



Executive Summary For Mendoza

Great Wine Capitals Global
Network® Market Survey

“The Pillars Of Wine Tourism Performance”



2013



This summary report highlights the wine tourism performance of Mendoza, 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 Mendoza was only 10, which severely limited the scope of the analysis and conclusions. Nevertheless, we highlight some key findings below.



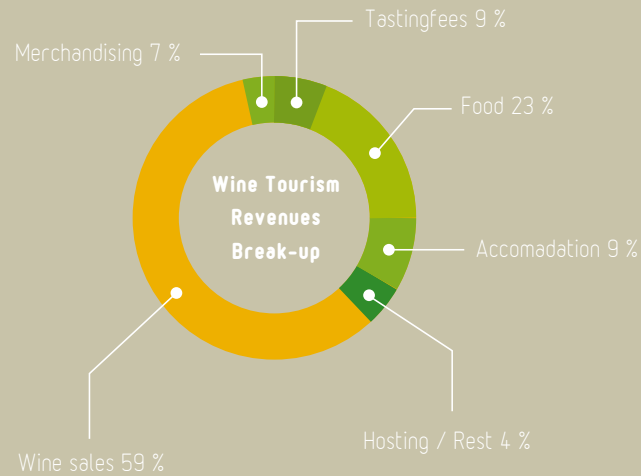
2013



Wine Tourism Revenues and Top Sources of Profits

Wine Tourism Revenues Break-up

Among all capitals, Mendoza has the largest percentage of Merchandizing revenues. Nevertheless, from the standpoint of the Mendoza wineries, Wine Sales, Food and Tasting Fees are the major sources of revenues.



Top Sources of Wine Tourism Profit

For the 2013 survey, we find that high-end wines (price greater than \$25/bottle) represent a top source of profits in Mendoza, a similar percentage as in Christchurch, NZ. In the Mendoza sample of responses we find that the next two top sources of profits are Food Services and Merchandizing, the latter on par with Tasting Fees.

Top Sources of Profit



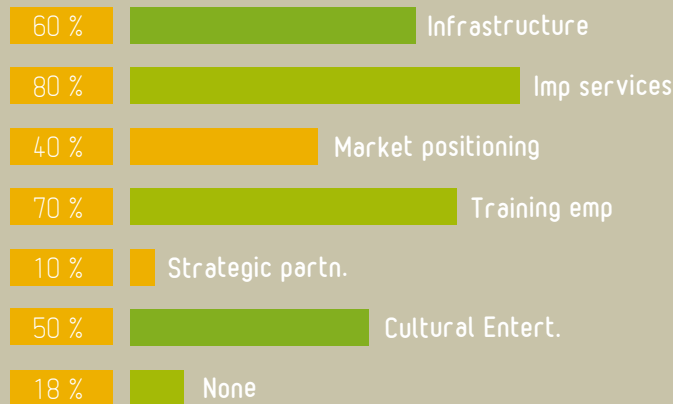


Wine Tourism Investments and Marketing

Investments in Wine Tourism

Improving Services is the top investment category for the 2012-2013 period in Mendoza, which is similar to the wineries of Bilbao-Rioja. Training Employees and Infrastructure investments are the next two top categories for Mendoza wineries.

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. Nevertheless, for the specific sample of Mendoza wineries the top two categories are Travel Agencies and Tourism Offices. Own Website comes in third position on equal footing with using Brochures displayed in hotels and other tourists' sites.

