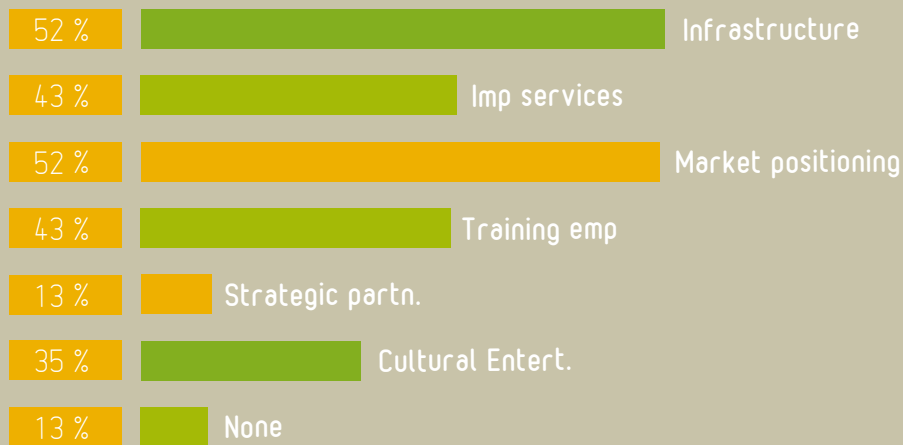
Investments in Wine Tourism

Infrastructure investment is the top investment category for the 2012-2013 period in Cape Town, on equal footing with Training Employees. Improving Services is the second top category.

Top Marketing Tools Used

Just like in the 2012 survey, we again find that the top marketing tool used across the sample of all great wine capitals is a winery's Own Website. Nevertheless, for the specific sample of Cape Town wineries Own Website is not a top category. Social Networks, Region's Fame and Citations by guides are the top three marketing tools, using one's Own Website only comes in eighth place. On the other hand, Cape Town distinguishes itself amongst all the great wine capitals by a promotional strategy that strongly emphasizes Authentic Experience.

Top Investments

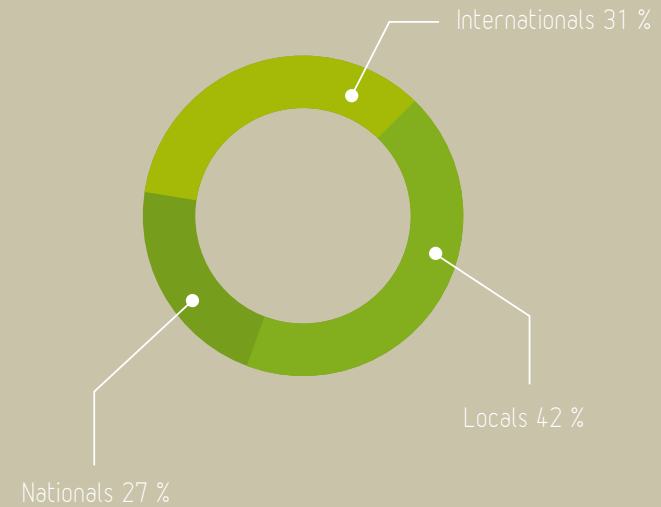




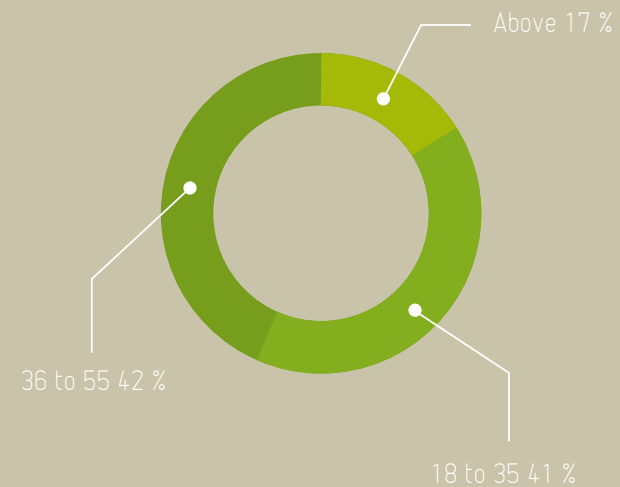
Tourists Characteristics

In terms of Numbers of Visitors per winery, Cape Town has the highest average among all great capitals. However, it has the lowest average in terms of Spending per Visitor. Cape Town wineries welcome the greatest percentage of Local visitors amongst all great capitals (43%). In terms of age groups, Cape Town and other wine capitals like Florence appear to attract a younger clientele. 46% of visitors are females.

