



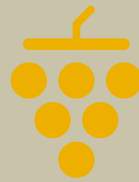
Executive Summary For Mainz | Rheinhessen

Great Wine Capitals Global
Network® Market Survey

“The Pillars Of Wine Tourism Performance”



2013



This summary report highlights the wine tourism performance of Mainz-Rheinhessen, 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 Mainz-Rheinhessen was 38, which is an increase of about 20% compared to the 2012 survey. Still, the relatively small size of the sample does not permit broad generalizable conclusions. Nevertheless, we present some of the key highlights below.



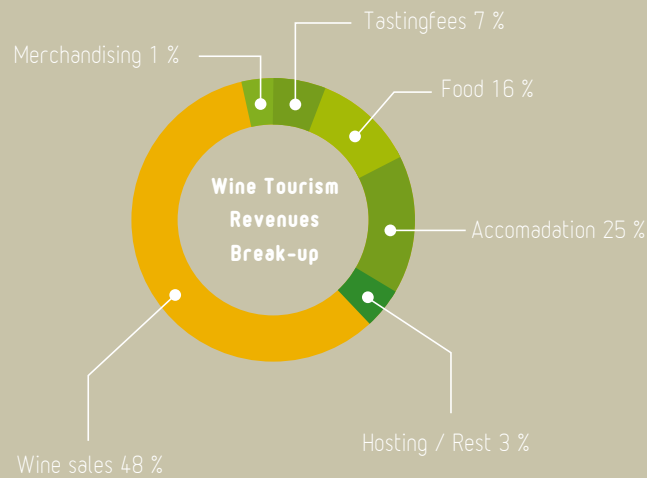
2013



Wine Tourism Revenues and Top Sources of Profits

Wine Tourism Revenues Break-up

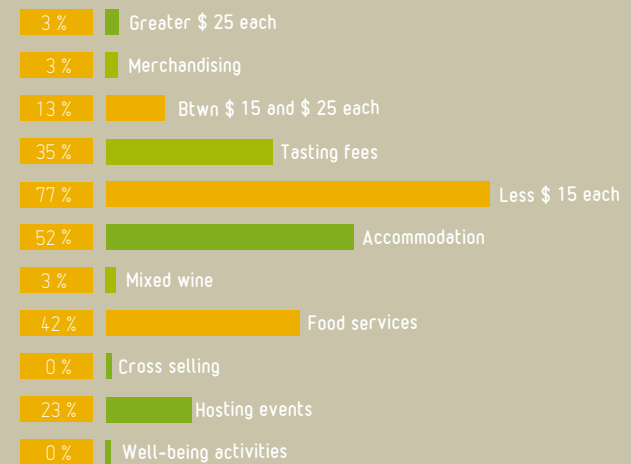
Among all capitals, Mainz-Rheinhessen has the largest percentage of revenues tied to Accommodations and the smallest tied to Wine Sales. From the standpoint of the Mainz-Rheinhessen wineries, Wine Sales revenues is the number one category, followed by Accommodations and Food as the next two key sources of revenues.



Top Sources of Wine Tourism Profit

For the 2013 survey, we find that low-end wines (price less than \$15/bottle) represent the top source of profits in Mainz-Rheinhessen. The next top two sources of profits are Accommodations and Food Services.