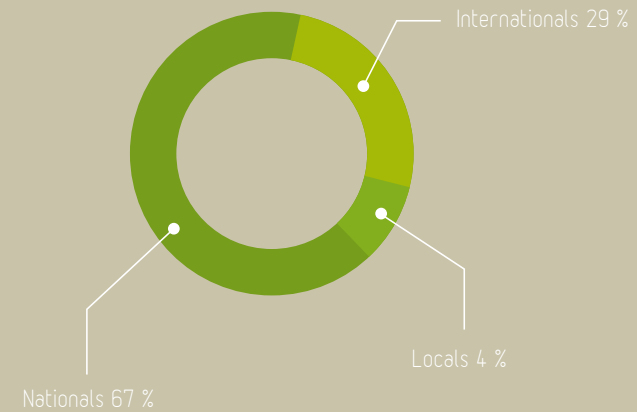




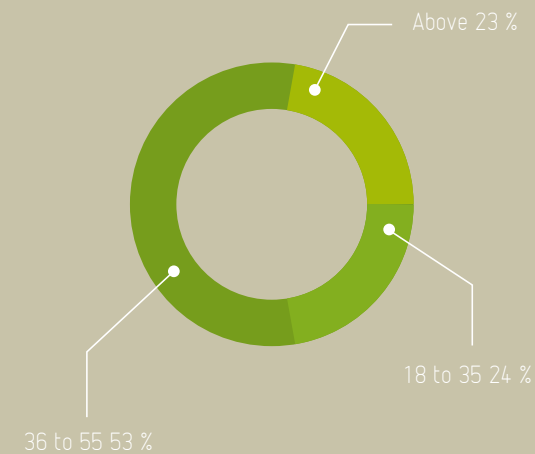
Tourists Characteristics

In terms of Numbers of Visitors per winery, Mendoza is in second place among all great capitals. In terms of age groups, Mendoza and other wine capitals like Cape Town and Florence appear to attract a younger clientele. Mendoza as well as Christchurch and Mainz-Rheinhessen are the top attractors of female visitors.