Tourists per Origin



Tourists per Age Categories





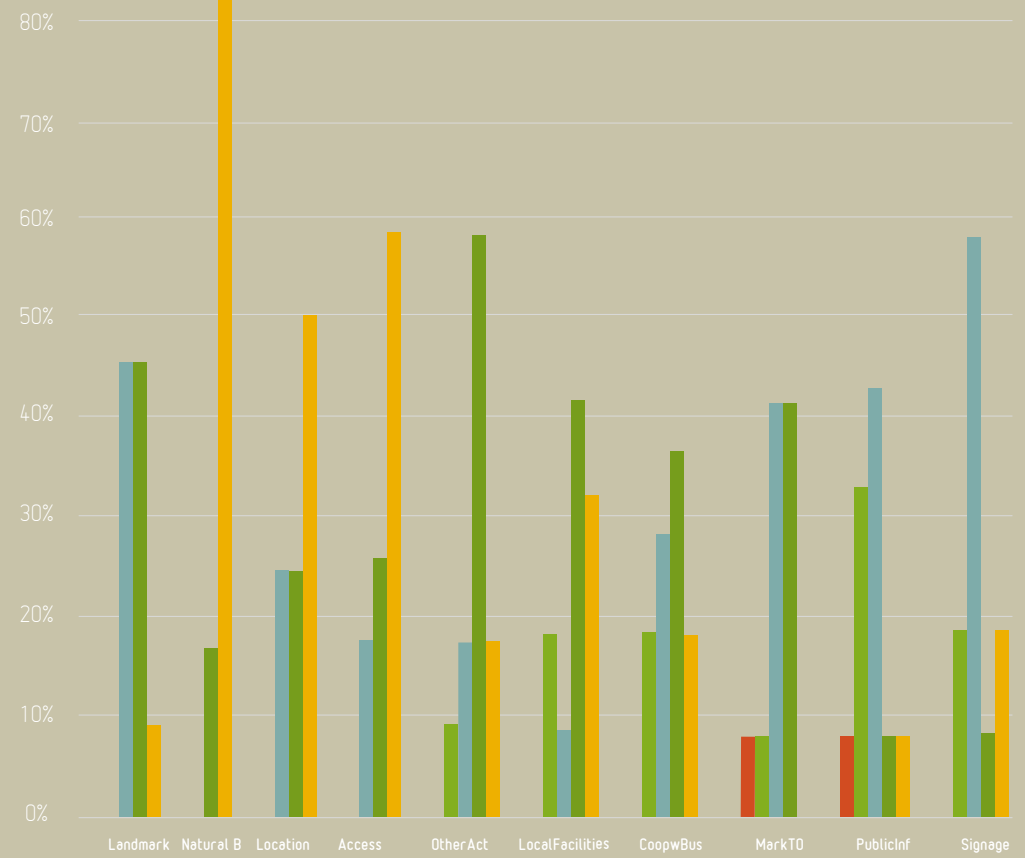
Positive and Negative Factors for Business

Regarding External Factors perceived by wineries to help business or not, Cape Town wineries testify that the Natural Beauty of the region and Location are key positive factors. Other positive factors are Internet use and Cooperation with Other Wineries.