Top Sources of Profit



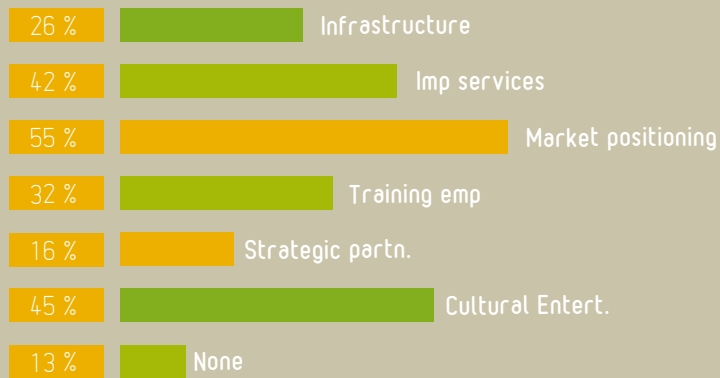


Wine Tourism Investments and Marketing

Investments in Wine Tourism

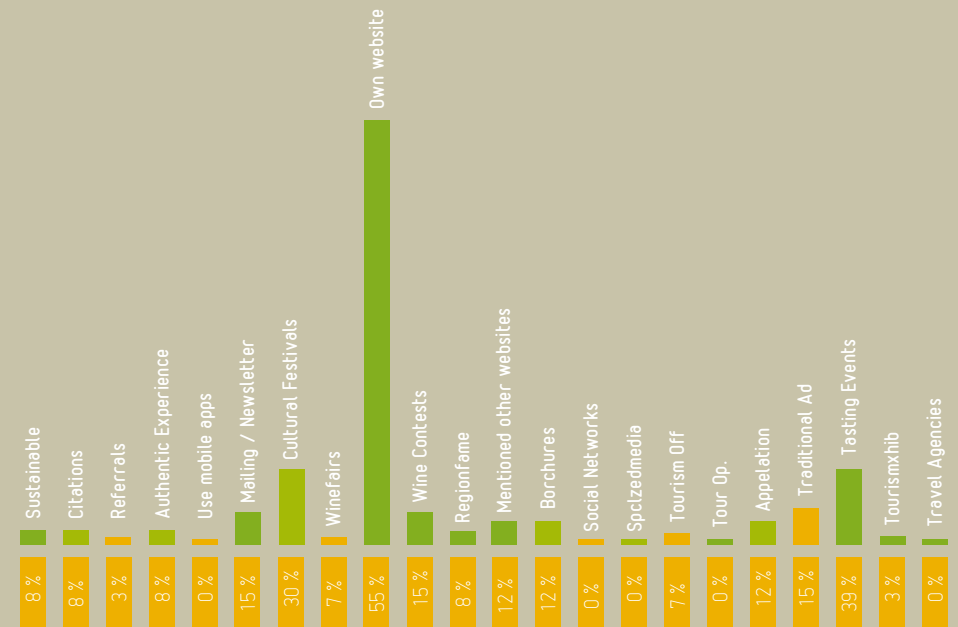
The top investment categories category for the 2012-2013 period in Mainz-Rheinhessen are Market Positioning, Cultural Entertainment and Improving Services. By comparison with other capitals, we observe a small number of responses featuring Infrastructure Investments.

Top Investments



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, which is the top category for Mainz-Rheinhessen. For the specific sample of Mainz-Rheinhessen wineries the next top two categories are Tasting Events and Cultural Festivals.

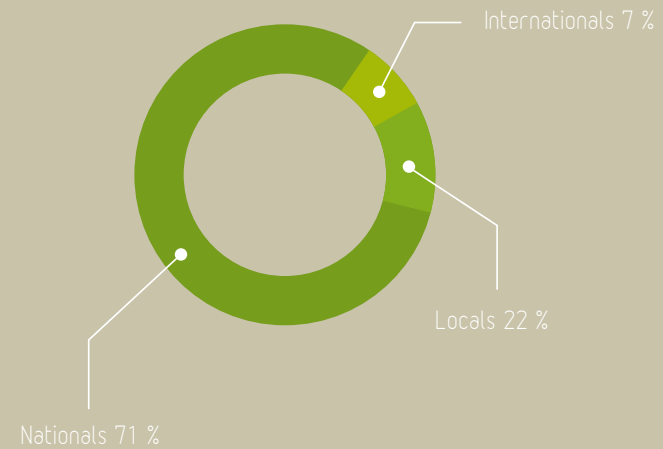




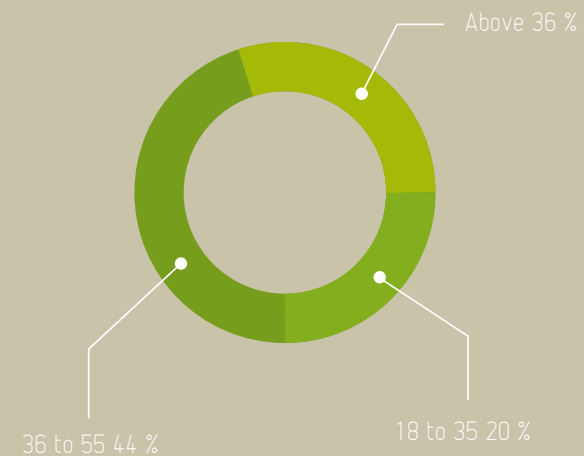
Tourists Characteristics

In terms of Numbers of Visitors per winery, Mainz-Rheinhessen is in second to last place among all great capitals. But it is the third highest in terms of Spending per Visitor. In terms of origin, 71% of tourists are nationals (highest percentage amongst all great capitals), more than 36% are above 56 years old (highest percentage amongst all great capitals) and about 47% are women.