Tourists per Origin



Tourists per Age Categories

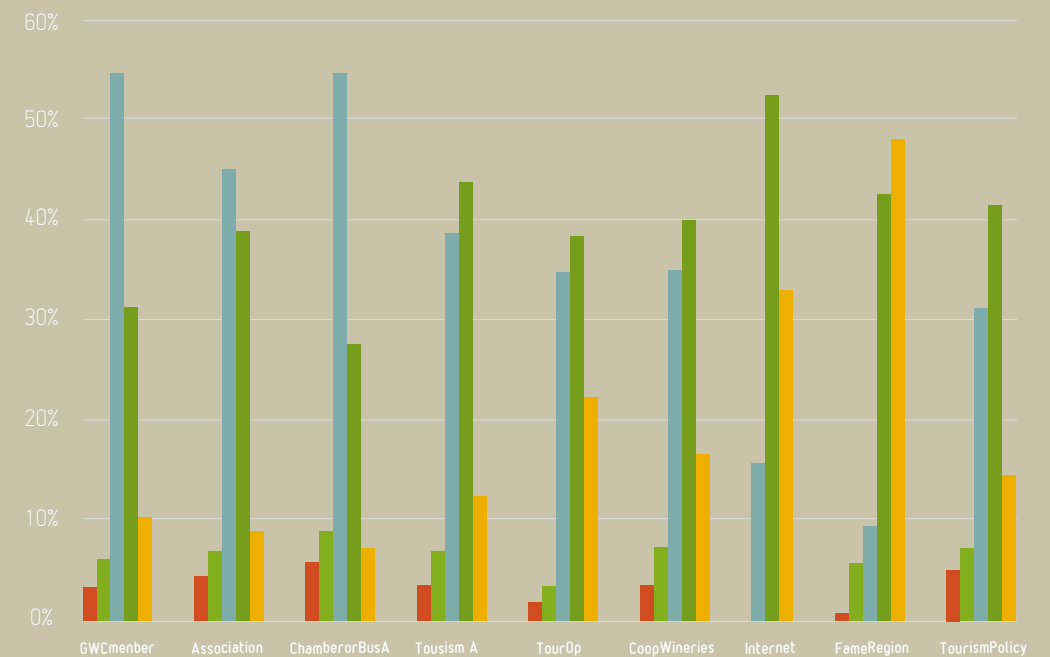
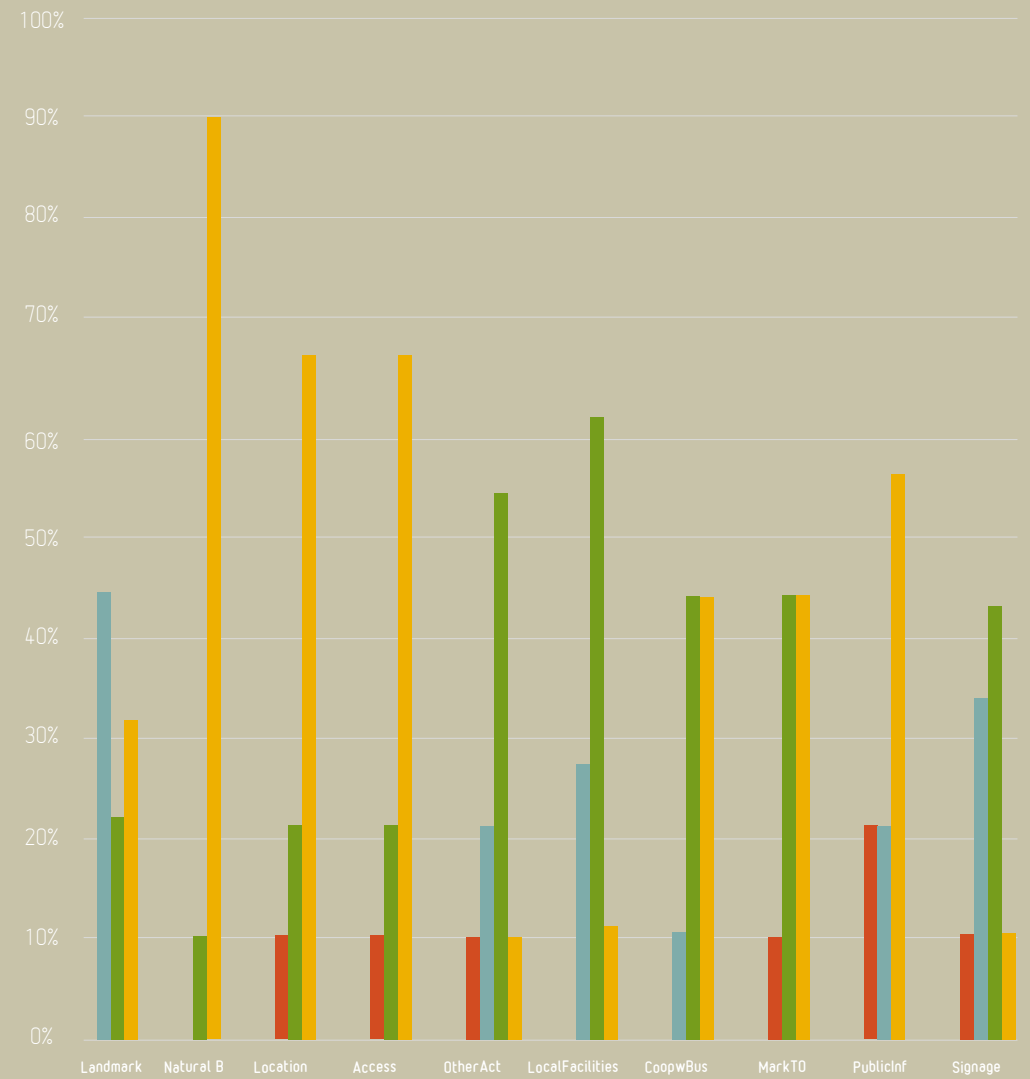




Positive and Negative Factors for Business

Regarding External Factors perceived by wineries to help business or not, Mendoza wineries testify that the Natural Beauty and of the region is a key positive factor. Consistent with the findings of the 2012 survey they report that Signage, Access and Public Infrastructures can be factors that impede business.

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





Managerial Implications and Conclusion

The 2013 edition of the GWC[®] survey has produced some interesting findings for the wineries of Mendoza. Among the great wine capitals, Mendoza attracts a majority of tourists with ages ranging between the mid-thirties and fifties, two-thirds of visitors are nationals and 48% are females (one of the largest percentages among great capitals).

Mendoza wineries demonstrate a commitment to invest in Improving Services and Training Employees. This investment strategy is consistent with the fact that sales of high end wines, Food revenues and Tasting Fees are key sources

of revenues and profits for Mendoza. Overall, Mendoza wineries use more classic promotional tools than other wine capitals, in particular, Travel Agencies and Tour Operators.

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 there is room for progress to add strategies around cross-selling regional products or offering well-being activities that may enhance the wine experience. In terms of marketing tools, there is an effort to create a relationship with tourists via promoting the notion of Authentic Experience. Nevertheless, it appears that the use of Social Networks could be greatly expanded in Mendoza.