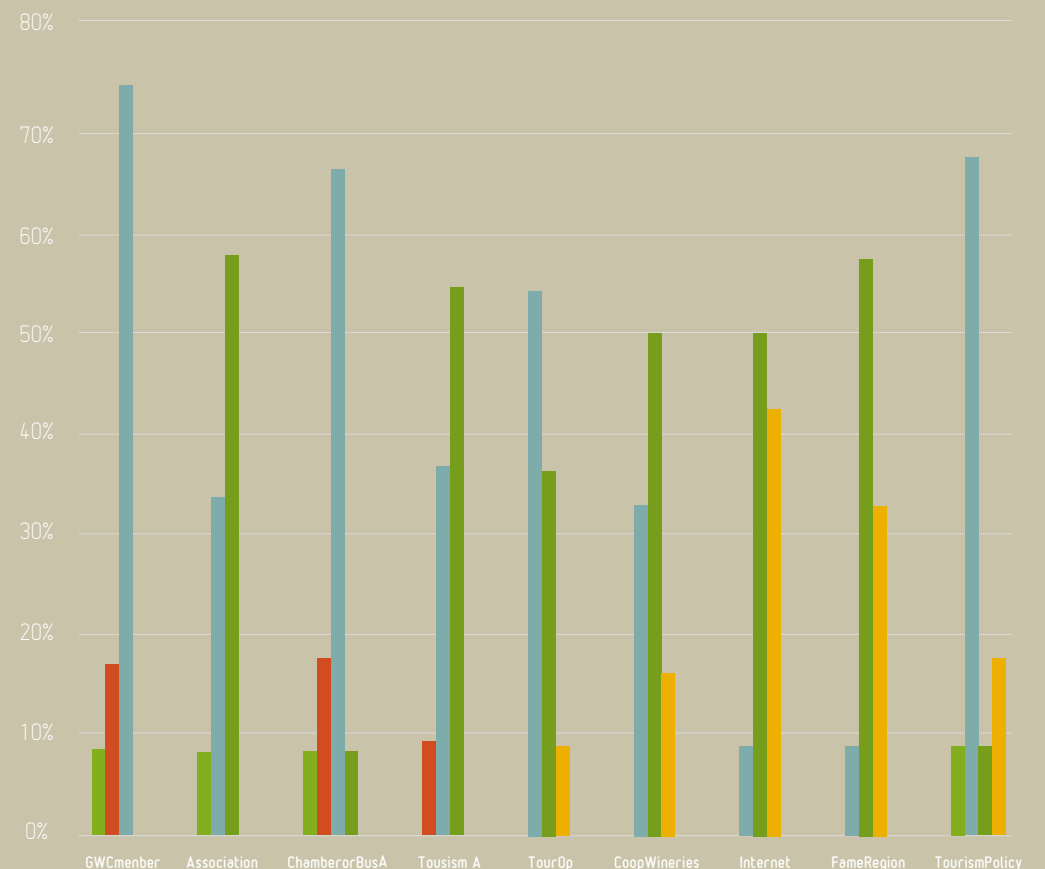
Consistent with the findings of the 2012 survey they report that Signage, and Public Infrastructures can be factors that impede business. Opinions regarding the impact on business are divided regarding Cooperation with other Businesses, Marketing by Tourism Offices and Membership to any Business Association.

- Totally negative
- Somewhat negative
- Neutral
- Somewhat positive
- Totally positive

External Factors - Part 1



External Factors - Part 2





Managerial Implications and Conclusion

The 2013 edition of the GWC[®] survey has produced some interesting findings for the wineries of Cape Town. Cape Town attracts a large percentage of younger and largest percentage of local tourists by comparison with other great wine capitals.

Cape Town wineries demonstrate a commitment to invest in Infrastructure, Training Employees and Improving Services, which appears to support the activities that bring in more revenues and profits, such as high-end wine sales, Hosting Events and Food Services. Overall, Cape Town wineries use a mix of promotional tools, with a

greater emphasis on modern communication tools (Social Networks) vs. standard ones (Tour Operators). Cape Town wineries stand out in the sample of great wine capitals (with Bilbao-Rioja) for emphasizing the notion of Authentic Experience in their marketing strategy. Cooperation with Other Wineries is also perceived as a strong positive factor.

One must exercise caution when trying to extend managerial implications from a small sample of wineries to the whole the region. Nevertheless, it appears that perhaps there is room for Cape Town wineries to use more their Own Websites as a means to enhance their connectivity to clients, or even tools such as Mobile Apps. There also seems to be opportunities to create a better cooperation with Tourism Offices and other complementary tourism related businesses, as a means to enhance revenue windfalls.