Tourists per Origin



Tourists per Age Categories



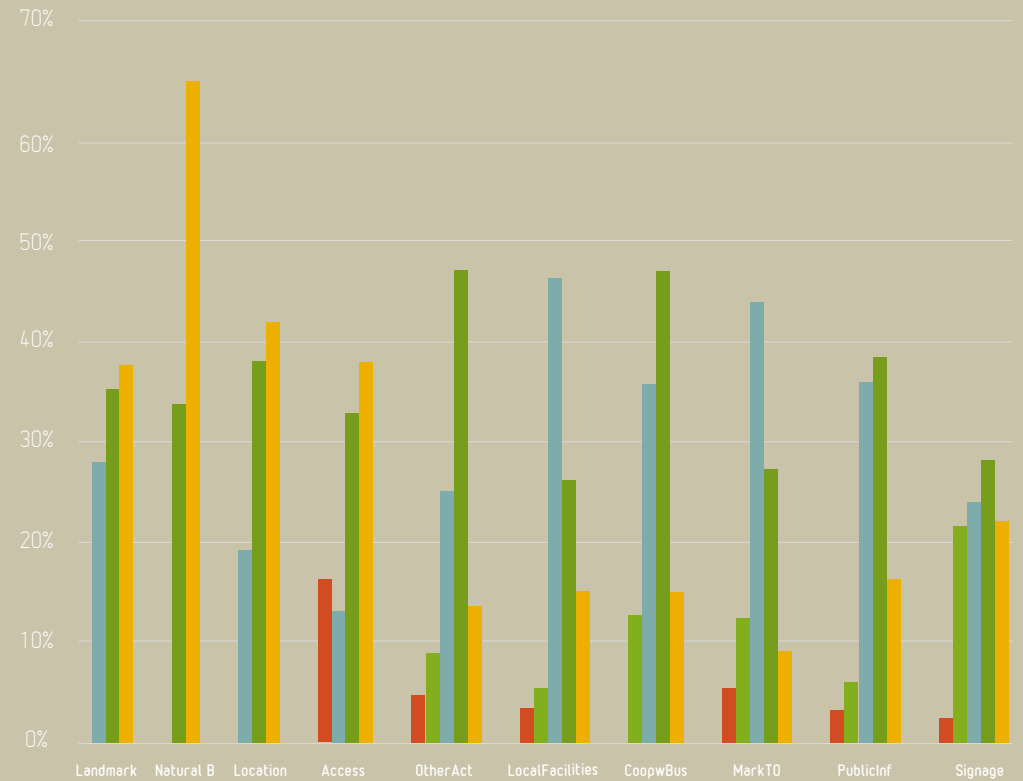


Positive and Negative Factors for Business

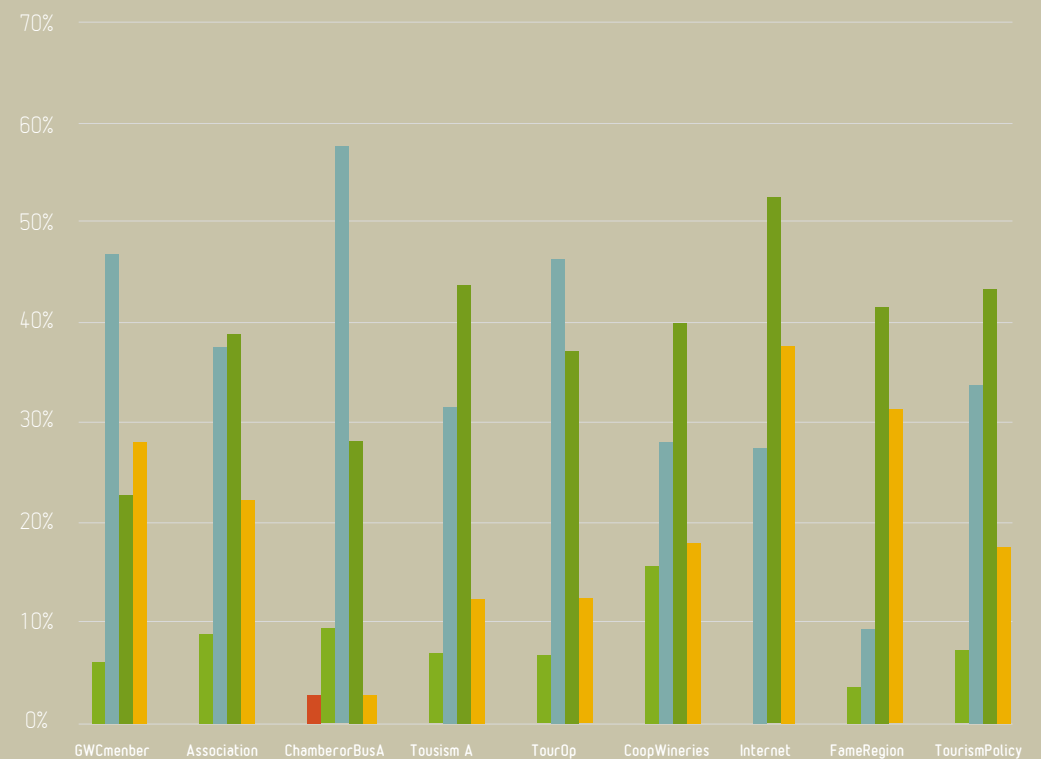
Regarding External Factors perceived by wineries to help business or not, Mainz-Rheinhessen wineries testify that the Natural Beauty of the region, Location and the presence of historical Landmarks constitute key positive factors. Consistent with the findings of the 2012 survey they report that Signage and Public Infrastructures can be factors that impede business. Additionally, while slightly tilted towards the positive, opinions are split regarding the impact for them of the Marketing done by Tourism Offices, and the presence of Other Activities that attract tourists to the area.



External Factors - Part 1



External Factors - Part 2





Factors Correlated with Attracting More Tourists

First, we isolate the candidate factors that explain or at least correlate with more tourist visits. The Table below shows the most impactful factors for the overall sample. The variable we try to explain here is the Number of Tourists visiting a given winery. The factors highly correlated with increased number of tourists are shown in the left hand side column. These factors are ranked in descending importance of impact. Because of the small number of observations only a few dimensions showed up as statistically significant.

In the category Investments in Wine Tourism, Improved Services is the number one factor that correlates positively with attracting more visitors. In the category Activities Offered, Gastronomy is the most impactful positive activity, closely followed by Onsite Shops. Spa Therapy and Hosting Weddings are associated with wineries which may by the nature of their size and market segment be attracting a smaller numbers of visitors.

| Most Significant and Impactful Factors | Effect | Pseudo R ² and Observations | | Factor Categories |
|--|--------|--|----|-----------------------------|
| Improved Services | + + | 42 % | 19 | Investments in Wine Tourism |
| None | + | | | |
| Infrastructure | + | | | |
| Cultural Events | + | | | |
| Gastronomy | + + | 49 % | 21 | Activities Offered |
| Onsite Shops | + + | | | |
| Spa Therapy | - | | | |
| Hosting Weddings | - | | | |

Table shows results from Quantile Regressions. Corrected for size effect



Factors Correlated with Higher Spending/Tourist

The factors correlated with higher Spending per Visitor are now analyzed. Again, because of the small number of observations in the sample, only one dimension showed up as statistically significant, that of Activities Offered. Within that category, we get positive effects from Conferences and Photos Exhibitions as well as Hosting Weddings. A strong negative impact occurs for wineries that offer more Museum Exhibits and Tasting Visits. It is difficult to interpret this finding here.

| Most Significant and Impactful Factors | Effect | Pseudo R ² and Observations | Factor Categories |
|--|--------|--|--------------------|
| Museum Exhibits | -- | 45 % 21 | Activities Offered |
| Tasting Visits | -- | | |
| Conferences | + | | |
| Photos Exhibitions | + | | |
| Onsite Shops | - | | |
| Entertainment | - | | |
| Hosting Weddings | + | | |

Table shows results from Quantile Regressions. Corrected for size effect.



Managerial Implications and Conclusion

The 2013 edition of the GWC[®] survey has produced some interesting findings for the wineries of Mainz-Rheinhessen. Mainz-Rheinhessen attracts a large percentage of older tourists and nationals by comparison with other great wine capitals. Mainz-Rheinhessen wineries demonstrate a commitment to invest in Market Positioning. But the category of investments that brings more visitors at the margin is Improved Services.

While Accommodations is ranked as one of the top profitable activities, the activities that marginally bring in more visitors are Gastronomy and

Onsite Shops. The activities that bring more spending are characterized by being "special events" like Conferences, Photos Exhibitions and Hosting Weddings.

Overall, Mainz-Rheinhessen wineries use promotional tools that align with the strategy of using "special events" to attract more visitors.

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 Mainz-Rheinhessen wineries to offer more services that appeal to women, younger generations and local visitors for example by expanding the use of Social Networks.